

Sappi Limited
(Incorporated in the Republic of South Africa)
Registration number: 1936/008963/06
JSE share code: SAP
ISIN: ZAE000006284
("Sappi" or the "Company")

Sappi to commence consultation process on possible closure of Stockstadt Mill

On 14 April 2023 Sappi announced that the negotiations to sell three mills including Stockstadt Mill in Germany could not be completed and the sale had lapsed. We indicated that while managing each facility for value in the immediate term, we would continue to review the longer-term future of each facility within Sappi.

Having explored all options for Stockstadt Mill, including discussions with other potential buyers, it has become evident that selling the mill as a going concern was not possible. We have therefore decided to commence consultations today on the future of the mill with Mill Management, the Economic Works Council ("Wirtschaftsausschuss") and the Works Council ("Betriebsrat") which will include the potential closure of the mill and sale of the site. The implication being that the pulp mill and paper machine will close. Customers would continue to be served from other Sappi mills.

As background, the original decision to sell these mills followed a detailed and thorough strategic review by Sappi in line with our Thrive25 strategic focus which includes targeted exposure to the graphic paper segment while expanding our presence in segments including packaging and speciality papers, pulp and biomaterials.

The European business will predominantly focus on the packaging and specialities segment specifically within flexible packaging, functional papers, self-adhesives including glassine, labels as well as dye-sublimation categories. Attention in the graphic paper markets will be within commercial print.

Sappi Stockstadt Mill is an integrated pulp and paper mill located in Germany, producing 145,000 tpa of pulp which is used to produce 220,000 tpa of coated and uncoated woodfree paper mainly sold into the European print market.

06 July 2023

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