



Creating the future

INTERIM REPORT
JANUARY-MARCH 2025



UPM Interim Report Q1 2025:

Good start to the year with actions to sharpen competitiveness



Q1 2025 highlights

- Sales totaled €2,646 million (2,640 million in Q1 2024)
- Comparable EBIT decreased by 14% to €287 million, 10.8% of sales (333 million, 12.6%)
- Operating cash flow was €289 million (335 million)
- Gradually improving markets in pulp and advanced materials
- Actions to sharpen competitiveness started to bear fruit
- UPM acquired Metamark, a UK-based company, to accelerate UPM Raflatac's growth
- UPM Communication Papers announced a plan to reduce paper capacity in Germany and streamline its structure
- 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

	Q1/2025	Q1/2024	Q4/2024	Q1–Q4/2024
Sales, € million	2,646	2,640	2,632	10,339
Comparable EBITDA, € million	421	489	436	1,734
% of sales	15.9	18.5	16.5	16.8
Operating profit (loss), € million	198	354	-105	604
Comparable EBIT, € million	287	333	418	1,224
% of sales	10.8	12.6	15.9	11.8
Profit (loss) before tax, € million	173	332	-131	500
Comparable profit before tax, € million	262	311	392	1,123
Profit (loss) for the period, € million	143	279	-95	463
Comparable profit for the period, € million	223	258	328	953
Earnings per share (EPS), €	0.26	0.51	-0.19	0.82
Comparable EPS, €	0.41	0.47	0.61	1.74
Return on equity (ROE), %	5.2	9.6	-3.4	4.0
Comparable ROE, %	8.1	8.9	11.5	8.3
Return on capital employed (ROCE), %	5.5	9.6	-2.6	4.1
Comparable ROCE, %	7.9	9.1	11.1	8.2
Operating cash flow, € million	289	335	570	1,352
Operating cash flow per share, €	0.54	0.63	1.07	2.54
Equity per share at the end of period, €	19.29	21.42	20.89	20.89
Capital employed at the end of period, € million	14,449	15,028	15,452	15,452
Net debt at the end of period, € million	2,954	2,312	2,869	2,869
Net debt to EBITDA (last 12 months)	1.77	1.46	1.66	1.66
Personnel at the end of period	15,890	16,132	15,827	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:

“We had a good start to the year and improved performance compared to the previous quarter. Markets were gradually recovering in pulp and advanced materials, while our actions to sharpen competitiveness started to bear fruit in several businesses. We made progress towards our growth ambition with the acquisition of Metamark, and we completed our first share buy-back program by early April.

In Q1, our sales were €2,646 million, broadly in line with the preceding quarter as well as with Q1 2024. Comparable EBIT was €287 million, down 14% from last year’s corresponding quarter. Operating cash flow was €289 million. Our financial position continues to be solid, with net debt to EBITDA ratio of 1.77 at the end of March.

UPM Fibres delivered solid results. In Uruguay, our pulp production and logistics infrastructure are now fully operational, driving production costs lower. In Finland, despite the unsustainably high wood prices we continued to operate profitably thanks to our new operating model and efficient mills. Average pulp prices were cyclically low, although market prices increased slightly during the quarter.

In advanced materials, markets for self-adhesive label materials continued to grow moderately. UPM Raflatac captured its share of the growth, and the efficiency measures started to bear fruit. UPM Specialty Papers showed robust performance and benefited from lower production costs. UPM Plywood delivered steady results.

In decarbonization solutions the market conditions continued to be challenging. In UPM Energy, the high season of the electricity market was muted by the mild winter and high hydro reservoirs in the Nordic countries. UPM Biofuels took a step towards restoring profitability with solid deliveries and decreased variable costs.

In UPM Biochemicals, the sequential start-up of the Leuna biorefinery continued and we expect to start the integrated commercial production in H2 2025. Commercial interest in the products and side streams is confirmed with an opportunity pipeline multiple times the annual capacity of the refinery.

In UPM Communication Papers performance was steady, deliveries and prices were down sequentially. We continued to safeguard our future performance with new efficiency measures and the planned closure of UPM Ettringen paper mill in Germany, which would reduce the annual capacity of uncoated mechanical paper by 270,000 tonnes during July 2025.

Towards the end of Q1, the uncertainty of the business environment increased significantly due to the escalating global trade tensions. We expect the direct impact of tariffs on our businesses to be relatively limited and the tariffs in general to be broadly passed through to prices. However, the uncertainty related to tariffs may impact trade flows, cause hesitation among customers, disrupt supply chains and weaken consumer confidence in the coming months. Furthermore, the scale of the trade conflict may cause currency fluctuations, which would have a direct impact on us.

With our solid balance sheet, competitive portfolio and broad geographic presence we are well positioned to face the uncertainty. Since last fall, we have been implementing efficiency and margin management measures that continue to strengthen our competitive position and prepare us to face what lies ahead.

In this uncertain environment, we remain focused on improving our competitiveness, pursuing long-term growth and developing a portfolio of world-class businesses.

Our commitment to sustainability also remains intact. In Q1, we were listed as the only forest and paper industry company in the Dow Jones Global and European Sustainability Indices (DJSI) for the years 2024–2025. We were also recognized among the top performers by the CDP, a global non-profit that runs the world’s only independent disclosure system for managing environmental impacts.”

Profit guidance

UPM's comparable EBIT in H1 2025 is expected to be approximately in the range of €400-625 million (€515 million in H1 2024).

Outlook

UPM's performance in H1 2025 is expected to benefit from higher delivery volumes and lower fixed costs, but be held back by lower sales margins, compared with H1 2024. The year 2025 has started with lower pulp and electricity prices than 2024.

2025 will be the first year of full production at the UPM Paso de los Toros mill, which is expected to grow pulp deliveries. Deliveries are expected to continue to increase for labeling materials, specialty papers and plywood. Communication paper deliveries are expected to decrease.

UPM Biofuels is expected to improve its performance in H1 2025, compared with H1 2024.

UPM's operations in Q2 2025 will be impacted by significantly higher maintenance activity than in Q1 2025.

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

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.

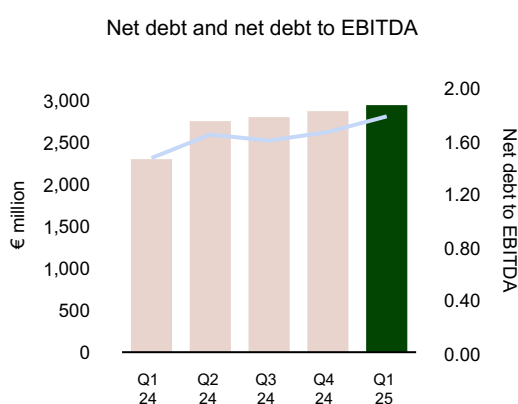
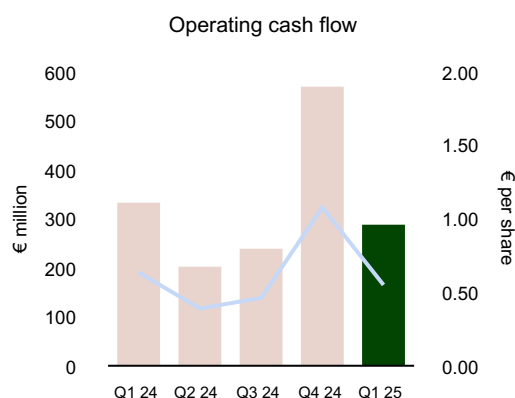
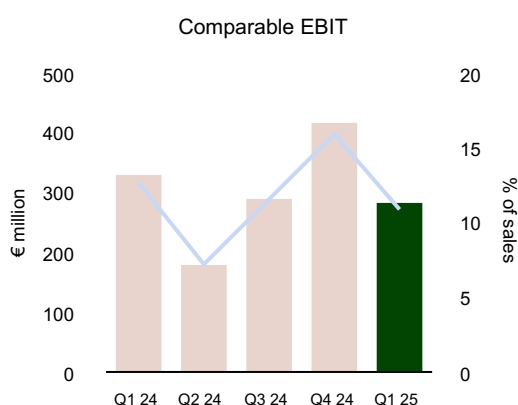
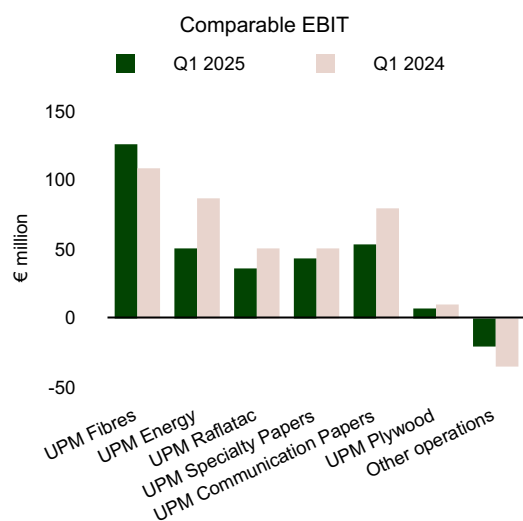
Foreign exchange exposure

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 Q1 2025, UPM's estimated net currency cash flows for the next 12 months totaled approximately €1.6 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

Q1 2025 compared with Q1 2024

Q1 2025 sales totaled €2,646 million (2,640 million in Q1 2024). Sales increased the most in UPM Fibres, but also in UPM Plywood and UPM Raflatac. Sales decreased in other business areas, especially in UPM Communication Papers.

The comparable EBIT decreased by 14% to €287 million, which was 10.8 % of sales (333 million, 12.6%). The decrease was mainly due to lower sales margins.

The impact of the changes in sales prices was negative in all business areas. Variable costs increased in most businesses.

On the group level, delivery volumes increased from last year, while fixed costs were unchanged.

Depreciation, amortization and impairment charges excluding items affecting comparability totaled €140 million (147 million), including depreciation of leased assets totaling €23 million (20 million). The change in the fair value of forest assets net of wood harvested in comparable EBIT was €6 million (-8 million).

Operating profit was €198 million (354 million). Items affecting comparability in operating profit totaled €-89 million in the period (21 million). In 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 restructuring charges in UPM Communication Papers to improve mills' operations' efficiency. In Q1 2024, items affecting comparability included a €21 million capital gain on the sale of UPM-Kymmene Austria GmbH to HEINZEL GROUP.

Net interest and other finance income and costs were €-27 million (-21 million). The exchange rate and fair value gains and losses were €2 million (-2 million). Items affecting comparability in finance costs totaled €0 million (0 million). Income taxes were €-30 million (-53 million). Items affecting comparability in taxes totaled €10 million (0 million).

Profit for Q1 2025 was €143 million (279 million), and comparable profit was €223 million (258 million).

Q1 2025 compared with Q4 2024

The comparable EBIT decreased by 31% to €287 million, which was 10.8% of sales (418 million, 15.9%).

The decrease in comparable EBIT was mainly due to the fair value increase in forest assets in the comparison period.

Variable costs increased, impacted by the timing of the energy related refunds in Q4 2024. Changes in sales prices had a small positive impact on group level.

Sales volumes increased. Fixed costs decreased by €48 million, impacted by seasonal factors.

Depreciation, amortization and impairment charges excluding items affecting comparability, totaled €140 million (147 million). The change in the fair value of forest assets net of wood harvested in comparable EBIT was €6 million (130 million). In Q4 2024, the fair value of forest assets increased mainly due to higher long term wood price estimates in Finland.

Operating profit was €198 million (operating loss -105 million). Items affecting comparability in the operating profit totaled €-89 million for the period (-523 million). In 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 restructuring charges in UPM Communication Papers to improve mills' operations' efficiency. In Q4 2024, items affecting comparability included €373 million impairment of assets in biochemicals refinery in Leuna resulting from cost overruns and construction delays during the first-of-its-kind project. Additionally, items affecting comparability included €5 million impairment of UPM Biochemicals goodwill, and €113 million impairment of Pulp operations Finland goodwill resulting

from high wood costs. Other items affecting comparability included €10 million restructuring charges and €26 million impairment charges of fixed assets related to planned closure of UPM Raflatac Kaltenkirchen factory in Germany.

Financing and cash flow

In Q1 2025, the cash flow from operating activities before capital expenditure and financing totaled €289 million (335 million in Q1 2024). Working capital increased by €112 million (increased by 148 million).

Net debt was €2,954 million at the end of Q1 2025 (2,312 million). The gearing ratio as of March 31, 2025 was 28% (20%). The net debt to EBITDA ratio, based on the last 12 months' EBITDA, was 1.77 at the end of the period (1.46).

On March 31, 2025, UPM's cash funds and unused committed credit facilities totaled €3.0 billion. The total amount of committed credit facilities was €2.2 billion of which €159 million will mature in 2026, €1.9 billion will mature in 2027 and €200 million will mature in 2028 or beyond.

In Q1 2025, the group repurchased a total of 4,590,000 own shares, with €116 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 Q1 2025, capital expenditure totaled €254 million, which was 9.6% of sales (83 million, 3.1% of sales in Q1 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 €1,275 million.

Personnel

In Q1 2025 UPM had an average of 15,789 employees (16,087 in Q1 2024). At the beginning of the year, the number of employees was 15,827 and at the end of Q1 2025 it was 15,890.

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 €1,275 million.

The commissioning and start-up are underway and good progress has been made in most units. In the quality assurance checks certain corrective works required in the sugars-to-chemicals process were identified. These works have been arranged and will take a few months. Meanwhile, the sequential start-up in the other units continues. The integrated commercial production of the site is expected to start in H2 2025. The biorefinery is expected to reach full production and positive EBIT in 2027.

Meanwhile, the overall business readiness is ensured. 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 confirmed with customer contracts. We are managing a sales and customer qualification pipeline multiple times the annual capacity.

The biorefinery is the first of its kind and the process design as well as some of the technologies used are new to the world. We have full confidence in the technologies used and the viability of the process.

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 consumer-driven end-uses. 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. 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 be based on UPM's high standards.

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. In October 2020, UPM entered into service agreements with InfraLeuna GmbH related to wood handling, wastewater treatment and other utilities, which will be recognized as lease assets and liabilities under IFRS 16 Leases upon the commencement date. The total amount of such lease assets and liabilities is estimated to be €130 million.

The Leuna biorefinery is a first-of-its-kind project, which has been implemented during a series of external crises, such as the pandemic and the war in Ukraine with subsequent resource and supply chain challenges. As the project is approaching completion, an impairment of €373 million was booked in Q4 2024 on the biorefinery assets resulting from the cost overruns and construction delays during the project. The book value of the refinery now reflects the estimated cost to construct a similar plant.

Biofuels business development

In January 2021, UPM started the basic engineering phase of a next generation biofuels refinery. The planning for the potential biorefinery in Rotterdam, the Netherlands, is based on annual capacity of up to 500,000 tonnes of high-quality renewable fuels including advanced biofuels and possibly sustainable jet fuels, as well as renewable chemicals. The products would significantly reduce the carbon footprint of road transport and aviation, as well as replace fossil raw materials with renewable alternatives in chemicals and bioplastics.

Feedstock sourcing would focus on UPM integrated feedstocks from the company's own ecosystem, including various wood-based residues and potential carbon farming.

The design for the potential biorefinery has progressed, and a major part of the basic engineering has been completed. The chosen technology has been validated on a demonstration scale. Before the potential investment decision, the focus will be on testing the novel, proprietary technology at a larger scale and on flexible feedstock options that will ensure differentiation and support the long-term competitiveness of the business case. This work is expected to take until 2026.

If all preparations are concluded successfully, UPM will initiate the company's standard procedure of analyzing and preparing an investment decision.

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 Raflatac's 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. The decisions of the AGM are presented elsewhere in this report.

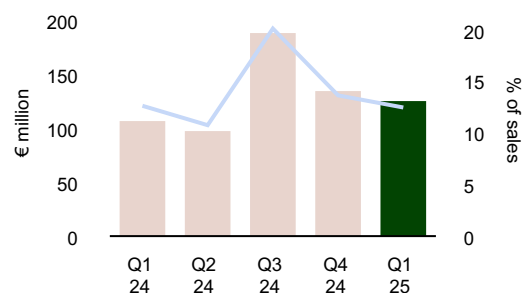
Events after the balance sheet date

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

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



	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1-Q4/24
Sales, € million	1,010	1,001	943	922	861	3,728
Comparable EBITDA, € million	202	191	267	194	193	844
% of sales	20.0	19.0	28.3	21.0	22.4	22.6
Change in fair value of forest assets and wood harvested, € million	2	26	-1	-8	-5	11
Share of results of associated companies and joint ventures, € million	1	1	1	0	0	2
Depreciation, amortisation and impairment charges, € million	-79	-194	-76	-87	-80	-437
Operating profit, € million	126	22	190	99	108	419
% of sales	12.4	2.2	20.1	10.7	12.6	11.2
Items affecting comparability in operating profit, € million ¹⁾	—	-114	—	—	—	-114
Comparable EBIT, € million	126	136	190	99	108	533
% of sales	12.4	13.6	20.1	10.7	12.6	14.3
Capital employed (average), € million	7,298	7,333	7,087	7,112	7,079	7,153
Comparable ROCE, %	6.9	7.4	10.7	5.6	6.1	7.5
Pulp deliveries, 1000 t	1,433	1,449	1,185	1,126	1,185	4,945

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

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

- In Uruguay, production and logistics infrastructure are fully operational and driving cash costs lower
- UPM pulp mills in Finland operated profitably despite challenging markets

Results

Q1 2025 compared with Q1 2024

The comparable EBIT for UPM Fibres increased due to higher delivery volumes. Sales prices were lower. Variable costs reduction trend in Uruguay continued meanwhile in Finland costs increased.

The average price in euro for UPM's pulp deliveries decreased by 3%.

Q1 2025 compared with Q4 2024

The comparable EBIT decreased due to a lower forest fair value increase. Fixed costs decreased.

The average price in euro for UPM's pulp deliveries was on the same level.

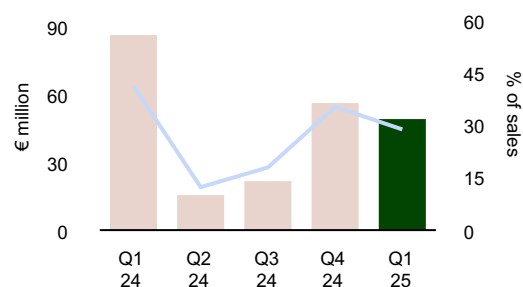
Market environment

- In Q1 2025, demand for chemical pulp was gradually increasing in China and solid in other main markets.
- In Europe, the average market price for bleached hardwood kraft pulp (BHKP) in Q1 2025 was on the same level compared to Q4 2024.
- European average market price for northern bleached softwood kraft (NBSK) pulp was 1% higher in Q1 2025 compared to Q4 2024.
- In China, the average market price in U.S. dollars was 3% higher in Q1 2025 for NBSK and 3% higher for BHKP, compared with Q4 2024.
- In Q1 2025, demand for sawn timber continued to be subdued as construction activity was still sluggish.

Sources: FOEX, UPM

UPM Energy

Comparable EBIT



	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1-Q4/24
Sales, € million	173	161	125	130	210	627
Comparable EBITDA, € million	51	59	24	17	88	188
% of sales	29.6	36.4	19.1	13.4	42.0	30.0
Depreciation, amortisation and impairment charges, € million	-2	-2	-2	-2	-2	-7
Operating profit, € million	49	57	22	16	87	181
% of sales	28.7	35.2	17.7	12.1	41.2	28.9
Items affecting comparability in operating profit, € million	—	—	—	—	—	—
Comparable EBIT, € million	49	57	22	16	87	181
% of sales	28.7	35.2	17.7	12.1	41.2	28.9
Capital employed (average), € million	2,514	2,464	2,405	2,362	2,471	2,426
Comparable ROCE, %	7.9	9.2	3.7	2.6	14.0	7.5
Electricity deliveries, GWh	2,743	3,032	2,819	2,532	2,945	11,328

Results

Q1 2025 compared with Q1 2024

The comparable EBIT for UPM Energy decreased. Volumes were lower and sales prices decreased.

UPM's electricity sales price decreased by 15% to €56.8/MWh (€66.5).

Q1 2025 compared with Q4 2024

The comparable EBIT decreased. Higher sales prices were more that offset by lower volumes and higher costs.

UPM's average electricity sales price increased by 15% to €56.8/MWh (€49.2).

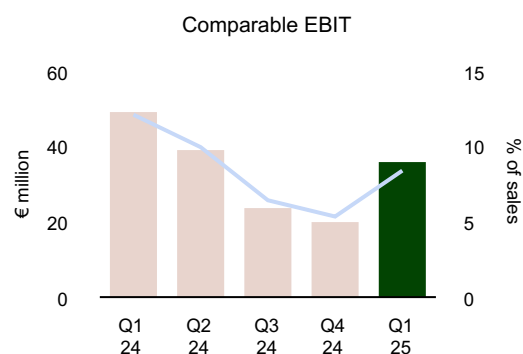
Market environment

- The Nordic hydrological balance was well above the long-term average at the end of March. In Finland, the hydrological situation was close the long-term average.
- The CO2 emission daily future price of €66.70/tonne at the end of Q1 2025 was lower than at the end of Q4 2024 (€70.95/tonne).
- The average Finnish area spot price on the Nordic electricity exchange in Q1 2025 was €49.3/MWh, 19% higher than in Q4 2024 (€41.6/MWh) and 32% lower than in Q1 2024 (€72.9/MWh).
- The front-year forward electricity price for the Finnish area closed at €41.9/MWh at the end of Q1 2025, 6% lower than at the end of Q4 2024 (€44.5/MWh).

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

UPM Raflatac

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



	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1-Q4/24
Sales, € million	434	382	374	397	409	1,562
Comparable EBITDA, € million	49	32	35	50	60	177
% of sales	11.3	8.3	9.3	12.7	14.6	11.3
Depreciation, amortisation and impairment charges, € million	-13	-38	-11	-11	-11	-71
Operating profit, € million	27	-16	15	39	51	88
% of sales	6.3	-4.3	4.1	9.8	12.4	5.6
Items affecting comparability in operating profit, € million ¹⁾	-9	-37	-9	—	1	-44
Comparable EBIT, € million	36	20	24	39	49	132
% of sales	8.3	5.3	6.4	9.9	12.0	8.5
Capital employed (average), € million	787	727	733	723	707	722
Comparable ROCE, %	18.4	11.1	13.0	21.7	27.9	18.3

¹⁾ 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 Raflatac 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 Raflatac 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 Raflatac 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 acquired Metamark, a UK-based company to further accelerate its growth in Graphics business and strengthen overall competitiveness.
- Operational and organizational measures to improve profitability, positive effect mostly visible in the coming quarters

Results

Q1 2025 compared with Q1 2024

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

Q1 2025 compared with Q4 2024

The comparable EBIT increased. Delivery volumes increased, sales prices were higher and sales mix more favorable.

Market environment

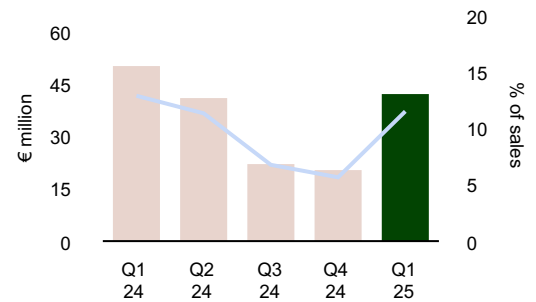
- In Q1 2025, the moderate growth of both the European and North-American markets for self-adhesive label materials continued.

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



	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1-Q4/24
Sales, € million	374	368	335	367	397	1,467
Comparable EBITDA, € million	59	38	40	58	72	208
% of sales	15.7	10.4	12.0	15.8	18.2	14.2
Depreciation, amortisation and impairment charges, € million	-16	-18	-18	-17	-21	-74
Operating profit, € million	43	21	22	38	51	132
% of sales	11.4	5.7	6.7	10.3	12.8	9.0
Items affecting comparability in operating profit, € million ¹⁾	—	1	—	-3	—	-3
Comparable EBIT, € million	43	20	22	41	51	135
% of sales	11.4	5.6	6.7	11.2	12.8	9.2
Capital employed (average), € million	739	777	777	796	806	789
Comparable ROCE, %	23.1	10.5	11.5	20.7	25.2	17.1
Paper deliveries, 1000 t	368	368	316	358	387	1,429

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

- Favorable development of variable costs was reinforced by successful sourcing
- For most of Q1 2025, operating rates were high

Results

Q1 2025 compared with Q1 2024

The comparable EBIT for UPM Specialty Papers decreased due to lower volumes. Sales prices were lower for fine papers but higher for specialty grades.

Q1 2025 compared with Q4 2024

The comparable EBIT increased. Variable costs were significantly lower. Deliveries were at the same levels as in Q4 2024.

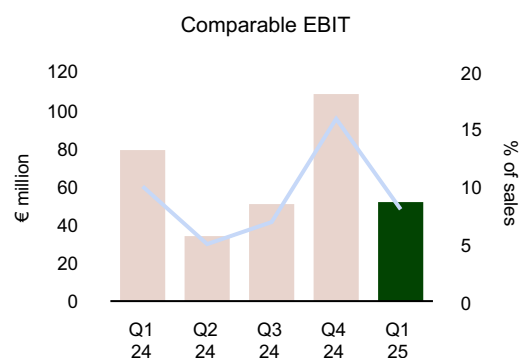
Market environment

- Demand for label, release base and packaging papers was solid in Q1 2025.
- In Q1 2025, fine paper market prices in the Asia-Pacific region slightly decreased compared to Q1 2024.
- In Q1 2025, label, release base and packaging papers market prices increased slightly compared to Q1 2024.

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, cataloguers, retailers, printers and merchants.



	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1-Q4/24
Sales € million	664	688	751	711	802	2,953
Comparable EBITDA, € million	65	126	71	51	95	344
% of sales	9.8	18.3	9.5	7.2	11.9	11.6
Share of results of associated companies and joint ventures, € million	0	0	0	0	0	0
Depreciation, amortisation and impairment charges, € million	-23	-18	-9	-57	-16	-100
Operating profit, € million	-22	106	61	-77	100	190
% of sales	-3.3	15.4	8.2	-10.9	12.5	6.4
Items affecting comparability in operating profit, € million ¹⁾	-74	-3	10	-112	21	-83
Comparable EBIT, € million	52	109	51	35	79	273
% of sales	7.9	15.8	6.8	4.9	9.9	9.3
Capital employed (average), € million	1,109	1,128	1,142	1,120	1,215	1,151
Comparable ROCE, %	18.9	38.5	17.9	12.4	26.1	23.8
Paper deliveries, 1000 t	731	757	838	790	879	3,263

¹⁾ 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 plan to permanently close of UPM Ettringen, Germany, was announced to ensure performance in weak markets, reducing the annual uncoated mechanical paper capacity by 270,000 tonnes during July 2025.

Results

Q1 2025 compared with Q1 2024

The comparable EBIT for UPM Communication Papers decreased due to lower volumes and increased variable costs. Fixed costs decreased.

The average price in euros for UPM's paper deliveries was marginally lower.

Q1 2025 compared with Q4 2024

The comparable EBIT decreased, mainly due to the energy-related refunds in Q4 2024. Deliveries decreased slightly.

The average price in euros for UPM's paper deliveries was on the same level.

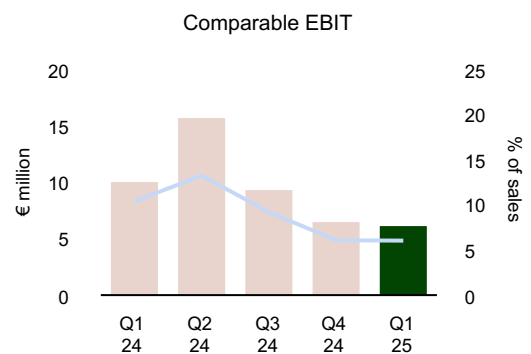
Market environment

- In Q1 2025, demand for graphic papers in Europe was 8% lower than in Q1 2024. Newsprint demand decreased by 6%, magazine demand decreased by 9% and fine papers decreased by 9% compared to Q1 2024.
- In Q1 2025, publication paper prices in Europe were at same level as in Q4 2024 and 1% lower compared to Q1 2024. In Q1 2025, fine paper prices in Europe were 2% lower than in the previous quarter and 2% lower compared to Q1 2024.
- In January–February 2025, demand for magazine papers in North America was 8% lower compared to the same period in 2024. The average price in US dollars for magazine papers in Q1 2025 was unchanged compared to Q4 2024 and to Q1 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.



	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1-Q4/24
Sales, € million	103	109	103	120	98	430
Comparable EBITDA, € million	12	13	15	21	16	65
% of sales	11.4	11.9	14.6	17.6	15.8	15.0
Depreciation, amortisation and impairment charges, € million	-6	-6	-6	-5	-5	-23
Operating profit, € million	6	6	9	16	10	42
% of sales	5.9	6.0	9.1	13.1	10.4	9.7
Items affecting comparability in operating profit, € million	—	—	—	—	—	—
Comparable EBIT, € million	6	6	9	16	10	42
% of sales	5.9	6.0	9.1	13.1	10.3	9.7
Capital employed (average), € million	244	248	240	241	243	243
Comparable ROCE, %	10.0	10.4	15.6	26.1	16.6	17.1
Plywood deliveries, 1000 m ³	120	120	113	139	110	482

- In Q1 2025, there was no production in the Finnish mills of UPM Plywood for five weeks due to strikes. The impact on deliveries was limited
- Change negotiations were announced on April 3, for possible layoffs and staff reductions at its Finnish plywood mills

Results

Q1 2025 compared with Q1 2024

The comparable EBIT for UPM Plywood decreased. Delivery volumes increased from the very low levels of last year. Sales prices were lower and variable costs higher.

Q1 2025 compared with Q4 2024

The comparable EBIT was at the level of the previous quarter. Lower sales prices and higher variable costs were offset by lower fixed costs. Deliveries increased.

Market environment

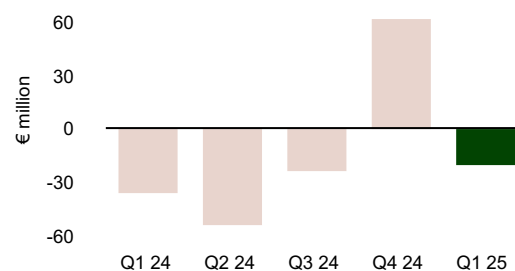
- In Q1 2025, demand for spruce plywood improved slightly but was still slow as the construction markets remain soft.
- In Q1 2025, demand for birch plywood in panel trading was solid and demand from industrial end uses such as vehicle flooring is starting to improve.
- Demand for LNG end-use birch plywood continued robust.
- EU investigations against Chinese hardwood and Brazilian softwood plywood are ongoing.

Source: UPM

Other operations

Other Operations includes UPM Forest, UPM Biofuels, UPM Biochemicals and UPM Biomedicals 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



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

¹⁾ 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 of 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.

- The Biomedicals business operations will be ceased by September 2025.

Results

Q1 2025 compared with Q1 2024

The comparable EBIT for Other operations increased. The change in the fair value of net forest assets of wood harvested was €4 million (-3 million). The change in the fair value of forest assets was €20 million (20 million). The cost of wood harvested from UPM forests was €16 million (23 million).

Biofuels sales volumes were higher but prices were lower.

Q1 2025 compared with Q4 2024

The comparable EBIT decreased. The change in the fair value of net forest assets of wood harvested was €4 million (105 million). In Q4 2024, the fair value of forest assets increased mainly due to higher long term wood price estimates in Finland. The change in the fair value of forest assets was €20 million (140 million). The cost of wood harvested from UPM forests was €16 million (35 million).

Biofuels sales prices remained low.

Market environment

- In Q1 2025, the European markets for advanced renewable fuels remained weak and prices low due to continued oversupply.
- Uncertainty around U.S. biofuel tax credit mechanisms and tariffs could impact global HVO trade flows.
- The sequential start-up of the Leuna biorefinery continued, and is expected to begin the integrated commercial production in H2 2025.

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. For example, the level of the latest tariffs introduced between the U.S. and China are unusually high, possibly having significant impacts on volume of trade between the two largest economies of the world.

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.

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.

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, 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 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

CDP and S&P Global, both leading global sustainability rating companies, have recognized UPM among the top sustainability performers. UPM is included in the Dow Jones World and European Sustainability Indices as the only forest and paper industry company for the years 2024–2025 and was selected for the S&P Global Sustainability Yearbook which lists companies that are among the best in their respective industries. The global environmental non-profit organization CDP recognized UPM with an A score for its leadership in corporate

transparency and action on climate change mitigation, and an A- for forest and water stewardship.

UPM's Annual Report 2024 was published in March 2025. As part of the Report of the Board of Directors, UPM also publishes its statutory Sustainability Statement, which is based on the new EU Corporate Sustainability Reporting Directive (CSRD). UPM has also reported on sustainability in accordance with the Global Reporting Initiative (GRI) standards and provides an IFRS S1 and S2 alignment index with UPM's Sustainability Statement.

UPM's Board of Directors has resolved to establish a new Employee Share Savings Arrangement and approved the commencement of the first plan 2025–2028 under the arrangement. The Employee Share Savings Arrangement is targeted at employees of UPM-Kymmene Corporation and its subsidiaries in the countries where it is legally and administratively feasible. The purpose of the arrangement is to engage company employees, increase their interest towards company performance and long-term value creation and to 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)

Annual General Meeting

The Annual General Meeting (AGM) of UPM-Kymmene Corporation held on March 27, 2025, resolved that a dividend of €1.50 per share for the year 2024 is paid, as proposed by the Board of Directors. The dividend is paid in two instalments. The record date for the first dividend instalment, €0.75 per share, was on March 31, 2025. The payment date for the first dividend instalment was on April 8, 2025. For the second dividend instalment, €0.75 per share, the record date is October 31, 2025, and the payment date November 7, 2025.

The Board of Directors was authorized 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 also including 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.

The Board of Directors was authorized to resolve on the repurchase of a maximum of 50,000,000 of the Company's own shares using the Company's unrestricted shareholders' equity as resolved by the Board. The price paid for the shares under the authorization shall be based on the market price formed on the securities markets or a price otherwise formed in a competitive process. The shares may be repurchased either through an offer to all shareholders on equal terms or through other means and otherwise than in proportion to the existing shareholdings of the Company's shareholders (directed repurchases). Shares may be repurchased to be cancelled, held to be reissued, transferred further or for other purposes resolved by the Board. The authorization also includes the right to accept

the Company's own shares as a pledge. The Company may enter derivative, share lending or other arrangements customary in capital market practice in connection with the repurchases. The authorization is valid for 18 months from the date of the resolution of the AGM, and it revoked the authorization granted by the previous AGM to repurchase the company's own shares to the extent that the Board of Directors has not already made resolutions on repurchase based on the authorization.

The AGM resolved to amend Article 10 of the Articles of Association (Notice of the General Meeting) so that it allows the General Meeting to be held entirely without a meeting venue as a so-called remote meeting. The AGM also resolved to add specifications concerning the sustainability reporting assurance and related technical amendments to Articles 8 (Auditor) and 11 (Annual General Meeting) of the Articles of Association.

Board of Directors

At the AGM of UPM-Kymmene Corporation held on March 27, 2025, the number of members of the Board of Directors was resolved to be nine, and Henrik Ehrnrooth, Pia Aaltonen-Forsell, Jari Gustafsson, Piia-Noora Kauppi, Melanie Maas-Brunner, Topi Manner, Marjan Oudeman, Martin à Porta and Kim Wahl were re-elected to the Board of Directors. The directors' term of office will end upon the closure of the next Annual General Meeting.

Henrik Ehrnrooth was elected as the Chair, and Kim Wahl as the Deputy Chair of the Board of Directors at the Board of Directors' constitutive meeting that took place following the AGM.

In addition, the Board of Directors elected the chairs and other members to the Board committees from among its members. Pia Aaltonen-Forsell was re-elected as the chair and Jari Gustafsson and Marjan Oudeman as other members of the Audit Committee. Martin à Porta was re-elected as the chair and Melanie Maas-Brunner and Topi Manner were re-elected as other members of the Remuneration Committee. Henrik Ehrnrooth was re-elected as the chair and Piia-Noora Kauppi and Kim Wahl were re-elected as other members of the Nomination and Governance Committee.

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 approximately €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. Shares repurchased under the buy-back program will be cancelled, resulting in UPM holding a total of 411,653 own shares after cancellation.

Shares

In Q1 2025, UPM shares worth a total of € 2,161 million (2,098 million in Q1 2024) 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 €24.55 in March.

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 March 31, 2025 was 533,735,699. Through the issuance authorization, the number of shares may increase to a maximum of 558,735,699.

On March 31, 2025, the Company held 5,001,653 of its own shares, representing approximately 0.94% 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 Q1 2025.

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

Financial statement information

Consolidated income statement

€ million	Q1/2025	Q1/2024	Q1-Q4/2024
Sales (Note 3)	2,646	2,640	10,339
Other operating income	23	39	130
Costs and expenses	-2,327	-2,169	-8,806
Change in fair value of forest assets and wood harvested	6	-8	80
Share of results of associated companies and joint ventures	0	-1	1
Depreciation, amortisation and impairment charges	-152	-147	-1,139
Operating profit (loss)	198	354	604
Exchange rate and fair value gains and losses	2	-2	-7
Interest and other finance costs, net	-27	-21	-97
Profit (loss) before tax	173	332	500
Income taxes	-30	-53	-37
Profit (loss) for the period	143	279	463
Attributable to:			
Owners of the parent company	137	272	436
Non-controlling interests	6	7	27
	143	279	463
Earnings per share for profit attributable to owners of the parent company			
Basic earnings per share, €	0.26	0.51	0.82
Diluted earnings per share, €	0.26	0.51	0.82

Consolidated statement of comprehensive income

€ million	Q1/2025	Q1/2024	Q1-Q4/2024
Profit (loss) for the period	143	279	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	16	1	4
Changes in fair value of energy shareholdings	-26	-199	-47
Items that may be reclassified subsequently to income statement:			
Translation differences	-232	111	346
Net investment hedge	11	-3	-13
Cash flow hedges	69	99	78
Other comprehensive income for the period, net of tax	-162	9	368
Total comprehensive income for the period	-19	288	831
Total comprehensive income attributable to:			
Owners of the parent company	-10	273	781
Non-controlling interests	-9	15	50
	-19	288	831

Consolidated balance sheet

€ million	MAR 31, 2025	MAR 31, 2024	DEC 31, 2024
ASSETS			
Goodwill	279	285	174
Other intangible assets	584	712	580
Property, plant and equipment (Note 4)	6,865	7,106	7,085
Leased assets	814	687	847
Forest assets	2,490	2,368	2,517
Energy shareholdings (Note 5)	2,219	2,078	2,247
Other non-current financial assets	38	53	44
Deferred tax assets	530	424	526
Net retirement benefit assets	1	1	1
Investments in associates and joint ventures	19	21	20
Other non-current assets	22	26	21
Non-current assets	13,861	13,761	14,062
Inventories	2,092	1,983	2,104
Trade and other receivables	1,968	1,945	1,929
Other current financial assets	76	56	69
Income tax receivables	38	25	40
Cash and cash equivalents	772	710	892
Current assets	4,947	4,720	5,034
Assets classified as held for sale	—	—	—
Assets	18,808	18,481	19,096
EQUITY AND LIABILITIES			
Share capital	890	890	890
Treasury shares	-128	-2	-2
Translation reserve	452	448	657
Other reserves	1,707	1,541	1,678
Reserve for invested non-restricted equity	1,273	1,273	1,273
Retained earnings	6,005	7,273	6,644
Equity attributable to owners of the parent company	10,198	11,422	11,139
Non-controlling interests	390	384	401
Equity	10,588	11,807	11,540
Deferred tax liabilities	689	628	673
Net retirement benefit liabilities	472	500	496
Provisions (Note 8)	84	96	89
Non-current debt	3,710	3,045	3,747
Other non-current financial liabilities	154	158	158
Non-current liabilities	5,109	4,427	5,162
Current debt	150	176	166
Trade and other payables	2,689	1,842	1,938
Provisions (note 8)	198	139	165
Other current financial liabilities	34	48	108
Income tax payables	39	41	18
Current liabilities	3,110	2,247	2,395
Liabilities related to assets classified as held for sale	—	—	—
Liabilities	8,219	6,674	7,556
Equity and liabilities	18,808	18,481	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 1 January 2025	890	-2	657	1,678	1,273	6,644	11,139	401	11,540
Profit for the period	—	—	—	—	—	137	137	6	143
Translation differences	—	—	-216	—	—	—	-216	-16	-232
Cash flow hedges - reclassified to income statement, net of tax	—	—	—	0	—	—	0	—	0
Cash flow hedges - changes in fair value, net of tax	—	—	—	68	—	—	68	—	68
Net investment hedge, net of tax	—	—	11	—	—	—	11	—	11
Energy shareholdings - changes in fair value, net of tax	—	—	—	-26	—	—	-26	—	-26
Actuarial gains and losses on defined benefit plans, net of tax	—	—	—	—	—	16	16	—	16
Total comprehensive income for the period	—	—	-205	42	—	153	-10	-9	-19
Share-based payments, net of tax	—	—	—	-13	—	3	-10	—	-10
Acquisition of treasury shares	—	-126	—	—	—	—	-126	—	-126
Dividend distribution	—	—	—	—	—	-794	-794	—	-794
Other items	—	—	—	—	—	-1	-1	—	-1
Acquisition of shares from non-controlling interests	—	—	—	—	—	—	—	-2	-2
Contributions by non-controlling interests	—	—	—	—	—	—	—	—	—
Total transactions with owners for the period	—	-126	—	-13	—	-791	-931	-2	-932
Value at March 31, 2025	890	-128	452	1,707	1,273	6,005	10,198	390	10,588
Value at 1 January 2024	890	-2	347	1,655	1,273	6,998	11,161	370	11,531
Profit for the period	—	—	—	—	—	272	272	7	279
Translation differences	—	—	103	—	—	—	103	8	111
Cash flow hedges - reclassified to income statement, net of tax	—	—	—	29	—	—	29	—	29
Cash flow hedges - changes in fair value, net of tax	—	—	—	70	—	—	70	—	70
Net investment hedge, net of tax	—	—	-3	—	—	—	-3	—	-3
Energy shareholdings - changes in fair value, net of tax	—	—	—	-199	—	—	-199	—	-199
Actuarial gains and losses on defined benefit plans, net of tax	—	—	—	—	—	1	1	—	1
Total comprehensive income for the period	—	—	101	-101	—	273	273	15	288
Share-based payments, net of tax	—	—	—	-14	—	2	-11	—	-11
Dividend distribution	—	—	—	—	—	—	—	—	—
Other items	—	—	—	—	—	-1	-1	—	-1
Contributions by non-controlling interests	—	—	—	—	—	—	—	—	—
Total transactions with owners for the period	—	—	—	-14	—	2	-12	—	-12
Value at March 31, 2024	890	-2	448	1,541	1,273	7,273	11,422	385	11,807

Consolidated cash flow statement

€ million	Q1/2025	Q1/2024	Q1–Q4/2024
Cash flows from operating activities			
Profit (loss) for the period	143	279	463
Adjustments ¹⁾	311	254	1,223
Interest received	6	7	31
Interest paid	-28	-13	-133
Dividends received	1	1	4
Other financial items, net	-3	-4	-13
Income taxes paid	-30	-41	-144
Change in working capital	-112	-148	-80
Operating cash flow	289	335	1,352
Cash flows from investing activities			
Capital expenditure	-78	-129	-543
Additions to forest assets	-10	-8	-53
Acquisition of businesses and subsidiaries, net of cash acquired	-124	0	-28
Proceeds from sale of property, plant and equipment and intangible assets, net of tax	0	7	10
Proceeds from sale of forest assets, net of tax	10	3	19
Proceeds from disposal of businesses and subsidiaries and advances received	0	18	16
Proceeds from disposal of shares in associates and joint ventures	0	0	1
Proceeds from disposal of energy shareholdings	0	0	5
Net cash flows from net investment hedges	0	0	-1
Change in other non-current assets	0	0	-10
Investing cash flow	-203	-109	-586
Cash flows from financing activities			
Proceeds from non-current debt	0	0	600
Payments of non-current debt	-53	0	-23
Lease repayments	-28	-26	-105
Change in current liabilities	1	-158	-182
Net cash flows from derivatives	-5	3	-5
Acquisition of treasury shares	-116	0	0
Dividends paid to owners of the parent company	0	-1	-801
Dividends paid to non-controlling interests	0	0	-19
Other financing cash flow	2	-5	-10
Financing cash flow	-199	-187	-544
Change in cash and cash equivalents	-113	40	222
Cash and cash equivalents at the beginning of the period	892	632	632
Exchange rate effect on cash and cash equivalents	-6	-1	-2
Change in cash and cash equivalents	-113	40	222
Change in cash and cash equivalents classified as held for sale	0	39	39
Cash and cash equivalents at the end of the period	772	710	892

¹⁾ Adjustments

€ million	Q1/2025	Q1/2024	Q1–Q4/2024
Change in fair value of forest assets and wood harvested	-6	8	-80
Share of results of associated companies and joint ventures	0	1	-1
Depreciation, amortisation and impairment charges	152	147	1,139
Capital gains and losses on sale of non-current assets	0	-22	-31
Financial income and expenses	24	22	104
Income taxes	30	53	37
Utilised provisions	-33	-51	-121
Non-cash changes in provisions	62	-2	101
Other adjustments	83	98	74
Total	311	254	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. While indirect impacts on global trade flows and raw material markets may affect UPM, the direct impact of U.S. tariffs is expected to remain relatively limited. 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 March 31, 2025, UPM's cash funds and unused committed credit facilities totaled €3.0 billion.

2 Quarterly information by business area

€ million, or as indicated	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1-Q4/24
Sales						
UPM Fibres	1,010	1,001	943	922	861	3,728
UPM Energy	173	161	125	130	210	627
UPM Raflatac	434	382	374	397	409	1,562
UPM Specialty Papers	374	368	335	367	397	1,467
UPM Communication Papers	664	688	751	711	802	2,953
UPM Plywood	103	109	103	120	98	430
Other operations	166	157	141	172	153	623
Internal sales	-277	-234	-252	-272	-291	-1,049
Eliminations and reconciliation	0	1	0	-1	-1	-1
Sales, total	2,646	2,632	2,521	2,546	2,640	10,339
Comparable EBITDA						
UPM Fibres	202	191	267	194	193	844
UPM Energy	51	59	24	17	88	188
UPM Raflatac	49	32	35	50	60	177
UPM Specialty Papers	59	38	40	58	72	208
UPM Communication Papers	65	126	71	51	95	344
UPM Plywood	12	13	15	21	16	65
Other operations	-12	-30	3	-24	-20	-72
Eliminations and reconciliation	-5	8	-4	-8	-15	-20
Comparable EBITDA, total	421	436	450	359	489	1,734
Operating profit						
UPM Fibres	126	22	190	99	108	419
UPM Energy	49	57	22	16	87	181
UPM Raflatac	27	-16	15	39	51	88
UPM Specialty Papers	43	21	22	38	51	132
UPM Communication Papers	-22	106	61	-77	100	190
UPM Plywood	6	6	9	16	10	42
Other operations	-25	-316	-24	-61	-34	-434
Eliminations and reconciliation	-6	16	8	-19	-18	-13
Operating profit, total	198	-105	305	50	354	604
% of sales	7.5	-4.0	12.1	2.0	13.4	5.8
Items affecting comparability						
UPM Fibres	—	-114	—	—	—	-114
UPM Energy	—	—	—	—	—	—
UPM Raflatac	-9	-37	-9	—	1	-44
UPM Specialty Papers	—	1	—	-3	—	-3
UPM Communication Papers	-74	-3	10	-112	21	-83
UPM Plywood	0	—	—	—	—	—
Other operations	-5	-378	—	-6	2	-382
Eliminations and reconciliation ¹⁾	-1	8	12	-10	-3	7
Items affecting comparability in operating profit, total	-89	-523	14	-132	21	-620
Comparable EBIT						
UPM Fibres	126	136	190	99	108	533
UPM Energy	49	57	22	16	87	181
UPM Raflatac	36	20	24	39	49	132
UPM Specialty Papers	43	20	22	41	51	135
UPM Communication Papers	52	109	51	35	79	273
UPM Plywood	6	6	9	16	10	42
Other operations	-21	62	-23	-55	-36	-52
Eliminations and reconciliation	-5	8	-4	-8	-15	-20
Comparable EBIT, total	287	418	291	182	333	1,224
% of sales	10.8	15.9	11.5	7.2	12.6	11.8

¹⁾ Eliminations and reconciliations includes changes in fair value of unrealised 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 in UPM Communication Papers, the planned closure of UPM Biomedicals business and other restructuring charges in UPM Communication Papers, UPM Raflatac 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 Raflatac 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 Raflatac 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	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1-Q4/24
Comparable profit for the period	223	328	236	131	258	953
Items affecting comparability						
Impairment charges	-11	-516	11	-44	—	-549
Restructuring charges	-72	-18	-3	-83	2	-103
Change in fair value of unrealised cash flow and commodity hedges	-1	8	12	-10	-3	7
Capital gains and losses on sale of non-current assets	—	1	—	5	22	29
Other non-operational items	-4	3	-6	—	—	-4
Total items affecting comparability in operating profit	-89	-523	14	-132	21	-620
Items affecting comparability in financial items	—	—	—	-3	—	-3
Changes in tax rates	3	—	—	—	—	—
Taxes relating to items affecting comparability	7	100	-3	37	0	133
Items affecting comparability in taxes	10	100	-3	37	0	133
Items affecting comparability, total	-79	-423	11	-98	21	-490
Profit (loss) for the period	143	-95	246	33	279	463

3 External sales by major products

Business area	Business	Q1/2025	Q1/2024	Q1-Q4/2024
€ million				
UPM Fibres	UPM Pulp UPM Timber	854	699	3,108
UPM Energy	UPM Energy	132	161	487
UPM Raflatac	UPM Raflatac	434	409	1,562
UPM Specialty Papers	UPM Specialty Papers	315	342	1,272
UPM Communication Papers	UPM Communication Papers	655	793	2,920
UPM Plywood	UPM Plywood	99	93	409
Other operations	UPM Forest UPM Biofuels UPM Biochemicals UPM Biomedicals UPM Biocomposites*	157	142	582
Eliminations and reconciliations		0	-1	-1
Total		2,646	2,640	10,339

*Operations in UPM Biocomposites business were terminated in 2024

Business	Product range
UPM Pulp	Softwood, birch and eucalyptus pulp
UPM Timber	Standard and special sawn timber
UPM Energy	Electricity and related services
UPM Raflatac	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	Q1/2025	Q1/2024	Q1-Q4/2024
Book value at beginning of period	7,085	7,053	7,053
Capital expenditure	77	79	508
Companies acquired	3	—	16
Decreases	—	-1	-3
Depreciation	-114	-117	-461
Impairment charges	-10	—	-435
Reclassifications	—	—	136
Translation difference and other changes	-177	92	272
Book value at end of period	6,865	7,106	7,085

Capital expenditure in 2025 and 2024 mainly relate to the construction of the new biorefinery in Germany. Impairment charges mainly relate to the plans to permanently close the Ettringen paper mill in Germany in 2025. Companies acquired in 2025 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	MAR 31, 2025				MAR 31, 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	—	10	—	10	—	9	—	9	—	10	—	10
Derivatives under hedge accounting	1	85	—	86	1	89	—	90	1	85	—	85
Energy shareholdings	—	—	2,219	2,219	—	—	2,078	2,078	—	—	2,247	2,247
Total	1	96	2,219	2,316	1	98	2,078	2,178	1	96	2,247	2,343
Financial liabilities												
Derivatives non-qualifying hedges	—	5	—	5	—	67	—	67	—	17	—	17
Derivatives under hedge accounting	—	131	—	131	2	121	—	123	—	195	—	195
Total	—	136	—	136	2	188	—	189	—	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		
	Q1/2025	Q1/2024	Q1-Q4/2024
Book value at beginning of period	2,247	2,283	2,283
Disposals	0	0	-4
Fair value changes recognised in other comprehensive income	-28	-205	-32
Book value at end of period	2,219	2,078	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. 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 €210 (170 in Q1 2024) million.

The discount rate of 8.19% (8.22% in Q1 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 €140 (100 in Q1 2024) million.

One of the main factors in the decrease in fair value during the reporting period was the decrease in electricity forward market prices.

Fair value of financial assets and liabilities measured at amortized cost

€ million	MAR 31, 2025		MAR 31, 2024		DEC 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	2,622	2,552	2,000	1,901	2,642	2,568
Other non-current debt excl. derivative financial instruments and lease liabilities	301	308	341	347	303	330
Total	2,923	2,861	2,341	2,248	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	MAR 31, 2025	MAR 31, 2024	DEC 31, 2024
Other own commitments			
Commitments related to off-balance sheet short-term leases	1	2	1
Other commitments	104	96	106
Total	105	98	107

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

Capital commitments

€ million	Completion	Total cost	BY DEC 31, 2024	Q1/2025	AFTER MAR 31, 2025
New biorefinery / Germany	H2 2025	1,275	1,098	43	134

7 Notional amounts of derivative financial instruments

€ million	MAR 31, 2025	MAR 31, 2024	DEC 31, 2024
Interest rate futures	1,134	825	1,134
Interest rate swaps	1,697	1,097	1,711
Forward foreign exchange contracts	3,370	3,175	3,617
Currency options, bought	—	—	—
Currency options, written	—	—	—
Cross currency swaps	130	128	129
Commodity contracts	435	477	551

8 Provisions

€ million	Restructuring	Termination	Environmental	Emissions	Other	Total
Value at 1 January 2025	55	79	26	66	28	253
Provisions made during the year	11	53	0	18	0	82
Provisions utilised during the year	-8	-16	0	-15	-9	-48
Unused provisions reversed	0	-1	0	-2	-1	-4
Translation differences	0	0	0	0	0	-1
Value at March 31, 2025	58	115	26	66	17	282

9 Business combinations

On February 5, 2025, it was announced that UPM Raflatac had acquired Metamark, a UK-based company to further accelerate its growth in Graphics business. UPM Raflatac's existing Graphics business complemented with Metamark will strengthen UPM Raflatac's overall competitiveness, bring major synergies and make UPM Raflatac 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–March 2025 would have been €2,651 million and profit for the period €144 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 Raflatac 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.

	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1–Q4/24
Sales, € million	2,646	2,632	2,521	2,546	2,640	10,339
Comparable EBITDA, € million	421	436	450	359	489	1,734
% of sales	15.9	16.5	17.9	14.1	18.5	16.8
Comparable EBIT, € million	287	418	291	182	333	1,224
% of sales	10.8	15.9	11.5	7.2	12.6	11.8
Comparable profit before tax, € million	262	392	257	163	311	1,123
Capital employed (average, € million)	14,951	15,262	14,831	14,809	14,972	15,184
Comparable ROCE, %	7.9	11.1	7.9	5.2	9.1	8.2
Comparable profit for the period, € million	223	328	236	131	258	953
Total equity, average, € million	11,064	11,356	11,134	11,451	11,669	11,535
Comparable ROE, %	8.1	11.5	8.5	4.6	8.9	8.3
Average number of shares basic (1,000)	532,245	533,324	533,324	533,324	533,324	533,324
Comparable EPS, €	0.41	0.61	0.42	0.23	0.47	1.74
Items affecting comparability in operating profit, € million	-89	-523	14	-132	21	-620
Items affecting comparability in financial items, € million	—	—	—	-3	—	-3
Items affecting comparability in taxes, € million	10	100	-3	37	0	133
Operating cash flow, € million	289	570	242	204	335	1,352
Operating cash flow per share, €	0.54	1.07	0.45	0.38	0.63	2.54
Net debt at the end of period, € million	2,954	2,869	2,804	2,763	2,312	2,869
Net debt to EBITDA (last 12 m.)	1.77	1.66	1.59	1.64	1.46	1.66
Gearing ratio, %	28	25	25	25	20	25
Equity per share at the end of period, €	19.29	20.89	20.25	20.10	21.42	20.89
Capital expenditure, € million	254	140	144	184	83	550
Capital expenditure excluding acquisitions, € million	81	140	130	174	83	527
Equity to assets ratio, %	56.3	60.5	58.8	59.6	64.0	60.5
Personnel at the end of period	15,890	15,827	16,245	16,776	16,132	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	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1-Q4/24
Items affecting comparability						
Impairment charges	-11	-516	11	-44	—	-549
Restructuring charges	-72	-18	-3	-83	2	-103
Change in fair value of unrealised cash flow and commodity hedges	-1	8	12	-10	-3	7
Capital gains and losses on sale of non-current assets	—	1	—	5	22	29
Other non-operational items	-4	3	-6	—	—	-4
Total items affecting comparability in operating profit	-89	-523	14	-132	21	-620
Items affecting comparability in financial items	—	—	—	-3	—	-3
Changes in tax rates	3	—	—	—	—	—
Taxes relating to items affecting comparability	7	100	-3	37	0	133
Items affecting comparability in taxes	10	100	-3	37	0	133
Items affecting comparability, total	-79	-423	11	-98	21	-490
Comparable EBITDA						
Operating profit (loss)	198	-105	305	50	354	604
Depreciation, amortisation and impairment charges excluding items affecting comparability	140	147	144	151	147	590
Change in fair value of forest assets and wood harvested excluding items affecting comparability	-6	-130	16	27	8	-80
Share of result of associates and joint ventures	0	0	-1	-1	1	-1
Items affecting comparability in operating profit	89	523	-14	132	-21	620
Comparable EBITDA	421	436	450	359	489	1,734
% of sales	15.9	16.5	17.9	14.1	18.5	16.8
Comparable EBIT						
Operating profit (loss)	198	-105	305	50	354	604
Items affecting comparability in operating profit	89	523	-14	132	-21	620
Comparable EBIT	287	418	291	182	333	1,224
% of sales	10.8	15.9	11.5	7.2	12.6	11.8
Comparable profit before tax						
Profit (loss) before tax	173	-131	271	28	332	500
Items affecting comparability in operating profit	89	523	-14	132	-21	620
Items affecting comparability in financial items	—	—	—	3	—	3
Comparable profit before tax	262	392	257	163	311	1,123
Comparable ROCE, %						
Comparable profit before tax	262	392	257	163	311	1,123
Interest expenses and other financial expenses	34	31	37	29	28	126
	296	423	294	192	339	1,249
Capital employed, average	14,951	15,262	14,831	14,809	14,972	15,184
Comparable ROCE, %	7.9	11.1	7.9	5.2	9.1	8.2
Comparable profit for the period						
Profit (loss) for the period	143	-95	246	33	279	463
Items affecting comparability, total	79	423	-11	98	-21	490
Comparable profit for the period	223	328	236	131	258	953
Comparable EPS, €						
Comparable profit for the period	223	328	236	131	258	953
Profit attributable to non-controlling interest	-6	-4	-10	-6	-7	-27
	216	324	226	125	251	926
Average number of shares basic (1,000)	532,245	533,324	533,324	533,324	533,324	533,324
Comparable EPS, €	0.41	0.61	0.42	0.23	0.47	1.74
Comparable ROE, %						
Comparable profit for the period	223	328	236	131	258	953
Total equity, average	11,064	11,356	11,134	11,451	11,669	11,535
Comparable ROE, %	8.1	11.5	8.5	4.6	8.9	8.3
Net debt						
Non-current debt	3,710	3,747	3,711	2,992	3,045	3,747
Current debt	150	166	189	503	176	166
Total debt	3,860	3,913	3,900	3,494	3,221	3,913
Non-current interest-bearing assets	35	38	66	56	62	38
Cash and cash equivalents	772	892	917	558	710	892
Other current interest-bearing assets	99	114	113	117	136	114
Total interest-bearing assets	906	1,044	1,095	731	909	1,044
Net debt	2,954	2,869	2,804	2,763	2,312	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.



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