Second Quarter 2023 Earnings

August 9, 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 strategies, plans, expectations and projections concerning our business, performance and creation of shareowner value; guidance, including our outlook for Adjusted EBITDA and Free Cash Flow; our industry’s outlook and trends; planned maintenance outages; and our future uses of cash, including returning cash to our shareowners and capital spending.

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
- Adjusted Operating Earnings per Share
- Free Cash Flow

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2Q23 Earnings Summary

Adjusted Operating EPS	Adjusted EBITDA	Free Cash Flow	Cash Returned to Shareowners
$1.14	$124 million	$33 million	$41 million

Favorable vs. Outlook	Unfavorable vs. Outlook
• Price & Mix • Operations and Other Costs • Input and Transportation Costs	• Volume

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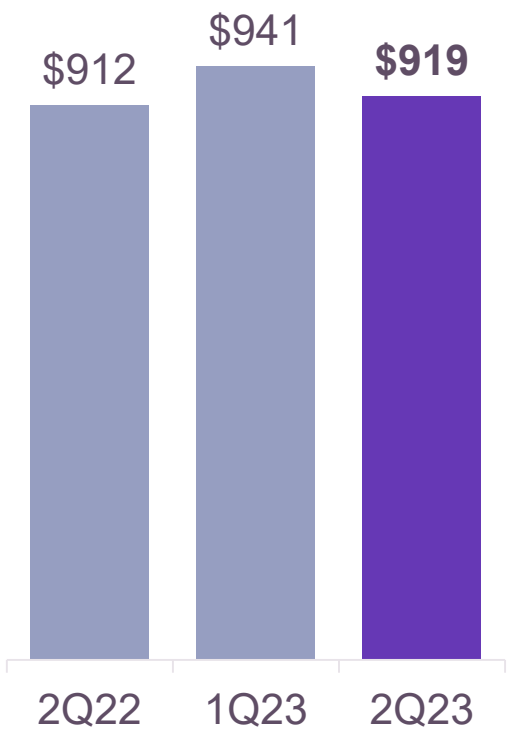
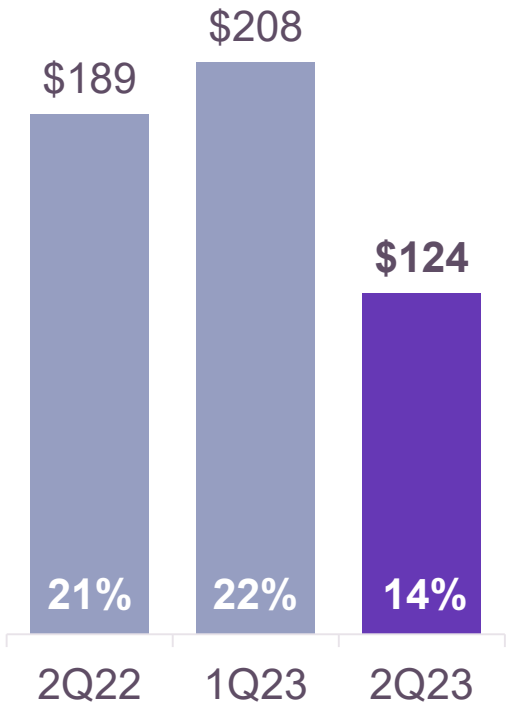
2Q23 Key Financial Metrics

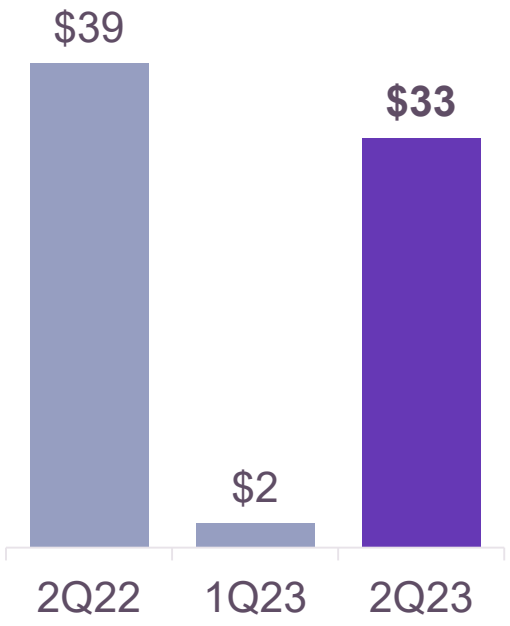
Net Sales



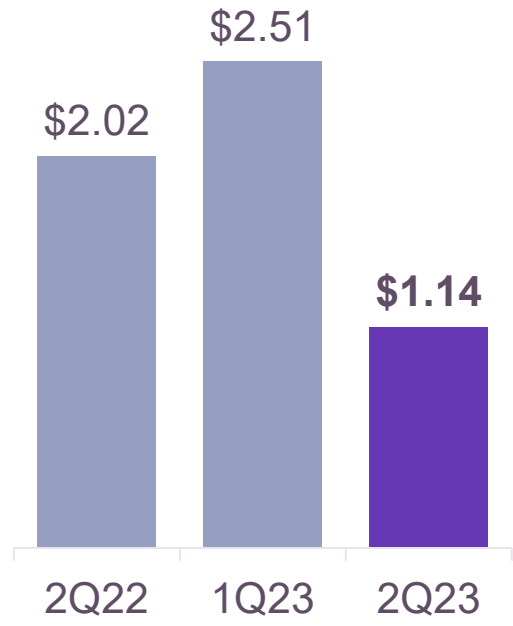
Adjusted EBITDA and Margin



Free Cash Flow



Adjusted Operating Earnings per Share



All figures are $ million, except adjusted operating earnings per share

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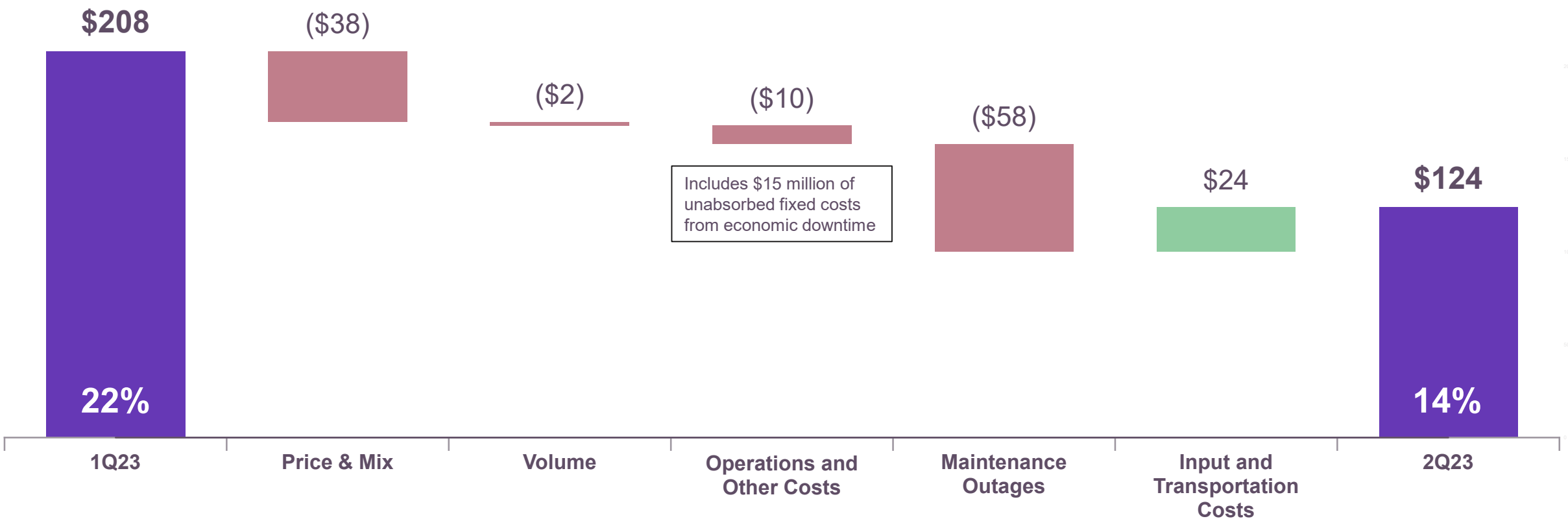
Adjusted EBITDA in line with our outlook

2Q23 vs. 1Q23

$ Million

2Q23 Outlook (May 9, 2023)	($45) - ($50)	$10 - $15	($10) - ($15)	($59)	$15 - $20	$115 - $125



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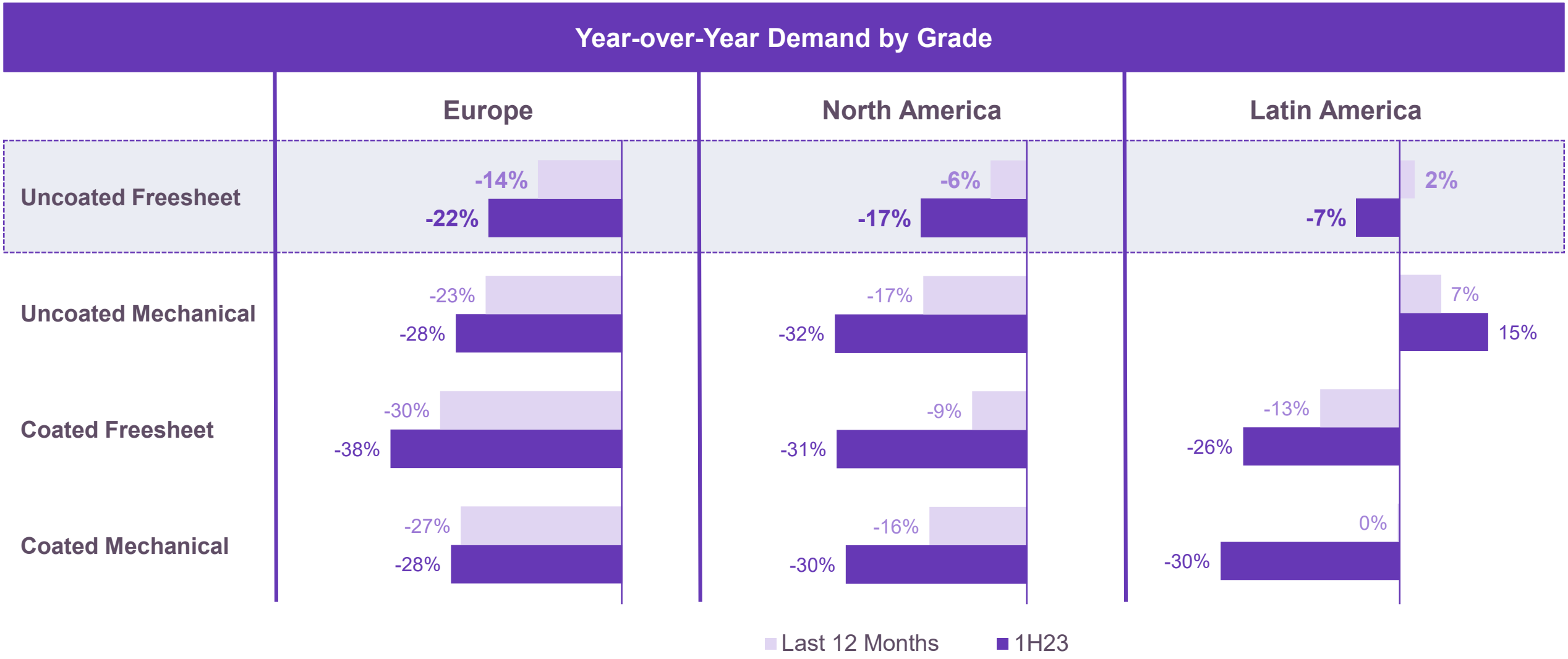
Channel inventory corrections and declines in printing reduced paper demand



Europe excludes Russia and other C.I.S. countries. Source: Pulp and Paper Products Council - August 2023

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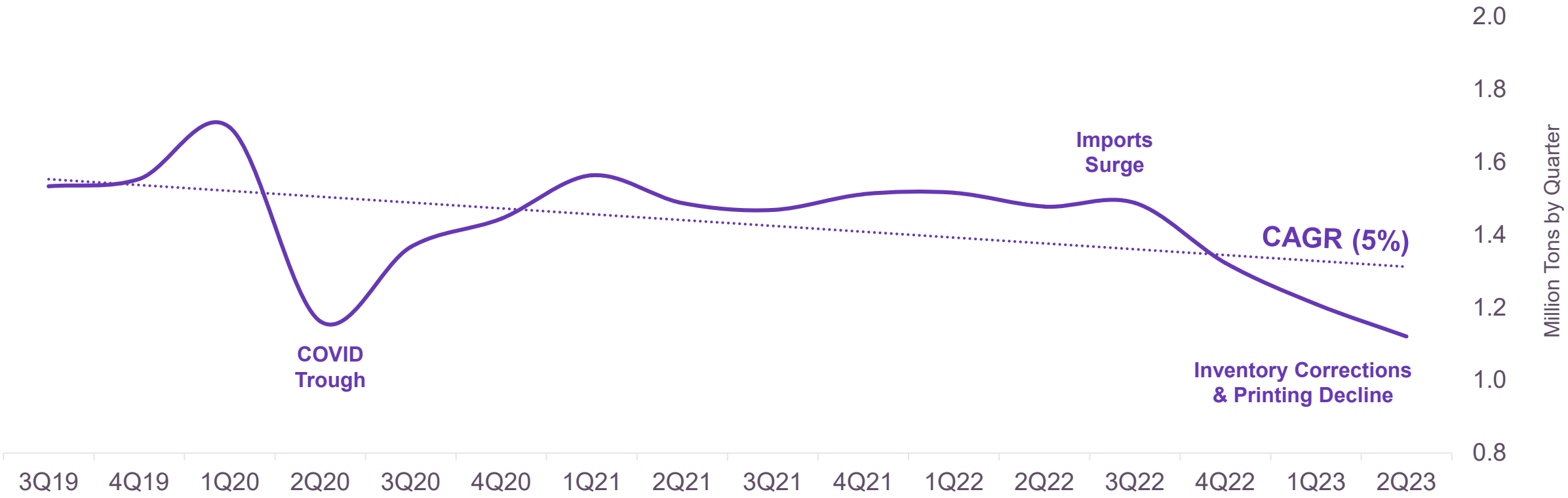
European UFS demand over last 4 years is similar to historical long-term trend



Europe excludes Russia and other C.I.S. countries. Source: Pulp and Paper Products Council - August 2023

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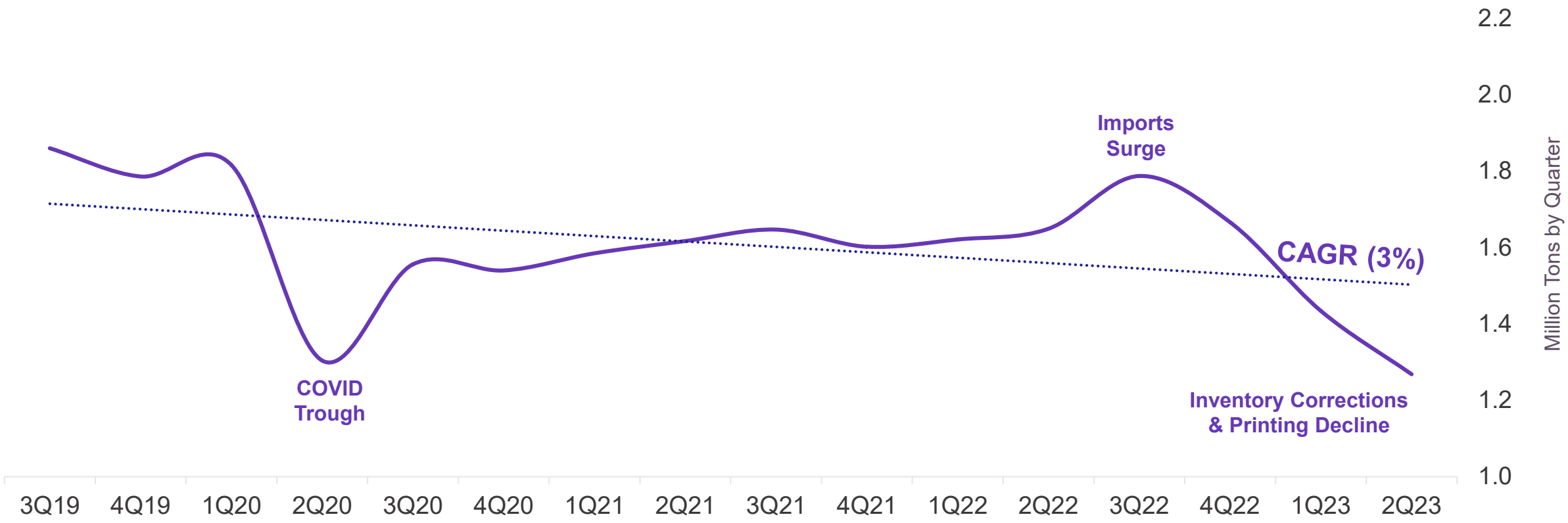
North American UFS demand over last 4 years is similar to historical long-term trend



Source: Pulp and Paper Products Council - August 2023

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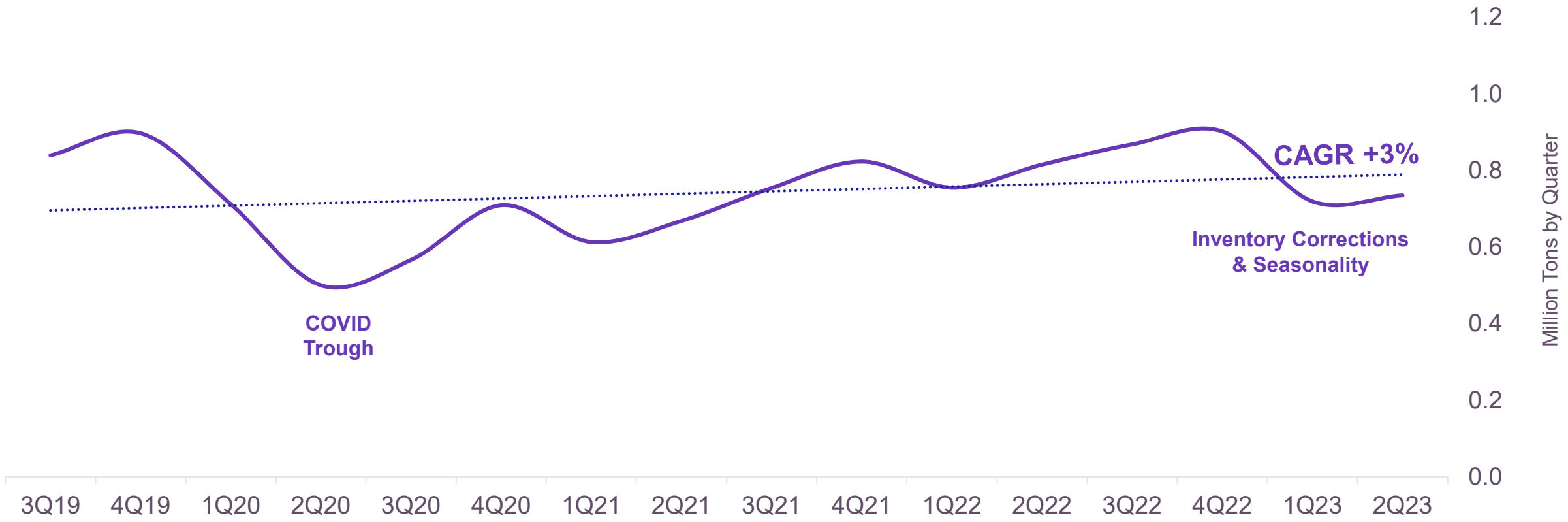
Latin American UFS demand over last 4 years is slightly better than historical long-term trend



Source: Pulp and Paper Products Council - August 2023

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Key Takeaways of 1H23 European & North American UFS Demand Declines

- **2022 import surges**
  - Already back to normal levels
- **Channel inventory corrections**
  - Should be completed in 2H23
- **Reduced advertising in U.S.**
  - Economy continues to grow
- **Slowing economic growth in Europe**
  - Expected to continue



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3Q23 Adjusted EBITDA Outlook: $130 - $150 Million

3Q23 vs. 2Q23 $ Million	
Price and Mix	**Decreasing: ($60) - ($65)** Primarily paper price decreases in Europe and realization of prior price decreases for pulp
Volume	**Improving: $15 - $20** Seasonally stronger in Latin America and North America
Operations and Other Costs	**Increasing: ($5) - ($10)** Primarily unabsorbed fixed costs
Input and Transportation Costs	**Improving: $15 - $20** Favorable trends in fiber and chemicals
Planned Maintenance Outage Expenses	**Decreasing: $54**

Adjusted Operating Earnings per Share	**$1.20 - $1.55**

Total Maintenance Outage Expense is the sum of direct maintenance outage expense and related unabsorbed fixed costs

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Revised 2023 Annual Outlook

	Adjusted EBITDA	Free Cash Flow	Cash Returns to Shareowners
Revised	**$560 - $600 million**	**$220 - $250 million**	**$125 million**
Prior	**$720 - $770 million**	**$250 - $280 million**	**$125 million**
Key Revisions	• Lower Volume and higher unabsorbed fixed costs due to economic downtime in Europe and North America • Less favorable Price & Mix in Europe and Latin American exports • Favorable Input and Transportation Costs • Favorable Operations & Other Costs	• Lower Adjusted EBITDA • Lower cash taxes • Reduction in working capital	• No change

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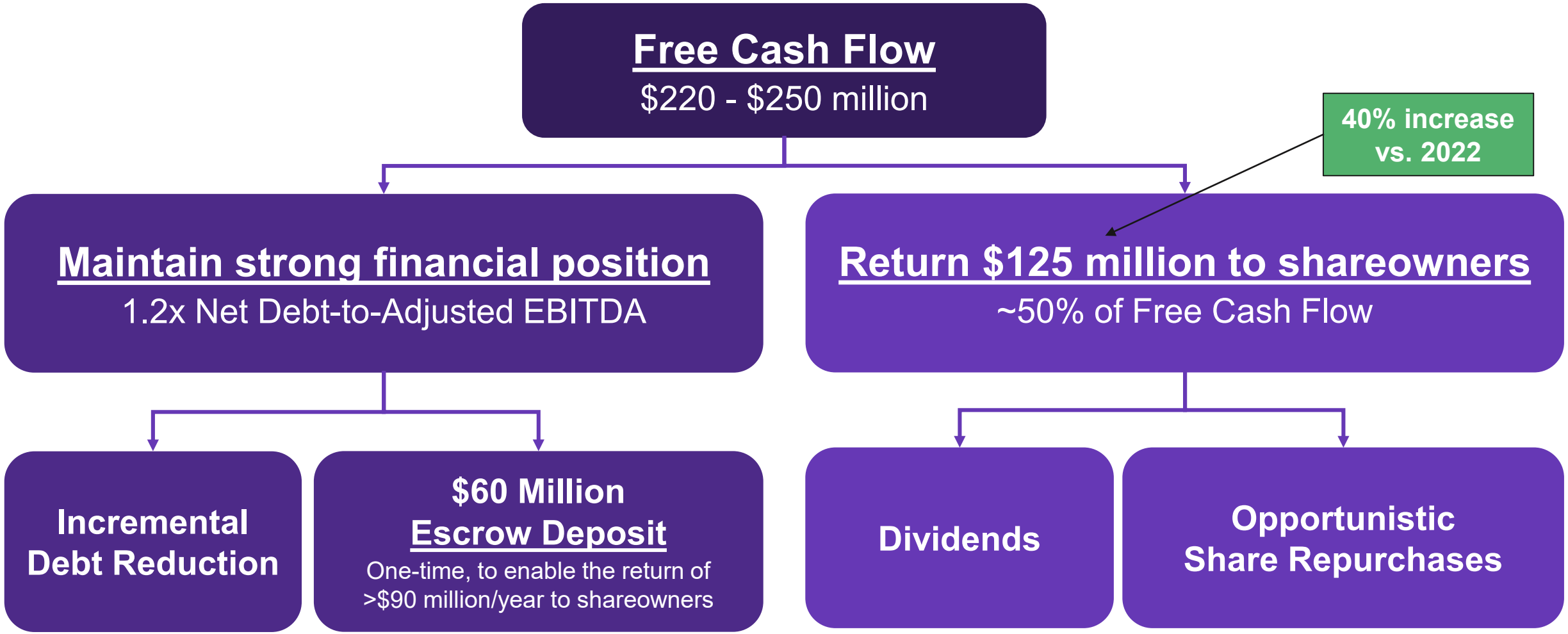
Allocating Free Cash Flow to drive shareowner value



In 1H23 the company returned $61 million to shareowners, including $21 million in cash dividends and ~916,000 shares repurchased for ~$40 million. In July the company paid a third quarter dividend of ~$11 million.

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Maximizing 2H23 Earnings and Free Cash Flow

- Remain the supplier of choice
- Continue to manage production to meet our customers' demand
- Reduce operating costs, selling and administrative expenses and working capital

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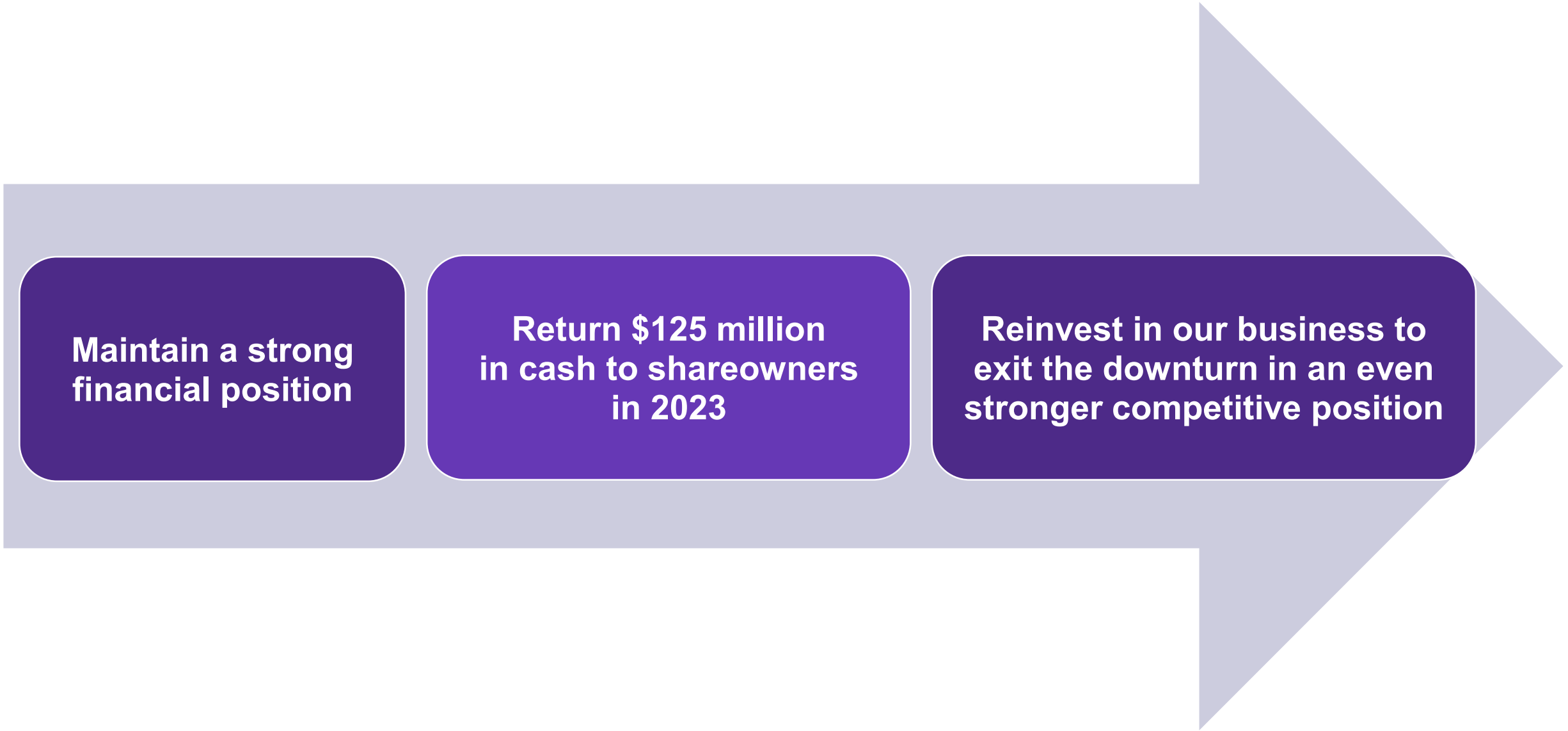
Confident in our ability to create shareowner value through the cycle



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Appendix

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Contacts

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2Q23 Free Cash Flow vs. 1Q23

$ Million	1Q23	2Q23	Variance
Adjusted EBITDA	**$208**	**$124**	**($84)**
Cash Taxes	($8)	($55)	($47)
Cash Interest	($9)	($13)	($4)
Cash Special Items	($9)	-	$9
Other Changes in Working Capital	($119)	$21	$140
Cash from Continuing Operations	**$63**	**$77**	**$14**
Capital Spending	**($61)**	**($44)**	**$17**
Free Cash Flow	**$2**	**$33**	**$31**

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2Q23 Free Cash Flow vs. 2Q22

$ Million	2Q22	2Q23	Variance
Adjusted EBITDA	**$189**	**$124**	**($65)**
Cash Taxes	($57)	($55)	$2
Cash Interest	($25)	($13)	$12
Cash Special Items	($16)	-	$16
Other Changes in Working Capital	($15)	$21	$36
Cash from Continuing Operations	**$76**	**$77**	**$1**
Capital Spending	**($37)**	**($44)**	**($7)**
Free Cash Flow	**$39**	**$33**	**($6)**

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Free Cash Flow Reconciliation

$ Million	2Q22	1Q23	2Q23	2023 Outlook
Cash from Continuing Operations	$76	$63	$77	$435 - $480
Cash Invested in Capital Projects	($37)	($61)	($44)	($215) - ($230)
Free Cash Flow	**$39**	**$2**	**$33**	**$220 - $250**

Free cash flow is a non-GAAP measure and the most directly comparable GAAP measure is cash provided by continuing operations. 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 in the future. 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 Sylvamo's ongoing performance, free cash flow also enables investors to perform meaningful comparisons between past and present periods.

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Adjusted EBITDA and Margin Reconciliation

$ Million	2Q22	1Q23	2Q23	3Q23 Outlook	2023 Outlook
Net Income (Loss)	**($59)**	**$97**	**$49**		
Less: Discontinued operations, net of tax	(143)	-	-		
Net Income from Continuing Operations	**$84**	**$97**	**$49**	**$47 - $61**	**$226 - $250**
Depreciation, Amortization, Cost of Timber Harvested	32	35	34	38	145
Interest (Income) Expense, Net	17	7	12	12	43
Income Tax Provision	33	44	21	19 - 25	94 - 105
Adjustments					
Equity-based Compensation	7	7	8	7	28
Special Items (Net of interest and tax special items)	8	14	-	-	14
Spinoff Transition Services	8	-	-	-	-
Nymolla One-time Costs	-	4	-	7	10 - 15
Adjusted EBITDA	**$189**	**$208**	**$124**	**$130 - $150**	**$560 - $600**
Net Sales	**$912**	**$941**[(a)]	**$919**		
Adjusted EBITDA Margin	**20.7%**	**22.1%**	**13.5%**		

(a) Includes adjustment to eliminate intra-segment sales in Europe

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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Adjusted EBITDA and Margin Reconciliation

$ Million	2Q22	1Q23	2Q23
Adjusted EBITDA			
Europe	22	31	(3)
Latin America	79	63	67
North America	88	114	60
Total Business Segment Adjusted EBITDA	**$189**	**$208**	**$124**
Net Sales (excluding Inter-segment Sales eliminations)			
Europe	135	230[(a)]	210
Latin America	249	222	250
North America	549	505	474
Total Business Segment Net Sales	**$933**	**$957**	**$934**
Adjusted EBITDA Margin			
Europe	**16%**	**13%**	**(1%)**
Latin America	**32%**	**28%**	**27%**
North America	**16%**	**23%**	**13%**

(a) Includes adjustment to eliminate intra-segment sales in Europe

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Adjusted Operating Earnings per Share Reconciliation

$ Million	2Q22	1Q23	2Q23	3Q23 Outlook
Net Income (Loss)	**$(59)**	**$97**	**$49**	
Less: Discontinued operations, net of tax	(143)	-	-	
Net Income from Continuing Operations	**$84**	**$97**	**$49**	**$47 - $61**
Special Items Expense (Income)	6	11	-	5
Adjusted Operating Earnings	**$90**	**$108**	**$49**	**$52 - $66**
Adjusted Operating Earnings per Share	**$2.02**	**$2.51**	**$1.14**	**$1.20 - $1.55**

Adjusted Operating Earnings is a non-GAAP measure presented as a supplemental measure of our performance and the most directly comparable GAAP measure is net income. Management uses this measure to focus on on-going operations, and believes that it is useful to investors because it enables them to perform meaningful comparisons of past and present combined operating results. However, Adjusted Operating Earnings 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 Operating Earnings, 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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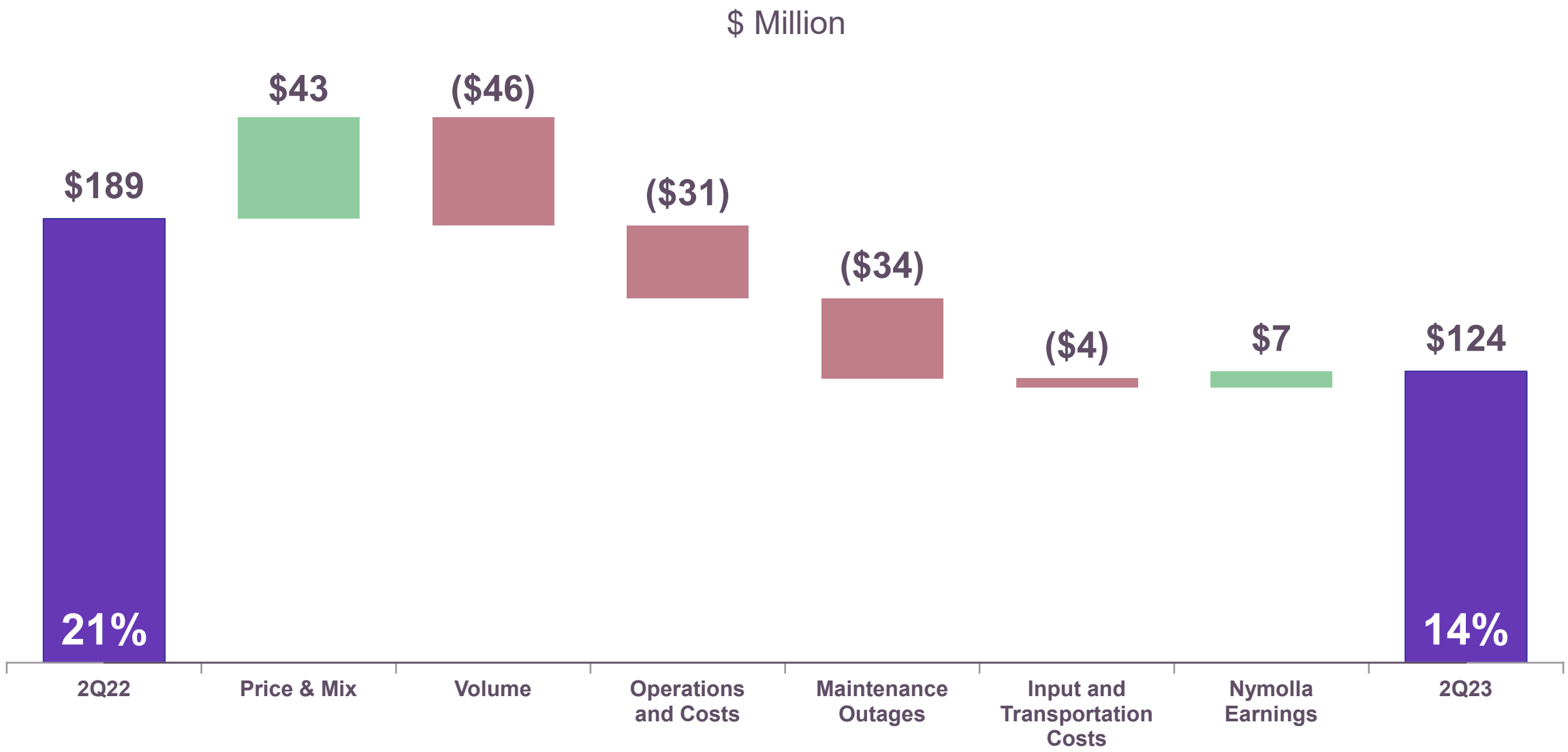
2Q23 vs. 2Q22 Adjusted EBITDA



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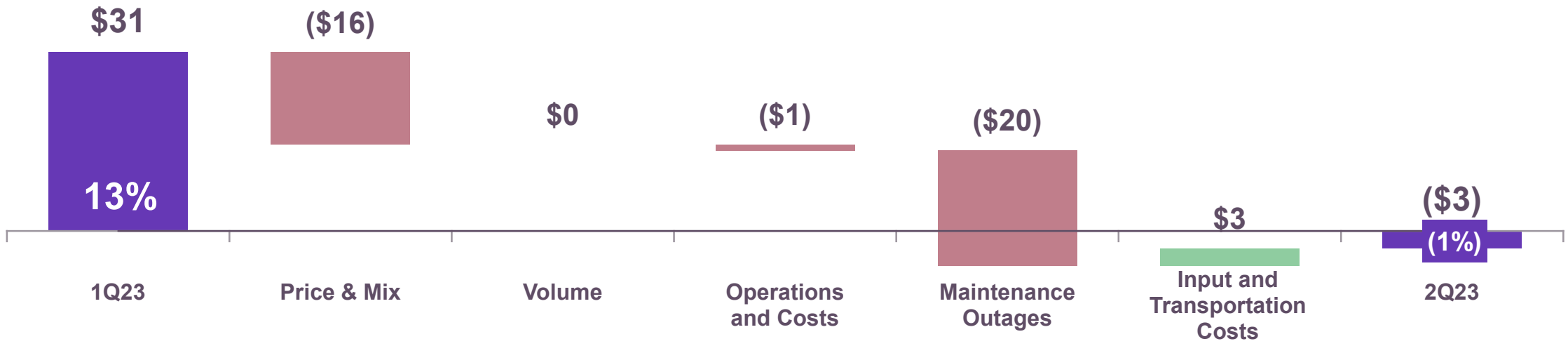
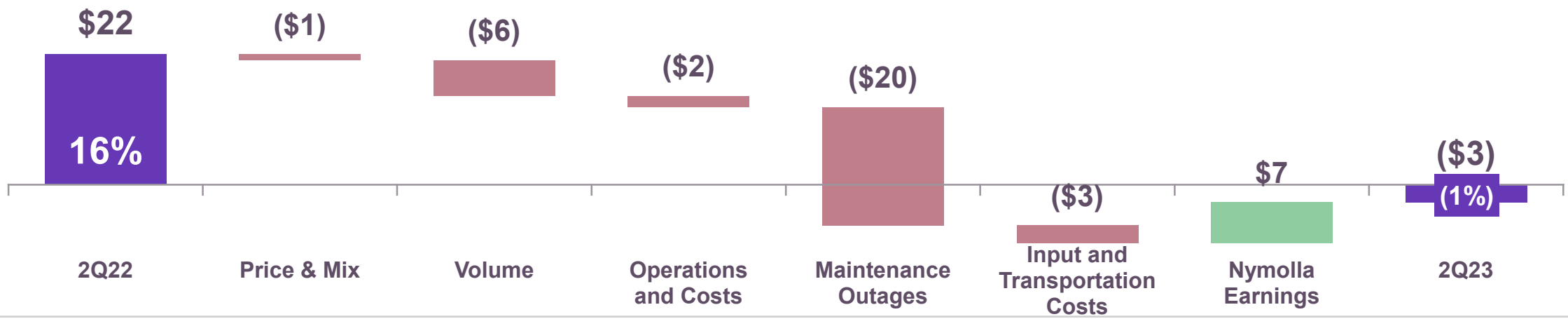
Europe Adjusted EBITDA

$ Million

2Q23 vs. 1Q23



2Q23 vs. 2Q22



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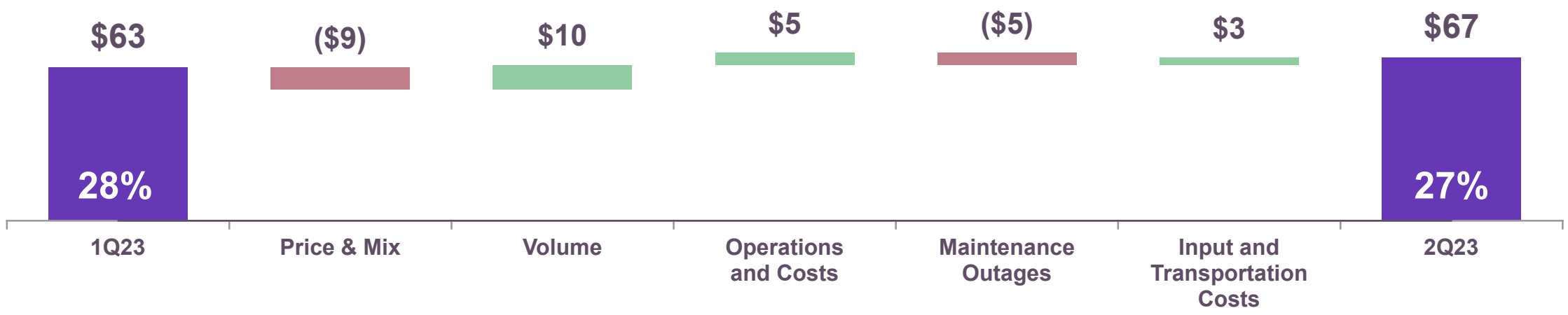
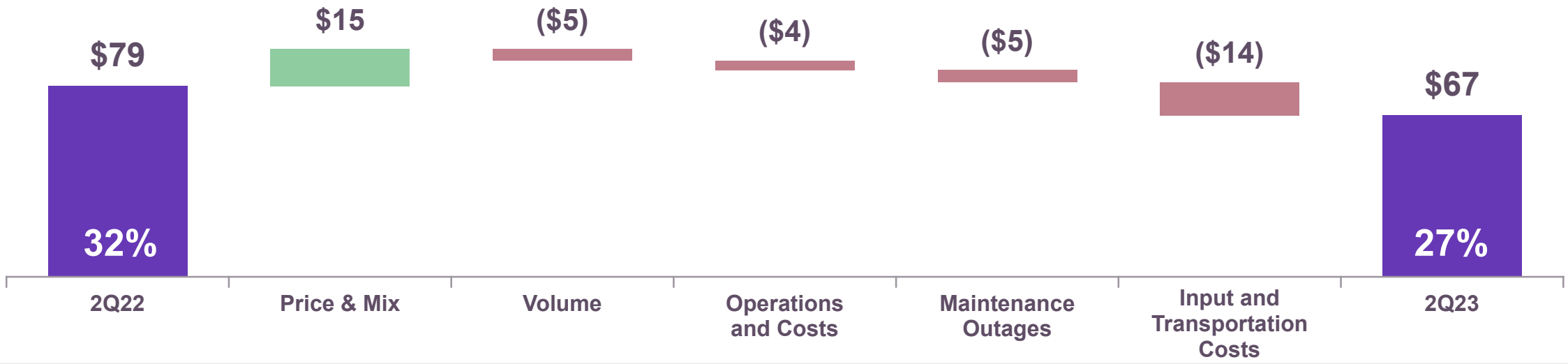
Latin America Adjusted EBITDA

$ Million

2Q23 vs. 1Q23



2Q23 vs. 2Q22



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North America Adjusted EBITDA



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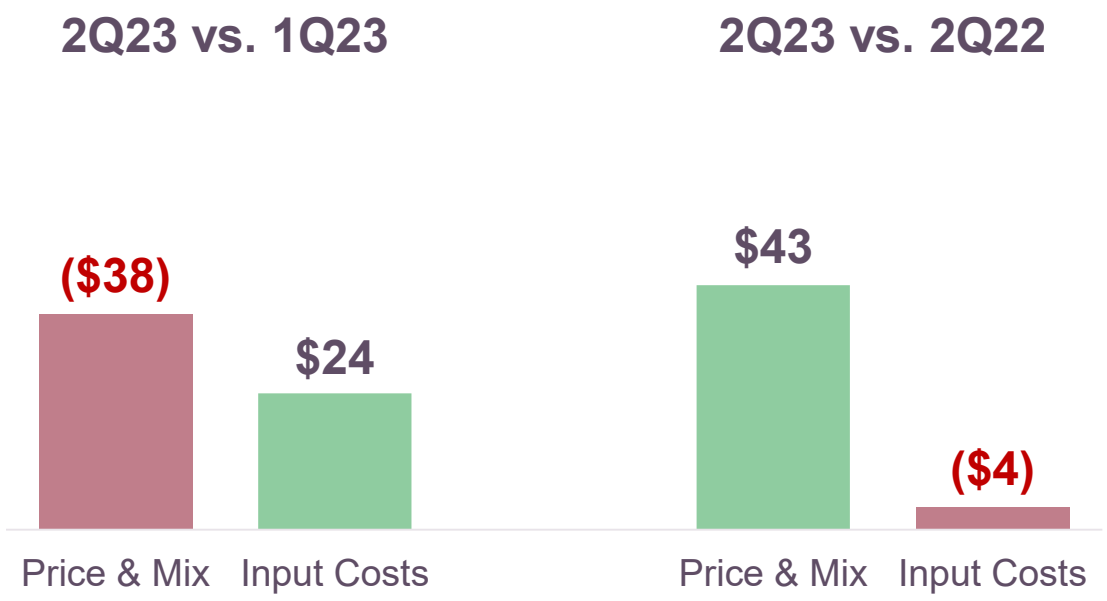
2Q23 Price & Mix vs. Input Costs

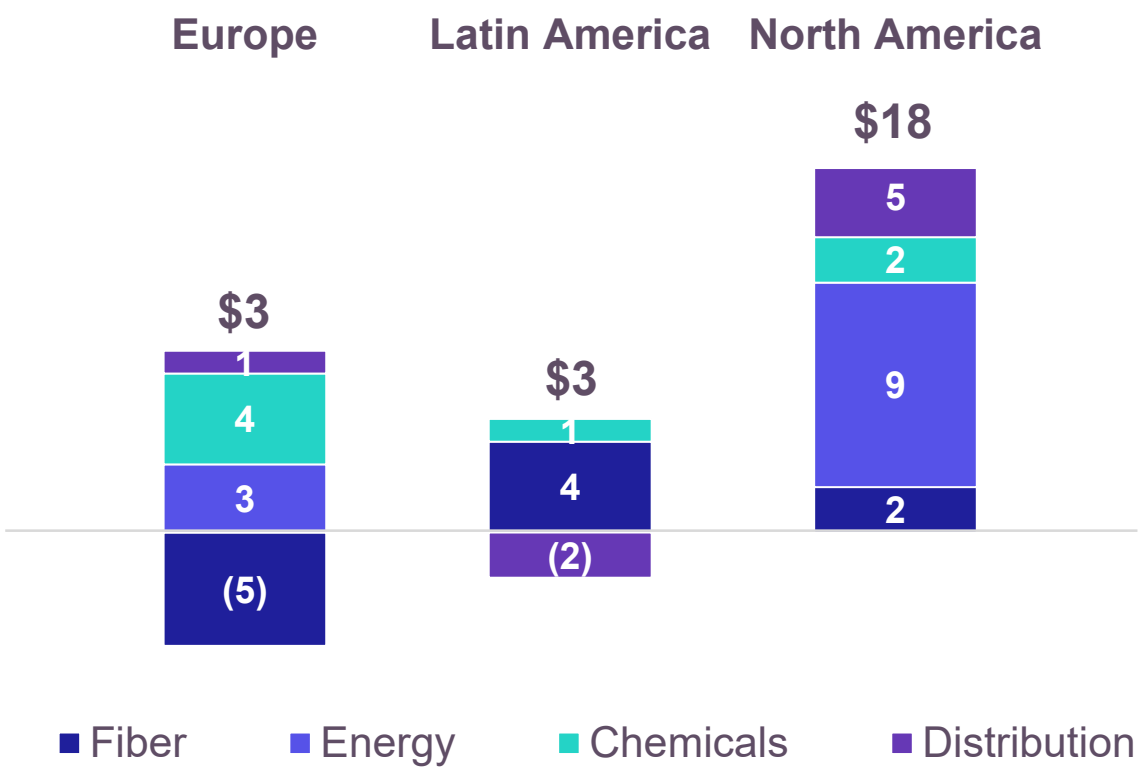
Change of Price & Mix vs. Input Costs

$ Million



2Q23 vs. 1Q23 Input Costs Change By Region

$ Million



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Quarterly Business Segment Operating Results

$ Million	Sales			D&A	Adjusted EBITDA		
	2Q22	1Q23	2Q23	2Q23	2Q22	1Q23	2Q23
Europe	$135	$230[(a)]	$210	$7	$22	$31	($3)
Latin America	$249	$222	$250	$17	$79	$63	$67
North America	$549	$505	$474	$10	$88	$114	$60
Segment Total	**$933**	**$957**	**$934**	**$34**	**$189**	**$208**	**$124**

(a) Includes adjustment to eliminate intra-segment sales in Europe
Sum of Business Segment net sales will not tie with consolidated net sales due to Intersegment Sales

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Sales Volume

	000 Short Tons	Europe	Latin America	North America	Sylvamo
1Q23	**Uncoated Papers**	151[(a)]	207	341	**699**
	Market Pulp	36	31	24	**91**
				Total	**790**
2Q23	**Uncoated Papers**	145	244	324	**713**
	Market Pulp	33	32	18	**83**
				Total	**796**

(a) Includes adjustment to eliminate intra-segment sales in Europe
Sales volume includes revenue recognition

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Economic Downtime

000 Short Tons	1Q23	2Q23	1H23
Europe	27	39	**66**
Latin America	-	-	-
North America	29	84	**113**
Total	**56**	**123**	**179**

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Capacity by Grade

000 Short Tons	Uncoated Papers	Market Pulp	Total
Saillat	265	130	**395**
Nymolla	500	-	**500**
Europe	**765**	**130**	**895**
Luis Antonio	385	130	**515**
Mogi Guacu	460	35	**495**
Tres Lagoas	260	-	**260**
Latin America	**1,105**	**165**	**1,270**
Eastover	700	115	**815**
Ticonderoga	275	-	**275**
North America	**975**	**115**	**1,090**
Sylvamo	**2,845**	**410**	**3,255**
Georgetown	305	-	**305**
Riverdale	350	-	**350**
Commercial Agreements with IP	**655**	**-**	**655**
Total	**3,500**	**410**	**3,910**

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Outlook for Total Maintenance Outage Costs

$ Million	1Q23	2Q23	3Q23 Outlook	4Q23 Outlook	2023 Outlook
Europe	-	$20	$2	$5	**$27**
Latin America	-	$5	-	$4	**$9**
North America	-	$33	$2	$19	**$54**
Total	**-**	**$58**	**$4**	**$28**	**$90**

Total maintenance outage costs (shown for Sylvamo mills only) include direct maintenance outage expense and related unabsorbed fixed costs

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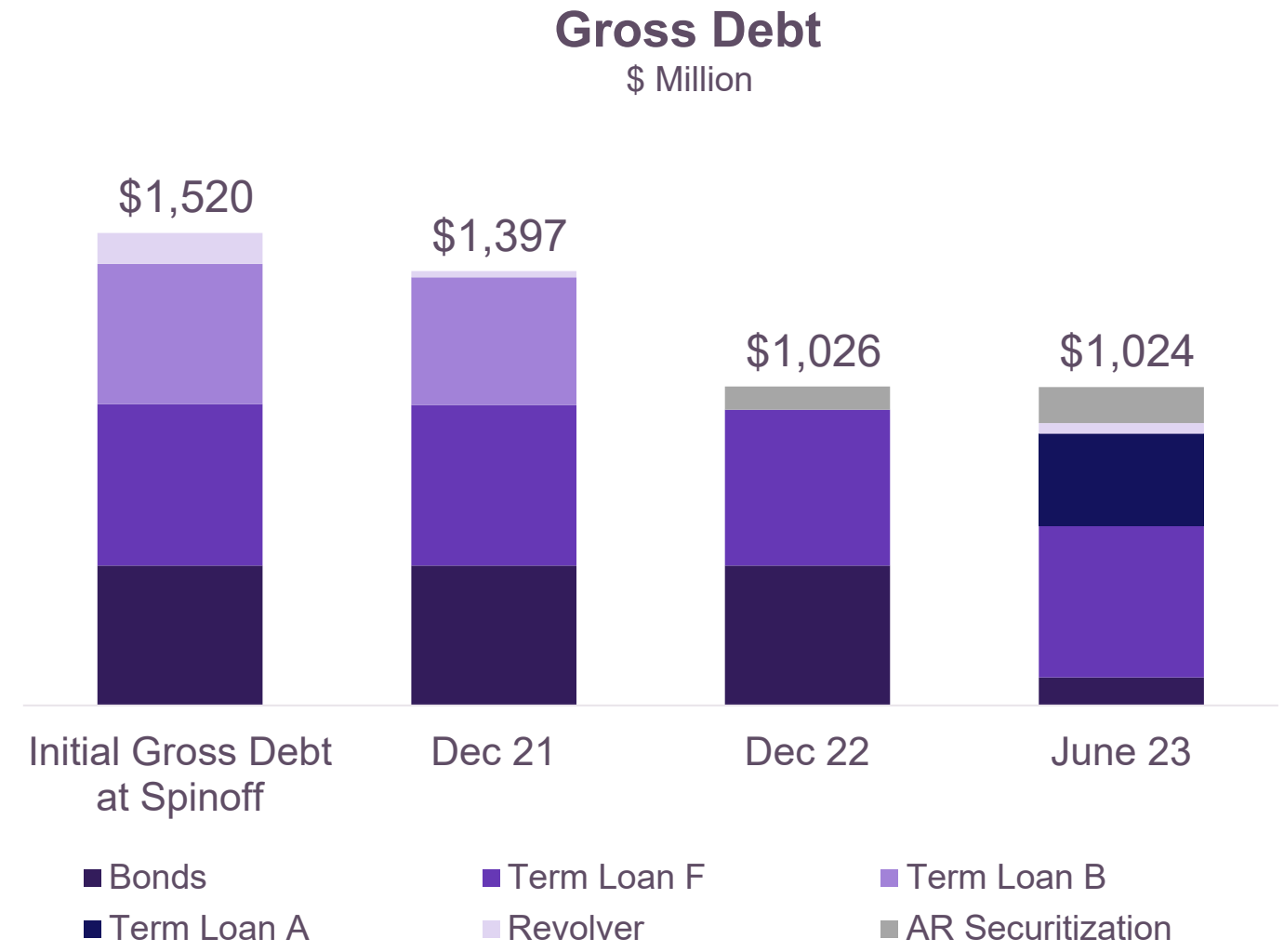
1.4x Gross Debt-to-Adjusted EBITDA as of June 30, 2023





1.2x Net Debt-to-Adjusted EBITDA as of June 30, 2023

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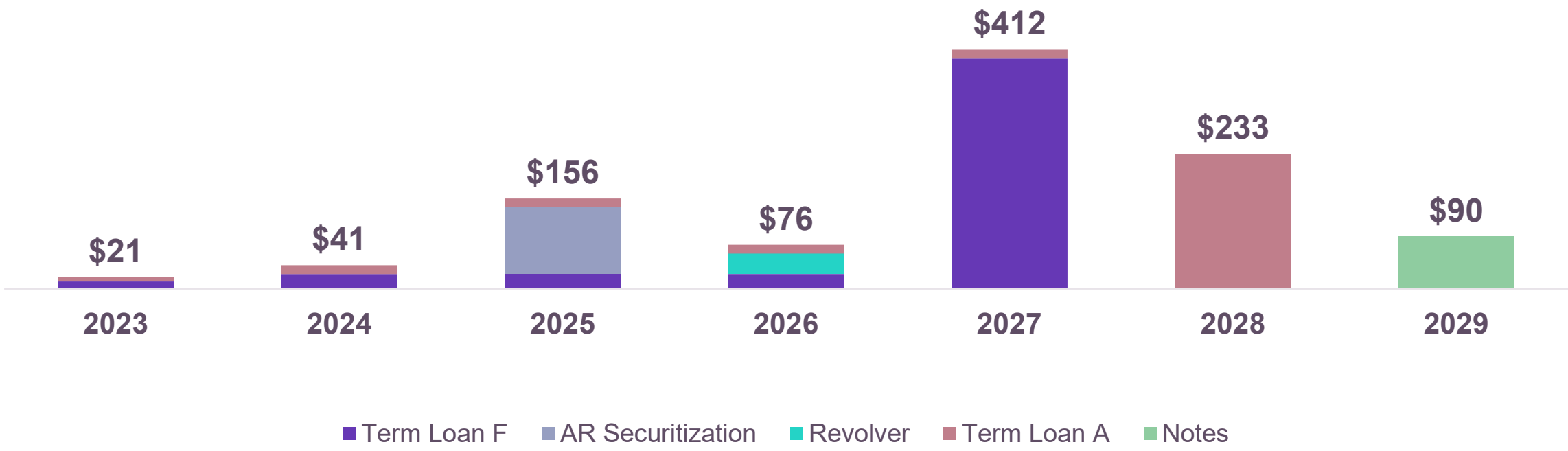
No significant debt maturities until 2027

Debt Maturity Profile

$ Million as of June 2023



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The World's Paper Company

Selected Guidance

$ Million		2021 Actual	2022 Actual	2023 Outlook
Total Maintenance Outage Costs		$81	$73	$90
Capital Spending	Maintenance, Regulatory & Reforestation	$70	$143	$180 - $190
	High-return Projects	-	$6	$35 - $40
	Total	**$70**	**$149**	**$215 - $230**
Depreciation & Amortization		$126	$125	$145
Interest Expense		$17	$69	$43
Income Tax Rate		31%	28%	29% - 30%
Spinoff One-time Costs		$4	$24	N/A
Spinoff Transition Services		$7	$23	N/A
Nymolla One-time Costs		N/A	$2	$10 - $15

Interest Expense Outlook is subject to change based on the amount of debt repayment and changes to floating interest rates

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

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