Investor Update

2023 Wells Fargo Industrials Conference

June 14, 2023



Sylvamo

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The World's Paper Company

Cautionary statement concerning forward-looking statements

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

Examples of forward-looking statements include those relating to: our plans to maintain a strong financial position, return cash to our shareowners and reinvest in our business and information about their execution in the future; and our expectations concerning our business and industry.

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 following factors, among others, could cause our actual results to differ from those in the forward looking statements: the deterioration of economic and political conditions where we operate such as continuing inflation that increases our costs of operating, conditions such as economic recession decreasing demand for our products, and the war in Ukraine potentially spreading or causing significant economic disruption, particularly in Europe where we operate; workforce, natural gas, fuel and transportation shortages experienced by us and our suppliers creating challenges for our and their operations to overcome, increasing suppliers’ prices charged us and increasing our costs of operating; a resurgence of the COVID-19 pandemic or the occurrence of another public health crisis that results in new governmental measures implemented to address it that impede our, our suppliers’ or our customers’ operations, and that exacerbates inflation, workforce and transportation shortages; climate change and physical and financial risks to us associated with fluctuating regional and global weather conditions or patterns; reduced truck, rail and ocean freight availability resulting in higher costs to us or poor service; information technology risks related to potential breaches of security which may result in the distribution of company, customer, employee and vendor information; extensive environmental laws and regulations, as well as tax and other laws, in the United States, Brazil and other countries in which we operate, which could result in substantial costs to us as a result of compliance with, violations of or liabilities under these laws; failure to attract and retain senior management and other key and skilled employees, particularly in the current tight labor market; the loss of our commercial agreements with International Paper; failure of our separation from International Paper to qualify as a tax-free transaction for U.S. federal income tax purposes; our indebtedness and its impact on our ability to operate and satisfy our debt obligations; the limited trading history of our common stock; and the factors disclosed in Item 1A. Risk Factors in our annual report on Form 10-K for the year ended December 31, 2022, as such disclosures may be amended, supplemented or superseded from time to time by other reports that we file with the Securities and Exchange Commission, including subsequent quarterly reports on Form 10-Q, annual reports on Form 10-K and current reports on Form 8-K.

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

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Statement relating to non-U.S. financial GAAP measures

While Sylvamo reports its financial results in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), during the course of this presentation, certain non-U.S. GAAP financial measures are presented. Management believes that these non-U.S. GAAP financial measures, when used in conjunction with information presented in accordance with U.S. GAAP, can facilitate a better understanding of the impact of various factors and trends on Sylvamo's financial condition and results of operations. Management also uses these non-U.S. GAAP financial measures in making financial, operating and planning decisions and in evaluating Sylvamo's performance. The non-U.S. GAAP financial measures in this presentation have limitations as analytical tools and should not be considered in isolation or as a substitute for, or superior to, an analysis of our results presented in accordance with U.S. GAAP. In addition, because not all companies use identical calculations, our presentation of non-U.S. GAAP financial measures in this presentation may not be comparable to similarly titled measures disclosed by other companies, including companies in our industry. These slides, including the reconciliation, are also available on Sylvamo Corporation's website at sylvamo.com.

The following is a list of all non-U.S. GAAP financial measures included in this presentation. See the Appendix for a reconciliation of all presented non-U.S. GAAP measures (and their components) to U.S. GAAP financial measures.

- Adjusted EBITDA and Adjusted EBITDA Margin
- Return on Invested Capital (ROIC)

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Significant accomplishments since October 2021 spinoff



Reduced Risk & Improved our Financial Position

- Successfully divested our Russian business
- Reduced debt by >$470 million (30%) to ~$1 billion gross debt
- Improved gross debt-to-adjusted EBITDA from 3.2x to 1.3x



2022 Highlights

- 20% Adjusted EBITDA Margin
- 30% ROIC
- $90 million in cash returns to shareowners



Reinvesting in our Business

- Acquired the Nymolla mill at <2.5x EBITDA
- Investing in high-return capital projects
- Strengthening our low-cost assets

Starting October 1, 2021 through March 31, 2023

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We are executing on our Investment Thesis

The World's Paper Company

We are the world's paper company, the:

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

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

A Simple, Focused Plan

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

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

Our Strategy

We will execute a three-pronged strategy:

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

A Cash Flow Story

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

We use that cash to increase shareowner value:

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

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Cash Allocation Principles to create shareowner value

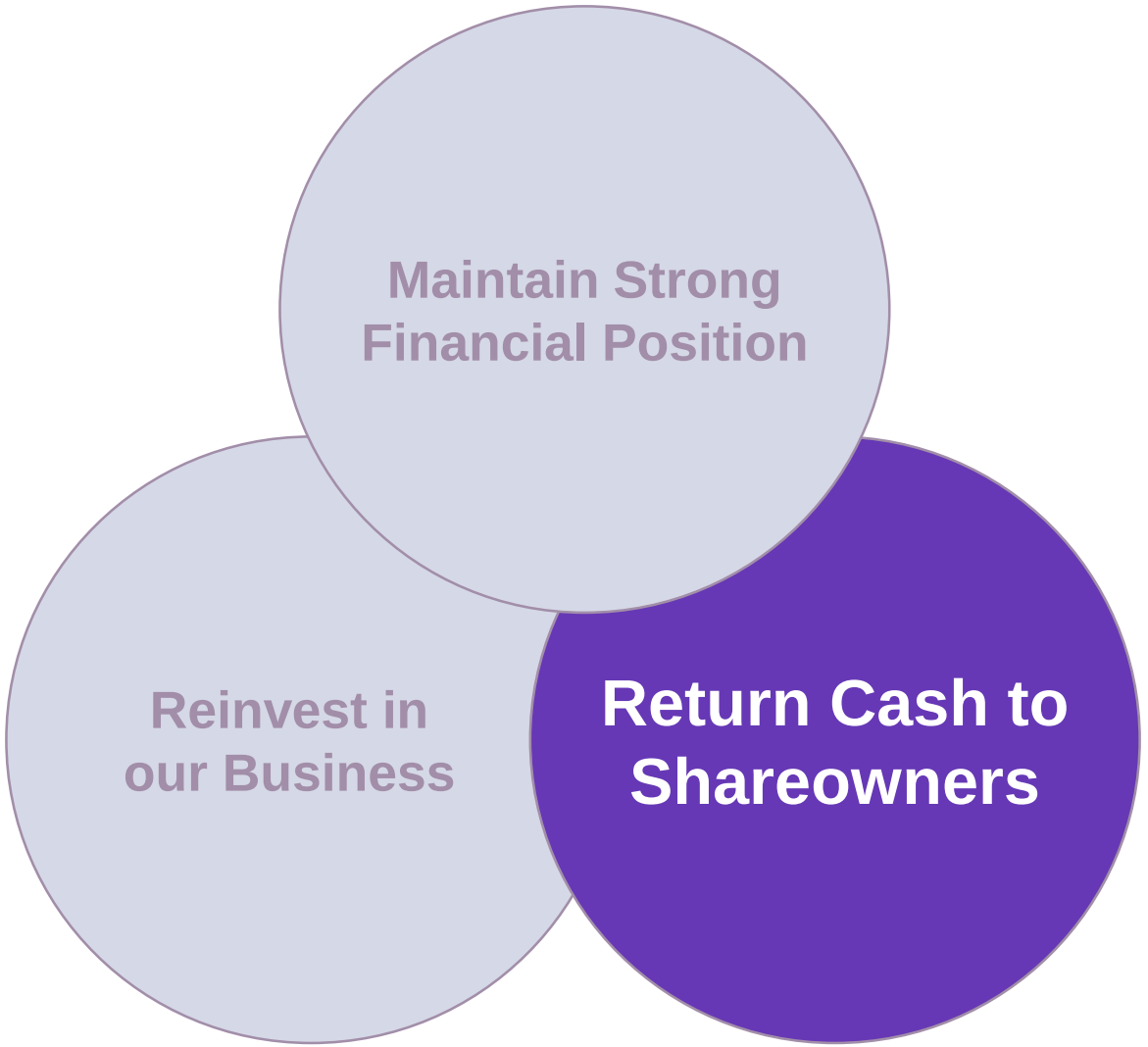


Maintain Strong Financial Position

- ~$1 billion in long-term debt
- ~$100 million operating cash
- Maintain a strong balance sheet in order to operate and invest throughout the cycle
- Retain flexibility to address macro conditions, downside risks, and high-return opportunities

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Cash Allocation Principles to create shareowner value



Return Cash to Shareowners

- Strive to increase cash returns over time
- Pay a sustainable dividend while maintaining financial flexibility
- Opportunistic share repurchases when the share price is <80% of intrinsic value
- Consider special and/or variable dividends

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Cash Allocation Principles to create shareowner value

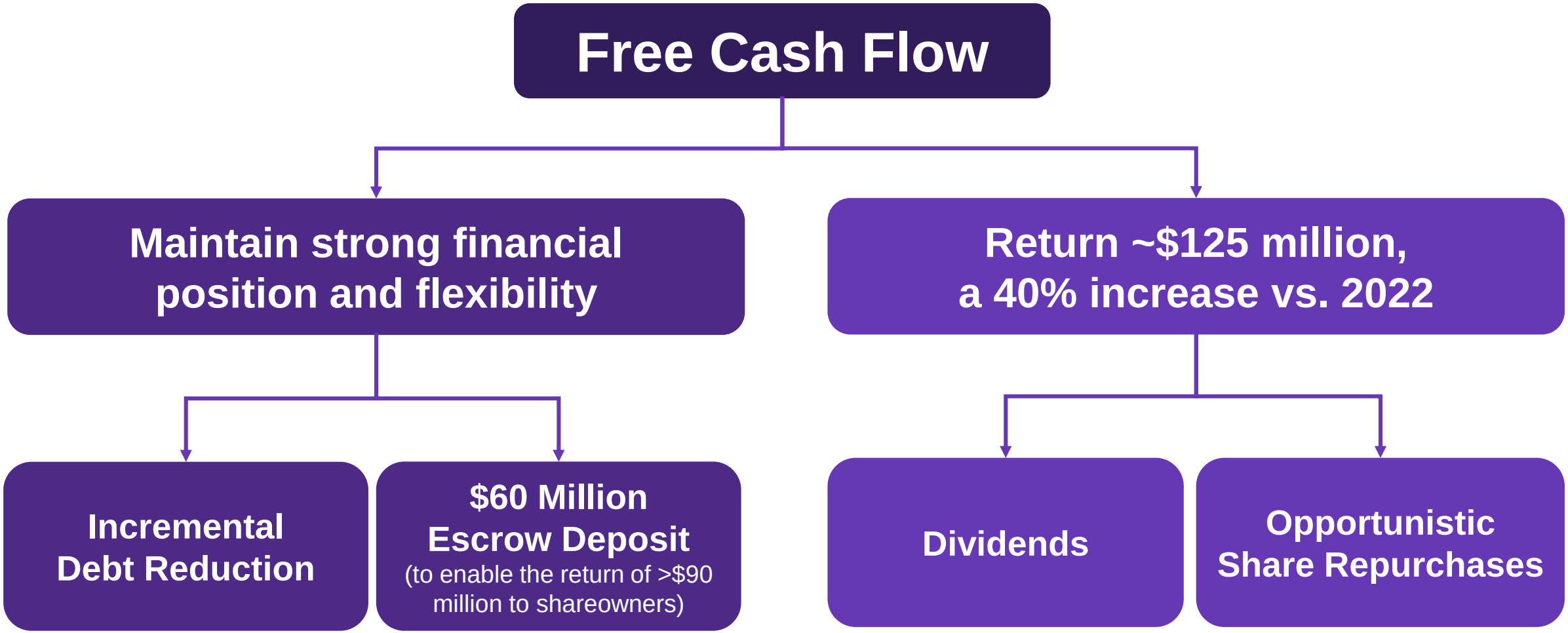


Reinvest in our Business

- Invest in high-return projects
- Investments should deliver well above cost-of-capital returns, increase earnings and cash flow
- Operate in UFS regions that will provide the opportunity for us to create long-term shareowner value despite secular demand trends

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Our plan to return ~$125 million of cash to shareowners in 2023



Through June 9, 2023, the company paid $22 million in cash dividends and repurchased ~773,000 shares for ~$34 million

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Expect higher 2H23 Adjusted EBITDA vs. 1H23

- **Higher volumes**
  - Improved seasonality and government text book orders in Brazil
  - End of inventory corrections in Europe and North America
  - Ramp up of 60,000 TPY new business in North America
- **$28 million reduction in planned maintenance outages expenses**
- **Lower input and transportation costs**
- **Reflects announced pulp price decreases and our updated views on second-half paper pricing**

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Remain confident in our ability to create shareowner value



Commercial Excellence

- Strong supply positions and iconic brands
- Strategic channel partnerships
- Best-in-class commercial teams

Operational Excellence

- Low-cost mills in attractive regions and Brazilian forestlands
- Best-in-class operating teams
- Advanced safety and ESG practices

Financial Discipline

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

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

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Appendix

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Contacts

Investor Relations	**Hans Bjorkman** Vice President, Investor Relations +1-901-519-8030 hans.bjorkman@sylvamo.com
Media	**Adam Ghassemi** Senior Manager, Corporate Communications +1-901-519-8115 adam.ghassemi@sylvamo.com

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2022 Adjusted EBITDA and Margin Reconciliation

$ Million	2022
Net Income (Loss)	**$118**
Less: Discontinued operations, net of tax	(218)
Net Income From Continuing Operations	**$336**
Depreciation, Amortization, Cost of Timber Harvested	125
Interest (Income) Expense, Net	69
Income Tax Provision	131
Adjustments	
Equity-based Compensation	20
Special Items (Net of interest and tax special items)	15
Spinoff Transition Services	23
Nymolla Mill One-time Costs	2
Adjusted EBITDA	**$721**
Net Sales	**$3,628**
Adjusted EBITDA Margin	**19.9%**

Adjusted EBITDA is a non-GAAP measure presented as a supplemental measure of our performance and the most directly comparable GAAP measure is net income. Management believes that Adjusted EBITDA and Adjusted EBITDA Margin provide investors and analysts meaningful insights into our operating performance and Adjusted EBITDA is a relevant metric for the third-party debt. However, Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. In addition, in evaluating Adjusted EBITDA, you should be aware that in the future we will incur expenses such as those used in calculating this measure. Our presentation of this measure should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items. Further, this reconciliation excludes the outlook for our Russian business which is included within Discontinued operations, net of tax.

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2022 Return on Invested Capital Reconciliation

$ Million	2021	2022
Net Income From Continuing Operations		**$336**
Special Items Expense (Income)		12
Interest (Income) Expense, Net		69
Adjusted Operating Earnings Before Interest		**$417**
Total Equity	$182	$678
Add: Long-Term Debt	1,357	1,003
Add: Notes payable & current maturities of long-term debt	41	29
Less: Cash and temporary investments	(159)	(360)
Total Invested Capital	**$1,421**	**$1,350**
Average Invested Capital	**$1,386**	
2022 ROIC	**30%**	

ROIC is a non-GAAP measure presented as a supplemental measure of our performance. Management believes that ROIC is useful because it measures how effectively and efficiently we use the capital invested in our business. ROIC = Adjusted Operating Earnings Before Interest / Average Invested Capital. Invested Capital = Equity plus total debt minus cash and temporary investments. The Average Invested Capital is calculated as a simple average for the two most recent fiscal years. ROIC has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. In addition, in evaluating ROIC, you should be aware that in the future we will incur expenses such as those used in calculating this measure. Our presentation of this measure should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

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