sappi

Fourth quarter results

for the period ended September 2020

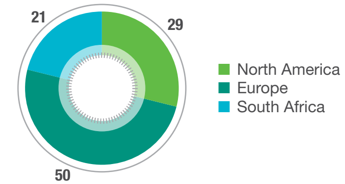
Fourth quarter results

> “Sappi is a leading global provider of powerful everyday materials made from woodfibre-based renewable resources. Together with our partners, we are quickly moving toward a more circular economy.”

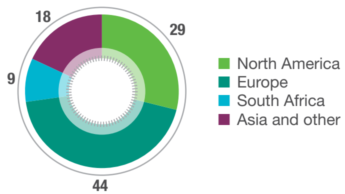
Our raw material offerings (such as dissolving pulp, wood pulp and biomaterials) and end-use products (packaging and specialities papers, graphic papers, casting and release papers and forestry products) are manufactured from woodfibre sourced from sustainably managed forests and plantations, in production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

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

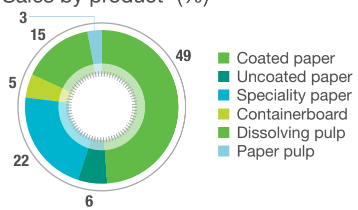
Sales by source* (%)



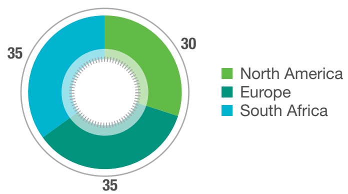
Sales by destination* (%)



Sales by product* (%)



Net operating assets** (%)



** For the period ended September 2020.*
*** As at September 2020.*

Highlights for the year

EPS excluding special items:
Loss of 5 US cents
(FY2019: 44 US cents)

EBITDA excluding special items
US$378 million
(FY2019: US$687 million)

Net debt
US$1,957 million
(FY2019: US$1,501 million)

Loss for the period
(US$135 million)
(FY2019: Profit of US$211 million)

Packaging and speciality segment growth and profitability

Highlights for the quarter

EBITDA excluding special items
US$82 million
(Q4 FY2019: US$185 million)

Loss for the period
US$88 million
(Q4 FY2019: Profit of US$50 million)

Cash generation of
US$88 million
(Q4 FY2019: US$173 million)

EPS excluding special items:
Loss 4 US cents
(Q4 FY2019: 10 US cents)

Highlights for the quarter continued

	Quarter ended			Year ended	
	Sep 2020	Sep 2019	Jun 2020	**Sep 2020**	Sep 2019
Key figures: (US$ million)					
Sales	**1,092**	1,454	907	**4,609**	5,746
Operating profit (loss) excluding special items[1]	**(5)**	109	(52)	**57**	402
Special items – loss (gain)[2]	**39**	12	20	**95**	19
EBITDA excluding special items[1]	**82**	185	26	**378**	687
Profit (Loss) for the period	**(88)**	50	(73)	**(135)**	211
Basic earnings per share (US cents)	**(16)**	9	(13)	**(25)**	39
EPS excluding special items (US cents)[3]	**(4)**	10	(10)	**(5)**	44
Net debt[3], [4]	**1,957**	1,501	1,977	**1,957**	1,501
Key ratios: (%)					
Operating profit (loss) excluding special items to sales	**(0.5)**	7.5	(5.7)	**1.2**	7.0
Operating profit (loss) excluding special items to capital employed (ROCE)[3]	**(0.5)**	12.1	(5.6)	**1.6**	11.5
EBITDA excluding special items to sales	**7.5**	12.7	2.9	**8.2**	12.0
Net debt to EBITDA excluding special items	**5.2**	2.2	4.1	**5.2**	2.2
Covenant leverage ratio[3]	**5.0**	2.2	4.0	**5.0**	2.2
Interest cover[3]	**4.7**	9.3	6.2	**4.7**	9.3
Net asset value per share (US cents)[3]	**299**	359	326	**299**	359

(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) *Net debt for the year ended September 2020 is higher than September 2019 due to the adoption of IFRS 16 Leases at the beginning of the fiscal year 2020 resulting in an increase of US$92 million and due to the acquisition of Matane Mill on 3 November 2019 for US$160 million.*

Year ended September 2020 compared to year ended September 2019

The group's performance was severely impacted by the Covid-19 pandemic, related lockdowns and the economic aftereffect. Demand for graphic paper and dissolving pulp ("DP") was particularly hard hit. Sales volumes for these products decreased by 20% and 18% respectively. The market conditions forced us to take more than 1.1 million tons of commercial downtime which had major repercussions for operating efficiency, fixed cost absorption and profitability. Lower DP volumes exacerbated an already tough operating environment for the segment, as historic low pricing levels persisted throughout the year. The positive highlight for the year was strong growth in sales and profitability for the packaging and specialities segment. A ramp-up in volumes from Somerset and stable packaging demand throughout the Covid-19 crisis contributed to this success. The group's EBITDA excluding special items was US$378 million compared to US$687 million in the prior year.

Due to the challenging market conditions, management's focus turned to the preservation of liquidity, lowering costs and re-prioritising various strategic actions. Commercial downtime was taken across all segments as required, in order to match supply to demand and prevent the build-up of inventory. Additionally, non-critical capex projects were deferred, and some annual maintenance shuts were postponed for a short period.

In local currencies, each of the regional packaging and specialities businesses increased profitability compared to the prior year, despite the many challenges posed by lockdowns in various industries across the globe. The ramp-up of Somerset PM1, the acquisition and integration of the Matane Mill, the delayed maintenance shut at Ngodwana as well as generally lower input costs all contributed to the improved performance. EBITDA in this segment increased from US$126 million to US$179 million. The business has proven to be resilient in difficult economic circumstances and supports our strategy to diversify the product portfolio into higher margin and growing segments.

DP prices started the year at historically low levels and, albeit with periods of relative stability, ended the year even lower. This, in conjunction with the rapid slowdown in customer demand in the third quarter as a result of the lockdown measures implemented by various governments, resulted in EBITDA for this segment dropping from US$304 million to US$63 million. Demand and pricing began to recover in the fourth quarter; however, our sales volumes lagged this market recovery as a result of commercial and operational decisions taken to preserve profitability and liquidity in the group. The project to expand the Saiccor Mill capacity was put on hold through the initial months of the Covid-19 outbreak and is now expected to be completed in the third quarter of FY2021.

For the first half of the year, graphic paper markets were characterised by weaker orders, offset by lower input costs which resulted in a constant year-on-year EBITDA performance compared to FY2019. The outbreak of Covid-19 in the second half of the year led to a significant decline in graphic paper usage across the globe in line with the slowdown in economic activity. EBITDA in this segment declined from US$251 million to US$131 million. The poor demand, which we believe is unlikely to return to pre-Covid levels, accelerated the decision to close a paper machine at each of Stockstadt and Westbrook mills during the year. This action, along with closures by other industry participants should result in industry operating rates returning to more profitable levels in the coming year. From a low point in June, we have experienced a gradual improvement in sales each month.

Special items for the year included US$34 million in restructuring provisions related mainly to the machine closures at Stockstadt and Westbrook, an additional US$34 million for asset impairments related to the weak market conditions and additional charges relating to the fire damage at Alfeld PM3.

Net finance costs for the year were US$88 million, a marginal increase from the US$85 million the prior year due to higher average net debt levels.

The prior year profit for the period of US$211 million translated to a loss for the period of US$135 million as a result of the significant reduction in operating profit and was only partially offset by a reduction in tax.

Fourth quarter commentary

The group generated EBITDA excluding special items of US$82 million, a decrease of 56% over the same quarter last year, led by a large reduction in DP and graphic paper sales volumes of 29% and 32% respectively.

Packaging and specialities volumes and profitability increased compared to the prior year as the US business in particular experienced encouraging sales growth across all of the major product categories, offsetting a slightly weaker performance from the European business which was affected by the temporary shut of Alfeld PM3 following the fire at that machine in the previous quarter and softer demand for non-essential consumer products. The South African container board business also achieved a strong end to the year.

Industry demand for DP recovered faster than expected as global clothing retail sales rebounded and supply chain inventory levels, which had been allowed to run down, were refilled. In response to lower demand, we temporarily shut the calcium line at Saiccor and switched some capacity at Cloquet to paper pulp. As a consequence, DP volumes were 29% lower than the prior year. The segment includes 90,000 tons of BCTMP from Matane and paper pulp produced at Cloquet and Ngodwana which were sold in external markets.

Graphic paper demand in Europe and North America was most affected by Covid-19 over the May/June period. Since then we have experienced a slow recovery through to September with volumes 32% lower than last year. Downtime of 321,000 tons was taken in the fourth quarter, less than that required in the prior quarter, helping to improve profitability. Export markets, many of which were impacted later by Covid-19, were particularly weak. South African newsprint and uncoated woodfree demand continues to be impacted by the weaker domestic economy.

Net finance costs were US$21 million compared to US$20 million in the equivalent quarter last year.

Earnings per share excluding special items for the quarter was a loss of 4 US cents. Special items for the quarter reflected an expense of US$39 million. This related mainly to asset impairments due to weaker market conditions and restructuring provisions including the machine closures at Stockstadt and Westbrook.

Cash flow and debt

Net cash generated for the quarter was US$88 million, compared to US$173 million in the equivalent quarter last year. The decrease was as a result of reduced profitability and restructuring costs, offset somewhat by lower capital expenditure. Capital expenditure of US$95 million related mainly to the expansion of DP capacity at Saiccor.

Net cash utilised for the financial year was US$257 million (FY2019 US$1 million generated). The deterioration in cash generation was largely due to the impact that Covid-19 had on sales volumes, lower average DP prices, the acquisition of the Matane pulp mill and an increase in finance costs. Reduced capital expenditure and a reduction in working capital helped mitigate these impacts.

Net debt at financial year-end increased to US$1,957 million as a result of the cash utilisation, as well as the implementation of IFRS 16 *Leases* (US$105 million) and the acquisition of the Matane Mill (US$160 million). At the end of September 2020, liquidity comprised cash on hand of US$279 million and US$582 million from the committed revolving credit facilities ("RCF") in South Africa and Europe.

At quarter end we agreed an extension of the covenant suspension period applicable to our debt facilities financial covenants until September 2021 with the first measurement due again at the end of December 2021.

Operating review on the quarter

Europe

EUR million	**Sep 2020**	Jun 2020	Mar 2020	Dec 2019	Sep 2019
	Quarter ended				
Sales	**422**	420	606	619	633
Operating profit (loss) excluding special items	**(19)**	(32)	25	33	21
Operating profit (loss) excluding special items to sales (%)	***(4.5)***	*(7.6)*	*4.1*	*5.3*	*3.3*
EBITDA excluding special items	**13**	(1)	54	62	51
EBITDA excluding special items to sales (%)	***3.1***	*(0.2)*	*8.9*	*10.0*	*8.1*
RONOA pa (%)	***(5.8)***	*(9.5)*	*7.2*	*9.5*	*6.0*

While the impact of Covid-19 continued to be felt across Europe during the quarter, there were signs of a recovery in demand as the quarter progressed. The usual seasonal improvement in market conditions also contributed to the business returning to a positive EBITDA for the quarter.

Industry coated woodfree ("CWF") and coated mechanical ("CM") shipments were 30% and 28% lower for the quarter, with a progressive improvement each month. Generally, export markets were more challenging, particularly Latin America. The weaker demand necessitated 285,000 tons of production curtailment on the graphic paper machines in order to match demand and lower inventory levels. Average selling prices declined during the quarter in line with reduced variable costs.

Packaging and specialities sales volumes were impacted somewhat negatively by the usual customer summer shutdowns. Covid-19 also had a significant effect on the sales of self-adhesives and digital solutions products. Paperboard sales held up well and contributed to a 4% increase in the more traditional packaging volumes. In addition, the lost sales volumes arising from the temporary closure of PM3 at Alfeld following the fire on that machine in the last quarter further impacted sales. A change in sales mix during the quarter lowered net selling prices by 9% compared to the equivalent quarter last year.

Variable costs were 8% lower year-on-year as all cost categories, with the exception of energy, experienced pricing declines. The cost benefits were offset by reduced machine efficiency due to lower operating rates. Fixed costs were substantially below those of the prior year due to cost savings initiatives implemented to offset the impact of Covid-19, including temporary unemployment relief in certain countries.

Operating review on the quarter continued

North America

US$ million	**Sep 2020**	Jun 2020	Mar 2020	Dec 2019	Sep 2019
	Quarter ended				
Sales	**361**	267	387	370	394
Operating profit (loss) excluding special items	**–**	(32)	4	1	17
Operating profit (loss) excluding special items to sales (%)	**–**	*(12.0)*	*1.0*	*0.3*	*4.3*
EBITDA excluding special items	**30**	(7)	31	25	39
EBITDA excluding special items to sales (%)	***8.3***	*(2.6)*	*8.0*	*6.8*	*9.9*
RONOA pa (%)	**–**	*(9.5)*	*1.2*	*0.3*	*5.9*

Excellent sales growth in the packaging and specialities segment and the start of a recovery in graphic paper sales volumes enabled the region to achieve EBITDA of US$30 million following a loss of US$7 million in the third quarter. The profitability was less than last year because of lower DP pricing.

Graphic paper sales volumes declined 25% compared to the prior year, but we were encouraged by a steady improvement in demand through the quarter. Commercial downtime of 36,000 tons was implemented during the quarter. Pricing continues to be adversely impacted by the weak demand and lower input costs, with a year-on-year decline of 9%.

Packaging and specialities volumes grew 88% year-on-year, with strong growth in both the coated one side and paperboard packaging products, the latter doubling sales volumes in the past year. Average net selling prices were stable in the quarter. Casting release paper volumes continue to be affected by Covid-19 in key geographical markets, however sales volumes improved later in the quarter.

Lower DP demand resulted in additional paper pulp production at Cloquet, both for internal consumption and third-party sales. No commercial downtime was required at the pulp mill as DP demand recovered during the quarter. Average DP sales prices were 25% below those of last year.

Variable costs were 14% below those of last year, with lower wood and chemical prices and the benefits of increased pulp integration, both from Matane and additional paper pulp production at Cloquet. Cash fixed costs were 6% below those of last year notwithstanding the acquisition of the Matane Mill.

South Africa

ZAR million	**Sep 2020**	Jun 2020	Mar 2020	Dec 2019	Sep 2019
		Quarter ended			
Sales	**4,202**	3,650	4,223	3,843	5,467
Operating profit excluding special items	**306**	266	321	324	998
Operating profit excluding special items to sales (%)	***7.3***	*7.3*	*7.6*	*8.4*	*18.3*
EBITDA excluding special items	**644**	562	626	618	1,290
EBITDA excluding special items to sales (%)	***15.3***	*15.4*	*14.8*	*16.1*	*23.6*
RONOA pa (%)	***4.8***	*4.2*	*5.2*	*5.6*	*18.2*

The South African business was significantly impacted by lower DP volumes due to Covid-19, ongoing low DP prices and weak domestic paper markets, other than packaging.

DP sales volumes were 29% below those of last year, as a consequence of lower market demand and the corresponding decision to limit production on the calcium line at Saiccor. In total, production was negatively impacted by 55,000 tons. The weaker US$/ZAR exchange rate partially offset US$ pricing that declined marginally during the quarter, resulting in a ZAR price that was 4% lower year-on-year.

Packaging and specialities volumes and pricing were flat year-on-year. The citrus season ended strongly, with good year-on-year growth, however increased containerboard imports constrained sales volume.

Newsprint and uncoated woodfree volumes continue to be impacted by Covid-19 side effects on the economy, declining 35% year-on-year.

Variable costs declined 3% year-on-year, primarily due to lower wood costs, offset by machine efficiency losses due to lower operating rates and the weaker exchange rate. Fixed costs were 10% lower, mainly as the result of lower personnel costs.

Outlook

Underlying demand for most packaging and speciality products remains robust, driven by consumer preference and the shift from plastic to paper. First quarter sales volumes will be impacted in both Europe and South Africa by usual seasonal weakness and exacerbated by both the Ngodwana annual maintenance shut which was delayed from the third quarter of FY2020 and the scheduled Somerset annual maintenance shut. These shuts will have an estimated US$30 million impact on profitability, predominantly linked to the packaging segment. Some products remain affected by weaker economic activity in certain regions or end-use markets impacted by Covid-19.

Market conditions for DP have improved and pricing has recovered during October. At the time of this report the Chinese market price has risen to US$680/ton, driven by an acceleration in DP demand, tighter market balance and higher viscose staple fibre prices. However, in the short term, the combination of the mill maintenance shut at Ngodwana, constrained production on the calcium line at Saiccor due to the closure of the Lignotech plant and DP pricing which still favours own consumption paper pulp production at Cloquet, will mean that DP sales volumes in the first quarter will be only marginally higher than in the preceding quarter. Port and rail challenges in South Africa may additionally impact sales volumes for the quarter. We are evaluating opportunities to recover some of the lost DP production prior to the completion of the Saiccor expansion project.

Graphic paper demand continues to improve, and a series of paper machine and mill closures or conversions in the industry recently completed or imminent should improve operating rates in the coming quarter and year. However, a second wave of Covid-19 infections in Europe is leading to stricter lockdown conditions and a slowing of the recovery in many countries. Pricing is expected to move in line with variable cost movements.

Current liquidity headroom in the group remains good, with cash deposits at the end of the quarter of US$279 million and committed revolving credit facilities of approximately US$582 million. We negotiated an extension of our credit facility covenant suspension period until September 2021. The first measurement of these covenants will now take place at the end of December 2021.

Capital expenditure in FY2021 is estimated to be US$370 million and includes approximately US$100 million related to the decision to delay the Saiccor expansion project and the postponement of major shuts at Saiccor and Ngodwana which reduced capital expenditure in FY2020.

In the first quarter the underlying performance of the business will continue to improve, barring a widespread Covid-19 second wave, driven by the current recovery in DP and graphic paper markets. However, this will be offset by the impact on the packaging and speciality segment of the delayed shut at Ngodwana and the scheduled annual maintenance shut at Somerset. As a result, EBITDA in the first quarter of FY2021 is expected to be slightly below that of the fourth quarter of FY2020. We remain encouraged by the resilience of our business and the opportunities offered by our strategic focus on the transition of the business towards higher growth segments.

On behalf of the board

S R Binnie
Director

G T Pearce
Director

5 November 2020

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 Covid-19 pandemic;*
- *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 Sep 2020	Quarter ended Sep 2019	Reviewed Year ended Sep 2020	Reviewed Year ended Sep 2019
Sales		**1,092**	1,454	**4,609**	5,746
Cost of sales		**1,010**	1,247	**4,210**	4,969
Gross profit		**82**	207	**399**	777
Selling, general and administrative expenses		**81**	95	**337**	368
Other operating expenses		**45**	16	**100**	30
Share of profit (loss) from equity accounted investees		**–**	(1)	**–**	(4)
Operating profit (loss)	3	**(44)**	97	**(38)**	383
Net finance costs		**21**	20	**88**	85
Finance costs		**23**	22	**93**	98
Finance income		**(1)**	(3)	**(5)**	(9)
Net foreign exchange gain		**(1)**	1	**–**	(4)
Profit (Loss) before taxation		**(65)**	77	**(126)**	298
Taxation		**23**	27	**9**	87
Profit (Loss) for the period		**(88)**	50	**(135)**	211
Basic earnings per share (US cents)	4	**(16)**	9	**(25)**	39
Weighted average number of shares in issue (millions)		**546.1**	542.7	**545.5**	542.0
Diluted earnings per share (US cents)	4	**(16)**	9	**(25)**	39
Weighted average number of shares on fully diluted basis (millions)		**548.0**	546.3	**547.7**	546.3

Condensed group statement of other comprehensive income

US$ million	Note	Quarter ended Sep 2020	Quarter ended Sep 2019	Reviewed Year ended Sep 2020	Reviewed Year ended Sep 2019
Profit (Loss) for the period		**(88)**	50	**(135)**	211
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss		**(63)**	(49)	**(31)**	(49)
Actuarial gains (losses) on post-employment benefit funds		**(34)**	(59)	**1**	(59)
Tax effect on above item and other tax items	8	**(29)**	10	**(32)**	10
Items that may be reclassified subsequently to profit or loss		**–**	(87)	**(159)**	(78)
Exchange differences on translation of foreign operations		**(6)**	(82)	**(162)**	(67)
Movements in hedging reserves		**7**	(7)	**2**	(14)
Tax effect on above items		**(1)**	2	**1**	3
Total comprehensive income for the period		**(151)**	(86)	**(325)**	84

Condensed group balance sheet

US$ million	Note	Reviewed Sep 2020	Reviewed Sep 2019
ASSETS			
Non-current assets		**3,891**	3,789
Property, plant and equipment		**3,103**	3,061
Right-of-use assets	1	**101**	–
Plantations	5	**419**	451
Deferred tax assets		**59**	106
Goodwill and intangible assets		**113**	54
Equity accounted investees		**11**	31
Other non-current assets		**85**	86
Current assets		**1,558**	1,834
Inventories		**673**	709
Trade and other receivables		**584**	718
Derivative financial assets		**3**	3
Taxation receivable		**19**	11
Cash and cash equivalents		**279**	393
Assets held for sale		**6**	–
Total assets		**5,455**	5,623
EQUITY AND LIABILITIES			
Shareholders' equity			
Ordinary shareholders' interest		**1,632**	1,948
Non-current liabilities		**2,700**	2,461
Interest-bearing borrowings		**1,861**	1,713
Lease liabilities	1	**81**	–
Deferred tax liabilities		**304**	328
Defined benefit and other liabilities		**445**	418
Derivative financial liabilities		**9**	2
Current liabilities		**1,123**	1,214
Interest-bearing borrowings		**270**	181
Lease liabilities	1	**24**	–
Trade and other payables		**797**	969
Provisions		**19**	6
Derivative financial liabilities		**2**	7
Taxation payable		**11**	51
Total equity and liabilities		**5,455**	5,623
Number of shares in issue at balance sheet date (millions)		**546.1**	542.8

Condensed group statement of cash flows

US$ million	Quarter ended Sep 2020	Quarter ended Sep 2019	Reviewed Year ended Sep 2020	Reviewed Year ended Sep 2019
Profit (Loss) for the period	**(88)**	50	**(135)**	211
Adjustment for:				
Depreciation, fellings and amortisation	**102**	93	**384**	356
Taxation	**23**	27	**9**	87
Net finance costs	**21**	20	**88**	85
Defined post-employment benefits paid	**(17)**	(10)	**(40)**	(41)
Plantation fair value adjustments	**(23)**	(23)	**(92)**	(92)
Asset impairments	**4**	7	**15**	18
Asset impairment reversals	**–**	–	**–**	(8)
Equity accounted investees impairment	**9**	–	**19**	–
Net restructuring provisions	**16**	–	**34**	–
(Profit) Loss on disposal and written off assets	**–**	7	**(1)**	11
Other non-cash items[1]	**(1)**	5	**42**	46
Cash generated from operations	**46**	176	**323**	673
Movement in working capital	**135**	132	**65**	(15)
Finance costs paid	**(7)**	(5)	**(108)**	(51)
Finance income received	**2**	3	**6**	9
Taxation (paid) refund	**4**	–	**(26)**	(51)
Dividend paid	**–**	–	**–**	(92)
Cash generated from operating activities	**180**	306	**260**	473
Cash utilised in investing activities	**(92)**	(133)	**(517)**	(472)
Capital expenditure	**(95)**	(135)	**(351)**	(471)
Proceeds on disposal of assets	**1**	1	**1**	3
Acquisition of subsidiary	**–**	–	**(160)**	–
Other non-current asset movements	**2**	1	**(7)**	(4)
Net cash (utilised) generated	**88**	173	**(257)**	1
Cash effects of financing activities	**(6)**	12	**138**	56
Proceeds from interest-bearing borrowings	**707**	9	**1,065**	616
Repayment of interest-bearing borrowings	**(708)**	3	**(905)**	(560)
Lease repayments	**(5)**	–	**(22)**	–
Net movement in cash and cash equivalents	**82**	185	**(119)**	57
Cash and cash equivalents at beginning of period	**190**	226	**393**	363
Translation effects	**7**	(18)	**5**	(27)
Cash and cash equivalents at end of period	**279**	393	**279**	393

[1] *Other non-cash items for the year ended September 2020 primarily relate to non-cash movements in the defined benefit liabilities and plan assets of US$25 million (2019: US$33 million) and share-based charges of US$10 million (2019: US$12 million).*

Condensed group statement of changes in equity

US$ million	Reviewed Year ended Sep 2020	Sep 2019
Balance – beginning of period	**1,948**	1,947
Profit (Loss) for the period	**(135)**	211
Other comprehensive income for the period	**(190)**	(127)
Shareholders for dividend	**–**	(92)
Transfers from the share purchase trust	**–**	1
Transfers of vested share options	**(1)**	(2)
Share-based payment reserve	**10**	10
Balance – end of period	**1,632**	1,948
Comprising		
Ordinary share capital and premium	**710**	802
Non-distributable reserves	**101**	99
Foreign currency translation reserves	**(245)**	(184)
Hedging reserves	**(40)**	(41)
Retained earnings	**1,106**	1,272
Total equity	**1,632**	1,948

Notes to the condensed group results

1. Basis of preparation

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognitions requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous annual financial statements except for the changes arising from the adoption of the new accounting pronouncements detailed below, which became effective in the current period.

The preparation of these condensed consolidated financial statements was supervised by the Chief Financial Officer, G T Pearce, CA(SA) and were authorised for issue on 5 November 2020.

The condensed consolidated financial statements for the year ended September 2020 have been reviewed by KPMG Inc., who expressed an unmodified review conclusion. The auditor's report does not necessarily report on all of the information contained in these financial results. 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.

Going concern

The group's performance for the year was impacted severely by the Covid-19 pandemic, related lockdowns and the economic aftereffect which is expected to continue into the new financial year. As a result, the group has focused and continues to focus on the preservation of liquidity and cash flow, and implemented various cost saving measures across all operations, curtailed excess production and where possible deferred non-essential capital expenditure and applied measures to optimise working capital. The group has also agreed an extension of the covenant waiver applicable to its debt facilities financial covenants until September 2021 with the first measurement due at the end of December 2021. The directors have reviewed the group's financial position, existing borrowing facilities and cash on hand, and are satisfied that the group will continue as a going concern for the foreseeable future.

Notes to the condensed group results continued

1. Basis of preparation continued

Adoption of accounting standards in the current year

The group adopted IFRS 16 *Leases* on 30 September 2019 applying the modified retrospective transition approach and has not restated comparatives. IFRS 16 introduced a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. The group's leasing activities mainly relate to the lease of premises, vehicles and equipment.

In applying IFRS 16 for the first time, the group has used the following practical expedients as permitted by the standard:
– relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 30 September 2019
– accounting for operating leases with a remaining lease term of less than 12 months as at the adoption date as short-term leases
– excluding initial direct costs for the measurement of the right-of-use asset at the adoption date
– using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a Lease.*

The change in accounting policy affected the following items in the balance sheet on 30 September 2019:
– property, plant and equipment – decrease of US$1 million*
– right-of-use assets – increase of $91 million
– other long-term liabilities – decrease of US$2 million*
– lease liabilities – increase of US$92 million.

* *Finance leases, previously recognised under IAS 17* Leases*, were reclassified to right-of-use assets and lease liabilities.*

2. Segment information

Metric tons (000's)	Quarter ended Sep 2020	Quarter ended Sep 2019	Year ended Sep 2020	Year ended Sep 2019
Sales volume				
North America	**416**	388	**1,516**	1,379
Europe	**570**	801	**2,698**	3,241
South Africa – Pulp and paper	**369**	450	**1,406**	1,639
Forestry	**338**	371	**1,168**	1,363
Total	**1,693**	2,010	**6,788**	7,622
Which consists of:				
Dissolving pulp	**341**	352	**1,315**	1,284
Packaging and specialities	**348**	309	**1,209**	1,129
Graphics	**666**	978	**3,096**	3,846
Forestry	**338**	371	**1,168**	1,363

US$ million	Quarter ended Sep 2020	Quarter ended Sep 2019	Reviewed Year ended Sep 2020	Reviewed Year ended Sep 2019
Sales				
North America	**361**	394	**1,385**	1,466
Europe	**499**	704	**2,314**	2,918
South Africa – Pulp and paper	**231**	351	**920**	1,342
Forestry	**17**	22	**61**	80
Delivery costs revenue adjustment[2]	**(16)**	(17)	**(71)**	(60)
Total	**1,092**	1,454	**4,609**	5,746
Which consists of:				
Dissolving pulp	**196**	280	**802**	1,095
Packaging and specialities	**344**	329	**1,248**	1,249
Graphics	**551**	840	**2,569**	3,382
Forestry	**17**	22	**61**	80
Delivery costs revenue adjustment[2]	**(16)**	(17)	**(71)**	(60)

[2] *Relates to delivery costs netted off against revenue.*

Notes to the condensed group results continued

2. Segment information continued

US$ million	Quarter ended Sep 2020	Quarter ended Sep 2019	Reviewed Year ended Sep 2020	Reviewed Year ended Sep 2019
Operating profit (loss) excluding special items				
North America	**–**	17	**(27)**	27
Europe	**(21)**	23	**8**	104
South Africa	**18**	68	**75**	267
Unallocated and eliminations[1]	**(2)**	1	**1**	4
Total	**(5)**	109	**57**	402
Which consists of:				
Dissolving pulp	**(3)**	56	**(2)**	245
Packaging and specialities	**20**	26	**88**	52
Graphics	**(20)**	26	**(30)**	101
Unallocated and eliminations[1]	**(2)**	1	**1**	4
Special items – (gains) losses				
North America	**18**	12	**24**	25
Europe	**8**	(3)	**45**	(1)
South Africa	**–**	–	**1**	(16)
Unallocated and eliminations[1]	**13**	3	**25**	11
Total	**39**	12	**95**	19

[1] *Includes the group's treasury operations and insurance captive.*

2. **Segment information** continued

US$ million	Quarter ended Sep 2020	Quarter ended Sep 2019	Reviewed Year ended Sep 2020	Reviewed Year ended Sep 2019
Operating profit (loss) by segment				
North America	**(18)**	5	**(51)**	2
Europe	**(29)**	26	**(37)**	105
South Africa	**18**	68	**74**	283
Unallocated and eliminations[1]	**(15)**	(2)	**(24)**	(7)
Total	**(44)**	97	**(38)**	383
EBITDA excluding special items				
North America	**30**	39	**79**	110
Europe	**15**	56	**143**	232
South Africa	**38**	88	**151**	339
Unallocated and eliminations[1]	**(1)**	2	**5**	6
Total	**82**	185	**378**	687
Which consists of:				
Dissolving pulp	**14**	72	**63**	304
Packaging and specialities	**47**	45	**179**	126
Graphics	**22**	66	**131**	251
Unallocated and eliminations[1]	**(1)**	2	**5**	6

Notes to the condensed group results continued

2. Segment information continued

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

Special items cover those items which management believe are material by nature or amount to the operating results and require separate disclosure.

	Quarter ended		Reviewed Year ended	
US$ million	**Sep 2020**	Sep 2019	**Sep 2020**	Sep 2019
EBITDA excluding special items	**82**	185	**378**	687
Depreciation and amortisation	**(87)**	(76)	**(321)**	(285)
Operating profit excluding special items	**(5)**	109	**57**	402
Special items – gains (losses)	**(39)**	(12)	**(95)**	(19)
Plantation price fair value adjustment	**6**	5	**20**	19
Acquisition costs	**(1)**	(2)	**(6)**	(2)
Net restructuring provisions	**(16)**	–	**(34)**	–
Profit (Loss) on disposal and written off assets	**–**	(7)	**1**	(11)
PPE impairments	**(4)**	(7)	**(15)**	(18)
PPE impairment reversals	**–**	–	**–**	8
Equity accounted investees impairments	**(9)**	–	**(19)**	–
Fire, flood, storm and other events	**(15)**	(1)	**(42)**	(15)
Operating profit	**(44)**	97	**(38)**	383
Net finance costs	**(21)**	(20)	**(88)**	(85)
Profit (Loss) before taxation	**(65)**	77	**(126)**	298
Taxation	**(23)**	(27)	**(9)**	(87)
Profit (Loss) for the period	**(88)**	50	**(135)**	211

2. **Segment information** continued

US$ million	Reviewed Year ended Sep 2020	Sep 2019
Net operating assets		
North America	**1,284**	1,135
Europe	**1,494**	1,518
South Africa	**1,500**	1,430
Unallocated and eliminations[1]	**10**	8
Total	**4,288**	4,091
Reconciliation of net operating assets to total assets		
Segment assets	**4,288**	4,091
Deferred tax assets	**59**	106
Cash and cash equivalents	**279**	393
Trade and other payables	**797**	969
Provisions	**19**	6
Derivative financial instruments	**2**	7
Taxation payable	**11**	51
Total assets	**5,455**	5,623

[1] *Includes the group's treasury operations and insurance captive.*

Notes to the condensed group results continued

3. Operating profit (loss)

US$ million	Quarter ended Sep 2020	Quarter ended Sep 2019	Reviewed Year ended Sep 2020	Reviewed Year ended Sep 2019
Included in operating profit are the following items:				
Depreciation and amortisation	**87**	76	**321**	285
Fair value adjustment on plantations (included in cost of sales)				
Changes in volume				
Fellings	**15**	17	**63**	71
Growth	**(17)**	(18)	**(72)**	(73)
	(2)	(1)	**(9)**	(2)
Plantation price fair value adjustment	**(6)**	(5)	**(20)**	(19)
	(8)	(6)	**(29)**	(21)
Net restructuring provisions[1]	**16**	–	**34**	–
(Profit) Loss on disposal and written-off assets	**–**	7	**(1)**	11
PPE impairment reversals[1]	**–**	–	**–**	(8)
PPE impairments[1]	**4**	7	**15**	18
Equity accounted investees impairments[1]	**9**	–	**19**	–

[1] *In light of adverse economic conditions largely related to Covid-19, the group announced the closure of Stockstadt PM2 within our European segment which resulted in restructuring charges of US$18 million and asset impairment charges of US$11 million and the announced closure of Westbrook's PM9 and energy complex within the North American segment resulted in restructuring charges of US$12 million and asset impairment charges of US$4 million. Additionally equity accounted investments within the South African and Corporate segments were impaired by US$10 million and US$9 million respectively. For the year ended September 2019, asset impairments of US$18 million were recorded, mainly relating to the Westbrook Mill with the North American segment, partially offset by impairment reversals of US$8 million at our Tugela and Stanger Mills within the South African segment.*

4. Earnings per share

US$ million	Quarter ended Sep 2020	Quarter ended Sep 2019	Reviewed Year ended Sep 2020	Reviewed Year ended Sep 2019
Basic earnings per share (US cents)	**(16)**	9	**(25)**	39
Headline earnings per share (US cents)	**(14)**	11	**(19)**	42
EPS excluding special items (US cents)	**(4)**	10	**(5)**	44
Weighted average number of shares in issue (millions)	**546.1**	542.7	**545.5**	542.0
Diluted earnings per share (US cents)	**(16)**	9	**(25)**	39
Diluted headline earnings per share (US cents)	**(14)**	11	**(19)**	42
Weighted average number of shares on fully diluted basis (millions)	**548.0**	546.3	**547.7**	546.3
Calculation of headline earnings				
Profit (Loss) for the period	**(88)**	50	**(135)**	211
(Profit) Loss on disposal and written-off assets	**–**	7	**(1)**	11
PPE impairment reversals	**–**	–	**–**	(8)
PPE impairments	**4**	7	**15**	18
Equity investment impairments	**9**	–	**19**	–
Tax effect of above items	**–**	(3)	**(4)**	(4)
Headline earnings	**(75)**	61	**(106)**	228
Calculation of earnings excluding special items				
Profit (Loss) for the period	**(88)**	50	**(135)**	211
Special items after tax	**31**	6	**75**	16
Special items	**39**	12	**95**	19
Tax effect	**(8)**	(6)	**(20)**	(3)
Refinancing costs	**–**	–	**–**	9
Tax special items (refer to note 8)	**34**	–	**34**	–
Earnings excluding special items	**(23)**	56	**(26)**	236

Notes to the condensed group results continued

5. Plantations

Plantations are stated at fair value less cost to sell at the harvesting stage. In arriving at plantation fair values, the key assumptions are market prices less cost of delivery, discount rates and volume and growth estimations.

Mature timber that is expected to be felled within 12 months from the end of the reporting period is valued using unadjusted current market prices. Mature timber that is to be felled in more than 12 months from the reporting date is valued using a 12 quarter rolling historical average price. Immature timber is valued using a discounted cash flow method taking into account the growth cycle of a plantation.

The fair value of plantations is a Level 3 measure in terms of the fair value measurement hierarchy as established by IFRS 13 *Fair Value Measurement*.

	Reviewed	
US$ million	**Sep 2020**	Sep 2019
Fair value of plantations at beginning of year	**451**	466
Additions	**2**	2
Gains arising from growth	**72**	73
Fire, flood, storm and other events	**(11)**	(4)
In-field inventory	**1**	(3)
Gain arising from fair value price changes	**20**	19
Harvesting – agriculture produce (fellings)	**(63)**	(71)
Translation difference	**(53)**	(31)
Fair value of plantations at end of period	**419**	451

6. Financial instruments

The group's financial instruments that are measured at fair value on a recurring basis consist of derivative financial instruments and investments 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] Reviewed	
US$ million	Classification	Fair value hierarchy	**Sep 2020**	Sep 2019
Investment funds[2]	FV through OCI	Level 1	**6**	7
Derivative financial assets	FV through PL	Level 2	**3**	3
Derivative financial liabilities	FV through PL	Level 2	**11**	9

(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 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, bank overdrafts and current interest-bearing borrowings approximate their fair values.

Notes to the condensed group results continued

7. Capital commitments

	Reviewed	
US$ million	**Sep 2020**	Sep 2019
Contracted	**89**	194
Approved but not contracted	**232**	167
	321	361

8. Material balance sheet movements

Since the 2019 financial year-end, the ZAR has weakened by approximately 13% against the US Dollar, the group's presentation currency. This has resulted in a similar decrease of the group's South African assets and liabilities and equity, which are held in the aforementioned functional currency, on translation to the presentation currency.

Property, plant and equipment, goodwill and intangible assets and long-term interest-bearing borrowings

The acquisition of Matane Mill has resulted in increase in property, plant and equipment and goodwill and intangible assets and was funded with long-term interest-bearing borrowings from the OeKB bank of US$181 million (EUR74 million and CAD129 million). Refer to note 9 for more details on the acquisition.

Right-of-use assets and lease liabilities

The adoption of IFRS 16 *Leases* resulted in the group recognising right-of-use assets and lease liabilities. Refer to note 1.

Current assets and current liabilities

The decrease in inventories, trade and other receivables and trade and other payables is largely attributable to the impact on the group's performance from the Covid-19 pandemic, related lockdowns and the economic aftereffect.

Deferred tax asset

Our North American segment derecognised its net deferred tax asset of US$68 million of which US$38 million was recognised in profit or loss and US$30 million in other comprehensive income. The group's effective tax rate was impacted, among others, by the derecognition of the deferred tax asset in profit or loss.

9. Acquisition

On 3 November 2019, Sappi acquired the 270,000 ton Matane high yield hardwood pulp mill, in Quebec, Canada, from Rayonier Advanced Materials Inc ("Rayonier") for US$160 million. The acquisition will increase Sappi's pulp integration for its packaging businesses and lower Sappi's costs of pulp, reduce its volatility of earnings throughout the pulp cycle and provide certainty of supply. The acquisition was financed with long-term interest-bearing borrowings. Matane will form part of the North America segment and external high yield pulp sales will be reported as part of dissolving pulp and internal sales will be incorporated into packaging and specialities.

Fair values of assets acquired and liabilities assumed as at the acquisition date are as follows:

	US$ million
Property, plant and equipment	**82**
Intangibles and goodwill	**67**
Inventories	**17**
Trade receivables	**14**
Prepayments and other assets	**1**
Trade payables	**(5)**
Pension liabilities	**(8)**
Other payables and accruals	**(8)**
Net cash outflow on acquisition	**160**

Revenue of US$79 million has been earned from the acquisition date.

10. Related parties

There has been no material change, by nature or amount, in transactions with related parties since the 2019 financial year-end.

11. Events after balance sheet date

There have been no reportable events that occurred between the balance sheet date and the date of authorisation for issue of these financial statements.

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

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

Broad-based Black Economic Empowerment (BBBEE) charge – represents the IFRS 2 non-cash charge associated with the BBBEE transaction implemented in fiscal 2010 in terms of BBBEE legislation in South Africa

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

EPS excluding special items – earnings per share excluding special items and certain once-off 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 1/2019, issued by the South African Institute of Chartered Accountants in December 2019, which 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 leased 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 – A 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; and
- 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, non-cash gains or losses on the price fair value adjustment of plantations and alternative fuel tax credits receivable in cash

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

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

Summary Rand convenience translation

	Quarter ended		Year ended	
	Sep 2020	Sep 2019	**Sep 2020**	Sep 2019
Key figures: (ZAR million)				
Sales	**18,472**	21,349	**74,788**	82,434
Operating profit excluding special items[1]	**(85)**	1,600	**925**	5,767
Special items – (gains) losses[1]	**660**	176	**1,542**	273
EBITDA excluding special items[1]	**1,387**	2,716	**6,134**	9,856
Profit for the period	**(1,489)**	734	**(2,191)**	3,027
Basic earnings per share (SA cents)	**(273)**	135	**(402)**	558
Net debt[1]	**33,526**	22,750	**33,526**	22,750
Key ratios: (%)				
Operating profit excluding special items to sales	**(0.5)**	7.5	**1.2**	7.0
Operating profit excluding special items to capital employed (ROCE)[1]	**(0.5)**	12.2	**1.6**	11.3
EBITDA excluding special items to sales	**7.5**	12.7	**8.2**	12.0

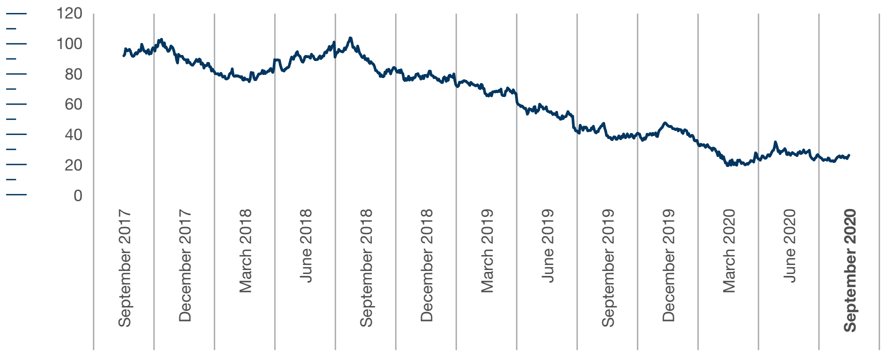
[1] *Refer to supplemental information for the definition of the term.*

The above financial results have been translated into Rand 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.*

Exchange rates

	Sep 2020	Jun 2020	Mar 2020	Dec 2019	Sep 2019
Exchange rates:					
Period end rate: US$1 = ZAR	**17.1311**	17.2350	17.6300	14.0326	15.1563
Average rate for the Quarter: US$1 = ZAR	**16.9157**	17.9747	15.2605	14.7241	14.6831
Average rate for the YTD: US$1 = ZAR	**16.2265**	15.9835	14.9919	14.7241	14.3464
Period end rate: EUR1 = US$	**1.1632**	1.1219	1.1142	1.1177	1.0939
Average rate for the Quarter: EUR1 = US$	**1.1674**	1.1005	1.1033	1.1066	1.1123
Average rate for the YTD: EUR1 = US$	**1.1195**	1.1035	1.1050	1.1066	1.1282

Sappi share price – September 2017 to September 2020



sappi

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

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

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