

**Sappi Group
(Sappi Limited)
FOURTH QUARTER: FISCAL YEAR 2021
FINANCIAL RESULTS AND OPERATIONAL DATA ENDED
26 SEPTEMBER 2021**

11 NOVEMBER 2021

This report is being furnished to The Bank of New York Mellon as trustee for the Senior Secured Notes of Sappi Papier Holding GmbH due 2026 issued pursuant to the indentures dated as of March 12, 2019; and the Senior Secured Notes of Sappi Papier Holding GmbH due 2028 issued pursuant to the indentures dated as of March 10, 2021; in each case pursuant to Section 4.03 of the indentures governing such Senior Notes.

On 31 August 2016, Sappi has released all existing security previously granted to secure certain indebtedness, including these Senior Notes.

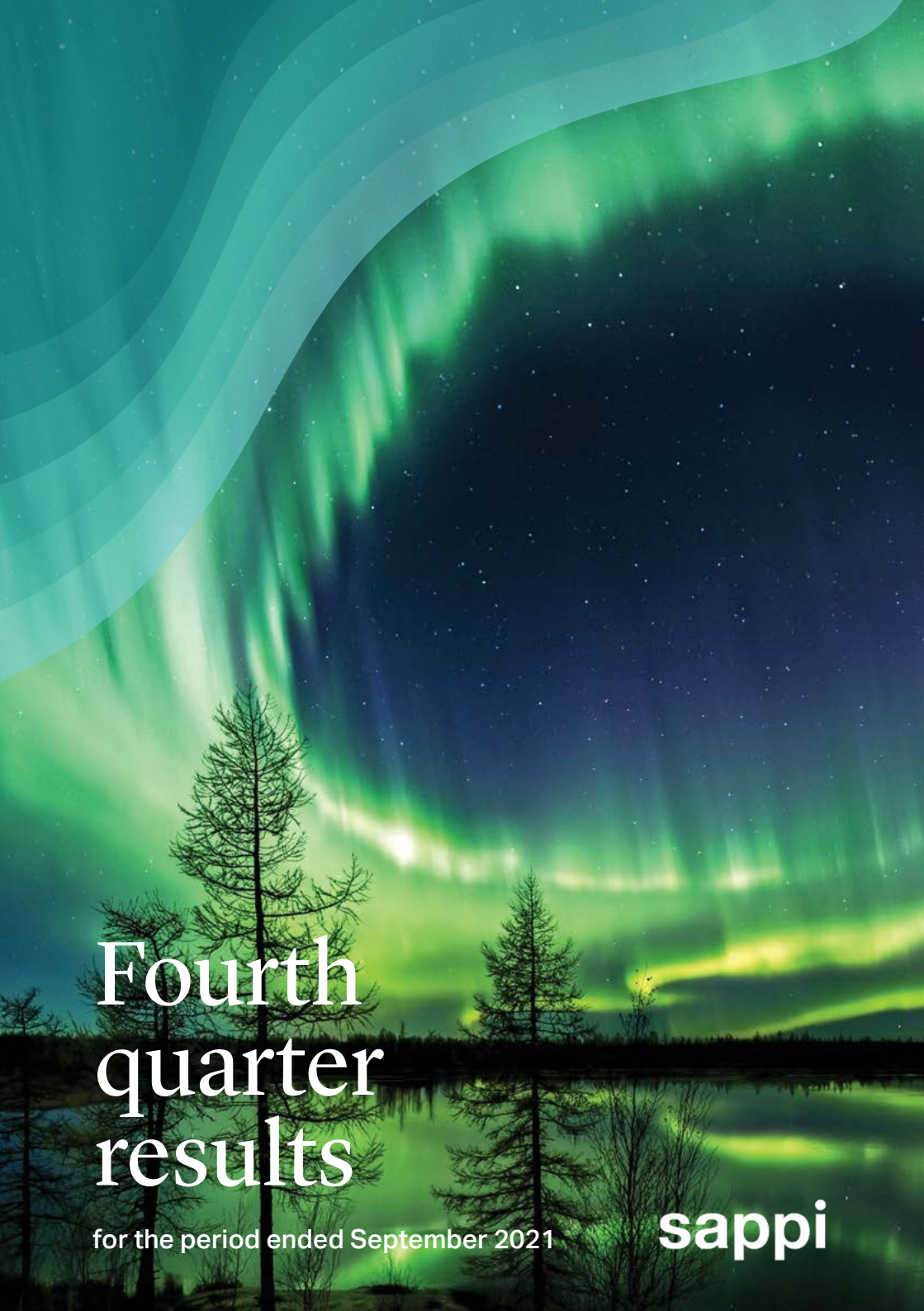
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for historical information contained herein, statements contained in this report may constitute “forward-looking statements.” 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;
- the Covid-19 pandemic;
- 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 restructuring or other strategic initiatives, and achieving expected savings and synergies; and
- currency fluctuations.

For a discussion of the above factors and certain additional factors, refer to the document entitled “Risk Report” attached to the 2020 Annual Integrated Report as disclosed in the “Bond Reporting Requirements” section of our webpage (www.sappi.com) under “Sappi Papier Holdings”. These factors are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results.

You are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are made as of the date of this report or as of the date specified therein and are not intended to give any assurance as to future results. 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.

A vibrant green aurora borealis (Northern Lights) dances across a dark, starry night sky. Below the lights, a calm body of water reflects the celestial display. Silhouettes of evergreen trees are visible in the foreground, their forms dark against the glowing backdrop. In the upper left corner, there are several overlapping, wavy, semi-transparent teal and light blue shapes that add a modern, graphic element to the natural scene.

Fourth quarter results

for the period ended September 2021

sappi

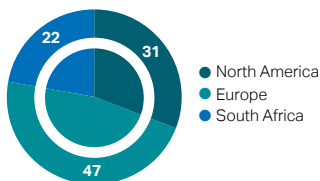
Fourth quarter results

“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.”

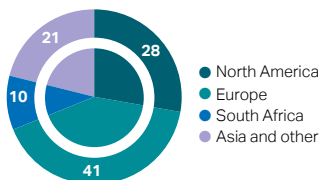
Our raw material offerings (such as dissolving pulp, wood pulp and biomaterials) and end-use products (packaging and speciality papers, graphic papers, casting and release papers and forestry products) are manufactured from woodfibre sourced from sustainably managed forests and plantations, in production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

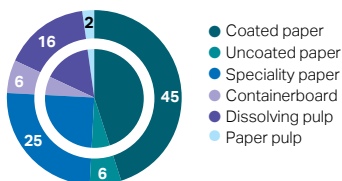
Sales by source* (%)



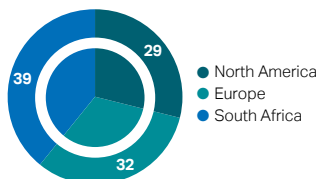
Sales by destination* (%)



Sales by product* (%)



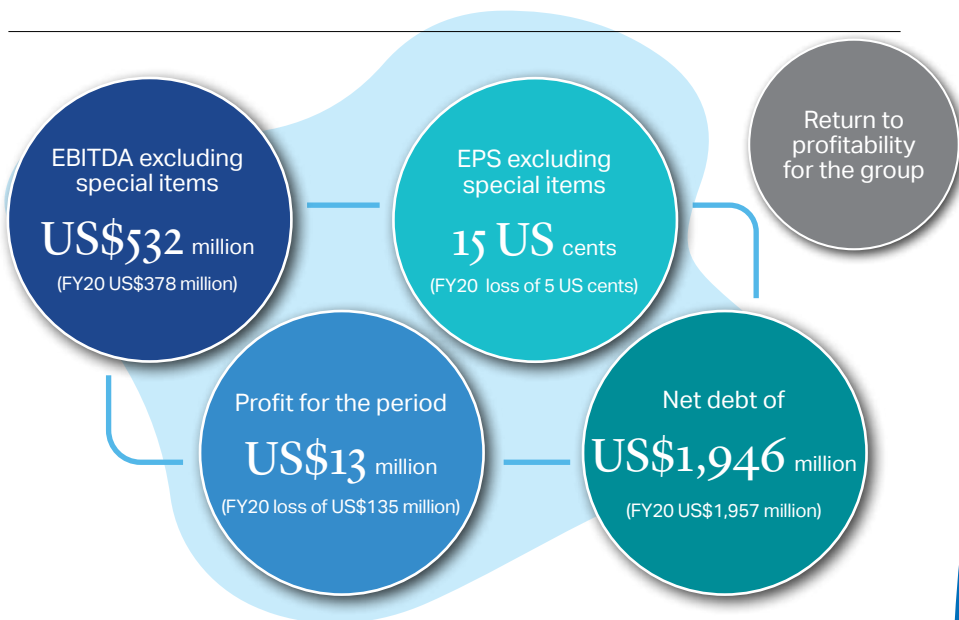
Net operating assets** (%)



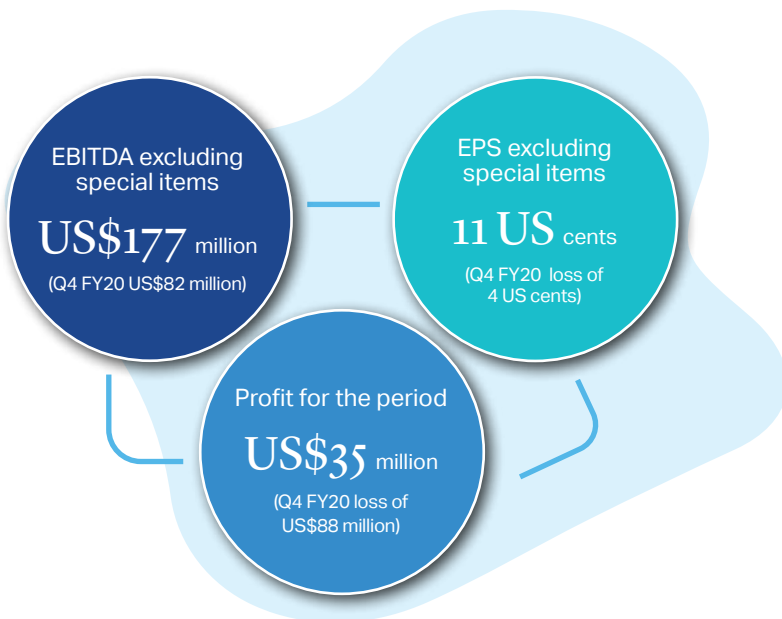
* For the period ended September 2021.

** As at September 2021.

Highlights for the year



Highlights for the quarter



Highlights for the quarter continued

	Quarter ended			Year ended	
	Sep 2021	Sep 2020	Jun 2021	Sep 2021	Sep 2020
Key figures: (US\$ million)					
Sales	1,425	1,092	1,393	5,265	4,609
Operating profit (loss) excluding special items ⁽¹⁾	92	(5)	64	203	57
Special items – loss (gain) ⁽²⁾	34	39	11	57	95
EBITDA excluding special items ⁽¹⁾	177	82	145	532	378
Profit (Loss) for the period	35	(88)	18	13	(135)
Basic earnings per share (US cents)	6	(16)	3	2	(25)
EPS excluding special items (US cents) ⁽³⁾	11	(4)	5	15	(5)
Net debt ⁽³⁾	1,946	1,957	2,055	1,946	1,957
Key ratios: (%)					
Operating profit (loss) excluding special items to sales	6.5	(0.5)	4.6	3.9	1.2
Operating profit (loss) excluding special items to capital employed (ROCE) ⁽³⁾	9.3	(0.5)	6.4	5.4	1.6
EBITDA excluding special items to sales	12.4	7.5	10.4	10.1	8.2
Net debt to EBITDA excluding special items	3.7	5.2	4.7	3.7	5.2
Covenant leverage ratio ^{(3), (4)}	3.7	5.0	4.7	3.7	5.0
Interest cover ^{(3), (4)}	5.5	4.7	4.8	5.5	4.7
Net asset value per share (US cents) ⁽³⁾	351	299	362	351	299

⁽¹⁾ Refer to note 2 to the group results for the reconciliation of EBITDA excluding special items and operating profit excluding special items to operating profit by segment, and profit for the period.

⁽²⁾ Refer to note 2 to the group results for details on special items.

⁽³⁾ Refer to supplemental information for the definition of the term.

⁽⁴⁾ The current covenant suspension period ended in September 2021.

Year ended September 2021 compared to year ended September 2020

The group returned to overall profitability and delivered EBITDA excluding special items of US\$532 million, which was a substantial increase on the prior year of US\$378 million. Market demand across Sappi's major product segments improved steadily during the year as Covid-19 lockdowns eased and global economic activity resumed.

Highlights for the year included the recovery of profitability in the dissolving pulp (DP) segment driven by buoyant demand and significantly better market prices, combined with an excellent performance of the North American region, which delivered its highest financial year EBITDA in over a decade. The investments of recent years into packaging and speciality papers reaped rewards as the segment achieved record profitability and sales volumes increased by 21%. However, profitability of the European region was hindered by the impact of strict Covid-19 lockdowns, which suppressed economic recovery across the value chain, and spiralling costs.

As Covid-19 lockdowns eased and economic activity resumed, global trade rebounded much faster than initially anticipated. The requirement for shipping unexpectedly surged which triggered vessel and container shortages, severe port congestion and significant freight rate increases. The logistical disruptions described above severely constrained our export sales in all regions. Furthermore, high demand for raw materials and commodities, coupled with long lead

times and an inability to restock inventories, fuelled worldwide inflationary pressures. Consequently, escalating delivery and raw material costs, particularly purchased pulp, chemicals and energy, negatively impacted margins in all product segments. To mitigate the impact of these rising costs we implemented a series of price increases in our paper businesses.

DP market conditions rallied strongly from the first quarter on the back of improved apparel retail demand in the US and Asia, which favourably impacted demand for all textile fibres. Low DP and viscose staple fibre (VSF) inventory levels, high paper pulp prices and a weaker US\$/Renminbi exchange rate were all factors that further contributed to the positive sentiment in the sector. The market price⁽¹⁾ for hardwood DP surged from a base of US\$624 per ton in October 2020 to a peak of US\$1,106 per ton in April 2021 and closed the year at the end of September 2021 at US\$1,000 per ton. Sappi customer demand was robust and EBITDA for the segment of US\$197 million was more than three times that of the prior year. However, the ongoing global supply chain challenges, exacerbated by the impact from the South African civil unrest and a cyber security breach at the Durban port constrained sales and resulted in a backlog of 100,000 tons at year end which reduced EBITDA by approximately US\$30 million. In addition, once off events at the South African mills including a labour strike, shortage of oxygen due to Covid-19, an extended annual shut at

⁽¹⁾ Market price for imported hardwood dissolving pulp into China issued daily by the CCF Group

Year ended September 2021 compared to year ended September 2020 continued

Saiccor Mill and the civil unrest, which forced Saiccor Mill to close temporarily, significantly reduced production volumes. The project to expand the Saiccor Mill capacity was impacted negatively by Covid-19 lockdowns and associated travel restrictions, which delayed the project schedule. Commissioning of the plant began during the fourth quarter and additional production will commence in the first quarter of the 2022 financial year.

The 21% growth in sales volumes for the packaging and speciality papers segment was primarily driven by the successful ramp-up of sales volumes from Somerset Mill PM1 in North America. The line ran fully on packaging grades from the third quarter and the focus shifted subsequently to product mix and margin optimisation. Growth in the European packaging and specialities sales volumes was hampered by weaker demand for certain non-essential luxury product categories and prolonged speciality paper qualifications. Profitability in the European region was also impacted by higher purchased pulp, energy, chemicals and delivery costs. Containerboard demand in South Africa was robust on the back of strong fruit exports. EBITDA for the segment increased from US\$179 million to US\$214 million.

Global demand for graphic paper grades progressively improved through the course of the year. However, market recovery in Europe lagged that in North America due to stricter lockdowns in the European Union. Capacity closures in North America in combination with constrained imports into the region due

to supply chain challenges contributed to a favourable shift in the supply and demand balance and enabled domestic producers to operate at full capacity. Conversely the lagging European demand recovery necessitated 367,000 tons of graphics production curtailment in the European operations. Despite overall graphic papers segment sales volumes increasing 3% compared to the previous year, EBITDA deteriorated from US\$131 million to US\$120 million driven primarily by substantial cost inflation in purchased pulp, chemicals, energy and delivery costs.

Special items for the year included US\$19 million for asset impairments related to weak coated mechanical and newsprint market conditions and an additional US\$23 million related to asset damage, floods and restructuring costs.

An increase in net finance costs for the year to US\$134 million from the US\$88 million in the prior year was primarily due to non-cash fair value adjustments arising from the revaluation of the conversion rights for the Sappi Southern Africa ZAR1,8 billion (US\$123 million) convertible bond issued in the first quarter and refinancing costs for our 2023 European bonds which were upsized with a new issue of €400 million which will mature in 2028.

The improvement in market conditions and ensuing substantial recovery of operating profitability translated to a profit for the period of US\$13 million compared to the loss of US\$135 million for the 2020 financial year.

The ongoing recovery from Covid-19 continued in the fourth quarter. High DP prices and an excellent performance by the North American region more than offset escalating raw material costs and ongoing supply chain challenges, which constrained shipments and negatively impacted delivery costs. Consequently, group EBITDA excluding special items of US\$177 million was a further increase on the US\$145 million achieved in the third quarter.

VSF prices dropped during the quarter due to higher inventory levels and a delay in the seasonal upswing in demand ahead of the Chinese National Holidays in October. This had a corresponding impact on the hardwood DP market price, notwithstanding it remained above US\$1,000 per ton due to various DP supply side constraints, including unforeseen mill outages and the ongoing global supply chain challenges. DP sales volumes for the quarter of 263,000 tons, which included 37,000 tons of high yield BCTMP pulp, were significantly below expectations. The supply chain disruptions including global port congestion, inefficiencies in the Durban port and limited vessel availability were responsible for this shortfall. Despite the lower sales volumes compared to the prior quarter, the EBITDA for the segment increased by 38% due to beneficial pricing which peaked in the third quarter and formed the basis of fourth quarter contract prices.

Sales volumes in the packaging and speciality papers segment increased 10% compared to the equivalent quarter in the prior year as the North America region experienced encouraging sales growth and margin improvement across all of the major product categories. EBITDA for the segment improved 21% compared to last year.

Graphic paper demand continued to recover and, combined with industry capacity closures, ensured the market balance in Europe and North America was restored to healthy levels. However, profitability in Europe remained a challenge due to inflationary cost pressures. Low industry inventory levels and longer delivery lead times linked to the global supply chain challenges provided support for price increases during the quarter.

Earnings per share excluding special items for the quarter was 11 US cents, which was a substantial improvement on the 5 US cents in the prior quarter and indicative of the recovery of profitability for the group.

Cash flow and debt

Net cash generated for the quarter was US\$33 million, compared to US\$88 million in the equivalent quarter of last year and US\$49 million in the prior quarter. The decrease was primarily as a result of increased capital expenditure of US\$143 million related mainly to the expansion of DP capacity at Saiccor Mill.

Net cash generated for the financial year was US\$29 million (FY2020 US\$257 million utilised). The improvement in cash generation was largely due to the recovery of sales volumes and improved profitability. The prior year also contained the acquisition of the Matane Mill.

Net debt at financial year end decreased to US\$1,946 million (FY20 US\$1,957 million) as a result of the cash generation. The covenant leverage ratio at year end reduced substantially from a peak of 6.7 in the second quarter to 3.7 at year end and is expected to continue to reduce progressively as the low EBITDA Covid-19 impacted quarters are eliminated from the calculation. At year end, liquidity comprised cash on hand of US\$366 million and US\$732 million from the committed revolving credit facilities (RCF) in South Africa and Europe.

Operating review for the quarter

Europe

EUR million	Sep 2021	Quarter ended			
		Jun 2021	Mar 2021	Dec 2020	Sep 2020
Sales – tons	757	733	669	658	570
Sales	589	536	483	482	422
Operating profit (loss) excluding special items	(21)	(15)	(8)	–	(19)
<i>Operating profit (loss) excluding special items to sales (%)</i>	<i>(3.6)</i>	<i>(2.8)</i>	<i>(1.7)</i>	–	<i>(4.5)</i>
EBITDA excluding special items	12	14	23	29	13
<i>EBITDA excluding special items to sales (%)</i>	<i>2.0</i>	<i>2.6</i>	<i>4.8</i>	<i>6.0</i>	<i>3.1</i>
RONOA pa (%)	(6.6)	(4.7)	(2.5)	–	(5.8)

Despite positive gains in selling prices across all product categories during the quarter, profitability continued to be under significant pressure due to rapid cost inflation.

Graphics sales volumes increased 5% compared to the prior quarter and were 37% higher than the previous year. Tighter market dynamics facilitated a 7% rise in selling prices compared to the prior quarter. Coated woodfree and coated mechanical sales volumes reached 99% and 80% respectively of pre-Covid 2019 levels which enabled a reduction of production curtailment from 85,000 tons in the prior quarter to 43,000 tons.

Packaging and specialities sales volumes grew 16% year-on-year but were slightly below that of the prior quarter due to the

usual seasonally weaker demand linked to customer summer shutdowns. Sales of packaging grades, self-adhesives, digital solutions and functional papers were all positive year-on-year. However, other non-essential consumer categories continued to lag. A 7% average sales price increase was realised for the segment compared to the prior quarter.

Variable costs per ton increased 23% year-on-year driven by high purchased pulp, energy and delivery costs. Fixed costs were 13% above the previous year primarily due to the removal of temporary unemployment benefits from certain European governments, which was not repeated in the current financial year.

North America

US\$ million	Sep 2021	Quarter ended			
		Jun 2021	Mar 2021	Dec 2020	Sep 2020
Sales – tons	418	420	426	421	416
Sales	458	438	408	384	361
Operating profit (loss) excluding special items	65	31	11	(2)	–
<i>Operating profit (loss) excluding special items to sales (%)</i>	14.2	7.1	2.7	(0.5)	–
EBITDA excluding special items	90	57	35	27	30
<i>EBITDA excluding special items to sales (%)</i>	19.7	13.0	8.6	7.0	8.3
<i>RONOA pa (%)</i>	19.5	9.1	3.3	(0.6)	–

The North American region delivered another excellent quarter recording an EBITDA for the fourth quarter of US\$90 million, which was the highest quarterly EBITDA in more than twenty years. The success was broad based and demand across all product segments was strong. The focus in the quarter was on implementation of higher selling prices to offset rising costs and product mix optimisation into higher margin categories.

The tight supply situation in the region was intensified by constraints on imports due to supply chain challenges and supported the implementation of higher selling prices. Packaging and specialties sales volumes and pricing were up 20% and 18% respectively year-on-year. Similarly, the graphics segment sales volumes were 2% higher than last year and net selling prices improved by 13%.

The DP segmental sales volumes included 37,000 tons of high yield BCTMP pulp sales from Matane Mill. Profit continued to increase as a result of high DP prices which were 52% above last year. However, approximately 18,000 tons of DP sales volumes were delayed at year-end due to logistical challenges.

Variable costs escalated 19% year-on-year due to higher purchased pulp costs and to a lesser extent higher chemical and energy pricing, partly offset by lower wood prices. Delivery costs increased substantially by 24% primarily due to rate increases associated with congested domestic transport networks, higher fuel costs and higher export shipping rates. Fixed costs were 14% higher due to higher personnel and maintenance costs.

South Africa

ZAR million	Sep 2021	Quarter ended			
		Jun 2021	Mar 2021	Dec 2020	Sep 2020
Sales – tons	720	769	744	604	707
Sales	4,320	4,764	4,743	3,489	4,202
Operating profit excluding special items	793	744	438	267	306
<i>Operating profit excluding special items to sales (%)</i>	18.4	15.6	9.2	7.7	7.3
EBITDA excluding special items	1,100	1,029	707	550	644
<i>EBITDA excluding special items to sales (%)</i>	25.5	21.6	14.9	15.8	15.3
<i>RONOA pa (%)</i>	11.8	11.2	6.6	4.1	4.8

EBITDA for the region increased substantially compared to the previous year driven mainly by the improvement in DP pricing. Quarter-on-quarter net selling price increases were achieved in all product segments but were partially offset by variable, delivery and fixed costs increases.

Demand for containerboard remained strong on the back of an excellent citrus export season. Newsprint and uncoated woodfree volumes continue to be impacted by the negative impacts of Covid-19 on the economy.

The most significant headwinds for the region were supply chain challenges related to inefficiencies in the rail network and at the Durban port. The already

strained conditions in the port due to the impact of the global shipping problems were further aggravated during the quarter by the civil unrest, cyber-attack, equipment failures and adverse weather events. Containers and vessel space availability were prioritised for refrigerated fruit exports and extreme congestion resulted in numerous blank sailings as vessels by-passed the port. The net effect was a substantial increase in the backlog of shipments and approximately 82,000 tons of DP sales volumes were delayed at year end.

Variable costs increased 9% year-on-year due to escalating energy and chemical costs. Fixed costs were 22% higher due to maintenance and silviculture costs.

Overall market conditions for DP continue to be strong. However, short-term demand in China is impacted by the recent implementation of energy savings regulations which impose curtailments for energy intensive manufacturing operations across the country. The textile value chain has been negatively impacted thereby reducing VSF production and DP demand. Consequently, DP market prices dropped to US\$940 per ton in October. However, lower VSF supply and a widening price differential to cotton fuelled a significant rise in VSF pricing, which should be positive for DP pricing. Suppi's sales volumes are not expected to be impacted by the weaker Chinese DP demand.

The recovery of demand for graphic paper combined with industry capacity closures has tightened the market balance. In North America, ongoing restrictions on imports due to global supply chain disruptions have further contributed to a positive environment in this region. The underlying demand in the packaging and specialties segment remains robust in both the North American and South African regions and opportunities for further growth in sales volumes exist in Europe. The scheduled Somerset annual maintenance shut, which includes an extended statutory cold outage, will have an estimated US\$22 million impact on profitability in the first quarter.

Recent spikes in global energy prices for gas, power and coal are anticipated to have an adverse impact on our first quarter results, principally in Europe. To offset rising costs, we have announced selling price increases across all paper grades. In addition, energy specific surcharges have been implemented for all European shipments from 25 October 2021.

Global logistical challenges and vessel shortages are expected to continue through FY2022, which may have an ongoing negative impact on our export sales. It is unlikely that any significant improvement in supply chain reliability will be realised in the first quarter and hence the backlog of 100,000 tons of DP sales volumes will take time to resolve.

Capital expenditure in FY2022 is estimated to be US\$395 million and includes approximately US\$30 million of Saiccor Mill expansion capex, US\$80 million for cost optimisation and quality improvement projects and US\$75 million for sustainability projects.

The first quarter of FY2022 will comprise 14 weeks instead of the typical 13-week quarter. This is in order to adjust our reporting periods closer to the calendar periods and will result in increased sales compared to comparative quarters.

We remain encouraged by the growing resilience of global economies as the Covid-19 pandemic evolves and the corresponding recovery in underlying demand in all of our product segments. However, the supply chain challenges and the extraordinary cost inflation may affect profitability. In addition, the maintenance shut at Somerset Mill is scheduled for the first quarter and will impact EBITDA. Taking these factors into account, we anticipate a further improvement in EBITDA for the first quarter of FY2022 relative to the fourth quarter of FY2021.

On behalf of the board

S R Binnie
Director

G T Pearce
Director

11 November 2021

Forward-looking statements

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- 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.

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Condensed group income statement

US\$ million	Note	Quarter ended		Reviewed Year ended	
		Sep 2021	Sep 2020	Sep 2021	Sep 2020
Sales		1,425	1,092	5,265	4,609
Cost of sales		1,239	1,010	4,716	4,210
Gross profit		186	82	549	399
Selling, general and administrative expenses		106	81	376	337
Other operating expenses		25	45	30	100
Share of profit from equity accounted investees		(3)	–	(3)	–
Operating profit (loss)	3	58	(44)	146	(38)
Net finance costs		26	21	134	88
Finance costs		28	23	112	93
Finance income		(2)	(1)	(8)	(5)
Net foreign exchange gain		–	(1)	(1)	–
Net fair value loss on financial instruments	8	–	–	31	–
Profit (Loss) before taxation		32	(65)	12	(126)
Taxation		(3)	23	(1)	9
Profit (Loss) for the period		35	(88)	13	(135)
Basic earnings per share (US cents)	4	6	(16)	2	(25)
Weighted average number of shares in issue (millions)		557.5	546.1	549.7	545.5
Diluted earnings per share (US cents)	4	6	(16)	2	(25)
Weighted average number of shares on fully diluted basis (millions)		600.9	548.0	592.7	547.7

Condensed group statement of other comprehensive income

US\$ million	Note	Quarter ended		Reviewed Year ended	
		Sep 2021	Sep 2020	Sep 2021	Sep 2020
Profit (Loss) for the period		35	(88)	13	(135)
Other comprehensive income, net of tax					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
		(6)	(63)	90	(31)
Actuarial gains on post-employment benefit funds	8	(8)	(34)	92	1
Tax effect on above item		2	(29)	(2)	(32)
<i>Items that may be reclassified subsequently to profit or loss</i>					
		(70)	–	162	(159)
Exchange differences on translation of foreign operations	8	(66)	(6)	164	(162)
Movements in hedging reserves		(4)	7	(1)	2
Tax effect on above items		–	(1)	(1)	1
Total comprehensive income for the period		(41)	(151)	265	(325)

Condensed group balance sheet

US\$ million	Note	Reviewed Sep 2021	Reviewed Sep 2020
ASSETS			
Non-current assets		4,255	3,891
Property, plant and equipment		3,325	3,103
Right-of-use assets		110	101
Plantations	5	477	419
Deferred tax assets		59	59
Goodwill and intangible assets		110	113
Equity accounted investees		10	11
Other non-current assets		164	85
Current assets		1,931	1,564
Inventories	8	841	673
Trade and other receivables	8	703	584
Derivative financial assets		4	3
Taxation receivable		7	19
Cash and cash equivalents	8	366	279
Assets held for sale		10	6
Total assets		6,186	5,455
EQUITY AND LIABILITIES			
Shareholders' equity			
Ordinary shareholders' interest		1,970	1,632
Non-current liabilities		2,907	2,700
Interest-bearing borrowings	8	2,062	1,861
Lease liabilities		94	81
Deferred tax liabilities		345	304
Defined benefit and other liabilities		400	445
Derivative financial liabilities		6	9
Current liabilities		1,309	1,123
Interest-bearing borrowings		132	270
Lease liabilities		24	24
Trade and other payables	8	1,131	797
Provisions		10	19
Derivative financial liabilities	8	4	2
Taxation payable		8	11
Total equity and liabilities		6,186	5,455
Number of shares in issue at balance sheet date (millions)		561.5	546.1

Condensed group statement of cash flows

US\$ million	Quarter ended		Reviewed Year ended	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Profit (Loss) for the period	35	(88)	13	(135)
<i>Adjustment for:</i>				
Depreciation, fellings and amortisation	100	102	396	384
Taxation	(3)	23	(1)	9
Net finance costs	26	21	134	88
Defined post-employment benefits paid	(11)	(17)	(49)	(40)
Plantation fair value adjustments	(15)	(23)	(66)	(92)
Asset impairments	12	4	19	15
Gain on remeasurement	–	–	(4)	–
Equity accounted investees impairments	3	9	4	19
Net restructuring provisions	2	16	2	34
(Profit) Loss on disposal and written-off assets	1	–	(1)	(1)
Other non-cash items ⁽¹⁾	(9)	(1)	25	42
Cash generated from operations	141	46	472	323
Movement in working capital	63	135	39	65
Finance costs paid	(24)	(7)	(110)	(108)
Finance income received	1	2	8	6
Taxation (paid) refund	(5)	4	(2)	(26)
Cash generated from operating activities	176	180	407	260
Cash utilised in investing activities	(143)	(92)	(378)	(517)
Capital expenditure	(143)	(95)	(374)	(351)
Proceeds on disposal of assets	1	1	4	1
Acquisition of subsidiary	–	–	–	(160)
Other non-current asset movements	(1)	2	(8)	(7)

Condensed group statement of cash flows

US\$ million	Quarter ended		Reviewed Year ended	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Net cash generated (utilised)	33	88	29	(257)
Cash effects of financing activities	(71)	(6)	33	138
Proceeds from interest-bearing borrowings ⁽²⁾	44	259	690	617
Repayment of interest-bearing borrowings ⁽²⁾	(109)	(260)	(631)	(457)
Lease repayments	(6)	(5)	(26)	(22)
Net movement in cash and cash equivalents	(38)	82	62	(119)
Cash and cash equivalents at beginning of period	405	190	279	393
Translation effects	(1)	7	25	5
Cash and cash equivalents at end of period	366	279	366	279

⁽¹⁾ Other non-cash items for the year ended September 2021 primarily relate to non-cash movements in the defined benefit liabilities and plan assets of US\$27 million (2020: US\$25 million) and share-based charges of US\$8 million (2020: US\$10 million).

⁽²⁾ Proceeds from short-term refinancing transactions and repayments of short-term financing transactions relating to the group's revolving credit facilities were previously presented on a gross basis as part of "Proceeds from interest-bearing borrowings" and "Repayment of interest-bearing borrowings", respectively. Due to the short-term nature of refinancing the revolving credit facilities (less than three months) and to achieve better presentation of the movement in cash balances, cash flows from short-term refinancing transactions are now being presented, as allowed by IAS 7, on a net basis, as opposed to a gross basis as previously presented. The comparative numbers have been adjusted by US\$448 million on both proceeds and repayments of interest-bearing borrowings.

Previously reported	Sep 2020	Sep 2020
Proceeds from interest-bearing borrowings	707	1,065
Repayment of interest-bearing borrowings	(708)	(905)

Condensed group statement of changes in equity

US\$ million	Reviewed Year ended	
	Sep 2021	Sep 2020
Balance – beginning of period	1,632	1,948
Profit (Loss) for the period	13	(135)
Other comprehensive income for the period	252	(190)
Issue of shares	26	–
Convertible bond – equity portion	39	–
Transfers of vested share options	–	(1)
Share-based payment reserve	8	10
Balance – end of period	1,970	1,632
Comprising		
Ordinary share capital and premium	877	710
Non-distributable reserves	121	101
Foreign currency translation reserves	(194)	(245)
Hedging reserves	(43)	(40)
Retained earnings	1,209	1,106
Total equity	1,970	1,632

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 recognition 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.

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 the 11 November 2021.

The condensed consolidated financial statements for the year ended September 2021 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 incurred a profit of US\$13 million for the year ended September 2021 (2020: Loss of US\$135 million) which includes a fair value loss of US\$31 million relating to the financial instruments (refer to note 8). The group's performance for the year was adversely impacted by the continued Covid-19 pandemic and the economic after-effect. The group has agreed a covenant suspension period for the measurement of the financial covenants applicable to its debt facilities until September 2021 with the first measurement due at the end of December 2021. The new covenants applicable from December 2021 as previously advised provide good headroom and will be monitored continuously.

As a result, the group continues to focus on the preservation of liquidity and cash flow, and implement various cost saving measures across all operations, curtail excess production and where possible defer non-essential capital expenditure and apply measures to optimise working capital. 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.

2. Segment information

	Quarter ended		Year ended	
Metric tons (000's)	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Sales volume				
North America	418	416	1,685	1,516
Europe	757	570	2,817	2,698
South Africa – Pulp and paper	316	369	1,398	1,406
Forestry	404	338	1,439	1,168
Total	1,895	1,693	7,339	6,788
Which consists of:				
Dissolving pulp	263	341	1,236	1,315
Packaging and specialities	383	348	1,464	1,209
Graphics	845	666	3,200	3,096
Forestry	404	338	1,439	1,168

	Quarter ended		Reviewed Year ended	
US\$ million	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Sales				
North America	458	361	1,688	1,385
Europe	697	499	2,499	2,314
South Africa – Pulp and paper	272	231	1,083	920
Forestry	24	17	83	61
Delivery costs revenue adjustment ⁽²⁾	(26)	(16)	(88)	(71)
Total	1,425	1,092	5,265	4,609
Which consists of:				
Dissolving pulp	241	196	952	802
Packaging and specialities	430	344	1,578	1,248
Graphics	756	551	2,740	2,569
Forestry	24	17	83	61
Delivery costs revenue adjustment ⁽²⁾	(26)	(16)	(88)	(71)

⁽²⁾ Relates to delivery costs netted off against revenue.

2. Segment information continued

US\$ million	Quarter ended		Reviewed Year ended	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Operating profit (loss) excluding special items				
North America	65	–	105	(27)
Europe	(25)	(21)	(52)	8
South Africa	54	18	151	75
Unallocated and eliminations ⁽¹⁾	(2)	(2)	(1)	1
Total	92	(5)	203	57
Which consists of:				
Dissolving pulp	57	(3)	127	(2)
Packaging and specialities	33	20	109	88
Graphics	4	(20)	(32)	(30)
Unallocated and eliminations ⁽¹⁾	(2)	(2)	(1)	1
Special items – (gains) losses				
North America	4	18	1	24
Europe	18	8	17	45
South Africa	9	–	29	1
Unallocated and eliminations ⁽¹⁾	3	13	10	25
Total	34	39	57	95

⁽¹⁾ Includes the group's treasury operations and insurance captive.

2. Segment information continued

US\$ million	Quarter ended		Reviewed Year ended	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Operating profit (loss) by segment				
North America	61	(18)	104	(51)
Europe	(43)	(29)	(69)	(37)
South Africa	45	18	122	74
Unallocated and eliminations ⁽¹⁾	(5)	(15)	(11)	(24)
Total	58	(44)	146	(38)
EBITDA excluding special items				
North America	90	30	209	79
Europe	14	15	94	143
South Africa	75	38	228	151
Unallocated and eliminations ⁽¹⁾	(2)	(1)	1	5
Total	177	82	532	378
Which consists of:				
Dissolving pulp	77	14	197	63
Packaging and specialties	57	47	214	179
Graphics	45	22	120	131
Unallocated and eliminations ⁽¹⁾	(2)	(1)	1	5

⁽¹⁾ Includes the group's treasury operations and insurance captive.

2. Segment information continued

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

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

US\$ million	Quarter ended		Reviewed Year ended	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
EBITDA excluding special items	177	82	532	378
Depreciation and amortisation	(85)	(87)	(329)	(321)
Operating profit excluding special items	92	(5)	203	57
Special items – gains (losses)	(34)	(39)	(57)	(95)
Plantation price fair value adjustment	(5)	6	(13)	20
Acquisition costs	1	(1)	–	(6)
Net restructuring provisions	(2)	(16)	(2)	(34)
Profit (Loss) on disposal and written-off assets	(1)	–	1	1
Asset impairments	(12)	(4)	(19)	(15)
Gain on remeasurement	–	–	4	–
Equity accounted investees impairments	(3)	(9)	(4)	(19)
Insurance recoveries	(1)	–	(1)	–
Fire, flood, storm and other events	(11)	(15)	(23)	(42)
Operating profit	58	(44)	146	(38)
Net finance costs	(26)	(21)	(134)	(88)
Profit (Loss) before taxation	32	(65)	12	(126)
Taxation	3	(23)	1	(9)
Profit (Loss) for the period	35	(88)	13	(135)

2. Segment information continued

US\$ million	Reviewed Year ended	
	Sep 2021	Sep 2020
Net operating assets		
North America	1,322	1,284
Europe	1,478	1,494
South Africa	1,815	1,500
Unallocated and eliminations ⁽¹⁾	(7)	10
Total	4,608	4,288
Reconciliation of net operating assets to total assets		
Segment assets	4,608	4,288
Deferred tax assets	59	59
Cash and cash equivalents	366	279
Trade and other payables	1,131	797
Provisions	10	19
Derivative financial instruments	4	2
Taxation payable	8	11
Total assets	6,186	5,455

⁽¹⁾ Includes the group's treasury operations and insurance captive.

3. Operating profit (loss)

US\$ million	Quarter ended		Reviewed Year ended	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Included in operating profit are the following items:				
Depreciation and amortisation	85	87	329	321
Fair value adjustment on plantations (included in cost of sales)				
Changes in volume				
Fellings	15	15	67	63
Growth	(20)	(17)	(79)	(72)
	(5)	(2)	(12)	(9)
Plantation price fair value adjustment	5	(6)	13	(20)
	–	(8)	1	(29)
Net restructuring provisions	2	16	2	34
(Profit) Loss on disposal and written-off assets	1	–	(1)	(1)
Gain on remeasurement ⁽²⁾	–	–	(4)	–
Asset impairments ⁽¹⁾	12	4	19	15
Equity accounted investees impairments ⁽¹⁾	3	9	4	19

⁽¹⁾ Due to difficult current market conditions, asset impairments of US\$7 million were recorded against our Lomati sawmill and the PM2 at Ngodwana within the SSA region, US\$12 million against our mechanical coated cash-generating unit within the European region and US\$4 million against the Forestry First equity investment within the Corporate region.

⁽²⁾ A gain on remeasurement of US\$4 million was recorded within our North American region writing up the held-for-sale assets to their fair value less cost of disposal.

4. Earnings per share

US\$ million	Quarter ended		Reviewed Year ended	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Basic earnings per share (US cents)	6	(16)	2	(25)
Headline earnings per share (US cents)	9	(14)	5	(19)
EPS excluding special items (US cents)	11	(4)	15	(5)
Weighted average number of shares in issue (millions)	557.5	546.1	549.7	545.5
Diluted earnings per share (US cents) ⁽¹⁾	6	(16)	2	(25)
Diluted headline earnings per share (US cents) ⁽¹⁾	9	(14)	5	(19)
Weighted average number of shares on fully diluted basis (millions)	600.9	548.0	592.7	547.7
Calculation of headline earnings				
Profit (Loss) for the period	35	(88)	13	(135)
(Profit) Loss on disposal and written-off assets	1	–	(1)	(1)
Gain on remeasurement	–	–	(4)	–
Asset impairments	12	4	19	15
Equity accounted investees impairments	3	9	4	19
Tax effect of above items	(1)	–	(3)	(4)
Headline earnings	50	(75)	28	(106)
Calculation of earnings excluding special items				
Profit (Loss) for the period	35	(88)	13	(135)
Special items after tax	29	31	46	75
Special items	34	39	57	95
Tax effect	(5)	(8)	(11)	(20)
Finance costs	(1)	–	22	–
Tax special items	–	34	–	34
Earnings excluding special items	63	(23)	81	(26)

⁽¹⁾ The effects of anti-dilutive potential ordinary shares are ignored in the calculation of diluted earnings per share and diluted headline earnings per share.

5. Plantations

Plantations are stated at fair value less cost to sell.

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*.

US\$ million	Reviewed Sep 2021	Reviewed Sep 2020
Fair value of plantations at beginning of year	419	451
Additions	–	2
Gains arising from growth	79	72
Fire, flood, storm and other events	(2)	(11)
In-field inventory	–	1
Gain arising from fair value price changes	(13)	20
Harvesting – agriculture produce (fellings)	(67)	(63)
Translation difference	61	(53)
Fair value of plantations at end of period	477	419

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⁾	
US\$ million	Classification	Fair value hierarchy	Reviewed Sep 2021	Reviewed Sep 2020
Investment funds ⁽²⁾	FV through OCI	Level 1	6	6
Derivative financial assets	FV through PL	Level 2	4	3
Derivative financial liabilities	FV through PL	Level 2	10	11

⁽¹⁾ The fair value of the financial instruments are equal to their carrying value.

⁽²⁾ Included in other non-current assets.

6. Financial instruments continued

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.

7. Capital commitments

US\$ million	Reviewed Sep 2021	Reviewed Sep 2020
Contracted	116	89
Approved but not contracted	144	232
	260	321

8. Material balance sheet movements

Since the 2020 financial year-end, the ZAR has strengthened by approximately 13% against the US Dollar, the group's presentation currency. This has resulted in a similar increase 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 at period end.

Cash and non-current interest-bearing borrowings and derivative liabilities

On 25 November 2020, Sappi Southern Africa Limited, a wholly owned subsidiary of Sappi Limited, issued a R1.8 billion (US\$123 million) senior, unsecured, convertible bonds due in 2025. The bonds were issued at par and carry a fixed term interest rate coupon of 5.25% per annum. The initial conversion price of ZAR33.16 was set at a premium of 32.5% above the reference share price of ZAR25.03. A derivative liability for the conversion option was initially recognised at ZAR321 million (US\$22 million) and was subsequently revalued to US\$51 million at the date of shareholder approval with US\$31 million recognised in profit or loss as finance costs for the year ended September 2021. Following shareholder approval, the derivative liability met the definition of equity and was reclassified to equity, net of tax and will not be revalued any further. Interest-bearing borrowings increased by ZAR1,479 million (US\$101 million), which excludes the derivative liability, following the issuance of the convertible bond.

8. **Material balance sheet movements continued**

In March 2021, the group raised an aggregate principal amount of €400 million (US\$472 million) in new senior unsecured notes due 2028 at a coupon of 3.625% per annum and the proceeds from these notes were used to redeem the full amount of the group's €350 million (US\$413 million) senior, unsecured notes due 2023 as the group exercised its option to early redeem these notes.

Ordinary shareholders' interest

The group issued 14.1 million ordinary shares in July 2021 amounting to US\$26 million to settle just over 26% of its subsidiary's convertible bond initial offering of ZAR1.8 billion.

Inventories, trade and other receivables and trade and other payables

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

Other non-current assets and liabilities

The group remeasured its post-employment benefit funds as at September 2021 resulting in actuarial gains of US\$92 million.

9. **Related parties**

There has been no material change, by nature or amount, in transactions with related parties since the 2020 financial year-end.

10. **Events after balance sheet date**

In October 2021, the group agreed to purchase a group annuity contract that will transfer approximately US\$500 million of the North American region's pension obligations and related plan assets to an insurance company.

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

There has been no significant change to managements 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.

General definitions

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

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 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 – 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 believes 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.

Summary Rand convenience translation

	Quarter ended		Year ended	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Key figures: (ZAR million)				
Sales	20,782	18,472	78,188	74,788
Operating profit excluding special items ⁽¹⁾	1,342	(85)	3,015	925
Special items – (gains) losses ⁽¹⁾	496	660	846	1,542
EBITDA excluding special items ⁽¹⁾	2,581	1,387	7,900	6,134
Profit for the period	510	(1,489)	193	(2,191)
Basic earnings per share (SA cents)	91	(273)	35	(402)
Net debt ⁽¹⁾	29,124	33,526	29,124	33,526
Key ratios: (%)				
Operating profit excluding special items to sales	6.5	(0.5)	3.9	1.2
Operating profit excluding special items to capital employed (ROCE) ⁽¹⁾	9.3	(0.5)	5.0	1.6
EBITDA excluding special items to sales	12.4	7.5	10.1	8.2

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

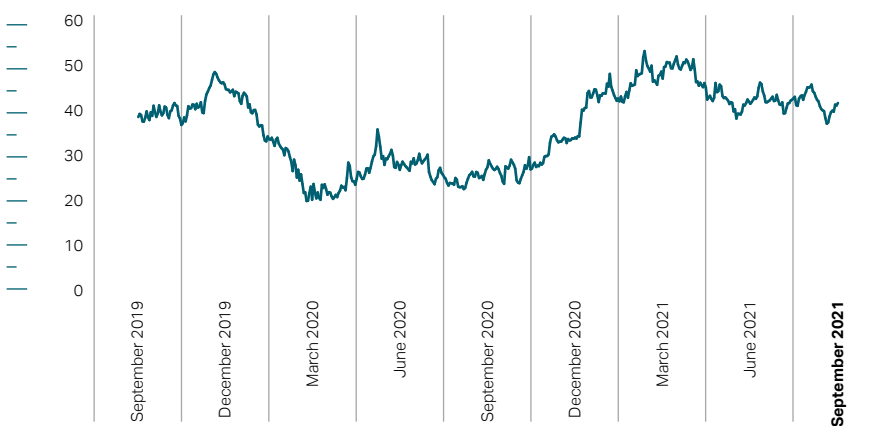
The above financial results have been translated into Rand from US Dollar as follows:

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

Exchange rates

	Sep 2021	Jun 2021	Mar 2021	Dec 2020	Sep 2020
Exchange rates:					
Period end rate: US\$1 = ZAR	14.9659	14.1487	14.9558	14.5750	17.1311
Average rate for the quarter: US\$1 = ZAR	14.5837	14.1593	14.9469	15.7164	16.9157
Average rate for the year to date: US\$1 = ZAR	14.8505	14.9379	15.3290	15.7164	16.2265
Period end rate: €1 = US\$	1.1716	1.1935	1.1798	1.2206	1.1632
Average rate for the quarter: €1 = US\$	1.1802	1.2042	1.2074	1.1901	1.1674
Average rate for the year to date: €1 = US\$	1.1955	1.2005	1.1987	1.1901	1.1195

Sappi share price – September 2019 to September 2021





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JSE code: SAP
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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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