

Third Quarter Results

for the period ended June 2025



sappi

“Sappi uses renewable resources to make woodfibre-based products. We are a diversified, innovative and trusted leader focused on sustainable processes and products.”

Our packaging papers, graphic papers, pulp and biomaterials are manufactured from woodfibre sourced from sustainably managed forests, in production facilities which, in many cases use internally generated bio-energy. Many of our operations are self-sufficient.

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

	Quarter ended			Nine months ended	
	Jun 2025	Jun 2024	Mar 2025	Jun 2025	Jun 2024
Key figures (US\$ million)					
Revenue	1,321	1,370	1,347	4,031	3,994
Operating profit (loss) excluding special items ⁽¹⁾	(5)	85	19	146	287
Special items – loss (gain) ⁽²⁾	2	3	17	30	228
Adjusted EBITDA ^{(3) (4)}	80	148	107	390	458
EBITDA excluding special items ⁽¹⁾	71	151	90	363	490
Profit (Loss) for the period	(33)	51	(20)	17	(46)
Basic earnings (loss) per share (US cents)	(5)	9	(3)	3	(8)
Adjusted EPS (loss) (US cents) ^{(3) (4)}	(4)	9	1	11	26
Net debt ⁽³⁾	1,947	1,340	1,670	1,947	1,340
Key ratios (%)					
Operating profit (loss) excluding special items to revenue	(0.4)	6.2	1.4	3.6	7.2
Operating profit (loss) excluding special items to capital employed (ROCE)	(0.5)	9.1	1.9	4.6	10.5
Adjusted EBITDA to revenue ⁽³⁾	6.1	10.8	7.9	9.7	11.5
EBITDA excluding special items to revenue	5.4	11.0	6.7	9.0	12.3
Net debt to EBITDA excluding special items	3.5	2.0	2.6	3.5	2.0
Covenant leverage ratio ⁽³⁾	2.9	2.1	2.4	2.9	2.1
Interest cover ⁽³⁾	7.6	10.3	9.4	7.6	10.3
Net asset value per share (US cents) ⁽³⁾	406	405	407	406	405

⁽¹⁾ Refer to note 2 to the group results for the reconciliation of Adjusted EBITDA, 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 Adjusted EBITDA definition was introduced in September 2024 and comparatives have been included for June 2024.

Highlights for the quarter

Adjusted EBITDA⁽¹⁾ excluding special items
US\$80 million (Q3 FY2024: US\$148 million)

Loss for the period
US\$33 million (Q3 FY2024: profit US\$51 million)

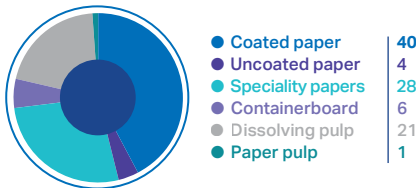
Adjusted EPS⁽²⁾ excluding special items
4 US cents loss (Q3 FY2024: 9 US cents profit)

Net debt of
US\$1,947 million (Q3 FY2024: US\$1,340 million)

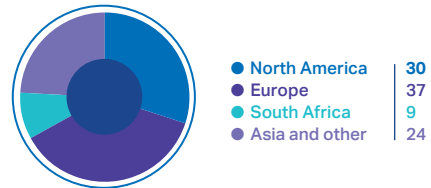
⁽¹⁾ Adjusted EBITDA is EBITDA excluding special items and plantation fair value price adjustment.

⁽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 June 2025.

** As at June 2025.

Commentary on the quarter⁽³⁾

The group faced a particularly challenging quarter, marked by ongoing global economic weakness and heightened uncertainty stemming from persistent trade and tariff tensions. These macroeconomic pressures weighed heavily on selling prices across many of our product categories, with dissolving wood pulp (DWP) in particular experiencing significant downward pricing pressure. Operationally, the Somerset Mill PM2 conversion and expansion project was completed in early May 2025 and impacted EBITDA for the quarter by approximately US\$22 million due to the extended shut on the machine prior to this date. Subsequently, start-up volumes were at low levels, in line with the planned ramp-up projections, further impacting quarterly sales volumes. As a consequence of these negative factors, the group delivered Adjusted EBITDA of US\$80 million. The forestry fair value price adjustment for the quarter was a loss of US\$9 million.

DWP markets faced challenging conditions during the quarter. While demand is typically seasonally weaker during the third quarter, sentiment across the textile value chain was further dampened by uncertainty surrounding potential US tariff threats. In addition, China's deflationary environment and low paper pulp prices encouraged swing mill producers to increase DWP production. This contributed to a supply-demand imbalance and a short-term oversupply of DWP in the market. Consequently, the Chinese hardwood DWP market price⁽⁴⁾, fell US\$100/ton to end the quarter at US\$800/ton.

Despite the headwinds, demand for Sappi's DWP remained stable. Sales volumes for the pulp segment were 4% below the prior year due primarily to reduced external sales of high yield pulp from the Matane Mill as we increased internal integration into our North American packaging papers business. Additionally, a scheduled maintenance shutdown at the Cloquet Mill, absent in the prior year, contributed to higher costs.

Demand across global packaging and speciality papers markets remained muted, weighed down by lingering economic challenges and cautious consumer

⁽³⁾ "year-on-year" or "prior/previous year" is a comparison between Q3 FY2025 versus Q3 FY2024; "Quarter-on-quarter" or "prior/previous quarter" is a comparison between Q3 FY2025 and Q2 FY2025.

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

behaviour. Competitive pressures in Europe intensified, largely due to oversupply across all product categories. In South Africa, while local containerboard demand strengthened with the onset of the citrus season, sales were constrained by low inventory levels following extended downtime at the Ngodwana Mill in the previous quarter. While segmental sales volumes and pricing were stable year-on-year, profitability was negatively impacted by substantially higher costs, primarily associated with the start-up of Somerset Mill PM2. Selling prices in North America were negatively impacted by softer market conditions and a shift in product mix ahead of the Somerset Mill ramp-up. As a result, the segment's profitability was significantly lower than the equivalent period last year.

The graphic papers segment continues to navigate long-term structural decline, with global oversupply amplifying pricing and competitive pressures. Ongoing uncertainty around potential US tariffs added to the challenges, disrupting supply chains and creating further headwinds. Despite these dynamics, Sappi sales volumes outperformed broader market contraction, reflecting strategic efforts to defend and grow market share. In North America, the delayed start-up of Somerset Mill PM2 created operational disruptions and resulted in reduced production and higher costs for the graphic papers asset at the site.

Adjusted earnings per share for the quarter was a loss of 4 US cents, below the profit of 9 US cents in the prior year and reflective of the challenging operating conditions in the quarter. Special items reduced earnings by US\$2 million.

Cash flow and debt

Net cash utilised for the quarter of US\$136 million was due to the weak operating performance, a working capital outflow of US\$22 million and a capital expenditure of US\$129 million, which included scheduled maintenance shuts and expenditure associated with the Somerset Mill PM2 conversion and expansion project.

Net debt of US\$1,947 million was US\$277 million above last quarter. This was due to the net cash utilised as discussed above, and a negative currency translation effect of US\$114 million due to a substantially weaker US Dollar on our Euro-denominated debt. Liquidity comprised cash on hand of US\$203 million and US\$599 million from the committed revolving credit facilities (RCF) in South Africa and Europe.

The increase in net debt and recent lower EBITDA has resulted in an increase in the leverage ratio to 3.2 times as at June 2025. The leverage ratio typically fluctuates in line with Sappi's capex cycle. Although the major expansion at Somerset Mill is now behind us, the peak in net debt associated with this expansionary capex cycle is occurring at a time of volatile and weak macroeconomic conditions. The current increase in the leverage ratio does not change our strategy to target an absolute net debt level of less than US\$1 billion. The primary focus in fiscal 2026 and 2027, in the absence of major capex projects, will be to reduce net debt and leverage towards our stated targets.

Operating review for the quarter



EUROPE

€ million	Quarter ended				
	Jun 2025	Mar 2025	Dec 2024	Sept 2024	Jun 2024
Volumes sold – tons (000's)	479	491	465	488	492
Revenue	503	523	517	541	538
Operating profit (loss) excluding special items	(19)	4	13	14	4
<i>Operating profit (loss) excluding special items to revenue (%)</i>	(3.8)	0.8	2.5	2.6	0.7
Adjusted EBITDA	4	25	35	36	25
<i>Adjusted EBITDA to revenue (%)</i>	0.8	4.8	6.8	6.7	4.6
<i>RONOA pa (%)</i>	(6.4)	1.4	4.6	5.1	1.5

The European region continued to face challenging market conditions, driven by persistent macroeconomic weakness and oversupply in paper markets. Ongoing uncertainty around potential US tariffs caused disruptions to supply chains, with increased import volumes of Asian graphic papers intensifying competitive pressures. Sales volumes and pricing declined year-on-year, with cost-saving initiatives only partially mitigating the impact. Consequently, the profitability of the region was significantly reduced compared to the prior year.

The graphic papers segment remained under pressure as markets continue their structural decline, with total EU demand for coated woodfree and coated mechanical papers falling by an estimated 12% year-on-year. While our segmental sales volumes also declined, the 3% reduction was less severe than the overall market, reflecting positive market share gains. However, within the context of subdued demand and increasing oversupply, selling prices came under pressure, resulting in a substantial deterioration in profitability.

The packaging and speciality papers segment continued to face headwinds amid weak downstream demand, which remained well below historical levels. Overall sales volumes and pricing were stable year-on-year, though demand dynamics varied across categories. Flexible packaging showed the first signs of volume recovery, specifically in food applications driven by the dairy sector. Demand for labels and self-adhesive products remained stable, supported by ongoing customer qualifications for wet-strength labels. In contrast, containerboard and paperboard markets remained weak. In response to the ongoing weakness and overcapacity in the packaging and speciality papers markets, Sappi Europe announced in July 2025 a consultation process regarding the proposed closure of certain assets with a capacity of 90,000 tpa at its Alfeld Mill in Germany, aimed at aligning capacity with demand and improving cost competitiveness of the mill.

Variable costs were 4% below last year driven predominantly by lower purchased pulp and chemical costs, which were partially offset by higher energy and wood costs. Fixed costs decreased by 6% due to lower personnel costs.



NORTH AMERICA

US\$ million	Quarter ended				
	Jun 2025	Mar 2025	Dec 2024	Sept 2024	Jun 2024
Volumes sold – tons (000's)	326	362	371	389	340
Revenue	404	440	458	474	421
Operating profit (loss) excluding special items	(21)	5	47	47	11
<i>Operating profit (loss) excluding special items to revenue (%)</i>	(5.2)	1.1	10.3	9.9	2.6
Adjusted EBITDA	5	29	71	71	33
<i>Adjusted EBITDA to revenue (%)</i>	1.2	6.6	15.5	15.0	7.8
<i>RONOA pa (%)</i>	(4.9)	1.2	12.3	13.1	3.2

A key milestone for the North American region this quarter was the successful start-up of the Somerset Mill PM2 line in May. Although the start-up occurred later than originally planned, ramp-up progress and customer qualification trials were encouraging, with excellent initial market feedback on product quality. The conversion of Somerset Mill PM2 from 235,000 tpa of coated woodfree paper to 470,000 tpa of paperboard marks a significant step in advancing Sappi's strategy to reduce reliance on declining graphic papers markets and drive growth in the packaging and speciality papers segments. This investment enhances the region's product offering and reinforces the long-term competitiveness of Sappi's North American operations.

The region's performance in the quarter was impacted by the extended Somerset Mill PM2 machine shut and subsequent start-up and commissioning activities, as well as the planned

18-month maintenance shutdown at the Cloquet Mill which reduced earnings by US\$22 million and US\$16 million respectively. These operational factors reduced efficiencies and constrained production, resulting in higher costs and lower sales volumes compared to the prior year. As a result, profitability for the region declined year-on-year.

Sales volumes for the packaging and speciality papers segment increased year-on-year and were 4% higher than the previous quarter, with further growth expected as Somerset Mill PM2 production continues to scale. However, pricing was 9% lower than the prior year, reflecting a highly competitive market environment and intentional product mix adjustments during the Somerset Mill PM2 machine's filling phase. Overall, segment profitability was negatively impacted by lower pricing and the elevated costs associated with the Somerset Mill PM2 commissioning.

Operating review for the quarter continued

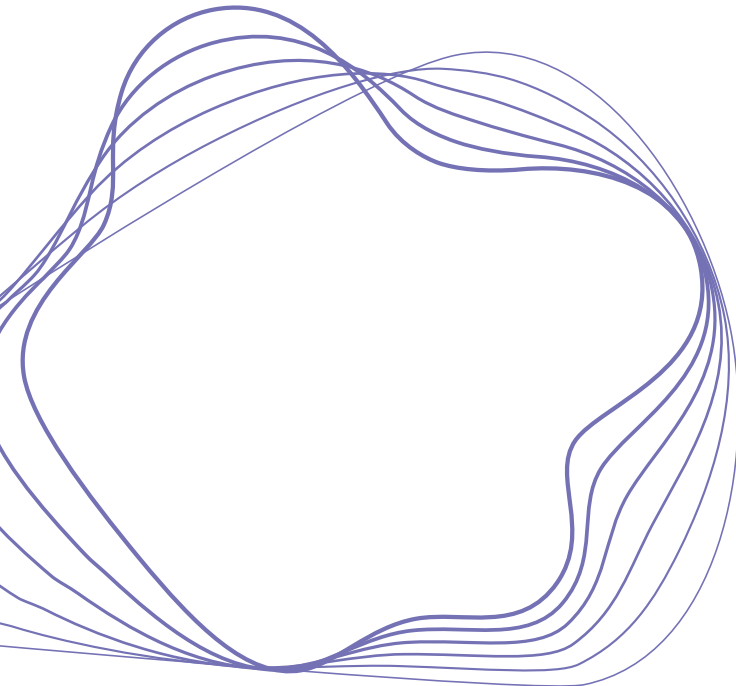
NORTH AMERICA *continued*

The graphic papers market in North America remains in structural decline. While year-on-year sales volumes decreased, overall capacity utilisation of Sappi's graphic papers assets in the region improved, supported by the successful conversion of Somerset Mill PM2. Good demand for domestic supply enabled all machines to run at full capacity. However, graphic papers production and operational efficiencies at Somerset Mill were temporarily affected by the PM2 project during the quarter.

Profitability in the pulp segment was negatively impacted by the scheduled maintenance shut at the Cloquet Mill, which did not occur in the comparative period in the prior year. The ongoing tariff threats created significant uncertainty in

pulp markets, placing downward pressure on pricing for both DWP and high yield pulp. Demand for DWP remained steady but sales volumes of high-yield pulp declined year-on-year, primarily due to increased internal integration into our own paper operations, which reduced the volume available for external sale within the segment.

Variable costs were 7% above the prior year due to operational inefficiencies combined with the extended shut of Somerset Mill PM2 and the subsequent initial low levels of production on the machine during the start-up period. Fixed costs were marginally above last year primarily due to the maintenance cost associated with the scheduled Cloquet Mill shut.





SOUTH AFRICA

	Quarter ended				
	Jun 2025	Mar 2025	Dec 2024	Sept 2024	Jun 2024
ZAR million					
Volumes sold – tons (000's)	644	690	665	707	678
Revenue	6,334	6,598	6,312	7,165	6,860
Operating profit (loss) excluding special items	550	148	1,234	963	1,226
<i>Operating profit (loss) excluding special items to revenue (%)</i>	8.7	2.2	19.6	13.4	17.9
Adjusted EBITDA	1,172	883	1,663	2,033	1,561
<i>Adjusted EBITDA to revenue (%)</i>	18.5	13.4	26.3	28.4	22.8
<i>RONOA pa (%)</i>	6.7	1.8	15.3	12.0	14.9

Profitability in the South African region improved compared to the previous quarter but remained below the prior year's level, mainly due to lower regional sales volumes, increased variable costs, and a sharp decline in DWP selling prices. The forestry fair value price adjustment for the quarter was a loss of ZAR179 million.

Despite the high levels of market uncertainty, demand for Sappi's DWP remained steady with sales volumes comparable to the previous year. However, ZAR-denominated selling prices were 5% lower than the prior year, which in combination with increased costs, led to margin compression for the segment.

Containerboard demand was strong, underpinned by positive domestic market sentiment with citrus export forecasts

projecting a 9% increase over last year. Sales volumes were restricted by low inventory levels stemming from the extended maintenance shutdown at Ngodwana Mill in the previous quarter. Selling prices were 2% higher year-on-year. However, this increase was insufficient to fully counter the effects of lower sales volumes and higher input costs, leading to reduced profitability.

The office paper and newsprint categories continued to face significant challenges, with demand remaining weak due to subdued economic activity and heightened competition from lower-priced imports.

Variable costs were 4% above the prior year due to higher chemical and energy costs while fixed costs were in line with last year.

Operating review for the quarter continued

OUTLOOK

Escalating tariff-related trade tensions between the United States and key global trading partners continue to contribute to significant uncertainty in the international economic landscape. We are closely monitoring these developments and their potential adverse effects on trade flows and consumer demand across our core markets. While these conditions may negatively affect our financial performance, we remain focused on maintaining agility and strong cost discipline to navigate any resulting challenges.

The textile and apparel sector, which is a key driver of DWP demand, remains highly sensitive to ongoing trade tensions and inflationary pressures. Weak textile fibre prices, including VSF, and low paper pulp pricing have intensified pressures on DWP. However, the outlook for global DWP demand remains positive and the current Chinese hardwood DWP market price is below the industry marginal cost. Therefore, we are cautiously optimistic that prices will recover in the year ahead particularly as the Chinese market price has recently risen to US\$810 per ton. Despite short-term volatility, our DWP business remains well positioned to benefit from long-term structural demand growth.

The fourth quarter outlook for the packaging and speciality papers segment is centred on the commercial ramp-up of the Somerset Mill PM2 project. As expected during this phase, near term profitability will be negatively impacted while we optimise operational efficiencies and increase capacity utilisation. Strategically, we aim to optimise our product portfolio mix and position the North American business to capture long-term growth opportunities as market conditions improve. Demand for containerboard in South Africa remains healthy, while in Europe our focus is on managing capacity utilisation, strengthening our competitive cost position, and completing the Alfeld Mill consultation process.

Demand for graphic papers continues to decline, in line with the structural trend. Our strategic focus remains on proactively managing capacity utilisation and driving

cash generation from our assets. Efforts to grow market share are delivering positive results, with year-on-year gains reinforcing our competitive position in this challenging environment.

Trade tensions and overcapacity in global paper pulp markets are exerting downward pressure on prices, which is expected to benefit our paper businesses in Europe and North America, where we are not fully integrated. Furthermore, with no maintenance shutdowns planned for the fourth quarter, we anticipate improved operational efficiencies across our mills. We further anticipate that the forestry fair value price adjustment will be positive.

Within the context of our elevated net debt levels and ongoing macroeconomic uncertainty, Sappi remains firmly focused on preserving liquidity and strengthening cash flow. We have implemented a broad range of cost-saving initiatives across our operations and continue to apply disciplined capital allocation. Non-essential capital expenditure has been deferred where possible, resulting in a reduction of our FY2025 capex forecast from US\$550 million, as estimated in the second quarter, to US\$510 million. This marks the completion of our strategic investment cycle and capex for FY2026 and FY2027 will be substantially lower. In addition, the board has determined that there will be no dividend declared for FY2025. Reducing net debt is our immediate priority and we will continue to assess our capital allocation in line with our financial position and long-term strategic objectives.

Taking into account current trading conditions, the ongoing trade tariff uncertainty and volatility in global markets, the ramp-up of Somerset Mill PM2 and the anticipated operational efficiency improvements, we estimate that Adjusted EBITDA for the fourth quarter of FY2025 will be above that of the third quarter.

On behalf of the board

SR Binnie
Director

GT Pearce
Director

06 August 2025

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 cyclicity, 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

US\$ million	Note	Quarter ended		Nine months ended	
		Jun 2025	Jun 2024	Jun 2025	Jun 2024
Revenue		1,321	1,370	4,031	3,994
Cost of sales		1,248	1,204	3,609	3,431
Gross profit		73	166	422	563
Selling, general and administrative expenses		82	91	284	292
Other operating (income) expenses		(3)	(4)	21	212
Share of (profit) loss from equity-accounted investees		1	(3)	1	–
Operating profit (loss)	3	(7)	82	116	59
Net finance costs		26	19	65	50
Finance costs		30	28	82	79
Finance income		(3)	(6)	(12)	(22)
Net foreign exchange gain		(1)	(3)	(5)	(7)
Profit (Loss) before taxation		(33)	63	51	9
Taxation		–	12	34	55
Profit (Loss) for the period		(33)	51	17	(46)
Basic earnings (loss) per share (US cents)	4	(5)	9	3	(8)
Weighted average number of shares in issue (millions)		604.6	599.4	603.7	576.8
Diluted earnings (loss) per share (US cents)	4	(5)	8	3	(8)
Weighted average number of shares on fully diluted basis (millions)		606.6	605.0	606.4	582.3

Condensed group statement of other comprehensive income

US\$ million	Quarter ended		Nine months ended	
	Jun 2025	Jun 2024	Jun 2025	Jun 2024
Profit (Loss) for the period	(33)	51	17	(46)
Other comprehensive income, net of tax				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Actuarial gains (losses) on post-employment benefit funds	–	–	(2)	–
Tax effect	–	–	–	–
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	7	54	(65)	47
Movements in hedging reserves	18	4	3	5
Tax effect	(1)	(1)	2	(1)
Total comprehensive income for the period	(9)	108	(45)	5

Condensed group balance sheet

US\$ million	Note	Reviewed	
		Jun 2025	Sept 2024
ASSETS			
Non-current assets		4,424	4,208
Property, plant and equipment		3,450	3,241
Right-of-use assets		100	79
Plantations		531	562
Deferred tax assets		80	76
Goodwill and intangible assets		97	95
Equity-accounted investees		13	11
Other non-current assets		153	144
Current assets		1,806	1,998
Inventories	8	899	836
Trade and other receivables	8	688	771
Derivative financial assets	5	9	18
Taxation receivable		5	6
Cash and cash equivalents	7	203	317
Assets held for sale	9	2	50
Total assets		6,230	6,206
EQUITY AND LIABILITIES			
Shareholders' equity			
Ordinary shareholders' interest		2,453	2,578
Non-current liabilities		2,324	2,299
Interest-bearing borrowings	7	1,557	1,537
Lease liabilities	7	93	74
Deferred tax liabilities		414	433
Defined benefit and other liabilities		260	255
Current liabilities		1,453	1,329
Interest-bearing borrowings	7	476	107
Lease liabilities	7	24	21
Trade and other payables	8	916	1,110
Provisions		2	8
Derivative financial liabilities	5	9	17
Taxation payable		26	66
Total equity and liabilities		6,230	6,206
Number of shares in issue at balance sheet date (millions)		604.6	599.4

Condensed group statement of cash flows

US\$ million	Quarter ended		Nine months ended	
	Jun 2025	Jun 2024	Jun 2025	Jun 2024
Profit (Loss) for the period	(33)	51	17	(46)
<i>Adjustment for:</i>				
Depreciation, fellings and amortisation	94	84	268	257
Taxation	-	12	34	55
Net finance costs	26	19	65	50
Defined post-employment benefits paid	(5)	(5)	(15)	(19)
Plantation fair value adjustment	(16)	(31)	(40)	(110)
Asset impairments	1	(3)	2	2
Write-down of held-for-sale assets	-	-	4	-
Net restructuring charge	1	1	-	142
(Profit) Loss on disposal and written-off assets	1	(8)	-	(9)
Other non-cash items	(14)	2	4	49
Cash generated from operations	55	122	339	371
(Increase) Decrease in working capital	(22)	44	(148)	(44)
Closure and restructuring costs paid	-	(61)	(4)	(237)
Finance costs paid	(35)	(15)	(71)	(53)
Finance income received	3	6	12	22
Taxation (paid) refund	(4)	(3)	(74)	(30)
Dividend paid	-	-	(85)	(84)
Cash (utilised by) generated from operating activities	(3)	93	(31)	(55)
Cash utilised in investing activities	(133)	(61)	(374)	(216)
Capital expenditure	(129)	(108)	(412)	(248)
Proceeds on disposal of assets	-	49	4	51
Proceeds on held-for-sale assets	1	-	44	-
Movements to non-current and intangible asset	(5)	(2)	(10)	(19)

Condensed group statement of cash flows

continued

US\$ million	Quarter ended		Nine months ended	
	Jun 2025	Jun 2024	Jun 2025	Jun 2024
Net cash (utilised) generated	(136)	32	(405)	(271)
Cash effects of financing activities	166	(61)	287	33
Proceeds from interest-bearing borrowings	201	80	657	295
Repayment of interest-bearing borrowings	(30)	(135)	(352)	(244)
Capital lease repayments	(5)	(6)	(18)	(18)
Net movement in cash and cash equivalents	30	(29)	(118)	(238)
Cash and cash equivalents at beginning of period	156	392	317	601
Translation effects	17	2	4	2
Cash and cash equivalents at end of period	203	365	203	365

Condensed group statement of changes in equity

US\$ million	Nine months ended	
	Jun 2025	Jun 2024
Balance – beginning of period	2,578	2,445
Profit (Loss) for the period	17	(46)
Other comprehensive income for the period	(62)	51
Issue of shares	–	58
Dividend – 14 US cents (2024: 15 US cents)	(85)	(84)
Share-based payment reserve	5	5
Balance – end of period	2,453	2,429
Comprising		
Ordinary share capital and premium	783	767
Non-distributable reserves	131	119
Foreign currency translation reserves	(251)	(225)
Hedging reserves	(37)	(51)
Retained earnings	1,827	1,819
Total equity	2,453	2,429

Notes to the condensed group results

1. Basis of preparation

The condensed group interim financial statements for the quarter and nine months ended June 2025 have been prepared in accordance with and containing the information required by IAS 34 *Interim Financial Reporting*, the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements and the South African Companies Act. The accounting policies applied in the preparation of the condensed group financial statements are consistent with those applied in the previous annual financial statements.

The group amended its fiscal year from using a 52/53 week year to using calendar month ends.

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 06 August 2025.

The results are unaudited.

2. Segment information

Metric tons (000's)	Quarter ended		Nine months ended	
	Jun 2025	Jun 2024	Jun 2025	Jun 2024
Volumes sold				
North America	326	340	1,059	1,021
Europe	479	492	1,435	1,481
South Africa – Pulp and paper	391	413	1,148	1,154
Forestry	253	265	851	727
Total	1,449	1,510	4,493	4,383
Which consists of:				
Pulp	344	359	1,044	1,071
Packaging and speciality papers	362	361	1,042	973
Graphic papers	490	525	1,556	1,612
Forestry	253	265	851	727

2. Segment information continued

US\$ million	Quarter ended		Nine months ended	
	Jun 2025	Jun 2024	Jun 2025	Jun 2024
Revenue⁽¹⁾				
North America	404	421	1,302	1,249
Europe	571	579	1,673	1,727
South Africa – Pulp and paper	329	351	1,003	971
Forestry	17	18	53	46
Total	1,321	1,369	4,031	3,993
Which consists of:				
Pulp	280	295	871	845
Packaging and speciality papers	451	446	1,305	1,228
Graphic papers	573	610	1,802	1,874
Forestry	17	18	53	46
Operating profit (loss) excluding special items				
North America	(21)	11	31	63
Europe	(20)	4	(2)	17
South Africa	30	66	106	198
Unallocated and eliminations ⁽²⁾	6	4	11	9
Total	(5)	85	146	287
Which consists of:				
Pulp	4	44	84	131
Packaging and speciality papers	(16)	6	(28)	35
Graphic papers	1	31	79	112
Unallocated and eliminations ⁽²⁾	6	4	11	9

⁽¹⁾ Segment revenue is presented net of delivery costs. Prior periods have been adjusted.

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

Notes to the condensed group results continued

2. Segment information continued

US\$ million	Quarter ended		Nine months ended	
	Jun 2025	Jun 2024	Jun 2025	Jun 2024
Special items – (gains) losses				
North America	–	9	2	11
Europe	3	(10)	11	197
South Africa	(2)	2	1	10
Unallocated and eliminations ⁽²⁾	1	2	16	10
Total	2	3	30	228
Operating profit (loss) by segment				
North America	(21)	2	29	52
Europe	(23)	14	(13)	(180)
South Africa	32	64	105	188
Unallocated and eliminations ⁽²⁾	5	2	(5)	(1)
Total	(7)	82	116	59
Adjusted EBITDA⁽³⁾				
North America	5	33	105	130
Europe	5	27	69	90
South Africa	64	84	204	228
Unallocated and eliminations ⁽²⁾	6	4	12	10
Total	80	148	390	458
Which consists of:				
Pulp	39	68	174	182
Packaging and speciality papers	4	20	46	77
Graphic papers	31	56	158	189
Unallocated and eliminations ⁽²⁾	6	4	12	10

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

⁽³⁾ The Adjusted EBITDA definition was introduced in September 2024 and comparatives have been included for June 2024.

2. Segment information continued

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

US\$ million	Quarter ended		Nine months ended	
	Jun 2025	Jun 2024	Jun 2025	Jun 2024
Adjusted EBITDA^(a)	80	148	390	458
Plantation fair value price adjustment	(9)	3	(27)	32
EBITDA excluding special items	71	151	363	490
Depreciation and amortisation	(76)	(66)	(217)	(203)
Operating profit (loss) excluding special items	(5)	85	146	287
Special items – gains (losses)	(2)	(3)	(30)	(228)
Net restructuring release (charge)	(1)	(1)	–	(142)
Profit (loss) on disposal and written-off assets	(1)	8	–	9
Asset (impairments) impairment reversal	(1)	3	(2)	(2)
Write-down of held-for-sale assets	–	–	(4)	–
Insurance	3	–	3	2
Fire, flood, storm and other events	(2)	(13)	(27)	(95)
Operating profit (loss)	(7)	82	116	59
Net finance costs	(26)	(19)	(65)	(50)
Profit (Loss) before taxation	(33)	63	51	9
Taxation	–	(12)	(34)	(55)
Profit (Loss) for the period	(33)	51	17	(46)

^(a) The Adjusted EBITDA definition was introduced in September 2024 and comparatives have been included for June 2024.

Notes to the condensed group results continued

2. Segment information continued

US\$ million	Nine months ended	
	Jun 2025	Jun 2024
Net operating assets		
North America	1,738	1,382
Europe	1,391	1,146
South Africa	1,847	1,802
Unallocated and eliminations ⁽²⁾	18	16
Total	4,994	4,346
Reconciliation of net operating assets to total assets		
Segment assets	4,994	4,346
Deferred tax assets	80	84
Cash and cash equivalents	203	365
Trade and other payables	916	987
Provisions	2	31
Derivative financial instruments	9	–
Taxation payable	26	54
Total assets	6,230	5,867

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

3. Operating profit (loss)

US\$ million	Quarter ended		Nine months ended	
	Jun 2025	Jun 2024	Jun 2025	Jun 2024
Included in operating profit are the following items:				
Depreciation and amortisation	76	66	217	203
Fair value adjustment on plantations (included in cost of sales)				
Fellings	18	18	51	54
Growth	(25)	(28)	(67)	(78)
Price	9	(3)	27	(32)
	2	(13)	11	(56)
Net restructuring charge (release)	1	1	-	142
(Profit) Loss on disposal and written-off assets	1	(8)	-	(9)
Asset impairments (impairment reversal)	1	(3)	2	2
Write-down of held-for-sale assets	-	-	4	-
Insurance	(3)	-	(3)	(2)

Notes to the condensed group results continued

4. Earnings per share

US\$ million	Quarter ended		Nine months ended	
	Jun 2025	Jun 2024	Jun 2025	Jun 2024
Basic earnings (loss) per share (US cents)	(5)	9	3	(8)
Headline earnings (loss) per share (US cents)	(5)	7	4	(8)
Adjusted EPS (US cents)	(4)	9	11	26
Weighted average number of shares in issue (millions)	604.6	599.4	603.7	576.8
Diluted earnings (loss) per share (US cents)	(5)	8	3	(8)
Diluted headline earnings (loss) per share (US cents)	(5)	7	4	(8)
Weighted average number of shares on fully diluted basis (millions)	606.6	605.0	606.4	582.3
Calculation of headline earnings (loss)				
Profit (Loss) for the period	(33)	51	17	(46)
(Profit) Loss on disposal and write-off of property, plant and equipment	1	(8)	-	(9)
Asset impairments (impairment reversal)	1	(3)	2	2
Write-down of held-for-sale assets	-	-	4	-
Tax effect of above items	(1)	4	-	4
Headline earnings (loss)	(32)	44	23	(49)
Calculation of adjusted earnings (loss)				
Profit (Loss) for the period	(33)	51	17	(46)
Special items and plantation fair value price adjustment after tax	9	3	49	200
Gross amount	11	-	57	196
Tax effect	(2)	3	(8)	4
Tax special items	-	-	-	(6)
Adjusted earnings (loss)⁽¹⁾	(24)	54	66	148

⁽¹⁾ The Adjusted EBITDA definition was introduced in September 2024 and comparatives have been included for June 2024.

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.

US\$ million	Classification	Fair value hierarchy	Fair value ⁽¹⁾	
			Jun 2025	Reviewed Sept 2024
Investment funds ⁽²⁾	FV through OCI	Level 1	5	5
Derivative financial assets	FV through PL	Level 2	9	18
Derivative financial liabilities	FV through PL	Level 2	9	17

⁽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	
	Jun 2025	Jun 2024
Contracted	121	254
	121	254

Notes to the condensed group results continued

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

US\$ million	Reviewed	
	Jun 2025	Sept 2024
Non-current and current interest-bearing borrowings	2,033	1,644
Non-current and current lease liabilities	117	95
Less: Cash and cash equivalents	(203)	(317)
Net debt	1,947	1,422
As at June 2025, the group was in compliance with its debt covenants:		
Covenant leverage ratio	2.9	2.0
Interest cover	7.6	10.9

8. Material balance sheet movements

Since the 2024 financial year-end, the Euro and the ZAR have strengthened and weakened by approximately 5.0% and 4.2% respectively against the US Dollar, the group's presentation currency. This has resulted in an increase of the group's European assets and liabilities and a decrease of the group's South African assets and liabilities, which are held in the aforementioned functional currency, on translation to the presentation currency at period-end.

Inventories, trade and other receivables, and trade and other payables

The increase in inventories and decrease in trade and other receivables, and trade and other payables is largely attributable to seasonal working capital movements.

Interest-bearing borrowings

In March 2025, the group raised €300 million 4.5% sustainability-linked senior notes due in 2032 of which the proceeds were used to redeem all the outstanding senior note due 2026 in an aggregate principal amount of €240 million.

9. Assets held for sale

During the nine months, the group sold items of property, plant and equipment classified as held for sale related to the closure of our Lanaken Mill within our European segment for US\$43 million (€40 million) for US\$Nil profit. The remaining held-for-sale assets were written down by US\$4 million (€4 million) to their fair value less costs to sell and sold for US\$1 million (€1 million) for US\$Nil profit. In March 2025, the group transferred US\$2 million into held-for-sale assets relating to its Lomati Mill within its South African segment.

10. Related parties

There has been no material change, by nature or amount, in transactions with related parties since the 2024 financial year-end.

11. Events after balance sheet date

In July 2025, the group entered into a consultation process regarding the potential closure of certain assets at our Alfeld Mill in Germany within our European segment.

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, the plantation fair value price adjustment, special finance costs and special 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

Supplemental information continued (this information has not been audited or reviewed)

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

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 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		Nine months ended	
	Jun 2025	Jun 2024	Jun 2025	Jun 2024
Key figures: (ZAR million)				
Revenue	24,170	25,442	73,457	74,789
Operating profit excluding special items ⁽¹⁾	(91)	1,579	2,661	5,374
Special items – (gains) losses ⁽¹⁾	37	56	547	4,269
EBITDA excluding special items ⁽¹⁾	1,299	2,804	6,615	9,175
Profit for the period	(604)	947	310	(861)
Basic earnings per share (SA cents)	(100)	158	51	(149)
Net debt ⁽¹⁾	34,720	24,378	34,720	24,378
Key ratios: (%)				
Operating profit excluding special items to revenue	(0.4)	6.2	3.6	7.2
Operating profit excluding special items to capital employed (ROCE) ⁽¹⁾	(0.5)	9.1	4.8	10.6
EBITDA excluding special items to revenue	5.4	11.0	9.0	12.3

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

The above financial results have been translated into Rands from US Dollars as follows:

- assets and liabilities at rates of exchange ruling at period-end; and
- income, expenditure and cash flow items at average exchange rates.

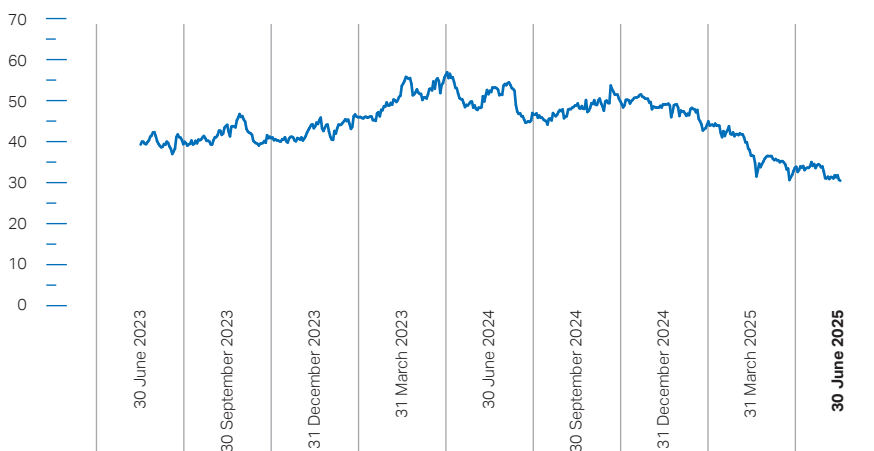
Supplemental information continued

(this information has not been audited or reviewed)

Exchange rates

	Jun 2025	Mar 2025	Dec 2024	Sept 2024	Jun 2024
Exchange rates:					
Period-end rate: US\$1 = ZAR	17.8328	18.4211	18.7964	17.1162	18.1925
Average rate for the quarter: US\$1 = ZAR	18.2970	18.5004	17.8818	17.9763	18.5706
Average rate for the year to date: US\$1 = ZAR	18.2231	18.1837	17.8818	18.5357	18.7254
Period-end rate: €1 = US\$	1.1720	1.0828	1.0408	1.1164	1.0715
Average rate for the quarter: €1 = US\$	1.1336	1.0518	1.0678	1.0986	1.0765
Average rate for the year to date: €1 = US\$	1.0844	1.0600	1.0678	1.0843	1.0796

Sappi share price – June 2023 to June 2025



sappi

Our purpose

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

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

In June 2025, Sappi Limited upgraded its presence for North American investors by joining the OTCQX trading platform

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