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Company

UPM Specialty Papers Confidence Delivered

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EVP, UPM Specialty Papers
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UPM Specialty Papers

Sustainable and safe products for everyday use

Labelling & other application papers

Packaging papers

Fine papers

LABEL MATERIALS

for food packaging, drinks bottles and for communicating information

PACKAGING PAPERS

for variety of consumer and food packaging

OFFICE PAPERS
for printing

LABELS
for food products

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Megatrends giving tailwind



Growing middle class & higher standard of living



Growth in e-commerce



Increasing sustainability awareness & regulation



Advancing technology



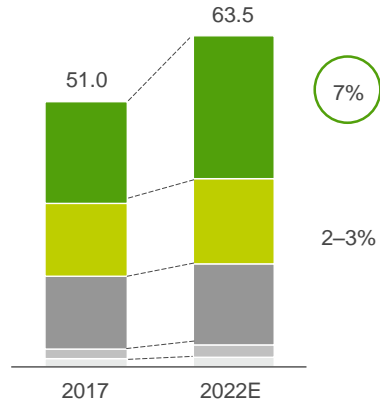
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Strong position in growing end use markets

LEADERSHIP POSITION IN LABELLING MATERIALS

CASE: Siliconized release liner market, 51 Bn m²

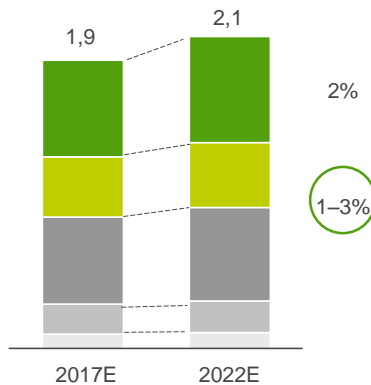
CAGR
5%



NICHE PLAYER IN CONSUMER PACKAGING

Paper flexpack, million tonnes

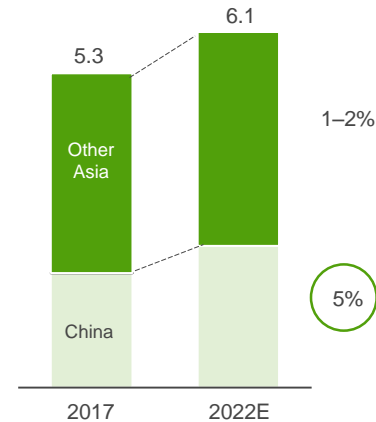
CAGR
2%



MAJOR SUPPLIER OF OFFICE PAPER IN ASIA

Asian cutsize market, million tonnes

CAGR
2-3%



■ Asia
 ■ North America
 ■ Europe
 ■ South America
 ■ MEA

Source: AWA; Pira, UPM



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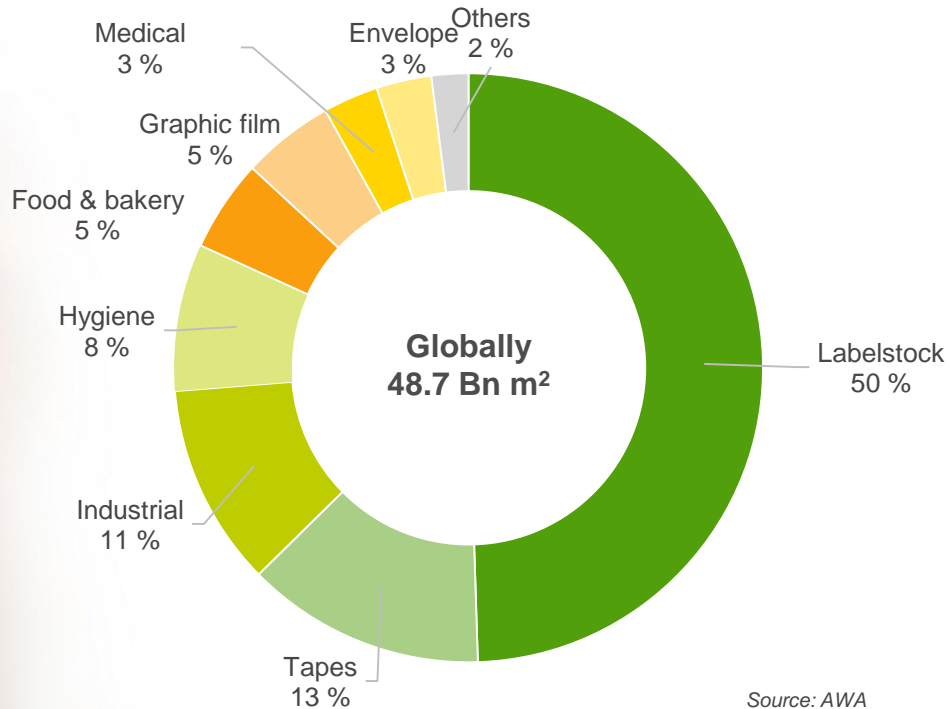
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Release liner opportunities in labelstock & other applications

Product functions:

Release liner carries the adhesive and face material:

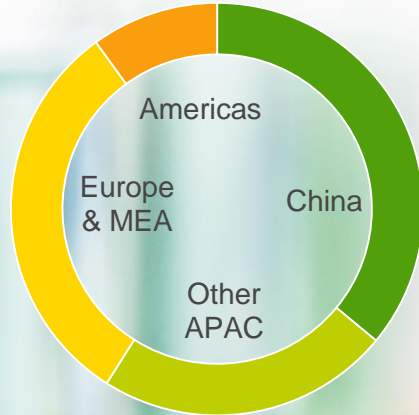
- Prevents the adhesive from sticking permanently
- Important and often critical feature of a layered construction



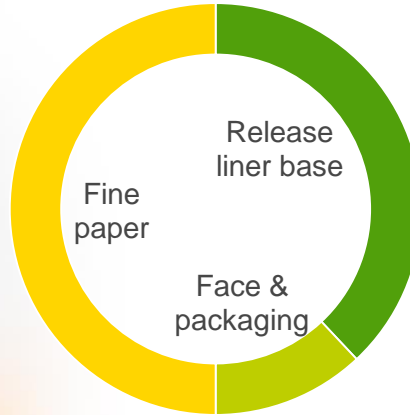
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Sales EUR 1,336 million in 2017

By Market



By Product



Production



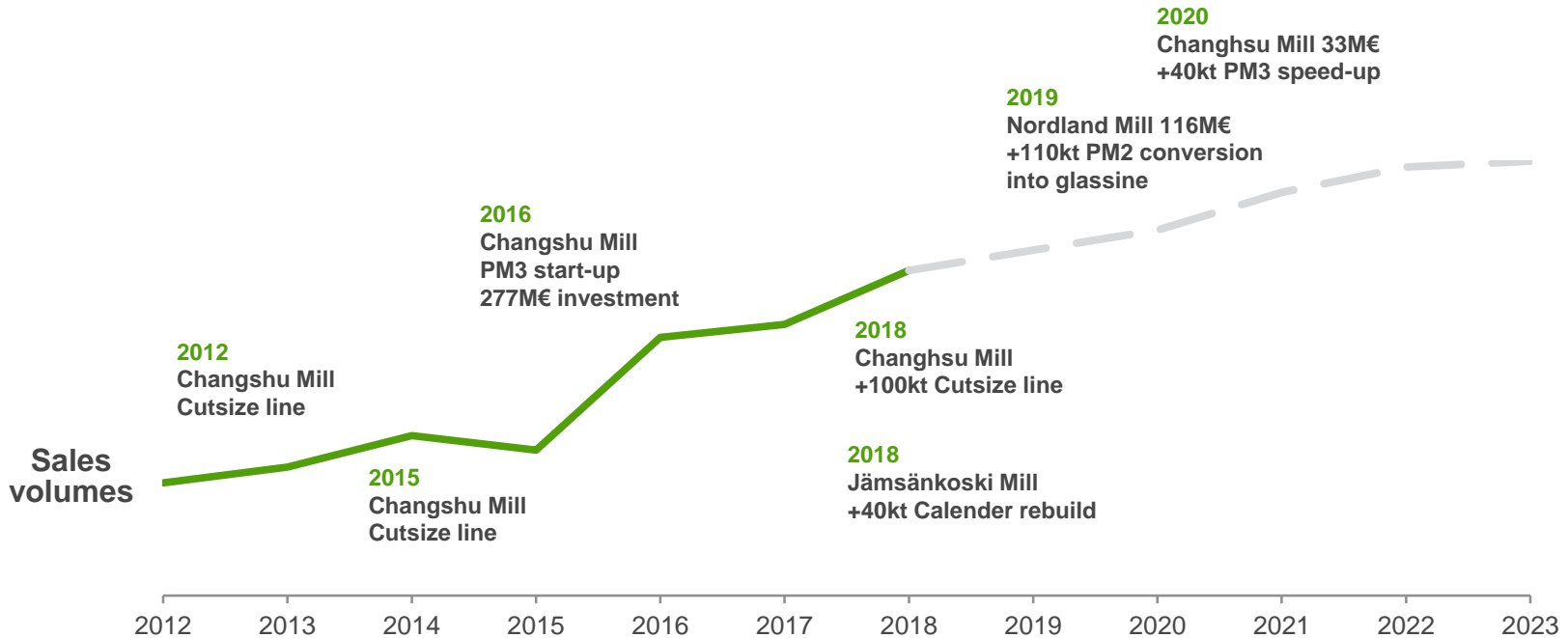
3 modern and efficient mills

- Changshu, China
- Tervasaari, Finland
- Jämsänkoski, Finland

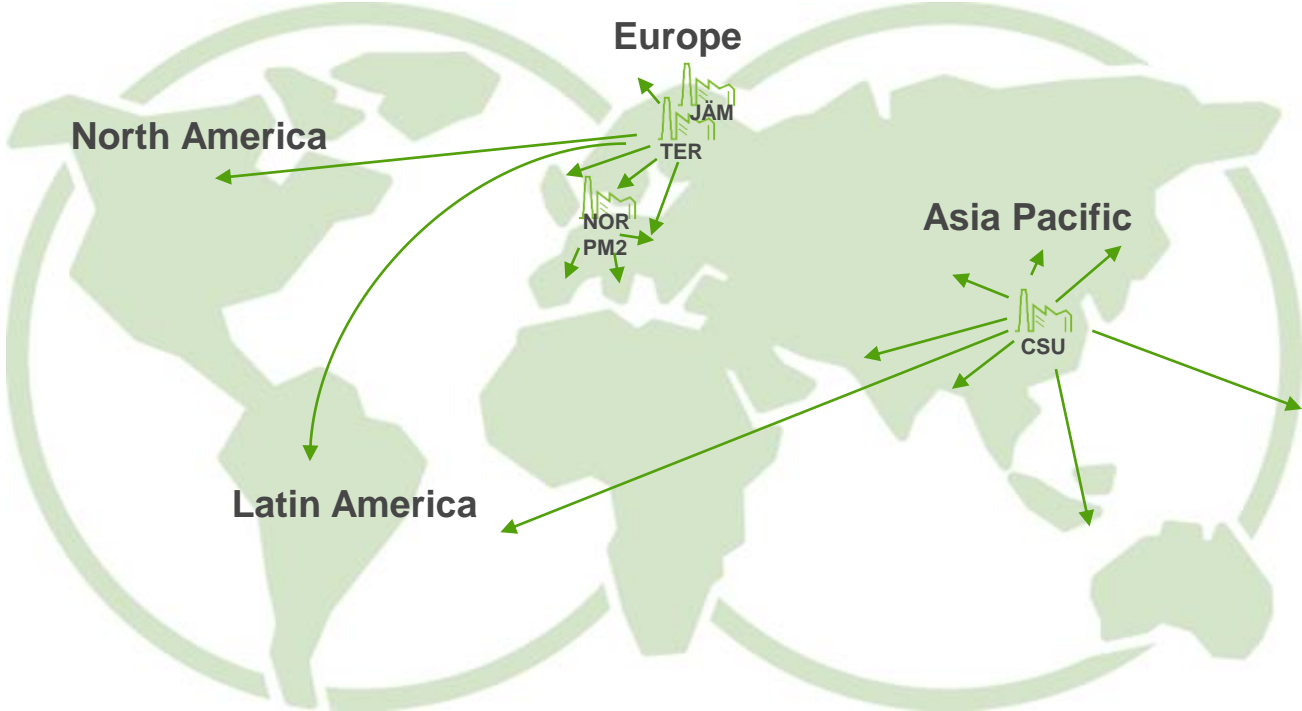
Production capacity **2 million t/a**

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Growth path in Specialty Papers



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Future mill roles

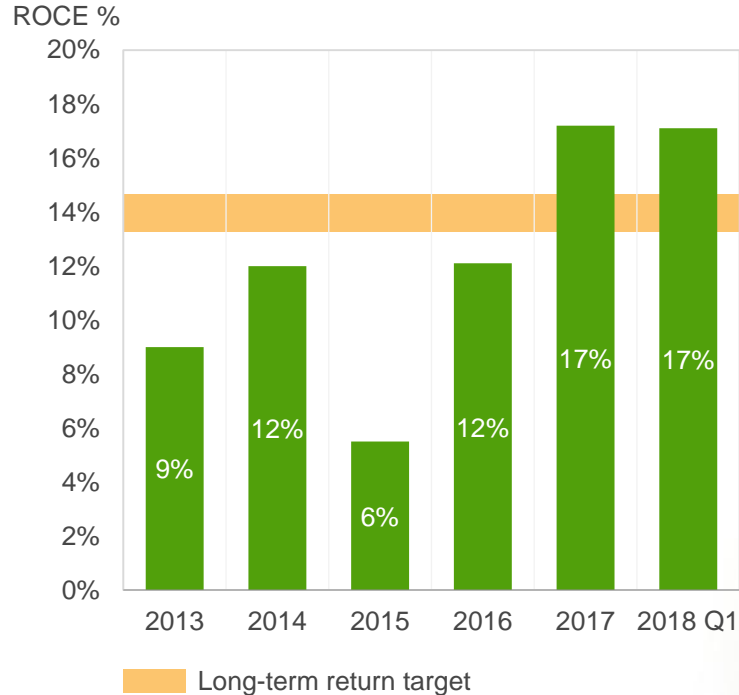


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Performance development



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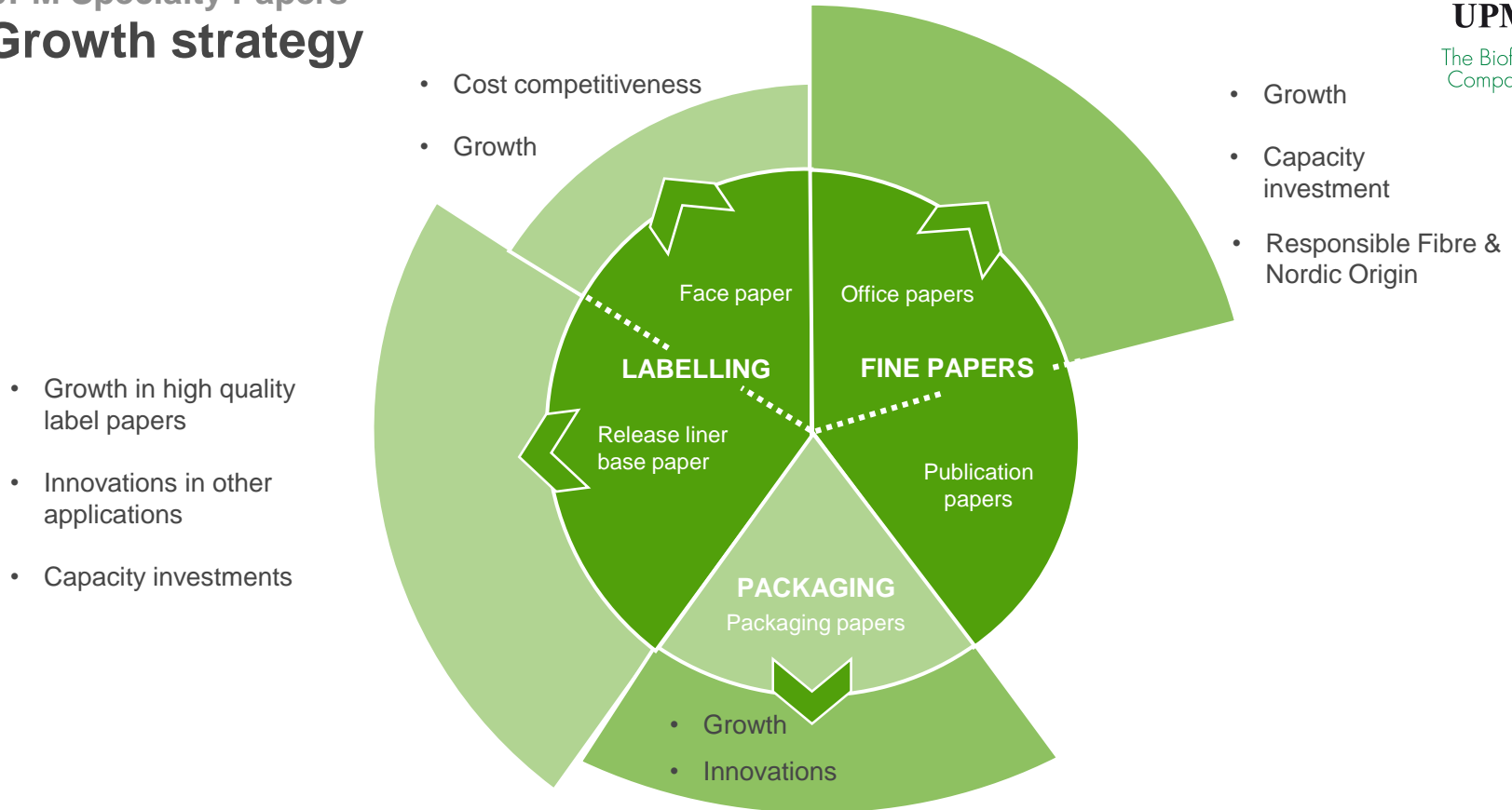


KEY FIGURES

2017

Sales, M€	1,336
Comparable EBIT, M€	152
Capital employed (average), M€	885
Comparable ROCE, %	17,2
Personnel on 31 Dec 2017	1,949

UPM Specialty Papers Growth strategy





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UPM Specialty Papers Success factors

Go-to-
market

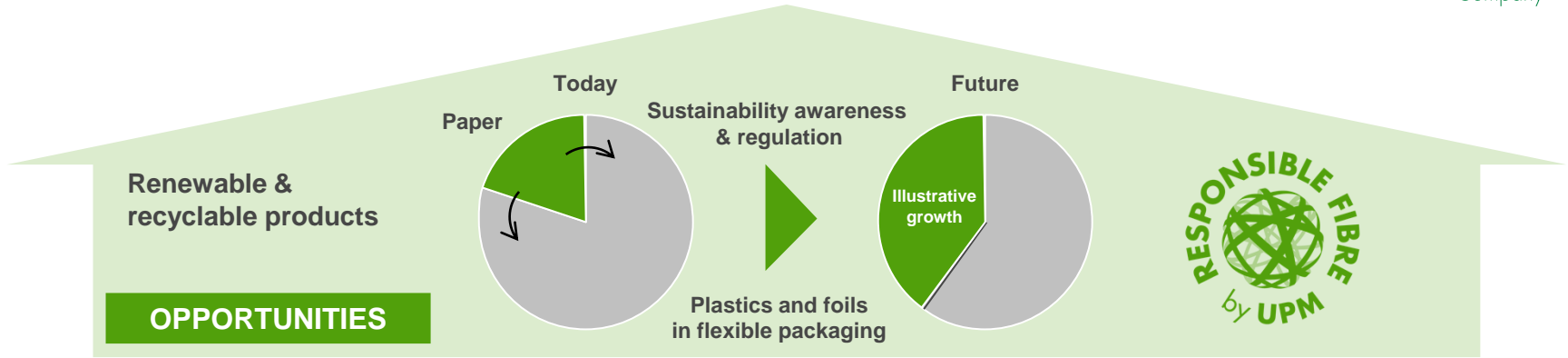
- ✓ Responsible long term growth for our customers & partners
- ✓ Global sales network & service capability
- ✓ Consistent & technically demanding product quality

Assets

- ✓ Operational efficiency
- ✓ Competitive production platform









UPM Specialty Papers Responsibility & sustainability



COMPETITIVENESS

Changshu mill over last 10 years

					
Water	Waste to landfill	CO ₂ fossil	Electricity	SO ₂ Emission	Certified fibre
-15%	-80%	-25%	-15%	-95%	85%
Per tonne of paper	Per tonne of paper	Per tonne of paper	Per tonne of paper	Per tonne of paper	In 2017

Over the last 10 years

Source: UPM, Pira

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Living examples



Reactive surface in HSR release liners

Innovative & improved silicone coating

EVO products

Light weight products competitive against synthetic materials

Recycling based release liners

High quality release liner of recycled fibres



Barrier ream wrapping

Replacing PE coated laminate

INNOVATIONS

RECOGNITION

China “Water Efficiency Frontrunner”

The first and only company in Jiangsu Province



Enhanced Singapore Green Label certificate

The first copy papers to be granted





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