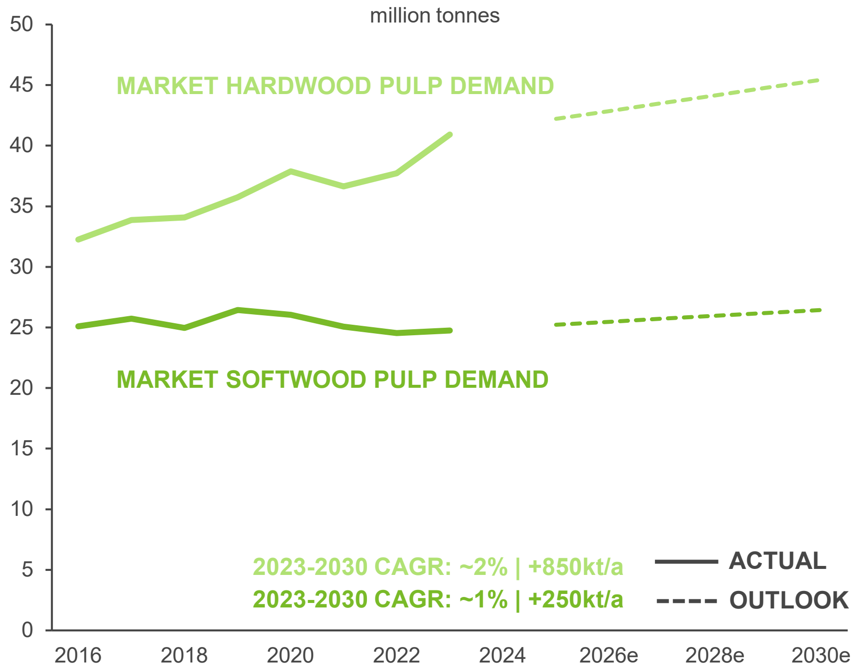
Performance and expansion in Renewable fibres

Aki Temmes, EVP, UPM Fibres

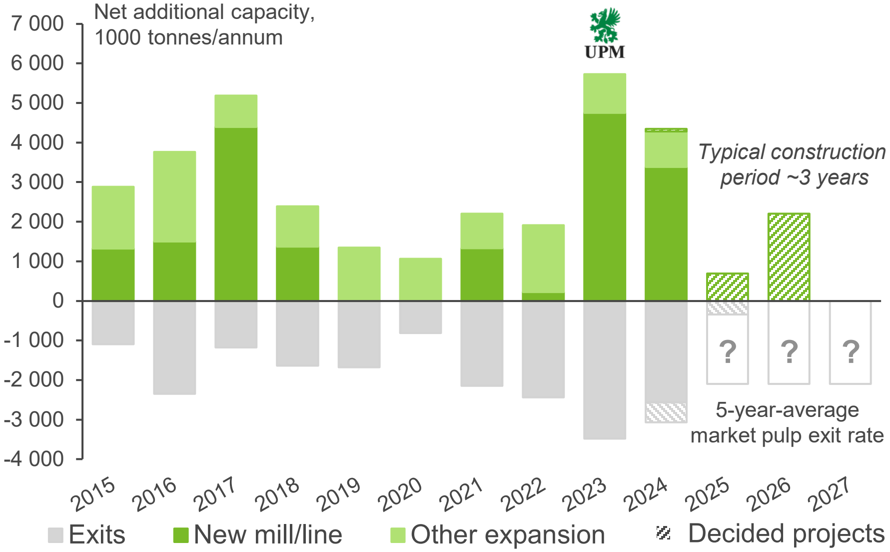
Renewable materials for growing everyday needs

Robust demand growth outlook for market pulp, limited net capacity addition in the coming years

Market pulp demand trend



Entry of market bleached pulp capacity



Note: including BHKP, BSKP, excluding fluff and dissolving

Source: AFRY, PPPC, UPM analysis

Competitive and sustainable fibre supplier for growing global everyday needs

UPM

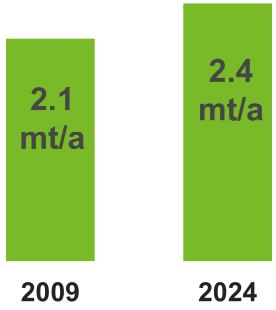
- **Competitive** and **sustainable** operations in hardwood and softwood pulp
- Global presence with **strong market position: #1 multi-fibre** and **#3 market pulp** supplier
- Confidence on **strong returns** over the business and market cycles due to high **Uruguay platform competitiveness**
- Target **ROCE > 14%**
- **Biostreams** generated as part of pulp production can provide raw materials for **new UPM businesses**

- **5 modern pulp mills** with annual production capacity of **5.8 million tonnes** of hardwood and softwood pulp
- Over **500 000 hectares of plantations** in Uruguay under UPM management
- Over **520 000 hectares of forests** owned by UPM in Finland

Finland: focus on profitability and value maximisation

UPM

Well-maintained pulp capacity in Finland



Tight wood market

- Nordic forest-based industry is facing tight wood supply and elevated wood costs
- Absence of Russian wood imports and peers' investments created a structurally tight wood market

Focus on competitiveness

- Competitive business platform and margin management are key
- UPM has a strong track record in business turnaround

Uruguay: world-leading competitiveness

UPM

Highly productive plantations

- Continuous development in plantation productivity
- Optimising inbound logistics

Best available technologies

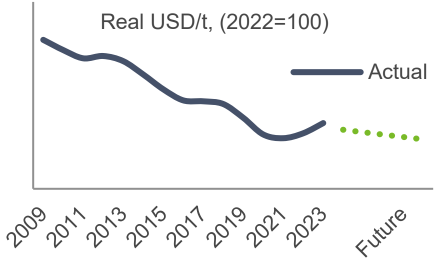
- Efficiencies of scale
- Competitive mill concept
- Biostreams development potential

Efficient logistics

- World-class outbound logistics
- Direct rail connection
- Own port terminal

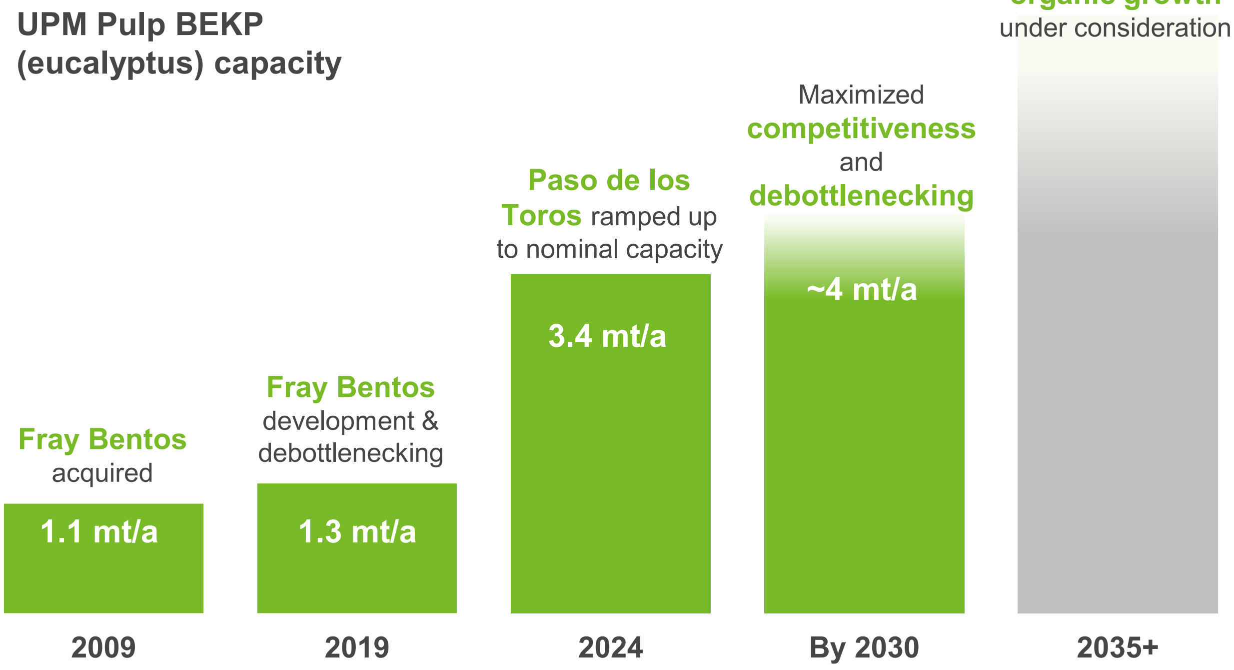
Competitiveness

UPM BEKP cash cost development



Average annual cost reduction 2009-2023 nearly -6%

Growth ambition in hardwood pulp



Source: UPM

Robust business foundations

Growth path continues with focus on returns and competitiveness

Key takeaways

- Attractive **profits** over cycles
  Targeting 14% ROCE
- **Positive pulp demand outlook**
- **Profitability and value maximisation** in Finland with confidence in future
- **Strong eucalyptus business** with world-class competitiveness and further growth potential
- Profitable pulp business **enables biostreams** generation as part of pulp production – raw materials for **new UPM businesses**

UPM **BIOFORE**

BEYOND FOSSILS