



UPM

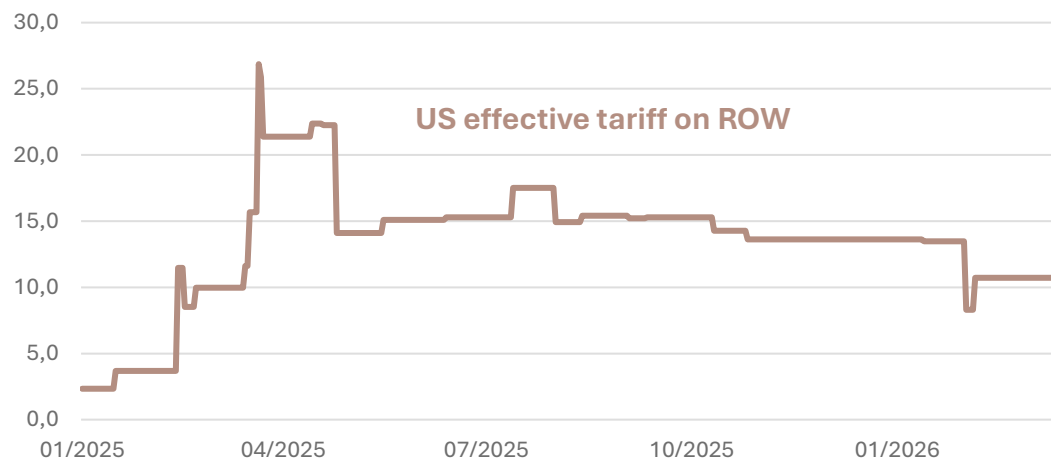
Review by the President and CEO

Massimo Reynaudo

Geopolitics impacting the business environment

Geopolitics impacting the business environment

Tariff uncertainty



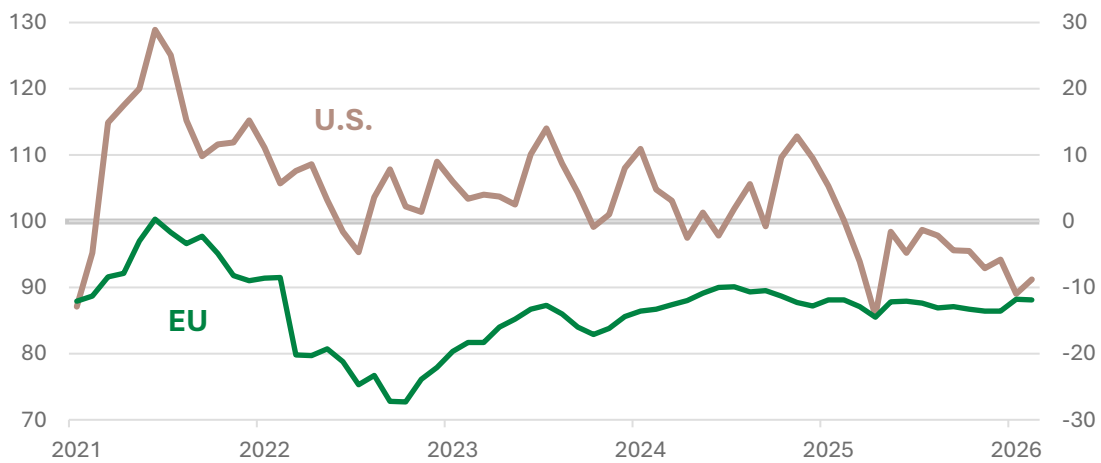
Currency fluctuation



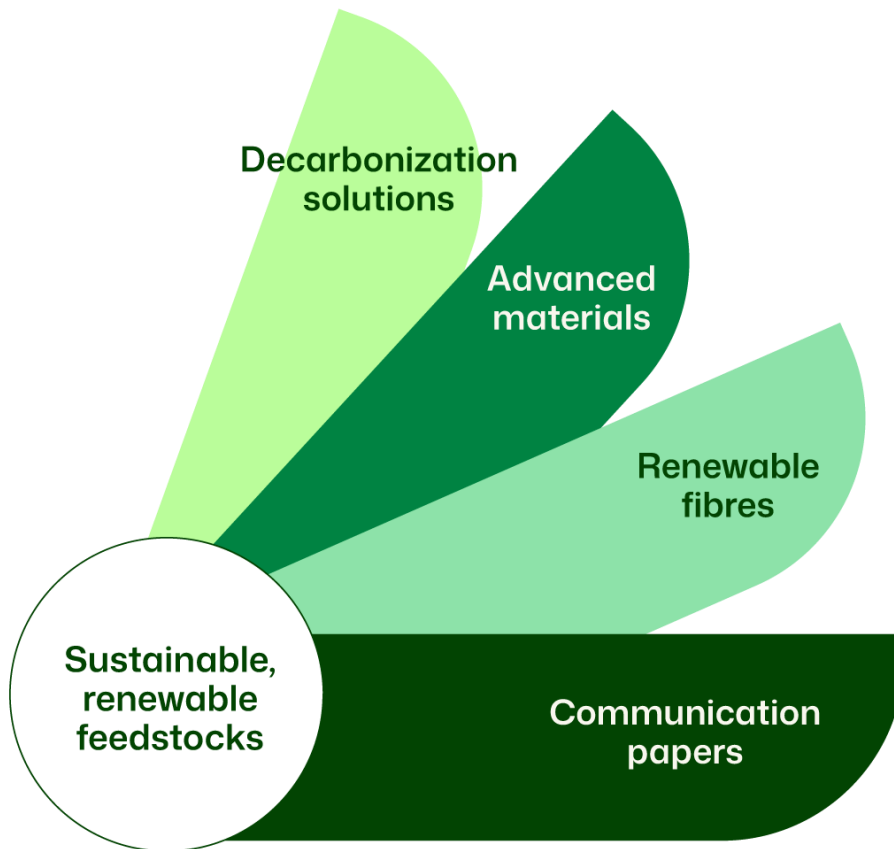
Energy market volatility



Muted consumer confidence



In the volatile business environment, demand in 2025 for UPM products was mostly resilient



Renewable fuels, Europe	+34%
Electricity, Finland	+3%
Label materials, Europe	+2%
Market pulp, world	+3%
Graphic paper, Europe	-8%

Our actions in 2025

Sharpening competitiveness

Biofuels:

profitability turnaround,
discontinued Rotterdam planning

Adhesive Materials:

restructured the production footprint,
growth faster than the market

Fibres South:

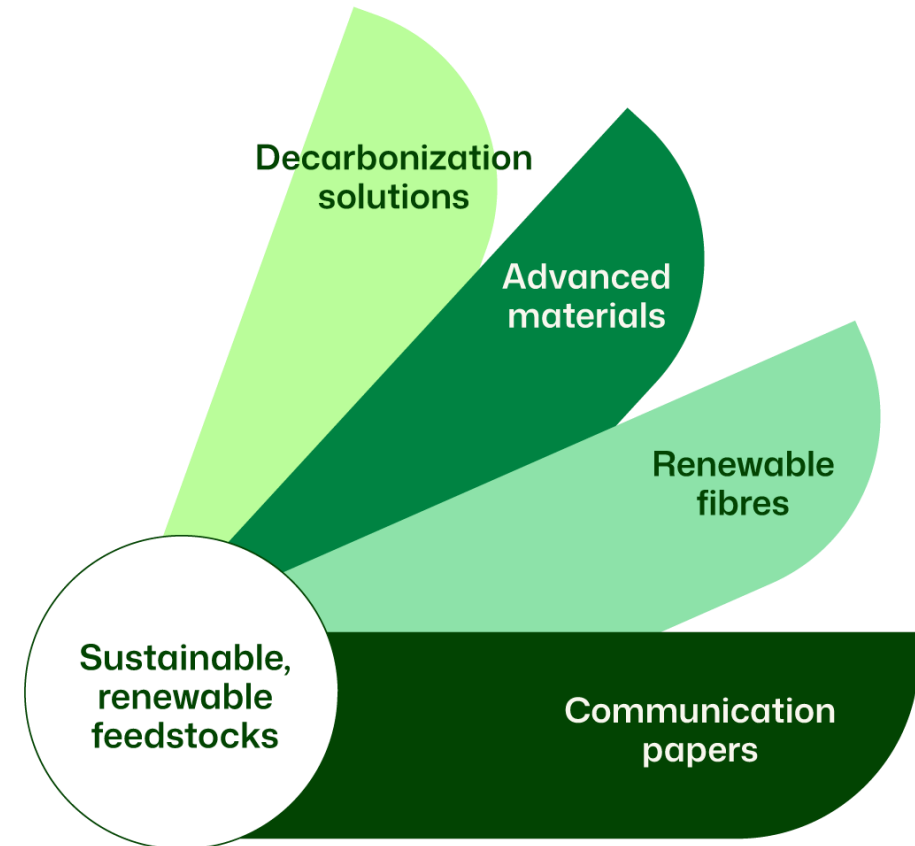
decreased costs

Fibres North:

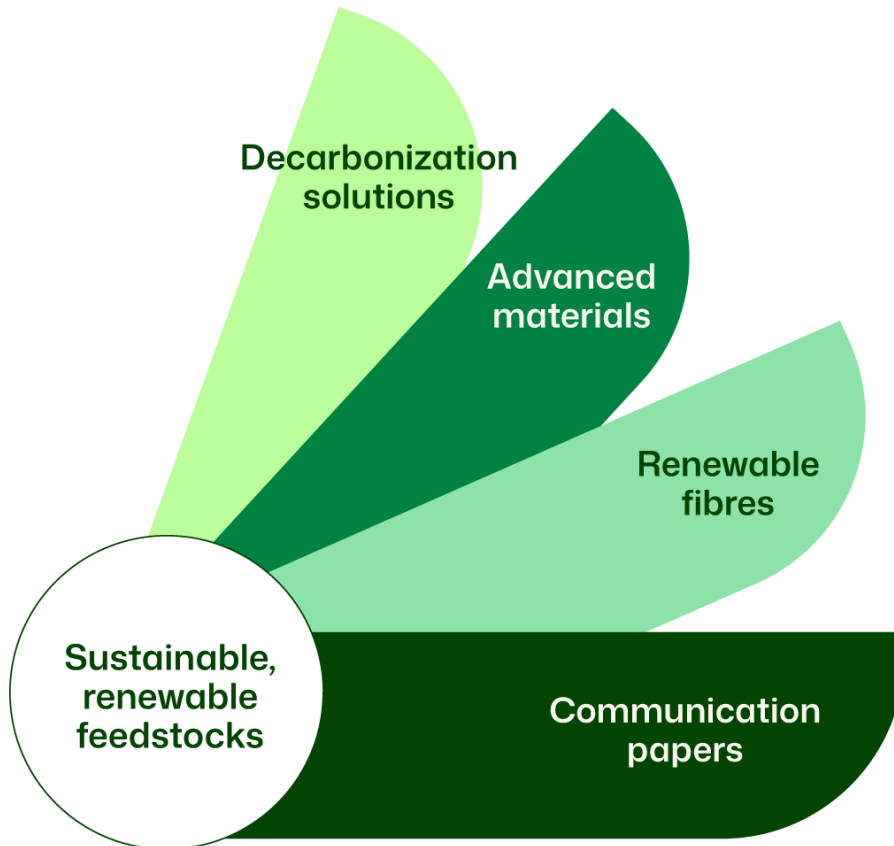
production curtailments

Communication Papers:

restructured the production footprint



Transforming the company



Biochemicals:

started commercial business

Biofuels:

planning debottlenecking

Adhesive Materials:

Metamark acquisition, investments in the US and Asia

Specialty Materials:

growth in barrier papers

Plywood:

strategic review

Fibres:

first full year of nominal capacity in Uruguay,
Versowood partnership in Finland

Communication Papers:

Joint Venture plan with Sappi



UPM Plywood strategic review to assess options for maximizing its long-term potential



- Possible outcomes include a divestment, partial demerger or IPO
- A strong business with a proven ability to perform
- Efficient production, well-established commercial model, long-standing customers and the trusted WISA® brand

Strong financial performance through varying market conditions

**5-year average
Sales**

€ million

458

**5-year average
comparable EBIT**

€ million

63

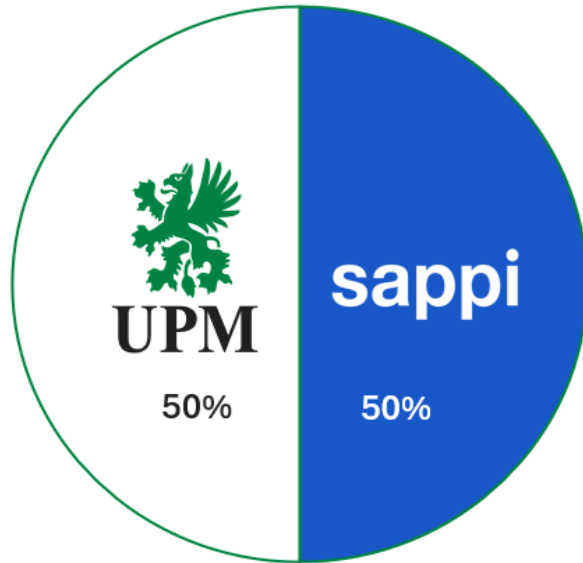
14% of sales

**5-year average
ROCE**

%

25

Planned graphic paper Joint Venture with Sappi



- UPM Communication Papers and Sappi's graphic paper business in Europe
- Subject to definitive agreements and approval of merger authorities
- Expected to have a positive impact on UPM's profitability margins, balance sheet and leverage

Independent graphic paper company

Mills

UPM + Sappi

8+4

Anticipated synergies

€ million annually

100

Combined enterprise value, excl. synergies

Enterprise value

€ million

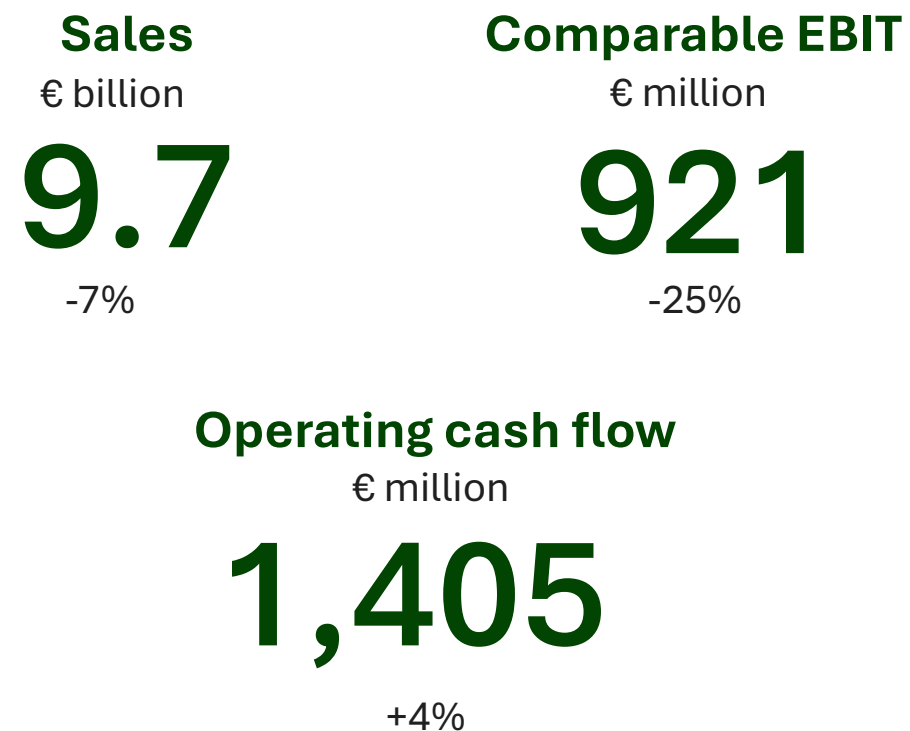
1,420

Our results 2025

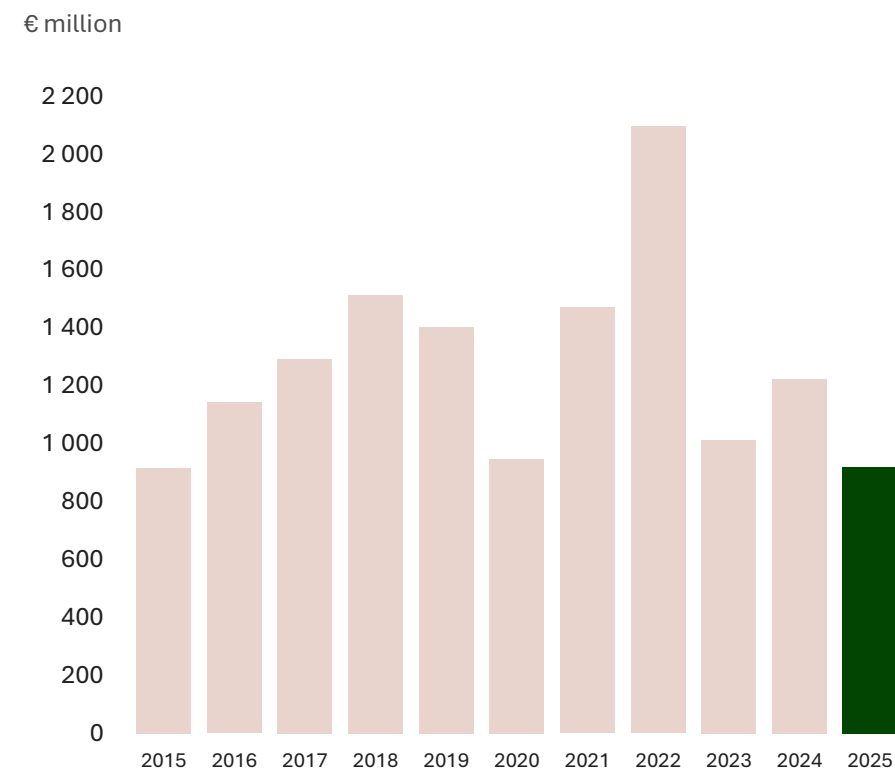
The year 2025 in numbers



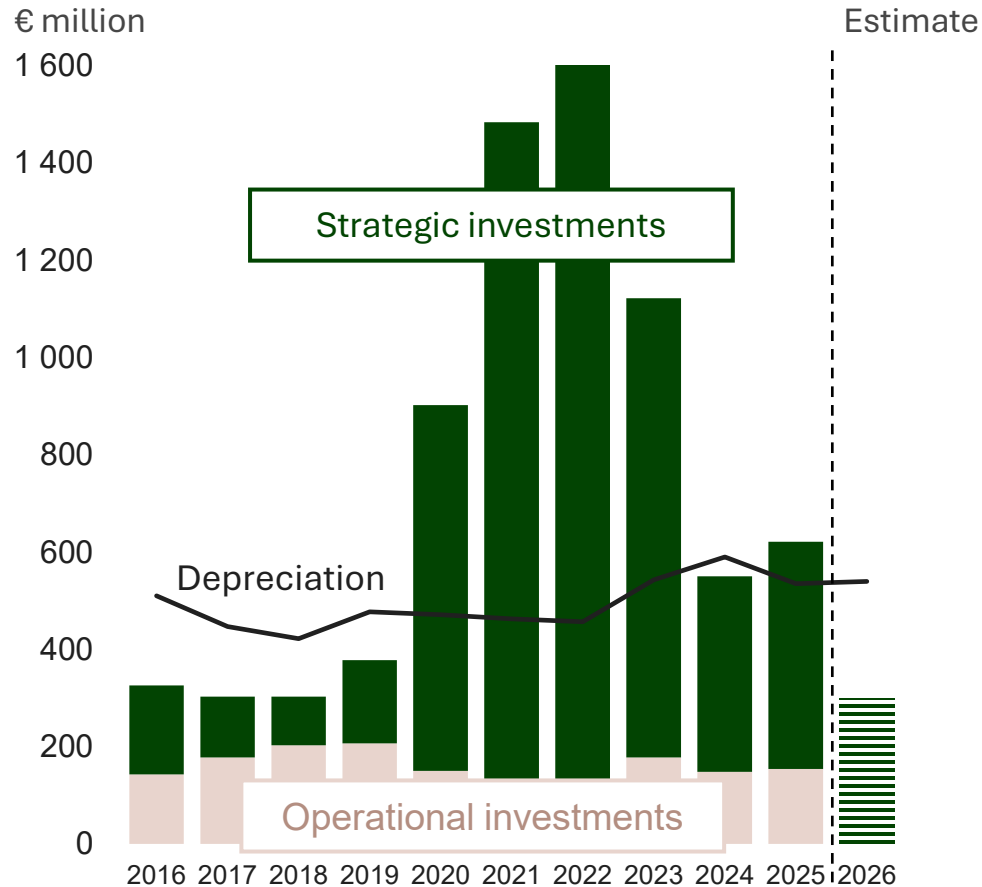
Sales and performance



Comparable EBIT



Low capital expenditure after the major investment cycle



Capital expenditure

Capital expenditure 2025

excl. acquisitions, € million

409

Capex estimate for 2026

excl. acquisitions, € million

300

**Operational investment
needs consistently low**

Solid financial position



Balance sheet

Net debt

€ million Dec 31, 2025

3,004

Net debt / EBITDA ratio 2.29

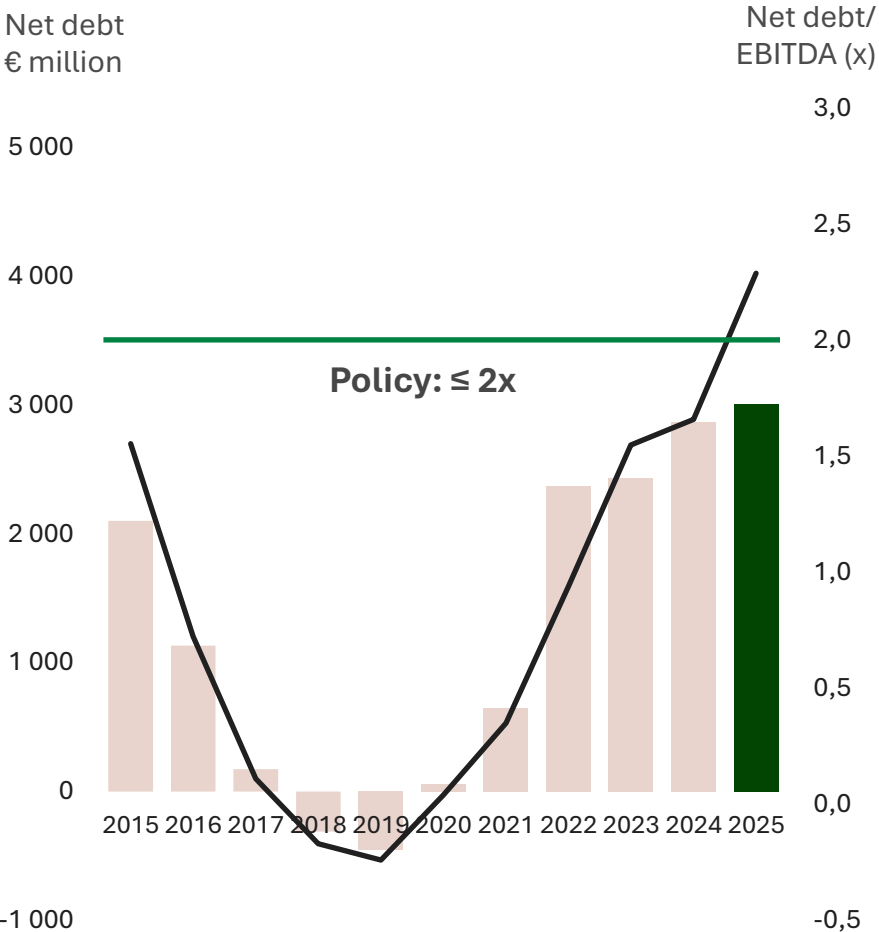
Cash funds

and unused credit facilities, € million

2,700

No financial covenants

Net debt and leverage



Consistent, attractive dividend

Rewarding shareholders

Dividends paid in 2025 Share buybacks in 2025

€ million

792

Apr and Nov 2025

€ million

160

H1 2025

Dividend proposal for the AGM

€ million

791

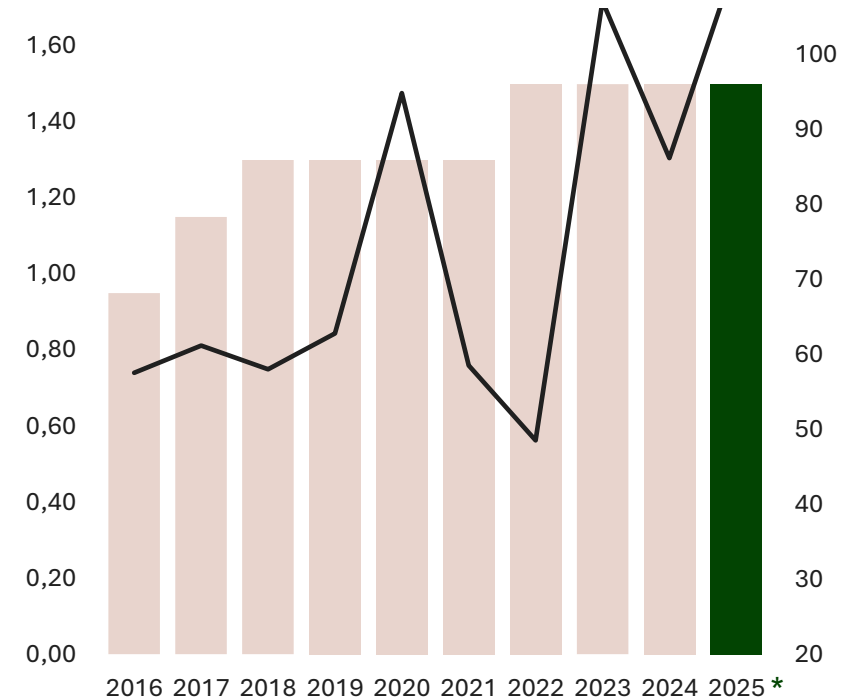
€ / share

1.50

Dividend 10 years

€/share

% of comp. EPS



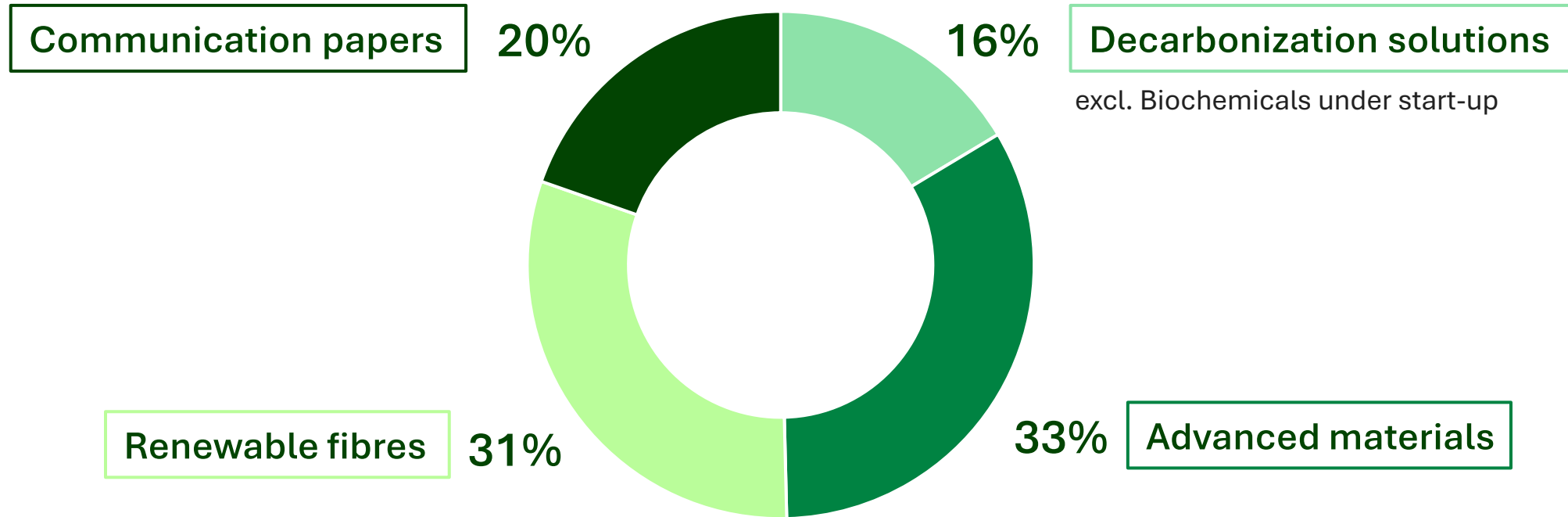
*) Board's proposal

Our direction

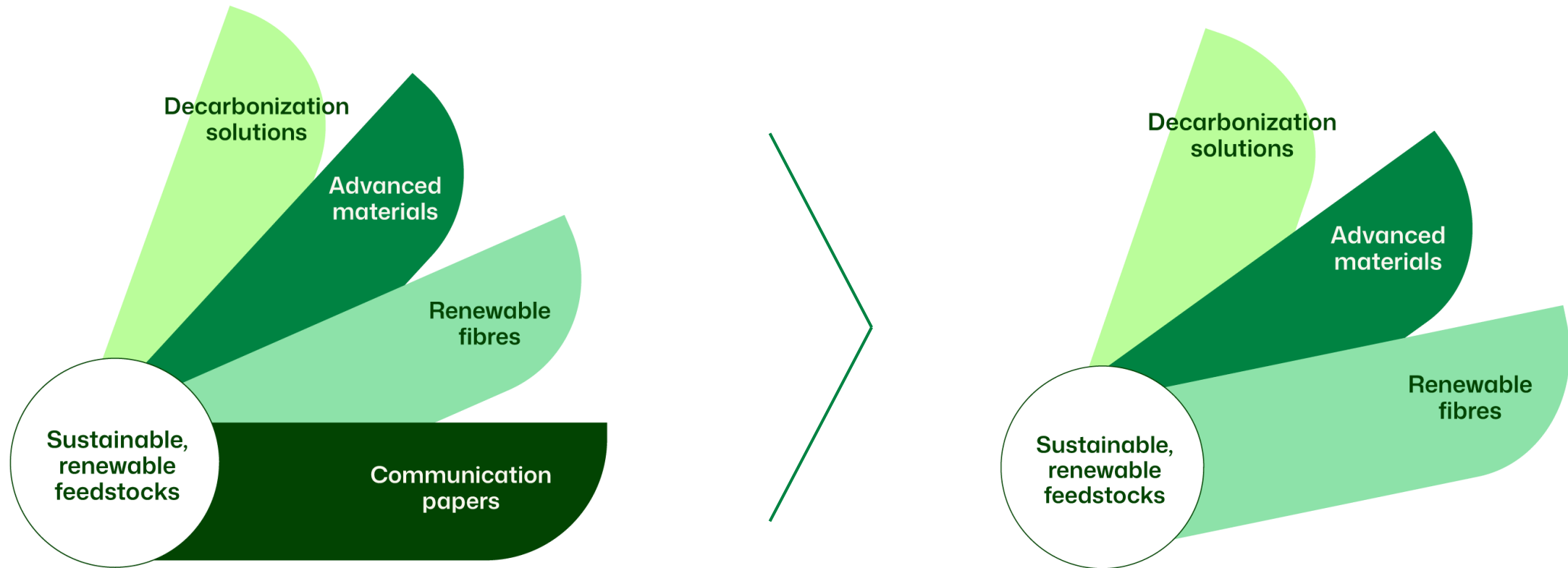
More than a 'pulp and paper company': a diversified portfolio with solid growth opportunities



Comparable EBIT 2025



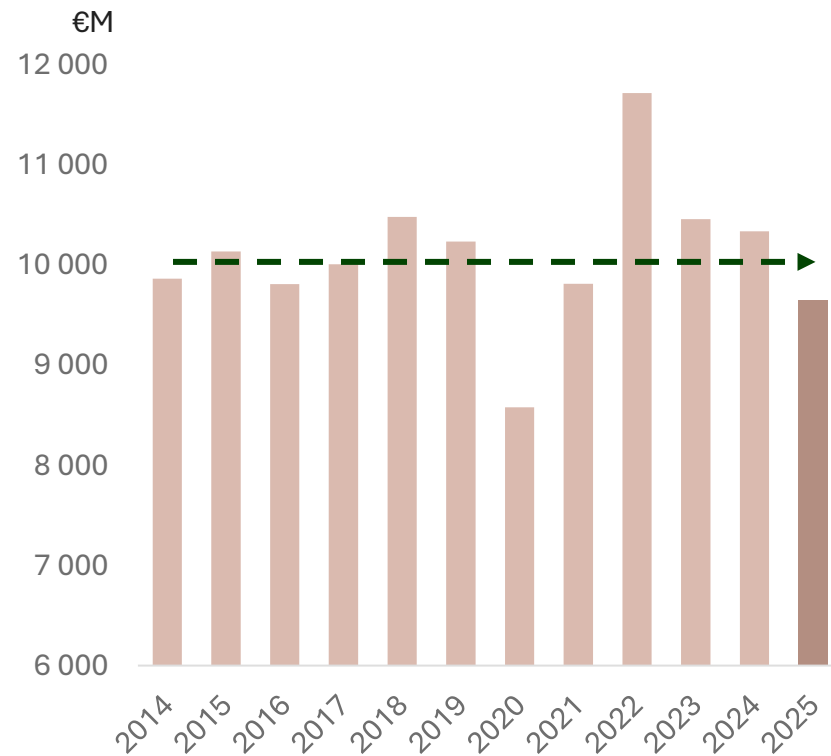
With the portfolio initiatives, we aim to change the company profile, increasing its growth potential and margins



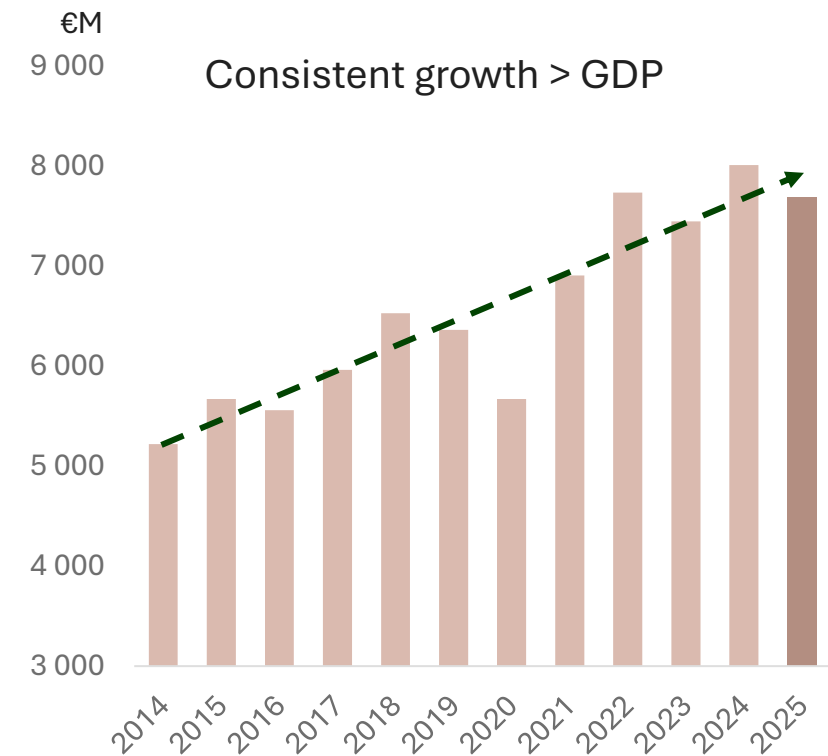
A focused portfolio to enable accelerated growth in the coming years



UPM sales

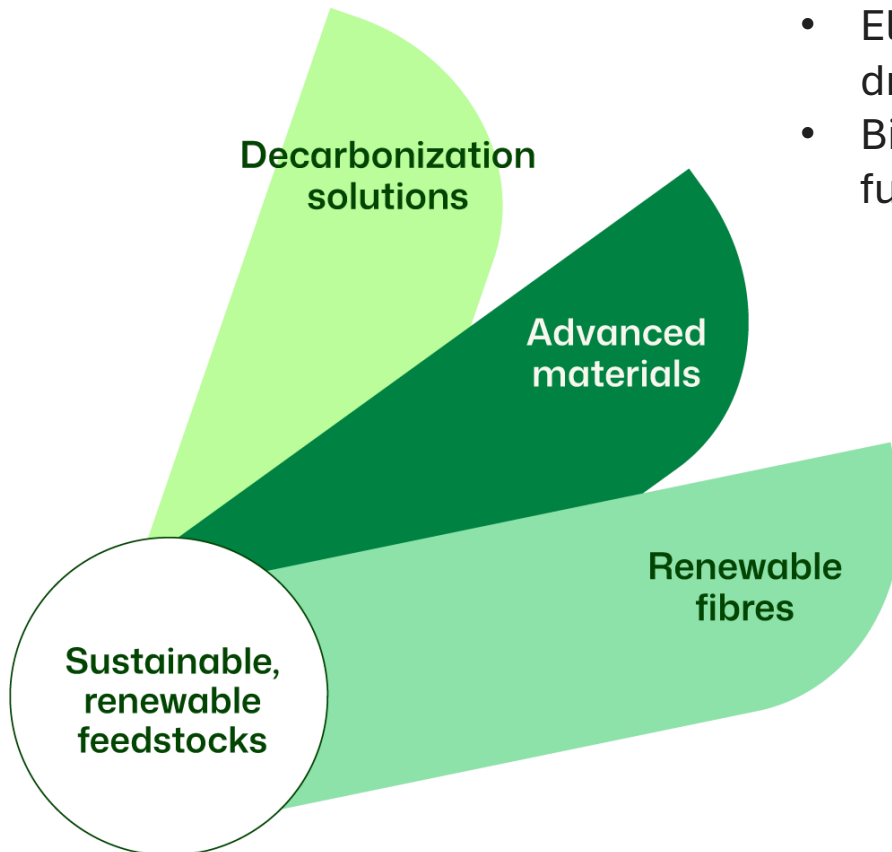


UPM sales^(*), excl. Communication Papers and Plywood



^(*) unconsolidated

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



High growth potential and unique position

- Electrification of the society, datacenters and green industries drive electricity demand growth
- Biofuels and Biochemicals enable lower 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

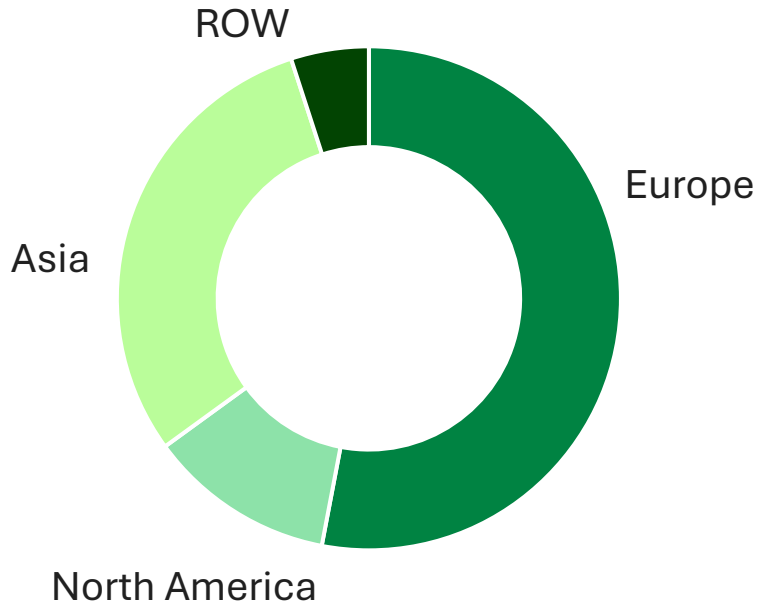
- World-class low-cost platform in Uruguay, with further cost optimization and capex-efficient debottlenecking potential
- Flexible platform in Finland

Our global business model has shown resilience

By going more global we aim to accelerate growth



UPM sales geographically, excl.
Communication Papers and Plywood

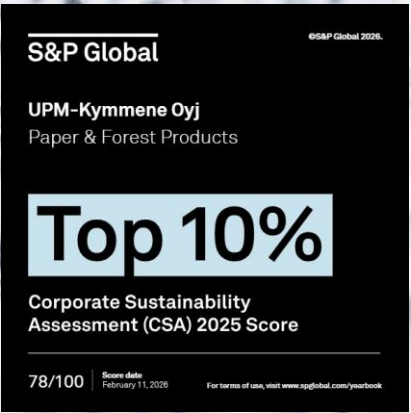


UPM sales in the future^(*)



(*) this is not a forecast

Our dedication to responsible business and environmental leadership will continue





Employees turning into shareholders: the MyShare program



UPM's success is fueled by the deep engagement of our global team

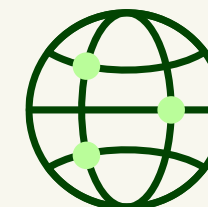
Almost

3,000



employees
participated in the first plan

29



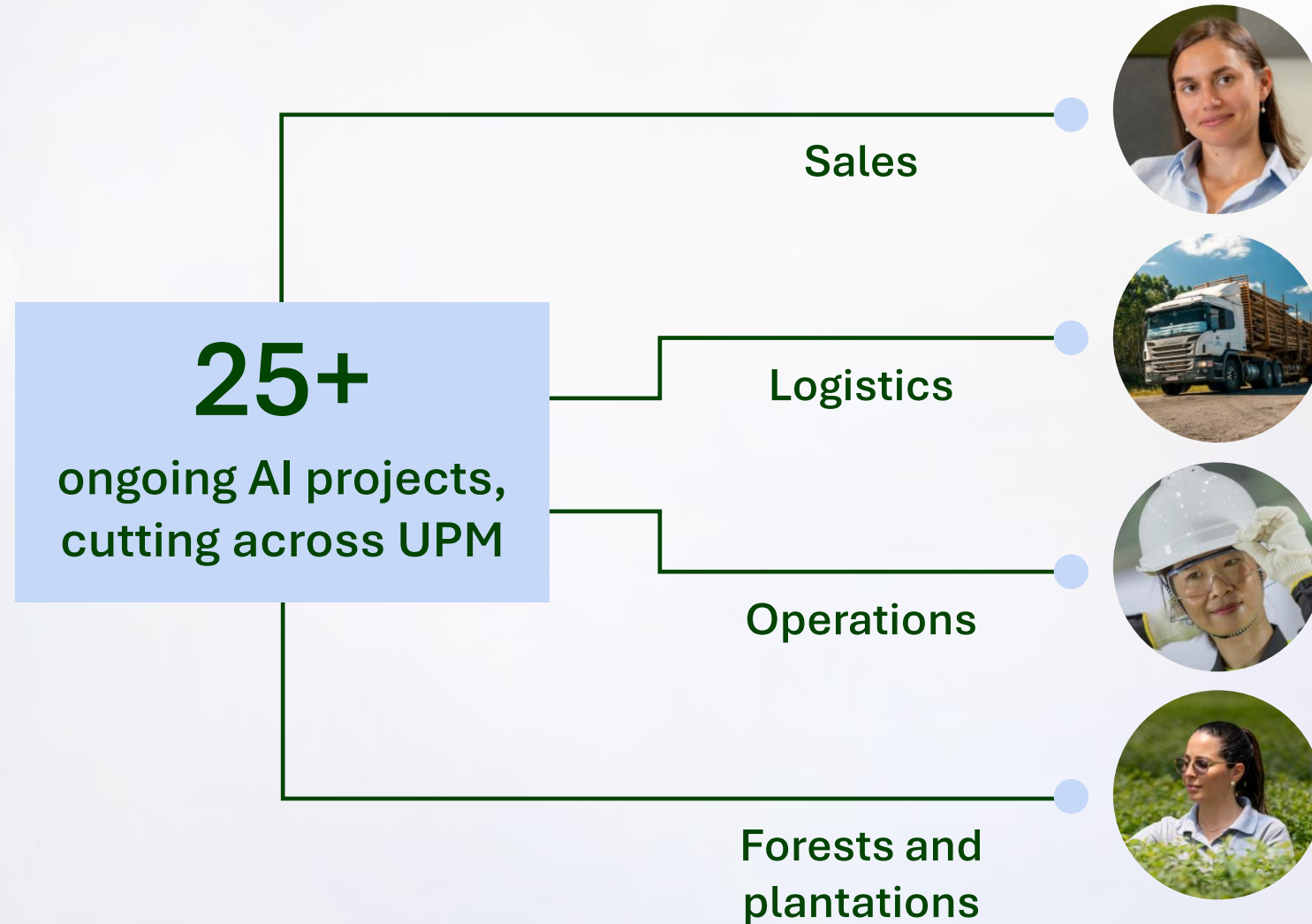
countries
with participating employees

Strong global interest and participation across UPM.
Building on the first plan's success, a new three-year MyShare plan
launches in June 2026.

MyShare



AI is being deployed at scale across our entire organization



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

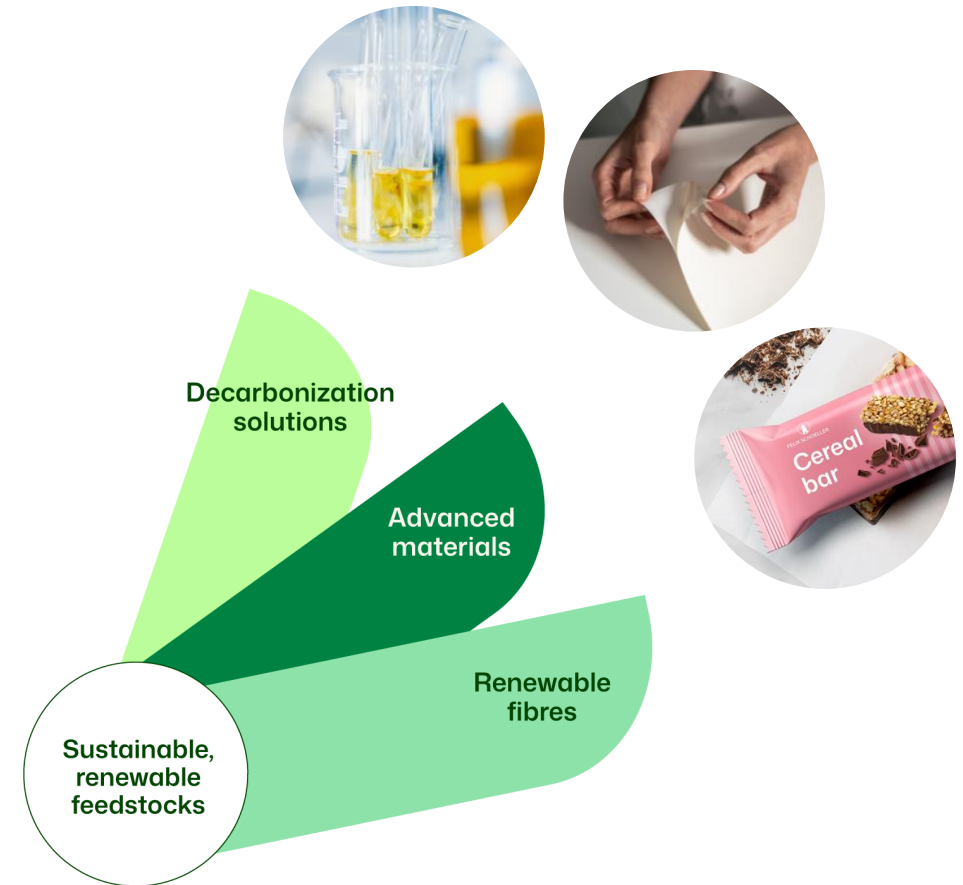
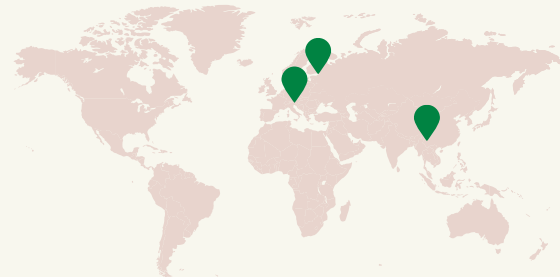
Over **2,000**
trademarks

TM



Global research centers:

3 centers located in
Finland, China, Germany





UPM