



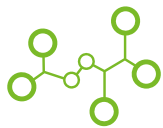
UPM Strategy

Jussi Pesonen
President and CEO
9 September 2020

Sustainable solutions for a future beyond fossils



FIBRE PRODUCTS



MOLECULAR BIOPRODUCTS



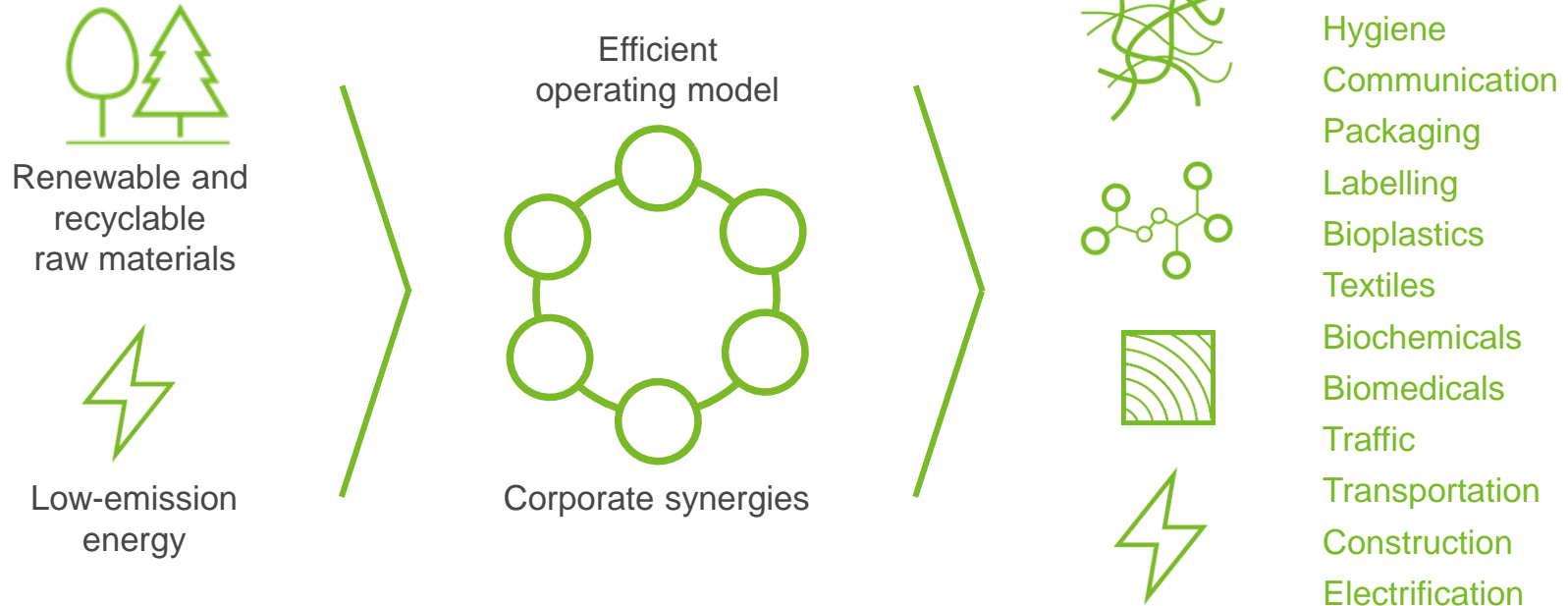
WOOD PRODUCTS



LOW-EMISSION ENERGY



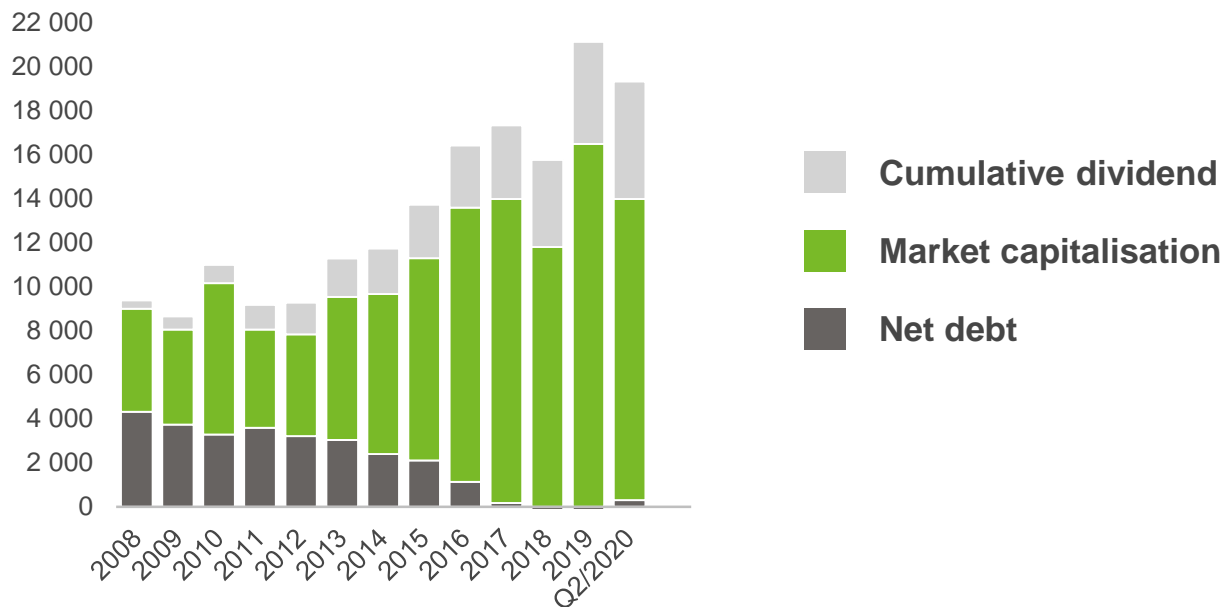
Renewable materials to a wide range of end uses



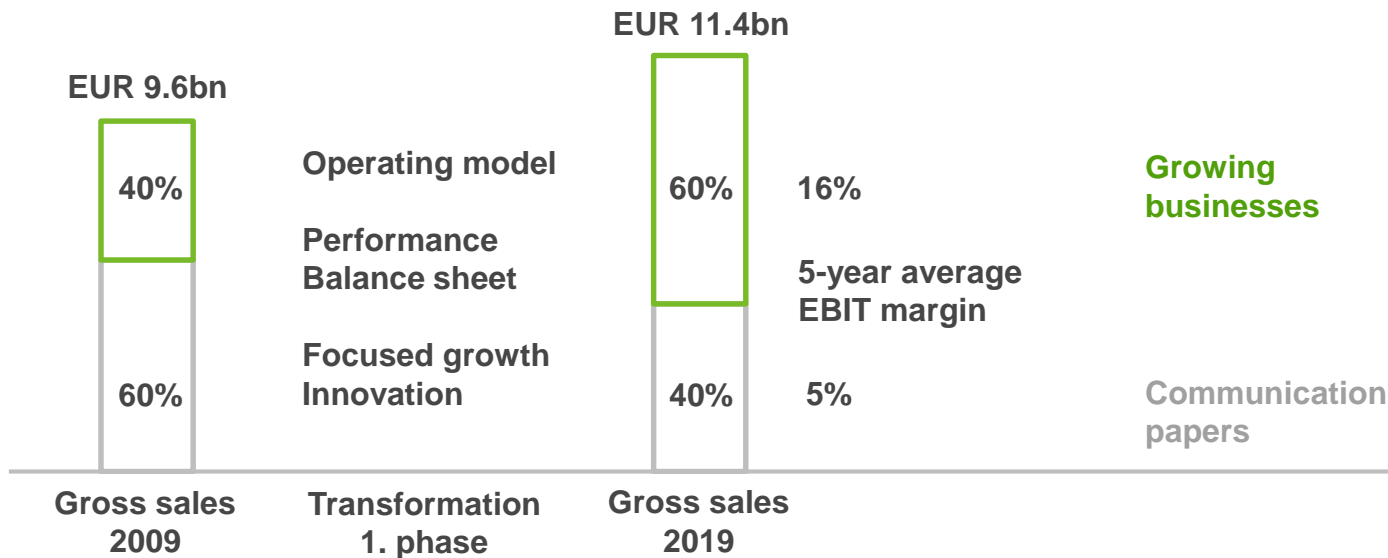
Targeting superior shareholder returns



EURm **UPM enterprise value and dividend**



Transformation – driving performance, fixing the balance sheet and preparing the growth platform



Biofore strategy

We create value by seizing the limitless potential of bioeconomy



PERFORMANCE



GROWTH



RESPONSIBILITY



INNOVATION

Strong long-term fundamentals for demand growth and high barriers to entry

Driving long-term value creation – mitigating climate change



UPM **BIOFORE-BEYOND** FOSSILS



We act through **FORESTS**
Climate-positive forestry



We act through **EMISSIONS**
65% less CO₂ emissions



We act through **PRODUCTS**
Innovate novel products

BUSINESS
AMBITION FOR **1.5°C**   **OUR ONLY**
FUTURE

Portfolio – our criteria for investing

Sustainable and safe solutions with

- ✓ Strong long-term fundamentals for demand growth
- ✓ High barriers to entry and UPM competitive advantage
- ✓ Strict return requirements

Our spearheads for growth



World class pulp mill in Uruguay – significant step in UPM’s future earnings



Cash cost
USD 280
per delivered
tonne of pulp

**USD 3 billion
investment
with attractive
returns**



Competitive wood supply
424,000 ha of sustainably
managed, productive plantations



State of the art pulp mill
2.1mt of eucalyptus pulp,
best available techniques



Efficient logistics
deep sea pulp terminal
with direct rail access

Next generation biochemicals – new business with large growth potential

- EUR 550 million investment in an industrial scale biorefinery
- Total annual capacity of 220,000 tonnes

- ✓ Unique customer value from high performance and unmatched sustainability
- ✓ Good cost position
- ✓ High barriers to entry



UPM BIOCHEMICALS

Planning to scale up in Biofuels with competitive carbon neutral fuels

Planned next generation biorefinery

- ✓ Unique sustainable feedstocks in UPM value chain
- ✓ Right technology concept
- ✓ High-quality carbon neutral fuels and naphtha

Next steps:
preparing for basic engineering
phase and optimal site selection

Ensuring performance in Communication Papers

- ✓ Strong track record
- ✓ Clear strategy
- ✓ Leading capabilities
- ✓ Sizeable markets

Ensure continued
value creation in
Communication Papers



Our focus areas for the coming quarters



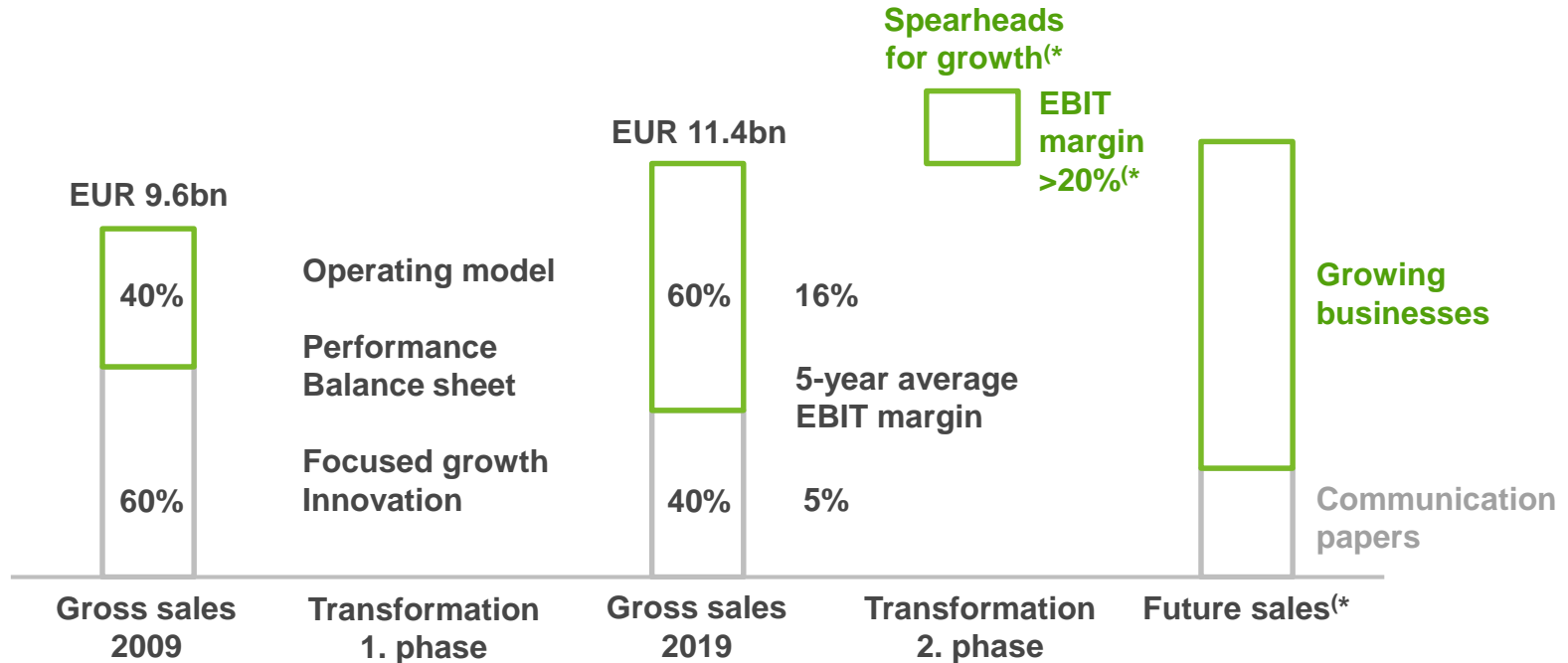
ENSURING PERFORMANCE



TRANSFORMATIVE GROWTH PROJECTS



Spearheads for growth – improving business mix drives earnings, cash flow and shareholder value



*) This is an illustration, not a forecast

UPM **BIOFORE** **BEYOND** FOSSILS

INSPIRED by the limitless opportunities of bioeconomy

DELIVERING renewable and responsible solutions

INNOVATING for a future beyond fossils



UPM **BIOFORE**
BEYOND FOSSILS

