Sylvamo to Pay Down Debt With $60 Million Released From Escrow

2024-12-03

MEMPHIS, Tenn.--(BUSINESS WIRE)-- Sylvamo (NYSE: SLVM), the world's paper company, now has access to $60 million initially put in escrow for disputed goodwill tax deductions in Brazil which it intends to use to pay down debt.

The company's lenders agreed to eliminate the escrow after a Brazilian court ruled in its favor. The ruling—covering two-thirds of the amount disputed in several proceedings—is subject to appeal.

Due to the potential liability of the goodwill tax deductions, lenders limited Sylvamo to $90 million in annual cash returns when it became an independent company in 2021. In September 2023, the company made a $60 million escrow deposit to remove the limit in its credit agreement, allowing it to return more than $90 million annually in cash to shareowners through share repurchases and dividends.

"We intend to use the funds from the escrow elimination to help pay down debt. Additionally, our strong cash flow will allow us to pay down a total of $120 million in debt in the fourth quarter," said Jean-Michel Ribiéras, chairman and chief executive officer. "This would reduce our gross debt by approximately 47% since our 2021 spinoff and allow us to maintain a strong financial position."

More information about the ruling is available in the third quarter 2024 earnings presentation at **investors.sylvamo.com**.

About Sylvamo

Sylvamo (NYSE: SLVM) is the world's paper company with mills in Europe, Latin America and North America. Our vision is to be the employer, supplier and investment of choice. We transform renewable resources into papers that people depend on for education, communication and entertainment. Headquartered in Memphis, Tennessee, we employ more than 6,500 colleagues. Net sales for 2023 were $3.7 billion. For more information, please visit **Sylvamo.com**.

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Source: Sylvamo