

# Investor Update

## 2025 Bank of America Securities Global Agriculture and Materials Conference

February 26, 2025



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, expectations or plans.

Examples of forward-looking statements include both text and graphics in this presentation pertaining to the future, including, without limitation, those relating to: outlooks and trends; our strategies and plans, including capital allocation; value and returns on investments that we expect to generate; anticipated timing of capital projects; and the impact of our capital allocation.

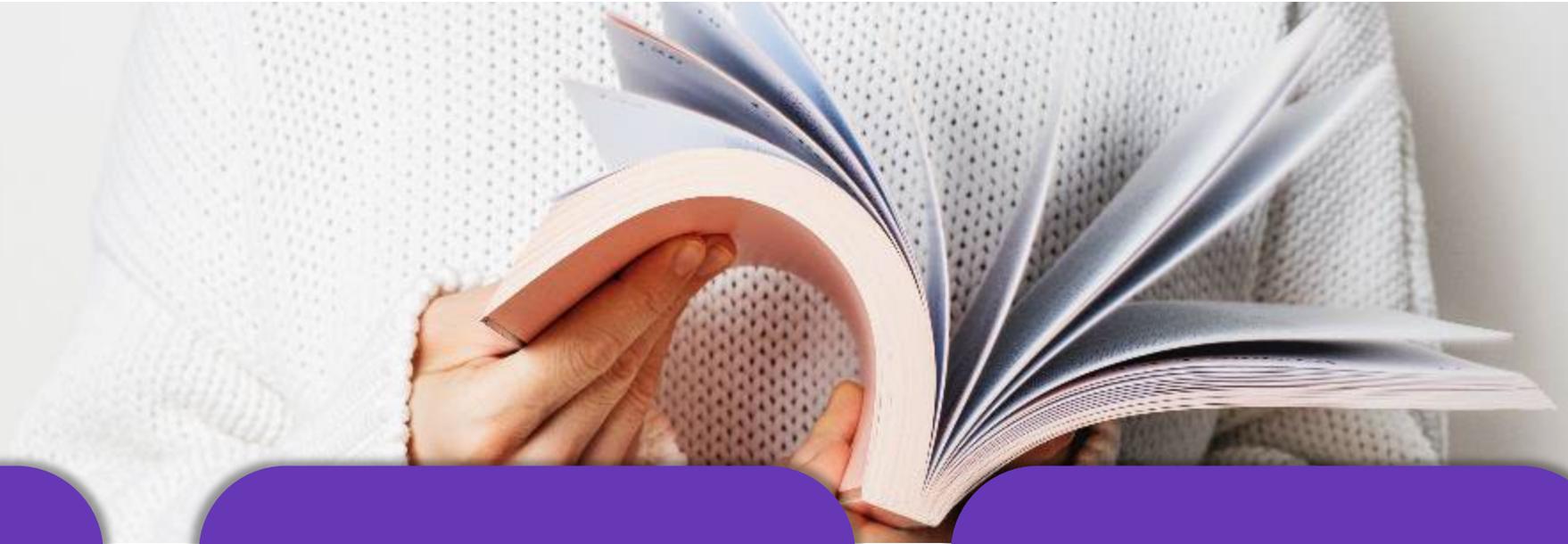
Forward-looking statements are not guarantees of future performance. Any or all forward-looking statements may turn out to be incorrect, and actual results could differ materially from those expressed or implied in forward-looking statements. Forward-looking statements are based on current expectations 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; 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 the United States, Brazil 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 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.

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](https://www.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

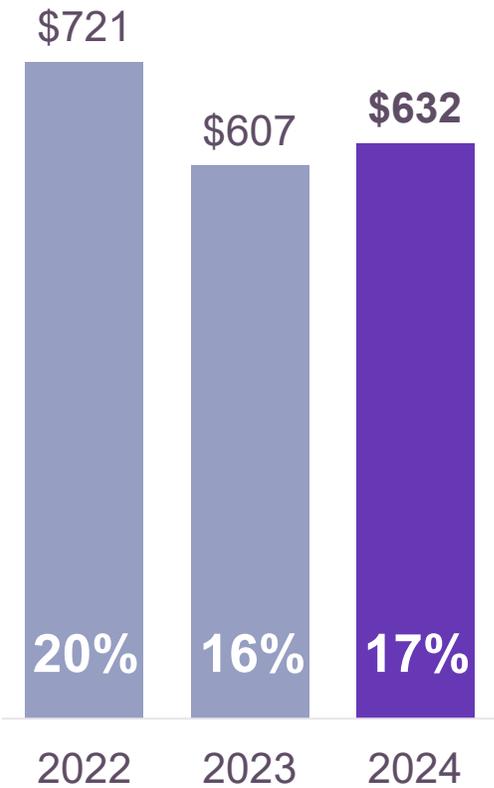


**Focusing on  
uncoated freesheet  
paper**

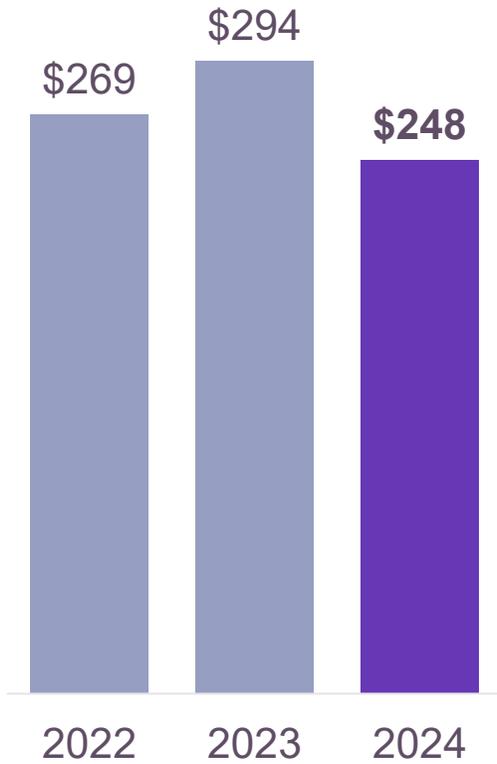
**Investing to strengthen  
competitive advantages  
to drive earnings and  
cash flows**

**Leveraging our strengths  
to drive high returns on  
invested capital**

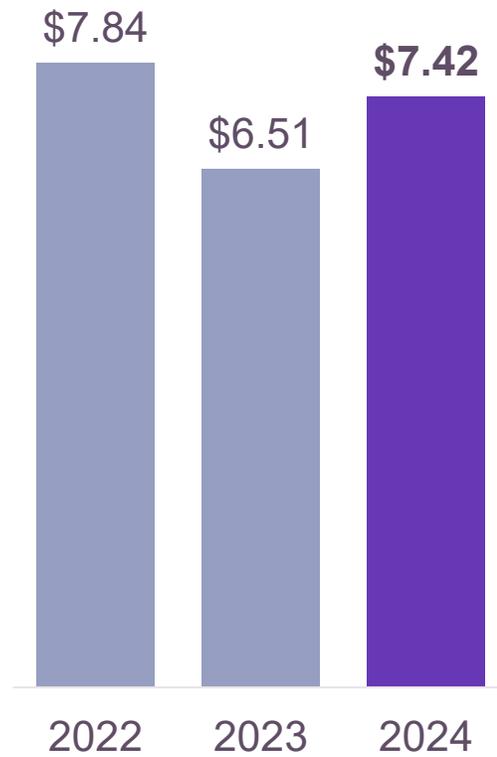
## Adjusted EBITDA and Margin



## Free Cash Flow



## Adjusted Operating Earnings per Share



Adjusted EBITDA and Free Cash Flow figures are in \$ millions

## Improving our Financial Position

- Reduced gross debt by \$724 million (48%) to \$796 million
- Achieved net debt-to-adjusted EBITDA of 0.9x
- Reduced risk with Russian business divestiture in 2022

## Delivering on our Investment Thesis

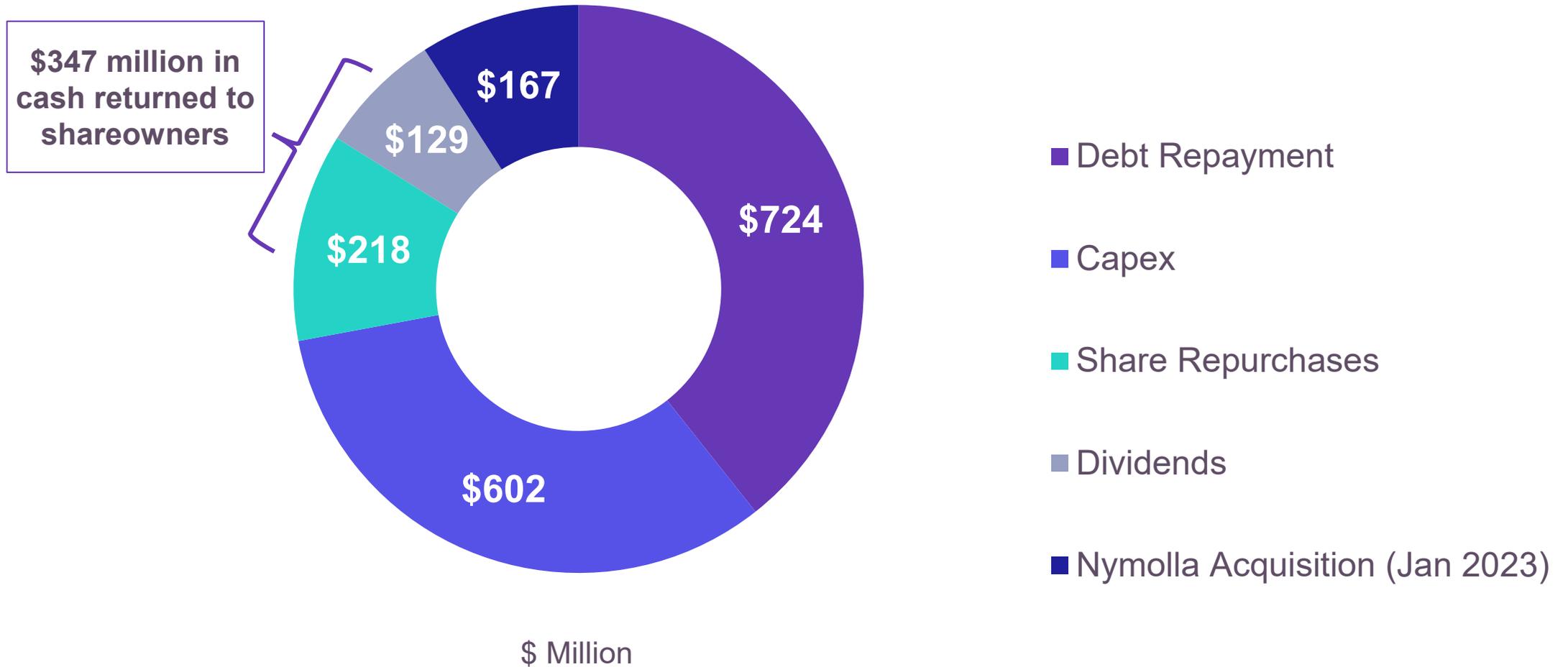
- Earned \$2.1 billion in Adjusted EBITDA (18% Margin)
- Generated \$920 million in Free Cash Flow
- Returned \$347 million in cash to shareowners (38% of Free Cash Flow)

## Reinvesting in our Business

- Invested \$602 million to strengthen our low-cost assets
- High-return capital projects pipeline >\$200 million
- Reinvesting in our flagship mills will enable long-term value creation

Gross debt and net debt-to-adjusted EBITDA as of 12/31/24; All figures reflect our performance as an independent company beginning 4Q21 through 4Q24

>\$1.8 billion allocated since becoming an independent company



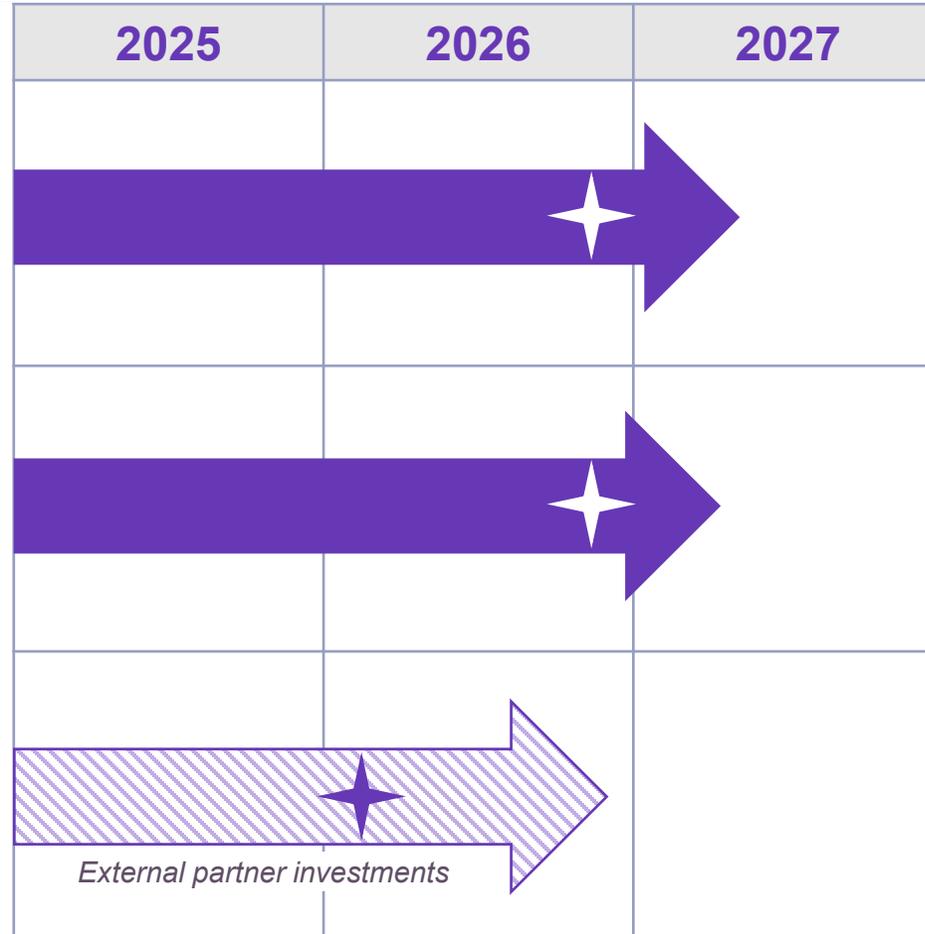
All figures reflect our performance as an independent company beginning 4Q21 through 4Q24

## Reducing costs while improving efficiency and mix of the most competitive North America UFS mill

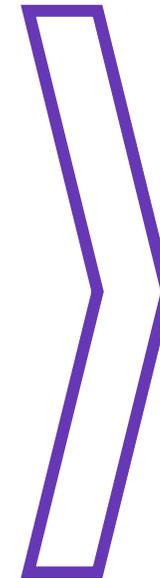
**Paper Machine Optimization**

**New Replacement Cutsheet Sheeter**

**Woodyard Modernization**



**Legend** Initial investments through ramp-up completion   
 Start-up



**>30% IRR**

**~\$145 million Capital Investment**

**>\$50 million Adj. EBITDA / Year**

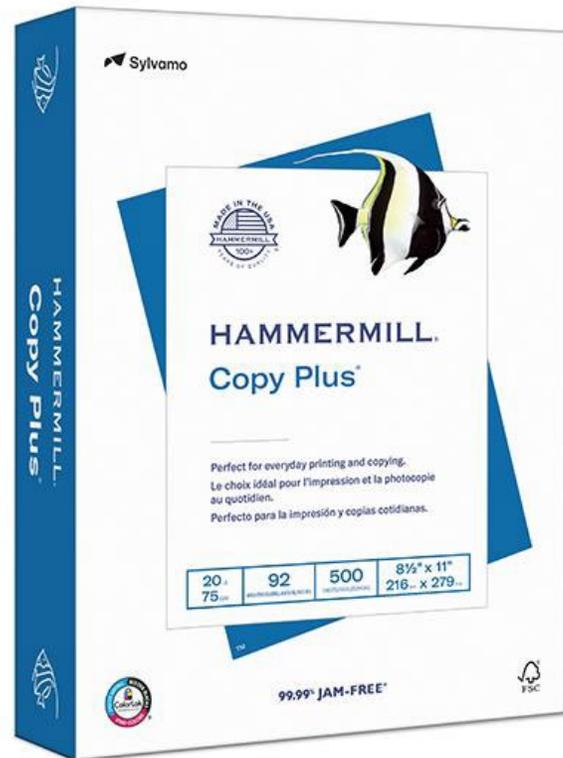
**~\$75 million Capital Avoidance (2025 - 2029)**

## Paper machine optimization enabling cost reduction while improving overall product mix



- Investments across the machine allow for speed up
- Enhances paper mix and flexibility across the machines
- Incremental ~60 thousand tons of Uncoated Freesheet
- **Investment:** ~\$100 million
- **Start-up:** 4Q 2026

## New state-of-the-art cutsize sheeter lowering costs, increasing efficiency and sheeting capacity



- New and more efficient cutsize sheeter replacing an existing sheeter
- Lowering costs, maximizing paper machine trim and providing incremental cutsize volume capability
- Will provide reliability and additional flexibility to better service customers
- **Investment:** ~\$45 million
- **Start-up:** 4Q 2026

## Improving Woodyard efficiency through innovative modernization



- 20-Year partnership with external operator
- Increasing reliability by replacing our aging equipment
- More efficient, reliable and cost-effective wood processing operations
- **Capital Avoidance:** ~\$75 million (2025 - 2029)
- **Start-up:** 1Q 2026

- **Reinvesting in our businesses** to increase earnings and cash flows
- **Optimizing** to become leaner and more agile to drive earnings growth
- **Creating shareowner value** through cash generation and disciplined capital allocation



Eastover, SC

# Appendix

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## Investor Relations

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## Media

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\$ Million	4Q21	2022	2023	2024	Since Spinoff
<b>Net Income from Continuing Operations</b>	<b>\$29</b>	<b>\$336</b>	<b>\$253</b>	<b>\$302</b>	<b>\$920</b>
Depreciation, Amortization, Cost of Timber Harvested	31	125	143	159	458
Interest (Income) Expense, Net	18	69	34	39	160
Income Tax Provision	28	131	116	103	378
<b>Adjustments</b>					
Equity-based Compensation	4	20	23	23	70
Special Items (Net of interest and tax special items)	6	17	38	6	67
Spinoff Transition Services	7	23	-	-	30
<b>Adjusted EBITDA</b>	<b>\$123</b>	<b>\$721</b>	<b>\$607</b>	<b>\$632</b>	<b>\$2,083</b>
Net Sales	\$778	\$3,628	\$3,721	\$3,773	\$11,900
<b>Adjusted EBITDA Margin</b>	<b>16%</b>	<b>20%</b>	<b>16%</b>	<b>17%</b>	<b>18%</b>

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.

\$ Million	4Q21	2022	2023	2024	Since Spinoff
Cash from Continuing Operations	\$131	\$418	\$504	\$469	\$1,522
Cash Invested in Capital Projects	(\$22)	(\$149)	(\$210)	(\$221)	(\$602)
<b>Free Cash Flow</b>	<b>\$109</b>	<b>\$269</b>	<b>\$294</b>	<b>\$248</b>	<b>\$920</b>

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.

# Adjusted Operating Earnings per Share Reconciliation

\$ Million	2022	2023	2024
<b>Net Income (Loss)</b>	<b>\$118</b>	<b>\$253</b>	<b>\$302</b>
Less: Discontinued operations, net of tax	(\$218)	-	-
<b>Net Income From Continuing Operations</b>	<b>\$336</b>	<b>\$253</b>	<b>\$302</b>
Special Items Expense (Income)	\$12	\$25	\$10
<b>Adjusted Operating Earnings</b>	<b>\$348</b>	<b>\$278</b>	<b>\$312</b>
<b>Adjusted Operating Earnings per Share</b>	<b>\$7.84</b>	<b>\$6.51</b>	<b>\$7.42</b>

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.

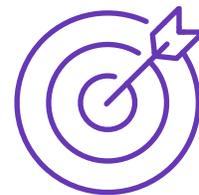


## The World's Paper Company

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**

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