

Half year financial report 2025



UPM Half Year Financial Report 2025:

Securing performance in a turbulent global trade environment



Q2 2025 highlights

- Sales totaled €2,400 million (2,546 million in Q2 2024)
- Comparable EBIT decreased by 31% to €126 million, 5.2% of sales (182 million, 7.2%)
- Operating cash flow was €179 million (204 million)
- Increased global trade tensions impacted deliveries and sales prices for UPM Fibres and UPM Communication Papers
- Advanced materials businesses' performance was more resilient, measures to improve profitability continued
- UPM Biofuels had record high deliveries and improved its performance
- UPM discontinued the development of the potential refinery in Rotterdam to sharpen the focus in biofuels growth strategy
- The biochemicals refinery in Leuna started up the first of its three core processes

H1 2025 highlights

- Sales totaled €5,046 million (5,186 million in H1 2024)
- Comparable EBIT decreased by 20% to €413 million, 8.2 % of sales (515 million, 9.9 %)
- Operating cash flow was €468 million (539 million)
- Net debt was €3,310 million at the end of June (2,763 million)
- UPM commenced a share buy-back program and repurchased 6 million shares for a total of approximately €160 million
- UPM was listed as the only forest and paper industry company in the Dow Jones Global and European Sustainability Indices (DJSI) for the years 2024–2025
- UPM was recognized among the top sustainability performers by CDP and S&P Global

Key figures

	Q2/2025	Q2/2024	Q1/2025	Q1-Q2/2025	Q1-Q2/2024	Q1-Q4/2024
Sales, € million	2,400	2,546	2,646	5,046	5,186	10,339
Comparable EBITDA, € million	257	359	421	678	848	1,734
% of sales	10.7	14.1	15.9	13.4	16.3	16.8
Operating profit (loss), € million	107	50	198	305	404	604
Comparable EBIT, € million	126	182	287	413	515	1,224
% of sales	5.2	7.2	10.8	8.2	9.9	11.8
Profit (loss) before tax, € million	85	28	173	258	360	500
Comparable profit before tax, € million	105	163	262	367	474	1,123
Profit (loss) for the period, € million	71	33	143	215	312	463
Comparable profit for the period, € million	89	131	223	312	389	953
Earnings per share (EPS), €	0.13	0.05	0.26	0.39	0.56	0.82
Comparable EPS, €	0.17	0.23	0.41	0.57	0.70	1.74
Return on equity (ROE), %	2.7	1.1	5.2	3.9	5.5	4.0
Comparable ROE, %	3.4	4.6	8.1	5.7	6.9	8.3
Return on capital employed (ROCE), %	3.2	1.6	5.5	4.3	5.7	4.1
Comparable ROCE, %	3.7	5.2	7.9	5.8	7.2	8.2
Operating cash flow, € million	179	204	289	468	539	1,352
Operating cash flow per share, €	0.34	0.38	0.54	0.88	1.01	2.54
Equity per share at the end of period, €	18.96	20.10	19.29	18.96	20.10	20.89
Capital employed at the end of period, € million	14,394	14,590	14,449	14,394	14,590	15,452
Net debt at the end of period, € million	3,310	2,763	2,954	3,310	2,763	2,869
Net debt to EBITDA (last 12 months)	2.12	1.64	1.77	2.12	1.64	1.66
Personnel at the end of period	16,307	16,776	15,890	16,307	16,776	15,827

UPM presents certain measures of performance, financial position and cash flows, which are alternative performance measures in accordance with the guidance issued by the European Securities and Markets Authority (ESMA). The definitions of alternative performance measures are presented in » [UPM Annual Report 2024](#)

Massimo Reynaudo, President and CEO, comments on the results:

“The promising start to the year took a negative turn during the second quarter. Tariff announcements caused uncertainty in global trade, which weakened demand and the U.S. dollar. These had a negative impact particularly on the pulp and communication paper businesses. Our advanced materials businesses showed more resilience. To secure performance, we took further actions to safeguard the competitiveness of all our businesses. On a high note, we made good progress in the biochemicals refinery in Leuna, successfully starting up first of the refinery’s three core processes.

In Q2, our sales were €2,400 million, down from the preceding quarter as well as from Q2 2024. Comparable EBIT was €126 million, down 31% from last year’s corresponding quarter. Operating cash flow was €179 million. Our financial position remains solid, with net debt to EBITDA ratio of 2.12 at the end of June.

UPM Fibres was indirectly impacted by the escalating trade tensions. In China, orders halted during the height of the trade tensions between the U.S. and China. Customer deliveries recovered later in the quarter, but at lower price levels. Our delivery volumes were also affected by the maintenance shutdowns at UPM Paso de los Toros and UPM Kymi.

Despite the weakened dollar, we still managed to run our Finnish pulp operations profitably. Due to the continued, unsustainably high wood prices, the scheduled shutdown of the Kaukas pulp mill in Q3 will be extended to approximately two months. We will continue to monitor the situation closely and take further curtailments at our Finnish pulp mills as needed.

In UPM Communication Papers, demand was weak, prices decreased, and currency rates developed unfavorably. Trade uncertainties significantly affected demand from the U.S. customers.

The business continues to align its paper capacity with profitable demand to ensure operational competitiveness and performance. In the first quarter, we announced the planned closure of the UPM Ettringen mill in Germany. Today, we have announced plans to permanently end paper production at UPM Kaukas. Together, these two closures would reduce paper capacity by 570,000 tonnes, representing 13% of our capacity. With these planned measures we aim to ensure the efficient use of our paper assets.

In our advanced materials business, UPM Adhesive Materials showed resilience and continued to grow sales. Actions to sharpen competitiveness and improve margins continued. The business is taking steps towards strengthening its presence in faster growing regions. We are investing in our production unit in Malaysia to strengthen our asset platform in Southeast Asia. In the U.S. we will increase the capacity for high-value advanced label materials. This will enable us to increase our share of this growing market and bring advanced label production closer to the customers in the Americas.

UPM Specialty Papers navigated a market affected by the uncertainty around tariffs. Growth in the label, release base and packaging papers markets softened in the U.S. toward the end of the quarter. Demand for fine papers in China was sluggish, prices were low, and the business took efficiency measures to improve its competitiveness in these markets.

UPM Plywood saw positive development in its markets but was not able to capture the opportunities due to the prolonged strike at the Finnish mills. After the new collective labor agreement was signed, production volumes quickly picked up, supported by a high backlog of orders.

In decarbonization solutions, UPM Biofuels improved its performance after several challenging quarters with higher deliveries and decreasing costs. Despite the low market prices of advanced renewable fuels, the business reached break-even performance. During the quarter we decided to discontinue the development of the potential second biomass-to-fuels refinery in Rotterdam. We focus our growth strategy in biofuels on further development of the Lappeenranta refinery, advancing proprietary feedstock technologies and by qualifying and commercializing Crude Tall Oil -derived biofuels for jet engine fuels.

In Leuna, Germany, we made good progress toward completing the first-of-its-kind refinery and launching our biochemicals business commercially. The first of the refinery’s three core processes, the hydrothermal breakdown of solid biomass, has been successfully tested and started up. This is key to enabling the refinery’s further conversion processes to renewable chemicals and materials. We expect the entire integrated process of the refinery to start by end of the year.

UPM Energy experienced a quarter of historically low prices. Coming to the seasonally slow quarter, hydrological reservoirs were high in the Nordics. At the same time, the second quarter showed increased power demand in Finland, as an indication of the electrification of the economy starting to gain traction.

In the uncertain markets, we remain focused on executing our strategy and securing performance. We continue to leverage our world-class fibre platform in Uruguay and will take all means necessary to safeguard profitability in the Finnish pulp operations. In advanced materials, we continue to sharpen our competitiveness and capture appropriate growth opportunities. In decarbonization solutions, we are launching an exciting new biochemicals business.”

Profit guidance

UPM's comparable EBIT in H2 2025 is expected to be approximately in the range of €425-650 million (€413 million in H1 2025, and €709 million in H2 2024).

Outlook

The continued significant uncertainties in geopolitics and global trade relations may impact the development of UPM's product deliveries, sales prices, various input cost factors and currency exchange rates.

In H2 2025, compared with H1 2025, UPM's performance is expected to benefit from lower variable costs, including the timing of the annual energy refunds in Q4, and potentially from moderate fair value change of forest assets in Q4. Performance is expected to be resilient in the advanced materials businesses. Pulp prices start the second half of the year at a lower level than the realized prices during the first half of the year.

In H2 2025, compared with H2 2024, UPM's performance is expected to be held back by lower sales margins for pulp, lower deliveries of communication papers, and higher maintenance activity. Performance is expected to improve in the advance materials businesses.

The US dollar is weaker at the start of H2 2025 than during the comparison periods.

Sensitivity to pulp and electricity prices

UPM's comparable EBIT is sensitive to pulp and electricity prices. The figures below represent group earnings sensitivities on annual level.

UPM is a large producer and consumer of chemical pulp. A €50/tonne change in average pulp price would impact annual comparable EBIT by approximately €170 million (net impact: assuming no correlation between pulp and paper prices) to approximately €270 million (gross impact: assuming paper pricing would match changes in pulp costs).

UPM is a large producer and consumer of electricity in Finland and separately hedges part of its electricity sales and purchases. Based on UPM's estimated unhedged net electricity sales position in Finland in 2025, a €10/MWh change in average electricity market price in Finland would impact annual comparable EBIT by approximately €30 million.

Foreign exchange exposure

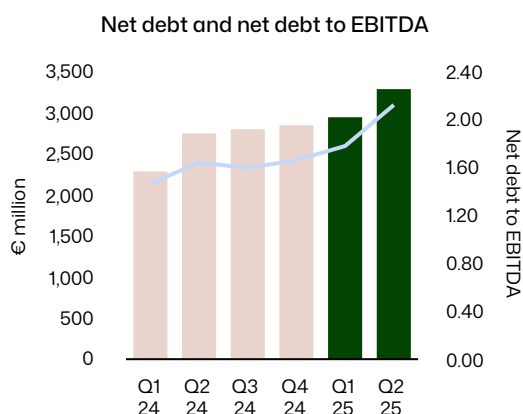
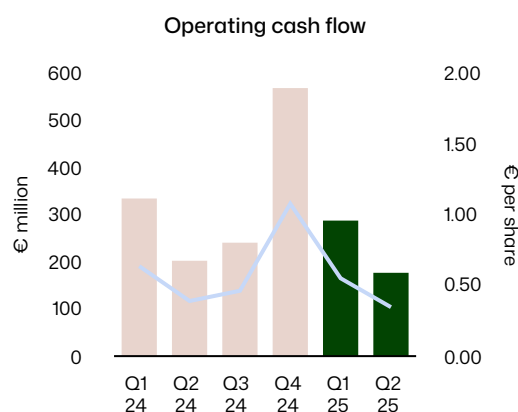
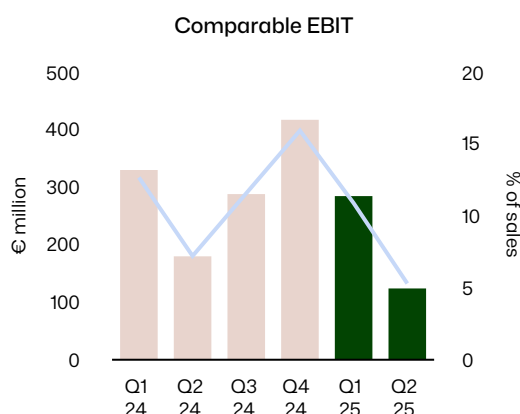
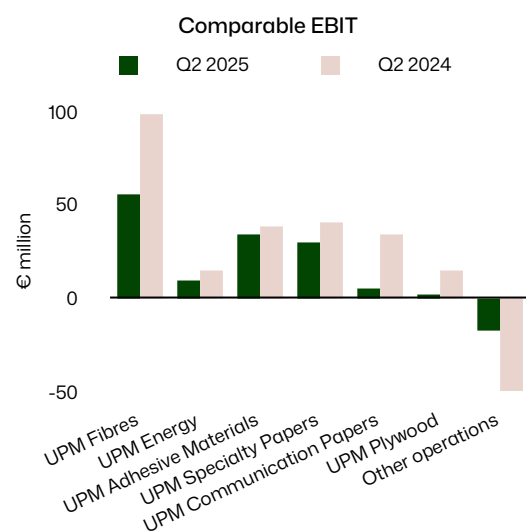
Fluctuations in monetary policies and economic conditions can significantly impact the value of various currencies, which in turn may affect UPM. Additionally, the escalation of global trade tensions could influence currency exchange rates. These currency fluctuations could impact UPM's cash flow, earnings, or balance sheet, and may also affect the relative competitiveness between different currency regions.

The group's policy is to hedge an average of 50% of its estimated net currency cash flows on a rolling basis over the next 12-month period. At the end of Q2 2025, UPM's estimated net currency cash flows for the next 12 months totaled approximately €1.5 billion. USD was the largest exposure at approximately €1.2 billion, followed by UYU, GBP and CNY. In addition, the earnings of UPM's foreign subsidiaries are translated to euros in reporting. UPM has significant foreign subsidiaries in Uruguay, the U.S. and China. Foreign exchange

risks are discussed in UPM's Annual Report 2024 on pages 305–306.

Timing of significant maintenance shutdowns

Timing	Unit
Q1-Q2/2024	Olkiluoto nuclear power plant unit OL3
Q2/2024	Olkiluoto nuclear power plant units OL1 and OL2
	UPM Paso de los Toros pulp mill
	UPM Fray Bentos pulp mill
	UPM Pietarsaari pulp mill
Q1-Q2/2025	Olkiluoto nuclear power plant unit OL3
Q2/2025	Olkiluoto nuclear power plant units OL1 and OL2
	UPM Paso de los Toros pulp mill
	UPM Kymi pulp mill
Q3/2025	UPM Kaukas pulp mill
Q4/2025	UPM Fray Bentos pulp mill



Results

Q2 2025 compared with Q2 2024

Q2 2025 sales totaled €2,400 million, 6% lower than the €2,546 million in Q2 2024. Sales increased in UPM Adhesive Materials and in Other operations, but decreased in other business areas, most notably in UPM Fibres and UPM Communication Papers. The decrease in sales was mainly driven by lower sales prices and adverse changes in currency exchange rates.

The comparable EBIT decreased by 31% to €126 million, which was 5.2 % of sales (182 million, 7.2%). Sales prices decreased in all business areas but UPM Plywood, and the negative impact of lower sales prices was significantly larger than the positive impact of changes in variable costs.

Delivery volumes increased in UPM Fibres, UPM Adhesive Materials and Other operations, and decreased in the other business areas. On group level, changes in volumes had a minor negative impact on comparable EBIT. Fixed costs decreased by €35 million.

Maintenance activity was high during the quarter, with UPM Paso de los Toros and UPM Kymi pulp mill and Olkiluoto nuclear power plant units 1, 2 and 3 holding maintenance shutdowns. However, maintenance had a smaller negative impact on the results than in Q2 of last year.

Depreciation, amortization and impairment charges excluding items affecting comparability totaled €138 million (151 million), including depreciation of leased assets totaling €22 million (21 million). The change in the fair value of forest assets net of wood harvested in comparable EBIT was €6 million (-27 million).

Operating profit was €107 million (50 million). Items affecting comparability in operating profit totaled €-19 million in the period (-132 million). In Q2 2025, items affecting comparability include €5 million restructuring charges and €4 million impairment charges resulting from the exercise of a put option concerning the Kraftwerk Plattling power plant company in UPM Communication Papers, €7 million restructuring charges related to UPM Adhesive Materials to improve operations' competitiveness and efficiency, €2 million restructuring charges related to discontinuation of Rotterdam refinery project in Other operations and other restructuring charges related to UPM Communication Papers, UPM Specialty Papers and Other operations.

In Q2 2024, items affecting comparability included €43 million of restructuring and impairment charges related to the closure of Hürth newsprint mill in Germany, €70 million restructuring and impairment charges related to the closure of Nordland fine paper machine 3 in Germany, €11 million restructuring and impairment charges related to the closure of the UPM Biocomposites business and €5 million capital gain on the sale of other non-current assets.

Net interest and other finance income and costs were €-22 million (-23 million). The exchange rate and fair value gains and losses were €-1 million (1 million). Items affecting comparability in finance costs totaled €-1 million (-3 million). Income taxes were €-13 million (5 million). Items affecting comparability in taxes totaled €3 million (37 million).

Profit for Q2 2025 was €71 million (33 million), and comparable profit was €89 million (131 million).

Q2 2025 compared with Q1 2025

The comparable EBIT decreased by 56% to €126 million, which was 5.2% of sales (287 million, 10.8%). The decrease was mainly due to the high maintenance activity in the quarter, combined with lower sales prices and decreased delivery volumes.

Maintenance activity was high during the quarter, with UPM Paso de los Toros and UPM Kymi pulp mills and Olkiluoto

nuclear power plant units 1, 2 and 3 holding scheduled maintenance shutdowns. This impacted pulp and electricity production, and increased fixed costs during the quarter.

Pulp and paper deliveries were negatively impacted by the increased uncertainty in global trade, and plywood deliveries decreased due to the strike at the Finnish mills.

Changes in sales prices, changes in variable costs and changes in currency exchange rates each had a negative net impact on the group level.

Fixed costs increased by €52 million, mainly due to the high maintenance activity during the quarter.

Depreciation, amortization and impairment charges excluding items affecting comparability, totaled €138 million (140 million). The change in the fair value of forest assets net of wood harvested in comparable EBIT was €6 million (6 million).

Operating profit was €107 million (198 million). Items affecting comparability in the operating profit totaled €-19 million for the period (-89 million). In Q2 2025, items affecting comparability include €5 million restructuring charges and €4 million impairment charges resulting from the exercise of a put option concerning the Kraftwerk Plattling power plant company in UPM Communication Papers, €7 million restructuring charges related to UPM Adhesive Materials to improve operations' competitiveness and efficiency, €2 million restructuring charges related to discontinuation of Rotterdam refinery project in Other operations and other restructuring charges related to UPM Communication Papers, UPM Specialty Papers and Other operations. In Q1 2025, items affecting comparability included €52 million restructuring charges and €10 million impairment charges related to the planned closure of Ettringen paper mill in Germany and €11 million restructuring charges in UPM Communication Papers to improve mills' operations' efficiency, €5 million restructuring charges related to UPM Adhesive Materials to improve operations' competitiveness and efficiency and €3 million restructuring charges and €1 million impairment charges related to the closure of the UPM Biomedicals business in Other operations.

January-June 2025 compared with January-June 2024

In H1 2025 sales were €5,046 million, 3% lower than the €5,186 million in H1 2024. Sales decreased in UPM Communication Papers, UPM Specialty Papers, UPM Energy and UPM Plywood business areas. Sales increased in UPM Fibres, UPM Adhesive Materials and in the Other operations reporting segment.

Comparable EBIT decreased by 20% to €413 million, 8.2 % of sales (515 million, 9.9%). Comparable EBIT decreased mainly due to lower sales prices. The result was supported by higher deliveries and lower fixed costs.

Sales prices decreased in all business areas, most notably in UPM Fibres, UPM Communication Papers, UPM Energy and UPM Specialty Papers. Variable costs decreased in most categories, but increased for wood raw material in Finland. On group level the net impact of changes in variable costs was negative.

Delivery volumes increased in UPM Fibres, UPM Adhesive Materials and Other operations, and decreased in the UPM Communication Papers, UPM Specialty Papers, UPM Energy and UPM Plywood business areas.

Fixed costs decreased by €34 million.

Depreciation, amortization and impairment charges excluding items affecting comparability, totaled €278 million (298 million) including depreciation of leased assets totaling €46 million (41 million). The change in the fair value of forest assets net of wood harvested was €12 million (-35 million).

Operating profit totaled €305 million (404 million). Items affecting comparability in operating profit totaled €-108 million in the period (-111 million). In 2025, items affecting comparability include €52 million restructuring charges and €10 million impairment charges related to the planned closure of Ettringen paper mill in Germany, €11 million restructuring charges in UPM Communication Papers to improve mills' operations' efficiency, €5 million restructuring charges and €4 million impairment charges resulting from the exercise of a put option concerning the Kraftwerk Plattling power plant company in UPM Communication Papers, €12 million restructuring charges related to UPM Adhesive Materials to improve operations' competitiveness and efficiency, €2 million restructuring charges related to discontinuation of Rotterdam refinery project, €3 million restructuring charges and €1 million impairment charges related to the closure of the UPM Biomedicals business in Other operations and other restructuring charges related to UPM Communication Papers, UPM Specialty Papers and Other operations.

In 2024, items affecting comparability included €43 million of restructuring and impairment charges related to the closure of Hürth newsprint mill in Germany, €70 million restructuring and impairment charges related to the closure of Nordland fine paper machine 3 in Germany, €11 million restructuring and impairment charges related to the closure of the UPM Biocomposites business, a €21 million capital gain on the sale of UPM-Kymmene Austria GmbH to HEINZEL GROUP and €8 million capital gain on the sale of other non-current assets.

Net interest and other finance costs were €-48 million (-44 million). The exchange rate and fair value gains and losses were €2 million (-1 million). Items affecting comparability in finance costs totaled €-1 million (-3 million). Income taxes totaled €-43 million (-48 million).

Profit for H1 2025 was €215 million (312 million), and comparable profit was €312 million (389 million).

Financing and cash flow

In H1 2025, the cash flow from operating activities before capital expenditure and financing totaled €468 million (539 million in H1 2024). Working capital increased by €97 million (increased by 187 million).

Net debt was €3,310 million at the end of Q2 2025 (2,763 million). The gearing ratio as of June 30, 2025 was 32% (25%). The net debt to EBITDA ratio, based on the last 12 months' EBITDA, was 2.12 at the end of the period (1.64).

On June 30, 2025, UPM's cash funds and unused committed credit facilities totaled €2.7 billion. The total amount of committed credit facilities was €2.1 billion of which €159 million will mature in 2026, €1.8 billion will mature in 2027 and €200 million will mature in 2028 or beyond.

Between February 10 and April 8, 2025, the group repurchased a total of 6,000,000 own shares, with approximately €160 million in cash outflow.

For the 2024 financial year, the dividend of €1.50 per share is paid in two equal instalments. The first instalment of €0.75 per share (totaling €397 million) was paid on April 8, 2025, and the second instalment of €0.75 per share will be paid on November 7, 2025 (totaling €397 million).

Capital expenditure

In H1 2025, capital expenditure excluding investments in shares totaled €201 million (257 million), and including investment in shares €374 million, which was 7.4% of sales (267 million, 5.1%

of sales in H1 2024). Capital expenditure does not include additions to leased assets.

In 2025, UPM's total capital expenditure, excluding investments in shares, is expected to be about €400 million.

In January 2020, UPM announced that it would invest in a 220,000 tonne next-generation biochemicals biorefinery in Leuna, Germany. The commissioning and start-up was initiated in late 2024, and the total investment estimate is €1,335 million.

Personnel

In H1 2025 UPM had an average of 15,999 employees (16,352 in H1 2024). At the beginning of the year, the number of employees was 15,827 and at the end of Q2 2025 it was 16,307.

Biochemicals refinery investment

In January 2020, UPM announced that it would invest in a 220,000 tonne next-generation biochemicals refinery in Leuna, Germany. The investment estimate is €1,335 million, including the ongoing corrective works that have been communicated earlier.

The completion of the Leuna refinery is progressing. The first of the refinery's three core processes, the conversion of solid biomass to liquid chemicals, has been successfully tested and started up. The production of industrial sugars will start-up shortly and the integrated commercial production of the site is expected to start by the end of 2025. The biorefinery is expected to reach full production and positive EBIT in 2027.

The overall business readiness is ensured and all teams, business processes and systems are operational. We have secured the required materials to start and run the refinery as well as the infrastructure and capacity to ship our products.

Commercial interest in the products and side-streams has been consistently strong and confirmed with customer contracts. We continue to manage a sales and customer qualification pipeline multiple times the annual capacity.

The biorefinery will produce a range of 100% wood-based biochemicals, which will enable a switch from fossil raw materials to sustainable alternatives in various end-uses. The valuation of the products is driven by their sustainability performance which enables consumer brands to achieve market differentiation and by their superior technical performance. The investment opens new markets for UPM, with large growth potential for the future.

The industrial scale biorefinery will convert solid wood into next generation biochemicals: bio-monoethylene glycol (BioMEG) and Renewable Functional Fillers (RFF). In addition, the biorefinery will produce bio-monopropylene glycol (BioMPG) and industrial sugars. The ROCE target for the UPM Biochemicals business is 14%.

The combination of a sustainable wood supply, a unique technology concept, integration into existing infrastructure at Leuna and the proximity to customers will ensure the competitiveness of operations. The safety and sustainability of the value chain will meet UPM's high standards and the strong focus on regional sourcing, especially of feedstock supports the market valuation.

InfraLeuna GmbH, in the state of Saxony-Anhalt, offers very competitive conditions for constructing a biorefinery with its logistics arrangements and infrastructure for various services and utilities.

Biofuels business development

On May 27, 2025, UPM announced plans to discontinue the development of its potential second biomass-to-fuels refinery at the Port of Rotterdam following extended technical, commercial and strategic evaluations. Consequently, UPM intends to halt all engineering activities related to the investment in Rotterdam and withdraw from all associated commitments.

Renewable fuels and renewable chemicals are the central elements of UPM's long-term growth in decarbonization solutions. UPM is focusing on three targeted growth areas in its biofuels business:

- Evaluating the potential to debottleneck the Lappeenranta biorefinery in order to capture low CAPEX expansion opportunities and further leverage the strong market performance of CTO-derived biofuels.
- Enabling the qualification of CTO-derived UPM biofuels as sustainable aviation fuel (SAF). This strategic direction is supported by successful SAF trials conducted with the Austrian aircraft manufacturer Diamond Aircraft using Austro Engine propulsion and by continued progress in the technical acceptance process at the American Society for Testing and Materials (ASTM). Results from these trials and stakeholder reviews have been consistently positive.
- Continuing feedstock technology development to qualify and enable the use of additional competitive and sustainable biomass. This will support the cost-efficient production of high-quality biofuels for both road and aviation applications.

Events during the reporting period

On January 2, UPM announced that it has been listed as the only forest and paper industry company in the Dow Jones World and European Sustainability Indices 2024–2025.

On February 5, UPM updated its Disclosure Policy and changed its method of issuing profit guidance and outlook.

On February 5, 2025, UPM announced the acquisition of Metamark, a UK-based company to further accelerate UPM Adhesive Materials' growth.

On February 5, UPM announced the commencement of a share buy-back program for a maximum of 6,000,000 shares or a maximum of €160 million.

On February 11, UPM was recognized among the top sustainability performers by CDP and S&P Global.

On March 11, UPM announced plans to permanently close its paper mill in Ettringen, Germany.

On March 27, UPM held its Annual General Meeting.

On April 8, UPM announced the completion of the share buy-back program.

On May 5, UPM announced that the 6 million shares repurchased under its buy-back program have been cancelled.

On May 27, UPM announced plans to discontinue the development of its potential second biomass-to-fuels refinery at the Port of Rotterdam.

On June 12, UPM announced that the UPM Raflatac business area and reporting segment will be renamed UPM Adhesive Materials and the new reporting segment name will be in use from the Half year financial report 2025 onwards.

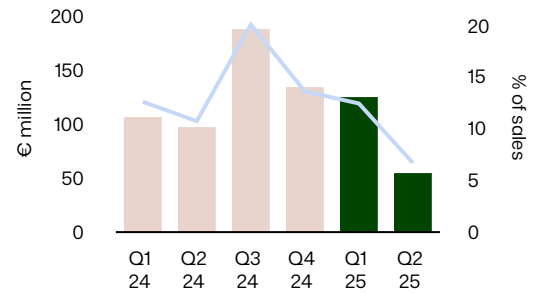
Events after the balance sheet date

On July 24, UPM announced plans to end paper production at UPM Kaukas, Finland by the end of 2025.

UPM Fibres

UPM Fibres consists of pulp and timber businesses. UPM Pulp offers a versatile range of responsibly-produced pulp grades suitable for a wide range of end-uses. UPM Timber offers certified sawn timber. UPM has three pulp mills in Finland, two mills and plantation operations in Uruguay and operates four sawmills in Finland.

Comparable EBIT



	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1- Q2/25	Q1- Q2/24	Q1- Q4/24
Sales, € million	838	1,010	1,001	943	922	861	1,849	1,784	3,728
Comparable EBITDA, € million	119	202	191	267	194	193	320	387	844
% of sales	14.1	20.0	19.0	28.3	21.0	22.4	17.3	21.7	22.6
Change in fair value of forest assets and wood harvested, € million	9	2	26	-1	-8	-5	11	-13	11
Share of results of associated companies and joint ventures, € million	1	1	1	1	0	0	1	1	2
Depreciation, amortization and impairment charges, € million	-72	-79	-194	-76	-87	-80	-151	-167	-437
Operating profit, € million	55	126	22	190	99	108	181	207	419
% of sales	6.6	12.4	2.2	20.1	10.7	12.6	9.8	11.6	11.2
Items affecting comparability in operating profit, € million ¹⁾	–	–	-114	–	–	–	–	–	-114
Comparable EBIT, € million	56	126	136	190	99	108	181	207	533
% of sales	6.6	12.4	13.6	20.1	10.7	12.6	9.8	11.6	14.3
Capital employed (average), € million	6,680	7,298	7,333	7,087	7,112	7,079	6,989	7,096	7,153
Comparable ROCE, %	3.3	6.9	7.4	10.7	5.6	6.1	5.2	5.8	7.5
Pulp deliveries, 1000 t	1,192	1,433	1,449	1,185	1,126	1,185	2,625	2,311	4,945

¹⁾ Q4 2024 items affecting comparability include €113 million impairment in goodwill for Pulp operations in Finland and minor restructuring charges.

Pulp mill maintenance shutdowns: Q2 2025 UPM Paso de los Toros and UPM Kymi, Q2 2024 UPM Paso de los Toros, UPM Fray Bentos and UPM Pietarsaari.

- UPM Paso de los Toros and UPM Kymi pulp mills had scheduled maintenance shutdowns during Q2 2025
- Korkeakoski sawmill had a shutdown due to an investment that improves material utilization ratio and reduces energy consumption

Results

Q2 2025 compared with Q2 2024

The comparable EBIT for UPM Fibres decreased. Volumes were higher but sales prices considerably lower than a year ago and currency effects negative.

The average price in euro for UPM's pulp deliveries decreased by 18%.

Q2 2025 compared with Q1 2025

The comparable EBIT decreased due to lower pulp volumes, unfavorable currency effects and fixed costs from maintenance shutdowns at UPM Paso de los Toros and UPM Kymi.

The average price in euro for UPM's pulp deliveries decreased by 6%.

January-June 2025 compared with January-June 2024

The comparable EBIT decreased. Pulp deliveries grew but sales prices were significantly lower. Variable costs were on similar levels, while fixed costs decreased.

The average price in euro for UPM's pulp deliveries decreased by 10%.

Market environment

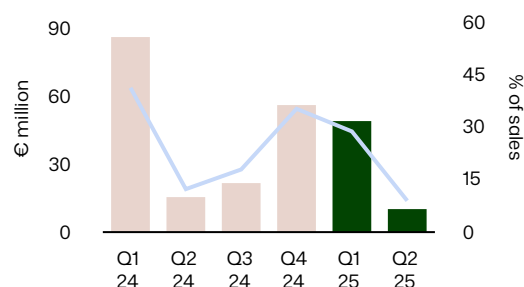
- In Q2 2025, demand for chemical pulp from the tissue sector held up relatively well, but the uncertainty on tariffs and exports to the U.S. limited overall Chinese demand significantly, spilling over to some extent into Europe and the U.S.
- In Europe, the market price for northern bleached softwood kraft pulp (NBSK) decreased and increased for bleached hardwood kraft pulp (BHKP) in Q2 2025 compared to Q1 2025.
- In China, the market price for northern bleached softwood kraft pulp (NBSK) and bleached hardwood kraft pulp (BHKP) decreased in Q2 2025 compared to Q1 2025.
- In Q2 2025, the average European market price in euro was 1% higher for NBSK and 17% lower for BHKP compared to Q2 2024. In China, the average market price in US dollars was 6% lower for NBSK and 22% lower for BHKP, compared to Q2 2024.
- In Q2 2025, European demand for sawn timber was still subdued due to low construction and market prices slightly improved compared to Q1 2025.

Sources: FOEX, UPM

UPM Energy

UPM Energy generates cost competitive, zero-carbon electricity. Operations also include physical electricity and financial portfolio management as well as services to industrial electricity consumers. UPM Energy is the second largest electricity producer in Finland. UPM's power generation capacity consists of hydropower, nuclear power and thermal power.

Comparable EBIT



	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1- Q2/25	Q1- Q2/24	Q1- Q4/24
Sales, € million	118	173	161	125	130	210	291	340	627
Comparable EBITDA, € million	12	51	59	24	17	88	63	106	188
% of sales	10.2	29.6	36.4	19.1	13.4	42.0	21.7	31.1	30.0
Depreciation, amortization and impairment charges, € million	-2	-2	-2	-2	-2	-2	-3	-3	-7
Operating profit, € million	10	49	57	22	16	87	60	102	181
% of sales	8.7	28.7	35.2	17.7	12.1	41.2	20.6	30.1	28.9
Items affecting comparability in operating profit, € million	-	-	-	-	-	-	-	-	-
Comparable EBIT, € million	10	49	57	22	16	87	60	102	181
% of sales	8.7	28.7	35.2	17.7	12.1	41.2	20.6	30.1	28.9
Capital employed (average), € million	2,555	2,514	2,464	2,405	2,362	2,471	2,534	2,416	2,426
Comparable ROCE, %	1.6	7.9	9.2	3.7	2.6	14.0	4.7	8.5	7.5
Electricity deliveries, GWh	2,409	2,743	3,032	2,819	2,532	2,945	5,152	5,477	11,328

- Scheduled maintenance shutdowns at the Olkiluoto 1, 2 and 3 nuclear power plant units
- High hydrological situation in the Nordic power markets

Results

Q2 2025 compared with Q2 2024

The comparable EBIT for UPM Energy decreased due to lower electricity sales prices.

UPM's average electricity sales price decreased by 8% to €43.4/MWh (€47.1/MWh).

Q2 2025 compared with Q1 2025

The comparable EBIT decreased. Volumes were lower due to scheduled maintenance shutdowns in nuclear production. Market prices in May and June were very low.

UPM's average electricity sales price decreased by 24% to €43.4/MWh (€56.8/MWh).

January-June 2025 compared with January-June 2024

The comparable EBIT decreased due to lower volumes and sales prices.

UPM's average electricity sales price decreased by 12% to €50.5/MWh (€57.5/MWh).

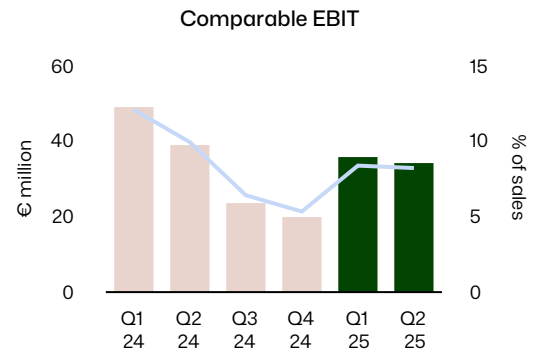
Market environment

- The Nordic hydrological balance was well above the long-term average at the end of June. In Finland, the hydrological situation was slightly below the long-term average.
- The CO₂ emission daily future price of €68.2/tonne at the end of Q2 2025 was higher than at the end of Q1 2025 (€66.7/tonne).
- The average Finnish area spot price on the Nordic electricity exchange in Q2 2025 was €28.1/MWh, 43% lower than in Q1 2025 (€49.3/MWh) and 30% lower than in Q2 2024 (€40.0/MWh).
- The front-year forward electricity price for the Finnish area closed at €41.9/MWh at the end of Q2 2025, equal to the level at the end of Q1 2025 (€41.9/MWh).

Sources: The Norwegian Water Resources and Energy Directorate, Svensk Energi, Finnish Environment Institute, Nord Pool, NASDAQ OMX, ICE, UPM

UPM Adhesive Materials

UPM Adhesive Materials offers high-quality self-adhesive paper and film products including label materials, graphics solutions and removable self-adhesive products. UPM Adhesive Materials is the second-largest producer of self-adhesive label materials worldwide.



	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1- Q2/25	Q1- Q2/24	Q1- Q4/24
Sales, € million	425	434	382	374	397	409	859	806	1,562
Comparable EBITDA, € million	49	49	32	35	50	60	98	110	177
% of sales	11.5	11.3	8.3	9.3	12.7	14.6	11.4	13.7	11.3
Depreciation, amortization and impairment charges, € million	-14	-13	-38	-11	-11	-11	-27	-22	-71
Operating profit, € million	28	27	-16	15	39	51	55	89	88
% of sales	6.5	6.3	-4.3	4.1	9.8	12.4	6.4	11.1	5.6
Items affecting comparability in operating profit, € million ¹⁾	-7	-9	-37	-9	0	1	-16	1	-44
Comparable EBIT, € million	35	36	20	24	39	49	71	89	132
% of sales	8.2	8.3	5.3	6.4	9.9	12.0	8.2	11.0	8.5
Capital employed (average), € million	900	787	727	733	723	707	844	715	722
Comparable ROCE, %	15.4	18.4	11.1	13.0	21.7	27.9	16.8	24.8	18.3

¹⁾ Q2 2025 items affecting comparability include €7 million restructuring charges to improve operations' competitiveness and efficiency. Q1 2025 items affecting comparability include €5 million restructuring charges, €3 million charges related to Metamark acquisition and a €1 million addition to charges related to Adhesive Materials factory which was impacted by Hurricane Helene. Q4 2024 items affecting comparability include €11 million restructuring charges and €26 million impairment charges related to the planned closure of Kaltenkirchen factory, a €3 million insurance compensation related to Adhesive Materials inventory in USA impacted by Hurricane Helene and a €3 million addition to restructuring charges related to other restructurings. Q3 2024 items affecting comparability include a €6 million write down of inventory at the Adhesive Materials factory, located in Western North Carolina, USA, which was impacted by Hurricane Helene and €3 million relating to restructuring measures. Q1 2024 items affecting comparability relate to restructuring measures.

- UPM Raflatac business area and reporting segment was renamed as UPM Adhesive Materials
- Operational and organizational measures to improve profitability continued
- Investments to accelerate growth in advanced label segments in North America and to strengthen the platform in Southeast Asia

Results

Q2 2025 compared with Q2 2024

The comparable EBIT for UPM Adhesive Materials decreased. Delivery volumes increased, but this positive impact was more than offset by lower prices and higher costs.

Q2 2025 compared with Q1 2025

The comparable EBIT was slightly down from the preceding quarter due to increased depreciations. Delivery volumes increased, but the sales mix was less favorable.

January-June 2025 compared with January-June 2024

The comparable EBIT decreased. The positive impact of higher volumes was smaller than the negatives from prices, costs and depreciation.

Market environment

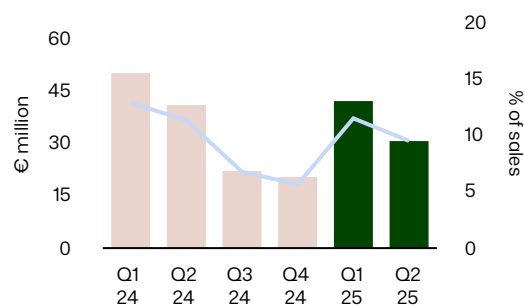
- In Q2 2025, European and North-American markets for self-adhesive label materials proved to be resilient amid uncertainty. Demand was flat year-on-year, particularly in Europe. There were some signs of recovery in China but from a low level.

Sources: UPM, FINAT, TLMI

UPM Specialty Papers

UPM Specialty Papers offers labelling and packaging materials as well as office and graphic papers for labelling, commercial siliconizing, packaging, office use and printing. The production plants are located in China, Finland and Germany.

Comparable EBIT



	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1- Q2/25	Q1- Q2/24	Q1- Q4/24
Sales, € million	328	374	368	335	367	397	702	764	1,467
Comparable EBITDA, € million	48	59	38	40	58	72	107	130	208
% of sales	14.6	15.7	10.4	12.0	15.8	18.2	15.2	17.0	14.2
Depreciation, amortization and impairment charges, € million	-17	-16	-18	-18	-17	-21	-33	-38	-74
Operating profit, € million	30	43	21	22	38	51	72	89	132
% of sales	9.1	11.4	5.7	6.7	10.3	12.8	10.3	11.6	9.0
Items affecting comparability in operating profit, € million ¹⁾	-1	-	1	0	-3	-	-1	-3	-3
Comparable EBIT, € million	31	43	20	22	41	51	73	92	135
% of sales	9.4	11.4	5.6	6.7	11.2	12.8	10.5	12.0	9.2
Capital employed (average), € million	705	739	777	777	796	806	722	801	789
Comparable ROCE, %	17.5	23.1	10.5	11.5	20.7	25.2	20.3	22.9	17.1
Paper deliveries, 1000 t	343	368	368	316	358	387	710	745	1,429

¹⁾ Q2 2025 items affecting comparability relate to restructuring measures. Q4 2024 items affecting comparability relate to restructuring measures. Q2 2024 items affecting comparability relate to restructuring measures.

- Launched efficiency measures
- Uncertainty around tariffs and trade negotiations led to general caution also in the specialty paper markets
- UPM Specialty Papers will invest over €10 million in the modernization of the UPM Tervasaari, in Finland

Results

Q2 2025 compared with Q2 2024

The comparable EBIT for UPM Specialty Papers decreased due to lower sales volumes and sales prices, particularly for fine papers. Variable costs, mainly pulp, were lower.

Q2 2025 compared with Q1 2025

The comparable EBIT decreased. Volumes were lower and sales prices decreased. Fixed and especially variable costs were lower.

January-June 2025 compared with January-June 2024

The comparable EBIT decreased. The negative impact of lower sales volumes and prices was partially offset by the positive impact of lower pulp and energy costs.

Market environment

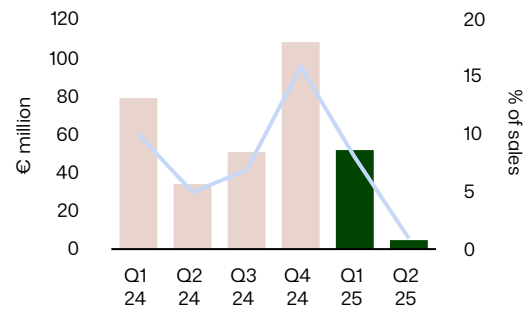
- In Q2 2025, markets for label, release base and packaging papers were soft in Europe and softened also in the U.S towards the end of quarter.
- Demand and prices for fine papers stabilized in the Asia-Pacific region.
- In Q2 2025, market prices were lower than in Q1 2025 and Q2 2024, especially for fine paper grades.

Sources: UPM, RISI, AFRY, AWA

UPM Communication Papers

UPM Communication Papers offers an extensive product range of sustainably produced graphic papers for advertising and publishing as well as home and office uses. The business has extensive low-cost operations consisting of 10 efficient paper mills in Europe and the United States, a global sales network and an efficient logistic system. The main customers are publishers, catalogers, retailers, printers and merchants.

Comparable EBIT



	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1- Q2/25	Q1- Q2/24	Q1- Q4/24
Sales € million	630	664	688	751	711	802	1,294	1,514	2,953
Comparable EBITDA, € million	21	65	126	71	51	95	87	147	344
% of sales	3.4	9.8	18.3	9.5	7.2	11.9	6.7	9.7	11.6
Share of results of associated companies and joint ventures, € million	0	0	0	0	0	0	0	0	0
Depreciation, amortization and impairment charges, € million	-20	-23	-18	-9	-57	-16	-42	-73	-100
Operating profit, € million	-2	-22	106	61	-77	100	-24	23	190
% of sales	-0.3	-3.3	15.4	8.2	-10.9	12.5	-1.8	1.5	6.4
Items affecting comparability in operating profit, € million ¹⁾	-7	-74	-3	10	-112	21	-81	-91	-83
Comparable EBIT, € million	5	52	109	51	35	79	58	114	273
% of sales	0.8	7.9	15.8	6.8	4.9	9.9	4.5	7.5	9.3
Capital employed (average), € million	1,033	1,109	1,128	1,142	1,120	1,215	1,071	1,167	1,151
Comparable ROCE, %	2.1	18.9	38.5	17.9	12.4	26.1	10.8	19.5	23.8
Paper deliveries, 1000 t	740	731	757	838	790	879	1,471	1,668	3,263

¹⁾ Q2 2025 items affecting comparability include €5 million restructuring charges and €4 million impairment charges resulting from the exercise of a put option concerning the Kraftwerk Plattling power plant company in Germany and €1 million reversal related to prior restructuring charges. Q1 2025 items affecting comparability include €52 million restructuring charges and €10 million impairment charges related to the planned closure of Ettringen paper mill in Germany and €11 million other restructuring charges to improve mills' operations' efficiency. Q4 2024 items affecting comparability include a €8 million addition to restructuring charges related to the closure of Plattling mill in 2023, €7 million reversal of impairment charges related to the closure of Hürth newsprint mill and the closure of Nordland fine paper machine 3 in Germany and other minor restructuring charges. Q3 2024 items affecting comparability include €11 million reversal of impairment charges related to the closure of Hürth newsprint mill and the closure of Nordland fine paper machine 3 in Germany and other minor restructuring charges. Q2 2024 items affecting comparability include €72 million restructuring charges and €40 million impairment charges related to the closure of Hürth newsprint mill and the closure of paper machine 3 at Nordland in Germany. Q1 2024 items affecting comparability include €21 million capital gains on sale of UPM-Kymmene Austria GmbH.

- The negotiations for the planned closure of UPM Ettringen continued
- Tariffs and exchange rates had a negative impact on performance

Results

Q2 2025 compared with Q2 2024

The comparable EBIT for UPM Communication Papers decreased due to lower deliveries and lower prices. Variable and fixed costs decreased, mainly because of lower fibre costs and asset exits.

The average price in euros for UPM's paper deliveries decreased by 5%.

Q2 2025 compared with Q1 2025

The comparable EBIT decreased due to lower paper prices and unfavorable currency rates. Volumes were stable. Variable cost decreased, mainly energy and fibre, but fixed costs were higher due to more maintenance.

The average price in euros for UPM's paper deliveries decreased by 6%.

January-June 2025 compared with January-June 2024

The comparable EBIT decreased. Volumes and prices in H1 2025 were lower than in H1 2024.

The average price in euros for UPM's paper deliveries decreased by 4%.

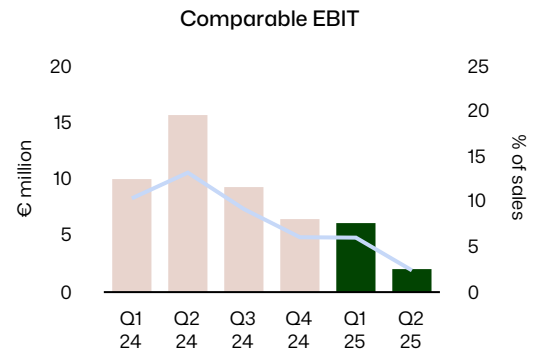
Market environment

- In Q2 2025, demand for graphic papers in Europe was 9% lower than in Q2 2024. Newsprint demand decreased by 9%, magazine demand decreased by 11% and demand for fine papers decreased by 8% compared to Q2 2024.
- In Q2 2025, publication paper prices in Europe were 1% lower than in Q1 2025 and on the same level as in Q2 2024. In Q2 2025, fine paper prices in Europe were 1% lower than in the previous quarter and 4% lower compared to Q2 2024.
- In April-May 2025, demand for magazine papers in North America was 12% lower compared to the same period in 2024. The average price in US dollars for magazine papers in Q2 2025 was 1% higher compared to both Q1 2025 and Q2 2024.

Sources: PPI/RISI, Euro-Graph, PPPC

UPM Plywood

UPM Plywood offers high quality WISA® plywood and veneer products for construction, vehicle flooring, LNG shipbuilding, parquet manufacturing and other industrial applications.



	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1- Q2/25	Q1- Q2/24	Q1- Q4/24
Sales, € million	89	103	109	103	120	98	192	218	430
Comparable EBITDA, € million	7	12	13	15	21	16	19	37	65
% of sales	8.3	11.4	11.9	14.6	17.6	15.8	10.0	16.8	15.0
Depreciation, amortization and impairment charges, € million	-5	-6	-6	-6	-5	-5	-11	-11	-23
Operating profit, € million	2	6	6	9	16	10	8	26	42
% of sales	2.1	5.9	6.0	9.1	13.1	10.4	4.2	11.9	9.7
Items affecting comparability in operating profit, € million	-	-	-	-	-	-	-	-	-
Comparable EBIT, € million	2	6	6	9	16	10	8	26	42
% of sales	2.3	5.9	6.0	9.1	13.1	10.3	4.2	11.8	9.7
Capital employed (average), € million	226	244	248	240	241	243	235	242	243
Comparable ROCE, %	3.6	10.0	10.4	15.6	26.1	16.6	6.9	21.3	17.1
Plywood deliveries, 1000 m ³	99	120	120	113	139	110	218	248	482

- Production at the Finnish mills was impacted by the strike from March 3 to May 5, the new company-specific collective agreement is valid until the end of 2027
- Actions to improve cost efficiency were conducted
- After the strike, daily production volumes have been on a good level, supported by a high backlog of orders

Results

Q2 2025 compared with Q2 2024

The comparable EBIT for UPM Plywood decreased. Delivery volumes and fixed costs were lower due to the strike at the Finnish mills. Variable costs were higher than a year ago.

Q2 2025 compared with Q1 2025

The comparable EBIT decreased. Delivery volumes were lower due to the strike at the Finnish mills. Variable costs were lower in Q2 compared to Q1.

January-June 2025 compared with January-June 2024

The comparable EBIT decreased. Delivery volumes were lower due to the strike at the Finnish mills. Higher wood costs were partially offset by lower fixed costs.

Market environment

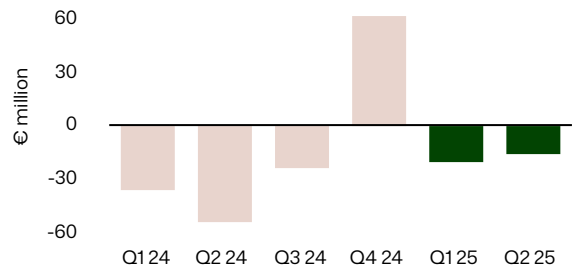
- In Q2 2025, demand for spruce plywood improved first in the Nordics and also in the UK and Benelux countries.
- In Q2 2025, demand for birch plywood in panel trading was solid and demand from industrial end uses improved, most visibly in the UK.
- Improved demand for veneers, and demand for LNG end-use birch plywood continued robust.
- Provisional EU anti-dumping duties on Chinese hardwood plywood imports came into effect in June, anti-dumping investigations against Brazilian softwood plywood are ongoing.

Source: UPM

Other operations

Other Operations includes UPM Forest, UPM Biofuels and UPM Biochemicals business units as well as biofuels development and group services. UPM Forest secures competitive wood and biomass for UPM businesses and manages UPM-owned and privately-owned forests in North Europe. In addition, UPM Forest offers forestry services to forest owners and forest investors. UPM Biofuels produces wood-based renewable diesel for all diesel engines and renewable naphtha that can be used as a biocomponent for gasoline or for replacing fossil raw materials in petrochemical industry. UPM operates one biorefinery in Finland.

Comparable EBIT



	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1- Q2/25	Q1- Q2/24	Q1- Q4/24
Sales, € million	192	166	157	141	172	153	358	325	623
Comparable EBITDA, € million	-2	-12	-30	3	-24	-20	-14	-45	-72
Change in fair value of forest assets and wood harvested, € million	-3	4	105	-15	-19	-3	1	-22	68
Share of results of associated companies and joint ventures, € million	0	0	-1	0	0	-1	0	-1	-1
Depreciation, amortization and impairment charges, € million	-11	-14	-389	-11	-15	-12	-25	-27	-427
Operating profit, € million	-20	-25	-316	-24	-61	-34	-45	-95	-434
Items affecting comparability in operating profit, € million ¹⁾	-3	-5	-378	0	-6	2	-8	-4	-382
Comparable EBIT, € million	-16	-21	62	-23	-55	-36	-37	-90	-52
Capital employed (average), € million	3,136	2,999	3,155	3,176	3,115	3,070	3,068	3,092	3,129
Comparable ROCE, %	-2.1	-2.7	7.9	-3.0	-7.0	-4.7	-2.4	-5.9	-1.7

¹⁾ Q2 2025 items affecting comparability include €2 million restructuring charges related to discontinuation of Rotterdam refinery project and €1 million other restructuring charges. Q1 2025 items affecting comparability include €3 million restructuring charges and €1 million impairment charges related to the closure of the UPM Biomedicals business and €1 million other restructuring charges. Q4 2024 items affecting comparability include a €5 million impairment of goodwill of UPM Biochemicals and a €373 million impairment on assets in the biochemicals refinery in Leuna resulting from cost overruns and construction delays, a €1 million addition to UPM Biocomposites restructuring charges and a €1 million gain on asset sales in UPM Biocomposites. Q2 2024, items affecting comparability include a €6 million addition to restructuring charges and €6 million impairment charges related to plans to close UPM Biocomposites business, and €5 million capital gain on sale of non-current assets. Q1 2024, items affecting comparability include €2 million capital gains on sale of non-current assets.

- In Q2, UPM Biofuels achieved record high deliveries of advanced biofuels
- The biochemicals refinery in Leuna started up the first of its three core processes

Results

Q2 2025 compared with Q2 2024

The comparable EBIT for Other operations increased. The change in the fair value of net forest assets of wood harvested was €-3 million (-19 million). The change in the fair value of forest assets was €15 million (16 million). The cost of wood harvested from UPM forests was €18 million (35 million).

Biofuels sales volumes were higher but prices were lower.

Q2 2025 compared with Q1 2025

The comparable EBIT increased. The change in the fair value of net forest assets of wood harvested was €-3 million (4 million). The change in the fair value of forest assets was €15 million (20 million). The cost of wood harvested from UPM forests was €18 million (16 million).

Biofuels deliveries increased but sales prices were lower.

January-June 2025 compared with January-June 2024

The comparable EBIT increased. The change in the fair value of forest assets net of wood harvested was €1 million (-22 million). The change in the fair value of forest assets was €35 million (36 million). The cost of wood harvested from UPM forests was €-34 million (-58 million).

Biofuels deliveries increased but sales prices were lower.

Market environment

- In Q2 2025, the European markets for advanced renewable fuels improved slowly but prices were still at low levels.
- Germany released a draft law for RED III implementation, which is expected to lead to an increase in the demand for biofuels. Firmer version of the draft is expected during Q3.
- Uncertainty around U.S. biofuel tax credit mechanisms and tariffs create uncertainty in global HVO trade flows.

Source: UPM

Risks and near-term uncertainties

The main uncertainties in UPM's earnings relate to the sales prices and delivery volumes of the Group's products, as well as changes to the main input cost items and currency exchange rates. Most of these items depend on general economic developments.

Currently high uncertainty relates to the trade tensions between major economies, particularly to the tariffs introduced by the U.S. on imports from nearly all countries in the world, and the potential countermeasures introduced by the other countries. The future level of tariffs impacting each product category between each pair of countries or trading blocks remain uncertain and there is a risk of escalation of the trade conflict.

The trade conflict and the related uncertainty may impact the general economic development of various regions. The trade conflict may have significant impacts on inflation, economic growth, interest rates and currency exchange rates in many economies relevant for UPM.

It is possible that widely applied tariffs could have indirect impacts on UPM, for example impacting demand and supply of various products or raw materials, or trade flows between countries and regions, which could impact deliveries and pricing of UPM's products or cost of raw materials on markets relevant to UPM. For example, in Q2 2025 the tariffs between the U.S. and China were momentarily very high. This uncertainty indirectly impacted even trading of goods in China from third countries and not under tariffs, such as pulp. Lower pulp buying, even if temporary, negatively impacted pulp prices.

A part of UPM's business is directly impacted by the U.S. tariffs. In 2024, approximately 14 % of UPM's sales had the U.S. as destination. Approximately 40 % of UPM sales to the U.S. market was produced locally within the U.S. and approximately 60 % was imported, mainly from the EU. The imports consisted mainly of communication papers, specialty papers, and some eucalyptus pulp. Part of the raw materials used by UPM in the U.S. were also imported and may be subject to tariffs. It is estimated that the U.S. market demand exceeds local production for many of the products that UPM exports to the U.S. However, even in such cases, tariffs could affect demand of such products. For example, demand for imported communication papers in the US could be negatively impacted by tariffs.

In 2023–2024 many of UPM's product markets experienced a severe downturn, impacted by destocking, muted consumer demand, and low industrial production and construction, particularly in Europe. Although the markets started to moderately recover in 2024, it remains uncertain how quickly consumer spending and demand for various UPM products will recover, particularly in the context of the heightened global trade tensions. In a potential persistent low-demand environment it is also possible that pressure on unit margins would increase, impacting UPM's earnings.

Geopolitical tensions, including Russia's ongoing war in Ukraine and the conflicts in the Middle East, continue to cause high uncertainty in the operating environment, which may impact economic growth, inflation and trade. The potential escalation in global geopolitical and trade tensions and the resulting impacts on the global economy may all affect UPM's operations and the supply chain, demand, supply and pricing of UPM's products, inputs or resources, or the progress of UPM's large investment projects.

The crises in the Middle East have added to geopolitical tensions and reintroduced uncertainty related to global logistics and supply chains. This may increase logistics costs, but it may also disrupt trade flows and supply chains and possibly impact

the supply-demand dynamics of various globally traded products and commodities in different markets. Bottlenecks in global logistics could impact the delivery of UPM's products, the sourcing of raw materials for UPM's businesses and the delivery of equipment for UPM's investments projects.

The halting of wood imports from Russia, combined with investments by competitors have impacted the wood markets in the Baltic Rim. It is possible that wood raw material costs in Finland could stay elevated even if product markets were slow to recover.

Fluctuations in monetary and fiscal policies and economic conditions can significantly impact the value of various currencies, which in turn may affect UPM. Additionally, the escalation of global trade tensions could influence currency exchange rates. These currency changes could impact UPM's cash flow, earnings, or balance sheet, and may also affect the relative competitiveness between different currency regions.

UPM's business operations depend on the availability of supporting information systems and network services. Unplanned interruptions in critical information system services can cause disruptions to the continuity of operations. The information systems may be exposed to a cyber-intrusion that could cause leaks of sensitive information, violation of data privacy regulations, theft of intellectual property, AI-generated misinformation or disinformation, production outages or damage to reputation.

In Finland, UPM indirectly owns approximately 31% of the new nuclear power plant unit, Olkiluoto 3 EPR (OL3), through its shareholdings in Pohjolan Voima Oyj. Pohjolan Voima Oyj is a majority shareholder of Teollisuuden Voima Oyj (TVO), holding 58.5% of its shares.

TVO supplies electricity to its shareholders on a cost-price principle (Mankala-principle), which is widely applied in the Finnish energy industry. Under the Mankala-principle electricity and/or heat is supplied to shareholders in proportion to ownership, and each shareholder is, pursuant to the specific stipulations of the respective articles of association, responsible for its respective share of the production costs of the energy company concerned.

TVO procured OL3 as a fixed-price turnkey project from a consortium (Plant Supplier) formed by Areva GmbH, Areva NP SAS and Siemens AG. As stipulated in the Plant Contract, the consortium companies have joint and several liability for the contractual obligations.

TVO has announced that even though there have been few interruptions to electricity generation at OL3 following the conclusion of the test operation program, there are uncertainties related to the availability of OL3 during the first operating cycles due to the possibility of unexpected events. These uncertainties are managed by means of systematic maintenance and monitoring of the plant unit.

According to TVO, if OL3 fails to achieve the planned load factor or operating cost structure, the Finnish national grid limits its power level, or the costs incurred by TVO due to grid load limitation make it unprofitable to operate at full power, there is a risk of production costs exceeding TVO's target.

The Group's cost structure is presented on pages 271–272 of the UPM Annual Report 2024. Risks and opportunities are discussed on pages 33–35, risks and risk management are presented on pages 120–124, and material sustainability risks and opportunities are presented on pages 141–145, 151, 190–191, 210, 224–225, 230–231 as part of the UPM Sustainability Statement. Foreign exchange risks are discussed on pages 305–306. Shareholdings in Pohjolan Voima Oyj are discussed on page 121 of the UPM Annual Report 2024.

Sustainability

UPM's new biorefinery in Leuna, Germany, achieved ISCC PLUS, PEFC, and FSC™ chain-of-custody certifications. They confirm that all wood-based feedstocks used at the biorefinery are sourced from sustainably managed forests and are fully traceable through credible third-party auditing schemes.

UPM Biofuels celebrated ten years of operations at its Lappeenranta Biorefinery, Finland, the world's first commercial-scale facility to produce wood-based advanced biofuels. Since 2015, the refinery has offered renewable alternatives to fossil-based fuels and materials, driving the decarbonization of the transportation and petrochemical industries.

UPM's stream water program, launched in 2016, is expanding to include UPM-owned land areas in the catchment area. This means that forest management practices in catchments with released or restored watercourses will be reassessed. To support this expansion, UPM is strengthening its 15-year collaboration with the Baltic Sea Action Group (BSAG) by developing forestry water protection. This includes offering research plots to find concrete ways to reduce environmental impacts on water and climate emissions in forests. In addition to adequate buffer zones around water bodies, this may involve new forest management methods or restoring peatlands, for example.

UPM Adhesive Materials is embedding product footprint data directly into customer quotes. These footprints, known as Product Passport Prototypes (PPPs), provide label converters with transparent environmental data, helping them make informed material choices and reduce Scope 3 emissions.

UPM's first Employee Share Savings Plan 2025–2028 closed for enrollment in June. Approximately 20% of UPM employees in the 29 eligible countries to participate enrolled. The purpose is to engage employees, increase their interest in company performance and long-term value creation, and align the interests of employees and shareholders.

ESG ratings and recognitions

CDP	Climate A; Forest A-; Water A- (A is the highest)
DJSI Indices	World and Europe (only constituent)
Ecovadis	Platinum (highest level)
ISS ESG Quality	Governance 2; Environment 1; Social 1 (1 best)
ISS ESG Rating	B (A+ best)
MSCI	AAA (highest level)

Share buy-back program

On February 5, 2025, UPM announced a share buy-back program based on the authorization given by the AGM of 2024. The program commenced on February 10, 2025, and was completed on April 8, 2025. During the program UPM repurchased a total of 6,000,000 own shares, corresponding to approx. 1.1% of the total number of shares in the company.

The shares were purchased at an average price of €26.60. The purchases made under the buy-back program reduced UPM's equity by €160 million. The shares were repurchased otherwise than in proportion to the shareholdings of the shareholders at the market price prevailing at the time of acquisition in public trading on Nasdaq Helsinki Ltd using the company's unrestricted equity.

After completion of the buy-back program on April 8, 2025, UPM held a total of 6,411,653 own shares. Cancellation of the shares repurchased under the buy-back program was registered on May 5, resulting in UPM holding a total of 411,653 own shares after cancellation.

Shares

In January–June 2025, UPM shares worth a total of € 4,087 million (4,050) were traded on the Nasdaq Helsinki stock exchange. This is estimated to represent approximately 70% of the total trading volume in UPM shares. The highest listing was €30.07 in February and the lowest was €21.82 in April.

The Annual General Meeting held on March 27, 2025, authorized the Board of Directors to resolve on the repurchase of a maximum of 50,000,000 of the Company's own shares. The authorization will be valid for 18 months from the date of the AGM's resolution.

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of new shares, transfer of treasury shares and issuance of special rights entitling to shares in proportion to the shareholders' existing holdings in the Company, or in a directed share issue, deviating from the shareholder's pre-emptive subscription right. The Board of Directors may also resolve on a share issue without payment to the Company itself. The aggregate maximum number of new shares that may be issued and treasury shares that may be transferred is 25,000,000 including also the number of shares that can be received on the basis of the special rights. The authorization is valid for 18 months from the date of the AGM resolution.

Aside from the above, the Board of Directors has no current authorization to issue shares, convertible bonds or share options.

The number of shares entered in the Trade Register on June 30, 2025 was 527,735,699. Through the issuance authorization, the number of shares may increase to a maximum of 552,735,699.

On June 30, 2025, the Company held 411,653 of its own shares, representing approximately 0.08% of the total number of Company shares and voting rights. The Board of Directors may decide to retain, transfer or cancel the treasury shares.

Legal proceedings

The Group's management is not aware of any significant litigation at the end of Q2 2025.

Helsinki, July 24, 2025
UPM-Kymmene Corporation
 Board of Directors

Financial statement information

Consolidated income statement

€ million	Q2/2025	Q2/2024	Q1-Q2/2025	Q1-Q2/2024	Q1-Q4/2024
Sales (Note 3)	2,400	2,546	5,046	5,186	10,339
Other operating income	21	10	44	49	130
Costs and expenses	-2,179	-2,285	-4,505	-4,454	-8,806
Change in fair value of forest assets and wood harvested	6	-27	12	-35	80
Share of results of associated companies and joint ventures	0	1	1	0	1
Depreciation, amortization and impairment charges	-141	-194	-293	-341	-1,139
Operating profit (loss)	107	50	305	404	604
Exchange rate and fair value gains and losses	-1	1	2	-1	-7
Interest and other finance costs, net	-22	-23	-48	-44	-97
Profit (loss) before tax	85	28	258	360	500
Income taxes	-13	5	-43	-48	-37
Profit (loss) for the period	71	33	215	312	463
Attributable to:					
Owners of the parent company	70	26	207	298	436
Non-controlling interests	1	6	8	14	27
	71	33	215	312	463
Earnings per share for profit attributable to owners of the parent company					
Basic earnings per share, €	0.13	0.05	0.39	0.56	0.82
Diluted earnings per share, €	0.13	0.05	0.39	0.56	0.82

Consolidated statement of comprehensive income

€ million	Q2/2025	Q2/2024	Q1-Q2/2025	Q1-Q2/2024	Q1-Q4/2024
Profit (loss) for the period	71	33	215	312	463
Other comprehensive income for the period, net of tax					
Items that will not be reclassified to income statement:					
Actuarial gains and losses on defined benefit obligations	0	13	16	14	4
Changes in fair value of energy shareholdings	153	19	127	-180	-47
Items that may be reclassified subsequently to income statement:					
Translation differences	-447	55	-679	166	346
Net investment hedge	24	-5	36	-7	-13
Cash flow hedges	2	-13	71	86	78
Other comprehensive income for the period, net of tax	-267	70	-430	78	368
Total comprehensive income for the period	-196	103	-215	390	831
Total comprehensive income attributable to:					
Owners of the parent company	-169	93	-179	366	781
Non-controlling interests	-27	10	-36	25	50
	-196	103	-215	390	831

Consolidated balance sheet

€ million	JUN 30, 2025	JUN 30, 2024	DEC 31, 2024
ASSETS			
Goodwill	267	286	174
Other intangible assets	600	595	580
Property, plant and equipment (Note 4)	6,543	7,289	7,085
Leased assets	771	675	847
Forest assets	2,454	2,367	2,517
Energy shareholdings (Note 5)	2,381	2,097	2,247
Other non-current financial assets	35	50	44
Deferred tax assets	521	460	526
Net retirement benefit assets	1	0	1
Investments in associates and joint ventures	19	30	20
Other non-current assets	21	24	21
Non-current assets	13,614	13,873	14,062
Inventories	2,006	2,091	2,104
Trade and other receivables	1,773	2,005	1,929
Other current financial assets	113	45	69
Income tax receivables	53	41	40
Cash and cash equivalents	627	558	892
Current assets	4,572	4,740	5,034
Assets classified as held for sale	–	–	–
Assets	18,186	18,613	19,096
EQUITY AND LIABILITIES			
Share capital	890	890	890
Treasury shares	-2	-2	-2
Translation reserve	58	495	657
Other reserves	1,862	1,548	1,678
Reserve for invested non-restricted equity	1,273	1,273	1,273
Retained earnings	5,917	6,517	6,644
Equity attributable to owners of the parent company	9,997	10,720	11,139
Non-controlling interests	332	376	401
Equity	10,329	11,095	11,540
Deferred tax liabilities	684	623	673
Net retirement benefit liabilities	473	479	496
Provisions (Note 8)	76	94	89
Non-current debt	3,707	2,992	3,747
Other non-current financial liabilities	151	159	158
Non-current liabilities	5,090	4,347	5,162
Current debt	359	503	166
Trade and other payables	2,120	2,347	1,938
Provisions (note 8)	236	216	165
Other current financial liabilities	24	60	108
Income tax payables	29	46	18
Current liabilities	2,768	3,171	2,395
Liabilities related to assets classified as held for sale	–	–	–
Liabilities	7,857	7,517	7,556
Equity and liabilities	18,186	18,613	19,096

Consolidated statement of changes in equity

€ million	Share capital	Treasury shares	Translation reserve	Other reserves	Reserve for invested non-restricted equity	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
Value at January 1, 2025	890	-2	657	1,678	1,273	6,644	11,139	401	11,540
Profit for the period	–	–	–	–	–	207	207	8	215
Translation differences	–	–	-635	–	–	–	-635	-44	-679
Cash flow hedges - reclassified to income statement, net of tax	–	–	–	-28	–	–	-28	–	-28
Cash flow hedges - changes in fair value, net of tax	–	–	–	99	–	–	99	–	99
Net investment hedge, net of tax	–	–	36	–	–	–	36	–	36
Energy shareholdings - changes in fair value, net of tax	–	–	–	127	–	–	127	–	127
Actuarial gains and losses on defined benefit plans, net of tax	–	–	–	–	–	16	16	–	16
Total comprehensive income for the period	–	–	-599	198	–	223	-179	-36	-215
Share-based payments, net of tax	–	–	–	-13	–	3	-10	–	-10
Acquisition of treasury shares	–	-160	–	–	–	–	-160	–	-160
Cancellation of treasury shares	–	160	–	–	–	-160	–	–	–
Dividend distribution	–	–	–	–	–	-792	-792	-23	-815
Return of capital to non-controlling interests	–	–	–	–	–	–	–	-8	-8
Other items	–	–	–	–	–	-1	-1	–	-1
Acquisition of shares from non-controlling interests	–	–	–	–	–	–	–	-2	-2
Total transactions with owners for the period	–	–	–	-13	–	-950	-963	-33	-996
Value at June 30, 2025	890	-2	58	1,862	1,273	5,917	9,997	332	10,329
Value at January 1, 2024	890	-2	347	1,655	1,273	6,998	11,161	370	11,531
Profit for the period	–	–	–	–	–	298	298	14	312
Translation differences	–	–	155	–	–	–	155	11	166
Cash flow hedges - reclassified to income statement, net of tax	–	–	–	25	–	–	25	–	25
Cash flow hedges - changes in fair value, net of tax	–	–	–	60	–	–	60	–	60
Net investment hedge, net of tax	–	–	-7	–	–	–	-7	–	-7
Energy shareholdings - changes in fair value, net of tax	–	–	–	-184	–	4	-180	–	-180
Actuarial gains and losses on defined benefit plans, net of tax	–	–	–	–	–	14	14	–	14
Total comprehensive income for the period	–	–	148	-98	–	316	366	25	390
Share-based payments, net of tax	–	–	–	-9	–	2	-7	–	-7
Dividend distribution	–	–	–	–	–	-800	-800	-19	-819
Other items	–	–	–	–	–	-1	-1	–	-1
Total transactions with owners for the period	–	–	–	-9	–	-798	-807	-19	-826
Value at June 30, 2024	890	-2	495	1,548	1,273	6,517	10,720	376	11,095

Consolidated cash flow statement

€ million	Q2/2025	Q2/2024	Q1- Q2/2025	Q1- Q2/2024	Q1- Q4/2024
Cash flows from operating activities					
Profit (loss) for the period	71	33	215	312	463
Adjustments ¹⁾	180	308	491	562	1,223
Interest received	5	8	11	15	31
Interest paid	-44	-56	-72	-69	-133
Dividends received	5	2	6	3	4
Other financial items, net	-12	0	-15	-3	-13
Income taxes paid	-41	-52	-71	-93	-144
Change in working capital	15	-39	-97	-187	-80
Operating cash flow	179	204	468	539	1,352
Cash flows from investing activities					
Capital expenditure	-113	-171	-191	-299	-543
Additions to forest assets	-21	-20	-31	-28	-53
Acquisition of businesses and subsidiaries, net of cash acquired	0	0	-124	0	-28
Acquisition of associates and joint ventures	0	-7	–	-7	–
Proceeds from sale of property, plant and equipment and intangible assets, net of tax	8	-1	9	6	10
Proceeds from sale of forest assets, net of tax	2	2	12	5	19
Proceeds from disposal of businesses and subsidiaries and advances received	0	0	0	18	16
Proceeds from disposal of shares in associates and joint ventures	0	0	0	0	1
Proceeds from disposal of energy shareholdings	0	5	0	5	5
Net cash flows from net investment hedges	20	-1	20	-1	-1
Change in other non-current assets	0	0	0	0	-10
Investing cash flow	-103	-194	-306	-302	-586
Cash flows from financing activities					
Proceeds from non-current debt	65	0	65	0	600
Payments of non-current debt	-13	-3	-67	-3	-23
Lease repayments	-42	-23	-69	-49	-105
Change in current liabilities	243	288	244	130	-182
Net cash flows from derivatives	15	0	10	3	-5
Acquisition of treasury shares	-44	0	-160	0	0
Dividends paid to owners of the parent company	-397	-400	-397	-401	-801
Dividends paid to non-controlling interests	-23	-19	-23	-19	-19
Return of capital to non-controlling interests	-8	0	-8	0	0
Other financing cash flow	-2	-4	-1	-8	-10
Financing cash flow	-207	-160	-406	-347	-544
Change in cash and cash equivalents	-132	-150	-245	-111	222
Cash and cash equivalents at the beginning of the period	772	710	892	632	632
Exchange rate effect on cash and cash equivalents	-14	-2	-20	-3	-2
Change in cash and cash equivalents	-132	-150	-245	-111	222
Change in cash and cash equivalents classified as held for sale	0	0	0	39	39
Cash and cash equivalents at the end of the period	627	558	627	558	892

¹⁾ Adjustments

€ million	Q2/2025	Q2/2024	Q1- Q2/2025	Q1- Q2/2024	Q1- Q4/2024
Change in fair value of forest assets and wood harvested	-6	27	-12	35	-80
Share of results of associated companies and joint ventures	0	-1	-1	0	-1
Depreciation, amortization and impairment charges	141	194	293	341	1,139
Capital gains and losses on sale of non-current assets	0	-6	-1	-29	-31
Financial income and expenses	22	22	46	44	104
Income taxes	13	-5	43	48	37
Utilized provisions	-18	-16	-51	-66	-121
Non-cash changes in provisions	29	92	92	90	101
Other adjustments	-2	0	81	99	74
Total	180	308	491	562	1,223

Notes to the financial statements

1 Basis of preparation and accounting policies

This unaudited interim report has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 on Interim Financial Reporting and group's consolidated statements for 2024.

Alternative performance measures presented in this report should not be considered as a substitute for measures of performance in accordance with the IFRS Accounting Standards and may not be comparable to similarly titled amounts used by other companies.

Figures presented in this report have been rounded and therefore the sum of individual figures might deviate from the presented total figure. Key figures have been calculated using exact figures.

Geopolitical developments and trade environment

The Group has assessed the impact of ongoing geopolitical developments and changes in the global trade environment, particularly U.S. tariffs on imports and potential countermeasures. It is possible that widely applied tariffs could have indirect impacts on UPM, for example impacting demand and supply of various products or raw materials, or trade flows between countries and regions, which could impact deliveries and pricing of UPM's products or cost of raw materials on markets relevant to UPM. In 2024, approximately 14% of UPM's sales were directed to the U.S. market, of which approximately 40% were produced locally and 60% imported, mainly from the EU.

The Group expects to continue operating and meeting its liabilities as they fall due. UPM has a solid balance sheet and a broad geographic presence. As of June 30, 2025, UPM's cash funds and unused committed credit facilities totaled €2.7 billion.

2 Quarterly information by business area

€ million, or as indicated	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1- Q2/25	Q1- Q2/24	Q1- Q4/24
Sales									
UPM Fibres	838	1,010	1,001	943	922	861	1,849	1,784	3,728
UPM Energy	118	173	161	125	130	210	291	340	627
UPM Adhesive Materials	425	434	382	374	397	409	859	806	1,562
UPM Specialty Papers	328	374	368	335	367	397	702	764	1,467
UPM Communication Papers	630	664	688	751	711	802	1,294	1,514	2,953
UPM Plywood	89	103	109	103	120	98	192	218	430
Other operations	192	166	157	141	172	153	358	325	623
Internal sales	-219	-277	-234	-252	-272	-291	-497	-563	-1,049
Eliminations and reconciliation	-1	0	1	0	-1	-1	-1	-2	-1
Sales, total	2,400	2,646	2,632	2,521	2,546	2,640	5,046	5,186	10,339
Comparable EBITDA									
UPM Fibres	119	202	191	267	194	193	320	387	844
UPM Energy	12	51	59	24	17	88	63	106	188
UPM Adhesive Materials	49	49	32	35	50	60	98	110	177
UPM Specialty Papers	48	59	38	40	58	72	107	130	208
UPM Communication Papers	21	65	126	71	51	95	87	147	344
UPM Plywood	7	12	13	15	21	16	19	37	65
Other operations	-2	-12	-30	3	-24	-20	-14	-45	-72
Eliminations and reconciliation	3	-5	8	-4	-8	-15	-1	-24	-20
Comparable EBITDA, total	257	421	436	450	359	489	678	848	1,734
Operating profit									
UPM Fibres	55	126	22	190	99	108	181	207	419
UPM Energy	10	49	57	22	16	87	60	102	181
UPM Adhesive Materials	28	27	-16	15	39	51	55	89	88
UPM Specialty Papers	30	43	21	22	38	51	72	89	132
UPM Communication Papers	-2	-22	106	61	-77	100	-24	23	190
UPM Plywood	2	6	6	9	16	10	8	26	42
Other operations	-20	-25	-316	-24	-61	-34	-45	-95	-434
Eliminations and reconciliation	4	-6	16	8	-19	-18	-2	-37	-13
Operating profit, total	107	198	-105	305	50	354	305	404	604
% of sales	4.5	7.5	-4.0	12.1	2.0	13.4	6.0	7.8	5.8
Items affecting comparability									
UPM Fibres	-	-	-114	-	-	-	-	-	-114
UPM Energy	-	-	-	-	-	-	-	-	-
UPM Adhesive Materials	-7	-9	-37	-9	-	1	-16	1	-44
UPM Specialty Papers	-1	-	1	-	-3	-	-1	-3	-3
UPM Communication Papers	-7	-74	-3	10	-112	21	-81	-91	-83
UPM Plywood	-	-	-	-	-	-	-	-	-
Other operations	-3	-5	-378	-	-6	2	-8	-4	-382
Eliminations and reconciliation ¹⁾	-	-1	8	12	-10	-3	-1	-14	7
Items affecting comparability in operating profit, total	-19	-89	-523	14	-132	21	-108	-111	-620
Comparable EBIT									
UPM Fibres	56	126	136	190	99	108	181	207	533
UPM Energy	10	49	57	22	16	87	60	102	181
UPM Adhesive Materials	35	36	20	24	39	49	71	89	132
UPM Specialty Papers	31	43	20	22	41	51	73	92	135
UPM Communication Papers	5	52	109	51	35	79	58	114	273
UPM Plywood	2	6	6	9	16	10	8	26	42
Other operations	-16	-21	62	-23	-55	-36	-37	-90	-52
Eliminations and reconciliation	3	-5	8	-4	-8	-15	-1	-24	-20
Comparable EBIT, total	126	287	418	291	182	333	413	515	1,224
% of sales	5.2	10.8	15.9	11.5	7.2	12.6	8.2	9.9	11.8

¹⁾ Eliminations and reconciliations includes changes in fair value of unrealized cash flow and commodity hedges.

Items affecting comparability

Certain non-operational or non-cash valuation transactions with significant income statement impact are considered as items affecting comparability and reported separately to reflect the underlying business performance and to enhance comparability from period to period.

In 2025, items affecting comparability include restructuring and impairment charges related to the planned closure of Ettringen paper mill in Germany, the exercise of a put option concerning the Kraftwerk Plattling power plant company in UPM Communication Papers, the closure of UPM Biomedicals business, and the discontinuation of Rotterdam refinery project in Other operations. In addition, they include other restructuring and impairment charges in UPM Adhesive Materials, UPM Specialty Papers, UPM Communication Papers and Other operations. Other non-operational items include acquisition charges related to Metamark acquisition.

In 2024, items affecting comparability include €373 million impairment of assets in biochemicals biorefinery in Leuna, €5

million impairment of UPM Biochemicals goodwill, and €113 million impairment of goodwill of Pulp operations in Finland. Restructuring and other impairment charges relate to the closure of Hürth newsprint mill and Nordland fine paper machine 3 in Germany in UPM Communication Papers, the closure of UPM Biocomposites business in Other operations, the planned closure of UPM Adhesive Materials factory in Kaltenkirchen in Germany and additions to restructuring charges related to the closure of UPM Plattling mill in Germany in 2023. Items affecting comparability include €21 million capital gains on sale of UPM-Kymmene Austria GmbH and other non-operational items include €4 million write down of inventory at the Adhesive Materials mill, located in North Carolina, the U.S., which was impacted by Hurricane Helene. Items affecting comparability in finance costs included €3 million impairment from shareholding in ASD associated company.

€ million	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1-Q2/25	Q1-Q2/24	Q1-Q4/24
Comparable profit for the period	89	223	328	236	131	258	312	389	953
Items affecting comparability									
Impairment charges	-3	-11	-516	11	-44	0	-14	-44	-549
Restructuring charges	-16	-72	-18	-3	-83	2	-88	-82	-103
Change in fair value of unrealized cash flow and commodity hedges	0	-1	8	12	-10	-3	-1	-14	7
Capital gains and losses on sale of non-current assets	–	0	1	0	5	22	0	28	29
Other non-operational items	–	-4	3	-6	–	–	-4	–	-4
Total items affecting comparability in operating profit	-19	-89	-523	14	-132	21	-108	-111	-620
Items affecting comparability in financial items	-1	–	–	–	-3	–	-1	-3	-3
Changes in tax rates	–	3	–	–	–	–	3	–	–
Taxes relating to items affecting comparability	3	7	100	-3	37	0	9	37	133
Items affecting comparability in taxes	3	10	100	-3	37	0	13	37	133
Items affecting comparability, total	-17	-79	-423	11	-98	21	-97	-77	-490
Profit (loss) for the period	71	143	-95	246	33	279	215	312	463

3 External sales by major products

Business area	Business	Q2/2025	Q2/2024	Q1-Q2/2025	Q1-Q2/2024	Q1-Q4/2024
€ million						
UPM Fibres	UPM Pulp UPM Timber	714	749	1,569	1,448	3,108
UPM Energy	UPM Energy	94	96	226	257	487
UPM Adhesive Materials	UPM Adhesive Materials	425	397	859	806	1,562
UPM Specialty Papers	UPM Specialty Papers	278	323	593	665	1,272
UPM Communication Papers	UPM Communication Papers	622	705	1,278	1,498	2,920
UPM Plywood	UPM Plywood	85	115	184	209	409
Other operations	UPM Forest UPM Biofuels UPM Biochemicals UPM Biomedicals* UPM Biocomposites*	183	162	339	304	582
Eliminations and reconciliations		-1	-1	-1	-2	-1
Total		2,400	2,546	5,046	5,186	10,339

*Operations in UPM Biocomposites business were terminated in 2024 and operations in UPM Biomedicals will be terminated during 2025.

Business	Product range
UPM Pulp	Softwood, birch and eucalyptus pulp
UPM Timber	Standard and special sawn timber
UPM Energy	Electricity and related services
UPM Adhesive Materials	Self-adhesive paper, film and graphic materials
UPM Specialty Papers	Labelling materials, release base papers, flexible packaging materials, office papers, graphic papers
UPM Communication Papers	Graphic papers for various end uses
UPM Plywood	Plywood and veneer products
UPM Forest	Wood and wood-based biomass (logs, pulpwood, chips, forest residues etc.), full forestry service offering
UPM Biofuels	Wood-based renewable diesel for transport and renewable naphtha for transport and petrochemicals
UPM Biochemicals	Lignin products for industrial use
UPM Biomedicals	Wood-based products for biomedical applications

4 Changes in property, plant and equipment

€ million	Q1-Q2/2025	Q1-Q2/2024	Q1-Q4/2024
Book value at beginning of period	7,085	7,053	7,053
Capital expenditure	194	248	508
Companies acquired	4	–	16
Decreases	–	-2	-3
Depreciation	-220	-232	-461
Impairment charges	-9	-51	-435
Reclassifications	–	136	136
Translation difference and other changes	-511	136	272
Book value at end of period	6,543	7,289	7,085

Capital expenditure in 2025 and 2024 mainly relate to the construction of the new biorefinery in Germany. Impairment charges in 2025 mainly relate to the plans to permanently close the Ettringen paper mill in Germany. Companies acquired in 2025 mainly relate to the acquisition of Metamark. >> [Refer note 9](#) Business combinations for more information. In 2024, companies acquired relate to the acquisition of Grafityp. Impairment charges

in 2024 include a €373 million impairment related to the Leuna biorefinery valuation in UPM Biochemicals and the rest mainly relate to the closure of Hürth newsprint mill, paper machine 3 at Nordland in Germany and closure of Kaltenkirchen factory in Germany. Reclassifications in 2024 relate to final classification of assets in the Uruguay pulp mill investment.

5 Financial assets and liabilities

Financial assets and liabilities measured at fair value

€ million	JUN 30, 2025				JUN 30, 2024				DEC 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets												
Investment funds	–	1	–	1	–	1	–	1	–	1	–	1
Derivatives non-qualifying hedges	–	19	–	19	–	9	–	9	–	10	–	10
Derivatives under hedge accounting	1	110	–	111	3	74	–	77	1	85	–	85
Energy shareholdings	–	–	2,381	2,381	–	–	2,097	2,097	–	–	2,247	2,247
Total	1	130	2,381	2,512	3	84	2,097	2,183	1	96	2,247	2,343
Financial liabilities												
Derivatives non-qualifying hedges	–	9	–	9	–	79	–	79	–	17	–	17
Derivatives under hedge accounting	1	107	–	108	1	132	–	133	–	195	–	195
Total	1	116	–	117	1	211	–	212	–	211	–	211

There have been no transfers between levels.

Specific valuation techniques used to value financial instruments at level 2 include the following methods:
Interest forward rate agreements (FRAs) are fair valued based on quoted market rates on the balance sheet date. Forward foreign exchange contracts are fair valued based on the contract forward rates at the balance sheet date.

Foreign currency options are fair valued based on quoted market rates and market volatility rates on the balance sheet

date by using the Black&Scholes option valuation model. Interest and currency swap instruments are fair valued as present value of the estimated future cash flows based on observable yield curves. Commodity swaps are fair valued based on forward curve quotations received from service providers. Valuation of investment funds is based on quoted prices (unadjusted) for identical assets in markets that are not active.

Fair value measurements using significant unobservable inputs, Level 3

€ million	Energy shareholdings		
	Q1-Q2/2025	Q1-Q2/2024	Q1-Q4/2024
Book value at beginning of period	2,247	2,283	2,283
Disposals	0	-1	-4
Fair value changes recognised in other comprehensive income	134	-185	-32
Book value at end of period	2,381	2,097	2,247

Fair valuation of energy shareholdings in UPM Energy (Pohjolan Voima Oyj's A, B, B2 and C shares, Kemijoki Oy shares, and Länsi-Suomen Voima Oy shares) is based on the discounted cash flows model. As of June 30, 2025, UPM has no ownership in Pohjolan Voima Oyj's C shares. The electricity price estimate is based on future electricity forward prices and a simulation of the Finnish area electricity price. A change of 5% in the electricity price used in the model would change the total value of the assets by approximately €280 (170 in Q2 2024) million.

The discount rate of 7.43% (8.36% in Q2 2024) used in the valuation model is determined using the weighted average cost of capital method. A change of 0.5 percentage points in the discount rate would change the total value of the assets by approximately €200 (90 in Q2 2024) million.

One of the main factors in the increase in fair value during the reporting period was the decrease in the discount rate.

Fair value of financial assets and liabilities measured at amortized cost

€ million	JUN 30, 2025	JUN 30, 2025	JUN 30, 2024	JUN 30, 2024	DEC 31, 2024	DEC 31, 2024
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	2,605	2,545	2,002	1,905	2,642	2,568
Other non-current debt excl. derivative financial instruments and lease liabilities	343	349	318	321	303	330
Total	2,948	2,894	2,320	2,226	2,945	2,898

The carrying amounts are not significantly different from fair values due to hedges. The fair values of all other financial assets and liabilities approximate their carrying amount.

6 Commitments and contingencies

€ million	JUN 30, 2025	JUN 30, 2024	DEC 31, 2024
Other own commitments			
Commitments related to off-balance sheet short-term leases	1	1	1
Other commitments	123	99	106
Total	124	101	107

The lease commitments for leases not commenced on June 30, 2025 amounted to €19 million (€24 million on December 31, 2024)

Capital commitments

€ million	Completion	Total cost	BY DEC 31, 2024	Q1-Q2/2025	AFTER JUN 30, 2025
New biorefinery / Germany	H2 2025	1,335	1,098	103	134

7 Notional amounts of derivative financial instruments

€ million	JUN 30, 2025	JUN 30, 2024	DEC 31, 2024
Interest rate futures	1,940	1,943	1,134
Interest rate swaps	1,671	1,100	1,711
Forward foreign exchange contracts	3,012	3,430	3,617
Currency options, bought	–	–	–
Currency options, written	–	–	–
Cross currency swaps	124	122	129
Commodity contracts	447	498	551

8 Provisions

€ million	Restructuring	Termination	Environmental	Emissions	Other	Total
Value at January 1, 2025	55	79	26	66	28	253
Provisions made during the year	15	60	0	37	21	133
Provisions utilized during the year	-12	-29	0	-15	-9	-66
Unused provisions reversed	0	-3	0	-2	-1	-7
Translation differences	0	0	0	-1	0	-2
Value at June 30, 2025	57	106	25	85	38	312

9 Business combinations

On April 1, 2025, as a result of the exercise of a put option by a third party, UPM became contractually obligated to purchase shares in Kraftwerk Plattling GmbH, the owner of the power plant that had previously been leased by UPM. The acquired company has been included in the group since the acquisition date. The transaction had no material impact on the balance sheet. The net assets acquired and the effects of the revenues and profit or loss are not considered material for disclosure purposes.

On February 5, 2025, it was announced that UPM Adhesive Materials had acquired Metamark, a UK-based company to further accelerate its growth in Graphics business. UPM Adhesive Materials' existing Graphics business complemented with Metamark will strengthen UPM Adhesive Materials' overall competitiveness, bring major synergies and make UPM Adhesive Materials a significant player in the fast-growing, high value-added Graphics segment.

If the transaction had occurred on January 1, 2025, UPM's sales for January–June 2025 would have been €5,051 million and profit for the period €215 million. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiaries to reflect the amortization that would have been charged assuming application of fair value adjustments to intangible assets, property plant and equipment and inventories from January 1, 2025, together with the consequential tax effects.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

€ million	
Cash paid	130
Deferred consideration	0
Total purchase consideration	130

€ million	
Other intangible assets	60
Property, plant and equipment	3
Leased assets	4
Inventories	16
Trade and other receivables	15
Cash and cash equivalents	9
Total assets	107
Deferred tax liabilities	15
Non-current debt	4
Current debt	51
Trade and other payables	14
Income tax payables	0
Total liabilities	85
Net identifiable assets acquired	22
Goodwill arising from acquisition	107

The fair value of trade and other receivables included trade receivables with a fair value of €13 million. At the date of acquisition, the gross contractual amount for trade receivables was €13 million, of which €0 million was expected to be uncollectible.

Acquisition-related costs of €3 million are included in other operating expenses and are reported as items affecting comparability in UPM Adhesive Materials business area.

Information on the amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated income statement for the reporting period is not disclosed because it would be impracticable. The acquired business has

been included in the group since the acquisition date, and the effects of the revenues and profit or loss thereof are not considered material for disclosure purposes.

The fair values of net identifiable assets acquired are provisional and dependent on final fair valuations.

Alternative performance measures

Quarterly key figures

In addition to the conventional financial performance measures established by the IFRS, certain key figures (alternative performance measures) are presented to reflect the underlying business performance and enhance comparability from period to period.

	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1- Q2/25	Q1- Q2/24	Q1- Q4/24
Sales, € million	2,400	2,646	2,632	2,521	2,546	2,640	5,046	5,186	10,339
Comparable EBITDA, € million	257	421	436	450	359	489	678	848	1,734
% of sales	10.7	15.9	16.5	17.9	14.1	18.5	13.4	16.3	16.8
Comparable EBIT, € million	126	287	418	291	182	333	413	515	1,224
% of sales	5.2	10.8	15.9	11.5	7.2	12.6	8.2	9.9	11.8
Comparable profit before tax, € million	105	262	392	257	163	311	367	474	1,123
Capital employed (average, € million)	14,421	14,951	15,262	14,831	14,809	14,972	14,923	14,753	15,184
Comparable ROCE, %	3.7	7.9	11.1	7.9	5.2	9.1	5.8	7.2	8.2
Comparable profit for the period, € million	89	223	328	236	131	258	312	389	953
Total equity, average, € million	10,458	11,064	11,356	11,134	11,451	11,669	10,934	11,313	11,535
Comparable ROE, %	3.4	8.1	11.5	8.5	4.6	8.9	5.7	6.9	8.3
Average number of shares basic (1,000)	527,391	532,245	533,324	533,324	533,324	533,324	529,805	533,324	533,324
Comparable EPS, €	0.17	0.41	0.61	0.42	0.23	0.47	0.57	0.70	1.74
Items affecting comparability in operating profit, € million	-19	-89	-523	14	-132	21	-108	-111	-620
Items affecting comparability in financial items, € million	-1	-	-	-	-3	-	-1	-3	-3
Items affecting comparability in taxes, € million	3	10	100	-3	37	0	13	37	133
Operating cash flow, € million	179	289	570	242	204	335	468	539	1,352
Operating cash flow per share, €	0.34	0.54	1.07	0.45	0.38	0.63	0.88	1.01	2.54
Net debt at the end of period, € million	3,310	2,954	2,869	2,804	2,763	2,312	3,310	2,763	2,869
Net debt to EBITDA (last 12 m.)	2.12	1.77	1.66	1.59	1.64	1.46	2.12	1.64	1.66
Gearing ratio, %	32	28	25	25	25	20	32	25	25
Equity per share at the end of period, €	18.96	19.29	20.89	20.25	20.10	21.42	18.96	20.10	20.89
Capital expenditure, € million	120	254	140	144	184	83	374	267	550
Capital expenditure excluding acquisitions, € million	119	81	140	130	174	83	201	257	527
Equity to assets ratio, %	56.8	56.3	60.5	58.8	59.6	64.0	56.8	59.6	60.5
Personnel at the end of period	16,307	15,890	15,827	16,245	16,776	16,132	16,307	16,776	15,827

The definitions of alternative performance measures are presented in other financial information in » [UPM Annual Report 2024](#)

Reconciliation of key figures to IFRS

€ million, or as indicated	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1- Q2/25	Q1- Q2/24	Q1- Q4/24
Items affecting comparability									
Impairment charges	-3	-11	-516	11	-44	0	-14	-44	-549
Restructuring charges	-16	-72	-18	-3	-83	2	-88	-82	-103
Change in fair value of unrealized cash flow and commodity hedges	0	-1	8	12	-10	-3	-1	-14	7
Capital gains and losses on sale of non-current assets	–	–	1	–	5	22	–	28	29
Other non-operational items	0	-4	3	-6	–	–	-4	–	-4
Total items affecting comparability in operating profit	-19	-89	-523	14	-132	21	-108	-111	-620
Items affecting comparability in financial items	-1	–	–	–	-3	–	-1	-3	-3
Changes in tax rates	–	3	–	–	–	–	3	–	–
Taxes relating to items affecting comparability	3	7	100	-3	37	0	9	37	133
Items affecting comparability in taxes	3	10	100	-3	37	0	13	37	133
Items affecting comparability, total	-17	-79	-423	11	-98	21	-97	-77	-490
Comparable EBITDA									
Operating profit (loss)	107	198	-105	305	50	354	305	404	604
Depreciation, amortization and impairment charges excluding items affecting comparability	138	140	147	144	151	147	278	298	590
Change in fair value of forest assets and wood harvested excluding items affecting comparability	-6	-6	-130	16	27	8	-12	35	-80
Share of result of associates and joint ventures	0	0	0	-1	-1	1	-1	0	-1
Items affecting comparability in operating profit	19	89	523	-14	132	-21	108	111	620
Comparable EBITDA	257	421	436	450	359	489	678	848	1,734
% of sales	10.7	15.9	16.5	17.9	14.1	18.5	13.4	16.3	16.8
Comparable EBIT									
Operating profit (loss)	107	198	-105	305	50	354	305	404	604
Items affecting comparability in operating profit	19	89	523	-14	132	-21	108	111	620
Comparable EBIT	126	287	418	291	182	333	413	515	1,224
% of sales	5.2	10.8	15.9	11.5	7.2	12.6	8.2	9.9	11.8
Comparable profit before tax									
Profit (loss) before tax	85	173	-131	271	28	332	258	360	500
Items affecting comparability in operating profit	19	89	523	-14	132	-21	108	111	620
Items affecting comparability in financial items	1	–	–	–	3	–	1	3	3
Comparable profit before tax	105	262	392	257	163	311	367	474	1,123
Comparable ROCE, %									
Comparable profit before tax	105	262	392	257	163	311	367	474	1,123
Interest expenses and other financial expenses	29	34	31	37	29	28	62	58	126
Capital employed, average	134	296	423	294	192	339	430	531	1,249
Comparable ROCE, %	3.7	7.9	11.1	7.9	5.2	9.1	5.8	7.2	8.2
Comparable profit for the period									
Profit (loss) for the period	71	143	-95	246	33	279	215	312	463
Items affecting comparability, total	17	79	423	-11	98	-21	97	77	490
Comparable profit for the period	89	223	328	236	131	258	312	389	953
Comparable EPS, €									
Comparable profit for the period	89	223	328	236	131	258	312	389	953
Profit attributable to non-controlling interest	-1	-6	-4	-10	-6	-7	-8	-14	-27
Average number of shares basic (1,000)	88	216	324	226	125	251	304	376	926
Comparable EPS, €	0.17	0.41	0.61	0.42	0.23	0.47	0.57	0.70	1.74
Comparable ROE, %									
Comparable profit for the period	89	223	328	236	131	258	312	389	953
Total equity, average	10,458	11,064	11,356	11,134	11,451	11,669	10,934	11,313	11,535
Comparable ROE, %	3.4	8.1	11.5	8.5	4.6	8.9	5.7	6.9	8.3
Net debt									
Non-current debt	3,707	3,710	3,747	3,711	2,992	3,045	3,707	2,992	3,747
Current debt	359	150	166	189	503	176	359	503	166
Total debt	4,066	3,860	3,913	3,900	3,494	3,221	4,066	3,494	3,913
Non-current interest-bearing assets	33	35	38	66	56	62	33	56	38
Cash and cash equivalents	627	772	892	917	558	710	627	558	892
Other current interest-bearing assets	96	99	114	113	117	136	96	117	114
Total interest-bearing assets	755	906	1,044	1,095	731	909	755	731	1,044
Net debt	3,310	2,954	2,869	2,804	2,763	2,312	3,310	2,763	2,869

It should be noted that certain statements herein, which are not historical facts, including, without limitation, those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by “believes”, “expects”, “anticipates”, “foresees”, or similar expressions, are forward-looking statements. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein including the availability and cost of production inputs, continued success of product development, acceptance of new products or services by the Group’s targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group’s patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group’s products and the pricing pressures thereto, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group’s principal geographic markets or fluctuations in exchange and interest rates. The main earnings sensitivities and the group’s cost structure are presented on pages 271–272 of the 2024 Annual Report. Risks and opportunities are discussed on pages 33–35 and risks and risk management are presented on pages 120–124 of the report.



UPM-Kymmene Corporation

Alvar Aallon katu 1

PO Box 380

FI-00101 Helsinki, Finland

Tel. +358 2041 5111

Fax +358 2041 5110

ir@upm.com