UPM Interim Report Q3 2026

CEO Massimo Reynaudo

October 28, 2026



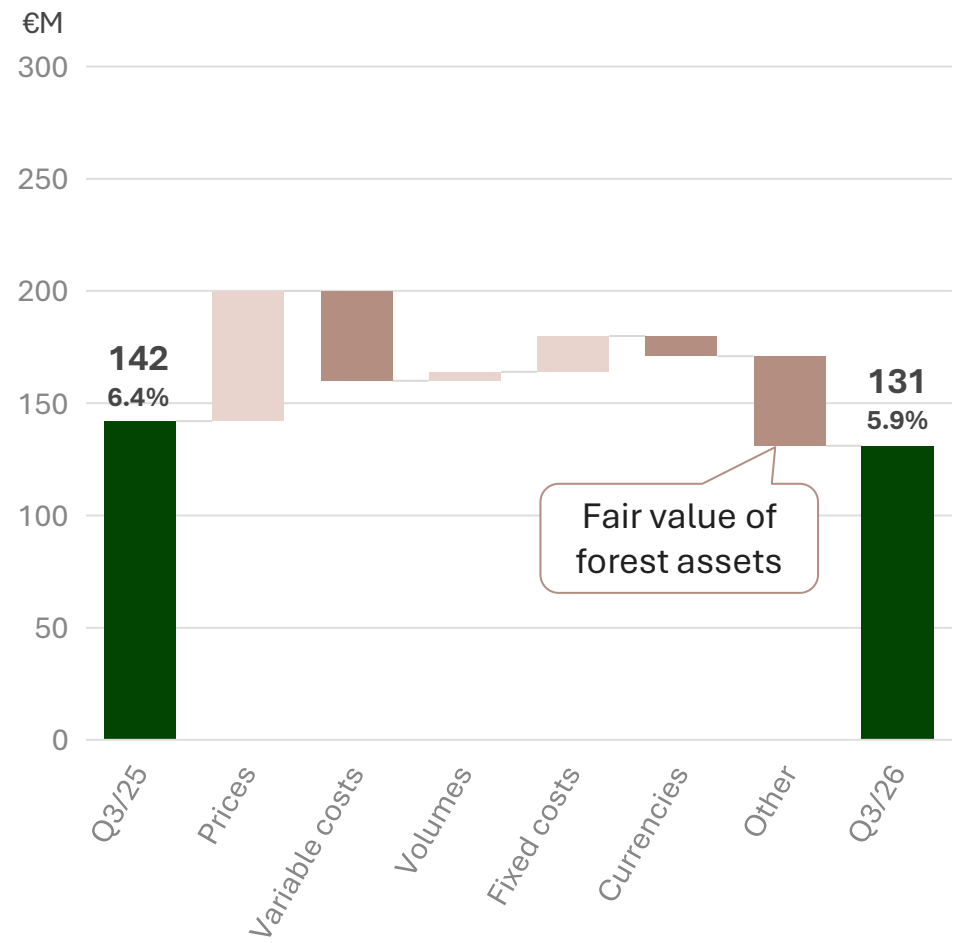
Q3 2026 – strong cash flow in a challenging quarter amid destocking and cost inflation

- Sales from continuing operations totaled €2,202 million (2,226 million in Q3 2025)
- Comparable EBIT from continuing operations decreased by 8% to €131 million, 5.9% of sales (142 million, 6.4%)
- Q3 performance impacted by lower deliveries during customer destocking, and increased variable costs
- Actions to improve working capital efficiency resulted in strong operating cash flow at € 420 million (218 million)
- Transformative projects continued

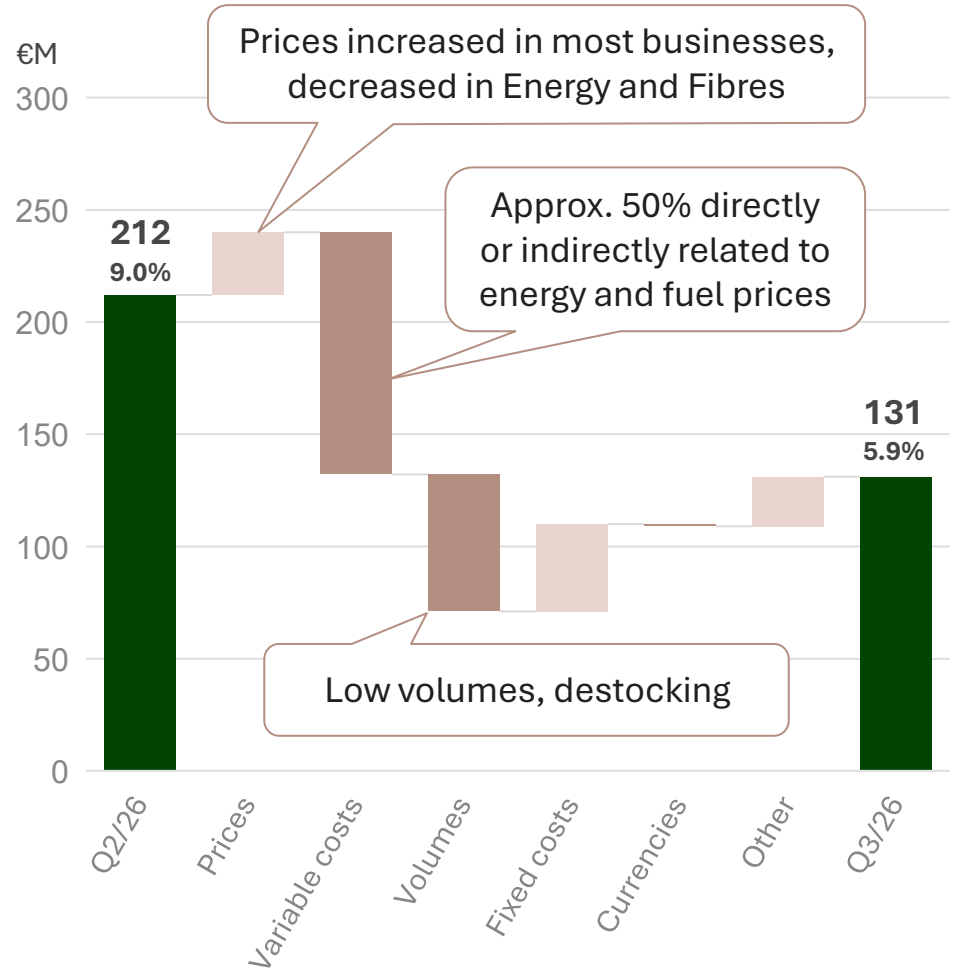
UPM Plywood is presented as discontinued operations

Comparable EBIT in Q3 2026, continuing operations

Q3 2026 vs. Q3 2025



Q3 2026 vs. Q2 2026

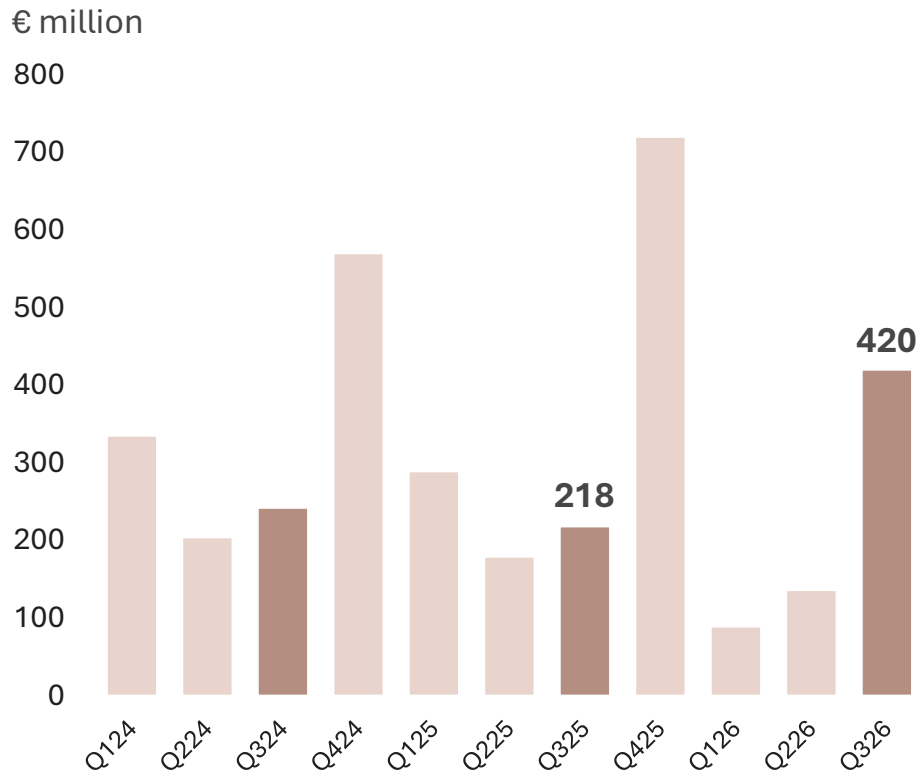


Q1-Q3 2026 operating cash flow temporarily impacted by seasonal working capital, items affecting comparability

Cash flow [1]

€ million	Q1-Q3 2026	Change yoy
Comparable EBITDA	**1,048**	**+119**
Utilised provisions	-102	-33
Other adjustments	-41	-71
Change in working capital	-63	-38
Finance costs, taxes	-196	-16
Operating cash flow	**645**	**-40**
Investing cash flow	-182	+210
Free cash flow	**462**	**+170**

Operating cash flow [1]



[1 includes continuing and discontinued operations

Solid financial position

Balance sheet

Net debt (1

€ million September 30, 2026

2,993

Net debt / EBITDA ratio 2.09

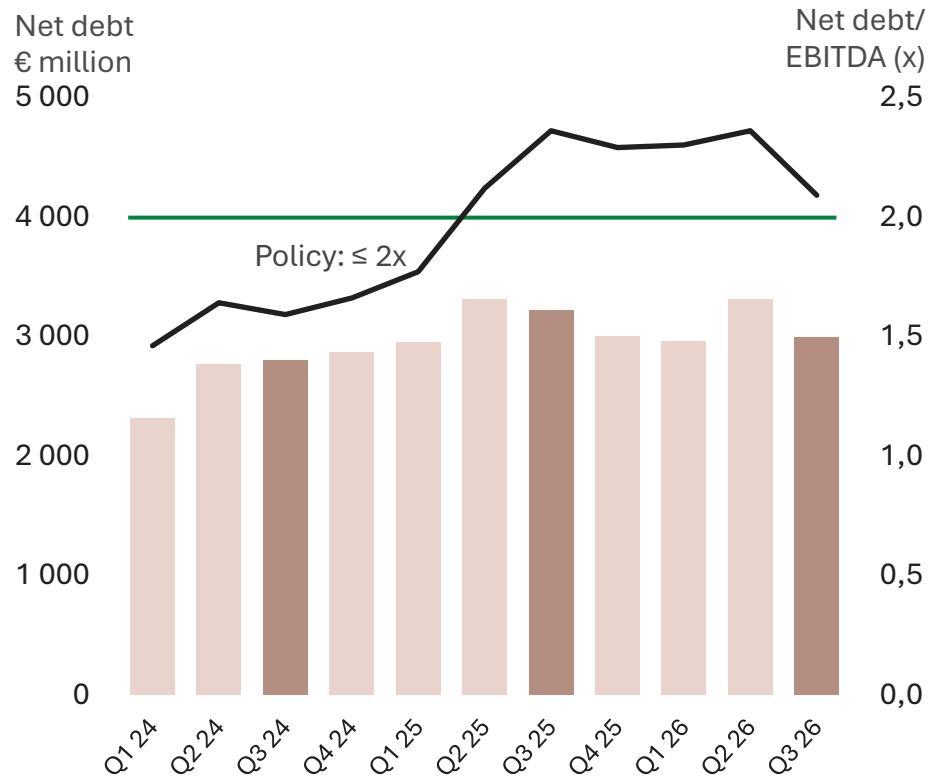
Cash funds

and unused credit facilities, € million

2,600

No financial covenants

Net debt and leverage (1



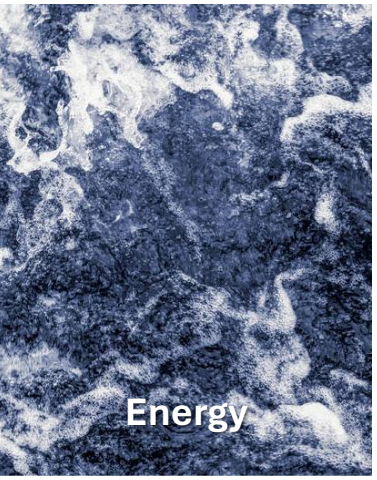
(1 includes continuing and discontinued operations

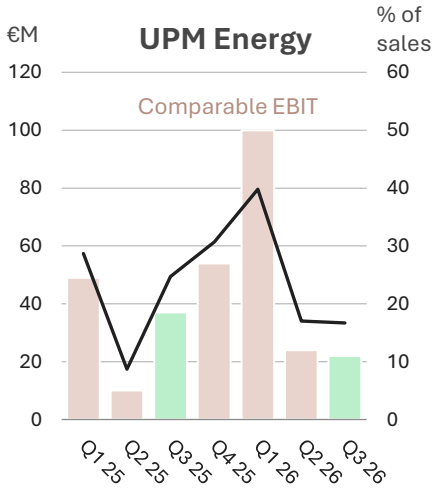
Outlook (*

- **Profit guidance:** UPM's comparable EBIT in H2 2026 from continuing operations is expected to be approximately in the range of €375-575 million (€479 million in H2 2025, and €471 million in H1 2026). These figures exclude UPM Plywood, which is classified as discontinued operations.
- **Outlook:** In H2 2026, compared with H1 2026, UPM's delivery volumes are expected to decrease. UPM's performance is expected to be supported by moderately higher sales prices. Variable costs are expected to increase. Energy refunds are expected to support UPM Communication Papers' result in Q4. Maintenance activity is expected to increase from the comparison period. The production ramp-up at UPM Leuna is expected to increase costs moderately.
- In H2 2026, compared with H2 2025, UPM's performance is expected to benefit from higher sales prices. Variable costs are expected to increase. Fair value change of forest assets is expected to have a significantly smaller impact on comparable EBIT in H2 2026 than in H2 2025 (€131 million). The energy refunds to be booked in UPM Communication Papers in Q4 are anticipated to have a somewhat smaller positive impact than in 2025. Maintenance activity is expected to increase from the comparison period. The production ramp-up at UPM Leuna is expected to increase costs.

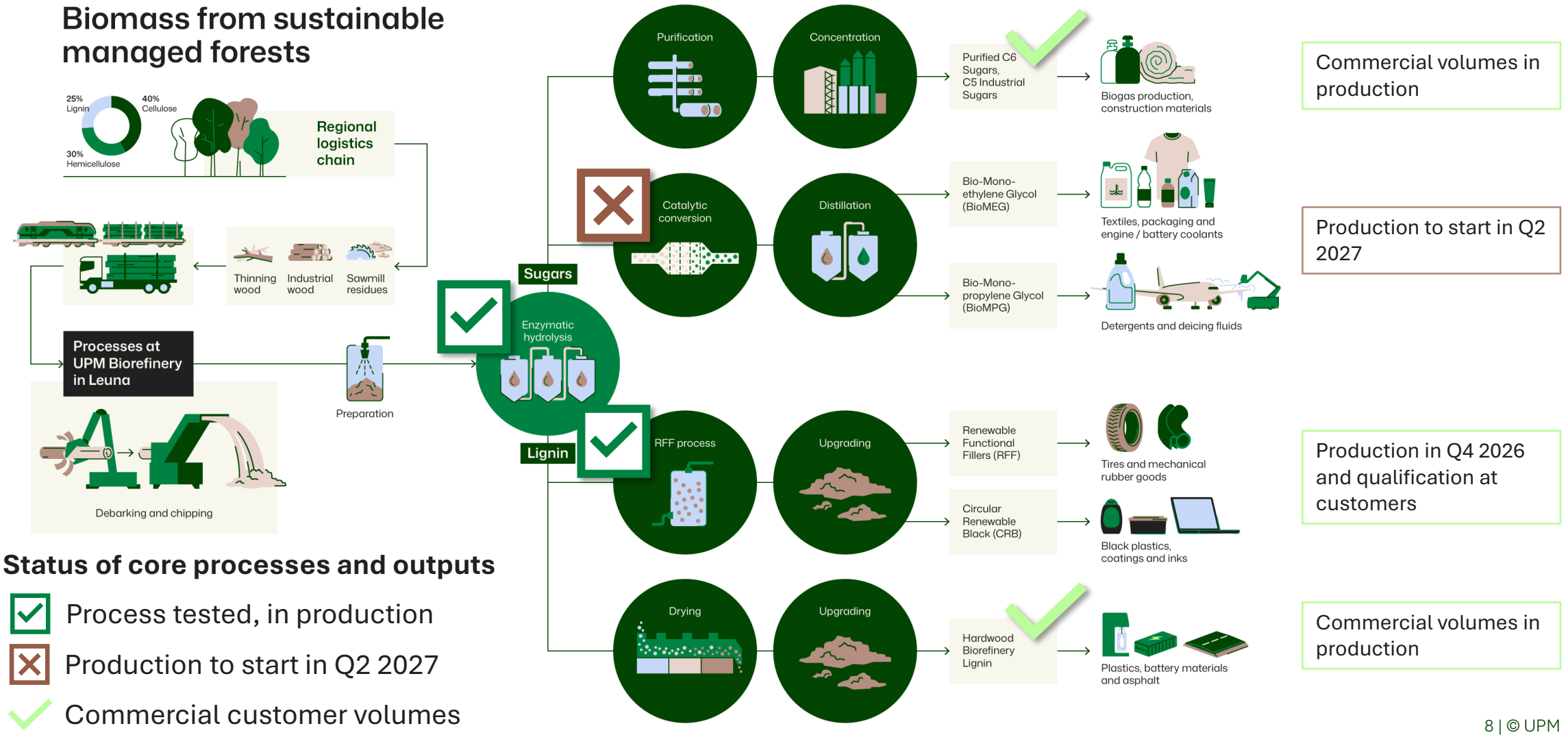
(* see UPM Interim Report Q3 2026
for the full Guidance, Outlook and sensitivities

Decarbonization solutions: strong markets and attractive long-term outlook

	Markets	Actions	Results
	Electricity consumption growth continued in Finland, +5% LTM to September Q3 followed normal seasonality Electrification, data centers and green transition drive growth New data center projects announced in Finland during Q3	Maximize value in the transforming markets 12 TWh of clean baseload electricity offering ~1 GW of new renewable energy development pipeline ~4 GW of sites suitable for data centers, other industrial actors	Q3 2026 comparable EBIT €22 million, 17% of sales 9M 2026 comparable EBIT €146 million, 28% of sales OL3 maintenance shutdown in September-October
	Good demand and healthy bio-premiums for advanced renewable fuels Elevated fossil fuel prices	Capex-efficient debottlenecking Qualification process for SAF Proprietary feedstock technologies development	Biofuels posted strong results Lappeenranta refinery maintenance in Q3
	Robust demand and sales pipeline for biochemicals products	Leuna: two of three core processes in production. Third to start in Q2 2027 Production at nominal capacity to be reached in early 2028	Biochemicals ramp-up ongoing



Leuna biorefinery integrated production is expected to start in Q2 2027, nominal capacity to be reached in early part of 2028



Status of core processes and outputs

- Process tested, in production
- Production to start in Q2 2027
- Commercial customer volumes



Biochemicals business ramp-up continues

Biochemicals long-term business case, including attractive growth and profitability outlook is intact

- Commercial interest in the main products and side-streams is strong
- High-value product range and technology options have been widened further
- At the Leuna refinery, two of three core processes have been tested and are in production
- Third process requires a certain modification, to be completed in Q1 2027
- Integrated production is expected to start in Q2 2027, nominal capacity to be reached in early 2028. This is the prerequisite for EBIT positive operation
- On this basis, the EBIT impact for the full year 2027 is expected to be on broadly similar level as in 2026

UPM Energy is a strong partner for data centers

12 TWh

Reliable CO_2-free electricity production, #2 in Finland

Able to offer long-term power purchase agreements (PPAs)

Trading and balancing services

~4 GW(*

Suitable sites for data centers

Ready to build:

~1 GW within 2 years

~3 GW within 5 years

~1 GW(*

Renewables and battery development portfolio

Ready to build:

within 2 years

Reliable and responsible industrial operator

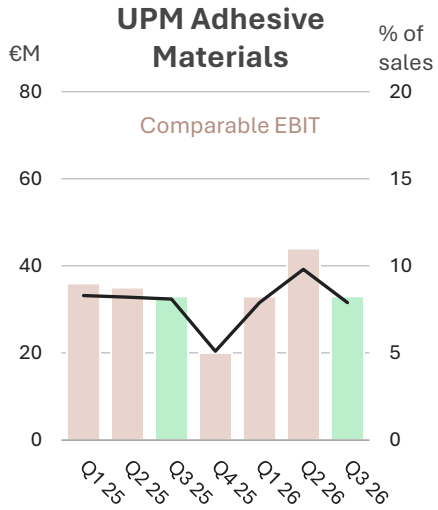
Extensive expertise in permitting and projects in Finland

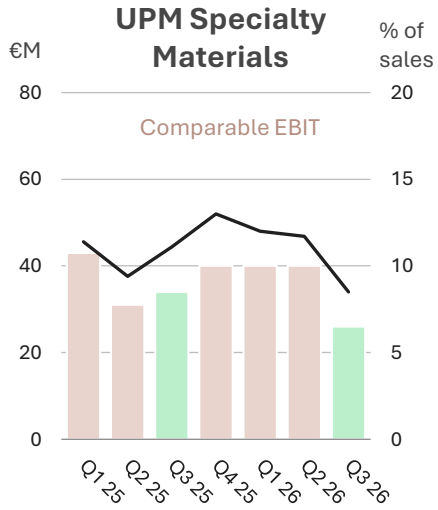
Finland's second-largest landowner

(* Pending grid allocation and finalization of permitting
Additional longer-term potential for both sites and renewables, depending on grid development

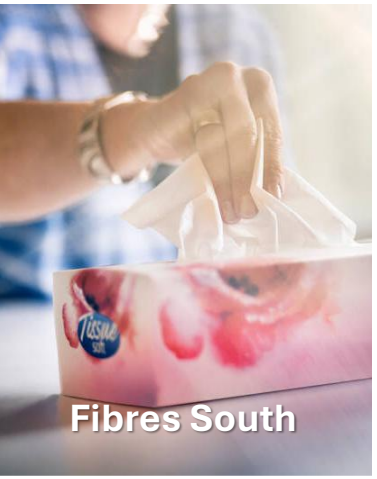
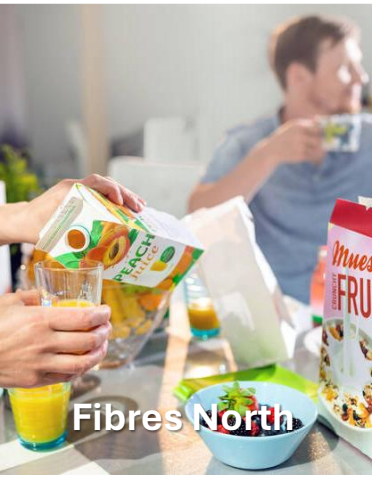
Advanced materials: significant customer destocking impacted Q3 performance

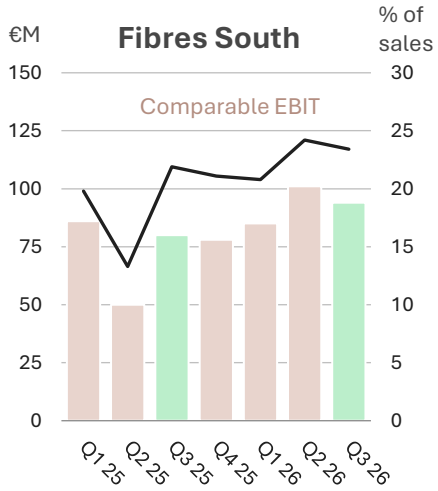
	Markets	Actions	Results
 Adhesive Materials	Weak Q3 label materials demand in Europe (-5% yoy), impacted by heavy destocking More stable markets in Asia Pacific Slow demand in North America	Investments to grow in higher-margin products in the U.S. Investments in higher-growth regions, Southeast Asia, India Building position in graphics following recent acquisitions	Q3 2026 sales grew by 1% comparable EBIT €33 million, 8% of sales Q3 performance impacted by lower volumes, amid destocking 9M 2026 comparable EBIT €109 million, 9% of sales
 Specialty Materials	Low Q3 demand for label, release base and packaging papers in Europe, impacted by significant destocking The U.S. markets were soft Specialty paper markets in Asia were good, fine paper markets competitive	Barrier papers' product development continued Capacity to grow with low investments	Q3 2026 sales decreased by 3%, comparable EBIT €26 million, 9% of sales Q3 performance impacted by lower volumes, amid destocking 9M 2026 comparable EBIT €105 million, 11% of sales

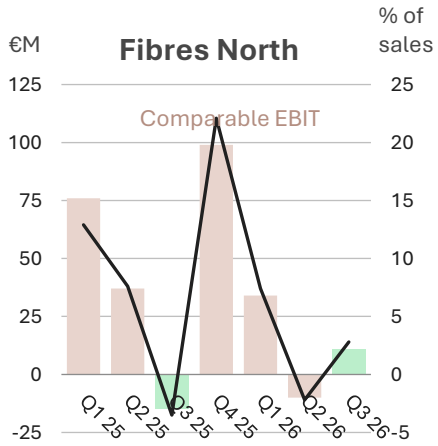




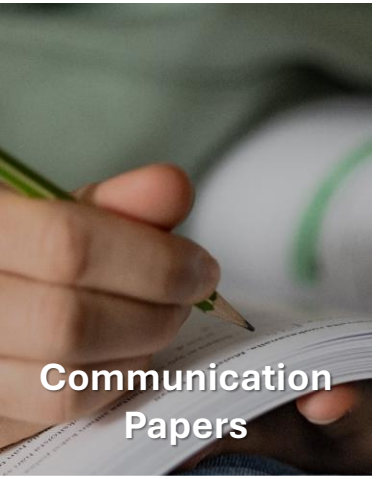
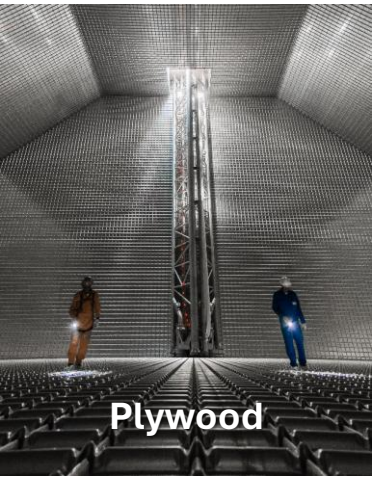
Renewable fibres: improved performance

	Markets	Actions	Results
	Global hardwood pulp shipments -3% yoy in Jan-Aug/2026 Q3: demand seasonally slow in the summer, improved towards the end of the quarter Hardwood pulp market prices decreased slightly in Q3	Optimization of wood sourcing and inbound logistics, as the plantations reach maturity Planning capex-efficient debottlenecking	World-class competitiveness Q3 slightly lower sales price vs. Q2, lower deliveries ahead of Paso de los Toros maintenance Q3 2026 comparable EBIT €94 million, 23% of sales 9M 2026 comparable EBIT €281 million, 23% of sales
	Global softwood pulp shipments -2% yoy in Jan-Aug/2026 Low softwood pulp market prices continued Pulpwood market prices in Finland have been broadly stable during 2026, having decreased approx. 30% from H1 2025	Production curtailments during H2 2026 to optimize production and wood sourcing, and ensure profitability 8 weeks at the Kaukas mill 5 weeks at the Pietarsaari mill	Q3: slightly lower sales price vs. Q2, deliveries lower due to curtailments, no maintenance Q3 2026 comparable EBIT €11 million, 3% of sales 9M 2026 comparable EBIT €35 million, 3% of sales

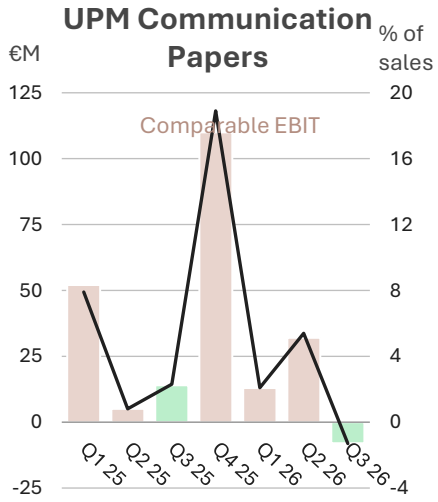


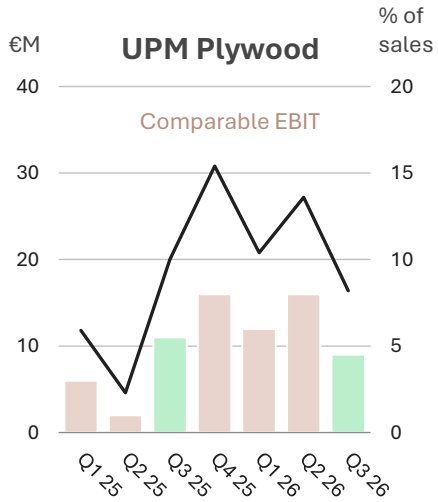


Communication Papers: slower demand, increased energy-related costs

	Markets	Actions	Results
	European demand for graphic papers weakened, -7% yoy in Q3 North American demand for magazine and coated wood free papers in Q3 was flat yoy	Preparations continue for planned the graphic paper Joint Venture The transaction is subject to merger control approvals Lower fixed costs, following the closures in Q4 2025	Q3 sales margin lower due to sharp increase in energy-related costs Q3 2026 comparable EBIT €-8 million, -1% of sales 9M 2026 comparable EBIT €37 million, 2% of sales
	Q3 demand in construction end-uses in Europe slowed down somewhat Demand for plywood in industrial end-uses was good Demand for LNG birch plywood was strong	EGM decided on the demerger plan on August 31, 2026 Demerger to be completed on October 31 WISA Group will start trading on Nasdaq Helsinki on November 2	Q3 2026 comparable EBIT €9 million, 8% of sales 9M 2026 comparable EBIT €37 million, 11% of sales

UPM Plywood is presented as discontinued operations







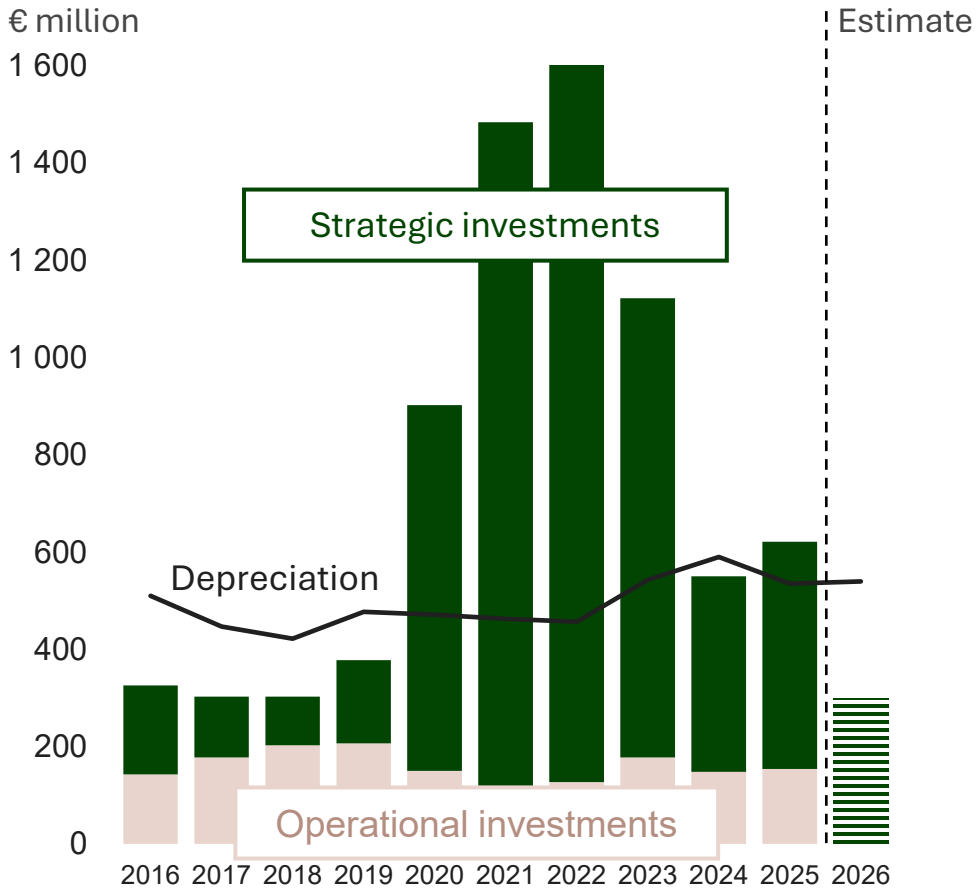
Summary

Strong cash flow in a challenging quarter, transformative projects continue

- Q3 impacted by significant customer destocking and increased variable costs, driven by the energy and fuel market situation
- Operating cash flow was strong and net debt decreased
- Biochemicals business ramp-up continues, with a six-month delay of integrated production
- UPM Energy is a strong partner for data centers
- WISA Group will start trading on Nasdaq Helsinki on November 2
- Graphic paper JV subject to merger control – discussion opened for specific remedies


UPM

Low capital expenditure after the major investment cycle



Capital expenditure

Capex estimate for 2026

excl. acquisitions, € million

300

Operational investment needs consistently low

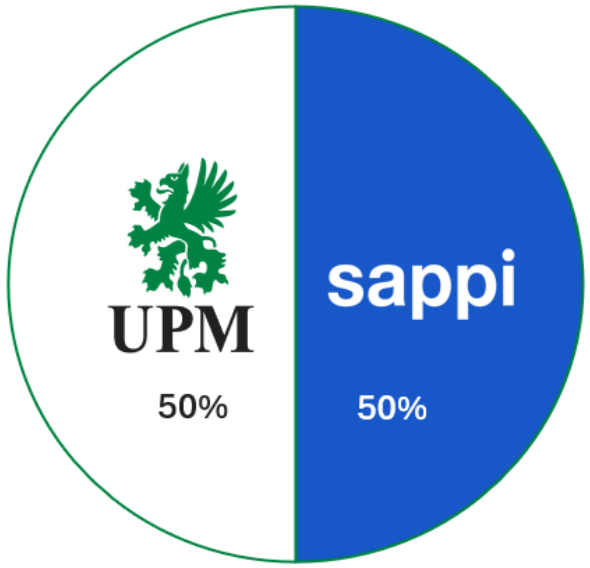
Demerger of Plywood business

- WISA Group Plc to be established October 31
- Share of WISA planned to start trading November 2
- UPM shareholders will receive one (1) new share of WISA for each share owned in UPM
- No action required from the UPM shareholder
- Improved value creation potential for WISA as an independent company
  - › A leading player in premium categories
  - › Resilient track record through business cycles
  - › Ability to pursue strategic growth opportunities
  - › Increased visibility into key value drivers
  - › Experienced leadership team



One of the leading European plywood producers

Graphic paper Joint Venture update



Independent graphic paper company

Mills
UPM + Sappi
8+4

Anticipated synergies
€ million annually
100

- Definitive agreement with Sappi signed
- Financing agreements secured
- Experienced leadership team nominees appointed
- Carve-out preparations proceeding well
- Subject to merger control – most jurisdictions have approved the transaction, incl. China, South Africa and the U.S.
- European Commission restated its serious concerns about the planned Joint Venture on October 5
- The parties have opened discussion for specific remedies, but not divestments
- The European Commission's final decision is expected by year-end or shortly thereafter

Foreign exchange exposure

Estimated 12-month net currency cash flow at the end of Q3 2026, before hedging, € million

USD	1,301
UYU	-311
GBP	128
JPY	126
CNY	85
Others	122
Total	**1,453**

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

- At the end of Q3 2026, UPM's estimated net currency cash flows for the next 12 months totaled approximately €1,453 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

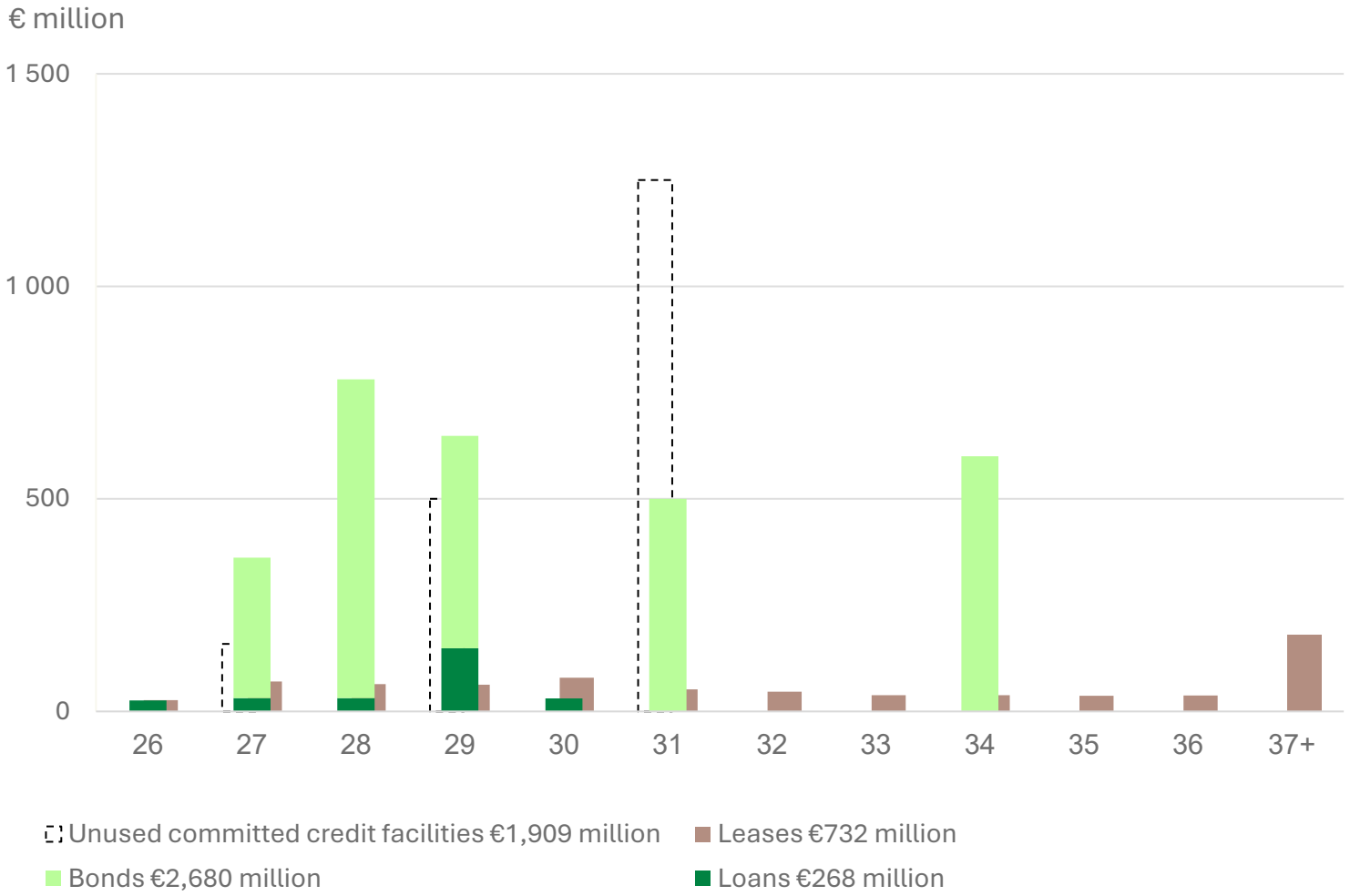
Maintenance shutdowns in 2026 and 2027

Timing	Unit
Q2/26	Olkiluoto nuclear power plant units OL1 and OL2 UPM Pietarsaari pulp mill
Q3/26	UPM Lappeenranta biorefinery
Q3-Q4/26	Olkiluoto nuclear power plant unit OL3
Q4/26	UPM Paso de los Toros pulp mill
Q2/27	Olkiluoto nuclear power plant units OL1 and OL2 UPM Fray Bentos pulp mill UPM Kymi pulp mill UPM Lappeenranta biorefinery turnaround
Q3/27	UPM Kaukas pulp mill

Maintenance shutdowns have an impact on

- Maintenance costs
- Production volumes
- Operational efficiency

Maturity profile and liquidity



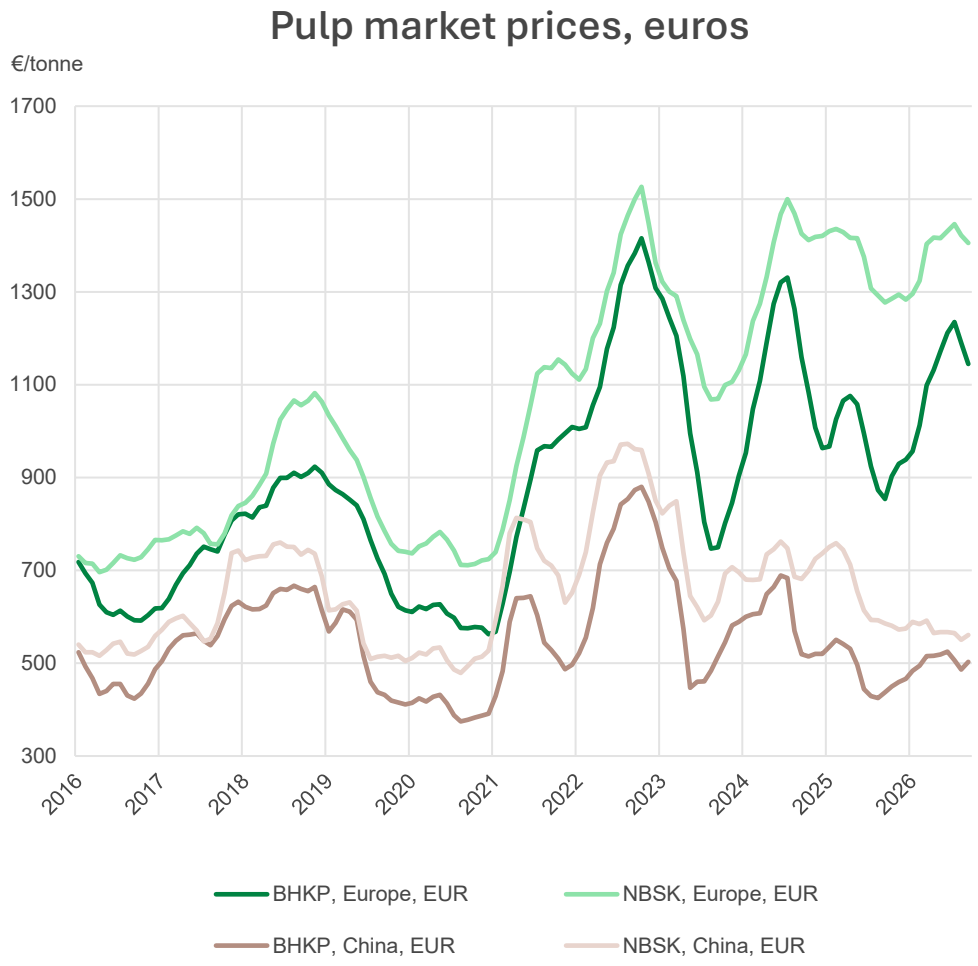
Liquidity on 30 September 2026 was €2.6 billion (cash funds and unused committed credit facilities)

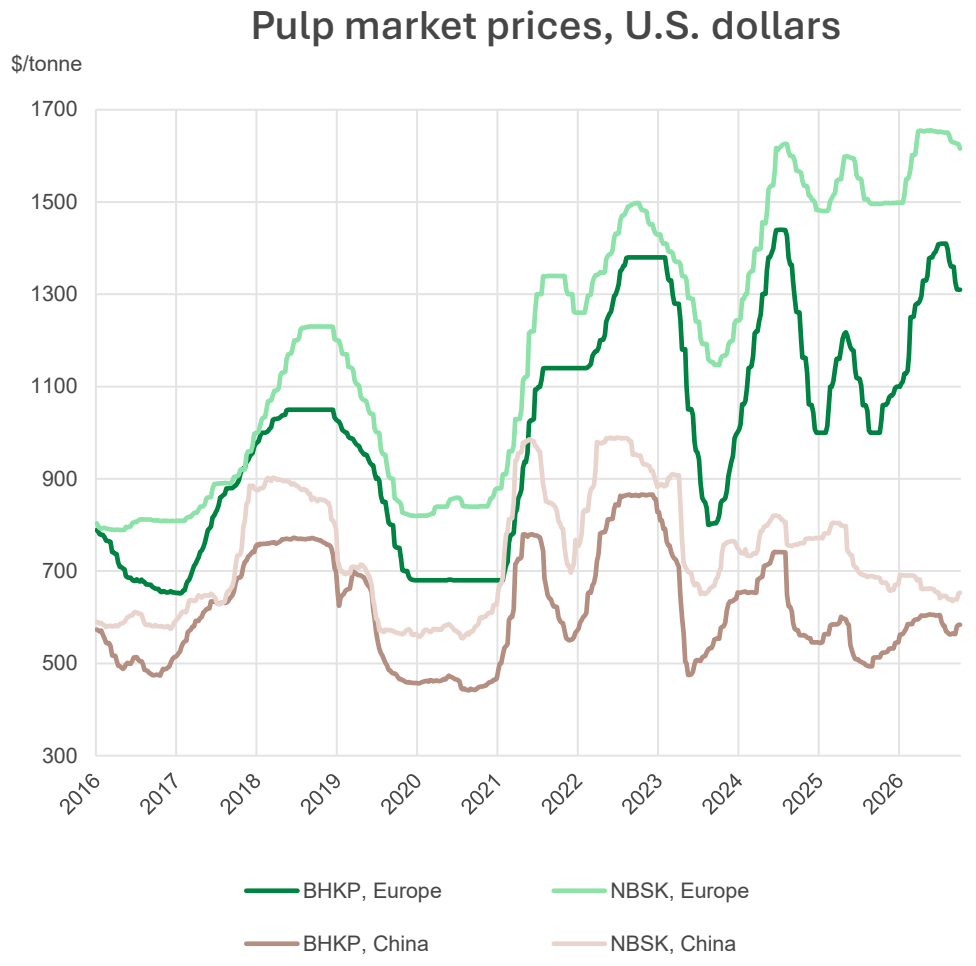
UPM's committed credit facilities:

- €159 million rolling committed overdraft facility maturing 2027
- €500 million bilateral revolving credit facilities maturing 2029
- €1,250 million committed syndicated revolving credit facility maturing 2031

No financial covenants

UPM Fibres: Chemical pulp market prices

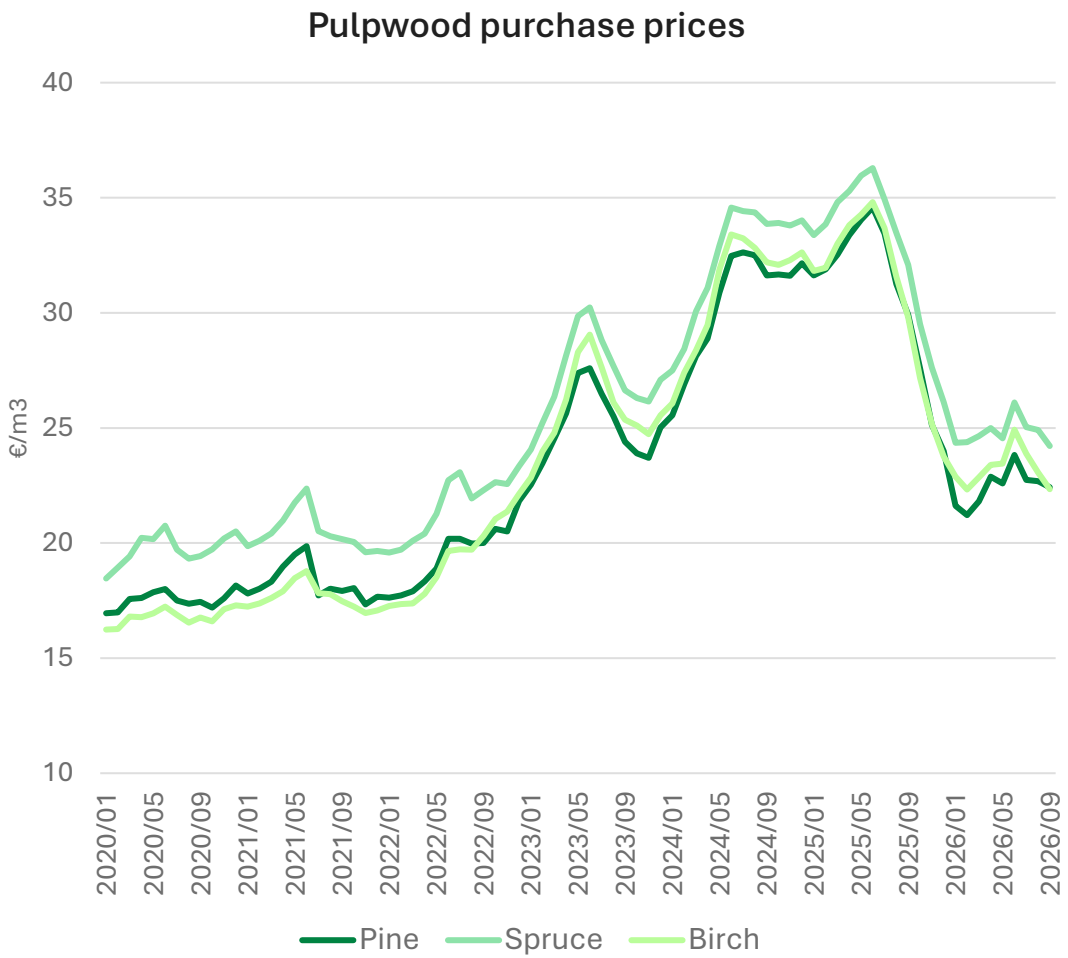




Source: FOEX Indexes Ltd

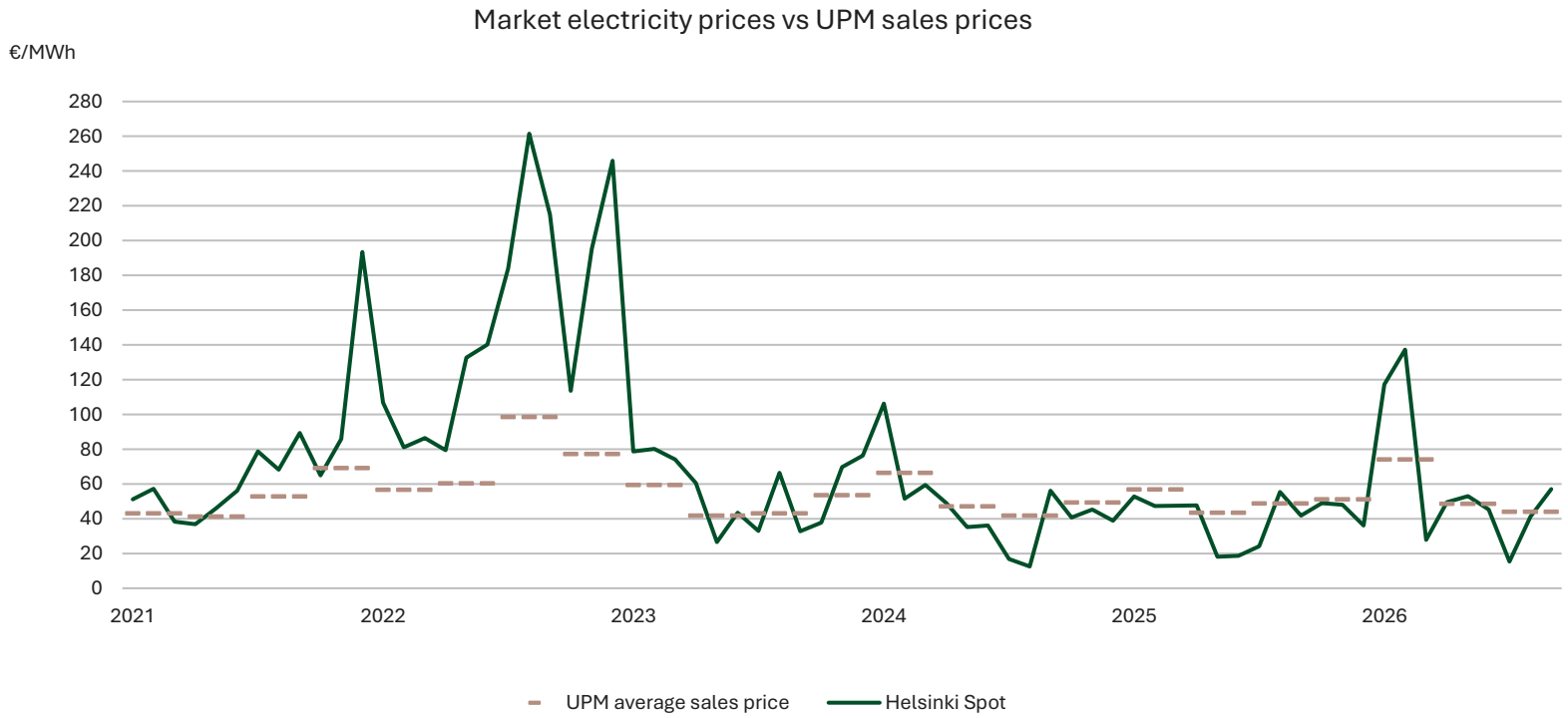
Wood market prices in Finland 2020–2026





Source: Natural Resources Institute Finland

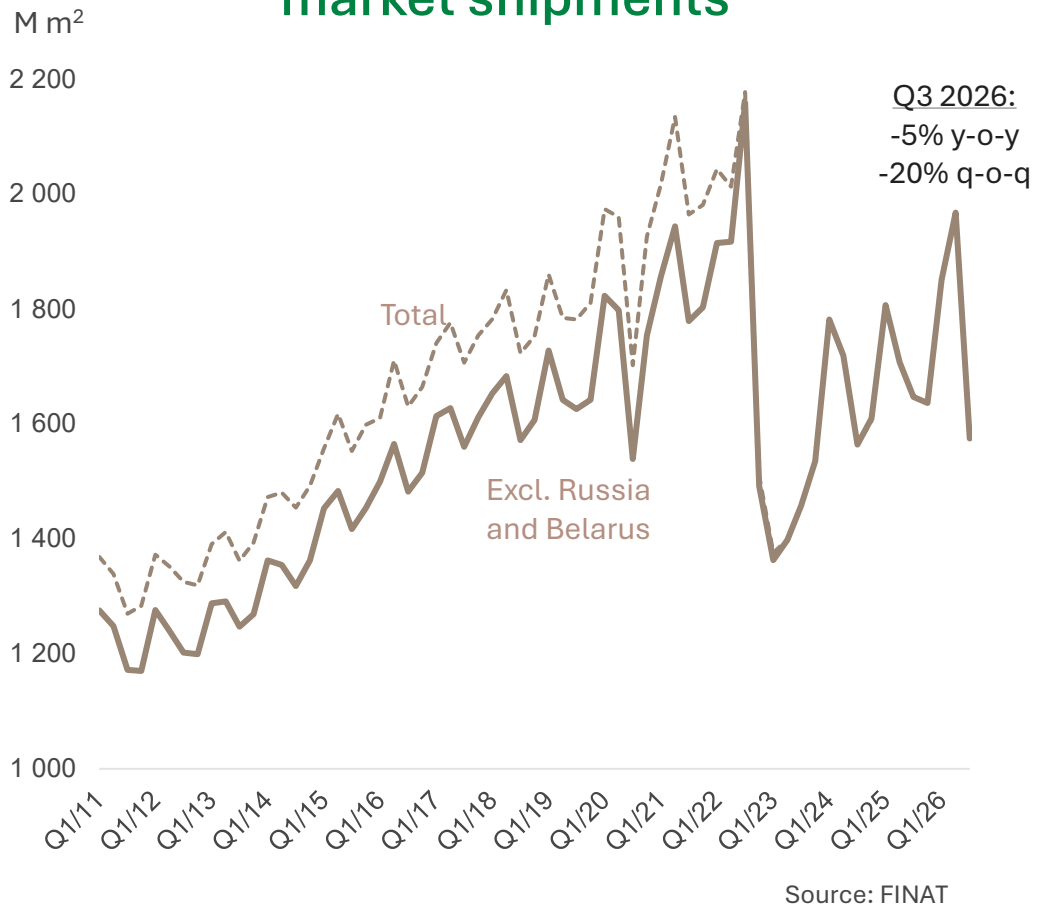
UPM Energy: Electricity market prices



UPM Energy profitability	2021	2022	2023	2024	2025	YTD 2026
Comparable EBIT, € million	270	381	182	181	151	146
% of sales	51,3	52,0	29,0	28,9	24,5	27,9

UPM Adhesive Materials: label materials demand

European market shipments



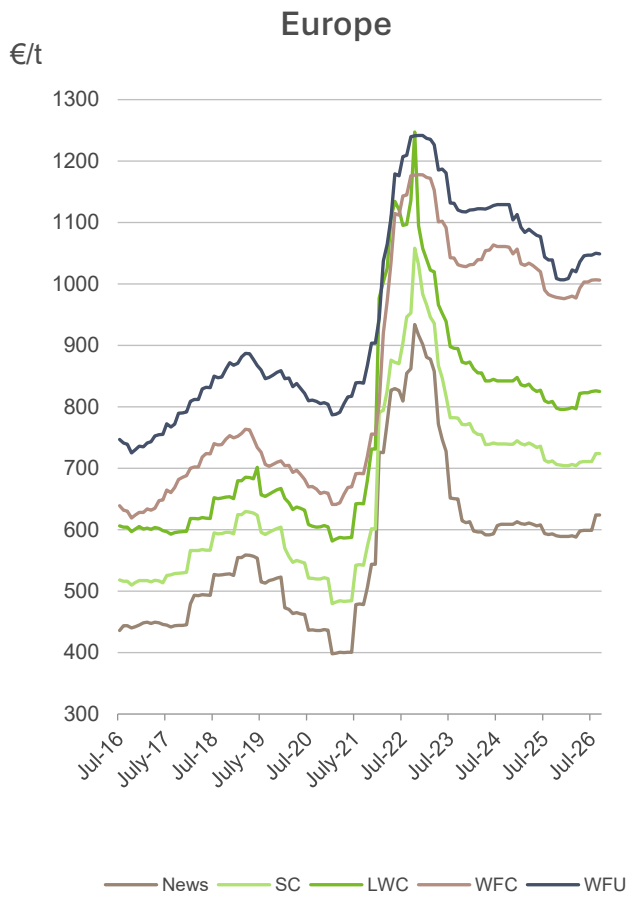
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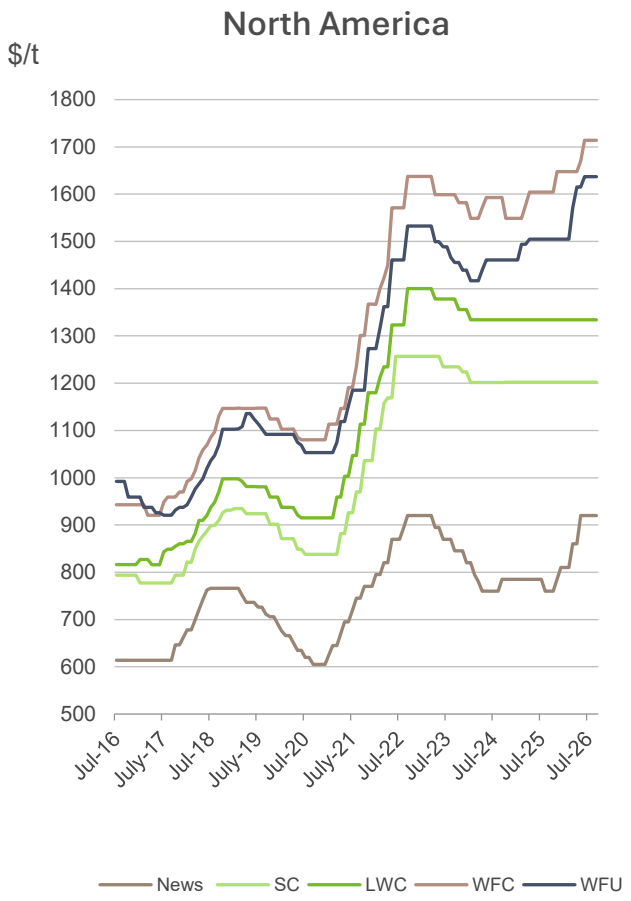
North American market shipments

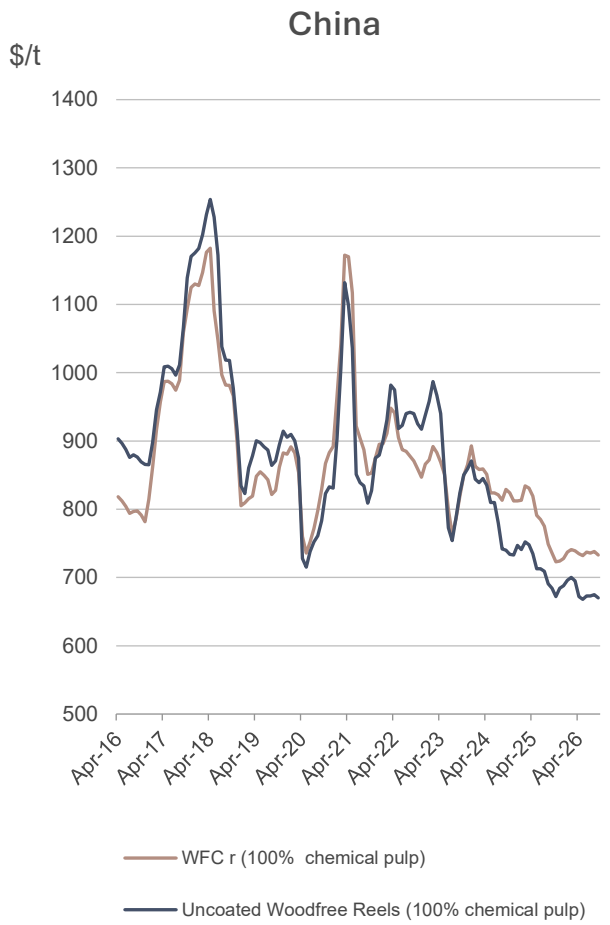


Source: TLMI

UPM Communication Papers: Graphic paper prices







Sources: PPI, RISI


UPM