UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended September 30, 2024

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period From ___ to ___

Commission File Number 001-40718

SYLVAMO CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware	**86-2596371**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
6077 Primacy Parkway Memphis, Tennessee	**38119**
(Address of Principal Executive Offices)	**(Zip Code)**

901-519-8000
(Registrant's Telephone Number, Including Area Code)

N/A
(Former name, former address and and former fiscal year if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $1.00 per share	**SLVM**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (paragraph 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13 (a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock, par value $1.00 per share, as of November 8, 2024 was 41,008,332.

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ITEM 1. FINANCIAL STATEMENTS

SYLVAMO CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	**2024**	2023
NET SALES	**$ 965**	$ 897	**$ 2,803**	$ 2,757
COSTS AND EXPENSES				
Cost of products sold (exclusive of depreciation, amortization and cost of timber harvested shown separately below)	**700**	665	**2,100**	2,055
Selling and administrative expenses	**74**	89	**230**	248
Depreciation, amortization and cost of timber harvested	**39**	36	**115**	105
Taxes other than payroll and income taxes	**6**	7	**21**	19
Interest (income) expense, net	**14**	9	**32**	28
INCOME BEFORE INCOME TAXES	**132**	91	**305**	302
Income tax provision	**37**	33	**84**	98
NET INCOME	**$ 95**	$ 58	**$ 221**	$ 204
EARNINGS PER SHARE				
Basic	**$ 2.32**	$ 1.39	**$ 5.37**	$ 4.83
Diluted	**$ 2.27**	$ 1.37	**$ 5.26**	$ 4.77

The accompanying notes are an integral part of these condensed consolidated financial statements.

SYLVAMO CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
NET INCOME	**$ 95**	$ 58	**$ 221**	$ 204
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES				
Defined benefit pension and postretirement adjustments:				
Amortization of pension and postretirement loss (less taxes of $0, $0, $0 and $0)	**1**	—	**1**	—
Change in cumulative foreign currency translation adjustment	**37**	(46)	**(99)**	40
Net gains/losses on cash flow hedging derivatives:				
Net gains (losses) arising during the period (less taxes of $2, $0, $4 and $9)	**(8)**	3	**(8)**	21
Reclassification adjustment for (gains) losses included in net earnings (less taxes of $1, $3, $3 and $9)	**(4)**	(7)	**(9)**	(21)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES	**26**	(50)	**(115)**	40
COMPREHENSIVE INCOME (LOSS)	**$ 121**	$ 8	**$ 106**	$ 244

The accompanying notes are an integral part of these condensed consolidated financial statements.

SYLVAMO CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

	September 30, 2024	December 31, 2023
	(unaudited)	
ASSETS		
Current Assets		
Cash and temporary investments	**$ 248**	$ 220
Restricted cash	**60**	60
Accounts and notes receivable, net	**439**	428
Contract assets	**34**	27
Inventories	**421**	404
Other current assets	**27**	54
Total Current Assets	**1,229**	1,193
Plants, Properties and Equipment, net	**970**	1,002
Forestlands	**361**	364
Goodwill	**125**	139
Right of Use Assets	**60**	58
Deferred Charges and Other Assets	**116**	116
TOTAL ASSETS	**$ 2,861**	$ 2,872
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	**$ 381**	$ 421
Notes payable and current maturities of long-term debt	**43**	28
Accrued payroll and benefits	**76**	63
Other current liabilities	**214**	183
Total Current Liabilities	**714**	695
Long-Term Debt	**883**	931
Deferred Income Taxes	**164**	189
Other Liabilities	**163**	156
Commitments and Contingent Liabilities (Note 12)		
Equity		
Common stock $1 par value, 200.0 shares authorized, 44.9 shares and 44.5 shares issued and 41.0 shares and 41.2 shares outstanding at September 30, 2024 and December 31, 2023, respectively	**45**	45
Paid-in capital	**65**	48
Retained earnings	**2,393**	2,222
Accumulated other comprehensive loss	**(1,371)**	(1,256)
	1,132	1,059
Less: Common stock held in treasury, at cost, 3.9 shares and 3.3 shares at September 30, 2024 and December 31, 2023, respectively	**(195)**	(158)
Total Equity	**937**	901
TOTAL LIABILITIES AND EQUITY	**$ 2,861**	$ 2,872

The accompanying notes are an integral part of these condensed consolidated financial statements.

SYLVAMO CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Nine Months Ended September 30,	
	2024	**2023**
OPERATING ACTIVITIES		
Net income	**$ 221**	$ 204
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation, amortization, and cost of timber harvested	**115**	105
Deferred income tax provision (benefit), net	**(4)**	4
Stock-based compensation	**17**	21
Changes in operating assets and liabilities and other:		
Accounts and notes receivable	**(28)**	99
Inventories	**(21)**	(46)
Accounts payable and accrued liabilities	**16**	(122)
Other	**(11)**	72
CASH PROVIDED BY OPERATING ACTIVITIES	**305**	337
INVESTMENT ACTIVITIES		
Invested in capital projects	**(157)**	(147)
Acquisition of business, net of cash acquired	**—**	(167)
CASH PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	**(157)**	(314)
FINANCING ACTIVITIES		
Dividends paid	**(43)**	(32)
Issuance of debt	**250**	443
Reduction of debt	**(285)**	(482)
Repurchases of common stock	**(30)**	(53)
Other	**(6)**	(7)
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	**(114)**	(131)
Effect of Exchange Rate Changes on Cash	**(6)**	2
Change in Cash, Temporary Investments and Restricted Cash	**28**	(106)
Cash, Temporary Investments and Restricted Cash		
Beginning of the period	**280**	360
End of the period	**$ 308**	$ 254

The accompanying notes are an integral part of these condensed consolidated financial statements.

SYLVAMO CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States and in accordance with the instructions to Form 10-Q and, in the opinion of management, include all adjustments that are necessary for the fair presentation of Sylvamo Corporation’s ("Sylvamo's", "the Company’s" or "our") financial position, results of operations, and cash flows for the interim periods presented. Except as disclosed herein, such adjustments are of a normal, recurring nature. Results for the first nine months of the year may not necessarily be indicative of full year results due to factors such as the Company’s planned maintenance outage schedule at its mills. All intercompany transactions have been eliminated. You should read these condensed consolidated financial statements in conjunction with the audited financial statements and the notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 (the "Annual Report" or “2023 Form 10-K”), which have previously been filed with the Securities and Exchange Commission. These consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States that require the use of management’s estimates. Actual results could differ from management’s estimates.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Our significant accounting policies are described in Note 2 Significant Accounting Policies to the audited consolidated financial statements included in our 2023 Form 10-K. There have been no material changes to the significant accounting policies for the nine months ended September 30, 2024.

Recently Issued Accounting Pronouncements Not Yet Adopted

Income Taxes

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” This guidance requires a public entity to disclose in their rate reconciliation table additional categories of information about federal, state and foreign income taxes and to provide more details about the reconciling items in some categories if the items meet a quantitative threshold. The guidance also requires all entities to disclose annually income taxes paid (net of refunds received) disaggregated by federal (national), state and foreign taxes and to disaggregate the information by jurisdiction based on a quantitative threshold. This guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted and this guidance should be applied prospectively but there is the option to apply it retrospectively. The Company plans to adopt the provisions of this guidance in conjunction with our Form 10-K for the annual period ending December 31, 2025.

Segment Reporting

In November 2023, the FASB issued ASU 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.” This guidance requires a public entity to disclose for each reportable segment, on an interim and annual basis, the significant expense categories and amounts that are regularly provided to the chief operating decision-maker (“CODM”) and included in each reported measure of a segment’s profit or loss. Additionally, it requires a public entity to disclose the title and position of the individual or the name of the group or committee identified as the CODM. This guidance is effective for fiscal years beginning after December 31, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and the guidance should be applied retrospectively to all periods presented in the financial statements, unless it is impracticable. The Company plans to adopt the provisions of this guidance in conjunction with our Form 10-K for the period ending December 31, 2024.

NOTE 3 REVENUE RECOGNITION

External Net Sales by Product

External net sales by major products were as follows by business segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	**2024**	**2023**	**2024**	**2023**
Europe				
Uncoated Papers	**$ 168**	$ 162	**$ 534**	$ 558
Market Pulp	**25**	22	**71**	66
Europe	**193**	184	**605**	624
Latin America				
Uncoated Papers	**223**	225	**639**	626
Market Pulp	**17**	12	**44**	52
Latin America	**240**	237	**683**	678
North America				
Uncoated Papers	**510**	464	**1,455**	1,413
Market Pulp	**22**	12	**60**	42
North America	**532**	476	**1,515**	1,455
Total	**$ 965**	$ 897	**$ 2,803**	$ 2,757

Revenue Contract Balances

A contract asset is created when the Company recognizes revenue on its customized products for which we have an enforceable right to payment.

A contract liability is created when customers prepay for goods prior to the Company transferring those goods to the customer. The contract liability is reduced when control of the goods is transferred to the customer, satisfying our performance obligation. Contract liabilities of $1 million and $8 million are included in "Other current liabilities" as of September 30, 2024 and December 31, 2023, respectively.

The difference between the opening and closing balances of the Company's contract assets and contract liabilities primarily results from the difference between the price and quantity at comparable points in time for goods for which we have an unconditional right to payment or receive pre-payment from the customer, respectively.

NOTE 4 EQUITY

A summary of changes in equity for the three and nine months ended September 30, 2024 and 2023 is provided below:

Three Months Ended September 30, 2024							
In millions	Shares	Common Stock	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Common Stock Held In Treasury, At Cost	Total Equity
Balance, June 30, 2024	45	$ 45	$ 60	$ 2,317	$ (1,397)	$ (195)	$ 830
Stock-based employee compensation	—	—	**5**	—	—	—	**5**
Share repurchases	—	—	—	—	—	—	—
Dividends ($0.45 per share)	—	—	—	**(19)**	—	—	**(19)**
Comprehensive income (loss)	—	—	—	**95**	**26**	—	**121**
Balance, September 30, 2024	**45**	**$ 45**	**$ 65**	**$ 2,393**	**$ (1,371)**	**$ (195)**	**$ 937**

Nine Months Ended September 30, 2024							
In millions	Shares	Common Stock	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Common Stock Held In Treasury, At Cost	Total Equity
Balance, December 31, 2023	45	$ 45	$ 48	$ 2,222	$ (1,256)	$ (158)	$ 901
Stock-based employee compensation	—	—	**17**	—	—	**(7)**	**10**
Share repurchases	—	—	—	—	—	**(30)**	**(30)**
Dividends ($1.20 per share)	—	—	—	**(50)**	—	—	**(50)**
Comprehensive income (loss)	—	—	—	**221**	**(115)**	—	**106**
Balance, September 30, 2024	**45**	**$ 45**	**$ 65**	**$ 2,393**	**$ (1,371)**	**$ (195)**	**$ 937**

Three Months Ended September 30, 2023							
In millions	Shares	Common Stock	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Common Stock Held In Treasury, At Cost	Total Equity
Balance, June 30, 2023	45	$ 45	$ 39	$ 2,153	$ (1,248)	$ (127)	$ 862
Stock-based employee compensation	—	—	6	—	—	—	6
Share repurchases	—	—	—	—	—	(14)	(14)
Dividends ($0.60 per share)	—	—	—	(26)	—	—	(26)
Comprehensive income (loss)	—	—	—	58	(50)	—	8
Balance, September 30, 2023	45	$ 45	$ 45	$ 2,185	$ (1,298)	$ (141)	$ 836

Nine Months Ended September 30, 2023							
In millions	Shares	Common Stock	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Common Stock Held In Treasury, At Cost	Total Equity
Balance, December 31, 2022	44	$ 44	$ 25	$ 2,029	$ (1,338)	$ (82)	$ 678
Stock-based employee compensation	1	1	20	—	—	(5)	16
Share repurchases	—	—	—	—	—	(54)	(54)
Dividends ($1.10 per share)	—	—	—	(48)	—	—	(48)
Comprehensive income (loss)	—	—	—	204	40	—	244
Balance, September 30, 2023	45	$ 45	$ 45	$ 2,185	$ (1,298)	$ (141)	$ 836

NOTE 5 OTHER COMPREHENSIVE INCOME

The following table presents the changes in Accumulated Other Comprehensive Income (Loss) (“AOCI”), net of taxes, reported in the condensed consolidated financial statements:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	**2024**	**2023**	**2024**	**2023**
Defined Benefit Pension and Postretirement Adjustments				
Balance at beginning of period	**$ (77)**	$ (76)	**$ (77)**	$ (76)
Amounts reclassified from accumulated other comprehensive income	**1**	—	**1**	—
Balance at end of period	**(76)**	(76)	**(76)**	(76)
Change in Cumulative Foreign Currency Translation Adjustments				
Balance at beginning of period	**(1,333)**	(1,202)	**(1,197)**	(1,288)
Other comprehensive income (loss) before reclassifications	**37**	(46)	**(99)**	40
Balance at end of period	**(1,296)**	(1,248)	**(1,296)**	(1,248)
Net Gains and Losses on Cash Flow Hedging Derivatives				
Balance at beginning of period	**13**	30	**18**	26
Other comprehensive income (loss) before reclassifications	**(8)**	3	**(8)**	21
Amounts reclassified from accumulated other comprehensive income	**(4)**	(7)	**(9)**	(21)
Balance at end of period	**1**	26	**1**	26
Total Accumulated Other Comprehensive Income (Loss) at End of Period	**$ (1,371)**	$ (1,298)	**$ (1,371)**	$ (1,298)

NOTE 6 EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted-average number of shares of common stock outstanding during the period, increased to include the number of shares of common stock that would have been outstanding had potentially dilutive shares of common stock been issued. The dilutive effect of restricted stock units is reflected in diluted earnings per share by applying the treasury stock method.

There are no adjustments required to be made to net income for purposes of computing basic and diluted earnings per share.

Basic and diluted earnings per share are calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions, except per share amounts	**2024**	**2023**	**2024**	**2023**
Net income	**$ 95**	$ 58	**$ 221**	$ 204
Weighted average common shares outstanding	**41.0**	41.8	**41.1**	42.2
Effect of dilutive securities	**0.9**	0.6	**0.9**	0.6
Weighted average common shares outstanding - assuming dilution	**41.9**	42.4	**42.0**	42.8
Earnings per share - basic	**$ 2.32**	$ 1.39	**$ 5.37**	$ 4.83
Earnings per share - diluted	**$ 2.27**	$ 1.37	**$ 5.26**	$ 4.77
Anti-dilutive shares *(a)*	**0.2**	0.3	**0.2**	0.3

(a) Common stock related to service-based restricted stock units and performance-based restricted stock units were outstanding but excluded from the computation of diluted earnings per share because their effect would be anti-dilutive under the treasury stock method or because the shares were subject to performance conditions that had not been met.

NOTE 7 ACQUISITIONS

On January 2, 2023, the Company completed the acquisition of Stora Enso's uncoated freesheet paper mill in Nymölla, Sweden, for €157 million (approximately $167 million) after post-close working capital adjustments. The integrated mill has the capacity to produce approximately 500,000 short tons of uncoated freesheet on two paper machines.

Sylvamo accounted for the acquisition under ASC 805, "Business Combinations" and the Nymölla mill's results of operations are included in Sylvamo's consolidated financial statements from the date of acquisition.

The following table summarizes the final allocation of the purchase price to the fair value assigned to assets and liabilities acquired as of January 2, 2023:

In millions		
Accounts receivable	**$**	**63**
Inventory		**67**
Plants, properties and equipment		**115**
Other assets		**2**
Total assets acquired		**247**
Accounts payable		**51**
Other liabilities		**29**
Total liabilities assumed		**80**
Net assets acquired	**$**	**167**

In connection with the allocation of fair value, inventories were written up by $9 million to their estimated fair value. During the first quarter of 2023, $9 million before taxes ($7 million after taxes) was expensed related to the impact of the step-up of acquired Nymölla inventory sold during the quarter.

NOTE 8 SUPPLEMENTARY FINANCIAL STATEMENT INFORMATION

Temporary Investments

Temporary investments with an original maturity of three months or less and money market funds with greater than three-month maturities but with the right to redeem without notice are treated as cash equivalents and are stated at cost. Temporary investments totaled $166 million and $109 million at September 30, 2024 and December 31, 2023, respectively.

Restricted Cash

Restricted cash of $60 million as of September 30, 2024 and December 31, 2023 represents funds held in escrow related to the Brazil Tax Dispute. See Note 13 Long-Term Debt for further details.

The following table provides a reconciliation of cash, temporary investments and restricted cash in the condensed consolidated balance sheets to total cash, temporary investments and restricted cash in the condensed consolidated statements of cash flows:

In millions		**September 30, 2024**		**December 31, 2023**
Cash and temporary investments	**$**	**248**	$	220
Restricted cash		**60**		60
Total cash, temporary investments and restricted cash in the statements of cash flows	**$**	**308**	$	280

Accounts and Notes Receivable

Accounts and notes receivable, net, by classification were:

In millions	September 30, 2024	December 31, 2023
Accounts and notes receivable:		
Trade	**$ 411**	$ 404
Notes and other	**28**	24
Total	**$ 439**	$ 428

The allowance for expected credit losses was $23 million and $25 million at September 30, 2024 and December 31, 2023, respectively. Based on the Company's accounting estimates and the facts and circumstances available as of the reporting date, we believe our allowance for expected credit losses is adequate.

Inventories

In millions	September 30, 2024	December 31, 2023
Raw materials	**$ 64**	$ 60
Finished paper and pulp products	**223**	213
Operating supplies	**110**	109
Other	**24**	22
Total	**$ 421**	$ 404

Plants, Properties and Equipment, Net

Accumulated depreciation was $3.8 billion and $3.8 billion at September 30, 2024 and December 31, 2023, respectively. Depreciation expense was $33 million and $30 million for the three months and $97 million and $88 million for the nine months ended September 30, 2024 and 2023, respectively.

Non-cash additions to plants, property and equipment included within accounts payable were $8 million and $17 million each at September 30, 2024 and December 31, 2023.

Forestlands

Non-cash additions to Forestlands included within accounts payable were $11 million at September 30, 2024. There were no non-cash additions to Forestlands included within accounts payable as of December 31, 2023.

Other Liabilities and Costs

During the three months ended September 30, 2023, the Company recorded approximately $13 million before taxes ($10 million after taxes) of severance costs related to a planned reduction in our salaried workforce. These severance liabilities were recorded in Other current liabilities in our condensed consolidated balance sheet. As of September 30, 2024, the reserve totaled approximately $4 million of which the majority will be paid in cash over the remainder of 2024.

Interest

Interest payments of $49 million and $54 million were made during the nine months ended September 30, 2024 and 2023, respectively. In addition, during the third quarter of 2024, we incurred a $3 million premium payment related to the redemption of our 2029 Senior Notes.

Amounts related to interest were as follows:

In millions	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Interest expense *(a)*	**$ 19**	$ 15	**$ 46**	$ 49
Interest income *(b)*	**(4)**	(5)	**(11)**	(18)
Capitalized interest cost	**(1)**	(1)	**(3)**	(3)
Total	**$ 14**	$ 9	**$ 32**	$ 28

(a) Interest expense for the three months and nine months ended September 30, 2024 includes $5 million of debt extinguishment cost related to the third quarter debt refinancing. Interest expense for the nine months ended September 30, 2023 includes $5 million of debt extinguishment cost related to the tender offer for our 7.00% 2029 Senior Notes.

(b) Interest income for the nine months ended September 30, 2023 includes $9 million of interest income related to tax settlements.

ASSET RETIREMENT OBLIGATIONS

As of September 30, 2024 and December 31, 2023, we have recorded liabilities of $28 million and $27 million related to asset retirement obligations. These amounts are included in "Other liabilities." For asset retirement obligations which are conditional upon future events, we cannot reasonably estimate the current fair value of those potential obligations due to the uncertainty as to the timing or amounts that may be incurred.

NOTE 9 LEASES

The Company leases various real estate, including certain operating facilities, warehouses, office space and land. The Company also leases material handling equipment, vehicles and certain other equipment. The Company's leases have a remaining lease term of up to 15 years. Total lease cost was $14 million and $16 million for the three months and $42 million and $49 million for the nine months ended September 30, 2024 and 2023, respectively.

Supplemental Balance Sheet Information Related to Leases

In millions	**Classification**	**September 30, 2024**	**December 31, 2023**
Assets			
Operating lease assets	Right of use assets	**$ 60**	$ 58
Finance lease assets	Plants, properties, and equipment, net *(a)*	**21**	22
Total leased assets		**$ 81**	$ 80
Liabilities			
Current			
Operating	Other current liabilities	**$ 20**	$ 18
Finance	Notes payable and current maturities of long-term debt	**2**	2
Noncurrent			
Operating	Other Liabilities	**47**	46
Finance	Long-term debt	**12**	14
Total lease liabilities		**$ 81**	$ 80

(a) Finance leases are recorded net of accumulated amortization of $17 million and $16 million as of September 30, 2024 and December 31, 2023, respectively.

NOTE 10 GOODWILL

The following table presents changes in the goodwill balance as allocated to each business segment for the nine months ended September 30, 2024:

In millions	Europe	Latin America	North America	Total
Balance as of December 31, 2023				
Goodwill	$ 11	$ 129	$ —	$ 140
Accumulated impairment losses	(1)	—	—	(1)
	$ 10	$ 129	$ —	$ 139
Currency translation and other	**—**	**(14)**	**—**	**(14)**
Balance as of September 30, 2024				
Goodwill	**11**	**115**	**—**	**126**
Accumulated impairment losses	**(1)**	**—**	**—**	**(1)**
Total	**$ 10**	**$ 115**	**$ —**	**$ 125**

NOTE 11 INCOME TAXES

An income tax provision of $37 million and $84 million was recorded for the three and nine months ended September 30, 2024, and the reported effective income tax rate was 28% and 28% respectively. An income tax provision of $33 million and $98 million was recorded for the three and nine months ended September 30, 2023, and the reported effective income tax rate was 36% and 33%, respectively.

The Brazilian Federal Revenue Service has challenged the deductibility of goodwill amortization generated in a 2007 acquisition by International Paper do Brasil Ltda., now named Sylvamo do Brasil Ltda. ("Sylvamo Brasil"), a wholly-owned subsidiary of the Company (the "Brazil Tax Dispute"). Sylvamo Brasil received assessments for the tax years 2007-2015 totaling approximately $107 million in tax, and $261 million in interest, penalties and fees as of September 30, 2024 (adjusted for variation in currency exchange rates and a law change pursuant to which the Brazil tax authority agreed to cancel a portion of the interest, penalties, and fees). International Paper challenged and is managing the litigation of this matter pursuant to the Tax Matters Agreement between us and International Paper. After a previous favorable ruling challenging the basis for these assessments, there were subsequent unfavorable decisions from the Brazilian Administrative Council of Tax Appeals. On behalf of Sylvamo Brasil, International Paper has appealed and at present, has advised us that it intends to further appeal these and any future unfavorable administrative judgments to the Brazilian federal courts. On October 11, 2024, the Brazilian federal regional court issued a favorable ruling to Sylvamo Brasil in the first stage of judicial review. This ruling, however, is subject to appeal by the Brazilian Federal Revenue Service. This tax litigation matter may take many years to resolve. We believe the transaction underlying these assessments was appropriately evaluated, and that Sylvamo Brasil's tax position should be sustained, based on Brazilian tax law.

Pursuant to the terms of the Tax Matters Agreement, International Paper will pay 60%, and Sylvamo will pay 40% on up to $300 million of any assessment related to this matter, and International Paper will pay all amounts of the assessment over $300 million. Also in connection with this agreement, all decisions concerning the conduct of the litigation related to this matter, including settlement strategy, pursuit and abandonment, will continue to be made by International Paper, which is vigorously defending Sylvamo Brasil's historic tax position against the current assessments and any similar assessments that may be issued for tax years subsequent to 2015.

NOTE 12 COMMITMENTS AND CONTINGENT LIABILITIES

Environmental and Legal Proceedings

The Company is subject to environmental and legal proceedings in the countries in which we operate. Accruals for contingent liabilities, such as environmental remediation costs, are recorded in the consolidated financial statements when it is probable that a liability has been incurred or an asset impaired and the amount of the loss can be reasonably estimated. The Company has estimated some probable liability associated with environmental remediation matters that is immaterial in the aggregate as of September 30, 2024.

At the Company's Mogi Guaçu mill, there are legacy basin areas that were formerly lagoons used for treatment of mill wastewater from pulp and paper manufacturing. In coordination with and in response to a request by the Environmental Company of the State of São Paulo ("CETESB"), which is the state environmental regulatory authority, there has been continuous regulatory monitoring and sampling of the former basins, which began prior to their closure in 2006, both to assess for contamination and evaluate whether additional remediation is needed beyond the basins' ongoing natural vegetation growth. This monitoring and sampling detected metal contamination, with the main constituent of potential environmental impact being mercury. The Company has presented CETESB with proposals for studies and other actions to further assess the scope and type of contamination and the possible need for an additional remediation approach.

In October 2022, CETESB requested that the Company expand its efforts to include providing CETESB with a proposed pilot intervention (remediation) plan for a portion of the former basins. The purpose of the pilot intervention plan is to facilitate determination of the appropriate actions to take for the basins generally, guided by the results of the pilot intervention plan in the subset portion of the basins. The Company submitted a proposed pilot intervention plan to CETESB in late 2023, and CETESB approved its pre-intervention stages and certain additional measures that the Company later submitted. The Company has continued to conduct environmental testing and analysis. The Company anticipates discussing the results of its supplemental testing and analysis with CETESB in the first half of 2025.

As of September 30, 2024, the Company has recorded an immaterial liability for the ongoing and additional environmental studies and sampling of the basins. While this matter could in the future have a material impact on our results of operations or cash flows, the Company is unable to estimate its potential additional liability because the further studies to be conducted and the remediation that may be required will depend on the results of the pilot intervention plan, the Company's environmental studies assessing the existence of ecological risk due to the contamination and what intervention may be required beyond vegetation of the basins, the extent to which there is eventual risk of harm from the contamination, and CETESB's approval of any ultimate intervention plan for the basins.

Taxes Other Than Payroll Taxes

See Note 11 Income Taxes for a discussion of a goodwill amortization tax matter in Brazil.

During the first quarter of 2024, the State of Sao Paulo issued a tax assessment to our Brazilian subsidiary for approximately $46 million (adjusted for variation in currency exchange rates) regarding unpaid VAT arising from intercompany transactions. This assessment includes $19 million in tax and $27 million in interest and penalties. As of September 30, 2024, no reserve has been recorded by the Company because the risk of loss is not probable.

The Company reached an amnesty agreement with the Brazilian government related to certain VAT amounts assessed in prior years, which are unrelated to the 2024 tax assessment noted above. This agreement resulted in the recognition of $9 million of interest income during the first quarter of 2023.

We have other open tax matters awaiting resolution in Brazil, which are at various stages of review in various administrative and judicial proceedings. We routinely assess these tax matters for materiality and probability of loss or gain, and appropriate amounts have been recorded in our financial statements for any open items where the risk of loss is deemed probable. We currently do not consider any of these other tax matters to be material individually. However, it is reasonably possible that settlement of any of these matters concurrently could result in a material loss or that over time a matter could become material, for example, if interest were accruing on the amount at issue for a significant period of time. Also, future exchange rate fluctuations could be unfavorable to the U.S. dollar and significant enough to cause an open matter to become material. The expected timing for resolution of these open matters ranges from one year to ten years.

General

The Company is involved in various other inquiries, administrative proceedings and litigation relating to environmental and safety matters, taxes (including VAT), personal injury, product liability, labor and employment, contracts, sales of property and other matters, some of which allege substantial monetary damages. Assessments of lawsuits and claims can involve a series of complex judgments about future events, can rely heavily on estimates and assumptions, and are otherwise subject to significant uncertainties. As a result, there can be no certainty that the Company will not ultimately incur charges in excess of presently recorded liabilities. The Company believes that loss contingencies arising from pending matters, including the matters described herein, will not have a material effect on the consolidated financial position or liquidity of the Company. However, in light of the inherent uncertainties involved in pending or threatened legal matters, some of which are beyond the Company's control, and the large or indeterminate damages sought in some of these matters, a future adverse ruling, settlement, unfavorable development, or increase in accruals with respect to these matters, could result in future charges that could be material to the Company's results of operations or cash flows in any particular reporting period.

NOTE 13 LONG-TERM DEBT

In third quarter of 2024, the Company refinanced our debt portfolio resulting in amendments to our existing agreements as well as entering into a new senior secured term loan. The effects of the refinancing are described herein.

Long-term debt is summarized in the following table:

In millions	**September 30, 2024**	**December 31, 2023**
Term Loan F - due 2027 *(a)*	**$ 355**	$ 471
Term Loan F-2 - due 2031 *(b)*	**233**	—
Term Loan A - due 2029 *(c)*	**222**	266
7.00% Senior Notes - due 2029 *(d)*	—	89
Securitization Program	**100**	117
Other	**16**	16
Less: current portion	**(43)**	(28)
Total	**$ 883**	$ 931

(a) As of September 30, 2024 and December 31, 2023, presented net of $3 million and $3 million in unamortized debt issuance costs, respectively.
(b) As of September 30, 2024, presented net of $2 million in unamortized debt issuance costs.
(c) As of September 30, 2024 and December 31, 2023, presented net of $3 million and $2 million in unamortized debt issuance costs, respectively.
(d) As of December 31, 2023, presented net of $1 million in unamortized debt issuance costs.

In addition to the debt noted above, the Company has the ability to access a cash flow-based revolving credit facility ("Revolving Credit Facility"). As a part of the refinancing in the third quarter of 2024, the company amended the existing Revolving Credit Facility agreement which reduced the total borrowing capacity to $400 million and extended the maturity to 2029. In addition, the Company entered into a separate bilateral letter of credit facility and subsequently transferred all existing letters of credit to the new facility, eliminating the impact to the borrowing capacity of the Revolving Credit Facility. As of September 30, 2024, the Company had no outstanding borrowings on the Revolving Credit Facility and an available borrowing capacity of $400 million. As of December 31, 2023, the Company had no outstanding borrowings on the Revolving Credit Facility and $21 million of letters of credit related to the Revolving Credit Facility, resulting in an available borrowing capacity of $429 million. Any outstanding balance on the Revolving Credit Facility is recorded within "Notes payable and current maturities of long-term debt" in the condensed consolidated balance sheet.

Sylvamo North America LLC, a wholly owned subsidiary of the Company, maintains a $110 million accounts receivable finance facility (the "Securitization Program"), maturing in 2027 as amended during the debt refinancing in the third quarter. The Company sells substantially all of its North American accounts receivable balances to Sylvamo Receivables, LLC, a special purpose entity, which pledges the receivables as collateral for the Securitization Program. The borrowing availability under this facility is limited by the balance of eligible receivables within the program. The average interest rate for the quarter ended September 30, 2024 was 6.20%, and the average interest rate for the year ended December 31, 2023 was 5.92%.

In the first quarter of 2023, in connection with the tender offer and the consent solicitation related to the 2029 Senior Notes, the Company entered into a new senior secured term loan facility amendment which provided an aggregate principal amount of $300 million ("Term Loan A"). Term Loan A, together with $60 million borrowings under the Revolving Credit Facility, were used to pay the total consideration for all notes tendered in the tender offer, plus accrued interest and all fees and expenses incurred in connection with the tender offer and consent solicitation. Upon close in the first quarter of 2023, $360 million aggregate principal of the notes were tendered, resulting in a debt extinguishment cost of $5 million, related to the write-off of debt issuance costs. This cost was recorded within "Interest expense (income), net." As part of the refinancing in the third quarter of 2024, the agreement for Term Loan A was amended to extend the maturity date to 2029.

In the third quarter of 2024, as a result of the debt refinancing, the Company entered into a new senior secured term loan facility which provided an aggregate principal amount of $235 million ("Term Loan F-2") maturing in 2031. A portion of the proceeds from Term Loan F-2 were used to repay $104 million of Term Loan F and $36 million of Term Loan A. The Company used the remaining proceeds to redeem the $90 million outstanding principal of our 2029 Senior Notes and to pay related premiums and fees. Debt extinguishment costs for the refinancing include $3 million of premiums paid related to the 2029 Senior Notes redemption and $2 million of deferred financing costs which were written off. This cost was recorded within "Interest expense (income), net." In connection with the debt refinancing, we incurred $5 million of debt issuance costs to be amortized over each instrument's term until maturity.

The interest rates applicable to the Term Loan F, Term Loan A and Revolving Credit Facility are based on a fluctuating rate of interest measured by reference to SOFR plus a fixed percentage of 1.85%, 1.85% and 1.85%, respectively, payable monthly, with a SOFR floor of 0.00%. Term Loan F-2 is based on a fluctuating rate of interest measured by reference to SOFR plus a fixed percent of 2.25%, payable monthly, with a SOFR floor of 0.00%. The obligations under the Term Loan F, Term Loan A, Term Loan F-2, and Revolving Credit Facility are secured by substantially all the tangible and intangible assets of Sylvamo and its subsidiaries, subject to certain exceptions, and are guaranteed by Sylvamo and certain subsidiaries.

We are receiving interest patronage credits under the Term Loan F and Term Loan F-2. Patronage distributions, which are made primarily in cash but also in equity in the lenders, are generally received in the first quarter of the year following that in which they were earned. Expected patronage credits are accrued in accounts and notes receivable as a reduction to interest expense in the period earned. After giving effect to expected patronage distributions of 90 basis points, of which 75 basis points is expected as a cash rebate, the effective net interest rate on the Term Loan F was approximately 5.80% and 6.31% as of September 30, 2024 and December 31, 2023, respectively, and the effective net interest rate on the Term Loan F-2 was approximately 6.20% as of September 30, 2024.

In connection with the Term Loan F, the Company was party to interest rate swaps with various counterparties with a notional amount of $200 million maturing in 2024 and $200 million maturing in 2026. In the first quarter of 2023, the Company received cash proceeds of $12 million from the unwind of four interest rate swaps maturing in 2024 with a total notional amount of $200 million. In addition, the Company liquidated the swaps maturing in 2026 with a notional amount of $200 million in the third quarter of 2023, receiving cash proceeds of $19 million. The related gains from all swap proceeds have been deferred within "Accumulated other comprehensive loss" in the condensed consolidated balance sheet and will be amortized into interest expense over the original contract term of the swaps, of which less than one year is remaining for the swaps originally maturing in 2024 and two years is remaining for the swaps originally maturing in 2026.

In the first quarter of 2023, the Company entered into four new interest rate swaps with various counterparties with a notional amount of $200 million, maturing in 2025. The interest rate swaps are designated as cash flow hedges, and are utilized to manage interest rate risk. The interest rate swaps allow for the Company to exchange the difference in the variable rates on Term Loan F determined in reference to SOFR and the fixed interest rate per notional amount ranging from 3.72% to 3.75%.

As of September 30, 2024 the fair value of the interest rate swaps related to Term Loan F was immaterial, and as of December 31, 2023 was an asset of $1 million recorded within "Deferred charges and other assets."

In relation to Term Loan A, the Company is party to interest rate swaps with a current aggregate notional amount of $222 million that amortize each quarter and mature in 2028. These interest rate swaps allow for the Company to exchange the difference in the variable rates on Term Loan A determined in reference to SOFR and the fixed interest rate per notional amount ranging from 4.13% to 4.16%. As of September 30, 2024 and December 31, 2023, the fair value of these interest rate swaps resulted in a liability of $6 million and $5 million, recorded within "Other liabilities," respectively.

As a result of the refinancing in the third quarter of 2024, the Company entered into five new interest rate swaps with various counterparties in connection with Term Loan F-2. The total current notional amount of these swaps is $235 million, which will amortize each quarter and mature in 2029. These interest rate swaps allow for the Company to exchange the difference in the variable rates on Term Loan F-2 determined in reference to SOFR and the fixed interest rate per notional amount ranging from 3.80% to 3.82%. As of September 30, 2024, the fair value of these interest rate swaps resulted in a liability of $5 million recorded within "Other liabilities," respectively.

The Company is subject to certain covenants limiting, among other things, the ability of most of its subsidiaries to: (a) incur additional indebtedness or issue certain preferred shares; (b) pay dividends on or make distributions in respect of the Company's or its subsidiaries' capital stock or make investments or other restricted payments; (c) create restrictions on the ability of the Company's restricted subsidiaries to pay dividends to the Company or make certain other intercompany transfers;

(d) sell certain assets; (e) create liens; (f) consolidate, merge, sell or otherwise dispose of all or substantially all of the Company's assets; and (g) enter into certain transactions with its affiliates. The Company is currently subject to a maximum consolidated total leverage ratio of 3.75 to 1.00.

The limit on restricted payments that we may make prior to the resolution of the Brazil Tax Dispute is $60 million if our pro-forma consolidated leverage ratio is less than 2.50 to 1.00 and greater than or equal to 2.00 to 1.00, or $90 million if the pro-forma consolidated leverage ratio is less than 2.00 to 1.00. However, limitations imposed on restricted payments are eliminated prior to the final settlement of the Brazil Tax Dispute if (i) we deposit $120 million in an account subject to the control of the administrative agent under our credit agreement, or (ii) we deposit $60 million in such an account and maintain $225 million of available liquidity at the time we make restricted payments. The funds deposited in the account would be used to pay the Company's share of the settlement of the Brazil Tax Dispute, with any excess funds returned to us if our portion of any final settlement amount is less than the amount on deposit. In 2023, the Company deposited $60 million in an account subject to the control of the administrative agent. Therefore, our ability to make restricted payments under the credit agreement is governed by the provisions in the credit agreement in effect as if the Brazil Tax Dispute is settled, if at the time of any restricted payments we maintain $225 million of available liquidity.

As of September 30, 2024, we were in compliance with our debt covenants.

NOTE 14 PENSION AND POSTRETIREMENT BENEFIT PLANS

Defined Benefit Plans

The Company sponsors and maintains pension plans for the benefit of certain of the Company's employees. The service and non-service cost components of net periodic pension expense for these employees is recorded within cost of products sold and selling and administrative expenses. The assets and liabilities related to plans sponsored by the Company are reflected in deferred charges and other assets and other liabilities, respectively.

Net periodic pension expense (benefit) for all pension plans sponsored by the Company for the nine months ended September 30, 2024 and September 30, 2023 was immaterial.

The Company's funding policy for the pension plans is to contribute amounts sufficient to meet legal funding requirements, plus any additional amounts that the Company may determine to be appropriate considering the funded status of the plans, tax deductibility, cash flow generated by the Company, and other factors. The Company continually reassesses the amount and timing of any discretionary contributions. Generally, the non-U.S. pension plans are funded using the projected benefit as a target, except in certain countries where funding of benefit plans is not required.

NOTE 15 INCENTIVE PLANS

The Company has adopted the Sylvamo 2021 Incentive Compensation Plan, which includes shares under its long-term incentive plan ("LTIP") that grants certain employees, consultants, or non-employee directors of the Company different forms of awards, including time-based and performance-based restricted stock units. As of September 30, 2024, 2,571,438 shares remain available for future grants.

Total stock-based compensation cost recognized by the Company was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	**2024**	**2023**	**2024**	**2023**
Total stock-based compensation expense (included in selling and administrative expense)	**$ 5**	$ 6	**$ 17**	$ 21

As of September 30, 2024, $18 million of compensation cost, net of estimated forfeitures, related to all stock-based compensation arrangements for Company employees had not yet been recognized. This amount will be recognized in expense over a weighted-average period of 1.5 years.

NOTE 16 FINANCIAL INFORMATION BY BUSINESS SEGMENT AND GEOGRAPHIC AREA

The Company's business segments, Europe, Latin America and North America, are consistent with the internal structure used to manage these businesses. All segments are differentiated on a common product, common customer basis, consistent with the business segmentation generally used in the Forest Products industry.

Business segment operating profit is used by the Company's management to measure the earnings performance of its businesses. Management believes that this measure provides investors and analysts useful insights into our operating performance. Business segment operating profit is defined as income before income taxes, excluding interest (income) expense, net, and net special items.

External sales are defined as those that are made to parties outside the Company's combined group, whereas sales by segment in the Net Sales table are determined using a management approach and include intersegment sales.

Information By Business Segment

Net Sales

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	**2024**	**2023**	**2024**	**2023**
Europe	**$ 194**	$ 184	**$ 607**	$ 624
Latin America	**247**	246	**708**	718
North America	**532**	476	**1,515**	1,455
Intersegment Sales	**(8)**	(9)	**(27)**	(40)
Net Sales	**$ 965**	$ 897	**$ 2,803**	$ 2,757

Business Segment Operating Profit

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	**2024**	**2023**	**2024**	**2023**
Europe	**$ 3**	$ (14)	**$ 7**	$ (2)
Latin America	**49**	55	**100**	149
North America	**98**	75	**237**	217
Business Segment Operating Profit	**$ 150**	$ 116	**$ 344**	$ 364
Income before income taxes	**$ 132**	$ 91	**$ 305**	$ 302
Interest (income) expense, net	**14**	9	**32**	28
Net special items expense (income) (a)	**4**	16	**7**	34
Business Segment Operating Profit	**$ 150**	$ 116	**$ 344**	$ 364

(a) Special items represent income or expenses that are incurred periodically, rather than on a regular basis. Net special items in the periods presented primarily include legal fees related to the Brazil Tax Dispute, a loss related to forest fires in Brazil, certain severance costs related to our salaried workforce, integration costs related to the Nymölla acquisition, professional and legal fees related to negotiations resulting in a shareholder cooperation agreement, the impact of the step-up of acquired Nymölla inventory sold during the first quarter of 2023 and other charges.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes included in "Financial Information" of this Quarterly Report on Form 10-Q (this "Form 10-Q") and the Company's Form 10-K for the three years ended December 31, 2023, 2022 and 2021. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs that involve significant risks and uncertainties. Our actual results could differ materially from those stated and implied in any forward-looking statements. Factors that could cause or contribute to those differences include those discussed below and elsewhere in this Form 10-Q and in our 2023 Form 10-K, particularly under the headings "Risk Factors" and "Forward-Looking Statements."

EXECUTIVE SUMMARY

Third quarter 2024 net income was $95 million ($2.27 per diluted share) compared with $83 million ($1.98 per diluted share) for the second quarter of 2024. Net sales were $965 million in the current quarter compared with $933 million in the prior quarter. Cash from operations was $163 million compared to $115 million in the prior quarter. Adjusted EBITDA was $193 million and our adjusted EBITDA margin was 20% compared to $164 million and an adjusted EBITDA margin of 18%. Free cash flow was $119 million compared to $62 million in the second quarter.

Comparing our performance in the third quarter to the second quarter, price and mix was unfavorable, primarily driven by North American mix, while volume increased in North America. Operations and costs were stable reflecting solid operations across our mills in all three regions. Planned maintenance outage expenses decreased significantly as we had no major planned outages during the third quarter. Input and transportation costs increased slightly, as higher fiber costs in Latin America more than offset lower energy and transportation costs in North America.

Looking ahead to the fourth quarter of 2024, we expect price and mix to be unfavorable due to pulp and paper price decreases in Europe, higher export mix in Latin America and unfavorable customer mix in North America. Volume is expected to improve driven by Latin America. Operations and costs are expected to increase slightly due to expenses for a planned ten-year turbine generator maintenance event at our Eastover mill that will be partially offset by better fixed cost absorption from less economic downtime in North America. Additionally, we expect input and transportation costs to be higher mostly due to transportation and seasonally higher energy costs. Lastly, we expect planned maintenance outage costs to increase due to the planned outage at Eastover during the fourth quarter.

Georgetown Mill Supply Agreement

On October 30, 2024, the Company and International Paper entered into an agreement to terminate the Georgetown mill supply agreement effective December 31, 2024. International Paper also announced plans to discontinue operations at the Georgetown mill. We expect the Georgetown mill to supply us with approximately 250,000 tons of uncoated freesheet and bristols during 2024. We plan to transition production of approximately 100,000 tons annually, of the most profitable products, to our Ticonderoga and Eastover mills. We will exit approximately 150,000 tons annually.

BUSINESS SEGMENT RESULTS

Overview

Management provides business segment operating profit, a non-GAAP financial measure, to supplement our GAAP financial information, and it should be considered in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Management believes that business segment operating profit provides investors and analysts useful insights into our operating performance. Business segment operating profit is reconciled to Income before income taxes, the most directly comparable GAAP measure. Business segment operating profit may be determined or calculated differently by other companies and therefore may not be comparable among companies.

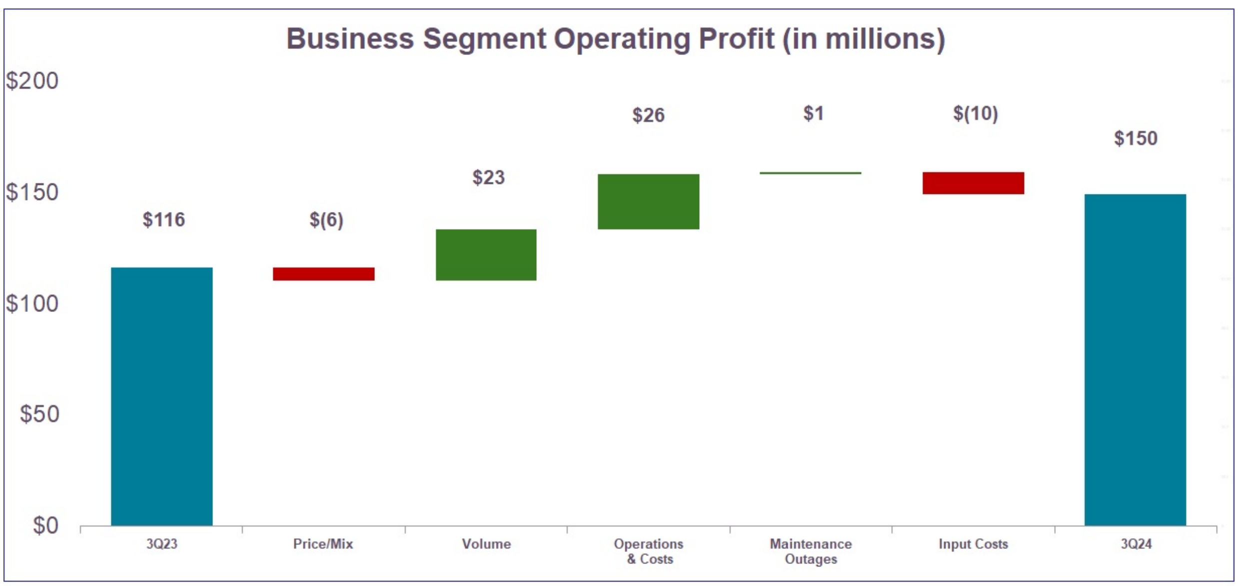
The following table presents a comparison of Income before taxes to business segment operating profit:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	**2024**	**2023**	**2024**	**2023**
Income Before Income Taxes	**$ 132**	$ 91	**$ 305**	$ 302
Interest (income) expense, net	**14**	9	**32**	28
Net special items expense (income) *(b)*	**4**	16	**7**	34
Business Segment Operating Profit *(a)*	**$ 150**	$ 116	**$ 344**	$ 364
Europe	**$ 3**	$ (14)	**$ 7**	$ (2)
Latin America	**49**	55	**100**	149
North America	**98**	75	**237**	217
Business Segment Operating Profit *(a)*	**$ 150**	$ 116	**$ 344**	$ 364

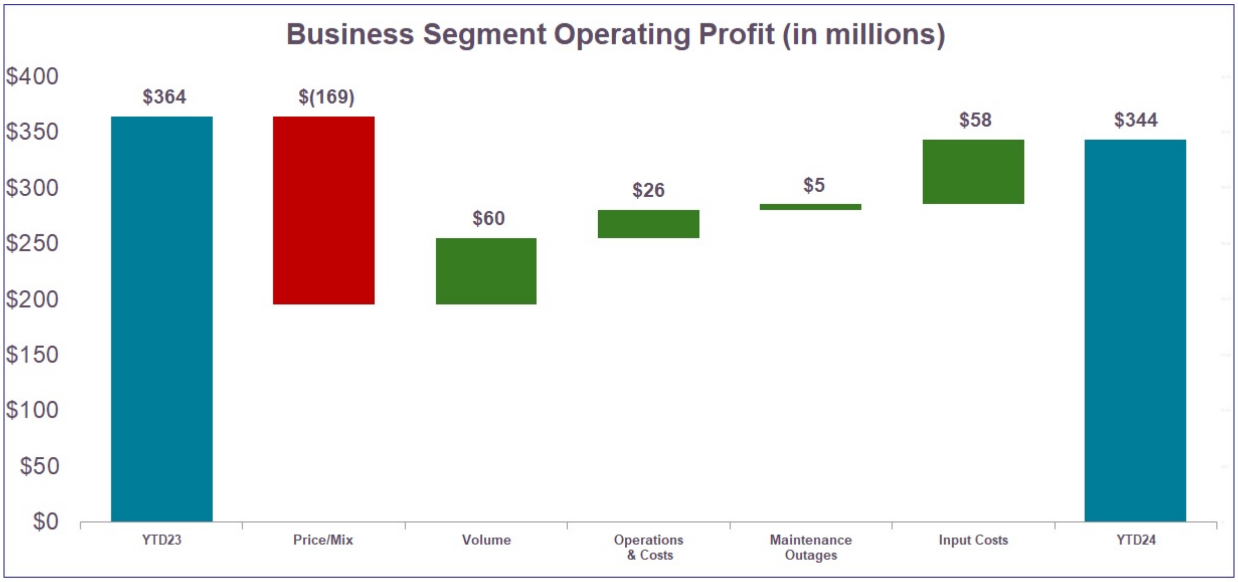
(a) We define business segment operating profit as our income before income taxes calculated in accordance with GAAP, excluding net interest expense (income) and net special items. We believe that business segment operating profit is an important indicator of operating performance as it is a measure reported to our management for purposes of making decisions about allocating resources to our business segments and assessing the performance of our business segments.

(b) Special items represent income or expenses that are incurred periodically, rather than on a regular basis. Net special items in the periods presented primarily include legal fees related to the Brazil Tax Dispute, a loss related to forest fires in Brazil, certain severance costs related to our salaried workforce, integration costs related to the Nymölla acquisition, professional and legal fees related to negotiations resulting in a shareholder cooperation agreement, the impact of the step-up of acquired Nymölla inventory sold during the first quarter of 2023 and other charges.

Three Months Ended September 30, 2024 Compared to the Three Months Ended September 30, 2023



Nine Months Ended September 30, 2024 Compared to the Nine Months Ended September 30, 2023



The following tables present net sales and operating profit, which is the Company's measure of business segment profitability, for each of the Company's segments. See Note 16 Financial Information by Business Segment and Geographic Area for more information on the Company's segments.

Europe

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	**2024**	**2023**	**2024**	**2023**
Net Sales	**$ 194**	$ 184	**$ 607**	$ 624
Operating Profit	**$ 3**	$ (14)	**$ 7**	$ (2)

Three Months Ended September 30, 2024 Compared to the Three Months Ended September 30, 2023

Our Europe business segment net sales increased $10 million, compared to the same period in 2023, primarily due to higher sales price and mix ($4 million) and higher volumes ($10 million), partially offset by foreign exchange and other.

Europe operating profit was $17 million higher than the same period in 2023, driven primarily by higher sales price and product mix ($4 million), higher volumes ($2 million), lower unabsorbed costs due to economic downtime ($9 million), lower input costs ($1 million), primarily for purchased chemicals, and lower operating costs ($1 million).

Nine Months Ended September 30, 2024 Compared to the Nine Months Ended September 30, 2023

Our Europe business segment net sales decreased $17 million, compared to the same period in 2023, primarily due to lower sales price and mix ($60 million) and foreign exchange and other which more than offset higher volumes ($56 million).

Europe operating profit was $9 million higher than the same period in 2023, primarily due to higher volumes ($12 million), lower input costs ($17 million), primarily for purchased chemicals, as well as lower distribution costs, lower outage costs ($20 million) and lower unabsorbed costs due to economic downtime ($22 million) which more than offset the impacts of lower sales prices and less favorable product mix ($60 million) and higher operating costs ($2 million).

Latin America

In millions	Three Months Ended September 30, 2024	2023	Nine Months Ended September 30, 2024	2023
Net Sales	**$ 247**	$ 246	**$ 708**	$ 718
Operating Profit	**$ 49**	$ 55	**$ 100**	$ 149

Three Months Ended September 30, 2024 Compared to the Three Months Ended September 30, 2023

Our Latin America business segment net sales increased $1 million, compared to the same period in 2023, primarily driven by an increase in sales price and mix ($3 million) and higher volumes ($9 million), partially offset by foreign exchange and other.

Operating profit for Latin America was $6 million lower than the same period in 2023, as higher input costs ($13 million), primarily for purchased chemicals, more than offset higher sales prices and more favorable product mix ($3 million), lower operating costs ($2 million) and higher volumes ($2 million).

Nine Months Ended September 30, 2024 Compared to the Nine Months Ended September 30, 2023

Our Latin America business segment net sales decreased $10 million, compared to the same period in 2023, primarily driven by a decrease in sales price and mix ($49 million) and foreign exchange and other which more than offset higher volumes ($50 million).

Operating profit for Latin America was $49 million lower than the same period in 2023, as lower sales prices and less favorable product mix ($49 million), along with higher operating costs ($18 million) and higher outage costs ($13 million) more than offset higher volumes ($13 million) and lower input costs ($18 million), primarily for purchased pulp and chemicals.

North America

In millions	Three Months Ended September 30, 2024	2023	Nine Months Ended September 30, 2024	2023
Net Sales	**$ 532**	$ 476	**$ 1,515**	$ 1,455
Operating Profit	**$ 98**	$ 75	**$ 237**	$ 217

Three Months Ended September 30, 2024 Compared to the Three Months Ended September 30, 2023

Our North America business segment net sales increased $56 million, compared to the same period in 2023, as higher volumes ($69 million) more than offset decreased sales price and mix ($13 million).

Operating profit for North America was $23 million higher than the same period in 2023, primarily due to higher volumes ($19 million), lower unabsorbed costs due to economic downtime ($17 million), lower outage costs ($1 million) and lower input costs ($2 million), primarily for purchased chemicals, as well as lower distribution costs, which more than offset decreased sales prices and less favorable product mix ($13 million) and higher operating costs ($3 million).

Nine Months Ended September 30, 2024 Compared to the Nine Months Ended September 30, 2023

Our North America business segment net sales increased $60 million, compared to the same period in 2023, as higher volumes ($119 million) more than offset decreased sales prices and less favorable product mix ($60 million).

Operating profit for North America was $20 million higher than the same period in 2023, primarily due to higher volumes ($35 million), lower unabsorbed costs due to economic downtime ($40 million) and lower input costs ($23 million) primarily for purchased wood and chemicals, as well as lower distribution costs which more than offset decreased sales prices and less favorable product mix ($60 million), higher operating costs ($16 million) and outage costs ($2 million).

Non-GAAP Financial Measures

Management provides Adjusted EBITDA, a non-GAAP financial measure, to supplement our GAAP financial information, and it should be considered in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Management uses this measure in managing the operating performance of our business and believes that Adjusted EBITDA provides investors and analysts meaningful insights into our operating performance and is a relevant metric for the third-party debt. Adjusted EBITDA is reconciled to Net income, the most directly comparable GAAP measure. Adjusted EBITDA may be determined or calculated differently by other companies and therefore may not be comparable among companies.

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	**2024**	**2023**	**2024**	**2023**
Net Income	**$ 95**	$ 58	**$ 221**	$ 204
Income tax provision	**37**	33	**84**	98
Interest (income) expense, net	**14**	9	**32**	28
Depreciation, amortization and cost of timber harvested	**39**	36	**115**	105
Stock-based compensation	**5**	6	**17**	21
Net special items expense (income) *(a)*	**3**	16	**6**	34
Adjusted EBITDA *(b)*	**$ 193**	$ 158	**$ 475**	$ 490
Net Sales	**$ 965**	$ 897	**$ 2,803**	$ 2,757
Adjusted EBITDA Margin	**20.0 %**	17.6 %	**16.9 %**	17.8 %

(a) Special items represent income or expenses that are incurred periodically, rather than on a regular basis. Net special items in the periods presented primarily include legal fees related to the Brazil Tax Dispute, certain severance costs related to our salaried workforce, integration costs related to the Nymölla acquisition, professional and legal fees related to negotiations resulting in a shareholder cooperation agreement, the impact of the step-up of acquired Nymölla inventory sold during the first quarter of 2023 and other charges.

(b) We define Adjusted EBITDA (non-GAAP) as net income (GAAP), net of taxes plus the sum of income taxes, net interest expense (income), depreciation, amortization and cost of timber harvested, stock-based compensation, and, when applicable for the periods reported, special items.

Free cash flow is a non-GAAP measure and the most directly comparable GAAP measure is cash provided by operating activities. Management believes that free cash flow is useful to investors as a liquidity measure because it measures the amount of cash generated that is available, after reinvesting in the business, to maintain a strong balance sheet and service debt, and return cash to shareowners. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures. By adjusting for certain items that are not indicative of the Company's ongoing performance, free cash flow also enables investors to perform meaningful comparisons between past and present periods.

The following is a reconciliation of Cash provided by operations to Free Cash Flow:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	**2024**	**2023**	**2024**	**2023**
Cash provided by operating activities	**$ 163**	$ 197	**$ 305**	$ 337
Adjustments:				
Cash invested in capital projects	**(44)**	(42)	**(157)**	(147)
Free Cash Flow	**$ 119**	$ 155	**$ 148**	$ 190

The non-GAAP financial measures presented in this Form 10-Q as referenced above have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our results calculated in accordance with GAAP. In addition, because not all companies utilize identical calculations, the Company's presentation of non-GAAP measures in this Form 10-Q may not be comparable to similarly titled measures disclosed by other companies, including companies in the same industry as the Company.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our ability to fund the Company's cash needs depends on our ongoing ability to generate cash from operations and obtain financing on acceptable terms. Based upon our history of generating strong operating cash flow, we believe we will be able to meet our short-term liquidity needs. We believe we will meet known or reasonably likely future cash requirements through the combination of cash flows from operating activities, available cash balances and available borrowings through the issuance of third-party debt, as needed.

A major factor in our liquidity and capital resource planning is our generation of operating cash flow, which is highly sensitive to changes in the pricing and demand for our products. While changes in key operating cash costs, such as raw materials, energy, mill outages and distribution expenses do have an effect on operating cash generation, we believe that our focus on commercial and operational excellence, as well as our ability to manage costs and working capital, will provide sufficient cash flow generation to meet our operational and capital spending needs.

The terms of the agreements governing our debt contain customary limitations for the financing as well as other provisions. These provisions may also restrict our business and, in the event we cannot meet the terms of those provisions, may adversely impact our financial condition, results of operations or cash flows.

Operating Activities

Cash provided by operating activities totaled $305 million for the nine months ended September 30, 2024, compared with cash provided by operating activities of $337 million for the nine months ended September 30, 2023. The decrease in cash provided by operating activities in 2024 relates primarily to timing of cash flows related to working capital.

Cash used for working capital components (accounts and notes receivable, inventories, accounts payable and accrued liabilities, and other) was $44 million for the nine months ended September 30, 2024, compared with cash provided by working capital components of $3 million for the nine months ended September 30, 2023. The nine months ended September 30, 2024 working capital components primarily reflect $28 million, $21 million and $11 million of cash used for our accounts and notes receivables, inventories and other operating activities, respectively, offset by $16 million of cash provided by our accounts payable and accrued liabilities balances. The nine months ended September 30, 2023 working capital components primarily reflect $99 million and $72 million of cash provided by our accounts and notes receivable and other operating activities, respectively, offset by $46 million and $122 million of cash used for our inventories and accounts payable and accrued liabilities balances, respectively.

Investment Activities

The total cash used for investing activities for the nine months ended September 30, 2024 decreased from the nine months ended September 30, 2023, primarily due to the purchase of the Nymölla mill which occurred in the prior year.

The following table shows capital spending by business segment:

	Nine Months Ended September 30,	
In millions	**2024**	**2023**
Europe	**$ 17**	$ 24
Latin America	**102**	77
North America	**37**	42
Corporate	**1**	4
Total	**$ 157**	$ 147

Capital spending primarily consists of purchases of machinery and equipment related to our global mill operations and reforestation and timber purchase costs in Latin America.

Financing Activities

Cash used for financing activities for the nine months ended September 30, 2024 primarily reflects the payments of $117 million, $44 million, $23 million, and $10 million on our outstanding principal debt balances for Term Loan F, Term Loan A, the AR Securitization, and Revolving Credit Facility, respectively. Additionally, payments of $93 million were made to redeem, at a premium, the full value of our 7.00% Senior Notes and pay $5 million in debt issuance costs in connection with the debt refinancing in the third quarter. These amounts are primarily offset by the issuance of Term Loan F-2, draws on our Revolving Credit Facility, and AR Securitization of $235 million, $10 million, and $6 million, respectively. During the nine months ended September 30, 2024 the Company also paid $43 million in dividends and repurchased $30 million of our shares pursuant to our share repurchase program. Cash used for financing activities for the nine months ended September 30, 2023 primarily reflects the payments of $60 million, $34 million, $20 million, and $8 million on our outstanding principal debt balances for the Revolving Credit Facility, AR Securitization, Term Loan F, and Term Loan A, respectively. Additionally, $360 million was paid to bond holders as part of our tender offer. These amounts are primarily offset by the issuance of Term Loan A, draws on our Revolving Credit Facility, and AR Securitization of $300 million, $70 million, and $70 million, respectively. During the nine months ended September 30, 2023 the Company also paid $32 million in dividends and repurchased $53 million of our shares pursuant to our share repurchase program.

Contractual Obligations

Our 2023 Form 10-K included disclosures of our contractual obligations and commitments as of September 30, 2024. We continue to make the contractually required payments, and, therefore, the 2023 obligations and commitments described in our 2023 Form 10-K have been reduced by the required payments.

Capital Expenditures

For the nine months ended September 30, 2024, we have invested approximately $157 million, or 5.6% of net sales, in total capital expenditures. Over that period, we spent approximately $140 million, or 5.0% of net sales, in maintenance, regulatory and reforestation capital expenditures, and approximately $17 million, or 0.6% of net sales, in high-return capital projects. Our annual maintenance, regulatory and reforestation capital expenditures are expected to be in the range of approximately $175 to $190 million per year (before inflation) for the next several years, which we believe will be sufficient to maintain our operations and productivity. In addition, we expect to spend approximately $30 million to $35 million on high-return projects in 2024.

PILLAR TWO DIRECTIVE

The Organization for Economic Co-Operation and Development ("OECD") has been working on a project to act to prevent what it refers to as base erosion and profit shifting ("BEPS"). Most recently, the OECD, through an association of almost 140 countries known as the "inclusive framework," has announced a consensus to address, among other things, perceived challenges presented by global digital commerce ("Pillar 1") and the perceived need for a minimum global effective tax rate of 15% ("Pillar 2"). On December 15, 2022, the European Union formally adopted the Pillar Two Directive, and a majority of EU member states have enacted the directive into domestic law as of December 31, 2023. Other countries are taking similar actions. The Pillar Two Directive has not had a material impact on our condensed consolidated financial statements.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires the Company to establish accounting policies and to make estimates that affect both the amounts and timing of the recording of assets, liabilities, revenues and expenses. Some of these estimates require subjective judgments about matters that are inherently uncertain.

Accounting policies whose application may have a significant effect on the reported results of operations and financial position of the Company, and that can require judgments by management that affect their application, include the accounting for impairment or disposal of long-lived assets and goodwill, business combinations and income taxes.

The Company has included in the 2023 Form 10-K a discussion of these critical accounting policies, which are important to the portrayal of the Company's financial condition and results of operations and require management's judgments. The Company has not made any changes in these critical accounting policies during the first nine months of 2024.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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 the Company’s performance. Some examples of forward-looking statements include those relating to our business and operating outlook, future obligations and anticipated expenditures.

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 potential cybersecurity breaches affecting us or third parties with which we do business; 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, as such disclosures may be amended, supplemented or superseded from time to time by other reports we file with the U.S. Securities and Exchange Commission (the “SEC”), including subsequent annual reports on Form 10-K and quarterly reports on Form 10-Q.

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information relating to quantitative and qualitative disclosures about market risk is shown on page 44 of the Company’s 2023 Form 10-K, which information is incorporated herein by reference. There have been no material changes in the Company’s exposure to market risk since December 31, 2023.

ITEM 4. CONTROLS AND PROCEDURES

Management carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of September 30, 2024. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of such date and designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is: recorded, processed, summarized and reported within the time periods specified in SEC rules and forms; and accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting:

In the third quarter of 2024, there were no changes in the Company’s internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Sylvamo may be involved in legal proceedings arising from time to time in the ordinary course of business. Sylvamo is not involved in any legal proceedings that we believe will result, individually or in the aggregate, in a material adverse effect upon our financial condition or results of operations. Note 11 Income Taxes and Note 12 Commitments and Contingent Liabilities of the Notes to the Condensed Consolidated Financial Statements in this Form 10-Q are incorporated into this Item 1 by reference.

Item 103 of Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and the proceedings involve potential monetary sanctions, unless we reasonably believe the monetary sanctions will not equal or exceed a threshold of $1 million (which is the threshold we elected to use as permitted by this regulation). The matters set forth in Note 12 Commitments and Contingent Liabilities and incorporated herein are disclosed in accordance with such requirement.

ITEM 1A. RISK FACTORS

The risk factors that affect our business and financial results are set forth under Part I, Item 1A, "Risk Factors," in our 2023 Form 10-K. There have been no material changes to the risk factors described in the 2023 Form 10-K. The risk factors in "Item 1A. Risk Factors," in the 2023 Form 10-K and the risks described in this Form 10-Q or our other SEC filings could cause our actual results to differ materially from those stated in any forward-looking statements.

ITEM 2. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Period	Total Number of Shares Purchased *(a)*	Average Price Paid Per Share	Total Number of Shares (or Units) Purchased as Part of the Publicly Announced Program	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Program (in millions)
July 1, 2024 - July 31, 2024	1,593	$ 68.60	—	$ 120
August 1, 2024 - August 31, 2024	2,066	$ 73.71	—	$ 120
September 1, 2024 - September 30, 2024	1,033	$ 79.09	—	$ 120
Total	4,692		—	

(a) 4,692 shares were acquired from employees from share withholdings under the Company's long term incentive compensation program.

On May 18, 2022, the Board approved a share repurchase program under which the Company may purchase up to an aggregate amount of $150 million of shares of its common stock (the "Repurchase Program"). In the third quarter of 2023, the Board authorized an additional $150 million for the Repurchase Program, bringing the total program capacity to $300 million, of which $120 million remains available for repurchases as of September 30, 2024. Pursuant to the Repurchase Program, the Company may repurchase in amounts, at prices and at such times as it deems appropriate, subject to market conditions and other considerations, including all applicable legal requirements. Repurchases may include purchases on the open market or privately negotiated transfers, under Rule 10b5-1 trading plans, under accelerated share repurchase programs, in tender offers and otherwise. The Repurchase Program does not obligate the Company to acquire any particular amount of shares of its common stock and may be modified or suspended at any time at the Company's discretion. The Company repurchased $30 million of shares during the nine months ended September 30, 2024.

ITEM 6. EXHIBITS

3.1	Amended and Restated Certificate of Incorporation of Sylvamo Corporation (incorporated by reference to Exhibit 3.1 to Sylvamo Corporation's Registration Statement on Form S-8 filed with the SEC on September 28, 2021).
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Sylvamo Corporation (incorporated by reference to Exhibit 3.2 to Sylvamo Corporation's Quarterly Report on Form 10-Q filed with the SEC on August 9, 2024 (the "Form 10-Q filed 8/9/24").
3.3	Amended and Restated By-Laws of Sylvamo Corporation (incorporated by reference to Exhibit 3.2 to Sylvamo Corporation's Current Report on Form 8-K filed with the SEC on October 1, 2021).
10.1	First Amendment, dated as of June 17, 2024, to the Tax Matters Agreement by and between International Paper Company and Sylvamo Corporation, dated as of September 30, 2021 (incorporated by reference to Exhibit 10.1 to the Form 10-Q filed 8/9/24).
10.2	Amendment No. 3 to Credit Agreement, dated as of July 31, 2024, among Sylvamo Corporation, as borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and the other lenders and L/C issuers party thereto, including Amended Credit Agreement attached as Annex A thereto (incorporated by reference to Exhibit 10.1 to Sylvamo Corporation's Current Report on Form 8-K filed with the SEC on August 1, 2024 (the "Form 8-K filed 8/1/24")).
10.3	Credit Agreement, dated as of July 31, 2024, among Sylvamo Corporation, as borrower, CoBank, ACB, as Administrative Agent, and the other lenders party thereto (incorporated by reference to Exhibit 10.2 to the Form 8-K filed 8/1/24).
10.4	Amendment No. 3 to Receivables Financing Agreement and Reaffirmation of Performance Guaranty, dated as of July 31, 2024, among Sylvamo Receivables, LLC, as borrower, Sylvamo North America, LLC, as initial servicer and originator, the lenders party thereto from time to time, PNC Bank, National Association, as administrative agent and a lender, PNC Capital Markets LLC, as structuring agent, and solely with respect to reaffirmation of the performance guaranty, Sylvamo Corporation, as performance guarantor, and Receivables Financing Agreement attached as Annex A thereto (incorporated by reference to Exhibit 10.3 to the Form 8-K filed 8/1/24).
31.1*	Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32**	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document.
101.SCH XBRL	Taxonomy Extension Schema.
101.CAL XBRL	Taxonomy Extension Calculation Linkbase.
101.DEF XBRL	Taxonomy Extension Definition Linkbase.
101.LAB XBRL	Taxonomy Extension Label Linkbase.
101.PRE XBRL	Extension Presentation Linkbase.
104.	Cover Page Interactive Data File (formatted as Inline XBRL, and contained in Exhibit 101).

* Filed herewith
** Furnished herewith

Items 3, 4 and 5 are not applicable and have been omitted.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

SYLVAMO CORPORATION

Date: November 12, 2024	By:	/s/ Kevin W. Ferguson
	Name:	Kevin W. Ferguson
	Title:	Vice-President and Controller

Exhibit 31.1

CERTIFICATION

I, Jean-Michel Ribiéras, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sylvamo Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 12, 2024

By: /s/ Jean-Michel Ribiéras
Jean-Michel Ribiéras
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, John V. Sims, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sylvamo Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 12, 2024

By: /s/ John V. Sims

John V. Sims
Senior Vice President and Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Sylvamo Corporation (the “Company”) for the period ended September 30, 2024 (the “Report”), each of the undersigned certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Jean-Michel Ribiéras
Jean-Michel Ribiéras
Chairman and Chief Executive Officer
November 12, 2024

By: /s/ John V. Sims
John V. Sims
Senior Vice President and Chief Financial Officer
November 12, 2024