

**SPECIAL
BY NATURE**



UPM Specialty Papers

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UPM Specialty Papers products



PACKAGING PAPERS

For food packaging, consumer packaging and industrial end-uses

LABEL AND RELEASE

For food and beverage packaging, VIP labels, logistics and industrial end-uses

APAC FINE PAPERS

Including office and graphic papers



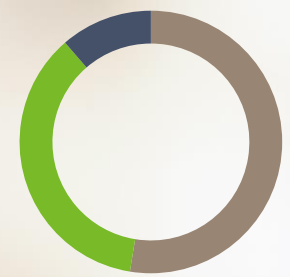
Sales
1,677 M€
in 2022

EBITDA
230 M€
in 2022

ROCE
17.2%
in 2022

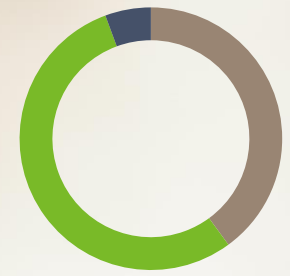


Sales by market*



■ APAC ■ EMEIA ■ North America & LATAM

Sales by product*



■ Fine ■ Label & release ■ Packaging

*2021 figures

Long-term trends support our business, despite short-term volatility

Solid long-term demand



Increasing sustainability awareness



Tightening sustainability regulation



Urbanization & growing middle class



Growth in e-commerce



Asian economic growth



Aging population & single households

...but unforeseen short-term volatility during past years in Specialty Papers demand.



Inventory build-up & release



Private consumption

...over half of demand is in **essential goods** with highly resilient demand, While end-uses like **e-commerce** show more growth potential

CAGR
2021-2030

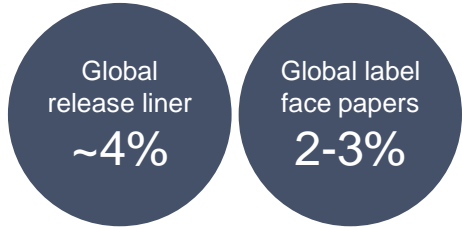


Growth expected to continue in main markets



LABEL & RELEASE

Market development forecast,
CAGR 2021-2026

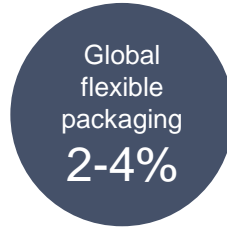


UPM Specialty Paper

Leading position in growing global label and release paper markets



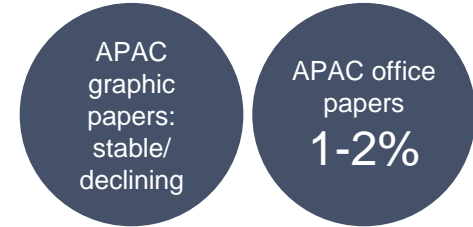
PACKAGING PAPERS



Selective approach in consumer packaging area. Well positioned for future growth.



APAC FINE PAPERS



One of the leading players in office papers, focused niche player in graphic papers



Source: AWA, Pira, UPM

UPM Specialty Papers **GROWTH STRATEGY**

We co-create a future beyond fossils with renewable, recyclable and remarkable papers



UPM Specialty Papers Clear strategic priorities for coming years



**Profitable growth based on
commercial success**



**New business & product
co-creation**



**Efficient & cost competitive
operating model**

**SPECIAL
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SUSTAINABILITY

CO-CREATION

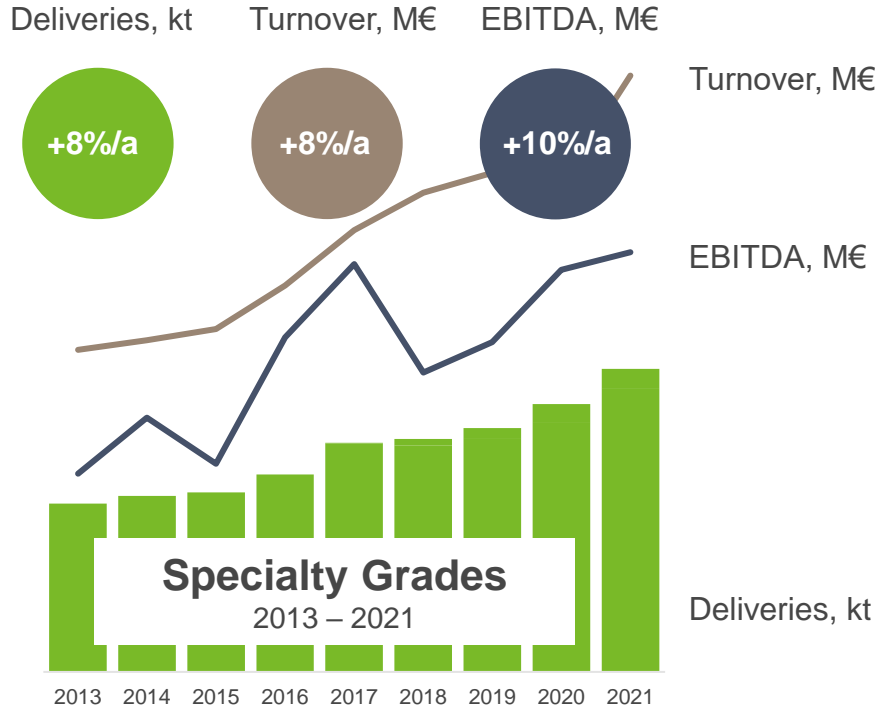
TRUST

PASSIONATE PEOPLE



UPM Specialty Papers

Strong growth over past decade



Future commercial success supported by:

- Customer experience & commercial agility
- Flexible production platform
- Product development

Drivers for sustainable materials



- Regulatory pressure
- Consumer demand for sustainable & easy-to-recycle products
- Need for resource efficiency to ensure sustainable growth



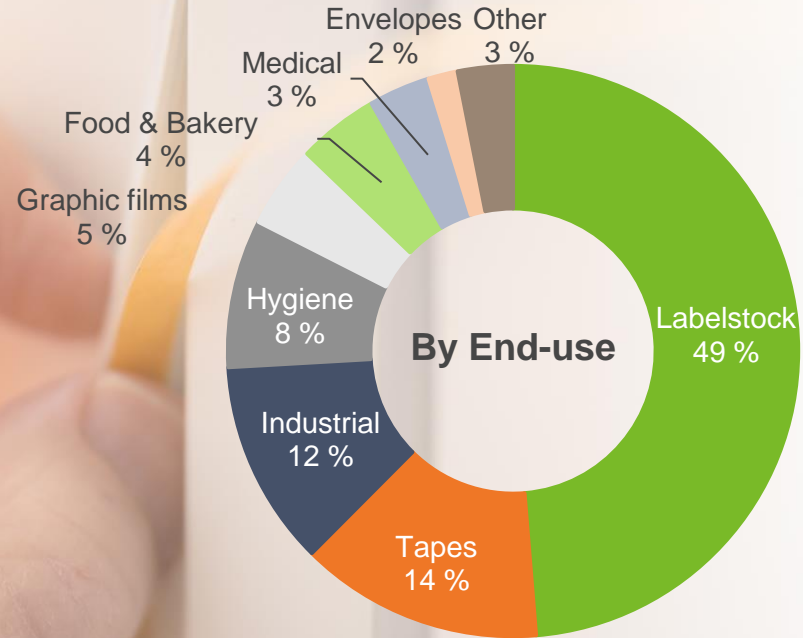
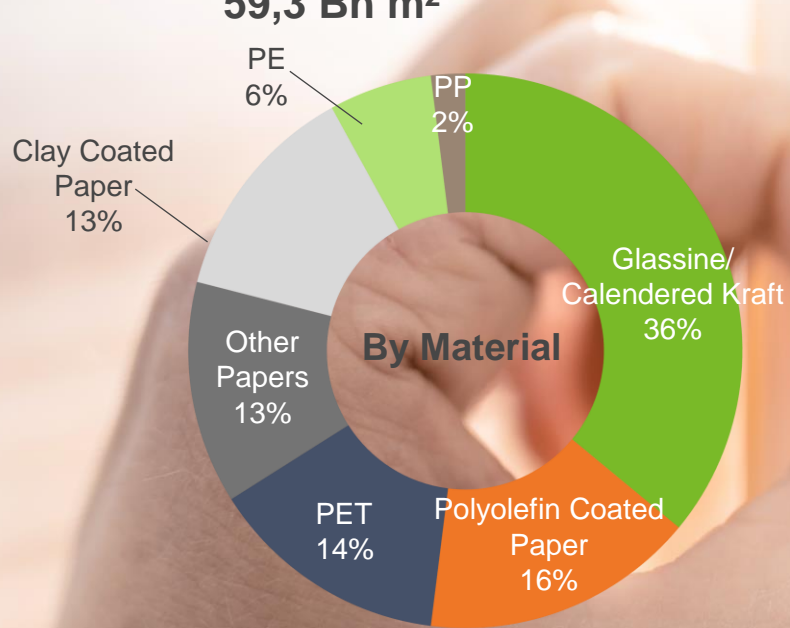
How UPM Specialty Papers can support the transition

- Transformation from fossil-based materials to renewable
- Broad portfolio of papers designed for recycling
- Strong co-creation partnerships in packaging & labelling value networks
- Ambitious target to reduce carbon footprint of our products



Release liner segment shares in 2021

Total global release liner:
59,3 Bn m²



Source: AWA

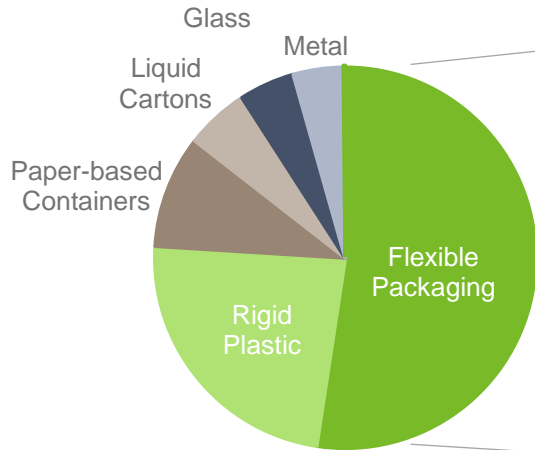
Food packaging in Europe



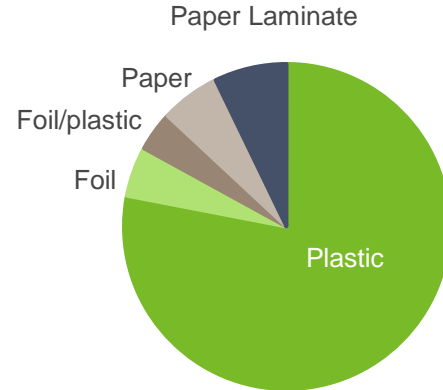
Flexible packaging covers some half of food packages.

Close to 80% of flexible packages are plastic of which significant share can be replaced with paper.

Food packages by packaging material in 2020



Flexible food packages by packaging material in 2020



Source: Euromonitor,
*UPM analysis

UPM Specialty Papers

UPM has a broad portfolio of technically demanding barrier papers for packaging



STANDARD BARRIER PRODUCTS



UPM Asendo™ Pro
UPM Asendo™
UPM Prego™

ADVANCED BARRIER PRODUCTS & SOLUTIONS



UPM Confidio™ Pro
UPM Confidio™

HIGH TO ULTRA-HIGH BARRIER SOLUTIONS



Co-created solutions

OneBARRIER FibreCycle: Co-Creating a high barrier packaging solution for foods with long shelf-life

 **BOBST**  **MICHELMAN**



UPM Solide Lucent™ as the base paper



- For demanding end-uses that usually require plastic
- Recyclable in established fibre-recycling streams

Strong global presence and reach

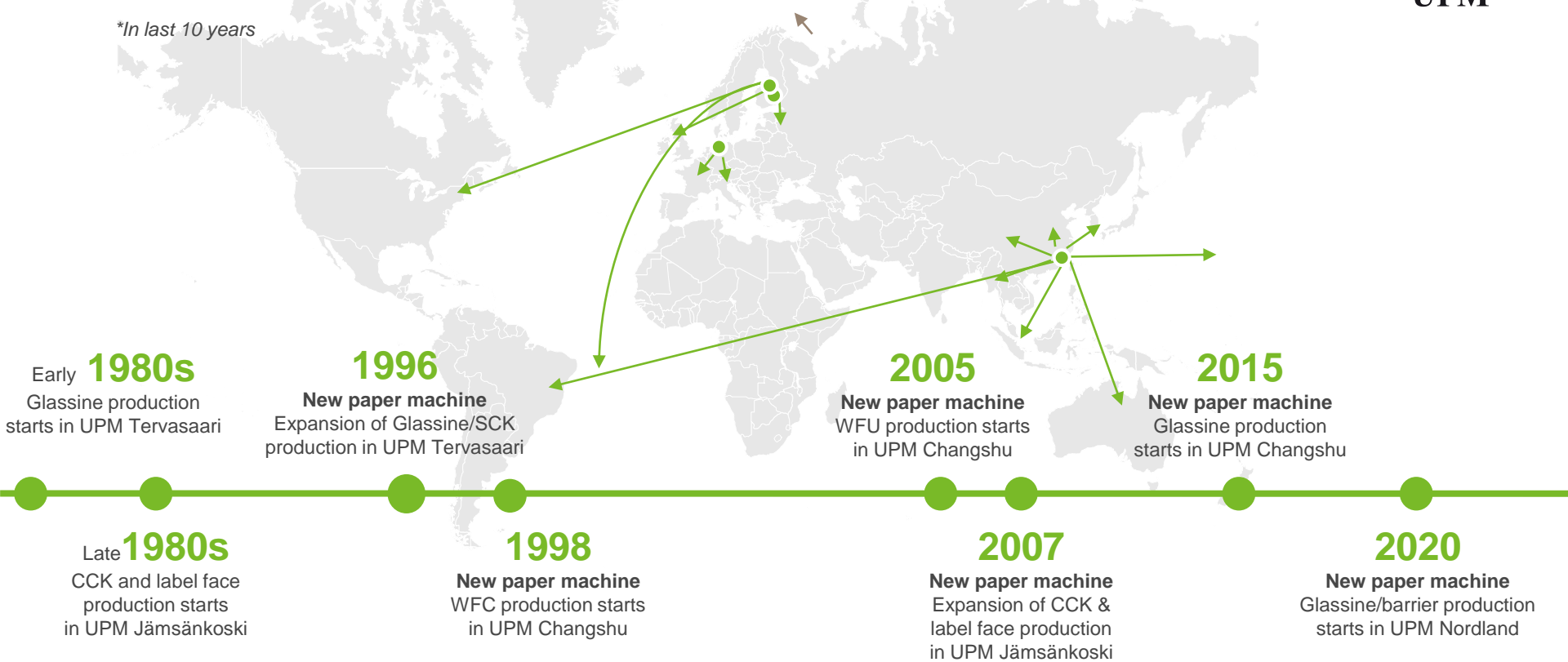


25 YEARS
UPM IN CHINA

- Mill
- Sales offices & representatives
- Customer service centre

Over half a billion Euros invested in flexible production platform supports growth*

*In last 10 years



Early **1980s**
Glassine production starts in UPM Tervasaari

1996
New paper machine
Expansion of Glassine/SCK production in UPM Tervasaari

2005
New paper machine
WFU production starts in UPM Changshu

2015
New paper machine
Glassine production starts in UPM Changshu

Late **1980s**
CCK and label face production starts in UPM Jämsänkoski

1998
New paper machine
WFC production starts in UPM Changshu

2007
New paper machine
Expansion of CCK & label face production in UPM Jämsänkoski

2020
New paper machine
Glassine/barrier production starts in UPM Nordland

Scale up of previous growth investments as well as preparations for possible next steps in growth strategy ongoing



Summary

- Global long-term trends support our business, despite unforeseen short-term volatility in Specialty Papers demand.
- Growing consumer awareness of sustainability and tightening regulation drive demand for sustainable packaging – paper is a great fit.
- Our clear strategic priorities and strong cornerstones for coming years ensure profitable growth and resilience.
- Commercialization of new products and scaling up of investments support our growth.
- We actively assess alternatives for future growth in specialty grades.



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UPM **BIOFORE**
BEYOND FOSSILS

