First Quarter 2024 Earnings

May 10, 2024



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, without limitation, those relating to: economic and industry conditions, outlook and trends; our strategies, plans, expectations and projections concerning our business, performance, customer demand and shareowner value; Project Horizon cost reductions; our Adjusted EBITDA outlook; our selected guidance; our maintenance outage completion and costs; and our capital allocation plans and impact, including investments and return of cash to shareowners.

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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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1Q24 Highlights

- Uncoated Freesheet conditions improving
- Mill system ran near full capacity with healthy order books
- Project Horizon on track to meet $110 million year-end run rate savings target
- Returned substantial cash to shareowners

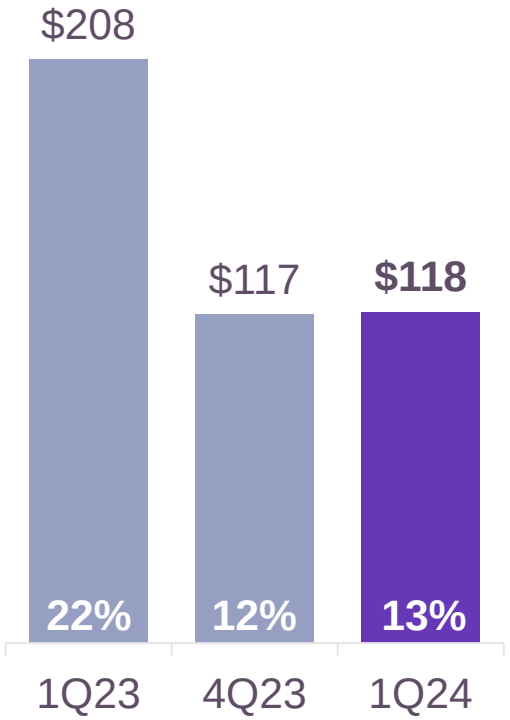


Sylvamo

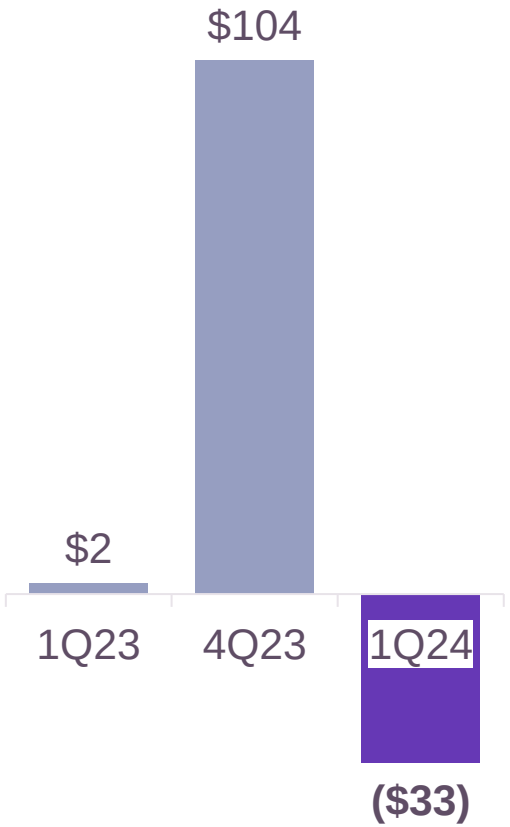
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1Q24 Key Financial Metrics

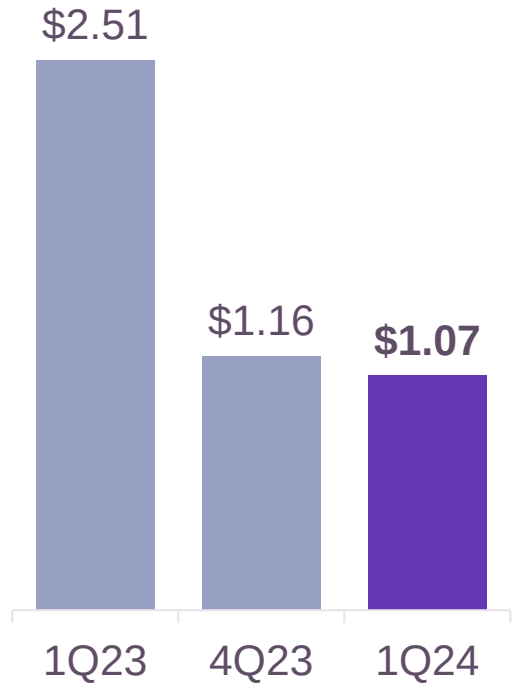
Adjusted EBITDA and Margin



Free Cash Flow



Adjusted Operating Earnings per Share



Adjusted EBITDA and Free Cash Flow figures are in $ millions

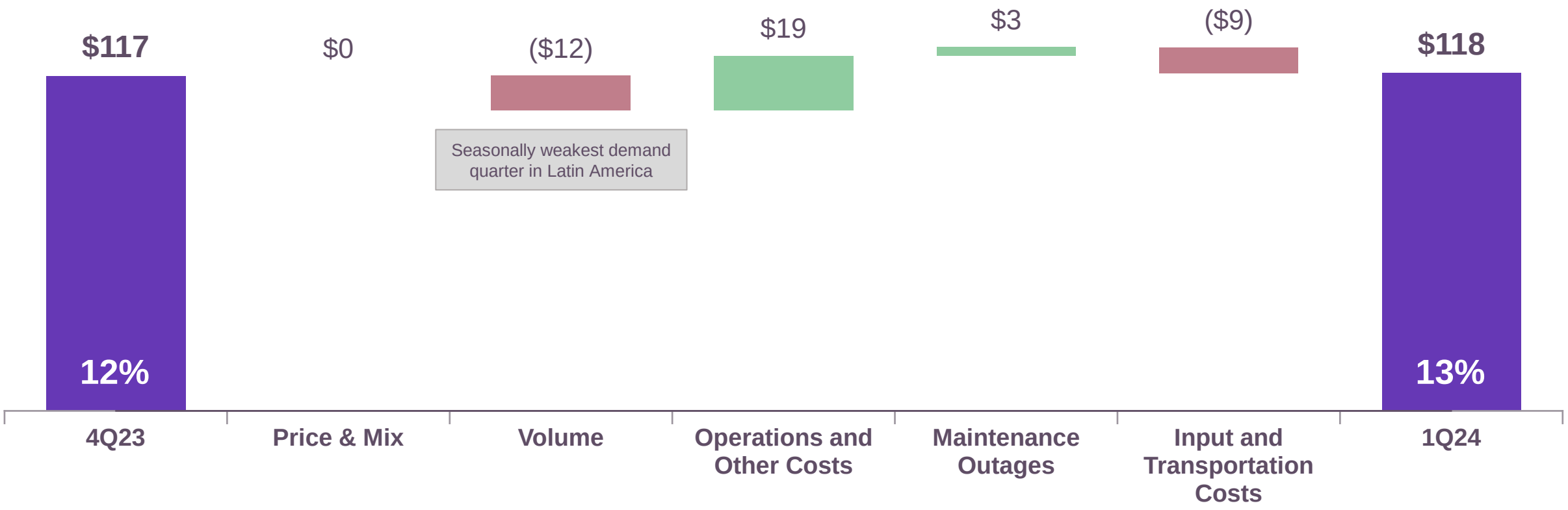
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1Q24 Adjusted EBITDA in line with our Outlook

1Q24 vs. 4Q23

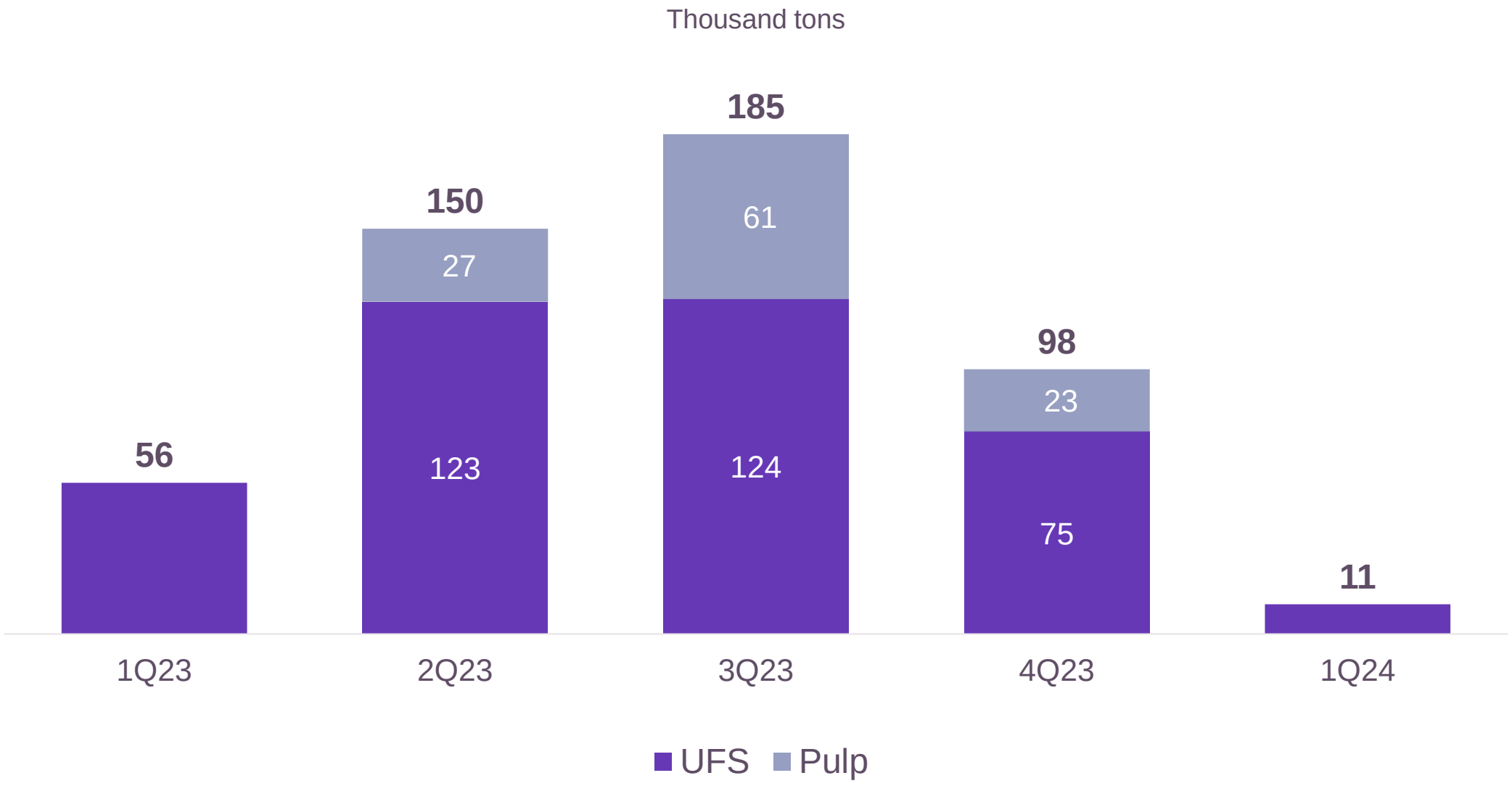
$ Million

1Q24 Outlook (February 15, 2024)	Price & Mix	Volume	Operations and Other Costs	Maintenance Outages	Input and Transportation Costs	1Q24
$117	$0	($12)	$19	$3	($9)	$118
($5) - ($10)		($10) - ($15)	$20 - $25	$3	($5) - ($10)	$105 - $125



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Significant decrease in economic downtime reflects improving conditions



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Uncoated Freesheet conditions continue to improve

- Stronger order books vs. 2023
- Implemented pulp and paper price increases in all regions
- Input costs stabilizing



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2Q24 Adjusted EBITDA Outlook: $145 - $160 Million

2Q24 vs. 1Q24 $ Million		
Price and Mix	**Favorable: $15 - $20**	Price increase realizations in all regions and better mix in Latin America
Volume	**Favorable: $5 - $10**	Seasonally stronger in Latin America
Operations and Other Costs	**Favorable: $5 - $10**	Primarily lower costs in Europe and North America
Input and Transportation Costs	**Favorable: $0 - $5**	Primarily transportation and energy costs in North America
Planned Maintenance Outage Expenses	**Unfavorable: ($3)**	Details by region in Appendix

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

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On target to meet $110 million in Project Horizon cost reductions

Streamlining our organization and reducing costs to become a leaner, stronger company

Manufacturing & Supply Chain

$80 million



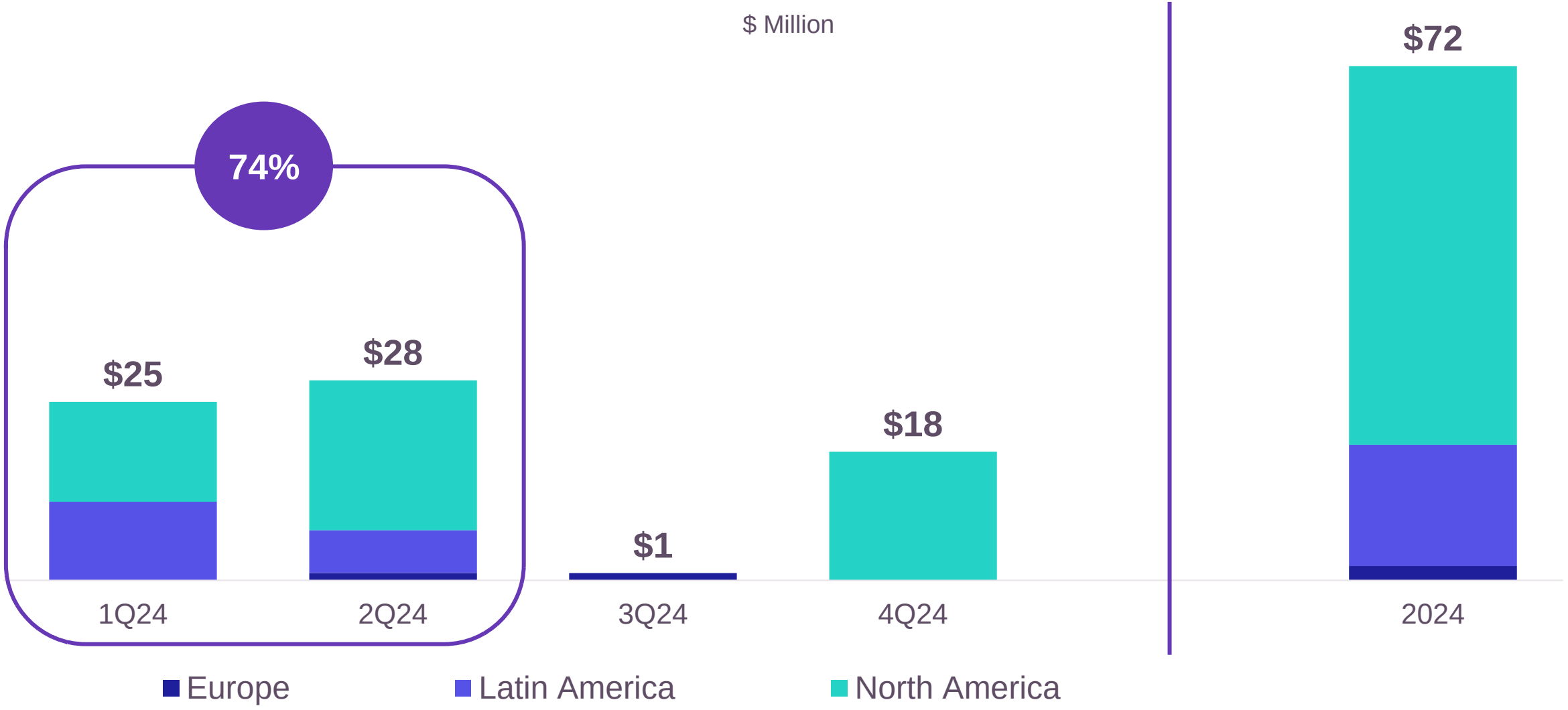
Selling & Administrative

$30 million

[1]Before inflation of ~$50 million

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Majority of planned maintenance outage costs will be completed in 1H24



Total maintenance outage costs in $ millions (shown for Sylvamo mills only) include direct maintenance outage costs plus unabsorbed fixed costs for associated downtime

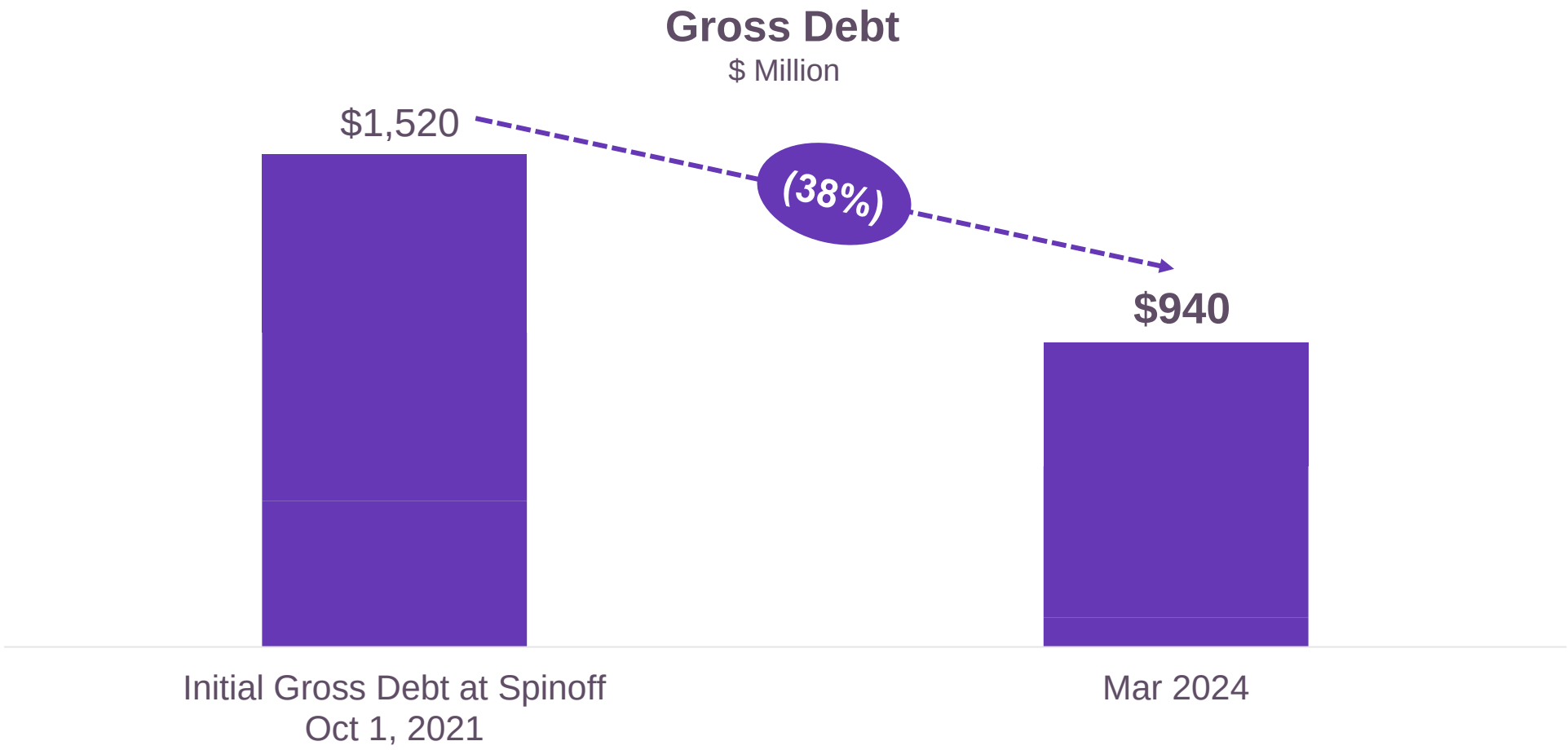
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Allocating cash to drive long-term shareowner value



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



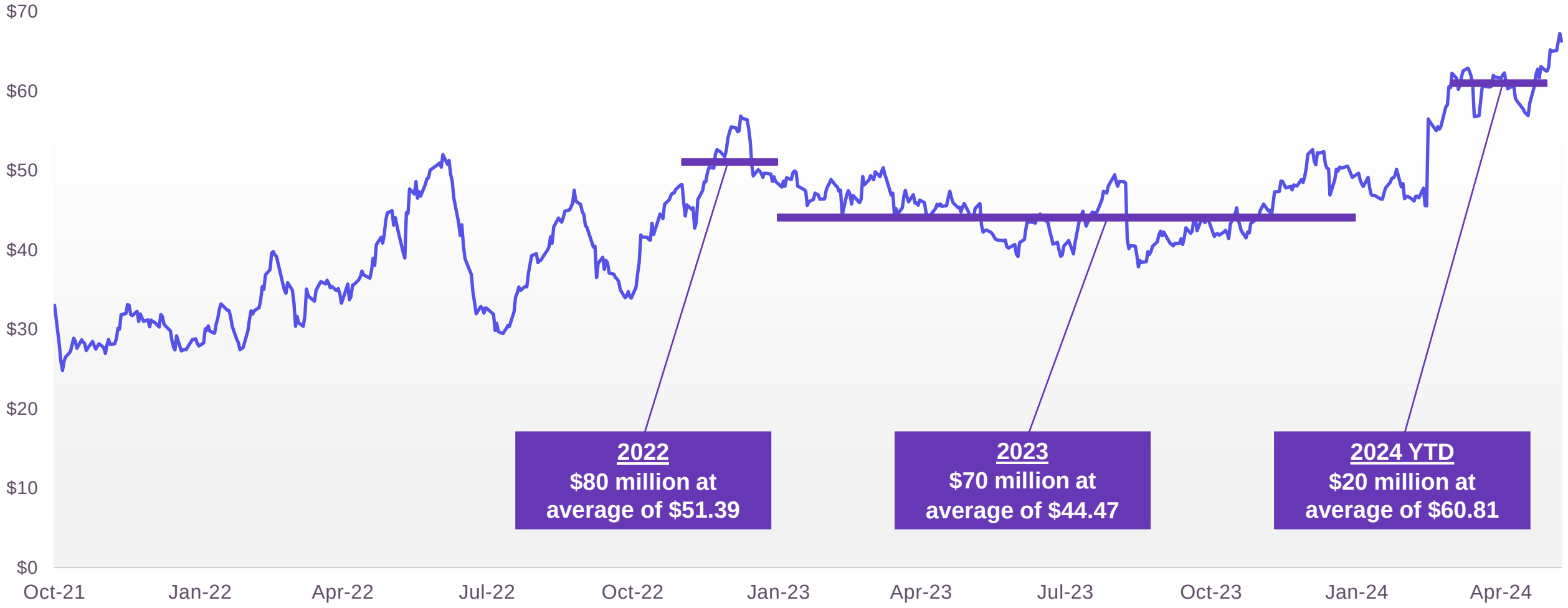
1.5x Net Debt-to-Adjusted EBITDA as of March 31, 2024

Net debt reflects quarter-end cash balance of $149 million, which excludes $60 million of restricted cash in escrow

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Repurchased 8% of our initial shares with a 35% return

Repurchased 3.5 million shares at a weighted average price of $49.16 since 4Q22



Share repurchases return is based on the difference between a share price of $65.00 and the weighted average share repurchase price of $49.16, plus avoided dividend payments divided by the weighted average share repurchase price

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Invest in high-return projects to increase earnings and cash flow

> $200 million pipeline of high-return projects

High-Return Capital Project	Rationale	Investment $ Million	Average Annual Cost Savings $ Million	After-Tax IRR	Start-Up
Eastover **Increase wood chip capacity**	Increase supply of low-cost wood chips	**$1.3**	**~$0.5**	**35%**	**1Q24**
Eastover **Evaporator Heat Recovery**	Capture and reuse heat	**$2.5**	**~$1.0**	**33%**	**1Q24**
Luis Antonio **New Turbine Generator**	Increase self-generated power and reduce maintenance expenses	**$6.7**	**~$2.0**	**24%**	**4Q24**

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Confident in our future and motivated by opportunities that lie ahead

Improving from Cycle-Bottom

- Continued improvement in Uncoated Freesheet conditions
- Mill system running near full capacity
- Favorable Price & Mix trends

Disciplined Capital Allocation

- Healthy financial position provides flexibility
- Returning substantial cash to shareowners
- Investing to strengthen our competitive advantages



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Appendix

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Contacts

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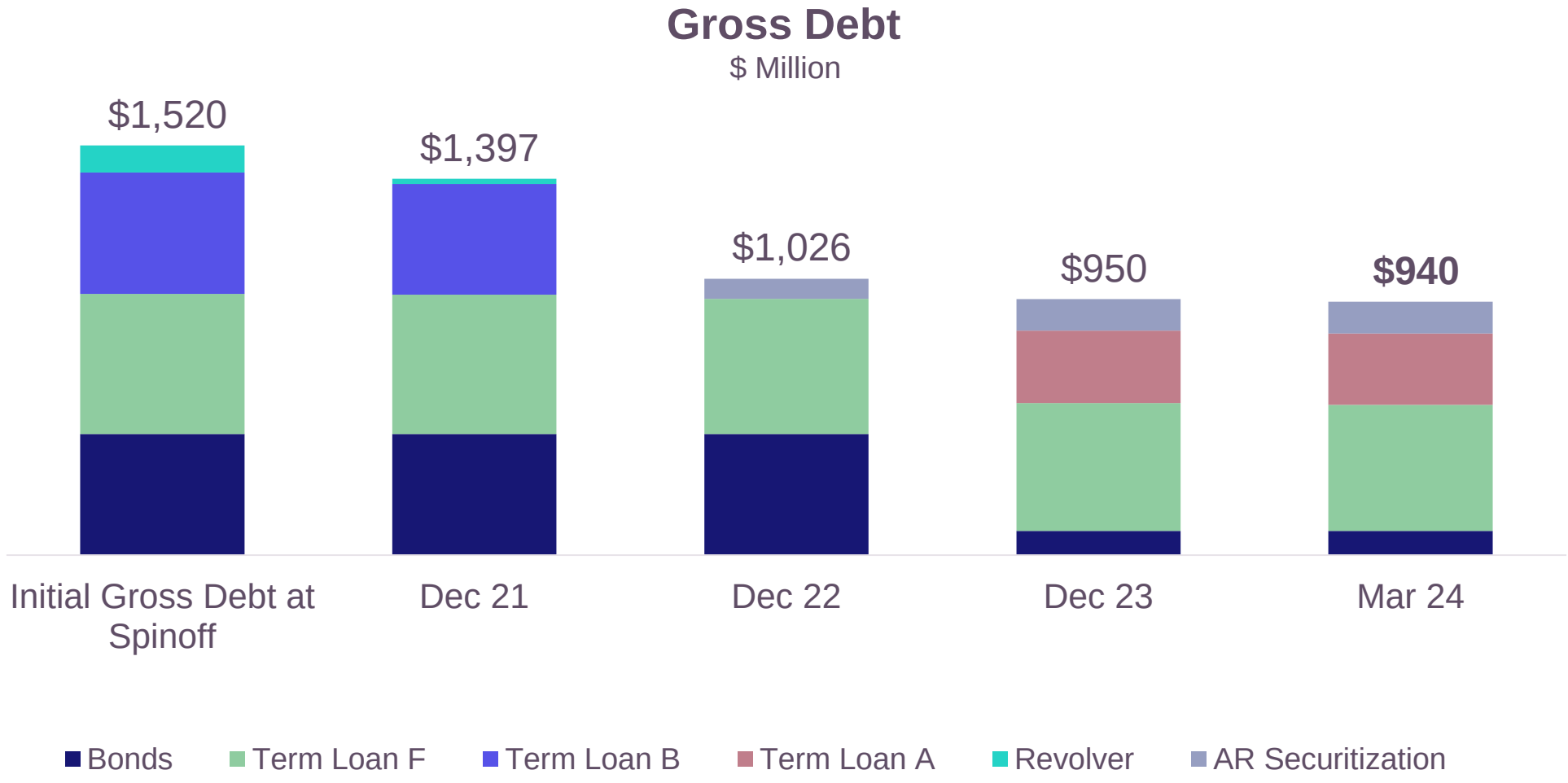
Selected Annual Financial Guidance

$ Million		2023 Actual	2024 Outlook
Total Maintenance Outage Costs		$89	$72
Capital Spending	Maintenance & Regulatory	$143	$125 - $130
	Brazil Reforestation	$34	$55
	High-return Projects	$33	$30 - $35
	Total	**$210**	**$210 - $220**
Depreciation & Amortization		$143	$159
Net Interest Expense[1]		$34	$37
Income Tax Rate (excluding special items)		30%	30% - 31%
Project Horizon One-time Costs		$13	$1
Nymolla One-time Costs		$17	$2

[1]Net Interest Expense for 2023 includes $5 million of expense for debt extinguishment cost and $13 million of interest income related to one-time tax items in Brazil.
Net Interest Expense Outlook for 2024 is subject to change based on the amount of debt repayment and changes to floating interest rates.

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1.5x Net Debt-to-Adjusted EBITDA - March 31, 2024

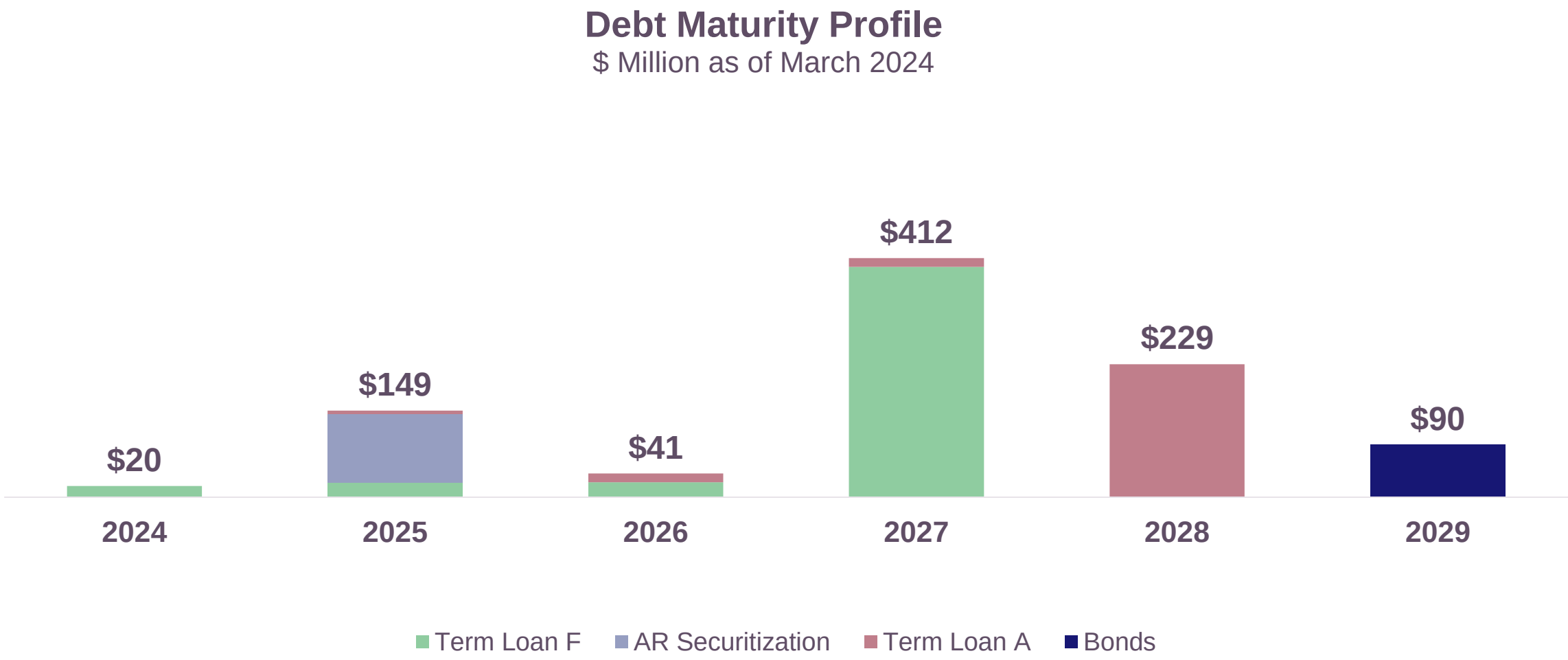


1.8x Gross Debt-to-Adjusted EBITDA as of March 31, 2024

Net debt reflects quarter-end cash balance of $149 million, which excludes $60 million of restricted cash in escrow

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No significant debt maturities until 2027



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Free Cash Flow Reconciliation

$ Million	1Q23	4Q23	1Q24
Cash Provided by Operating Activities	$63	$167	$27
Cash Invested in Capital Projects	($61)	($63)	($60)
Free Cash Flow	**$2**	**$104**	**($33)**

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 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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1Q24 vs. 4Q23 Free Cash Flow

$ Million	4Q23	1Q24	Variance
Adjusted EBITDA	**$117**	**$118**	**$1**
Cash Taxes	$(29)	$(13)	$16
Cash Interest	$(14)	$(11)	$3
Cash Special Items	$(9)	$(2)	$7
Other Changes in Working Capital	$102	$(65)	$(167)
Cash Provided by Operating Activities	**$167**	**$27**	**$(140)**
Capital Spending	**$(63)**	**$(60)**	**$3**
Free Cash Flow	**$104**	**$(33)**	**$(137)**

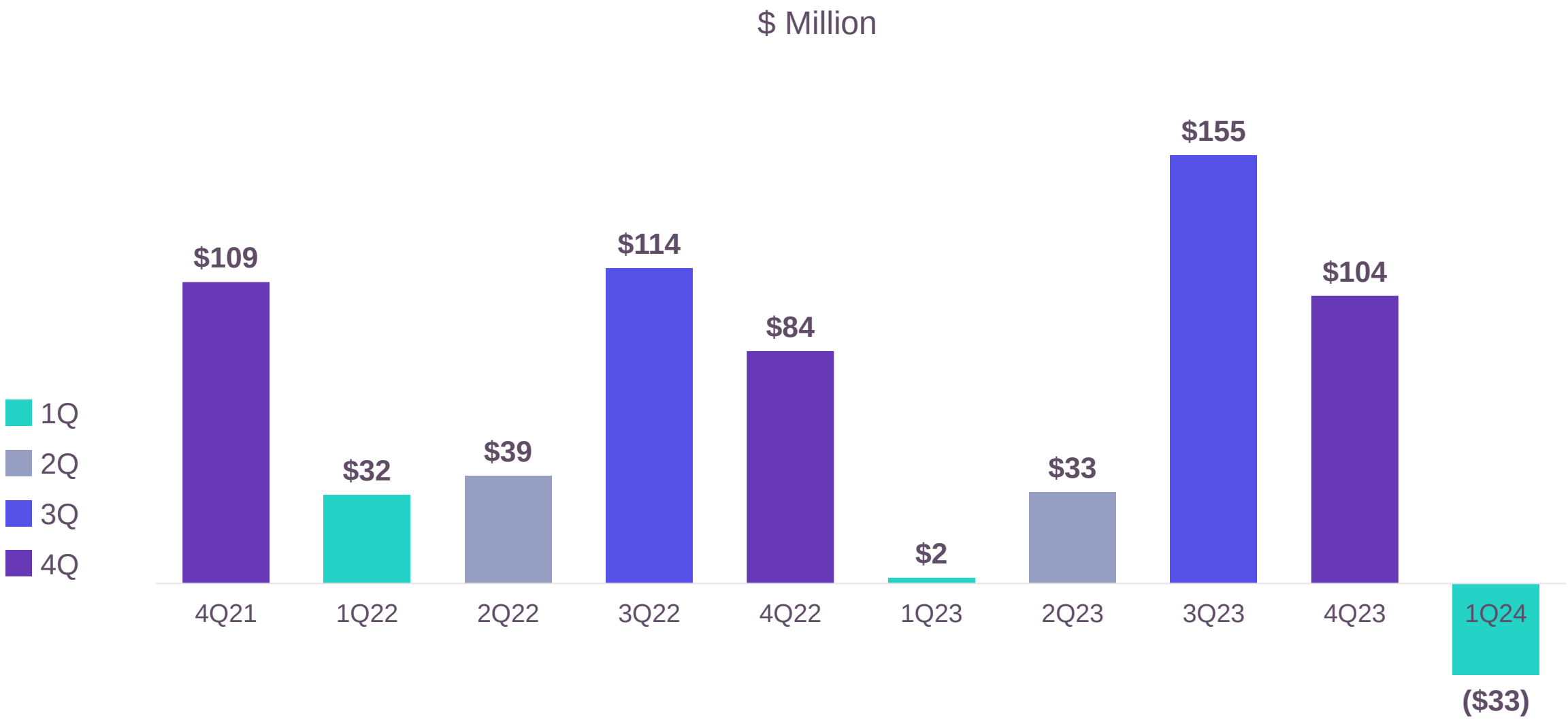
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1Q24 vs. 1Q23 Free Cash Flow

$ Million	1Q23	1Q24	Variance
Adjusted EBITDA	**$208**	**$118**	**$(90)**
Cash Taxes	$(8)	$(13)	$(5)
Cash Interest	$(9)	$(11)	$(2)
Cash Special Items	$(9)	$(2)	$7
Other Changes in Working Capital	$(119)	$(65)	$54
Cash Provided by Operating Activities	**$63**	**$27**	**$(36)**
Capital Spending	**$(61)**	**$(60)**	**$1**
Free Cash Flow	**$2**	**$(33)**	**$(35)**

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Free Cash Flow by Quarter - Since Spinoff



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Adjusted EBITDA and Margin Reconciliation

$ Million	1Q23	4Q23	1Q24	2Q24 Outlook
Net Income (Loss)	**$97**	**$49**	**$43**	**$62 - $72**
Depreciation, Amortization, Cost of Timber Harvested	35	38	39	38
Interest (Income) Expense, Net	7	6	9	10
Income Tax Provision	44	18	17	27 - 32
Adjustments				
Equity-based Compensation	7	2	7	8
Special Items (Net of interest and tax special items)	14	(5)	1	-
Nymolla One-time Costs	4	9	2	-
Adjusted EBITDA	**$208**	**$117**	**$118**	**$145 - $160**
Net Sales	**$941**	**$964**	**$905**	
Adjusted EBITDA Margin	**22%**	**12%**	**13%**	

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.

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Adjusted EBITDA and Margin Reconciliation

$ Million	1Q23	4Q23	1Q24
Adjusted EBITDA			
Europe	31	(16)	5
Latin America	63	67	34
North America	114	66	79
Total Business Segment Adjusted EBITDA	**$208**	**$117**	**$118**
Net Sales (excluding Inter-segment Sales eliminations)			
Europe	230	197	207
Latin America	222	288	216
North America	505	496	490
Total Business Segment Net Sales	**$957**	**$981**	**$913**
Adjusted EBITDA Margin			
Europe	**13%**	**(8%)**	**2%**
Latin America	**28%**	**23%**	**16%**
North America	**23%**	**13%**	**16%**

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Adjusted Operating Earnings per Share Reconciliation

$ Million	1Q23	4Q23	1Q24
Net Income (Loss)	**$97**	**$49**	**$43**
Special Items Expense (Income)	11	-	2
Adjusted Operating Earnings	**$108**	**$49**	**$45**
Adjusted Operating Earnings per Share	**$2.51**	**$1.16**	**$1.07**

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.

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Capacity by Grade

000 Short Tons	Uncoated Papers	Market Pulp	Total
Nymolla	500	-	**500**
Saillat	265	130	**395**
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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1Q24 Sales Volume

000 Short Tons	Europe	Latin America	North America	Sylvamo
Uncoated Papers	175	233	347	**755**
Market Pulp	34	30	34	**98**
			Total	**853**

Sales volume includes revenue recognition

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Total Maintenance Outage Costs - 2024 Outlook

$ Million	1Q24 Actual	2Q24 Outlook	3Q24 Outlook	4Q24 Outlook	2024 Outlook
Europe	-	$1	$1	-	**$2**
Latin America	$11	$6	-	-	**$17**
North America	$14	$21	-	$18	**$53**
Total	**$25**	**$28**	**$1**	**$18**	**$72**

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

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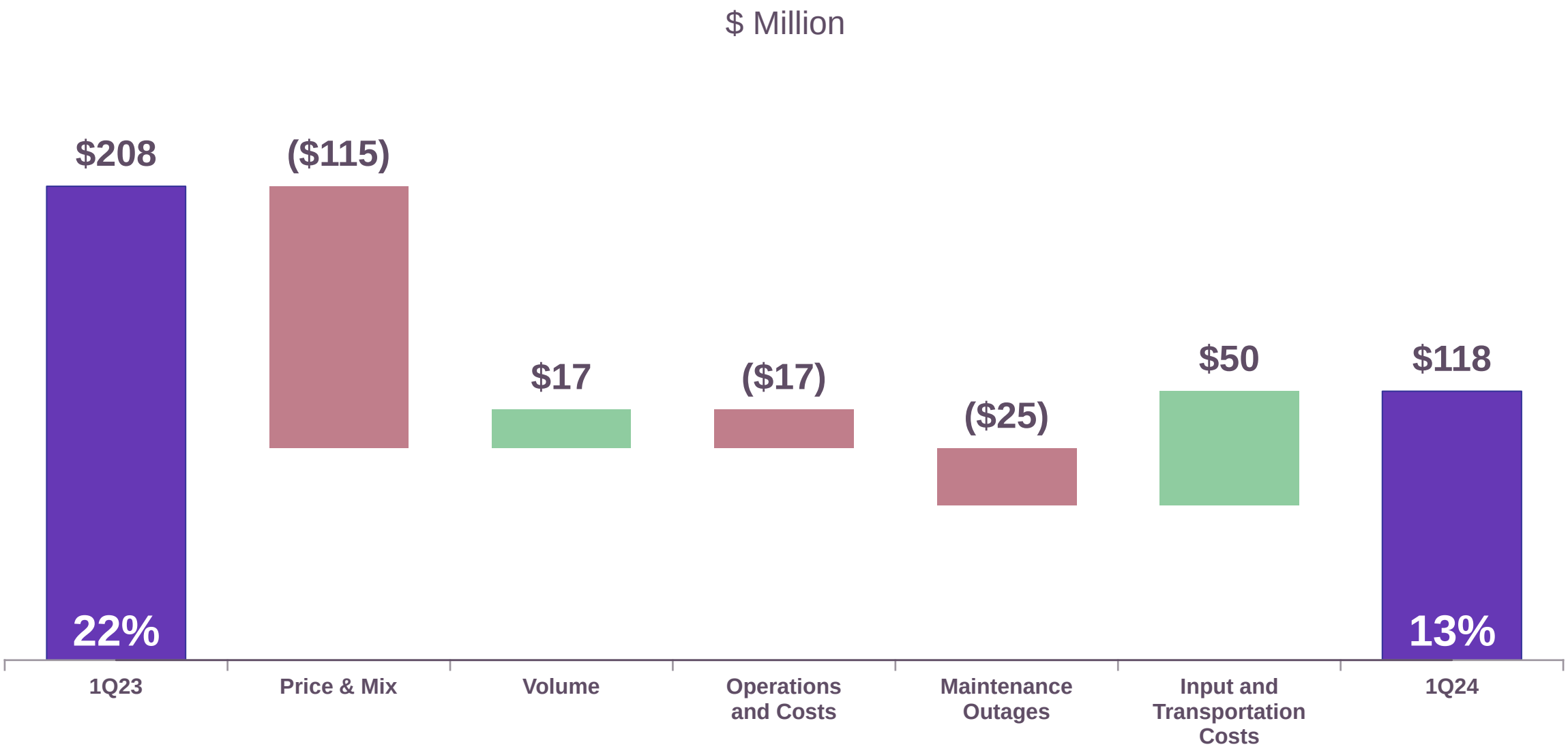
Quarterly Business Segment Operating Results

$ Million	Sales			D&A	Adjusted EBITDA		
	1Q23	4Q23	1Q24	1Q24	1Q23	4Q23	1Q24
Europe	$230	$197	$207	$8	$31	($16)	$5
Latin America	$222	$288	$216	$18	$63	$67	$34
North America	$505	$496	$490	$13	$114	$66	$79
Segment Total	**$957**	**$981**	**$913**	**$39**	**$208**	**$117**	**$118**

Sum of Business Segment net sales will not tie with consolidated net sales due to Intersegment Sales

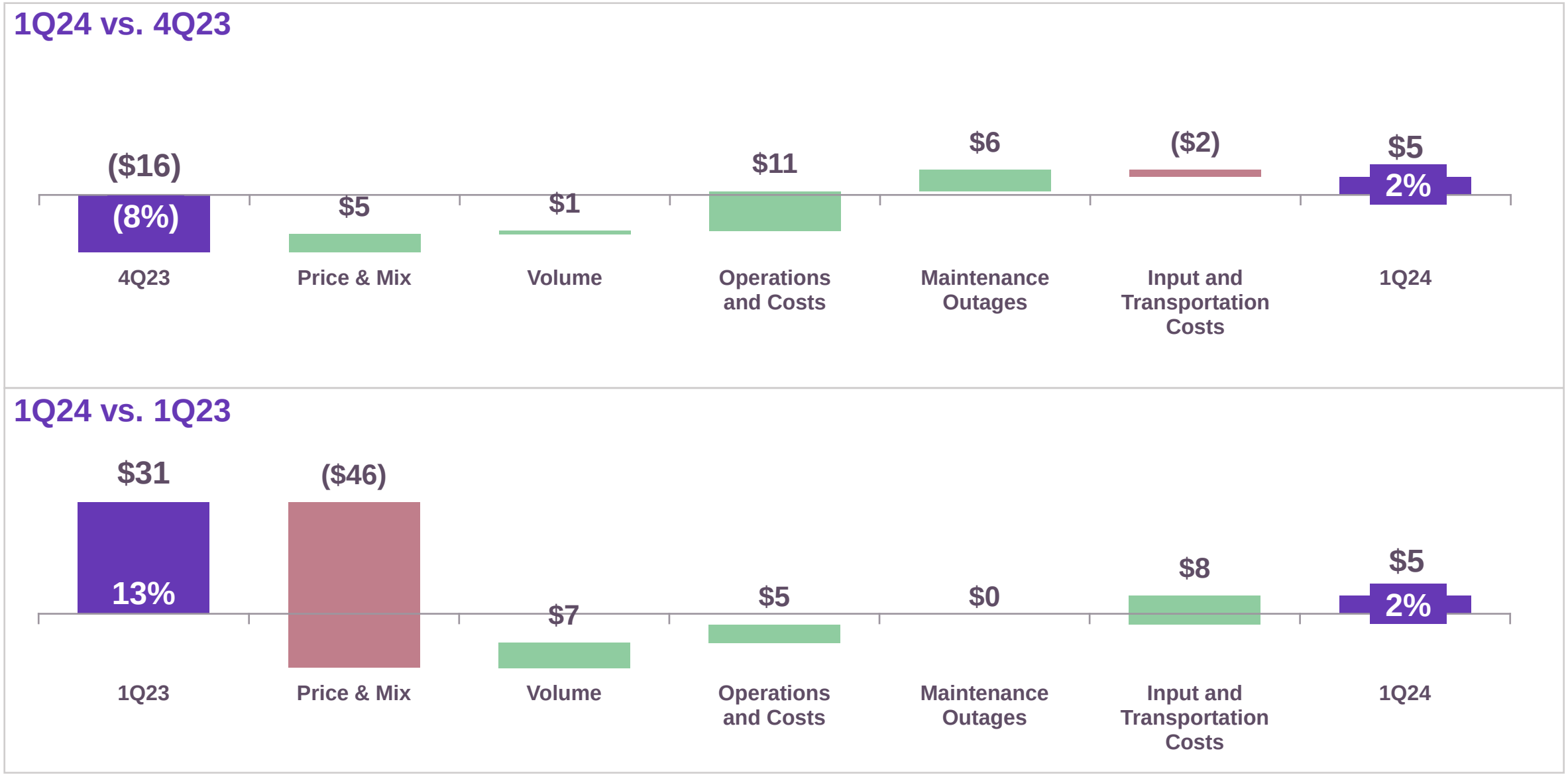
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1Q24 vs. 1Q23 Adjusted EBITDA



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Europe Adjusted EBITDA

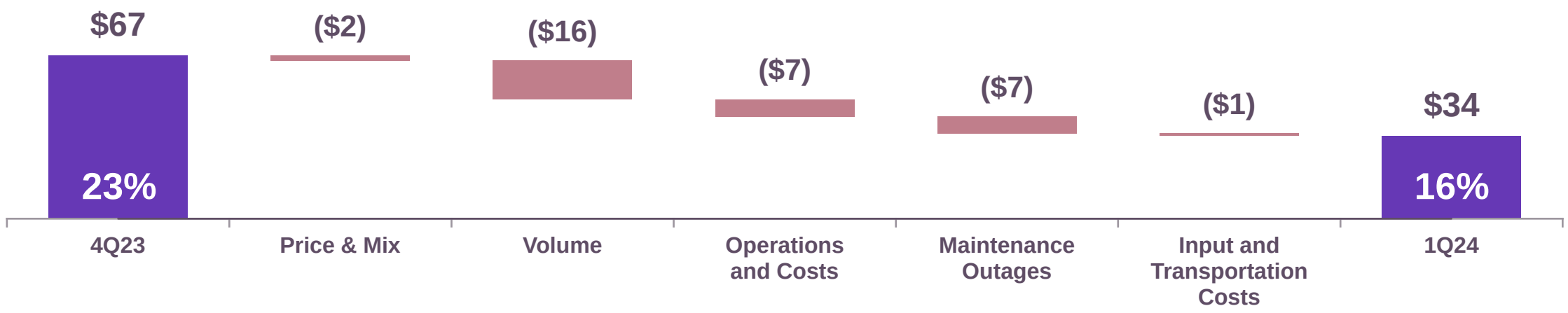


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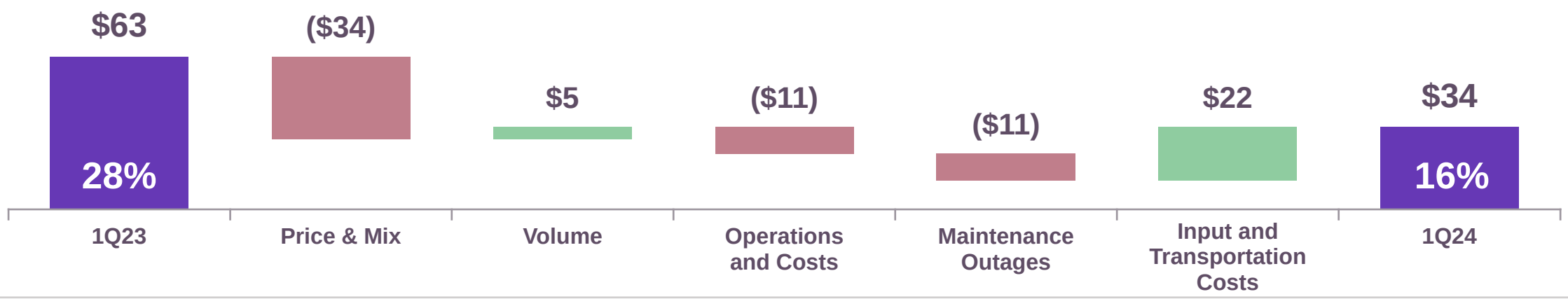
Latin America Adjusted EBITDA

$ Million

1Q24 vs. 4Q23



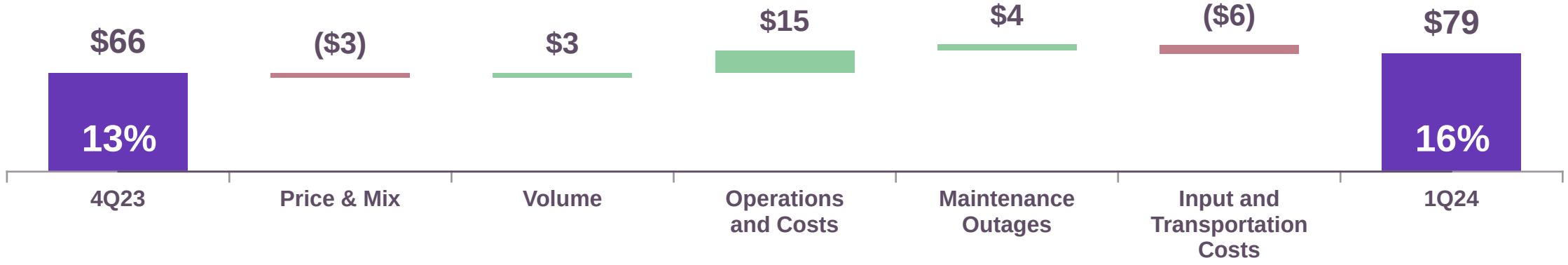
1Q24 vs. 1Q23



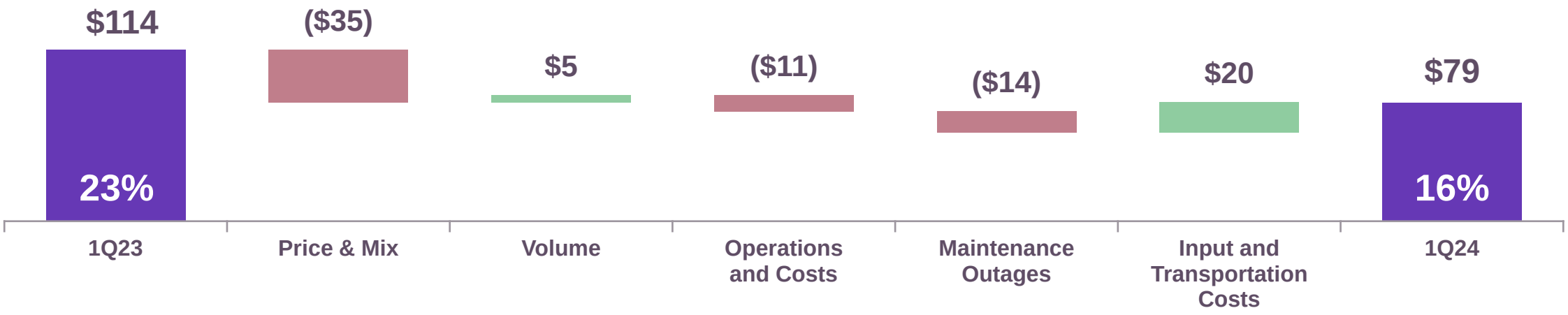
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North America Adjusted EBITDA

1Q24 vs. 4Q23



1Q24 vs. 1Q23



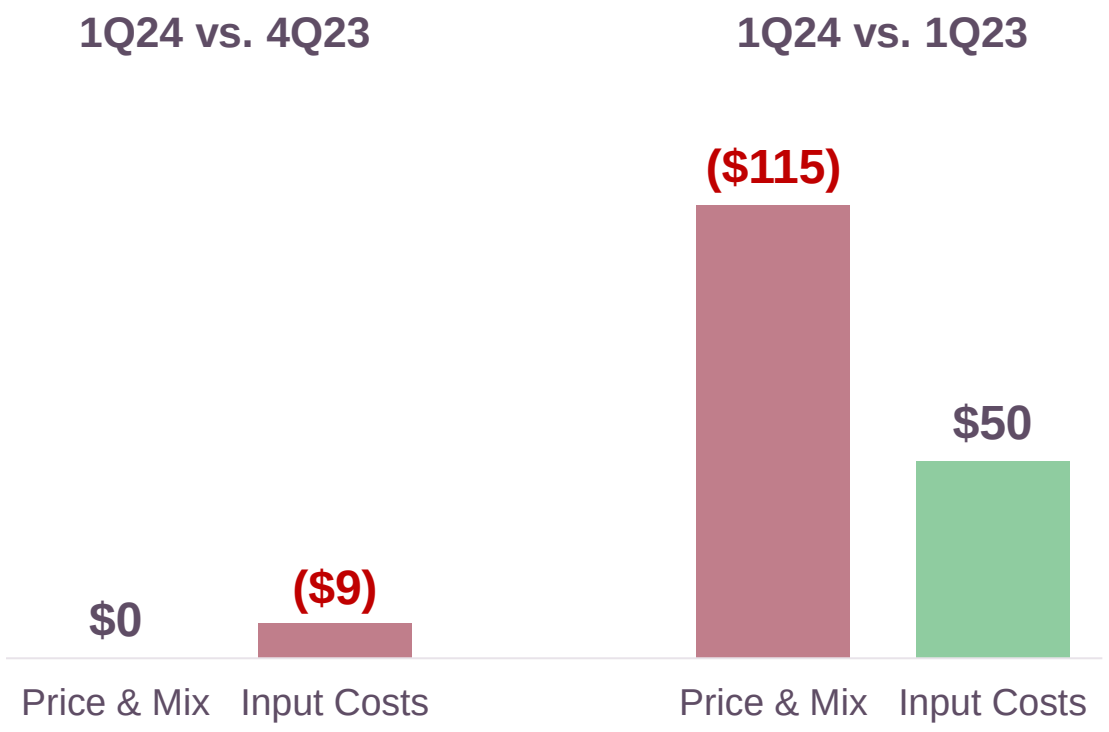
$ Million

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1Q24 Price & Mix vs. Input Costs

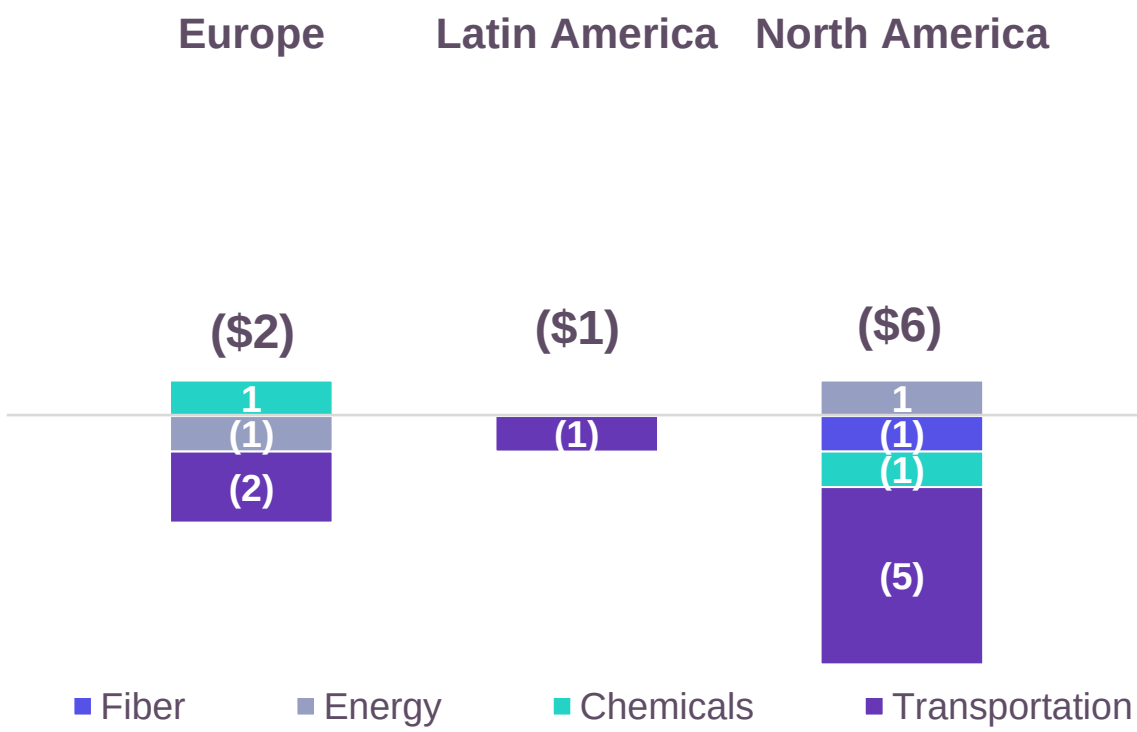
Change of Price & Mix vs. Input Costs

$ Million



1Q24 vs. 4Q23 Input Costs Change By Region

$ Million



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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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