

Uponor

Moving > Water

Comparable operating profit margin increase amid turbulent markets

Q4

Uponor Corporation
Financial Statements Bulletin
January–December 2023

Uponor

Comparable operating profit margin increase amid turbulent markets

October–December 2023 in brief

Net sales were €277.6 (276.5) million, an increase of 0.4%. Organic growth adjusted for currencies was 7.9%.

Comparable operating profit was €27.6 (11.0) million or 9.9% (4.0) of net sales.

Operating profit was €0.8 (1.4) million or 0.3% (0.5) of net sales. Operating profit was impacted by extraordinary items affecting comparability of €26.8 million mainly in the month of October. These extraordinary items were related to one-time expenses related to the public tender offer.

Earnings per share were €-0.09 (0.02).

Important Note: The financial results for November–December will be fully consolidated into Georg Fischer AG. In line with the expectations, the financial results in these months are seasonally low compared to the rest of the year. Reflecting the improved margin resilience demonstrated throughout the year, November and December 2023 comparable operating profit margin was clearly above the average profitability of recent years for these two months.

January–December 2023 in brief

Net sales were €1,221.0 (1,386.2) million, a decrease of -11.9%. Net sales adjusted for currencies was, €1,250.9 million (-9.8%), in line with the 2023 guidance. Organic growth adjusted for currencies was -5.8%. The impact of District Energy business and Middelfart factory closure decreased net sales by €-44.3 million.

Comparable operating profit was €150.5 (153.7) million or 12.3% (11.1) of net sales.

Operating profit was €118.5 (135.5) million or 9.7% (9.8) of net sales.

Earnings per share were €0.92 (1.21).

Guidance statement for 2024

Due to the ongoing minority share redemption process by Georg Fischer and the subsequent delisting of Uponor shares, Uponor will not issue a guidance for 2024.

A short-term market outlook will be published on 19 March as part of Georg Fischer AG annual results.

The Board's dividend proposal

The Board proposes to the Annual General Meeting that no dividend shall be paid for the financial year 2023. This is a deviation from the long-term financial targets, whereby the company strives for a growing annual dividend payout. Georg Fischer AG has acquired through a public tender offer more than 90 per cent of all the issued and outstanding shares and votes in Uponor and has initiated compulsory redemption proceedings for the remaining shares. Consequently, Uponor will be delisted from Nasdaq Helsinki Ltd.

Michael Rauterkus, President and CEO, comments:



"In the fourth quarter of 2023, we continued to deliver on our ambition to build margin resilience under volatile market conditions. In the seasonally slow quarter, we achieved a strong comparable operating profit margin of 9.9% (4.0%). Our net sales adjusted for structural changes increased by 3.9%.

The impact of structural changes on net sales was -€44.3 million including the divestment of Uponor's District Energy business and the closure of the factory in Middelfart, Denmark. Excluding the currency impacts, our net sales during 2023 were €1,250.9 million.

For the full year 2023, our comparable operating margin improved to 12.3% (11.1%), showing the

benefits of our margin resilience initiatives and operating model. I would like to thank all Uponor employees, whose dedication and hard work in driving our transformation and financial performance has delivered strong profitability in demanding market conditions.

Building Solutions – North America continued its strong performance in Q4 and delivered an all-time record operating profit in 2023, supported by robust operational performance and successful delivery of cost initiatives. Net sales for the full year grew by 6.8% organically, driven by strong demand generation activities and price discipline.

Uponor Infra continued the successful delivery of strategy to focus on the profitable core. The 2023 net sales declined due to restructuring actions to improve profitability as well as lower market activity, but the comparable operating profit margin for the full year reached a record level of 8.2%. Adjusted for structural changes, Uponor Infra net sales decreased by 14.9% compared to the previous year.

In Building Solutions – Europe, soft demand continued during the quarter. The decisive transformation programme implementation during 2023 enabled defending the comparable operating margin. However, it did not fully compensate the continued slow underlying market activity in our key European markets.

We achieved many industry firsts in our sustainability work during 2023. Uponor produced the world's first circular PEX pipe based on its own production waste in cooperation with Wastewise, Neste and Borealis. We also received as the first company in our industry validation for our net zero target by the Science Based Targets initiative. To support its commitment to leading the construction industry towards net zero by example, Uponor has created a Carbon Neutral Factory concept, which highlights our efforts to reduce carbon emissions. As the first Uponor factory to achieve the status of a Carbon Neutral factory, Uponor's factory in Nastola, Southern Finland, reached full carbon neutrality in its own operations on 4 December 2023. Our objective is to replicate the Carbon Neutral Factory concept in other Uponor factories. In 2023, Uponor was also awarded the Gold level by the EcoVadis sustainability rating for the first time, reflecting Uponor's long-standing commitment to sustainability and transparency in its ESG reporting. I am particularly proud that our rolling 12 months' accident frequency (LTIFR) reached a record low level of 4.0 (8.5) for the full year.

Going forward, Uponor will, as a result of the successful tender offer, be delisted and transfer under the ownership of Georg Fischer AG (GF). GF possesses a long-term track record of strong growth and innovation. With our exceptionally engaged employees, I am confident that together with GF we have the possibility to further accelerate growth and innovation, as we join forces to target global leadership in water and flow solutions.

I want to thank all our colleagues for their tireless commitment in improving Uponor's performance in the past years. As we continue our profitable growth journey as part of Georg Fischer AG, I wish to extend a special thank you to all of Uponor's shareholders over the years, who have believed in us during the past two decades of being a publicly listed company."

Key figures

M€	10-12/2023	10-12/2022	Change	1-12/2023	1-12/2022	Change
Net sales	277.6	276.5	+0.4%	1,221.0	1,386.2	-11.9%
Operating expenses	263.8	261.3	+1.0%	1,066.2	1,197.1	-11.0%
Depreciation and impairments	12.9	14.8	-12.5%	51.5	54.5	-5.5%
Operating profit	0.8	1.4	-45.4%	118.5	135.5	-12.5%
Operating profit, %	0.3	0.5	-45.6%	9.7	9.8	-0.6%
Comparable operating profit	27.6	11.0	+149.6%	150.5	153.7	-2.1%
Comparable operating profit, %	9.9	4.0	+148.6%	12.3	11.1	+11.2%
Financial income and expenses	-3.1	-1.7	-84.5%	-7.2	-1.0	-636.8%
Profit before taxes	-2.1	0.0	-6,469.7%	111.7	134.9	-17.2%
Profit for the period	-6.3	1.5	-517.4%	74.2	97.5	-23.9%
Earnings per share	-0.09	0.02	-461.7%	0.92	1.21	-24.0%

	31 Dec 2023	31 Dec 2022	Change
Net working capital, M€	120.6	164.5	-26.7%
Net-interest bearing debt, M€	65.4	48.5	+35.0%
Solvency, %	50.5	55.2	-8.6%
Gearing, %	14.3	9.1	+57.7%

This financial statements bulletin is unaudited.

Uponor Corporation's financial calendar 2024

28 Jun 2024 Annual General Meeting 2024
18 Jul 2024 Half-Year Financial Report 1-6/2024

Shareholders who wish to have items put on the agenda of the Annual General Meeting shall notify the company thereof latest by 10 May 2024 via email to agm@uponor.com.

Georg Fischer AG (GF) has acquired through a public tender offer more than 90 per cent of all the issued and outstanding shares and votes in Uponor. GF has on 17 November 2023 filed an application with the Redemption Committee of the Finland Chamber of Commerce to initiate compulsory redemption proceedings for the remaining shares under the Finnish Companies Act. GF has announced that it intends to cause the shares of Uponor to be delisted from Nasdaq Helsinki Ltd. as soon as permitted and practicable under applicable laws.

The publication of the half-year financial report 2024 is subject to the timing of the delisting and will be published only if there is a regulatory requirement for this.

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UPONOR CORPORATION INTERIM FINANCIAL STATEMENTS BULLETIN JANUARY–DECEMBER 2023

Financial review October–December 2023

Market development

Construction activity in Uponor's core markets remained soft, on the whole, during the quarter. However, while key European markets continued to slow, some indicators of U.S. construction showed signs of stabilisation.

Net sales

Uponor Group's net sales for the seasonally slow fourth quarter of the year reached €277.6 (276.5) million, an increase of 0.4% or 3.9% adjusted for structural changes in Uponor Infra. The organic net sales growth adjusted for currencies was 7.9%. Lower overall market activity continued to negatively impact the net sales of Building Solutions – Europe and Uponor Infra. Net sales grew from the previous year's level in Building Solutions – North America in USD terms, driven by strong demand generation activities. Net sales in the comparison period were impacted by the cyberattack against Uponor at the end of the year 2022.

Negative net currency impact was €6.9 million, bringing the growth without currency impact to 2.9%. Biggest currency impact came from SEK, USD and CAD.

Breakdown of net sales by division (October–December):

M€	10–12/2023	10–12/2022	Change
Building Solutions – Europe	111.1	119.7	-7.2%
Building Solutions – North America	120.0	90.6	+32.5%
(Building Solutions – North America (M\$))	130.4	92.7	+40.6%
Uponor Infra	47.2	67.2	-29.7%
Eliminations	-0.7	-1.0	
Total	277.6	276.5	+0.4%

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. 37.4% (28.3), Germany 10.3% (9.4), Sweden 9.0% (12.9), Finland 6.5% (10.6), Canada 5.9% (4.9), the Netherlands 5.7% (4.8), Poland 3.9% (3.0), Denmark 3.3% (4.5), Spain 2.9% (2.9), and France 2.2% (2.0).

Results and profitability

Uponor's gross profit in the fourth quarter of the year was €110.2 (92.0) million. The gross profit margin was 39.7% (33.3) and the comparable gross profit margin was 41.1% (33.6).

The operating profit in the fourth quarter of 2023 was €0.8 (1.4) million with an operating profit margin of 0.3% (0.5). Successful delivery of cost initiatives and favourable product mix contributed positively to the profitability development. The comparable operating profit was €27.6 (11.0) million and the comparable operating profit margin was 9.9% (4.0). The total negative net effect of items affecting comparability was €26.8 (9.6) million, of which €-1.5 million related to Uponor's ongoing Transformation programme and €-23.6 million related to strategic projects and transaction fees. Profitability in the comparison period was negatively impacted by the cyberattack against Uponor at the end of the year 2022.

Operating profit by division (October–December):

M€	10–12/2023	10–12/2022	Change
Building Solutions – Europe	0.7	-7.0	+110.7%
Building Solutions – North America	16.0	6.8	+135.7%
(Building Solutions – North America (M\$))	17.4	6.7	+159.9%
Uponor Infra	-0.9	5.1	-117.2%
Others	-26.5	-1.8	
Eliminations	11.4	-1.6	
Total	0.8	1.4	-45.4%

Comparable operating profit by division (October–December):

M€	10–12/2023	10–12/2022	Change
Building Solutions – Europe	7.4	-0.7	+1,173.1%
Building Solutions – North America	20.3	7.2	+180.6%
(Building Solutions – North America (M\$))	22.1	7.2	+207.9%
Uponor Infra	2.8	5.2	-46.8%
Others	-2.3	-0.7	
Eliminations	-0.6	-0.1	
Total	27.6	11.0	+149.6%

Uponor's net financial income and expenses were €-3.1 (-1.7) million. In the fourth quarter of 2023, net currency exchange differences totalled €-1.7 (-3.0) million.

The share of the result in associated companies was €0.2 (0.2) million.

Uponor's profit before taxes for October–December was €-2.1 (0.0) million. The tax expense was €4.2 (-1.5) million.

Profit for the period in the fourth quarter of 2023 was €-6.3 (1.5) million.

Return on equity was -5.4% (1.1). Return on investment was 0.4% (0.6). Return on investment, adjusted for items affecting comparability, was 18.1% (6.5).

Earnings per share were €-0.09 (0.02). Equity per share was €6.29 (6.34). For other share-specific information, please see the Tables section.

Cash flow

Cash flow from operations was €3.4 (27.5) million in October–December 2023. Cash flow before financing was €-5.8 (12.8) million.

Capital expenditure

Gross investment in fixed assets totalled €9.4 (15.1) million. Depreciation and impairments were €12.9 (14.8) million. Net investments totalled €9.2 (14.9) million. Uponor's investments in the fourth quarter of 2023 were related to maintenance and efficiency improvements.

Innovations, research and development

In October–December 2023, total research and development expenses were €7.0 (6.0) million, representing 2.5% (2.2) of the Group's net sales.

Financial review January–December 2023

Market development

Construction markets in both North America and Europe continued to be negatively impacted by increasing financing costs, with central banks on both sides of the Atlantic raising rates throughout most of the year. As the year progressed, however, construction activity in North America proved to be significantly more resilient than in Uponor's key European markets.

In North America, headwinds generated by elevated mortgage rates combined with prevailing housing affordability challenges dampened construction activity. The tightening of monetary policy that began in 2022 continued to drive mortgage rates higher throughout the spring and summer, reaching a 20-year-high in the autumn months, before retreating somewhat. In Uponor's largest market, the United States, housing start rates and residential construction spending were down during the first half of the year, with weakness in the single-family segment countered only to some extent by increased activity in the multi-family segment. However, despite continued headwinds, pent-up demand for housing and a pronounced lack of housing inventory in the market began to positively impact the single-family segment as the year progressed, with starts significantly increasing year-over-year as 2023 came to a close. Conversely, the number of new projects in the multi-family segment slowed notably in the second half of the year. In Uponor's key non-residential segments, such as lodging, offices, and commercial space, construction spending increased throughout the year. In Canada, housing starts slowed from the high levels seen in 2022, with the start of new multi-family projects softening less than in the comparatively weaker single-family segment.

In Central Europe, the German market weakened during the year as builders contended with increased borrowing rates, stubbornly high costs, and general weakness in the economy. The market for new housing was especially soft, with home prices falling and building permits for residential projects dropping by approximately one-third, but also non-residential construction softened. Importantly, the renovation segment, which accounts for two-thirds of all construction spending in Germany, is estimated to have contracted only slightly. Elsewhere in Central Europe, building of new residential projects slowed in the Netherlands and Austria, while renovation activity was steadier.

In other European markets, the Nordic region witnessed a severe reduction in the market for new residential construction. Housing starts were particularly weak in Sweden and Finland, where the initiation of new projects fell by more than half in Sweden and a third in Finland. Non-residential building also slowed in the region, but not to the same degree. Investments in key civil engineering segments, such as transport, energy and waterworks, also softened in Finland and Sweden, but were steadier in Denmark and Norway. In Southwest Europe, the Spanish market remained slow, but steady, while in Italy and France, the market contracted.

Net sales

Uponor Group's net sales for 2023 reached €1,221.0 (1,386.2) million, a decrease of -11.9% or -9.0% adjusted for structural changes in Uponor Infra. The impact of Uponor Infra's structural changes on net sales was -€44.3 million including the divestment of Uponor's District Energy business and the closure of the factory in Middelfart, Denmark. Negative net currency impact was €29.9 million, bringing the growth without currency impact to -9.8%. Biggest currency impact came from USD, CAD, SEK and NOK. The organic net sales growth adjusted for currencies was -5.8%. Net sales growth was strong in Building Solutions – North America, but net sales decreased in Building Solutions – Europe and Uponor Infra.

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

M€	1–12/2023	1–12/2022	Change
Building Solutions – Europe	499.6	599.2	-16.6%
Building Solutions – North America	496.9	479.8	+3.6%
(Building Solutions – North America (M\$))	538.1	503.8	+6.8%
Uponor Infra	228.3	312.8	-27.0%
Eliminations	-3.9	-5.6	
Total	1,221.0	1,386.2	-11.9%

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. 35.5% (30.3), Germany 10.9% (10.7), Sweden 9.7% (10.5), Finland 7.8% (10.2), Canada 5.3% (4.5), the Netherlands 4.6% (4.3), Poland 3.5% (3.7), Denmark 3.2% (4.3), Spain 3.0% (2.7) and Norway 2.2% (2.4).

Results and profitability

Uponor's gross profit in January–December was €487.3 (503.9) million. The gross profit margin was 39.9% (36.4), and the comparable gross profit margin was 40.5% (36.5).

The operating profit in January–December of 2023 was €118.5 (135.5) million with an operating profit margin of 9.7% (9.8). The comparable operating profit was €150.5 (153.7) million. The total negative net effect of items affecting comparability was €32.0 (18.2) million, of which €12.0 million is related to the divestment of Uponor Infra's district energy business, €-3.7 million to the sale of the Russian operation, €-8.5 million to Uponor's ongoing transformation programme and €-28.6 million to strategic projects and transaction fees. The comparable operating profit margin was 12.3% (11.1). Profitability was burdened by lower sales volumes and structural changes, whereas price discipline, successful transformation programme implementation and other cost efficiency measures throughout the year contributed positively to it.

Operating profit by division (January–December):

M€	1–12/2023	1–12/2022	Change
Building Solutions – Europe	28.7	44.0	-34.8%
Building Solutions – North America	87.2	77.5	+12.5%
(Building Solutions – North America (M\$))	94.4	81.4	+16.1%
Uponor Infra	26.5	23.1	+14.6%
Others	-36.7	-8.2	
Eliminations	12.9	-0.9	
Total	118.5	135.5	-12.5%

Comparable operating profit by division (January–December):

M€	1–12/2023	1–12/2022	Change
Building Solutions – Europe	44.7	58.3	-23.4%
Building Solutions – North America	92.6	77.9	+18.9%
(Building Solutions – North America (M\$))	100.3	81.8	+22.6%
Uponor Infra	18.8	23.4	-19.7%
Others	-6.7	-6.7	
Eliminations	1.0	0.6	
Total	150.5	153.7	-2.1%

Uponor's net financial income and expenses were €-7.2 (-1.0) million. In January–December 2023, net currency exchange differences totalled €-3.8 (0.2) million.

The share of the result in associated companies and joint ventures was €0.3 (0.4) million.

Uponor's profit before taxes for January–December was €111.7 (134.9) million. The tax expense was €37.5 (37.4) million.

Profit for the period in January–December was €74.2 (97.5) million.

Return on equity was 15.0% (19.1). Return on investment was 19.2% (22.2). Return on investment, adjusted for items affecting comparability, was 24.3% (25.2).

Earnings per share were €0.92 (1.21). Equity per share was €6.29 (6.34). For other share-specific information, please see the Tables section.

Cash flow

Cash flow from operations increased from the comparison period and was €131.3 (88.4) million, mainly driven by change in net working capital. Cash flow before financing was €133.0 (39.3) million.

Cash flow from financing and thus cash flow for the January–December period included the two instalments of dividend payment, paid in March and September, totalling €50.2 (51.4) million.

Capital expenditure

Gross investment in fixed assets totalled €26.8 (50.5) million. Depreciation and impairments were €51.5 (54.5) million. Net investments totalled €22.9 (49.6) million. Uponor's investments in 2023 were mainly related to maintenance and efficiency improvements.

Innovations, research and development

In January–December 2023, total research and development expenses were €26.1 million (23.2), representing 2.1% (1.7) of the Group's net sales.

Financial position

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 three €50 million committed bilateral revolving credit facilities in force, totalling €150 million and maturing in 2025–2027, none of which were used during the reporting period. 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, of which €20 million was outstanding at the end of the reporting period. Available cash pool limits granted by Uponor's key banks amounted to €34.9 million, none of which was in use on the balance sheet date. At the end of December 2023, Uponor had €71.9 (65.5) million in cash and cash equivalents.

Net interest-bearing liabilities were €65.4 (48.5) million. The solvency ratio was 50.5% (55.2) and gearing was 14.3% (9.1), with a four-quarter rolling gearing of 9.2% (13.1), below the range of 40–80% set in the company's financial targets.

Strategy execution and transformation in 2023

Uponor Group's profitable growth strategy centres around maximising 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 while at the same time improving the resiliency of the company.

Our strategy execution progressed as planned during 2023. In line with our strategy to Maximize the Core, the concept of global product category management (Water systems, Energy systems, Installation systems and Infra systems) was introduced and aligned with R&D to drive innovation and implement long-term product strategies in collaboration. The Category Structure supports our global growth strategy and ensures we are running the company through a systematic 4 C approach (Customers, Channels, Categories, Countries) in all geographies. As part of our transformation, we bolstered our innovation and technological capabilities to better capture global growth opportunities and respond to customer needs. Our innovation pipeline grew significantly during the year and our innovation focus shifted towards adding more intelligence to our products enabling smart water delivery, heating and cooling, keeping people in their comfort zone, saving energy, and money, thereby enabling affordable sustainable housing.

We achieved many industry firsts in our sustainability work during 2023. Uponor produced the world's first circular PEX pipe based on its own production waste in cooperation with Wastewise, Neste and Borealis. We also received as the first company in our industry validation for our net zero target by the Science Based Targets initiative. To support its commitment to leading the construction industry towards net zero by example, Uponor has created a Carbon Neutral Factory concept, which highlights our efforts to reduce carbon emissions. As the first Uponor factory to achieve the status of a Carbon Neutral factory, Uponor's factory in Nastola, Southern Finland, reached full carbon neutrality in its own operations on 4 December 2023. Following the example set by Nastola, Uponor's objective is to replicate the Carbon Neutral Factory concept in other Uponor factories. In 2023, Uponor was also awarded the Gold level by the EcoVadis sustainability rating for the first time, reflecting Uponor's long-standing commitment to sustainability and transparency in its ESG reporting.

Throughout the year, strong momentum was maintained in the execution of Uponor's Transformation programme. The transformation actions have included investing into R&D, rationalising product portfolios, simplifying organisational structures, improving productivity, and driving globally harmonised processes and systems. The actions implemented by the end of 2023 are expected to generate annualised savings of €23 million with a headcount reduction of 311.

Personnel and occupational safety

Uponor's safety performance improved markedly during the year based on new safety parameters set at the beginning of the year. Uponor's accident frequency rate (LTIF, accidents per million working hours) for 2023 decreased to 4.0 (2022: 8.5).

At the end of 2023, Uponor Group had 3,527 (4,055) employees in full-time-equivalent (FTE) terms. The decrease in the number of employees is related to the ongoing Uponor-wide Transformation programme, the sale of Uponor Infra's district energy business as well as workforce reductions due to weakened market conditions. The average number of employees (FTE) for January–December 2023 was 3,703 (4,214).

Changes in the Executive Committee

On 25 October 2023, Uponor announced the appointment of Jonas Brennwald (b. 1968, Swedish and Swiss citizen, B.Sc. Marketing) as new President of the Building Solutions – Europe division and a member of the Executive Committee as of 1 January 2024. He is based in Frankfurt, Germany, 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€	10-12/ 2023	10-12/ 2022	Change	1-12/ 2023	1-12/ 2022	Change
Net sales	111.1	119.7	-7.2%	499.6	599.2	-16.6%
Operating profit	0.7	-7.0	+110.7%	28.7	44.0	-34.8%
Operating profit margin, %	0.7	-5.8		5.7	7.3	
Comparable operating profit	7.4	-0.7	+1,173.1%	44.7	58.3	-23.4%
Comparable operating profit margin, %	6.6	-0.6		8.9	9.7	
Personnel, average				1,949	2,192	-243

October–December

Building Solutions – Europe's net sales were €111.1 (119.7) million, a decrease of -7.2%. In Building Solutions – Europe, net sales decreased due to low demand in our key European markets, mainly in Germany and in the Nordic countries.

Building Solutions – Europe's comparable operating profit was €7.4 (-0.7) million. Transformation programme measures contributed positively on the comparable operating margin development despite lower sales volumes.

January–December

Building Solutions – Europe's net sales were €499.6 (599.2) million, a decrease of -16.6%. The decline in net sales was driven by lower overall underlying demand across all key European markets, while price discipline contributed to net sales positively.

Building Solutions – Europe's operating profit was €28.7 (44.0) million, a decrease of -34.8%. The comparable operating profit decreased to €44.7 (58.3) million impacted by lower sales volumes. Execution of profitability improvement actions and the ongoing implementation of Uponor's new operating model as part of Uponor's Group-wide Transformation programme supported the division's performance.

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€	10-12/ 2023	10-12/ 2022	Change	1-12 / 2023	1-12 / 2022	Change
Net sales	120.0	90.6	+32.5%	496.9	479.8	+3.6%
Operating profit	16.0	6.8	+135.7%	87.2	77.5	+12.5%
Operating profit margin, %	13.4	7.5		17.5	16.2	
Comparable operating profit	20.3	7.2	+180.6%	92.6	77.9	+18.9%
Comparable operating profit margin, %	16.9	8.0		18.6	16.2	
Personnel, average				884	1,036	-152

October–December

Building Solutions – North America's net sales were €120.0 (90.6) million, an increase of 32.5% in euro terms or an increase of 40.6% in USD terms. The strong net sales growth was driven by successful demand generation activities across the U.S. and Canada.

Building Solutions – North America's operating profit was €16.0 (6.8) million, an increase of 135.7% in euro terms and 159.9% in USD. Robust operational performance and cost savings initiatives together with pricing discipline were key contributors to the strong operating profit performance.

January–December

Building Solutions – North America's net sales were €496.9 (479.8) million, an increase of 3.6% in euro terms or an increase of 6.8% in USD. Strong demand generation activities and price discipline supported positive net sales development to offset broader market declines.

Building Solutions – North America's operating profit was €87.2 (77.5) million, an increase of 12.5% in euro terms or 16.1% in USD. Strong net sales combined with cost savings measures, taken early in the year as part of Uponor's Transformation programme, and continued focus on operational efficiency contributed positively to the operating profit.

Uponor Infra

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

M€	10-12/ 2023	10-12/ 2022	Change	1-12 / 2023	1-12 / 2022	Change
Net sales	47.2	67.2	-29.7%	228.3	312.8	-27.0%
Operating profit	-0.9	5.1	-117.2%	26.5	23.1	+14.6%
Operating profit margin, %	-1.8	7.6		11.6	7.4	
Comparable operating profit	2.8	5.2	-46.8%	18.8	23.4	-19.7%
Comparable operating profit margin, %	5.9	7.8		8.2	7.5	
Personnel, average				738	850	-112

October–December

Uponor Infra's net sales were €47.2 (67.2) million, a decrease of -29.7% or -18.4% adjusted for structural changes. Lower overall market demand in the Nordic countries continued impacting net sales negatively. The impact of structural changes on net sales was -€9.3 million including the divestment of Uponor's District Energy business (annual net sales of €40 million) and the closure of the factory in Middelfart, Denmark.

Uponor Infra's comparable operating profit was €2.8 (5.2) million. Profitability decreased from the previous year, driven by lower volumes, whereas favourable product and channel mix as well as cost efficiency contributed positively to profitability.

January–December

Uponor Infra's net sales were €228.3 (312.8) million, a decrease of -27.0% or -14.9% adjusted for structural changes. Net sales were burdened by lower overall market demand and structural changes. The impact of structural changes on net sales was -€44.3 million including the divestment of Uponor's District Energy business and the closure of the factory in Middelfart, Denmark.

During the year, Uponor completed the acquisition of full ownership of Uponor Infra Oy from KWH Group following the receipt of relevant authority approvals.

Uponor Infra's operating profit was €26.5 (23.1) million, an increase of 14.6%. The comparable operating profit was €18.8 (23.4) million. The comparable operating profit margin increased due to an improved product and channel mix, reduced input cost and execution of the ongoing Group-wide transformation programme.

Share capital and shareholders

In 2023, Uponor's share turnover on Nasdaq Helsinki was 84.3 (20.5) million shares, totalling €2,315.3 (333.2) million. The share quotation at the end of December was €28.10 (16.61), and the market capitalisation of the shares was €2,057.1 (1,216.0) million.

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

Treasury shares

At the end of December, Uponor held 373,685 (530,950) of its own shares, representing approximately 0.5 (0.7) per cent of the company's shares and voting rights.

Flagging Notifications

On 17 April 2023, Uponor Corporation received a notification of a change in shareholding in accordance with Chapter 9, Section 5 of the Securities Market Act. According to the notification, holdings of Aliaxis Holdings SA in shares of Uponor Corporation had gone above the threshold of 5% on 14 April 2023 and were 3,664,526 shares representing 5.01% of the share capital and votes in the company.

On 24 April 2023, Uponor Corporation has received a notification of a change in shareholding in accordance with Chapter 9, Section 5 of the Securities Market Act. According to the notification, the shareholding of Aliaxis Holdings SA in Uponor Corporation had gone above the threshold of 10% on 21 April 2023 and were 7,733,966 shares representing 10.56% of the share capital and votes in the company.

On 12 May 2023, Uponor Corporation has received a notification of a change in shareholding in accordance with Chapter 9, Section 5 of the Securities Market Act. According to the notification, the shareholding of Aliaxis Holdings SA in Uponor Corporation had gone above the threshold of 20% on 12 May 2023 and is 14,677,424 shares representing 20.05% of the share capital and votes in the company.

On 18 July 2023, Uponor Corporation received a notification of a change in shareholding in accordance with Chapter 9, Section 5 of the Securities Market Act. According to the notification, holdings of Georg Fischer AG (Schaffhausen, Switzerland) in shares of Uponor Corporation had gone above the threshold of 5% on 17 July 2023 and is 4,173,876 shares representing 5.70% of the share capital and votes in the company.

On 15 October 2023, Uponor Corporation received a notification of a change in shareholding in accordance with Chapter 9, Section 5 of the Securities Market Act. According to the notification, holdings of Georg Fischer AG in shares of Uponor Corporation had gone above the threshold of 10% on 13 October 2023 and is 7,336,068 shares representing 10.02% of the share capital and votes in the company.

On 14 November 2023, Uponor Corporation received three notifications of a change in shareholding in accordance with Chapter 9, Section 5 of the Securities Market Act:
According to the first notification, holdings of Georg Fischer AG in shares of Uponor Corporation had gone above the threshold of 90% on 13 November 2023 and were 68,192,046 shares, representing 93.15% of the share capital and votes in the company.

According to the second notification, the holdings of Oras Invest Oy in shares of Uponor Corporation had gone below the threshold of 25% on 13 November 2023 and were 0 shares representing 0% of the share capital and votes in the company.

According to the third notification, the holdings of Aliaxis Holdings SA in Uponor Corporation had gone below the threshold of 20% on 13 November 2023 and were 0 shares representing 0% of the share capital and votes in the company.

Public tender offers for the shares in Uponor Corporation

On 17 April 2023, Uponor noted the announcement by Aliaxis S.A. regarding a non-binding intention to make a potential offer to acquire all shares in Uponor at an indicative price of €25.00 per share. On 26 April 2023, Uponor announced that the Board had unanimously decided to reject Aliaxis non-binding intention as the indicated offer price of €25.00 per share did not in the Board's opinion reflect the company's value and long-term prospects and was therefore not in the best interest of its shareholders.

On 16 May 2023, Uponor announced that, subsequent to the Board's rejection of Aliaxis non-binding Intention, the Board had received indications of interest from other parties in relation to potential strategic transactions and was assessing whether such approaches could result in outcomes that would be in the best interest of the shareholders of Uponor. On 22 May 2023 Aliaxis announced a public tender offer (through a subsidiary Unari Holding Oy) to acquire all shares in Uponor at an offer price of €25.75 per share, which represented a 3.0% increase to their initial offer price. On the same day, the Board of Uponor unanimously decided to reject Aliaxis' public tender offer and concluded that the offer price included in the tender offer was insufficient.

On 12 June 2023, Georg Fischer AG. (GF) and Uponor Corporation announced entering into a combination agreement pursuant to which the GF would make a voluntary recommended public all-cash tender offer for all the issued and outstanding shares that are not held by Uponor or any of its subsidiaries at a price of €28.85 per share. GF initiated the tender offer for all the shares in Uponor on 26 June 2023.

Following GF's competing public tender offer, Aliaxis S.A. announced on 14 June 2023 withdrawing its public tender offer for Uponor.

On 19 July 2023, Uponor noted that Georg Fischer announced that the expiration of the Hart-Scott-Rodino waiting period in the United States occurred on 18 July 2023 at 11:59 p.m. ET. The expiration of the waiting period in the U.S. is an important milestone in the tender offer and, consequently, with respect to regulatory approvals.

On 31 August 2023, GF's tender offer period was extended to expire on 31 October 2023, at 4:00 p.m. (Finnish time).

As of 12 September 2023, GF adjusted the tender offer price to €28.50 per share following the second instalment of Uponor's dividend €0.35 for the fiscal year 2022.

On 20 October 2023, Uponor noted GF's announcement regarding the European Commission granting an unconditional merger clearance regarding the Tender Offer. The approval was an important milestone and further enhanced the certainty for the completion the Tender Offer.

On 13 November 2023, shares tendered during the offer period were settled and the tender offer was completed.

On 7 November 2023, GF commenced a subsequent offer period of the Tender Offer in accordance with the terms and conditions of the Tender Offer that expired on 21 November 2023.

On 17 November, Georg Fischer AG commenced redemption proceedings in respect of Uponor Corporation's minority shares by initiating arbitration proceedings in accordance with Chapter 18, Section 3 of the Finnish Companies Act in order to obtain ownership of all the issued and outstanding shares in Uponor.

On 27 November 2023, the final result of the subsequent offer period were announced. 2,432,047 shares were tendered during the subsequent offer period, representing approximately 3.3 percent of all the shares and voting rights carried by the shares (excluding shares held by Uponor or any of its subsidiaries). The shares tendered during the subsequent offer period, together with the shares tendered during the initial offer period, as well as together with the shares otherwise acquired by the offeror, represented approximately 97.1 percent of all the shares and voting rights carried by the shares on a fully diluted basis.

On 21 December 2023, GF announced that the Redemption Committee of the Finland Chamber of Commerce has petitioned the District Court of Helsinki for the appointment of a trustee to supervise the interests of Uponor's minority shareholders during the redemption process. With its decision given on 20 December 2023, the District Court of Helsinki appointed attorney-at-law Jasse Ritakallio to act as such trustee.

Resolutions of the Annual General Meeting 2023

Uponor Corporation's Annual General Meeting was held in Helsinki on 17 March 2023. The general meeting approved the financial statements, considered the remuneration report, and discharged the members of the Board of Directors and the company's President & CEO from liability for the financial year 2022. The general meeting approved the Board of Directors proposal of €0.69 per share for the financial year 2022. The first instalment of €0.34 per share was paid on 28 March 2023 and the second instalment of €0.35 per share was paid on 20 September 2023.

The general meeting approved the authorisation for the Board of Directors to resolve on the repurchase of a maximum of 7,200,000 of the company's own shares amounting in total to approximately 9.8 per cent of the total number of shares in the company at the date of the general meeting. These shares will be bought back using funds from unrestricted equity. The general meeting further approved the authorisation for the Board of Directors 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 shares in the company. The Board of Directors is authorised to resolve on all terms of the issuance of shares. These authorisations are valid until the end of the next annual general meeting, however, no longer than 18 months from the date of the general meeting.

The general meeting re-elected Annika Paasikivi, Johan Falk, Markus Lengauer, Michael G. Marchi and Susanne Skippari as Members of the Board. Hans Sohlström and Katja Keitaanniemi were elected as new members. Annika Paasikivi was elected as the Chair of the Board of Directors. In its organising meeting, the Board of Directors elected Markus Lengauer as Deputy Chair of the Board. Katja Keitaanniemi was elected as Chair and Michael G. Marchi and Hans Sohlström were elected as members of the Audit Committee. Paasikivi was elected as Chair and Susanne Skippari as member of the Personnel and Remuneration Committee. 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-2023>.

Resolutions of the Extraordinary General Meeting 2023

Uponor Corporation's Extraordinary General Meeting was held on 4 December 2023. On 12 June 2023, Georg Fischer AG. (the "Offeror") and Uponor Corporation entered into a combination agreement pursuant to which the Offeror made a voluntary recommended public cash tender offer for all the issued and outstanding shares in Uponor that are not held by Uponor or any of its subsidiaries (the "Tender Offer"). Pursuant to the combination agreement, after the Offeror had publicly confirmed that it will complete the Tender Offer, the Board of Directors of the company convened the Extraordinary General Meeting at the Offeror's written request. The matters that were considered at the Extraordinary General Meeting were based upon that written request by the Offeror.

Resolution on amendment of the articles of association

The general meeting resolved that Section 4 of the company's articles of association be amended so that the minimum number of members of the Board of Directors is three (3) and the maximum number is seven (7).

Resolution on the remuneration of the members of the Board of Directors

The general meeting resolved that no remuneration be paid to the members of the Board of Directors.

Resolution on the number of the members of the Board of Directors

The general meeting resolved that the number of Board members shall be seven (7).

Resolution on the election of the members and chair of the Board of Directors

The general meeting resolved that Andreas Müller, Mads Joergensen, Joost Geginat, Helmut Elben, Thomas Hary, César Sayegh and Marc Lahusen were elected as members of the Board of Directors for a term of office commencing at the closing of the Extraordinary General Meeting and ending at the closing of the next annual general meeting. The general meeting resolved that Andreas Müller is the Chair of the Board of Directors for the term ending at the closing of the next annual general meeting.

Resolution on the abolition of the Nomination Board

The general meeting resolved that the Shareholders' Nomination Board be abolished effective immediately, upon the decision taken by the Extraordinary General Meeting.

Further details about the Extraordinary General Meeting are available at <https://www.uponorgroup.com/en-en/investors/governance/egm-2023>.

Significant events during the period

On 15 December 2023, Uponor announced a change in its financial reporting practice according to which the company will only publish a half-year financial report and a financial statements bulletin in the future. In addition, the date of the Annual General Meeting was moved to 28 June 2024 at 12:00 EET.

The publication of the half-year financial report 2024 is subject to the timing of the delisting and will be published only if there is a regulatory requirement for this.

Significant events after the period

On 15 January 2024, Uponor announced that the Board of Directors of Uponor Corporation has decided to cancel a total of 373,685 treasury shares. The cancellation of the treasury shares has been registered with the Trade Register maintained by the Finnish Patent and Registration Office on 15 January 2024.

Prior to the cancellation of the treasury shares, the total number of shares in Uponor Corporation was 73,206,944. After the cancellation, the total number of shares in Uponor Corporation is 72,833,259 and the total number of votes attached to the shares is 72,833,259. After the cancellation, Uponor Corporation does not hold any shares in the company. The cancellation of treasury shares has no effect on the share capital of Uponor Corporation.

Non-financial information

This section describes Uponor's sustainability activities as required in Chapter 3a of the Finnish Accounting Act on non-financial information. More information on sustainability and the value creation model can be found in the Sustainability Review 2023.

Uponor's business model and value creation

Operating in an industry with a strong influence on sustainable living, Uponor's purpose is to unlock the potential of water to protect the place we call home. Our aim is to provide our customers with high quality solutions and set new standards without compromising what is good for the planet. Our vision is to be the leader in sustainable water solutions.

The framework for Uponor's sustainability agenda is based on maximising our positive impact on our customers, employees and the society while minimising our environmental footprint through a rapid transformation towards a sustainable value chain. We are providing integrated solutions with the best environmental footprint to support customers in their sustainability transition, driving an engaged performance-based People First culture and top employer brand while collaborating in the industry and bringing value to the society.

The selected focus areas are strongly aligned with Uponor's long-term profitable growth strategy and have the greatest impact potential on the business and achieving our strategic targets. Main NFI data is reported at the end of this section and our sustainability KPIs are reported in our Sustainability Review 2023.

Uponor has identified seven UN Sustainable Development Goals where it can make a difference; gender equality (5), clean water and sanitation (6), decent work and economic growth (8), industry innovation and infrastructure (9), sustainable cities and communities (11), responsible production and consumption (12) and climate action (13).

Uponor is organised into three divisions (Building Solutions – Europe, Building Solutions – North America and Uponor Infra) according to business responsibility and proximity to customers. Common people, brand, technology, sustainability, innovation, R&D and IT matters are managed at Group level in order to benefit from global presence and maximise global synergies.

Operating principles and due diligence processes

Uponor complies with local laws and regulations, and the company's Code of Conduct, Supplier Code of Conduct and other Group policies form the foundation for its operating principles. Uponor is also a signatory of the UN Global Compact, has a validated near-term Science Based Target for climate action and a validated SBTi net-zero target for the year 2040.

Environment

Uponor considers the environmental aspects of its product offering and continuously aims to reduce the overall impact of its business operations. Uponor has 14 manufacturing facilities in Europe and North America, and their key environmental impacts are greenhouse gas emissions, waste and water usage.

Uponor pursues an environmental management system according to the ISO 14001 standard and an energy-management system compliant with the ISO 50001 standard in order to reach its environmental and energy targets systematically. In 2023, 12 manufacturing facilities were ISO 14001 certified and 7 ISO 50001 certified. Uponor's environmental topics are covered by its Safety, Quality, Environmental and Energy Management Policy. Internal and external audits are conducted on a yearly basis to ensure enforcement of the policy.

As a key element of its Group strategy, Uponor is committed to sustainable innovation. In 2023, the company launched, for instance, five new Uponor "Blue" products utilising renewable raw materials.

Personnel and social matters

Uponor emphasises equal treatment and promotes employee safety and well-being. The health and safety of employees is a management priority, and Uponor is striving towards a zero accidents ambition. Employee health and safety topics are covered by the Safety, Quality, Environmental and Energy Management Policy.

Uponor's People First strategy, which was launched in 2022, consists of five key pillars: Culture, Leadership, Talent, Employer Branding, and Wellbeing and Safety. With the People First strategy, the company aims to ensure that it attracts and retains the right talent to support Uponor's business goals under good leadership and a high-performance culture, as well as continue to raise awareness of topics related to well-being and safety and to provide additional support to ensure employees are taking proper care of themselves.

Uponor conducts annually an employee engagement survey to get feedback from its employees on employee-related matters.

Human rights

As a signatory of the UN Global Compact, Uponor respects human rights as defined, for example, in the United Nations' Universal Declaration of Human Rights. Uponor is a responsible employer and supports equal opportunities for its employees. No discrimination is allowed. Uponor does not allow child or forced labour or any other activities that are against basic labour rights across its value chain.

In 2022, Uponor launched and implemented a new Supplier Code of Conduct in addition to its Supplier Policy that both aims to ensure that its suppliers also meet Uponor's ethical, social, environmental and quality standards, as well as comply with all local laws and regulations. During 2023, the implementation of the Supplier Code in both new and existing supply contracts continued.

Through Uponor's internal and external whistle-blowing channels, hosted by an external independent service provider, its employees and external stakeholders have the opportunity to report non-compliant behaviour or to submit other similar concerns on misconduct or potential misconduct, even anonymously if they so wish.

Anti-corruption and bribery

Uponor has zero tolerance for corruption and bribery. Uponor's Fraud Prevention Policy, forming part of Uponor Code of Conduct, sets out in more detail Uponor's attitude towards fraud and its intention to prevent it, as well as the responsibilities of all Uponor employees, managers, directors and officers regarding fraud prevention.

Results of compliance with the operating principles

Environmental matters

Uponor continued to develop its product portfolio and help its customers to reduce their environmental impacts. Uponor published its first Environmental Product Declarations, which provide full transparency on the environmental footprint of the product, in 2021 and this work continued in 2023. Our aim is to cover 90% of product sales with EPDs by 2027.

Uponor strives to reduce its greenhouse gas emissions and waste. In April 2023, Uponor received the validation from the Science Based Targets initiative for its updated near-term greenhouse gas emission reduction targets and – as the first in its industry globally – for its Net-zero target for the year 2040. During 2023, Uponor's scope 1 and 2 GHG emissions have decreased further by 22% compared to 2022. The decrease was driven by an increased share of green electricity in manufacturing, conversions of district heat and other heat sources to renewable energies and energy efficiency measures.

Social and employee related matters

Safety is Uponor's top priority. Keeping employees safe, introducing new digital ways of working and promoting a flexible hybrid working model remained the main topics on the management's agenda during 2023.

Strong focus on safety at work bore fruit during 2023. Uponor's lost time injury frequency (LTIF) improved considerably to 4.0 (8.5). Uponor intensified its efforts to develop its internal trainings, ways of working and safety processes, as well as introduced improved safety equipment and tools for monitoring near misses. In 2022, Uponor launched its global safety forum to share best practices and harmonise the safety guidelines across all divisions and for all manufacturing sites, and this practice has been continued throughout 2023. Starting at the beginning of 2023, Uponor introduced an updated definition of Lost Time Incidents, leading to a higher reported LTIF level compared to previous annual and interim reports.

In 2023, Uponor provided a selection of different virtual trainings and e-learning courses to its employees varying from developing leadership skills to maintaining well-being and upholding the highest ethical standards, Uponor also introduced a global approach for how to enhance diversity, equity and inclusion in its company culture.

Uponor conducted a Group-wide employee engagement survey during October 2023. The response rate was 80% (85), and the Employee Net Promoter Score (eNPS) was 29 (37), which is above the 25% top industry benchmark. According to employees, Uponor's strengths as an employer are co-workers that you can count on, employees feel they are growing professionally, and work safety. Uponor is focused on the improvement area of strengthening our communication around company changes and strategy.

Human rights, anti-corruption and bribery

Uponor started a project to further improve the transparency of its supply chain and to meet the increasing stakeholder and industry expectations in 2021. The Supplier Code of Conduct was created and while the initial launch measures took place in 2022, the roll-out continued in 2023. In parallel, Uponor is also building and implementing a sustainability audit programme.

During 2022 Uponor launched a new mandatory multi-language e-learning course to its internal stakeholders. The training continued in 2023, with the completion rate of 98.1% (2022: 59.2%) for white-collar employees at the end of 2023.

No incidents related to human rights violations, corruption or bribery were detected in Uponor's operations through daily management processes, internal audit investigations or whistle-blowing channels.

Main risks related to non-financial themes

Environmental matters

Non-compliance with local legislation and regulations may lead to fines as well as reputational and business risk to Uponor. Uponor mitigates environmental risks by means of training and implementing ISO 14001, ISO 9001 and ISO 50001 processes and certifications in its manufacturing facilities.

Uponor has identified that climate change can cause transition risks to the whole Uponor Group. As Uponor's manufacturing facilities are located inland and further away from areas which are more exposed to extreme weather conditions, the company has no material physical risks related to climate change.

Policy or legal risks

As Uponor's main raw material is plastic, produced using fossil fuel, i.e., crude oil, tightening regulations and/or taxation around fossil fuels can increase Uponor's operational costs and set new requirements for Uponor's products. To mitigate this risk, Uponor's R&D actively participates in projects seeking alternatives for fossil oil-based resins. Uponor also participates in different trade organisations' work and aims to influence local and regional decision-makers in questions related to energy, health and water usage.

Market and reputation risk

Uponor's customers may start to prefer products that are produced from renewable and recycled raw materials. If Uponor fails to introduce new materials on time, the company can lose market share. If Uponor continues to use fossil-based resins while competitors move to other options, Uponor and its brand may suffer reputational damage.

Social and employee-related matters

Health and safety-related issues may cause risks to Uponor. Uponor may also have difficulties in attracting and retaining talent in the organisation.

Uponor mitigates health and safety-related risks by means of internal training, near-miss reporting and continuous improvement of internal processes. In addition, Uponor invests in building an attractive corporate culture and employer brand, as well as enabling diverse career paths.

Human rights

Possible violation of human rights and employee rights may impact Uponor's reputation and business opportunities.

Uponor mitigates risks by developing internal training and processes, as well as carrying out supply chain audits to address any potential third-party compliance issues. The implementation and roll-out of its new Supplier Code of Conduct has continued to its direct suppliers during 2023. In addition, both internal and external anonymous whistle-blowing channels are in use to supplement other reporting channels. The whistle-blower channel was opened to external stakeholders in 2021.

Anti-corruption and bribery

Unethical behaviour by Uponor's employees or partners may negatively impact Uponor's reputation and business opportunities.

Uponor mitigates these risks by means of a careful recruitment process, internal training, internal controls, monitoring and auditing, as well as training and auditing partners and other external stakeholders. In addition, Uponor has different reporting channels available, including internal and external anonymous whistle-blowing channels.

Key non-financial performance indicators

Measure	Unit	2023	2022
Total energy consumption	1,000 MWh	181.7	209.0
Raw materials	1,000 tonnes	117.1	139.0
Water consumption	1,000 m3	125.8	148.3
Total GHG emissions (Scope 1)	1,000 tonnes CO2e	6.1	7.4
Biogenic Scope 1 emissions	1,000 tonnes CO2e	2.4	2.3
Total GHG emissions (Scope 2)	1,000 tonnes CO2e	0.6	1.5
Scope 2 emissions (location-based)	1,000 tonnes CO2e	52.2	58.7
Total waste	1,000 tonnes	12.9	15.1
Incident rate (LTIF)	per million work hours	4.0	8.5
Share of white-collar employees participating in Code of Conduct e-learning	%	98.1	59.2

Some figures for previous years have changed due to improved accuracy in data collection and reporting, and also due to changes in reporting scope with new sites added to the reporting and inactive sites removed from reporting during 2023. In addition, an emission recalculation during 2022 as a part of Uponor's Science Based Targets update process has caused changes in previous years' figures.

Uponor reports its Scope 2 emissions using market-based methodology. Market-based Scope 2 emissions are based on emission factors provided by energy suppliers, and on country-specific emission factors (i.e., GHG Protocol - IEA 2021) used as supplementary if supplier-specific data is not available.

Environmental indicators include all Uponor's manufacturing, distribution centre and warehousing sites. Social indicators include all Uponor operations. Total working hours are calculated based on the combined FTE of all active employees and the average yearly working hours in Uponor's largest operating countries.

Short-term risks and uncertainties

Uponor is exposed to risks and uncertainties which 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 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 credit risk of customers is mitigated by having well-developed practices for customer credit risk management including the use of credit insurance where applicable.

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: water and 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. One product-related lawsuit with class allegations filed in the autumn of 2021 remain pending against Uponor and a second lawsuit with similar class allegations was filed in Q2 2023 in the United States. Uponor has been successful thus far in its defence of the cases, which are largely 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 (€8.5 million) and Uponor Suomi Oy (€5 million) concerning alleged violations of the Competition Act. Market Court hearings were held during Q2 2023, but no ruling has yet been issued. Uponor deems the claims to be without foundation, and no provisions have been made to the proposed fines.

Uponor has 14 manufacturing facilities in Europe and North America, which exposes the company to possible environmental risks. Uponor mitigates environmental risks by means of training and implementing ISO 14001, ISO 9001 and ISO 50001 processes and certifications in its manufacturing facilities. As Uponor's manufacturing facilities are located inland and further away from areas which are more exposed to extreme weather conditions, the company has no material physical risks related to climate change.

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.

Uponor's operations and services rely heavily on different software and data networks. Cybercrime, malfunctions or other security related breaches having an impact to Uponor's core systems or sensitive data may result adversely in Uponor's business and financial positions as well as lead to reputational damage.

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

Long-term financial targets

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

The validity of long-term financial targets will cease once the ongoing minority shareholder redemption process by Georg Fischer AG Group comes to a successful conclusion.

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

ESG targets by 2027

75% 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

Net-zero by 2040

A sustainable alternative for 50% of the portfolio

90% of product sales covered by Environmental Product Declarations (EPDs)

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.

Helsinki, 16 February 2024

Uponor Corporation

Board of Directors

Table part

This financial statements bulletin 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 2022. 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 report.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

M€	1-12/2023	1-12/2022	10-12/2023	10-12/2022
Net sales	1,221.0	1,386.2	277.6	276.5
Cost of goods sold	733.6	882.3	167.4	184.5
Gross profit	487.3	503.9	110.2	92.0
Other operating income	15.3	1.5	0.0	1.0
Dispatching and warehousing expenses	35.5	38.3	8.3	9.8
Sales and marketing expenses	215.1	213.2	53.7	47.8
Administration expenses	84.3	83.3	22.6	22.8
Other operating expenses	49.2	35.2	24.7	11.1
Operating profit	118.5	135.5	0.8	1.4
Financial expenses, net	7.2	1.0	3.1	1.7
Share of results in associated companies and joint ventures	0.3	0.4	0.2	0.2
Profit before taxes	111.7	134.9	-2.1	0.0
Income taxes	37.5	37.4	4.2	-1.5
Profit for period	74.2	97.5	-6.3	1.5
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Re-measurements on defined benefit pensions, net of taxes	-1.3	2.4	-1.3	2.4
Items that may be reclassified subsequently to profit or loss				
Translation differences	2.2	-1.7	-1.5	-16.8
Cash flow hedges, net of taxes	-5.7	4.3	0.4	-7.1
Other comprehensive income for the period, net of taxes	-4.8	5.0	-2.4	-21.6
Total comprehensive income for the period	69.4	102.5	-8.7	-20.1
Profit/loss for the period attributable to				
- Equity holders of parent company	67.0	88.0	-6.3	1.7
- Non-controlling interest	7.1	9.5	0.0	-0.2
Total comprehensive income for the period attributable for				
- Equity holders of parent company	62.1	94.6	-9.5	-19.3
- Non-controlling interest	7.3	7.9	0.8	-0.8
Earnings per share, €	0.92	1.21	-0.09	0.02
Diluted earnings per share, €	0.92	1.21	-0.09	0.02

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

M€	31 Dec 2023	31 Dec 2022
Assets		
Non-current assets		
Property, plant and equipment	292.0	304.7
Intangible assets	108.1	111.1
Investments in associates and joint ventures	0.7	0.5
Other securities and non-current receivables	2.5	4.0
Deferred tax assets	22.9	17.8
Total non-current assets	426.1	438.1
Current assets		
Inventories	183.7	220.3
Accounts receivable	160.0	176.7
Other receivables	66.6	67.8
Cash and cash equivalents	71.9	65.5
Total current assets	482.2	530.3
Assets held for sale	0.0	1.5
Total assets	908.3	969.8
Equity and liabilities		
Equity		
Equity attributable to the owners of the parent company	457.8	460.7
Non-controlling interest	0.0	73.9
Total equity	457.8	534.7
Non-current liabilities		
Interest-bearing liabilities	106.1	103.2
Deferred tax liability	5.4	7.4
Provisions	39.8	30.9
Employee benefits and other liabilities	16.1	14.8
Total non-current liabilities	167.4	156.3
Current liabilities		
Interest-bearing liabilities	31.2	10.8
Provisions	20.4	21.0
Accounts payable	83.3	93.7
Other liabilities	148.1	152.2
Total current liabilities	283.1	277.7
Liabilities related to assets held for sale	-	1.1
Total equity and liabilities	908.3	969.8

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

M€	1-12/2023	1-12/2022
Cash flow from operations		
Net cash from operations	145.2	193.1
Change in net working capital	42.5	-54.5
Income taxes paid	-55.0	-48.7
Interest paid	-5.5	-2.8
Interest received	4.2	1.2
Cash flow from operations	131.3	88.4
Cash flow from investments		
Disposals of subsidiaries and businesses	24.5	-
Purchase of fixed assets	-26.8	-50.5
Proceeds from sale of fixed assets	3.8	0.9
Loans granted and repaid	-0.0	0.1
Dividends received	0.2	0.5
Cash flow from investments	1.7	-49.1
Cash flow from financing		
Borrowings of debt	-	0.3
Repayment of debt	-0.4	-4.3
Change in other short-term loan	19.8	-
Dividends paid	-73.5	-51.4
Acquisition of NCI	-60.0	
Payment of lease liabilities	-12.5	-13.2
Cash flow from financing	-126.6	-68.6
Conversion differences for cash and cash equivalents	-0.0	0.1
Change in cash and cash equivalents	6.4	-29.2
Cash and cash equivalents at 1 January	65.5	98.1
Cash classified as assets held for sale	-	-3.4
Cash and cash equivalents at end of period	71.9	65.5
Changes according to balance sheet	6.4	-29.2

STATEMENT OF CHANGES IN EQUITY

M€	A	B	C	D	E	F	G	H	I
Balance at 1 Jan 2023	146.4	50.2	7.8	-6.7	-11.0	274.0	460.7	73.9	534.7
Profit for the period						67.0	67.0	7.1	74.2
Other comprehensive income for the period			-5.7	2.1		-1.3	-4.9	-1.0	-5.9
Dividend (€0.69 per share)						-50.2	-50.2		-50.2
Dividend paid to non-controlling interest								-23.3	-23.3
Share-based incentive plan					2.9	-14.6	-11.7		-11.7
Acquisition of NCI						-3.1	-3.1	-56.9	-60.0
Balance at 31 Dec 2023	146.4	50.2	2.1	-4.6	-8.1	271.8	457.8	0.0	457.8
Balance at 1 Jan 2022	146.4	50.2	3.5	-6.6	-12.0	233.2	414.6	68.7	483.4
Profit for the period						88.0	88.0	9.5	97.5
Other comprehensive income for the period			4.3	-0.1		2.4	6.6	-1.6	5.0
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	-0.8	0.2		0.2
Balance at 31 Dec 2022	146.4	50.2	7.8	-6.7	-11.0	274.0	460.7	73.9	534.7

*) 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 FINANCIAL STATEMENTS BULLETIN

ACCOUNTING PRINCIPLES

The financial statements bulletin has been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and IAS 34 Interim Financial Reporting. In its reports, Uponor Group follows the same principles as in the annual financial statements for 2023

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

M€	31 Dec 2023	31 Dec 2022
Gross investment	26.8	50.5
- % of net sales	2.2	3.6
Book value of disposed fixed assets	3.7	1.0
Depreciation and impairments	51.5	54.5

PERSONNEL

	1-12/2023	1-12/2022
Converted to full time employees		
Average	3,703	4,214
At the end of the period	3,527	4,055

OWN SHARES

	31 Dec 2023	31 Dec 2022
Own shares held by the company, pcs	373,685	530,950
- of share capital, %	0.5	0.7
- of voting rights, %	0.5	0.7
Accounted par value of own shares held by the company, M€	0.7	1.1

Division information	1-12/2023			1-12/2022		
	External	Internal	Total	External	Internal	Total
M€						
Net sales by division						
Building Solutions - Europe	497.5	2.1	499.6	596.2	3.0	599.2
Building Solutions - North America	496.9	-	496.9	479.8	-	479.8
Uponor Infra	226.6	1.8	228.3	310.2	2.6	312.8
Eliminations	-	-3.9	-3.9	-	-5.6	-5.6
Total	1,221.0	-	1,221.0	1,386.2	-	1,386.2

Division information	10-12/2023			10-12/2022		
	External	Internal	Total	External	Internal	Total
M€						
Net sales by division						
Building Solutions - Europe	110.8	0.3	111.1	119.3	0.4	119.7
Building Solutions - North America	120.0	-	120.0	90.6	-	90.6
Uponor Infra	46.8	0.4	47.2	66.6	0.5	67.2
Eliminations	-	-0.7	-0.7	-	-1.0	-1.0
Total	277.6	-	277.6	276.5	-	276.5

M€	1-12/2023	1-12/2022	10-12/2023	10-12/2022
Operating profit by division				
Building Solutions - Europe	28.7	44.0	0.7	-7.0
Building Solutions - North America	87.2	77.5	16.0	6.8
Uponor Infra	26.5	23.1	-0.9	5.1
Others	-36.7	-8.2	-26.5	-1.8
Eliminations	12.9	-0.9	11.4	-1.6
Total	118.5	135.5	0.8	1.4

M€	1-12/2023	1-12/2022
Division depreciation and impairments		
Building Solutions - Europe	20.6	22.7
Building Solutions - North America	20.3	19.5
Uponor Infra	9.2	10.7
Others	1.4	1.6
Eliminations	-	-
Total	51.5	54.5
Division investments		
Building Solutions - Europe	7.8	13.4
Building Solutions - North America	9.8	25.7
Uponor Infra	7.2	8.3
Others	2.0	3.1
Eliminations	-	-
Total	26.8	50.5
M€	31 Dec 2023	31 Dec 2022
Division assets		
Building Solutions - Europe	443.8	514.5
Building Solutions - North America	364.3	355.0
Uponor Infra	166.0	205.1
Others	382.2	390.2
Eliminations	-448.1	-494.9
Total	908.3	969.8
Division liabilities		
Building Solutions - Europe	366.0	384.3
Building Solutions - North America	225.2	234.0
Uponor Infra	45.8	54.1
Others	282.0	279.6
Eliminations	-468.5	-517.9
Total	450.5	434.0
Division personnel, average		
	1-12/2023	1-12/2022
Building Solutions - Europe	1,949	2,192
Building Solutions - North America	884	1,036
Uponor Infra	738	850
Others	132	136
Total	3,703	4,214
Reconciliation		
M€	1-12/2023	1-12/2022
Operating profit by division		
Total result for reportable divisions	142.4	144.6
Others	-36.7	-8.2
Eliminations	12.9	-0.9
Operating profit	118.5	135.5
Financial expenses, net	7.2	1.0
Share of results in associated companies and joint ventures	0.3	0.4
Profit before taxes	111.7	134.9

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€	1-12/2023			1-12/2022		
	Sale of goods	Rendering of services	Total	Sale of goods	Rendering of services	Total
Revenue from contract with customers by division						
Building Solutions - Europe	494.2	3.3	497.5	588.8	7.4	596.2
Building Solutions - North America	496.9	-	496.9	479.8	-	479.8
Uponor Infra	214.5	12.1	226.6	289.3	20.9	310.2
External customer, total	1,205.6	15.4	1,221.0	1,357.8	28.3	1,386.2
Internal	3.9		3.9	5.6		5.6
Total	1,209.5	15.4	1,224.9	1,363.5	28.3	1,391.8
Eliminations	-3.9		-3.9	-5.6		-5.6
Total revenue from contracts with customer	1,205.6	15.4	1,221.0	1,357.8	28.3	1,386.2

M€	10-12/2023			10-12/2022		
	Sale of goods	Rendering of services	Total	Sale of goods	Rendering of services	Total
Revenue from contract with customers by division						
Building Solutions - Europe	110.5	0.3	110.8	117.5	1.7	119.3
Building Solutions - North America	120.0	-	120.0	90.6	-	90.6
Uponor Infra	42.8	4.0	46.8	62.9	3.7	66.6
External customer, total	273.3	4.3	277.6	271.0	5.5	276.5
Internal	0.7		0.7	1.0		1.0
Total	274.0	4.3	278.3	272.0	5.5	277.4
Eliminations	-0.7		-0.7	-1.0		-1.0
Total revenue from contracts with customer	273.3	4.3	277.6	271.0	5.5	276.5

COMMITMENTS

M€	31 Dec 2023	31 Dec 2022
Commitments of purchase PPE (Property, plant, equipment)	6.0	4.0
- on own behalf		
Mortgages issued	0.5	0.9
Guarantees issued	0.2	0.2
- on behalf of a subsidiary		
Guarantees issued	11.7	12.7
Letter of Comfort commitments undertaken on behalf of subsidiaries are not included in the above figures		
Mortgages issued	0.5	0.9
Guarantees issued	11.8	12.8
Total	12.4	13.8

FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

M€	IFRS 7 Fair value hierarchy level	31 Dec 2023	31 Dec 2022
Non-current financial assets			
Fair value through other comprehensive income			
Electricity derivatives	1	0.2	1.6
Amortised cost			
Other non-current receivables		0.8	0.8
Other shares and holdings		1.5	1.6
Current financial assets			
Fair value through other comprehensive income			
Electricity derivatives	1	0.7	6.3
Fair value through profit or loss			
Other derivative contracts	2	2.9	5.9
Amortised cost			
Accounts receivable and other receivables		202.3	219.5
Cash and cash equivalents		71.9	65.5
Financial assets total		280.4	301.1
Non-current financial liabilities			
Fair value through other comprehensive income			
Electricity derivatives	1	0.1	-
Amortised cost			
Interest bearing liabilities		106.1	103.2
Current financial liabilities			
Fair value through other comprehensive income			
Electricity derivatives	1	0.1	-
Other derivative contracts	2	-	0.0
Fair value through the profit or loss			
Other derivative contracts	2	1.6	2.2
Amortised cost			
Interest bearing liabilities		31.2	10.8
Accounts payable and other liabilities		137.2	147.3
Financial liabilities total		276.3	263.4

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

	1-12/2023	1-12/2022
Earnings per share, €	0.92	1.21
Operating profit, %	9.7	9.8
Return on equity, % (p.a.)	15.0	19.1
Return on investment, % (p.a.)	19.2	22.2
Solvency ratio, %	50.5	55.2
Gearing, %	14.3	9.1
Gearing, % rolling 4 quarters	9.2	13.1
Net interest-bearing liabilities	65.4	48.5
Equity per share, €	6.29	6.34
- diluted	6.29	6.34
Trading price of shares		
- low, €	15.85	12.29
- high, €	30.68	21.74
- average, €	27.46	16.25
Shares traded		
- 1,000 pcs	84,324	20,549
- M€	2,315.3	333.2

QUARTERLY DATA

	10-12/ 2023	7-9/ 2023	4-6/ 2023	1-3/ 2023	10-12/ 2022	7-9/ 2022	4-6/ 2022	1-3/ 2022
Net sales, M€	277.6	298.5	315.6	329.4	276.5	364.0	396.2	349.5
- Building Solutions – Europe	111.1	107.0	131.6	149.8	119.7	141.2	175.9	162.4
- Building Solutions – North America	120.0	130.9	121.4	124.7	90.6	140.5	125.3	123.4
Building Solutions – North America, \$	130.4	141.7	131.7	134.3	92.7	141.2	132.2	137.6
- Uponor Infra	47.2	61.4	63.5	56.1	67.2	83.9	96.3	65.4
Gross profit, M€	110.2	121.2	125.8	130.2	92.0	132.5	145.7	133.7
- Gross profit, %	39.7	40.6	39.9	39.5	33.3	36.4	36.8	38.3
Operating profit, M€	0.8	32.8	35.5	49.5	1.4	44.4	42.8	46.8
- Building Solutions – Europe	0.7	4.6	9.6	13.7	-7.0	13.7	16.9	20.3
- Building Solutions – North America	16.0	24.9	23.8	22.4	6.8	23.2	23.2	24.3
Building Solutions – North America, \$	17.4	27.0	25.8	24.2	6.7	23.2	24.4	27.1
- Uponor Infra	-0.9	8.8	6.5	12.1	5.1	8.9	7.5	1.6
- Others	-26.5	-5.3	-3.5	-1.5	-1.8	-1.3	-3.3	-1.7
Operating profit, % of net sales	0.3	11.0	11.2	15.0	0.5	12.2	10.8	13.4
- Building Solutions – Europe	0.7	4.3	7.3	9.1	-5.8	9.7	9.6	12.5
- Building Solutions – North America	13.4	19.0	19.6	18.0	7.2	16.4	18.5	19.7
- Uponor Infra	-1.8	14.3	10.2	21.6	7.6	10.6	7.8	2.5
Profit for the period, M€	-6.3	22.9	23.5	34.1	1.5	33.1	29.6	33.3
Balance sheet total, M€	908.3	963.8	1,035.5	990.3	969.8	1,040.5	1,040.8	967.2
Earnings per share, €	-0.09	0.29	0.29	0.43	0.02	0.40	0.34	0.45
Equity per share, €	6.29	6.58	6.28	5.99	6.34	6.60	6.05	5.51
Market value of share capital, M€	2,057.1	2,082.0	2,096.6	1,246.7	1,216.0	986.8	964.1	1,343.3
Return on investment, % (p.a.)	19.2	25.0	25.3	30.7	22.2	29.1	29.8	31.8
Net interest-bearing liabilities at the end of the period, M€	65.4	56.8	20.4	35.9	48.5	55.2	77.0	85.9
Gearing, %	14.3	11.9	3.8	7.0	9.1	9.9	15.1	18.4
Gearing, % rolling 4 quarters	9.2	7.9	7.5	10.3	13.1	11.9	8.0	4.0
Gross investment, M€	9.4	5.1	7.1	5.2	15.1	10.8	14.5	10.2
- % of net sales	3.4	1.7	2.2	1.6	5.5	3.0	3.6	2.9

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.

	10-12/ 2023	7-9/ 2023	4-6/ 2023	1-3/ 2023	10-12/ 2022	7-9/ 2022	4-6/ 2022	1-3/ 2022
Items affecting comparability								
Restructuring charges	-26.8	-3.3	-5.9	4.0	-9.6	-0.5	-7.7	-0.4
Capital gains and losses on sale of non-current assets	-	-	-	-	-	-	-	-
Total items affecting comparability in operating profit	-26.8	-3.3	-5.9	4.0	-9.6	-0.5	-7.7	-0.4
Items affecting comparability, total	-26.8	-3.3	-5.9	4.0	-9.6	-0.5	-7.7	-0.4
Comparable gross profit								
Gross profit	110.2	121.2	125.8	130.2	92.0	132.5	145.7	133.7
Less: Items affecting comparability in gross profit	-3.9	-0.4	-1.5	-1.7	-1.0	0.0	-0.2	-0.1
Comparable gross profit	114.1	121.6	127.3	131.9	93.0	132.5	146.0	133.8
% of sales	41.1	40.7	40.3	40.1	33.6	36.4	36.8	38.3
Comparable operating profit								
Operating profit	0.8	32.8	35.5	49.5	1.4	44.4	42.8	46.8
Less: Items affecting comparability in operating profit	-26.8	-3.3	-5.9	4.0	-9.6	-0.5	-7.7	-0.4
Comparable operating profit	27.6	36.1	41.4	45.5	11.0	44.9	50.5	47.2
% of sales	9.9	12.1	13.1	13.8	4.0	12.3	12.7	13.5
Comparable operating profit by division								
Building Solutions – Europe								
Operating profit	0.7	4.6	9.6	13.7	-7.0	13.7	16.9	20.3
Less: Items affecting comparability in operating profit	-6.6	-0.8	-3.3	-5.3	-6.3	-0.5	-7.2	-0.3
Comparable operating profit	7.4	5.5	12.9	19.0	-0.7	14.3	24.2	20.6
% of sales	6.6	5.1	9.8	12.6	-0.6	10.1	13.7	12.7
Building Solutions – North America								
Operating profit	16.0	24.9	23.8	22.4	6.8	23.2	23.2	24.3
Less: Items affecting comparability in operating profit	-4.3	-0.4	-0.2	-0.4	-	-	-	-
Comparable operating profit	20.3	25.3	24.0	23.0	7.2	23.2	23.2	24.3
% of sales	16.9	19.4	19.8	18.4	8.0	16.5	18.5	19.7
Uponor Infra								
Operating profit	-0.9	8.8	6.5	12.1	5.1	8.9	7.5	1.6
Less: Items affecting comparability in operating profit	-3.6	0.3	0.0	11.0	-	0.0	-	-
Comparable operating profit	2.8	8.5	6.4	1.1	5.2	8.9	7.7	1.6
% of sales	5.9	13.8	10.1	2.0	7.8	10.6	8.0	2.5
Others								
Operating profit	-26.5	-5.3	-3.5	-1.5	-1.8	-1.3	-3.3	-1.7
Less: Items affecting comparability in operating profit	-24.2	-3.5	-2.1	-0.2	-1.2	0.0	-0.3	-0.1
Comparable operating profit	-2.3	-1.7	-1.4	-1.3	-0.7	-1.3	-3.0	-1.7
% of sales	na	na	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

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

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

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

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