



Interim report

January–March 2026



UPM Interim Report Q1 2026:

Good start to the year – excellent performance in decarbonization solutions



Q1 2026 highlights

- Sales totaled €2,505 million (2,646 million in Q1 2025)
- Comparable EBIT decreased by 5% to €274 million, 10.9% of sales (287 million, 10.8%)
- Operating cash flow was €89 million (289 million)
- Net debt totaled €2,962 million (2,954 million) and net debt to EBITDA ratio was 2.30 (1.77)
- UPM Energy achieved record Q1 results supported by the cold winter and record electricity consumption in Finland
- UPM Biofuels continued to improve its performance and posted strong results
- UPM Adhesive Materials announced an investment to a new slitting and distribution terminal near New Delhi, India
- UPM Energy is investing in the modernization of the Tyrvää hydropower plant
- Preparations for the planned graphic paper Joint Venture and the strategic review of UPM Plywood continued

Key figures

	Q1/2026	Q1/2025	Q4/2025	Q1-Q4/2025
Sales, € million	2,505	2,646	2,312	9,656
Comparable EBITDA, € million	395	421	382	1,311
% of sales	15.8	15.9	16.5	13.6
Operating profit (loss), € million	255	198	390	749
Comparable EBIT, € million	274	287	355	921
% of sales	10.9	10.8	15.3	9.5
Profit (loss) before tax, € million	236	173	406	690
Comparable profit before tax, € million	255	262	370	863
Profit (loss) for the period, € million	200	143	258	491
Comparable profit for the period, € million	213	223	300	714
Earnings per share (EPS), €	0.37	0.26	0.49	0.91
Comparable EPS, €	0.39	0.41	0.57	1.33
Return on equity (ROE), %	7.6	5.2	9.9	4.5
Comparable ROE, %	8.1	8.1	11.6	6.5
Return on capital employed (ROCE), %	7.4	5.5	12.3	5.5
Comparable ROCE, %	7.9	7.9	11.3	6.7
Operating cash flow, € million	89	289	720	1,405
Operating cash flow per share, €	0.17	0.54	1.36	2.66
Equity per share at the end of period, €	19.48	19.29	18.97	18.97
Capital employed at the end of period, € million	14,375	14,449	14,129	14,129
Net debt at the end of period, € million	2,962	2,954	3,004	3,004
Net debt to EBITDA (last 12 months)	2.30	1.77	2.29	2.29
Personnel at the end of period	14,801	15,890	15,127	15,127

UPM presents certain measures of performance, financial position and cash flows, which are alternative performance measures in accordance with the guidance issued by the European Securities and Markets Authority (ESMA). The definitions of alternative performance measures are presented in UPM's [» Annual Report 2025](#)

Massimo Reynaudo, President and CEO, comments on the results:

"We achieved a good start to the year, even if geopolitical events continued to introduce new uncertainties. Our businesses maintained the focus on performance, and supported by our balanced portfolio, we delivered solid results. Especially our decarbonization solutions showed their strength.

In Q1, our sales totaled €2,505 million. Comparable EBIT was €274 million, 5% lower than last year. Comparable EBIT margin was 10.9%, in line with last year. Net debt at the end of the reporting period totaled €2,962 million and net debt to EBITDA ratio was 2.30.

Decarbonization solutions businesses delivered excellent results. UPM Energy achieved its best Q1 results ever, supported by record electricity consumption in Finland and high prices during the winter months. UPM Biofuels continued to improve its performance and posted strong results. At our biochemicals refinery in Germany, the production of industrial sugars and lignin is ongoing and renewable functional fillers production will start in the coming weeks.

Our advanced materials businesses, UPM Adhesive Materials and UPM Specialty Materials, continued to deliver steady, resilient performance. Deliveries increased in both business areas compared to the previous quarter. Markets in Europe and Asia improved somewhat, whereas the U.S. market continued to be challenging. UPM Plywood performed well in stable markets and its results improved from last year.

UPM Fibres improved its underlying performance from the previous quarter on both platforms. The average price of UPM's pulp deliveries increased slightly. In Fibres North, we started to see the impact of a decline in wood costs. From the beginning of 2026, UPM's forests in Finland are part of Fibres North, and thus changes in forest fair values are included in the UPM Fibres business area results.

UPM Communication Papers delivered solid results in the context of the challenging paper markets and high energy prices. It increased paper deliveries compared to the previous quarter and succeeded well in optimizing its energy consumption.

Preparations for the planned graphic paper Joint Venture continued. The deal proceeded to phase II of EU merger control, which is a normal step in the Commission's merger review process in cases where initial concerns have not been fully resolved during Phase I. We continue to engage openly and constructively with the Commission. As communicated earlier, we expect the definitive agreements to be signed during the first half of 2026.

With the ongoing portfolio initiatives in UPM Communication Papers and UPM Plywood, we aim to change the profile of the company, increasing its growth potential and margins. Future UPM would have an attractive portfolio focused on decarbonization solutions, advanced materials and renewable fibres. All these businesses operate in growing markets and have a strong combined track record of realized growth above GDP.

Disruptions in the fossil fuel markets underscore the importance of renewable alternatives, not only for mitigating climate change but also for the resilience of societies and value chains and ensuring supply security. Our decarbonization solutions help customers reduce their dependency on fossil-based materials. This highlights the strength of our balanced business portfolio with solid growth opportunities.

Overall, while geopolitics continue to impact the business environment, the strength of our portfolio and geographic presence provides us with resilience. We are heading towards a

period of higher inflation and margin protection will be a priority for us. We will keep our focus on competitiveness, performance, cash flow and successfully completing the strategic portfolio initiatives during this year."

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

There continue to be significant uncertainties in geopolitics and trade.

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.

Sensitivity to pulp and electricity prices

UPM's comparable EBIT is sensitive to pulp and electricity prices. The figures below represent group earnings sensitivities on annual level.

UPM is a large producer and consumer of chemical pulp. A €50/tonne change in average pulp price would impact annual comparable EBIT by approximately €180 million (net impact: assuming no correlation between pulp and paper prices) to approximately €270 million (gross impact: assuming paper pricing would match changes in pulp costs).

UPM is a large producer and consumer of electricity in Finland and separately hedges part of its electricity sales and purchases. Based on UPM's estimated unhedged net electricity sales position in Finland in 2026, a €10/MWh change in average electricity market price in Finland would impact annual comparable EBIT by approximately €40 million.

Foreign exchange exposure

Fluctuations in monetary policies and economic conditions can significantly impact the value of various currencies, which in turn may affect UPM. Additionally, the escalation of global trade tensions could influence currency exchange rates. These currency fluctuations could impact UPM's cash flow, earnings, or balance sheet, and may also affect the relative competitiveness between different currency regions.

The Group's policy is to hedge an average of 50% of its estimated net currency cash flows on a rolling basis over the next 12-month period. At the end of Q1 2026, UPM's estimated net currency cash flows for the next 12 months totaled approximately €1.6 billion. USD was the largest exposure at approximately €1.4 billion, followed by UYU, GBP, CNY and JPY. 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. Foreign exchange risks are discussed in UPM's Annual Report 2025 on pages 313-314.

Timing of significant maintenance shutdowns

Timing	Unit
Q1-Q2/2025	Olkiluoto nuclear power plant unit OL3
Q2/2025	Olkiluoto nuclear power plant units OL1 and OL2 UPM Paso de los Toros pulp mill UPM Kymi pulp mill
Q3/2025	UPM Kaukas pulp mill
Q4/2025	UPM Fray Bentos pulp mill
Q2/2026	Olkiluoto nuclear power plant units OL1 and OL2 UPM Pietarsaari pulp mill
Q3-Q4/2026	Olkiluoto nuclear power plant unit OL3
Q4/2026	UPM Paso de los Toros pulp mill

Results

Q1 2026 compared with Q1 2025

Q1 2026 sales totaled €2,505 million, 5% lower than the €2,646 million in Q1 2025. The decrease in sales was mainly driven by adverse changes in currencies, and lower prices in some businesses. Sales decreased in UPM Fibres, UPM Communication Papers, UPM Specialty Materials and UPM Adhesives Materials. Sales increased in UPM Energy, UPM Plywood and Other operations.

The comparable EBIT decreased by 5% to €274 million, which was 10.9% of sales (287 million, 10.8%). Comparable EBIT decreased mainly in UPM Fibres and UPM Communication Papers, and increased in UPM Energy, UPM Plywood and Other operations.

Sales prices decreased in several business areas. However, the impact of lower prices was offset by the positive impact of lower variable and €13 million lower fixed costs. Changes in currencies, net of hedging, had a negative impact on comparable EBIT.

Depreciation, amortization and impairment charges excluding items affecting comparability totaled €126 million (140 million), including depreciation of leased assets totaling €22 million (23 million). The change in the fair value of forest assets net of wood harvested in comparable EBIT was €5 million (6 million).

Operating profit was €255 million (198 million). Items affecting comparability in operating profit totaled €-18 million in the period (-89 million). More information on items affecting comparability in [Financial statement information Note 2 Quarterly information by business area](#).

Net interest and other finance income and costs were €-23 million (-27 million). The exchange rate and fair value gains and losses were €4 million (2 million). Items affecting comparability in finance costs totaled €0 million (0 million). Income taxes were €-36 million (-30 million). Items affecting comparability in taxes totaled €6 million (10 million).

Profit for Q1 2026 was €200 million (143 million), and comparable profit was €213 million (223 million).

Q1 2026 compared with Q4 2025

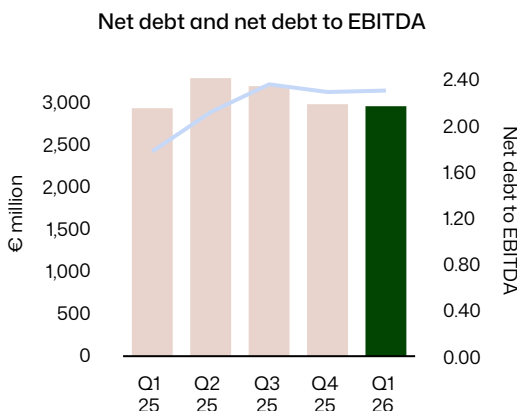
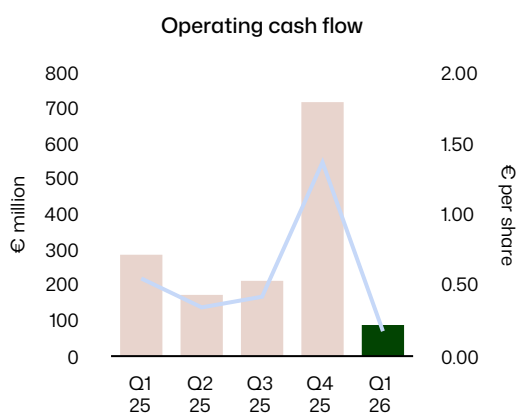
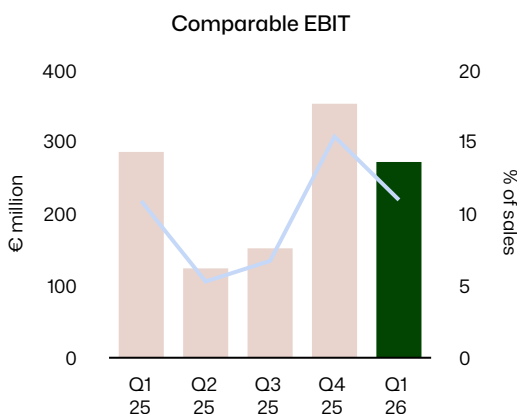
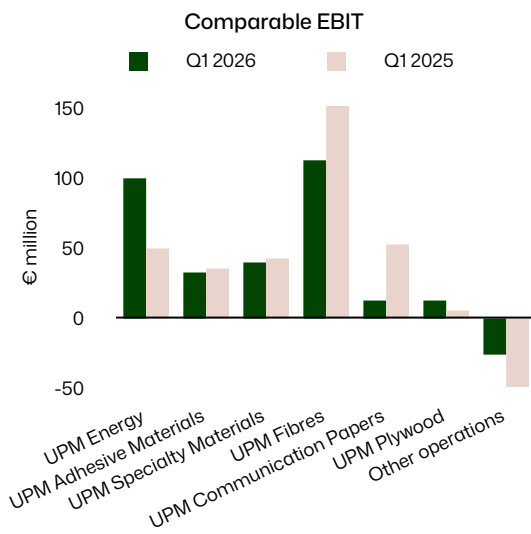
The comparable EBIT decreased by 23% to €274 million, which was 10.9% of sales (355 million, 15.3%).

Sales prices increased. The positive impact of higher sales prices on comparable EBIT was more than offset by an increase in variable costs. The increase in variable costs was mainly driven by the annual energy related refunds booked in the fourth quarter. Finally, the comparison period benefited from an increase in the fair value of forest assets.

On Group level, changes in delivery volumes had a small positive impact on comparable EBIT. Fixed costs decreased by €63 million, partially due to seasonal variations and partially due to higher maintenance activity in the comparison period.

Depreciation, amortization and impairment charges excluding items affecting comparability, totaled €126 million (130 million). The change in the fair value of forest assets net of wood harvested in comparable EBIT was €5 million (104 million).

Operating profit was €255 million (390 million). Items affecting comparability in the operating profit totaled €-18 million for the period (35 million). More information on items affecting comparability in [Financial statement information Note 2 Quarterly information by business area](#).



Financing and cash flow

€ million	Q1/26	Q1/25	Q1-Q4/25
Operating cash flow	89	289	1,405
Net debt at the end of period	2,962	2,954	3,004
Net debt to EBITDA (last 12 m)	2.30	1.77	2.29
Gearing ratio %	28	28	29

In Q1 2026, the cash flow from operating activities before capital expenditure and financing totaled €89 million (289 million in 2025). Working capital decreased by €192 million (decreased by 112 million), mainly due to seasonal variation.

Net debt was €2,962 million at the end of Q1 2026 (2,954 million at the end of Q1 2025). The gearing ratio as of March 31, 2026 was 28% (28%). The net debt to EBITDA ratio, based on the last 12 months' EBITDA, was 2.30 at the end of the period (1.77).

On March 31, 2026, UPM's cash funds and unused committed credit facilities totaled €2.4 billion. The total amount of committed credit facilities was €1.9 billion of which €159 million will mature in 2027, €1.8 billion will mature in 2029 or beyond.

For the 2025 financial year, the dividend of €1.50 per share is paid in two equal instalments. The first instalment of €0.75 per share (totaling €395 million) was paid on April 21, 2026, and the second instalment of €0.75 per share will be paid on November 6, 2026 (totaling €395 million).

Capital expenditure

In Q1 2026, capital expenditure excluding investments in shares totaled €59 million (81 million), which was 2.3% of sales. There were no investments in shares during the period. In Q1 2025, capital expenditure including investment in shares amounted to 254 million, which was 9.6% of sales. Capital expenditure does not include additions to leased assets.

In 2026, UPM's total capital expenditure, excluding investments in shares, is expected to be about €300 million.

In January 2020, UPM announced that it would invest in a 220,000 tonne next-generation biochemicals biorefinery in Leuna, Germany. The total investment estimate is €1,335 million.

UPM Adhesive Materials has ongoing production capacity investments in Mills River, North Carolina, U.S., and in Johor Bahru, Malaysia. The business area is also opening new slitting and distribution terminals near Hanoi, Vietnam, and near New Delhi, India.

UPM Energy invests over €20 million in the extensive modernization of the Tyrvää hydropower plant in Finland, including the refurbishment of both turbine-generator units. The modernization is expected to be fully completed by the end of 2030.

Personnel

In Q1 2026 UPM had an average of 14,811 employees (15,789). At the beginning of the year, the number of employees was 15,127 and at the end of Q1 2026 it was 14,801.

Planned graphic paper Joint Venture

On December 4, 2025, UPM announced it had signed a non-binding letter of intent with Sappi Limited to form a graphic paper Joint Venture. The Joint Venture would include the entire UPM Communication Papers business and Sappi's graphic paper business in Europe. The Joint Venture would be owned 50/50 by UPM and Sappi. It would operate as an independent

company, managing its own operations, resources, and decisions within agreed shareholder boundaries.

Securing long-term resilience and sustainability

The transaction would create a more efficient, adaptable and sustainable graphic paper business. It would create a structurally competitive cost base and supply security for the European and global customers.

By strategic reallocation of production volumes to the most efficient paper machines, the Joint Venture would achieve more sustainable capacity utilization and stronger operational performance, while continuing to serve customers with a broad portfolio of graphic paper products.

Overall, the Joint Venture would rationalize supply in an industry burdened by declining demand, structural overcapacity and high energy costs. It would contribute to a more balanced and resilient European market, and make the industry better positioned to withstand market challenges and increasing imports to Europe.

UPM Communication Papers has already today an ambitious climate action roadmap to reduce product emissions by up to 70% by 2030, supporting customers in achieving their climate targets. The Joint Venture would further enhance these opportunities. By optimizing capacity utilization, enhancing operational efficiencies and continuing to invest in decarbonization, the Joint Venture could reduce its overall climate impact, helping to advance the EU's Clean Industrial Deal objectives.

Transaction overview and terms

The planned perimeter of the Joint Venture would include:

- The entire UPM Communication Papers business, including eight UPM Communication Papers' paper mills at Kymi, Rauma (including UPM RaumaCell) and Jämsänkoski (paper line 6) in Finland; Nordland (paper lines 1 and 4), Augsburg, Schongau in Germany; UPM Caledonian paper mill in the UK and UPM Blandin paper mill in the USA; and
- Sappi's European graphic paper business, including the following four graphic paper mills: Kirkniemi in Finland, Ehingen in Germany, Gratkorn in Austria and Maastricht in the Netherlands.

The Joint Venture is expected to create annual synergies estimated at about €100 million through asset optimization, product portfolio rationalization, logistics optimizations, sourcing efficiency improvements and operational efficiencies.

Based on the letter of intent

- UPM and Sappi would contribute their respective businesses and assets to the Joint Venture with a combined enterprise value of €1,420 million, excluding the value of expected synergy benefits.
- UPM Communication Papers business is valued at €1,100 million (enterprise value). UPM would receive cash proceeds of €613 million and 50% shareholding in the Joint Venture.
- Sappi's European business is valued at €320 million (enterprise value). Sappi would receive cash proceeds of €139 million and 50% shareholding in the Joint Venture.

At the closing of the transaction, the Joint Venture would raise debt to fund the purchase prices payable to Sappi and UPM respectively. The Joint Venture would be independently financed and to the extent it would require additional funding in the future, it shall be without any recourse to the shareholders.

The Joint Venture would distribute dividends to its two shareholders according to its financial performance and standing.

The establishment of the Joint Venture would create a sustainable standalone business that ultimately will provide divestment flexibility for both shareholders. Three years after closing, with the Joint Venture expected to have completed the integration and realized the synergies, either shareholder may initiate a divestment of their shareholding.

Impact of the transaction on UPM financials

The financial benefit for UPM at closing would include the €613 million cash payment to UPM by the Joint Venture, €406 million transfer of pension liabilities to the Joint Venture and UPM's share (50%) of the Joint Venture. The valuations and financial impact of the transaction are estimates at the time of the letter of intent, and subject to customary adjustments.

The valuation of UPM Communication Papers business at €1.1 billion is equal to a multiple of 4.6x EBITDA of the 12 months Q4/2024-Q3/2025.

The UPM Communication Papers assets to be transferred to the Joint Venture represent less than 10% of UPM's total assets.

The ownership in the Joint Venture would be accounted for using the equity method.

The transaction is expected to have a positive impact on UPM's profitability margins (EBIT % of sales), balance sheet and leverage. UPM would also achieve a more focused business portfolio operating on growth markets and would no longer have direct sales exposure to the declining European and North American graphic paper markets.

Transaction subject to merger control and other conditions

Negotiations regarding the details of the Joint Venture are ongoing, and the parties expect the definitive agreements to be signed during the first half of 2026. The definitive agreements require the completion of external financing agreements, Sappi shareholder approval and other conditions.

The proposed transaction is subject to review by the European Commission and the relevant merger control and approval by the authorities in other jurisdictions such as the US, UK and China. The parties are committed to working with the regulatory authorities throughout the review process.

It is currently expected that the closing would take place by the end of 2026, subject to regulatory approvals and other closing conditions. The Joint Venture would become operational upon closing.

UPM Communication Papers and Sappi's European graphic paper business will continue to operate as separate and independent companies and manage their respective businesses until the closing of the intended Joint Venture according to the satisfaction of all legal and regulatory requirements.

Strategic review of UPM Plywood

On September 23, 2025, UPM's Board of Directors decided to initiate a strategic review of UPM Plywood business area to assess options for maximizing the long-term potential of the Plywood business in an evolving market environment. The strategic review includes a range of possibilities, including a potential separation from UPM through for example a divestment, partial demerger or initial public offering. The aim is to determine the best path forward for the Plywood business, while also benefiting the value creation for UPM's shareholders. The review is expected to be concluded by the end of 2026.

During the strategic review process, UPM remains fully committed to the Plywood business and its customers.

Biochemicals refinery investment

In January 2020, UPM announced that it would invest in a 220,000 tonne next-generation biochemicals refinery in Leuna, Germany. The investment estimate is €1,335 million.

The start-up of the Leuna biorefinery is progressing. The wood-to-lignin-and-sugar process was successfully ramped up and the first commercial deliveries of industrial sugars took place in Q4 2025. The production of industrial sugars and lignin is ongoing and renewable functional fillers production will start in the coming weeks. Production and sales of glycols is expected to start in 2026.

Commercial interest in the main products and side-streams has continued strong, with confirmed customer contracts and a sales and customer qualification pipeline that exceeds multiple times the annual capacity. The biorefinery is expected to reach full production and positive EBIT during 2027.

The biorefinery will produce a range of 100% wood-based biochemicals, which will enable a switch from fossil raw materials to sustainable alternatives in various end-uses. The valuation of the products is driven by their sustainability performance which enables consumer brands to achieve market differentiation and by their superior technical performance. The investment opens new markets for UPM, with large growth potential for the future.

The industrial scale biorefinery will convert solid wood into next generation biochemicals: bio-monoethylene glycol (BioMEG) and Renewable Functional Fillers (RFF). In addition, the biorefinery will produce bio-monopropylene glycol (BioMPG) and industrial sugars. The ROCE target for the UPM Biochemicals business is 14%.

The combination of a sustainable wood supply, a unique technology concept, integration into existing infrastructure at Leuna and the proximity to customers will ensure the competitiveness of operations. The safety and sustainability of the value chain will meet UPM's high standards and the strong focus on regional sourcing, especially of feedstock supports the market valuation.

InfraLeuna GmbH, in the state of Saxony-Anhalt, offers very competitive conditions for constructing a biorefinery with its logistics arrangements and infrastructure for various services and utilities.

Biofuels business development

Renewable fuels and renewable chemicals are the central elements of UPM's long-term growth in decarbonization solutions. UPM is focusing on three targeted growth areas in its biofuels business:

- Evaluating the potential to debottleneck the Lappeenranta biorefinery in order to capture low CAPEX expansion opportunities and further leverage the strong market performance of CTO-derived biofuels.
- Enabling the qualification of CTO-derived UPM biofuels as sustainable aviation fuel (SAF). This strategic direction is supported by successful SAF trials conducted with the Austrian aircraft manufacturer Diamond Aircraft using Austro Engine propulsion and by continued progress in the technical acceptance process at the American Society for Testing and Materials (ASTM). Results from these trials and stakeholder reviews have been consistently positive.
- Continuing feedstock technology development to qualify and enable the use of additional competitive and sustainable biomass. This will support the cost-efficient production of high-quality biofuels for both road and aviation applications.

Change in the composition of reportable segments

The Group has changed its reportable segments composition by moving UPM Forest business into UPM Fibres business area as of January 1, 2026. The vast majority of wood used by UPM in Finland is consumed within the UPM Fibres business, and the Finnish forests are therefore considered an integral operational and strategic part of UPM Fibres North operations. In addition, the change improves consistency with UPM Fibres operations in Uruguay, where forest assets have already been reported as part of the UPM Fibres South operations. Until the end of 2025, UPM Forest was included in Other operations.

UPM Biorefining, consisting of UPM Biochemicals and UPM Biofuels and reported as part of Other operations, was renamed UPM Next Generation Renewables as of January 1, 2026.

Following these changes, Other Operations includes UPM Next Generation Renewables, wood sourcing, Group services and Technology and forest assets in the U.S.

The change impacts KPIs of UPM Fibres reportable segment and Other Operations. The comparative periods are restated according to the new reporting principles. The reporting change has had no impact on Group financial result or balance sheet. Refer to *Financial Statement information Note 9 Change in the composition of reportable segments* in Financial statement information.

UPM Specialty Papers was renamed UPM Specialty Materials as of January 1, 2026.

Events during the reporting period

On January 12, 2026, UPM received leadership scores in CDP 2025 assessment for climate change, forests and water security, reaffirming UPM's leading position in sustainability.

On February 4, 2026, UPM announced plans for the period 2026–2028 within the company's two long-term share incentive arrangements.

On March 5, 2026, UPM Energy announced an investment of over €20 million in the extensive modernization of the Tyrvää hydropower plant.

On March 16, 2026, UPM announced that the CFO and EVP, UPM Energy, Tapio Korpeinen will retire at the end of 2026 but will continue as a Senior Advisor until mid-2027. Risto Penttinen was appointed as EVP, Transformation, effective April 13, 2026.

On March 30, 2026, UPM Adhesive Materials announced an expansion of its footprint in India with a new slitting and distribution terminal near New Delhi.

Events after the balance sheet date

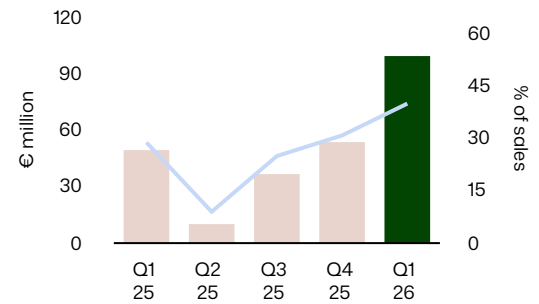
On April 9, 2026, UPM-Kymmene Corporation's held its Annual General Meeting. Decisions of the AGM are presented elsewhere in this report.

On April 28, 2026, the EU Commission announced the opening of a Phase II investigation into the planned graphic paper Joint Venture.

UPM Energy

UPM Energy generates cost competitive, zero-carbon electricity. Operations also include physical electricity and financial portfolio management as well as services to industrial electricity consumers. UPM Energy is the second largest electricity producer in Finland. UPM's power generation capacity consists of hydropower, nuclear power and thermal power.

Comparable EBIT



	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	252	176	149	118	173	615
Comparable EBITDA, € million	102	56	39	12	51	158
% of sales	40.5	31.8	25.9	10.2	29.6	25.6
Depreciation, amortization and impairment charges, € million	-2	-2	-2	-2	-2	-7
Operating profit, € million	100	54	37	10	49	151
% of sales	39.8	30.7	24.7	8.7	28.7	24.5
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	-	-	-	-	-	-
Comparable EBIT, € million	100	54	37	10	49	151
% of sales	39.8	30.7	24.7	8.7	28.7	24.5
Capital employed (average), € million	2,416	2,647	2,698	2,555	2,514	2,603
Comparable ROCE, %	16.6	8.2	5.5	1.6	7.9	5.8
Electricity deliveries, GWh	3,140	3,161	2,829	2,409	2,743	11,141

- UPM Energy announced an investment of over €20 million in the extensive modernization of the Tyrvää hydropower plant in Finland

Results

Q1 2026 compared with Q1 2025

The comparable EBIT for UPM Energy increased significantly due to high prices during the cold winter months.

UPM's average electricity sales price increased by 30% to €74.1/MWh (€56.8/MWh).

Q1 2026 compared with Q4 2025

The comparable EBIT increased significantly due to higher sales prices.

UPM's average electricity sales price increased by 45% to €74.1/MWh (€51.2/MWh).

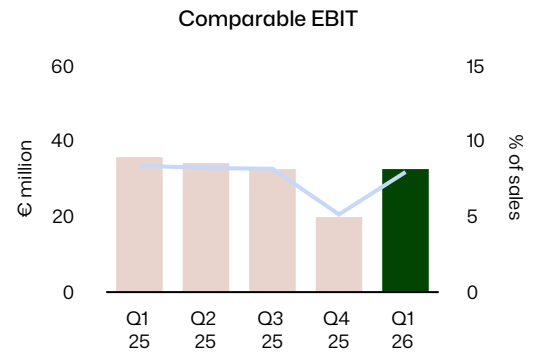
Market environment

- Both the Nordic and Finnish hydrological balance was well below the long-term average at the end of March.
- The CO₂ emissions daily future price of €71.0/tonne at the end of Q1 2026, was lower than at the end of Q4 2025 (€85.2/tonne) and higher than at the end of Q1 2025 (€66.7/tonne).
- The average Finnish area spot price on the Nordic electricity exchange in Q1 2026 was €92.7/MWh, 109% higher than in Q4 2025 (€44.3/MWh) and 88% higher than in Q1 2025 (€49.3/MWh).
- The front-year (Cal-27) forward electricity price for the Finnish area closed at €47.4/MWh in March, 14% higher than at the end of Q4 2025 (€41.6/MWh).

Sources: The Norwegian Water Resources and Energy Directorate, Svensk Energi, Finnish Environment Institute, Nord Pool, Euronext, ICE, UPM

UPM Adhesive Materials

UPM Adhesive Materials offers high-quality self-adhesive paper and film products including label materials, graphics solutions and removable self-adhesive products. UPM Adhesive Materials is the second-largest producer of self-adhesive label materials worldwide.



	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	414	391	405	425	434	1,655
Comparable EBITDA, € million	45	33	46	49	49	176
% of sales	10.9	8.4	11.2	11.5	11.3	10.7
Depreciation, amortization and impairment charges, € million	-13	-22	-13	-14	-13	-61
Operating profit, € million	25	-6	4	28	27	53
% of sales	6.1	-1.6	1.1	6.5	6.3	3.2
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	-7	-26	-28	-7	-9	-70
Comparable EBIT, € million	33	20	33	35	36	124
% of sales	7.9	5.1	8.1	8.2	8.3	7.5
Capital employed (average), € million	842	864	891	900	787	860
Comparable ROCE, %	15.5	9.2	14.8	15.4	18.4	14.4

- Decision to invest a new slitting and distribution terminal near New Delhi, India
- A new cost savings program to adjust capacity to markets

Results

Q1 2026 compared with Q1 2025

The comparable EBIT for UPM Adhesive Materials decreased slightly. The positive impact of higher deliveries and lower variable costs was more than offset by the negative impact of sales prices and mix.

Q1 2026 compared with Q4 2025

The comparable EBIT increased significantly due to higher deliveries and lower variable costs.

Market environment

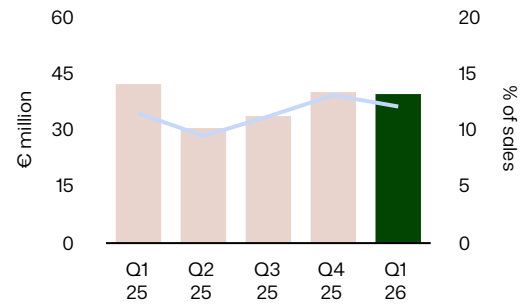
- In Q1 2026, markets for self-adhesive label materials were solid in Europe and the Asia-Pacific (APAC) region, whereas the North American markets were soft.

Sources: UPM, FINAT, TLMi

UPM Specialty Materials

UPM Specialty Materials offers labelling and packaging materials as well as office and graphic papers for labelling, commercial siliconizing, packaging, office use and printing. The production plants are located in China, Finland and Germany.

Comparable EBIT



	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	332	309	304	328	374	1,315
Comparable EBITDA, € million	52	53	45	48	59	204
% of sales	15.6	17.1	14.8	14.6	15.7	15.5
Depreciation, amortization and impairment charges, € million	-12	-13	-11	-17	-16	-57
Operating profit, € million	43	38	34	30	43	144
% of sales	12.9	12.4	11.2	9.1	11.4	11.0
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	3	-2	0	-1	-	-3
Comparable EBIT, € million	40	40	34	31	43	147
% of sales	12.0	13.0	11.1	9.4	11.4	11.2
Capital employed (average), € million	670	686	693	705	739	706
Comparable ROCE, %	23.8	23.4	19.5	17.5	23.1	20.9
Paper deliveries, 1000 t	367	354	333	343	368	1,398

- UPM Specialty Materials and Paramelt introduced a bio-based food packaging concept
- Barrier papers' product development pipeline continued to strengthen, with more than 70 new pilot projects launched in 2026 alone

Results

Q1 2026 compared with Q1 2025

The comparable EBIT for UPM Specialty Materials decreased slightly. The positive impact of lower variable and fixed costs was more than offset by the negative impact of lower sales prices.

Q1 2026 compared with Q4 2025

The comparable EBIT remained at the same level. Volumes and sales prices improved but variable costs increased.

Market environment

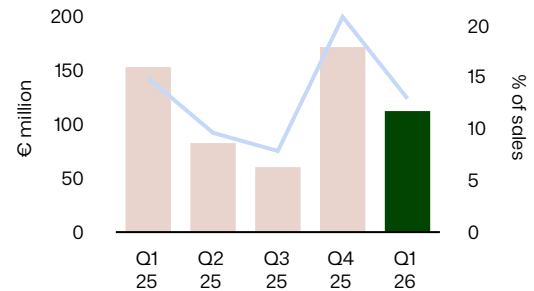
- In Q1 2026, markets for label, release base and packaging papers improved in Europe, Middle East conflict increased customer stocking activity in the final month of the quarter. The U.S. markets were softer.
- In Q1 2026, specialty paper markets in Asia were stable, supported by seasonally good demand. Fine paper markets were highly competitive.

Sources: UPM, RISI, AFRY, AWA

UPM Fibres

UPM Fibres consists of pulp and timber businesses. UPM Pulp offers a versatile range of responsibly-produced pulp grades suitable for a wide range of end-uses. UPM Timber offers certified sawn timber. UPM has two pulp mills and plantation operations in Uruguay (Fibres South) as well as three pulp mills, three sawmills and forest operations in Finland (Fibres North).

Comparable EBIT



UPM Fibres ¹⁾	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	876	825	797	870	1,039	3,531
Comparable EBITDA, € million	178	140	105	149	227	621
% of sales	20.3	17.0	13.1	17.2	21.8	17.6
Change in fair value of forest assets and wood harvested, € million	5	103	28	6	6	144
Share of results of associated companies and joint ventures, € million	1	0	1	1	1	2
Depreciation, amortization and impairment charges, € million	-70	-72	-72	-73	-79	-295
Operating profit, € million	113	172	62	83	155	472
% of sales	12.9	20.9	7.8	9.5	14.9	13.4
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	-	0	-	0	-	0
Comparable EBIT, € million	113	172	62	83	155	472
% of sales	12.9	20.9	7.8	9.6	14.9	13.4
Capital employed (average), € million	8,254	8,294	8,349	8,482	9,099	8,556
Comparable ROCE, %	5.5	8.3	3.0	3.9	6.8	5.5
Pulp deliveries, 1000 t	1,413	1,276	1,262	1,192	1,433	5,163

¹⁾ 2025 reporting is restated according to the change in the composition of UPM Fibres reporting segment and Other operations *Financial Statements information Note 9 Change in the composition of reportable segments*

Pulp mill maintenance shutdowns: Q4 2025 UPM Fray Bentos, Q3 2025 UPM Kaukas, Q2 2025 UPM Paso de los Toros and UPM Kymi.

Additional information on geographic areas ¹⁾

Fibres South	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	411	370	367	374	435	1,545
Comparable EBITDA, € million	138	100	111	95	145	451
% of sales	33.4	27.0	30.3	25.4	33.4	29.2
Comparable EBIT, € million	85	78	80	50	86	294
% of sales	20.8	21.1	21.9	13.3	19.8	19.1
Capital employed (average), € million	5,460	5,578	5,592	5,718	6,244	5,783
Comparable ROCE, %	6.3	5.6	5.7	3.5	5.5	5.1
Pulp deliveries, 1000 t	824	767	782	723	786	3,058
Fibres North	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	457	447	423	488	591	1,949
Comparable EBITDA, € million	47	43	-5	56	88	183
% of sales	10.4	9.6	-1.1	11.6	15.0	9.4
Comparable EBIT, € million	34	99	-15	37	76	197
% of sales	7.4	22.1	-3.5	7.6	12.9	10.1
Capital employed (average), € million	2,775	2,688	2,759	2,757	2,856	2,765
Comparable ROCE, %	4.9	14.7	-2.1	5.4	10.7	7.1
Pulp deliveries, 1000 t	589	509	480	469	648	2,106

¹⁾ Geographical information is excluding i.e. administration, development and other Fibres' operations.

- Wood costs started to decrease for Fibres North

Results

Q1 2026 compared with Q1 2025

The comparable EBIT for UPM Fibres decreased. The negative impact of lower sales prices and adverse changes in currencies was partially offset by lower variable costs. The change in the fair

value of net forest assets and wood harvested was €5 million (6 million).

The average price in euro for UPM's pulp deliveries decreased by 17%.

Q1 2026 compared with Q4 2025

The comparable EBIT decreased due to significantly smaller increase in the value of forest assets than in Q4. The change in the fair value of net forest assets and wood harvested in Q1 was €5 million (103 million). Comparable EBIT was supported by increased sales prices, lower variable costs and higher delivery volumes. Fixed costs decreased, mainly due to higher maintenance activity in the comparison period.

The average price in euro for UPM's pulp deliveries increased by 2%.

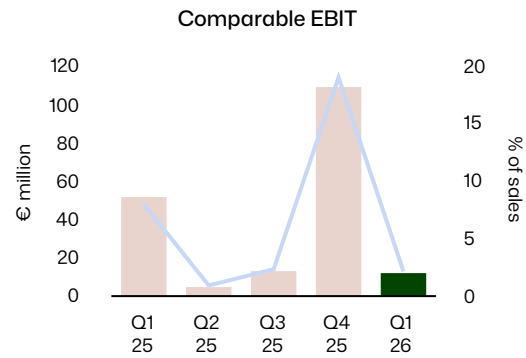
Market environment

- In Q1 2026, chemical pulp market prices continued their moderate upward trend.
- In Europe, the average market price of northern bleached softwood kraft pulp (NBSK) in Q1 was 4% higher than in Q4 2025 and the price of bleached hardwood kraft pulp (BHKP) 11 % higher, but the increases were significantly offset by higher customer rebates.
- In China, the average market price of northern bleached softwood kraft pulp (NBSK) increased by 2% in Q1 2026 compared to Q4 2025 and the price of bleached hardwood kraft pulp (BHKP) by 10%.
- In Q1 2026, demand for sawn timber continued to be relatively slow due to weakness of the construction sector.

Sources: FOEX, UPM

UPM Communication Papers

UPM Communication Papers offers an extensive product range of sustainably produced graphic papers for advertising and publishing as well as home and office uses. The business has extensive low-cost operations consisting of 8 efficient paper mills in Europe and the United States, a global sales network and an efficient logistic system. The main customers are publishers, catalogers, retailers, printers and merchants.



	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales € million	613	580	619	630	664	2,493
Comparable EBITDA, € million	27	127	28	21	65	241
% of sales	4.4	21.8	4.6	3.4	9.8	9.7
Share of results of associated companies and joint ventures, € million	–	–	–	0	–	0
Depreciation, amortization and impairment charges, € million	-17	-17	-49	-20	-23	-109
Operating profit, € million	6	183	-53	-2	-22	107
% of sales	1.0	31.5	-8.5	-0.3	-3.3	4.3
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	-7	73	-67	-7	-74	-75
Comparable EBIT, € million	13	110	14	5	52	181
% of sales	2.1	18.9	2.3	0.8	7.9	7.3
Capital employed (average), € million	898	937	991	1,033	1,109	1,018
Comparable ROCE, %	5.6	46.9	5.6	2.1	18.9	17.8
Paper deliveries, 1000 t	726	690	733	740	731	2,893

- Preparations to form a graphic paper joint venture with Sappi continued

Results

Q1 2026 compared with Q1 2025

The comparable EBIT for UPM Communication Papers decreased. The negative impact of lower sales prices was only partially offset by lower fibre costs.

The average price in euros for UPM's paper deliveries decreased by 7%.

Q1 2026 compared with Q4 2025

The comparable EBIT decreased significantly due to the timing of energy-related refunds in Q4 and elevated energy prices in Q1. Deliveries increased.

The average price in euros for UPM's paper deliveries was broadly stable.

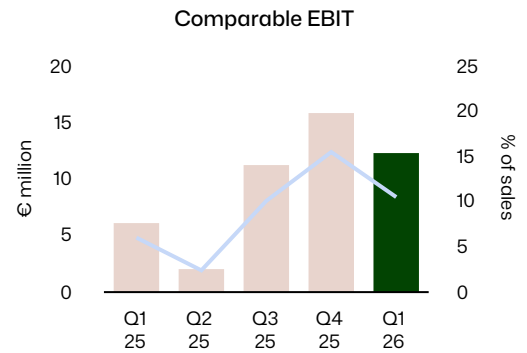
Market environment

- In Q1 2026, demand for graphic papers in Europe was 4% lower than in Q1 2025. Demand declined by 4% for newsprint, while magazine papers declined by 6% and fine papers by 3%.
- In Q1 2026, publication paper prices in Europe were 4% lower compared to Q1 2025 and flat compared to Q4 2025. Fine paper prices in Europe declined by 6% compared to Q1 2025 and by 1% compared to Q4 2025.
- In Q1 2026, demand for magazine and coated wood free papers in North America was 12% lower compared to Q1 2025. The average price in North America for magazine and coated wood free papers was 1% lower than a year ago.

Sources: PPI/RISI, Euro-Graph, PPPC

UPM Plywood

UPM Plywood offers high quality WISA® plywood and veneer products for construction, vehicle flooring, LNG shipbuilding, parquet manufacturing and other industrial applications.



	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	119	104	113	89	103	409
Comparable EBITDA, € million	17	20	16	7	12	55
% of sales	14.5	19.5	14.2	8.3	11.4	13.6
Depreciation, amortization and impairment charges, € million	-5	-4	-5	-5	-6	-20
Operating profit, € million	12	16	7	2	6	31
% of sales	10.0	15.3	6.4	2.1	5.9	7.6
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	-1	0	-4	0	-	-4
Comparable EBIT, € million	12	16	11	2	6	35
% of sales	10.4	15.4	10.0	2.3	5.9	8.7
Capital employed (average), € million	240	228	223	226	244	230
Comparable ROCE, %	20.6	27.9	20.3	3.6	10.0	15.4
Plywood deliveries, 1000 m ³	131	112	128	99	120	458

- Good performance continued, Joensuu mill performed extraordinary well

Results

Q1 2026 compared with Q1 2025

The comparable EBIT for UPM Plywood increased due to higher deliveries and prices and lower variable costs.

Q1 2026 compared with Q4 2025

The comparable EBIT decreased slightly. Increase in volumes was offset by higher variable costs.

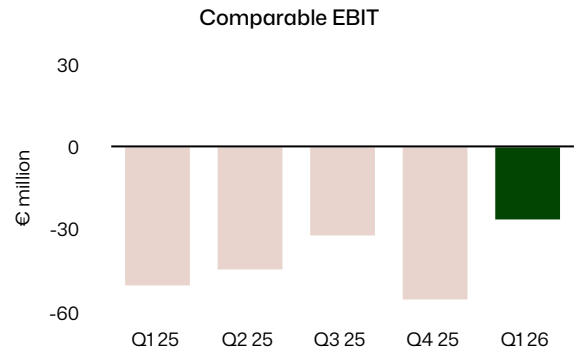
Market environment

- In Q1 2026, demand for spruce plywood in Europe was stable at a comparatively low level due to weak construction sector.
- In Q1 2026, demand for birch plywood in panel trading and industrial end uses continued to be good. Demand for parquet veneers improved.
- In Q1 2026, demand for LNG end-use birch plywood continued at a very good level.

Source: UPM

Other operations

Other Operations includes UPM Biofuels and UPM Biochemicals business units as well as biofuels development and Group services. UPM Biofuels produces wood-based renewable diesel for all diesel engines and renewable naphtha that can be used as a biocomponent for gasoline or for replacing fossil raw materials in petrochemical industry. UPM Biochemicals offers wood-based renewable biochemicals to replace fossil-based raw materials in various applications such as packaging, PET bottles, cosmetics, pharmaceuticals, textiles, detergents, rubbers and resins. UPM operates one biofuels refinery in Finland and one biochemicals refinery in Germany.



	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	185	187	149	192	166	693
Comparable EBITDA, € million	-15	-44	-21	-33	-37	-136
Share of results of associated companies and joint ventures, € million	0	-2	0	0	0	-2
Depreciation, amortization and impairment charges, € million	-12	-10	-10	-11	-14	-44
Operating profit, € million	-35	-64	-31	-47	-54	-197
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	-9	-9	0	-3	-5	-17
Comparable EBIT, € million	-26	-55	-31	-44	-50	-180
Capital employed (average), € million	1,405	1,358	1,315	1,334	1,198	1,301
Comparable ROCE, %	-7.5	-16.2	-9.6	-13.2	-16.6	-13.8

* 2025 reporting is restated according to the change in the composition of UPM Fibres reporting segment and Other operations [Financial Statement information Note 9 Change in the composition of reportable segments](#)

- Continuous production and commercial sales of industrial sugars and lignin at the Leuna biorefinery paved the way for the launch of renewable functional fillers production in H1 2026
- Qualification of CTO-derived biofuels as Sustainable Aviation Fuel continued, following successful trials, positive stakeholder reviews and assessment of technical results at the American Society for Testing and Materials (ASTM)

Results

Q1 2026 compared with Q1 2025

The comparable EBIT for Other operations increased. Biofuels feedstock costs were significantly lower and sales prices higher.

Q1 2026 compared with Q4 2025

The comparable EBIT decreased slightly. Biofuels sales prices were higher and costs lower, but deliveries decreased slightly.

Market environment

- In Q1 2026, demand in the European markets for advanced renewable fuels was good.
- Fossil diesel prices lifted total prices significantly in March.

Source: UPM

Risks and near-term uncertainties

The main uncertainties in UPM's earnings relate to the sales prices and customer demand of the Group's products, as well as changes to the main input cost items and currency exchange rates. Most of these items depend on general economic developments.

In the beginning of 2026, tensions and uncertainties related to geopolitics and trade relations continue.

Currently significant uncertainty in the global business environment relates to the conflict in the Middle East between the U.S., Israel and Iran. Significant part of global supply of oil, LNG and many other commodities has been disrupted, which has increased their global market prices. It is uncertain how long the conflict will last, what the outcome will be, and how long will it take for the global business environment to normalize.

Higher fossil fuel prices may have an increasing impact on UPM's energy costs, logistics costs and many raw material costs.

Uncertainty has increased related to global logistics and supply chains. This may increase logistics costs, but it may also disrupt trade flows and supply chains and possibly impact the supply-demand dynamics of various globally traded products and commodities in different markets. Bottlenecks in global logistics could impact the delivery of UPM's products, the sourcing of raw materials for UPM's businesses and the delivery of equipment for UPM's investments projects.

On the global macro level, the situation may lead to decreased economic growth, increased inflation and potentially higher interest rates. This may indirectly impact demand for UPM products.

On the mitigating side, UPM's business portfolio includes an energy business, a biofuels business and a new biochemicals business, all of which provide alternatives for fossil energy and fossil-based materials. In other businesses UPM has production units in different geographic locations, which may provide opportunities to optimize operations.

Russia's war in Ukraine continues, and political ambitions by the U.S. continue to cause uncertainty in the operating environment, which may impact economic growth, inflation and trade. The potential escalation in global geopolitical and trade tensions and the resulting impacts on the global economy may all affect UPM's operations and the supply chain, demand, supply and pricing of UPM's products, inputs or resources, or the progress of UPM's large investment projects.

There continues to be significant uncertainty related to the trade tensions between major economies, particularly to the tariffs introduced by the U.S. on imports from nearly all countries in the world, and the potential countermeasures introduced by the other countries. Although tariff levels have now been announced for most regions, changes remain possible.

It is possible that widely applied tariffs could have indirect impacts on UPM, for example impacting demand and supply of various products or raw materials, or redirect trade flows between countries and regions, which could impact deliveries and pricing of UPM's products or cost of raw materials on markets relevant to UPM. For example, in Q2 2025 the tariffs between the U.S. and China were momentarily very high. This uncertainty indirectly impacted even trading of goods in China from third countries and not under tariffs, such as pulp. Lower pulp buying, even if temporary, negatively impacted pulp prices.

A part of UPM's business is directly impacted by the U.S. tariffs. In 2025, approximately 13 % of UPM's sales had the U.S. as destination. Approximately 46 % of UPM sales to the U.S. market was produced locally within the U.S. and approximately 54 % was imported, mainly from the EU. The imports consisted mainly of communication papers, specialty papers, and eucalyptus pulp. Part of the raw materials used by UPM in the U.S. were also

imported and may be subject to tariffs. It is estimated that the U.S. market demand exceeds local production for many of the products that UPM exports to the U.S. However, even in such cases, tariffs could affect demand of such products. For example, demand for imported communication papers in the U.S. could be negatively impacted by tariffs.

The halting of wood imports from Russia, combined with investments by competitors have impacted the wood markets in the Baltic Rim. It is possible that wood raw material costs in Finland could stay elevated even if product markets were slow to recover.

Fluctuations in monetary and fiscal policies and economic conditions can significantly impact the value of various currencies, which in turn may affect UPM. Additionally, the escalation of global trade tensions, or political pressure on key central banks could influence currency exchange rates. These currency changes could impact UPM's cash flow, earnings, or balance sheet, and may also affect the relative competitiveness between different currency regions.

UPM's business operations depend on the availability of supporting information systems and network services. Unplanned interruptions in critical information system services can cause disruptions to the continuity of operations. The information systems may be exposed to a cyber-intrusion that could cause leaks of sensitive information, violation of data privacy regulations, theft of intellectual property, AI-generated misinformation or disinformation, production outages or damage to reputation.

In Germany, UPM is in the commissioning and start-up of the next-generation biochemicals refinery in Leuna. The commissioning and start up has made good progress, and there is a good pipeline of commercial interest for the products. Due to the pioneering nature of the project, there are uncertainties how quickly or whether the project will reach the targeted returns. The project is subject to the risks related to product development, innovation, IPR and large investment projects discussed in the Annual Report 2025, on pages 130-132.

In Finland, UPM indirectly owns approximately 31% of the new nuclear power plant unit, Olkiluoto 3 EPR (OL3), through its shareholdings in Pohjolan Voima Oyj. Pohjolan Voima Oyj is a majority shareholder of Teollisuuden Voima Oyj (TVO), holding 58.5% of its shares.

TVO supplies electricity to its shareholders on a cost-price principle (Mankala principle), which is widely applied in the Finnish energy industry. Under the Mankala principle electricity and/or heat is supplied to shareholders in proportion to ownership, and each shareholder is, pursuant to the specific stipulations of the respective articles of association, responsible for its respective share of the production costs of the energy company concerned.

TVO procured OL3 as a fixed-price turnkey project from a consortium (Plant Supplier) formed by Areva GmbH, Areva NP SAS and Siemens AG. As stipulated in the Plant Contract, the consortium companies have joint and several liability for the contractual obligations.

TVO has announced that even though there have been few interruptions to electricity generation at OL3 following the conclusion of the test operation program, there are uncertainties related to the availability of OL3 during the first operating cycles due to the possibility of unexpected events. These uncertainties are managed by means of systematic maintenance and monitoring of the plant unit.

According to TVO, if OL3 fails to achieve the planned load factor or operating cost structure, the Finnish national grid limits its power level, or the costs incurred by TVO due to grid load limitation make it unprofitable to operate at full power, there is a risk of production costs exceeding TVO's target.

The Group's cost structure is presented on page 276 of the UPM Annual Report 2025. Risks and opportunities are discussed on pages 31-33, risks and risk management are presented on pages 128-132, and material sustainability risks and opportunities are presented on pages 148-152, 158, 189, 209, 223 and 230 as part of the UPM Sustainability Statement. Financial risk management, including foreign exchange and interest rate risks, is discussed on pages 313-318. Shareholdings in Pohjolan Voima Oyj are discussed on page 129 of the UPM Annual Report 2025.

Sustainability

In January, UPM received leadership scores in the CDP 2025 assessment. UPM achieved an A score for leadership in transparent reporting and action on climate change and a leadership-level A- score for forests and water security. UPM was also recognized as one of the top-scoring companies in the industry in S&P Global's Sustainability Yearbook 2025, receiving a top 10% CSA Score.

In February, UPM launched a doctoral program focusing on the ecological impacts of forest management and nature management actions in forestry. The University of Eastern Finland was selected as the program's first partner, focusing on water protection. The aim is to study how various restoration measures impact water quality and biodiversity in waterways right after the measures have been implemented.

Also in February, the European Rubber Journal awarded UPM Next Generation Renewables the inaugural Elastomers for Sustainability (E4S) Award 2026. The award recognizes UPM's advancements in material science and its progress in commercializing UPM BioMotion™ renewable functional fillers (RFF).

In March, UPM Energy announced an investment of more than €20 million to extensively modernize the Tyrvää hydropower plant. The technical upgrades will strengthen the plant's capability to provide balancing power to the electricity grid when needed. The modernization will also support the growth of clean, flexible electricity generation. The modernization is expected to be fully completed by the end of 2030.

In March, UPM Specialty Materials announced it has jointly with Paramelt developed a bio-based food packaging concept that provides strong grease protection. The recyclable paper-based solution is particularly suitable for bakery, fast food and convenience applications.

Also in March, UPM published its Annual Report 2025 in English and Finnish at upm.com and upm.fi. As part of the Report of the Board of Directors, UPM published its statutory Sustainability Statement. Ernst & Young Oy assured the report at a limited assurance level. UPM reports on sustainability in accordance with the Global Reporting Initiative (GRI) standards and provides an IFRS S1 and S2 alignment index with the Sustainability Statement.

UPM's new community engagement standard outlines how the company interacts with local communities, strengthening stakeholder trust, and focus on long-term impacts. The standard applies to pre-defined, high-impact sites and forest operations with significant potential social or environmental impacts. It also governs local initiatives, charitable donations, and employee volunteering through the Share and Care Program.

ESG ratings and recognitions

CDP	Climate A; Forest A-; Water A- (A is the highest)
DJSI Indices	World and Europe (only constituent)
Ecovadis	Platinum (highest level)
ISS ESG Quality	Governance 1; Environment 1; Social 1 (1 best)
ISS ESG Rating	B (A+ best)
MSCI	AAA (highest level)

Annual General Meeting

The Annual General Meeting (AGM) of UPM-Kymmene Corporation held on April 9, 2026, resolved that a dividend of €1.50 per share for the year 2025 is paid, as proposed by the Board of Directors. The dividend is paid in two instalments. The record date for the first dividend instalment, €0.75 per share, was on April 13, 2026. The payment date for the first dividend instalment was on April 21, 2026. For the second dividend instalment, €0.75 per share, the record date is October 30, 2026, and the payment date November 6, 2026.

The Board of Directors was authorized to resolve on the issuance of new shares, transfer of treasury shares and issuance of special rights entitling to shares in proportion to the shareholders' existing holdings in the Company, or in a directed share issue, deviating from the shareholder's pre-emptive subscription right. The Board of Directors may also resolve on a share issue without payment to the Company itself. The aggregate maximum number of new shares that may be issued and treasury shares that may be transferred is 25,000,000 also including the number of shares that can be received on the basis of the special rights. The authorization is valid for 18 months from the date of the AGM.

The Board of Directors was authorized to resolve on the repurchase of a maximum of 50,000,000 of the Company's own shares using the Company's unrestricted shareholders' equity as resolved by the Board. The price paid for the shares under the authorization shall be based on the market price formed on the securities markets or a price otherwise formed in a competitive process. The shares may be repurchased either through an offer to all shareholders on equal terms or through other means and otherwise than in proportion to the existing shareholdings of the Company's shareholders (directed repurchases). Shares may be repurchased to be cancelled, held to be reissued, transferred further or for other purposes resolved by the Board. The authorization also includes the right to accept the Company's own shares as a pledge. The Company may enter derivative, share lending or other arrangements customary in capital market practice in connection with the repurchases. The authorization is valid for 18 months from the date of the resolution of the AGM, and it revoked the authorization granted by the previous AGM to repurchase the company's own shares to the extent that the Board of Directors has not already made resolutions on repurchase based on the authorization.

Board of Directors

At the AGM of UPM-Kymmene Corporation held on April 9, 2026, the number of members of the Board of Directors was resolved to be nine, and Pia Aaltonen-Forsell, Henrik Ehrnrooth, Jari Gustafsson, Melanie Maas-Brunner, Topi Manner, Marjan Oudeman and Martin à Porta were re-elected to the Board. Magnus Groth and Piia Karhu were elected as new directors to the Board. The directors' term of office will end at the end of the next Annual General Meeting.

Henrik Ehrnrooth was re-elected as the Chair, and Martin á Porta was elected as the Deputy Chair of the Board of Directors at the Board of Directors' constitutive meeting that took place following the AGM.

In addition, the Board of Directors elected the chairs and other members to the Board committees from among its members. Pia Aaltonen-Forsell was re-elected to chair the Audit Committee, and Marjan Oudeman and Piia Karhu were elected as other committee members. Martin á Porta was re-elected to chair the Remuneration Committee, and Melanie Maas-Brunner and Magnus Groth were elected as other committee members. Henrik Ehrnrooth was re-elected to chair the Nomination and Governance Committee, and Jari Gustafsson and Topi Manner were elected as other committee members.

Shares

In Q1 2026, UPM shares worth a total of € 1,994 million (2,161) were traded on the Nasdaq Helsinki stock exchange. This is estimated to represent approximately 70% of the total trading volume in UPM shares. The highest listing was €27.94 in February and the lowest was €23.05 in January.

The Annual General Meeting held on April 9, 2026, authorized the Board of Directors to resolve on the repurchase of a maximum of 50,000,000 of the Company's own shares. The authorization will be valid for 18 months from the date of the AGM's resolution.

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of new shares, transfer of

treasury shares and issuance of special rights entitling to shares in proportion to the shareholders' existing holdings in the Company, or in a directed share issue, deviating from the shareholder's pre-emptive subscription right. The Board of Directors may also resolve on a share issue without payment to the Company itself. The aggregate maximum number of new shares that may be issued and treasury shares that may be transferred is 25,000,000 including also the number of shares that can be received on the basis of the special rights. The authorization is valid for 18 months from the date of the AGM resolution.

Aside from the above, the Board of Directors has no current authorization to issue shares, convertible bonds or share options.

The number of shares entered in the Trade Register on March 31, 2026 was 527,735,699. Through the issuance authorization, the number of shares may increase to a maximum of 552,735,699.

On March 31, 2026, the Company held 411,653 of its own shares, representing approximately 0.08% of the total number of Company shares and voting rights. The Board of Directors may decide to retain, transfer or cancel the treasury shares.

Legal proceedings

The Group's management is not aware of any significant litigation at the end of Q1 2026.

Helsinki, April 29, 2026
UPM-Kymmene Corporation
 Board of Directors

Financial statement information

Consolidated income statement

€ million	Q1/2026	Q1/2025	Q1-Q4/2025
Sales (Note 3)	2,505	2,646	9,656
Other operating income	35	23	174
Costs and expenses	-2,160	-2,327	-8,630
Change in fair value of forest assets and wood harvested	5	6	144
Share of results of associated companies and joint ventures	0	0	0
Depreciation, amortization and impairment charges	-130	-152	-594
Operating profit (loss)	255	198	749
Exchange rate and fair value gains and losses	4	2	43
Interest and other finance costs, net	-23	-27	-102
Profit (loss) before tax	236	173	690
Income taxes	-36	-30	-200
Profit (loss) for the period	200	143	491
Attributable to:			
Owners of the parent company	195	137	480
Non-controlling interests	6	6	11
	200	143	491
Earnings per share for profit attributable to owners of the parent company			
Basic earnings per share, €	0.37	0.26	0.91
Diluted earnings per share, €	0.37	0.26	0.91

Consolidated statement of comprehensive income

€ million	Q1/2026	Q1/2025	Q1-Q4/2025
Profit (loss) for the period	200	143	491
Other comprehensive income for the period, net of tax			
Items that will not be reclassified to income statement:			
Actuarial gains and losses on defined benefit obligations	7	16	31
Changes in fair value of financial assets at FVOCI	-1	-26	-87
Items that may be reclassified subsequently to income statement:			
Translation differences	118	-232	-724
Net investment hedge	-7	11	37
Cash flow hedges	-31	69	38
Other comprehensive income for the period, net of tax	85	-162	-705
Total comprehensive income for the period	285	-19	-214
Total comprehensive income attributable to:			
Owners of the parent company	273	-10	-180
Non-controlling interests	13	-9	-34
	285	-19	-214

Consolidated balance sheet

€ million	MAR 31, 2026	MAR 31, 2025	DEC 31, 2025
ASSETS			
Goodwill	266	279	264
Other intangible assets	540	584	554
Property, plant and equipment (Note 4)	6,506	6,865	6,459
Leased assets	769	814	778
Forest assets	2,633	2,490	2,605
Financial assets at FVOCI (Note 5)	2,188	2,219	2,193
Other non-current financial assets	23	38	24
Deferred tax assets	422	530	413
Net retirement benefit assets	1	1	1
Investments in associates and joint ventures	26	19	27
Other non-current assets	23	22	22
Non-current assets	13,397	13,861	13,337
Inventories	1,929	2,092	1,886
Trade and other receivables	1,677	1,968	1,481
Other current financial assets	81	76	78
Income tax receivables	40	38	35
Cash and cash equivalents	689	772	715
Current assets	4,415	4,947	4,194
Assets	17,812	18,808	17,532
EQUITY AND LIABILITIES			
Share capital	890	890	890
Treasury shares	-2	-128	-2
Translation reserve	118	452	15
Other reserves	1,583	1,707	1,622
Reserve for invested non-restricted equity	1,273	1,273	1,273
Retained earnings	6,409	6,005	6,205
Equity attributable to owners of the parent company	10,271	10,198	10,001
Non-controlling interests	346	390	333
Equity	10,616	10,588	10,335
Deferred tax liabilities	688	689	692
Net retirement benefit liabilities	429	472	439
Provisions (Note 8)	91	84	101
Non-current debt	3,629	3,710	3,638
Other non-current financial liabilities	95	154	90
Non-current liabilities	4,932	5,109	4,961
Current debt	130	150	156
Trade and other payables	1,851	2,689	1,839
Provisions (note 8)	178	198	179
Other current financial liabilities	67	34	37
Income tax payables	38	39	25
Current liabilities	2,263	3,110	2,237
Liabilities	7,195	8,219	7,197
Equity and liabilities	17,812	18,808	17,532

Consolidated statement of changes in equity

€ million	Share capital	Treasury shares	Translation reserve	Other reserves	Reserve for invested non-restricted equity	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
Value at January 1, 2026	890	-2	15	1,622	1,273	6,205	10,001	333	10,335
Profit for the period	-	-	-	-	-	195	195	6	200
Translation differences	-	-	111	-	-	-	111	7	118
Cash flow hedges - reclassified to income statement, net of tax	-	-	-	45	-	-	45	-	45
Cash flow hedges - changes in fair value, net of tax	-	-	-	-76	-	-	-76	-	-76
Net investment hedge, net of tax	-	-	-7	-	-	-	-7	-	-7
Financial assets at FVOCI - changes in fair value, net of tax	-	-	-	-1	-	-	-1	-	-1
Actuarial gains and losses on defined benefit plans, net of tax	-	-	-	-	-	7	7	-	7
Total comprehensive income for the period	-	-	104	-32	-	201	273	13	285
Share-based payments, net of tax	-	-	-	-6	-	3	-3	-	-3
Other items	-	-	-	-	-	-	-	-	-1
Total transactions with owners for the period	-	-	-	-6	-	3	-3	-	-4
Value at March 31, 2026	890	-2	118	1,583	1,273	6,409	10,271	346	10,616
Value at January 1, 2025	890	-2	657	1,678	1,273	6,644	11,139	401	11,540
Profit for the period	-	-	-	-	-	137	137	6	143
Translation differences	-	-	-216	-	-	-	-216	-16	-232
Cash flow hedges - changes in fair value, net of tax	-	-	-	68	-	-	68	-	68
Net investment hedge, net of tax	-	-	11	-	-	-	11	-	11
Financial assets at FVOCI - changes in fair value, net of tax	-	-	-	-26	-	-	-26	-	-26
Actuarial gains and losses on defined benefit plans, net of tax	-	-	-	-	-	16	16	-	16
Total comprehensive income for the period	-	-	-205	42	-	153	-10	-9	-19
Share-based payments, net of tax	-	-	-	-13	-	3	-10	-	-10
Acquisition of treasury shares	-	-126	-	-	-	-	-126	-	-126
Dividend distribution	-	-	-	-	-	-794	-794	-	-794
Other items	-	-	-	-	-	-1	-1	-	-1
Acquisition of shares from non-controlling interests	-	-	-	-	-	-	-	-2	-2
Total transactions with owners for the period	-	-126	-	-13	-	-791	-931	-2	-932
Value at March 31, 2025	890	-128	452	1,707	1,273	6,005	10,198	390	10,588

Consolidated cash flow statement

€ million	Q1/2026	Q1/2025	Q1-Q4/2025
Cash flows from operating activities			
Profit (loss) for the period	200	143	491
Adjustments ¹⁾	137	311	743
Interest received	3	6	19
Interest paid	-23	-28	-126
Dividends received	1	1	8
Other financial items, net	-4	-3	-24
Income taxes paid	-33	-30	-96
Change in working capital	-192	-112	391
Operating cash flow	89	289	1,405
Cash flows from investing activities			
Capital expenditure	-72	-78	-364
Additions to forest assets	-9	-10	-64
Acquisition of businesses and subsidiaries, net of cash acquired	0	-124	-124
Proceeds from sale of property, plant and equipment and intangible assets, net of tax	14	0	84
Proceeds from sale of forest assets, net of tax	3	10	20
Net cash flows from net investment hedges	-	-	20
Change in other non-current assets	1	0	0
Investing cash flow	-62	-203	-428
Cash flows from financing activities			
Proceeds from non-current debt	1	0	65
Payments of non-current debt	0	-53	-148
Lease repayments	-24	-28	-112
Change in current liabilities	-31	1	32
Net cash flows from derivatives	-1	-5	14
Acquisition of treasury shares	-	-116	-160
Dividends paid to owners of the parent company	0	0	-792
Dividends paid to non-controlling interests	-	0	-23
Return of capital to non-controlling interests	-	-	-8
Other financing cash flow	0	2	-1
Financing cash flow	-55	-199	-1,135
Change in cash and cash equivalents	-29	-113	-158
Cash and cash equivalents at the beginning of the period	715	892	892
Exchange rate effect on cash and cash equivalents	3	-6	-19
Change in cash and cash equivalents	-29	-113	-158
Change in cash and cash equivalents classified as held for sale	-	-	39
Cash and cash equivalents at the end of the period	689	772	715

¹⁾ Adjustments

€ million	Q1/2026	Q1/2025	Q1-Q4/2025
Change in fair value of forest assets and wood harvested	-5	-6	-144
Share of results of associated companies and joint ventures	0	0	0
Depreciation, amortization and impairment charges	130	152	594
Capital gains and losses on sale of non-current assets	-14	0	-57
Financial income and expenses	19	24	59
Income taxes	36	30	200
Utilized provisions	-42	-33	-95
Non-cash changes in provisions	13	62	125
Other adjustments	0	83	60
Total	137	311	743

Notes to the financial statements

1 Basis of preparation and accounting policies

This unaudited interim report has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 on Interim Financial Reporting and Group's consolidated statements for 2025.

Alternative performance measures presented in this report should not be considered as a substitute for measures of performance in accordance with the IFRS Accounting Standards and may not be comparable to similarly titled amounts used by other companies.

Figures presented in this report have been rounded and therefore the sum of individual figures might deviate from the presented total figure. Key figures have been calculated using exact figures.

Geopolitical developments and trade environment

The Group has assessed the impact of ongoing geopolitical developments and changes in the global trade environment, particularly the conflict in the Middle East between the U.S., Israel and Iran. Higher fossil fuel prices may have an increasing impact on UPM's energy costs, logistics costs and many raw material costs.

The Group expects to continue operating and meeting its liabilities as they fall due. UPM has a solid balance sheet and a broad geographic presence. As of March 31, 2026, UPM's cash funds and unused committed credit facilities totaled €2.4 billion.

2 Quarterly information by business area

€ million, or as indicated	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales						
UPM Energy	252	176	149	118	173	615
UPM Adhesive Materials	414	391	405	425	434	1,655
UPM Specialty Materials	332	309	304	328	374	1,315
UPM Fibres	876	825	797	870	1,039	3,531
UPM Communication Papers	613	580	619	630	664	2,493
UPM Plywood	119	104	113	89	103	409
Other operations	185	187	149	192	166	693
Internal sales	-283	-258	-239	-251	-305	-1,053
Eliminations and reconciliation	-1	-1	0	-1	0	-2
Sales, total	2,505	2,312	2,298	2,400	2,646	9,656
Comparable EBITDA						
UPM Energy	102	56	39	12	51	158
UPM Adhesive Materials	45	33	46	49	49	176
UPM Specialty Materials	52	53	45	48	59	204
UPM Fibres	178	140	105	149	227	621
UPM Communication Papers	27	127	28	21	65	241
UPM Plywood	17	20	16	7	12	55
Other operations	-15	-44	-21	-33	-37	-136
Eliminations and reconciliation	-12	-2	-6	3	-5	-10
Comparable EBITDA, total	395	382	251	257	421	1,311
Operating profit						
UPM Energy	100	54	37	10	49	151
UPM Adhesive Materials	25	-6	4	28	27	53
UPM Specialty Materials	43	38	34	30	43	144
UPM Fibres	113	172	62	83	155	472
UPM Communication Papers	6	183	-53	-2	-22	107
UPM Plywood	12	16	7	2	6	31
Other operations	-35	-64	-31	-47	-54	-197
Eliminations and reconciliation	-9	-3	-6	4	-6	-11
Operating profit, total	255	390	55	107	198	749
% of sales	10.2	16.9	2.4	4.5	7.5	7.8
Items affecting comparability						
UPM Energy	-	-	-	-	-	-
UPM Adhesive Materials	-7	-26	-28	-7	-9	-70
UPM Specialty Materials	3	-2	0	-1	-	-3
UPM Fibres	-	0	-	0	-	0
UPM Communication Papers	-7	73	-67	-7	-74	-75
UPM Plywood	-1	0	-4	0	-	-4
Other operations	-9	-9	0	-3	-5	-17
Eliminations and reconciliation ¹⁾	2	-1	1	0	-1	-1
Items affecting comparability in operating profit, total	-18	35	-99	-19	-89	-171
Comparable EBIT						
UPM Energy	100	54	37	10	49	151
UPM Adhesive Materials	33	20	33	35	36	124
UPM Specialty Materials	40	40	34	31	43	147
UPM Fibres	113	172	62	83	155	472
UPM Communication Papers	13	110	14	5	52	181
UPM Plywood	12	16	11	2	6	35
Other operations	-26	-55	-31	-44	-50	-180
Eliminations and reconciliation	-11	-2	-6	3	-5	-10
Comparable EBIT, total	274	355	153	126	287	921
% of sales	10.9	15.3	6.7	5.2	10.8	9.5

¹⁾ Eliminations and reconciliations includes changes in fair value of unrealized cash flow and commodity hedges.

Items affecting comparability

Certain non-operational or non-cash valuation transactions with significant income statement impact are considered as items affecting comparability and reported separately to reflect the underlying business performance and to enhance comparability from period to period.

In 2026, items affecting comparability include €5 million restructuring charges to improve operations' competitiveness and efficiency and €2 million addition to restructuring charges related to the closure of Kaltenkirchen factory in UPM Adhesive Materials, €7 million restructuring charges to improve end-to-end efficiency, €1 million reversal of restructuring charges related to the closure of Ettringen paper mill in Germany and €3 million impairment of non-current assets. In addition, items affecting comparability include €14 million capital gain on sale of non-current assets in Other operations and in UPM Specialty Materials. Other non-operational items include €5 million charges related to strategic review of UPM Plywood Business Area, €13 million charges related to the announced non-binding joint venture transaction between Sappi and UPM in the graphic paper business.

In 2025, items affecting comparability include restructuring and impairment charges related to the closure of Ettringen paper

mill in Germany, the exercise of a put option concerning the Kraftwerk Plattling power plant company, the closure of Kaukas paper machine 1 in Finland in UPM Communication Papers, the discontinuation of label materials' production at Nancy factory in France in UPM Adhesive Materials, the closure of UPM Biomedicals business, and the discontinuation of Rotterdam refinery project in Other operations. In addition, they include other restructuring and impairment charges in UPM Adhesive Materials, UPM Specialty Materials, UPM Communication Papers, UPM Plywood and Other operations. Items affecting comparability include €46 million capital gain on sale of Plattling paper mill site and another €7 million capital gain on sale of non-current assets in UPM Communication Papers. Other non-operational items include acquisition charges related to Metamark acquisition and charges related to strategic review of UPM Plywood Business Area and to the announced non-binding joint venture transaction between Sappi and UPM in the graphic paper business. Items affecting comparability in taxes include the impact of the future corporate income tax rate change in Germany. The legislation was enacted in 2025.

€ million	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Comparable profit for the period	213	300	103	89	223	714
Items affecting comparability						
Impairment charges	-3	-10	-35	-3	-11	-59
Restructuring charges	-13	9	-71	-16	-72	-151
Change in fair value of unrealized cash flow and commodity hedges	2	-1	1	0	-1	-1
Capital gains and losses on sale of non-current assets	14	48	7	-	-	55
Other non-operational items	-18	-10	-	0	-4	-15
Total items affecting comparability in operating profit	-18	35	-99	-19	-89	-171
Items affecting comparability in financial items	-	-	-	-1	-	-1
Changes in tax rates	-	-68	-	-	3	-65
Taxes relating to items affecting comparability	6	-10	14	3	7	13
Items affecting comparability in taxes	6	-77	14	3	10	-51
Items affecting comparability, total	-13	-42	-85	-17	-79	-224
Profit (loss) for the period	200	258	18	71	143	491

Items affecting comparability by business area

Business area	Items affecting comparability ¹⁾
UPM Energy	There are no items affecting comparability in 2026 or 2025.
UPM Adhesive Materials	In 2026, items affecting comparability include €5 million restructuring charges to improve operations' competitiveness and efficiency and €2 million addition to restructuring charges related to the closure of Kaltenkirchen factory. In 2025, items affecting comparability include €30 million restructuring charges to improve operations' competitiveness and efficiency, €28 million restructuring charges related to the discontinuation of label materials' production at Nancy factory in France, €6 million addition to impairment charges and €2 million reversal of restructuring charges related to the closure of Kaltenkirchen factory, €3 million charges related to Metamark acquisition and a €1 million addition to charges related to Adhesive Materials factory which was impacted by Hurricane Helene and €3 million addition to prior restructuring charges.
UPM Specialty Materials	In 2026, items affecting comparability include €2 million restructuring charges to improve end-to-end efficiency and €5 million gain on sale of non-current assets. In 2025, items affecting comparability relate to restructuring measures.
UPM Fibres	In 2026, there are no items affecting comparability. In 2025, items affecting comparability include €1 million restructuring charges and €1 million capital gain on sale on Korkeakoski saw mill.
UPM Communication Papers	In 2026, items affecting comparability include €5 million restructuring charges to improve end-to-end efficiency, €1 million reversal of restructuring charges related to the closure of Ettringen paper mill in Germany and €3 million impairment of non-current assets. In 2025, items affecting comparability include €42 million restructuring charges and €10 million impairment charges related to the closure of Ettringen paper mill in Germany, €36 million restructuring charges and €36 million impairment charges of fixed assets related to the closure of Kaukas paper machine 1 in Finland, €14 million reversal of restructuring charges related to the closure of Plattling paper mill in 2023, €9 million restructuring charges in UPM Communication Papers to improve mills' operations' efficiency, €4 million restructuring charges and €4 million impairment charges resulting from the exercise of a put option concerning the Kraftwerk Plattling power plant company, €46 million capital gain on sale of Plattling paper mill site, €7 million capital gain on sale of non-current assets and €1 million addition to prior restructuring charges.
UPM Plywood	In 2026, items affecting comparability include €1 million charges related to strategic review of UPM Plywood Business Area. In 2025, items affecting comparability relate to earlier restructuring measures.
Other operations	In 2026, items affecting comparability include €4 million charges related to strategic review of UPM Plywood Business Area, €13 million charges related to the announced non-binding joint venture transaction between Sappi and UPM in the graphic paper business, and €9 million capital gain on sale on non-current assets. In 2025, items affecting comparability include €10 million charges related to strategic review of UPM Plywood Business Area and to the announced non-binding joint venture transaction between Sappi and UPM in the graphic paper business, €3 million restructuring charges and €1 million impairment charges related to the closure of the UPM Biomedicals business, €1 million reversal of restructuring charges related to the closure of UPM Biocomposites business, €2 million restructuring charges related to discontinuation of Rotterdam refinery project and €1 million impairment of residual goodwill in Other operations.

¹⁾ Descriptions of items affecting comparability reflect events accumulated on a year-to-date basis and relate to the full reporting period. The year 2026 includes events occurring in January-March 2026, and the year 2025 includes events occurring in January-December 2025.

3 External sales by major products

Business area	Business	Q1/2026	Q1/2025	Q1-Q4/2025
€ million				
UPM Energy	UPM Energy	193	132	480
UPM Adhesive Materials	UPM Adhesive Materials	413	434	1,655
UPM Specialty Materials	UPM Specialty Materials	280	315	1,108
UPM Fibres	UPM Pulp UPM Timber UPM Forest	719	855	2,908
UPM Communication Papers	UPM Communication Papers	605	655	2,459
UPM Plywood	UPM Plywood	114	99	389
Other operations	UPM Biofuels UPM Biochemicals UPM Biomedicals ¹⁾	181	157	659
Eliminations and reconciliations		-1	0	-2
Total		2,505	2,646	9,656

¹⁾ Operations in UPM Biomedicals have been terminated in Q3 2025.

Business	Product range
UPM Energy	Electricity and related services
UPM Adhesive Materials	Self-adhesive paper, film and graphic materials
UPM Specialty Materials	Labelling materials, release base papers, flexible packaging materials, office papers, graphic papers
UPM Pulp	Softwood, birch and eucalyptus pulp
UPM Timber	Standard and special sawn timber
UPM Forest	Wood and wood-based biomass (logs, pulpwood, chips, forest residues etc.), full forestry service offering
UPM Communication Papers	Graphic papers for various end uses
UPM Plywood	Plywood and veneer products
UPM Biofuels	Wood-based renewable diesel for transport and renewable naphtha for transport and petrochemicals
UPM Biochemicals	Lignin products for industrial use

4 Changes in property, plant and equipment

€ million	Q1/2026	Q1/2025	Q1-Q4/2025
Book value at beginning of period	6,459	7,085	7,085
Capital expenditure	58	77	400
Companies acquired	–	3	4
Decreases	0	0	-53
Depreciation	-98	-114	-421
Impairment charges	0	-10	-40
Reclassifications	0	0	-2
Translation difference and other changes	87	-177	-515
Book value at end of period	6,506	6,865	6,459

Capital expenditure in 2026 and 2025 mainly relate to the construction of the new biorefinery in Germany.

Impairment charges in 2025 mainly relate to the closure of the Ettringen paper mill in Germany, the closure of paper machine 1 at the Kaukas mill in Finland and to the closure of Kaltenkirchen

factory in Germany. Companies acquired in 2025 mainly relate to the acquisition of Metamark. The decrease in 2025 relates to the sale of Korkeakoski sawmill to Versowood and to the sale of the Plattling paper mill site in Germany.

5 Financial assets and liabilities

Financial assets and liabilities measured at fair value

€ million	MAR 31, 2026				MAR 31, 2025				DEC 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets												
Investment funds	–	1	–	1	–	1	–	1	–	1	–	1
Derivatives non-qualifying hedges	0	8	–	8	0	10	–	10	0	8	–	8
Derivatives under hedge accounting	–	88	–	88	1	85	–	86	0	85	–	85
Financial assets at FVOCI	–	–	2,188	2,188	–	–	2,219	2,219	–	–	2,193	2,193
Total	0	97	2,188	2,285	1	96	2,219	2,316	0	94	2,193	2,287
Financial liabilities												
Derivatives non-qualifying hedges	0	4	–	4	0	5	–	5	–	6	–	6
Derivatives under hedge accounting	1	201	–	202	0	131	–	131	0	150	–	150
Total	1	205	–	206	0	136	–	136	0	155	–	155

There have been no transfers between levels.

Specific valuation techniques used to value financial instruments at level 2 include the following methods: Interest forward rate agreements (FRAs) are fair valued based on quoted market rates on the balance sheet date. Forward foreign exchange contracts are fair valued based on the contract forward rates at the balance sheet date.

Foreign currency options are fair valued based on quoted market rates and market volatility rates on the balance sheet

date by using the Black&Scholes option valuation model. Interest and currency swap instruments are fair valued as present value of the estimated future cash flows based on observable yield curves. Commodity swaps are fair valued based on forward curve quotations received from service providers. Valuation of investment funds is based on quoted prices (unadjusted) for identical assets in markets that are not active.

Fair value measurements using significant unobservable inputs, Level 3

€ million	Financial assets at FVOCI		
	Q1/2026	Q1/2025	Q1-Q4/2025
Book value at beginning of period	2,193	2,247	2,247
Additions	–	–	29
Disposals	–	–	0
Fair value changes recognised in other comprehensive income	-4	-28	-83
Book value at end of period	2,188	2,219	2,193

The majority of financial assets at FVOCI consists of energy shareholdings. The strategic partnership agreement between UPM and Versowood, which became effective on December 31, 2025, increased financial assets measured at FVOCI by €29 million.

Fair valuation of energy shareholdings in UPM Energy (Pohjolan Voima Oyj's A, B, B2 and C shares, Kemijoki Oy shares, and Länsi-Suomen Voima Oy shares) is based on the discounted

cash flows model. As of June 30, 2025, UPM has no ownership in Pohjolan Voima Oyj's C shares. The electricity price estimate is based on future electricity forward prices and a simulation of the Finnish area electricity price. A change of 5% in the electricity price used in the model would change the total value of the assets by approximately €290 (210 in Q1 2025) million.

The discount rate of 7.19% (8.19% in Q1 2025) used in the valuation model of energy shareholdings is determined using the weighted average cost of capital method. A change of 0.5 percentage points in the discount rate would change the total value of the assets by approximately €220 (140 in Q1 2025) million.

One of the main factors in the decrease in fair value during the reporting period was the decrease in forecasted electricity market prices, offset partly by the decrease in the discount rate.

Fair value of financial assets and liabilities measured at amortized cost

€ million	MAR 31, 2026	MAR 31, 2026	MAR 31, 2025	MAR 31, 2025	DEC 31, 2025	DEC 31, 2025
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	2,587	2,492	2,622	2,552	2,594	2,507
Other non-current debt excl. derivative financial instruments and lease liabilities	249	249	301	308	249	247
Total	2,836	2,741	2,923	2,861	2,844	2,754

The carrying amounts are not significantly different from fair values due to hedges. The fair values of all other financial assets and liabilities approximate their carrying amount.

6 Commitments and contingencies

€ million	MAR 31, 2026	MAR 31, 2025	DEC 31, 2025
Other own commitments			
Commitments related to off-balance sheet short-term leases	1	1	1
Other commitments	125	104	128
Total	126	105	129

Capital commitments

€ million	Completion	Total cost	BY December 31, 2025	Q1/2026	AFTER March 31, 2026
New biorefinery / Germany	H1 2026	1,335	1,293	19	23
Advanced label material capacity increase / Mills River, NC	Q2 2026	12	4	5	3
Capability enhancement and capacity increase / Malaysia	Q3 2026	12	2	2	7
Tyrvää hydropower plant modernization / Finland	Q3 2030	19	4	0	15

7 Notional amounts of derivative financial instruments

€ million	MAR 31, 2026	MAR 31, 2025	DEC 31, 2025
Interest rate futures	1,214	1,134	1,319
Interest rate swaps	1,676	1,697	1,668
Forward foreign exchange contracts	3,081	3,370	3,192
Currency options, bought	–	–	–
Currency options, written	–	–	–
Cross currency swaps	115	130	114
Commodity contracts	436	435	401

8 Provisions

€ million	Restructuring	Termination	Environmental	Emissions	Other	Total
Value at January 1, 2026	70	89	29	63	30	280
Provisions made during the year	1	12	0	20	1	34
Provisions utilized during the year	-10	-25	0	-1	-6	-42
Unused provisions reversed	0	-1	0	-2	0	-3
Value at March 31, 2026	61	74	29	80	25	269

9 Change in the composition of reportable segments

The Group has changed its reportable segments composition by moving UPM Forest business into UPM Fibres business area as of January 1, 2026. The vast majority of wood used by UPM in Finland is consumed within the UPM Fibres business, and the Finnish forests are therefore considered an integral operational and strategic part of UPM Fibres North operations. In addition, the change improves consistency with UPM Fibres operations in Uruguay, where forest assets have already been reported as part of the UPM Fibres South operations. Until the end of 2025, UPM Forest was included in Other operations.

UPM Biorefining, consisting of UPM Biochemicals and UPM Biofuels and reported as part of Other operations, was renamed UPM Next Generation Renewables as of January 1, 2026.

Following these changes, Other Operations includes UPM Next Generation Renewables, Wood sourcing, Group services and Technology and forest assets in the U.S.

The change impacts KPIs of UPM Fibres reportable segment and Other Operations. The comparative periods have been restated according to the new reporting principles. The reporting change has had no impact on Group financial result or balance sheet.

UPM Fibres

	UPM Fibres as published					UPM Fibres restated				
	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	781	777	838	1,010	3,407	825	797	870	1,039	3,531
Comparable EBITDA, € million	102	88	119	202	511	140	105	149	227	621
% of sales	13.1	11.4	14.1	20.0	15.0	17.0	13.1	17.2	21.8	17.6
Change in fair value of forest assets and wood harvested, € million	31	22	9	2	65	103	28	6	6	144
Share of results of associated companies and joint ventures, € million	0	1	1	1	2	0	1	1	1	2
Depreciation, amortization and impairment charges, € million	-72	-72	-72	-79	-295	-72	-72	-73	-79	-295
Operating profit, € million	62	39	55	126	282	172	62	83	155	472
% of sales	8.0	5.1	6.6	12.4	8.3	20.9	7.8	9.5	14.9	13.4
Items affecting comparability in operating profit, € million ¹⁾	0	-	0	-	0	0	-	0	-	0
Comparable EBIT, € million	62	39	56	126	283	172	62	83	155	472
% of sales	8.0	5.1	6.6	12.4	8.3	20.9	7.8	9.6	14.9	13.4
Capital employed (average), € million	6,464	6,539	6,680	7,298	6,745	8,294	8,349	8,482	9,099	8,556
Comparable ROCE, %	3.9	2.4	3.3	6.9	4.2	8.3	3.0	3.9	6.8	5.5

Other Operations

	Other operations as published					Other operations restated				
	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	187	149	192	166	693	187	149	192	166	693
Comparable EBITDA, € million	-6	-5	-2	-12	-25	-44	-21	-33	-37	-136
Change in fair value of forest assets and wood harvested, € million	72	6	-3	4	80	0	0	0	0	0
Share of results of associated companies and joint ventures, € million	-2	0	0	0	-2	-2	0	0	0	-2
Depreciation, amortization and impairment charges, € million	-10	-10	-11	-14	-45	-10	-10	-11	-14	-44
Operating profit, € million	46	-9	-20	-25	-8	-64	-31	-47	-54	-197
Items affecting comparability in operating profit, € million ¹⁾	-9	-	-3	-5	-17	-9	-	-3	-5	-17
Comparable EBIT, € million	55	-9	-16	-21	9	-55	-31	-44	-50	-180
Capital employed (average), € million	3,188	3,125	3,136	2,999	3,112	1,358	1,315	1,334	1,198	1,301
Comparable ROCE, %	6.9	-1.1	-2.1	-2.7	0.3	-16.2	-9.6	-13.2	-16.6	-13.8

Alternative performance measures

Quarterly key figures

In addition to the conventional financial performance measures established by the IFRS, certain key figures (alternative performance measures) are presented to reflect the underlying business performance and enhance comparability from period to period.

	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	2,505	2,312	2,298	2,400	2,646	9,656
Comparable EBITDA, € million	395	382	251	257	421	1,311
% of sales	15.8	16.5	10.9	10.7	15.9	13.6
Comparable EBIT, € million	274	355	153	126	287	921
% of sales	10.9	15.3	6.7	5.2	10.8	9.5
Comparable profit before tax, € million	255	370	125	105	262	863
Capital employed (average, € million)	14,252	14,210	14,343	14,421	14,951	14,791
Comparable ROCE, %	7.9	11.3	4.3	3.7	7.9	6.7
Comparable profit for the period, € million	213	300	103	89	223	714
Total equity, average, € million	10,476	10,362	10,359	10,458	11,064	10,937
Comparable ROE, %	8.1	11.6	4.0	3.4	8.1	6.5
Average number of shares basic (1,000)	527,324	527,324	527,324	527,391	532,245	528,554
Comparable EPS, €	0.39	0.57	0.19	0.17	0.41	1.33
Items affecting comparability in operating profit, € million	-18	35	-99	-19	-89	-171
Items affecting comparability in financial items, € million	-	-	-	-1	-	-1
Items affecting comparability in taxes, € million	6	-77	14	3	10	-51
Operating cash flow, € million	89	720	218	179	289	1,405
Operating cash flow per share, €	0.17	1.36	0.41	0.34	0.54	2.66
Net debt at the end of period, € million	2,962	3,004	3,218	3,310	2,954	3,004
Net debt to EBITDA (last 12 m.)	2.30	2.29	2.36	2.12	1.77	2.29
Gearing ratio, %	28	29	31	32	28	29
Equity per share at the end of period, €	19.48	18.97	19.07	18.96	19.29	18.97
Capital expenditure, € million	59	154	94	120	254	621
Capital expenditure excluding acquisitions, € million	59	125	84	119	81	409
Equity to assets ratio, %	59.7	59.0	57.6	56.8	56.3	59.0
Personnel at the end of period	14,801	15,127	15,642	16,307	15,890	15,127

The definitions of alternative performance measures are presented in the section » [Other financial information in UPM's Annual Report 2025](#)

Reconciliation of key figures to IFRS

€ million, or as indicated	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Items affecting comparability						
Impairment charges	-3	-10	-35	-3	-11	-59
Restructuring charges	-13	9	-71	-16	-72	-151
Change in fair value of unrealized cash flow and commodity hedges	2	-1	1	0	-1	-1
Capital gains and losses on sale of non-current assets	14	48	7	-	-	55
Other non-operational items	-18	-10	-	0	-4	-15
Total items affecting comparability in operating profit	-18	35	-99	-19	-89	-171
Items affecting comparability in financial items	-	-	-	-1	-	-1
Changes in tax rates	-	-68	-	-	3	-65
Taxes relating to items affecting comparability	6	-10	14	3	7	13
Items affecting comparability in taxes	6	-77	14	3	10	-51
Items affecting comparability, total	-13	-42	-85	-17	-79	-224
Comparable EBITDA						
Operating profit (loss)	255	390	55	107	198	749
Depreciation, amortization and impairment charges excluding items affecting comparability	126	130	126	138	140	535
Change in fair value of forest assets and wood harvested excluding items affecting comparability	-5	-104	-28	-6	-6	-144
Share of result of associates and joint ventures	0	1	0	0	0	0
Items affecting comparability in operating profit	18	-35	99	19	89	171
Comparable EBITDA	395	382	251	257	421	1,311
% of sales	15.8	16.5	10.9	10.7	15.9	13.6
Comparable EBIT						
Operating profit (loss)	255	390	55	107	198	749
Items affecting comparability in operating profit	18	-35	99	19	89	171
Comparable EBIT	274	355	153	126	287	921
% of sales	10.9	15.3	6.7	5.2	10.8	9.5
Comparable profit before tax						
Profit (loss) before tax	236	406	26	85	173	690
Items affecting comparability in operating profit	18	-35	99	19	89	171
Items affecting comparability in financial items	-	-	-	1	-	1
Comparable profit before tax	255	370	125	105	262	863
Comparable ROCE, %						
Comparable profit before tax	255	370	125	105	262	863
Interest expenses and other financial expenses	26	33	30	29	34	124
Capital employed, average	281	403	155	134	296	987
Comparable ROCE, %	7.9	11.3	4.3	3.7	7.9	6.7
Comparable profit for the period						
Profit (loss) for the period	200	258	18	71	143	491
Items affecting comparability, total	13	42	85	17	79	224
Comparable profit for the period	213	300	103	89	223	714
Comparable EPS, €						
Comparable profit for the period	213	300	103	89	223	714
Profit attributable to non-controlling interest	-6	-1	-2	-1	-6	-11
Average number of shares basic (1,000)	207	299	101	88	216	704
Comparable EPS, €	527,324	527,324	527,324	527,391	532,245	528,554
Comparable EPS, €	0.39	0.57	0.19	0.17	0.41	1.33
Comparable ROE, %						
Comparable profit for the period	213	300	103	89	223	714
Total equity, average	10,476	10,362	10,359	10,458	11,064	10,937
Comparable ROE, %	8.1	11.6	4.0	3.4	8.1	6.5
Net debt						
Non-current debt	3,629	3,638	3,634	3,707	3,710	3,638
Current debt	130	156	268	359	150	156
Total debt	3,759	3,794	3,902	4,066	3,860	3,794
Non-current interest-bearing assets	30	32	33	33	35	32
Cash and cash equivalents	689	715	577	627	772	715
Other current interest-bearing assets	78	43	74	96	99	43
Total interest-bearing assets	797	790	684	755	906	790
Net debt	2,962	3,004	3,218	3,310	2,954	3,004

It should be noted that certain statements herein, which are not historical facts, including, without limitation, those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by “believes”, “expects”, “anticipates”, “foresees”, or similar expressions, are forward-looking statements. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein including the availability and cost of production inputs, continued success of product development, acceptance of new products or services by the Group’s targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group’s patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group’s products and the pricing pressures thereto, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group’s principal geographic markets or fluctuations in exchange and interest rates. The main earnings sensitivities and the Group’s cost structure are presented on page 276 of the 2025 Annual Report. Risks and opportunities are discussed on pages 31–33 and risks and risk management are presented on pages 128–132 of the report.



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