

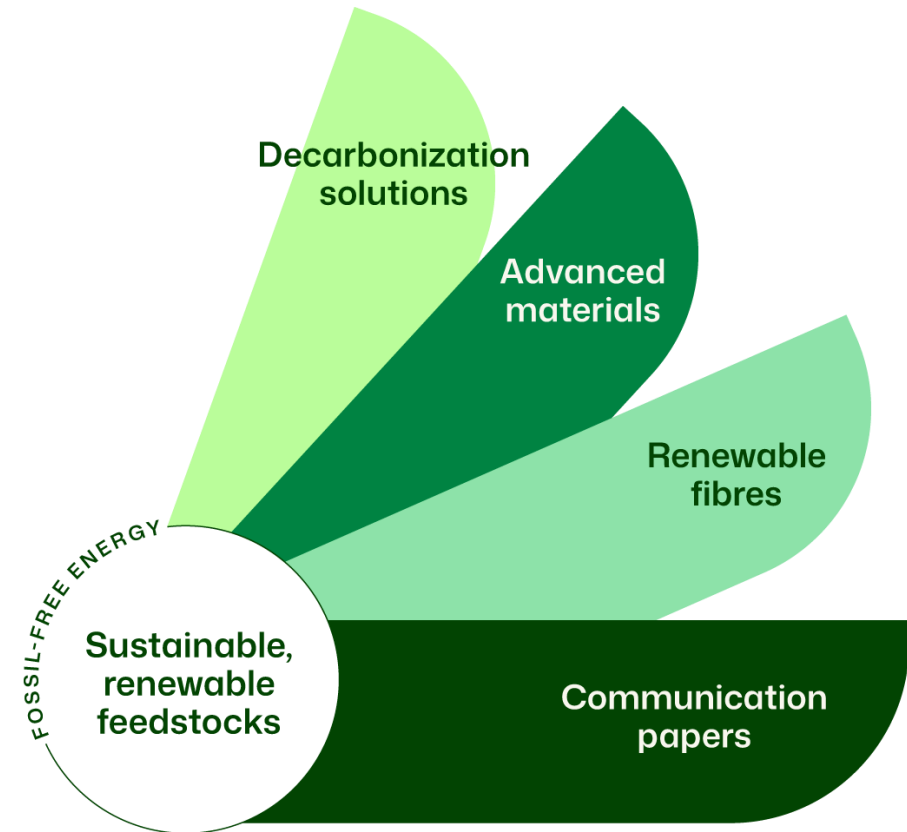


UPM – we renew the everyday

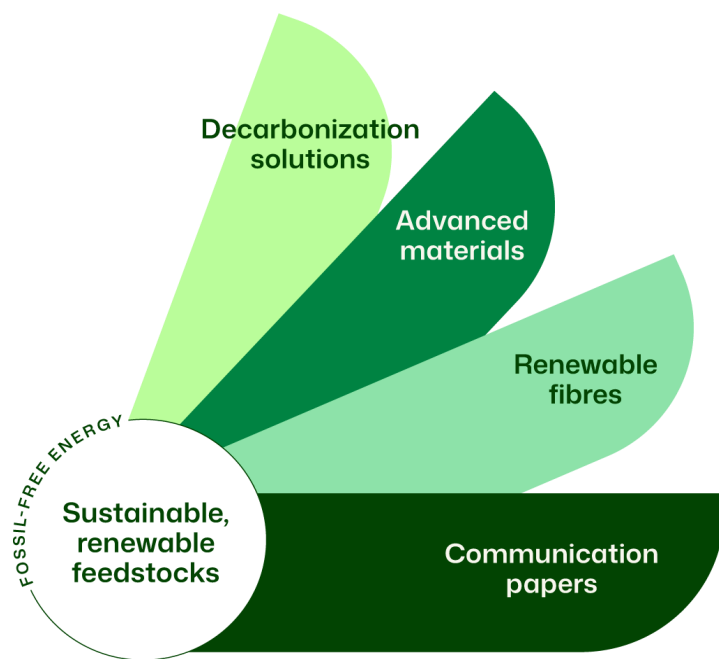
Investor presentation
June 2025

Our portfolio leverages competitive business platforms

- **Decarbonization solutions**
biochemicals biofuels, CO₂-free energy
- **Advanced materials**
adhesive materials, specialty papers, plywood
- **Renewable fibres**
pulp, other bioproducts
- **Communication papers**



Attractive growth opportunities



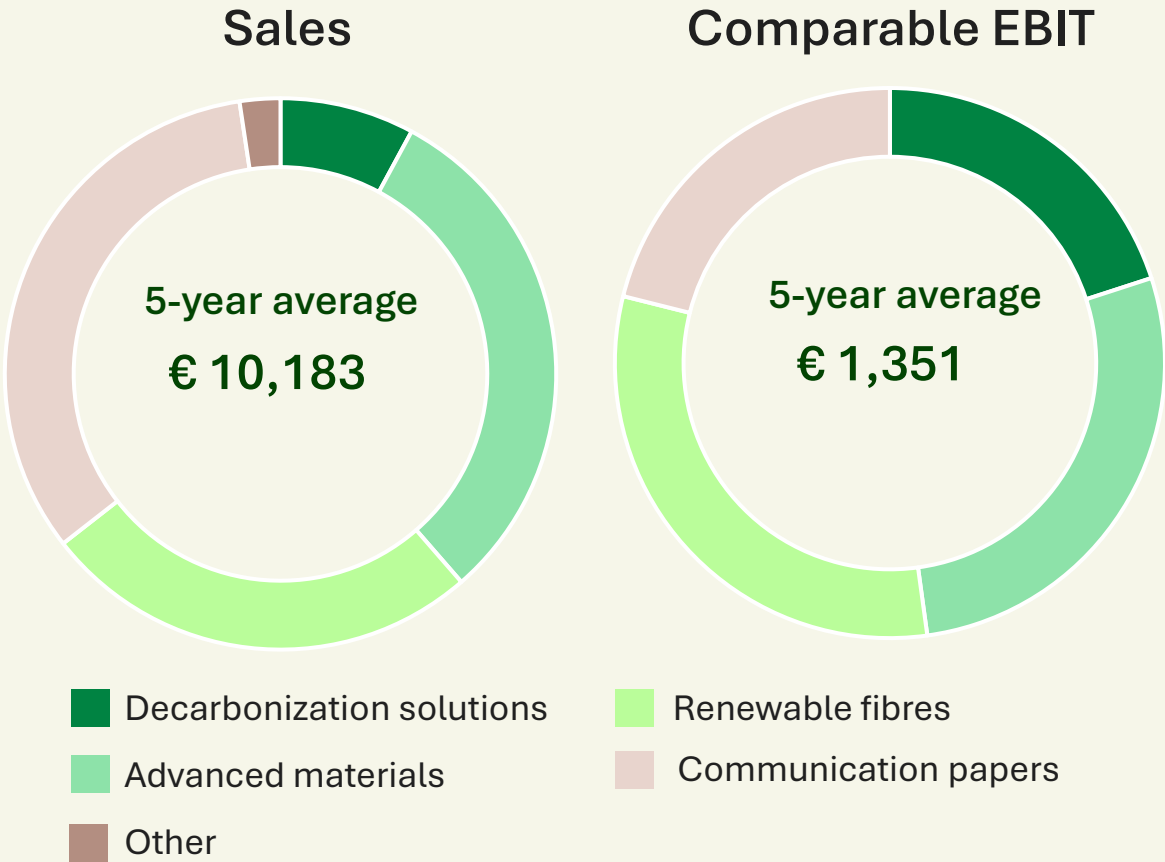
Market trend growth	5-year average comparable EBIT (*) by product group	5-year comparable EBIT %	Capital intensity
+++	276	32%	High
++	384	11%	Low
+	427	15%	High
-	291	8%	-

(*) UPM average comparable EBIT 2020–2024 was €1,351m

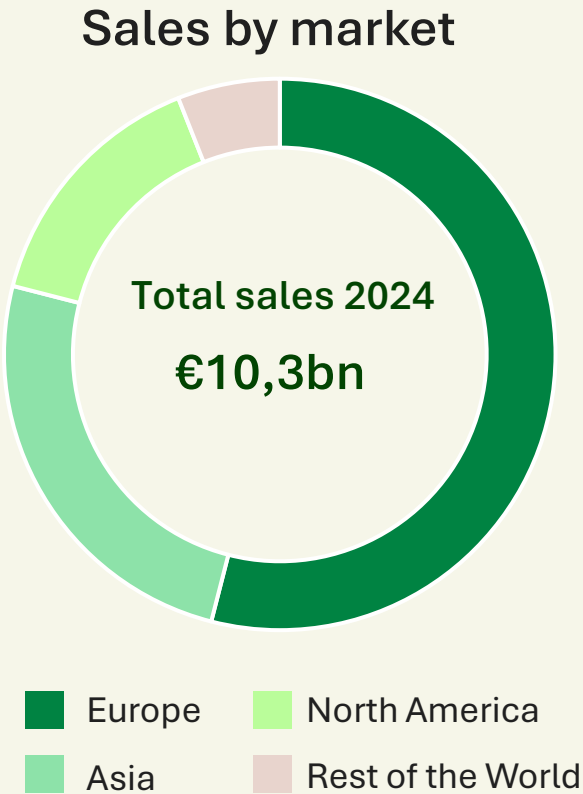
Our balanced portfolio provides opportunities for further growth



5-year average



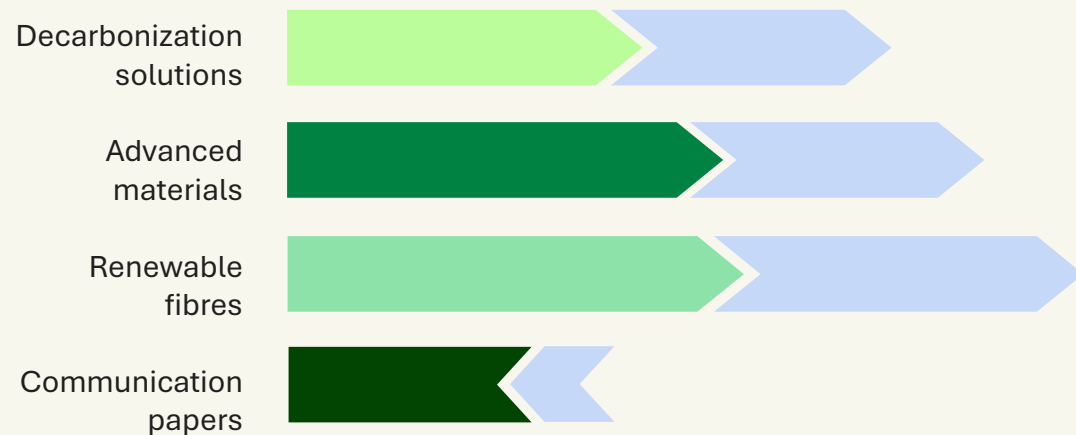
Total sales 2024



We seek profitable growth through performance and capitalizing on our major investments



UPM comparable EBIT*

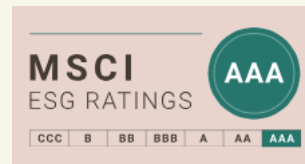


UPM sales*



*) The graphs are illustrative, not a forecast

Leading position in sustainability, leading global standards



Our climate commitment



WE ACT THROUGH FORESTS

Committed to climate-positive
forestry and enhancing
biodiversity



WE ACT THROUGH EMISSION REDUCTIONS

-65% from own CO₂ emissions
-30% from CO₂ emissions
of supply chain



WE ACT THROUGH PRODUCTS

Innovative products
Scientifically verifying the
climate impact of all our
products

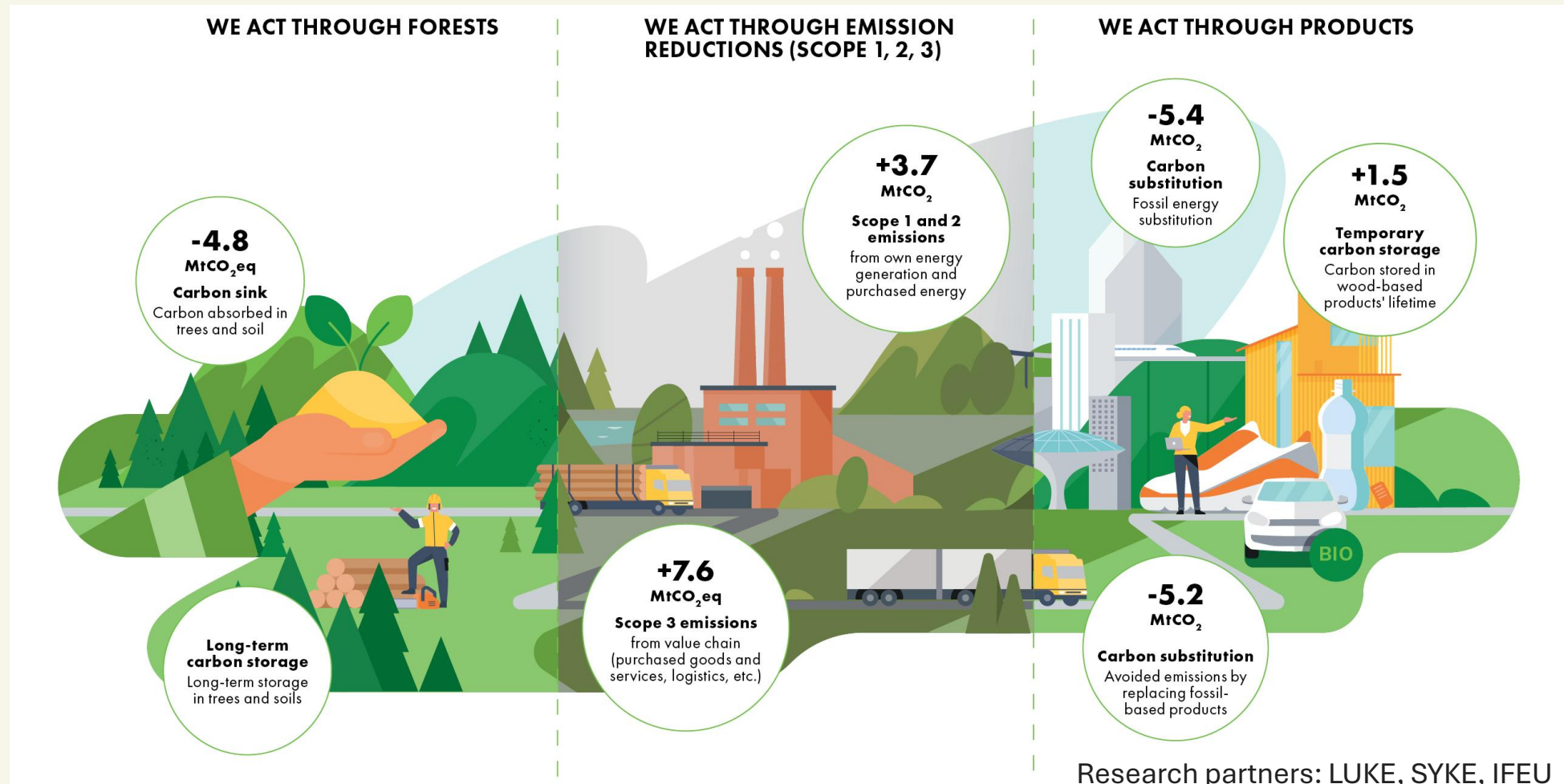


SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE Paris...
CLIMATE 10 years
PLEDGE Early

Towards net-zero emissions (UPM 2023)



UPM Forest Action



The UPM Forest Action program takes a holistic view, covering the five fundamentals of responsible forestry:

CLIMATE



BIODIVERSITY



WATER



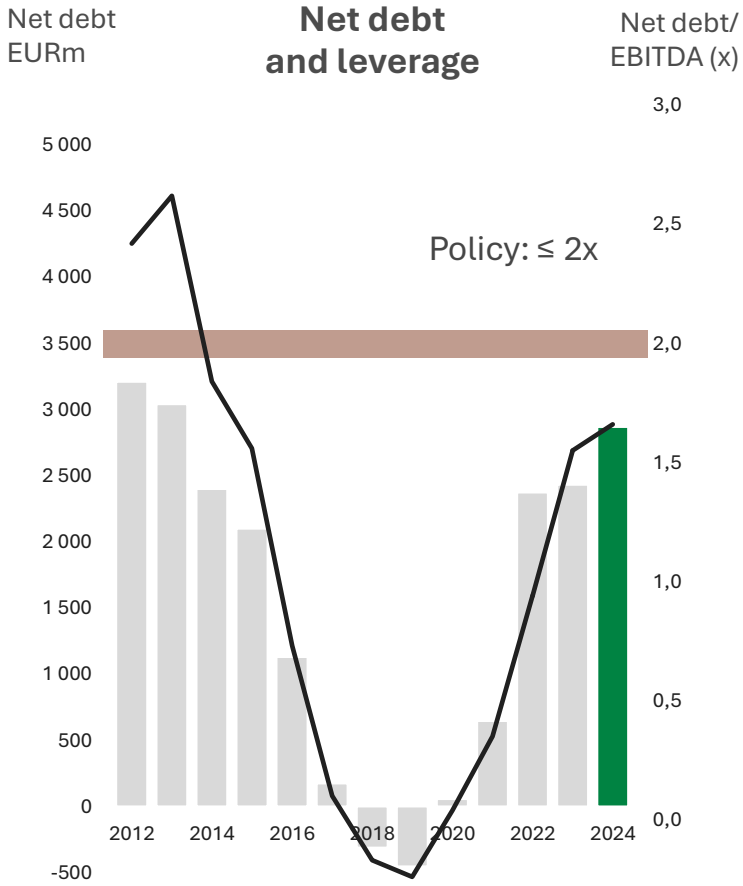
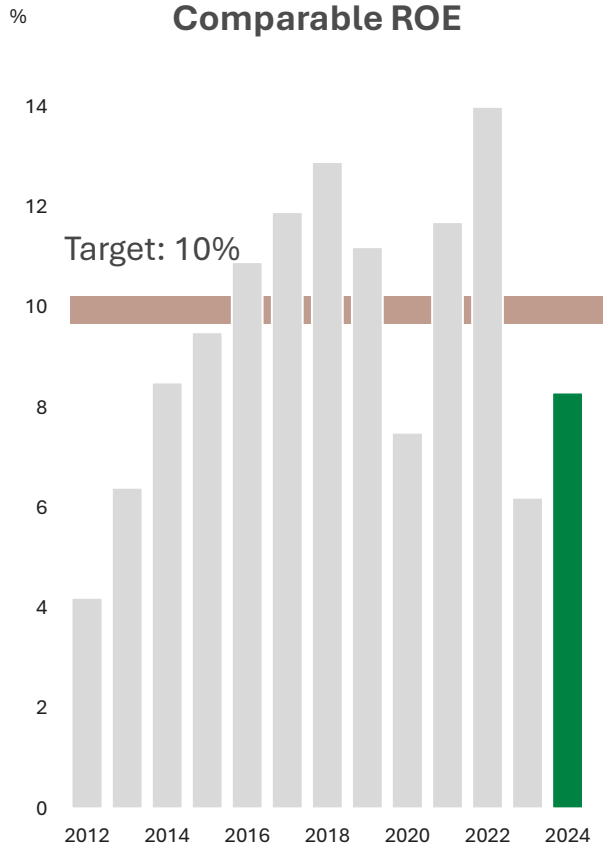
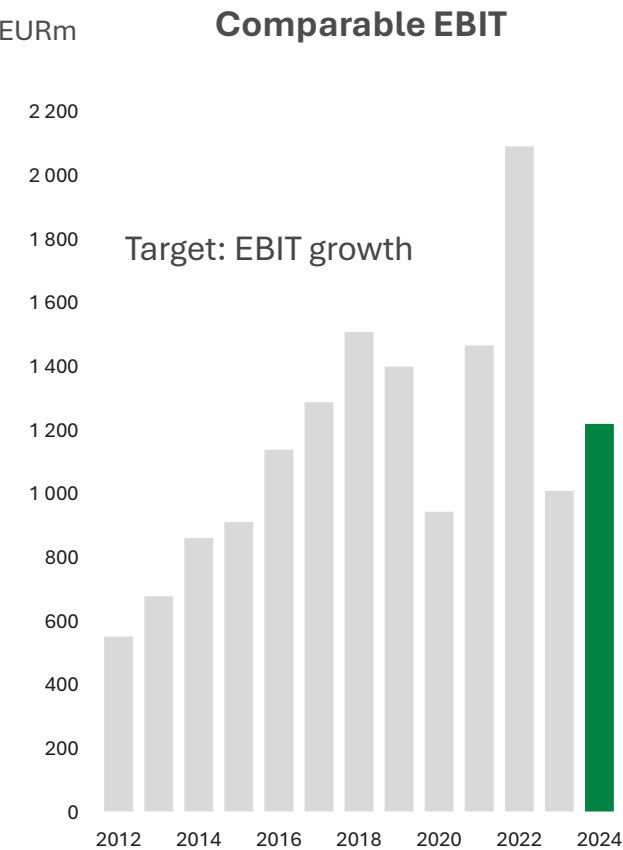
SOIL



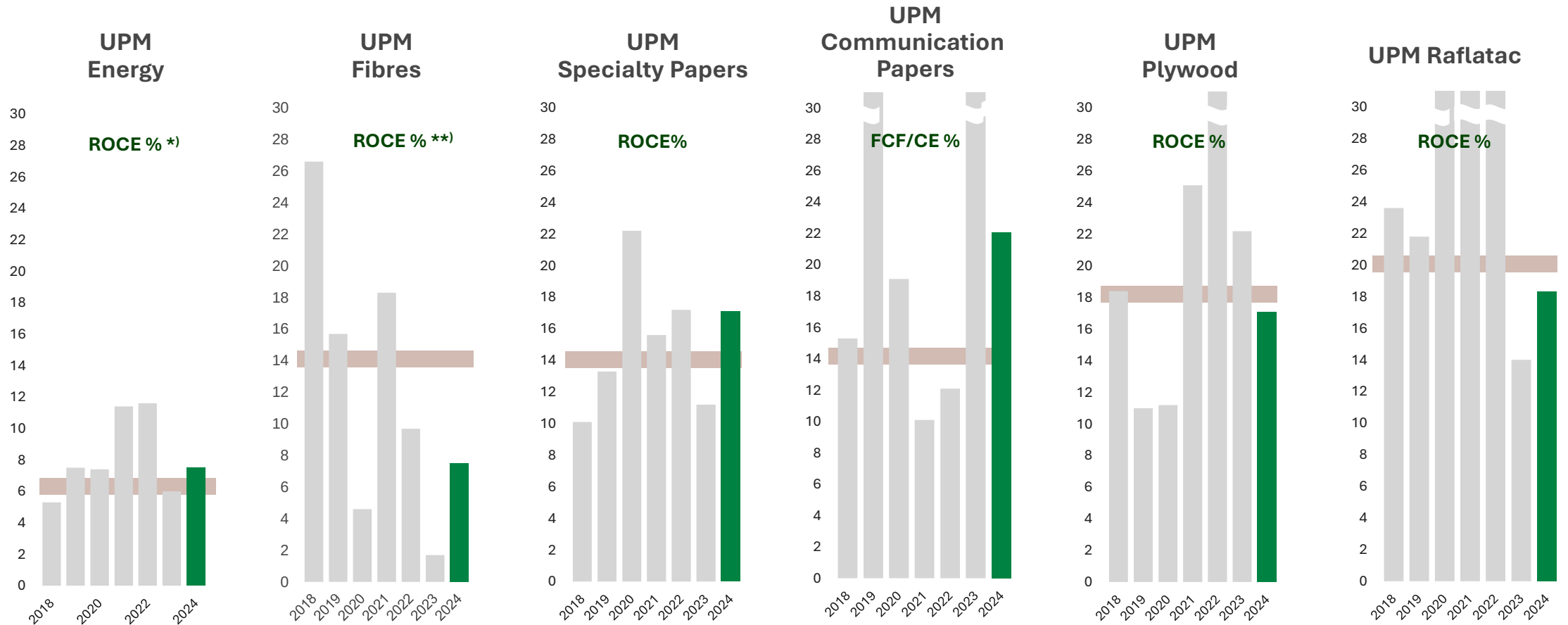
SOCIAL CONTRIBUTION



Group financial performance and targets



Business area long-term return targets

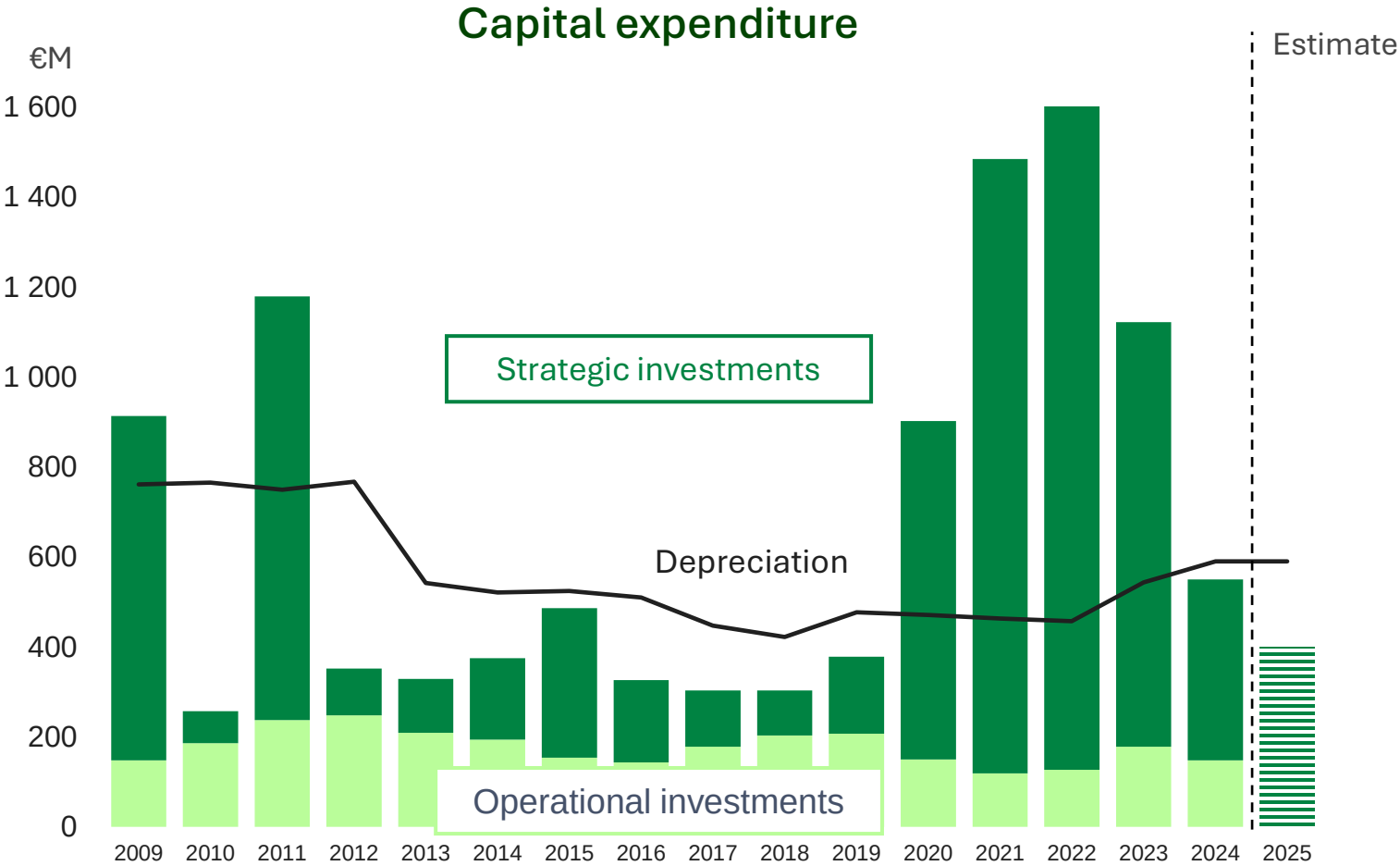


*) shareholdings in UPM Energy valued at fair value

**) Year 2021 restated, UPM Biofuels moved into Other Operations as of 1 January 2022.

Long-term return target

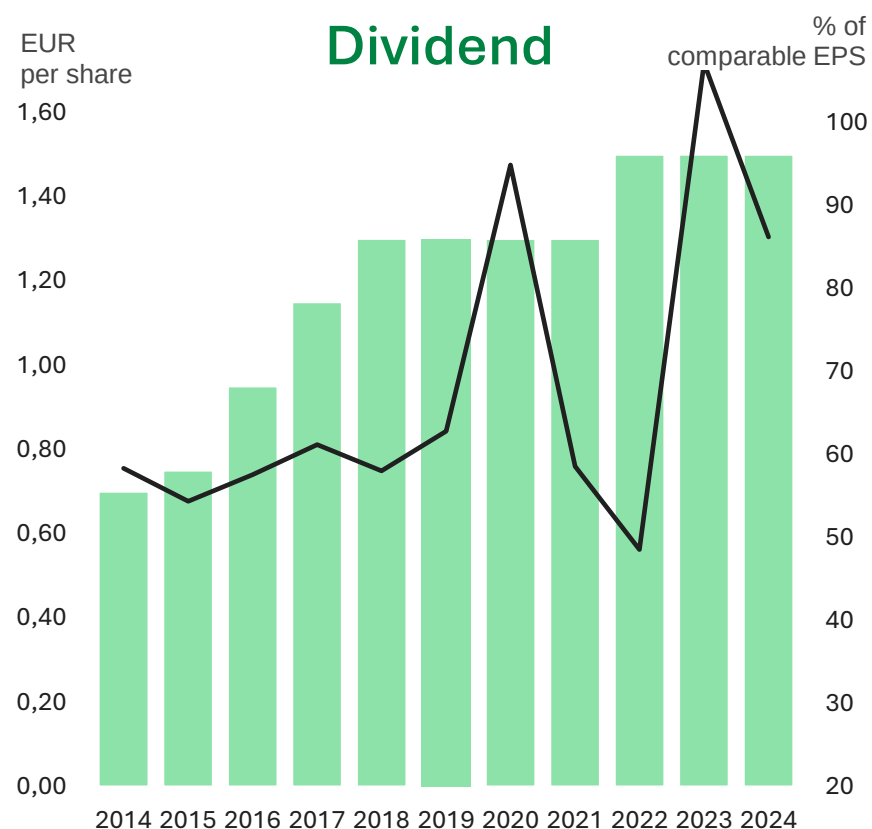
Major investment cycle coming to an end



Capex 2025 estimate

- Capex excluding acquisitions €400m
- Operational investment needs consistently low

Attractive dividend



Dividend policy

- UPM aims to pay attractive dividends, targeting at least half of the comparable earnings per share over time

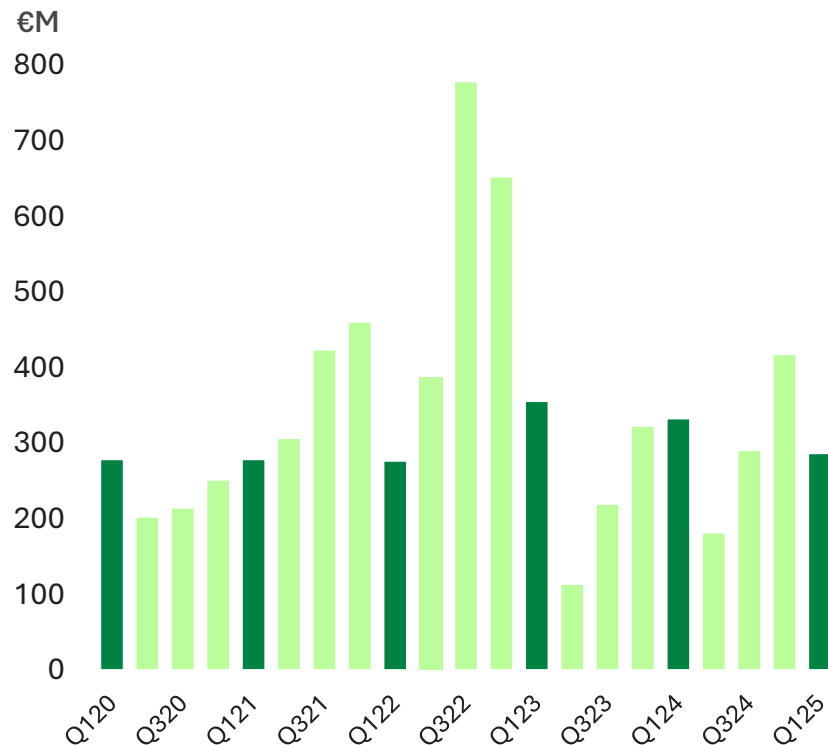
Dividend for 2024

- EUR 1.50 (1.50) per share
- 86% of 2024 comparable EPS

Q1 2025: Good start to the year with actions to sharpen competitiveness



Comparable EBIT



Q1 2025 in brief

- 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%)
- 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 plans to reduce paper capacity in Germany and streamline its structure
- UPM repurchased 6 million shares for a total of approximately €160 million by April 8

Improved markets for advanced materials and pulp in Q1 2025

Active consumers,
decreasing confidence

Moderate demand
growth for advanced
materials

Cautious consumers

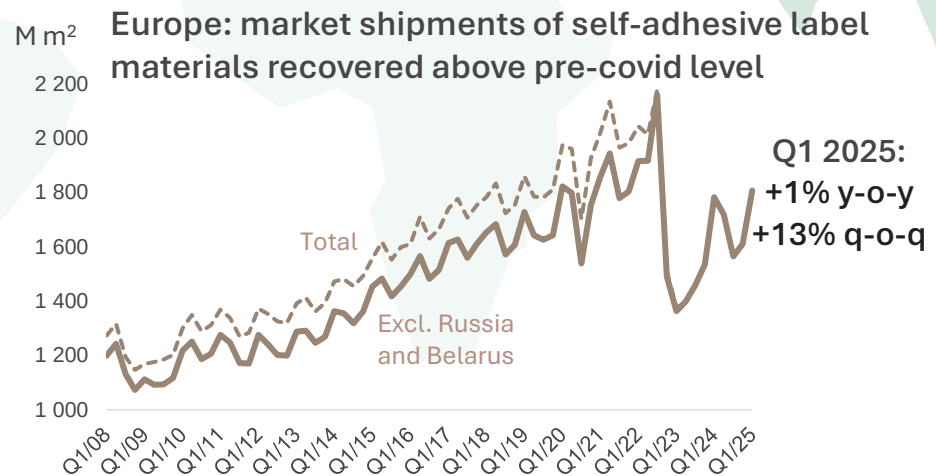
Demand recovery
continued for advanced
materials

Challenging markets for
decarbonization
solutions

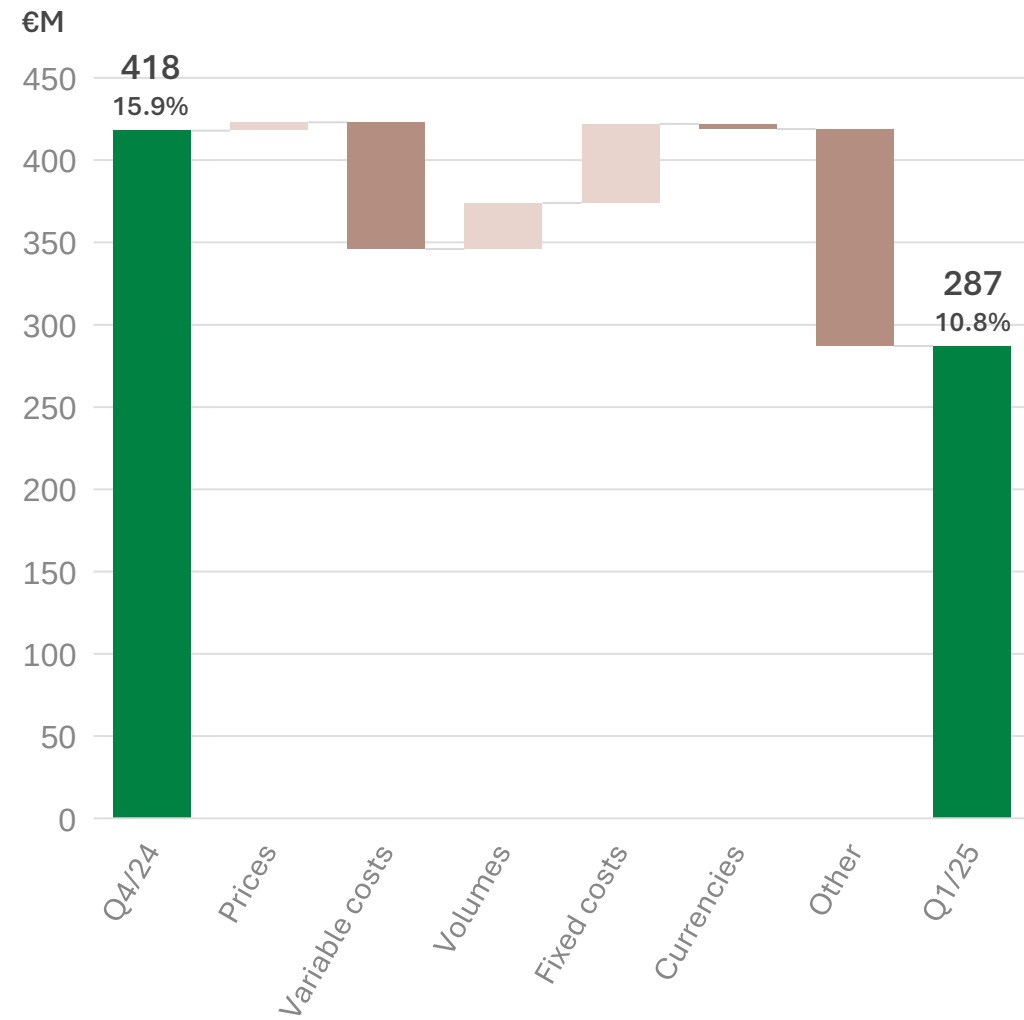
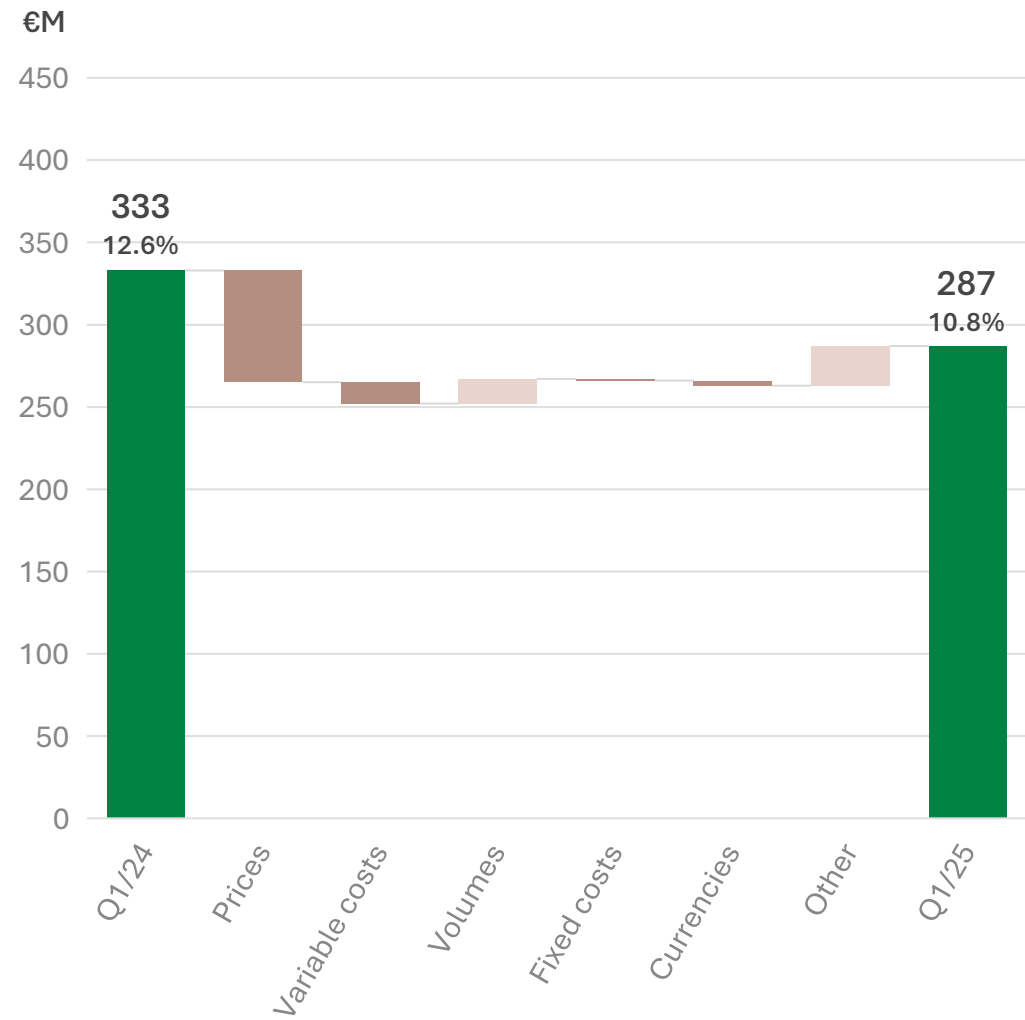
Cautious consumers

Somewhat improving
pulp market

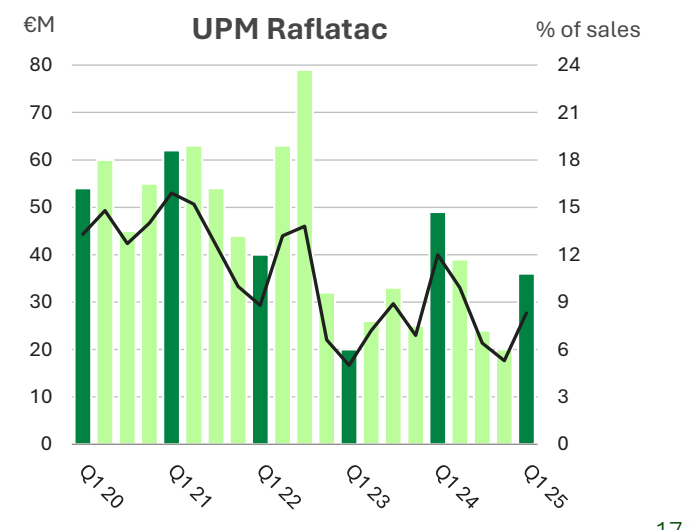
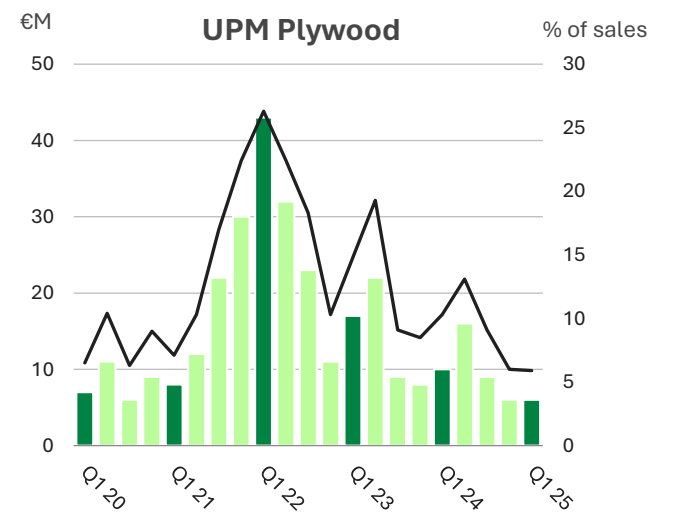
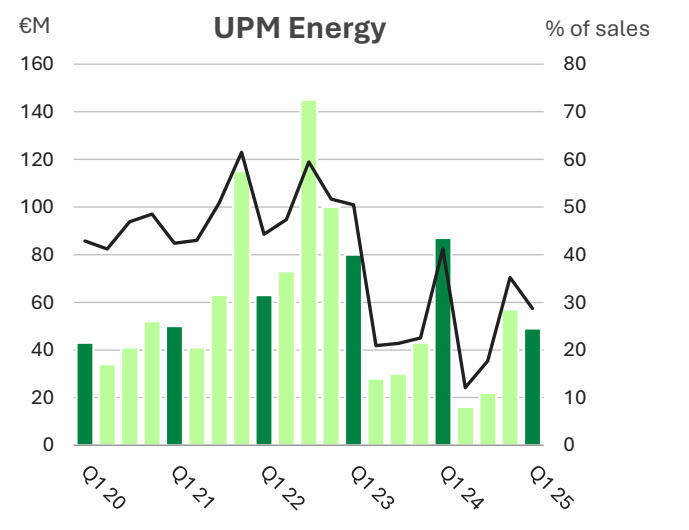
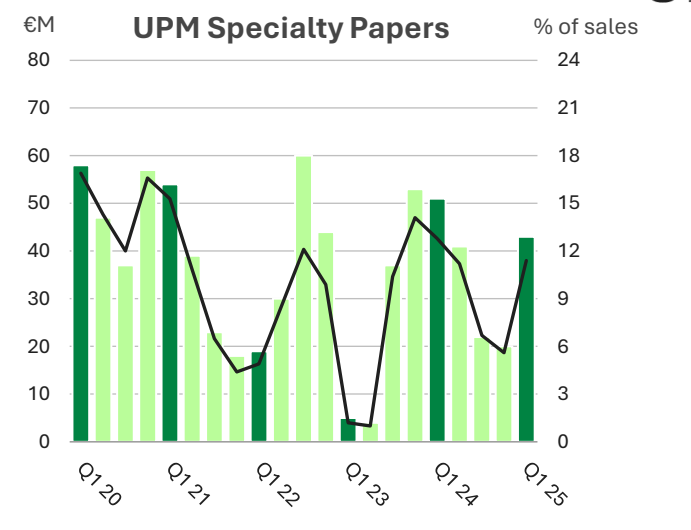
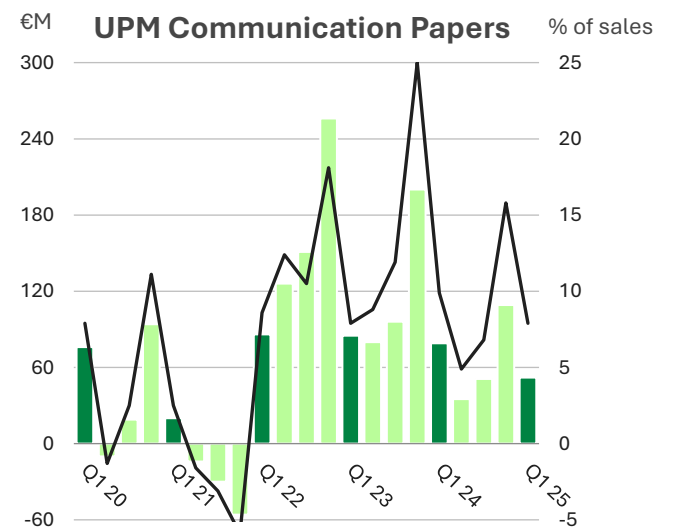
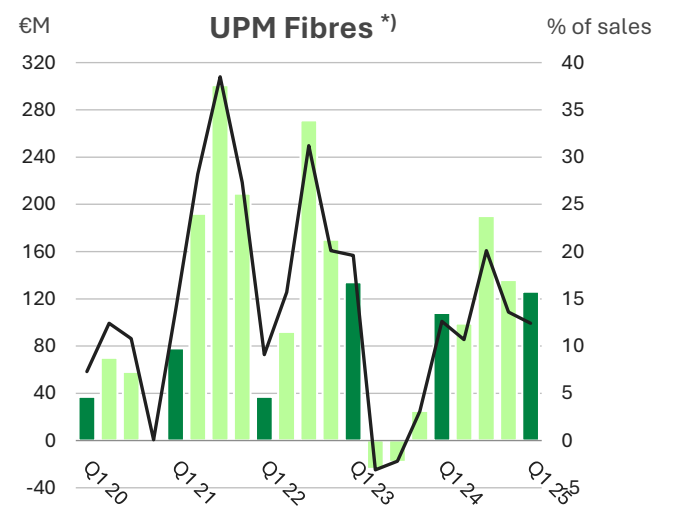
Solid demand for
advanced materials



Comparable EBIT in Q1 2025



Comparable EBIT by business area

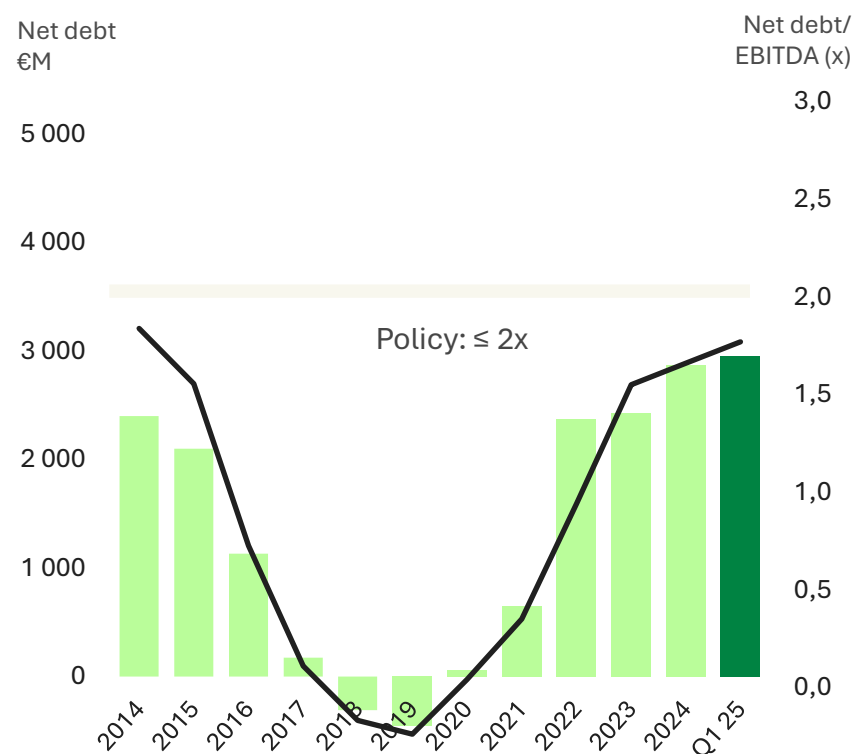


*) Year 2021 restated, UPM Biofuels moved to Other Operations as of 1 January 2022

Solid financial position



Net debt and leverage



- Net debt €2,954m at the end of Q1 2025
- Net debt / EBITDA 1.77
- Cash funds and committed credit facilities €3.0bn at the end of Q1 2025
- No financial covenants
- UPM repurchased own shares for a total of €116 million in Q1 2025
- The first dividend instalment for year 2024 (€397m) was paid on April 8, 2025, the second will be paid in November



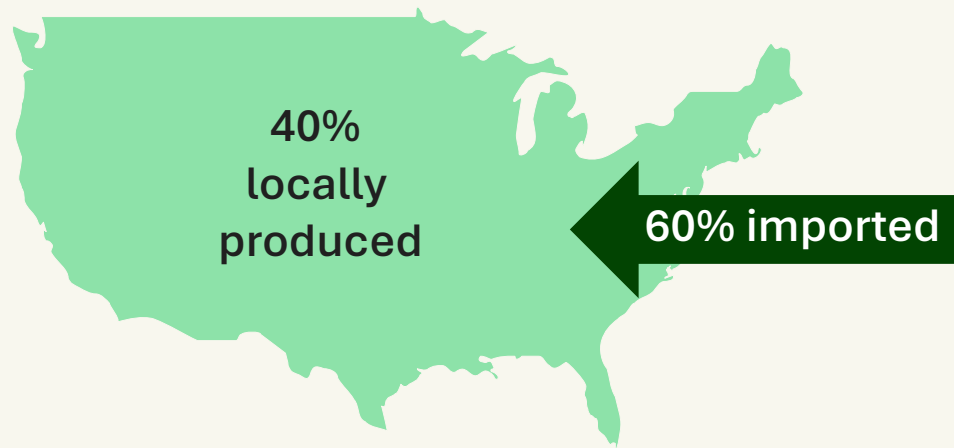
Outlook (*)

- **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.
- 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.

(*) see UPM interim report Q1 2025
for the full Guidance and Outlook

UPM and tariffs

14% of UPM sales in 2024
was to the US



Direct impact of tariffs expected to be
relatively limited

- UPM produces self-adhesive label materials and communication papers in the U.S.
- UPM imports communication papers, specialty papers and some eucalyptus pulp to the U.S.
- Indirectly, tariffs may impact demand and trade flows, cause hesitation among customers, disrupt supply chains and weaken consumer confidence
- Currency fluctuations are possible

Foreign exchange exposure

Estimated 12-month net currency cash flow at the end of Q1 2025, before hedging, € million

USD	1,190
UYU	-290
GBP	230
CNY	190
JPY	110
Others	170
Total	1,600

- At the end of Q1 2025, UPM's estimated net currency cash flows for the next 12 months totaled approximately €1.6 billion
- In addition, the earnings of UPM's foreign subsidiaries are translated to euros in reporting. UPM has significant foreign subsidiaries in Uruguay, the US and China
- Currency fluctuations could impact UPM's cash flow, earnings, or balance sheet, and may also affect the relative competitiveness between different currency regions

UPM hedges an average of 50% of the estimated net currency cash flow on a rolling basis for the next 12 months

Maintenance shutdowns in 2024 and 2025

Timing	Unit
Q1-Q2 24	Olkiluoto nuclear power plant OL3
Q2 24	Olkiluoto nuclear power plant OL1 and OL2 UPM Paso de los Toros pulp mill UPM Fray Bentos pulp mill UPM Pietarsaari pulp mill
Q1-Q2 25	Olkiluoto nuclear power plant OL3
Q2 25	Olkiluoto nuclear power plant OL1 and OL2 UPM Paso de los Toros pulp mill UPM Kymi pulp mill
Q3 25	UPM Kaukas pulp mill
Q4 25	UPM Fray Bentos pulp mill

Maintenance shutdowns have an impact on

- Maintenance costs
- Production volumes
- Operational efficiency

We act on three fronts



1

**Improve
competitiveness**

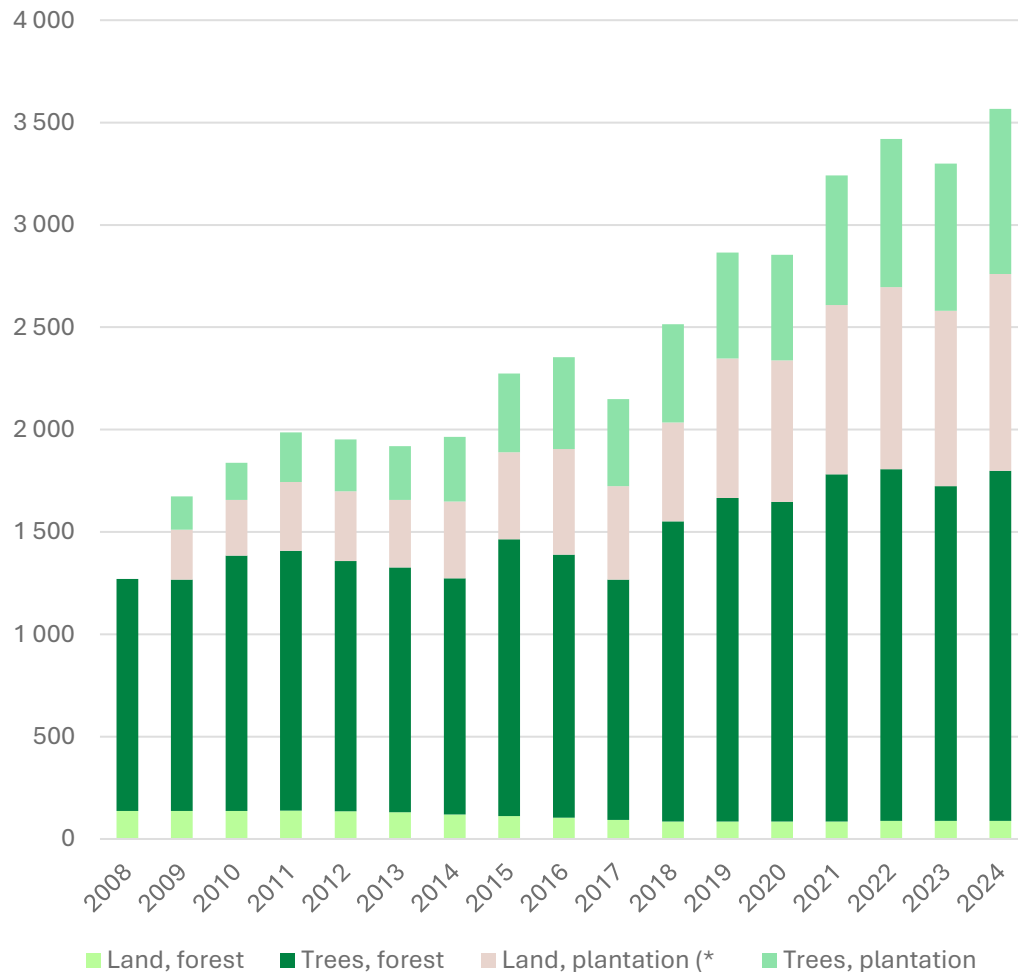
2

**Accelerate
growth**

3

**World-class
businesses**

Active forest strategy – UPM’s forest assets are increasingly productive and valuable



*) leased land included from 2019

Uruguay plantations

“Fast turnover, low inventory”

- Value €1.8bn
- Continuous productivity improvement (pulp tonnes/ha)
- Investing in strategic forest assets

Finland and other northern forests

“Slow turnover, high inventory”

- Value €1.8bn (+42% since 2008, EUR/ha +140%)
- Decreased area (-41% since 2008), focusing on forests close to mills
- Improved growth (m³/ha)
- Trend price (EUR/m³)

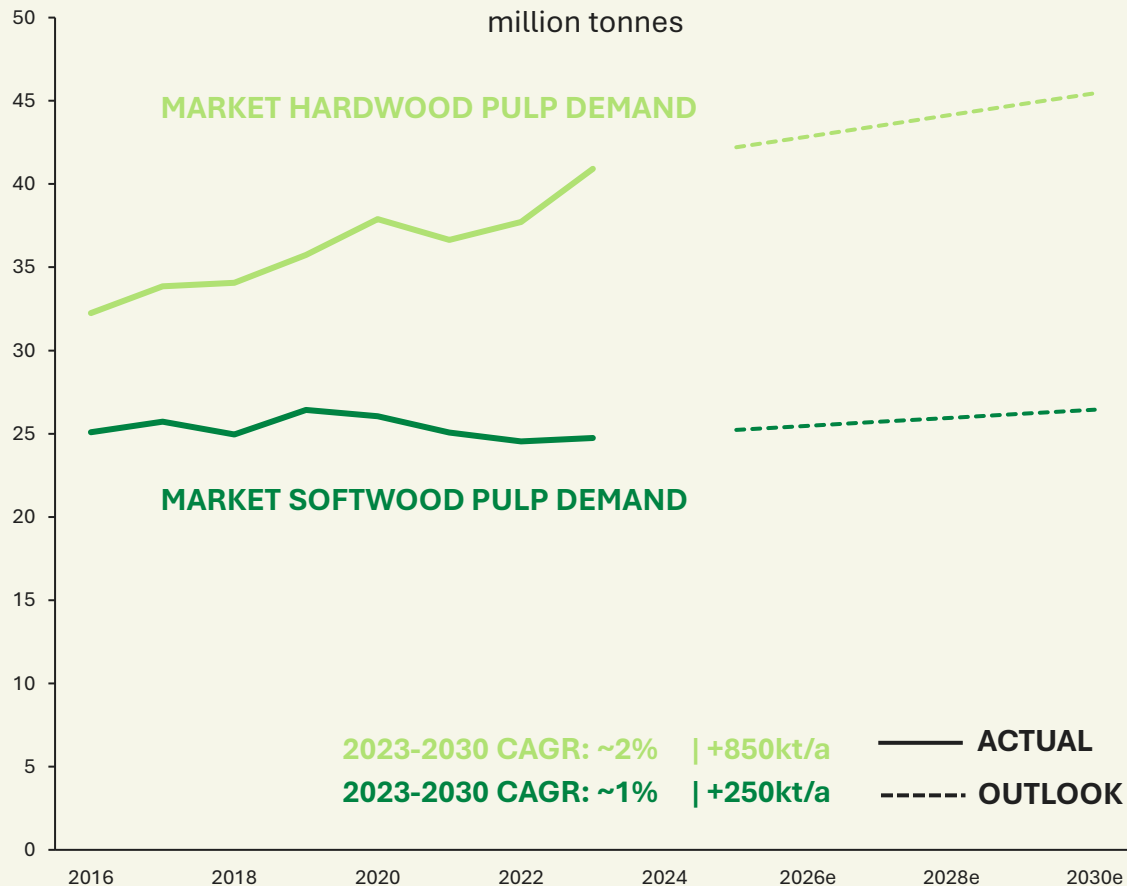


Renewable fibres for
growing everyday needs

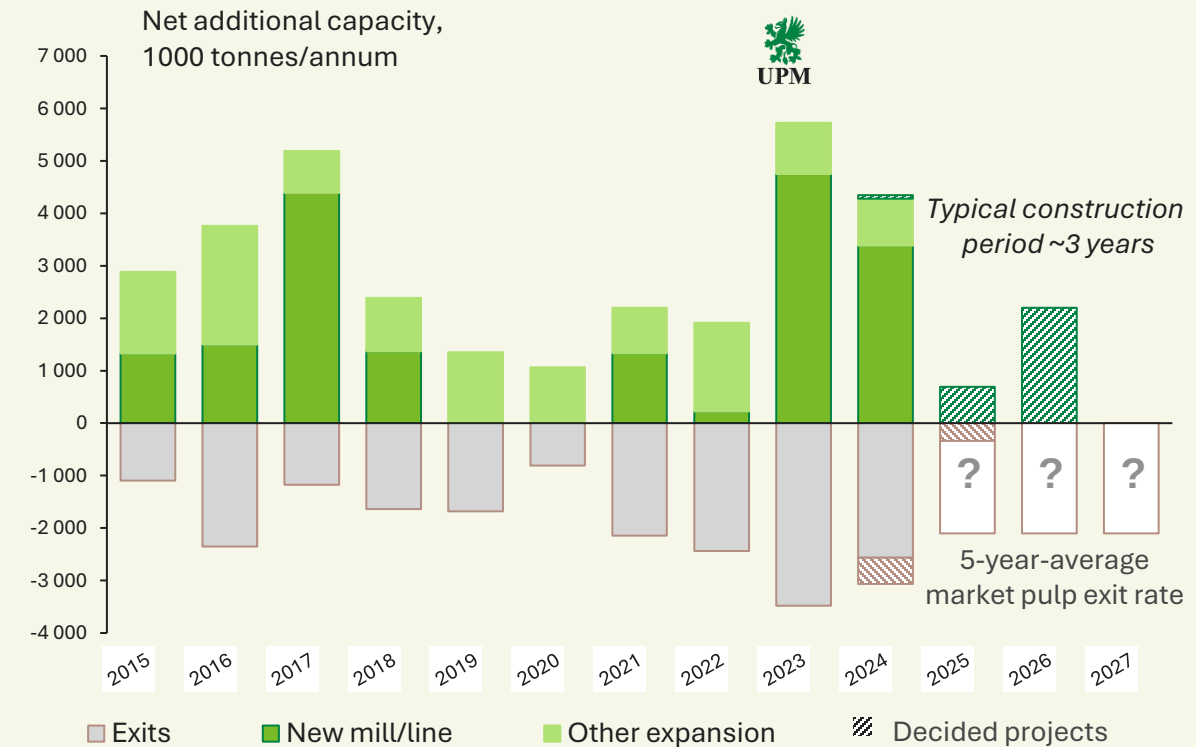
Robust demand growth outlook for market pulp, limited net capacity addition in the coming years



Market pulp demand trend



Entry of market bleached pulp capacity



Competitive and sustainable fibre supplier for growing global everyday needs



- **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

Uruguay: world-leading competitiveness



Highly productive plantations

- Continuous development in plantation productivity
- Optimizing inbound logistics



Best available technologies

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



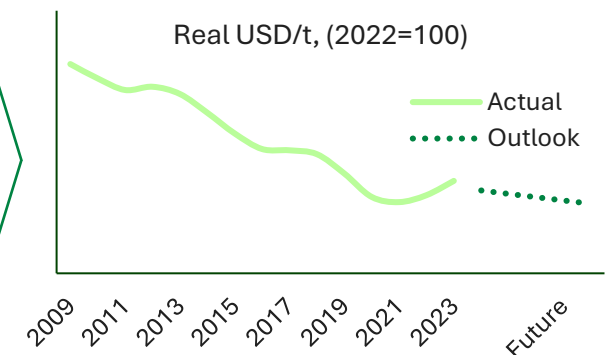
Efficient logistics

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



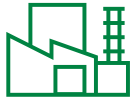
Competitiveness

UPM BEKP cash cost development



**Average annual cost reduction
2009-2023 nearly -6%**

Finland: focus on profitability and value maximization



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

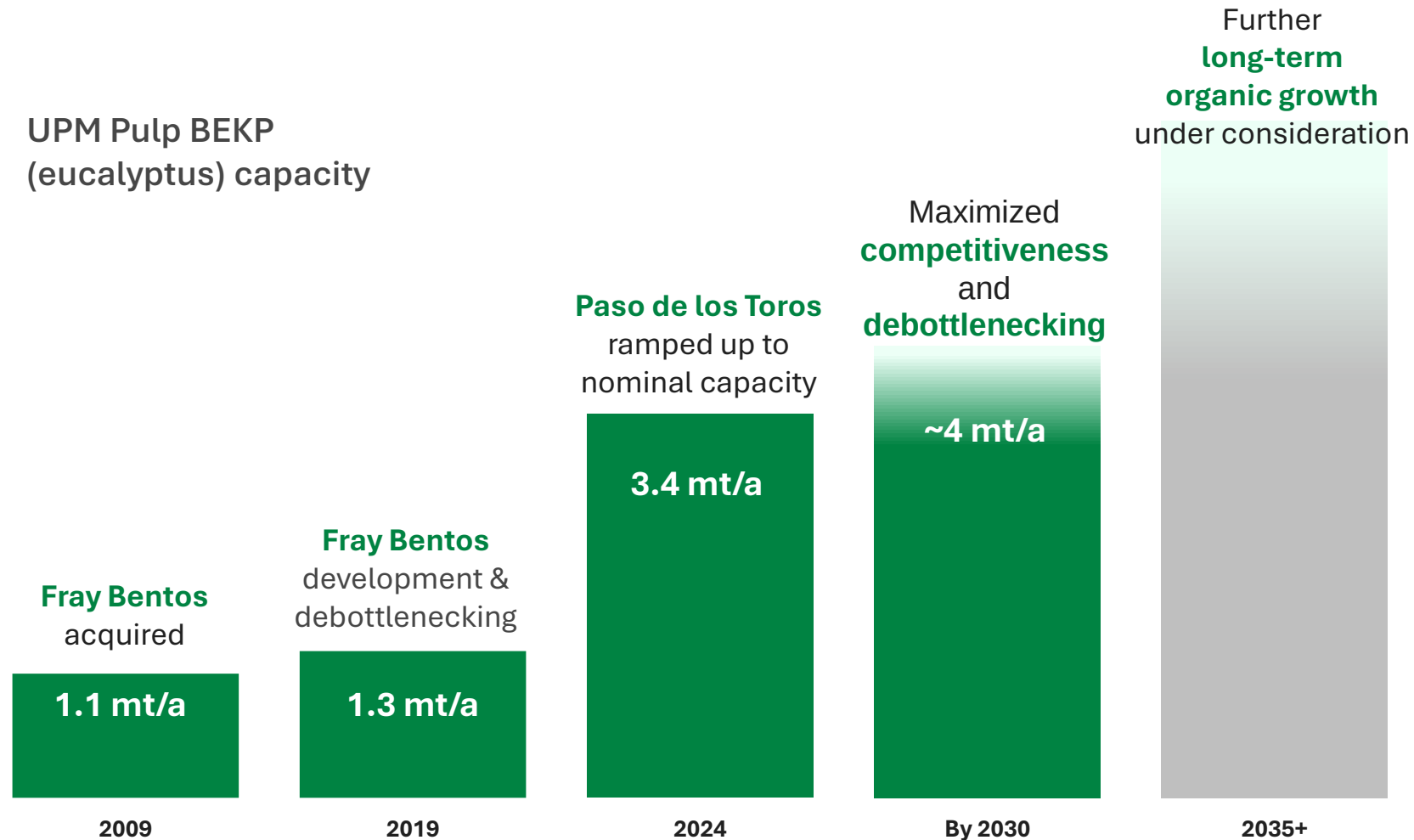


Focus on competitiveness

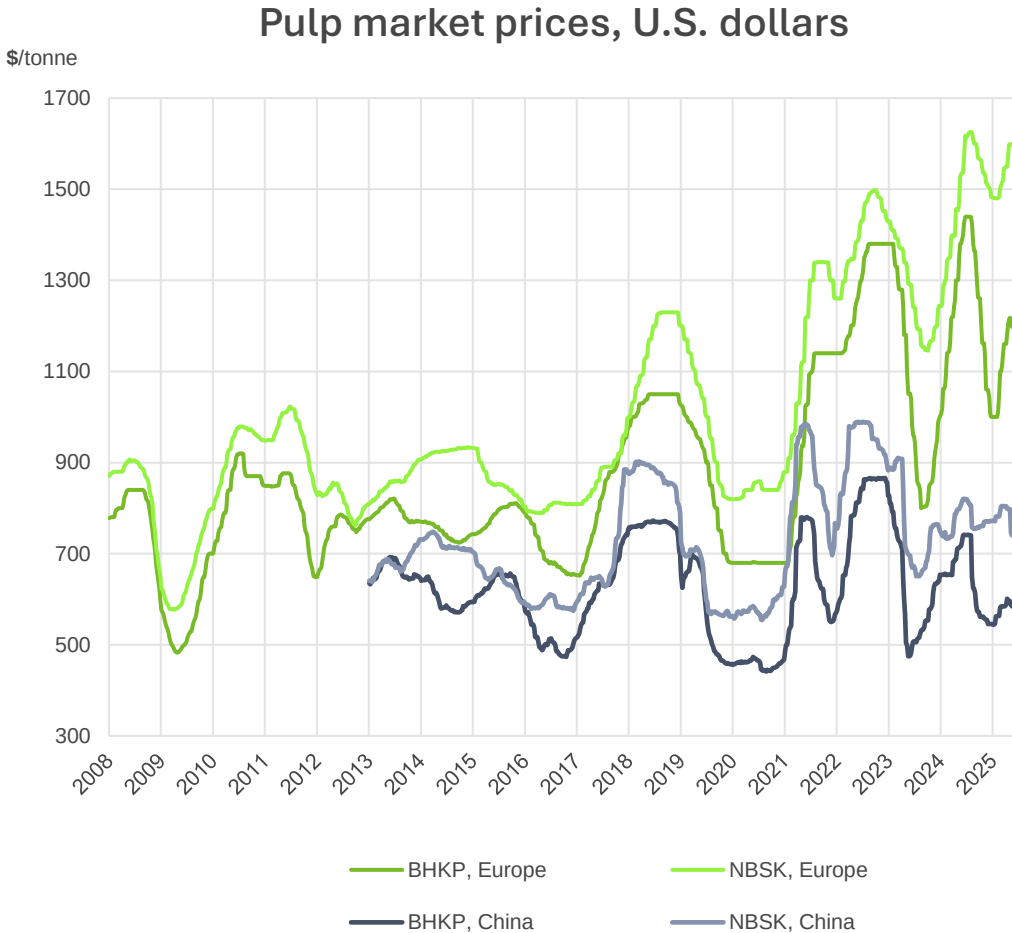
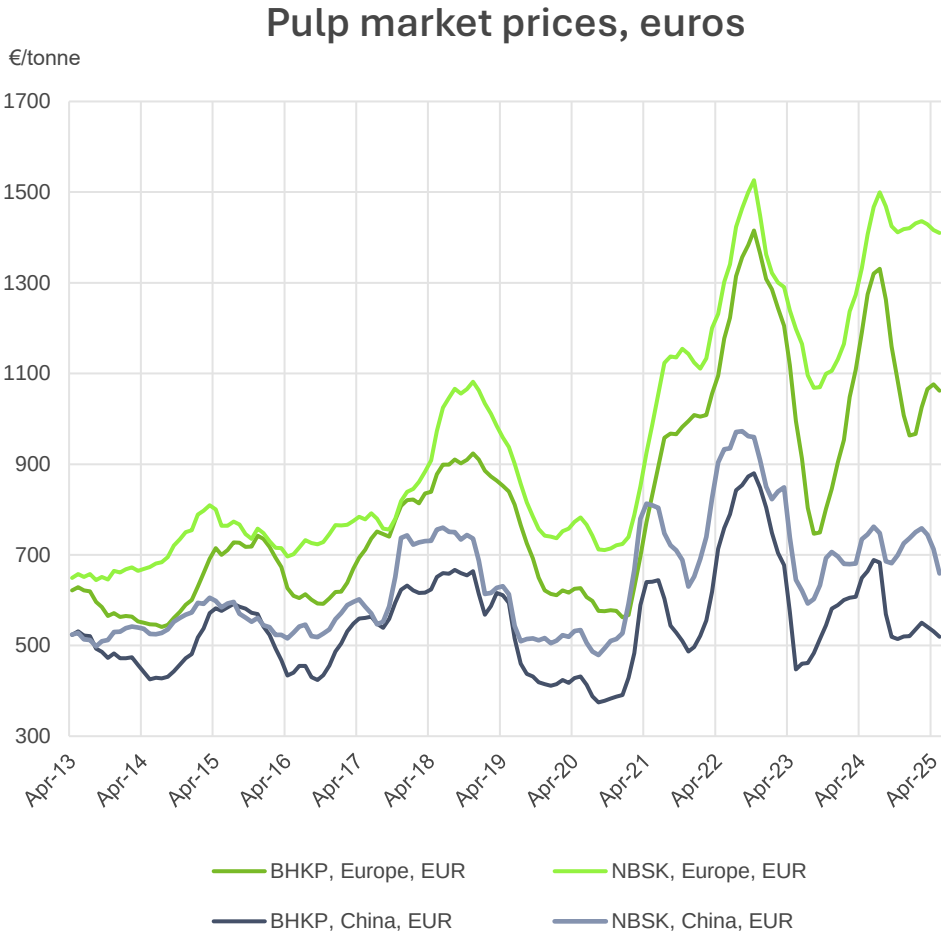
- Competitive business platform and margin management are key
- UPM has a strong track record in business turnaround

Growth ambition in hardwood pulp

UPM Pulp BEKP
(eucalyptus) capacity



UPM Fibres: Chemical pulp market prices



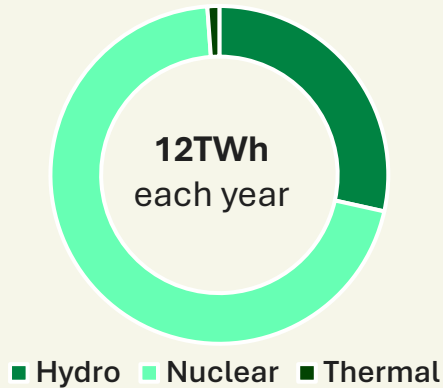
Source: FOEX Indexes Ltd



Decarbonization solutions

UPM's electricity generation portfolio is clean and efficient to match the future needs

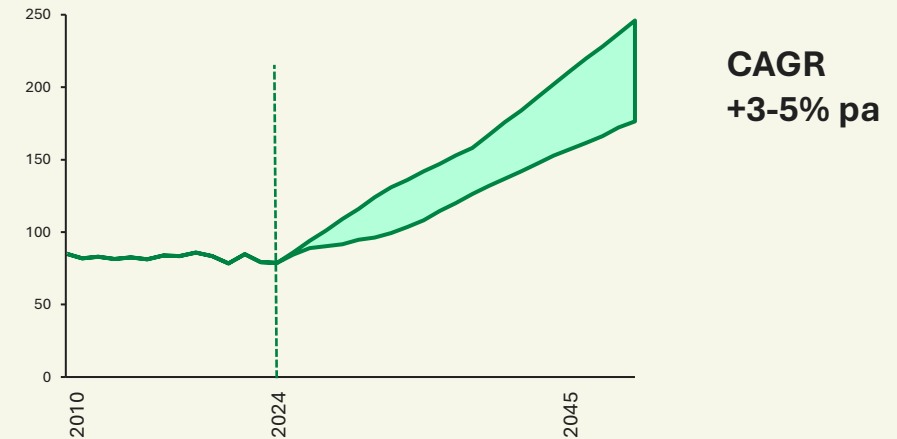
UPM Energy electricity generation is 99% CO₂-free



UPM Energy

- **Flexible hydro** power crucial to balance the volatile energy system
- **Reliable nuclear** power to support the electrification of the society

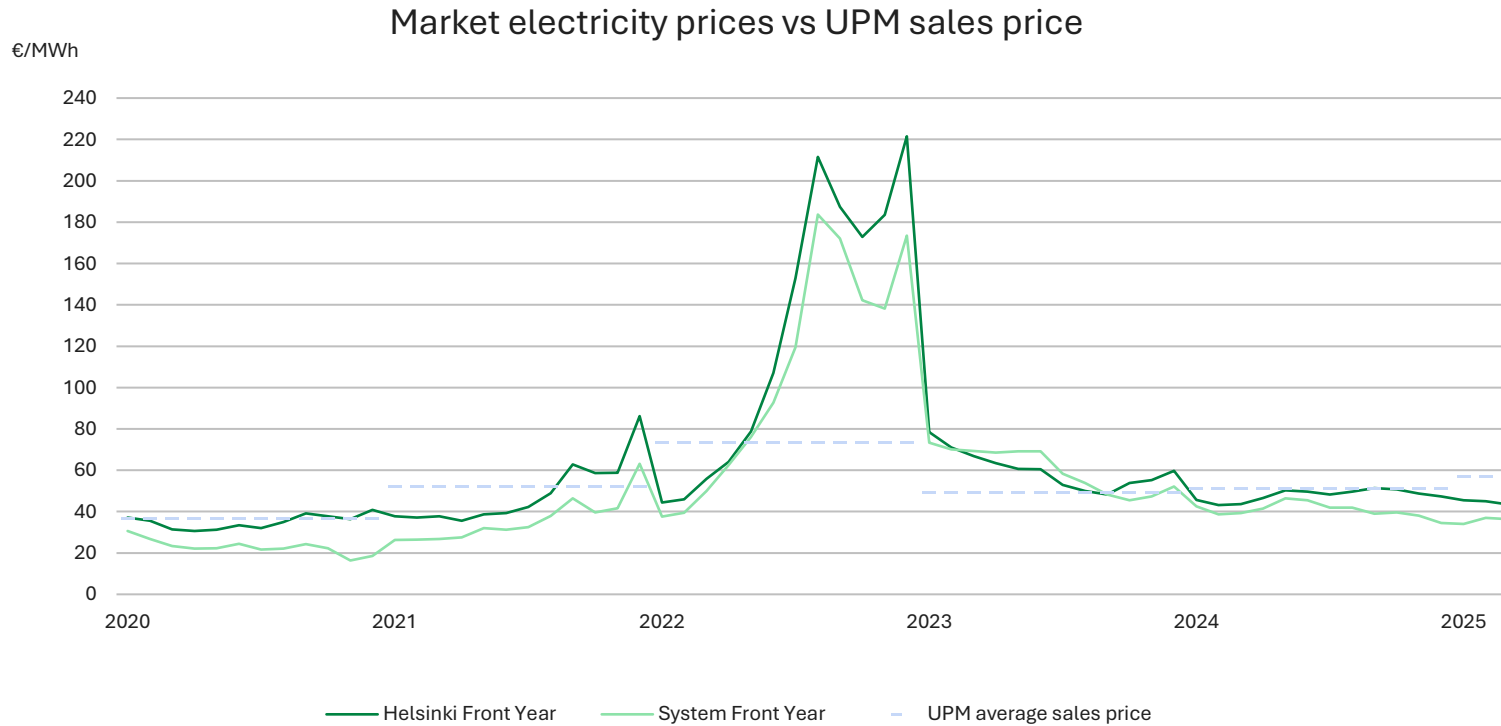
Electricity demand is expected to grow significantly



Electricity demand growth requires reliable CO₂-free baseload

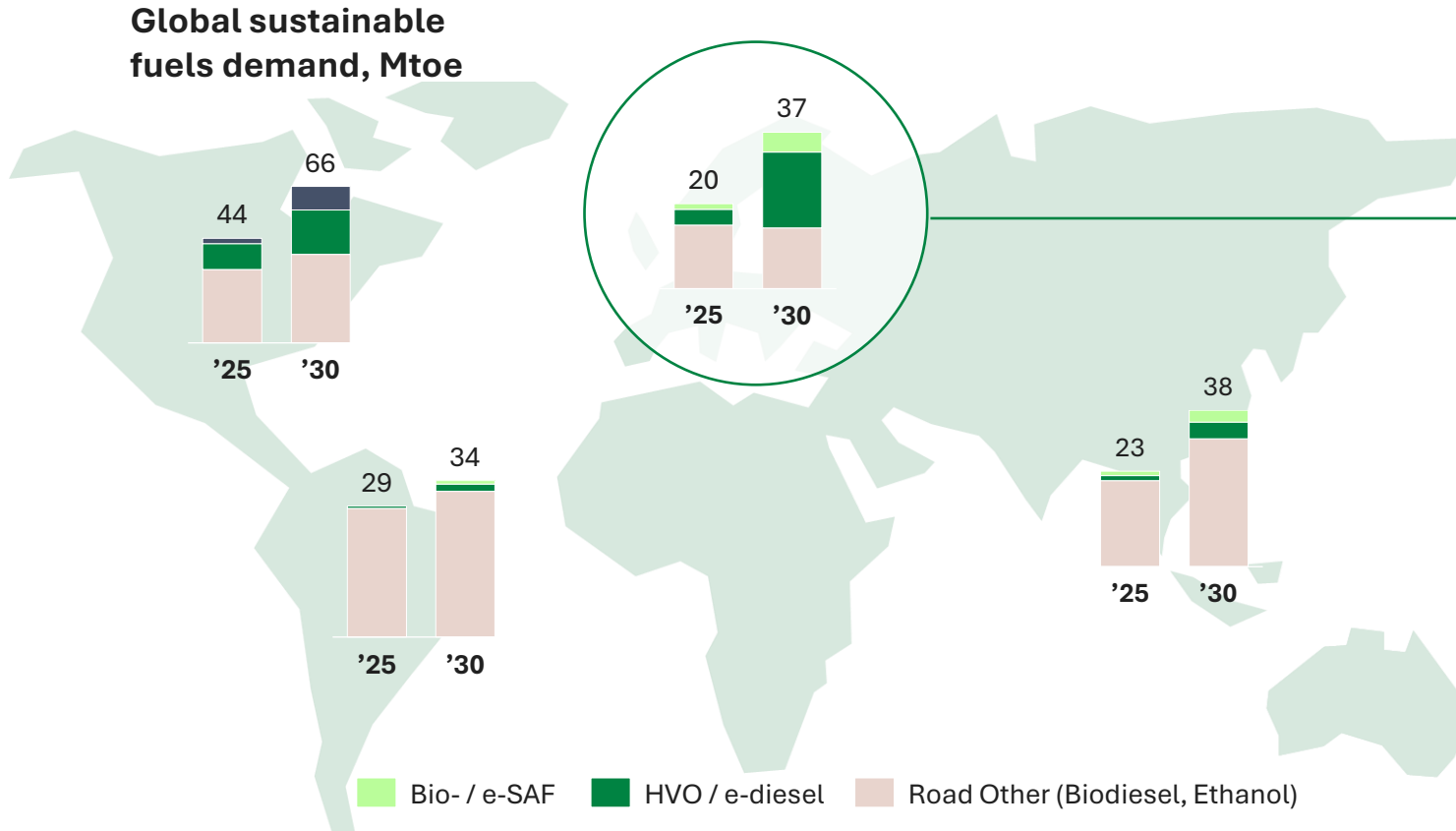
- **Near term:** electric heating (large scale electric boilers and heat pumps), data centers and traffic
- **Longer term:** industrial decarbonization and electrification

UPM Energy: Electricity market prices



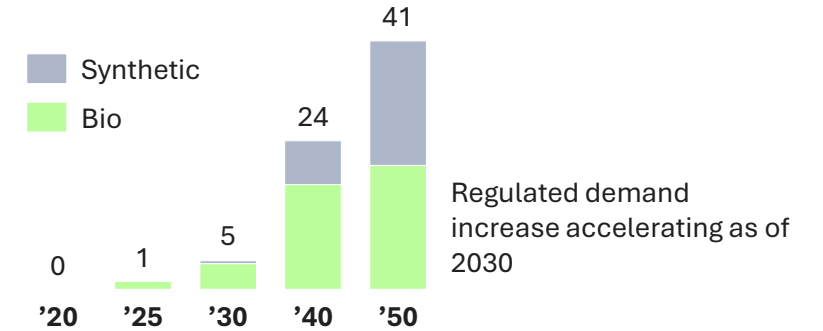
UPM Energy profitability	2020	2021	2022	2023	2024	Q1 2025
Comparable EBIT, EURm	171	270	381	182	181	49
% of sales	45.0	51.3	52.0	29.0	28.9	28.7

Global renewable fuels demand outgrows planned capacity as of 2030

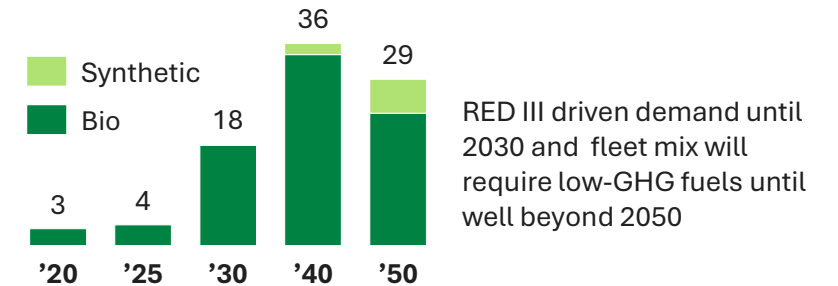


1) Including Norway and UK; Road demand 2030 estimate including upside from RED III implementation – current regulations ~12 Mtoe demand

EU SAF¹, Mtoe



EU Road Renewable Fuels¹, Mtoe



Source: UPM Analysis based on Bloomberg NEF, Goldman Sachs Research, IEA, McKinsey, Neste, Wood Mackenzie

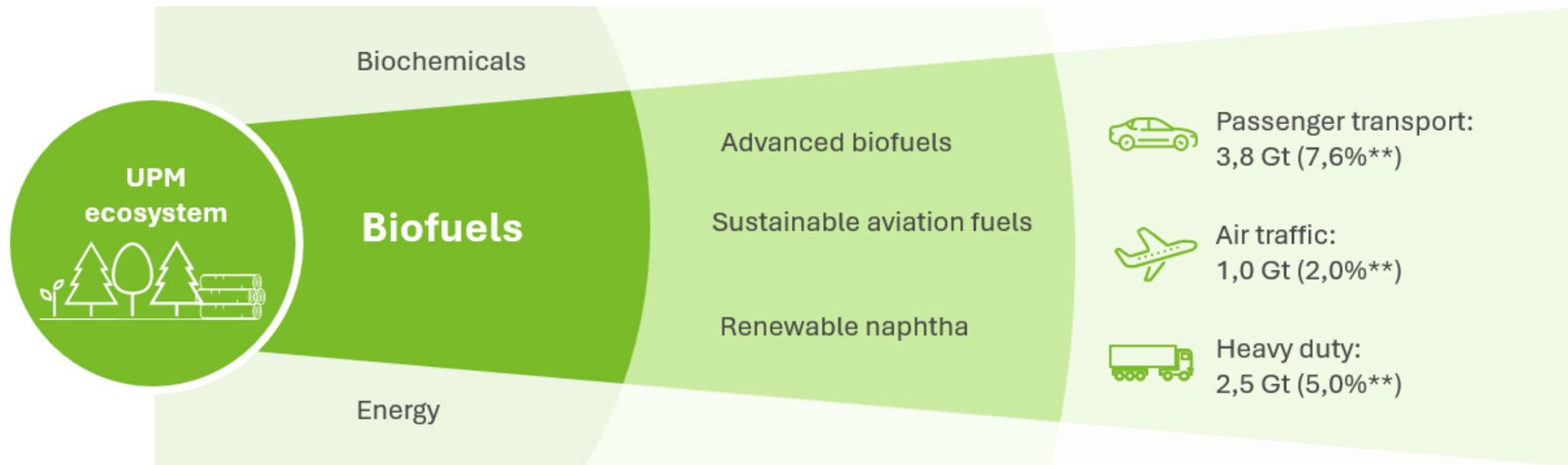
UPM Biofuels differentiation comes from competitive feedstock base and proprietary technology

Strategic access to competitive biomass

Proven technology

High value products

Addressing markets with 7,3 Gt* GHG emissions p/a



* UPM Analysis based on World Resources Institute, 2020 & International Energy Agency, 2020

** share of global GHG emissions

UPM sharpens its focus on biofuels growth strategy



Evaluating the potential to debottleneck the Lappeenranta Biorefinery

Feedstock technology development to enable the use of additional competitive and sustainable biomass

Qualification of CTO-derived UPM biofuels as Sustainable Aviation Fuel (SAF)



UPM Biochemicals – multiple end-uses



Bio-Monoethylene
Glycol
(Bio-MEG)



Renewable
Functional Fillers
(RFF)

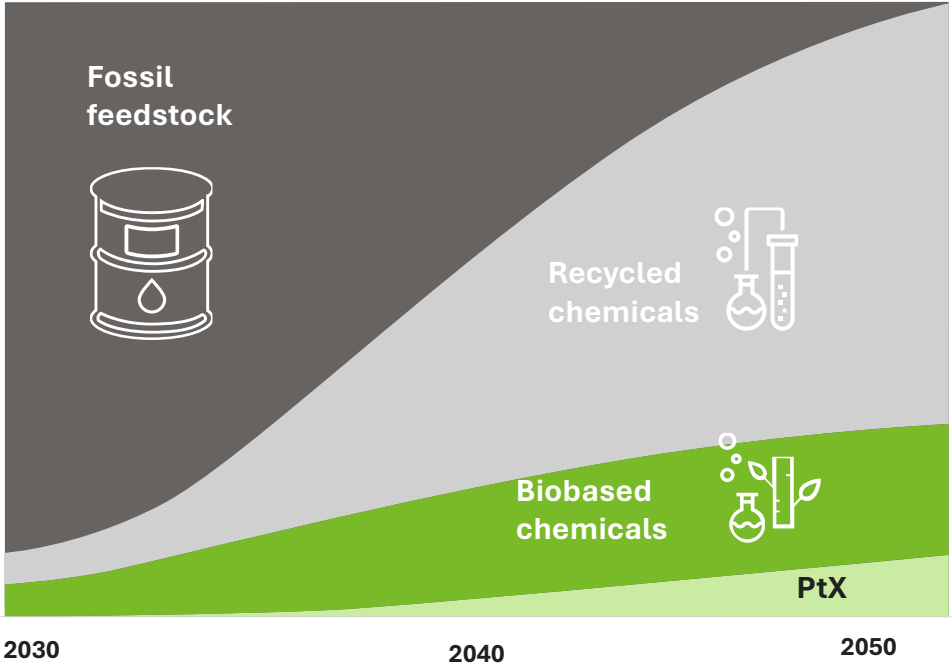


Biobased chemicals are central to the transition away from high-CO₂ materials

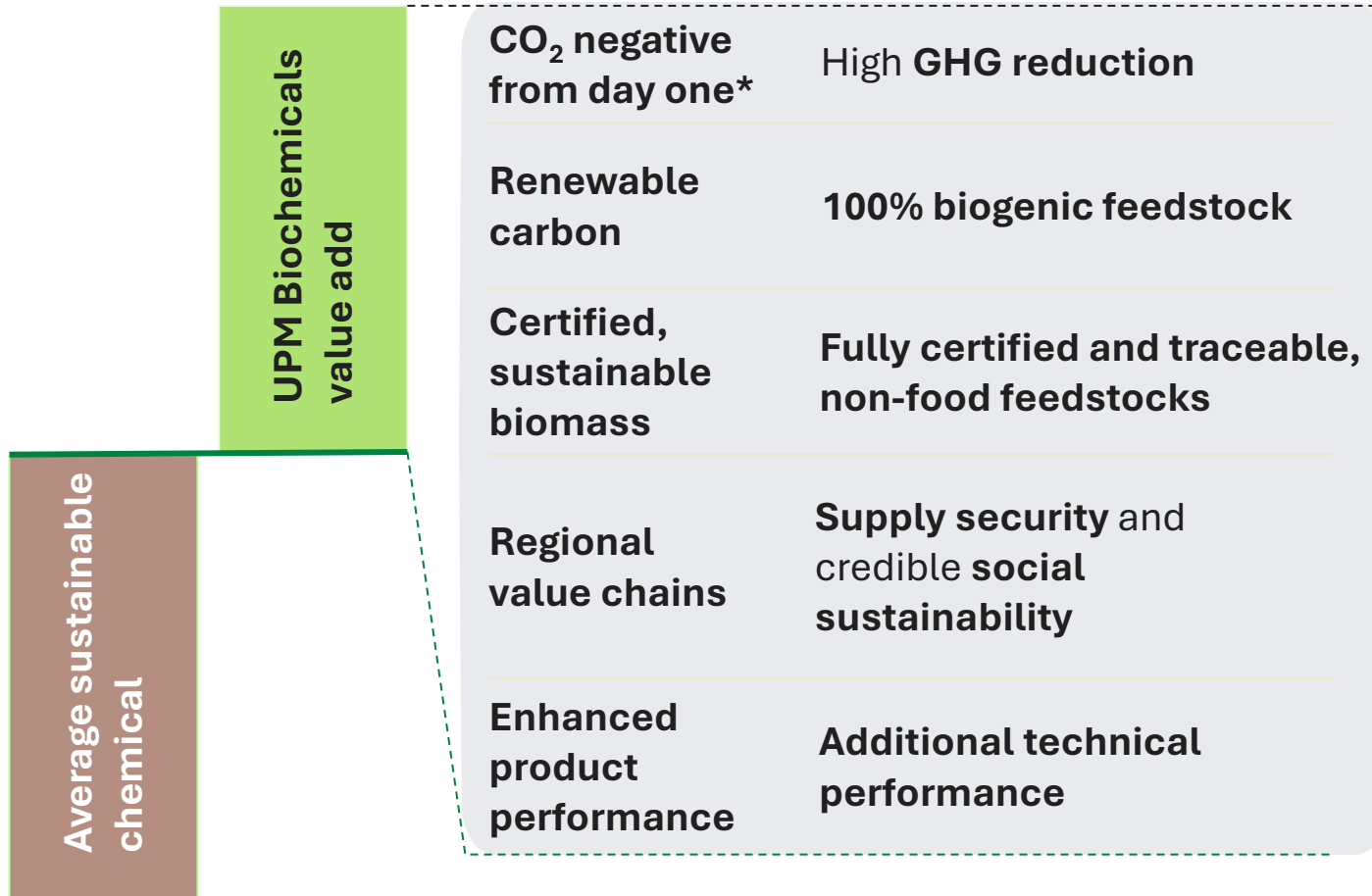
Net-zero commitments of major global brands will reflect on demand for sustainable chemicals

The shift away from fossil feedstocks will rely on bio-based solutions as first option to scale

		Scope 3: <i>relative</i> -55% by 2030
		Scope 3: -30% by 2030
		2040
		2038
		2039
		2060
		Scope 3: -25% by 2030
		2050
		2040
		95% non-fossil ingredients by 2030
		2039
		2040



UPM Biochemicals is a frontrunner in sustainable chemicals offering a distinct product value add

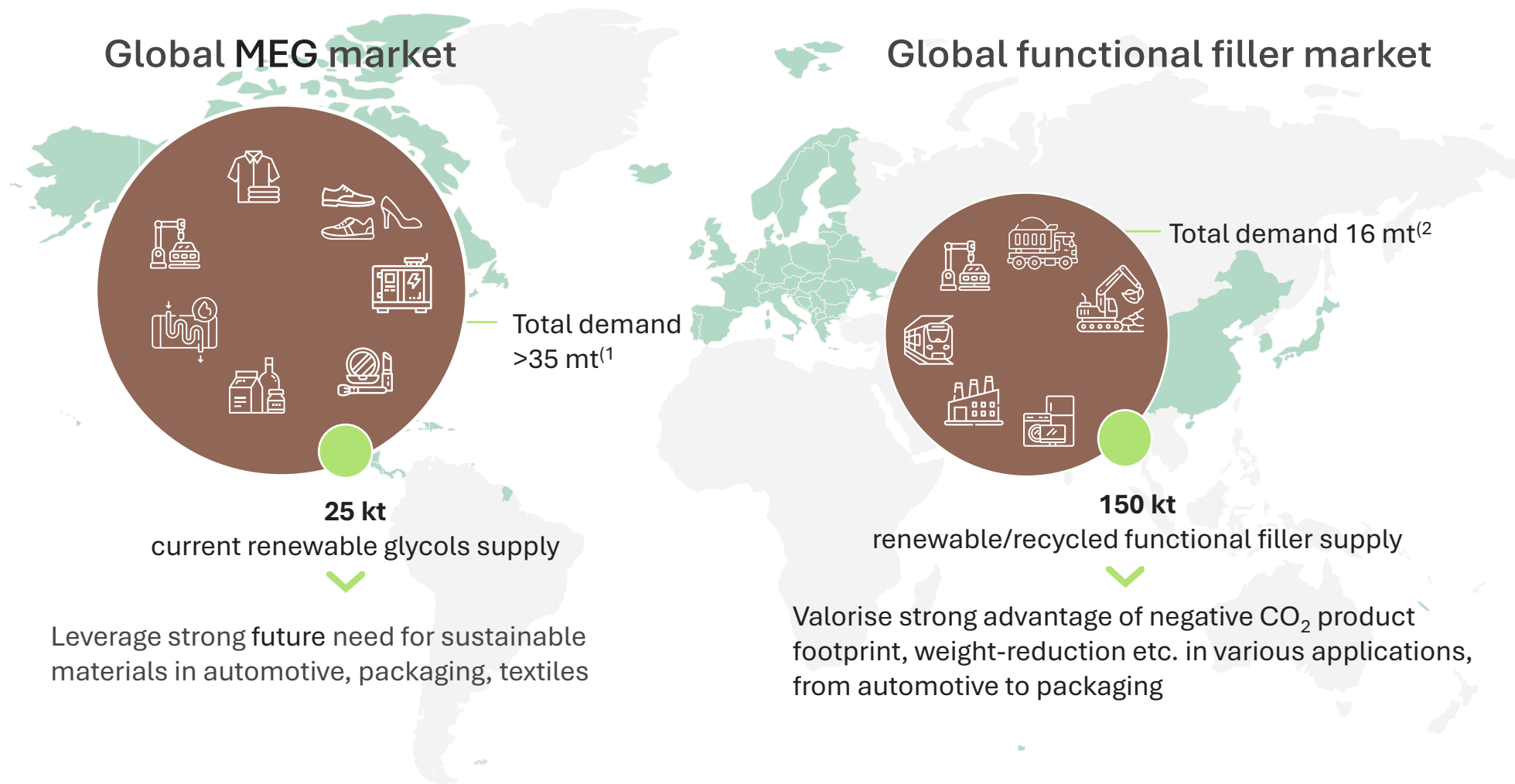


Strategic partnerships with leading players in various regions and industries confirm high demand for UPM products



* Considering the biogenic carbon from our feedstock & purchasing 100% green electricity

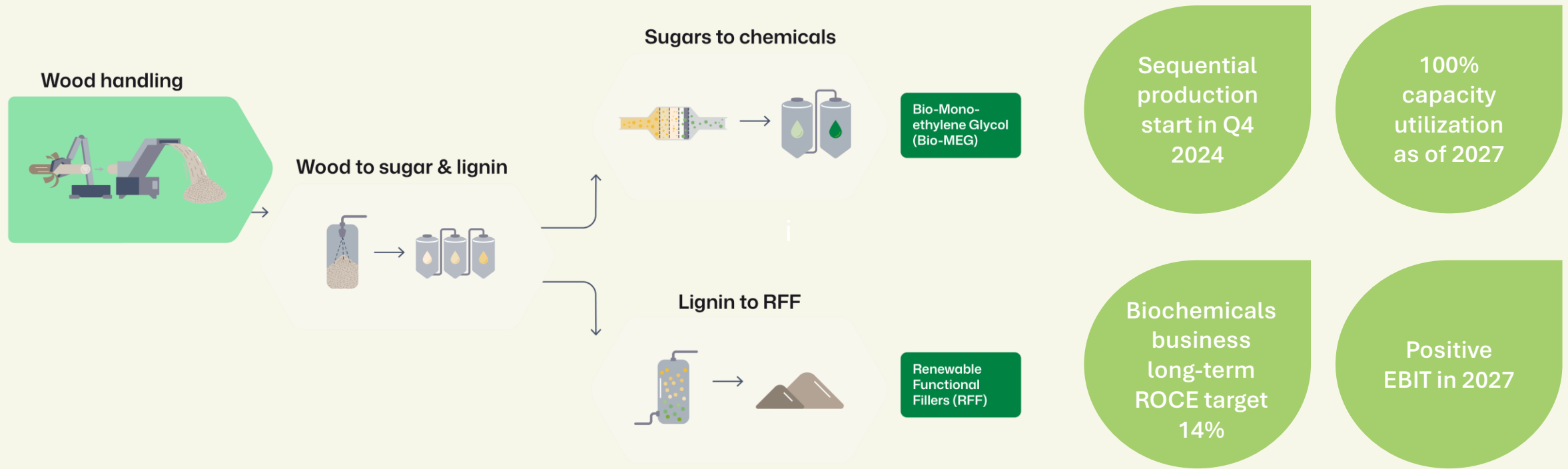
We address markets and segments with high future demand for sustainable solutions



¹ source: OrbiChem 360 demand database

² source: Notch Consulting: Carbon Black World data book

After reaching full capacity, Leuna will focus on capacity increase, cost optimization and side stream valorization





Advanced materials for growing end uses

Strong position on fast growing markets



Adhesive materials market growth

Pressure sensitive labels	+3-4%
Graphics solutions	+4-5%
Specialty tapes	+4-5%



UPM #2 globally in PSL

- Global scale & customer reach, world-class manufacturing and distribution, sustainability leadership, adhesive technology
- 5-year average ROCE 28%

Specialty papers market growth

Release base papers	+3-4%
Label face papers	+2%
Flexible packaging	+2-4%(*)



UPM #1 globally in release papers

- Technically demanding papers, world-class operations and global supply, sustainability leadership, competitive and flexible assets
- 5-year average ROCE 16%

Plywood market growth

Plywood construction	+2%
Plywood vehicle floors	+3-4%
Plywood LNG shipping	+8-9%(**)



UPM #1 in Europe, LNG globally

- Strong customer partnerships, high quality and service, optimised supply, sustainability leadership, low total cost of ownership
- 5-year average ROCE 22%

(*) mainly plastics

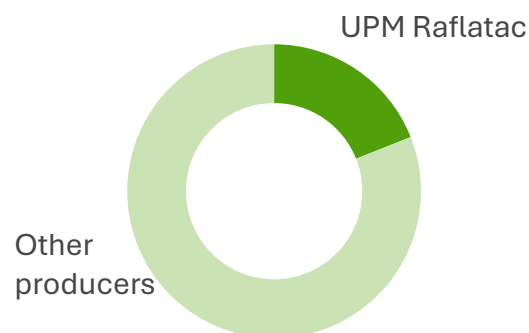
(**) fleet growth

The self-adhesive label stock market

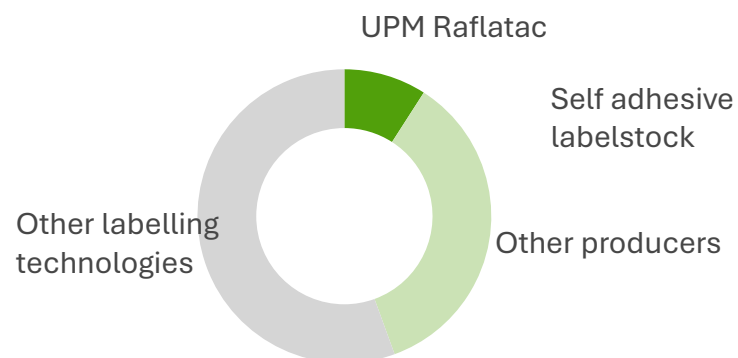
- >EUR 10bn global market
- ~3-4% p.a. growth
- Private consumption driven
- Largest of the labelling technologies
- <25% of total self-adhesive materials markets



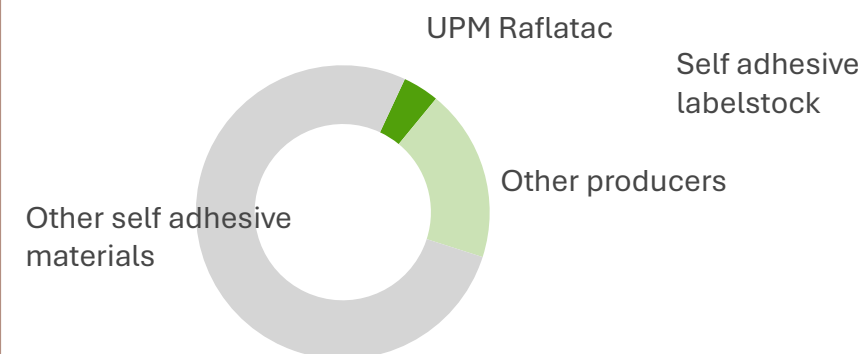
Self-adhesive
labelstock market



All labelling technologies



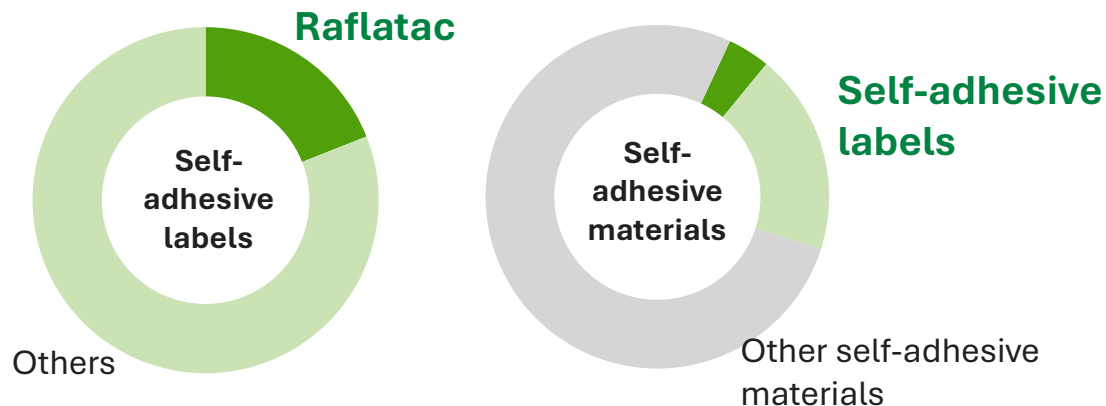
All self adhesive materials



UPM Raflatac

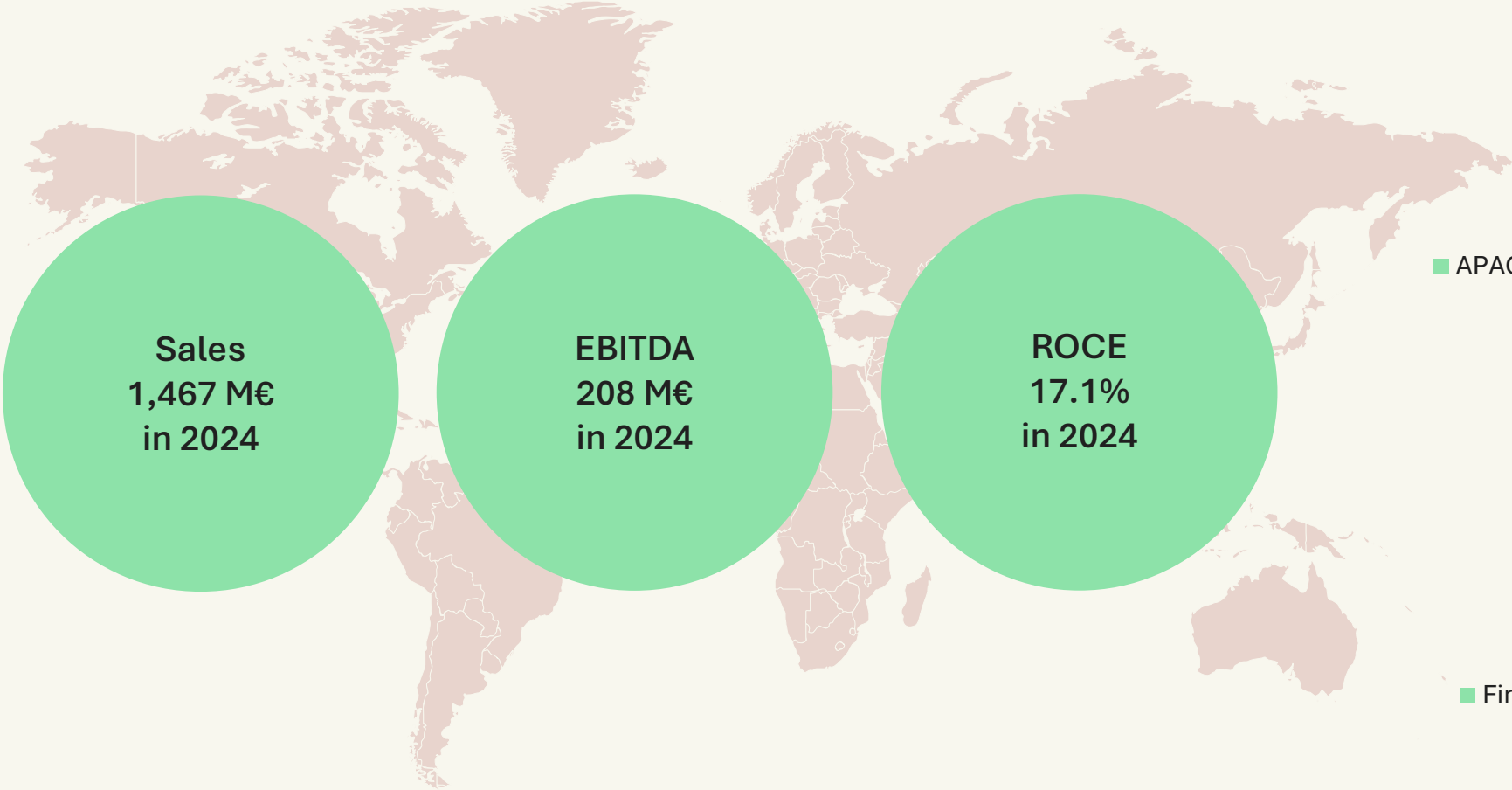
Entering attractive adjacent markets

- Graphics solutions market entry through AMC acquisition
- Expanded product and technology portfolio through Grafityp and Metamark acquisitions
- Further potential in specialty tapes

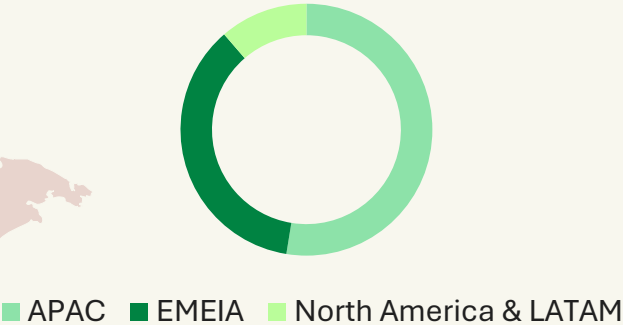


UPM Specialty Papers

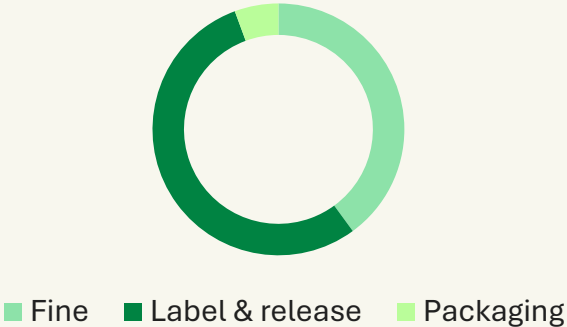
Renewable, recyclable papers for labeling and packaging



Sales by market*



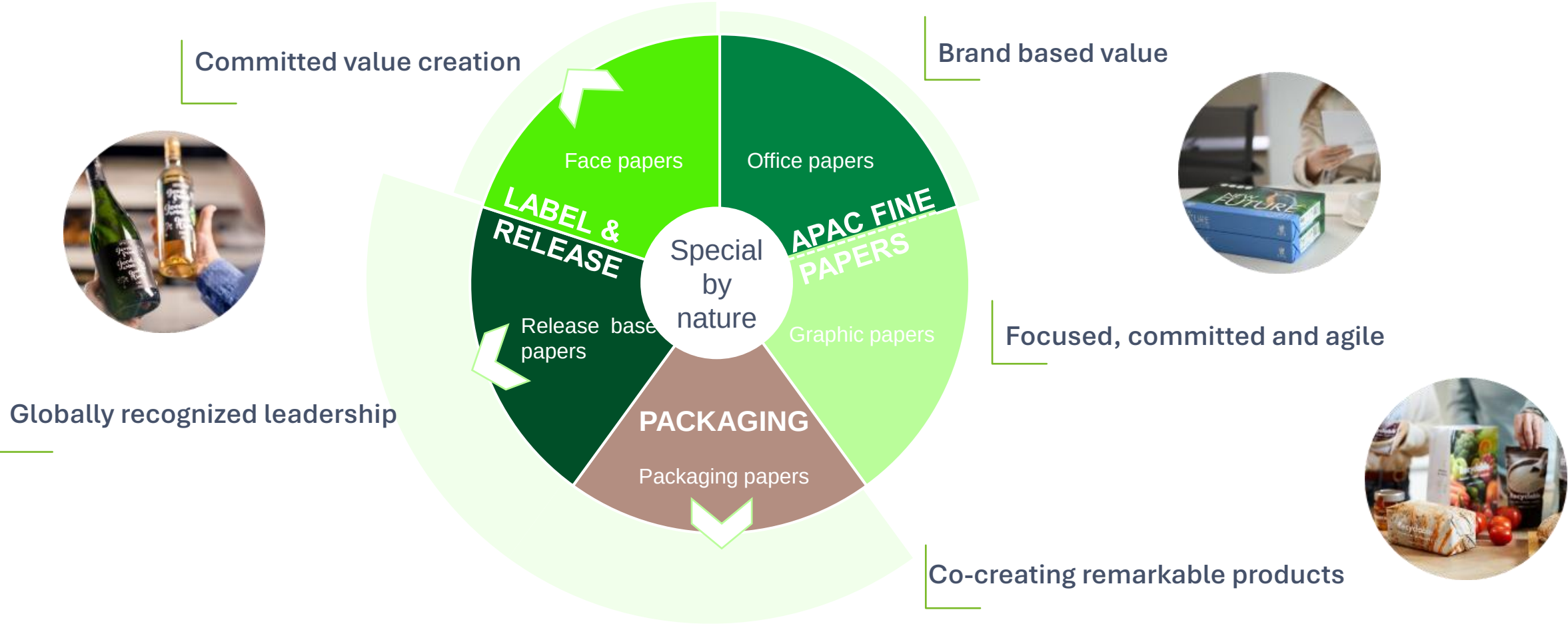
Sales by product*



*2021 figures

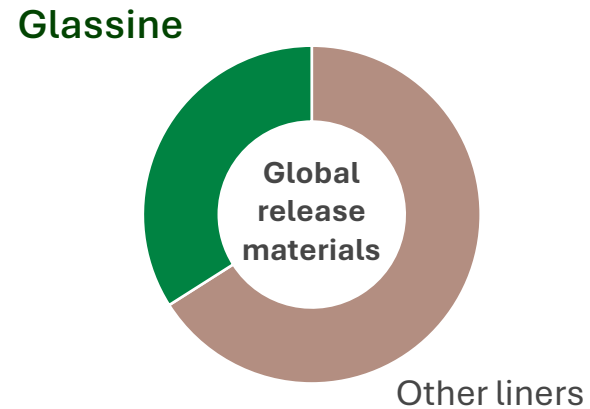
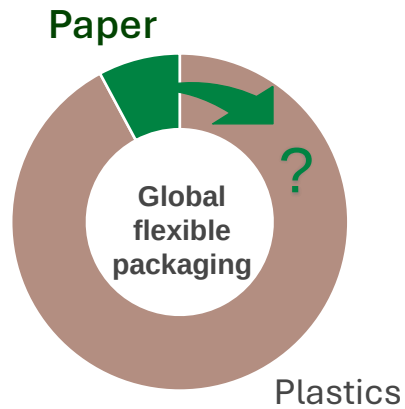
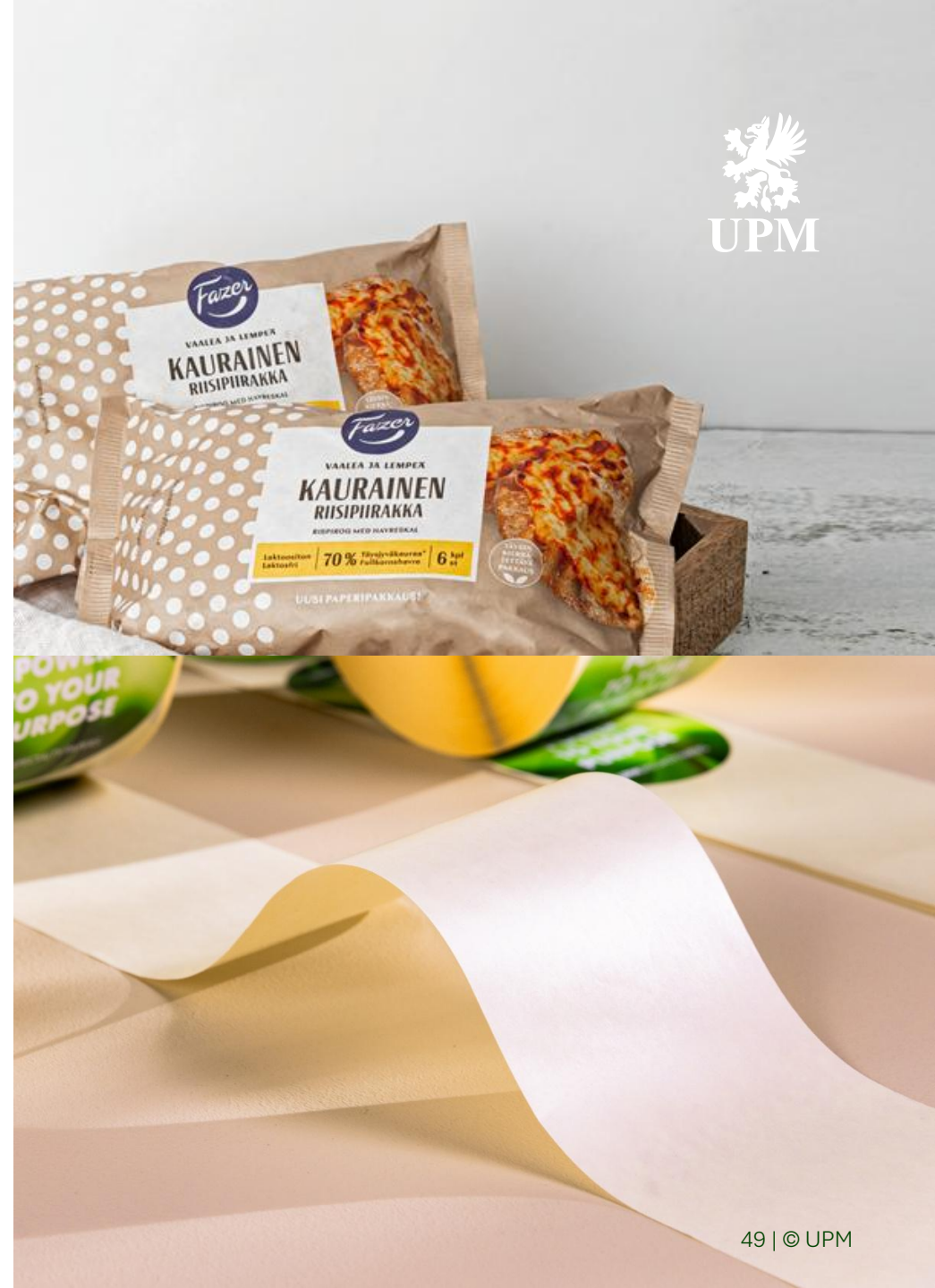
UPM Specialty Papers

UPM Specialty Papers growth strategy



Entering attractive adjacent markets

- Flexible packaging entered through innovation & co-creation
- Further portfolio expansion in label & release papers



UPM Plywood focuses on three end use segments

Construction



UPM's position and direction

- Leading position in high and medium range standard products in Europe through well established distribution network providing easy access to WISA® plywood
- Uncompromised sustainability, certified products and operations
- New growth sought by strengthening position in selected emerging markets

Vehicle flooring



UPM's position and direction

- Leading position in Europe
- Competitive edge built on smoothly running operations and needs-based product design creating value to both vehicle manufacturers and operators
- Growth sought by expanding to new markets and related end use segments

LNG shipbuilding



UPM's position and direction

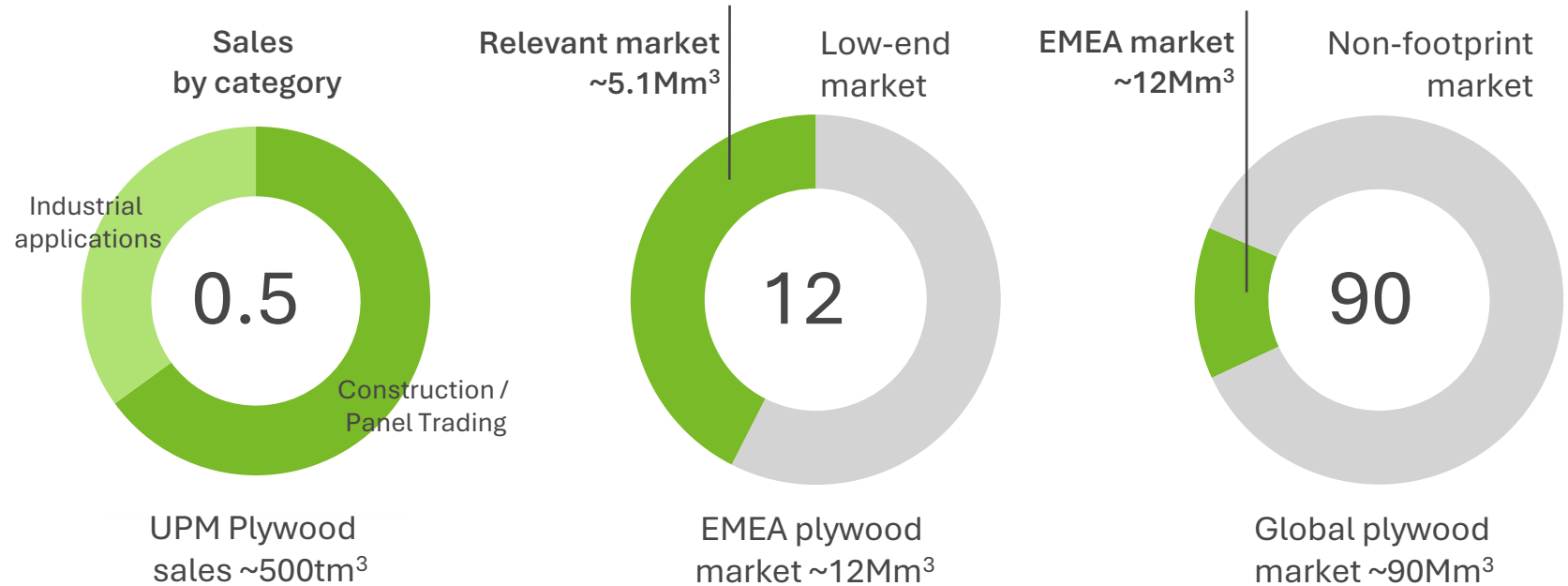
- Leading supplier in LNG plywood
- Competitive edge based on right quality and accurate on-time deliveries
- Long term commitment and benchmark service level
- Focus to secure leading position in LNG carriers and to extend offering into related applications using the same technologies (e.g. land storage tanks)

UPM Plywood

UPM's key markets are in the high and mid segments primarily in EMEA region

Strategic choices

1. Demanding industrial applications
2. High and medium range standard products
3. Selected customers
4. EMEA region and LNG business globally





Driving the value of paper

UPM Communication papers

The market's widest range of graphic papers, for various end-uses and purposes



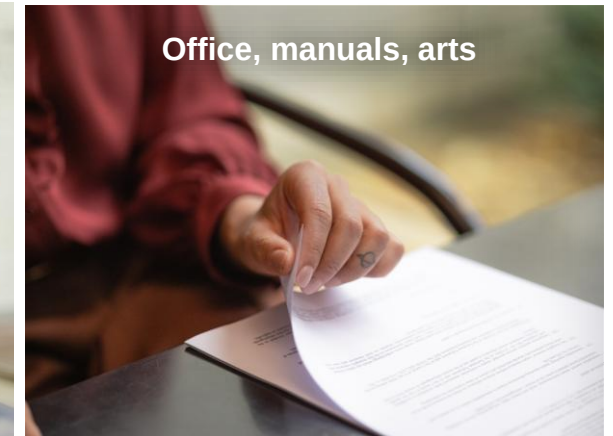
Magazines



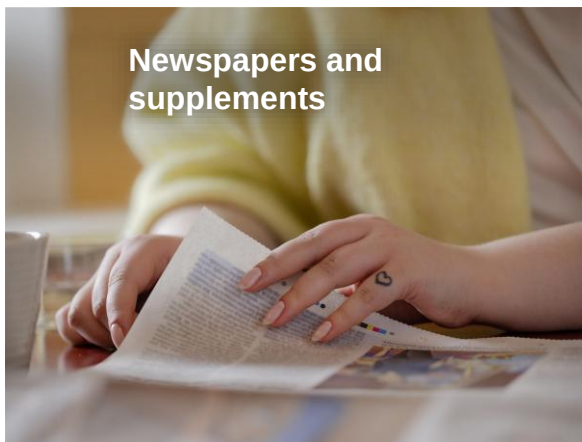
Catalogues and brochures



Advertising and direct mail



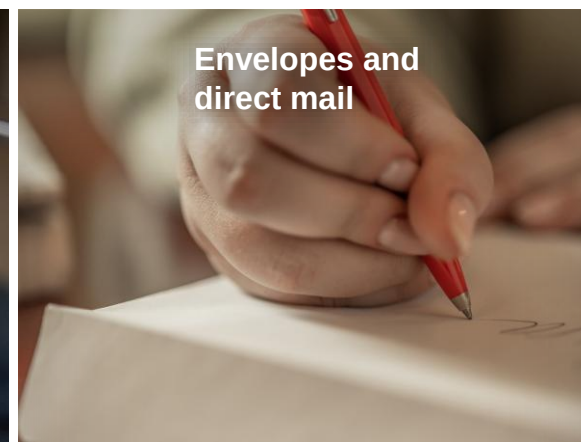
Office, manuals, arts



Newspapers and supplements



Books and education



Envelopes and direct mail

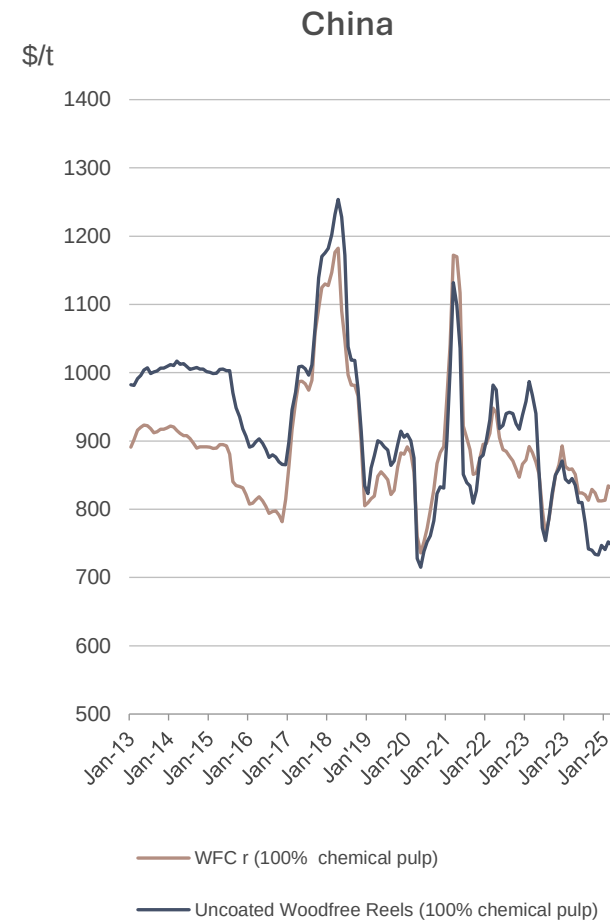
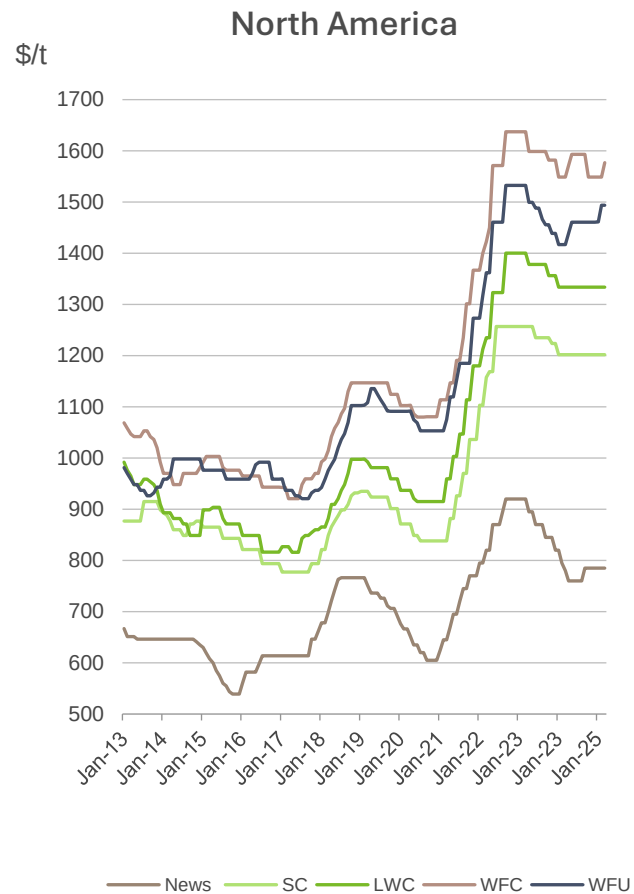
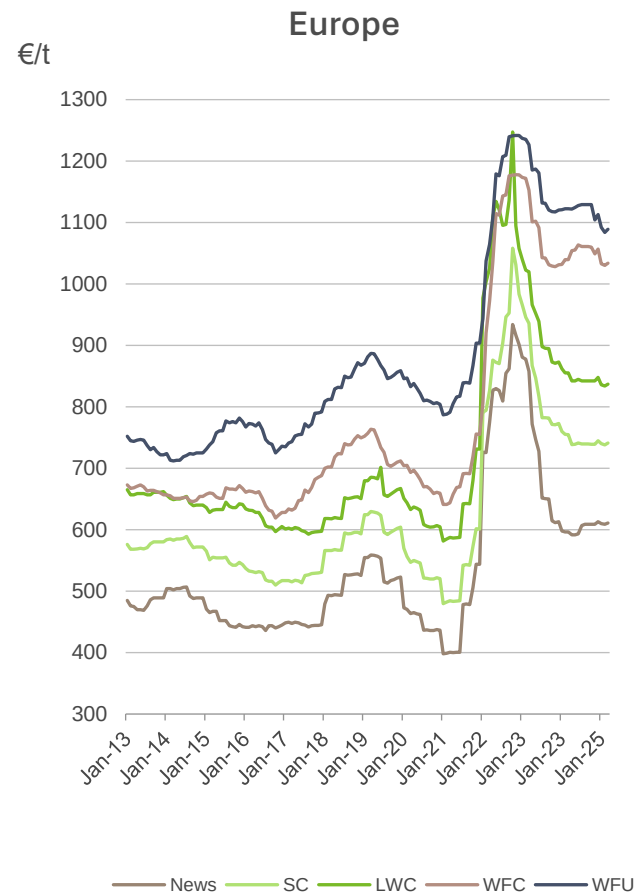
Fine papers

News & UMIO

SC

Coated mechanical

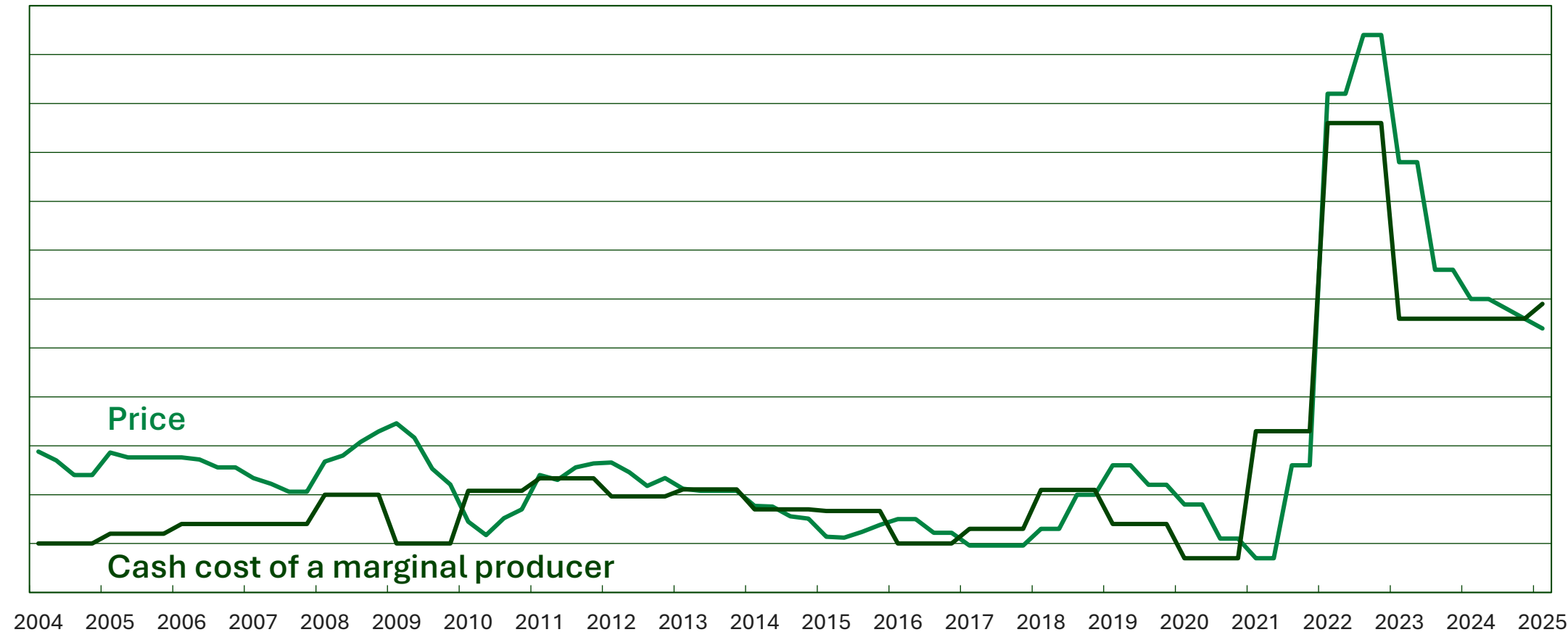
UPM Communication Papers: Graphic paper prices



Sources: PPI, RISI

Paper price vs. cash cost of marginal cost producer

EUR/tonne



Sources: UPM, PPI, Fastmarkets RISI, AFRY



UPM