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Earnings Call

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Call Participants

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Presentation

Operator

Good morning, and welcome to the RYAM Third Quarter 2026 Earnings Conference Call.

[Operator Instructions]

As a reminder, this conference is being recorded. I would now like to turn the call over to your host, Cody LaCoste, Senior Manager of Investor Relations and Corporate Development. Thank you, Mr. LaCoste. You may begin.

Cody LaCoste
Senior Manager of Investor Relations & Corporate Development

Good morning, and welcome to RYAM's Third Quarter 2026 Earnings Conference Call. Joining me today are Daniel Krawczyk, our President and Chief Executive Officer; and Marcus Moeltner, our Senior Vice President of Finance, Chief Financial Officer and Treasurer.

Last evening, we released our earnings report and accompanying presentation materials, which are available on our website at ryam.com. During today's discussion, we may make forward-looking statements subject to risks and uncertainties that could cause actual results to differ materially. These risks are outlined in our earnings release, SEC filings and on Slide 2 of the presentation.

We will also reference certain non-GAAP financial measures to offer additional perspective on our operating performance. Reconciliations to the most directly comparable GAAP measures can be found in our presentation on Slides 22 through 24. Thank you for joining us and for your continued interest in RYAM. I'll now turn the call over to Dan.

Daniel M. Krawczyk
CEO, President & Director

Thanks, Cody. Good morning, everyone, and thank you for joining us. Before getting into the quarter and our path forward, shareholders have asked me for my impression of the business and how we're positioning this business with participants in the strategic review. Therefore, I believe it's important to share the perspectives I've gained since I first spoke to you on the Q2 earnings call.

More than ever, I'm convinced that RYAM's Cellulose Specialties, or CS, franchise is an incredible, valuable and profitable business. But that value is being overshadowed by excess capacity filled with commodity products, which create ongoing losses within our High Purity Cellulose, or HPC, business. The pricing dynamics make this clear. CS products have pricing power, but increased volume of lower-priced commodity products more than offset that strength, leaving the overall average cellulose pricing flat to declining.

This translates into profit performance that understates the true value of the overall business. We clearly need to change our production mix to favor CS products. I am highly confident in our ability to unlock this value and deliver exceptional returns to our shareholders. My time with customers and at our facilities has strengthened my conviction in the value of our Cellulose Specialties business. Customers depend on RYAM's expertise to deliver product performance they cannot easily replicate elsewhere, including characteristics such as mouth feel, reactivity and color.

Our products are specified into applications where those characteristics matter. We consistently transform a natural raw material with all its inherent variability into products with purity and technical characteristics customers need for their end products to perform as intended. That value also extends through their manufacturing processes, where our reliable high-purity products deliver higher yields, require less capital and generate less waste than lower purity alternatives.

Critical to our value proposition is that RYAM brings the innovation our CS customers need to differentiate their products and deliver performance that sets them apart from their competitors. These customers

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operate at the highest levels of their markets where competition is fierce and innovation is critical to success. Our scientists understand cellulose at the molecular level and know how to translate that knowledge into production at scale to help our customers succeed.

I saw this firsthand during customer visits when our discussions quickly turn to what we could achieve together and their ambitions for more sustainable future products. Built over many decades, these relationships rest on a deep understanding of customer requirements.

They position RYAM to share in our customers' future success and enable us to evolve with changing markets. Our past pricing and biomaterial strategies enabled important successes and laid a foundation we can build on. However, those strategies did not resolve the fundamental imbalance in our production mix. We must and will address it promptly.

Our priorities are now clear: grow CS volumes, improve overall cellulose pricing by allocating a greater share of available capacity to CS and execute tangible operating improvements at our mills. We must aggressively reduce the impact of commodity losses on the business. Our commercial team is working closely with customers to secure agreements that meet their future needs for reliable products, performance and security of supply. We believe this renewed commitment and partnership will continue to grow and strengthen HPC.

Growth is critical for our future performance, but we will not rely on growth alone. We are prepared to move aggressively to rebalance our production mix without sacrificing the value our products command in the market. These opportunities to unlock this business' value are primarily within our control and are central to our discussions with interested parties in the strategic review. That does not mean decisions about the outcome of the strategic review have already been made. They have not. We are strengthening the business and positioning RYAM to succeed under any review outcome, and we will be ready to execute.

Turning to Slide 5. I'm engaging as part of the strategic review with interested parties who share my conviction in the potential of this business and recognize the opportunity to build on our strengths. Our ambition is to transform RYAM from a volatile low-margin business constrained by the capital demands of its asset footprint and financial structure into a focused, high-margin cellulose specialties enterprise. Highly engineered products must anchor more predictable earnings supported by a footprint and financial structure that enable us to generate cash flow, reinvest in our future and build lasting value for our shareholders.

Turning to Slide 6. Our investment thesis is grounded in demonstrated performance. Pricing improvements in our cellulose specialty franchise have driven some of its strongest results since the Tembec acquisition. The chart illustrates the price premium CS commands over commodity cellulose, or CC. In Q3, CS pricing was $2,227 per metric ton, compared with $825 per CC, a premium of 170%. GP Foley's late 2023 closure and Temiscaming's 2024 HPC idling tightened supply, reinforcing our pricing leadership strategy.

Commodity markets operate differently. Pricing is driven by supply and demand and not the differentiated product characteristics that support CS value. New entrants have repeatedly added commodity capacity, putting pressure on industry economics and creating volatility in our results. High asset utilization alone is not enough. We must fill more of the available capacity with higher-value CS products to unlock the franchise's earning potential.

Turning to Slide 7. Reducing commodity exposure is not a marginal adjustment. It is a fundamental shift in how we create shareholder value. The impact extends beyond lost EBITDA. The losses materially depress consolidated margins and absorb profits from our specialty business. Less commodity exposure can reduce earnings volatility, improve predictability and make the contribution of CS more visible in our results.
A strategy that delivers better quality earnings supports a stronger valuation and a better outcome for shareholders through the strategic review. We are not pursuing volume for its own sake. We are pursuing a stronger earnings profile and a business that captures more of the value it creates.

Turning to Slide 8. RYAM delivered another strong quarter in HPC. Earnings and total cellulose shipments improved sequentially, continuing the progress we have made since the first quarter. We also generated positive free cash flow. Construction is also underway on the Altamaha Green Energy, or AGE, project at

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Jesup, another example of creating long-term value from our existing infrastructure. Marcus will take you through the results in a few minutes.

Before we get into that detail, I want to address the strategic review. I know shareholders are looking for a conclusion, and I want to explain both the progress we have made and the current expectations around timing. The review is well advanced. Interested parties have visited our plants and detailed diligence has progressed well. Our team and advisers continue to work through follow-up information requests and discussions with those parties. That work includes helping them understand the value of the CS franchise and the commercial and operating opportunities we see in the business.

This process is a top priority, and I'm directly involved with interested parties. The Board's mandate to me is to maximize shareholder value. We are singularly focused on that objective, including managing our business for future success and discussing strategic alternatives to strengthen our CS franchise more quickly. The U.S. tariff on Canadian paperboard and resulting economic idling of Temiscaming have caused a delay in the review timeline. I'll discuss that situation in more detail on Slide 9.

We no longer expect to conclude the review in the fourth quarter. We are targeting a conclusion of the strategic review in Q1 2027. I know this news is frustrating to you. It is frustrating to me as well. But I assure you, we continue to advance the process to bring this review to a successful conclusion and move forward on a path that maximizes value for shareholders.

Turning to Temiscaming on Slide 9. The 50% U.S. tariff on Canadian paperboard took effect on August 22. Historically, approximately 70% of the site's paperboard production shipped to the U.S. That level of exposure made the tariff a significant change to the site's economics. We took mitigation steps during the third quarter, but despite those efforts, continued paperboard and high-yield pulp production was uneconomic. We economically idled production on October 3, and it remains idled. Essential site services continue to operate.

We incurred $2 million in tariff-related costs during the third quarter. With production now idled, we estimate ongoing site carrying costs of $2 million to $3 million per month. Our immediate focus is on managing those costs while evaluating all strategic options and working toward a definitive path forward for Temiscaming. Interested parties need to understand the potential path forward for Temiscaming, the ongoing costs and the implications for the rest of the business. The conditions they are evaluating have changed.

Our team has had to devote additional time and resources to managing the idling, evaluating the site's options and providing the information and analysis needed to support that assessment. Together with the additional diligence parties are undertaking on Temiscaming, that work has slowed the review. We are working through those questions with interested parties and our advisers while diligence and discussions on the broader business continue. Parties remain engaged. Giving them a clear understanding of Temiscaming and the options for the site is a critical part of maximizing value through the review. We want their assessment to reflect the full value of RYAM and the opportunities we see across the business.

On Slide 10, our priorities bring together the work on the business and the strategic review. First, advance the strategic review with interested parties and target a conclusion in Q1 2027. Second, execute our Cellulose Specialties leadership strategy. That means stronger customer partnerships, growing CS volumes and capturing the value our products provide, supported by a production mix more heavily weighted towards CS and continued improvement in plant performance.

Third, build on the sequential progress and work towards positive free cash flow for 2026. Achieving that objective requires disciplined working capital management, capital spending and cost control and remains subject to tariff-related cash impacts and Temiscaming's carrying costs. And fourth, exit 2026 with momentum. The progress in HPC continues to build and give us a better foundation. We need to build on that progress while managing Temiscaming's impact and preserving financial flexibility as we enter 2027. With that, I'll turn it over to Marcus to walk through the quarter, our segment performance and balance sheet. I'll come back in Slide 15 to discuss work underway as we look towards 2027.

Marcus J. Moeltner

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CFO & Senior VP of Finance

Thank you, Dan. Turning to Slide 11. Third quarter net sales were $383 million, up 2% sequentially and 8% year-over-year. Loss from continuing operations was $229 million, including $221 million of non-cash impairments, primarily related to Temiscaming. Excluding non-cash impairments in both periods, loss from continuing operations was $8 million compared with $20 million in the second quarter. That represents a 60% sequential improvement.

Adjusted EBITDA increased to $52 million from $40 million in the second quarter, and $42 million in the prior year quarter. The sequential increase was $12 million or 30%. Third quarter adjusted EBITDA included $2 million of U.S. tariff-related costs on paperboard. Looking at the sequential bridge, High Purity Cellulose, or HPC, improved $16 million and Paperboard and High Yield Pulp improved $1 million. Those gains were partially offset by a $5 million increase in Corporate and Other costs.

Corporate and Other adjusted EBITDA was negative $12 million compared with negative $7 million in the second quarter. Legal fees and foreign exchange impacts were among the items affecting costs in the quarter. The HPC improvement was the principal driver of the increase in consolidated earnings. I'll cover the segment results and the fourth quarter operating considerations on the next 2 slides.

So turning to Slide 12. HPC net sales increased $12 million sequentially and $17 million year-over-year to $313 million. Adjusted EBITDA increased $16 million sequentially and $9 million year-over-year to $73 million. Adjusted EBITDA margins expanded to 23% from 19% in the second quarter and 22% in the prior year quarter. The sequential improvement reflects higher CS pricing and favorable product mix, along with increased total cellulose shipments. Total shipments increased 4% sequentially to 218,000 metric tons. Favorable shipment timing and energy credits also contributed to the quarter's performance.

The segment's results continue to include losses on commodity grades. Those losses offset part of the contribution from CS. As we work on product mix and operating costs, reducing the drag is an opportunity to improve HPC's overall profitability. Third quarter HPC results exceeded our expectations. We expect CS volumes to exit the year at or near a run rate of 100,000 metric tons per quarter, consistent with our previous expectations.

Full year CS volumes are expected to remain below prior year levels as certain customers continue to manage inventories and ordering patterns. We continue to expect second half CS volumes to improve compared with the first half. Our near-term focus is on commercial execution, plant performance and managing costs.

Paperboard and High Yield Pulp results are on Slide 13. Net sales were $70 million compared with $75 million in the second quarter and $57 million in the prior year quarter. Sequentially, lower high-yield pulp shipment volumes more than offset a modest increase in paperboard volumes. Adjusted EBITDA was negative $9 million compared with negative $10 million in the second quarter and negative $8 million in the prior year quarter. Third quarter results included $2 million of U.S. tariff costs on paperboard.

Before the idling, capacity rationalization had tightened the North American paperboard market conditions. We also made progress with TemCare, our high-yield pulp fluff product, which gained market acceptance and secured a number of global customers. Those results and commercial developments predate the October 3 economic idling. With production now idled, the fourth quarter will have a different operating profile. Our current estimate for ongoing site carrying costs is $2 million to $3 million per month, while production remains idle. We will continue to manage spending at the site as its options are evaluated.

Turning to Slide 14. We ended the quarter with total liquidity of $143 million. This consisted of $61 million of cash, $66 million of availability [Technical Difficulty] at 4.75x. Cash provided by operating activities was $29 million in the quarter, bringing the year-to-date total to $66 million. Year-to-date, net CapEx was $64 million, including $10 million of strategic. Year-to-date adjusted free cash flow was positive $2 million, a $10 million improvement from negative $8 million through the first half.

That improvement came while we continue to fund capital investment. For the balance of the year, working capital remains an important focus, along with operating costs and discretionary spending. We will continue to prioritize essential maintenance and reliability investments and manage capital spending

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carefully. The ongoing requirements at Temiscaming reinforce the need for that discipline. We are focused on cash generation and maintaining liquidity and financial flexibility as we enter 2027. With that, I'll hand the call back to Dan for our outlook.

Daniel M. Krawczyk
CEO, President & Director

Thanks, Marcus. Turning to Slide 15. I want to bring the discussion back to the work we are doing to strengthen RYAM as we look toward 2027. The earnings cadence on the left reflects the initial expectations we outlined for 2026 before the tariff-related idling at Temiscaming. Our second half expectations for HPC remain consistent with our previous outlook. Temiscaming's carrying costs are an additional pressure on the broader business and cash generation, and we are managing the business with that in mind.

Our customer discussions for 2027 and beyond are underway, and we began them earlier than in prior years. We are focused on growing CS volumes, capturing the value our products deliver and pursuing longer-term commitments where appropriate. These are also opportunities to better understand where our customers are going and how we can help them compete. Product performance, technical support and innovation are important parts of those discussions.

The relationships we build through that work can help us develop new applications and strengthen our position with customers over time. That commercial work needs to be supported by the way we operate. We are actively pursuing strategies to shift our production mix more heavily towards CS and reduce commodity losses within HPC. Continued work on reliability, productivity and cost performance can help us translate the strength of the CS franchise into better overall results. This will happen regardless and is not a conflict with the goals of the strategic review.

At the same time, cash generation and cost discipline will guide our decisions. As Marcus described, we will continue to manage working capital and capital spending carefully while addressing the carrying costs at Temiscaming and supporting safe and reliable operations. We also have opportunities to create additional long-term value from the scale and capabilities of our existing assets and infrastructure. We will continue to evaluate those opportunities with disciplined capital allocation and a focus on attractive returns.
I am highly confident in the value of this business and our ability to realize more of it for our shareholders. The strategic review remains a priority, and I am actively engaged in advancing it. We are targeting a conclusion of the strategic review in Q1 2027. Our mandate remains to maximize value for our shareholders. With that, operator, please open the call for questions.

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Question and Answer

Operator

[Operator Instructions]

Your first question is from the line of Daniel Harriman with Sidoti & Company.

Daniel Scott Harriman
Sidoti & Company, LLC

I'll start out with 2, and then I'll get back into the queue. Firstly, the strategy you've laid out this morning is built almost entirely around cellulose specialties. So I'm curious to know if you're really running a strategic review here?

Or have you already decided on the direction and now you're just executing it? And similarly, you've mentioned that Temiscaming is the main thing slowing the review down. Could you just kind of lay out for us what actually has to get resolved there before you can reach a conclusion?

Daniel M. Krawczyk
CEO, President & Director

Daniel, thanks for your question. I appreciate it. I'm sure it's on a lot of folks' mind. Let me start out with the question around the strategic review. I want to absolutely confirm the strategic review is active and the outcome has not been decided. A sale remains a key alternative that we're evaluating. If I look back at June, I was brought on for a singular mandate to maximize shareholder value. I'm entirely focused on this outcome, and I didn't come in with any preconceived notions regarding the share price or a particular outcome.

However, as I mentioned during the earnings call, I do believe strongly in the CS business, and the chance, and there's a very tangible way to unlock its value. It's important that interested parties recognize that inherent value and not take a conservative view at the expense of shareholder value because the situation is complex. My job is to help the parties understand the path and to continue to advance the company forward. The CS vision explains the value we see in the business and how more of it can be realized.

Those opportunities matter to a new potential owner just as much as they matter to RYAM today. We need to give the parties a clear understanding of that value while continuing to improve the performance of the business. Strengthening the business supports the review and is not indicative of that we've selected an outcome. We need to explain the current situation clearly so that the complexity does not obscure the company's underlying value or the path to realizing it. Hopefully, that answers your question there, Daniel.

If I understand your second question is just around the timing of the strategic review and how Temiscaming has played into that part.

Daniel Scott Harriman
Sidoti & Company, LLC

Yes, that's exactly right.

Daniel M. Krawczyk
CEO, President & Director

Yes. So the tariffs changed the economics at Temiscaming. The information the parties needed to evaluate for the business changed and the situation was very different than an operation that was fully running without the impact of tariffs. Following the October 3 idling, we had to address the ongoing costs and evaluate potential solutions and help interested parties understand the implications for RYAM. That work delayed the review.

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In short, when you look at it, we had to isolate the situation, we had to quantify it, and then we had to present a plan to interested parties on how they go forward and how they should be thinking about it. We believe this is in the best interest of shareholders to find a viable path forward for Temiscaming and getting interested parties comfortable with its implications is critical to maximizing value for the broader review. Reducing that uncertainty helps parties assess the full value of RYAM without that situation clouding it and the opportunities across the entire business.

The review is comprehensive. It covers the full range of strategic and financial alternatives as we chart a path forward. We are targeting a conclusion of the strategic review in Q1, and I am personally and directly involved with interested parties and engaged with them in answering their questions. Did that answer your question, Daniel?

Daniel Scott Harriman
Sidoti & Company, LLC

I really appreciate it. Yes, that's great.

Operator

Your next question is from the line of Matthew McKellar with RBC Capital Markets.

Matthew McKellar
RBC Capital Markets, Research Division

You're clearly highlighting the power of that mix shift between specialties and commodities today. Also talking about strategic alternatives to strengthen the CS franchise more quickly. 2 levers that would seem apparent to me would be more CS volumes. And clearly, that's been part of the strategy.

But is there anything incremental we should understand about your strategy into next year? And second, I guess, a reduction in the size of the overall system. So maybe there's something overlooking, but could you expand a bit on how you're thinking about the issue and the timeline to achieve the mix you're targeting?

Daniel M. Krawczyk
CEO, President & Director

Great question, and I appreciate it. Again, growth is really important, and we're actively working as we in advance of London Pulp Week to fill up our assets with the right mix of products that we need to improve the earnings profile of the corporation. Commodity is definitely masking the value of the CS franchise. But I want to be clear, not all CC or commodity business is a drag on our cellulose specialties. In fact, when you look at the size and scale of our assets, we're quite competitive in areas like fluff, while areas like viscose or paper pulp are really -- we're at a structural disadvantage.

So the key is to unlock that value of CS, and we have to address the imbalance, and that could be on a plant-by-plant basis. We're working to grow the CS volumes and allocate a greater share of available capacity to CS and improve our operating performance. We're prepared to move aggressively on our production, though, with our mix without sacrificing the value it commands in the market. So this is not a strategy of lowering price to fill up the assets or compromising the specialty value that we have, and we discussed earlier in the strategy today.

The asset footprint, and we need to put the right mix of products into the asset footprint to support its earnings model. We have not announced the strategic facility action, and I wouldn't speculate one at this point. However, as we discussed, as we're focusing intensely on CS, not all assets fit that strategy. So there are things that are not part of being a CS organization that we need to address as a company. So the objective here is to really deliver better earnings and better cash generation as we shift the mix. Does that answer your question, Matt?

Matthew McKellar
RBC Capital Markets, Research Division

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That is helpful. I appreciate that. And if I could follow up with 1. It sounds like you're talking too about some longer-term commitments with customers in CS and you started some of those negotiations a little bit earlier. Can you talk about why that's I mean, strategically attractive given that I think you have a lot of long-lived relationships already? Is this opportunity available to even only certain grades? Or how would you have us think about where this opportunity lies? And what kind of change do you expect to achieve regarding, call it, average contract tenure?

Daniel M. Krawczyk
CEO, President & Director

Good question as well. Again, CS is built on the performance that we deliver with our products. And when we look at it, our objective is really to balance pricing and volume and to maximize our sustainable value. This year, we tested. We tested how demand responds to pricing and the results suggest that a more measured approach may be appropriate in some markets, while our approach in other markets remains unchanged. These are customer-by-customer, market-by-market decisions that reflect the value of our products deliver and the strategic importance of those customer relationships.

When we think about longer-term agreements, that provides clarity for our customers, certainty of supply allows us to manage a lot of commodity inputs like energy and chemical usage more efficiently. And more importantly, it allows us to operate our plants more efficiently as we look at our production wheel and we look at how you manage grade changes because that is one of our key value propositions is the ability to change grades on a very large-scale process plant. And it will depend by market and by customer, whether those contracts make sense for us. So again, we're looking at a right balance, right mix. RYAM has always operated with that level of certainty in the past, and we're looking to continue to reinforce that as we head into London Pulp Week.

Does that answer your question, Matt?

Matthew McKellar
RBC Capital Markets, Research Division

Yes, very helpful.

Operator

Your next question comes from the line of Dmitry Silversteyn with Water Tower Research.

Dmitry Silversteyn
Water Tower Research LLC

I just wanted to ask a couple of follow-up questions, if I may. You've addressed some of this already, but just looking at Temiscaming, there was a strategic review happening with Temiscaming plant, potentially selling it and then the decision was made to idle the commodity capacity and that kind of threw that process to the side a little bit. And now you're having a closure of Temiscaming or economic closure, I should say, or idling. Does that issue need to be resolved before you can conclude the broader review? Are there interested parties for that plant specifically or other parties that maybe you may be talking to, are they discounting the entire sort of company because of that one idle site? How do you -- how do you manage your way through this issue of the Temiscaming plant?

Daniel M. Krawczyk
CEO, President & Director

Dmitry, yes, and I appreciate the question. It's a good question. And I'll start out and I'll answer it directly. No, Temiscaming does not need to be resolved in order to move forward with the strategic review. What Temiscaming needed was to be what I described earlier is isolated, quantified and the plan presented on how we're going to deal with it. Interested parties needed to understand Temiscaming's ongoing costs and available options and what those options mean for the rest of RYAM.

It's a complex situation. It doesn't necessarily need to be fully resolved before the broader review concludes, but we do need to quantify the implication for the parties to give them a clear understanding of

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the potential path forward. The tariff and idling changed those assumptions, and it was right in the middle of strategic review, so timing wasn't ideal. So that required additional work from our team, other advisers and parties and help us evaluating the business.

Providing that information is critical. And when we look at it, it's critical to shareholder value. The more interested parties understand it, the more our investors understand that we are working on a plan for Temiscaming and to really deliver that approach, the more we can create value for our shareholders. We wanted parties to assess that value and look at it through the eyes of the CS franchise and the strategy I laid out, and we didn't want Temiscaming clouding that.

We continue to work on the broader review, and that includes looking at all strategic options. So as you alluded, Temiscaming could be one of those options that's in the strategic review. We won't comment specifically on interested parties in that space. Although I will acknowledge that as you've heard in the news, we have had a management team raise their interest in a potential management buyout, which we acknowledge is out there. So hopefully, that answers your question. But the short answer is no, it doesn't need to be resolved, but it did take some time to really lay out what the alternatives were.

Dmitry Silversteyn
Water Tower Research LLC

Got it. Got it. And then if I can follow up on an earlier question about CS pricing. I think the comments -- your comments kind of -- maybe I misread them, but it sounds like you may be looking at specialty pricing going into 2027 that may be a little bit more, let's call it, flexible to win volume and secure longer-term commitments from customers. Is that sort of the right read? And how are you managing customer retention after the price increases you pushed through at the beginning of this year?

Daniel M. Krawczyk
CEO, President & Director

Great question. Again, I'll say it's customer-by-customer, market-by-market decision and really looking at what our -- what value our products bring to their end products and their current situation. You can look at our pricing chart in our materials that are disclosed. You can see the power that we have with being able to recognize the value of the CS. And in some cases, it suggests a more measured approach.

So balancing both volume and pricing is extremely important for us, but not at the expense of the value that our products bring to the market. So it's that, I'd say, ongoing discussion, and that's what makes it more nuanced than just selling commoditized products into the market at a -- and being a price taker. So while I would say it's -- we are bullish on 2027 in terms of being able to retain that, we're also realistic in recognizing that we need to balance both pricing and volume to deliver sustainable performance.

Dmitry Silversteyn
Water Tower Research LLC

Understood. If I can get a little bit more granular on the quarter and sort of the end of the year guidance. You mentioned there were some energy credits that you received in your High Purity Cellulose business, which helped with margins and EBITDA. Can you give us an idea of sort of how big those were and whether it's a one-time annual adjustment? Or how should we think about that going forward?

Marcus J. Moeltner
CFO & Senior VP of Finance

Dmitry, it's Marcus. Yes, those energy credits that we referenced on a year-to-date basis, think of a $4 million improvement if you look at energy credits. And those credits this quarter largely related to the bioethanol plant and that investment.

Dmitry Silversteyn
Water Tower Research LLC

Okay. The plant in Tartas or...

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Marcus J. Moeltner
CFO & Senior VP of Finance

Yes, the plant in Tartas, correct.

Dmitry Silversteyn
Water Tower Research LLC

Okay. Got it. Okay. And then just a sort of I don't know, a philosophical question or whatever. Have you seen any positive impact from the tariffs that were imposed on European and Brazilian dissolving pulp imports? Is that sort of helping you with either CS pricing or volume growth or commodity volume growth? It looks like commodity business stabilized here a little bit. So just wondering if you're seeing -- obviously, we've seen the negative impact of the 50% tariff on pulp and paperboard, but is there anything impacting your business positively from the tariffs and hopefully, the reduction in imports from Brazil and Europe?

Daniel M. Krawczyk
CEO, President & Director

No. I mean -- so what I would say about tariffs, maybe a quick update. So on October 8, we had a hearing on a final injury determination that occurred in front of a panel of commissioners of the USITC. The final decision is expected in the middle of November. However, immediately following the injury hearing on October 13, the Department of Commerce released its final antidumping countervailing duty rates, which were for Brazil, 9.37% and the antidumping was 6.4% and Norway, 6.51%.

Those are important numbers, and they reflect the fairness of a free market and a view regarding that. However, when I look at how we deal with our customers, it is really goes back to the value that our products create. The specialty value, the purity that we produce has an inherent value. And these are helpful in terms of getting the discussion going. But as you -- as we can see with even the elections, they come and go. And as we see, they are subject to the free trade zone, which is up for review this May. So while they're helpful, we are really relying in terms of the value that our products create, the purity that we deliver and the yield performance that it delivers. These are helpful for leveling the playing field around those products.

Operator

[Operator Instructions]

If there are no further questions at this time, then that brings us to the end of our Q&A. I will now turn the call back to Dan Krawczyk for closing remarks.

Daniel M. Krawczyk
CEO, President & Director

Thank you for your questions today and for joining us. We are encouraged by the progress of our HPC business and the opportunities to realize more of the value of the CS franchise. Our team is focused on improving the business, managing the situation at Temiscaming and working with interested parties to bring the strategic review to a conclusion. We appreciate your continued interest in RYAM and look forward to updating you on progress.

Operator
Thank you for attending today's call. You may now disconnect.

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