

Riverdale Mill Supply Agreement Update

August 21, 2025



This document 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 relate to future periods.

Some examples of forward-looking statements in this document include, without limitation, those relating to the expected timing and impact on us of the conversion of International Paper Company’s paper machine no. 16 at its Riverdale mill, our expectations concerning the agreement to supply us with products from paper machine no. 16, and our business strategies.

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, civil and political conditions and trade relations including the imposition of tariffs or other trade protections; physical, financial and reputational risks associated with climate conditions and climate change, including adverse environmental events such as floods and fires; reduced demand for our products due to the cyclical nature of the paper industry, the industry-wide secular decline in paper demand, or competition from other businesses; increased costs or reduced availability of the raw materials, energy, transportation (truck, rail and ocean) and labor needed to manufacture and deliver our products; 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, tax and other laws and regulations in Brazil, Europe, the United States and other jurisdictions to which we are subject, including our compliance costs and risk of liability and loss for violations; our reliance on a small number of customers; and the factors disclosed in Item 1A. Risk Factors in our annual report on Form 10-K for the year ended December 31, 2024, as such disclosures may be amended, supplemented or superseded from time to time by other reports that we file with the U.S. 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.

- International Paper announced plans to convert the No. 16 paper machine at its Riverdale mill in Selma, Alabama, to produce containerboard by the third quarter of 2026
- The mill currently supplies us with approximately 260,000 short tons of cutsize uncoated freesheet annually from the machine through a supply agreement
- The Riverdale supply agreement is not part of our long-term strategy and we have been planning for this conversion since our 2021 spinoff
- We will support our customers throughout this transition

- We anticipate losing Riverdale volume when International Paper takes down No. 16 paper machine to begin the conversion to produce containerboard
- We have various options to mitigate impacts to our customers and are assessing which options are economically viable and work best under the evolving economic and tariff conditions
- We plan to optimize our mix to minimize the earnings impact, which may include redirecting volume to the U.S. from our mills in Brazil and Europe
- Based on our current assumptions for optimizing operations, mix and paper supply, the Adj. EBITDA impact in 2026 from the loss of Riverdale volume is estimated to be ~\$30 million, at current margins

- In February, we announced we are investing in high-return capital projects at our most competitive uncoated freesheet mill in North America, located in Eastover, South Carolina
- We will optimize one of the two paper machines to reduce costs and improve product mix, enabling production of approximately 60,000 additional short tons of uncoated freesheet annually beginning in the fourth quarter of 2026
- We will also replace an existing sheeter with a state-of-the-art cutsize sheeter
- This new and more efficient sheeter will provide an additional 100,000 short tons of cutsize sheeting capability, partially supplied by the 60,000 tons mentioned above with the remainder supplied by existing Eastover roll production
- This will also lower our sheeting costs up to 15%, reduce waste by maximizing paper machine trim while providing better reliability and additional flexibility to service customers



- Focusing on uncoated freesheet will create long-term value through our talented teams, iconic brands and low-cost mills
- Investing in high-return capital projects at our most competitive uncoated freesheet mill in North America - Eastover, South Carolina
- Creating shareowner value through cash generation and disciplined capital allocation

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