



# Investor Update

## 2024 Citi Basic Materials Conference

December 3-4, 2024

This presentation contains information that includes or is based upon forward-looking statements. Forward-looking statements forecast or state expectations concerning future events. These statements often can be identified by the fact that they do not relate strictly to historical or current facts. They typically use words such as “anticipate,” “assume,” “could,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “should,” “will” and other words and terms of similar meaning, or they are tied to future periods in connection with discussions of Sylvamo’s performance.

Examples of forward-looking statements include, without limitation, those relating to: economic and industry conditions, outlook and trends, such as future demand for UFS; and our strategies, plans, expectations and projections concerning our business, such as our anticipated cash generation, capital allocation and investment strategies, and planned debt payment.

Forward-looking statements are not guarantees of future performance. Any or all forward-looking statements may turn out to be incorrect, and actual results could differ materially from those expressed or implied in forward-looking statements. Forward-looking statements are based on current expectations and the current economic environment. They can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors that are difficult to predict. Although it is not possible to identify all of these risks, uncertainties and other factors, the impact of the following factors, among others, on us or on our suppliers or customers, could cause our actual results to differ from those in the forward-looking statements: deterioration of global and regional economic and political conditions, including the impact of wars and other conflicts in Ukraine and the Middle East; physical, financial and reputational risks associated with climate change; adverse environmental events, including forest fires on our lands in Brazil; public health crises that could have impacts similar to those experienced as a result of the COVID-19 pandemic; increased costs or reduced availability of the raw materials, energy, transportation (truck, rail and ocean) and labor needed to manufacture and deliver our products; reduced demand for our products due to industry-wide declines in demand for paper, the cyclical nature of the paper industry or competition from other businesses; a material disruption at any of our manufacturing facilities; information technology risks including cybersecurity breaches; extensive environmental laws and regulations, as well as tax and other laws, in the United States, Brazil and other jurisdictions to which we are subject, including our compliance costs and risk of violations and liability; our reliance on a small number of customers; a failure by us to attract and retain senior management and other key and skilled employees; loss of our commercial agreements with International Paper; our indebtedness having a material adverse effect on our financial condition, or our inability to generate sufficient cash to service our indebtedness; and the factors disclosed in Item 1A. Risk Factors in our annual report on Form 10-K for the year ended December 31, 2023, as such disclosures may be amended, supplemented or superseded from time to time by other reports that we file with the Securities and Exchange Commission, including subsequent quarterly reports on Form 10-Q, annual reports on Form 10-K and current reports on Form 8-K.

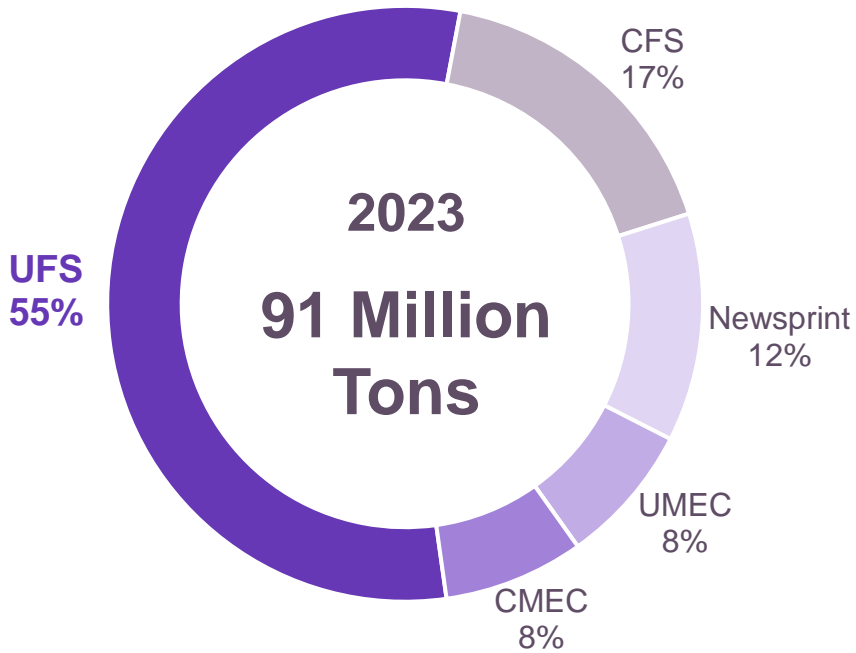
We assume no obligation to update any forward-looking statements made in this presentation to reflect subsequent events, circumstances or actual outcomes.



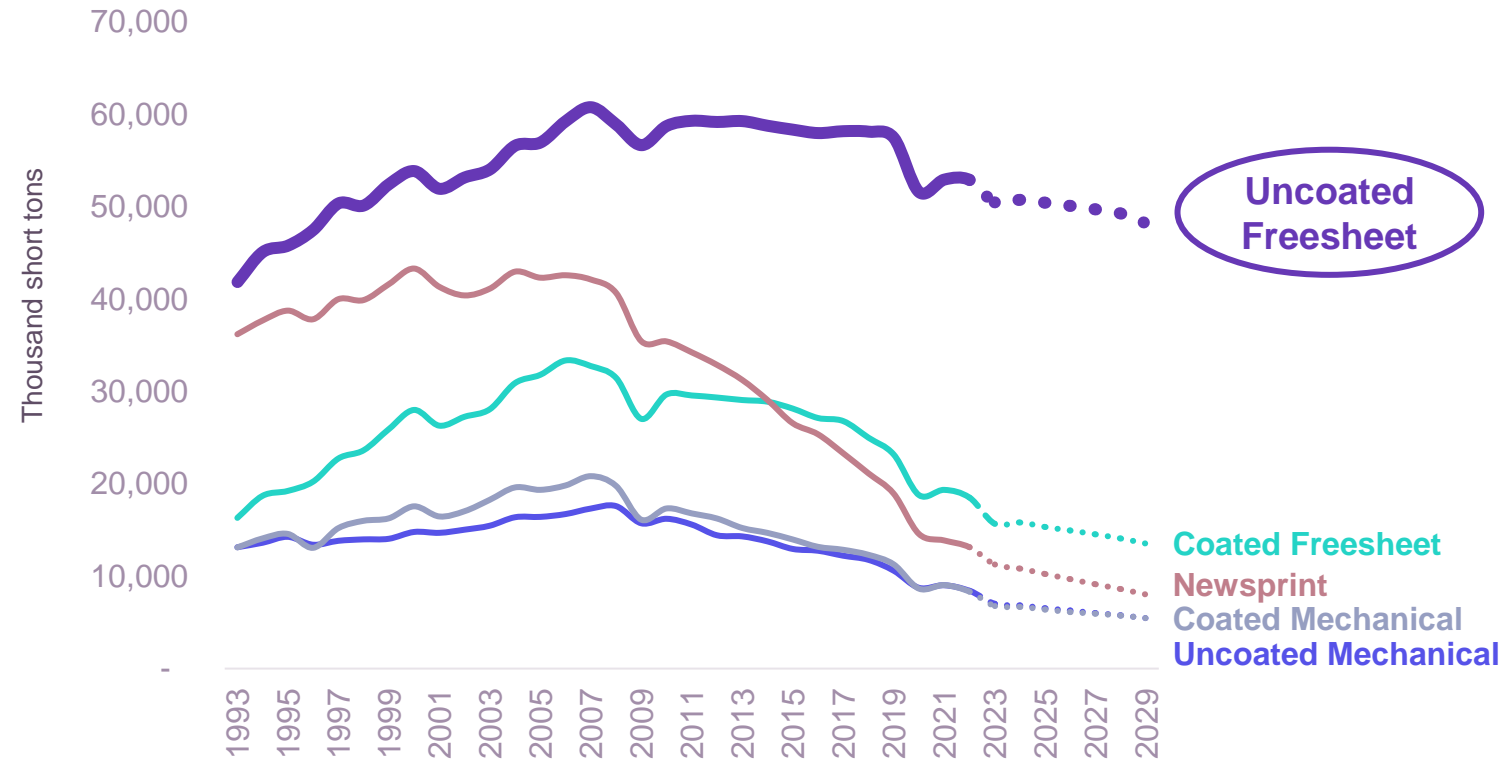
Sylvamo reports its financial results in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). This presentation does not include non-U.S. GAAP financial measures. However, non-U.S. GAAP financial measures may be referenced during our discussion of this presentation, which measures may include Adjusted EBITDA and Adjusted EBITDA Margin, Adjusted Operating Earnings per Share and Free Cash Flow. These are the non-U.S. GAAP financial measures that Sylvamo's management sometimes uses in making financial, operating and planning decisions and in evaluating Sylvamo's performance. Our management believes that these non-U.S. GAAP financial measures, when used in conjunction with information presented in accordance with U.S. GAAP, can facilitate a better understanding of the impact of various factors and trends on our financial condition and results of operations. These non-U.S. GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for, or superior to, an analysis of our results presented in accordance with U.S. GAAP. In addition, because not all companies use identical calculations, the non-U.S. GAAP financial measures used by our management may not be comparable to similarly titled measures disclosed by other companies, including companies in our industry. Management therefore strongly recommends that if any of these non-U.S. GAAP financial measures are considered, that they be considered in conjunction with the U.S. GAAP financial measures to which they are reconciled on Sylvamo Corporation's website at [sylvamo.com](https://www.sylvamo.com).

## We believe in long-term UFS demand for education, communication and entertainment

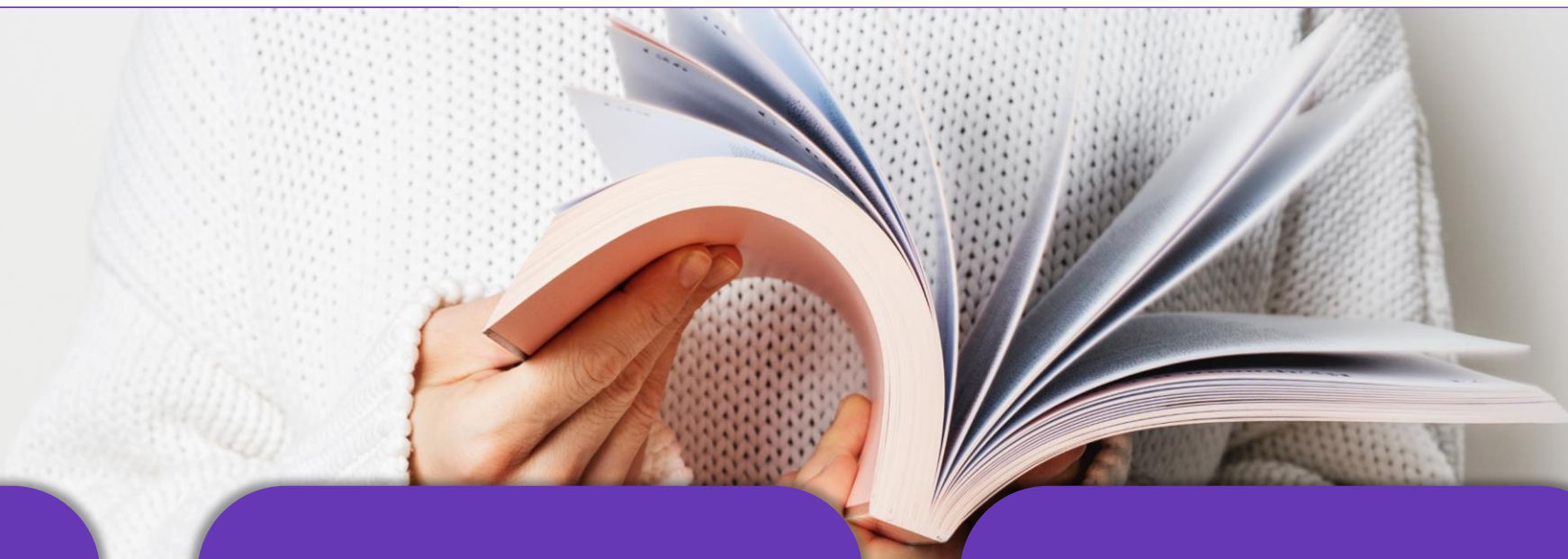
### World Graphic Paper Demand



### World Graphic Paper Demand Evolution



Source: RISI World Graphic Paper Demand as of November 2024



**Focusing on uncoated freesheet**

**Leveraging our strengths to drive high returns on invested capital**

**Investing to strengthen competitive advantages to drive earnings and cash flows**



## 3Q24 Earnings Call

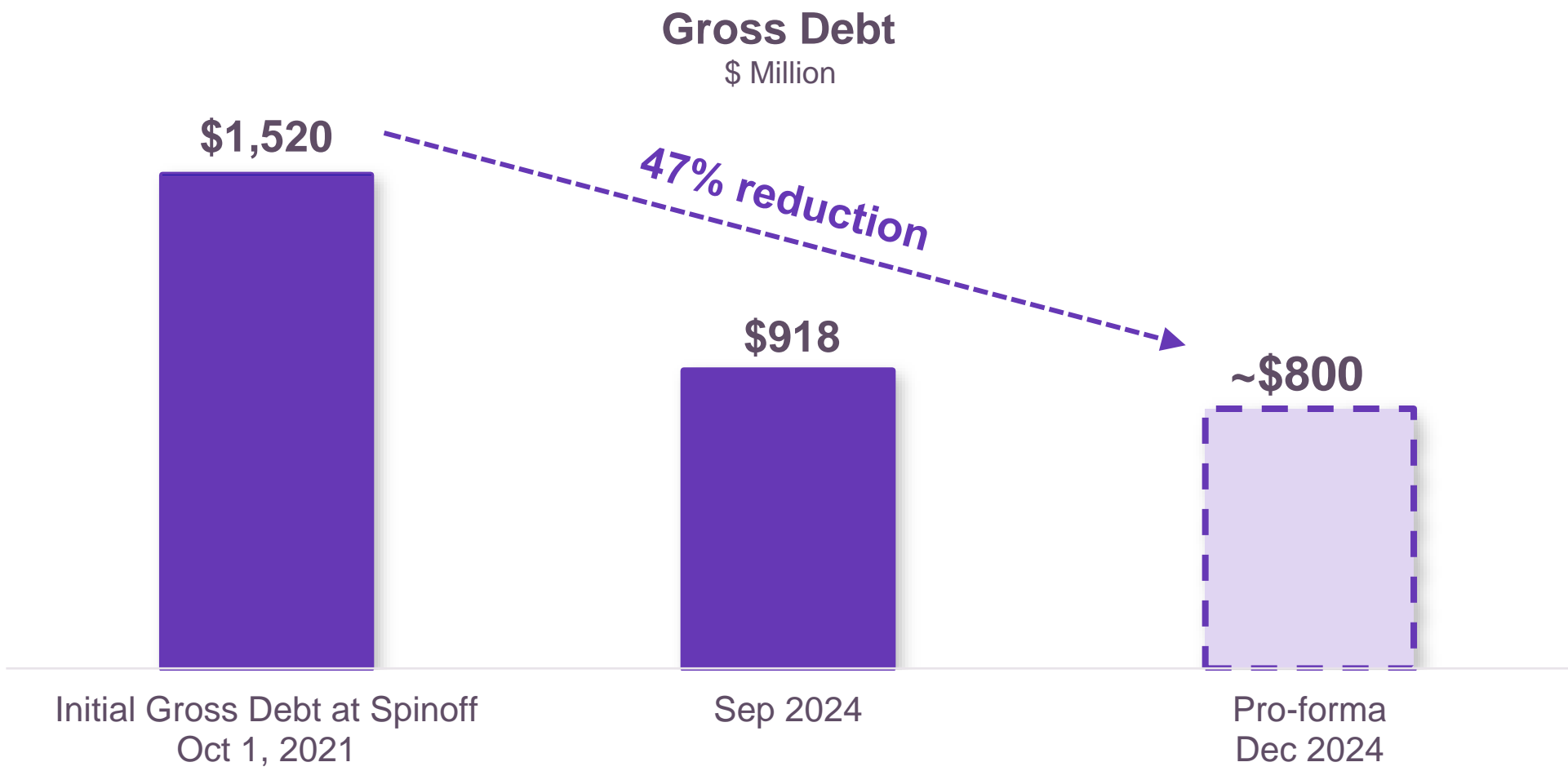
- Positive development in the ongoing dispute with Brazilian authorities over goodwill tax deductions
- A Brazilian court has ruled in our favor on a case covering 2/3 of the amount disputed
- We are in discussions with our lenders about the possibility of releasing the \$60 million escrow requirement

## NEW Update!

- Our lenders have agreed to remove the \$60 million escrow requirement
- Modest changes to our credit agreement as a result of the escrow elimination

More detail on the Brazilian Goodwill Tax Dispute is available in the appendix on page 13

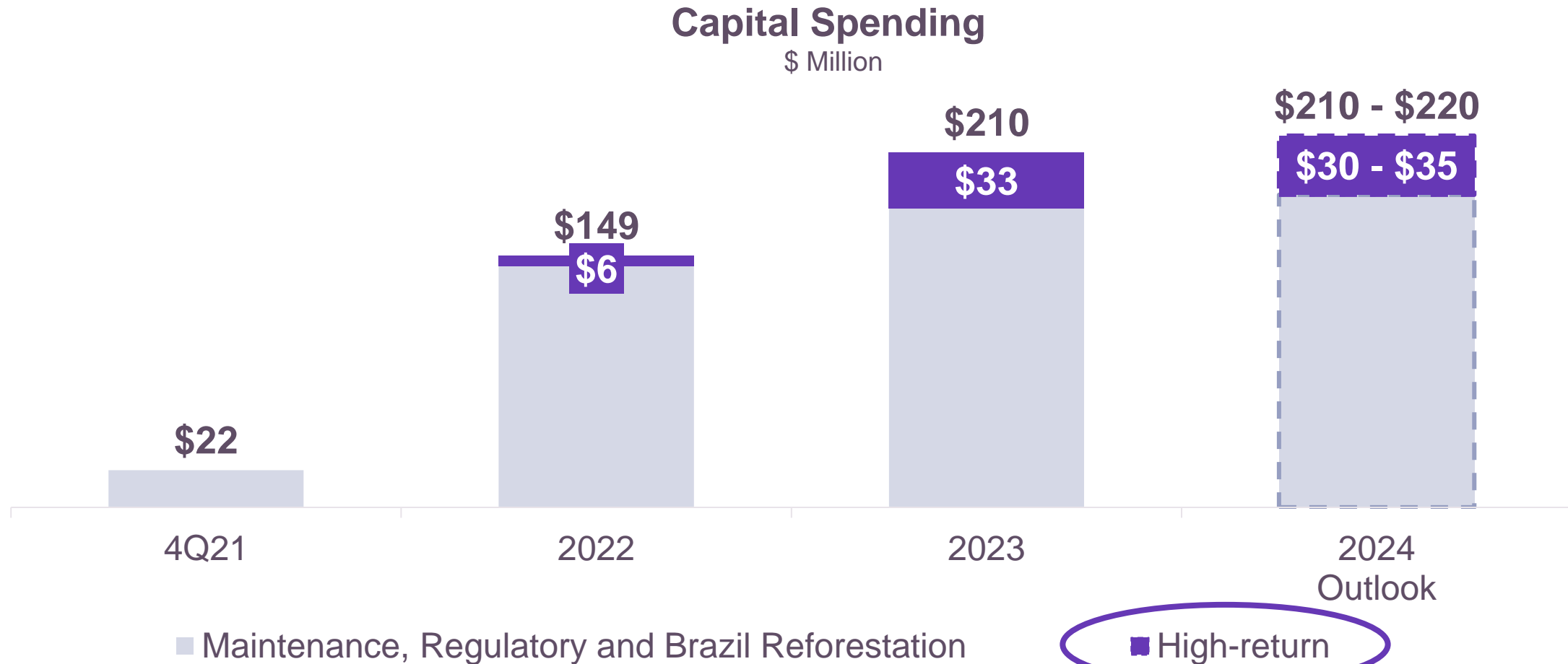
# We plan to pay down ~\$120 million in debt in 4Q24



**Maintain a strong financial position to operate and invest throughout the cycle**



## Further ramping up our high-return investment spending in 2025



## Creating shareowner value through cash generation and disciplined capital allocation

- Improving our healthy financial position to provide further flexibility
- Reinvesting in our businesses to increase earnings and cash flows
- Simplifying North America business to become leaner and more agile to drive earnings growth



# Appendix

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## Investor Relations

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## Media

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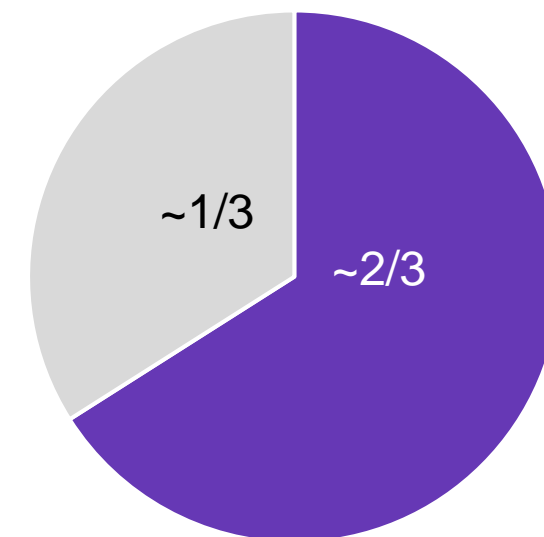
[adam.ghassemi@sylvamo.com](mailto:adam.ghassemi@sylvamo.com)

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# Favorable Ruling in Brazilian Goodwill Tax Dispute

- The deductibility of goodwill from International Paper's 2007 acquisition of the Luis Antonio mill has been under dispute with Brazilian tax authorities since before our spinoff
- If a settlement or unfavorable judgement occurs, IP would pay 60%, and Sylvamo would pay 40%. Sylvamo's payment is capped at \$120 million
- By agreement with us at the spinoff, International Paper retains the right to decide whether to settle
- No liability has been recorded as no loss is deemed probable at this time
- In October 2024, in a court case challenging approximately 2/3 of the disputed amounts, a Brazilian federal regional court ruled in our favor
  - Ruling results in no liability for 2/3 of the amount in dispute, including interest and penalties
  - Ruling may help our arguments, based on similar facts, in a separate proceeding for the other 1/3 in dispute
  - We believe the ruling further reduces our ultimate risk of liability in the dispute
- Ruling will be appealed by the Brazilian tax authorities, which may take many years to resolve

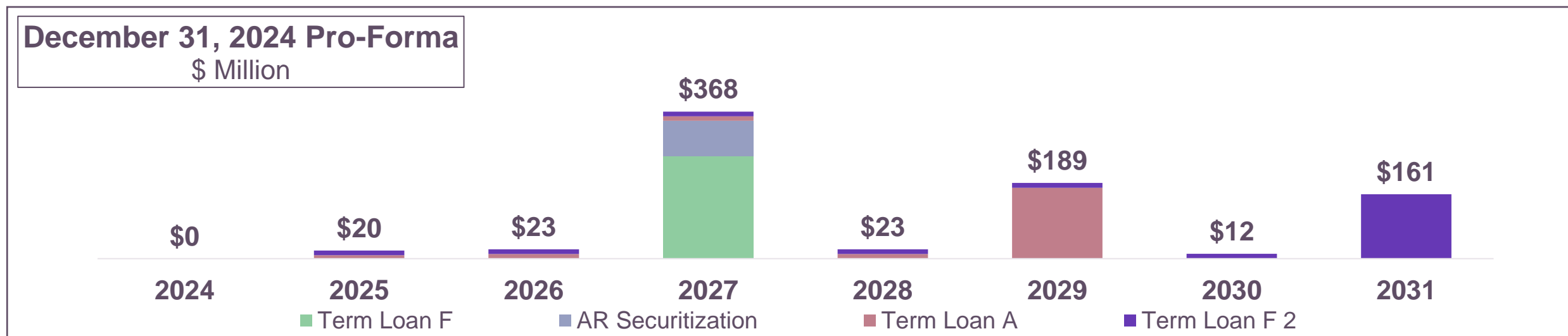
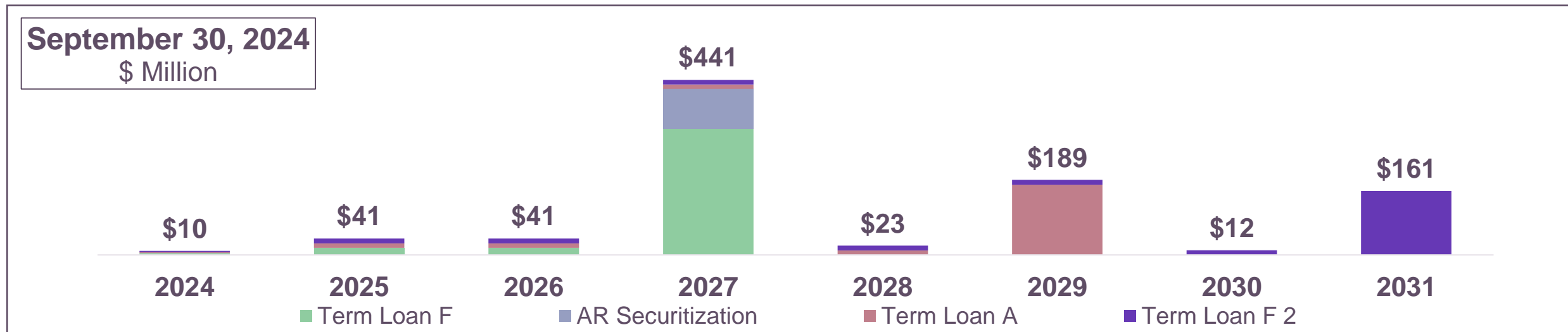
Value at Stake ~\$360 million



- Favorable ruling (tax authorities will appeal)
- Disputed in separate proceeding



# Improved debt maturity profile



Debt maturity profile includes anticipated minimum amortization payments by year.

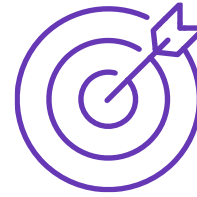


## The World's Paper Company

We are the world's paper company, the:

- **Employer of Choice**
- **Supplier of Choice**
- **Investment of Choice**

We believe in the promise of paper and are confident in our ability to create long-term value for shareowners.



## A Simple, Focused Plan

We focus on uncoated freesheet and will create long-term value through:

- **Talented teams**
- **Iconic brands**
- **Low-cost mills in favorable locations**



## Our Strategy

We execute a three-pronged strategy:

- **Commercial Excellence:** We focus on commercial excellence to remain the supplier of choice for customers.
- **Operational Excellence:** We will remain a responsible, low-cost, agile company.
- **Financial Discipline:** We will be the investment of choice by delivering consistently on our compelling investment thesis.



## A Cash Flow Story

We leverage our strengths to drive high returns on invested capital and generate free cash flow.

We use that cash to increase shareowner value:

- **Maintain a strong financial position**
- **Return cash to shareowners**
- **Reinvest in our business**

# Building a better future for people, the planet and our company