

Review by the President and CEO

President and CEO
Massimo Reynaudo

27 March 2025

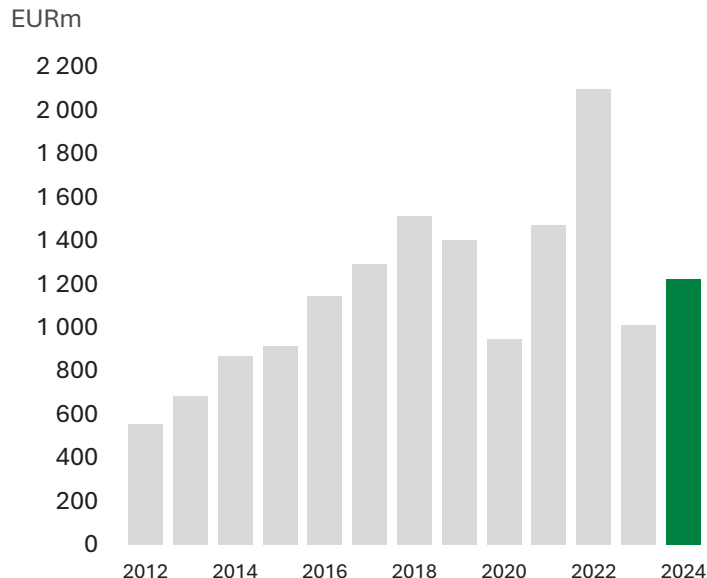


Results 2024

2024: Improved results in a challenging business environment



Comparable EBIT

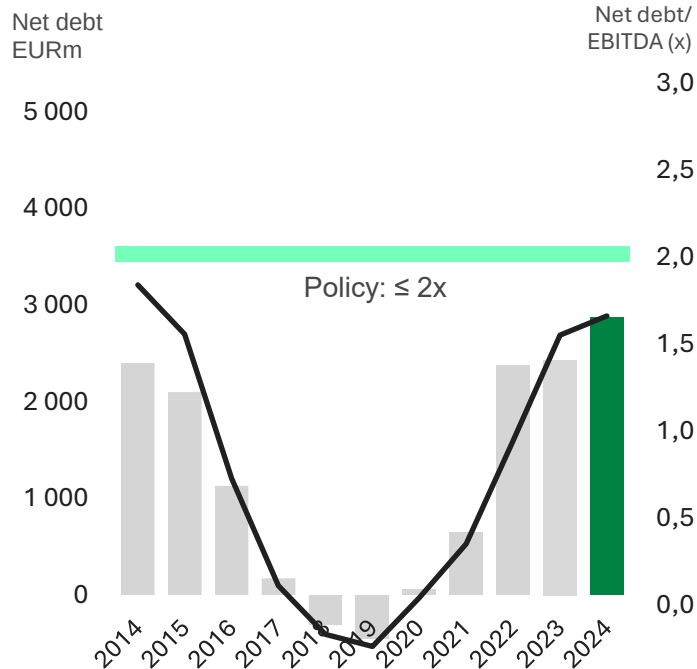


2024 highlights

- Sales € 10,339 million (-1%)
- Comparable EBIT €1,224 million (+21%)
- Operating cash flow € 1,352 million
- Good contribution from UPM Paso de los Toros
- Moderate improvement in advanced materials deliveries
- Measures to improve performance, fixed costs decreased by € 103 million

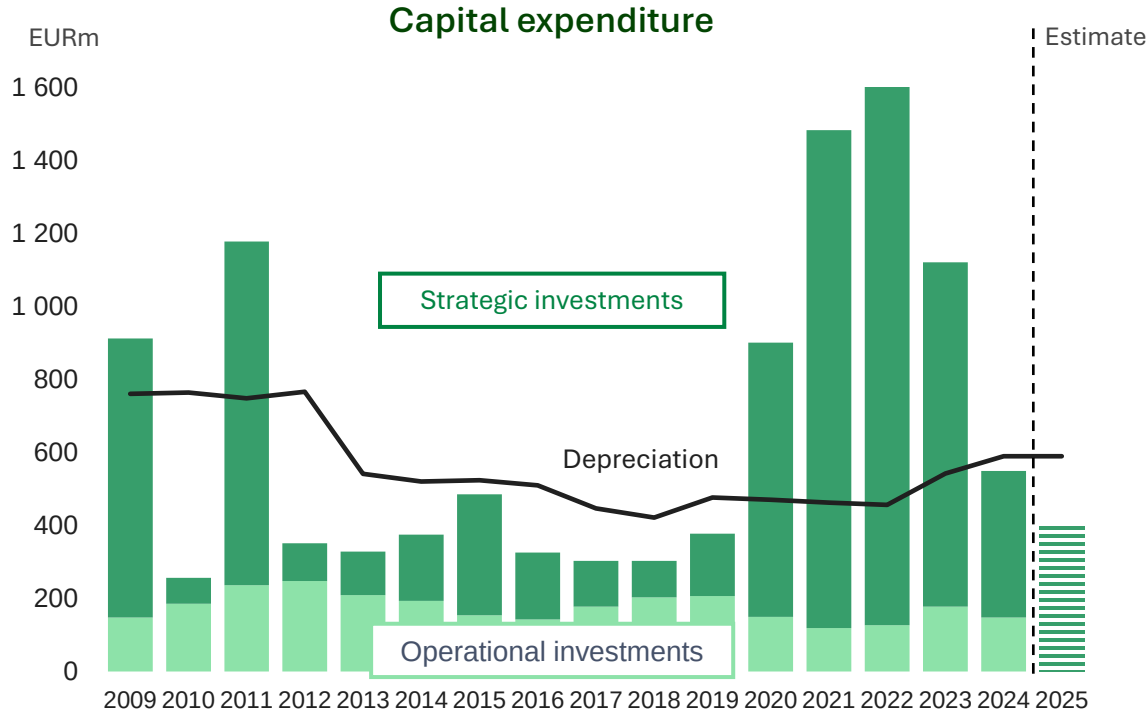
Solid financial position

Net debt and leverage



- Net debt € 2,869m at the end of 2024
- Net debt / EBITDA 1.66
- Cash funds and committed credit facilities € 3.2bn at the end of 2024

Major investment cycle coming to an end



Capex 2025 estimate

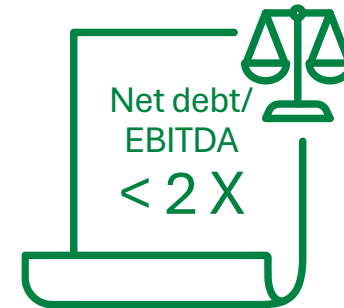
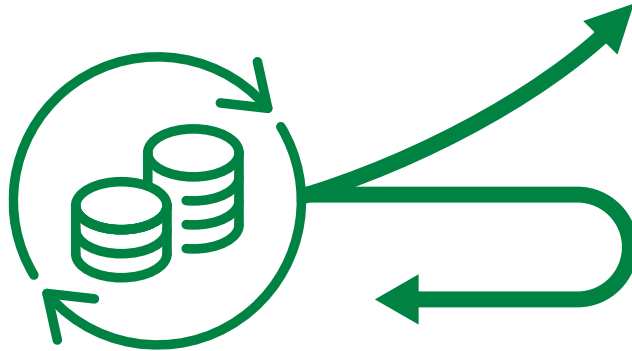
- Capex excluding acquisitions € 400m
- Operational investment needs consistently low

Our capital allocation direction 2024–2028*

Performance focus
Strong operating
cash flow

Attractive shareholder
distribution
€ ~4–5 bn

Strong balance sheet



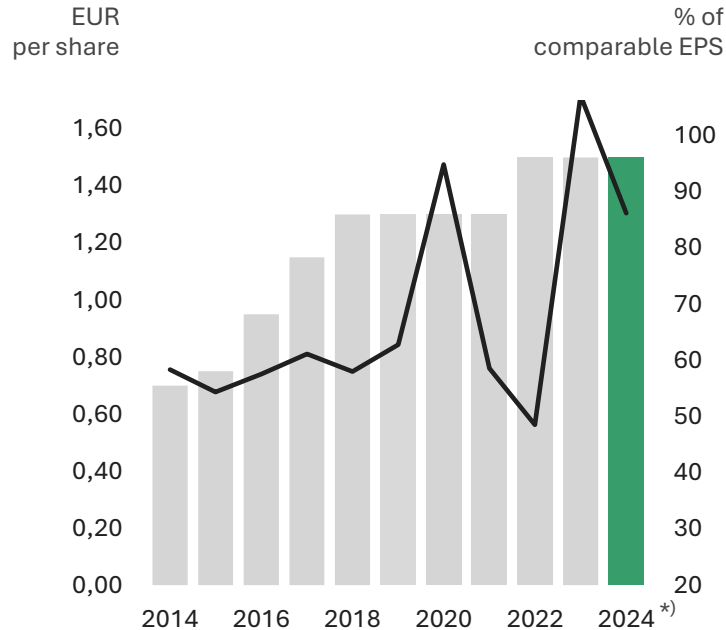
* Not a forecast

Value-enhancing investments
€ ~3–4 bn

Maintain headroom

Consistently good dividends and the first share buyback

Dividend



^{*)} Board's proposal

Rewarding shareholders

Dividend policy

- Attractive dividends, targeting at least half of the comparable earnings per share over time

Dividend proposal for 2024

- € 1.50 (1.50) per share, totaling approx. € 800 million, dividend yield of 5.6%

Share buybacks

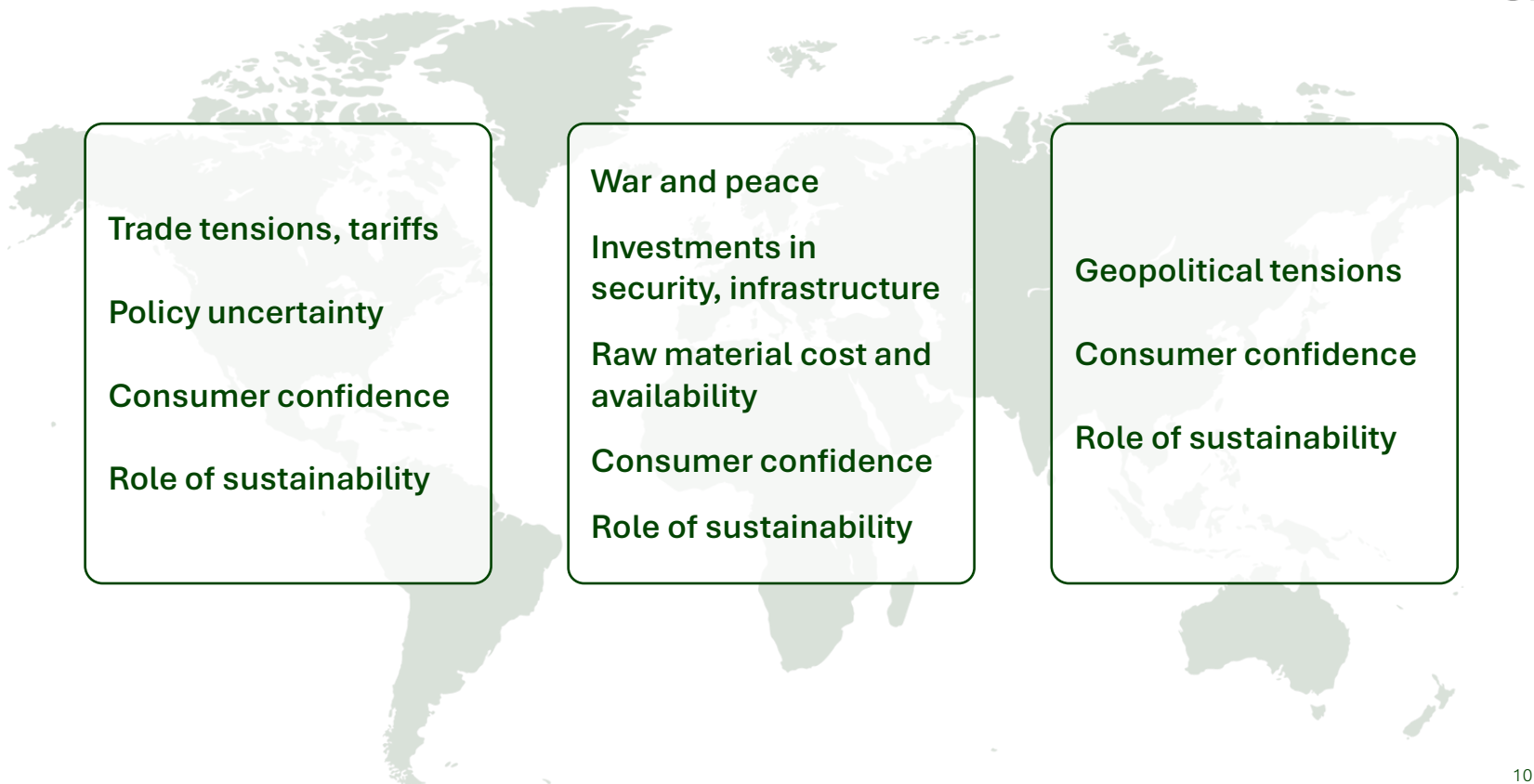
- Program to buy back up to 6 million shares (approx. 1.1% of total shares), or use up to € 160 million

Value from sustainability



Our direction

Highly uncertain and volatile business environment



Trade tensions, tariffs

Policy uncertainty

Consumer confidence

Role of sustainability

War and peace

Investments in
security, infrastructure

Raw material cost and
availability

Consumer confidence

Role of sustainability

Geopolitical tensions

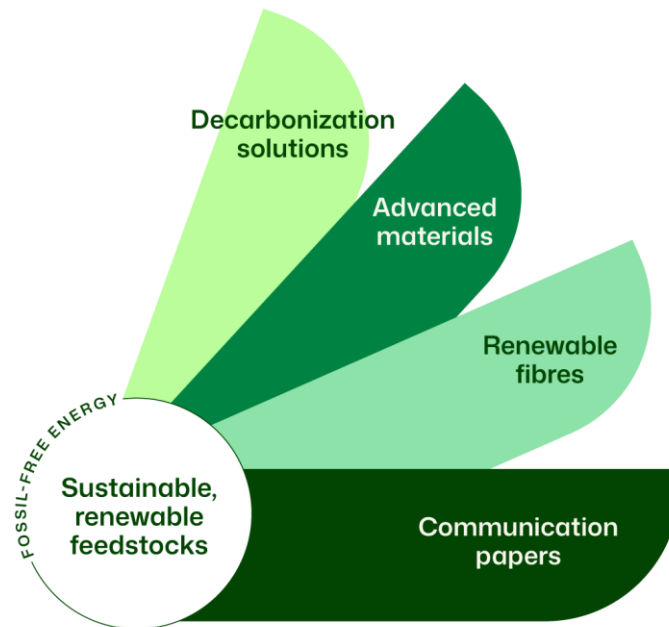
Consumer confidence

Role of sustainability

Our business portfolio, leveraging competitive business platforms



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

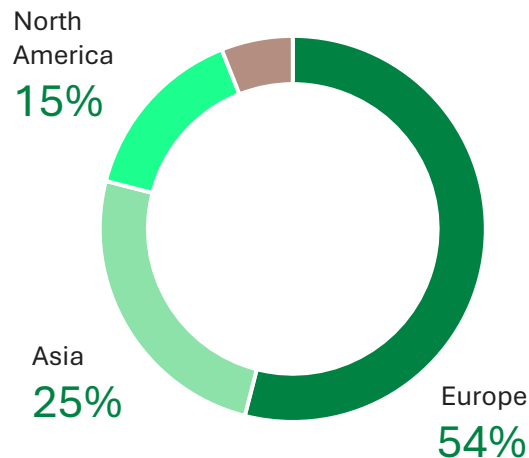


Our global scale and diversified portfolio give resilience

World-class competitiveness and agility key to future success



UPM Sales 2024



UPM current EBIT and future ambition



We act on three fronts



1

**Improve
competitiveness**

2

**Accelerate
growth**

3

**World-class
businesses**



Capture the full potential in Uruguay, streamlined operating model in Finland

Renewable fibres



- #3 globally, #1 multi-fibre

Uruguay

- 3.4 million tonnes eucalyptus pulp
- World-class low-cost platform
- Debottlenecking potential

Finland

- 2.4 million tonnes, mainly softwood pulp
- Efficient well-maintained pulp mills, have been profitable despite the high wood costs and low pulp price



**Strengthen competitiveness
to accelerate growth**

Advanced materials



Specialty Papers

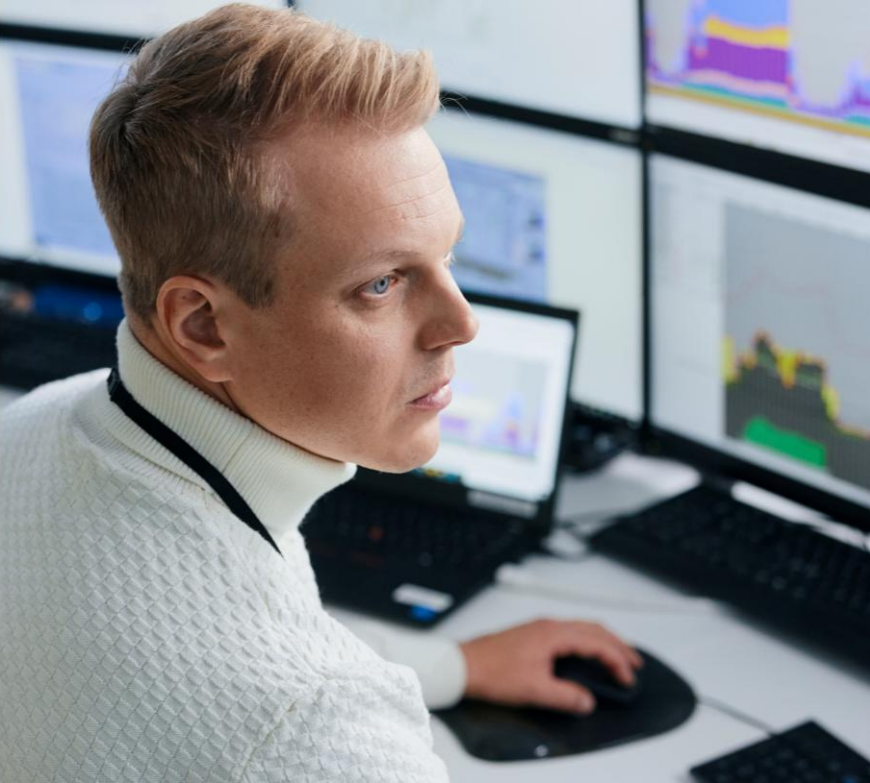
- Strong global #1
- Expand in faster growing geographies and flexible packaging

Raflatac

- Strong global #2
- Reach global leadership position in attractive Graphics market

Plywood

- #1 in Europe and globally in LNG plywood
- Capture market recovery and growth



**Business launch, turn-around,
maximize value**

Decarbonization solutions



Biochemicals

- 220,000 tonnes of pioneering biochemicals
- Commercial interest confirmed
- Integrated commercial production in H2 2025
- Gather learnings for next steps

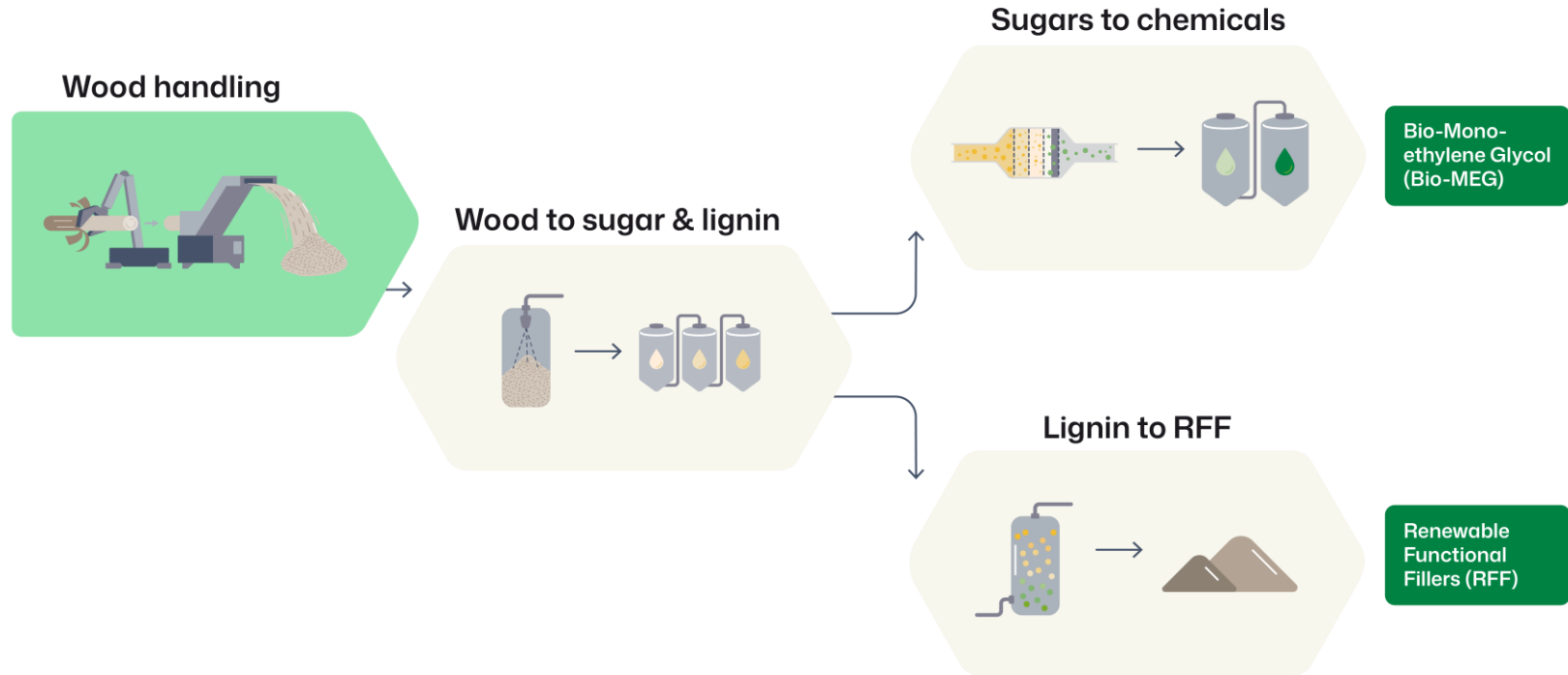
Biofuels

- 130,000 tonnes of advanced renewable fuels
- Turn-around profitability
- Validate and test next growth steps during 2025-26

Energy

- #2 in Finland, 12 TWh of CO₂-free electricity
- Maximize value in the volatile electricity markets
- Opportunities with electricity consumption growth

UPM Leuna biorefinery is in sequential start-up process

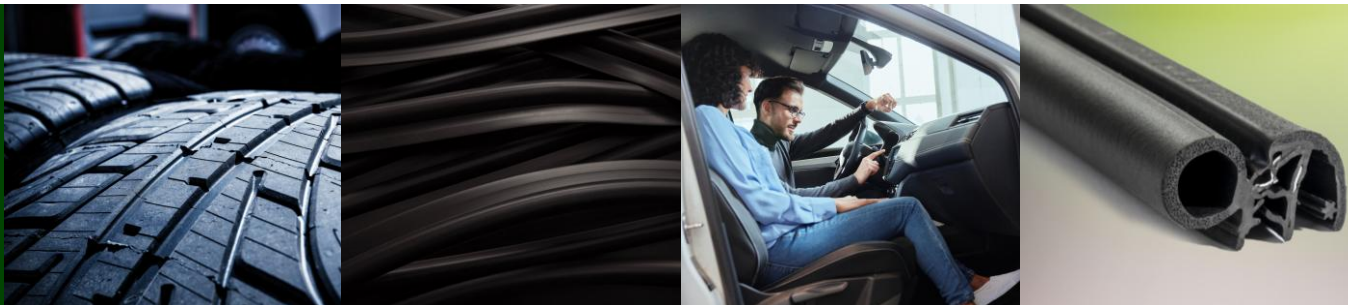


Multiple end-uses

Bio-Monoethylene
Glycol
(Bio-MEG)



Renewable
Functional Fillers
(RFF)





**Focus on performance
and cash flow**

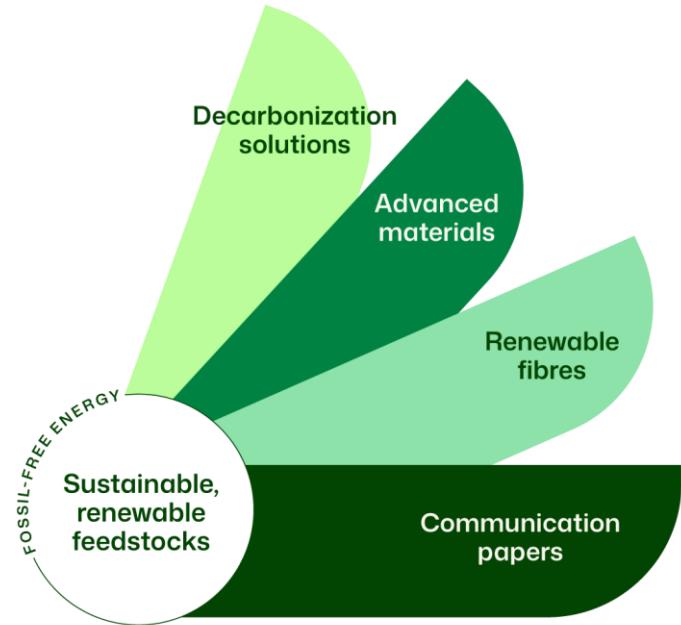
Communication papers



- Strong #1 in Europe, 10 paper mills
- Reliable provider of sustainable communication papers
- Cost-efficient operations
- Adjusting capacity to profitable demand

Summary

- UPM's performance improved in 2024
- We act on three fronts
 1. Improve competitiveness
 2. Accelerate growth
 3. World-class businesses
- UPM aims to offer predictable and attractive shareholder distribution
- The Board proposes a dividend of €1.50 per share for 2024 and has initiated the first share buyback program





UPM