Q4 FY25

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FY25 Q4 and full year results for the period ended September 2025

Summary for the year

Adjusted EBITDA[1]	Loss for the period	Adjusted EPS[2]	Net debt of
US$501 million	US$177 million	8 US¢	US$1,920 million
FY24: US$684 million	FY24 Profit: US$33 million	FY24: 41 US¢	FY24: US$1,422 million

Summary for the quarter

Adjusted EBITDA[1]	Loss for the period	Adjusted EPS[2]
US$111 million	US$194 million	3 US¢ loss
Q4 FY24: US$226 million	Q4 FY24: profit US$79 million	Q4 FY24: 15 US¢ profit

	US$ million	Quarter ended Sept 2025	Quarter ended Sept 2024	Quarter ended Jun 2025	Year ended Sept 2025	Year ended Sept 2024
Key figures	Revenue	**1,389**	1,464	1,321	**5,420**	5,458
	Operating profit (loss) excl special items[1]	**30**	120	(5)	**176**	407
	Special items loss (gain)[1]	**140**	(3)	2	**170**	225
	Adjusted EBITDA	**111**	226	80	**501**	684
	EBITDA excluding special items[1]	**116**	195	71	**479**	685
	Profit (Loss) for the period	**(194)**	79	(33)	**(177)**	33
	Basic EPS (US cents)	**(32)**	13	(5)	**(29)**	6
	Adjusted EPS excluding special items (US cents)[1]	**(3)**	15	(4)	**8**	41
	Net debt[1]	**1,920**	1,422	1,947	**1,920**	1,422
Key ratios (%)	Operating profit excl special items[1] to revenue	**2.2**	8.2	(0.4)	**3.2**	7.5
	ROCE[1] Operating profit excluding special items[1] to capital employed	**2.8**	12.4	(0.5)	**4.3**	10.8
	Adjusted EBITDA to revenue	**8.0**	15.4	6.1	**9.2**	12.5
	EBITDA excl special items1 to revenue	**8.4**	13.3	5.4	**8.8**	12.6
	Net debt to EBITDA excl special items[1]	**4.0**	2.1	3.5	**4.0**	2.1
	Covenant leverage ratio	**3.6**	2.0	2.9	**3.6**	2.0
	Interest cover[1]	**6.1**	10.9	7.6	**6.1**	10.9
	Net asset value per share[1] (US cents)	**382**	430	406	**382**	430

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.

Heightened uncertainty

Market conditions deteriorated substantially from the second quarter, driven by heightened uncertainty stemming from **persistent global trade tensions** precipitating a broad-based economic slowdown and weakening of consumer confidence. The deteriorating macroeconomic environment placed **downward pressure on selling prices across all our market segments.**

A **significant weakening of the US Dollar** negatively impacted earnings in South Africa and translation of our Euro-denominated debt.

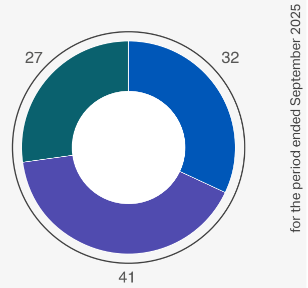
Global paper markets remained oversupplied, creating headwinds for our paper businesses.

Dissolving wood pulp (DWP) and packaging and speciality papers **sales volumes increased year-on-year**; market share gains were achieved in the graphic papers segment.

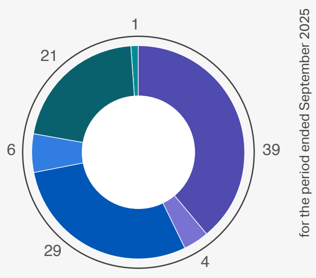
Due to stagnant market prices and persistent inflationary cost pressures, the forestry fair value price adjustment for the year was a **loss of US$22 million**.

Net operating assets and sales distribution

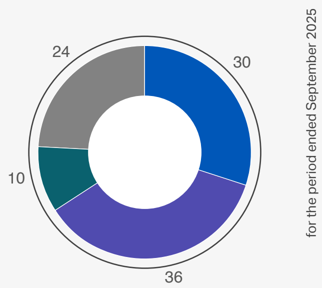
Sales by source (%)



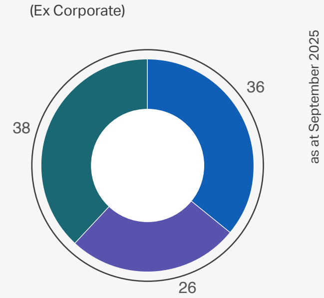
Sales by product (%)



Sales by destination (%)



Net operating assets (%)
(Ex Corporate)



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Outlook

Challenging global macroeconomic conditions and **persistent geopolitical tensions** continue to disrupt market stability, creating ongoing supply and demand imbalances across our industry.

Heightened trade tensions and the resulting **realignment of supply chains** are introducing additional costs and uncertainty.

While these conditions have created a **more complex operating environment**, we remain confident in the underlying strength of our business and the resilience of our operations. Sappi's immediate focus remains on internal levers within the company's control to **reduce debt and strengthen the balance sheet**.

To support our commitment to reducing debt, capital expenditure have been reduced to below US$300 million per annum for the next two years. No expansionary capex is anticipated.

Dividends for fiscal 2025 are **suspended** to preserve cash.

We anticipate **DWP market conditions will remain stable** through the first quarter, supported by high VSF operating rates and relatively low inventory levels across the value chain. Demand is expected to remain robust but price recovery could be slow.

Our long-term **outlook** for **packaging and speciality papers products remains positive**. Underlying margins are likely to remain below historical levels as global markets continue to face subdued demand driven by macroeconomic challenges and persistent oversupply.

We expect **global graphic papers demand to continue declining by approximately 6% to 8% per annum**. Our strategic focus remains to proactively manage capacity utilisation.

Prices for some key raw materials remain relatively low. However, ongoing trade tensions continue to pose **global inflation risks**.

Sappi is a well-capitalised business with a proven ability to adapt and respond to market cycles. Our recent strategic growth investments in packaging and speciality papers and DWP have strengthened our portfolio and **position us well to benefit from a market recovery**.

We remain committed to navigating the current operating environment with discipline and transparency, **prioritising cash generation to reinforce our balance sheet and bolster our financial resilience**.

Competitively positioned

A highlight for the year was the **completion of the Somerset Mill PM2 conversion and expansion**. Although the start-up was delayed, the technical ramp-up is exceeding expectations with excellent initial market feedback of product quality. The Somerset Mill's two state-of-the-art paperboard machines **position the business competitively** in the North American paperboard market.

DWP demand robust

Despite difficult market dynamics — driven by ongoing US-China trade tensions and tariff announcements — **demand for Sappi's DWP remained robust**.

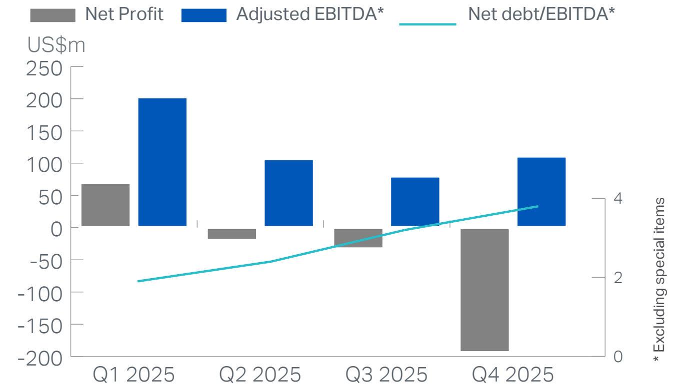
Maintenance shut impacts Q1FY26 outlook

Taking into account the confluence of market factors and the scheduled maintenance shut at the Somerset Mill, we anticipate that the Adjusted EBITDA for the first quarter of FY2026 will be below that of the fourth quarter of FY2025.

FY26 focus on debt & leverage reduction

The US$498 million increase in net debt and lower earnings over the last three quarters increased the leverage ratio close to our debt covenant of 4x. Our banking group has unanimously supported increasing our leverage covenant for the next 12 months to provide additional headroom during this temporary period of elevated leverage. **Our primary focus in fiscal 2026 will be to reduce net debt and leverage**. Liquidity remains healthy. Sappi enjoys strong institutional investor support from long-term anchor shareholders and a positive analyst consensus outlook.

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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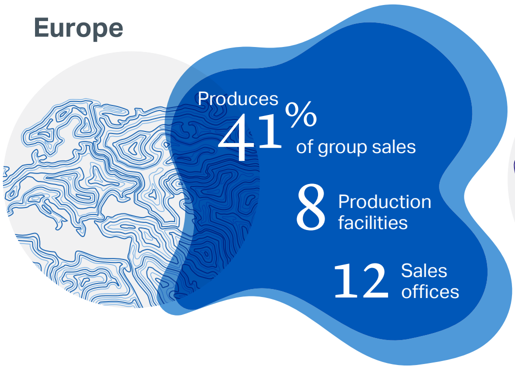
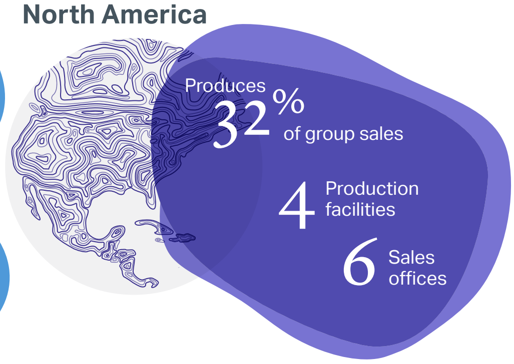
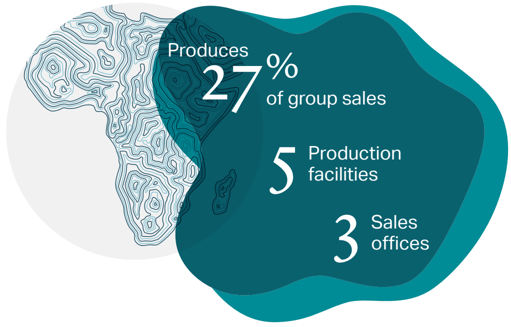
Europe



North America



South Africa



Market conditions remained challenging amidst **intense competition in an oversupplied and weak demand environment**. Pricing was adversely impacted.

Proactive **initiatives to strengthen our competitive position** by lowering fixed costs and improving capacity utilisation as we strategically carousel sales volumes across our paper operations include:

- The consultation process for the closure of 175,000 tpa of capacity at Kirkniemi Mill was concluded.
- Good progress was made on consultations to close two machines at the Alfeld Mill and reduce shifts at the Ehingen Mill.

Sales volumes in the packaging and speciality papers segment improved by 8% compared to last year driven primarily by increased sales of label paper as we ramped up our wet strength label offering.

Although **paperboard demand remained stable** and flexible packaging showed gradual signs of recovery, other categories struggled. Selling prices were 8% below the prior year.

Graphic papers sales volumes remained 5% below the levels of the prior year. Although market share increased, profitability remained under pressure due to weak regional demand, compounded by tariffs imposed on our exports to the US, global supply chain redirections, and persistent market overcapacity, which together drove an **11% year-on-year decline in overall segment pricing**.

Marco Eikelenboom
Chief Executive Officer
Sappi Europe

Profitability improved modestly compared to the prior quarter but remained significantly below the levels achieved in the prior year.

The **graphic papers segment delivered a solid performance** despite lower sales volumes, supported by a tighter domestic supply-demand balance and the resulting pricing resilience.

Reduced pulp sales volumes and softer pricing further weighed on profitability

Sales volumes for packaging and speciality papers increased 22% compared to the previous year as production at the Somerset Mill stabilised. Despite the higher sales, segment profitability remained below last year's levels, primarily due to lower pricing in weak market conditions and higher costs.

Although **demand for graphic papers continues to decline** the strategic decision to reduce exposure to the segment through the conversion of Somerset Mill PM2 has significantly improved the domestic supply-demand balance. Combined with the tariffs imposed on imports, this has created a strong pricing environment that supported improved profitability.

DWP demand, underpinned by strong seasonal VSF demand, **remained robust** but substantially weaker pricing affected profitability. Deliberate product mix adjustments to strengthen integration at the Somerset and Cloquet Mills, reduced DWP sales volumes 19% year-on-year.

Mike Haws
President and Chief Executive Officer
Sappi North America

The region delivered a **satisfactory performance** within the context of challenging global paper market conditions, weaker DWP pricing, and adverse US$/ZAR exchange rate movements affecting the pulp segment.

Profitability improved compared to the previous quarter but remained below the exceptional levels of the prior year.

A positive plantation fair value price adjustment of ZAR90 million in the fourth quarter was insufficient to offset losses in prior quarters. The net adjustment for the fiscal year was a ZAR408 million loss.

DWP demand, supported by robust seasonal VSF demand, **remained strong**. Sales volumes were 11% higher year-on-year. Margins in the pulp segment came under pressure as lower global US$ DWP pricing, combined with a weaker US$/ZAR exchange rate, drove ZAR-denominated prices 14% below the prior year.

Containerboard demand, driven by a very good citrus season, was **healthy**. Although domestic demand remained strong, low-priced imports intensified competition towards the end of the quarter. Profitability of the segment benefited from 2% higher sales volumes and a 4% rise in selling prices compared to the prior year.

Subdued office paper and newsprint markets were further challenged by increased import competition. Higher year-on-year selling prices were insufficient to offset lower sales volumes.

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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