Financial statements release

2025

UPM financial statements release 2025:

Positive finish to the year – strong cash flow and decisive strategic actions

Q4 2025 highlights

- Sales totaled €2,312 million (2,632 million in Q4 2024)
- Comparable EBIT decreased by 15% to €355 million, 15.3% of sales (418 million, 15.9%)
- Operating cash flow was strong at €720 million (570 million)
- Net debt totaled €3,004 million (2,869 million) and net debt to EBITDA ratio was 2.29 (1.66)
- UPM Leuna biorefinery made its first customer deliveries
- UPM Adhesive Materials announced investments to grow in the U.S., Malaysia and Vietnam, and discontinued production in Nancy, France
- UPM and Sappi signed a non-binding letter of intent to form a graphic paper Joint Venture
- UPM plans to increase its growth focus through streamlined business portfolio
- UPM Communication Papers closed paper production at UPM Ettringen, Germany and UPM Kaukas, Finland and sold the earlier closed Plattling paper mill site, Germany

2025 highlights

- Sales totaled €9,656 million (10,339 million in Q1-Q4 2024)
- Comparable EBIT decreased by 25% to €921 million, 9.5 % of sales (1,224 million, 11.8 %)
- Operating cash flow was €1,405 million (1,352 million)
- UPM commenced a share buy-back program and repurchased 6 million shares for a total of approximately €160 million
- UPM discontinued the biorefinery development in Rotterdam to sharpen the focus in biofuels growth strategy
- UPM signed a strategic partnership with Versowood to strengthen pulp wood supply in the tight Finnish markets
- UPM initiated a strategic review of UPM Plywood to assess options for maximizing the long-term potential of the business
- UPM received a Platinum rating from EcoVadis, placing the company in the top 1% globally for sustainability performance
- UPM was recognized among the top sustainability performers by CDP and S&P Global and was listed as the only forest and paper industry company in the Dow Jones Global and European Sustainability Indices for the years 2024–2025

Key figures

	Q4/2025	Q4/2024	Q3/2025	Q1–Q4/2025	Q1–Q4/2024
Sales, € million	2,312	2,632	2,298	9,656	10,339
Comparable EBITDA, € million	382	436	251	1,311	1,734
% of sales	16.5	16.5	10.9	13.6	16.8
Operating profit (loss), € million	390	-105	55	749	604
Comparable EBIT, € million	355	418	153	921	1,224
% of sales	15.3	15.9	6.7	9.5	11.8
Profit (loss) before tax, € million	406	-131	26	690	500
Comparable profit before tax, € million	370	392	125	863	1,123
Profit (loss) for the period, € million	258	-95	18	491	463
Comparable profit for the period, € million	300	328	103	714	953
Earnings per share (EPS), €	0.49	-0.19	0.03	0.91	0.82
Comparable EPS, €	0.57	0.61	0.19	1.33	1.74
Return on equity (ROE), %	9.9	-3.4	0.7	4.5	4.0
Comparable ROE, %	11.6	11.5	4.0	6.5	8.3
Return on capital employed (ROCE), %	12.3	-2.6	1.6	5.5	4.1
Comparable ROCE, %	11.3	11.1	4.3	6.7	8.2
Operating cash flow, € million	720	570	218	1,405	1,352
Operating cash flow per share, €	1.36	1.07	0.41	2.66	2.54
Equity per share at the end of period, €	18.97	20.89	19.07	18.97	20.89
Capital employed at the end of period, € million	14,129	15,452	14,292	14,129	15,452
Net debt at the end of period, € million	3,004	2,869	3,218	3,004	2,869
Net debt to EBITDA (last 12 months)	2.29	1.66	2.36	2.29	1.66
Personnel at the end of period	15,127	15,827	15,642	15,127	15,827

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 2024*

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

“Year 2025 was characterized by escalating geopolitical and trade tensions, which had an adverse effect on our business environment. Amidst the trade uncertainties and weakening consumer confidence, we intensified actions to both sharpen our competitiveness and to execute our portfolio strategy. This resulted in a visible improvement of performance in most businesses and a very strong cash flow in the fourth quarter.

We launched significant strategic initiatives that continue to transform the company. In February, we acquired Metamark in Adhesive Materials. In May, we refocused our biofuels growth strategy and discontinued the biorefinery development in Rotterdam. In September, we started the strategic review of our Plywood business. In December, we announced the plan to establish a graphic paper joint venture that would encompass the UPM Communication Papers business and Sappi's graphic paper operations in Europe.

By these portfolio initiatives, we aim to change the profile of the company, increasing its growth focus and improving the margins and leverage. Future UPM would have an attractive portfolio focused on renewable fibres, advanced materials and decarbonization solutions. All these businesses operate in growing markets. Across these businesses UPM has shown a strong track record of realized growth above GDP.

During the year, we restructured our production footprint in Adhesive Materials and Communication Papers and took efficiency measures in all our businesses to increase competitiveness. In Finland, we mitigated the pulp and wood market challenges with production curtailments and entered into a long-term strategic partnership with Versowood, which will strengthen our position in the tight wood markets. We intensified our actions to improve working capital efficiency.

In Q4, the market environment started to stabilize. We improved our performance in most businesses compared to the preceding quarter, resulting in a comparable EBIT of €355 million. Q4 operating cash flow was particularly strong at €720 million. Net debt decreased during the quarter, while we also paid out the second instalment of dividends.

UPM Fibres’ performance in Q4 improved from the previous quarter. Fibres South performance continued strong, with good progress on cost management, well managed maintenance shutdown in UPM Fray Bentos and gradually increasing hardwood pulp prices. In Fibres North, performance improved but the combination of high wood cost and low softwood pulp prices resulted in a negative quarterly EBIT. During the second half of the year, we saw wood market prices decrease in Finland, with the cost impact materializing later during 2026.

In the advanced materials businesses, UPM Specialty Papers achieved good results, improving performance from the previous quarter and year-on-year. UPM Adhesive Materials continued to grow faster than the markets, but results were weighed down by lower margins during the quarter, and the ongoing efficiency measures are not yet fully visible in the results.

UPM Plywood had a solid quarter as production ran at full capacity. Demand for LNG birch plywood was strong whereas the market for spruce plywood remained challenging.

In decarbonization solutions, the various end markets continued to show positive development in Q4.

UPM Energy had a good quarter of seasonally higher production volumes and market prices. Our own optimization on the physical markets continued to generate strong results. Electrification continued to drive electricity demand growth in Finland.

UPM Biofuels had excellent production efficiency and improved market conditions and is now back in positive EBIT contribution. The business improved its performance each quarter throughout the year.

In UPM Biochemicals, we are now in commercial business, with the first customer deliveries of industrial sugars taking place in Q4. We will continue to introduce further products to the market during the first half of this year, the next step being the renewable functional fillers. Demand and interest for our biochemicals products is robust.

UPM Communication Papers delivered Q4 results on par with Q4 2024. However, the annual results were lower due to continued structural market decline. During the quarter UPM Communication Papers stopped production at its Kaukas mill in Finland and at its Ettringen mill in Germany, reducing its paper production capacity by 13%.

We are entering 2026 with some cautious optimism. The business environment at the beginning of the year is showing signs of stability, even if there continue to be uncertainties in geopolitics and trade. We will continue to focus on performance, cash generation, strengthening the balance sheet and successfully completing the strategic portfolio initiatives.

Confident in UPM’s strategy and ability to create value, the Board of Directors has today proposed an unchanged dividend of €1.50 per share for 2025. The dividend represents 113% of UPM’s comparable earnings per share for 2025.”

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

The business environment at the beginning of the year is showing signs of stability, even if 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 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 are 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

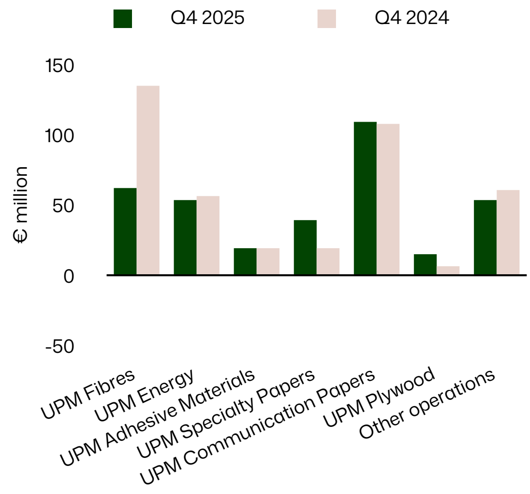
Fluctuations in monetary policies and economic conditions can significantly impact the value of various currencies, which in turn may affect UPM. Additionally, the escalation of global trade tensions could influence currency exchange rates. These currency fluctuations could impact UPM's cash flow, earnings, 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 2025, UPM's estimated net currency cash flows for the next 12 months totaled approximately €1.5 billion. USD was the largest exposure at approximately €1.3 billion, followed by UYU, GBP 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 2024 on pages 305–306.

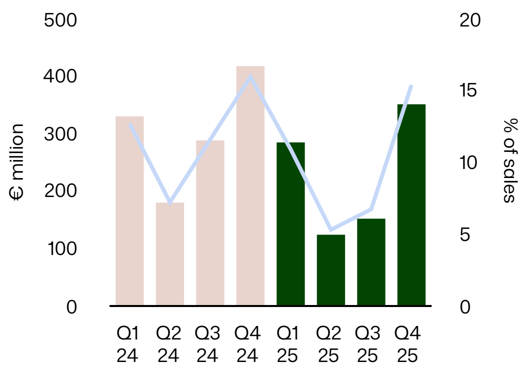
Timing of significant maintenance shutdowns

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

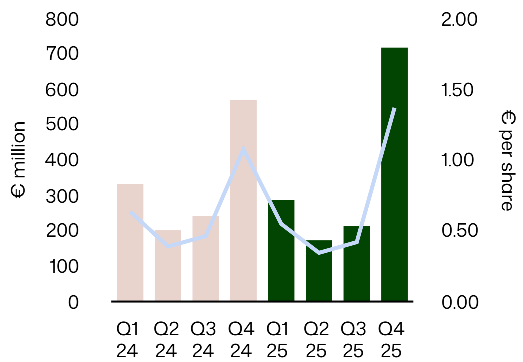
Comparable EBIT



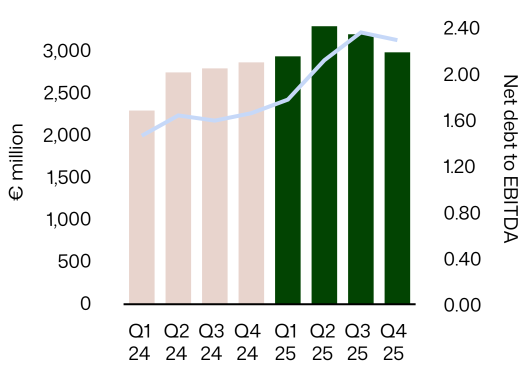
Comparable EBIT



Operating cash flow



Net debt and net debt to EBITDA



Results

Q4 2025 compared with Q4 2024

Q4 2025 sales totaled €2,312 million, 12% lower than the €2,632 million in Q4 2024. The decrease in sales was driven by lower sales prices, lower delivery volumes and adverse changes in currencies. Most notably sales decreased in UPM Fibres, UPM Communication Papers and UPM Specialty Papers. Sales increased in UPM Energy, UPM Adhesives Materials, UPM Plywood and Other operations.

The comparable EBIT decreased by 15% to €355 million, which was 15.3 % of sales (418 million, 15.9%). Comparable EBIT decreased in UPM Fibres, UPM Energy and Other Operations whereas the other business areas reported increased or stable performances.

Sales prices decreased in most business areas. The negative impact of lower prices was clearly larger than the positive impact of lower variable costs. Changes in currencies, net of hedging, had a negative impact on comparable EBIT.

On group level, changes in delivery volumes had a minor impact on comparable EBIT. Fixed costs increased by €4 million.

Depreciation, amortization and impairment charges excluding items affecting comparability totaled €130 million (147 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 €104 million (130 million).

Operating profit was €390 million (-105 million). Items affecting comparability in operating profit totaled €35 million in the period (-523 million). In Q4 2025, items affecting comparability include € 46 million capital gain on sale of the Plattling paper mill site in Germany, €12 million reversal of restructuring charges related to the closure of Plattling paper mill in 2023, €10 million reversal of restructuring charges related to the closure of Ettringen paper mill in Germany, €15 million restructuring charges to improve operations' competitiveness and efficiency in UPM Adhesive Materials, €7 million addition to impairment charges related to the closure of Kaltenkirchen factory, €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, and other restructuring charges related to UPM Communication Papers, UPM Adhesive Materials and Other operations.

In Q4 2024, items affecting comparability include €373 million impairment of assets in biochemicals refinery in Leuna resulting from cost overruns and construction delays during the first-of-its-kind project. Additionally, items affecting comparability included €5 million impairment of UPM Biochemicals goodwill, and €113 million impairment of Pulp operations Finland goodwill resulting from high wood costs. Other items affecting comparability included €10 million restructuring charges and €26 million impairment charges of fixed assets related to closure of UPM Adhesive Materials' Kaltenkirchen factory in Germany.

Net interest and other finance income and costs were €-27 million (-24 million). The exchange rate and fair value gains and losses were €43 million (-3 million). Items affecting comparability in finance costs totaled €0 million (0 million). Income taxes were €-148 million (35 million). Items affecting comparability in taxes totaled €-77 million (100 million).

Profit for Q4 2025 was €258 million (-95 million), and comparable profit was €300 million (328 million).

Q4 2025 compared with Q3 2025

The comparable EBIT increased by 131% to €355 million, which was 15.3% of sales (153 million, 6.7%).

Variable costs decreased, and their positive impact on comparable operating profit was greater than the negative impact of the slight decline in sales prices. In addition, variable costs were seasonally impacted by the timing of the energy-related refunds.

On group level, changes in delivery volumes had a small positive impact on comparable EBIT. Fixed costs increased by €40 million, mainly due to seasonal reasons.

Depreciation, amortization and impairment charges excluding items affecting comparability, totaled €130 million (126 million). The change in the fair value of forest assets net of wood harvested in comparable EBIT was €104 million (28 million).

Operating profit was €390 million (55 million). Items affecting comparability in the operating profit totaled €35 million for the period (-99 million). In Q4 2025, the items of comparability include € 46 million capital gain on sale of Plattling paper mill site, €12 million reversal of restructuring charges related to the closure of Plattling paper mill in 2023, €10 million reversal of restructuring charges related to the closure of Ettringen paper mill in Germany, €15 million restructuring charges to improve operations' competitiveness and efficiency in UPM Adhesive Materials, €7 million addition to impairment charges related to the closure of Kaltenkirchen factory, €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 and other restructuring charges related to UPM Communication Papers, UPM Adhesive Materials and Other operations. In Q3 2025, items affecting comparability include €37 million restructuring charges and €35 million impairment charges of fixed assets related to the closure of Kaukas paper machine 1 in Finland, €25 million restructuring charges related to the discontinuation of label materials' production at Nancy factory in France, €7 million capital gain on sale of non-current assets, and other restructuring charges related to UPM Communication Papers, UPM Adhesive Materials, UPM Plywood and Other operations.

Full year 2025 compared with year 2024

In 2025 sales were €9,656 million, 7% lower than the €10,339 million in 2024. Sales decreased due to lower sales prices and adverse changes in currencies, only partially offset by increased delivery volumes. Sales decreased in UPM Communication Papers, UPM Fibres, UPM Specialty Papers, UPM Plywood and UPM Energy business areas. Sales increased in UPM Adhesive Materials and in the Other operations reporting segment.

Comparable EBIT decreased by 25% to €921 million, 9.5 % of sales (1,224 million, 11.8%). Comparable EBIT decreased due to lower sales prices and adverse changes in currencies.

Sales prices decreased in all business areas, most notably in UPM Fibres, UPM Communication Papers and UPM Specialty Papers. Variable costs decreased, as increases in wood costs were more than offset by decreases in most other input cost categories. Fixed costs also remained unchanged on the group level.

Delivery volumes increased in UPM Fibres, UPM Adhesive Materials and Other operations. Deliveries fell the most in UPM Communication Papers. On group level, the net impact of changes in delivery volumes was neutral to earnings.

Depreciation, amortization and impairment charges excluding items affecting comparability, totaled €535 million (590 million) including depreciation of leased assets totaling €90 million (85 million). The change in the fair value of forest assets net of wood harvested was €144 million (80 million).

Operating profit totaled €749 million (604 million). Items affecting comparability in operating profit totaled €-171 million in the period (-620 million). 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 in UPM Communication Papers, €28 million restructuring charges related to the discontinuation of label materials' production at Nancy factory in France, €30 million restructuring charges to improve operations' competitiveness and efficiency in UPM Adhesive Materials, €6 million addition to impairment charges and €2 million reversal of restructuring charges related to the closure of Kaltenkirchen factory, €2 million restructuring charges related to discontinuation of Rotterdam refinery project, €3 million restructuring charges and €1 million impairment charges related to the closure of the UPM Biomedicals business in Other operations, €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, € 46 million capital gain on sale of Plattling paper mill site, €7 million capital gain on sale of non-current assets. Additionally, items affecting comparability include other restructuring charges related to UPM Communication Papers, UPM Specialty Papers, UPM Adhesive Materials, UPM Plywood, UPM Fibres and Other operations.

In 2024, items affecting comparability include €373 million impairment of assets in biochemicals refinery in Leuna resulting from cost overruns and construction delays during the first-of-its-kind project. Additionally, items affecting comparability include €5 million impairment of UPM Biochemicals goodwill, and €113 million impairment of Pulp operations Finland goodwill resulting from high wood costs. Other items affecting comparability include €10 million restructuring charges and €26 million impairment charges of fixed assets related to closure of UPM Adhesive Materials' Kaltenkirchen factory in Germany, €40 million of restructuring and impairment charges related to the closure of Hürth newsprint mill in Germany, €54 million restructuring and impairment charges related to the closure of Nordland fine paper machine 3 in Germany, €4 million write down of inventory at the UPM Adhesive Materials' mill, located in Western North Carolina, USA, which was impacted by Hurricane Helene, €12 million restructuring and impairment charges related to the closure of the UPM Biocomposites business, a €21 million capital gain on the sale of UPM-Kymmene Austria GmbH to HEINZEL GROUP, €9 million capital gain on the sale of other non-current assets, €12 million other restructuring costs and €8 million related to prior capacity closures.

Net interest and other finance costs were €-102 million (-97 million). The exchange rate and fair value gains and losses were €43 million (-7 million). Items affecting comparability in finance costs totaled €-1 million (-3 million). Income taxes totaled €-200 million (-37 million). Items affecting comparability in taxes totaled €-51 million (133 million).

Profit for 2025 was €491 million (463 million), and comparable profit was €714 million (953 million).

Financing and cash flow

In 2025, the cash flow from operating activities before capital expenditure and financing totaled €1,405 million (1,352 million in 2024). Working capital decreased by €391 million (increased by 80 million).

Net debt was €3,004 million at the end of Q4 2025 (2,869 million at the end of Q4 2024). The gearing ratio as of December 31, 2025 was 29% (25%). The net debt to EBITDA ratio, based on the last 12 months' EBITDA, was 2.29 at the end of the period (1.66).

On December 31, 2025, UPM's cash funds and unused committed credit facilities totaled €2.7 billion. The total amount of committed credit facilities was €2 billion of which €259 million will mature in 2027, €1.8 billion will mature in 2029 or beyond.

Between February 10 and April 8, 2025, the group repurchased a total of 6,000,000 own shares, with approximately €160 million in cash outflow.

For the 2024 financial year, the dividend of €1.50 per share was paid in two equal instalments. The first instalment of €0.75 per share (totaling €397 million) was paid on April 8, 2025, and the second instalment of €0.75 per share was paid on November 7, 2025 (totaling €396 million).

Capital expenditure

In 2025, capital expenditure excluding investments in shares totaled €409 million (527 million), and including investment in shares €621 million, which was 6.4% of sales (550 million, 5.3% of sales in 2024). 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.

Personnel

In 2025 UPM had an average of 15,802 employees (16,282). At the beginning of the year, the number of employees was 15,827 and at the end of Q4 2025 it was 15,127.

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 last reported 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 progressed in 2025. The wood-to-lignin-and-sugar process was successfully ramped up and the first commercial deliveries of industrial sugars took place in Q4 2025. With the achieved progress in the critical first part of the process and the advanced status of corrective works in the final core processes, production and sales of further products, lignin, renewable functional fillers and finally 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

On May 27, 2025, UPM announced plans to discontinue the development of its potential second biomass-to-fuels refinery at the Port of Rotterdam following extended technical, commercial and strategic evaluations. Consequently, UPM intends to halt all engineering activities related to the investment in Rotterdam and withdraw from all associated commitments.

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 will change 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, will be 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 US.

The change will impact KPIs of UPM Fibres reportable segment and Other Operations. The comparative periods will be restated according to the new reporting principles. The reporting change has no impact on group financial result or balance sheet. Refer to *Note 10 Change in the composition of reportable segments* in Financial statement information.

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

Events during the reporting period

On January 2, UPM announced that it has been listed as the only forest and paper industry company in the Dow Jones World and European Sustainability Indices 2024–2025.

On February 5, UPM updated its Disclosure Policy and changed its method of issuing profit guidance and outlook.

On February 5, 2025, UPM announced the acquisition of Metamark, a UK-based company to further accelerate UPM Adhesive Materials' growth.

On February 5, UPM announced the commencement of a share buy-back program for a maximum of 6,000,000 shares or a maximum of €160 million.

On February 11, UPM was recognized among the top sustainability performers by CDP and S&P Global.

On March 11, UPM announced plans to permanently close its paper mill in Ettringen, Germany.

On March 27, UPM held its Annual General Meeting.

On April 8, UPM announced the completion of the share buy-back program.

On May 5, UPM announced that the 6 million shares repurchased under its buy-back program have been cancelled.

On May 27, UPM announced plans to discontinue the development of its potential second biomass-to-fuels refinery at the Port of Rotterdam.

On June 12, UPM announced that the UPM Raflatac business area and reporting segment will be renamed UPM Adhesive Materials and the new reporting segment name will be in use from the Half year financial report 2025 onwards.

On July 24, UPM announced plans to end paper production at UPM Kaukas, Finland by the end of 2025.

On July 24, UPM announced an investment in UPM Adhesive Materials' factory in Mills River, North Carolina, to increase production capacity in the growing advanced labels market.

On July 30, UPM received a Platinum rating from EcoVadis, placing the company in the top 1% globally for its sustainability performance.

On August 7, UPM announced an investment in a state-of-the-art coating line at UPM Adhesive Materials' factory in Johor Bahru, Malaysia.

On September 4, UPM announced plans to discontinue production at UPM Adhesive Materials' factory in Nancy, France.

On September 23, UPM initiated a strategic review of the UPM Plywood business area, possibly resulting in a separation through a divestment, partial demerger or initial public offering.

On September 29, UPM entered into a strategic partnership with Versowood, consisting of the sale of the UPM Korkeakoski sawmill to Versowood, and Versowood supplying UPM with pulpwood and sawmill by-products.

On October 7, UPM agreed to sell the former Plattling paper mill site to Bayernhafen GmbH & Co. KG, a logistics hub and infrastructure company.

On October 9, UPM announced that Adhesive Materials expands its footprint in Southeast Asia with a new slitting and distribution terminal near Hanoi, Northern Vietnam to support growth in Southeast Asia.

On December 4, UPM announced that it has signed a non-binding letter of intent with Sappi to form a graphic paper joint venture.

On December 16, UPM signed a €1 250 million revolving credit facility agreement.

Events after the balance sheet date

On January 2, UPM announced that the strategic partnership agreement between UPM and Versowood has received the necessary regulatory approvals and has entered into force on December 31, 2025.

On January 12, UPM announced that it received leadership scores in CDP 2025 assessment for environmental efficiency and transparent reporting on climate, forest, and water-related actions.

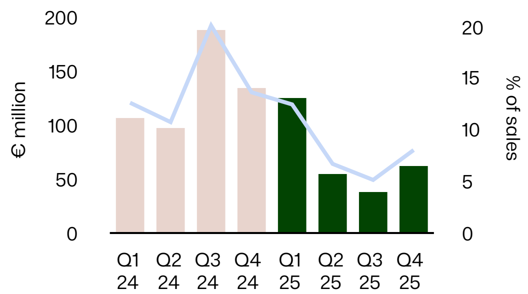
Dividend proposal for 2025

The Board of Directors proposes to the Annual General Meeting convening on April 9, 2026, that a dividend of €1.50 per share be paid in respect of the 2025 financial year (1.50). The proposed dividend represents 113 % of UPM's comparable earnings per share for 2025. It is proposed that the dividend is paid in two equal instalments, the first instalment of €0.75 per share on April 21, 2026, and the second instalment of €0.75 per share on November 6, 2026. On December 31, 2025, the distributable funds of the parent company were €3,066.0 million.

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 and three sawmills in Finland (Fibres North).

Comparable EBIT



	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1–Q4/25	Q1–Q4/24
Sales, € million	781	777	838	1,010	1,001	943	922	861	3,407	3,728
Comparable EBITDA, € million	102	88	119	202	191	267	194	193	511	844
% of sales	13.1	11.4	14.1	20.0	19.0	28.3	21.0	22.4	15.0	22.6
Change in fair value of forest assets and wood harvested, € million	31	22	9	2	26	-1	-8	-5	65	11
Share of results of associated companies and joint ventures, € million	0	1	1	1	1	1	0	0	2	2
Depreciation, amortization and impairment charges, € million	-72	-72	-72	-79	-194	-76	-87	-80	-295	-437
Operating profit, € million	62	39	55	126	22	190	99	108	282	419
% of sales	8.0	5.1	6.6	12.4	2.2	20.1	10.7	12.6	8.3	11.2
Items affecting comparability in operating profit, € million [1]	0	–	–	–	-114	–	–	–	0	-114
Comparable EBIT, € million	62	39	56	126	136	190	99	108	283	533
% of sales	8.0	5.1	6.6	12.4	13.6	20.1	10.7	12.6	8.3	14.3
Capital employed (average), € million	6,464	6,539	6,680	7,298	7,333	7,087	7,112	7,079	6,745	7,153
Comparable ROCE, %	3.9	2.4	3.3	6.9	7.4	10.7	5.6	6.1	4.2	7.5
Pulp deliveries, 1000 t	1,276	1,262	1,192	1,433	1,449	1,185	1,126	1,185	5,163	4,945

[1] Q4 2025 items affecting comparability include €1 million restructuring charges and €1 million capital gain on sale on Korkeakoski sawmill. Q4 2024 items affecting comparability include €113 million impairment in goodwill for Pulp operations in Finland and minor restructuring charges.

Pulp mill maintenance shutdowns: Q4 2025 UPM Fray Bentos, Q3 2025 UPM Kaukas, Q2 2025 UPM Paso de los Toros and UPM Kymi, Q2 2024 UPM Paso de los Toros, UPM Fray Bentos and UPM Pietarsaari.

- In Q4 2025, Fibres South generated a comparable EBIT of € 78 million, 21% of sales. Fibres North reported a comparable EBIT loss of € 11 million, including the maintenance and curtailment shutdown at UPM Kaukas that extended into October
- Strategic partnership with Versowood, strengthening the cost-efficiency of wood sourcing in the tight Finnish markets, was finalized during Q4 and entered into force on December 31, 2025

Results

Q4 2025 compared with Q4 2024
The comparable EBIT for UPM Fibres decreased. Sales prices were considerably lower than in the corresponding quarter a year ago.

The average price in euro for UPM's pulp deliveries decreased by 16%.

Q4 2025 compared with Q3 2025
The comparable EBIT increased due to lower variable and fixed costs.

The average price in euro for UPM's pulp deliveries was at the same level.

Full year 2025 compared with year 2024
The comparable EBIT decreased due to significantly lower sales prices. Variable costs were at the same level. Delivery volumes increased.

The average price in euro for UPM's pulp deliveries decreased by 15%.

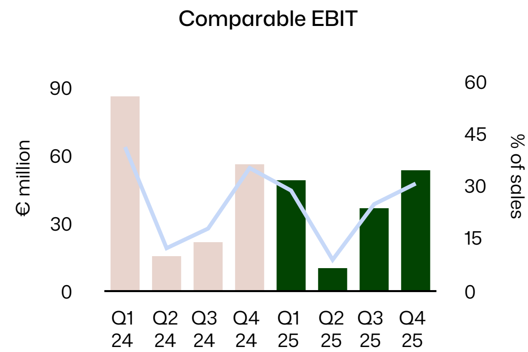
Market environment

- In 2025, the downward trend in chemical pulp market prices continued until Q4 when Chinese pulp market gained some momentum.
- In Europe, the market price for northern bleached softwood kraft pulp (NBSK) in Q4 was at the same level as in Q3 2025. The market price for bleached hardwood kraft pulp (BHKP) increased.
- In China, the market price for northern bleached softwood kraft pulp (NBSK) decreased in Q4 2025 compared to Q3 2025. The price for bleached hardwood kraft pulp (BHKP) increased.
- In 2025, the average European market price in euros was 2% lower for NBSK and 15% lower for BHKP compared to 2024. In China, the average market price in US dollars was 6% lower for NBSK and 16% lower for BHKP compared to 2024.
- In 2025, European demand for sawn timber continued to be relatively weak due to low construction activity.

Sources: FOEX, UPM

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.



	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1–Q4/25	Q1–Q4/24
Sales, € million	176	149	118	173	161	125	130	210	615	627
Comparable EBITDA, € million	56	39	12	51	59	24	17	88	158	188
% of sales	31.8	25.9	10.2	29.6	36.4	19.1	13.4	42.0	25.6	30.0
Depreciation, amortization and impairment charges, € million	-2	-2	-2	-2	-2	-2	-2	-2	-7	-7
Operating profit, € million	54	37	10	49	57	22	16	87	151	181
% of sales	30.7	24.7	8.7	28.7	35.2	17.7	12.1	41.2	24.5	28.9
Items affecting comparability in operating profit, € million	–	–	–	–	–	–	–	–	–	–
Comparable EBIT, € million	54	37	10	49	57	22	16	87	151	181
% of sales	30.7	24.7	8.7	28.7	35.2	17.7	12.1	41.2	24.5	28.9
Capital employed (average), € million	2,647	2,698	2,555	2,514	2,464	2,405	2,362	2,471	2,603	2,426
Comparable ROCE, %	8.2	5.5	1.6	7.9	9.2	3.7	2.6	14.0	5.8	7.5
Electricity deliveries, GWh	3,161	2,829	2,409	2,743	3,032	2,819	2,532	2,945	11,141	11,328

- Successful production optimization on the physical power markets during 2025
- UPM Energy's second grid-balancing ultracapacitor was commissioned into operation in Q4 at the Kuusankoski hydropower plant

Results

Q4 2025 compared with Q4 2024

The comparable EBIT for UPM Energy decreased slightly. The positive impact of higher sales prices and good volumes was more than offset by higher production costs.

UPM's average electricity sales price increased by 4% to €51.2/MWh (€49.2/MWh).

Q4 2025 compared with Q3 2025

The comparable EBIT increased due to higher sales prices and good hydro volumes.

UPM's average electricity sales price increased by 6% to €51.2/MWh (€48.8/MWh).

Full year 2025 compared with year 2024

The comparable EBIT decreased due to lower sales prices and higher production costs.

UPM's average electricity sales price decreased by 2% to €50.3/MWh (€51.4/MWh).

Market environment

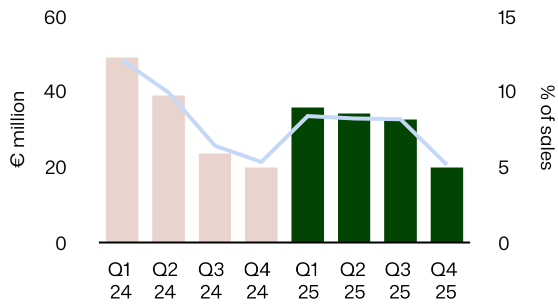
- Both the Nordic and Finnish hydrological balance was close to the long-term average at the end of December.
- The CO_2 emissions daily future price of € 85.2/tonne at the end of Q4 2025, was higher than at the end of Q3 2025 (€ 75.4/tonne) and higher than at the end of Q4 2024 (€ 70.95/tonne).
- The average Finnish area spot price on the Nordic electricity exchange in Q4 2025 was € 44.3/MWh, 10% higher than in Q3 2025 (€ 40.4/MWh) and 7% higher than in Q4 2024 (€ 41.6/MWh).
- The average Finnish area spot price on the Nordic electricity exchange in 2025 was € 40.5/MWh, 11% lower than in 2024 (€ 45.6/MWh).
- The front-year forward electricity price for the Finnish area closed at € 40.6/MWh in December, 16% lower than at the end of Q3 2025 (€ 48.1/MWh).

Sources: The Norwegian Water Resources and Energy Directorate, Svensk Energi, Finnish Environment Institute, Nord Pool, NASDAQ OMX, 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.

Comparable EBIT



	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1–Q4/25	Q1–Q4/24
Sales, € million	391	405	425	434	382	374	397	409	1,655	1,562
Comparable EBITDA, € million	33	46	49	49	32	35	50	60	176	177
% of sales	8.4	11.2	11.5	11.3	8.3	9.3	12.7	14.6	10.7	11.3
Depreciation, amortization and impairment charges, € million	-22	-13	-14	-13	-38	-11	-11	-11	-61	-71
Operating profit, € million	-6	4	28	27	-16	15	39	51	53	88
% of sales	-1.6	1.1	6.5	6.3	-4.3	4.1	9.8	12.4	3.2	5.6
Items affecting comparability in operating profit, € million [1)]	-26	-28	-7	-9	-37	-9	0	1	-70	-44
Comparable EBIT, € million	20	33	35	36	20	24	39	49	124	132
% of sales	5.1	8.1	8.2	8.3	5.3	6.4	9.9	12.0	7.5	8.5
Capital employed (average), € million	864	891	900	787	727	733	723	707	860	722
Comparable ROCE, %	9.2	14.8	15.4	18.4	11.1	13.0	21.7	27.9	14.4	18.3

[1)] Q4 2025 items affecting comparability include €15 million restructuring charges to improve operations' competitiveness and efficiency, €7 million addition to impairment charges related to the closure of Kaltenkirchen factory, €2 million restructuring charges and €2 million impairment charges related to the discontinuation of label materials' production at Nancy factory in France. Q3 2025 items affecting comparability include €25 million restructuring charges related to the discontinuation of label materials' production at Nancy factory in France, €2 million reversal of restructuring charges related to the closure of Kaltenkirchen factory, €6 million addition to prior restructuring charges. Q2 2025 items affecting comparability include €7 million restructuring charges to improve operations' competitiveness and efficiency. Q1 2025 items affecting comparability include €5 million restructuring charges, €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. Q4 2024 items affecting comparability include €11 million restructuring charges and €26 million impairment charges related to the closure of Kaltenkirchen factory, a €3 million insurance compensation related to Adhesive Materials inventory in USA impacted by Hurricane Helene and a €3 million addition to restructuring charges related to other restructurings. Q3 2024 items affecting comparability include a €6 million write down of inventory at the Adhesive Materials factory, located in Western North Carolina, USA, which was impacted by Hurricane Helene and €3 million relating to restructuring measures. Q1 2024 items affecting comparability relate to restructuring measures.

- Investment in a slitting and distribution terminal near Hanoi, Northern Vietnam to support growth in Southeast Asia
- Closure of production in Nancy, France, finalized, Kaltenkirchen ramp down continued in Germany
- Strong efficiency and fixed cost actions in Q4, benefits to materialize in the coming quarters

Results

Q4 2025 compared with Q4 2024

The comparable EBIT for UPM Adhesive Materials was at the same level. The positive impact of higher volumes and lower variable costs was offset by the negative impact of sales prices and mix.

Q4 2025 compared with Q3 2025

The comparable EBIT decreased. Volumes and sales prices were lower and variable costs higher.

Full year 2025 compared with year 2024

The comparable EBIT decreased. The positive impact of higher volumes was more than offset by the negative impacts from prices and mix, fixed costs and currencies.

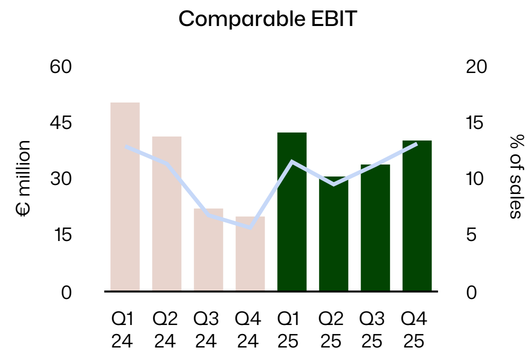
Market environment

- In Q4 2025, markets for self-adhesive label materials were resilient in Europe but slowed down in North America and were challenging in the Asia-Pacific (APAC) region.
- In 2025, global market for self-adhesive label materials continued to recover from its 2023 lows, with growth being strongest in Europe. APAC markets had intense competitive dynamics.

Sources: UPM, FINAT, TLMI

UPM Specialty Papers

UPM Specialty Papers 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.



	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1–Q4/25	Q1–Q4/24
Sales, € million	309	304	328	374	368	335	367	397	1,315	1,467
Comparable EBITDA, € million	53	45	48	59	38	40	58	72	204	208
% of sales	17.1	14.8	14.6	15.7	10.4	12.0	15.8	18.2	15.5	14.2
Depreciation, amortization and impairment charges, € million	-13	-11	-17	-16	-18	-18	-17	-21	-57	-74
Operating profit, € million	38	34	30	43	21	22	38	51	144	132
% of sales	12.4	11.2	9.1	11.4	5.7	6.7	10.3	12.8	11.0	9.0
Items affecting comparability in operating profit, € million [1]	-2	0	-1	–	1	0	-3	–	-3	-3
Comparable EBIT, € million	40	34	31	43	20	22	41	51	147	135
% of sales	13.0	11.1	9.4	11.4	5.6	6.7	11.2	12.8	11.2	9.2
Capital employed (average), € million	686	693	705	739	777	777	796	806	706	789
Comparable ROCE, %	23.4	19.5	17.5	23.1	10.5	11.5	20.7	25.2	20.9	17.1
Paper deliveries, 1000 t	354	333	343	368	368	316	358	387	1,398	1,429

[1] Q4 2025, Q2 2025, Q4 2024 and Q2 2024 items affecting comparability relate to restructuring measures.

- PM3 at UPM Changshu mill in China celebrated 10 years of specialty paper production
- Launch of an improved version of proprietary UPM Forte™ precoating technology

Results

Q4 2025 compared with Q4 2024

The comparable EBIT for UPM Specialty Papers increased significantly. The positive impact of lower variable costs more than offset the negative impact of sales prices and mix.

Q4 2025 compared with Q3 2025

The comparable EBIT increased. Volumes improved and variable costs decreased. Sales prices had a negative impact on the results.

Full year 2025 compared with year 2024

The comparable EBIT increased, mainly due to lower depreciation. The negative impact of lower volumes and sales prices was offset by the positive impact of lower input costs.

Market environment

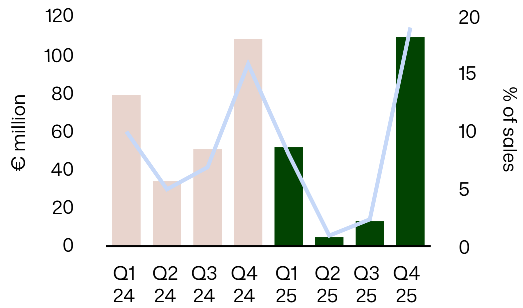
- In Q4 2025, markets for label, release base and packaging papers returned to normal levels in Europe and U.S.
- In Q4, the slow fine paper markets in Asia improved seasonally in most of the Asian countries.
- In 2025, market demand for specialty papers was affected by tariff uncertainties. Market prices decreased compared to 2024.

Sources: UPM, RISI, AFRY, AWA

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.

Comparable EBIT



	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1–Q4/25	Q1–Q4/24
Sales € million	580	619	630	664	688	751	711	802	2,493	2,953
Comparable EBITDA,€ million	127	28	21	65	126	71	51	95	241	344
% of sales	21.8	4.6	3.4	9.8	18.3	9.5	7.2	11.9	9.7	11.6
Share of results of associated companies and joint ventures, € million	0	0	0	0	0	0	0	0	0	0
Depreciation, amortization and impairment charges, € million	-17	-49	-20	-23	-18	-9	-57	-16	-109	-100
Operating profit, € million	183	-53	-2	-22	106	61	-77	100	107	190
% of sales	31.5	-8.5	-0.3	-3.3	15.4	8.2	-10.9	12.5	4.3	6.4
Items affecting comparability in operating profit, € million [1)]	73	-67	-7	-74	-3	10	-112	21	-75	-83
Comparable EBIT, € million	110	14	5	52	109	51	35	79	181	273
% of sales	18.9	2.3	0.8	7.9	15.8	6.8	4.9	9.9	7.3	9.3
Capital employed (average), € million	937	991	1,033	1,109	1,128	1,142	1,120	1,215	1,018	1,151
Comparable ROCE, %	46.9	5.6	2.1	18.9	38.5	17.9	12.4	26.1	17.8	23.8
Paper deliveries, 1000 t	690	733	740	731	757	838	790	879	2,893	3,263

[1)] Q4 2025 items affecting comparability include €46 million gain on sale on the sale of Plattling paper mill site in Germany, €12 million reversal of restructuring charges related to the closure of Plattling paper mill in 2023, €10 million reversal of restructuring charges related to the closure of Ettringen paper mill in Germany, €5 million reversal of charges to improve mills' operations efficiency, €2 million reversal of restructuring charges and €1 million addition to impairment charges related to the closure of Kaukas paper mill 1 in Finland. Q3 2025 items affecting comparability include €37 million restructuring charges and €35 million impairment charges of fixed assets related to the closure of Kaukas paper mill 1 in Finland, €7 million capital gain on the sale of non-current assets and €2 million addition to other restructuring charges. Q2 2025 items affecting comparability include €5 million restructuring charges and €4 million impairment charges resulting from the exercise of a put option concerning the Kraftwerk Plattling power plant company in Germany and €1 million reversal related to prior restructuring charges. Q1 2025 items affecting comparability include €52 million restructuring charges and €10 million impairment charges related to the closure of Ettringen paper mill in Germany and €11 million other restructuring charges to improve mills' operations' efficiency. Q4 2024 items affecting comparability include a €8 million addition to restructuring charges related to the closure of Plattling paper mill in 2023, €7 million reversal of impairment charges related to the closure of Hürth newsprint mill and the closure of Nordland fine paper machine 3 in Germany and other minor restructuring charges. Q3 2024 items affecting comparability include €11 million reversal of impairment charges related to the closure of Hürth newsprint mill and the closure of Nordland fine paper machine 3 in Germany and other minor restructuring charges. Q2 2024 items affecting comparability include €72 million restructuring charges and €40 million impairment charges related to the closure of Hürth newsprint mill and the closure of paper machine 3 at Nordland in Germany. Q1 2024 items affecting comparability include €21 million capital gains on sale of UPM-Kymmene Austria GmbH.

- UPM signed a non-binding letter of intent with Sappi to form a graphic paper joint venture by the end of 2026
- UPM Kaukas, Finland, and UPM Ettringen, Germany, paper mill closures were finalized during Q4
- A climate action roadmap was launched to reduce product emissions significantly by 2030

Results

Q4 2025 compared with Q4 2024

The comparable EBIT for UPM Communication Papers was at a same level. The impact of lower sales prices and delivery volumes was offset by the impact of decreased variable and fixed costs.

The average price in euros for UPM's paper deliveries decreased by 8%.

Q4 2025 compared with Q3 2025

The comparable EBIT increased significantly due to lower variable costs, impacted by the timing of energy related refunds.

The average price in euros for UPM's paper deliveries decreased by 1%.

Full year 2025 compared with year 2024

The comparable EBIT decreased. Delivery volumes and sales prices were lower. Variable and fixed costs decreased.

The average price in euros for UPM's paper deliveries decreased by 5%.

Market environment

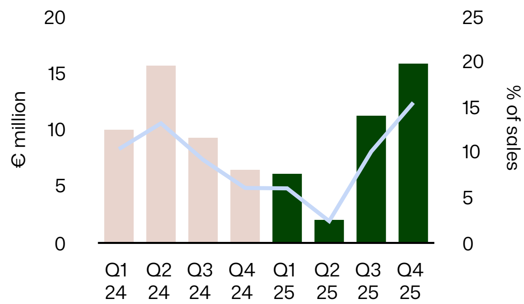
- In 2025, demand for graphic papers in Europe was 8% lower than in 2024. Newsprint demand decreased by 8%, magazine papers 11%, and fine papers 6%
- In Q4 2025, demand for graphic papers in Europe was 5% lower than in Q4 2024. Demand declined by 7% for Newsprint, while magazine papers declined by 10% and fine papers 1%.
- In Q4 2025, publication paper prices in Europe were 1% lower compared to Q3 2025, and 5% lower compared to Q4 2024. Fine paper prices in Europe declined by 2% compared to Q3 2025, and 9% compared to Q4 2024.
- Demand for magazine papers in North America in 2025 was 10% lower than in 2024. In Q4 2025 magazine paper demand declined by 13% compared to Q4 2024.
- The average price in North America for magazine paper grades was stable throughout the year 2025.

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.

Comparable EBIT



	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1–Q4/25	Q1–Q4/24
Sales, € million	104	113	89	103	109	103	120	98	409	430
Comparable EBITDA, € million	20	16	7	12	13	15	21	16	55	65
% of sales	19.5	14.2	8.3	11.4	11.9	14.6	17.6	15.8	13.6	15.0
Depreciation, amortization and impairment charges, € million	-4	-5	-5	-6	-6	-6	-5	-5	-20	-23
Operating profit, € million	16	7	2	6	6	9	16	10	31	42
% of sales	15.3	6.4	2.1	5.9	6.0	9.1	13.1	10.4	7.6	9.7
Items affecting comparability in operating profit, € million [1]	0	-4	0	–	–	0	0	0	-4	0
Comparable EBIT, € million	16	11	2	6	6	9	16	10	35	42
% of sales	15.4	10.0	2.3	5.9	6.0	9.1	13.1	10.3	8.7	9.7
Capital employed (average), € million	228	223	226	244	248	240	241	243	230	243
Comparable ROCE, %	27.9	20.3	3.6	10.0	10.4	15.6	26.1	16.6	15.4	17.1
Plywood deliveries, 1000 m^3	112	128	99	120	120	113	139	110	458	482

[1] Q3 2025 items affecting comparability relate to earlier restructuring measures.

- Capacity utilization rate and production efficiency continued at a good level.
- UPM responded to market demand by launching WISA®-LNG Spruce plywood, a new solution for the insulation of LNG cargo tanks

Results

Q4 2025 compared with Q4 2024

The comparable EBIT for UPM Plywood increased mainly due to good production efficiency.

Q4 2025 compared with Q3 2025

The comparable EBIT increased. Volumes and production efficiency remained at a good level and sales mix was more favorable.

Full year 2025 compared with year 2024

The comparable EBIT decreased. The strikes at the Finnish mills in H1 limited volumes and wood cost was higher.

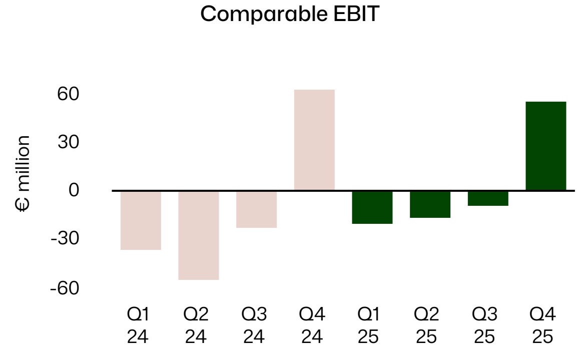
Market environment

- In 2025, demand for spruce plywood in Europe was stable but comparatively slow as construction markets remained soft.
- In 2025, demand for birch plywood in panel trading and industrial end uses was good.
- In 2025, demand for LNG end-use birch plywood continued at a very good level.

Source: UPM

Other operations

Other Operations includes UPM Forest, UPM Biofuels and UPM Biochemicals business units as well as biofuels development and group services. UPM Forest secures competitive wood and biomass for UPM businesses and manages UPM-owned and privately-owned forests in North Europe. In addition, UPM Forest offers forestry services to forest owners and forest investors. 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 operates one biorefinery in Finland.



	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1–Q4/25	Q1–Q4/24
Sales, € million	187	149	192	166	157	141	172	153	693	623
Comparable EBITDA, € million	-6	-5	-2	-12	-30	3	-24	-20	-25	-72
Change in fair value of forest assets and wood harvested, € million	72	6	-3	4	105	-15	-19	-3	80	68
Share of results of associated companies and joint ventures, € million	-2	0	0	0	-1	0	0	-1	-2	-1
Depreciation, amortization and impairment charges, € million	-10	-10	-11	-14	-389	-11	-15	-12	-45	-427
Operating profit, € million	46	-9	-20	-25	-316	-24	-61	-34	-8	-434
Items affecting comparability in operating profit, € million [1]	-9	0	-3	-5	-378	0	-6	2	-17	-382
Comparable EBIT, € million	55	-9	-16	-21	62	-23	-55	-36	9	-52
Capital employed (average), € million	3,188	3,125	3,136	2,999	3,155	3,176	3,115	3,070	3,112	3,129
Comparable ROCE, %	6.9	-1.1	-2.1	-2.7	7.9	-3.0	-7.0	-4.7	0.3	-1.7

[1] Q4 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., €2 million reversal of restructuring charges related to the closure of UPM Biocomposites business and UPM Biomedicals business and €1 million impairment of residual goodwill in Other operations, Q2 2025 items affecting comparability include €2 million restructuring charges related to discontinuation of Rotterdam refinery project and €1 million other restructuring charges. Q1 2025 items affecting comparability include €3 million restructuring charges and €1 million impairment charges related to the closure of the UPM Biomedicals business and €1 million other restructuring charges. Q4 2024 items affecting comparability include a €5 million impairment of goodwill of UPM Biochemicals and a €373 million impairment on assets in the biochemicals refinery in Leuna, a €1 million addition to UPM Biocomposites restructuring charges and a €1 million gain on asset sales in UPM Biocomposites. Q2 2024, items affecting comparability include a €6 million addition to restructuring charges and €6 million impairment charges related to plans to close UPM Biocomposites business, and €5 million capital gain on sale of non-current assets. Q1 2024, items affecting comparability include €2 million capital gains on sale of non-current assets.

- In 2025, the UPM Biofuels' refinery in Lappeenranta, Finland, achieved record production and deliveries of advanced biofuels
- The start-up of the Leuna biorefinery in Germany progressed, continuous production and commercial sales of industrial sugars marks the completion of the first major process step

Results

Q4 2025 compared with Q4 2024

The comparable EBIT for Other operations decreased, mainly due to lower fair value increase of the forest assets. The change in the fair value of net forest assets of wood harvested was €72 million (105 million). The change in the fair value of forest assets was €102 million (140 million). The cost of wood harvested from UPM forests was €29 million (35 million).

Biofuels sales volumes were higher and variable costs lower.

Q4 2025 compared with Q3 2025

The comparable EBIT increased, mainly due to higher fair value increase of the forest assets. The change in the fair value of net forest assets of wood harvested was €72 million (6 million). The change in the fair value of forest assets was €102 million (19 million). The cost of wood harvested from UPM forests was €29 million (13 million).

Biofuels deliveries and sales prices were higher.

Full year 2025 compared with year 2024

The comparable EBIT increased, mainly due to improved performance in the Biofuels business. The change in the fair value of forest assets net of wood harvested was €80 million (68 million). The change in the fair value of forest assets was €156 million (195 million). The cost of wood harvested from UPM forests was €77 million (126 million).

Biofuels deliveries were higher and feed cost decreased significantly, resulting in improved margins which were supported by increasing prices in UPM key markets.

Market environment

- In Q4 2025, demand in the European markets for advanced renewable fuels was solid, RED III implementation in Germany progressed with favorable regulatory scope and led to improving market prices.
- In 2025, interest in bio-based glycols and renewable functional fillers remained strong, supported by a stable interest of brand owners and consumers in renewable materials and the strong sustainability and technical value proposition of UPM’s offering.

Source: UPM

Risks and near-term uncertainties

The main uncertainties in UPM's earnings relate to the sales prices and delivery volumes 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 high uncertainty relates 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.

The trade conflict and the related uncertainty may impact the general economic development of various regions. The trade conflict may have significant impacts on inflation, economic growth, interest rates and currency exchange rates in many economies relevant for UPM.

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 US could be negatively impacted by tariffs.

Geopolitical tensions, including Russia's ongoing war in Ukraine, the conflicts in the Middle East, and political ambitions by the U.S. continue to cause high 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.

The crises in the Middle East have added to geopolitical tensions and reintroduced uncertainty 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.

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 2024, on pages 122-124.

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 pages 271–272 of the UPM Annual Report 2024. Risks and opportunities are discussed on pages 33–35, risks and risk management are presented on pages 120–124, and material sustainability risks and opportunities are presented on pages 141-145, 151, 190-191, 210, 224-225, 230-231 as part of the UPM Sustainability Statement. Foreign exchange risks are discussed on pages 305-306. Shareholdings in Pohjolan Voima Oyj are discussed on page 121 of the UPM Annual Report 2024.

Sustainability

UPM released its annual pulp and paper mill specific EMAS reports to showcase its environmental and societal impacts transparently. The reports are assured by a third-party and aligned with the EMAS (EU Eco-Management and Audit Scheme). UPM Paso de los Toros pulp mill in Uruguay is included in UPM's global EMAS registration for the first time.

In October, UPM joined the Finnish government and various business sectors in signing the Energy Efficiency Agreement for the period 2026–2035. A total of 169 organizations from the business, real estate, and public sectors joined immediately. The goal is to have approximately 60% of Finland's total energy consumption covered by these voluntary agreements.

In November, UPM Energy commissioned an ultracapacitor at the Kuusankoski hydropower plant. The six-megawatt device stores energy and provides balancing power to the electricity grid. The need for fast, flexible balancing power has increased with the growing use of renewable, weather-dependent energy sources such as wind and solar power. The investment triples UPM's ultracapacitor capacity, strengthening the ability of hydropower to quickly and efficiently balance the electricity grid.

UPM Communication Papers launched a roadmap to accelerate climate action in November. The actions help customers reduce emissions in their value chains and meet the growing consumer demand for sustainable products. A key element of the roadmap is its clearly defined climate target. By 2030, the average fossil CO_2 emissions from operations and externally sourced energy at European sites will be reduced to ≤100 kg per tonne of paper, more than a 70% reduction compared to the 2023 baseline year. Each mill has a tailored action plan that contributes to the overall target.

In December, the Leuna biorefinery in Germany started the production and commercialization of industrial sugars. UPM expects to enter the market with further commercial products in the first half of 2026. UPM also introduced UPM Circular Renewable Black™, the world's first bio-based, near-infrared (NIR)-detectable, carbon-negative pigment. It enables premium packaging solutions that combine design excellence with full recyclability and strong sustainability performance.

In 2025, the focus areas of the UPM Share and Care Program were reviewed and updated. Support focuses on youth, education and science-based climate and biodiversity actions. Also in 2025, donations were made to 31 charities or other non-profit organizations, including University of Helsinki, UNICEF Finland, Children and Youth Foundation, Stiftung Lesen - German Reading Foundation, and Redoblando Esfuerzos Asociación Civil. The donations supported initiatives in UPM's main operating countries, as well as global humanitarian aid efforts.

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)

Share buy-back program

On February 5, 2025, UPM announced a share buy-back program based on the authorization given by the AGM of 2024. The program commenced on February 10, 2025, and was completed on April 8, 2025. During the program UPM repurchased a total of 6,000,000 own shares, corresponding to approx. 1.1% of the total number of shares in the company.

The shares were purchased at an average price of €26.60. The purchases made under the buy-back program reduced UPM's equity by €160 million. The shares were repurchased otherwise than in proportion to the shareholdings of the shareholders at the market price prevailing at the time of acquisition in public trading on Nasdaq Helsinki Ltd using the company's unrestricted equity.

After completion of the buy-back program on April 8, 2025, UPM held a total of 6,411,653 own shares. Cancellation of the shares repurchased under the buy-back program was registered on May 5, resulting in UPM holding a total of 411,653 own shares after cancellation.

Shares

In Full year 2025, UPM shares worth a total of € 7,462 million (7,936) 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 €30.07 in February and the lowest was €21.72 in October.

The Annual General Meeting held on March 27, 2025, 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 December 31, 2025 was 527,735,699. Through the issuance authorization, the number of shares may increase to a maximum of 552,735,699.

On December 31, 2025, 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 Q4 2025.

Helsinki, February 4, 2026

UPM-Kymmene Corporation

Board of Directors

Financial statement information

Consolidated income statement

€ million	Q4/2025	Q4/2024	Q1–Q4/2025	Q1–Q4/2024
Sales (Note 3)	2,312	2,632	9,656	10,339
Other operating income	99	50	174	130
Costs and expenses	-1,984	-2,253	-8,630	-8,806
Change in fair value of forest assets and wood harvested	104	130	144	80
Share of results of associated companies and joint ventures	-1	0	0	1
Depreciation, amortization and impairment charges	-140	-664	-594	-1,139
Operating profit (loss)	390	-105	749	604
Exchange rate and fair value gains and losses	43	-3	43	-7
Interest and other finance costs, net	-27	-24	-102	-97
Profit (loss) before tax	406	-131	690	500
Income taxes	-148	35	-200	-37
Profit (loss) for the period	258	-95	491	463
Attributable to:				
Owners of the parent company	256	-99	480	436
Non-controlling interests	1	4	11	27
	258	-95	491	463
Earnings per share for profit attributable to owners of the parent company				
Basic earnings per share, €	0.49	-0.19	0.91	0.82
Diluted earnings per share, €	0.49	-0.19	0.91	0.82

Consolidated statement of comprehensive income

€ million	Q4/2025	Q4/2024	Q1–Q4/2025	Q1–Q4/2024
Profit (loss) for the period	258	-95	491	463
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	5	-1	31	4
Changes in fair value of financial assets at FVOCI	-312	76	-87	-47
Items that may be reclassified subsequently to income statement:				
Translation differences	-33	399	-724	346
Net investment hedge	0	-23	37	-13
Cash flow hedges	24	11	38	78
Other comprehensive income for the period, net of tax	-316	462	-705	368
Total comprehensive income for the period	-58	367	-214	831
Total comprehensive income attributable to:				
Owners of the parent company	-59	335	-180	781
Non-controlling interests	1	32	-34	50
	-58	367	-214	831

Consolidated balance sheet

€ million	DEC 31, 2025	DEC 31, 2024
ASSETS		
Goodwill	264	174
Other intangible assets	554	580
Property, plant and equipment (Note 4)	6,459	7,085
Leased assets	778	847
Forest assets	2,605	2,517
Financial assets at FVOCI (Note 5)	2,193	2,247
Other non-current financial assets	24	44
Deferred tax assets	413	526
Net retirement benefit assets	1	1
Investments in associates and joint ventures	27	20
Other non-current assets	22	21
Non-current assets	13,337	14,062
Inventories	1,886	2,104
Trade and other receivables	1,481	1,929
Other current financial assets	78	69
Income tax receivables	35	40
Cash and cash equivalents	715	892
Current assets	4,194	5,034
Assets	17,532	19,096
EQUITY AND LIABILITIES		
Share capital	890	890
Treasury shares	-2	-2
Translation reserve	15	657
Other reserves	1,622	1,678
Reserve for invested non-restricted equity	1,273	1,273
Retained earnings	6,205	6,644
Equity attributable to owners of the parent company	10,001	11,139
Non-controlling interests	333	401
Equity	10,335	11,540
Deferred tax liabilities	692	673
Net retirement benefit liabilities	439	496
Provisions (Note 8)	101	89
Non-current debt	3,638	3,747
Other non-current financial liabilities	90	158
Non-current liabilities	4,961	5,162
Current debt	156	166
Trade and other payables	1,839	1,938
Provisions (note 8)	179	165
Other current financial liabilities	37	108
Income tax payables	25	18
Current liabilities	2,237	2,395
Liabilities	7,197	7,556
Equity and liabilities	17,532	19,096

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, 2025	890	-2	657	1,678	1,273	6,644	11,139	401	11,540
Profit for the period	–	–	–	–	–	480	480	11	491
Translation differences	–	–	-679	–	–	–	-679	-45	-724
Cash flow hedges - reclassified to income statement, net of tax	–	–	–	-68	–	–	-68	–	-68
Cash flow hedges - changes in fair value, net of tax	–	–	–	106	–	–	106	–	106
Net investment hedge, net of tax	–	–	37	–	–	–	37	–	37
Financial assets at FVOCI - changes in fair value, net of tax	–	–	–	-87	–	–	-87	–	-87
Actuarial gains and losses on defined benefit plans, net of tax	–	–	–	–	–	31	31	–	31
Total comprehensive income for the period	–	–	-642	-49	–	511	-180	-34	-214
Share-based payments, net of tax	–	–	–	-7	–	3	-4	–	-4
Acquisition of treasury shares	–	-160	–	–	–	–	-160	–	-160
Cancellation of treasury shares	–	160	–	–	–	-160	–	–	–
Dividend distribution	–	–	–	–	–	-792	-792	-23	-816
Return of capital to non-controlling interests	–	–	–	–	–	–	–	-8	-8
Other items	–	–	–	–	–	-1	-1	–	-1
Acquisition of shares from non-controlling interests	–	–	–	–	–	–	–	-2	-2
Total transactions with owners for the period	–	–	–	-7	–	-950	-957	-34	-991
Value at December 31, 2025	890	-2	15	1,622	1,273	6,205	10,001	333	10,335
Value at January 1, 2024	890	-2	347	1,655	1,273	6,998	11,161	370	11,531
Profit for the period	–	–	–	–	–	436	436	27	463
Translation differences	–	–	322	–	–	–	322	23	346
Cash flow hedges - reclassified to income statement, net of tax	–	–	–	6	–	–	6	–	6
Cash flow hedges - changes in fair value, net of tax	–	–	–	72	–	–	72	–	72
Net investment hedge, net of tax	–	–	-13	–	–	–	-13	–	-13
Financial assets at FVOCI - changes in fair value, net of tax	–	–	–	-51	–	4	-47	–	-47
Actuarial gains and losses on defined benefit plans, net of tax	–	–	–	–	–	4	4	–	4
Total comprehensive income for the period	–	–	309	27	–	444	781	50	831
Share-based payments, net of tax	–	–	–	-4	–	2	-2	–	-2
Dividend distribution	–	–	–	–	–	-800	-800	-19	-819
Other items	–	–	–	–	–	-1	-1	–	-1
Total transactions with owners for the period	–	–	–	-4	–	-799	-803	-19	-822
Value at December 31, 2024	890	-2	657	1,678	1,273	6,644	11,139	401	11,540

Consolidated cash flow statement

€ million	Q4/2025	Q4/2024	Q1–Q4/2025	Q1–Q4/2024
Cash flows from operating activities				
Profit (loss) for the period	258	-95	491	463
Adjustments [1)]	85	514	743	1,223
Interest received	5	9	19	31
Interest paid	-34	-44	-126	-133
Dividends received	1	1	8	4
Other financial items, net	-5	-1	-24	-13
Income taxes paid	-6	5	-96	-144
Change in working capital	416	181	391	-80
Operating cash flow	720	570	1,405	1,352
Cash flows from investing activities				
Capital expenditure	-99	-133	-364	-543
Additions to forest assets	-19	-10	-64	-53
Acquisition of businesses and subsidiaries, net of cash acquired	–	–	-124	-28
Proceeds from sale of property, plant and equipment and intangible assets, net of tax	75	3	84	10
Proceeds from sale of forest assets, net of tax	6	7	20	19
Proceeds from disposal of businesses and subsidiaries and advances received	–	-2	–	16
Proceeds from disposal of shares in associates and joint ventures	–	–	–	1
Proceeds from disposal of financial assets at FVOCI	–	–	0	5
Net cash flows from net investment hedges	1	–	20	-1
Change in other non-current assets	0	0	0	-10
Investing cash flow	-35	-135	-428	-586
Cash flows from financing activities				
Proceeds from non-current debt	0	0	65	600
Payments of non-current debt	-17	-17	-148	-23
Lease repayments	-21	-27	-112	-105
Change in current liabilities	-113	-1	32	-182
Net cash flows from derivatives	-2	-18	14	-5
Acquisition of treasury shares	–	–	-160	–
Dividends paid to owners of the parent company	-396	-400	-792	-801
Dividends paid to non-controlling interests	0	0	-23	-19
Return of capital to non-controlling interests	–	–	-8	–
Other financing cash flow	0	0	-1	-10
Financing cash flow	-548	-464	-1,135	-544
Change in cash and cash equivalents	136	-29	-158	222
Cash and cash equivalents at the beginning of the period	577	917	892	632
Exchange rate effect on cash and cash equivalents	2	3	-19	-2
Change in cash and cash equivalents	136	-29	-158	222
Change in cash and cash equivalents classified as held for sale	–	–	–	39
Cash and cash equivalents at the end of the period	715	892	715	892

[1)] **Adjustments**

€ million	Q4/2025	Q4/2024	Q1–Q4/2025	Q1–Q4/2024
Change in fair value of forest assets and wood harvested	-104	-130	-144	-80
Share of results of associated companies and joint ventures	1	0	0	-1
Depreciation, amortization and impairment charges	140	664	594	1,139
Capital gains and losses on sale of non-current assets	-49	-2	-57	-31
Financial income and expenses	-16	26	59	104
Income taxes	148	-35	200	37
Utilized provisions	-26	-34	-95	-121
Non-cash changes in provisions	-22	16	125	101
Other adjustments	12	10	60	74
Total	85	514	743	1,223

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 2024.

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 U.S. tariffs on imports and potential countermeasures. 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 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. In 2025, approximately 13% of UPM's sales were directed to the U.S. market, of which approximately 46% were produced locally and 54% imported, mainly from the EU.

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 December 31, 2025, UPM's cash funds and unused committed credit facilities totaled €2.7 billion.

2 Quarterly information by business area

€ million, or as indicated	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1–Q4/25	Q1–Q4/24
Sales										
UPM Fibres	781	777	838	1,010	1,001	943	922	861	3,407	3,728
UPM Energy	176	149	118	173	161	125	130	210	615	627
UPM Adhesive Materials	391	405	425	434	382	374	397	409	1,655	1,562
UPM Specialty Papers	309	304	328	374	368	335	367	397	1,315	1,467
UPM Communication Papers	580	619	630	664	688	751	711	802	2,493	2,953
UPM Plywood	104	113	89	103	109	103	120	98	409	430
Other operations	187	149	192	166	157	141	172	153	693	623
Internal sales	-215	-218	-219	-277	-234	-252	-272	-291	-930	-1,049
Eliminations and reconciliation	-1	0	-1	0	1	0	-1	-1	-2	-1
Sales, total	2,312	2,298	2,400	2,646	2,632	2,521	2,546	2,640	9,656	10,339
Comparable EBITDA										
UPM Fibres	102	88	119	202	191	267	194	193	511	844
UPM Energy	56	39	12	51	59	24	17	88	158	188
UPM Adhesive Materials	33	46	49	49	32	35	50	60	176	177
UPM Specialty Papers	53	45	48	59	38	40	58	72	204	208
UPM Communication Papers	127	28	21	65	126	71	51	95	241	344
UPM Plywood	20	16	7	12	13	15	21	16	55	65
Other operations	-6	-5	-2	-12	-30	3	-24	-20	-25	-72
Eliminations and reconciliation	-2	-6	3	-5	8	-4	-8	-15	-10	-20
Comparable EBITDA, total	382	251	257	421	436	450	359	489	1,311	1,734
Operating profit										
UPM Fibres	62	39	55	126	22	190	99	108	282	419
UPM Energy	54	37	10	49	57	22	16	87	151	181
UPM Adhesive Materials	-6	4	28	27	-16	15	39	51	53	88
UPM Specialty Papers	38	34	30	43	21	22	38	51	144	132
UPM Communication Papers	183	-53	-2	-22	106	61	-77	100	107	190
UPM Plywood	16	7	2	6	6	9	16	10	31	42
Other operations	46	-9	-20	-25	-316	-24	-61	-34	-8	-434
Eliminations and reconciliation	-3	-6	4	-6	16	8	-19	-18	-11	-13
Operating profit, total	390	55	107	198	-105	305	50	354	749	604
% of sales	16.9	2.4	4.5	7.5	-4.0	12.1	2.0	13.4	7.8	5.8
Items affecting comparability										
UPM Fibres	0	–	0	–	-114	–	–	–	0	-114
UPM Energy	–	–	–	–	–	–	–	–	–	–
UPM Adhesive Materials	-26	-28	-7	-9	-37	-9	0	1	-70	-44
UPM Specialty Papers	-2	0	-1	–	1	0	-3	–	-3	-3
UPM Communication Papers	73	-67	-7	-74	-3	10	-112	21	-75	-83
UPM Plywood	0	-4	0	–	–	0	0	0	-4	0
Other operations	-9	0	-3	-5	-378	0	-6	2	-17	-382
Eliminations and reconciliation [1]	-1	1	0	-1	8	12	-10	-3	-1	7
Items affecting comparability in operating profit, total	35	-99	-19	-89	-523	14	-132	21	-171	-620
Comparable EBIT										
UPM Fibres	62	39	56	126	136	190	99	108	283	533
UPM Energy	54	37	10	49	57	22	16	87	151	181
UPM Adhesive Materials	20	33	35	36	20	24	39	49	124	132
UPM Specialty Papers	40	34	31	43	20	22	41	51	147	135
UPM Communication Papers	110	14	5	52	109	51	35	79	181	273
UPM Plywood	16	11	2	6	6	9	16	10	35	42
Other operations	55	-9	-16	-21	62	-23	-55	-36	9	-52
Eliminations and reconciliation	-2	-6	3	-5	8	-4	-8	-15	-10	-20
Comparable EBIT, total	355	153	126	287	418	291	182	333	921	1,224
% of sales	15.3	6.7	5.2	10.8	15.9	11.5	7.2	12.6	9.5	11.8

[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 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 Papers, 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.

In 2024, items affecting comparability include €373 million impairment of assets in biochemicals biorefinery in Leuna, €5 million impairment of UPM Biochemicals goodwill, and €113 million impairment of goodwill of Pulp operations in Finland. Restructuring and other impairment charges relate to the closure of Hürth newsprint mill and Nordland fine paper machine 3 in Germany in UPM Communication Papers, the closure of UPM Biocomposites business in Other operations, the closure of UPM Adhesive Materials factory in Kaltenkirchen in Germany and additions to restructuring charges related to the closure of UPM Plattling paper mill in Germany in 2023. Items affecting comparability include €21 million capital gains on sale of UPM-Kymmene Austria GmbH and other non-operational items include €4 million write down of inventory at the Adhesive Materials mill, located in North Carolina, the U.S., which was impacted by Hurricane Helene. Items affecting comparability in finance costs included €3 million impairment from shareholding in ASD associated company.

€ million	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1–Q4/25	Q1–Q4/24
Comparable profit for the period	300	103	89	223	328	236	131	258	714	953
Items affecting comparability										
Impairment charges	-10	-35	-3	-11	-516	11	-44	0	-59	-549
Restructuring charges	9	-71	-16	-72	-18	-3	-83	2	-151	-103
Change in fair value of unrealized cash flow and commodity hedges	-1	1	0	-1	8	12	-10	-3	-1	7
Capital gains and losses on sale of non-current assets	48	7	0	0	1	0	5	22	55	29
Other non-operational items	-10	–	–	-4	3	-6	–	–	-15	-4
Total items affecting comparability in operating profit	35	-99	-19	-89	-523	14	-132	21	-171	-620
Items affecting comparability in financial items	–	–	-1	–	–	–	-3	0	-1	-3
Changes in tax rates	-68	–	–	3	–	–	–	–	-65	–
Taxes relating to items affecting comparability	-10	14	3	7	100	-3	37	0	13	133
Items affecting comparability in taxes	-77	14	3	10	100	-3	37	0	-51	133
Items affecting comparability, total	-42	-85	-17	-79	-423	11	-98	21	-224	-490
Profit (loss) for the period	258	18	71	143	-95	246	33	279	491	463

3 External sales by major products

Business area	Business	Q4/2025	Q4/2024	Q1–Q4/2025	Q1–Q4/2024
€ million					
UPM Fibres	UPM Pulp UPM Timber	672	870	2,908	3,108
UPM Energy	UPM Energy	141	130	480	487
UPM Adhesive Materials	UPM Adhesive Materials	392	382	1,655	1,562
UPM Specialty Papers	UPM Specialty Papers	261	319	1,108	1,272
UPM Communication Papers	UPM Communication Papers	572	680	2,459	2,920
UPM Plywood	UPM Plywood	98	103	389	409
Other operations	UPM Forest UPM Biofuels UPM Biochemicals UPM Biomedicals* UPM Biocomposites*	179	148	659	582
Eliminations and reconciliations		-1	1	-2	-1
Total		2,312	2,632	9,656	10,339

*Operations in UPM Biocomposites business were terminated in 2024 and operations in UPM Biomedicals have been terminated in Q3 2025.

Business	Product range
UPM Pulp	Softwood, birch and eucalyptus pulp
UPM Timber	Standard and special sawn timber
UPM Energy	Electricity and related services
UPM Adhesive Materials	Self-adhesive paper, film and graphic materials
UPM Specialty Papers	Labelling materials, release base papers, flexible packaging materials, office papers, graphic papers
UPM Communication Papers	Graphic papers for various end uses
UPM Plywood	Plywood and veneer products
UPM Forest	Wood and wood-based biomass (logs, pulpwood, chips, forest residues etc.), full forestry service offering
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–Q4/2025	Q1–Q4/2024
Book value at beginning of period	7,085	7,053
Capital expenditure	400	508
Companies acquired	4	16
Decreases	-53	-3
Depreciation	-421	-461
Impairment charges	-40	-435
Reclassifications	-2	136
Translation difference and other changes	-515	272
Book value at end of period	6,459	7,085

Capital expenditure in 2025 and 2024 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. Refer to note *» 11 Business combinations* for more information. Companies acquired in 2024 relate to the acquisition of Grafityp. 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. Impairment charges in 2024 include a €373 million impairment related to the Leuna biorefinery valuation in UPM Biochemicals. The remaining impairment charges relate to the closures of Hürth newsprint mill, Nordland paper machine 3 and Kaltenkirchen factory in Germany. Reclassifications in 2024 relate to final classification of assets in the Uruguay pulp mill investment.

5 Financial assets and liabilities

Financial assets and liabilities measured at fair value

€ million	DEC 31, 2025				DEC 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment funds	–	1	–	1	–	1	–	1
Derivatives non-qualifying hedges	–	8	–	8	–	10	–	10
Derivatives under hedge accounting	–	85	–	85	1	85	–	85
Financial assets at FVOCI	–	–	2,193	2,193	–	–	2,247	2,247
Total	–	94	2,193	2,287	1	96	2,247	2,343
Financial liabilities								
Derivatives non-qualifying hedges	–	6	–	6	–	17	–	17
Derivatives under hedge accounting	–	150	–	150	–	195	–	195
Total	–	155	–	155	–	211	–	211

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–Q4/2025	Q1–Q4/2024
Book value at beginning of period	2,247	2,283
Additions	29	0
Disposals	0	-4
Fair value changes recognised in other comprehensive income	-83	-32
Book value at end of period	2,193	2,247

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 €330 (250 in Q4 2024) million.

The discount rate of 7.23% (8.07% in Q4 2024) 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 €190 (180 in Q4 2024) 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	DEC 31, 2025 Carrying amount	DEC 31, 2025 Fair value	DEC 31, 2024 Carrying amount	DEC 31, 2024 Fair value
Bonds	2,594	2,507	2,642	2,568
Other non-current debt excl. derivative financial instruments and lease liabilities	249	247	303	330
Total	2,844	2,754	2,945	2,898

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	DEC 31, 2025	DEC 31, 2024
Other own commitments		
Commitments related to off-balance sheet short-term leases	1	1
Other commitments	128	106
Total	129	107

The lease commitments for leases not commenced on December 31, 2025 were €0 (€24 million on December 31, 2024). The decrease during reporting period is due to the commencement of the service agreement related to wastewater treatment in Leuna, Germany.

Capital commitments

€ million	Completion	Total cost	BY December 31, 2024	Q1-Q4/2025	AFTER December 31, 2025
New biorefinery / Germany	H1 2026	1,335	1,098	195	42
Advanced label material capacity increase / Mills River, NC	Q2 2026	12	–	4	8
Capability enhancement and capacity increase / Malaysia	Q3 2026	12	–	2	10

7 Notional amounts of derivative financial instruments

€ million	DEC 31, 2025	DEC 31, 2024
Interest rate futures	1,319	1,134
Interest rate swaps	1,668	1,711
Forward foreign exchange contracts	3,192	3,617
Currency options, bought	–	–
Currency options, written	–	–
Cross currency swaps	114	129
Commodity contracts	401	551

8 Provisions

€ million	Restructuring	Termination	Environmental	Emissions	Other	Total
Value at January 1, 2025	55	79	26	66	28	253
Provisions made during the year	56	73	5	60	21	214
Provisions utilized during the year	-29	-53	-1	-61	-11	-155
Unused provisions reversed	-12	-9	0	-2	-7	-31
Translation differences	0	0	0	-1	0	-1
Value at December 31, 2025	70	89	29	63	30	280

9 Assets and liabilities classified as held for sale and disposals

There were no assets or liabilities classified as held for sale as at December 31, 2025 or as at December 31, 2024.

10 Change in the composition of reportable segments

The group will change 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, will be 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 will impact KPIs of UPM Fibres reportable segment and Other Operations. The comparative periods will be restated according to the new reporting principles. The reporting change has no impact on group financial result or balance sheet.

UPM Fibres (1/1/2026)

	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
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 (1/1/2026)

	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

11 Business combinations

On April 1, 2025, as a result of the exercise of a put option by a third party, UPM became contractually obligated to purchase shares in Kraftwerk Plattling GmbH, the owner of the power plant that had previously been leased by UPM. The acquired company has been included in the group since the acquisition date. The transaction had no material impact on the balance sheet. The net assets acquired and the effects of the revenues and profit or loss are not considered material for disclosure purposes.

On February 5, 2025, it was announced that UPM Adhesive Materials had acquired Metamark, a UK-based company to further accelerate its growth in Graphics business. UPM Adhesive Materials' existing Graphics business complemented with Metamark will strengthen UPM Adhesive Materials' overall competitiveness, bring major synergies and make UPM Adhesive Materials a significant player in the fast-growing, high value-added Graphics segment.

If the transaction had occurred on January 1, 2025, UPM's sales for January–December 2025 would have been €9,661 million and profit for the period €491 million. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiaries to reflect the amortization that would have been charged assuming application of fair value adjustments to intangible assets, property plant and equipment and inventories from January 1, 2025, together with the consequential tax effects.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

€ million	
Cash paid	130
Deferred consideration	0
Total purchase consideration	**130**

€ million	
Other intangible assets	60
Property, plant and equipment	3
Leased assets	4
Inventories	16
Trade and other receivables	15
Cash and cash equivalents	9
Total assets	**107**
Deferred tax liabilities	15
Non-current debt	4
Current debt	51
Trade and other payables	14
Income tax payables	0
Total liabilities	**85**
Net identifiable assets acquired	22
Goodwill arising from acquisition	**107**

The fair value of trade and other receivables included trade receivables with a fair value of €13 million. At the date of acquisition, the gross contractual amount for trade receivables was €13 million, of which €0 million was expected to be uncollectible.

Acquisition-related costs of €3 million are included in other operating expenses and are reported as items affecting comparability in UPM Adhesive Materials business area.

Information on the amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated income statement for the reporting period is not disclosed because it would be impracticable. The acquired business has been included in the group since the acquisition date, and the effects of the revenues and profit or loss thereof are not considered material for disclosure purposes.

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.

	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1–Q4/25	Q1–Q4/24
Sales, € million	2,312	2,298	2,400	2,646	2,632	2,521	2,546	2,640	9,656	10,339
Comparable EBITDA, € million	382	251	257	421	436	450	359	489	1,311	1,734
% of sales	16.5	10.9	10.7	15.9	16.5	17.9	14.1	18.5	13.6	16.8
Comparable EBIT, € million	355	153	126	287	418	291	182	333	921	1,224
% of sales	15.3	6.7	5.2	10.8	15.9	11.5	7.2	12.6	9.5	11.8
Comparable profit before tax, € million	370	125	105	262	392	257	163	311	863	1,123
Capital employed (average, € million)	14,210	14,343	14,421	14,951	15,262	14,831	14,809	14,972	14,791	15,184
Comparable ROCE, %	11.3	4.3	3.7	7.9	11.1	7.9	5.2	9.1	6.7	8.2
Comparable profit for the period, € million	300	103	89	223	328	236	131	258	714	953
Total equity, average, € million	10,362	10,359	10,458	11,064	11,356	11,134	11,451	11,669	10,937	11,535
Comparable ROE, %	11.6	4.0	3.4	8.1	11.5	8.5	4.6	8.9	6.5	8.3
Average number of shares basic (1,000)	527,324	527,324	527,391	532,245	533,324	533,324	533,324	533,324	528,554	533,324
Comparable EPS, €	0.57	0.19	0.17	0.41	0.61	0.42	0.23	0.47	1.33	1.74
Items affecting comparability in operating profit, € million	35	-99	-19	-89	-523	14	-132	21	-171	-620
Items affecting comparability in financial items, € million	–	–	-1	–	–	–	-3	–	-1	-3
Items affecting comparability in taxes, € million	-77	14	3	10	100	-3	37	0	-51	133
Operating cash flow, € million	720	218	179	289	570	242	204	335	1,405	1,352
Operating cash flow per share, €	1.36	0.41	0.34	0.54	1.07	0.45	0.38	0.63	2.66	2.54
Net debt at the end of period, € million	3,004	3,218	3,310	2,954	2,869	2,804	2,763	2,312	3,004	2,869
Net debt to EBITDA (last 12 m.)	2.29	2.36	2.12	1.77	1.66	1.59	1.64	1.46	2.29	1.66
Gearing ratio, %	29	31	32	28	25	25	25	20	29	25
Equity per share at the end of period, €	18.97	19.07	18.96	19.29	20.89	20.25	20.10	21.42	18.97	20.89
Capital expenditure, € million	154	94	120	254	140	144	184	83	621	550
Capital expenditure excluding acquisitions, € million	125	84	119	81	140	130	174	83	409	527
Equity to assets ratio, %	59.0	57.6	56.8	56.3	60.5	58.8	59.6	64.0	59.0	60.5
Personnel at the end of period	15,127	15,642	16,307	15,890	15,827	16,245	16,776	16,132	15,127	15,827

The definitions of alternative performance measures are presented in the section *» Other financial information* in UPM's Annual Report 2024

Reconciliation of key figures to IFRS

€ million, or as indicated	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q1–Q4/25	Q1–Q4/24
Items affecting comparability										
Impairment charges	-10	-35	-3	-11	-516	11	-44	–	-59	-549
Restructuring charges	9	-71	-16	-72	-18	-3	-83	2	-151	-103
Change in fair value of unrealized cash flow and commodity hedges	-1	1	0	-1	8	12	-10	-3	-1	7
Capital gains and losses on sale of non-current assets	48	7	–	–	1	–	5	22	55	29
Other non-operational items	-10	–	0	-4	3	-6	–	–	-15	-4
Total items affecting comparability in operating profit	35	-99	-19	-89	-523	14	-132	21	-171	-620
Items affecting comparability in financial items	–	–	-1	–	–	0	-3	–	-1	-3
Changes in tax rates	-68	–	–	3	–	–	–	–	-65	–
Taxes relating to items affecting comparability	-10	14	3	7	100	-3	37	0	13	133
Items affecting comparability in taxes	-77	14	3	10	100	-3	37	0	-51	133
Items affecting comparability, total	-42	-85	-17	-79	-423	11	-98	21	-224	-490
Comparable EBITDA										
Operating profit (loss)	390	55	107	198	-105	305	50	354	749	604
Depreciation, amortization and impairment charges excluding items affecting comparability	130	126	138	140	147	144	151	147	535	590
Change in fair value of forest assets and wood harvested excluding items affecting comparability	-104	-28	-6	-6	-130	16	27	8	-144	-80
Share of result of associates and joint ventures	1	0	0	0	0	-1	-1	1	0	-1
Items affecting comparability in operating profit	-35	99	19	89	523	-14	132	-21	171	620
Comparable EBITDA	382	251	257	421	436	450	359	489	1,311	1,734
% of sales	16.5	10.9	10.7	15.9	16.5	17.9	14.1	18.5	13.6	16.8
Comparable EBIT										
Operating profit (loss)	390	55	107	198	-105	305	50	354	749	604
Items affecting comparability in operating profit	-35	99	19	89	523	-14	132	-21	171	620
Comparable EBIT	355	153	126	287	418	291	182	333	921	1,224
% of sales	15.3	6.7	5.2	10.8	15.9	11.5	7.2	12.6	9.5	11.8
Comparable profit before tax										
Profit (loss) before tax	406	26	85	173	-131	271	28	332	690	500
Items affecting comparability in operating profit	-35	99	19	89	523	-14	132	-21	171	620
Items affecting comparability in financial items	–	–	1	–	–	0	3	–	1	3
Comparable profit before tax	370	125	105	262	392	257	163	311	863	1,123
Comparable ROCE, %										
Comparable profit before tax	370	125	105	262	392	257	163	311	863	1,123
Interest expenses and other financial expenses	33	30	29	34	31	37	29	28	124	126
	403	155	134	296	423	294	192	339	987	1,249
Capital employed, average	14,210	14,343	14,421	14,951	15,262	14,831	14,809	14,972	14,791	15,184
Comparable ROCE, %	11.3	4.3	3.7	7.9	11.1	7.9	5.2	9.1	6.7	8.2
Comparable profit for the period										
Profit (loss) for the period	258	18	71	143	-95	246	33	279	491	463
Items affecting comparability, total	42	85	17	79	423	-11	98	-21	224	490
Comparable profit for the period	300	103	89	223	328	236	131	258	714	953
Comparable EPS, €										
Comparable profit for the period	300	103	89	223	328	236	131	258	714	953
Profit attributable to non-controlling interest	-1	-2	-1	-6	-4	-10	-6	-7	-11	-27
	299	101	88	216	324	226	125	251	704	926
Average number of shares basic (1,000)	527,324	527,324	527,391	532,245	533,324	533,324	533,324	533,324	528,554	533,324
Comparable EPS, €	0.57	0.19	0.17	0.41	0.61	0.42	0.23	0.47	1.33	1.74
Comparable ROE, %										
Comparable profit for the period	300	103	89	223	328	236	131	258	714	953
Total equity, average	10,362	10,359	10,458	11,064	11,356	11,134	11,451	11,669	10,937	11,535
Comparable ROE, %	11.6	4.0	3.4	8.1	11.5	8.5	4.6	8.9	6.5	8.3
Net debt										
Non-current debt	3,638	3,634	3,707	3,710	3,747	3,711	2,992	3,045	3,638	3,747
Current debt	156	268	359	150	166	189	503	176	156	166
Total debt	3,794	3,902	4,066	3,860	3,913	3,900	3,494	3,221	3,794	3,913
Non-current interest-bearing assets	32	33	33	35	38	66	56	62	32	38
Cash and cash equivalents	715	577	627	772	892	917	558	710	715	892
Other current interest-bearing assets	43	74	96	99	114	113	117	136	43	114
Total interest-bearing assets	790	684	755	906	1,044	1,095	731	909	790	1,044
Net debt	3,004	3,218	3,310	2,954	2,869	2,804	2,763	2,312	3,004	2,869

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 pages 271–272 of the 2024 Annual Report. Risks and opportunities are discussed on pages 33–35 and risks and risk management are presented on pages 120–124 of the report.

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