

How has the profitability and financial situation of UPM changed in the past five years? Any differences by business units?

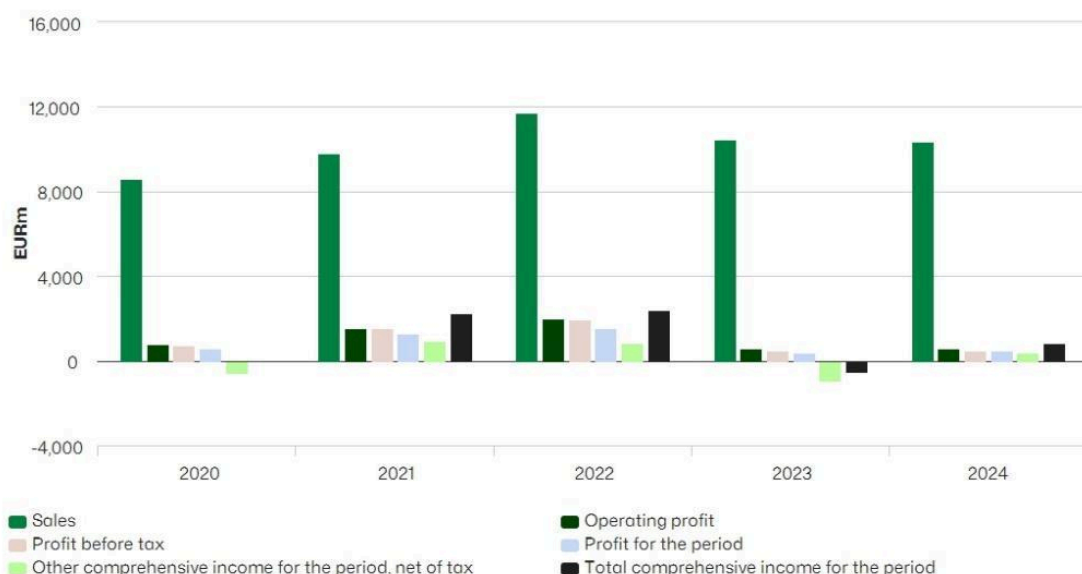
Over the past five years, UPM's profitability has followed a cyclical pattern. While total sales have shown a steady increase from EUR 8.6 billion in 2020 to over EUR 10.3 billion in 2024, the operating margin has not followed the same trajectory. It peaked in 2021 and 2022 at 16% and 17% respectively, driven by post-COVID recovery, favorable market prices, and strong performance across several business units. However, in 2023 and 2024, profitability normalized to around 6%, even lower than the 9% margin seen in 2020.

This decline suggests that the business faced cost pressures or lower selling prices across units. Indeed, although UPM Biorefining and UPM Raflatac showed consistent sales growth, their operating profits dropped significantly in 2023 and 2024. Notably, "Other operations" turned from positive to highly negative, with an operating loss of EUR -434 million in 2024, indicating possible restructuring costs or unprofitable segments dragging the overall results.

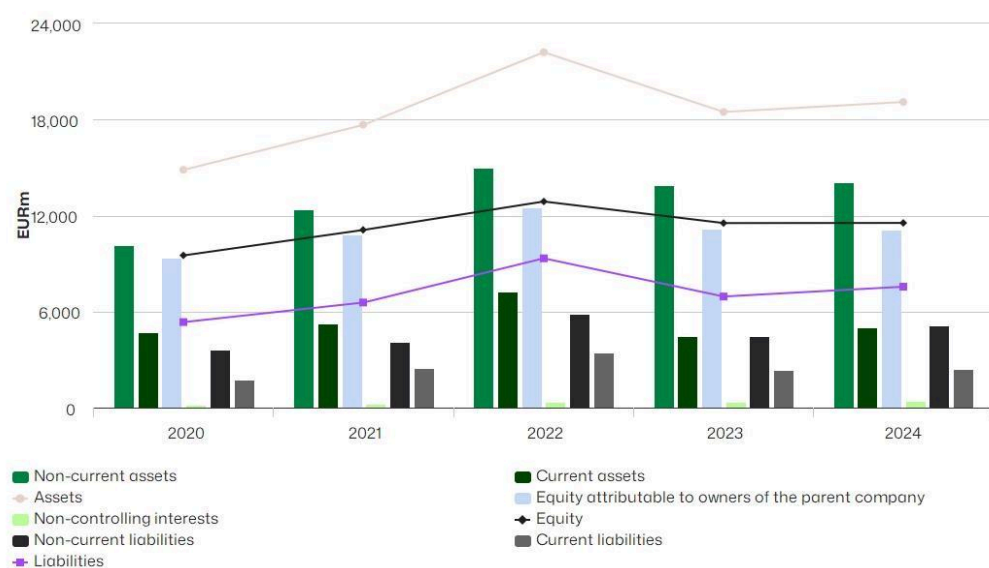
In terms of financial position, UPM has maintained a solid balance sheet. Total assets grew from EUR 14.9 billion in 2020 to EUR 19.1 billion in 2024. Equity attributable to owners rose from EUR 9.4 billion to EUR 11.1 billion over the same period. Despite fluctuations, the company has avoided excessive leverage: liabilities increased from EUR 5.3 billion in 2020 to EUR 7.6 billion in 2024, but equity still covers more than 60% of total assets, highlighting UPM's financial stability.

By business unit, UPM Biorefining and UPM Communication Papers have been the main revenue drivers, with Biorefining growing steadily and Communication Papers facing volatility, possibly due to market decline in demand. UPM Raflatac and Specialty Papers showed resilience, though their profit margins weakened. UPM Energy maintained a stable performance, while UPM Plywood remained a relatively small contributor with flat performance.

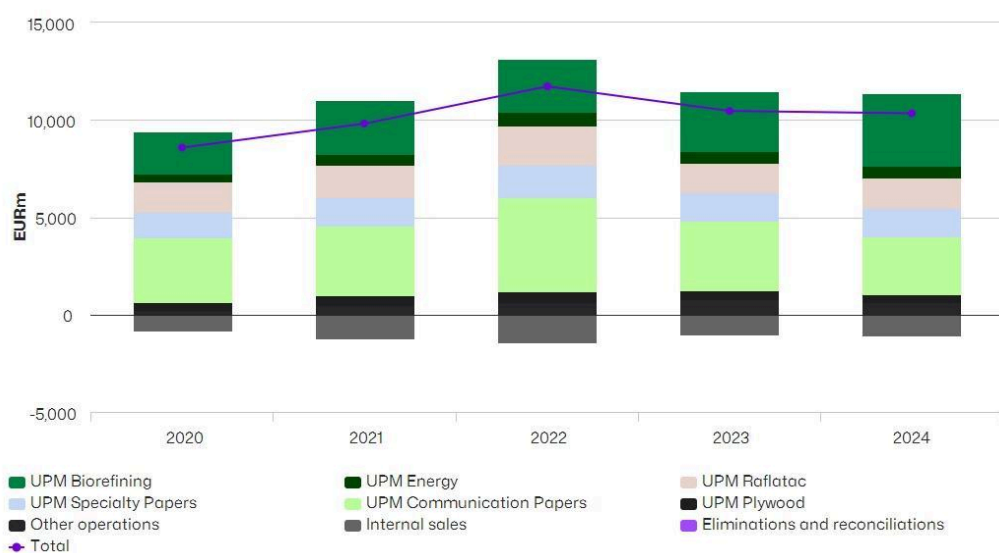
Consolidated Income Statement



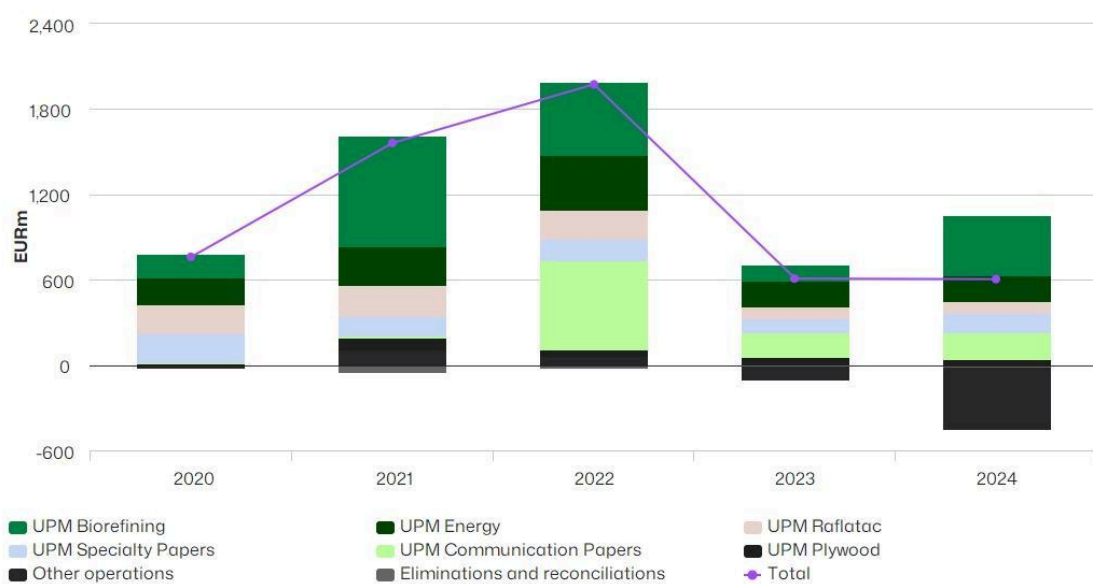
Consolidated Balance Sheet



Sales



Operating profit



What kind of trends can you see in your data?

UPM's sales have shown a general upward trend over the last five years, growing from EUR 8.6 billion in 2020 to over EUR 10.3 billion in 2024. However, profitability peaked in 2021–2022 and then declined, with operating margins falling from around 17% to just 6% by 2024. The company's financial position remains strong, with rising equity and moderate debt levels. Some business units like Biorefining and Raflatac grew steadily, while others like Communication Papers and Other Operations showed more volatility.

What does the vertical analysis, horizontal analysis and ratio analysis tell you about the company?

The vertical analysis shows that UPM had a strong boost in profitability in 2021 and 2022, right after the COVID-19 pandemic. Operating profit and profit before tax were both at 16–17% of sales. However, after the war in Ukraine started in 2022, profits dropped quickly. By 2023 and 2024, operating profit and profit before tax had returned to just 4–6%, showing how external events like the war and inflation affected UPM's profitability.

The horizontal analysis shows that UPM's total assets grew by 49% between 2020 and 2022, but then dropped in 2023 before slightly recovering in 2024. Equity followed a similar path. Liabilities grew faster than equity, especially current liabilities, which almost doubled by 2022. This shows that UPM had to take on more debt to support its growth during uncertain times. Overall, the company stayed financially stable, but risks increased in the last few years.

Does your data show the effect of the COVID-19 pandemic to the company? What about inflation? Does your data show the effect of war between Russia and Ukraine?

Yes. In 2020, UPM's margins fell a little because of COVID lockdowns and lower demand. Then in 2021–2022, as the world opened up, sales and profits jumped, showing a clear post-COVID recovery.

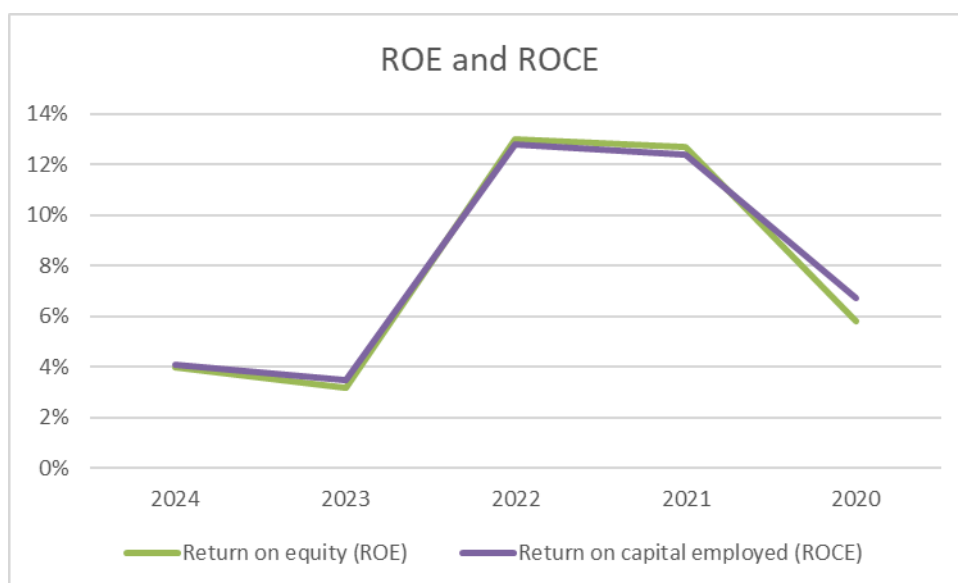
From 2022 on, high inflation made raw materials and energy much more expensive. UPM could not raise prices as fast, so margins dropped back to about 6% by 2023–2024. The Russia-Ukraine war added extra cost spikes and uncertainty, which also hurt profits after the 2022 peak.

Have you noticed any other news regarding UPM lately? Any forecasts about future?

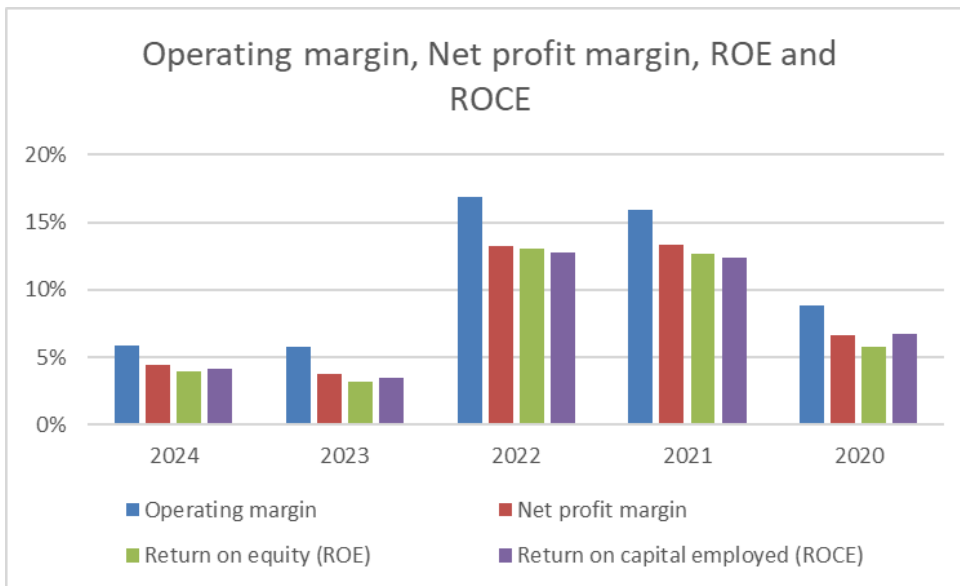
Yes. Recently, UPM won the very first “Supplier of the Year” award at Pentawards 2024 for its sustainable packaging work with Fazer and LUMENE. This shows UPM’s strength in innovation and its focus on eco-friendly materials.

UPM was also the only forest-and-paper company included in the Dow Jones Sustainability Indices for 2024–2025, and issued a new €600 million Green Bond under its Green Finance Framework. Analysts expect UPM to keep growing in renewable fibres and advanced materials, while using more fossil-free energy and expanding its sustainable product lines.

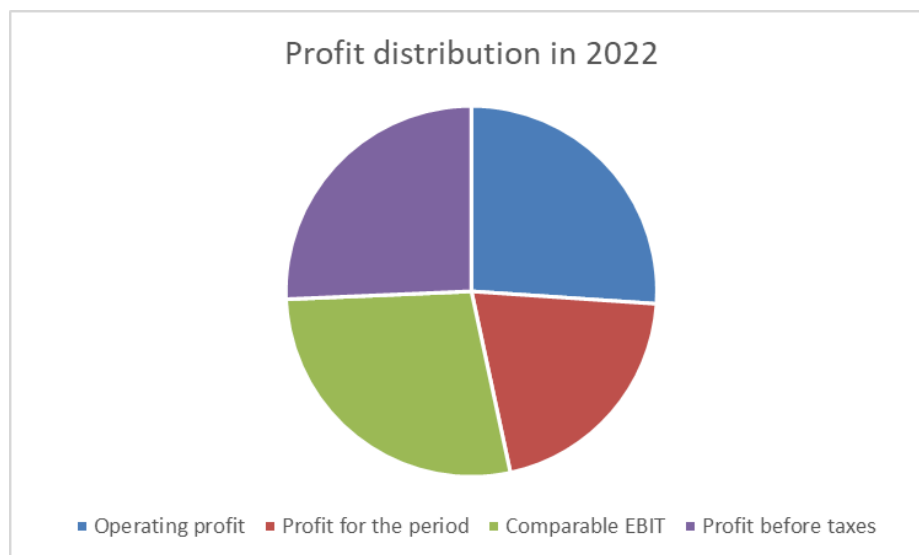
Visual charts:



This line chart shows how UPM’s ROE and ROCE changed from 2020 to 2024. In 2020, both were low (around 6–7%). In 2021 and 2022, they jumped to about 13% when business was strong after COVID. Then in 2023 and 2024, both dropped back to 3–4%. This means UPM did very well for two years, but then profits fell back to normal.



This bar chart shows UPM's profitability ratios from 2020 to 2024, and it fits with the Covid and war story. After Covid in 2021–2022, all ratios peak (operating margin 16–17%, net profit margin 13%, ROE/ROCE around 12–13%) as demand recovered. But after the Russia-Ukraine war and high inflation in 2023–2024, costs rose and margins fell back to 3–6%, closer to pre-Covid levels.



This pie chart shows how UPM's 2022 profit numbers compare. The biggest slice is Comparable EBIT at EUR 2,096 m, followed by Operating profit at EUR 1,974 m. Profit before taxes is close behind at EUR 1,944 m, and Profit for the period is the smallest slice at EUR 1,556 m. This chart makes it easy to see how much each step (from EBIT down to net profit) takes away from the company's earnings.