FY26 Q 1 Results — the period ended December 2025

Highlights for the quarter

Adjusted EBITDA[1]	Loss for the period	Adjusted EPS[2]	Net debt of
US$90 million	US$37 million	3 US¢ loss	US$1,951 million
Q1FY25: US$203 million	Q1FY25 Profit: US$70 million	Q1FY25: 14 US¢ profit	Q1FY25: US$1,406 million

	US$ million	Quarter ended Dec 2025	Dec 2024	Sept 2025
Key figures (US$ million)	Revenue	**1,287**	1,363	1,389
	Operating profit (loss) excl special items[3]	**(1)**	132	30
	Special items loss (gain)[3]	**17**	11	140
	Adjusted EBITDA[3]	**90**	203	111
	EBITDA excluding special items[3]	**81**	202	116
	Profit (Loss) for the period	**(37)**	70	(194)
	Basic EPS (US cents)	**(6)**	12	(32)
	Adjusted EPS (US cents)[3]	**(3)**	14	(3)
	Net debt[3]	**1,951**	1,406	1,920
Key ratios (%)	Operating profit excl special items[3] to revenue	**(0.1)**	9.7	2.2
	ROCE[3] Operating profit excluding special items[3] to capital employed	**(0.1)**	13.4	2.8
	Adjusted EBITDA to sales[3]	**7.0**	14.9	8.0
	EBITDA excl special items[1] to revenue	**6.3**	14.8	8.4
	Net debt to EBITDA excl special items[3]	**5.5**	1.9	4.0
	Covenant leverage ratio	**4.9**	1.8	3.6
	Interest cover[3]	**4.2**	10.8	6.1
	Net asset value per share[3] (US cents)	**385**	407	382

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.
3 See published results for detail on special items, the definition of the terms, reconciliations and supplemental information about key ratios.

Challenges persist

Market conditions remained challenging with ongoing macroeconomic pressures, subdued consumer confidence and overcapacity driving pricing declines across all segments.

Dissolving wood pulp (DWP) demand continued to be **solidly supported** by high downstream viscose staple fibre (VSF) industry operating rates and relatively low inventories in the value chain.

Driven by volume growth in all three regions, **packaging and speciality papers sales volumes improved 6%** year-on-year. Profitability was negatively impacted by lower pricing — 4% below last year — and higher costs.

Graphic papers sales volumes declined 9% compared to last year, primarily due to capacity reduction in North America. The market continued to face significant headwinds, driven by global oversupply and the ongoing structural decline in demand, which placed sustained pressure on selling prices.

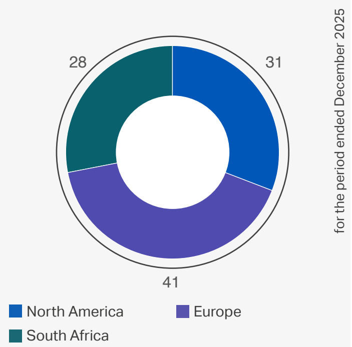
The European **graphic paper industry, in long-term structural decline**, continues to face pressure from falling demand, high energy costs, excess production capacity, and broader macroeconomic challenges. Sappi signed a non-binding letter of intent with UPM-Kymmene Corporation (UPM) proposing the potential formation of a 50/50 **joint venture**. It will combine Sappi's European graphic paper operations and wood supply joint ventures with UPM's Communications Paper business in Europe, the UK and the USA. The transaction is expected to be completed by the end of 2026.

Net debt increased — liquidity well managed

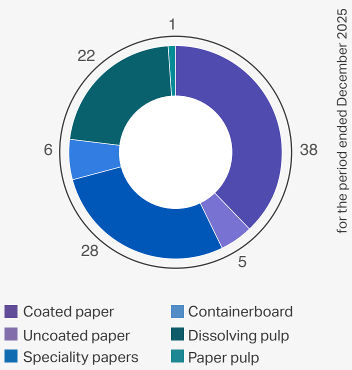
Net debt increased to US$1,951, nudging the EBITDA leverage covenant to 4.9 times which remains within the revised covenants agreed with the banks. Sappi's revolving credit facility was renewed and bolstered to EUR550 million for a five-year term. A new EUR200 million five-year term loan was taken up to repay short-term debt.

Net operating assets and sales distribution

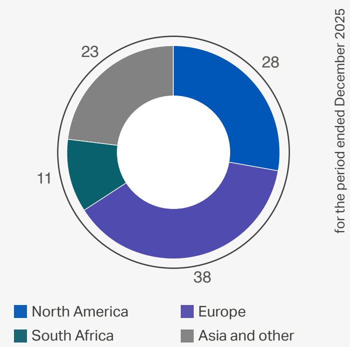
Sales by source (%)



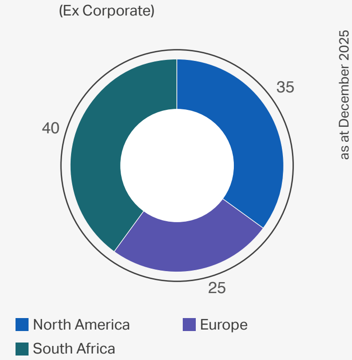
Sales by product (%)



Sales by destination (%)



Net operating assets (%)
(Ex Corporate)



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Outlook

A **challenging global macroeconomic environment** and persistent geopolitical and trade tensions continue to disrupt market stability and dampen consumer demand, negatively impacting our industry.

We remain focused on executing the **Back to Basics** phase of our Thrive strategy, closely monitoring external developments while prioritising strong cost discipline and targeted operational efficiency improvements to strengthen the balance sheet and maintain agility during this period of market weakness.

Although **demand for Sappi's DWP remains robust**, the seasonal slowdown in China's textile industry during the Lunar New Year typically creates pricing pressure in the second quarter. However, rising paper pulp prices in China have narrowed the differential with DWP, while a stronger Renminbi supported US$ pricing, driving a recent recovery in the DWP market price from US$785 to around US$805 per ton.

Containerboard demand in South Africa is **anticipated to be strong** in the second quarter driven by favourable grape and pome fruit forecasts, but selling prices are likely to be constrained by soft international markets. Packaging and speciality papers markets in Europe and North America remain challenging, with the resulting competitive pricing environment presenting a continued headwind for the industry. Nevertheless, we maintain a strong competitive position in North America and continue to focus on balancing volume/price dynamics. We expect the Somerset Mill PM2 paperboard volumes to steadily increase through the quarter.

Graphic papers markets continue to decline; however, the rate of contraction has stabilised in line with historical levels of approximately 6% to 8% per annum, and market conditions are expected to remain steady during the quarter. Our focus for this segment is to maximise capacity utilisation and optimise product allocation across our asset base, particularly in North America where market conditions are more favourable. In Europe, we are focused on the proposed joint venture transaction with UPM, which we expect to close by the end of 2026, subject to regulatory approvals and conditions precedent.

An annual maintenance shut is scheduled for the Saiccor Mill in the second quarter, which is expected to reduce earnings by approximately US$15 million. We anticipate that the forestry fair value price adjustment will be negative in the second quarter due to lower wood pricing in South Africa.

Weakening USD

Significant weakening of the USD against both the ZAR and the EUR is expected to negatively impact profitability in South Africa and will likely result in a nominal increase in net debt in US Dollar terms for our Euro-denominated borrowings.

Capex forecast further reduced

Our capital expenditure forecast for FY2026 has reduced further from US$290 million to approximately US$260 million as we **scale back spending to essential maintenance and regulatory activities only**, to proactively manage the balance sheet and preserve cash.

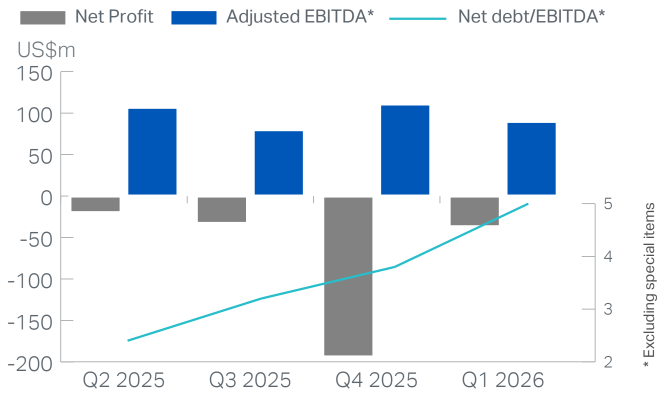
Liquidity well managed

Liquidity was well managed and remained satisfactory with cash on hand of US$143 million and US$608 million from the committed unutilised RCF in South Africa and Europe. Liquidity improved further after quarter-end with the increased international RCF and the new term loan.

FY26Q2 EBITDA

Taking into account the challenging macroeconomic environment, exchange rate headwinds and depressed DWP pricing, we anticipate that Adjusted EBITDA for the second quarter of FY2026 will be below that of the first quarter of FY2026.

Q-on-Q earnings, Profit & Debt



Our purpose

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

Our business strategy

Through collaboration and innovation we will grow profitably, using our strength as a sustainable and diversified global woodfibre group, focused on dissolving pulp, graphic, packaging and speciality papers, and biomaterials. Our strategy demands a clear focus on four key fundamentals: Grow our business • Sustain our financial health • Drive operational excellence • Enhance trust.

Our sustainability strategy

We will create long-term value for all stakeholders from relevant sustainable woodfibre products and through ongoing improvement in key areas.

Our commitment to sustainability underpins our strategy and is based on being a trusted, transparent, and innovative partner in building a biobased circular economy.

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Q1 FY26

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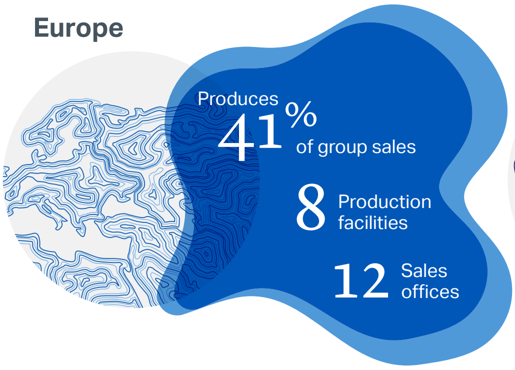
Europe



Market conditions remained stable but challenging, characterised by intense competition, weak demand, and continued oversupply across all paper categories.

Despite relatively steady year-on-year sales volumes, **profitability was adversely affected by significantly lower pricing**, only partially offset by cost savings initiatives.

Strategic rationalisations advanced during the quarter with the completion of the previously announced paper machine closures at the Kirkniemi and Alfeld Mills and the successful reallocation of sales volumes to other assets within the region.

Earnings included annual energy refunds of approximately EUR32 million.

Underlying demand for packaging papers remained subdued in European markets, reflecting ongoing weak consumer sentiment and persistent overcapacity. Weak demand and oversupply in an intensely competitive pricing environment, lead to an **8% year-on-year decline in selling prices**.

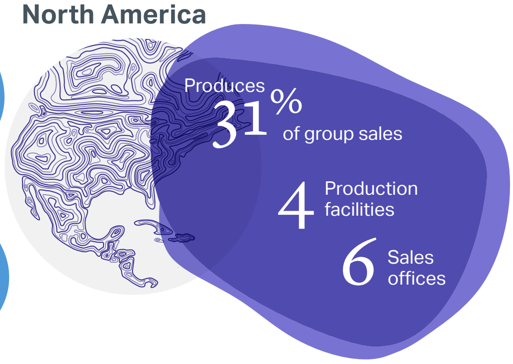
Solid progress was achieved in growing our label papers business, with **wet glue label paper sales volumes increasing by 21%** compared to the prior year.

Graphic papers sales volumes, steady in recent quarters, were nevertheless2% below prior year levels, while pricing, was 13% lower.

Variable costs decreased 6% and fixed costs were 1% lower compared to the prior year.

Marco Eikelenboom
Chief Executive Officer
Sappi Europe

North America



The scheduled Somerset Mill maintenance shut reduced earnings by US$17 million, adversely affecting profitability..

Significant utilities-related **operational disruptions** at both Somerset and Cloquet Mills reduced production.

Market conditions broadly softened.

Weaker paperboard demand combined with our focus on balancing the trade-off between volume and pricing, resulted in a slower than anticipated ramp-up in sales volumes from Somerset Mill PM2.

Paperboard sales volumes were 15% above last year but the intensely competitive pricing environment led to an 8% year-on-year selling price decline.

Graphic papers markets remain in structural decline. Tighter domestic market balance, due to the removal of Somerset Mill PM2 capacity, and tariff pressures on imports, provided support for pricing.

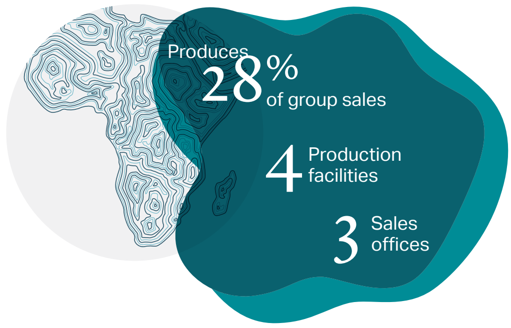
Demand for DWP remained steady, with sales volumes increasing 5% year-on-year. However, significantly lower pricing reduced profitability for the pulp segment.

High-yield pulp market demand remained subdued, and sales were decreased to match external demand and higher internal integration into paperboard production at the Somerset Mill.

Variable costs increased 11% and fixed costs increased 8% compared to the previous year.

Mike Haws
Chief Executive Officer
Sappi North America

South Africa



Profitability was severely challenged by substantially lower US$ denominated DWP selling prices, compounded by adverse USD/ZAR exchange rate movements that further pressured earnings in the pulp segment.

Demand across key product segments remained strong but a 12% year-on-year increase in sales volumes and ongoing cost-saving initiatives were insufficient to offset the impact of pricing and exchange rate headwinds.

The forestry fair value price adjustment for the quarter was a loss of ZAR146 million.

Demand for DWP was supported by favourable downstream VSF market conditions, with sales volumes rising 15% compared to the prior year, reflecting improved operational stability.

Underlying demand in domestic containerboard markets remained healthy, driven by strong agricultural activity. Pricing, declining 3% year-on-year, continued to be constrained by weak global markets and imports.

Demand for office paper improved relative to the previous quarter, supported by seasonal back-to-school demand. However, the **graphic papers segment continues to contract** in line with global trends and pricing faced additional pressure from competing imports.

Variable costs increased 3% while fixed costs were 4% below last year.

Graeme Wild
Chief Executive Officer
Sappi Southern Africa

Our values As OneSappi, we do business safely, with integrity and courage, making smart decisions that we execute with speed.

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