Fourth Quarter Results

for the period ended September 2024

sappi

“Sappi is a leading global provider of everyday materials made from woodfibre-based renewable resources. As a diversified, innovative and trusted leader focused on sustainable processes and products, we are building a more circular economy by making what we should, not just what we can.”

Our raw material offerings (such as dissolving pulp, wood pulp, biomaterials and timber) and end-use products (packaging papers, speciality papers, graphic papers, casting and release papers and forestry products) are manufactured from woodfibre sourced from sustainably managed forests and plantations, in production facilities powered, in many cases, with bio-energy from steam and existing waste streams.

Together with our partners, Sappi works to build a thriving world by acting boldly to support the planet, people and prosperity.

	Quarter ended			Year ended	
	Sep 2024	Sep 2023	Jun 2024	**Sep 2024**	Sep 2023
Key figures (US$ million)					
Sales	**1,464**	1,381	1,370	**5,458**	5,809
Operating profit (loss) excluding special items[(1)(4)]	**120**	65	85	**407**	432
Special items – loss (gain)[(2)(4)]	**(3)**	80	3	**225**	52
Adjusted EBITDA[(3)]	**226**	168	148	**684**	731
EBITDA excluding special items[(1)(4)]	**195**	168	151	**685**	731
Profit (Loss) for the period	**79**	(40)	51	**33**	259
Basic earnings per share (US cents)	**13**	(7)	9	**6**	46
Adjusted EPS (US cents)[(3)]	**15**	6	9	**41**	52
Net debt[(3)]	**1,422**	1,085	1,340	**1,422**	1,085
Key ratios (%)					
Operating profit (loss) excluding special items to sales[(4)]	**8.2**	4.7	6.2	**7.5**	7.4
Operating profit (loss) excluding special items to capital employed (ROCE)[(3)]	**12.4**	7.2	9.1	**10.8**	12.3
Adjusted EBITDA to sales[(3)]	**15.4**	12.2	10.8	**12.5**	12.6
EBITDA excluding special items to sales[(4)]	**13.3**	12.2	11.0	**12.6**	12.6
Net debt to EBITDA excluding special items[(4)]	**2.1**	1.5	2.0	**2.1**	1.5
Covenant leverage ratio[(3)]	**2.0**	1.4	2.1	**2.0**	1.4
Interest cover[(3)]	**10.9**	11.4	10.3	**10.9**	11.4
Net asset value per share (US cents)[(3)]	**430**	438	405	**430**	438

(1) Refer to note 2 to the group results for the reconciliation of EBITDA excluding special items and operating profit excluding special items to operating profit by segment and profit for the period.
(2) Refer to note 2 to the group results for details on special items.
(3) Refer to supplemental information for the definition of the term.
(4) The definition of special items has been amended from fiscal 2024 to exclude the plantation fair value price adjustment which was previously included as part of special items. The plantation fair value price adjustment is therefore included in the current year's EBITDA excluding special items and operating profit (loss) excluding special items. The prior year comparatives for special items continue to include the plantation fair value price adjustment.

Highlights for the year

Adjusted EBITDA[1]
US$684 million
(FY23: US$731 million)

Profit for the period
US$33 million
(FY23: US$259 million)

Adjusted EPS[2]
41 US cents
(FY23: 52 US cents)

Net debt of
US$1,422 million
(FY23: US$1,085 million)

Dividend
14 US cents
(FY23: 15 US cents)

Highlights for the quarter

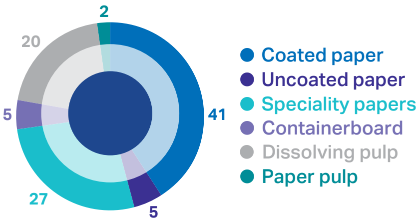
Adjusted EBITDA[1]
US$226 million
(Q4FY23: US$168 million)

Profit for the period
US$79 million
(Q4FY23: loss US$40 million)

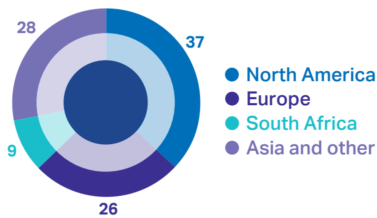
Adjusted EPS[2]
15 US cents
(Q4FY23: 6 US cents)

[(1)] *Adjusted EBITDA is EBITDA excluding special items and plantation fair value price adjustment.*
[(2)] *Adjusted EPS is EPS excluding special items and plantation fair value price adjustment.*

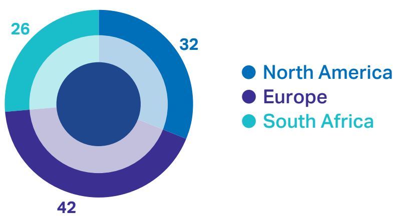
Sales by product* (%)



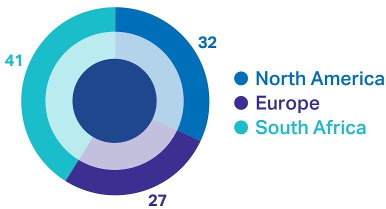
Sales by destination* (%)



Sales by source* (%)



Net operating assets (ex corporate)** (%)



* *For the period ended September 2024.*
** *As at September 2024.*

Year ended September 2024[3]

After a strong last quarter, the group delivered Adjusted EBITDA[1] of US$684 million for FY2024. Against the backdrop of the subdued macroeconomic environment, ongoing low consumer confidence, and persistent geopolitical uncertainty, the performance exceeded our expectations for the year. A key highlight was the pulp segment's strong performance, driving record profitability for the South African region. However, paper markets remained subdued, with the expected recovery in demand after the prolonged destocking phase of 2023 unfolding more slowly than anticipated. Sales volumes steadily improved in the second half of the year but remained 5% below the previous year. Proactive management of capacity utilisation to align with demand, along with inventory optimisation to maintain working capital, positively impacted earnings.

Additionally, significant year-on-year fixed costs savings were achieved through our strategic rationalisation actions. Positive plantation fair value price gains in the first half of the year were offset by a significant reversal in the fourth quarter due to lower hardwood timber market prices in South Africa, which resulted in a net adjustment for the fiscal year of US$1 million.

Demand for dissolving pulp (DP) remained strong throughout the year, with selling prices rallying through the second half. Favourable market conditions were supported by a tight supply landscape following closures at competitors and little additional capacity added in the past two years, and strong demand buoyed by high viscose staple fibre (VSF) operating rates and low inventory levels. The hardwood DP market price[4] recovered sharply and ended the year at US$960 per ton but overall net US dollar selling prices for the pulp segment were slightly down year-on-year. Sales volumes declined 5% compared to the prior year primarily due to scheduled maintenance shuts at Ngodwana and Cloquet Mills in the first quarter, which were not in the prior year, and lower high yield pulp[5] sales. Substantial variable cost savings, mainly attributable to lower wood costs in South Africa, boosted profitability of the segment.

[1] Adjusted EBITDA is EBITDA excluding special items and plantation fair value price adjustment.
[3] "Year-on-year" or "prior/previous/last year" is a comparison between FY2024 versus FY2023.
[4] Market price for imported hardwood dissolving pulp into China issued daily by the CCF Group.
[5] High yield pulp = bleached chemi-thermomechanical pulp (BCTMP).

Demand for packaging and speciality papers products improved steadily through the year as the destocking cycle of 2023 reversed, leading to an overall 8% increase in sales volumes compared to the prior year. Market dynamics varied across the regions, with North America and South Africa experiencing stronger recoveries and returning to full operating rates compared to Europe, where downstream demand remained suppressed due to lingering poor consumer sentiment. Although higher sales volumes and variable cost savings were achieved, these gains were offset by lower selling prices, leading to margin erosion for the segment.

Graphic papers sales volumes were up 2% from the previous year but the pace of recovery slowed as the year progressed, which suggests a likely permanent structural shift in demand. Lower selling prices were partially mitigated by variable cost savings. The closure of the Stockstadt and Lanaken Mills significantly reduced the fixed cost base and enhanced European capacity utilisation, contributing to improved profitability of the segment compared to the prior year.

Special items for the year reduced earnings by US$225 million. These included US$158 million for the restructuring and closure of European assets. Net finance costs for the year were US$67 million, an increase from the US$49 million in the prior year predominantly due to higher debt levels. As a result of these special items and the increase in finance costs, profit for the period of US$33 million was below that of the prior year.

CASH FLOW AND DEBT

Net cash utilised for the period was US$306 million. The cash outflow included a dividend payment of US$84 million and US$234 million for the restructuring and closure of European assets, which included the proceeds from the sale of the Stockstadt Mill site, partially offset by a working capital inflow of US$29 million.

Capital expenditure of US$458 million was slightly below guidance due to timing differences on some projects and the deferment of some non-critical projects and exceeded the previous year's US$382 million. The expenditure is aligned with the **Thrive** strategy to grow the packaging and speciality papers segment and included US$160 million for the conversion and expansion of Somerset PM2.

Net debt at financial year end increased to US$1,422 million (FY2023: US$1,085 million) primarily due to the increased capital expenditure associated with the Somerset PM2 project and the closure of the two European paper mills. In addition, a negative currency translation effect on our Euro-denominated debt being converted at a higher rate, increased net debt by a further US$63 million for the year. At year end, liquidity remained healthy with cash on hand of US$317 million and US$692 million from unutilised committed revolving credit facilities (RCF) in South Africa and Europe.

Fourth quarter September 2024[6]

Operating performance for the fourth quarter was substantially better than last year and the group generated Adjusted EBITDA[1] of US$226 million. A strong performance from the pulp segment and significantly lower wood costs in South Africa were the main drivers of the success. As a result of the lower wood prices, the group incurred a negative plantation fair value price adjustment of US$31 million.

The pulp segment benefited from strong demand, higher selling prices and lower variable costs, which boosted margins to a healthy 30%. The combination of high operating rates for VSF producers, low downstream VSF inventories and rallying textile fibre prices provided positive support for hardwood DP market prices[4] which increased by a further US$18 per ton during the quarter.

Sales volumes for packaging and speciality papers were 16% above the prior year, driven primarily by a recovery in North American paperboard volumes following the destocking cycle in 2023. European markets remained lacklustre with weak consumer sentiment continuing to weigh on demand in the region. The profitability of the segment improved year-on-year as the higher sales volumes offset lower selling prices and higher raw material costs.

Underlying global demand for graphic papers remained suppressed but sales volumes for the fourth quarter benefited from a seasonal boost in North America. The higher sales volumes and substantial fixed cost savings from the European region offset lower selling prices, lifting profitability of the segment compared to the prior year.

Adjusted earnings per share[2] for the quarter was 15 US cents, which was substantially above the 6 US cents in the prior year and indicative of the improved operating environment compared to last year. Special items for the quarter increased earnings by US$3 million due to a Lanaken Mill impairment reversal, partially offset by other non-operational events.

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(1) *Adjusted EBITDA is EBITDA excluding special items and plantation fair value price adjustment.*

(2) *Adjusted EPS is EPS excluding special items and plantation fair value price adjustment.*

(4) *Market price for imported hardwood dissolving pulp into China issued daily by the CCF Group.*

(6) *"Year-on-year" or "prior/previous/last year" is a comparison between Q4 FY2024 versus Q4 FY2023; "Quarter-on-quarter" or "prior/previous/last quarter" is a comparison between Q4 FY2024 and Q3 FY2024.*

Operating review for the quarter

Sales offices **12**

Production facilities **8**

EUROPE

€ million	Quarter ended Sep 2024	Jun 2024	Mar 2024	Dec 2023	Sep 2023
Sales – tons 000's	**488**	492	495	494	469
Sales	**548**	545	540	534	537
Operating profit (loss) excluding special items	**14**	4	10	2	(50)
Operating profit (loss) excluding special items to sales (%)	***2.6***	*0.7*	*1.9*	*0.4*	*(9.3)*
Adjusted EBITDA[(1)]	**36**	25	32	26	2
Adjusted EBITDA to sales (%)[(1)]	***6.6***	*4.6*	*5.9*	*4.9*	*0.4*
RONOA pa (%)	***5.1***	*1.5*	*4.2*	*0.8*	*(18.2)*

[(1)] *Refer to supplemental information for the definition of the term.*

The European region experienced a challenging quarter with weak economic conditions and overcapacity in graphic papers markets creating significant headwinds for the business. However, the closure of the Stockstadt and Lanaken Mills substantially reduced fixed costs and enabled the region to generate Adjusted EBITDA[(1)] of €36 million, which was significantly better than the prior year. The recovery of paper markets was slow and although sales volumes were slightly higher than a year ago, selling prices were under pressure.

The combination of higher sales volumes and higher selling prices boosted profitability of the packaging and speciality papers segment compared to last year. However, market conditions remained subdued with paperboard markets particularly struggling. Sales volumes were 6% above last year but still well below the highs of 2022 as the uncertain macroeconomic environment in the region dampened consumer sentiment.

Graphic papers sales volumes were consistent with recent quarters. The 4% increase in sales volumes compared to last year can be attributed to normalisation of downstream inventories following the destocking cycle of 2023 and underlying demand in the region remains muted. Selling prices came under pressure with coated mechanical papers experiencing a larger decline compared to coated woodfree papers. Capacity utilisation of the graphic papers assets was supported by the transfer of sale volumes from the two mill closures as we retained or improved market share across all coated woodfree categories.

Variable costs for the fourth quarter increased 4% year-on-year driven by increases in purchased pulp and chemicals partially offset by lower wood costs. Fixed costs were 15% below last year due to the strategic restructuring of the business.

[(1)] *Adjusted EBITDA is EBITDA excluding special items and plantation fair value price adjustment.*

Sales offices **6**

Production facilities **4**

NORTH AMERICA

	Quarter ended				
US$ million	**Sep 2024**	**Jun 2024**	**Mar 2024**	**Dec 2023**	**Sep 2023**
Sales – tons 000's	**389**	340	361	320	360
Sales	**482**	429	450	398	431
Operating profit (loss) excluding special items	**47**	11	29	23	37
Operating profit (loss) excluding special items to sales (%)	***9.8***	*2.6*	*6.4*	*5.8*	*8.6*
Adjusted EBITDA[1]	**71**	33	51	46	60
Adjusted EBITDA to sales (%)[1]	***14.7***	*7.7*	*11.3*	*11.6*	*13.9*
RONOA pa (%)	***13.1***	*3.2*	*8.4*	*6.8*	*10.9*

[1] *Refer to supplemental information for the definition of the term.*

The North American region delivered Adjusted EBITDA of US$71 million for the quarter, which was a solid performance within the context of a slower than anticipated recovery in paper markets following the destocking cycle of 2023. Higher paper sales volumes and improved pulp selling prices were partially offset by increased variable costs. The conversion and expansion of Somerset PM2 to paperboard progressed well during the quarter and is on schedule for start-up in April 2025. This strategic investment is integral to the **Thrive** strategy to reduce exposure to declining graphic papers markets and increased capacity in growing packaging markets.

Demand for Verve[7] remained strong, supported by strong seasonal demand in the VSF sector. Sales volumes in the pulp segment were 20% below last year. This was primarily driven by reduced high yield[5] pulp sales due to higher integration into our own packaging paper assets in North America and Europe as packaging market conditions improved. Higher selling prices offset the lower volumes and boosted profitability for the segment compared to last year.

Sales volumes for packaging and speciality papers recovered substantially compared to the previous year and were once again aligned with production. Volumes were 44% above last year but lower selling prices, particularly in the food services category, negatively impacted profitability of the segment.

Demand for graphic papers improved during the quarter, aligning with typical seasonal trends. Sales volumes were 14% above last year but this was largely due to normalisation of downstream stock levels rather than a significant improvement in underlying demand. Lower selling prices and higher costs compared to the previous year reduced margins, but profitability of the segment remained healthy.

Variable costs for the fourth quarter increased by 6% year-on-year driven by higher purchased pulp, partly offset by lower energy, wood and chemicals costs. Fixed costs were 10% above the prior year due to higher personnel and maintenance costs.

[5] *High yield pulp = bleached chemi-thermomechanical pulp (BCTMP).*

[7] *Verve is the brand name for Sappi dissolving pulp.*

Sales offices **3**

Production facilities **5**

SOUTH AFRICA

ZAR million	Quarter ended Sep 2024	Jun 2024	Mar 2024	Dec 2023	Sep 2023
Sales – tons 000's	**707**	678	611	592	740
Sales	**7,273**	7,008	6,418	6,011	7,154
Operating profit (loss) excluding special items[1]	**963**	1,226	1,358	1,124	1,426
Operating profit (loss) excluding special items to sales (%)[1]	***13.2***	*17.5*	*21.2*	*18.7*	*19.9*
Adjusted EBITDA[2]	**2,033**	1,561	1,678	1,030	1,854
Adjusted EBITDA to sales (%)[2]	***28.0***	*22.3*	*26.1*	*17.1*	*25.9*
RONOA pa (%)[1]	***12.0***	*14.9*	*16.4*	*14.0*	*18.6*

(1) The definition of special items has been amended from fiscal 2024 to exclude the plantation fair value price adjustment, which was previously included as part of special items. The plantation fair value price adjustment is therefore included in the current year's EBITDA excluding special items and operating profit (loss) excluding special items. The prior year comparatives for special items continue to include the plantation fair value price adjustment.

(2) Refer to supplemental information for the definition of the term.

The South African region delivered an excellent quarter with Adjusted EBITDA[1] of ZAR2,033 million enabling the region to achieve its third consecutive record annual performance. The success was largely driven by variable cost savings and favourable selling prices for DP. Positive plantation fair value price gains in the first half of the year were offset by a significant ZAR581 million reversal in the fourth quarter due to lower hardwood timber market prices. The net adjustment for the fiscal year was ZAR17 million.

Demand for Verve[8] was robust supported by strong seasonal demand in the VSF sector. Margins for the pulp segment improved substantially with slightly lower year-on-year sales volumes more than offset by variable cost savings and higher selling prices, which were 8% above last year. The Saiccor Mill recovered well after the mill temporarily halted production following an oxygen tanker explosion on site in July 2024. However, the lost production of approximately 15,000 tons contributed to the lower sales volumes for the quarter.

Containerboard demand was stable as the citrus season concluded during the quarter. Sales volumes were 3% higher than the prior year but margins came under pressure due to an increase in sales into export markets. Office paper and tissue markets remained subdued, and a combination of lower sales volumes, higher variable costs and lower selling prices reduced profitability of the graphic papers segment.

Variable costs for the fourth quarter were 2% below the prior year driven by lower wood, energy and chemicals costs, partly offset by higher ocean freight delivery costs. Fixed costs were 9% higher than last year due to higher personnel and insurance costs.

(1) Adjusted EBITDA is EBITDA excluding special items and plantation fair value price adjustment.

(8) Verve is the brand name for Sappi dissolving pulp.

DIRECTORATE

On 06 November 2024, the board approved the following changes to the directorate which will take effect from 01 January 2025.

Mr Mohammed Moosa retires from the board and his positions as Lead Independent Director, chairman of the Social, Ethics and Transformation (SETS) Committee and a member of the Nomination and Governance Committee on 31 December 2024.

Mr Michael (Mike) Fallon is appointed as Lead Independent Director and resigns from his position as chairman of the Human Resources and Compensation committee. Mr Louis von Zeuner is appointed as chairman of the Human Resources and Compensation Committee. Mr Brian Beamish is appointed as chairman of the SETS Committee. Additionally, Ms Eleni Istavridis is appointed to the SETS Committee and Ms Zola Malinga to the Nomination and Governance Committee.

DIVIDENDS

On 06 November 2024, the directors approved a dividend (number 91) of 14 US cents per share which will be paid to shareholders on 13 January 2025. This dividend was declared after year end and was not included as a liability at the end of the 2024 financial year and will be funded from cash reserves.

The 2024 dividend is covered 3 times by Adjusted earnings per share[(2)].

OUTLOOK

Dissolving pulp market dynamics are expected to remain favourable through the first quarter as VSF operating rates remain high and inventory levels through the value chain are at historical lows. The DP supply landscape remains constrained with no new capacity anticipated in the short term. VSF pricing has lifted in recent weeks, providing further support for hardwood DP pricing[(4)] which has maintained its upward momentum and increased a further US$8 to US$968 per ton since the end of the last quarter.

The long-term favourable outlook for our sustainably produced packaging and speciality papers products remains unchanged, and demand from our customers in South Africa and North America is healthy. Sappi is well positioned to benefit from the additional paperboard capacity from the conversion and expansion of Somerset PM2 that will start up in the third quarter. However, challenges persist in the short term in Europe as market recovery is taking longer than expected and we therefore do not expect any meaningful volume recovery in the region in the first quarter of the financial year.

[(2)] *Adjusted EPS is EPS excluding special items and plantation fair value price adjustment.*

[(4)] *Market price for imported hardwood dissolving pulp into China issued daily by the CCF Group.*

Graphic papers markets have experienced a permanent structural decline through FY2024 and are expected to resume the historical 6% to 8% decline through FY2025. Globally there is significant overcapacity. However, we have proactively reduced our capacity in Europe to align with our anticipated market share of demand and will remove further capacity in FY2025 as we ramp up the wet strength label production on Gratkorn PM9. In North America, post the conversion of Somerset PM2, we will continue to meet the needs of our graphic papers customers while fully utilising our assets.

Global pulp markets have diverged over the last few months. In stark contrast to the robust DP market, paper pulp markets have come under significant pressure as large new pulp capacity has been added and downstream paper demand remains suppressed. Lower paper pulp pricing will benefit our paper businesses, particularly in Europe where we purchase approximately 50% of our pulp requirements from the open market. We anticipate that the plantation fair value price adjustment for the first quarter will be negative due to lower wood costs in South Africa.

Challenging global macroeconomic conditions and ongoing geopolitical tensions continue to cause disruptions in our markets. Additionally, supply chain instability and fluctuating input costs have added pressure to both production and pricing strategies, making market dynamics unpredictable. In this environment, we are sharpening our focus on operational excellence by proactively managing capacity utilisation and vigorously pursuing cost saving opportunities.

Aligned with our **Thrive** strategy, our capital allocation remains firmly directed toward expanding in high-growth market segments, strengthening our competitive position and delivering sustained shareholder value as we enhance profitability of the group. Capital expenditure for FY2025 is estimated to be in the region of US$500 million and will include approximately US$157 million for the completion of the Somerset PM2 project. The project is expected to be completed by April 2025 and therefore most of the capex will be incurred in the first half of the financial year. On 25 October 2024 the sale of the Sappi Lanaken Mill site was completed and proceeds of US$44 million were received.

Notwithstanding the ongoing global macroeconomic challenges, we anticipate that the Adjusted EBITDA[1] for the first quarter of FY2025 will be significantly above that of the equivalent quarter of the prior year.

On behalf of the board

SR Binnie
Director

GT Pearce
Director

07 November 2024

[1] *Adjusted EBITDA is EBITDA excluding special items and plantation fair value price adjustment.*

Dividend announcement

The directors have resolved to declare a gross cash dividend (number 91) of 14 US cents per share, payable in ZAR at an exchange rate (US$1 = ZAR) of 17.62526, being 246.75364 cents per share, for the year ended September 2024 out of income, in respect of Sappi ordinary shares in issue on the record date set out below.

The South African dividend tax (DT) rate is 20% and the net dividend payable to shareholders who are not exempt from DT is 197.40291 cents per share. Sappi currently has 599,418,940 ordinary shares in issue. The income tax reference number is 9175203711.

In compliance with the JSE Listings Requirements the salient dates in respect of the dividend are detailed below.

Currency conversion determined on:	06 November 2024
Declaration and finalisation date:	07 November 2024
Last day to trade to qualify for the dividend:	07 January 2025
Shares commence trading ex-dividend:	08 January 2025
Record date:	10 January 2025
Payment date:	13 January 2025

Dividends payable to shareholders on the South African register will be paid in South African Rand and all dividends attributable to holders of American Depository Receipt (ADR) shares on the New York Stock Exchange will be dealt with in accordance with their custody agreements in place with their local custodian.

Certificated shareholders who previously held their shares on the UK register, which has subsequently been discontinued, shall be paid in Pounds Sterling at the ruling exchange rate at the time.

No currency elections are permitted.

All shareholders need to ensure that their current bank mandates with their service providers are up to date. Furthermore, shareholders who have not yet done so, should submit their service providers with their tax numbers and other relevant information for dividend tax purposes. Where shareholders qualify for withholding tax exemptions, they need to ensure that such exemption applications have been lodged with their service providers.

Certificated and own name shareholders can call Computershare in South Africa on 0861 100 950 for assistance in this regard.

Share certificates will not be dematerialised or rematerialised from 07 January 2025 to 10 January 2025, both days inclusive.

Forward-looking statements

Certain statements in this release that are neither reported financial results nor other historical information, are forward-looking statements, including but not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. The words "believe", "anticipate", "expect", "intend", "estimate", "plan", "assume", "positioned", "will", "may", "should", "risk" and other similar expressions, which are predictions of or indicate future events and future trends and which do not relate to historical matters, identify forward-looking statements. In addition, this document includes forward-looking statements relating to our potential exposure to various types of market risks, such as interest rate risk, foreign exchange rate risk and commodity price risk. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are in some cases beyond our control and may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements (and from past results, performance or achievements). Certain factors that may cause such differences include but are not limited to:

- *the highly cyclical nature of the pulp and paper industry (and the factors that contribute to such cyclicality, such as levels of demand, production capacity, production, input costs including raw material, energy and employee costs, and pricing);*
- *the impact on our business of adverse changes in global economic conditions;*
- *unanticipated production disruptions (including as a result of planned or unexpected power outages);*
- *changes in environmental, tax and other laws and regulations;*
- *adverse changes in the markets for our products;*
- *the emergence of new technologies and changes in consumer trends including increased preferences for digital media;*
- *consequences of our leverage, including as a result of adverse changes in credit markets that affect our ability to raise capital when needed;*
- *adverse changes in the political situation and economy in the countries in which we operate or the effect of governmental efforts to address present or future economic or social problems;*
- *the impact of restructurings, investments, acquisitions, dispositions and other strategic initiatives (including related financing), any delays, unexpected costs or other problems experienced in connection with dispositions or with integrating acquisitions or implementing restructurings or other strategic initiatives, and achieving expected savings and synergies;*
- *currency fluctuations.*

We undertake no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or circumstances or otherwise.

Condensed group income statement

		Quarter ended		Reviewed Year ended	
US$ million	Note	Sep 2024	Sep 2023	Sep 2024	Sep 2023
Sales		**1,464**	1,381	**5,458**	5,809
Cost of sales		**1,251**	1,132	**4,682**	4,902
Gross profit		**213**	249	**776**	907
Selling, general and administrative expenses		**111**	104	**403**	365
Other operating (income) expenses		**(21)**	157	**191**	159
Share of (profit) loss from equity-accounted investees		**–**	3	**–**	3
Operating profit (loss)	3	**123**	(15)	**182**	380
Net finance costs		**17**	17	**67**	49
Finance costs		**25**	28	**104**	107
Finance income		**(6)**	(9)	**(28)**	(48)
Net foreign exchange gain		**(2)**	(2)	**(9)**	(10)
Profit (Loss) before taxation		**106**	(32)	**115**	331
Taxation		**27**	8	**82**	72
Profit (Loss) for the period		**79**	(40)	**33**	259
Basic earnings per share (US cents)	4	**13**	(7)	**6**	46
Weighted average number of shares in issue (millions)		**599.4**	558.8	**582.4**	563.6
Diluted earnings per share (US cents)	4	**13**	(7)	**6**	44
Weighted average number of shares on fully diluted basis (millions)		**605.2**	599.5	**588.2**	604.6

Condensed group statement of other comprehensive income

US$ million	Quarter ended Sep 2024	Quarter ended Sep 2023	Reviewed Year ended Sep 2024	Reviewed Year ended Sep 2023
Profit (Loss) for the period	**79**	(40)	**33**	259
Other comprehensive income, net of tax				
Items that will not be reclassified subsequently to profit or loss	**(1)**	(3)	**(1)**	(5)
Actuarial gains (losses) on post-employment benefit funds	**1**	(1)	**1**	(4)
Tax effect	**(2)**	(2)	**(2)**	(1)
Items that may be reclassified subsequently to profit or loss	**69**	(2)	**120**	(69)
Exchange differences on translation of foreign operations	**56**	2	**103**	(95)
Movements in hedging reserves	**14**	(3)	**19**	30
Tax effect	**(1)**	(1)	**(2)**	(4)
Total comprehensive income for the period	**147**	(45)	**152**	185

Condensed group balance sheet

US$ million	Note	Reviewed Sep 2024	Sep 2023
ASSETS			
Non-current assets		**4,208**	3,742
Property, plant and equipment		**3,241**	2,886
Right-of-use assets		**79**	69
Plantations		**562**	488
Deferred tax assets		**76**	75
Goodwill and intangible assets		**95**	88
Equity-accounted investees		**11**	9
Other non-current assets	8	**144**	127
Current assets		**1,998**	2,054
Inventories	8	**836**	777
Trade and other receivables	8	**771**	658
Derivative financial assets		**18**	14
Taxation receivable		**6**	4
Cash and cash equivalents		**317**	601
Assets held for sale	9	**50**	–
Total assets		**6,206**	5,796
EQUITY AND LIABILITIES			
Shareholders' equity			
Ordinary shareholders' interest		**2,578**	2,445
Non-current liabilities		**2,299**	2,035
Interest-bearing borrowings		**1,537**	1,329
Lease liabilities		**74**	61
Deferred tax liabilities		**433**	394
Defined benefit and other liabilities		**255**	251
Current liabilities		**1,329**	1,316
Interest-bearing borrowings		**107**	266
Lease liabilities		**21**	30
Trade and other payables	8	**1,110**	908
Provisions	8	**8**	80
Derivative financial liabilities		**17**	3
Taxation payable		**66**	29
Total equity and liabilities		**6,206**	5,796
Number of shares in issue at balance sheet date (millions)		**599.4**	558.8

Condensed group statement of cash flows

	Quarter ended		Reviewed Year ended	
US$ million	Sep 2024	Sep 2023	Sep 2024	Sep 2023
Profit (Loss) for the period	**79**	(40)	**33**	259
Adjustment for:				
Depreciation, fellings and amortisation	**94**	123	**351**	368
Taxation	**27**	8	**82**	72
Net finance costs	**17**	17	**67**	49
Defined post-employment benefits paid	**(5)**	(9)	**(24)**	(32)
Plantation fair value adjustments	**2**	(105)	**(108)**	(197)
Asset impairments	**(26)**	233	**(24)**	233
Reversal of loss of held-for-sale assets	**–**	(181)	**–**	(181)
(Profit) Loss on disposal of held-for-sale assets	**–**	–	**(10)**	1
Net restructuring charge	**(8)**	77	**134**	77
(Profit) Loss on disposal and written-off assets	**2**	(3)	**3**	(3)
Other non-cash items[1]	**(3)**	6	**46**	13
Cash generated from operations	**179**	126	**550**	659
Movement in working capital	**73**	164	**29**	178
Closure and restructuring costs paid	**(43)**	–	**(280)**	–
Finance costs paid	**(16)**	(23)	**(69)**	(121)
Finance income received	**6**	8	**28**	30
Taxation (paid) refund	**(20)**	(28)	**(50)**	(56)
Dividend paid	**–**	–	**(84)**	(85)

[1] *Other non-cash items for the year ended September 2024 include accruals for closure costs at Lanaken of US$30 million (€28 million), non-cash movements in the defined benefit liabilities and plan assets of US$13 million (2023: US$20 million) and share-based charges of US$6 million (2023: US$6 million).*

Condensed group statement of cash flows continued

US$ million	Quarter ended Sep 2024	Quarter ended Sep 2023	Reviewed Year ended Sep 2024	Reviewed Year ended Sep 2023
Cash (utilised by) generated from operating activities	**179**	247	**124**	605
Cash utilised in investing activities	**(214)**	(171)	**(430)**	(395)
Capital expenditure	**(210)**	(179)	**(458)**	(382)
Proceeds on disposal of assets	**–**	5	**5**	6
Proceeds on held-for-sale assets	**–**	–	**46**	10
Movements to non-current and intangible asset	**(4)**	3	**(23)**	(29)
Net cash (utilised) generated	**(35)**	76	**(306)**	210
Cash effects of financing activities	**(29)**	31	**4**	(416)
Proceeds from interest-bearing borrowings	**2**	41	**297**	41
Repayment of interest-bearing borrowings	**(25)**	(4)	**(269)**	(412)
Share repurchases	**–**	–	**–**	(22)
Capital lease repayments	**(6)**	(6)	**(24)**	(23)
Net movement in cash and cash equivalents	**(64)**	107	**(302)**	(206)
Cash and cash equivalents at beginning of period	**365**	504	**601**	780
Translation effects	**16**	(10)	**18**	27
Cash and cash equivalents at end of period	**317**	601	**317**	601

Condensed group statement of changes in equity

US$ million	Reviewed Year ended Sep 2024	Sep 2023
Balance – beginning of period	**2,445**	2,358
Profit (Loss) for the period	**33**	259
Other comprehensive income for the period	**119**	(74)
Issue of shares	**59**	3
Dividend – 15 US cents	**(84)**	(85)
Share repurchases	**–**	(22)
Share-based payment reserve	**6**	6
Balance – end of period	**2,578**	2,445
Comprising		
Ordinary share capital and premium	**815**	679
Non-distributable reserves	**124**	111
Foreign currency translation reserves	**(217)**	(239)
Hedging reserves	**(41)**	(55)
Retained earnings	**1,897**	1,949
Total equity	**2,578**	2,445

Notes to the condensed group results

1. Basis of preparation

The condensed group financial statements for the year ended September 2024 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS® Accounting Standards and the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (collectively "JSE Listings Requirements"), IAS 34 *Interim Financial Reporting* and the South African Companies Act. The accounting policies applied in the preparation of the condensed group financial statements are in terms of IFRS and are consistent with those applied in the previous annual financial statements.

The preparation of these condensed group financial statements was supervised by the Chief Financial Officer, GT Pearce, CA(SA) and were authorised for issue on 7 November 2024.

The condensed group financial statements for the year ended September 2024 which includes the condensed group balance sheet, condensed group income statement, condensed group statements of other comprehensive income, changes in equity and cash flows and notes to the condensed group financial statements have been reviewed by KPMG Inc., who expressed an unmodified review conclusion. The auditors report should therefore be read in conjunction with these condensed group financial statements. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

2. Segment information

	Quarter ended		Year ended	
Metric tons (000's)	Sep 2024	Sep 2023	Sep 2024	Sep 2023
Sales volume				
North America	**389**	360	**1,410**	1,373
Europe	**488**	469	**1,969**	1,909
South Africa – Pulp and paper	**423**	431	**1,577**	1,610
Forestry	**284**	309	**1,011**	1,390
Total	**1,584**	1,569	**5,967**	6,282
Which consists of:				
Pulp	**374**	414	**1,445**	1,517
Packaging and speciality papers	**375**	324	**1,348**	1,251
Graphic papers	**551**	522	**2,163**	2,124
Forestry	**284**	309	**1,011**	1,390

2. Segment information continued

US$ million	Quarter ended Sep 2024	Quarter ended Sep 2023	Reviewed Year ended Sep 2024	Reviewed Year ended Sep 2023
Sales				
North America	**482**	431	**1,759**	1,810
Europe	**602**	587	**2,350**	2,622
South Africa – Pulp and paper	**384**	366	**1,376**	1,413
Forestry	**19**	18	**65**	80
Delivery costs revenue adjustment[1]	**(22)**	(21)	**(92)**	(116)
Total	**1,465**	1,381	**5,458**	5,809
Which consists of:				
Pulp	**336**	324	**1,225**	1,296
Packaging and speciality papers	**473**	423	**1,714**	1,755
Graphic papers	**659**	637	**2,546**	2,794
Forestry	**19**	18	**65**	80
Delivery costs revenue adjustment[1]	**(22)**	(21)	**(92)**	(116)
Operating profit (loss) excluding special items[3]				
North America	**47**	37	**110**	175
Europe	**16**	(52)	**33**	8
South Africa	**54**	77	**252**	244
Unallocated and eliminations[2]	**3**	3	**12**	5
Total	**120**	65	**407**	432
Which consists of:				
Pulp	**40**	43	**171**	162
Packaging and speciality papers	**31**	14	**66**	119
Graphic papers	**46**	4	**158**	145
Unallocated and eliminations[2]	**3**	4	**12**	6

(1) *Relates to delivery costs netted off against revenue.*
(2) *Includes the group's treasury operations and insurance captive.*
(3) *The definition of special items has been amended from fiscal 2024 to exclude the plantation fair value price adjustment which was previously included as part of special items. The plantation fair value price adjustment is therefore included in the current year's EBITDA excluding special items and operating profit (loss) excluding special items. The prior year comparatives for special items continue to include the plantation fair value price adjustment.*

2. Segment information continued

US$ million	Quarter ended Sep 2024	Quarter ended Sep 2023	Reviewed Year ended Sep 2024	Reviewed Year ended Sep 2023
Special items – (gains) losses[3]				
North America	1	26	12	34
Europe	(39)	111	158	113
South Africa	10	(80)	20	(119)
Unallocated and eliminations[2]	25	23	35	24
Total	(3)	80	225	52
Operating profit (loss) by segment				
North America	46	11	98	141
Europe	55	(163)	(125)	(105)
South Africa	44	157	232	363
Unallocated and eliminations[2]	(22)	(20)	(23)	(19)
Total	123	(15)	182	380
Adjusted EBITDA				
North America	71	60	201	267
Europe	39	3	129	124
South Africa	112	100	340	332
Unallocated and eliminations[2]	4	5	14	8
Total	226	168	684	731
Which consists of:				
Pulp	102	64	284	238
Packaging and speciality papers	50	37	127	214
Graphic papers	70	62	259	271
Unallocated and eliminations[2]	4	5	14	8

(2) *Includes the group's treasury operations and insurance captive.*
(3) *The definition of special items has been amended from fiscal 2024 to exclude the plantation fair value price adjustment which was previously included as part of special items. The plantation fair value price adjustment is therefore included in the current year's EBITDA excluding special items and operating profit (loss) excluding special items. The prior year comparatives for special items continue to include the plantation fair value price adjustment.*

2. Segment information continued

Reconciliation of Adjusted EBITDA to profit for the period and operating profit excluding special items to operating profit.

		Quarter ended		Reviewed Year ended	
US$ million	Note	Sep 2024	Sep 2023	Sep 2024	Sep 2023
Adjusted EBITDA		**226**	168	**684**	731
Plantation fair value price adjustment[3]		**(31)**	–	**1**	–
EBITDA excluding special items[3]		**195**	168	**685**	731
Depreciation and amortisation		**(75)**	(103)	**(278)**	(299)
Operating profit excluding special items[3]		**120**	65	**407**	432
Special items – gains (losses)		**3**	(80)	**(225)**	(52)
Plantation fair value price adjustment[3]		**–**	85	**–**	123
Net restructuring charge	8	**8**	(77)	**(134)**	(77)
Profit (Loss) on disposal and written-off assets		**(2)**	3	**(3)**	3
Asset (impairments) impairment reversal		**26**	(233)	**24**	(233)
Reversal of loss of held-for-sale assets		**–**	181	**–**	181
Profit (Loss) on disposal of held-for-sale assets		**–**	–	**10**	(1)
Insurance		**3**	(2)	**5**	7
Fire, flood, storm and other events[4]	8	**(32)**	(37)	**(127)**	(55)
Operating profit (loss)		**123**	(15)	**182**	380
Net finance costs		**(17)**	(17)	**(67)**	(49)
Profit (Loss) before taxation		**106**	(32)	**115**	331
Taxation		**(27)**	(8)	**(82)**	(72)
Profit (Loss) for the period		**79**	(40)	**33**	259

[3] *The definition of special items has been amended from fiscal 2024 to exclude the plantation fair value price adjustment which was previously included as part of special items. The plantation fair value price adjustment is therefore included in the current year's EBITDA excluding special items and operating profit (loss) excluding special items. The prior year comparatives for special items continue to include the plantation fair value price adjustment.*

[4] *Included in fire, flood, storm and other events are the closure costs of US$54 million related to our Stockstadt and Lanaken Mills. In addition it includes other non-recurring costs such as the fire and snow damaged timber written off of US$20 million and a truck explosion at our Saiccor Mill of US$7 million.*

2. Segment information continued

US$ million	Reviewed Year ended Sep 2024	Reviewed Year ended Sep 2023
Net operating assets		
North America	**1,494**	1,344
Europe	**1,263**	1,093
South Africa	**1,867**	1,639
Unallocated and eliminations[(2)]	**(12)**	24
Total	**4,612**	4,100
Reconciliation of net operating assets to total assets		
Segment assets	**4,612**	4,100
Deferred tax assets	**76**	75
Cash and cash equivalents	**317**	601
Trade and other payables	**1,110**	908
Provisions	**8**	80
Derivative financial instruments	**17**	3
Taxation payable	**66**	29
Total assets	**6,206**	5,796

[(2)] *Includes the group's treasury operations and insurance captive.*

3. Operating profit (loss)

US$ million	Note	Quarter ended Sep 2024	Quarter ended Sep 2023	Reviewed Year ended Sep 2024	Reviewed Year ended Sep 2023
Included in operating profit are the following items:					
Depreciation and amortisation		**75**	103	**278**	299
Fair value adjustment on plantations (included in cost of sales)					
Fellings		**19**	20	**73**	69
Growth		**(29)**	(20)	**(107)**	(74)
Price		**31**	(85)	**(1)**	(123)
		21	(85)	**(35)**	(128)
Net restructuring charge	8	**(8)**	77	**134**	77
(Profit) Loss on disposal and written-off assets		**2**	(3)	**3**	(3)
Asset impairments (impairment reversal)[1]		**(26)**	233	**(24)**	233
Reversal of loss of held-for-sale assets		**–**	(181)	**–**	(181)
(Profit) Loss on disposal of held-for-sale assets[2]		**–**	–	**(10)**	1
Insurance		**(3)**	2	**(5)**	(7)

[1] *The main items include the impairment reversal related to the Lanaken Mill of US$30 million and the impairment of assets at Westbrook Mill of US$5 million.*
[2] *Relates to the sale of the Stockstadt Mill's land.*

4. Earnings per share

US$ million	Quarter ended Sep 2024	Quarter ended Sep 2023	Reviewed Year ended Sep 2024	Reviewed Year ended Sep 2023
Basic earnings per share (US cents)	**13**	(7)	**6**	46
Headline earnings per share (US cents)	**9**	(3)	**1**	50
Adjusted EPS (US cents)	**15**	6	**41**	52
Weighted average number of shares in issue (millions)	**599.4**	558.8	**582.4**	563.6
Diluted earnings per share (US cents)	**13**	(7)	**6**	44
Diluted headline earnings per share (US cents)	**9**	(3)	**1**	47
Weighted average number of shares on fully diluted basis (millions)	**605.2**	599.5	**588.2**	604.6
Calculation of headline earnings				
Profit (Loss) for the period	**79**	(40)	**33**	259
(Profit) Loss on disposal and write-off of property, plant and equipment	**2**	(3)	**3**	(3)
Asset impairments (impairment reversal)	**(26)**	233	**(24)**	233
Reversal of loss of held-for-sale assets	**–**	(181)	**–**	(181)
(Profit) Loss on disposal of held-for-sale assets	**–**	–	**(10)**	1
Tax effect of above items	**(1)**	(26)	**3**	(27)
Headline earnings	**54**	(17)	**5**	282
Calculation of adjusted earnings per share				
Profit (Loss) for the period	**79**	(40)	**33**	259
Special items and plantation fair value price adjustment after tax	**6**	51	**206**	29
Gross amount	**28**	80	**224**	52
Tax effect	**(22)**	(29)	**(18)**	(23)
Finance costs	**–**	–	**–**	(15)
Tax special items	**5**	22	**(1)**	22
Adjusted earnings per share	**90**	33	**238**	295

5. Financial instruments

The group's financial instruments that are measured at fair value on a recurring basis consist of derivative financial instruments and investment funds. These have been categorised in terms of the fair value measurement hierarchy as established by IFRS 13 *Fair Value Measurement* per the table below.

			Fair value[(1)]	
		Fair value	Reviewed	
US$ million	Classification	hierarchy	Sep 2024	Sep 2023
Investment funds[(2)]	FV through OCI	Level 1	**5**	4
Derivative financial assets	FV through PL	Level 2	**18**	14
Derivative financial liabilities	FV through PL	Level 2	**17**	3

[(1)] *The fair value of the financial instruments are equal to their carrying value.*
[(2)] *Included in other non-current assets.*

There have been no transfers of financial assets or financial liabilities between the categories of the fair value hierarchy.

The fair value of all external over-the-counter derivatives is calculated based on the discount rate adjustment technique. The discount rate used is derived from observable rates of return for comparable assets or liabilities traded in the market. The credit risk of the external counterparty is incorporated into the calculation of fair values of financial assets and own credit risk is incorporated in the measurement of financial liabilities. The change in fair value is therefore impacted by the following inputs, the movement of the interest rate curves, by the volatility of the applied credit spreads, and by any changes to the credit profile of the involved parties.

There are no financial assets and liabilities that have been remeasured to fair value on a non-recurring basis.

The carrying amounts of other financial instruments which include cash and cash equivalents, trade and other receivables, certain investments, trade and other payables and current interest-bearing borrowings approximate their fair values.

6. Capital commitments

US$ million	Reviewed Sep 2024	Sep 2023
Contracted	**254**	269
Approved but not contracted	**182**	320
	436	589

7. Interest-bearing borrowings, lease liabilities and cash and cash equivalents

Non-current and current interest-bearing borrowings	**1,644**	1,595
Non-current and current lease liabilities	**95**	91
Less: Cash and cash equivalents	**(317)**	(601)
Net debt	**1,422**	1,085
As at September 2024 the group was in compliance with its debt covenants:		
Covenant leverage ratio	**2.0**	1.4
Interest cover	**10.9**	11.4

8. Material balance sheet movements

Since the 2023 financial year-end, the Euro and the ZAR have strengthened by approximately 5.6% and 9.6% respectively against the US Dollar, the group's presentation currency. This has resulted in an increase of the group's European and South African assets and liabilities, which are held in the aforementioned functional currency, on translation to the presentation currency at period end.

Ordinary shareholders' interest

In March, the group issued 39.5 million ordinary shares amounting to US$59 million to settle the residual ZAR1.2 billion 5.25% convertible bonds issued by Sappi's wholly owned subsidiary, Sappi Southern Africa Limited, on 25 November 2020.

Other non-current assets

All remaining members on the South African defined benefit fund were transferred to the provident fund on 28 February 2024. This resulted in a settlement loss of US$2 million (ZAR37 million).

8. Material balance sheet movements continued

Provisions

Restructuring costs of US$134 million were raised during the year predominantly relating to the closure of our Stockstadt and Lanaken Mills within our European segment. An amount of US$209 million was paid during the year.

Inventories, trade and other receivables and trade and other payables

The increase in inventories, trade and other receivables and trade and other payables is largely attributable to seasonal working capital movements. Closure costs of US$54 million (€50 million) related to Stockstadt and Lanaken Mills were raised during the year which are included in "fire, flood, storm and other events" disclosed in note 2. An amount of US$71 million was paid during the year.

9. Assets held for sale

The assets held for sale relate to items of property, plant and equipment from the closure of our Lanaken Mill in our European segment. An impairment reversal of US$30 million (€28 million) was recognised in valuing the assets at their fair value less costs to sell. Assets to the value of US$44 million (€40 million) were sold post-year-end.

10. Related parties

There has been no material change, by nature or amount, in transactions with related parties since the 2023 financial year-end.

11. Events after balance sheet date

On 25 October 2024, the group sold two of its wholly owned subsidiaries namely Sappi Lanaken NV and Sappi Lanaken Press Paper to the UTB group for US$44 million (€40 million).

The directors have resolved to declare a gross cash dividend (number 91) out of income earned for the financial year ended September 2024 of 14 US cents per ordinary share in issue on the record date being 10 January 2025. The dividend is payable in ZAR at an exchange rate (US$1 = ZAR) of 17.62526, being 246.75364 cents per share.

12. Accounting standards, interpretations and amendments to existing standards that are not yet effective

There has been no significant change to management's estimates in respect of new accounting standards, amendments and interpretations to existing standards that have been published which are not yet effective and which have not yet been adopted by the group.

Supplemental information

(this information has not been audited or reviewed)

General definitions

Adjusted EBITDA – EBITDA excluding special items and the plantation fair value price adjustment

Average – averages are calculated as the sum of the opening and closing balances for the relevant period divided by two

Capital employed – shareholders' equity plus net debt

Covenant leverage ratio – net debt divided by last 12 months' EBITDA excluding special items as defined by our bank covenants

EBITDA excluding special items – earnings before interest (net finance costs), taxation, depreciation, amortisation and special items

Adjusted EPS – earnings per share excluding special items and the plantation fair value price adjustment and special finance and tax items

Fellings – the amount charged against the income statement representing the standing value of the plantations harvested

Headline earnings – as defined in circular 1/2023, as issued by the South African Institute of Chartered Accountants, separates from earnings all separately identifiable remeasurements. It is not necessarily a measure of sustainable earnings. It is a Listings Requirement of the JSE Limited to disclose headline earnings per share

Interest cover – last 12 months' EBITDA excluding special items to net interest adjusted for refinancing costs

NBSK – Northern Bleached Softwood Kraft pulp. One of the main varieties of market pulp, produced from coniferous trees (ie spruce, pine) in Scandinavia, Canada and northern USA. The price of NBSK is a benchmark widely used in the pulp and paper industry for comparative purposes

Net assets – total assets less total liabilities

Net asset value per share – net assets divided by the number of shares in issue at balance sheet date

Net debt – current and non-current interest-bearing borrowings and lease liabilities, bank overdrafts less cash and cash equivalents

Supplemental information continued

(this information has not been audited or reviewed)

Net debt to EBITDA excluding special items – net debt divided by the last 12 months' EBITDA excluding special items

Net operating assets – total assets (excluding deferred tax assets and cash) less current liabilities (excluding interest-bearing borrowings, lease liabilities and overdraft)

Operating profit – profit from business operations before deduction of net finance costs and taxes

Non-GAAP measures – the group believes that it is useful to report certain non-GAAP measures for the following reasons:

- these measures are used by the group for internal performance analysis
- the presentation by the group's reported business segments of these measures facilitates comparability with other companies in our industry, although the group's measures may not be comparable with similarly titled profit measurements reported by other companies
- it is useful in connection with the discussion with the investment analyst community and debt rating agencies

These non-GAAP measures should not be considered in isolation or construed as a substitute for GAAP measures in accordance with IFRS

ROCE – annualised return on average capital employed. Operating profit excluding special items divided by average capital employed

RONOA – return on average net operating assets. Operating profit excluding special items divided by average net operating assets

Special items – special items cover those items which management believe are material by nature or amount to the operating results and require separate disclosure. Such items would generally include profit or loss on disposal of property, investments and businesses, asset impairments, restructuring charges, non-recurring integration costs related to acquisitions, financial impacts of natural disasters and settlement gains or losses on defined benefit obligations

The above financial measures are presented to assist our shareholders and the investment community in interpreting our financial results. These financial measures are regularly used and compared between companies in our industry

Summary Rand convenience translation

	Quarter ended		Year ended	
	Sep 2024	**Sep 2023**	**Sep 2024**	**Sep 2023**
Key figures (ZAR million)				
Sales	**26,317**	25,740	**101,168**	105,602
Operating profit excluding special items[1]	**2,157**	1,212	**7,544**	7,853
Special items – (gains) losses[1]	**(54)**	1,491	**4,171**	945
EBITDA excluding special items[1]	**3,505**	3,131	**12,697**	13,289
Profit for the period	**1,420**	(746)	**612**	4,708
Basic earnings per share (SA cents)	**237**	(134)	**105**	835
Net debt[1]	**24,339**	20,539	**24,339**	20,539
Key ratios (%)				
Operating profit excluding special items to sales	**8.2**	4.7	**7.5**	7.4
Operating profit excluding special items to capital employed (ROCE)[1]	**12.6**	7.1	**11.2**	12.0
EBITDA excluding special items to sales	**13.3**	12.2	**12.6**	12.6

[1] *Refer to supplemental information for the definition of the term.*

The above financial results have been translated into Rand from US Dollar as follows:
- *assets and liabilities at rates of exchange ruling at period-end; and*
- *income, expenditure and cash flow items at average exchange rates.*

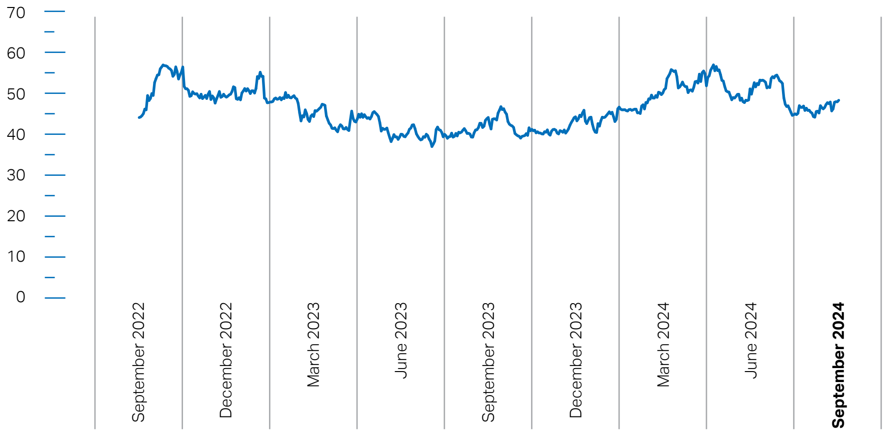
Supplemental information continued

(this information has not been audited or reviewed)

Exchange rates

	Sep 2024	Jun 2024	Mar 2024	Dec 2023	Sep 2023
Exchange rates:					
Period-end rate: US$1 = ZAR	**17.1162**	18.1925	18.8688	18.2969	18.9299
Average rate for the quarter: US$1 = ZAR	**17.9763**	18.5706	18.8776	18.7269	18.6387
Average rate for the year to date: US$1 = ZAR	**18.5357**	18.7254	18.8027	18.7269	18.1791
Period-end rate: €1 = US$	**1.1164**	1.0715	1.0795	1.1037	1.0572
Average rate for the quarter: €1 = US$	**1.0986**	1.0765	1.0860	1.0763	1.0881
Average rate for the year to date: €1 = US$	**1.0843**	1.0796	1.0811	1.0763	1.0679

Sappi share price – September 2022 to September 2024



sappi

Sappi has a primary listing on the JSE Limited and a Level 1 ADR programme that trades in the over-the-counter market in the United States

Our purpose

Sappi exists to build a thriving world by unlocking the power of renewable resources to benefit people, communities and the planet.

Registration number: 1936/008963/06
JSE code: SAP
ISIN code: ZAE000006284
Issuer code: SAVVI

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This report is available on the Sappi website: www.sappi.com

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