

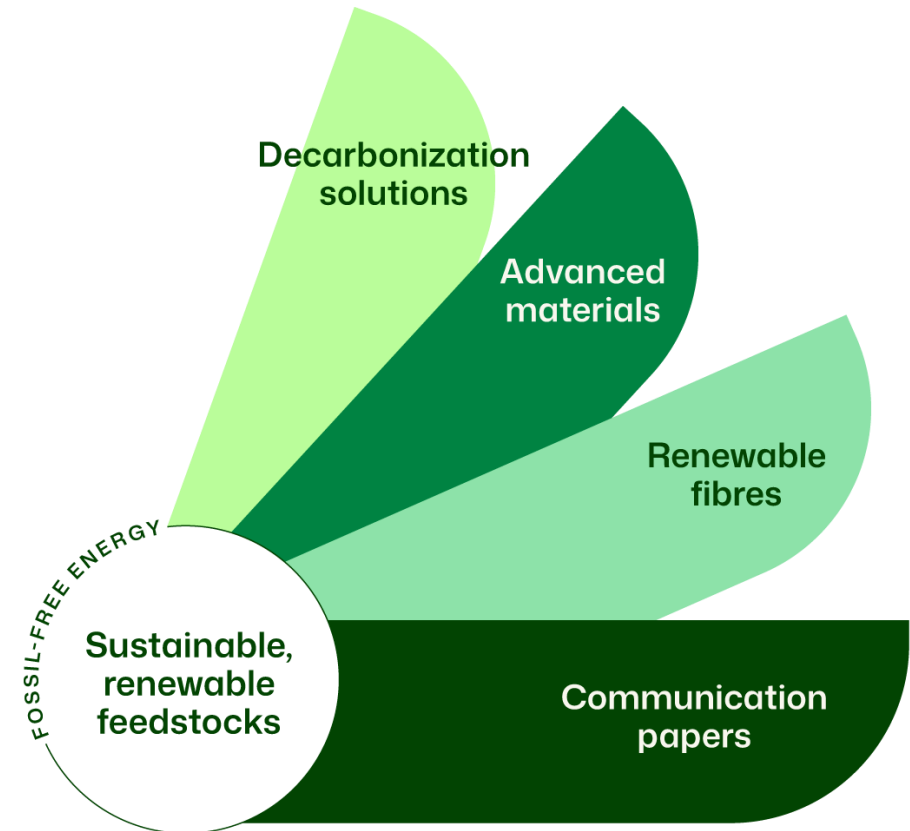


UPM – we renew the everyday

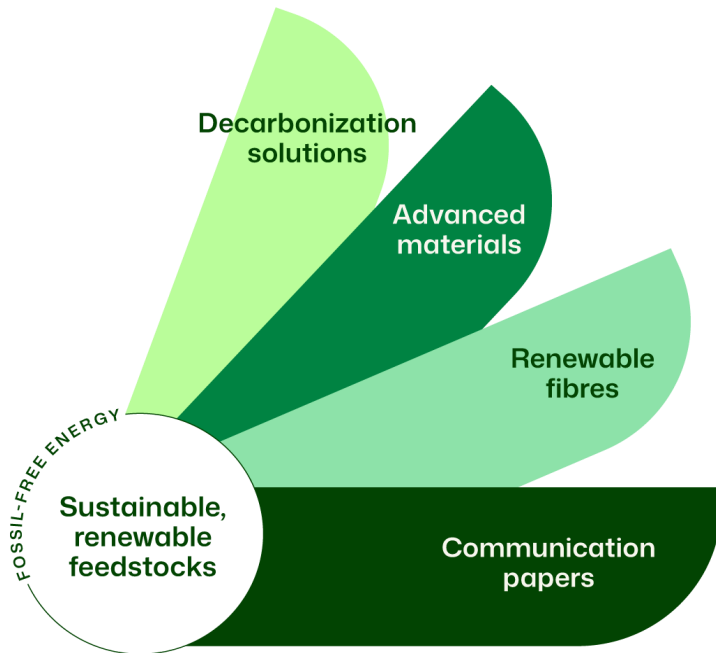
Investor presentation
July 2025

Our portfolio leverages competitive business platforms

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



Attractive growth opportunities



Market trend growth	5-year average comparable EBIT ^(*) by product group	5-year comparable EBIT %	Capital intensity
+++	276	32%	High
++	384	11%	Low
+	427	15%	High
-	291	8%	-

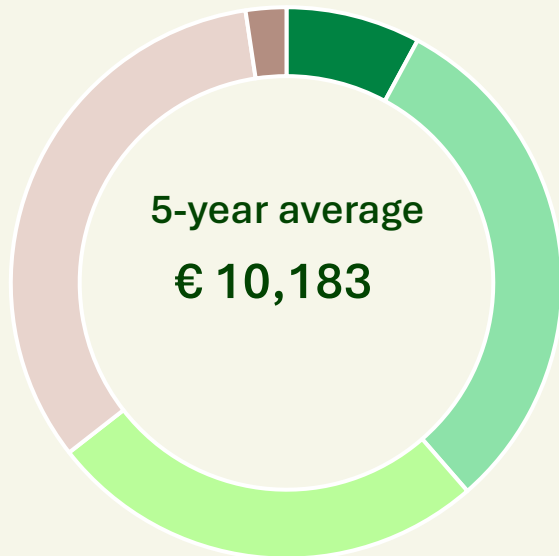
(*) UPM average comparable EBIT 2020–2024 was €1,351m

Our balanced portfolio provides opportunities for further growth

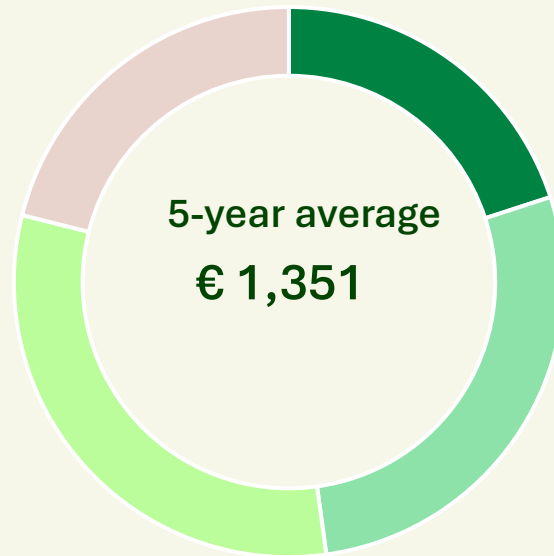


5-year average

Sales



Comparable EBIT



- Decarbonization solutions
- Renewable fibres
- Advanced materials
- Communication papers
- Other

Total sales 2024

Sales by market



- Europe
- North America
- Asia
- Rest of the World

We seek profitable growth through performance and capitalizing on our major investments



UPM comparable EBIT*

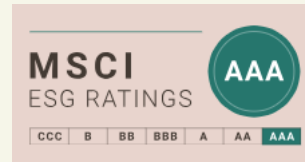


UPM sales*



*) The graphs are illustrative, not a forecast

Leading position in sustainability, leading global standards



Our climate commitment



WE ACT THROUGH FORESTS

Committed to climate-positive forestry and enhancing biodiversity



WE ACT THROUGH EMISSION REDUCTIONS

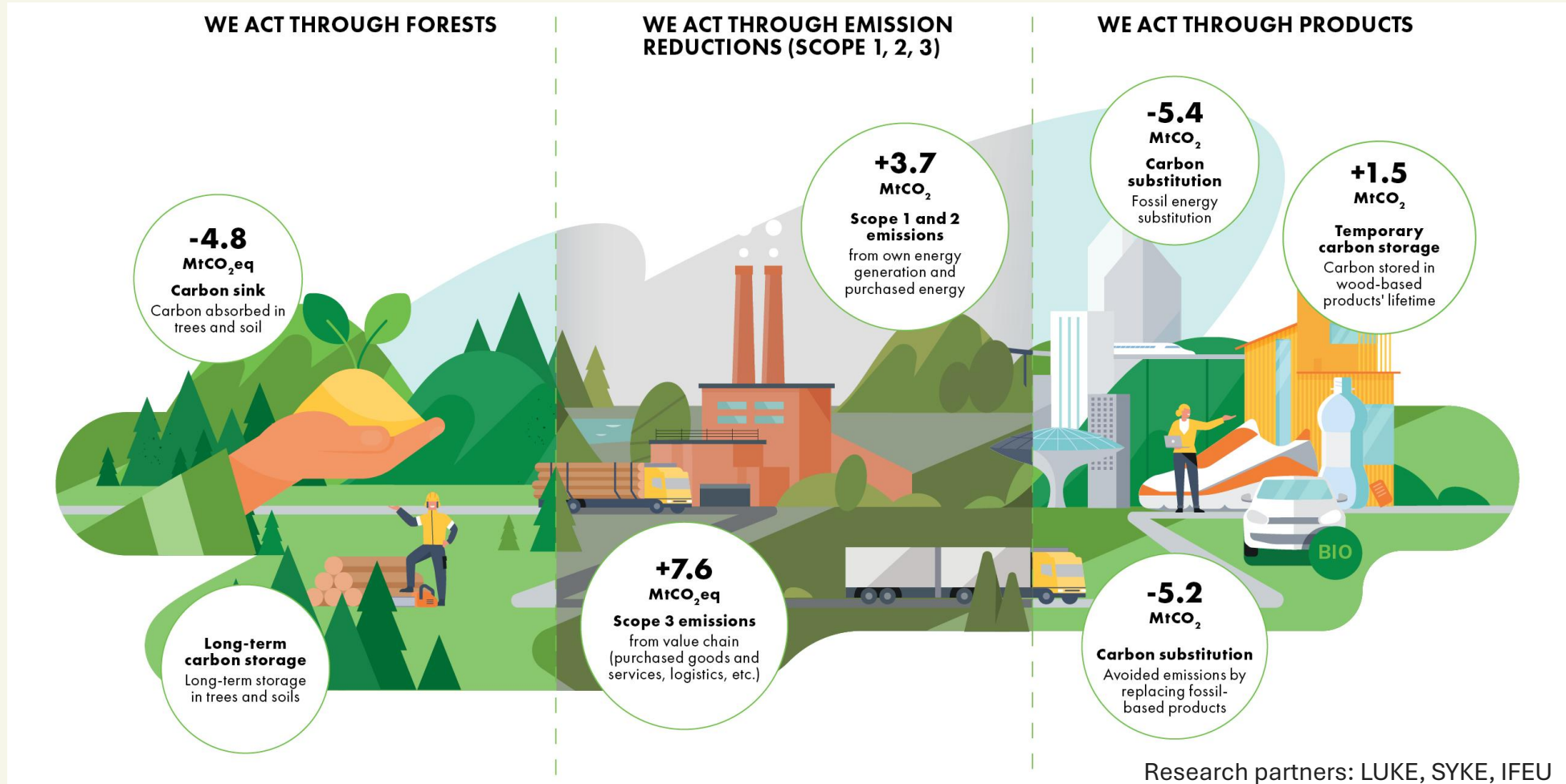
-65% from own CO₂ emissions
-30% from CO₂ emissions of supply chain



WE ACT THROUGH PRODUCTS

Innovative products
Scientifically verifying the climate impact of all our products

Towards net-zero emissions (UPM 2023)



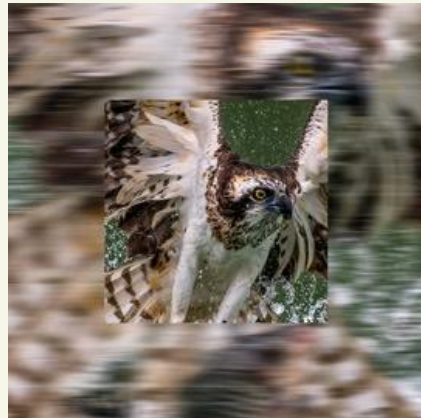
UPM Forest Action

The UPM Forest Action program takes a holistic view, covering the five fundamentals of responsible forestry:

CLIMATE



BIODIVERSITY



WATER



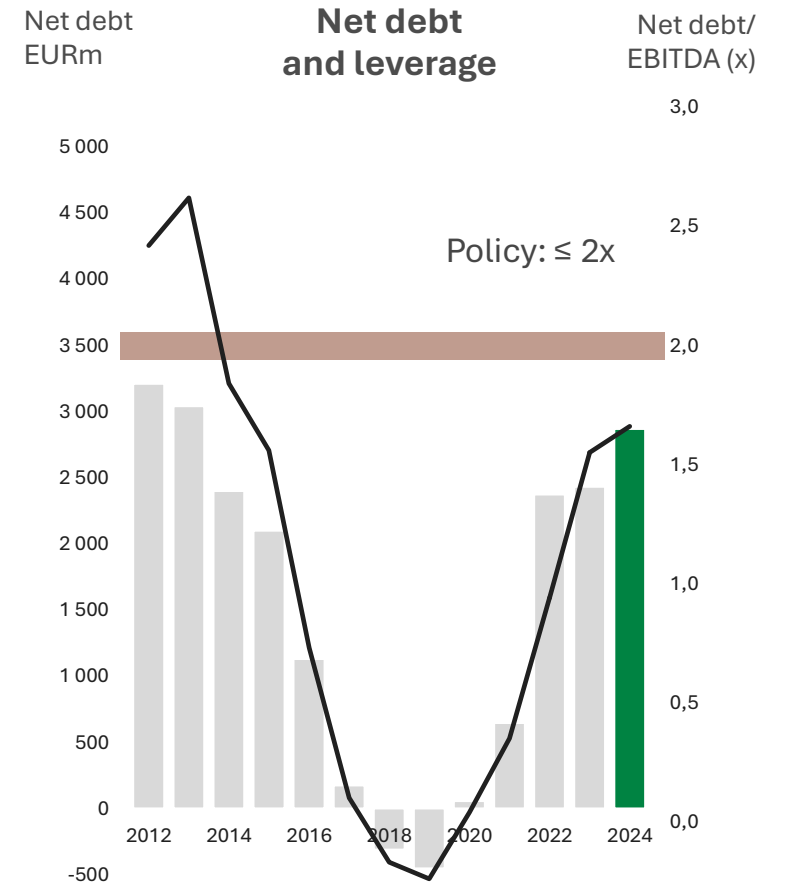
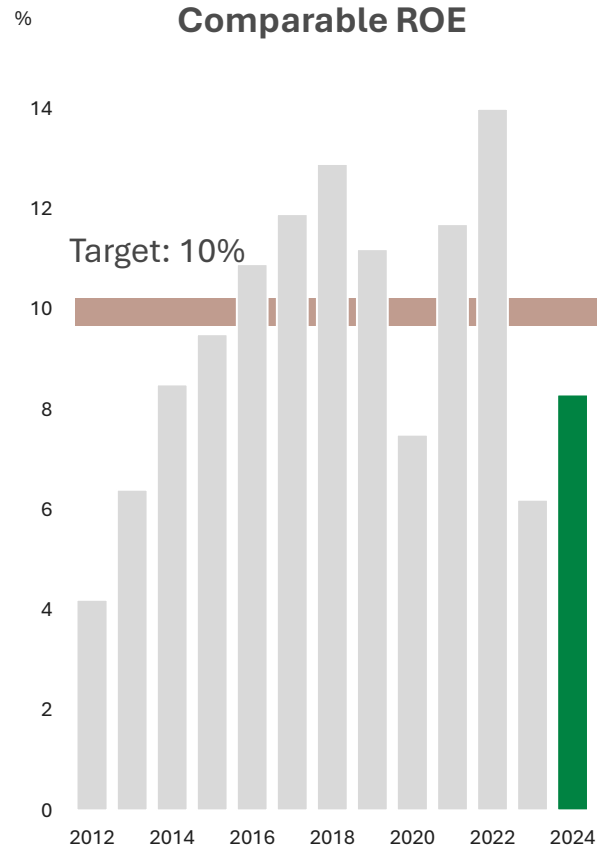
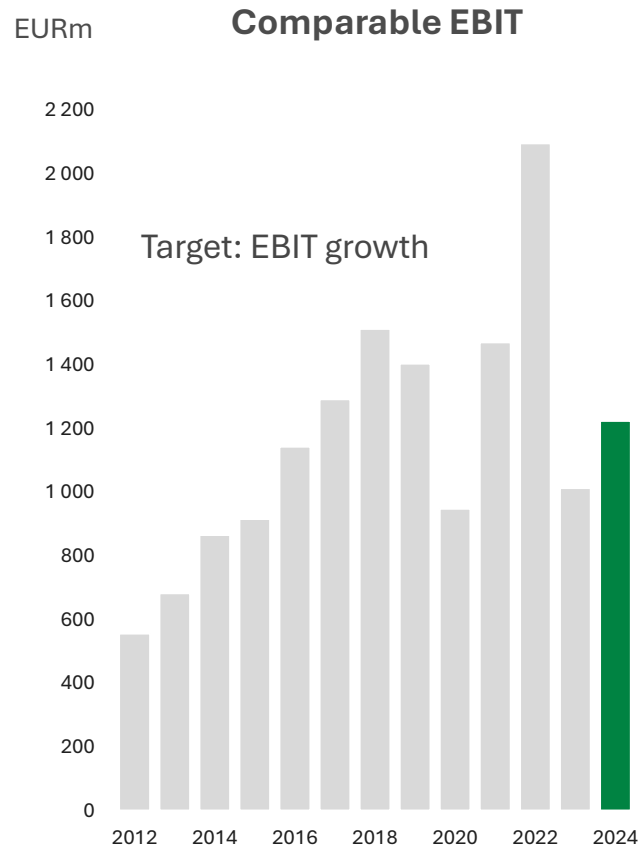
SOIL



SOCIAL CONTRIBUTION

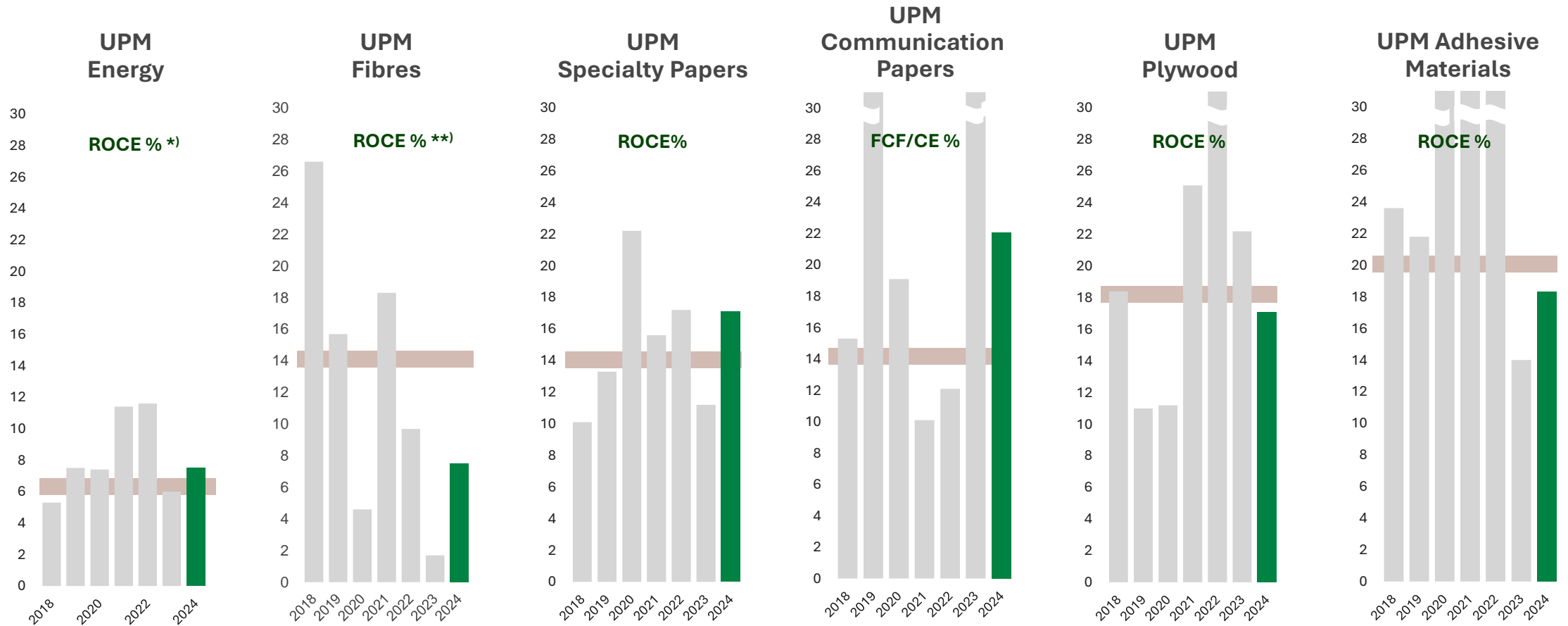


Group financial performance and targets





Business area long-term return targets

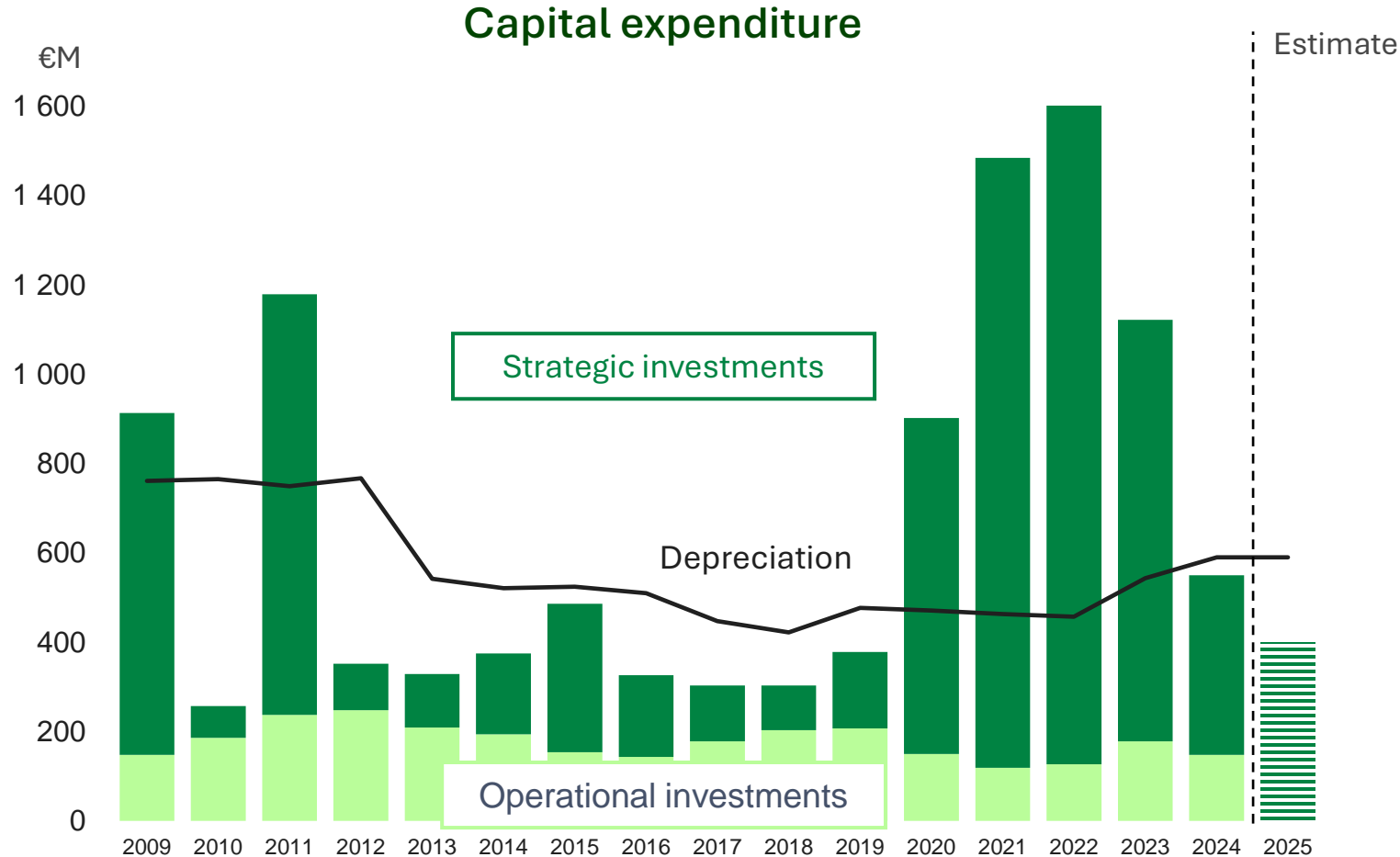


*) Shareholdings in UPM Energy valued at fair value

***) Year 2021 restated, UPM Biofuels moved into Other Operations as of 1 January 2022.

Long-term return target

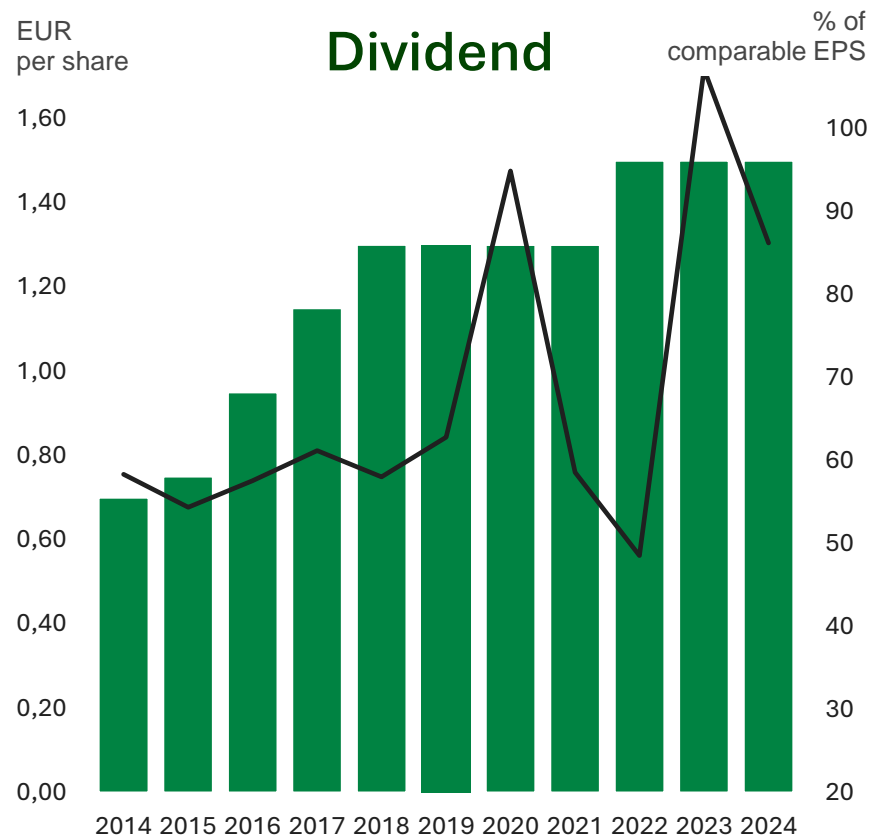
Major investment cycle coming to an end



Capex 2025 estimate

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

Attractive dividend



Dividend policy

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

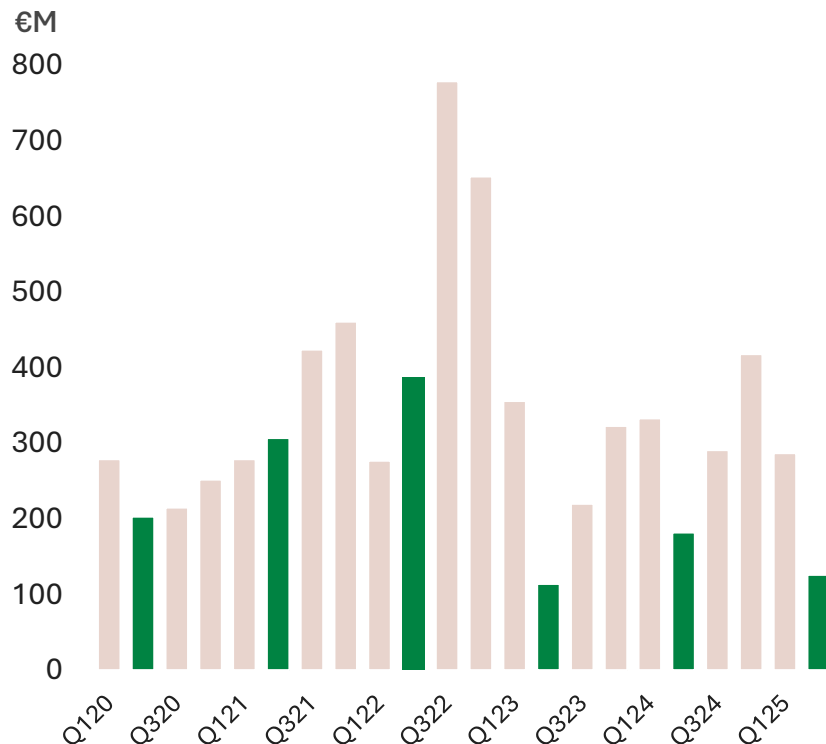
Dividend for 2024

- EUR 1.50 (1.50) per share
- 86% of 2024 comparable EPS

Q2 2025: Securing performance in a turbulent global trade environment



Comparable EBIT



Q2 2025 in brief

- Sales totaled €2,400 million (€2,546 million in Q2 2024)
- Comparable EBIT decreased by 31% to €126 million, 5.2% of sales (€182 million, 7.2%)
- Operating cash flow was €179 million (204 million)
- Increased global trade tensions impacted deliveries and prices for UPM Fibres and UPM Communication Papers
- Advanced materials businesses' performance was more resilient
- UPM Biofuels had record high deliveries and improved its performance
- The Rotterdam refinery development was discontinued to sharpen the focus in biofuels growth strategy
- The biochemicals refinery in Leuna started up the first of its three core processes

Global trade uncertainties and currency changes affected pulp and communication paper markets in Q2 2025



Trade uncertainties affected customers' decisions

Resilient demand for advanced materials

Weak demand for communication papers

Resilient demand for advanced materials

Weak demand for communication papers

Growing electricity consumption, very low price in Finland

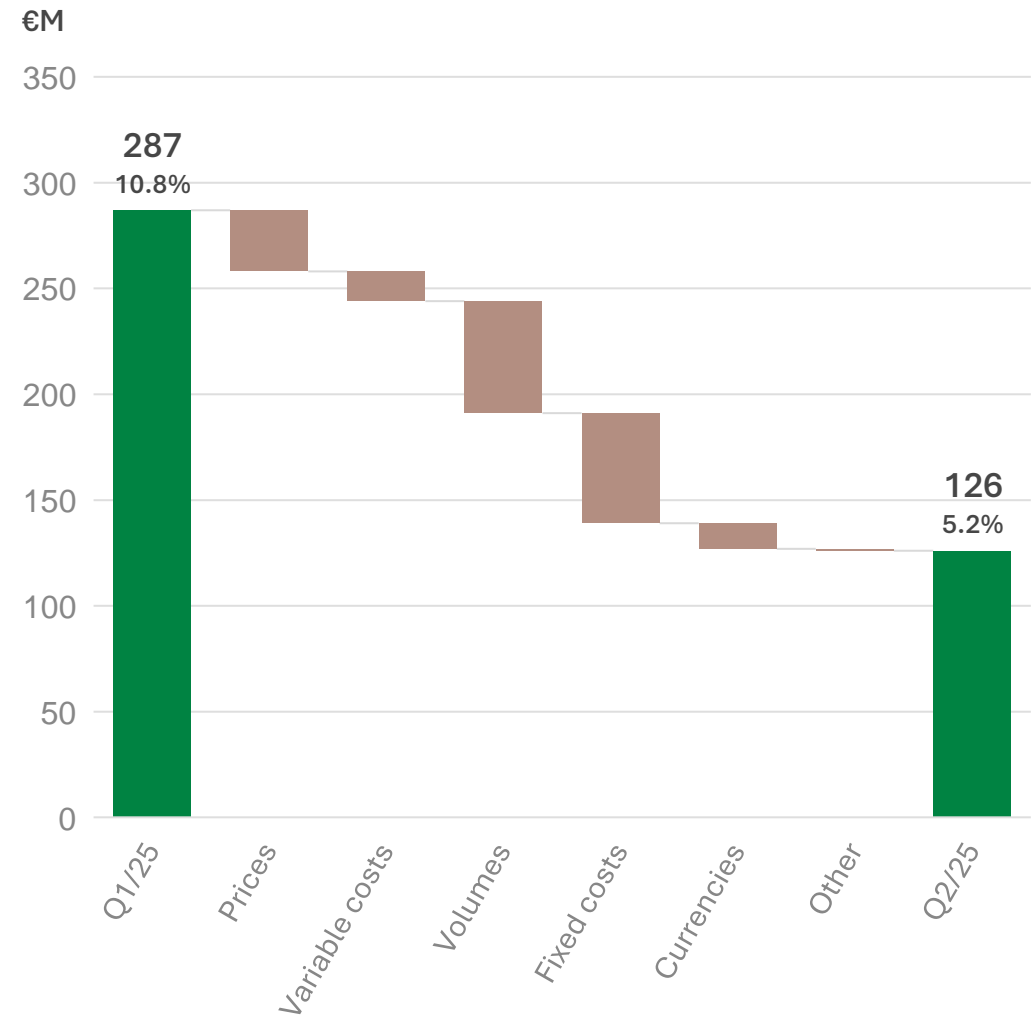
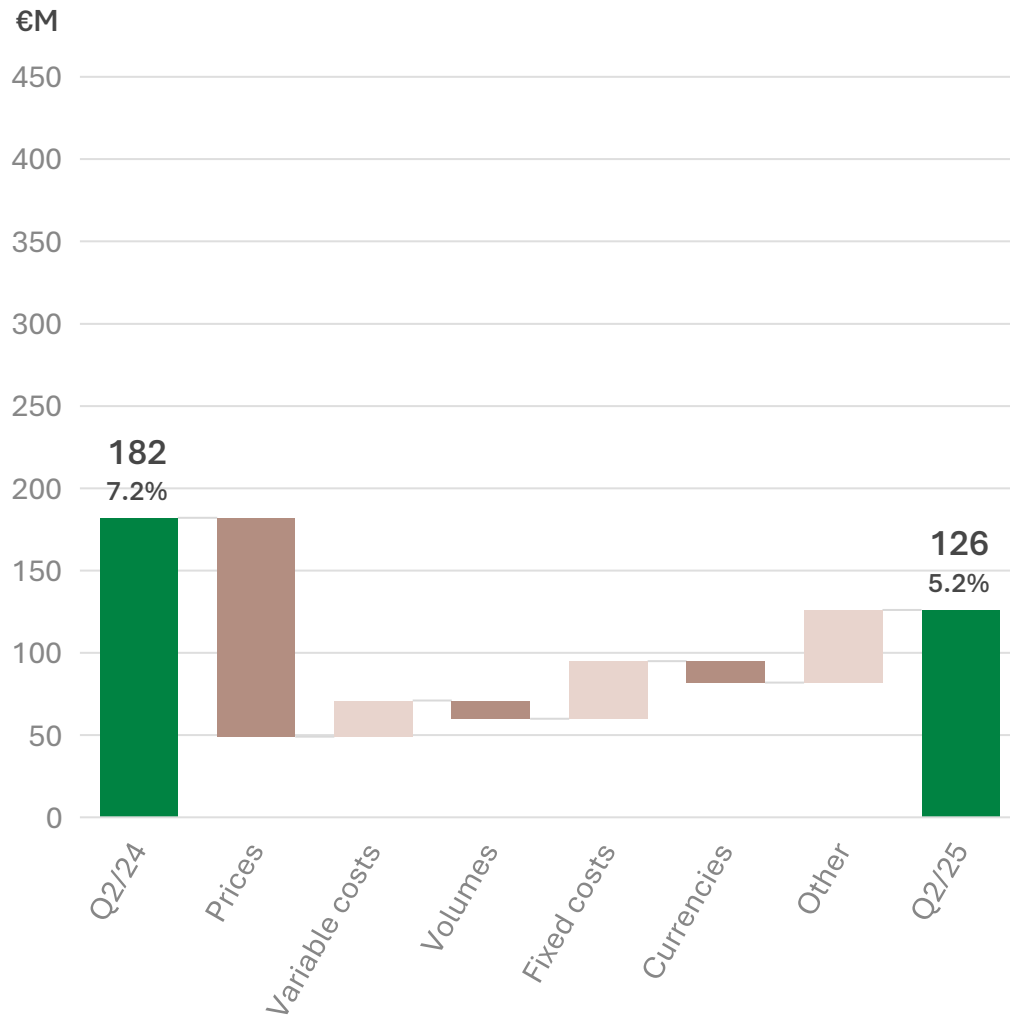
Slowly improving market for renewable fuels

During peak trade uncertainty low purchases of pulp and fine papers

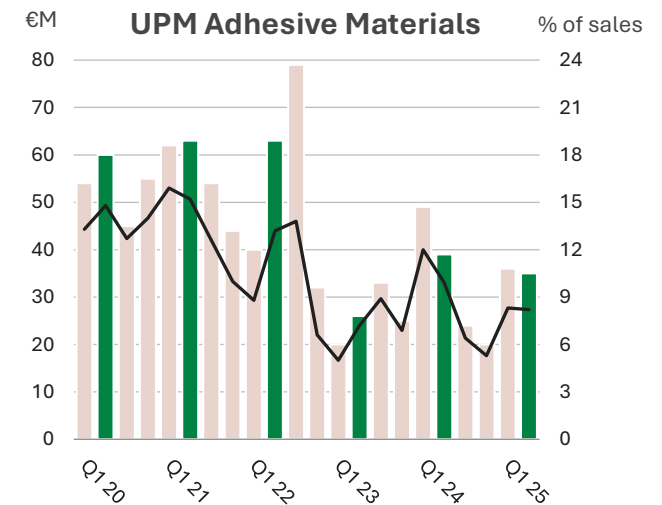
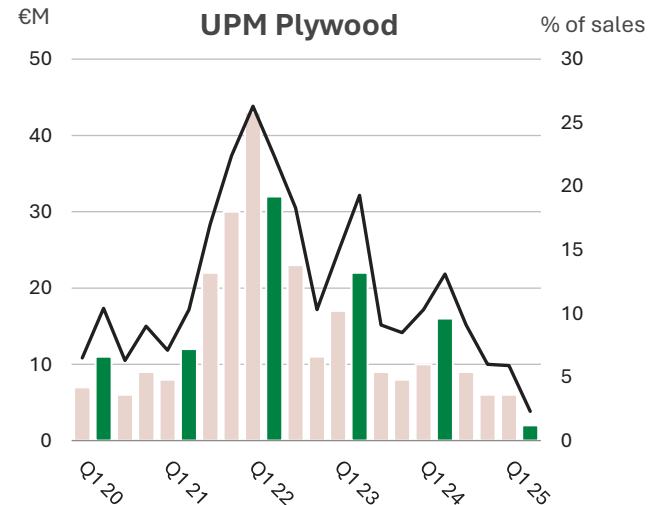
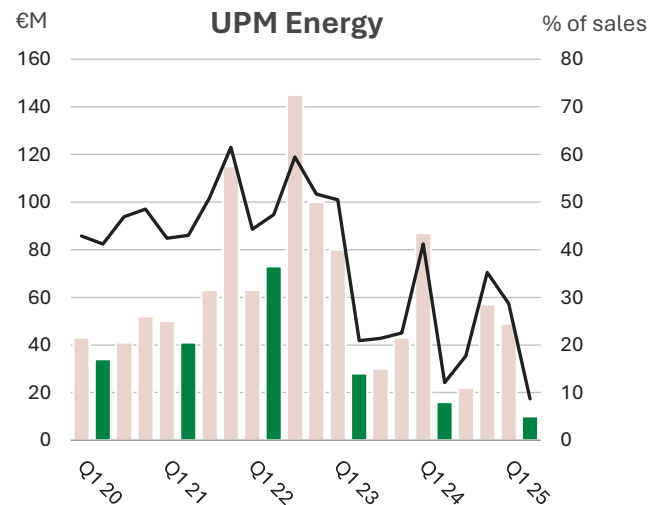
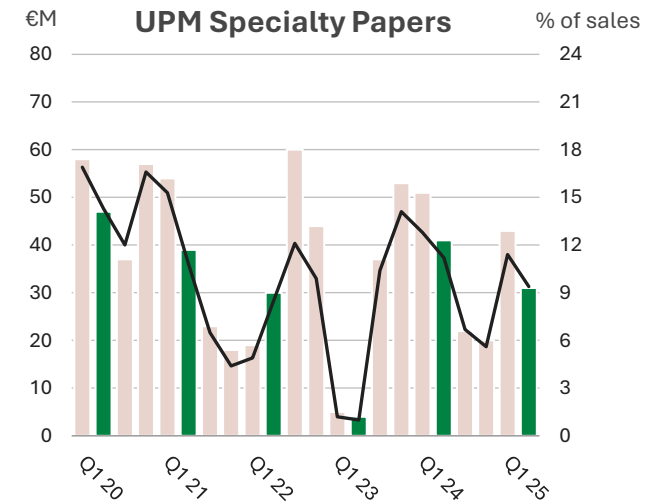
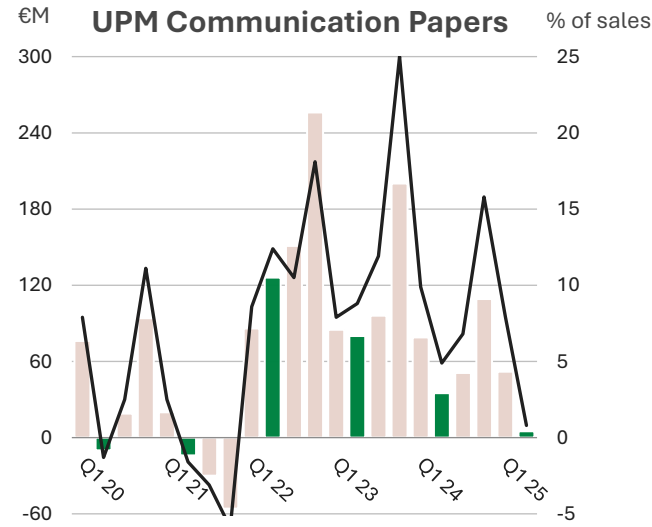
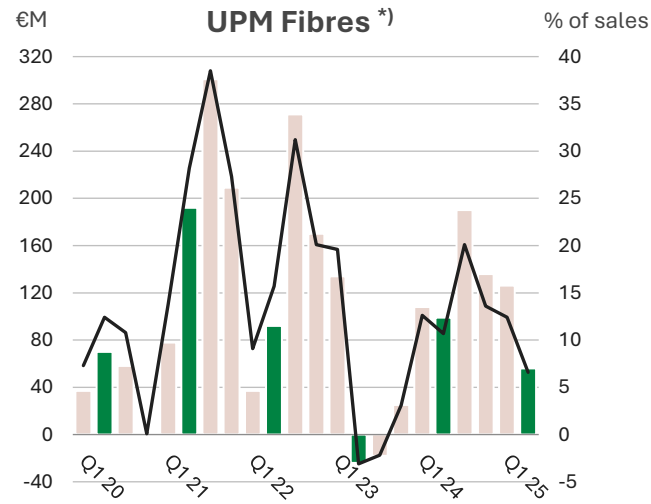
Volumes recovered later, at lower prices

Weaker U.S. dollar

Comparable EBIT in Q2 2025



Comparable EBIT by business area

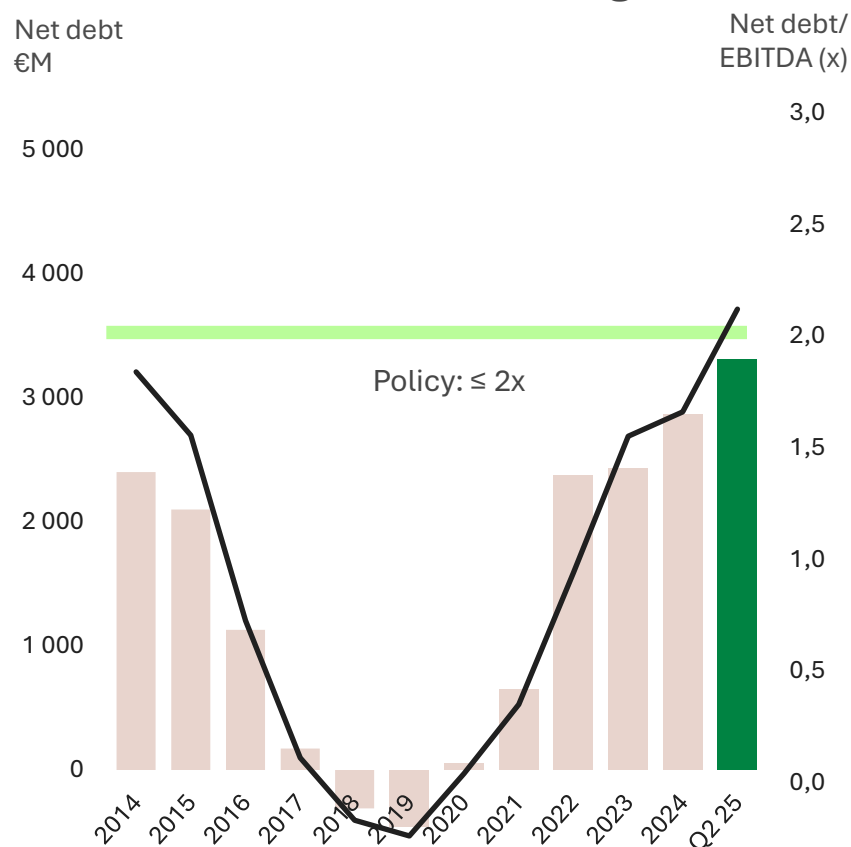


*) Year 2021 restated, UPM Biofuels moved to Other Operations as of January 1, 2022

Solid financial position



Net debt and leverage



- Net debt €3,310m at the end of Q2 2025
- Net debt / EBITDA 2.12
- Cash funds and committed credit facilities €2.7bn at the end of Q2 2025
- No financial covenants
- UPM repurchased own shares for a total of €160 million in H1 2025
- The first dividend instalment for year 2024 (€397m) was paid on April 8, 2025, the second will be paid in November



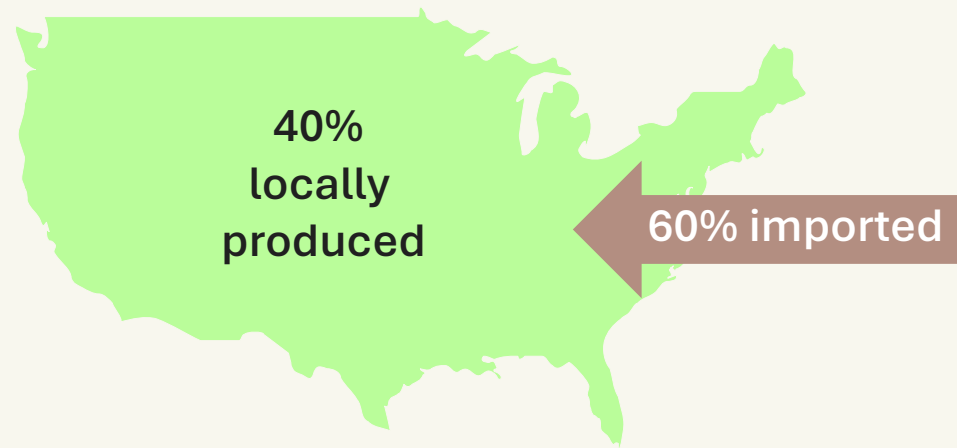
Outlook (*)

- **Profit guidance:** UPM's comparable EBIT in H2 2025 is expected to be approximately in the range of €425-650 million (€413 million in H1 2025, and €709 million in H2 2024).
- **Outlook:** In H2 2025, compared with H1 2025, UPM's performance is expected to benefit from lower variable costs, including the timing of the annual energy refunds in Q4, and potentially from moderate fair value change of forest assets in Q4. Performance is expected to be resilient in the advanced materials businesses. Pulp prices start the second half of the year at a lower level than the realized prices during the first half of the year.
- In H2 2025, compared with H2 2024, UPM's performance is expected to be held back by lower sales margins for pulp, lower deliveries of communication papers, and higher maintenance activity. Performance is expected to improve in the advance materials businesses.
- The US dollar is weaker at the start of H2 2025 than during the comparison periods.

(* See UPM Half Year Financial Report 2025 for the full Guidance and Outlook

UPM and tariffs – global trade uncertainties continue

14% of UPM sales in 2024
was to the U.S.



- In Q2, the global trade uncertainties and weaker U.S. dollar affected particularly UPM Fibres and UPM Communication Papers
- Indirectly, tariffs may impact demand and trade flows, cause hesitation among customers, disrupt supply chains and weaken consumer confidence. Such indirect impacts are possible in markets outside the U.S., too
- Direct impact of tariffs has been relatively limited, although tariff uncertainty continues
- UPM produces self-adhesive label materials and communication papers in the U.S.
- UPM imports communication papers, specialty papers and some eucalyptus pulp to the U.S.

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

Foreign exchange exposure

Estimated 12-month net currency cash flow at the end of Q2 2025, before hedging, € million

USD	1,154
UYU	-293
GBP	217
CNY	150
JPY	102
Others	179
Total	1,509

- At the end of Q2 2025, UPM's estimated net currency cash flows for the next 12 months totaled approximately €1.5 billion
- In addition, the earnings of UPM's foreign subsidiaries are translated to euros in reporting. UPM has significant foreign subsidiaries in Uruguay, the US and China
- Currency fluctuations could impact UPM's cash flow, earnings, or balance sheet, and may also affect the relative competitiveness between different currency regions

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

We act on three fronts



1

**Improve
competitiveness**

2

**Focused
growth**

3

**World-class
businesses**

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



*) leased land included from 2019

Uruguay plantations

“Fast turnover, low inventory”

- Value €1.8bn
- Continuous productivity improvement (pulp tonnes/ha)
- Investing in strategic forest assets

Finland and other northern forests

“Slow turnover, high inventory”

- Value €1.8bn (+42% since 2008, EUR/ha +140%)
- Decreased area (-41% since 2008), focusing on forests close to mills
- Improved growth (m³/ha)
- Trend price (EUR/m³)



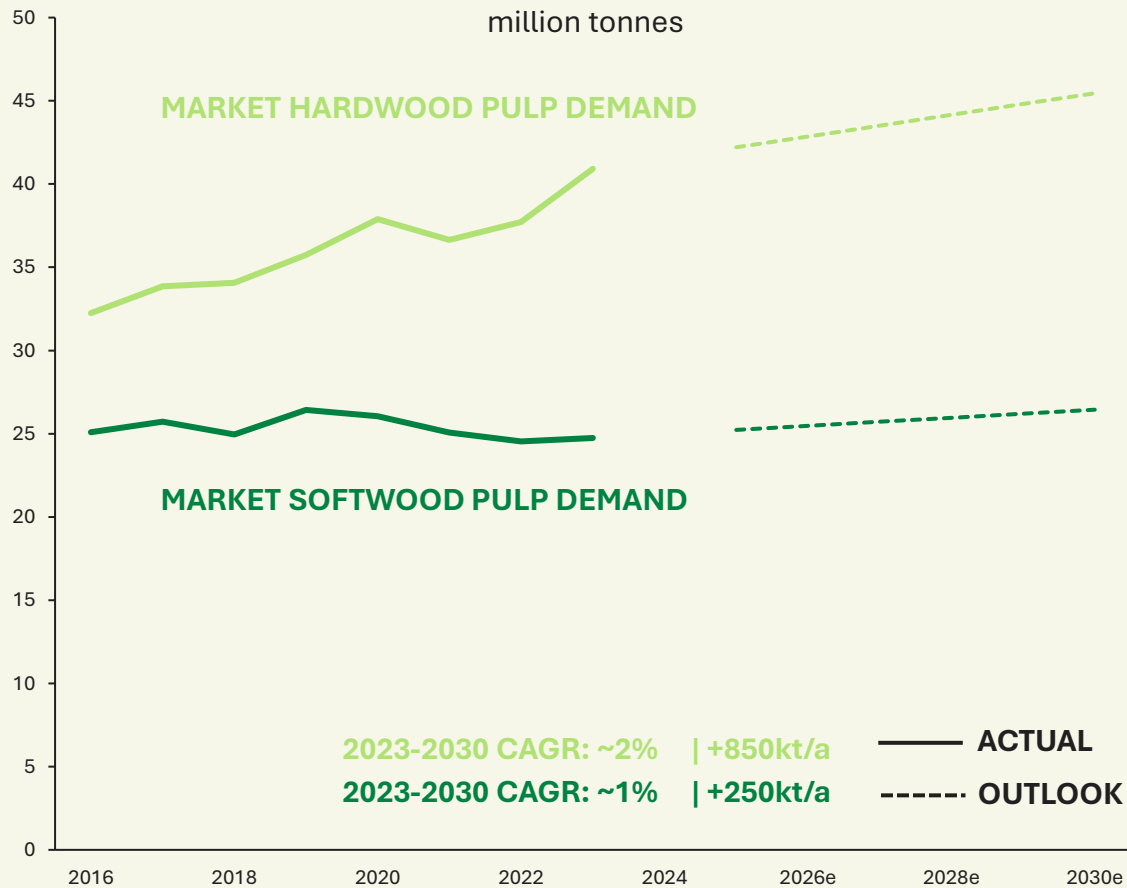
100 pack

Renewable fibres for growing everyday needs

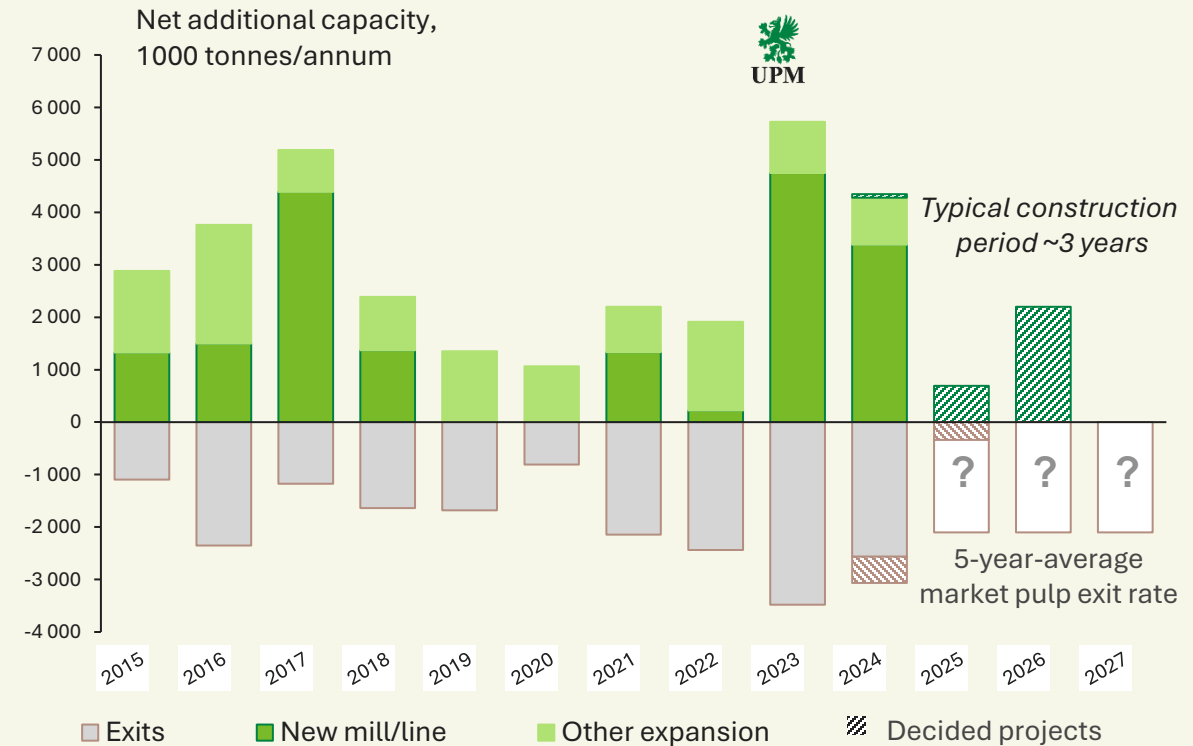
Robust demand growth outlook for market pulp, limited net capacity addition in the coming years



Market pulp demand trend



Entry of market bleached pulp capacity



Competitive and sustainable fibre supplier for growing global everyday needs



- **Competitive and sustainable** operations in hardwood and softwood pulp
- Global presence with **strong market position: #1 multi-fibre** and **#3 market pulp** supplier
- Confidence on **strong returns** over the business and market cycles due to high **Uruguay platform competitiveness**
- Target **ROCE > 14%**
- **Biostreams** generated as part of pulp production can provide raw materials for **new UPM businesses**



- **5 modern pulp mills** with annual production capacity of **5.8 million tonnes** of hardwood and softwood pulp
- Over **500 000 hectares of plantations** in Uruguay under UPM management
- Over **520 000 hectares of forests** owned by UPM in Finland

Uruguay: world-leading competitiveness



Highly productive plantations

- Continuous development in plantation productivity
- Optimizing inbound logistics



Best available technologies

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



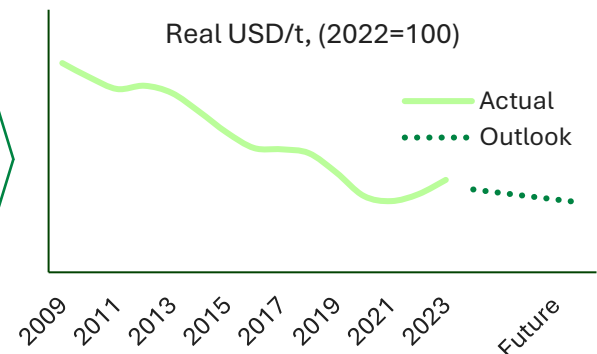
Efficient logistics

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



Competitiveness

UPM BEKP cash cost development



Average annual cost reduction
2009-2023 nearly **-6%**

Finland: focus on profitability and value maximization



Well-maintained pulp capacity in Finland



Tight wood market

- Nordic forest-based industry is facing tight wood supply and elevated wood costs
- Absence of Russian wood imports and peers' investments created a structurally tight wood market

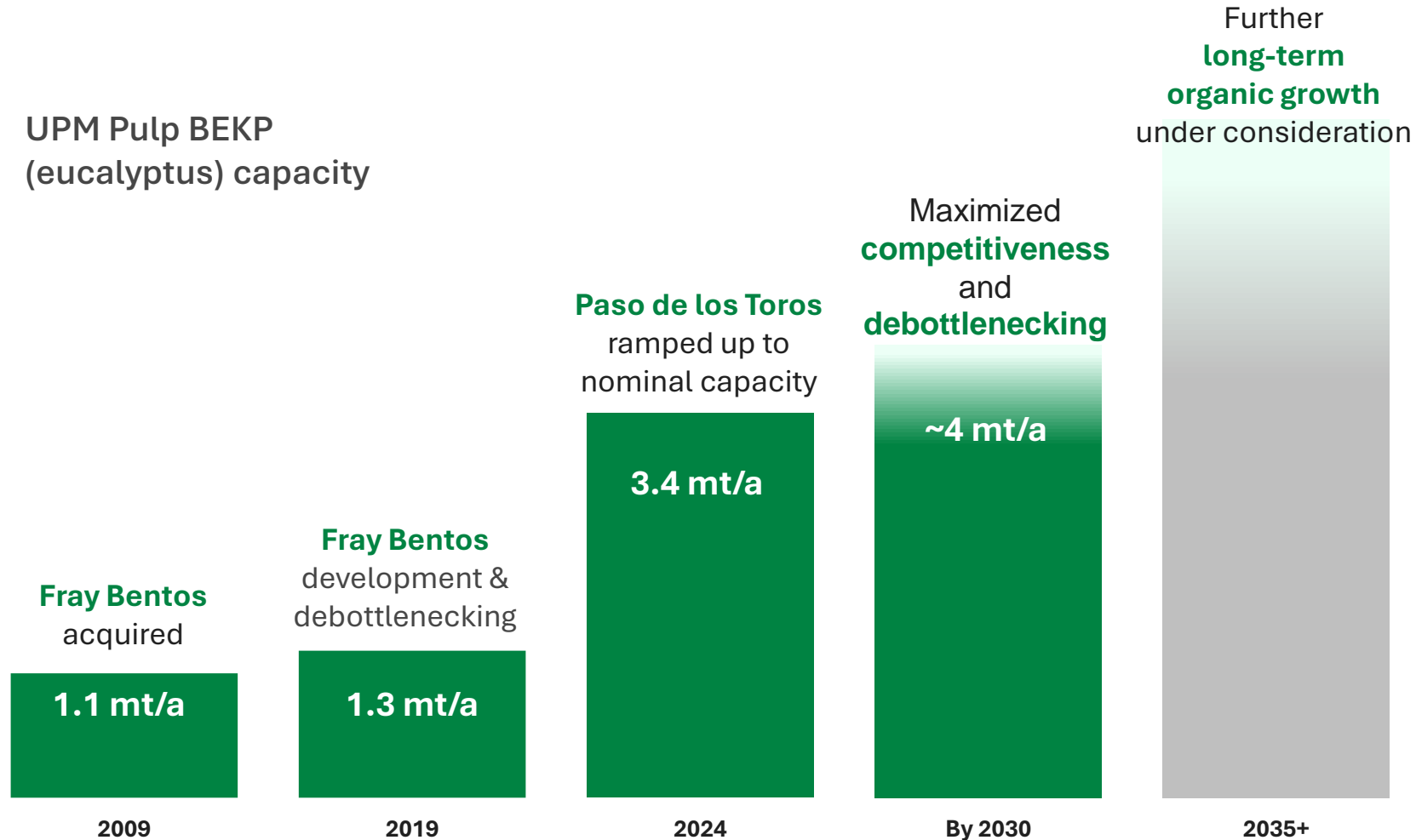


Focus on competitiveness

- Competitive business platform and margin management are key
- UPM has a strong track record in business turnaround

Growth ambition in hardwood pulp

UPM Pulp BEKP
(eucalyptus) capacity



Source: UPM

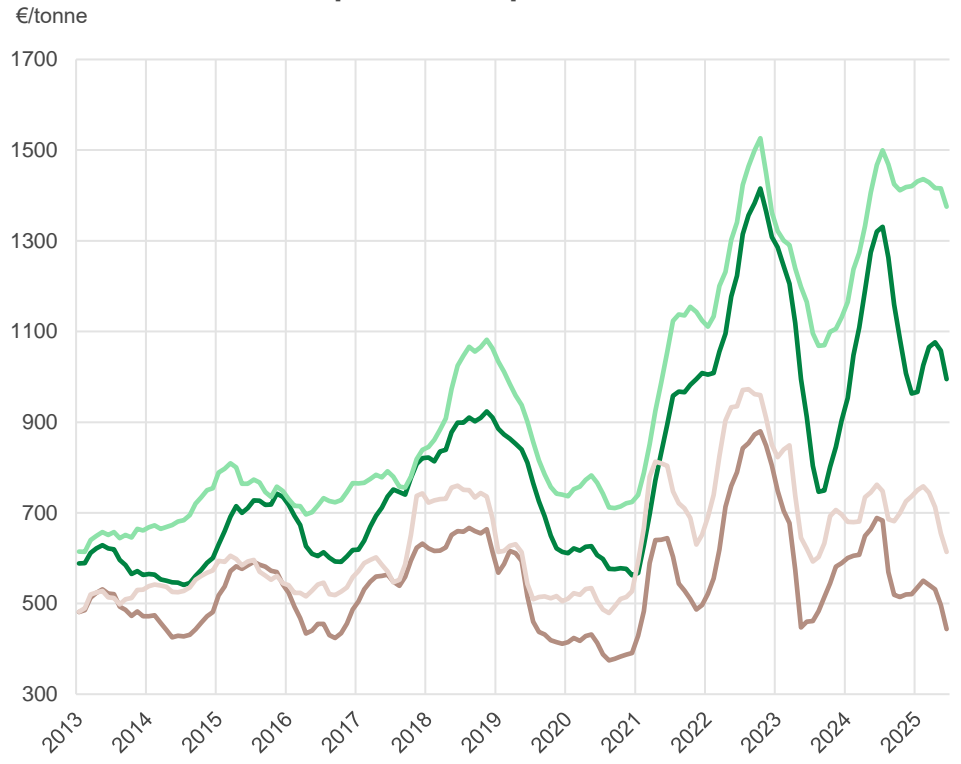


UPM Fibres

Chemical pulp market prices

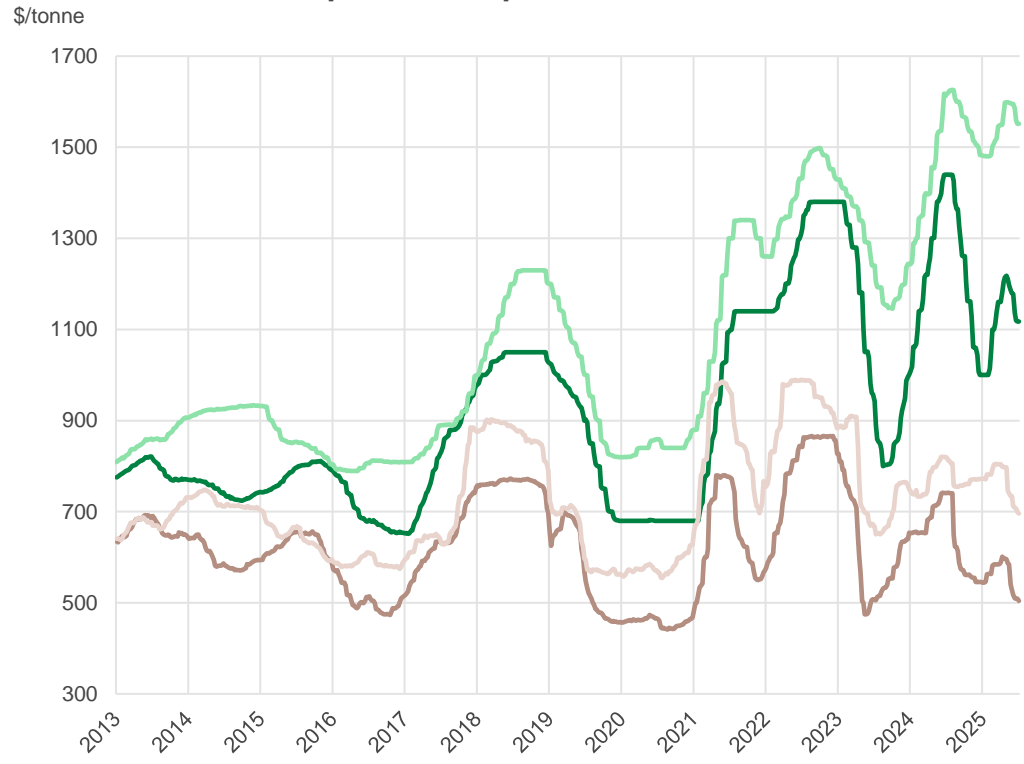


Pulp market prices, euros



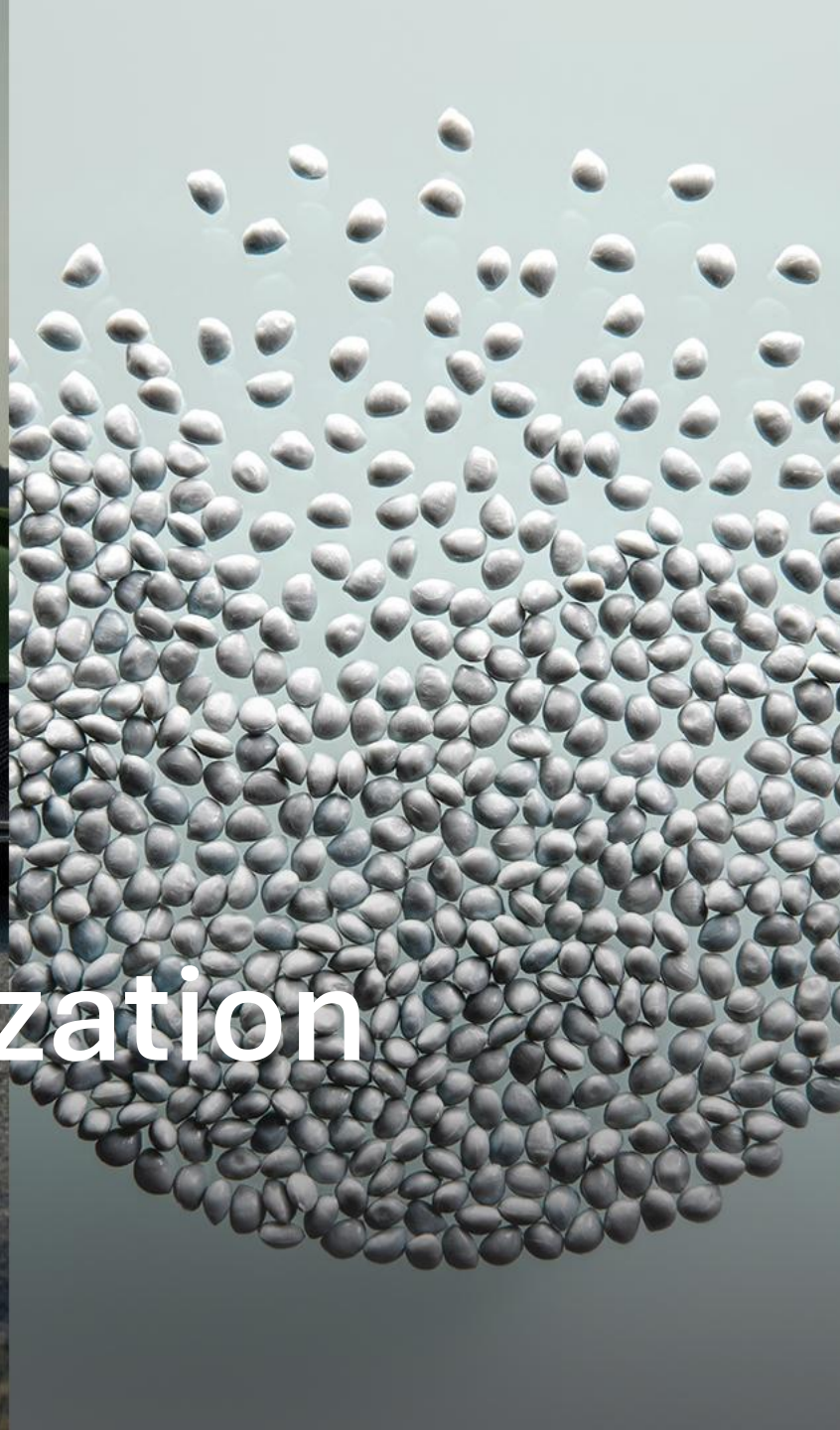
— BHKP, Europe, EUR — NBSK, Europe, EUR
— BHKP, China, EUR — NBSK, China, EUR

Pulp market prices, U.S. dollars



— BHKP, Europe — NBSK, Europe
— BHKP, China — NBSK, China

Source: FOEX Indexes Ltd

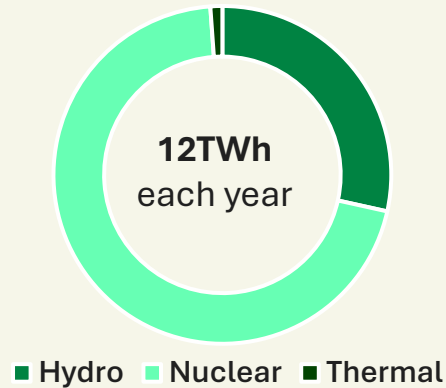


Decarbonization solutions

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



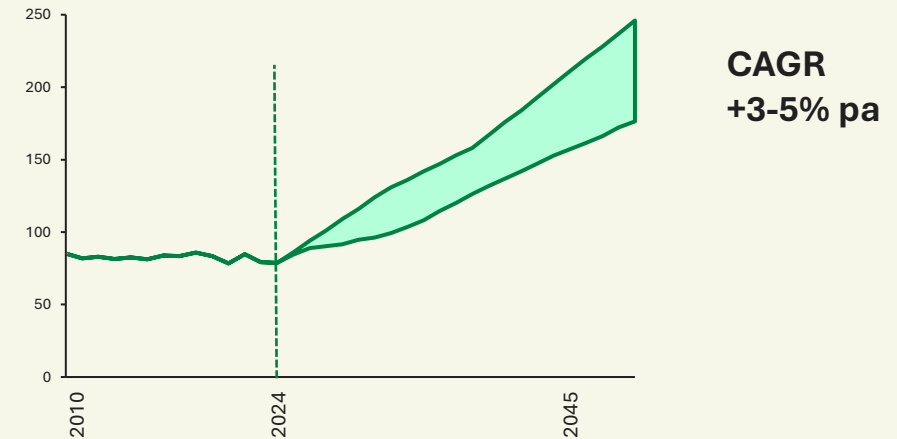
UPM Energy electricity generation is 99% CO₂-free



UPM Energy

- **Flexible hydro** power crucial to balance the volatile energy system
- **Reliable nuclear** power to support the electrification of the society

Electricity demand is expected to grow significantly



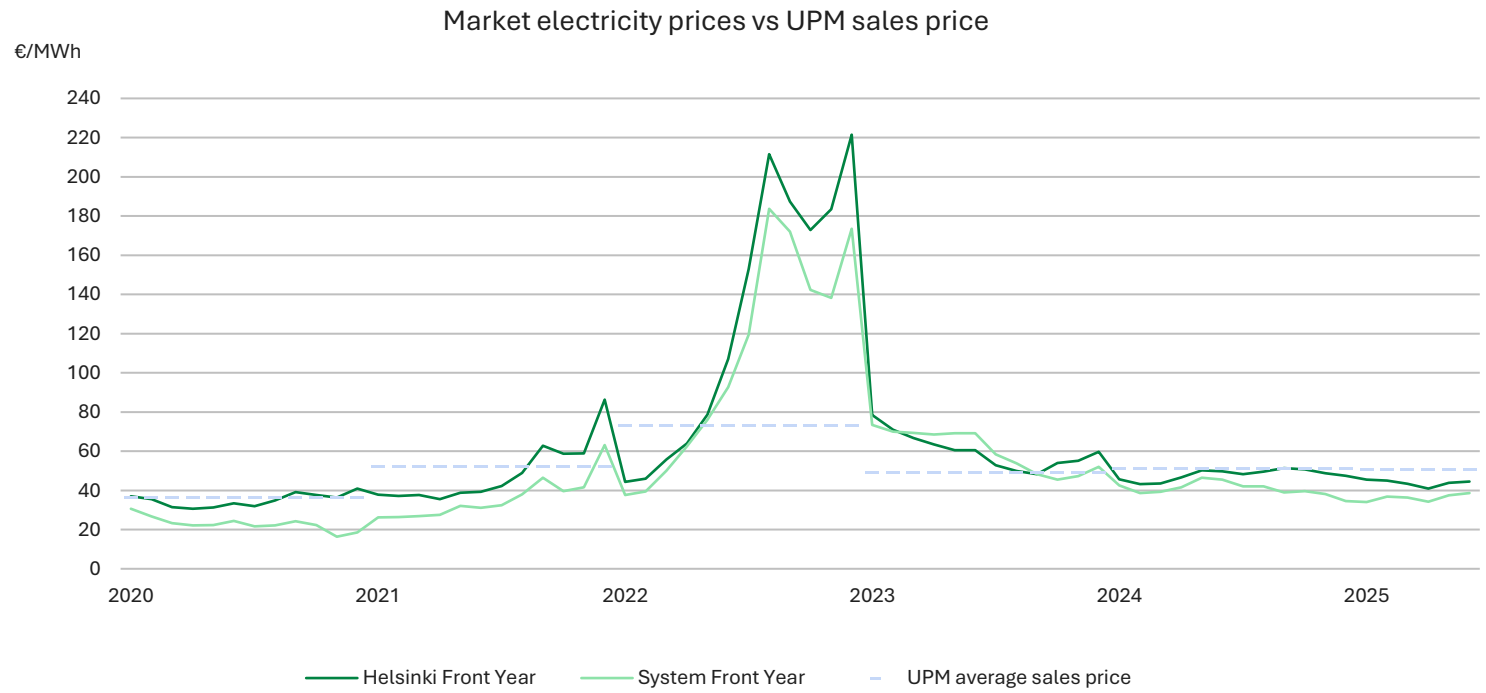
Electricity demand growth requires reliable CO₂-free baseload

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

(*) Statistics Finland, Fingrid predictions and UPM analysis

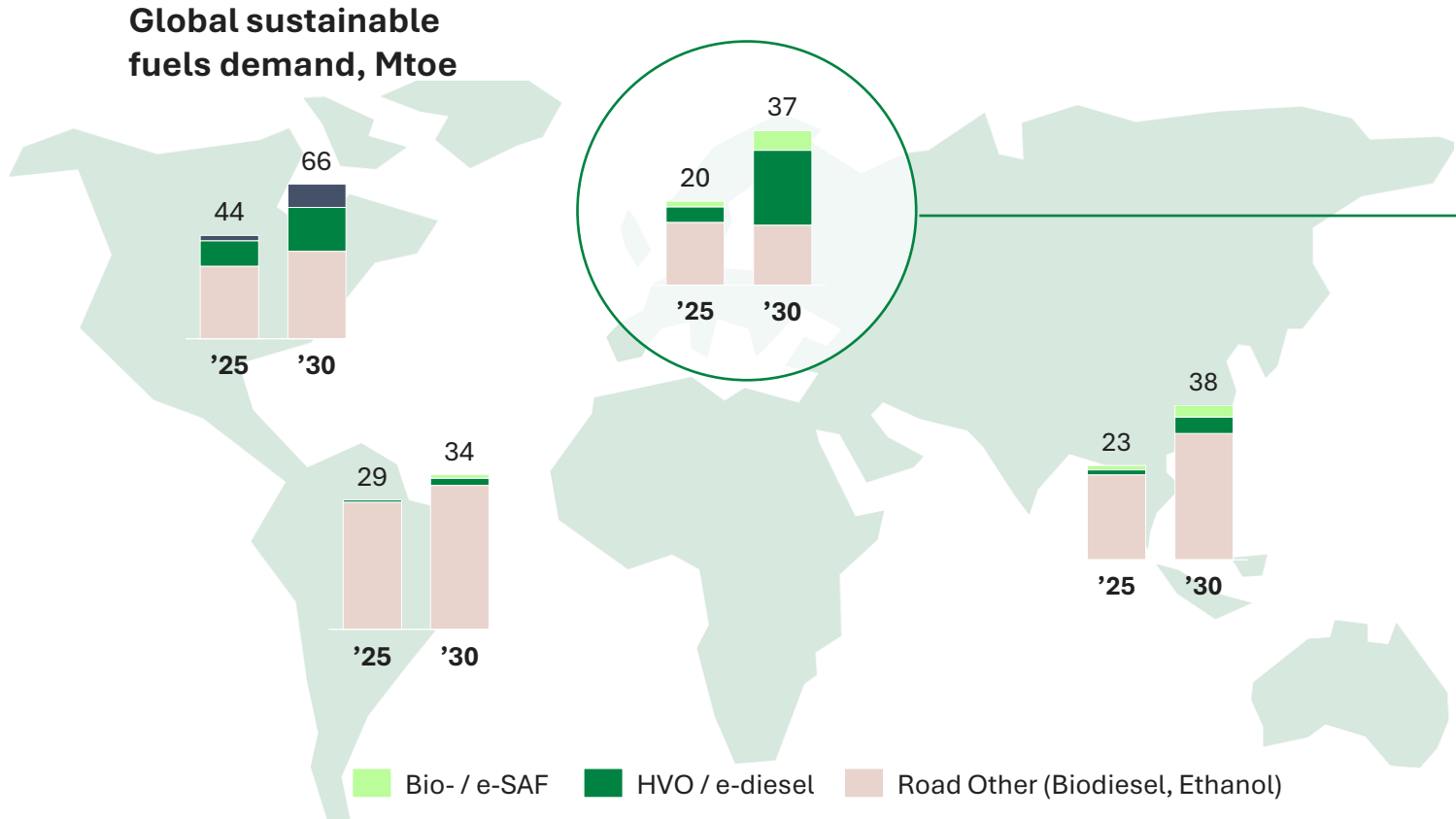
UPM Energy

Electricity market prices



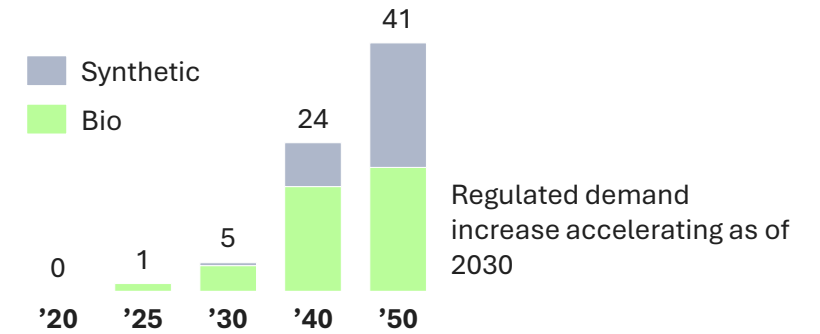
UPM Energy profitability	2020	2021	2022	2023	2024	H1 2025
Comparable EBIT, EURm	171	270	381	182	181	60
% of sales	45.0	51.3	52.0	29.0	28.9	20.6

Renewable fuels demand outgrows planned capacity as of 2030

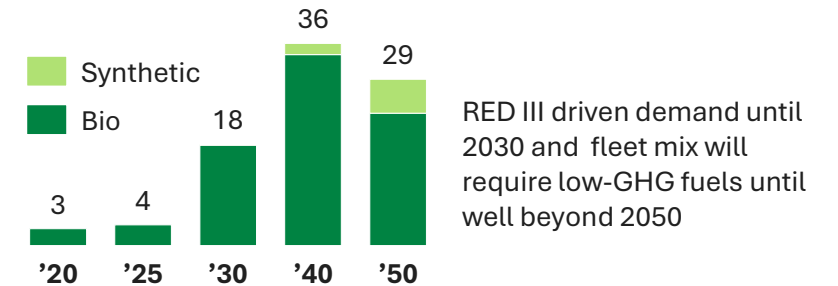


1) Including Norway and UK; Road demand 2030 estimate including upside from RED III implementation – current regulations ~12 Mtoe demand

EU SAF¹, Mtoe



EU Road Renewable Fuels¹, Mtoe



Source: UPM Analysis based on Bloomberg NEF, Goldman Sachs Research, IEA, McKinsey, Neste, Wood Mackenzie

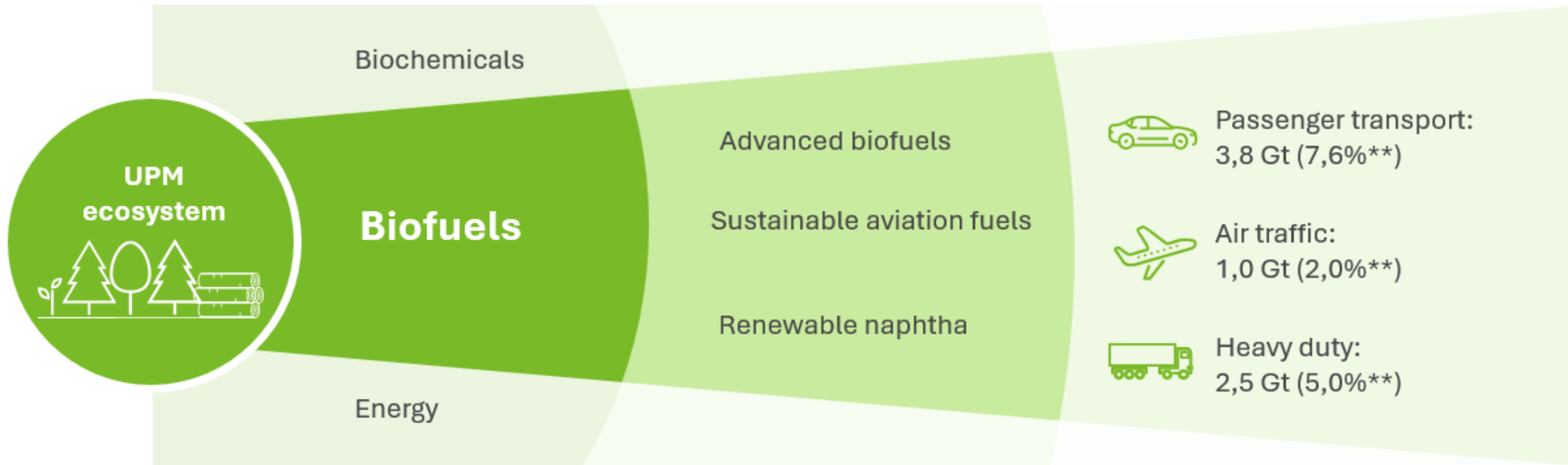
UPM Biofuels differentiation comes from competitive feedstock base and proprietary technology

Strategic access to competitive biomass

Proven technology

High value products

Addressing markets with 7,3 Gt* GHG emissions p/a



* UPM Analysis based on World Resources Institute, 2020 & International Energy Agency, 2020

** Share of global GHG emissions

UPM sharpens its focus on biofuels growth strategy



Evaluating the potential to debottleneck the Lappeenranta Biorefinery

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

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



UPM Biochemicals – multiple end-uses



Bio-Monoethylene Glycol (Bio-MEG)



Renewable Functional Fillers (RFF)



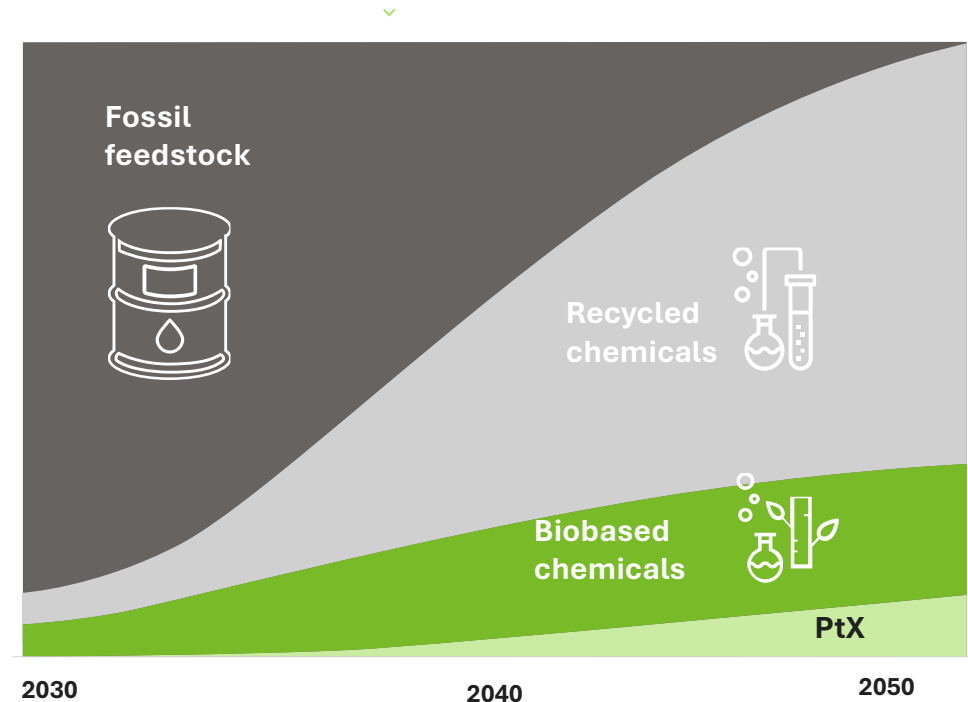
Biobased chemicals are key to shifting away from high-CO₂ materials



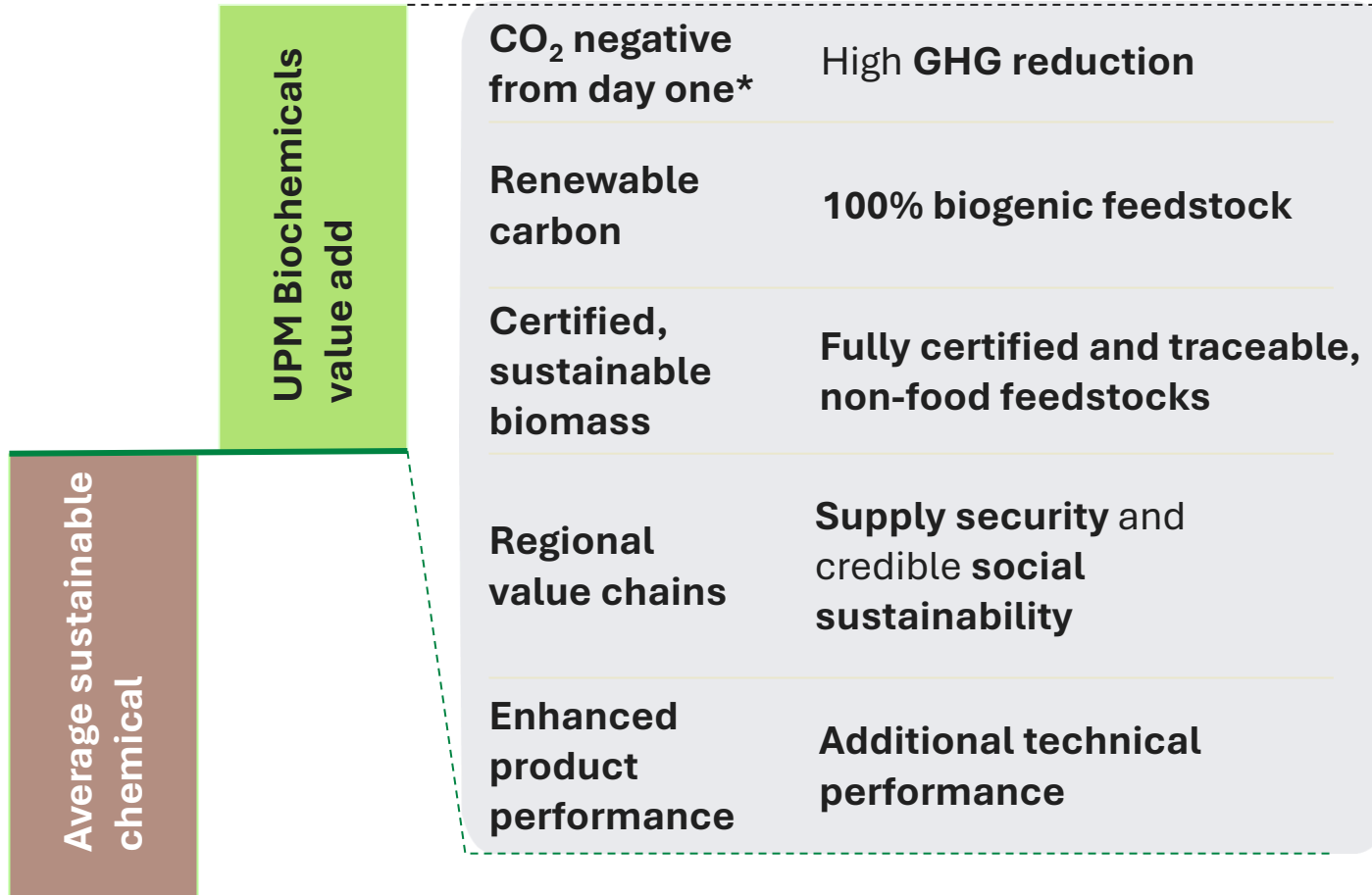
Net-zero commitments of major global brands will reflect on demand for sustainable chemicals

	 patagonia	Scope 3: <i>relative</i> -55% by 2030 Scope 3: -30% by 2030 2040
	 STELLANTIS	2038
	 BYD	2039 2060
	 Nestlé pepsi	Scope 3: -25% by 2030 2050 2040
	 L'ORÉAL Unilever P&G	95% non-fossil ingredients by 2030 2039 2040

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



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

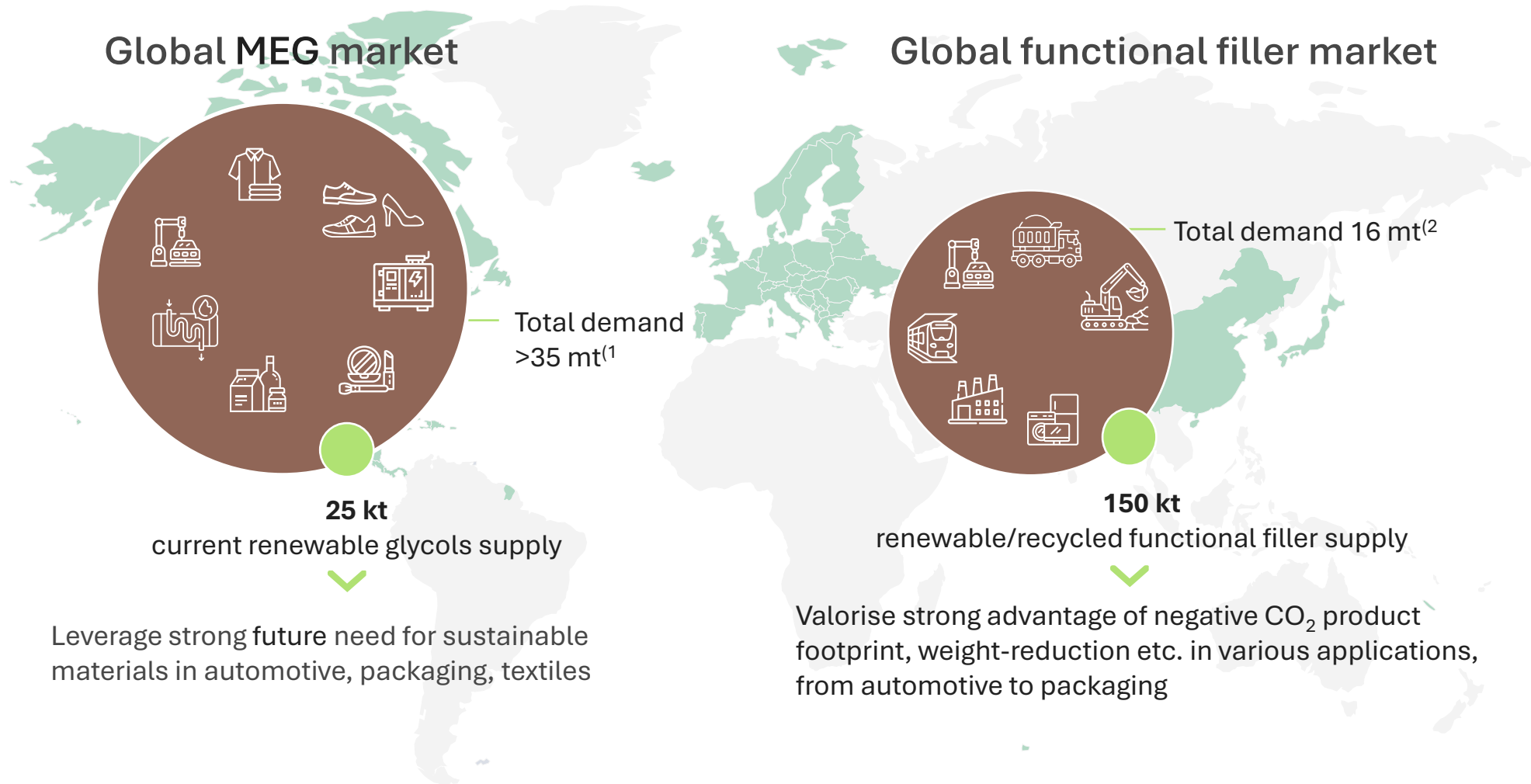


Strategic partnerships with leading players in various regions and industries confirm high demand for UPM products



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

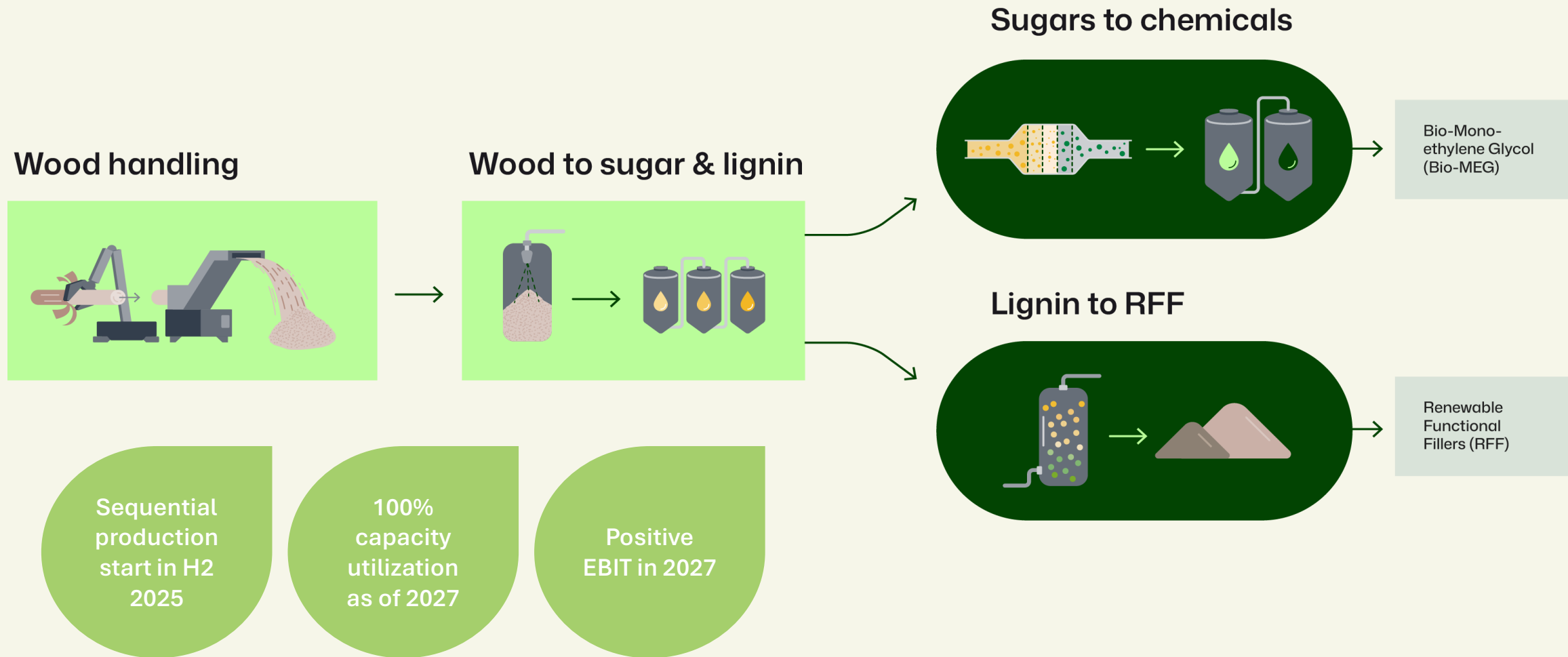
We address markets and segments with high future demand for sustainable solutions



¹ Source: OrbiChem 360 demand database

² Source: Notch Consulting: Carbon Black World data book

After reaching full capacity, Leuna will focus on capacity increase, cost optimization and side stream valorization



GRAND VENING



Advanced materials for growing end uses



Strong position on fast growing markets

Adhesive materials market growth

Pressure sensitive labels	+3-4%
Graphics solutions	+4-5%
Specialty tapes	+4-5%



UPM #2 globally in PSL

- Global scale & customer reach, world-class manufacturing and distribution, sustainability leadership, adhesive technology
- 5-year average ROCE 28%

Specialty papers market growth

Release base papers	+3-4%
Label face papers	+2%
Flexible packaging	+2-4%(*)



UPM #1 globally in release papers

- Technically demanding papers, world-class operations and global supply, sustainability leadership, competitive and flexible assets
- 5-year average ROCE 16%

Plywood market growth

Plywood construction	+2%
Plywood vehicle floors	+3-4%
Plywood LNG shipping	+8-9%(**)



UPM #1 in Europe, LNG globally

- Strong customer partnerships, high quality and service, optimised supply, sustainability leadership, low total cost of ownership
- 5-year average ROCE 22%

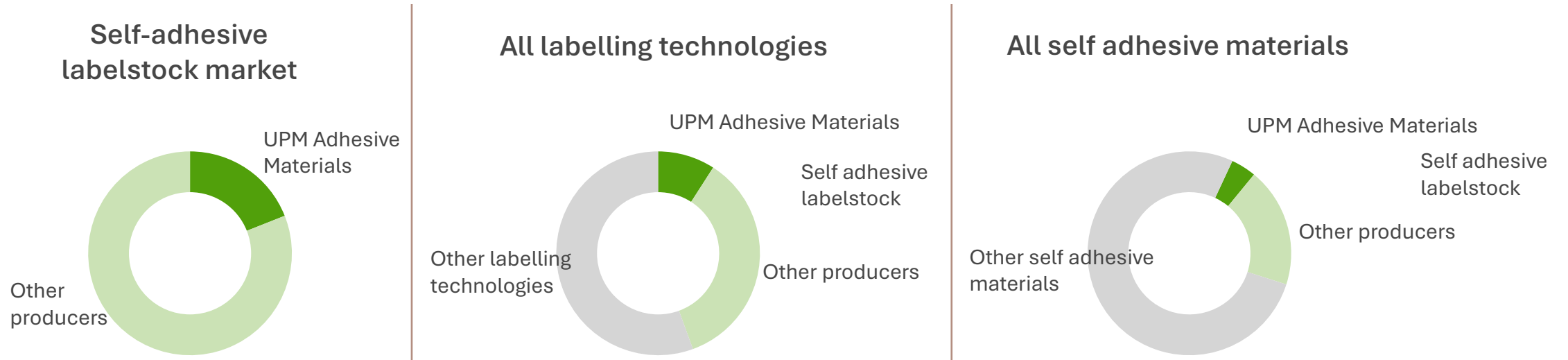
(*) Mainly plastics

(**) Fleet growth

UPM Adhesive Materials

The self-adhesive label stock market

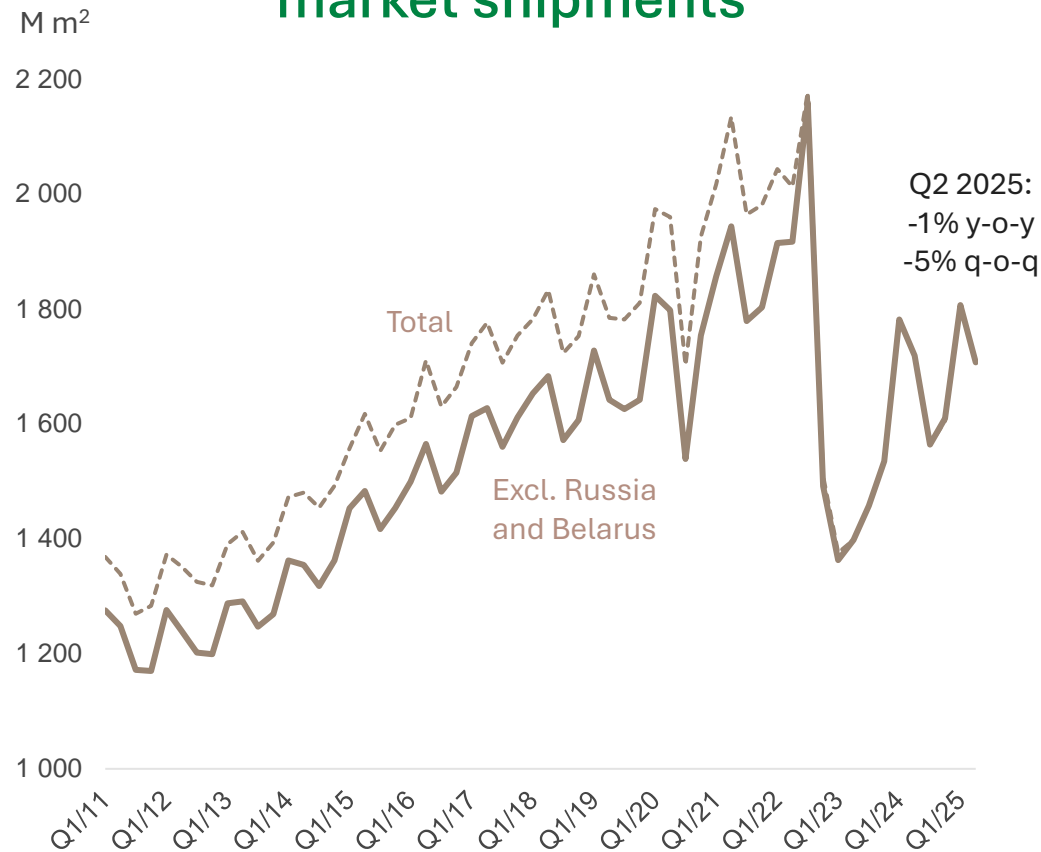
- >EUR 10bn global market
- ~3-4% p.a. growth
- Private consumption driven
- Largest of the labelling technologies
- <25% of total self-adhesive materials markets



Label materials demand has recovered above pre-covid level

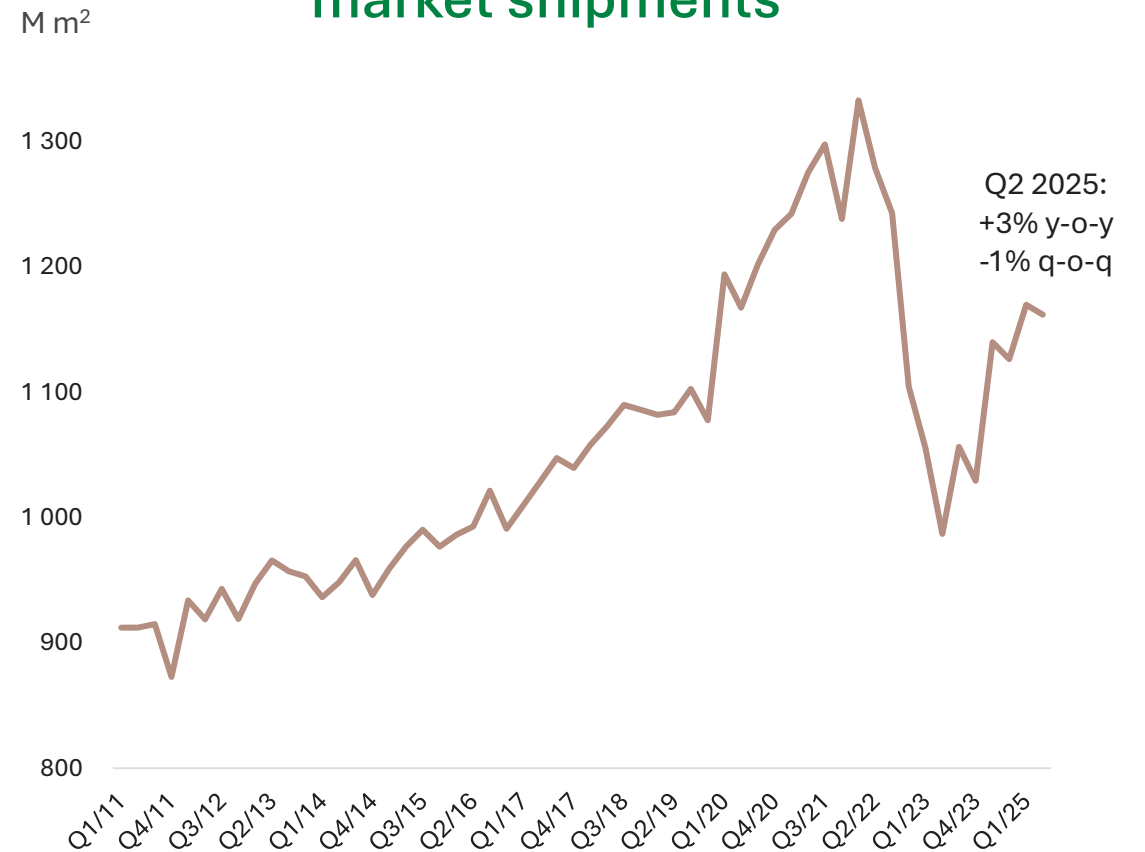


European market shipments



Source: FINAT

North American market shipments

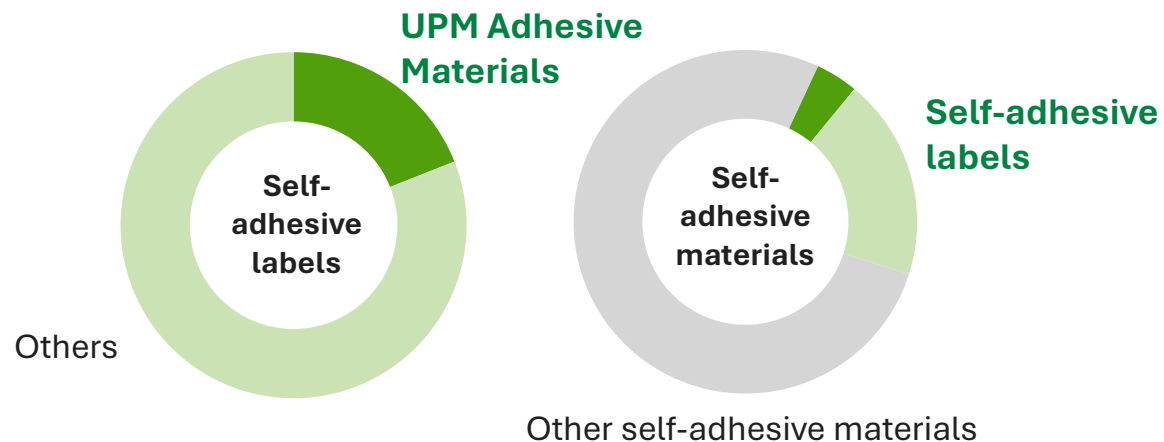


Source: TLMI

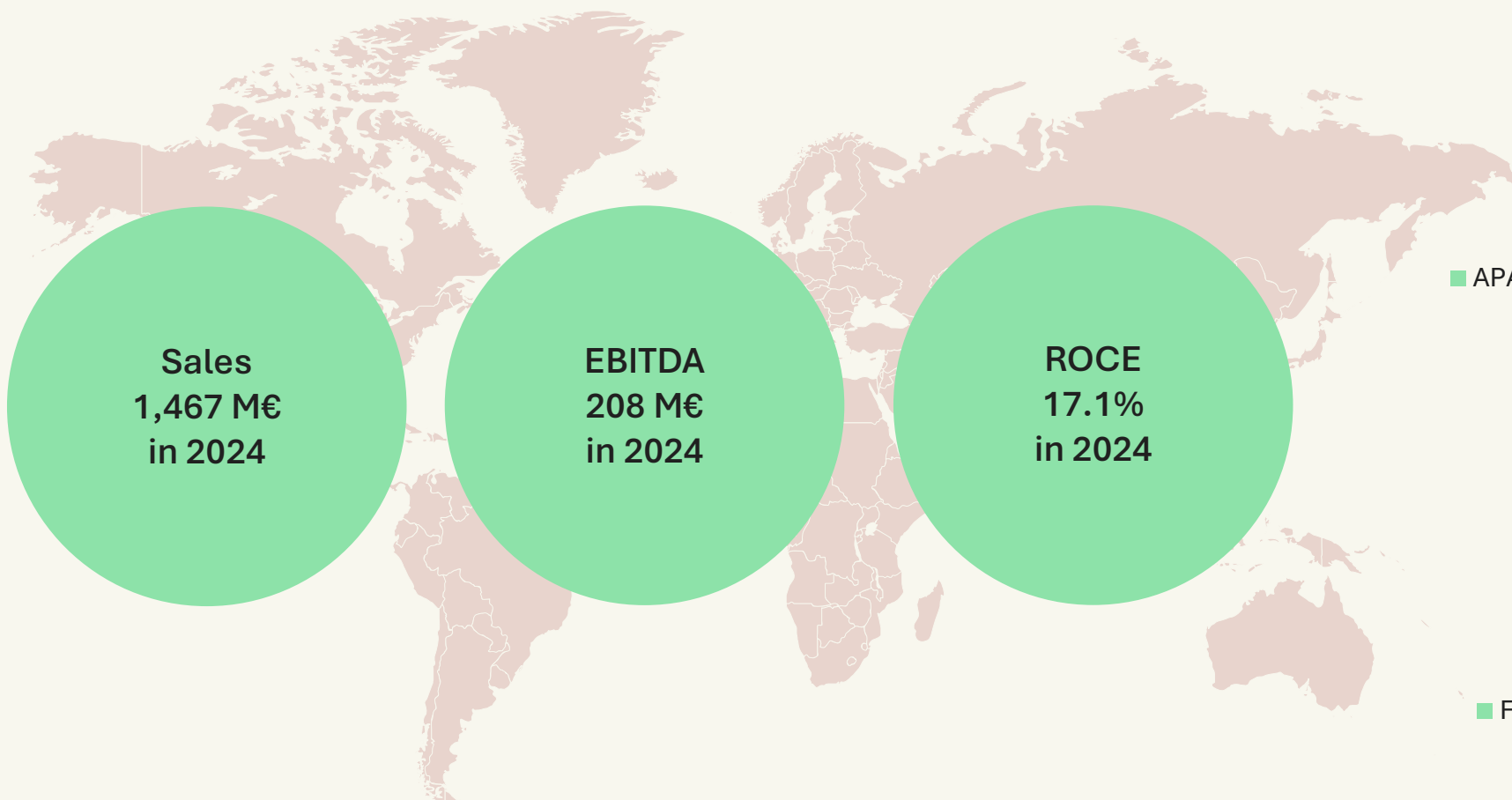
UPM Adhesive Materials

Entering attractive adjacent markets

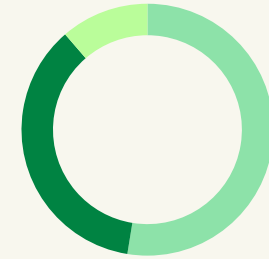
- Graphics solutions market entry through AMC acquisition
- Expanded product and technology portfolio through Grafityp and Metamark acquisitions
- Further potential in specialty tapes



Renewable, recyclable papers for labeling and packaging

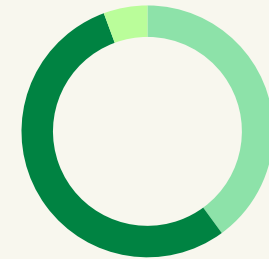


Sales by market*



■ APAC ■ EMEIA ■ North America & LATAM

Sales by product*

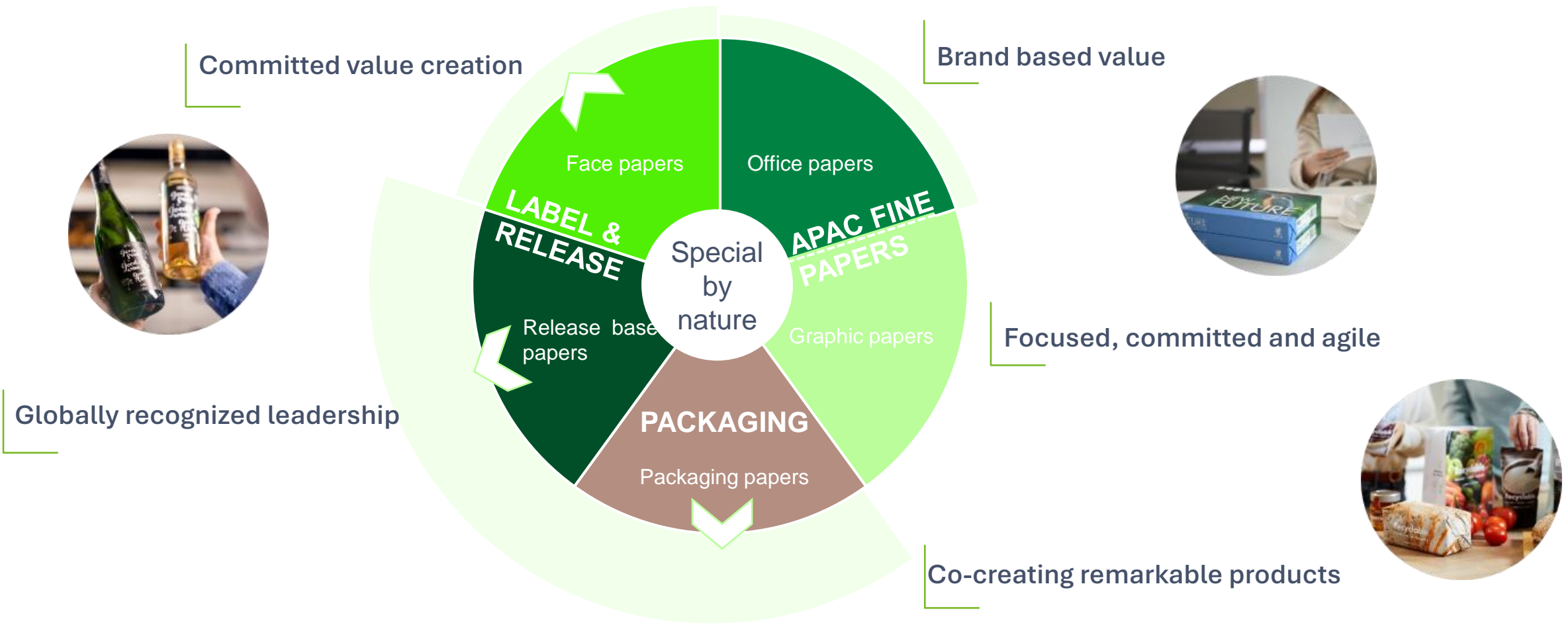


■ Fine ■ Label & release ■ Packaging

*2021 figures

UPM Specialty Papers

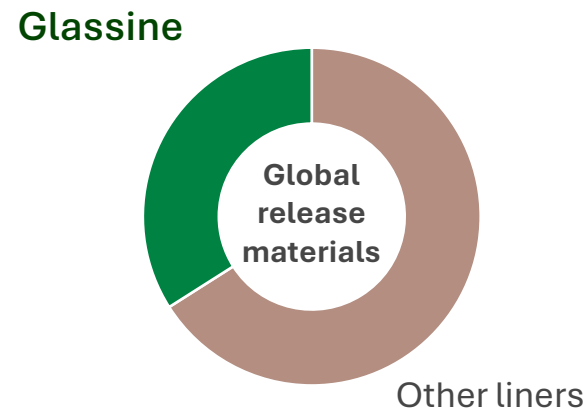
UPM Specialty Papers growth strategy



UPM Specialty Papers

Entering attractive adjacent markets

- Flexible packaging entered through innovation & co-creation
- Further portfolio expansion in label & release papers



UPM Plywood focuses on three end use segments



Construction



UPM's position and direction

- Leading position in high and medium range standard products in Europe through well established distribution network providing easy access to WISA® plywood
- Uncompromised sustainability, certified products and operations
- New growth sought by strengthening position in selected emerging markets

Vehicle flooring



UPM's position and direction

- Leading position in Europe
- Competitive edge built on smoothly running operations and needs-based product design creating value to both vehicle manufacturers and operators
- Growth sought by expanding to new markets and related end use segments

LNG shipbuilding



UPM's position and direction

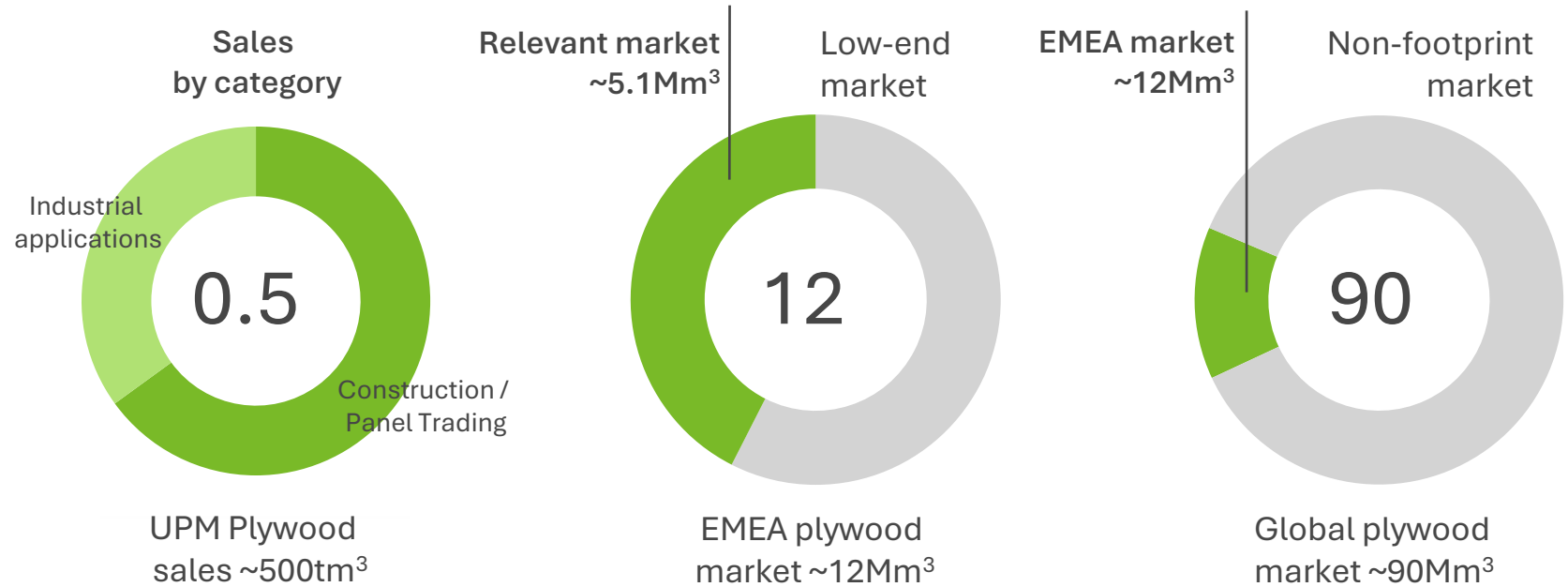
- Leading supplier in LNG plywood
- Competitive edge based on right quality and accurate on-time deliveries
- Long term commitment and benchmark service level
- Focus to secure leading position in LNG carriers and to extend offering into related applications using the same technologies (e.g. land storage tanks)

UPM Plywood

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

Strategic choices

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

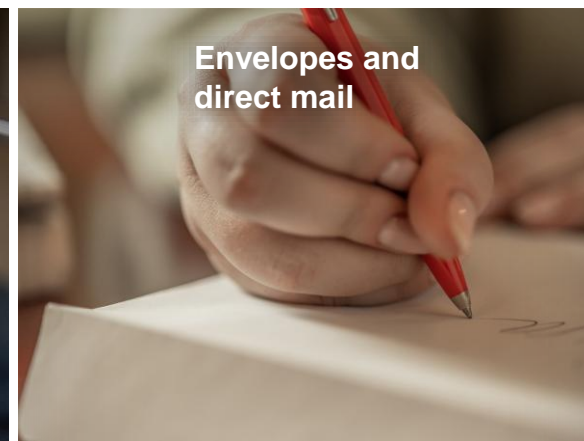
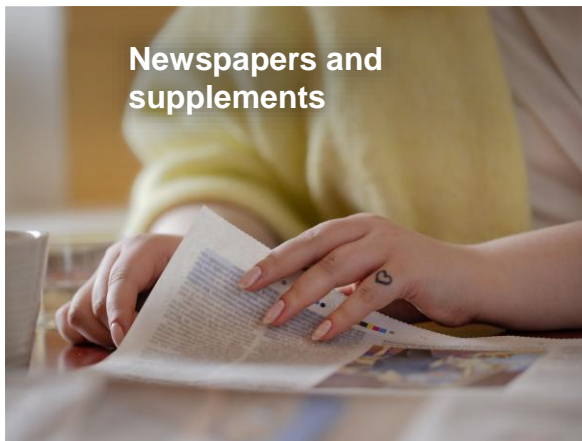
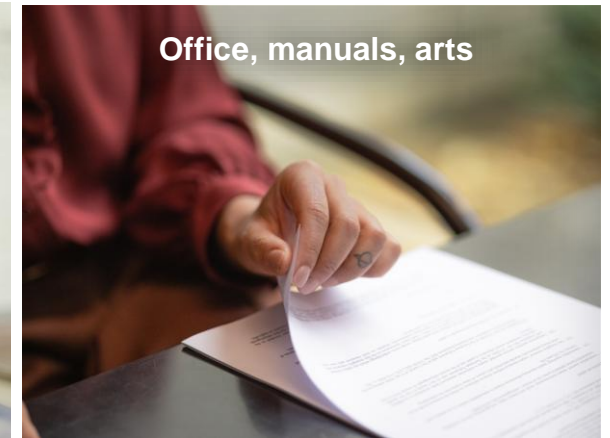




Driving the value of paper

UPM Communication Papers

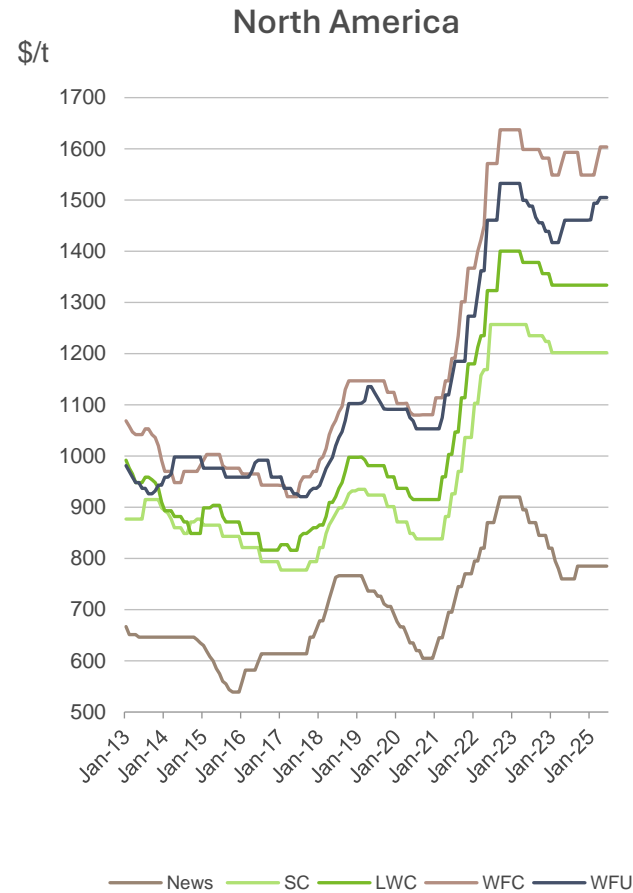
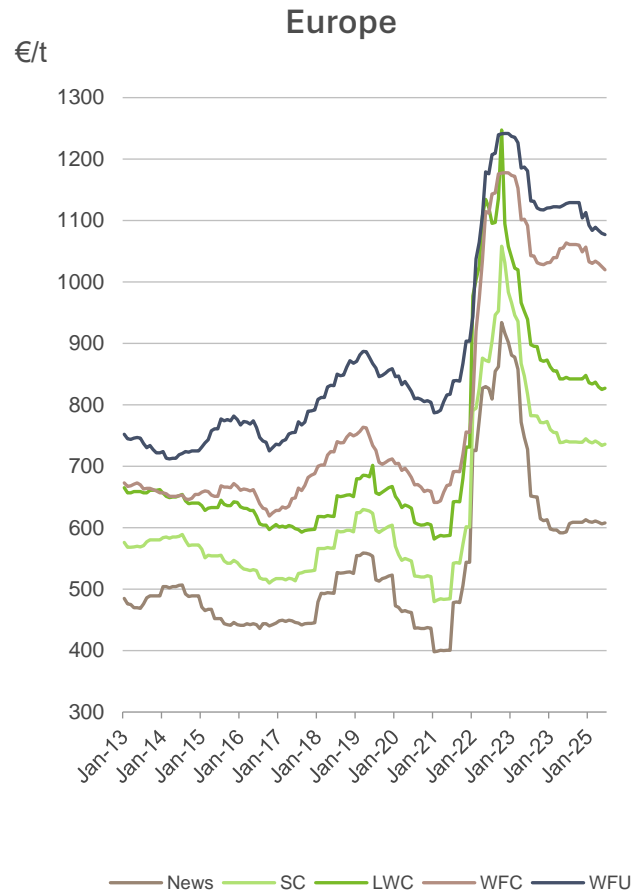
The market's widest range of graphic papers, for various end-uses and purposes



- Fine papers
- News & UMIO
- SC
- Coated mechanical

UPM Communication Papers

Graphic paper market prices

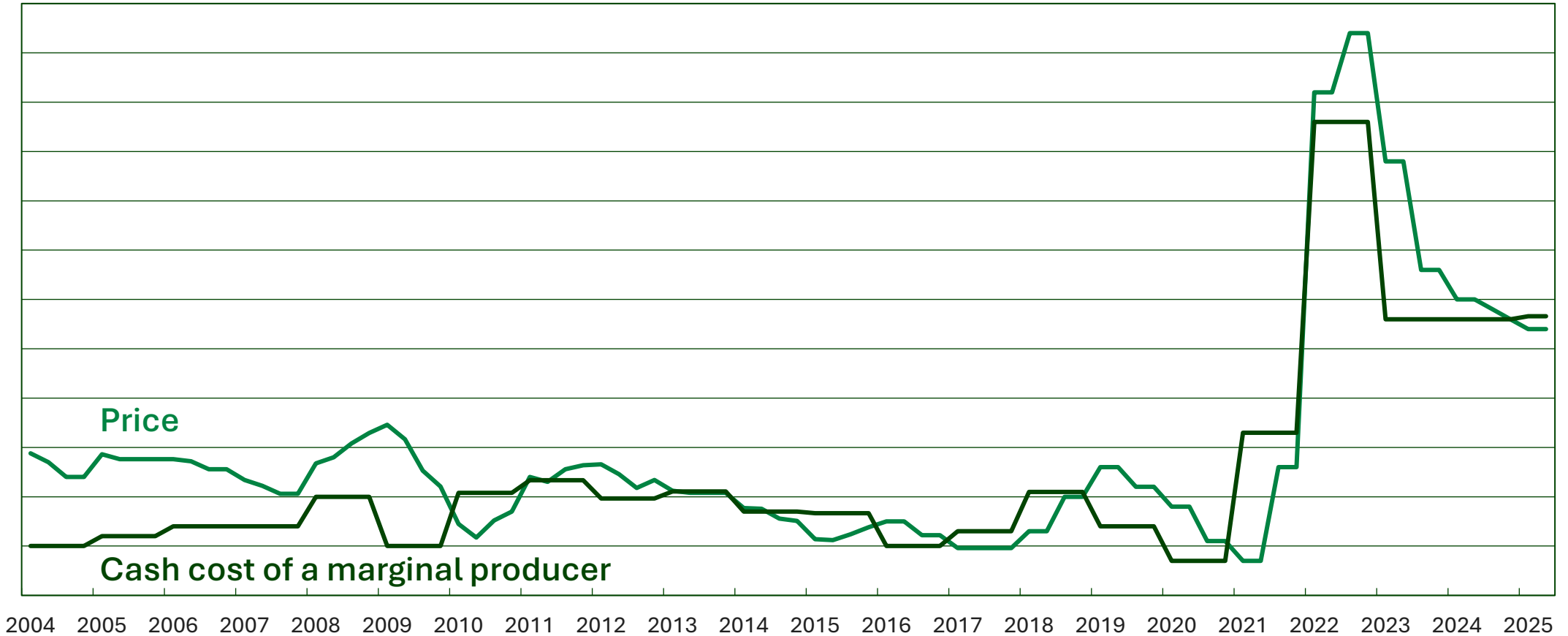


Sources: PPI, RISI

UPM Communication Papers Paper price vs. cash cost of marginal cost producer



EUR/tonne



Sources: UPM, PPI, Fastmarkets RISI, AFRY



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