



UPM

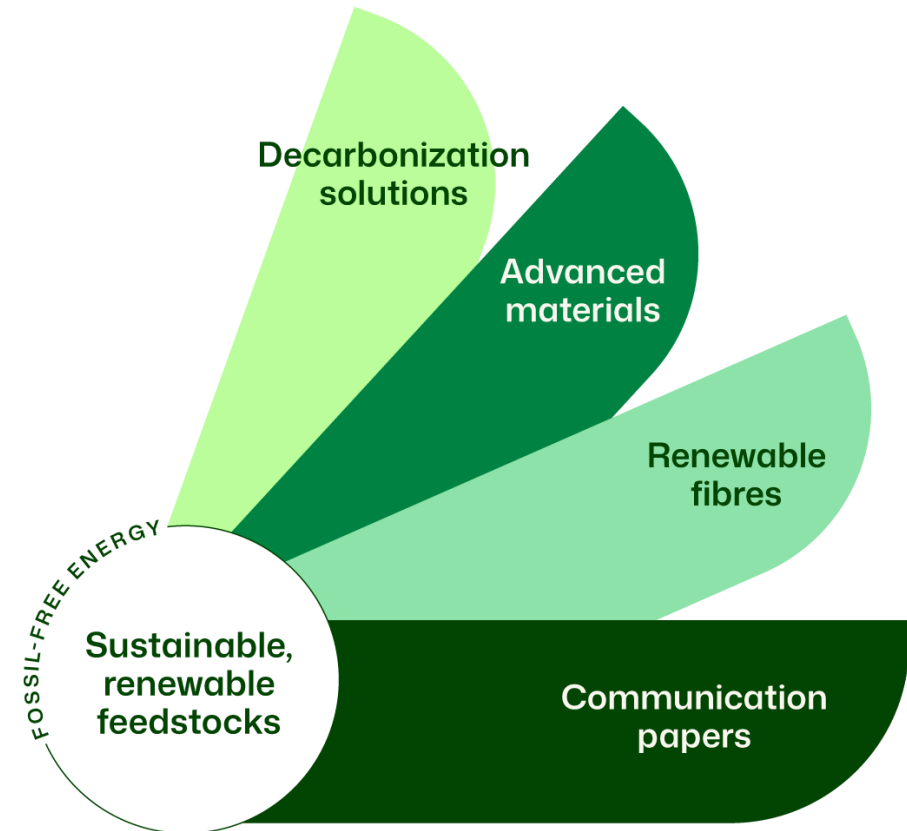
UPM – we renew the everyday

Investor presentation

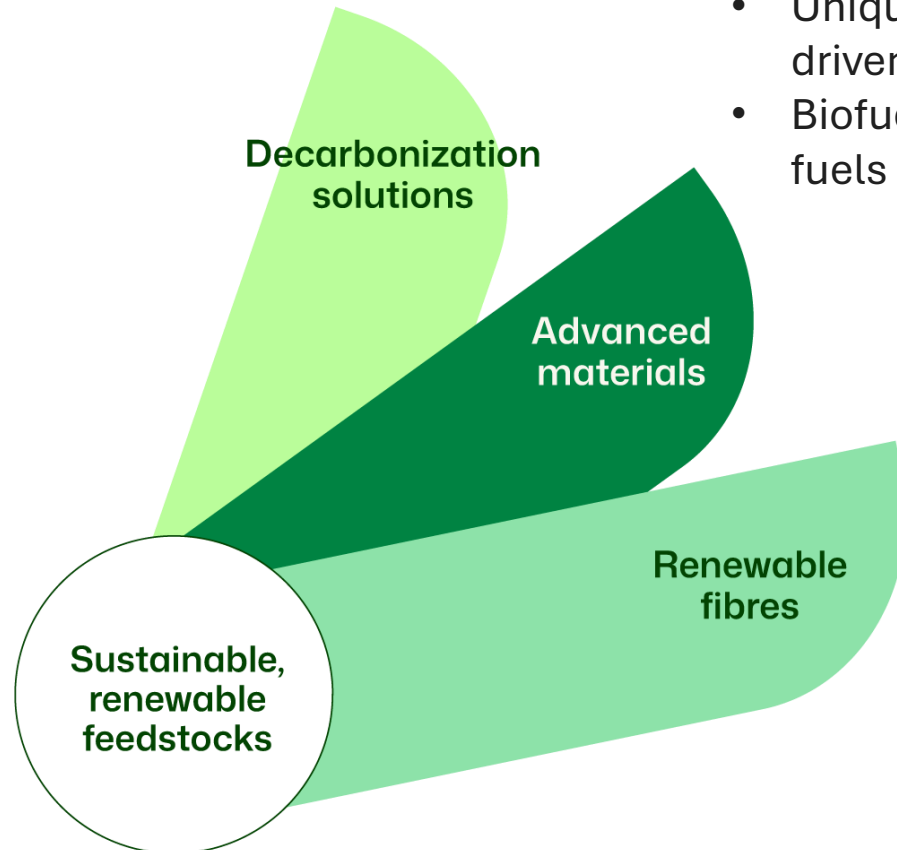
May 2026

Our portfolio leverages competitive business platforms

- **Decarbonization solutions**
Biochemicals, biofuels, CO₂-free energy
- **Advanced materials**
Adhesive materials, specialty materials, plywood
- **Renewable fibres**
Pulp, other bioproducts
- **Communication papers**



With the portfolio initiatives, we aim to change the company profile, increasing its growth potential and margins



High growth potential and unique position

- Unique offering for new large electricity consumers, growth driven by electrification, datacenters and green industries
- Biofuels and Biochemicals help reduce dependence on fossil fuels and lower CO₂ emissions

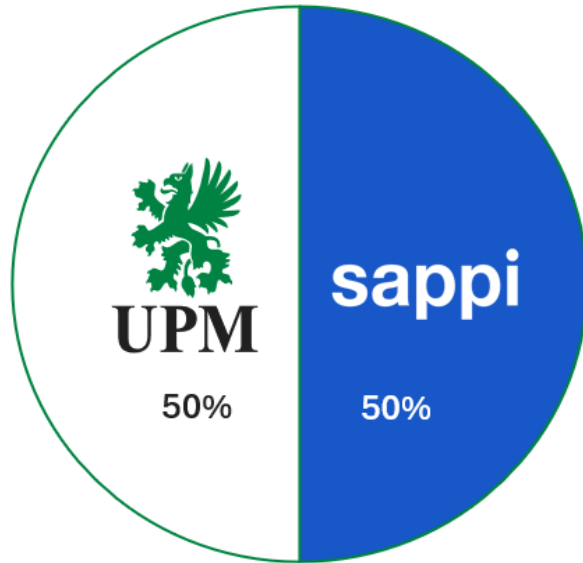
Predictable, profitable, capital-efficient growth

- Accelerate growth in high-performance packaging applications (labels, liners, graphics, recyclable packaging)
- Expansion in higher margin products, higher growth regions

Maximizing value creation and cash flow

- World-class low-cost platform in Uruguay, with further cost optimization and capex-efficient debottlenecking potential
- Flexible platform in Finland

Preparations continue for the planned graphic paper Joint Venture



- UPM Communication Papers and Sappi’s graphic paper business in Europe
- Expected to benefit customers and the entire industry by strengthening the resilience of European graphic paper supply in declining markets
- Expected to have a positive impact on UPM’s profitability margins, balance sheet and leverage
- Definitive agreements expected to be signed in H1 2026

Independent graphic paper company

Combined enterprise value, excl. synergies

Mills

UPM + Sappi

8+4

Anticipated synergies

€ million annually

100

Enterprise value

€ million

1,420



UPM Plywood demerger plan to separate it into a new independent listed company

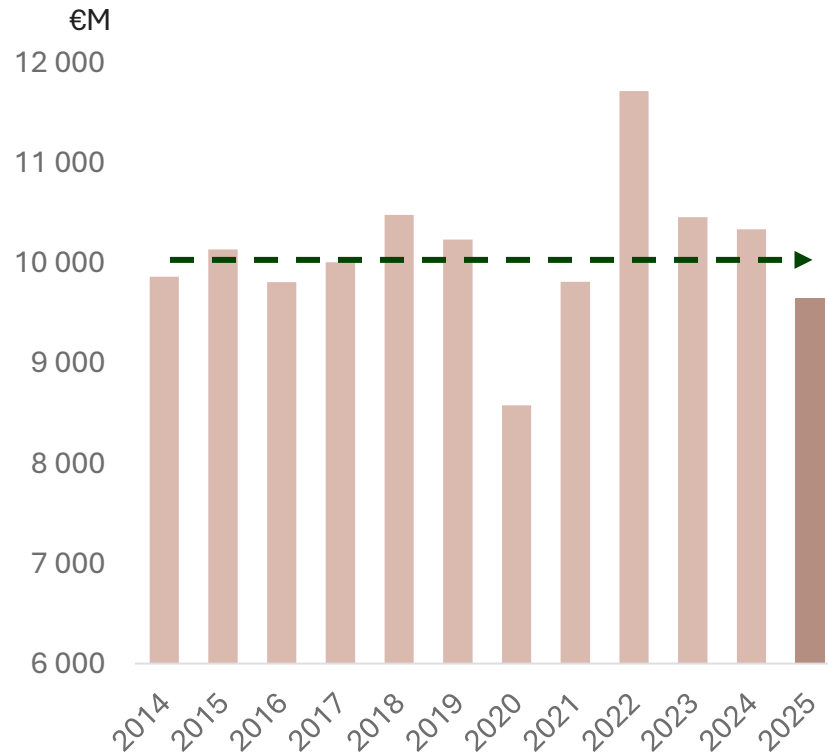


- WISA Group Plc to be listed on Nasdaq Helsinki, with initially the same shareholder base as UPM
- Increase shareholder value by
 - WISA Group solely pursuing the strategic priorities and growth opportunities of the plywood business
 - Increasing visibility into key value drivers facilitates fair valuation of the business
 - Enhancing UPM's focus on its core businesses
- A strong business with a proven ability to perform
 - Supplies high value-added end-use segments, including construction, LNG shipbuilding and vehicle flooring solutions
 - Efficient production, well-established commercial model, leading services, long-standing customers and the trusted WISA® brand

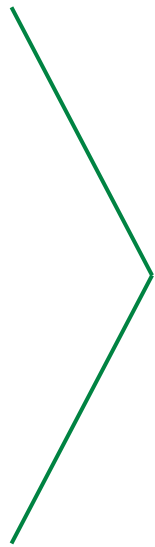
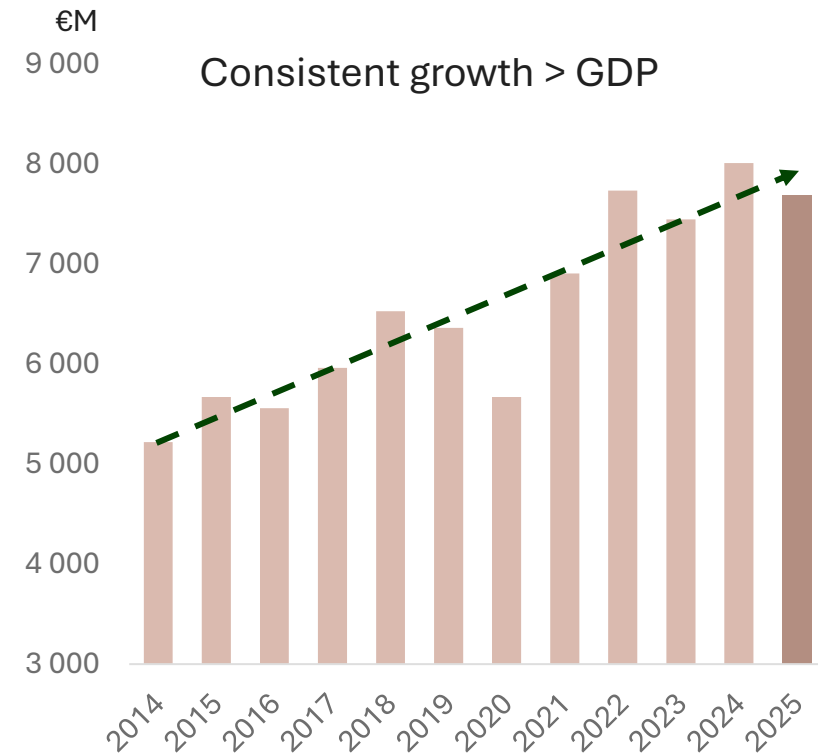
A focused portfolio to enable accelerated growth in the coming years



UPM sales



UPM sales^(*), excl. Communication Papers and Plywood

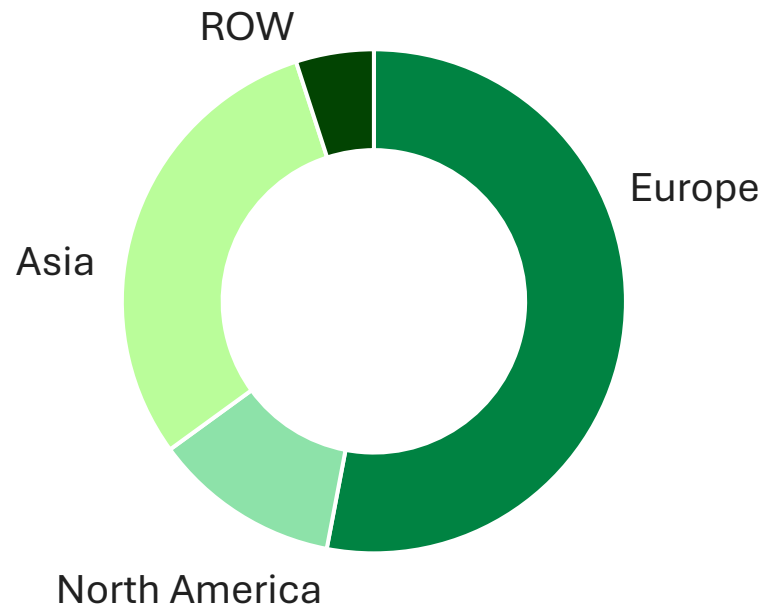


(* unconsolidated)

Our global business model has shown resilience By going more global we aim to accelerate growth



UPM sales geographically, excl.
Communication Papers and Plywood



UPM sales in the future^(*)



(* this is not a forecast)

Our dedication to responsible business and environmental leadership will continue



MSCI
ESG RATINGS

AAA

CCC	B	BB	BBB	A	AA	AAA
-----	---	----	-----	---	----	------------

PLATINUM **Top 1%**

ecovadis

Sustainability Rating

JUL 2025

Climate

CDP

A List
2025

S&P Global

UPM-Kymmene Oyj
Paper & Forest Products

Top 10%

Corporate Sustainability
Assessment (CSA) 2025 Score

78/100

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




Innovation boosting performance and future growth

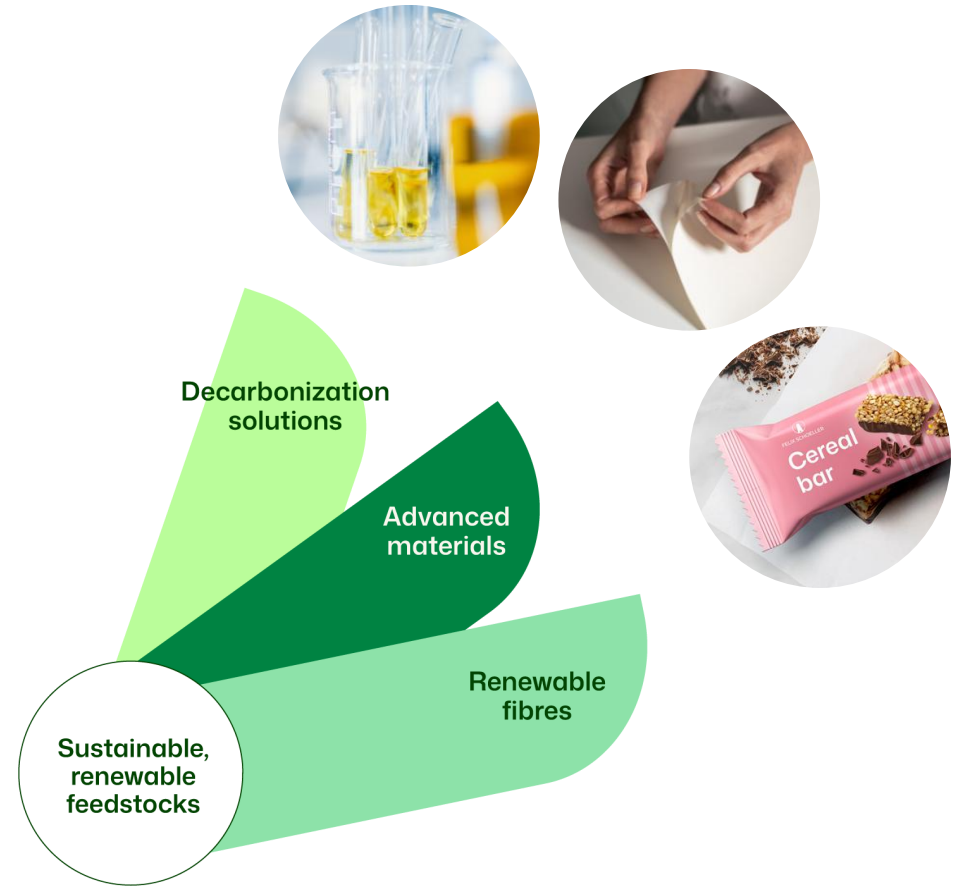
R&D Investment (2025)
€404 million
accounting for
28.8%
of operating cash flow



Intellectual property:
Over **5,000** patents
Over **2,000**
trademarks

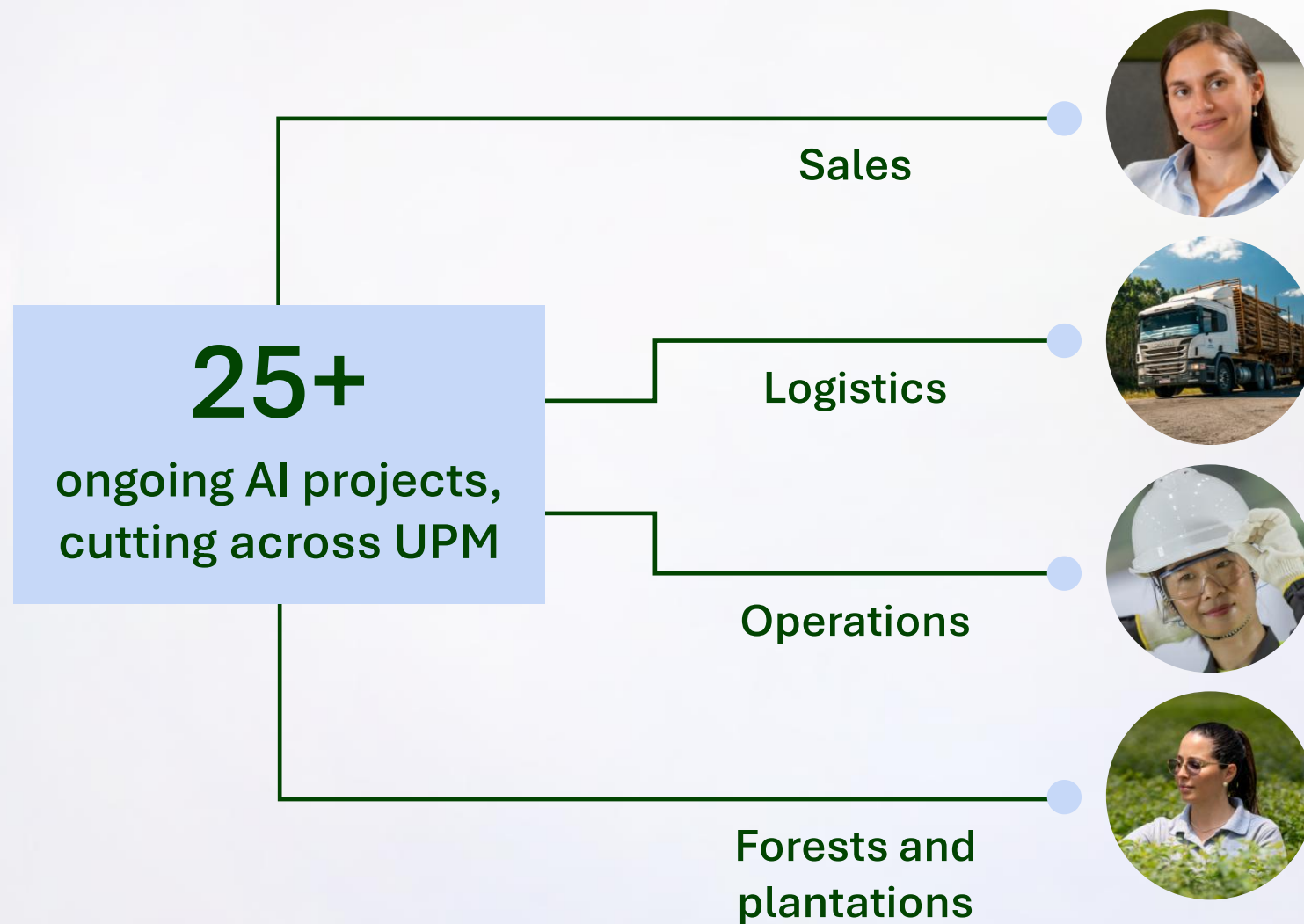


Global research centers:
3 centers located in
Finland, China, Germany

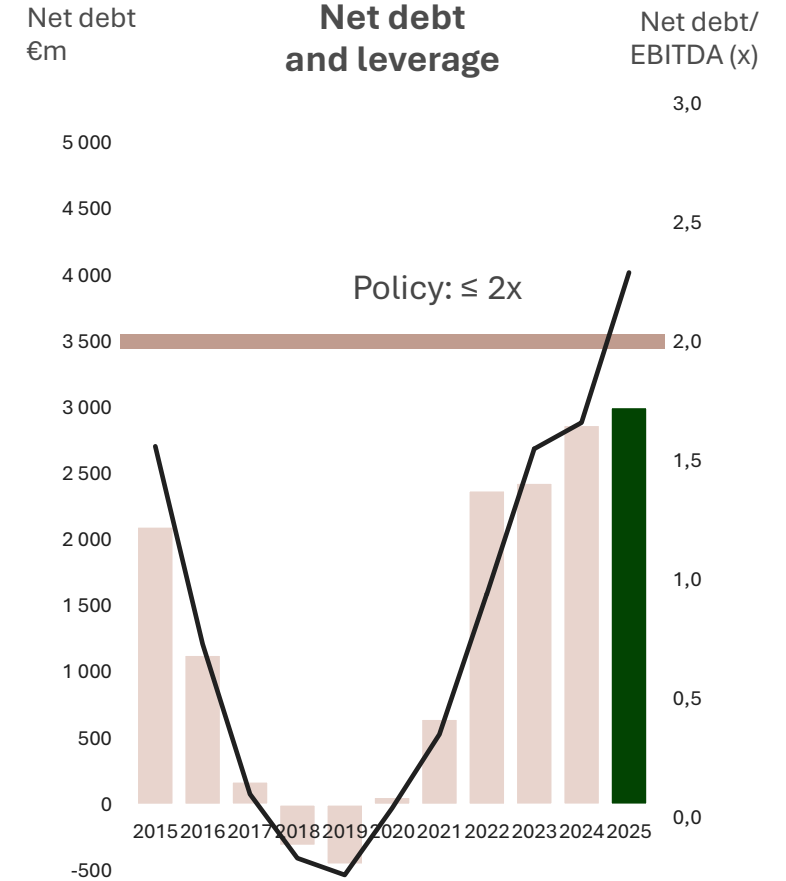
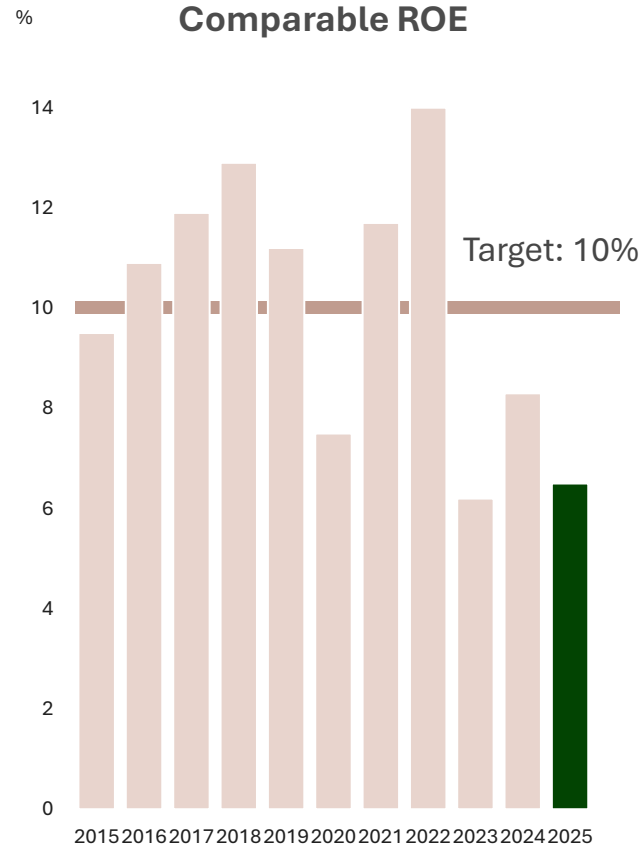
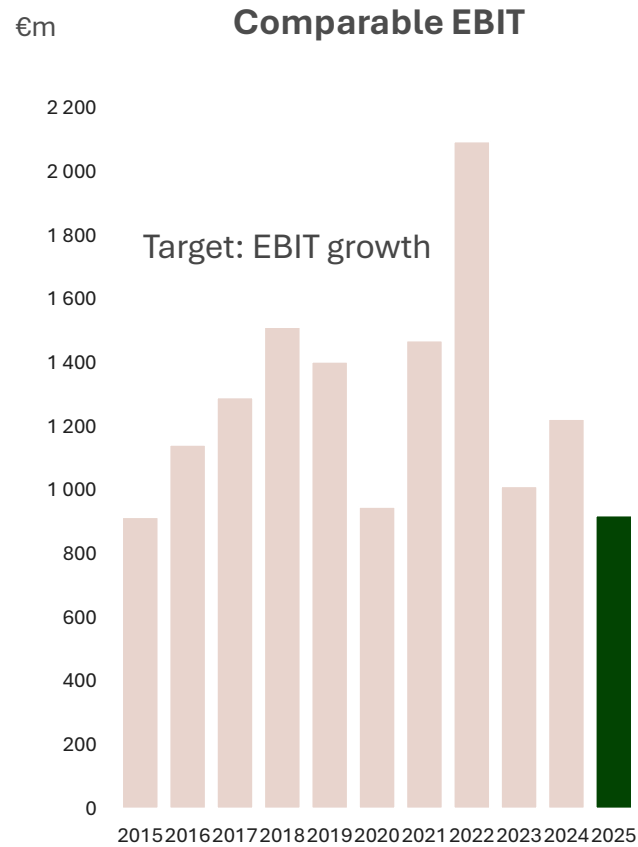




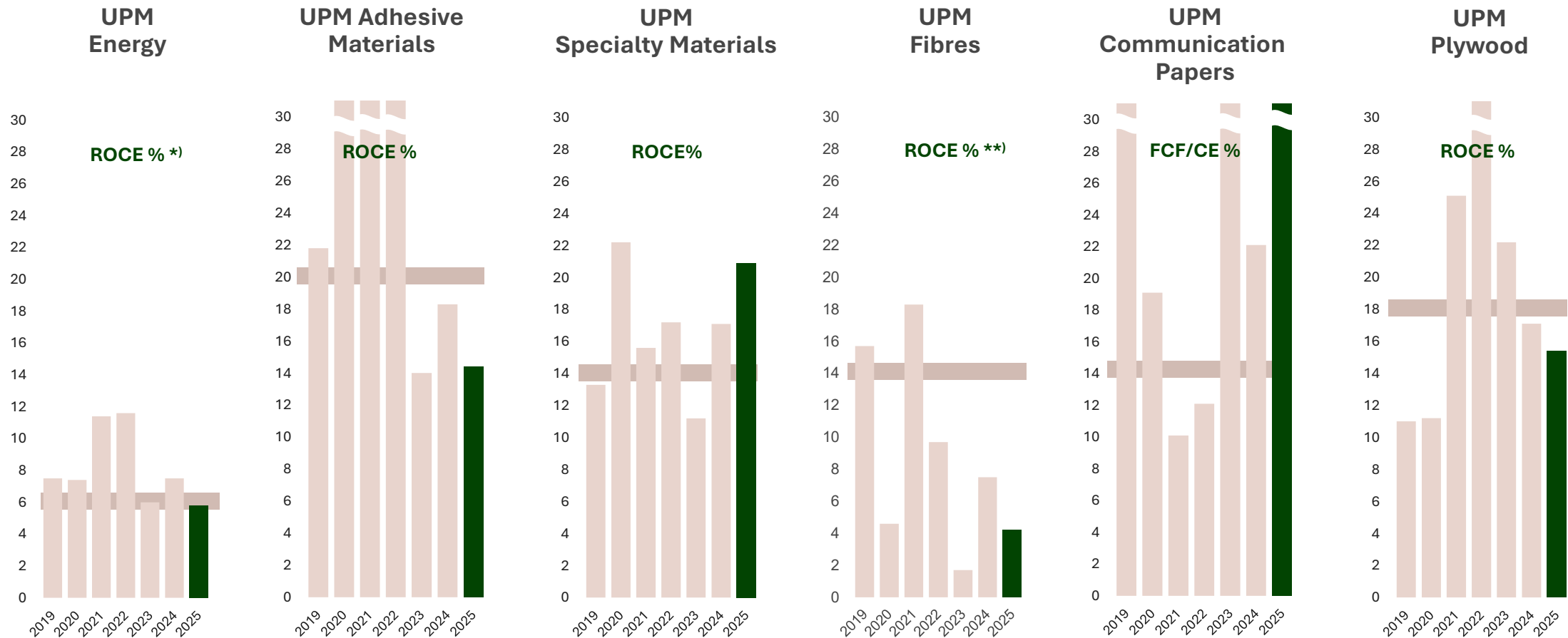
AI is being deployed at scale across our entire organization



Group financial performance and targets



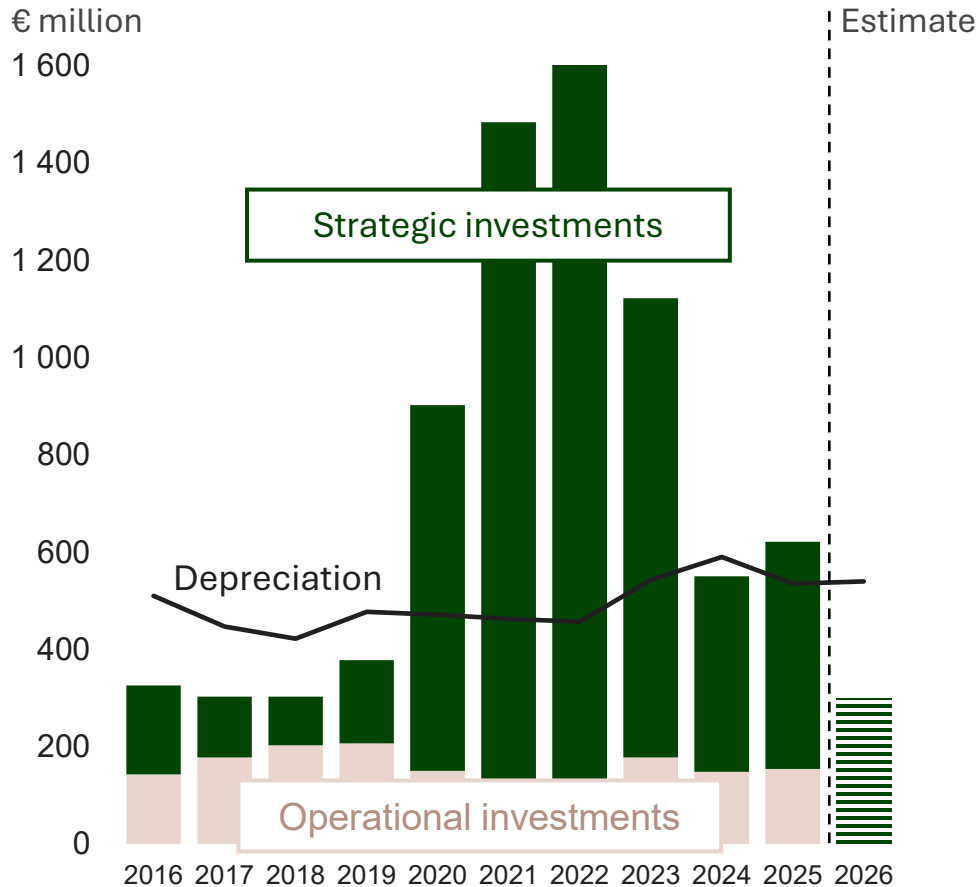
Business area long-term return targets



*) Shareholdings in UPM Energy valued at fair value

Long-term return target

Low capital expenditure after the major investment cycle



Capital expenditure

Capex estimate for 2026
excl. acquisitions, € million

300

Operational investment needs consistently low

Consistently attractive dividend

Rewarding shareholders

Dividend policy

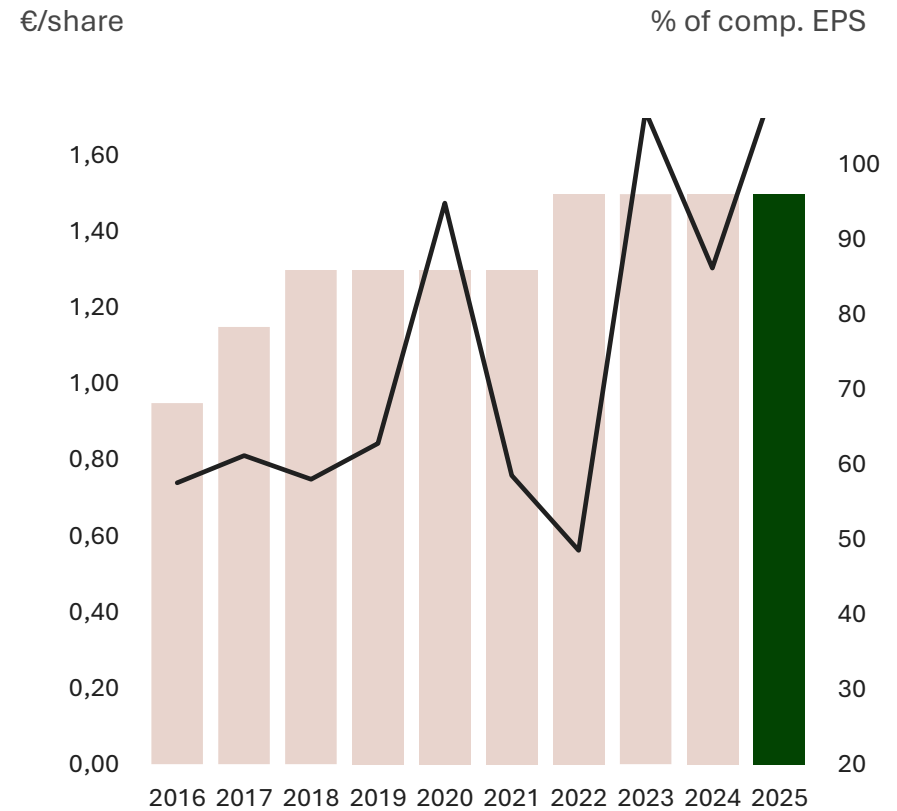
UPM aims to pay attractive dividends, targeting at least half of the comparable earnings per share over time.

Dividend for the financial year 2025

€ / share	€ million
1.50	791

Paid in two instalments, Apr 21 and Nov 6, 2026

Dividend 10 years



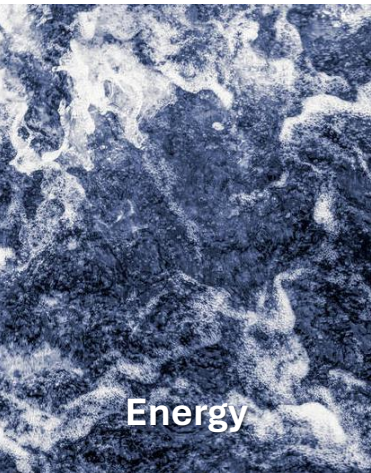


Q1 2026 – good start to the year



- Comparable EBIT was €274 million, 10.9% of sales (287 million, 10.8%)
- Excellent performance in decarbonization solutions
- Resilient performance in advanced materials
- Underlying improvement in renewable fibres
- UPM announced a demerger plan to concerning the separation of UPM Plywood into a new independent listed company on Nasdaq Helsinki
- Preparations for the planned graphic paper joint venture continued

Decarbonization solutions: record Q1 results in Energy, strong in Biofuels, ramp-up continues in Biochemicals



Energy



Next Generation Renewables

Markets

Record Q1 electricity consumption in Finland, supported by a cold winter and electrification of heating

Electrification, data centers and green transition expected to drive significant demand growth

Good Q1 demand for advanced renewable fuels

Renewable fuel prices boosted by higher fossil fuel prices

Robust demand and sales pipeline for biochemicals products

Actions

Maximize value in the volatile markets

Clean baseload electricity offering for large new demand

New renewable energy development pipeline

Sites suitable for data centers and other industrial actors

Capex-efficient debottlenecking Qualification process for SAF

Proprietary feedstock technologies development

Leuna: production of industrial sugars and lignin ongoing

Production of RFF to start soon, followed by glycols during 2026

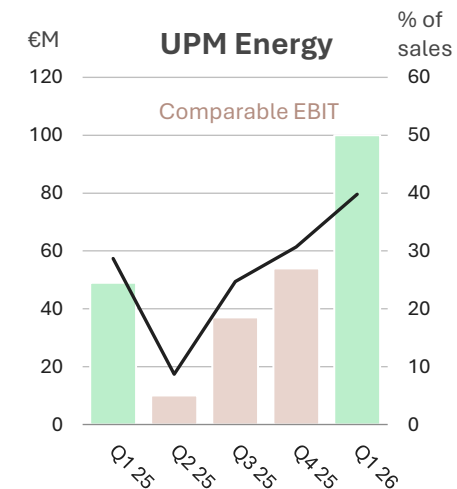
Results

Record Q1 results: comparable EBIT €100 million, 40% of sales

Good nuclear, lower hydropower volumes

Biofuels continued to improve its performance and posted strong Q1 results

Biochemicals ramp-up continued



Advanced materials: resilient performance



Adhesive Materials

Markets

Solid Q1 label materials demand in Europe (+2% y-o-y) and Asia Pacific

Softer demand (-2% y-o-y) in North America

Actions

Actions to sharpen competitiveness continued

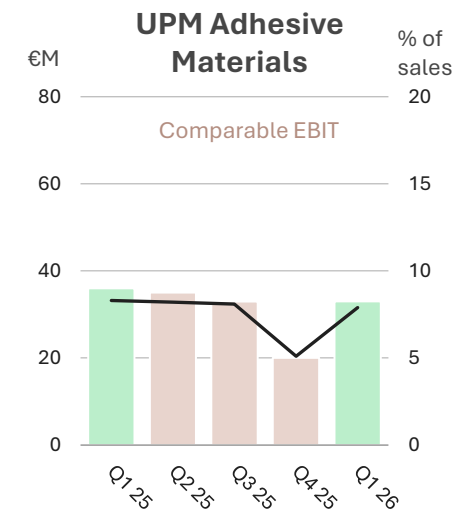
Investments to grow in higher-margin products in the U.S.

Investments in higher-growth regions, Southeast Asia, India

Building position in graphics following recent acquisitions

Results

Q1 comparable EBIT €33 million, 8% of sales



Specialty Materials

Q1 demand for label, release base and packaging papers improved in Europe

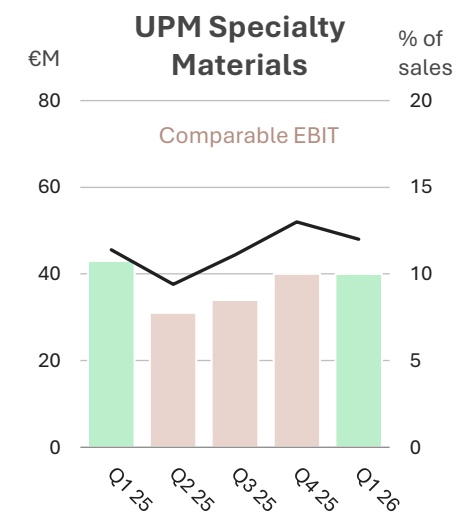
The U.S. markets were softer

Specialty paper markets in Asia were stable, fine paper markets competitive

Barrier papers' product development pipeline continued to strengthen

Capacity to grow with low investments

Q1 comparable EBIT €40 million, 12% of sales



Renewable fibres: steady performance in Fibres South, wood costs decreased in Fibres North



Markets

Actions

Results



Global hardwood pulp shipments flat y-o-y in Jan-Feb/2026

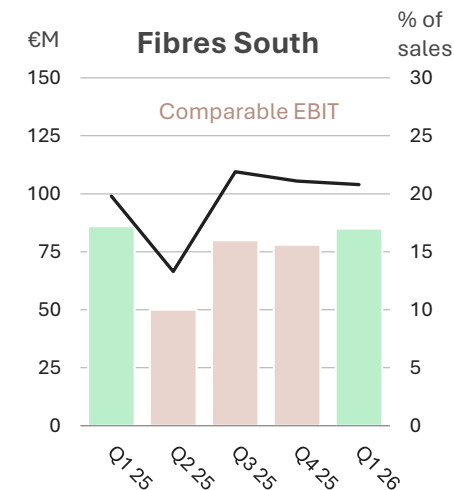
Hardwood pulp market prices increased gradually

Optimization of wood sourcing and inbound logistics, as the plantations reach maturity

Planning capex-efficient debottlenecking

World-class low-cost platform

Q1 comparable EBIT €85 million, 21% of sales



Global softwood pulp shipments -6% y-o-y in Jan-Feb/2026

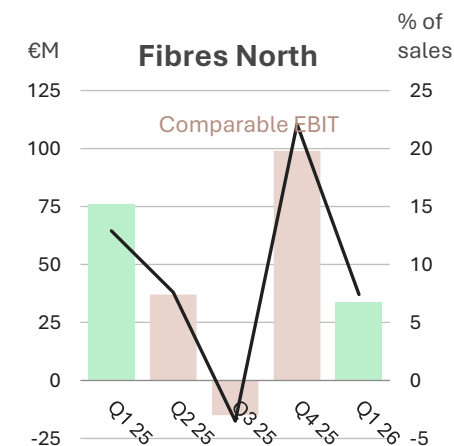
Low softwood pulp market prices continued

Pulpwood market prices in Finland stabilized in Q1, at approx. 30% lower yoy

Strategic partnership with Versowood finalized

Started to see a decline in wood costs

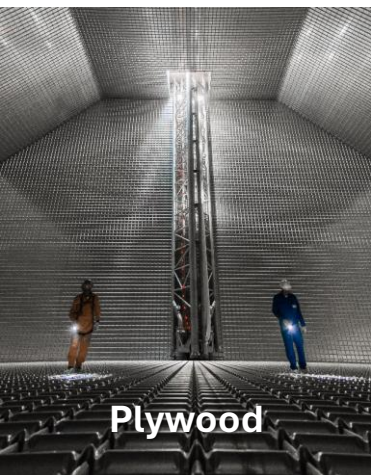
Q1 comparable EBIT €34 million, 7% of sales



Communication Papers and Plywood: solid Q1, planned Joint Venture and demerger plan



Communication Papers



Plywood

Markets

European demand for graphic papers -4% y-o-y in Q1

North American demand for magazine and coated wood free papers -12% y-o-y

Q1 demand in construction end-uses in Europe was stable at a low level

Demand for plywood in industrial end-uses was good

Demand for LNG birch plywood was very good

Actions

Planned graphic paper Joint Venture with Sappi

Lower fixed costs, following the closures in Q4

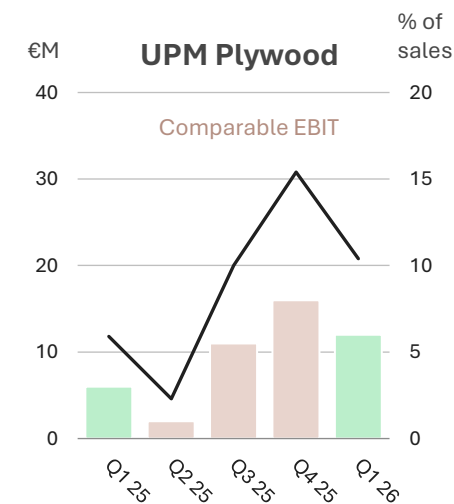
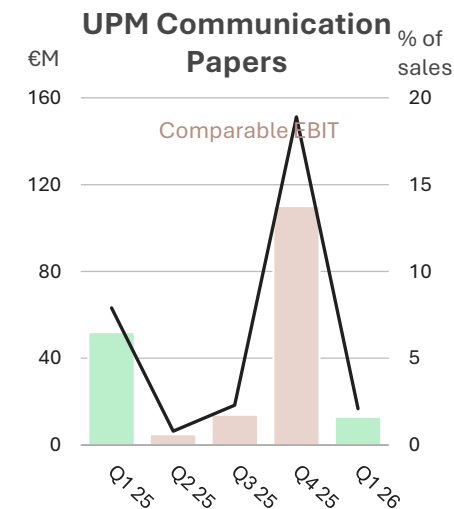
Demerger plan of UPM Plywood announced

Results

Optimizing energy consumption in challenging energy markets

Q1 comparable EBIT €13 million, 2% of sales

Q1 comparable EBIT €12 million, 10% of sales



Q1 2026 in numbers

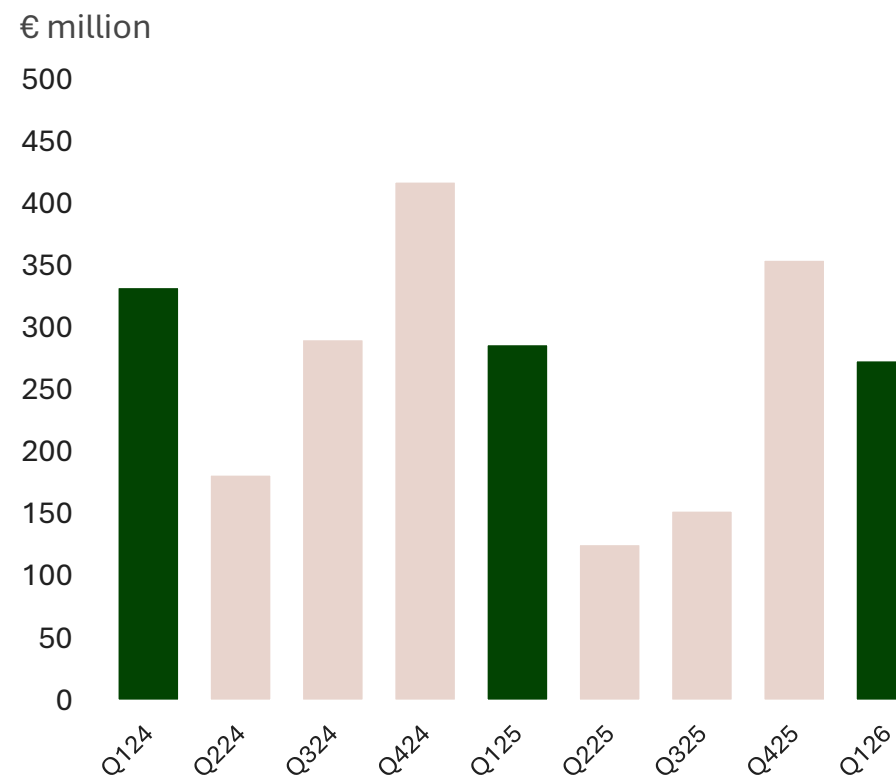
Sales and performance

<p>Sales € million</p> <p>2,505</p> <p>-5%</p>	<p>Comparable EBIT € million</p> <p>274</p> <p>-5%</p>
--	--

Operating cash flow
€ million

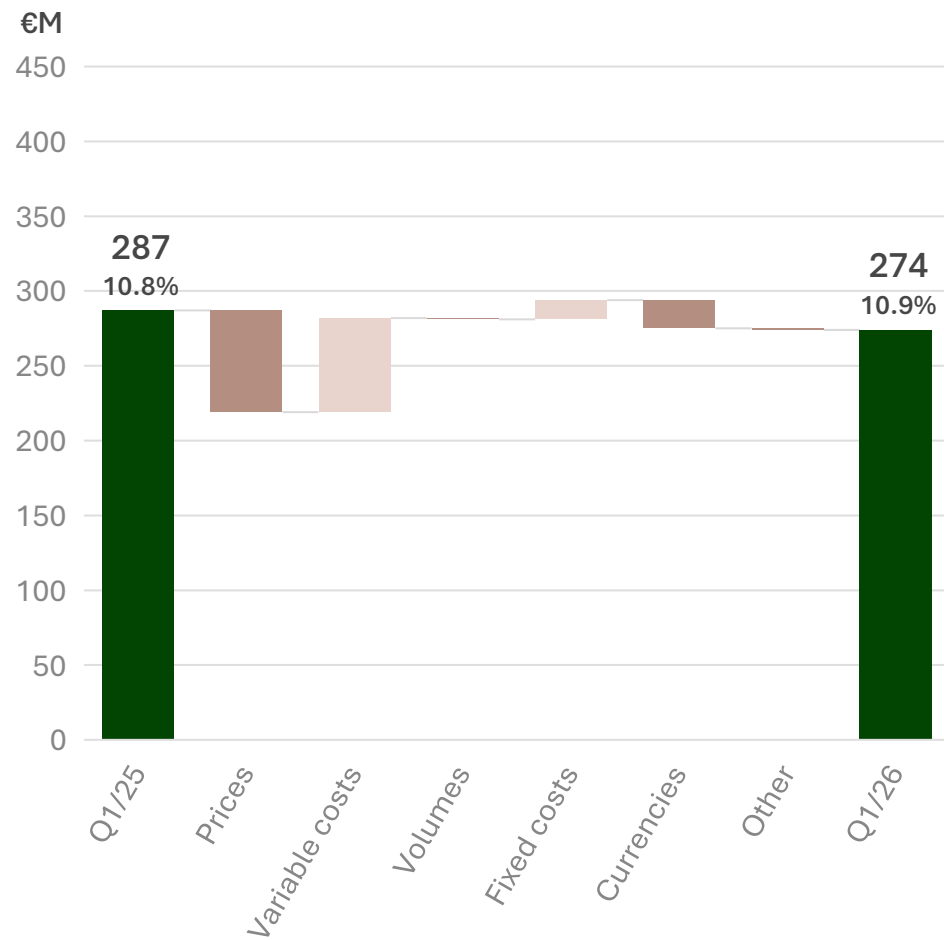
89

Comparable EBIT

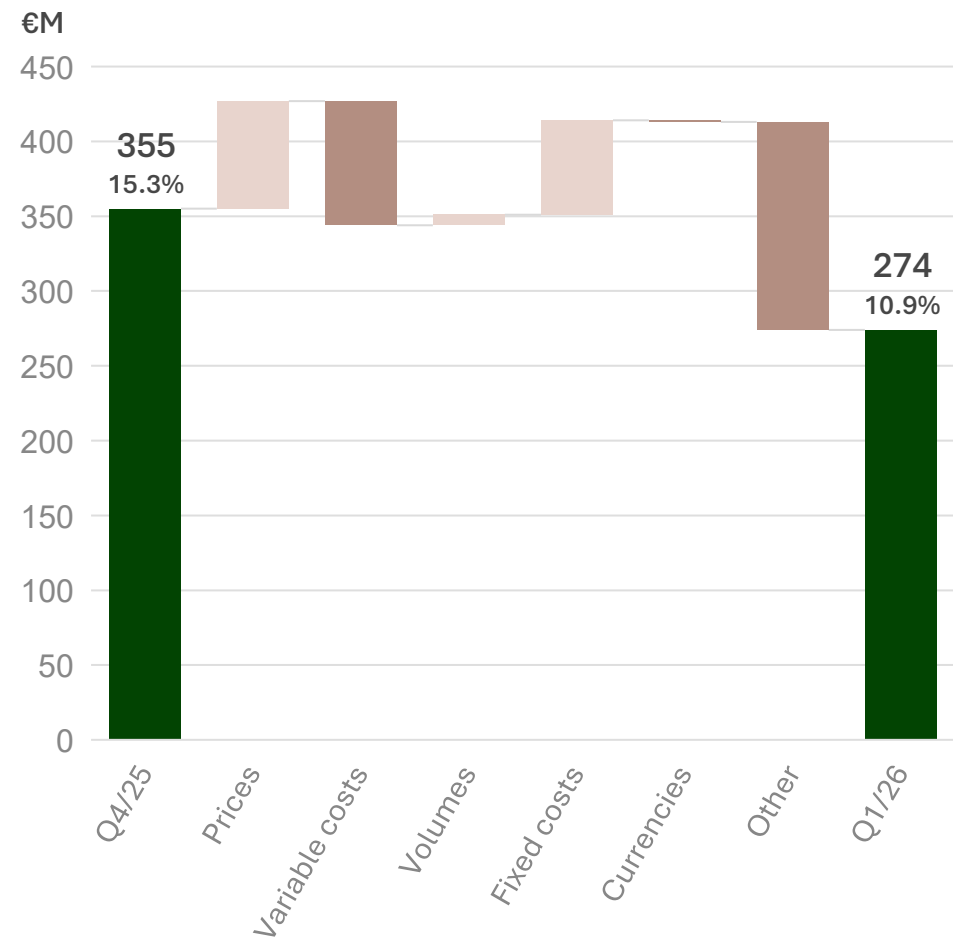


Comparable EBIT in Q1 2026

Q1 2026 vs. Q1 2025



Q1 2026 vs. Q4 2025



Solid financial position



Balance sheet

Net debt

€ million March 31, 2026

2,962

Net debt / EBITDA ratio 2.30

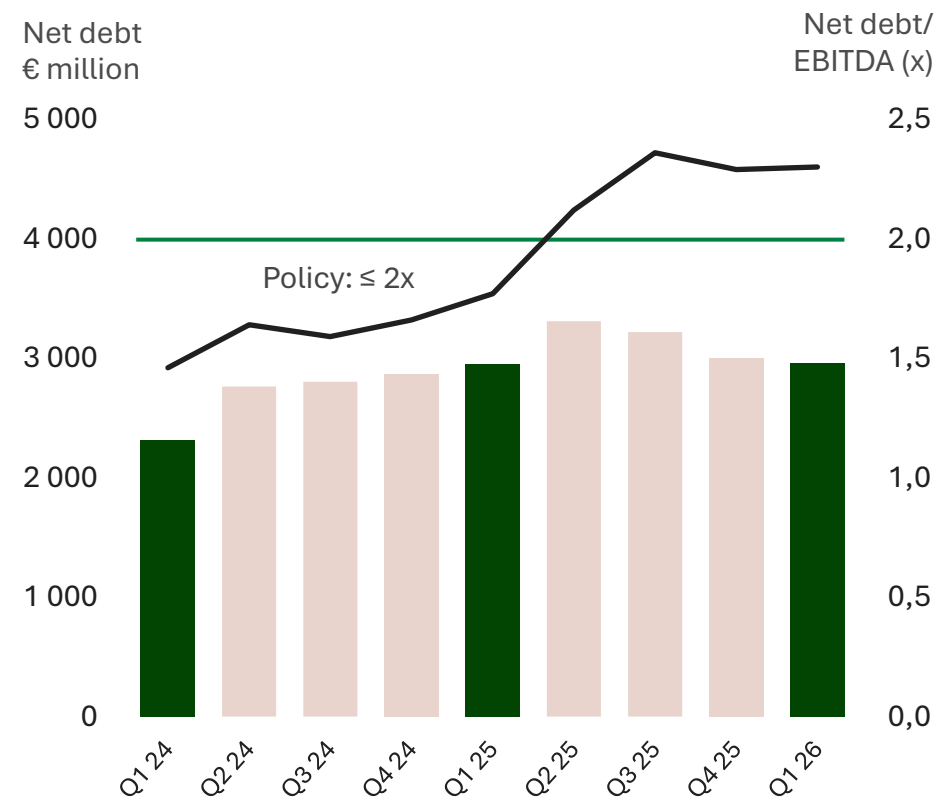
Cash funds

and unused credit facilities, € million

2,400

No financial covenants

Net debt and leverage



Foreign exchange exposure

Estimated 12-month net currency cash flow at the end of Q1 2026, before hedging, € million

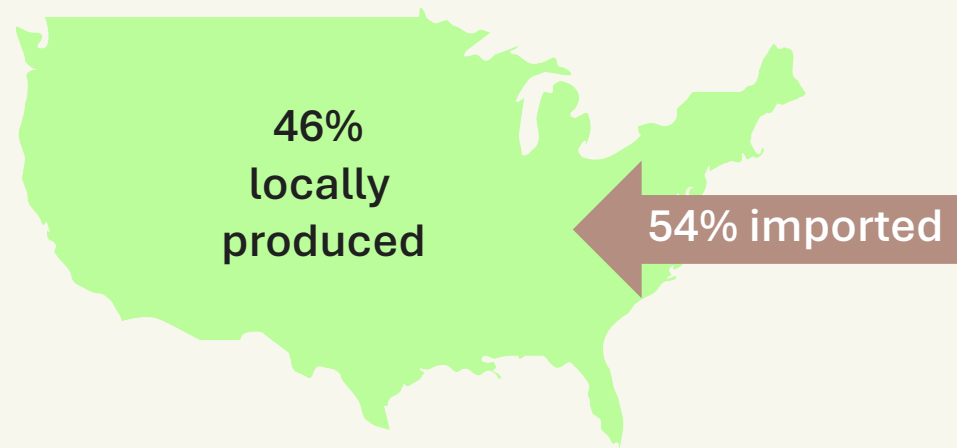
USD	1,395
UYU	-299
GBP	136
JPY	102
CNY	108
Others	127
Total	1,569

- At the end of Q1 2026, UPM's estimated net currency cash flows for the next 12 months totaled approximately €1,569 million
- 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
- 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

UPM and tariffs

13% of UPM sales in 2025
was to the U.S.



- Global trade uncertainties and the weaker U.S. dollar affected particularly UPM Fibres and UPM Communication Papers in 2025
- Indirectly, tariffs may impact demand and trade flows, cause hesitation among customers and weaken consumer confidence. Such indirect impacts are possible in markets outside the U.S., too
- Direct impact of tariffs was relatively minor in 2025, and impacted mainly UPM Communication Papers
- UPM produces self-adhesive label materials and communication papers in the U.S.
- UPM exports communication papers, specialty papers and eucalyptus pulp to the U.S.

**Indirect impact of the trade
uncertainties have been more significant
than the direct impact of tariffs**

Outlook (*)

- **Profit guidance:** UPM's comparable EBIT in H1 2026 is expected to be approximately in the range of €325-525 million (€413 million in H1 2025, and €508 million in H2 2025).
- **Outlook:** in H1 2026, compared with H2 2025, UPM's performance is expected to benefit from moderately higher sales prices and delivery volumes and moderately lower fixed costs. Performance is expected to be held back by continued weak communication paper markets and increased costs during the early phase of the production ramp-up at UPM Leuna. Currencies have started the year at similar levels, compared with H2 2025. Comparable EBIT in H2 2025 benefited from the timing of energy refunds and increased fair value of forest assets, items that are not expected to take place during H1 2026 in similar quantities.
- In H1 2026, compared with H1 2025, UPM's performance is expected to benefit from lower variable costs and moderately higher delivery volumes. Maintenance activity is expected to be lower than in the comparison period. Performance is expected to be held back by continued weak communication paper markets and increased costs during the early phase of the production ramp-up at UPM Leuna. Currencies at the beginning of the year have been negative to comparable EBIT, compared with H1 2025.

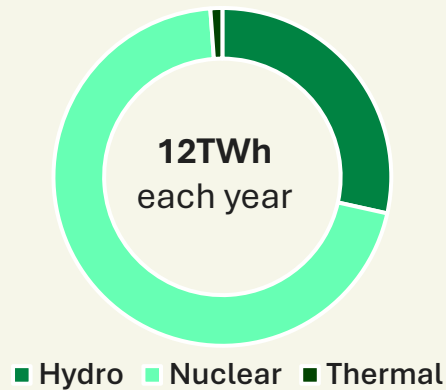


Our businesses

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



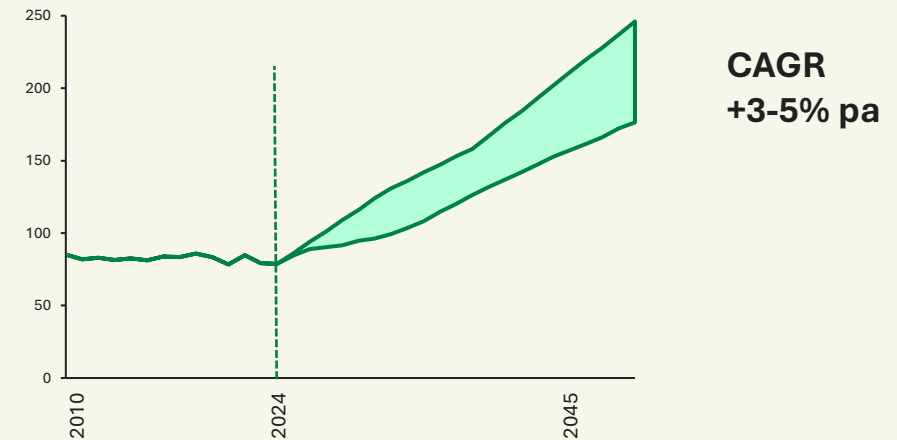
UPM Energy electricity generation is 99% CO₂-free



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



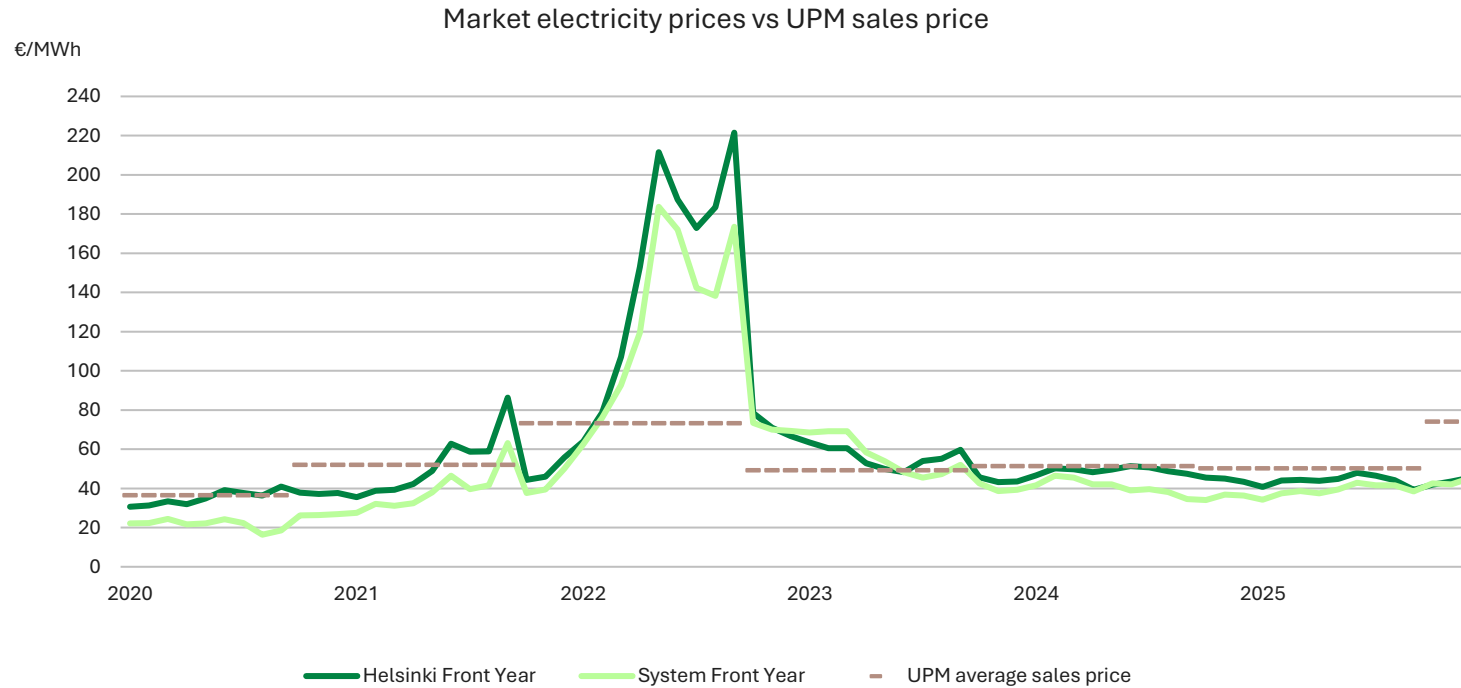
Electricity demand growth requires reliable CO₂-free baseload

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

(*) Statistics Finland, Fingrid predictions and UPM analysis

UPM Energy

Electricity market prices



UPM Energy profitability	2021	2022	2023	2024	2025	Q1 2026
Comparable EBIT, EURm	270	381	182	181	151	100
% of sales	51.3	52.0	29.0	28.9	24.5	39.8

UPM sharpens its focus on biofuels growth strategy



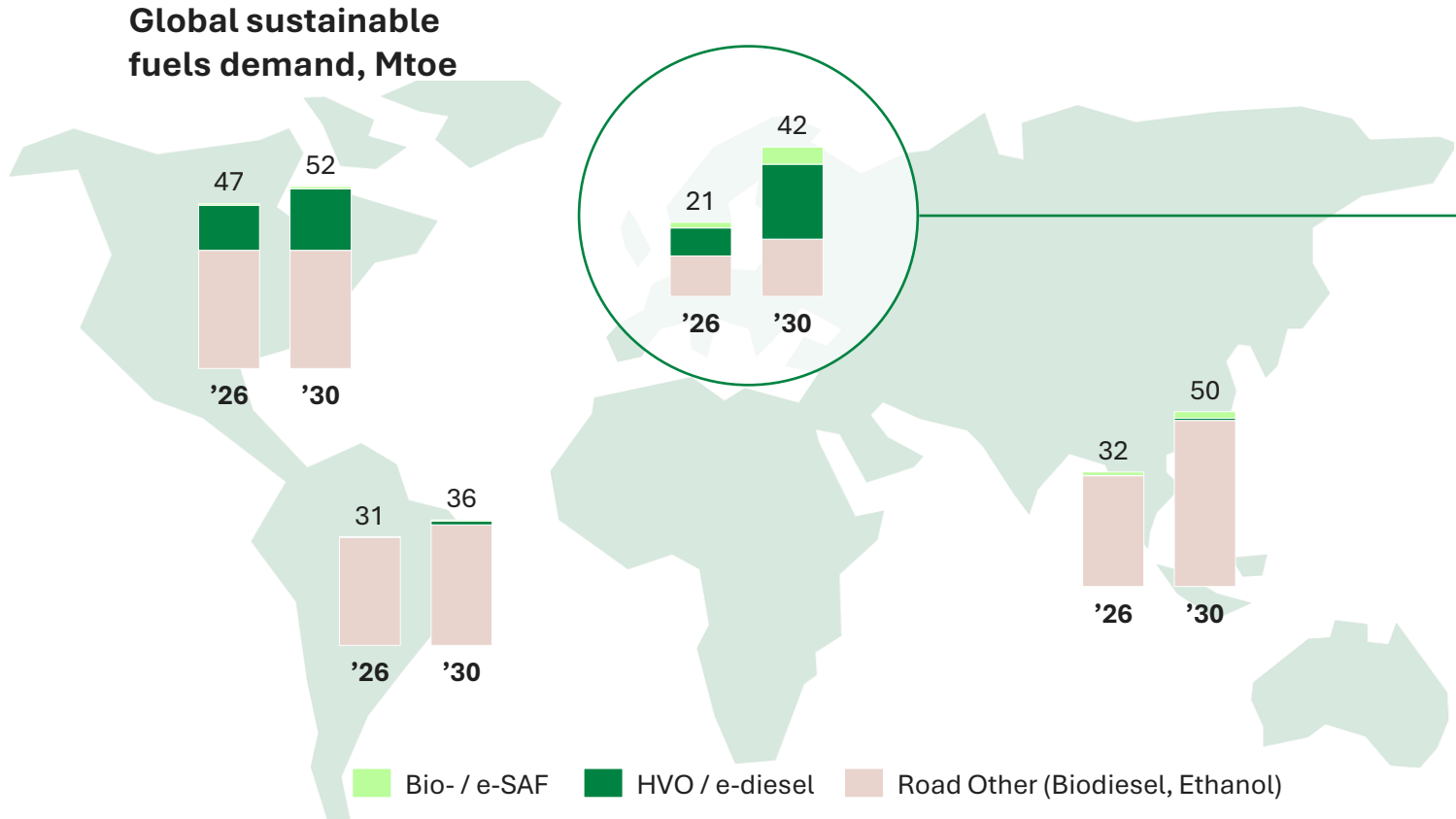
Evaluating the potential to debottleneck the Lappeenranta Biorefinery

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

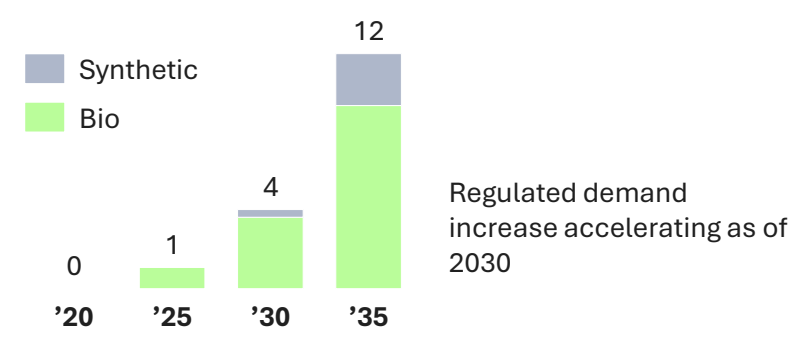
Qualification of CTO-derived UPM biofuels as Sustainable Aviation Fuel (SAF)



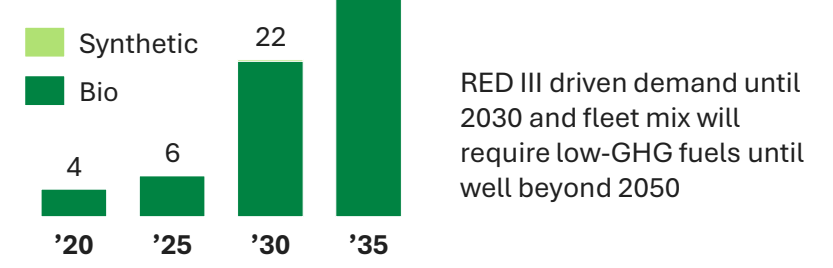
Renewable fuels demand outgrows planned capacity as of 2030



Europe SAF, Mtoe



Europe Road Renewable Fuels, Mtoe



Source: UPM Analysis based on external estimates

UPM Biochemicals

UPM Biochemicals – multiple end-uses



Bio-Monoethylene Glycol (Bio-MEG)



Renewable Functional Fillers (RFF)



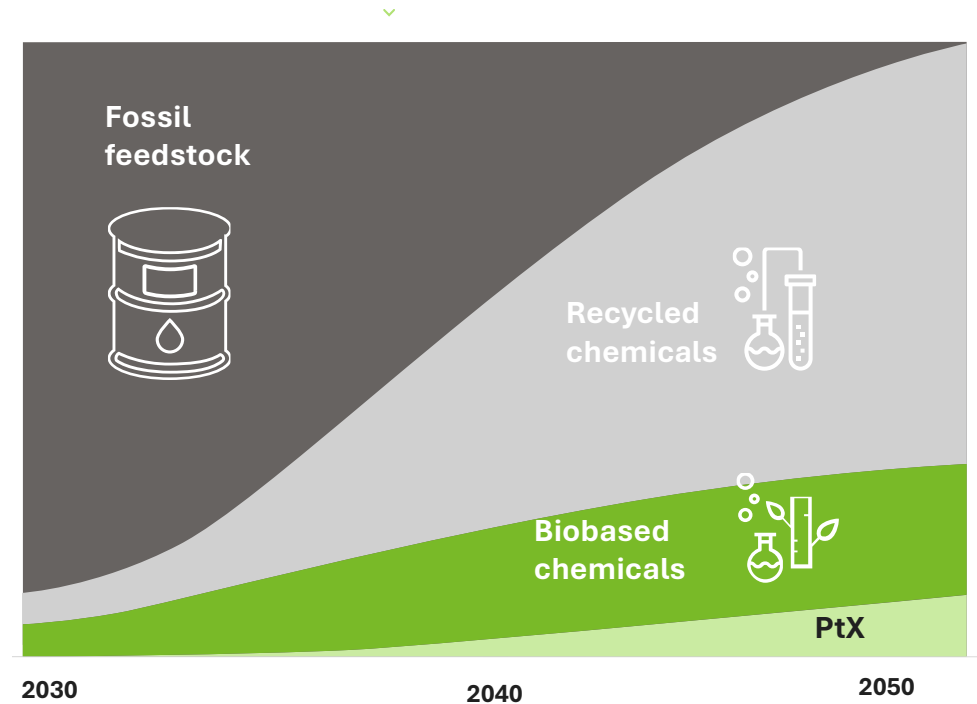
Biobased chemicals are key to shifting away from high-CO₂ materials



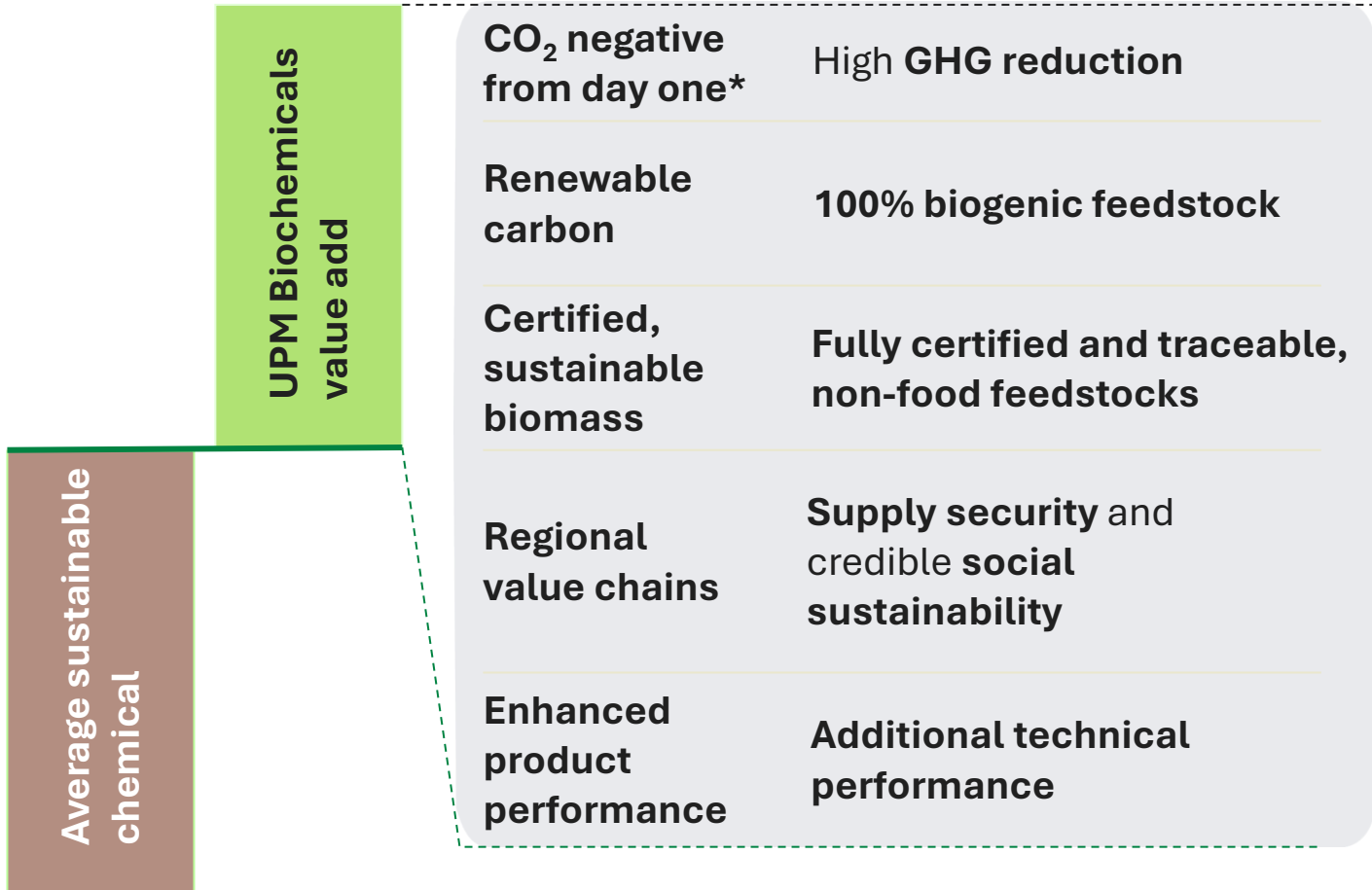
Net-zero commitments of major global brands will reflect on demand for sustainable chemicals

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

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



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

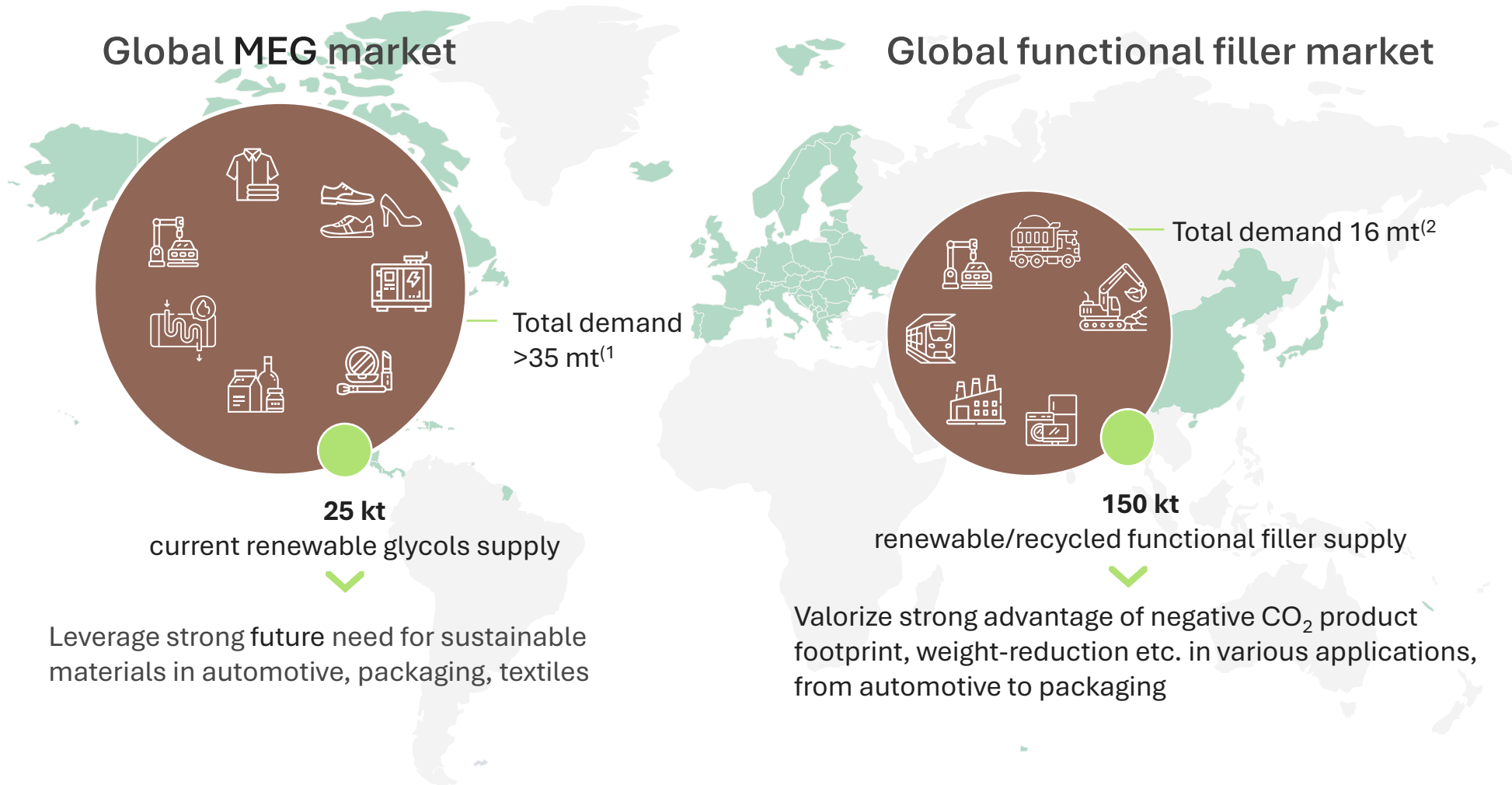


Strategic partnerships with leading players in various regions and industries confirm high demand for UPM products



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

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

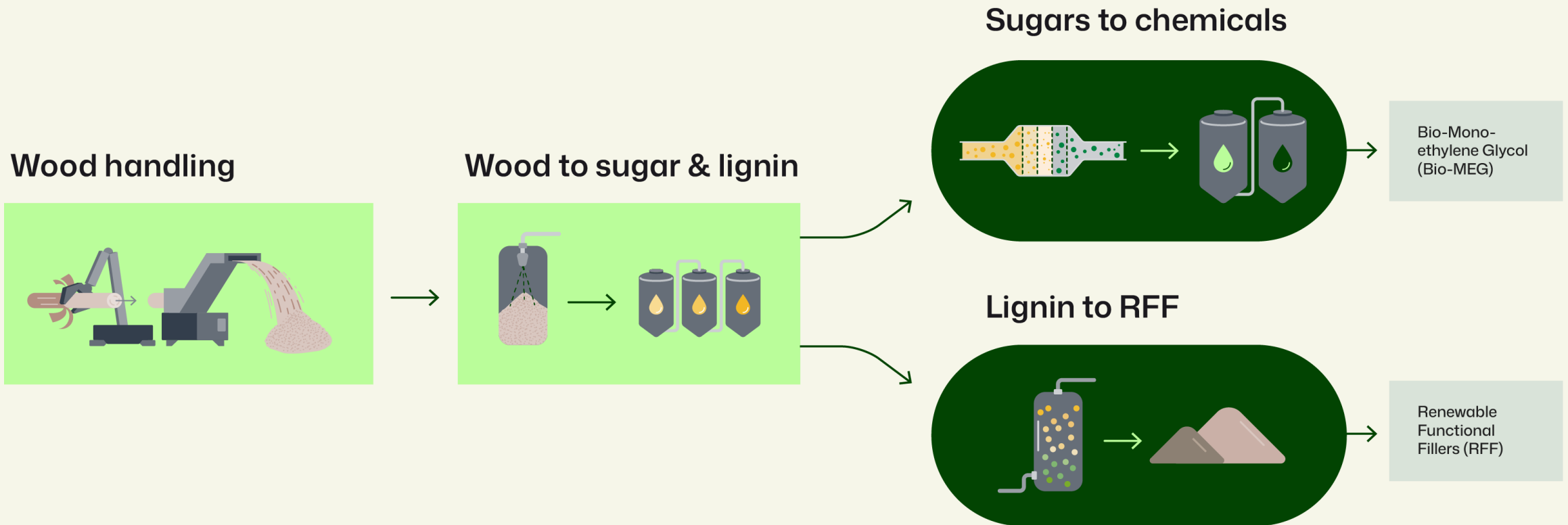


Leverage strong future need for sustainable materials in automotive, packaging, textiles

Valorize strong advantage of negative CO₂ product footprint, weight-reduction etc. in various applications, from automotive to packaging

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



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 competitiveness of the Uruguay platform**
- **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

Fibres South: world-class low-cost platform



Highly productive plantations

- Continuous development in productivity
- Optimizing inbound logistics



Best available technologies

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



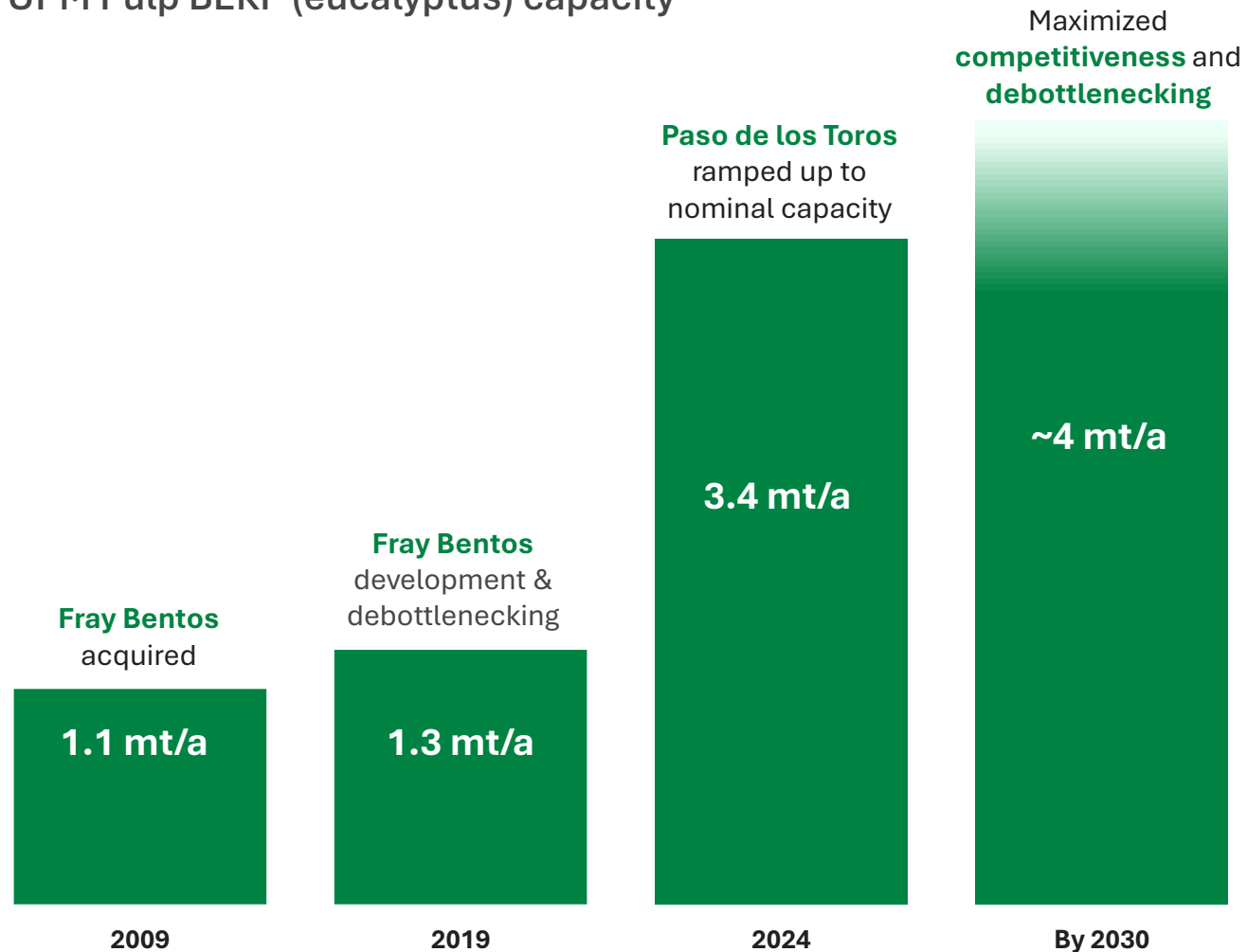
Efficient logistics

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

UPM Fibres

Growth ambition in hardwood pulp

UPM Pulp BEKP (eucalyptus) capacity



Source: UPM



Fibres North: 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
- End of Russian wood imports and peers' investments created a structurally tight wood market



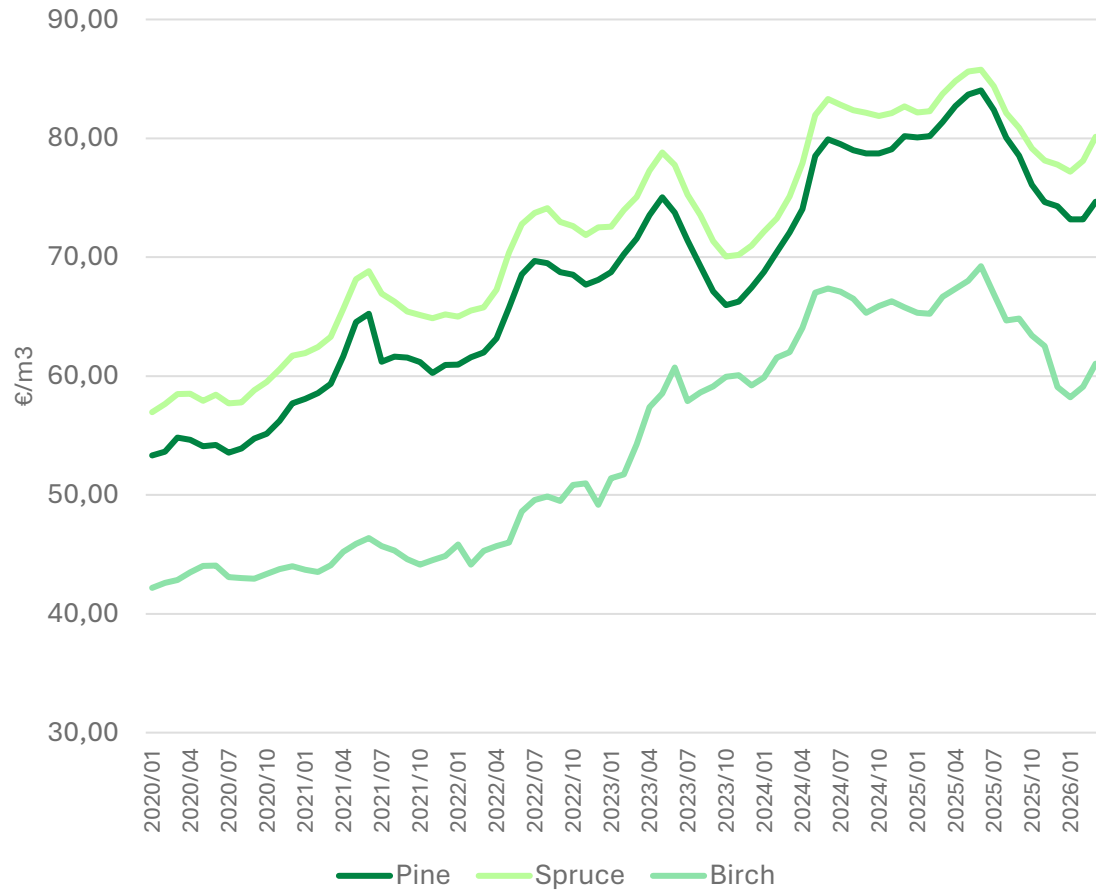
Focus on competitiveness

- Competitive business platform and margin management are key
- UPM has a strong track record in business turnaround
- Strategic partnership with Versowood strengthens wood supply

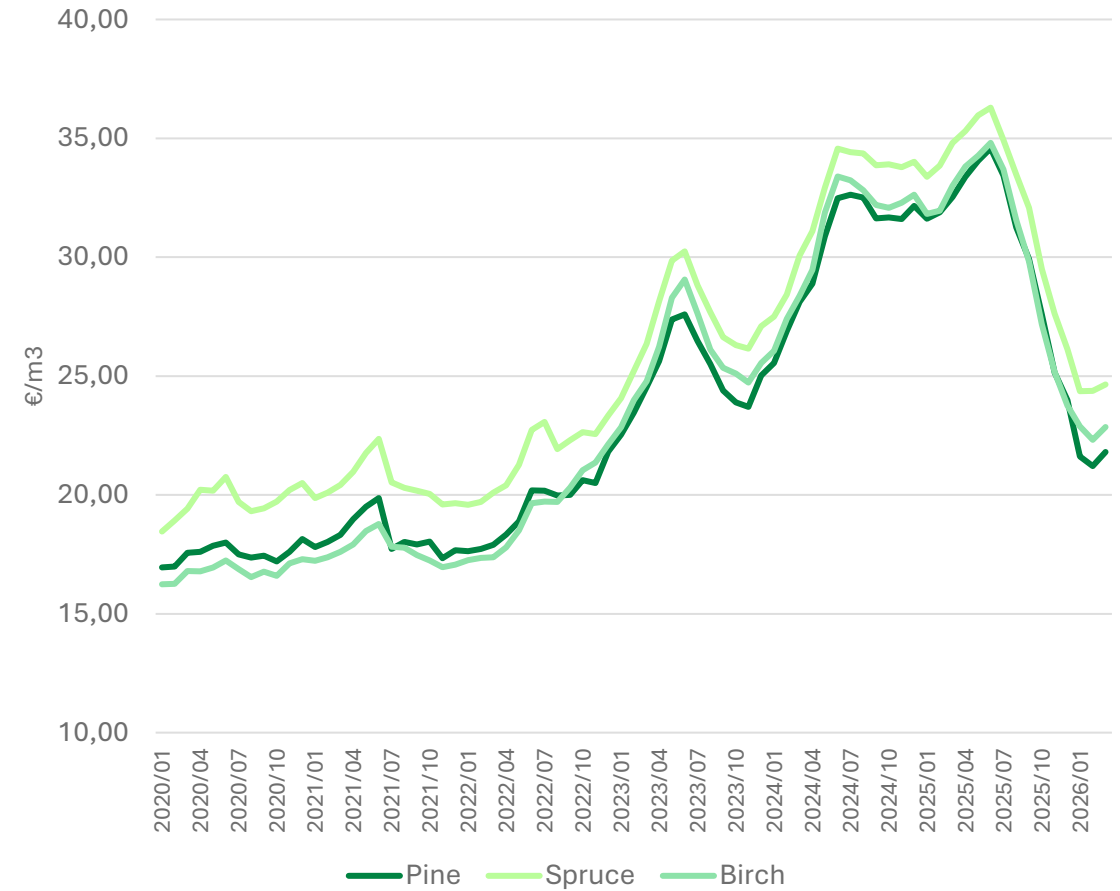
Market prices for wood in Finland have decreased



Logwood purchase prices

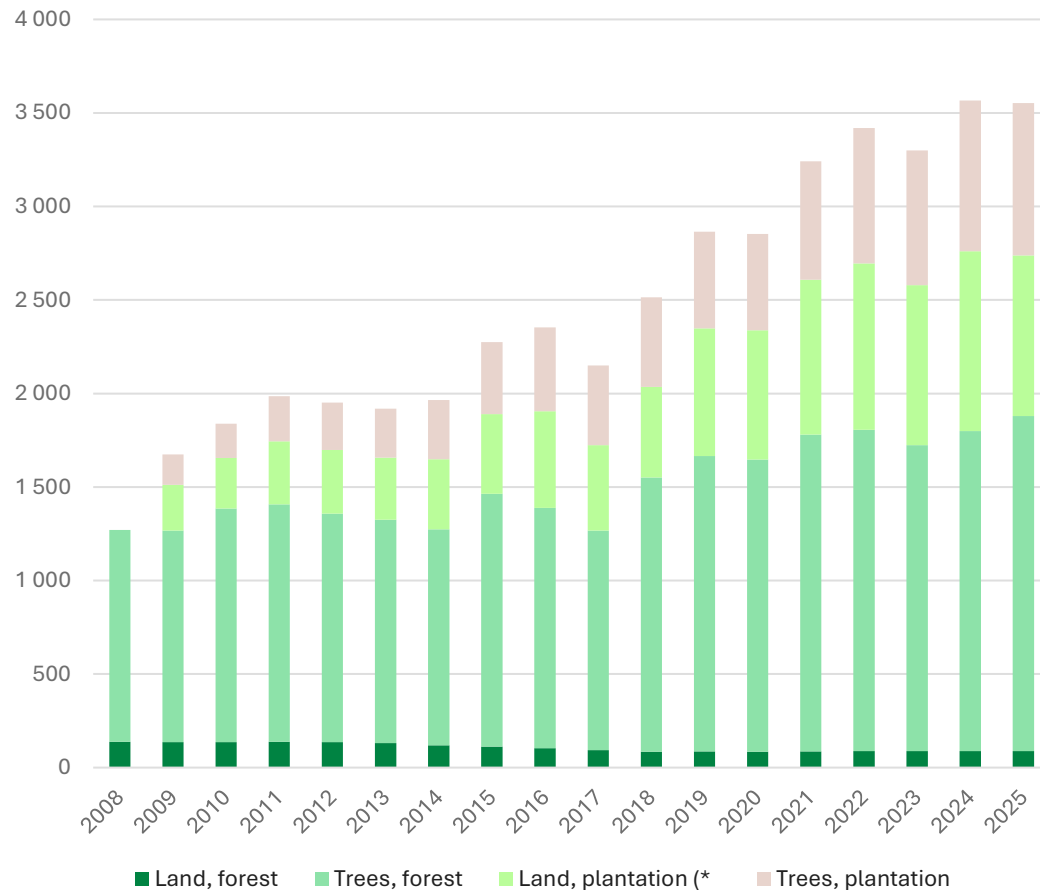


Pulpwood purchase prices



Source: Natural Resources Institute Finland

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



*) leased land included from 2019

Uruguay plantations

“Fast turnover, low inventory”

- Value €1.7bn
- Continuous productivity improvement (pulp tonnes/ha)
- Investing in strategic forest assets

Finland and other northern forests

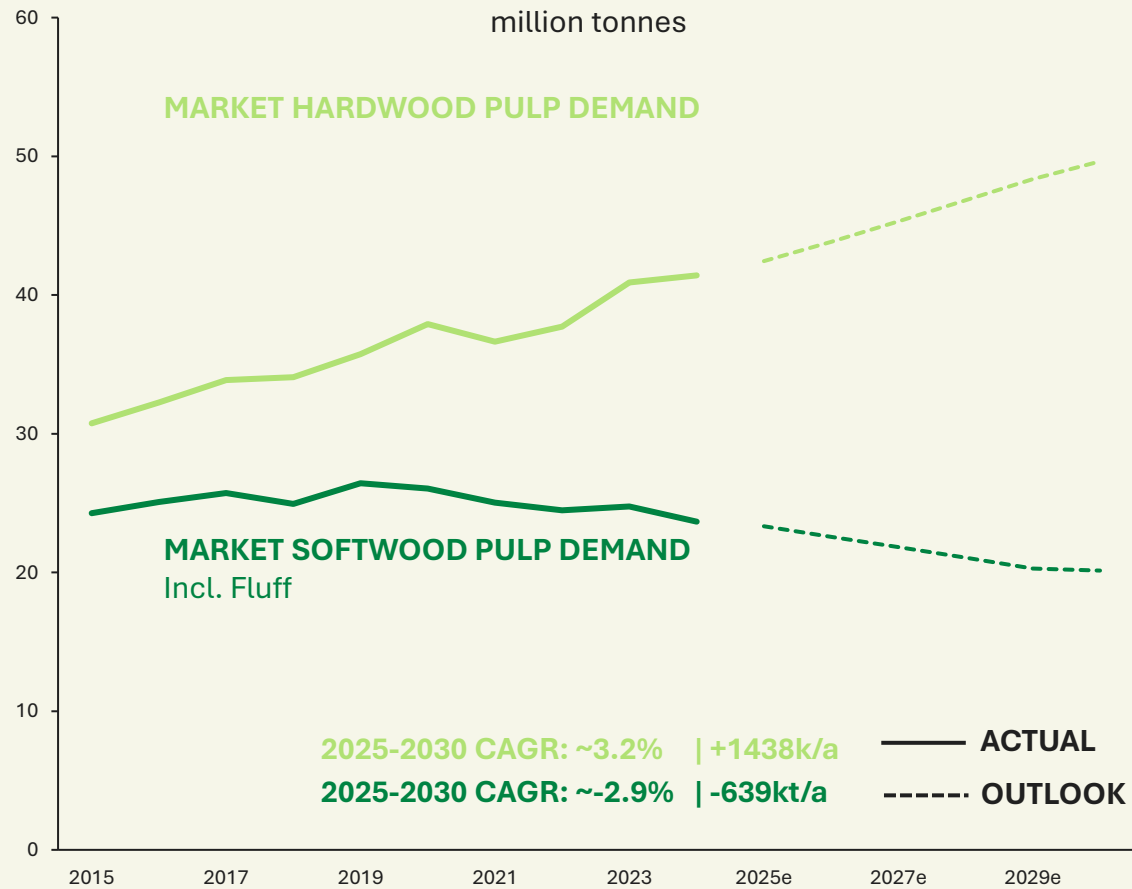
“Slow turnover, high inventory”

- Value €1.9bn (+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)

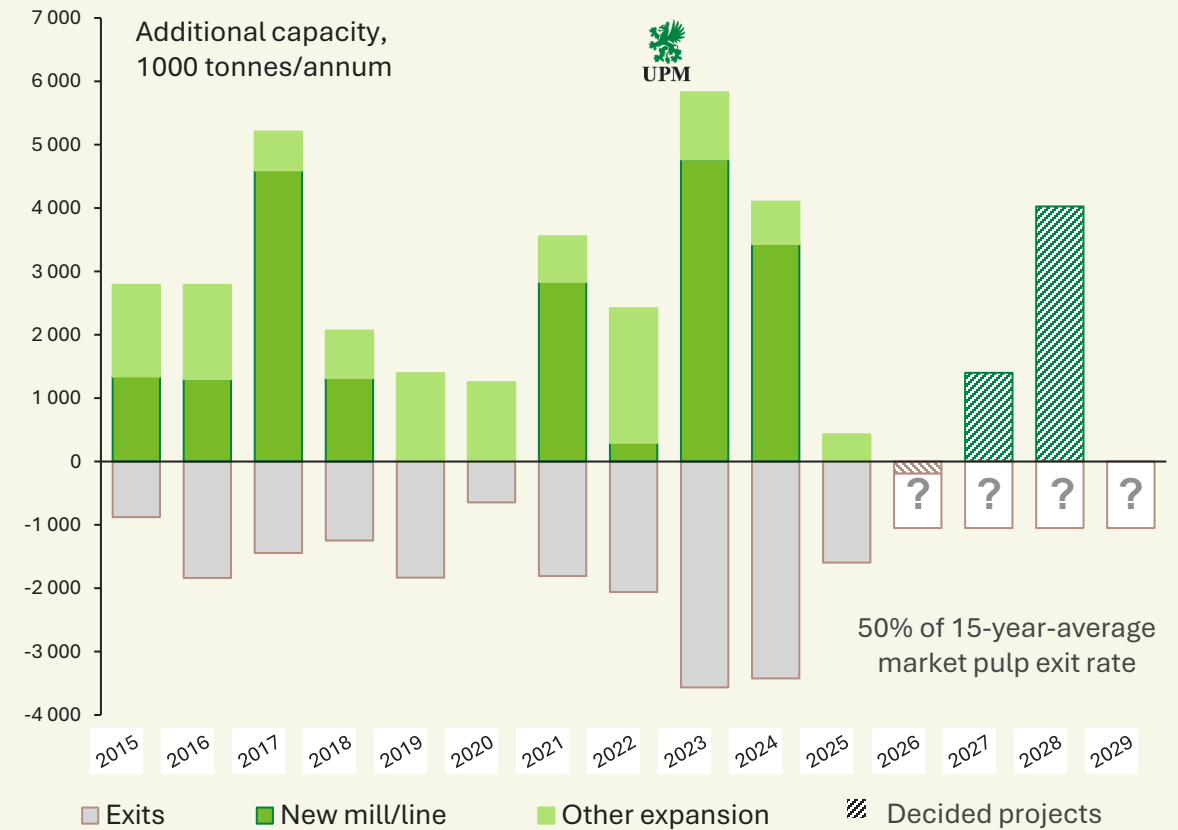
Robust demand outlook for market pulp



Market pulp shipments trend



Entry of market bleached pulp capacity



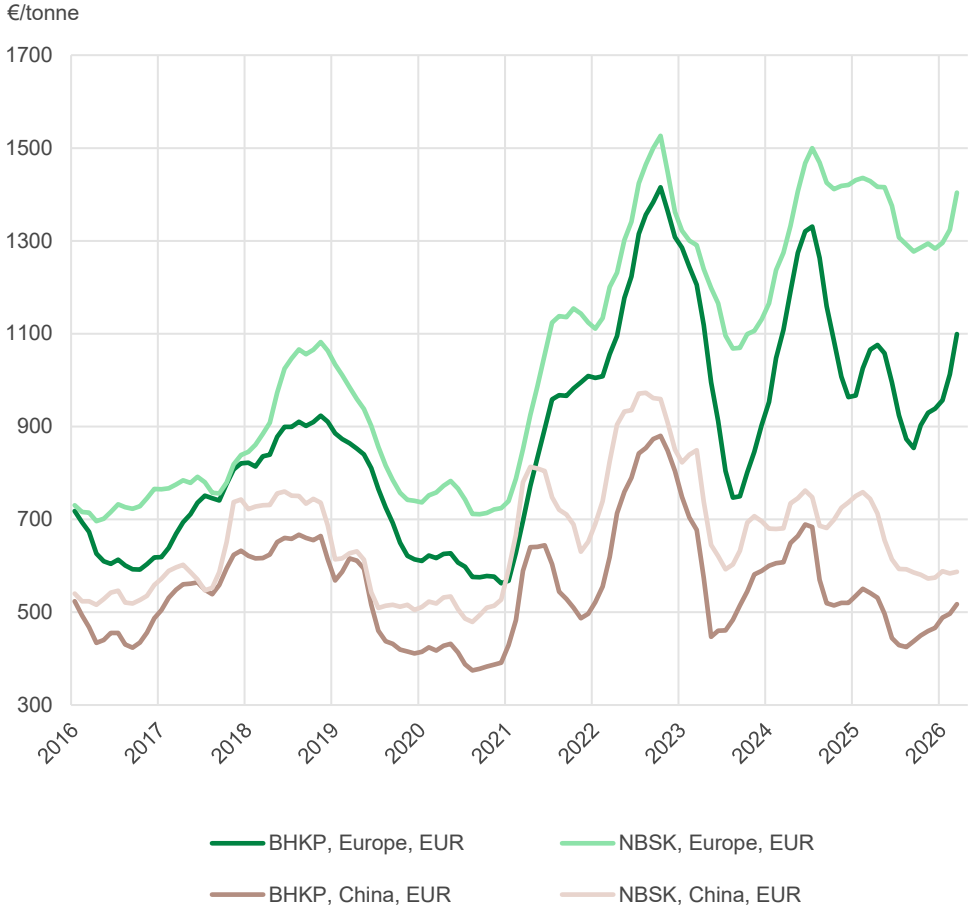
Note: including BHKP, BSKP, excluding fluff and dissolving

UPM Fibres

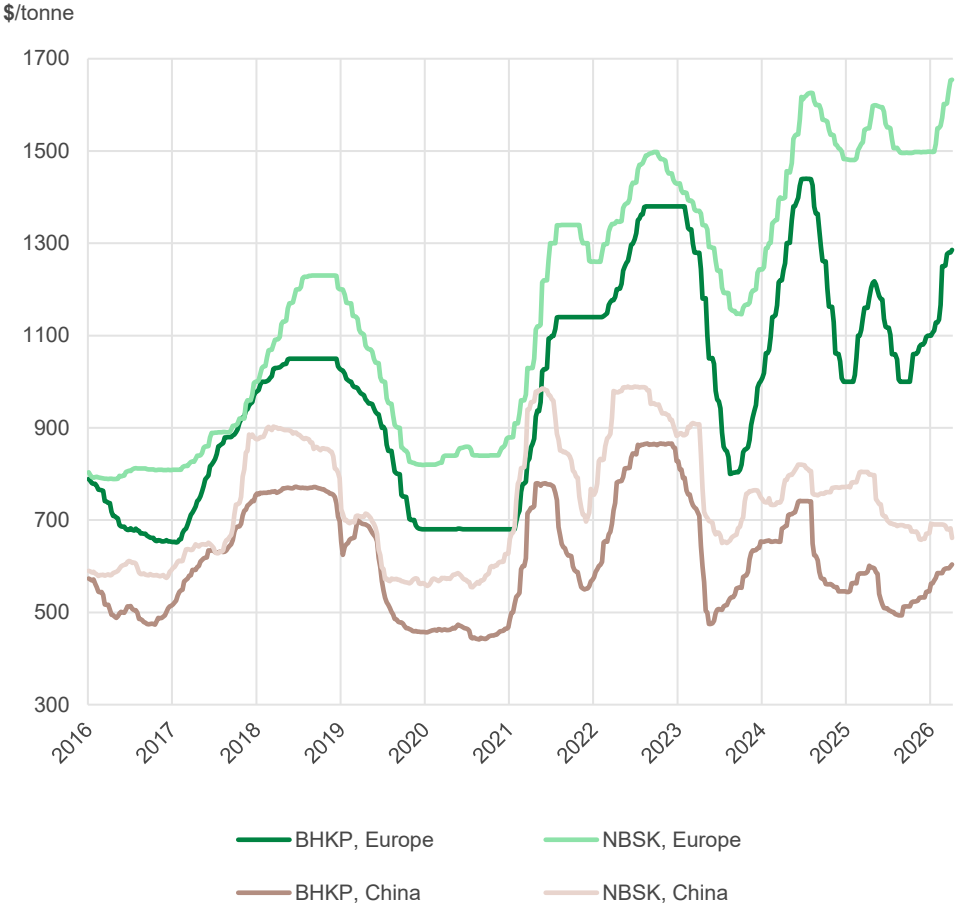
Chemical pulp market prices



Pulp market prices, euros



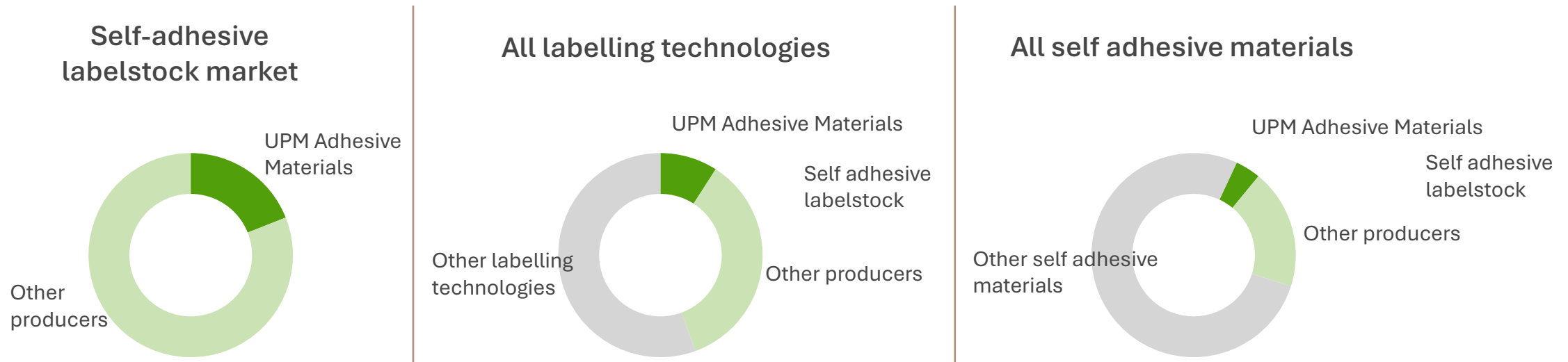
Pulp market prices, U.S. dollars



UPM Adhesive Materials

The self-adhesive label stock market

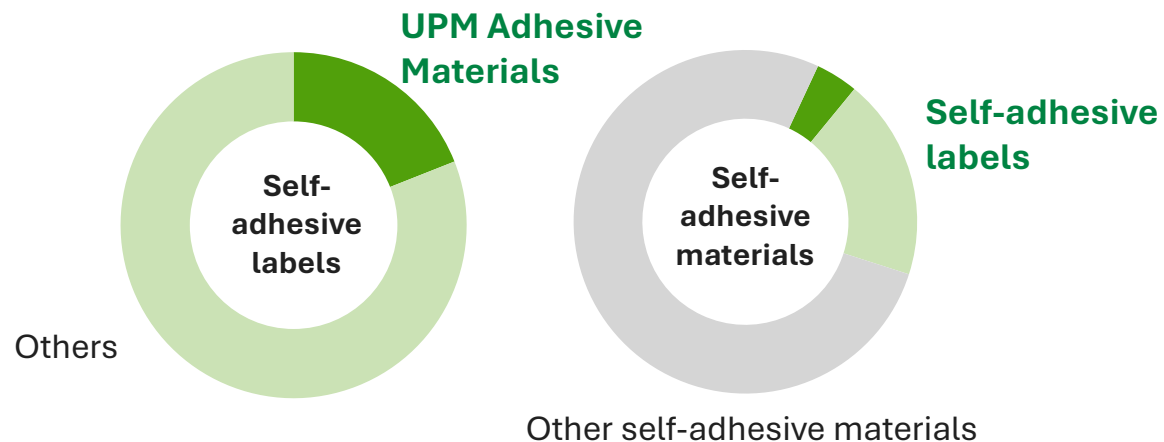
- >EUR 10bn global market
- ~3-4% p.a. growth
- Private consumption driven
- Largest of the labelling technologies
- <25% of total self-adhesive materials markets



UPM Adhesive Materials

Entering attractive adjacent markets

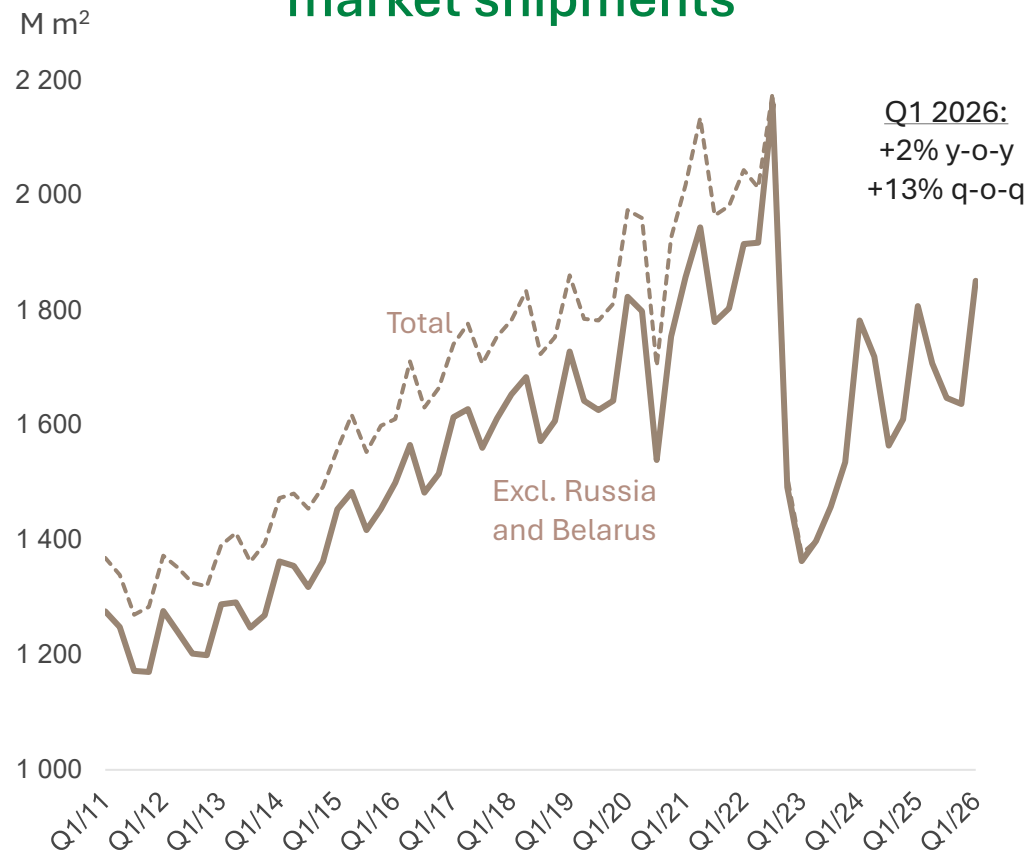
- Graphics solutions market entry through AMC acquisition
- Expanded product and technology portfolio through Grafityp and Metamark acquisitions
- Further potential in specialty tapes



UPM Adhesive Materials Label materials demand



European market shipments



Source: FINAT

North American market shipments



Source: TLMI

Renewable, recyclable papers for labeling and packaging



Sales 2025

€ million

1,485

EBITDA 2025

€ million

204

ROCE 2025

€ million

20.9%

LATAM



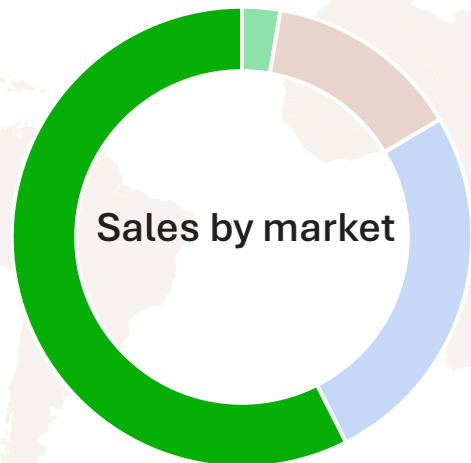
NA



EMEIA



APAC



Packaging



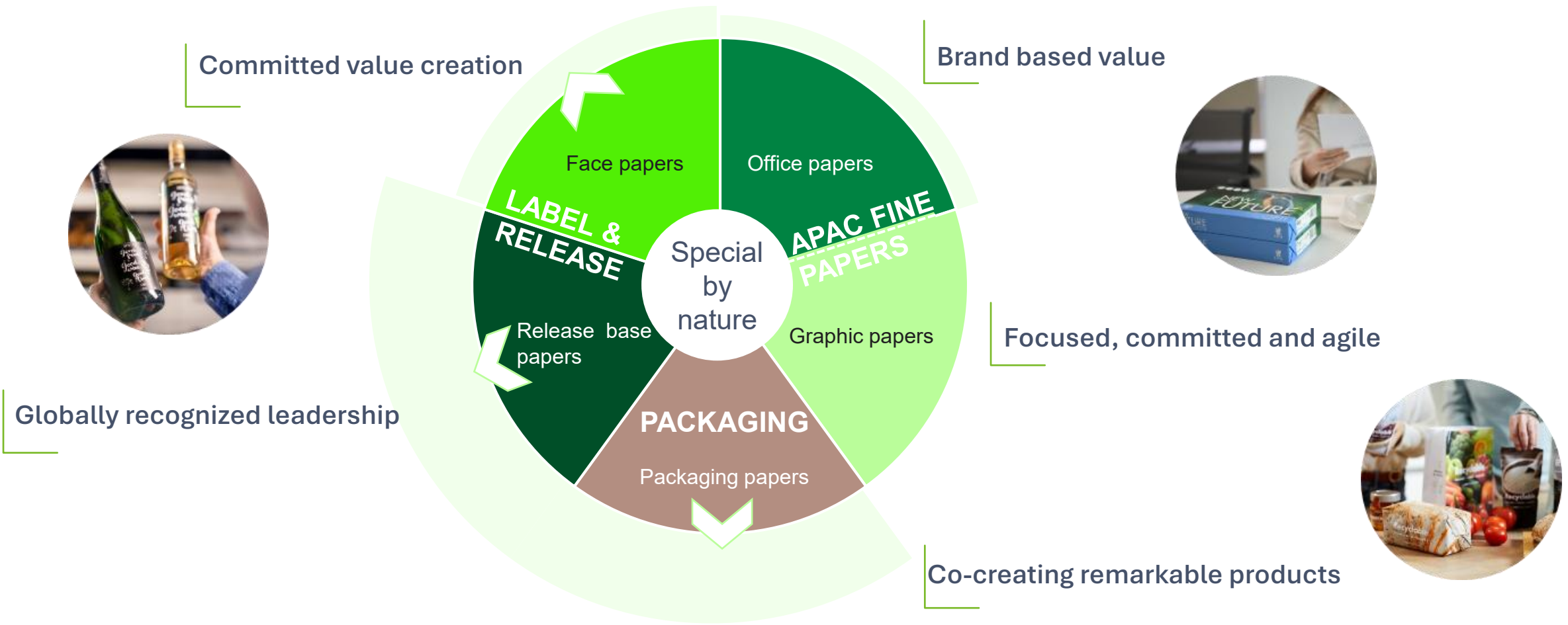
Label & Release



Fine



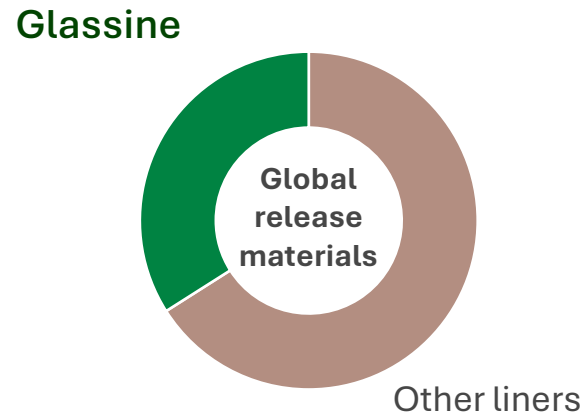
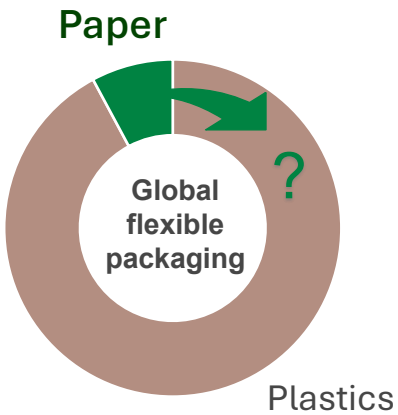
UPM Specialty Materials' growth strategy



UPM Specialty Materials

Entering attractive adjacent markets

- Flexible packaging entered through innovation & co-creation
- Robust barrier paper product development pipeline
- 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)

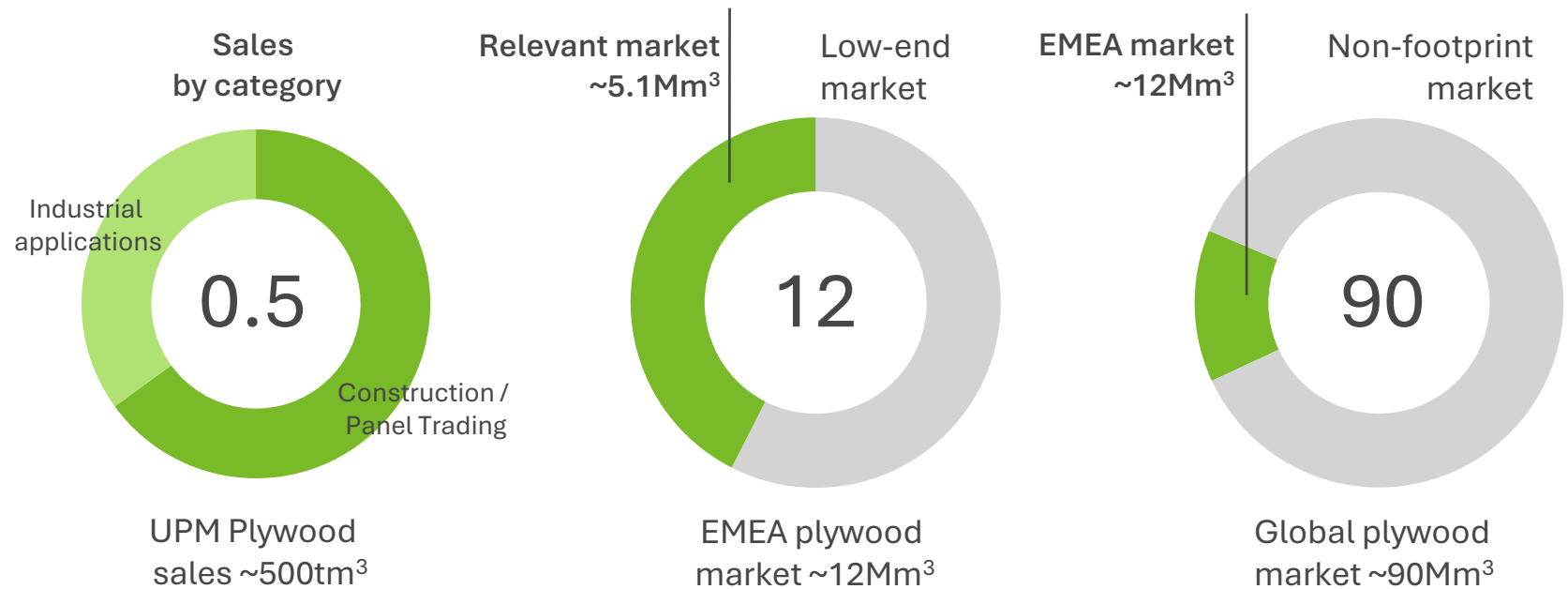


UPM Plywood

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

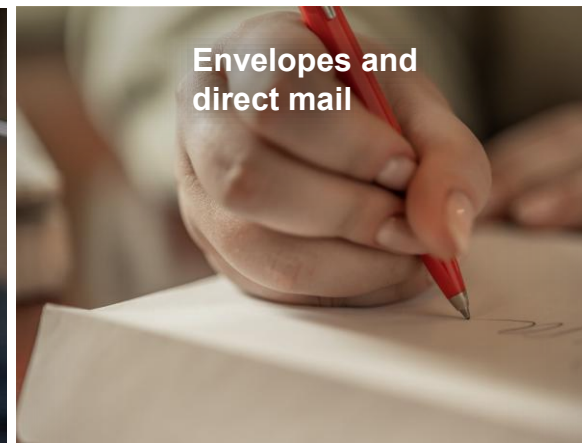
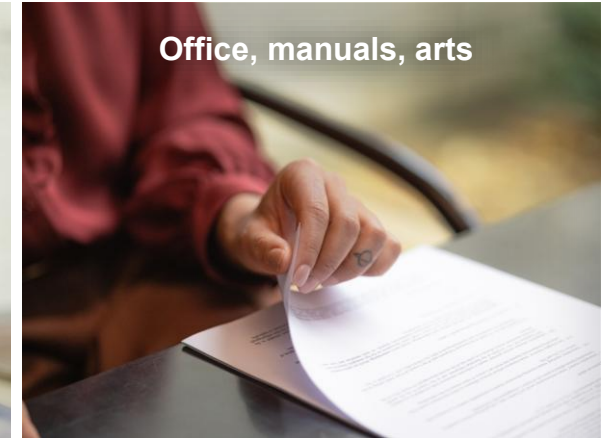
Strategic choices

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



UPM Communication Papers

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



Fine papers

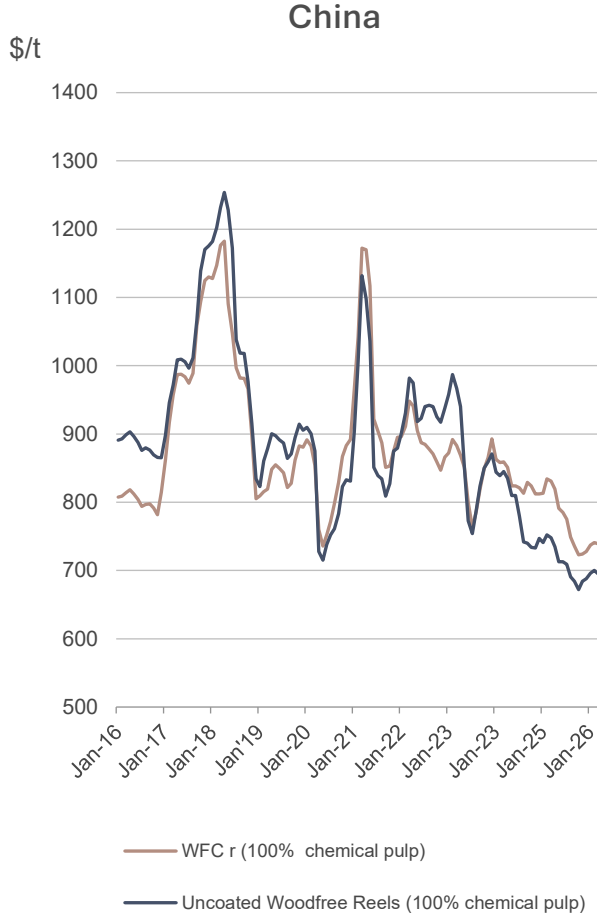
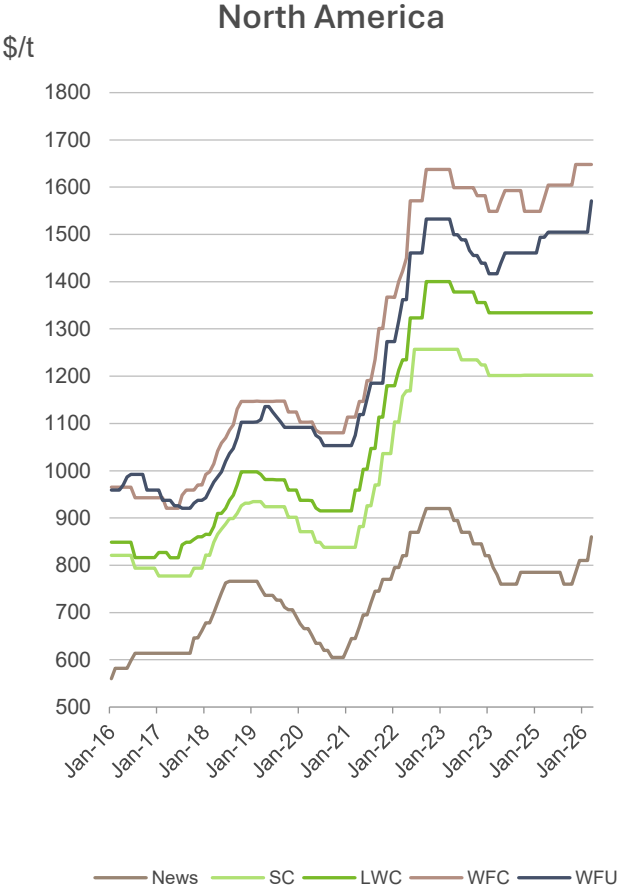
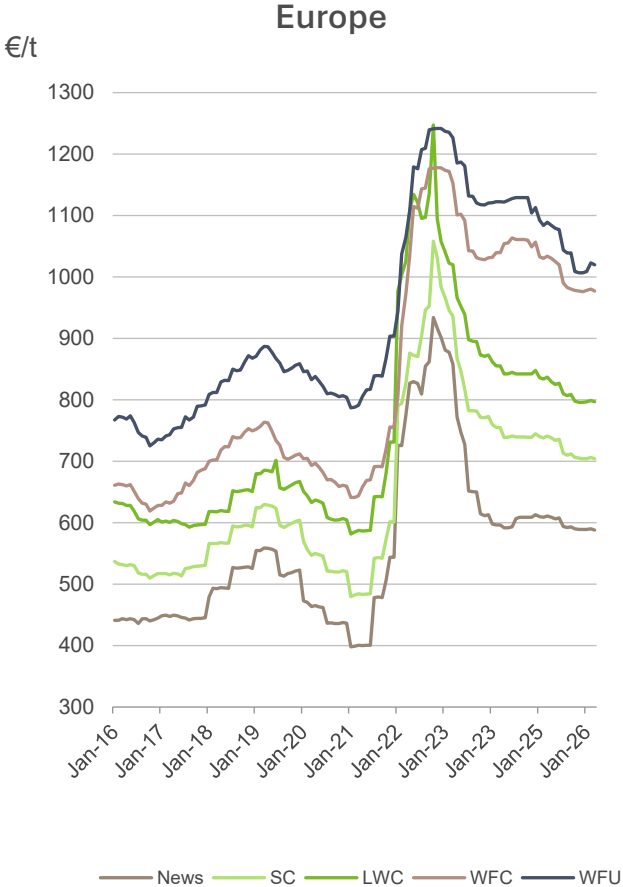
News & UMIO

SC

Coated mechanical

UPM Communication Papers

Graphic paper prices

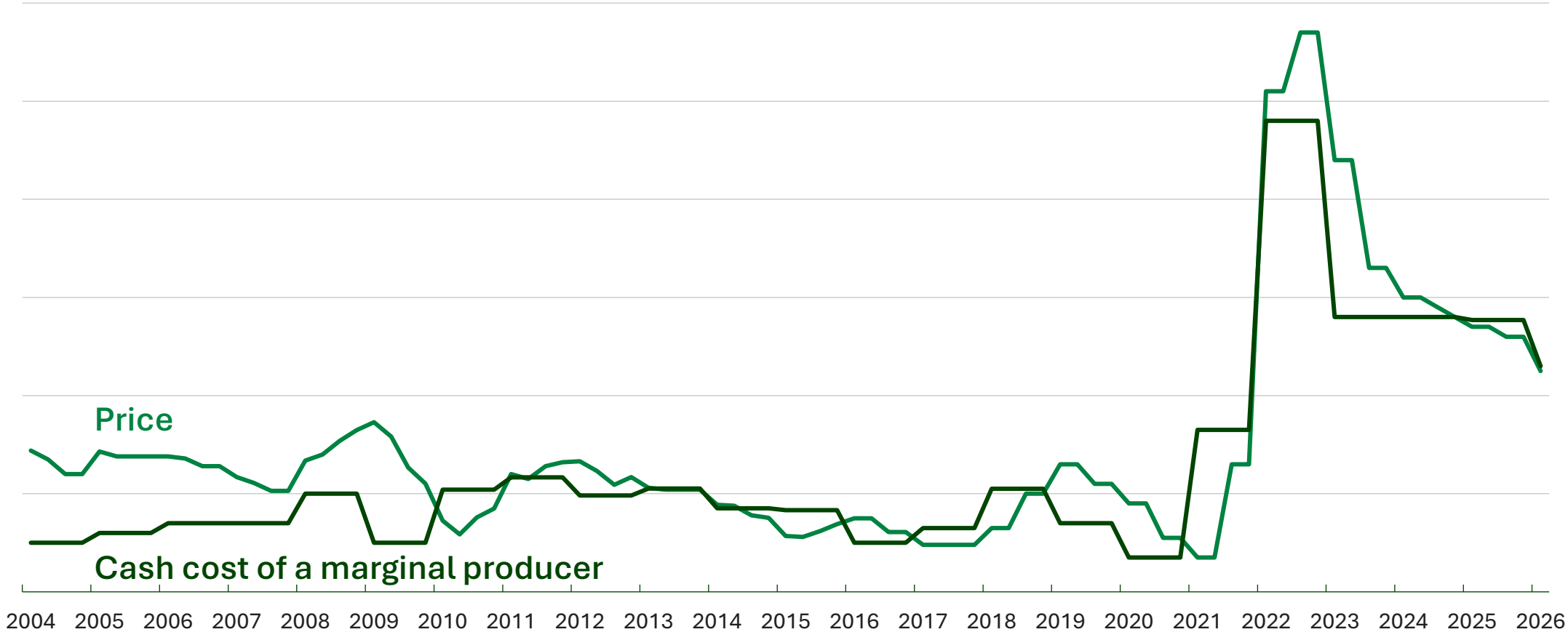


Sources: PPI, RISI

Paper price vs. cash cost of marginal cost producer



EUR/tonne



Sources: UPM, PPI, Fastmarkets, AFRY



UPM