



# TRANSFORMING TOGETHER

UPM INTERIM REPORT  
JANUARY-SEPTEMBER 2024



# UPM Interim Report Q3 2024:

## Comparable EBIT +32% from last year in a challenging market



### Q3 2024 highlights

- Sales decreased by 2% to EUR 2,521 million (2,584 million in Q3 2023)
- Comparable EBIT increased by 32% to EUR 291 million, 11.5% of sales (220 million, 8.5%)
- Operating cash flow was EUR 242 million (641 million)
- Demand recovery for UPM's products slowed down
- UPM Paso de los Toros pulp mill was in full production
- UPM acquired Grafityp in Belgium to accelerate growth in UPM Raflatac
- UPM closed the Hürth newsprint mill and decided on the shutdown of one fine paper machine at the Nordland mill, Germany
- EcoVadis awarded UPM a platinum score based on the company's sustainability performance

### Q1–Q3 2024 highlights

- Sales decreased by 3% to EUR 7,707 million (7,929 million in Q1–Q3 2023)
- Comparable EBIT increased by 17% to EUR 806 million (689 million), and was 10.5% (8.7%) of sales
- Operating cash flow was EUR 782 million (1,814 million)
- Net debt increased to EUR 2,804 million (2,363 million) and the net debt to EBITDA ratio was 1.59 (1.27)
- Cash funds and unused committed credit facilities totalled EUR 3.7 billion at the end of Q3 2024
- Sale of the Steyermühl site, Austria in January
- CDP recognised UPM with double 'A' score for transparency on climate change and forests

### Key figures

	Q3/2024	Q3/2023	Q2/2024	Q1–Q3/2024	Q1–Q3/2023	Q1–Q4/2023
Sales, EURm	2,521	2,584	2,546	7,707	7,929	10,460
Comparable EBITDA, EURm	450	376	359	1,298	1,108	1,573
% of sales	17.9	14.6	14.1	16.8	14.0	15.0
Operating profit (loss), EURm	305	-29	50	709	398	608
Comparable EBIT, EURm	291	220	182	806	689	1,013
% of sales	11.5	8.5	7.2	10.5	8.7	9.7
Profit (loss) before tax, EURm	271	-52	28	631	284	464
Comparable profit before tax, EURm	257	196	163	731	641	934
Profit (loss) for the period, EURm	246	-28	33	558	233	394
Comparable profit for the period, EURm	236	149	131	625	507	755
Earnings per share (EPS), EUR	0.44	-0.05	0.05	1.00	0.43	0.73
Comparable EPS, EUR	0.42	0.28	0.23	1.13	0.94	1.40
Return on equity (ROE), %	8.9	-0.9	1.1	6.6	2.5	3.2
Comparable ROE, %	8.5	5.1	4.6	7.3	5.5	6.2
Return on capital employed (ROCE), %	8.3	-0.5	1.6	6.5	2.9	3.5
Comparable ROCE, %	7.9	6.0	5.2	7.3	5.7	6.4
Operating cash flow, EURm	242	641	204	782	1,814	2,269
Operating cash flow per share, EUR	0.45	1.20	0.38	1.47	3.40	4.25
Equity per share at the end of period, EUR	20.25	21.42	20.10	20.25	21.42	20.93
Capital employed at the end of period, EURm	15,072	15,171	14,590	15,072	15,171	14,916
Net debt at the end of period, EURm	2,804	2,363	2,763	2,804	2,363	2,432
Net debt to EBITDA (last 12 months)	1.59	1.27	1.64	1.59	1.27	1.55
Personnel at the end of period	16,245	16,831	16,776	16,245	16,831	16,573

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 Annual Report 2023](#)

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

"Our Q3 results improved both year-on-year and quarter-on-quarter, with a significant contribution from the fully ramped-up UPM Paso de los Toros pulp mill. The earnings improvement, albeit good, was lower than earlier expected as the market demand of our products slowed down after the encouraging start of the year. We took measures in several of our businesses to safeguard profitability and we continue to take decisive actions to ensure the competitiveness of our businesses and support our growth ambitions.

Our Q3 sales were EUR 2,521 million and our comparable EBIT increased by 32% to EUR 291 million. Our net debt was EUR 2,804 million, 1.59 times EBITDA. Cash funds and unused committed credit facilities totalled at EUR 3.7 billion at the end of the quarter, following the successful issuance of our fourth Green Bond, for EUR 600 million, in August.

At our Capital Markets Day in September, we provided an update on the next phase of our strategy. Under the title "From transformation to growth" we presented a business portfolio which is based on sustainable and renewable feedstocks and fossil-free energy and is well positioned for robust growth in renewable fibres, advanced materials and in decarbonisation solutions, with graphic papers continuing to generate strong cash flows.

### *Renewable fibres*

Pulp market demand slowed down during the summer and prices decreased consequently. This development was more pronounced for hardwood pulp in China.

UPM Fibres increased its comparable EBIT. The highly competitive business platform in Uruguay performed well. Q3 was the first quarter of full production at both pulp mills in Uruguay, paving the way for further optimisation to reach the targeted performance levels.

In Finland, the wood cost has reached unsustainable levels. To safeguard margins, we limited pulp production at two of our mills in September and early October and have since started negotiations for efficiency measures in UPM Pulp, UPM Forest and UPM Timber in Finland.

### *Advanced materials*

Deliveries in UPM Raflatac and UPM Specialty Papers were lower than originally expected, as demand slowed down after the strong start of the year. UPM Specialty Papers was also impacted by peak fibre costs and weakness in the Chinese fine

paper market. As a result, comparable EBIT in the two businesses decreased. UPM Plywood performed well considering the slow construction markets.

We see attractive growth prospects in advanced materials in the medium to long term. We are taking the necessary competitiveness measures to be in the best position to capture these opportunities.

### *Decarbonisation solutions*

In the decarbonisation solutions, UPM Energy saw very low electricity prices during the summer, given the high volume of renewable power generation. UPM Biofuels' feedstock costs started decreasing, and recent political decisions support a gradual market recovery in the future.

Work at the UPM Biochemicals site in Leuna, Germany, continued at full speed and we are very much looking forward to starting the refinery over the coming months.

### *Graphic papers*

UPM Communication Papers improved both volumes and earnings compared to the previous quarter. To maintain good performance and cash generation in a mature and declining market, the UPM Hürth newsprint mill in Germany was permanently closed at the end of August. A fine paper machine at Nordland Papier, also in Germany, will be closed by the end of 2024.

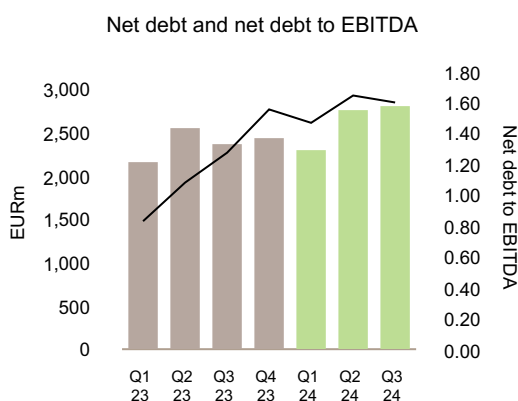
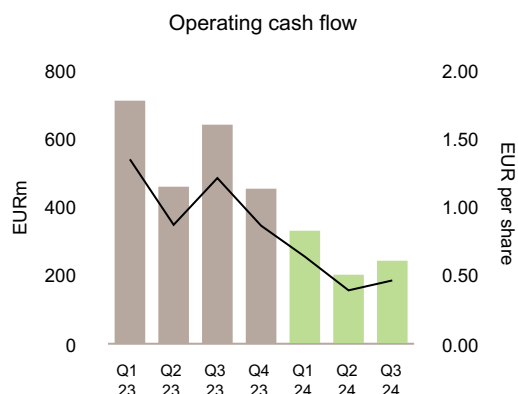
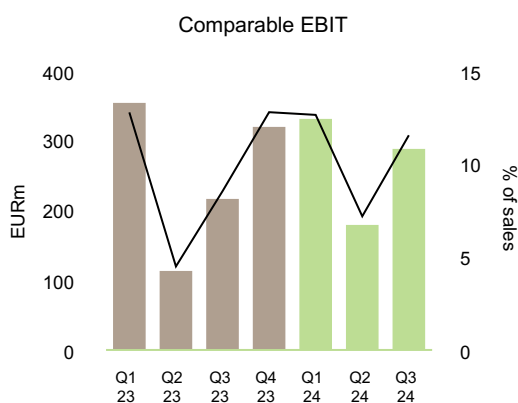
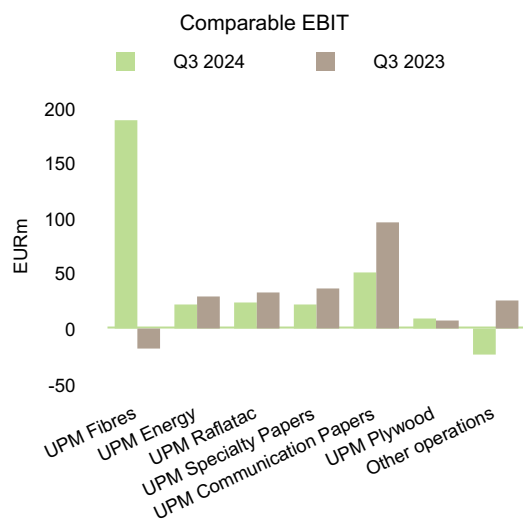
During the quarter, EcoVadis awarded us a Platinum rating based on our sustainability performance in the categories of environment, labour and human rights, ethics, and sustainable sourcing. This is another compelling demonstration of our commitment to creating value for our customers using sustainable, renewable resources, reducing our environmental footprint, and increasing our positive societal impact. For UPM, sustainability is a core strategic value.

UPM's strong and balanced business portfolio in renewable fibres, advanced materials and decarbonisation solutions provides us with a range of attractive growth opportunities in the coming years. In the current challenging business environment with a slow market recovery, however, our top priority is to further improve profitability and competitiveness. With these timely and targeted actions, we are setting ourselves up to capture the recovery and future growth in our product markets."

## Outlook for 2024

UPM's comparable EBIT in Q4 2024 is expected to be on similar level or increase from Q4 2023 (EUR 323 million).

UPM's comparable EBIT in full-year 2024 is expected to be on similar level or increase from 2023.



## Results

### Q3 2024 compared with Q3 2023

Q3 2024 sales were EUR 2,521 million, decreasing slightly from EUR 2,584 million in Q3 2023. Sales increased in UPM Fibres, UPM Raflatac and UPM Plywood business areas. Sales decreased in UPM Communication Papers, UPM Specialty Papers, UPM Energy business areas and Other operations reporting segment.

Comparable EBIT increased by 32% to EUR 291 million, which was 11.5 % of sales (220 million, 8.5%). On group level, changes in sales prices had a positive impact compared to the same period last year. Sales prices increased in UPM Fibres and UPM Specialty Papers, but decreased in the other business areas. Changes in variable costs had a minor positive effect.

Delivery volumes had a positive impact on the group level, although the development differed by business. Fixed costs decreased by EUR 56 million.

Depreciation, amortisation and impairment charges excluding items affecting comparability, totalled EUR 144 million (152 million), including depreciation of leased assets totalling EUR 21 million (22 million). The change in the fair value of forest assets net of wood harvested in comparable EBIT was EUR -16 million (-5 million).

Operating profit was EUR 305 million (operating loss -29 million). Items affecting comparability in operating profit totalled EUR 14 million in the period (-249 million). In Q3 2024, items affecting comparability include EUR 11 million reversal of impairment charges of fixed assets related to the closure of Hürth newsprint mill and Nordland fine paper machine 3 in Germany, EUR 6 million write down of inventory at the Raflatac mill, located in Western North Carolina, USA, which was impacted by Hurricane Helene. In Q3 2023, items affecting comparability include EUR 111 million restructuring charges and EUR 111 million impairment charges of fixed and leased assets related to closure of UPM Plattling paper mill in Germany and EUR 16 million restructuring charges and EUR 2 million impairment charges related to restructuring measures in UPM Raflatac Nancy factory in France.

Net interest and other finance income and costs were EUR -30 million (-24 million). The exchange rate and fair value gains and losses were EUR -4 million (1 million). Items affecting comparability in finance costs totalled EUR 0 million (1 million). Income taxes were EUR -24 million (24 million). Items affecting comparability in taxes totalled EUR -3 million (71 million).

Profit for Q3 2024 was EUR 246 million (loss -28 million), and comparable profit was EUR 236 million (149 million).

### Q3 2024 compared with Q2 2024

Comparable EBIT increased by 59% to EUR 291 million, which was 11.5% of sales (182 million, 7.2%).

The increase in comparable EBIT was mainly due lower fixed costs and higher delivery volumes. The comparison period included high maintenance activity, which led to increased maintenance costs and reduced production.

Fixed costs decreased by EUR 107 million, partly due to the scheduled maintenance shutdowns in the comparison period.

Delivery volumes increased in UPM Fibres, UPM Communication Papers and UPM Energy, but decreased in the other business areas.

On group level, changes in sales prices and variable costs had a negative impact.

Depreciation, amortisation and impairment charges excluding items affecting comparability, totalled EUR 144 million (151 million). The change in the fair value of forest assets net of wood harvested in comparable EBIT was EUR -16 million (-27 million).

Operating profit was EUR 305 million (50 million). Items affecting comparability in operating profit totalled EUR 14 million in the period (-132 million). In Q3 2024, items affecting comparability include EUR 11 million reversal of impairment charges related to the closure of Hürth newsprint mill and Nordland fine paper machine 3 in Germany, and EUR 6 million write down of inventory at the Raflatac mill, located in Western North Carolina, USA, which was impacted by Hurricane Helene. In Q2 2024, items affecting comparability include EUR 43 million of restructuring and impairment charges related to the closure of Hürth newsprint mill in Germany, EUR 70 million restructuring and impairment charges related to the closure of Nordland fine paper machine 3 in Germany, EUR 11 million restructuring and impairment charges related to the planned closure of the UPM Biocomposites business and EUR 5 million capital gain on the sale of other non-current assets.

### January–September 2024 compared with January–September 2023

Q1–Q3 2024 sales were EUR 7,707 million, 3% lower than the EUR 7,929 million for Q1–Q3 2023. Sales decreased in UPM Communication Papers, UPM Specialty Papers and UPM Plywood business areas and Other operations reporting segment. Sales increased in UPM Fibres, UPM Raflatac and UPM Energy business areas.

Comparable EBIT increased by 17% to EUR 806 million, 10.5 % of sales (689 million, 8.7%). Comparable EBIT was supported by higher delivery volumes and lower fixed costs, while the negative impact of lower sales prices was offset by the positive impact of decreased variable costs.

Delivery volumes increased in the UPM Fibres, UPM Raflatac, UPM Specialty Papers and UPM Plywood business areas and decreased in the UPM Communication Papers and UPM Energy business areas.

Fixed costs decreased by EUR 71 million.

Depreciation, amortisation and impairment charges excluding items affecting comparability, totalled EUR 442 million (391 million) including depreciation of leased assets totalling EUR 62 million (64 million). The change in the fair value of forest assets net of wood harvested was EUR -51 million (-27 million).

Operating profit totalled EUR 709 million (398 million). Items affecting comparability in operating profit totalled EUR -97 million in the period (-292 million). In 2024, items affecting comparability include EUR 40 million of restructuring and impairment charges related to the closure of Hürth newsprint mill in Germany, EUR 61 million restructuring and impairment charges related to the closure of Nordland fine paper machine 3 in Germany, EUR 6 million write down of inventory at the Raflatac mill, located in Western North Carolina, USA, which was impacted by Hurricane Helene, EUR 11 million restructuring and impairment charges related to the planned closure of the UPM Biocomposites business, a EUR 21 million capital gain on the sale of UPM-Kymmene Austria GmbH to HEINZEL GROUP and EUR 8 million capital gain on the sale of other non-current assets. In 2023, items affecting comparability include EUR 111 million restructuring charges and EUR 111 million impairment charges of fixed and leased assets related to closure of UPM Plattling paper mill in Germany and EUR 16 million restructuring charges and EUR 2 million impairment charges related to restructuring measures in UPM Raflatac Nancy factory in France, EUR 26 million restructuring charges relating to the closure of paper machine 6 at the UPM Schongau mill in Germany, EUR 12 million charges related to the sale of the Steyermühl site in Austria, EUR 16 million restructuring charges, EUR 6 million capital loss resulting from the sale of Russian operations and EUR 3 million capital gains on sale of other non-current assets.

Net interest and other finance costs were EUR -74 million (-43 million). The exchange rate and fair value gains and losses were EUR -4 million (-71 million). Items affecting comparability in finance costs totalled EUR -3 million (-65 million). In 2023, items affecting comparability in finance costs include EUR 71 million exchange rate losses relating to the sale of Russian operations. Income taxes totalled EUR -73 million (-51 million).

Profit for Q1–Q3 2024 was EUR 558 million (233 million), and comparable profit was EUR 625 million (507 million).

## Financing and cash flow

In Q1–Q3 2024 cash flow from operating activities before capital expenditure and financing totalled EUR 782 million (1,814 million). Working capital increased by EUR 260 million (decreased by 245 million).

Net debt was EUR 2,804 million at the end of Q3 2024 (2,363 million). The gearing ratio as of 30 September 2024 was 25% (20%). The net debt to EBITDA ratio, based on the last 12 months' EBITDA, was 1.59 at the end of the period (1.27).

On 30 September 2024 UPM's cash funds and unused committed credit facilities totalled EUR 3.7 billion. The total amount of committed credit facilities was EUR 2.8 billion of which EUR 1.59 billion maturing in 2025, EUR 1.6 billion maturing in 2026 and EUR 1.1 billion maturing in 2027 or beyond.

On 21 August 2024 UPM issued a new EUR 600 million Green Bond under its EMTN (Euro Medium Term Note) Programme and Green Finance Framework.

For the 2023 financial year, the dividend of EUR 1.50 per share is being paid in two equal instalments. The first instalment of EUR 0.75 per share (totalling EUR 400 million) was paid on 16 April 2024 and the second instalment of EUR 0.75 per share will be paid on 7 November 2024 (totalling EUR 400 million).

## Capital expenditure

In Q1–Q3 2024, capital expenditure totalled EUR 410 million, which was 5.3% of sales (948 million, 12.0% of sales). Capital expenditure does not include additions to leased assets.

In 2024, UPM's total capital expenditure, excluding investments in shares, is expected to be about EUR 550 million, which includes estimated capital expenditure of approximately EUR 300 million in the biochemicals biorefinery in Germany.

In January 2020, UPM announced that it would invest in a 220,000 tonnes next-generation biochemicals biorefinery in Leuna, Germany. The facility is scheduled to start up by the end of 2024, and the total investment estimate is EUR 1,180 million.

## Personnel

In Q1–Q3 2024 UPM had an average of 16,394 employees (17,259). At the beginning of the year, the number of employees was 16,573 and at the end of Q3 2024 it was 16,245.

## Biochemicals refinery investment

In January 2020 UPM announced that it would invest in a 220,000 tonnes next-generation biochemicals refinery in Leuna, Germany. The investment estimate is EUR 1,180 million.

Technical completion of the Leuna biorefinery is approaching and commissioning is proceeding. In conjunction with commissioning, thorough quality assurance is being conducted. Sequential start-up is expected to commence by the end of 2024 and ramp up of production to proceed through 2025. The biorefinery is expected to reach full production and positive EBIT in 2027.

Meanwhile, the overall business readiness is ensured. All teams, business processes and systems are operational, we have secured the required materials to start and run the refinery as well as the infrastructure and capacity to ship our products.

The biorefinery is the first of its kind and the process design as well as some of the technologies used are new to the world. We have full confidence in the technologies used and the viability of the process.

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 consumer-driven end-uses. The investment opens up totally 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. 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 be based on UPM's high standards.

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. In October 2020, UPM entered into service agreements with Infraleuna GmbH related to wood handling, wastewater treatment and other utilities, which will be recognised as lease assets and liabilities under IFRS 16 Leases upon the commencement date. The total amount of such lease assets and liabilities is estimated to be EUR 130 million.

Commercial activities have continued to proceed positively in different product and application areas. We have made strong progress in qualifying our products for key end-uses, successfully launched commercial partnerships both for UPM BioPura™ renewable bio-monoethylene glycols (BioMEG) and UPM BioMotion™ Renewable Functional Fillers (RFF) products.

## Biofuels business development

In January 2021, UPM started the basic engineering phase of a next generation biofuels refinery. The planning for the potential biorefinery in Rotterdam, the Netherlands, is based on annual capacity of up to 500,000 tonnes of high-quality renewable fuels including advanced biofuels and possibly sustainable jet fuels, as well as renewable chemicals. The products would significantly reduce the carbon footprint of road transport and aviation, as well as replace fossil raw materials with renewable alternatives in chemicals and bioplastics.

Feedstock sourcing would focus on UPM integrated feedstocks from the company's own ecosystem, including various wood-based residues and potential carbon farming.

The design for the potential biorefinery has progressed, and major part of the basic engineering has been completed. The chosen technology has been validated at a demonstration scale. Before the potential investment decision, the focus will be on testing the novel, proprietary technology at a larger scale and on flexible feedstock options that will ensure differentiation and support the long-term competitiveness of the business case. This work is expected to take approximately two years, until 2026.

If all preparations are concluded successfully, UPM would initiate the company's standard procedure of analysing and preparing an investment decision.

## Events during the reporting period

On 2 January, UPM announced that it had completed the sale of the Steyrmühl site and all related assets to HEINZEL GROUP, thereby closing the transaction announced in June 2022.

On 6 February, UPM announced that it had been recognised by the CDP receiving a double 'A' score for transparency on climate change and forests.

On 4 April, UPM held its Annual General Meeting.

On 29 May, UPM announced that it plans to permanently close its Hürth newsprint mill and shut down one fine paper machine at Nordland Papier (PM 3) in Dörpen, Germany. Production at the Hürth mill ended on 31 August and is expected to end at Nordland Papier PM3 by the end of 2024. The number of positions affected is 338.

On 18 June, UPM announced that it plans to discontinue UPM Biocomposites business and close biocomposites production units in Lahti, Finland and in Bruchsal, Germany.

On 23 July, UPM announced the acquisition of Grafityp, a Belgian-based company to further accelerate UPM Raflatac's growth in graphics solutions.

On 22 August UPM announced it was temporarily adjusting production at the UPM Kaukas and UPM Kymi pulp mills in Finland to meet market conditions.

On 26 August UPM announced EcoVadis had awarded it a platinum score based on the company's sustainability performance in four categories: Environment, Labour and Human Rights, Ethics and Sustainable Procurement. Only one percent of the 130,000 global companies assessed received a platinum rating.

## Events after the balance sheet date

On 16 October UPM issued a profit warning, lowering its outlook due to lower deliveries in most businesses and decreased pulp prices.

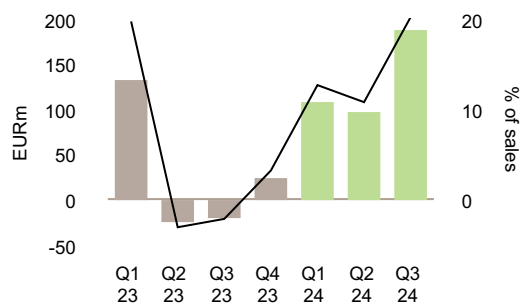
## Timing of significant maintenance shutdowns

TIMING	UNIT
Q2/2023	Olkiluoto nuclear power plant OL1 and OL2 UPM Lappeenranta Biorefinery turnaround UPM Kymi pulp mill
Q3-Q4/2023	UPM Kaukas pulp mill
Q1-Q2/2024	Olkiluoto nuclear power plant unit OL3
Q2/2024	Olkiluoto nuclear power plant units OL1 and OL2 UPM Paso de los Toros pulp mill UPM Fray Bentos pulp mill UPM Pietarsaari pulp mill
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

# 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 three pulp mills in Finland, two mills and plantation operations in Uruguay and operates four sawmills in Finland.

Comparable EBIT



	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q1- Q3/24	Q1- Q3/23	Q1- Q4/23
Sales EURm	943	922	861	781	817	764	683	2,727	2,263	3,044
Comparable EBITDA, EURm	267	194	193	109	69	42	188	653	299	407
% of sales	28.3	21.0	22.4	13.9	8.4	5.5	27.5	24.0	13.2	13.4
Change in fair value of forest assets and wood harvested, EURm	-1	-8	-5	-1	-5	-8	-6	-14	-20	-20
Share of results of associated companies and joint ventures, EURm	1	0	0	1	1	1	0	1	2	2
Depreciation, amortisation and impairment charges, EURm	-76	-87	-80	-84	-82	-59	-48	-244	-189	-273
Operating profit, EURm	190	99	108	25	-18	-24	134	397	92	116
% of sales	20.1	10.7	12.6	3.1	-2.2	-3.1	19.6	14.5	4.1	3.8
Items affecting comparability in operating profit, EURm	—	—	—	—	—	—	—	—	—	—
Comparable EBIT, EURm	190	99	108	25	-18	-24	134	397	92	116
% of sales	20.1	10.7	12.6	3.1	-2.2	-3.1	19.6	14.5	4.1	3.8
Capital employed (average), EURm	7,087	7,112	7,079	6,995	6,949	6,843	6,571	7,093	6,787	6,839
Comparable ROCE, %	10.7	5.6	6.1	1.4	-1.0	-1.4	8.2	7.5	1.8	1.7
Pulp deliveries, 1000 t	1,185	1,126	1,185	1,153	1,319	974	692	3,496	2,986	4,139

Pulp mill maintenance shutdowns: Q2 2024 UPM Paso de los Toros, UPM Fray Bentos and UPM Pietarsaari. Q3-Q4 2023 UPM Kaukas, Q2 2023 UPM Kymi.

- First quarter of normal full production at UPM Paso de los Toros
- Temporary production shutdowns at UPM Kaukas and UPM Kymi

## Results

### Q3 2024 compared with Q3 2023

Comparable EBIT for UPM Fibres increased due to higher pulp sales prices and higher volumes.

The average price in euro for UPM's pulp deliveries increased by 27%.

### Q3 2024 compared with Q2 2024

Comparable EBIT increased. Fixed costs decreased and delivery volumes increased mainly due to the scheduled maintenance shutdowns at the UPM Paso de los Toros, UPM Fray Bentos and UPM Pietarsaari pulp mills in the comparison period. Sales prices decreased.

The average price in euro for UPM's pulp deliveries decreased by 3%.

### January–September 2024 compared with January–September 2023

Comparable EBIT increased due to higher delivery volumes, higher sales prices and lower variable costs, with higher share of production in Uruguay. Fixed costs increased due to higher scheduled maintenance activities.

The average price in euro for UPM's pulp deliveries increased by 5%.

## Market environment

- In Q3 2024, chemical pulp demand was lower in China and solid in other main markets. Demand varied depending on end-use in all the main markets.
- In Europe, the market price for northern bleached softwood kraft (NBSK) pulp and for bleached hardwood kraft pulp (BHKP) decreased during Q3, having increased during Q2 2024.
- In China, the market price for northern bleached softwood kraft (NBSK) pulp and bleached hardwood kraft pulp (BHKP) decreased in Q3 2024 compared with Q2 2024.
- In Q3 2024, the average European market price in euro was 5% higher for NBSK and unchanged for BHKP, compared with Q2 2024. In China, the average market price in US dollars was 3% lower for NBSK and 9% lower for BHKP, compared with Q2 2024.
- In Q3 2024, demand for sawn timber was weak and market prices were at a low level.

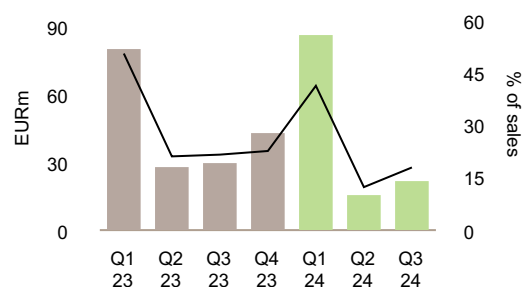
Sources: FOEX, UPM



# 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.

Comparable EBIT



	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q1- Q3/24	Q1- Q3/23	Q1- Q4/23
Sales EURm	125	130	210	192	142	134	159	465	435	628
Comparable EBITDA, EURm	24	17	88	45	32	30	82	129	144	189
% of sales	19.1	13.4	42.0	23.5	22.7	22.3	51.6	27.8	33.1	30.2
Depreciation, amortisation and impairment charges, EURm	-2	-2	-2	-2	-2	-2	-2	-5	-5	-7
Operating profit, EURm	22	16	87	40	30	31	80	124	142	182
% of sales	17.7	12.1	41.2	21.0	21.3	23.4	50.5	26.8	32.6	29.1
Items affecting comparability in operating profit, EURm <sup>1)</sup>	—	—	—	-3	—	3	—	—	3	—
Comparable EBIT, EURm	22	16	87	43	30	28	80	124	139	182
% of sales	17.7	12.1	41.2	22.5	21.4	20.9	50.5	26.8	31.9	29.0
Capital employed (average), EURm	2,405	2,362	2,471	2,645	2,770	3,112	3,640	2,413	3,174	3,042
Comparable ROCE, %	3.7	2.6	14.0	6.5	4.4	3.6	8.8	6.9	5.8	6.0
Electricity deliveries, GWh	2,819	2,532	2,945	3,480	3,019	3,056	2,504	8,296	8,579	12,059

<sup>1)</sup> Q4 2023 items affecting comparability include charges related to impairment of the Sierilä power plant project. Q2 2023 includes EUR 3 million capital gain on the sale of other non-current assets.

- Downtime at the Olkiluoto 2 nuclear power plant unit due to a generator rotor issue

## Results

### Q3 2024 compared with Q3 2023

Comparable EBIT for UPM Energy decreased mainly due to lower electricity sales price.

UPM's electricity sales price decreased by 9% to EUR 41.7/MWh (45.6/MWh).

### Q3 2024 compared with Q2 2024

Comparable EBIT increased, as the previous quarter was impacted by a maintenance shutdown at the Olkiluoto 1, 2 and 3 nuclear power plant units. Electricity sales price was lower.

UPM's average electricity sales price decreased by 11% to EUR 41.7/MWh (47.1/MWh).

### January–September 2024 compared with January–September 2023

Comparable EBIT decreased, impacted by the first maintenance shutdown at the Olkiluoto 3 nuclear power plant unit.

UPM's average electricity sales price increased by 8% to EUR 52.2/MWh (48.3/MWh).

## Market environment

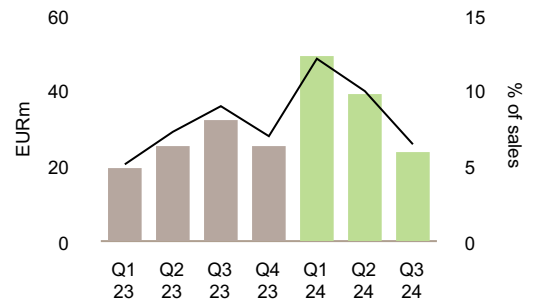
- The Nordic hydrological balance was close to the long-term average at the end of September. In Finland, the hydrological situation was below the long-term average.
- The CO<sub>2</sub> emission allowance price of EUR 65.6/tonne at the end of Q3 2024 was lower than at the end of Q3 2023 (EUR 81.7/tonne).
- The average Finnish area spot price on the Nordic electricity exchange in Q3 2024 was EUR 28.1/MWh, 30% lower than in Q2 2024 (EUR 40.0/MWh) and 35% lower than in Q3 2023 (EUR 44.2/MWh).
- The front-year forward electricity price for the Finnish area closed at EUR 53.0/MWh in September, 11% higher than at the end of Q2 2024 (EUR 47.7/MWh).

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

# UPM Raflatac

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

Comparable EBIT



	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q1- Q3/24	Q1- Q3/23	Q1- Q4/23
Sales EURm	374	397	409	367	367	357	395	1,181	1,118	1,485
Comparable EBITDA, EURm	35	50	60	36	43	36	30	145	110	146
% of sales	9.3	12.7	14.6	9.9	11.8	10.2	7.7	12.3	9.8	9.8
Depreciation, amortisation and impairment charges, EURm	-11	-11	-11	-11	-13	-12	-10	-33	-35	-47
Operating profit, EURm	15	39	51	26	13	23	19	105	55	81
% of sales	4.1	9.8	12.4	7.2	3.6	6.4	4.8	8.9	4.9	5.5
Items affecting comparability in operating profit, EURm <sup>1)</sup>	-9	—	1	1	-19	-3	-1	-8	-23	-22
Comparable EBIT, EURm	24	39	49	25	33	26	20	112	78	103
% of sales	6.4	9.9	12.0	6.9	8.9	7.2	5.0	9.5	7.0	7.0
Capital employed (average), EURm	733	723	707	704	716	746	784	721	749	737
Comparable ROCE, %	13.0	21.7	27.9	14.4	18.2	13.7	10.1	20.8	13.9	14.0

<sup>1)</sup> Q3 2024 items affecting comparability include EUR 6 million write down of inventory at the Raflatac mill, located in Western North Carolina, USA, which was impacted by Hurricane Helene and EUR 3 million relating to restructuring measures. Q1 2024 items affecting comparability relate to restructuring measures. Q4 2023 items affecting comparability include EUR 2 million income relating to restructuring measures in Nancy factory in France and EUR 1 million other restructuring charges. Q3 2023 includes restructuring charges of EUR 16 million and impairment charges of EUR 2 million relating to restructuring measures in Nancy factory in France and EUR 1 million other restructuring costs. Q2 2023 and Q1 2023 include restructuring costs.

- Acquisition of Grafityp in Belgium, to further accelerate growth in graphics solutions

## Results

### Q3 2024 compared with Q3 2023

Comparable EBIT for UPM Raflatac decreased. Delivery volumes increased, but this impact was offset by higher fixed costs. Lower sales prices more than offset the positive impact of lower variable costs.

### Q3 2024 compared with Q2 2024

Comparable EBIT decreased. Delivery volumes were lower and variable costs increased.

### January–September 2024 compared with January–September 2023

Comparable EBIT increased mainly due to higher delivery volumes. Lower variable costs offset the negative impact of lower sales prices. Fixed costs were higher.

## Market environment

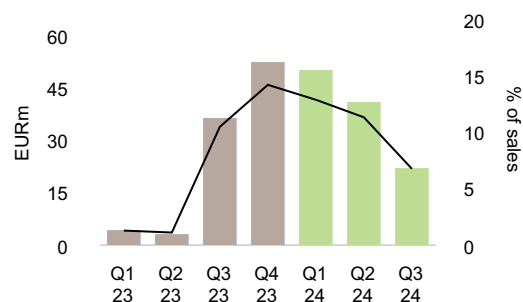
- In Q3 2024, global demand for self-adhesive label materials moderated, and decreased in Europe compared with Q2 2024. Demand was more stable in North America, and solid in Asia.

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 silicising, packaging, office use and printing. The production plants are located in China, Finland and Germany.

Comparable EBIT



	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q1- Q3/24	Q1- Q3/23	Q1- Q4/23
Sales EURm	335	367	397	374	357	349	404	1,099	1,111	1,485
Comparable EBITDA, EURm	40	58	72	71	55	22	24	170	101	172
% of sales	12.0	15.8	18.2	19.0	15.5	6.3	5.9	15.5	9.1	11.6
Depreciation, amortisation and impairment charges, EURm	-18	-17	-21	-18	-18	-19	-19	-56	-56	-74
Operating profit, EURm	22	38	51	53	37	4	5	111	46	98
% of sales	6.7	10.3	12.8	14.1	10.4	1.0	1.2	10.1	4.1	6.6
Items affecting comparability in operating profit, EURm <sup>1)</sup>	—	-3	—	—	—	—	—	-3	—	—
Comparable EBIT, EURm	22	41	51	53	37	4	5	114	46	98
% of sales	6.7	11.2	12.8	14.1	10.4	1.0	1.2	10.4	4.1	6.6
Capital employed (average), EURm	777	796	806	828	863	855	954	793	891	875
Comparable ROCE, %	11.5	20.7	25.2	25.5	17.2	1.7	2.0	19.2	6.8	11.2
Paper deliveries, 1000 t	316	358	387	370	371	327	340	1,061	1,037	1,407

<sup>1)</sup> Q2 2024 items affecting comparability relate to restructuring measures.

- Solid deliveries of specialty grades, Asian fine paper deliveries were low

## Results

### Q3 2024 compared with Q3 2023

Comparable EBIT for UPM Specialty Papers decreased. The negative impact of increased input costs more than offset the positive impact of higher sales prices. Deliveries were lower in fine grades, but increased for specialty grades.

### Q3 2024 compared with Q2 2024

Comparable EBIT decreased. Increased input costs had a larger negative impact than higher average sales prices. Deliveries were lower in fine grades.

### January–September 2024 compared with January–September 2023

Comparable EBIT increased. The positive impact of lower input costs more than offset the negative impact of lower sales prices. Delivery volumes increased.

## Market environment

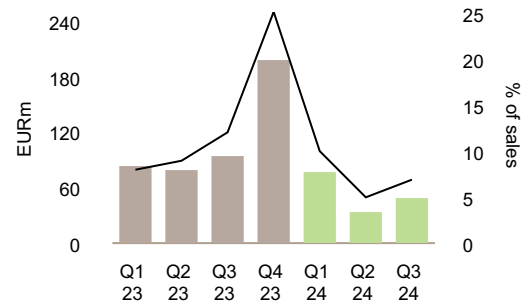
- In Q3 2024, global demand for label, release base and packaging papers was solid.
- Fine paper market was soft in China and the rest of the Asia-Pacific region.
- In Q3 2024, market prices increased compared to Q3 2023

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 10 efficient paper mills in Europe and the United States, a global sales network and an efficient logistic system. The main customers are publishers, cataloguers, retailers, printers and merchants.

Comparable EBIT



	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q1- Q3/24	Q1- Q3/23	Q1- Q4/23
Sales EURm	751	711	802	799	807	909	1,083	2,265	2,799	3,598
Comparable EBITDA, EURm	71	51	95	218	119	101	105	218	325	544
% of sales	9.5	7.2	11.9	27.3	14.8	11.1	9.7	9.6	11.6	15.1
Share of results of associated companies and joint ventures, EURm	0	0	0	0	0	0	0	0	-1	-1
Depreciation, amortisation and impairment charges, EURm	-9	-57	-16	-20	-134	-21	-20	-82	-175	-195
Operating profit, EURm	61	-77	100	185	-127	67	49	84	-10	174
% of sales	8.2	-10.9	12.5	23.1	-15.7	7.4	4.6	3.7	-0.4	4.8
Items affecting comparability in operating profit, EURm <sup>1)</sup>	10	-112	21	-15	-223	-13	-36	-80	-272	-288
Comparable EBIT, EURm	51	35	79	200	96	80	85	165	262	462
% of sales	6.8	4.9	9.9	25.0	11.9	8.8	7.9	7.3	9.4	12.8
Capital employed (average), EURm	1,142	1,120	1,215	1,291	1,318	1,459	1,627	1,159	1,468	1,424
Comparable ROCE, %	17.9	12.4	26.1	61.9	29.2	22.0	20.9	19.0	23.8	32.4
Paper deliveries, 1000 t	838	790	879	856	839	885	947	2,507	2,671	3,528

<sup>1)</sup> Q3 2024 items affecting comparability include EUR 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 EUR 72 million restructuring charges and EUR 40 million impairment charges related to the closure of Hürth newsprint mill and planned closure of paper machine 3 at Nordland in Germany. Q1 2024 items affecting comparability include EUR 21 million capital gain on sale of UPM-Kymmene Austria GmbH. Q4 2023 items affecting comparability include EUR 9 million addition to restructuring charges and EUR 1 million impairment charges related to closure of UPM Plattling paper mill in Germany, EUR 5 million addition to restructuring charges related to closure of paper machine 6 at UPM Schongau mill in Germany, EUR 2 million income related to restructuring charges in Steyermühl site in Austria and EUR 2 million other restructuring charges. Q3 2023 includes EUR 111 million restructuring charges and EUR 111 million impairments of fixed and leased assets related to closure of Plattling mill, EUR 2 million of capital gains on sale of non-current assets and EUR 3 million restructuring charges. Q2 2023 includes EUR 9 million restructuring charges, EUR 2 million charges related to sale of Steyermühl site, EUR 1 million impairment charges and EUR 1 million charges related to prior capacity closures. Q1 2023 includes EUR 26 million restructuring charges related to closure of paper machine 6 at UPM Schongau mill, EUR 9 million charges related to sale of Steyermühl site and EUR 1 million charges related to prior capacity closures.

- Closed the Hürth newsprint mill and decided to shut down one fine paper machine (PM3) at Nordland Papier in Germany

## Results

### Q3 2024 compared with Q3 2023

Comparable EBIT for UPM Communication Papers decreased due to lower sales prices.

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

### Q3 2024 compared with Q2 2024

Comparable EBIT increased due to higher delivery volumes and lower variable costs.

The average price in euro for UPM's paper deliveries was unchanged.

### January–September 2024 compared with January–September 2023

Comparable EBIT decreased due to lower sales prices. Variable and fixed costs decreased.

The average price in euro for UPM's paper deliveries decreased by 14%.

## Market environment

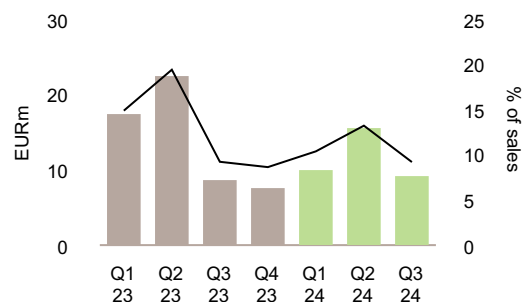
- In the first nine months of 2024, demand for graphic papers in Europe was 3% higher than in the same period of 2023. Newsprint demand increased by 2%, magazine papers decreased by 5% and fine papers increased by 9% compared with the first nine months of 2023.
- In Q3 2024, publication paper prices in Europe were 1% higher compared to Q2 2024 and 6% lower compared with Q3 2023. In Q3 2024, fine paper prices in Europe were on the same level as in the previous quarter and 1% higher compared with Q3 2023.
- In January–September 2024, demand for magazine papers in North America was 1% higher compared with January–August 2023. The average price in US dollars for magazine papers in Q3 2024 remained stable compared with Q2 2024 and decreased by 3% compared with Q3 2023.

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



	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q1- Q3/24	Q1- Q3/23	Q1- Q4/23
Sales EURm	103	120	98	91	96	117	118	321	331	422
Comparable EBITDA, EURm	15	21	16	13	14	28	23	52	64	77
% of sales	14.6	17.6	15.8	14.3	14.7	23.8	19.1	16.1	19.5	18.4
Depreciation, amortisation and impairment charges, EURm	-6	-5	-5	-5	-5	-5	-5	-17	-16	-21
Operating profit, EURm	9	16	10	8	9	21	12	35	42	50
% of sales	9.1	13.1	10.4	9.0	9.1	18.2	10.3	11.0	12.7	11.9
Items affecting comparability in operating profit, EURm <sup>1)</sup>	—	—	—	—	—	-1	-5	—	-7	-6
Comparable EBIT, EURm	9	16	10	8	9	22	17	35	49	56
% of sales	9.1	13.1	10.3	8.5	9.1	19.3	14.8	10.9	14.7	13.4
Capital employed (average), EURm	240	241	243	249	252	258	255	241	255	254
Comparable ROCE, %	15.6	26.1	16.6	12.5	13.9	34.8	27.4	19.4	25.4	22.2
Plywood deliveries, 1000 m <sup>3</sup>	113	139	110	97	97	118	117	361	332	429

<sup>1)</sup> Q2 2023 items affecting comparability relate to restructuring costs. Q1 2023 includes EUR 5 million capital loss resulting from sale of Russian operations.

- New patching line started operation at the Joensuu mill

## Results

### Q3 2024 compared with Q3 2023

Comparable EBIT for UPM Plywood was on the same level as last year. Delivery volumes increased. Sales prices were lower.

### Q3 2024 compared with Q2 2024

Comparable EBIT decreased due to seasonally lower delivery volumes. Fixed costs decreased.

### January–September 2024 compared with January–September 2023

Comparable EBIT decreased. The negative impact of lower sales prices was only partially offset by lower variable costs. Delivery volumes increased.

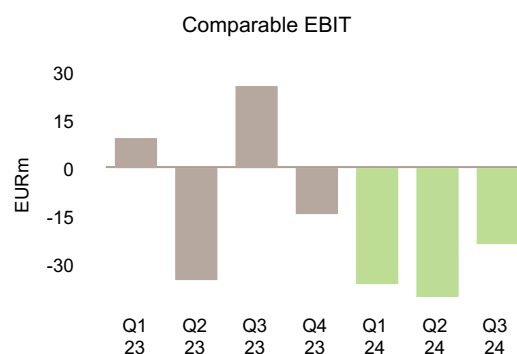
## Market environment

- In Q3 2024, demand for spruce plywood in panel trading and veneer continued to be slow, after seasonally stronger Q2.
- In Q3 2024, solid demand for birch plywood in panel trading mitigated lower demand from industrial end uses like vehicle flooring. In the LNG end-use demand for birch plywood market deliveries was impacted by project schedules.

Source: UPM

## Other operations

Other Operations includes UPM Forest, UPM Biofuels, UPM Biochemicals, UPM Biomedicals and UPM Biocomposites 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.



	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q1- Q3/24	Q1- Q3/23	Q1- Q4/23
Sales EURm	141	172	153	192	251	158	200	466	610	802
Comparable EBITDA, EURm	3	-24	-20	-11	36	-16	21	-42	40	29
Change in fair value of forest assets and wood harvested, EURm	-15	-19	-3	-76	1	-8	1	-36	-7	-82
Share of results of associated companies and joint ventures, EURm	0	0	-1	0	0	0	-2	0	-2	-2
Depreciation, amortisation and impairment charges, EURm	-11	-15	-12	-12	-11	-10	-11	-38	-31	-44
Operating profit, EURm	-24	-61	-34	-100	25	-35	8	-118	-1	-101
Items affecting comparability in operating profit, EURm <sup>1)</sup>	0	-6	2	-86	-1	—	-1	-5	-1	-87
Comparable EBIT, EURm	-23	-55	-36	-14	26	-35	9	-114	0	-14
Capital employed (average), EURm	3,176	3,115	3,070	3,002	2,994	2,832	2,858	3,120	2,895	2,922
Comparable ROCE, %	-3.0	-7.0	-4.7	-1.8	3.4	-4.9	1.3	-4.9	0.0	-0.5

<sup>1)</sup> Q2 2024, items affecting comparability include EUR 6 million addition to restructuring charges and EUR 6 million impairment charges related to plans to close UPM Biocomposites business, and EUR 5 million capital gain on sale of non-current assets. Q1 2024, items affecting comparability include EUR 2 million capital gain on sale of non-current assets. Q4 2023 items affecting comparability include EUR 86 million decrease in the fair value of forest assets in Finland resulting from changes in estimates and increase in discount rate. Q3 2023 includes transaction costs of acquisition of SunCoal Industries shares. Q1 2023 includes EUR 1 million capital loss resulting from sale of Russian operations.

- Decision to discontinue UPM Biocomposites business by the end of 2024

## Results

### Q3 2024 compared with Q3 2023

Comparable EBIT for Other operations decreased. The change in the fair value of forest assets net of wood harvested was EUR -15 million (1 million). The change in the fair value of forest assets was EUR 19 million (18 million). The cost of wood harvested from UPM forests was EUR 34 million (17 million).

Biofuels sales prices decreased.

### Q3 2024 compared with Q2 2024

Comparable EBIT increased. The change in the fair value of forest assets net of wood harvested was EUR -1.5 million (-19 million). The change in the fair value of forest assets was EUR 19 million (16 million). The cost of wood harvested from UPM forests was EUR 34 million (35 million).

Biofuels sales prices remained low.

### January–September 2024 compared with January–September 2023

Comparable EBIT decreased. The change in the fair value of forest assets net of wood harvested was EUR -36 million (-7 million). The change in the fair value of forest assets was EUR 55 million (53 million). The cost of wood harvested from UPM forests was EUR 91 million (59 million).

Biofuels sales prices decreased.

## Market environment

- In Q3 2024, the European market for advanced renewable fuels remained soft as fuels imported to Europe continued to supply the market. Anti-dumping duties introduced for certain imports in August. Germany released draft regulation to suspend use of GHG-surplus to fulfill 2025 and 2026 targets.
- In Q3 2024, interest in bio-based MEG and renewable functional fillers continued strong in Europe. Strong interest in more sustainable solutions from consumers and brand owners is driving demand for bio-based glycols and renewable functional fillers.
- For life science products, demand is driven by the need to implement automated 3D cell based models and to replace animal models in drug development. For clinical products, hospitals continue to explore new sustainable advanced wound care dressings.

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 2023 economies relevant to UPM were impacted by higher interest rates and high, albeit decreasing inflation. Particularly in Europe, consumer demand was soft, and consumers shifted some of their spending towards services. Industrial production was low in most sectors and construction activity decreased. In most product value chains, unusually large destocking further reduced market deliveries of goods, including many UPM products. Although it is estimated that the destocking has largely come to an end, consumers have remained cautious, and it remains uncertain how quickly consumer spending and demand for various UPM products will recover. In a potential persistent low-demand environment it is possible that pressure on unit margins would increase, impacting UPM's earnings.

Geopolitical tensions, including Russia's ongoing war in Ukraine, the conflicts in the Middle East, and tensions between major economies, e.g. China and the US continue to cause high uncertainty in the operating environment, which may impact economic growth, inflation and global trade. The EU and US sanctions on Russia, escalated 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 energy crisis in Europe added significantly to UPM's energy costs in 2021–2022. This was mitigated at Group level by the very strong performance of UPM Energy. However, this may not always be the case, due to geographical differences in UPM's energy sales and purchases. The energy markets calmed down during 2023 but continue to represent uncertainty to both energy costs for UPM's energy consuming businesses and earnings for UPM Energy. In addition to the uncertain price of energy, Russia's war in Ukraine and the associated potential future sanctions and countersanctions may affect the availability of certain forms of energy, e.g. natural gas. The energy markets in the EU, for example, have yet to transition fully away from Russian or other fossil fuels.

The unprecedented increase in energy futures prices in 2022 impacted cash flows from energy hedges, temporarily tying up liquidity. Possible changes in futures prices continue to represent potential volatility in liquidity needs.

The crises in the Middle East have increased geopolitical tensions and reintroduced uncertainty related to global logistics and supply chains. This is likely to 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 products, the sourcing of raw materials for UPM businesses and the delivery of equipment for UPM's investments projects.

During 2024, a number of important elections will be held around the world. With polarised politics in many regions, these elections pose uncertainties in the operating environment, trading relations between regions and the geopolitical landscape.

Many global commodity prices increased significantly during 2021 and 2022 and moderated to some extent during 2023. However, 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.

Changes to the monetary policies of major central banks may significantly impact various currencies that directly or indirectly affect UPM.

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 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.

OL3 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. The test operation for OL3 concluded in April 2023, when regular electricity production at the plant unit started.

According to TVO, they confirmed the provisional takeover of the plant unit for the warranty period by submitting the Provisional Takeover Certificate to the Plant Supplier in April 2023. The final takeover of the plant unit will take place after the conclusion of the two-year warranty period. Even after this, the Plant Supplier's liabilities under the warranty will remain in force up to a maximum of eight (8) years to a certain extent.

A Global Settlement Agreement (GSA) was signed in March 2018 and amended in June 2021 concerning the completion of the OL3 project and related disputes. During 2023, the fund established in accordance with the GSA and funded by the Areva companies has been used to cover costs incurred to the Areva companies for the completion of the OL3 project in accordance with the GSA.

According to TVO's financial statements from 2023 total investment in OL3 was approximately EUR 5.8 billion.

TVO has announced that regular electricity production, which started after the conclusion of the test operation programme in April 2023, and commercial operation, which started in May 2023, transferred the responsibility for OL3 to TVO. The Plant Supplier retains the responsibilities according to the Plant Contract for warranty periods and for the unfinished work, which has been agreed to be done later at the Plant Supplier's expense.

According to TVO, during 2023, several risk management measures have been taken in relation to the OL3's warranty period that improve the process flow during the warranty period and ensure that the prerequisites for the warranty period under the Plant Contract are met. TVO is closely monitoring compliance with the conditions set in the Settlement Agreement signed in March 2018 and supplemented in June 2021 and the progress of the OL3 warranty period and ascertaining that actions are taken in accordance with the Plant Supplier's schedule while ensuring financial and technical resources.

TVO has announced that even though there have been few interruptions to electricity generation at OL3 following the conclusion of the test operation programme, there are uncertainties related to the availability of OL3 during the first operating cycle due to the possibility of unexpected events. These uncertainties are managed by means of systematic maintenance and monitoring of the plant unit. If OL3 fails to achieve the planned load factor or operating cost structure, the

This interim report is unaudited

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 the target.

The main earnings sensitivities and the Group's cost structure are presented on pages 178–179 of the Annual Report 2023. Risks and opportunities are discussed on pages 34–35, and risks and risk management are presented on pages 133–137.

## Impact of Russia's war in Ukraine

In response to Russia's attack on Ukraine, the European Union as well as the United States, the United Kingdom, and other countries imposed extensive sanctions on Russia, the breakaway regions of Donetsk and Luhansk and the oblasts of Zaporizhzhia and Kherson, and Belarus. Since 21 February 2022, these measures have included for example asset freezes and travel restrictions on individuals and entities, economic sanctions targeting sectors of the Russian and Belarusian economies, and diplomatic restrictions. Russia has also implemented several countermeasures affecting especially foreign companies' operations within Russia and with Russian counterparties. While the sanctions primarily target Russia's ability to finance its military operations in Ukraine and impose economic and political costs on the people responsible for them, there are limited signs of a peaceful resolution to the war in Ukraine. Economic and geopolitical uncertainty and inflation accelerated around the world which resulted in a spike in interest rates that have remained higher compared to pre-invasion levels.

### *Impact on UPM businesses*

The economic sanctions and Russia's countermeasures have rendered it unviable for UPM to continue operations in Russia or trade with Russian counterparties. UPM businesses have suspended deliveries to Russia as well as wood sourcing in and from Russia. In Q1 2023 UPM completed a full withdrawal of its businesses from Russia by selling all its Russian operations, including the Chudovo plywood mill.

The potential further impacts for UPM are likely to differ for each business and depend on the pace, scope and duration of sanctions, market price reactions, supply chain development, and the length of the war in Ukraine and whether there is any geographic escalation of the war. UPM is monitoring the situation closely and preparing plans to adjust its operations in different scenarios accordingly.

## Shares

In January–September 2024, UPM shares worth a total of EUR 5,974 million (6,742 million) 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 EUR 35.77 in May and the lowest was EUR 27.92 in August.

The Annual General Meeting held on 4 April 2024 authorised the Board of Directors to resolve on the repurchase of a maximum of 50,000,000 of the Company's own shares. The authorisation will be valid for 18 months from the date of the AGM's resolution.

The Annual General Meeting held on 4 April 2024 authorised 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 decide 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 authorisation is valid for 18 months from the date of the AGM resolution.

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

The number of shares entered in the Trade Register on 30 September 2024 was 533,735,699. Through the issuance authorisation, the number of shares may increase to a maximum of 558,735,699.

On 30 September 2024, 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 Q3 2024.

Helsinki, 29 October 2024  
**UPM-Kymmene Corporation**  
Board of Directors



# Financial statement information

## Consolidated income statement

EURm	Q3/2024	Q3/2023	Q1-Q3/2024	Q1-Q3/2023	Q1-Q4/2023
<b>Sales (Note 3)</b>	2,521	2,584	7,707	7,929	10,460
Other operating income	31	84	80	188	228
Costs and expenses	-2,100	-2,427	-6,554	-7,185	-9,316
Change in fair value of forest assets and wood harvested	-16	-5	-51	-27	-103
Share of results of associated companies and joint ventures	1	0	1	-1	-1
Depreciation, amortisation and impairment charges	-133	-265	-475	-507	-660
<b>Operating profit (loss)</b>	305	-29	709	398	608
Exchange rate and fair value gains and losses	-4	1	-4	-71	-74
Interest and other finance costs, net	-30	-24	-74	-43	-70
<b>Profit (loss) before tax</b>	271	-52	631	284	464
Income taxes	-24	24	-73	-51	-71
<b>Profit (loss) for the period</b>	246	-28	558	233	394
<b>Attributable to:</b>					
Owners of the parent company	237	-26	535	228	388
Non-controlling interests	10	-2	23	4	6
	246	-28	558	233	394
<b>Earnings per share for profit attributable to owners of the parent company</b>					
Basic earnings per share, EUR	0.44	-0.05	1.00	0.43	0.73
Diluted earnings per share, EUR	0.44	-0.05	1.00	0.43	0.73

## Consolidated statement of comprehensive income

EURm	Q3/2024	Q3/2023	Q1-Q3/2024	Q1-Q3/2023	Q1-Q4/2023
<b>Profit (loss) for the period</b>	246	-28	558	233	394
<b>Other comprehensive income for the period, net of tax</b>					
<b>Items that will not be reclassified to income statement:</b>					
Actuarial gains and losses on defined benefit obligations	-9	3	6	29	-10
Changes in fair value of energy shareholdings	57	-74	-123	-1,179	-1,351
<b>Items that may be reclassified subsequently to income statement:</b>					
Translation differences	-219	126	-53	74	-120
Net investment hedge	17	-4	10	1	6
Cash flow hedges	-19	77	67	582	539
<b>Other comprehensive income for the period, net of tax</b>	-173	129	-94	-493	-936
<b>Total comprehensive income for the period</b>	74	101	464	-260	-542
<b>Total comprehensive income attributable to:</b>					
Owners of the parent company	80	93	445	-268	-536
Non-controlling interests	-6	7	19	7	-7
	74	101	464	-260	-542

## Consolidated balance sheet

EURm	30 SEP 2024	30 SEP 2023	31 DEC 2023
<b>ASSETS</b>			
Goodwill	284	287	283
Other intangible assets	580	734	715
Property, plant and equipment (Note 4)	7,141	7,182	7,053
Leased assets	811	690	683
Forest assets	2,325	2,453	2,355
Energy shareholdings (Note 5)	2,155	2,458	2,283
Other non-current financial assets	69	55	60
Deferred tax assets	451	401	431
Net retirement benefit assets	0	1	1
Investments in associates and joint ventures	21	25	23
Other non-current assets	24	30	26
<b>Non-current assets</b>	<b>13,860</b>	<b>14,314</b>	<b>13,913</b>
Inventories	2,222	2,002	1,948
Trade and other receivables	1,876	1,856	1,782
Other current financial assets	70	82	64
Income tax receivables	63	46	27
Cash and cash equivalents	917	773	632
<b>Current assets</b>	<b>5,148</b>	<b>4,759</b>	<b>4,454</b>
Assets classified as held for sale (Note 9)	—	37	106
<b>Assets</b>	<b>19,008</b>	<b>19,110</b>	<b>18,473</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	890	890	890
Treasury shares	-2	-2	-2
Translation reserve	309	522	347
Other reserves	1,588	1,865	1,655
Reserve for invested non-restricted equity	1,273	1,273	1,273
Retained earnings	6,745	6,878	6,998
<b>Equity attributable to owners of the parent company</b>	<b>10,802</b>	<b>11,425</b>	<b>11,161</b>
<b>Non-controlling interests</b>	<b>370</b>	<b>383</b>	<b>370</b>
<b>Equity</b>	<b>11,172</b>	<b>11,809</b>	<b>11,531</b>
Deferred tax liabilities	621	642	616
Net retirement benefit liabilities	498	445	502
Provisions (Note 8)	101	157	170
Non-current debt	3,711	3,090	3,056
Other non-current financial liabilities	159	189	157
<b>Non-current liabilities</b>	<b>5,091</b>	<b>4,524</b>	<b>4,501</b>
Current debt	189	271	327
Trade and other payables	2,305	2,237	1,883
Provisions (note 8)	165	125	96
Other current financial liabilities	60	59	51
Income tax payables	27	46	28
<b>Current liabilities</b>	<b>2,745</b>	<b>2,740</b>	<b>2,385</b>
Liabilities related to assets classified as held for sale (Note 9)	—	38	56
<b>Liabilities</b>	<b>7,836</b>	<b>7,302</b>	<b>6,942</b>
<b>Equity and liabilities</b>	<b>19,008</b>	<b>19,110</b>	<b>18,473</b>

## Consolidated statement of changes in equity

EURm	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
<b>Value at 1 January 2024</b>	890	-2	347	1,655	1,273	6,998	11,161	370	11,531
Profit for the period	—	—	—	—	—	535	535	23	558
Translation differences	—	—	-48	—	—	—	-48	-5	-53
Cash flow hedges - reclassified to income statement, net of tax	—	—	—	8	—	—	8	—	8
Cash flow hedges - changes in fair value, net of tax	—	—	—	59	—	—	59	—	59
Net investment hedge, net of tax	—	—	10	—	—	—	10	—	10
Energy shareholdings - changes in fair value, net of tax	—	—	—	-127	—	4	-123	—	-123
Actuarial gains and losses on defined benefit plans, net of tax	—	—	—	—	—	6	6	—	6
<b>Total comprehensive income for the period</b>	—	—	-38	-61	—	544	445	19	464
Share-based payments, net of tax	—	—	—	-6	—	2	-4	—	-4
Dividend distribution	—	—	—	—	—	-800	-800	-19	-819
Contributions by non-controlling interests	—	—	—	—	—	—	—	—	—
<b>Total transactions with owners for the period</b>	—	—	—	-6	—	-798	-804	-19	-823
<b>Value at 30 September 2024</b>	890	-2	309	1,588	1,273	6,745	10,802	370	11,172
<b>Value at 1 January 2023</b>	890	-2	449	2,460	1,273	7,433	12,502	376	12,879
Profit for the period	—	—	—	—	—	228	228	4	233
Translation differences	—	—	72	—	—	—	72	2	74
Cash flow hedges - reclassified to income statement, net of tax	—	—	—	58	—	—	58	—	58
Cash flow hedges - changes in fair value, net of tax	—	—	—	524	—	—	524	—	524
Net investment hedge, net of tax	—	—	1	—	—	—	1	—	1
Energy shareholdings - changes in fair value, net of tax	—	—	—	-1,178	—	-1	-1,179	—	-1,179
Actuarial gains and losses on defined benefit plans, net of tax	—	—	—	—	—	29	29	—	29
<b>Total comprehensive income for the period</b>	—	—	73	-596	—	256	-268	7	-260
Share-based payments, net of tax	—	—	—	2	—	-11	-9	—	-9
Dividend distribution	—	—	—	—	—	-800	-800	-37	-837
Contributions by non-controlling interests	—	—	—	—	—	—	—	36	36
<b>Total transactions with owners for the period</b>	—	—	—	2	—	-811	-809	—	-809
<b>Value at 30 September 2023</b>	890	-2	522	1,865	1,273	6,878	11,425	383	11,809

## Consolidated cash flow statement

EURm	Q3/2024	Q3/2023	Q1- Q3/2024	Q1- Q3/2023	Q1- Q4/2023
<b>Cash flows from operating activities</b>					
Profit (loss) for the period	246	-28	558	233	394
Adjustments <sup>1)</sup>	146	497	709	1,544	1,760
Interest received	6	8	21	25	37
Interest paid	-20	-9	-89	-70	-116
Dividends received	0	0	3	1	3
Other financial items, net	-8	-8	-11	-37	-44
Income taxes paid	-55	18	-149	-128	-181
Change in working capital	-73	163	-260	245	417
<b>Operating cash flow</b>	<b>242</b>	<b>641</b>	<b>782</b>	<b>1,814</b>	<b>2,269</b>
<b>Cash flows from investing activities</b>					
Capital expenditure	-111	-286	-410	-854	-1,026
Additions to forest assets	-15	-12	-43	-40	-54
Acquisition of businesses and subsidiaries, net of cash acquired	-28	-20	-28	-20	-20
Acquisition of associates and joint ventures	7	0	0	0	0
Proceeds from sale of property, plant and equipment and intangible assets, net of tax	0	1	7	7	7
Proceeds from sale of forest assets, net of tax	7	3	12	8	10
Proceeds from disposal of businesses and subsidiaries and advances received	0	0	18	1	1
Proceeds from disposal of shares in associates and joint ventures	1	0	1	0	1
Proceeds from disposal of energy shareholdings	0	0	5	0	0
Net cash flows from net investment hedges	0	0	-1	10	10
Change in other non-current assets	-10	-2	-10	-6	-5
<b>Investing cash flow</b>	<b>-149</b>	<b>-318</b>	<b>-451</b>	<b>-895</b>	<b>-1,076</b>
<b>Cash flows from financing activities</b>					
Proceeds from non-current debt	600	0	600	100	100
Payments of non-current debt	-3	-100	-6	-1,503	-1,506
Lease repayments	-29	-27	-77	-75	-99
Change in current liabilities	-310	-194	-180	-315	-260
Net cash flows from derivatives	10	-4	13	-1	6
Dividends paid to owners of the parent company	0	0	-401	-400	-799
Dividends paid to non-controlling interests	0	0	-19	-36	-36
Contributions paid by non-controlling interests	0	13	0	37	35
Change in investment funds	0	0	0	0	0
Other financing cash flow	-1	-3	-10	-8	-14
<b>Financing cash flow</b>	<b>267</b>	<b>-315</b>	<b>-80</b>	<b>-2,201</b>	<b>-2,573</b>
<b>Change in cash and cash equivalents</b>	<b>361</b>	<b>8</b>	<b>251</b>	<b>-1,283</b>	<b>-1,379</b>
Cash and cash equivalents at the beginning of the period	558	768	632	2,067	2,067
Exchange rate effect on cash and cash equivalents	-2	-3	-5	-10	-16
Change in cash and cash equivalents	361	8	251	-1,283	-1,379
Change in cash and cash equivalents classified as held for sale (Note 9)	0	0	39	0	-39
<b>Cash and cash equivalents at the end of the period</b>	<b>917</b>	<b>773</b>	<b>917</b>	<b>773</b>	<b>632</b>

### <sup>1)</sup> Adjustments

EURm	Q3/2024	Q3/2023	Q1- Q3/2024	Q1- Q3/2023	Q1- Q4/2023
Change in fair value of forest assets and wood harvested	16	5	51	27	103
Share of results of associated companies and joint ventures	-1	0	-1	1	1
Depreciation, amortisation and impairment charges	133	265	475	507	660
Capital gains and losses on sale of non-current assets	0	-3	-29	-1	-2
Financial income and expenses	34	23	78	114	144
Income taxes	24	-24	73	51	71
Utilised provisions	-21	-9	-87	-16	-42
Non-cash changes in provisions	-5	130	85	173	179
Other adjustments	-34	110	64	689	646
<b>Total</b>	<b>146</b>	<b>497</b>	<b>709</b>	<b>1,544</b>	<b>1,760</b>

## 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 2023.

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.

#### Income tax – OECD Pillar Two model rules

The group is in the scope of the OECD Pillar Two model rules, and it applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Pillar Two legislation was enacted in Finland, the jurisdiction in which the company is incorporated, and came into effect from 1 January 2024. The group expects to incur top-up taxes for the difference between its GloBe effective tax rate per jurisdiction and the 15% minimum tax rate. However, the Pillar Two legislation had no impact on income taxes for the current reporting period. The assessment is based on currently available information and analysis regarding the interpretation of the rules, for which additional guidance is still being developed by the OECD.

#### Reclassification of provisions in the balance sheet

The group has reclassified current provisions to the current liabilities section. Previously both current and non-current provisions were presented within the non-current liabilities section of the balance sheet. This adjustment ensures better alignment with IFRS Accounting Standards accounting and facilitates a clearer understanding of short-term obligations. The comparative periods have been restated according to the new reporting principles. The reporting change has no impact on group financial result. Reclassification of provisions was reported on the group financial statements in 2023.

#### Liabilities in the balance sheet

As published	Q4/23	Q3/23	Q2/23	Q1/23
Deferred tax liabilities	616	642	612	622
Net retirement benefit liabilities	502	445	453	495
Provisions	266	282	151	181
Non-current debt	3,056	3,090	3,176	3,098
Other non-current financial liabilities	157	189	207	95
<b>Non-current liabilities</b>	<b>4,596</b>	<b>4,650</b>	<b>4,600</b>	<b>4,491</b>
Current debt	327	271	452	493
Trade and other liabilities	1,883	2,237	2,354	2,046
Provisions	—	—	—	—
Other current financial liabilities	51	59	41	59
Income tax payables	28	46	42	79
<b>Current liabilities</b>	<b>2,290</b>	<b>2,614</b>	<b>2,890</b>	<b>2,678</b>
Liabilities related to assets classified as held for sale	56	38	38	—
<b>Liabilities</b>	<b>6,942</b>	<b>7,302</b>	<b>7,527</b>	<b>7,168</b>

Restated	Q4/23	Q3/23	Q2/23	Q1/23
Deferred tax liabilities	616	642	612	622
Net retirement benefit liabilities	502	445	453	495
Provisions	170	157	60	45
Non-current debt	3,056	3,090	3,176	3,098
Other non-current financial liabilities	157	189	207	95
<b>Non-current liabilities</b>	<b>4,501</b>	<b>4,524</b>	<b>4,508</b>	<b>4,355</b>
Current debt	327	271	452	493
Trade and other liabilities	1,883	2,237	2,354	2,046
Provisions	96	125	92	136
Other current financial liabilities	51	59	41	59
Income tax payables	28	46	42	79
<b>Current liabilities</b>	<b>2,385</b>	<b>2,740</b>	<b>2,981</b>	<b>2,813</b>
Liabilities related to assets classified as held for sale	56	38	38	—
<b>Liabilities</b>	<b>6,942</b>	<b>7,302</b>	<b>7,527</b>	<b>7,168</b>

## 2 Quarterly information by business area

EURm, OR AS INDICATED	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q1- Q3/24	Q1- Q3/23	Q1- Q4/23
<b>Sales</b>										
UPM Fibres	943	922	861	781	817	764	683	2,727	2,263	3,044
UPM Energy	125	130	210	192	142	134	159	465	435	628
UPM Raflatac	374	397	409	367	367	357	395	1,181	1,118	1,485
UPM Specialty Papers	335	367	397	374	357	349	404	1,099	1,111	1,485
UPM Communication Papers	751	711	802	799	807	909	1,083	2,265	2,799	3,598
UPM Plywood	103	120	98	91	96	117	118	321	331	422
Other operations	141	172	153	192	251	158	200	466	610	802
Internal sales	-252	-272	-291	-265	-251	-229	-255	-816	-735	-1,000
Eliminations and reconciliation	0	-1	-1	-1	-1	-1	1	-2	-2	-3
<b>Sales, total</b>	<b>2,521</b>	<b>2,546</b>	<b>2,640</b>	<b>2,531</b>	<b>2,584</b>	<b>2,558</b>	<b>2,787</b>	<b>7,707</b>	<b>7,929</b>	<b>10,460</b>
<b>Comparable EBITDA</b>										
UPM Fibres	267	194	193	109	69	42	188	653	299	407
UPM Energy	24	17	88	45	32	30	82	129	144	189
UPM Raflatac	35	50	60	36	43	36	30	145	110	146
UPM Specialty Papers	40	58	72	71	55	22	24	170	101	172
UPM Communication Papers	71	51	95	218	119	101	105	218	325	544
UPM Plywood	15	21	16	13	14	28	23	52	64	77
Other operations	3	-24	-20	-11	36	-16	21	-42	40	29
Eliminations and reconciliation	-4	-8	-15	-16	7	12	5	-28	24	8
<b>Comparable EBITDA, total</b>	<b>450</b>	<b>359</b>	<b>489</b>	<b>465</b>	<b>376</b>	<b>255</b>	<b>477</b>	<b>1,298</b>	<b>1,108</b>	<b>1,573</b>
<b>Operating profit</b>										
UPM Fibres	190	99	108	25	-18	-24	134	397	92	116
UPM Energy	22	16	87	40	30	31	80	124	142	182
UPM Raflatac	15	39	51	26	13	23	19	105	55	81
UPM Specialty Papers	22	38	51	53	37	4	5	111	46	98
UPM Communication Papers	61	-77	100	185	-127	67	49	84	-10	174
UPM Plywood	9	16	10	8	9	21	12	35	42	50
Other operations	-24	-61	-34	-100	25	-35	8	-118	-1	-101
Eliminations and reconciliation	8	-19	-18	-27	2	21	10	-29	33	6
<b>Operating profit, total</b>	<b>305</b>	<b>50</b>	<b>354</b>	<b>211</b>	<b>-29</b>	<b>108</b>	<b>318</b>	<b>709</b>	<b>398</b>	<b>608</b>
% of sales	12.1	2.0	13.4	8.3	-1.1	4.2	11.4	9.2	5.0	5.8
<b>Items affecting comparability</b>										
UPM Fibres	—	—	—	—	—	—	—	—	—	—
UPM Energy	—	—	—	-3	—	3	—	—	3	—
UPM Raflatac	-9	—	1	1	-19	-3	-1	-8	-23	-22
UPM Specialty Papers	—	-3	—	—	—	—	—	-3	—	—
UPM Communication Papers	10	-112	21	-15	-223	-13	-36	-80	-272	-288
UPM Plywood	—	—	—	—	—	-1	-5	0	-7	-6
Other operations	0	-6	2	-86	-1	—	-1	-5	-1	-87
Eliminations and reconciliation <sup>1)</sup>	12	-10	-3	-10	-5	8	5	-1	8	-2
<b>Items affecting comparability in operating profit, total</b>	<b>14</b>	<b>-132</b>	<b>21</b>	<b>-113</b>	<b>-249</b>	<b>-5</b>	<b>-38</b>	<b>-97</b>	<b>-292</b>	<b>-405</b>
<b>Comparable EBIT</b>										
UPM Fibres	190	99	108	25	-18	-24	134	397	92	116
UPM Energy	22	16	87	43	30	28	80	124	139	182
UPM Raflatac	24	39	49	25	33	26	20	112	78	103
UPM Specialty Papers	22	41	51	53	37	4	5	114	46	98
UPM Communication Papers	51	35	79	200	96	80	85	165	262	462
UPM Plywood	9	16	10	8	9	22	17	35	49	56
Other operations	-23	-55	-36	-14	26	-35	9	-114	0	-14
Eliminations and reconciliation	-4	-8	-15	-16	7	12	5	-28	24	8
<b>Comparable EBIT, total</b>	<b>291</b>	<b>182</b>	<b>333</b>	<b>323</b>	<b>220</b>	<b>114</b>	<b>356</b>	<b>806</b>	<b>689</b>	<b>1,013</b>
% of sales	11.5	7.2	12.6	12.8	8.5	4.5	12.8	10.5	8.7	9.7

<sup>1)</sup> Eliminations and reconciliations includes changes in fair value of unrealised 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 2024, items affecting comparability include EUR 21 million capital gain on sale of UPM-Kymmene Austria GmbH. Restructuring and impairment charges relate to the closure of Hürth newsprint mill and Nordland fine paper machine 3 in Germany in Communication Papers, and close of UPM Biocomposites business in Other operations. Items affecting comparability in other non-operational items include EUR 6 million write down of inventory at the Raflatac mill, located in North Carolina, USA, which was impacted by Hurricane Helene. Items affecting comparability in finance costs included EUR 3 million impairment from shareholding in ASD associated company.

In 2023, items affecting comparability include decrease in the fair value of forest assets in Finland resulting from changes in estimates and increase in discount rate. Restructuring and impairment charges relate to closure of UPM Plattling mill in Germany, restructuring measures in UPM Raflatac Nancy factory, closure of paper machine 6 at UPM Schongau mill in Germany, sale of Steyermühl site in Austria and restructurings in UPM Communication Papers, UPM Raflatac and UPM Plywood. Capital gains and losses include losses of EUR 6 million relating to sale of Russian operations. Impairment charges relate mainly to closure of UPM Plattling mill. Items affecting comparability in financial items include EUR 71 million exchange rate losses relating to sale of Russian operations and EUR 5 million income on termination of lease agreement.

EURm	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q1-Q3/24	Q1-Q3/23	Q1-Q4/23
<b>Comparable profit for the period</b>	236	131	258	248	149	77	281	625	507	755
<b>Items affecting comparability</b>										
Impairment charges	11	-44	0	-1	-113	-2	-1	-33	-116	-117
Restructuring charges	-3	-83	2	-15	-132	-15	-37	-85	-184	-199
Change in fair value of unrealised cash flow and commodity hedges	12	-10	-3	-10	-5	8	5	-1	8	-2
Capital gains and losses on sale of non-current assets	0	5	22	0	2	3	-6	28	0	0
Fair value changes of forest assets resulting from changes in estimates	—	—	—	-86	—	—	—	—	—	-86
Other non-operational items	-6	—	—	—	—	—	—	-6	—	—
<b>Total items affecting comparability in operating profit</b>	14	-132	21	-113	-249	-5	-38	-97	-292	-405
<b>Items affecting comparability in financial items</b>	—	-3	0	0	1	1	-67	-3	-65	-65
Tax provisions	—	—	—	2	—	—	—	—	—	2
Taxes relating to items affecting comparability	-3	37	0	24	71	4	8	33	83	107
<b>Items affecting comparability in taxes</b>	-3	37	0	26	71	4	8	33	83	109
<b>Items affecting comparability, total</b>	11	-98	21	-87	-177	0	-97	-67	-274	-361
<b>Profit (loss) for the period</b>	246	33	279	161	-28	77	183	558	233	394

## 3 External sales by major products

BUSINESS AREA	BUSINESS	Q3/2024	Q3/2023	Q1-Q3/2024	Q1-Q3/2023	Q1-Q4/2023
EURm						
UPM Fibres	UPM Pulp UPM Timber	790	673	2,238	1,833	2,452
UPM Energy	UPM Energy	100	101	358	330	486
UPM Raflatac	UPM Raflatac	374	367	1,181	1,118	1,485
UPM Specialty Papers	UPM Specialty Papers	288	311	953	972	1,300
UPM Communication Papers	UPM Communication Papers	741	801	2,240	2,778	3,570
UPM Plywood	UPM Plywood	97	91	306	315	402
Other operations	UPM Forest UPM Biofuels UPM Biochemicals UPM Biomedicals UPM Biocomposites	131	242	435	586	768
Eliminations and reconciliations		0	-1	-2	-2	-3
<b>Total</b>		2,521	2,584	7,707	7,929	10,460

BUSINESS	PRODUCT RANGE
UPM Pulp	Softwood, birch and eucalyptus pulp
UPM Timber	Standard and special sawn timber
UPM Energy	Electricity and related services
UPM Raflatac	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
UPM Biomedicals	Wood-based products for biomedical applications
UPM Biocomposites	UPM ProFi decking products and UPM Formi granules

## 4 Changes in property, plant and equipment

EURm	Q1-Q3/2024	Q1-Q3/2023	Q1-Q4/2023
Book value at beginning of period	7,053	6,733	6,733
Reclassification to assets held for sale, net	0	-21	-21
Capital expenditure	373	928	1,074
Companies acquired	16	1	1
Decreases	-2	-1	-2
Depreciation	-345	-303	-422
Impairment charges	-40	-16	-20
Impairment reversal	0	0	0
Reclassifications	136	-147	-141
Translation difference and other changes	-50	7	-149
<b>Book value at end of period</b>	<b>7,141</b>	<b>7,182</b>	<b>7,053</b>

Capital expenditure in 2024 mainly relate to the construction of of the new biorefinery in Germany and in 2023 to the construction of the new pulp mill in Uruguay and new biorefinery in Germany. Impairment charges in 2024 mainly relate to the closure of Hürth newsprint mill and paper machine 3 at Nordland in Germany. Companies acquired in 2024 relates to acquisition of Grafityp. >> [Refer note 10 Business combinations](#) for more

information. Impairment charges in 2023 mainly relate to the closure of Plattling mill in Germany. Reclassifications in 2024 and 2023 relate to final classification of assets in the Uruguay pulp mill investment. Reclassification to assets held for sale in 2023 relates to agreement to sell 100% of the shares of the Austrian subsidiary UPM-Kymmene Austria GmbH. The sale was completed in 2024.

## 5 Financial assets and liabilities

### Financial assets and liabilities measured at fair value

EURm	30 SEP 2024				30 SEP 2023				31 DEC 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>												
Investment funds	—	1	—	1	—	1	—	1	—	1	—	1
Derivatives non-qualifying hedges	—	21	—	21	—	16	—	16	—	19	—	19
Derivatives under hedge accounting	—	99	—	99	4	101	—	105	4	91	—	95
Energy shareholdings	—	—	2,155	2,155	—	—	2,458	2,458	—	—	2,283	2,283
<b>Total</b>	<b>—</b>	<b>122</b>	<b>2,155</b>	<b>2,277</b>	<b>4</b>	<b>118</b>	<b>2,458</b>	<b>2,580</b>	<b>4</b>	<b>111</b>	<b>2,283</b>	<b>2,398</b>
<b>Financial liabilities</b>												
Derivatives non-qualifying hedges	—	63	—	63	—	65	—	65	—	46	—	46
Derivatives under hedge accounting	5	112	—	117	3	167	—	170	6	128	—	134
<b>Total</b>	<b>5</b>	<b>175</b>	<b>—</b>	<b>180</b>	<b>3</b>	<b>231</b>	<b>—</b>	<b>235</b>	<b>6</b>	<b>174</b>	<b>—</b>	<b>180</b>

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 (FRA) 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

EURm	ENERGY SHAREHOLDINGS		
	Q1-Q3/2024	Q1-Q3/2023	Q1-Q4/2023
Book value at beginning of period	2,283	3,652	3,652
Disposals	-1	0	0
Fair value changes recognised in other comprehensive income	-126	-1,194	-1,369
<b>Book value at end of period</b>	<b>2,155</b>	<b>2,458</b>	<b>2,283</b>

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 discounted cash flows model. 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 EUR 210 (330 in Q3 2023) million.

The discount rate of 8.09% (8.12% in Q3 2023) used in the valuation model 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 EUR 130 (230 in Q3 2023) million.

The decrease in fair value during reporting period was mainly due to the decrease in electricity forward market prices.

### Fair value of financial assets and liabilities measured at amortised cost

EURm	30 SEP 2024		30 SEP 2023		31 DEC 2023	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	2,616	2,540	1,973	1,812	2,002	1,906
Other non-current debt excl. derivative financial instruments and lease liabilities	324	330	364	378	348	355
<b>Total</b>	<b>2,941</b>	<b>2,871</b>	<b>2,338</b>	<b>2,190</b>	<b>2,350</b>	<b>2,261</b>

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

EURm	30 SEP 2024	30 SEP 2023	31 DEC 2023
<b>Other own commitments</b>			
Commitments related to off-balance sheet short-term leases	1	3	2
Other commitments	95	225	99
<b>Total</b>	<b>97</b>	<b>228</b>	<b>101</b>

The lease commitments for leases not commenced on 30 September 2024 amounted to EUR 24 million (EUR 176 million on 31 December 2023). The reduction is due to the commencement of the Uruguay railway lease in Q3 2024. The 2023 commitments relate to railway service agreement in Uruguay and a service agreement related to wastewater treatment in Leuna, Germany.

### Capital commitments

EURm	COMPLETION	TOTAL COST	BY 31 DEC 2023	Q1-Q3/2024	AFTER 30 SEP 2024
New biorefinery / Germany	Q4 2024	1,180	817	225	138

## 7 Notional amounts of derivative financial instruments

EURm	30 SEP 2024	30 SEP 2023	31 DEC 2023
Interest rate futures	2,206	1,401	1,691
Interest rate swaps	1,685	1,104	1,089
Forward foreign exchange contracts	3,714	3,301	3,308
Currency options, bought	—	—	—
Currency options, written	—	—	—
Cross currency swaps	131	133	134
Commodity contracts	575	473	591

## 8 Provisions

EURm	RESTRUCTURING	TERMINATION	ENVIRONMENTAL	EMISSIONS	OTHER	TOTAL
<b>Value at 1 January 2024</b>	59	117	27	56	6	266
Provisions made during the year	23	46	0	62	22	153
Provisions utilised during the year	-23	-62	0	-57	-1	-143
Unused provisions reversed	-3	-2	-1	-1	-3	-9
Reclassifications	4	-4	0	0	0	0
Translation differences	0	0	0	0	0	0
<b>Value at 30 September 2024</b>	59	95	26	61	24	266

## 9 Assets and liabilities classified as held for sale and disposals

There were no assets or liabilities classified as held for sale as at 30 September 2024. Assets and liabilities classified as held for sale as at 30 September 2023 and 31 December 2023 relate to agreement to sell 100% of the shares of Austrian subsidiary UPM Kymmene-Austria GmbH to the HEINZEL GROUP as announced in June 2022.

### Sale of UPM Kymmene-Austria GmbH

On 2 January 2024, UPM announced that it has completed the sale of UPM Kymmene-Austria GmbH. The transaction comprises the UPM Steyrermühl site and the Steyrermühl sawmill operations. UPM Communication Papers ended the newspaper production at Steyrermühl paper mill in June 2023.

### Reconciliation of gain on sale and net cash arising from the disposal of UPM Kymmene-Austria GmbH

EURm	Q1-Q3/2024
<b>Reconciliation of gain on sale</b>	
Consideration paid in advance	15
Consideration paid in cash	57
Consideration to be repaid	-1
Net assets sold	-50
Transaction and other costs, net	0
<b>Gain on disposal</b>	<b>21</b>
Consideration paid in cash	57
Cash in company disposed	-39
<b>Net cash arising from disposal</b>	<b>19</b>

## 10 Business combinations

On 23 July 2024, it was announced that UPM Raflatac has acquired Grafityp, a Belgian-based company to further accelerate its growth in graphics solutions. Merging UPM Raflatac's existing Graphics business with Grafityp will strengthen UPM Raflatac's overall competitive positioning in this attractive product segment, expand its portfolio and give access to high-value new technologies.

If the transaction had occurred on 1 January 2024, UPM's sales for January–September 2024 would have been EUR 7,724 million and profit for the period EUR 557 million. These amounts have been calculated using the group's accounting policies and by adjusting the results of the subsidiaries to reflect the depreciation and amortisation that would have been charged assuming application of fair value adjustments to other intangible assets, property plant and equipment and inventories from 1 January 2024, together with the consequential tax effects.

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

EURm	
Cash paid	29
Deferred consideration	0
<b>Total purchase consideration</b>	<b>29</b>

EURm	23 JUL 2024
Other intangible assets	5
Property, plant and equipment	16
Leased assets	0
Inventories	14
Trade and other receivables	5
Cash and cash equivalents	1
<b>Total assets</b>	<b>42</b>
Deferred tax liabilities	4
Non-current debt	2
Current debt	3
Trade and other payables	6
Income tax payables	0
<b>Total liabilities</b>	<b>15</b>
<b>Net identifiable assets acquired</b>	<b>27</b>
<b>Goodwill arising from acquisition</b>	<b>3</b>

The fair value of trade and other receivables included trade receivables with a fair value of EUR 5 million. At the date of acquisition, the gross contractual amount for trade receivables was EUR 5 million, of which EUR 0 million was expected to be uncollectible.

Acquisition-related costs of EUR 1 million are included in other operating expenses and are reported as items affecting comparability in UPM Raflatac 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 23 July 2024, and the effects of the revenues and profit or loss thereof are not considered material for disclosure purposes.

The fair values of net identifiable assets acquired are provisional and dependent on final fair valuations.

## 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.

	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q1- Q3/24	Q1- Q3/23	Q1- Q4/23
Sales EURm	2,521	2,546	2,640	2,531	2,584	2,558	2,787	7,707	7,929	10,460
Comparable EBITDA, EURm	450	359	489	465	376	255	477	1,298	1,108	1,573
% of sales	17.9	14.1	18.5	18.4	14.6	10.0	17.1	16.8	14.0	15.0
Comparable EBIT, EURm	291	182	333	323	220	114	356	806	689	1,013
% of sales	11.5	7.2	12.6	12.8	8.5	4.5	12.8	10.5	8.7	9.7
Comparable profit before tax, EURm	257	163	311	293	196	101	344	731	641	934
Capital employed (average, EURm)	14,831	14,809	14,972	15,044	15,246	15,900	17,196	14,994	16,542	16,414
Comparable ROCE, %	7.9	5.2	9.1	8.9	6.0	3.1	8.4	7.3	5.7	6.4
Comparable profit for the period, EURm	236	131	258	248	149	77	281	625	507	755
Total equity, average, EURm	11,134	11,451	11,669	11,670	11,751	12,290	12,883	11,351	12,344	12,205
Comparable ROE, %	8.5	4.6	8.9	8.5	5.1	2.5	8.7	7.3	5.5	6.2
Average number of shares basic (1,000)	533,324	533,324	533,324	533,324	533,324	533,324	533,324	533,324	533,324	533,324
Comparable EPS, EUR	0.42	0.23	0.47	0.46	0.28	0.15	0.51	1.13	0.94	1.40
Items affecting comparability in operating profit, EURm	14	-132	21	-113	-249	-5	-38	-97	-292	-405
Items affecting comparability in financial items, EURm	0	-3	—	—	1	1	-67	-3	-65	-65
Items affecting comparability in taxes, EURm	-3	37	0	26	71	4	8	33	83	109
Operating cash flow, EURm	242	204	335	456	641	459	714	782	1,814	2,269
Operating cash flow per share, EUR	0.45	0.38	0.63	0.85	1.20	0.86	1.34	1.47	3.40	4.25
Net debt at the end of period, EURm	2,804	2,763	2,312	2,432	2,363	2,557	2,167	2,804	2,363	2,432
Net debt to EBITDA (last 12 m.)	1.59	1.64	1.46	1.55	1.27	1.07	0.82	1.59	1.27	1.55
Gearing ratio, %	25	25	20	21	20	22	17	25	20	21
Equity per share at the end of period, EUR	20.25	20.10	21.42	20.93	21.42	21.24	23.42	20.25	21.42	20.93
Capital expenditure, EURm	144	184	83	173	196	482	270	410	948	1,122
Capital expenditure excluding acquisitions, EURm	130	174	83	173	169	482	270	387	920	1,094
Equity to assets ratio, %	58.8	59.6	64.0	62.5	61.9	61.0	64.4	58.8	61.9	62.5
Personnel at the end of period	16,245	16,776	16,132	16,573	16,831	17,571	16,985	16,245	16,831	16,573

The definitions of alternative performance measures are presented in other financial information in » [UPM Annual Report 2023](#)

## Reconciliation of key figures to IFRS

EURm, OR AS INDICATED	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q1- Q3/24	Q1- Q3/23	Q1- Q4/23
<b>Items affecting comparability</b>										
Impairment charges	11	-44	0	-1	-113	-2	-1	-33	-116	-117
Restructuring charges	-3	-83	2	-15	-132	-15	-37	-85	-184	-199
Change in fair value of unrealised cash flow and commodity hedges	12	-10	-3	-10	-5	8	5	-1	8	-2
Capital gains and losses on sale of non-current assets	0	5	22	0	2	3	-6	28	0	0
Fair value changes of forest assets resulting from changes in estimates	0	0	0	-86	0	0	0	0	0	-86
Other non-operational items	-6	0	0	0	0	0	0	-6	0	0
<b>Total items affecting comparability in operating profit</b>	<b>14</b>	<b>-132</b>	<b>21</b>	<b>-113</b>	<b>-249</b>	<b>-5</b>	<b>-38</b>	<b>-97</b>	<b>-292</b>	<b>-405</b>
Items affecting comparability in financial items	0	-3	0	0	1	1	-67	-3	-65	-65
Tax provisions	0	0	0	2	0	0	0	0	0	2
Taxes relating to items affecting comparability	-3	37	0	24	71	4	8	33	83	107
Items affecting comparability in taxes	-3	37	0	26	71	4	8	33	83	109
<b>Items affecting comparability, total</b>	<b>11</b>	<b>-98</b>	<b>21</b>	<b>-87</b>	<b>-177</b>	<b>0</b>	<b>-97</b>	<b>-67</b>	<b>-274</b>	<b>-361</b>
<b>Comparable EBITDA</b>										
Operating profit (loss)	305	50	354	211	-29	108	318	709	398	608
Depreciation, amortisation and impairment charges excluding items affecting comparability	144	151	147	152	152	125	114	442	391	543
Change in fair value of forest assets and wood harvested excluding items affecting comparability	16	27	8	-10	5	16	5	51	27	17
Share of result of associates and joint ventures	-1	-1	1	0	0	0	1	-1	1	1
Items affecting comparability in operating profit	-14	132	-21	113	249	5	38	97	292	405
<b>Comparable EBITDA</b>	<b>450</b>	<b>359</b>	<b>489</b>	<b>465</b>	<b>376</b>	<b>255</b>	<b>477</b>	<b>1,298</b>	<b>1,108</b>	<b>1,573</b>
% of sales	17.9	14.1	18.5	18.4	14.6	10.0	17.1	16.8	14.0	15.0
<b>Comparable EBIT</b>										
Operating profit (loss)	305	50	354	211	-29	108	318	709	398	608
Items affecting comparability in operating profit	-14	132	-21	113	249	5	38	97	292	405
<b>Comparable EBIT</b>	<b>291</b>	<b>182</b>	<b>333</b>	<b>323</b>	<b>220</b>	<b>114</b>	<b>356</b>	<b>806</b>	<b>689</b>	<b>1,013</b>
% of sales	11.5	7.2	12.6	12.8	8.5	4.5	12.8	10.5	8.7	9.7
<b>Comparable profit before tax</b>										
Profit (loss) before tax	271	28	332	180	-52	96	239	631	284	464
Items affecting comparability in operating profit	-14	132	-21	113	249	5	38	97	292	405
Items affecting comparability in financial items	0	3	—	—	-1	-1	67	3	65	65
<b>Comparable profit before tax</b>	<b>257</b>	<b>163</b>	<b>311</b>	<b>293</b>	<b>196</b>	<b>101</b>	<b>344</b>	<b>731</b>	<b>641</b>	<b>934</b>
<b>Comparable ROCE, %</b>										
Comparable profit before tax	257	163	311	293	196	101	344	731	641	934
Interest expenses and other financial expenses	37	29	28	40	33	22	17	95	72	112
	294	192	339	333	229	123	361	826	713	1,046
Capital employed, average	14,831	14,809	14,972	15,044	15,246	15,900	17,196	14,994	16,542	16,414
<b>Comparable ROCE, %</b>	<b>7.9</b>	<b>5.2</b>	<b>9.1</b>	<b>8.9</b>	<b>6.0</b>	<b>3.1</b>	<b>8.4</b>	<b>7.3</b>	<b>5.7</b>	<b>6.4</b>
<b>Comparable profit for the period</b>										
Profit (loss) for the period	246	33	279	161	-28	77	183	558	233	394
Items affecting comparability, total	-11	98	-21	87	177	—	97	67	274	361
<b>Comparable profit for the period</b>	<b>236</b>	<b>131</b>	<b>258</b>	<b>248</b>	<b>149</b>	<b>77</b>	<b>281</b>	<b>625</b>	<b>507</b>	<b>755</b>
<b>Comparable EPS, EUR</b>										
Comparable profit for the period	236	131	258	248	149	77	281	625	507	755
Profit attributable to non-controlling interest	-10	-6	-7	-1	2	1	-7	-23	-4	-6
	226	125	251	246	151	78	273	601	503	749
Average number of shares basic (1,000)	533,324	533,324	533,324	533,324	533,324	533,324	533,324	533,324	533,324	533,324
<b>Comparable EPS, EUR</b>	<b>0.42</b>	<b>0.23</b>	<b>0.47</b>	<b>0.46</b>	<b>0.28</b>	<b>0.15</b>	<b>0.51</b>	<b>1.13</b>	<b>0.94</b>	<b>1.40</b>
<b>Comparable ROE, %</b>										
Comparable profit for the period	236	131	258	248	149	77	281	625	507	755
Total equity, average	11,134	11,451	11,669	11,670	11,751	12,290	12,883	11,351	12,344	12,205
<b>Comparable ROE, %</b>	<b>8.5</b>	<b>4.6</b>	<b>8.9</b>	<b>8.5</b>	<b>5.1</b>	<b>2.5</b>	<b>8.7</b>	<b>7.3</b>	<b>5.5</b>	<b>6.2</b>
<b>Net debt</b>										
Non-current debt	3,711	2,992	3,045	3,056	3,090	3,176	3,098	3,711	3,090	3,056
Current debt	189	503	176	329	272	453	493	189	272	329
<b>Total debt</b>	<b>3,900</b>	<b>3,494</b>	<b>3,221</b>	<b>3,385</b>	<b>3,362</b>	<b>3,629</b>	<b>3,592</b>	<b>3,900</b>	<b>3,362</b>	<b>3,385</b>
Non-current interest-bearing assets	66	56	62	71	64	73	88	66	64	71
Cash and cash equivalents	917	558	710	632	773	768	1,016	917	773	632
Other current interest-bearing assets	113	117	136	250	162	231	321	113	162	250
<b>Total interest-bearing assets</b>	<b>1,095</b>	<b>731</b>	<b>909</b>	<b>953</b>	<b>999</b>	<b>1,072</b>	<b>1,424</b>	<b>1,095</b>	<b>999</b>	<b>953</b>
<b>Net debt</b>	<b>2,804</b>	<b>2,763</b>	<b>2,312</b>	<b>2,432</b>	<b>2,363</b>	<b>2,557</b>	<b>2,167</b>	<b>2,804</b>	<b>2,363</b>	<b>2,432</b>

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 178–179 of the 2023 Annual Report. Risks and opportunities are discussed on pages 34–35 and risks and risk management are presented on pages 133–137 of the report.



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