



# News Release

## International Paper Reports Second Quarter 2024 Results

MEMPHIS, Tenn. – July 24, 2024 – International Paper (NYSE: IP) today reported second quarter 2024 financial results.

### SECOND QUARTER 2024 HIGHLIGHTS

- **Second quarter net earnings of \$498 million (\$1.41 per diluted share); includes a tax benefit of \$338 million (\$0.96 per diluted share) related to internal legal entity restructuring**
- **Second quarter adjusted operating earnings (non-GAAP) of \$193 million (\$0.55 per diluted share)**
- **Second quarter cash provided by operations of \$365 million and returned \$160 million to shareholders in dividends**

"Reflecting on my first 90 days, I am confident in our teams' ability to unlock substantial value at IP," said Andy Silvernail, Chief Executive Officer. "While our second quarter financial results increased sequentially on better price and seasonally higher volumes, we expect near-term performance to be challenged. In order to accelerate improvement, we are deploying an 80/20 business process. We will make the changes needed to focus our portfolio, become excellent with our customers and optimize our cost to deliver profitable growth. In North America, our investments will center on providing customers with the most reliable and innovative packaging solutions. We also look forward to the combination with DS Smith and together creating significant value for our shareholders."

### Diluted Net EPS and Adjusted Operating EPS

	Second Quarter 2024	First Quarter 2024	Second Quarter 2023
Net Earnings (Loss) Per Share	\$ 1.41	\$ 0.16	\$ 0.68
Less – Discontinued Operations (Gain) Loss, Net of Taxes	—	—	(0.04)
Net Earnings (Loss) from Continuing Operations	1.41	0.16	0.64
Add Back – Non-Operating Pension Expense (Income)	(0.02)	(0.04)	0.03
Add Back – Net Special Items Expense (Income)	0.14	0.05	(0.02)
Income Taxes - Non-Operating Pension and Special Items	(0.98)	—	(0.06)
Adjusted Operating Earnings Per Share*	<u>\$ 0.55</u>	<u>\$ 0.17</u>	<u>\$ 0.59</u>

\* Adjusted operating earnings per share (non-GAAP) is defined as net earnings (loss) per share (GAAP) excluding per share impact of discontinued operations, net special items and non-operating pension expense (income). Diluted earnings (loss) per share is the most directly comparable GAAP measure. Management uses this measure to focus on on-going operations, and believes that such measure is useful to investors in assessing the operational performance of the Company and enabling investors to perform meaningful comparisons of past and present consolidated operating results from continuing operations. For discussion of discontinued operations, net special items and non-operating pension expense (income), see the disclosure under Effects of Net Special Items, Discontinued Operations, Net of Taxes and Consolidated Statement of Operations and related notes included later in this release. A reconciliation of net earnings (loss) to adjusted operating earnings and diluted earnings (loss) per share to adjusted operating earnings per share, and an explanation of why we believe these non-GAAP financial measures provide useful information to investors, are included later in this release.

## Select Financial Measures

(In millions)	Second Quarter 2024	First Quarter 2024	Second Quarter 2023
Net Sales	\$ 4,734	\$ 4,619	\$ 4,682
Net Earnings (Loss)	498	56	235
Adjusted Operating Earnings	193	61	204
Cash Provided By (Used For) Operations	365	395	528
Free Cash Flow**	167	144	261

\*\* Free cash flow is a non-GAAP financial measure, which equals cash provided by operations less cash invested in capital projects. The most directly comparable GAAP measure is cash provided by (used for) operations. A reconciliation of cash provided by (used for) operations to free cash flow and an explanation of why we believe this non-GAAP financial measure provides useful information to investors, are included later in this release.

### SEGMENT INFORMATION

The following table presents net sales and business segment operating profit (loss), which is the Company's measure of segment profitability. Business segment operating profit (loss) is a measure reported to our management for purposes of making decisions about allocating resources to our business segments and assessing the performance of our business segments and is presented in our financial statement footnotes in accordance with ASC 280 - "Segment Reporting". Second quarter 2024 net sales by business segment and operating profit (loss) by business segment compared with the first quarter of 2024 and the second quarter of 2023 are as follows:

#### Business Segment Results

(In millions)	Second Quarter 2024	First Quarter 2024	Second Quarter 2023
<b>Net Sales by Business Segment</b>			
Industrial Packaging	\$ 3,931	\$ 3,808	\$ 3,884
Global Cellulose Fibers	717	704	698
Corporate and Inter-segment Sales	86	107	100
<b>Net Sales</b>	<b>\$ 4,734</b>	<b>\$ 4,619</b>	<b>\$ 4,682</b>
<b>Business Segment Operating Profit (Loss)</b>			
Industrial Packaging	\$ 291	\$ 216	\$ 304
Global Cellulose Fibers	31	(47)	30

**Industrial Packaging** business segment operating profit (loss) in the second quarter of 2024 was \$291 million compared with \$216 million in the first quarter of 2024. In North America, business segment operating profit (loss) increased driven by higher sales prices for boxes, including benefits from our commercial strategies. Containerboard sales prices also increased. Sales volumes increased and include the impact of one additional shipping day in the second quarter of 2024. Planned outage costs were lower. Operating costs increased driven by spending to improve reliability partially offset by the non-repeat of the Ixtac, Mexico fire impact. Input costs were lower, as lower energy and other raw material costs were partially offset by higher recovered fiber costs. In EMEA Packaging, business segment operating profit (loss) was lower driven by seasonally lower volumes and higher planned outage costs.

**Global Cellulose Fibers** business segment operating profit (loss) in the second quarter of 2024 was \$31 million compared with \$(47) million in the first quarter of 2024. The improvement of business segment operating profit (loss) reflected higher average sales prices for both fluff and paper and tissue grade pulp, lower operating costs and lower planned outage costs. Input costs were stable as lower energy costs were offset by higher chemicals and wood costs.

### EFFECTS OF SPECIAL ITEMS

Net special items includes items considered by management to not be reflective of the Company's underlying operations. Net special items in the second quarter of 2024 amount to a net after-tax benefit of \$297 million (\$0.84 per diluted share) compared with a charge of \$14 million (\$0.04 per diluted share) in the first quarter of 2024 and a benefit of \$27 million (\$0.08 per diluted share) in the second quarter of 2023. Net special items in all periods include the following charges (benefits):

(In millions)	Second Quarter 2024		First Quarter 2024		Second Quarter 2023	
	Before Tax	After Tax	Before Tax	After Tax	Before Tax	After Tax
Restructuring and other charges, net:						
Severance and other costs	\$ —	\$ —	\$ 3	\$ 2 (e)	\$ —	\$ —
<b>Total restructuring and other charges, net</b>	<b>—</b>	<b>—</b>	<b>3</b>	<b>2</b>	<b>—</b>	<b>—</b>
Environmental remediation adjustment	25	19 (a)	—	—	—	—
DS Smith combination costs	17	17 (b)	5	4 (b)	—	—
Strategic advisory fees	12	9 (b)	—	—	—	—
Legal reserve adjustments	—	—	10	7 (f)	—	—
Closure costs	—	—	5	4 (e)	—	—
Net (gain) loss on miscellaneous land sales	(5)	(4) (c)	5	4 (c)	—	—
Interest related to settlement of tax audits	—	—	(10)	(7) (g)	(6)	(4) (g)
Tax benefit related to internal legal entity restructuring	—	(338) (d)	—	—	—	—
Tax benefit related to settlement of tax audits	—	—	—	—	—	(23) (h)
<b>Total special items, net</b>	<b>\$ 49</b>	<b>\$ (297)</b>	<b>\$ 18</b>	<b>\$ 14</b>	<b>\$ (6)</b>	<b>\$ (27)</b>

- (a) Environmental remediation adjustment associated with the remediation work at a waste pit site at a mill acquired but never operated by the Company and last utilized by the predecessor owner of the mill.
- (b) Transaction related costs not reflective of the Company's underlying operations.
- (c) (Gains) losses recognized in connection with miscellaneous land sales that the Company does not believe is reflective of the Company's underlying operations.
- (d) Tax benefit resulting from internal legal entity restructuring completed during the three months ended June 30, 2024.
- (e) Severance and closure costs associated with the Company's previously disclosed permanent closure of our containerboard mill in Orange, Texas and the permanent shutdown of pulp machines at our Riegelwood, North Carolina and Pensacola, Florida mills.
- (f) Legal reserve adjustment associated with a previously discontinued business.
- (g) Interest income on tax overpayments in prior years associated with the settlement of certain tax audits.
- (h) Tax benefit resulting from tax overpayments in prior years associated with the settlement of certain tax audits.

## EARNINGS WEBCAST

The company will host a webcast today to discuss earnings and current market conditions, beginning at 10 a.m. ET (9 a.m. CT). All interested parties are invited to listen to the webcast via the company's website by clicking on the Investors tab and going to the Events & Presentations page at <https://www.internationalpaper.com/investors/events-presentations>. A replay of the webcast will also be on the website beginning approximately two hours after the call.

Parties who wish to participate in the webcast via teleconference may dial +1 (409) 207-6984 or, within the U.S. only, (877) 336-4440, and ask to be connected to the International Paper second quarter earnings call. The conference ID number is 1187213. Participants should call in no later than 9:45 a.m. ET (8:45 a.m. CT). An audio-only replay will be available for ninety days following the call. To access the replay, dial +1 (402) 970-0847 or, within the U.S. only, (866) 207-1041 and when prompted for the conference ID, enter 3237041.

## About International Paper

International Paper (NYSE: IP) is a global producer of sustainable packaging, pulp and other fiber-based products, and one of the world's largest recyclers. Headquartered in Memphis, Tenn., we employ approximately 39,000 colleagues globally who are committed to creating what's next. We serve customers worldwide, with manufacturing operations in North America, Europe Latin America and North Africa. Net sales for 2023 were \$18.9 billion.

Visit <https://www.internationalpaper.com/investors> for more information regarding International Paper, including a slide presentation regarding the second quarter 2024. We use this website as a primary channel for disclosing key information to our investors, some of which may contain material and previously non-public information.

## Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this press release that are not historical in nature may be considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements can be identified by the use of forward-looking or conditional words such as "expects," "anticipates," "believes," "estimates," "could," "should," "can," "forecast," "intend," "look," "may," "will," "remain," "confident," "commit" and "plan" or similar expressions. These

statements are not guarantees of future performance and reflect management's current views and speak only as to the dates the statements are made and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these statements. All statements, other than statements of historical fact, are forward-looking statements, including, but not limited to, statements regarding anticipated financial results, economic conditions, industry trends, future prospects and the execution and consummation of corporate transactions or contemplated acquisitions, including our proposed business combination with DS Smith Plc. Factors which could cause actual results to differ include but are not limited to: (i) our ability to consummate and achieve the benefits expected from, and other risks associated with, acquisitions, joint ventures, divestitures, spinoffs, capital investments and other corporate transactions, including, but not limited to, our proposed business combination with DS Smith Plc and our ability to integrate and implement our plans, forecasts, and other expectations with respect to the combined company; (ii) uncertainty as to whether or when the business combination may be completed, if at all; (iii) risks with respect to climate change and global, regional, and local weather conditions, as well as risks related to our targets and goals with respect to climate change and the emission of greenhouse gases (GHG) and other environmental, social and governance matters, including our ability to meet such targets and goals; (iv) loss contingencies and pending, threatened or future litigation, including with respect to environmental related matters; (v) the level of our indebtedness, risks associated with our variable rate debt, and changes in interest rates (including the impact of current elevated interest rate levels); (vi) the impact of global and domestic economic conditions and industry conditions, including with respect to current negative macroeconomic conditions, inflationary pressures and changes in the cost or availability of raw materials, energy sources and transportation sources, supply chain shortages and disruptions, competition we face, cyclicality and changes in consumer preferences, demand and pricing for our products, and conditions impacting the credit, capital and financial markets; (vii) risks arising from conducting business internationally, domestic and global geopolitical conditions, military conflict (including the Russia/Ukraine conflict, the conflict in the Middle East, the possible expansion of such conflicts, and the potential geopolitical and economic consequences associated therewith), changes in currency exchange rates, trade protectionist policies, downgrades in our credit ratings, and/or the credit ratings of banks issuing certain letters of credit, issued by recognized credit rating organizations; (viii) the amount of our future pension funding obligations, and pension and healthcare costs; (ix) the costs of compliance, or the failure to comply with, existing and new environmental (including with respect to climate change and GHG emissions), tax, labor and employment, privacy, anti-bribery and anti-corruption, and other U.S. and non-U.S. governmental laws and regulations; (x) any material disruption at any of our manufacturing facilities or other adverse impact on our operations due to severe weather, natural disasters, climate change or other causes; (xi) our ability to realize expected benefits and cost savings associated with restructuring initiatives; (xii) cybersecurity and information technology risks, including as a result of security breaches and cybersecurity incidents; (xiii) our exposure to claims under our agreements with Sylvamo Corporation; (xiv) our failure to realize the anticipated benefits of the spin-off of Sylvamo Corporation and the qualification of such spin-off as a tax-free transaction for U.S. federal income tax purposes; and (xv) our ability to attract and retain qualified personnel. These and other factors that could cause or contribute to actual results differing materially from such forward-looking statements can be found in our press releases and reports filed with the U.S. Securities and Exchange Commission. In addition, other risks and uncertainties not presently known to the Company or that we currently believe to be immaterial could affect the accuracy of any forward-looking statements. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Additional Information**

This release may be deemed to be solicitation material in respect of the proposed business combination with DS Smith Plc (the "Business Combination"), including the issuance of new shares of International Paper common stock ("Common Stock") in connection with the Business Combination (the "Share Issuance"). In connection with the proposed Share Issuance, International Paper expects to file a proxy statement on Schedule 14A, including any amendments and supplements thereto (the "Proxy Statement") with the United States Securities and Exchange Commission (the "SEC") in later summer/early autumn. To the extent International Paper effects the Business Combination as a scheme of arrangement under the laws of the United Kingdom, the Share Issuance would not be expected to require registration under the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), pursuant to an exemption provided by Section 3(a)(10) under the Securities Act. In the event that International Paper determines to conduct the Business Combination pursuant to an offer or otherwise in a manner that is not exempt from the registration requirements of the Securities Act, it will file a registration statement with the SEC containing a prospectus with respect to the Share Issuance. INVESTORS AND STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT, THE SCHEME DOCUMENT, AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT (IF ANY) CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT INTERNATIONAL PAPER, THE BUSINESS COMBINATION AND RELATED MATTERS. Investors and stockholders will be able to obtain free copies of the Proxy Statement, the scheme document, and other documents filed by International Paper with the SEC at the SEC's website at <http://www.sec.gov>. In addition, investors and stockholders will be able to obtain free copies of the Proxy Statement, the scheme document, and other documents filed by International Paper with the SEC at <https://www.internationalpaper.com/investors>.

### **Participants in the Solicitation**

International Paper and its directors, officers and employees, including Mark S. Sutton, chairman of the Board, Andrew K. Silvernail, also chief executive officer, Jamie A. Beggs, Christopher M. Connor, Ahmet C. Dorduncu, Anders Gustafsson, Jacqueline C. Hinman, Clinton A. Lewis, Jr., Kathryn D. Sullivan, Scott A. Tozier and Anton V. Vincent, all of whom are members of International Paper's board of directors as well as Timothy S. Nicholls, Senior Vice President and Chief Financial Officer, may be deemed participants in the solicitation of proxies from International Paper's stockholders in respect of the Business Combination, including the proposed Share Issuance. Information regarding International Paper's directors and executive officers is contained in (i) the "Directors, Executive Officers and Corporate Governance," "Executive Compensation" and "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" sections of the

Annual Report on Form 10-K for the fiscal year ended December 31, 2023 of International Paper, which was filed with the SEC on February 16, 2024; (ii) the “Item 1 – Election of 9 Directors,” “Compensation Discussion & Analysis (CD&A),” and “Security Ownership of Management” sections in the definitive proxy statement for the 2024 on Schedule 14A annual meeting of stockholders of International Paper, which was filed with the SEC on April 2, 2024; and (iii) our Current Reports on Form 8-K filed with the SEC on March 19, 2024 and May 23, 2024. Additional information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the Proxy Statement relating to the Business Combination when it is filed with the SEC. These documents may be obtained free of charge from the SEC’s website at [www.sec.gov](http://www.sec.gov) and the Company’s website at <https://www.internationalpaper.com/investors>.

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**INTERNATIONAL PAPER COMPANY**  
**Consolidated Statement of Operations**  
Preliminary and Unaudited  
(In millions, except per share amounts)

	Three Months Ended June 30,		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
<b>Net Sales</b>	<b>\$ 4,734</b>	<b>\$ 4,682</b>	<b>\$ 4,619</b>		<b>\$ 9,353</b>	<b>\$ 9,702</b>
<b>Costs and Expenses</b>						
Cost of products sold	3,360 (a)	3,360	3,424 (a)		6,784 (a)	7,002
Selling and administrative expenses	453 (b)	336	358 (b)		811 (b)	717
Depreciation and amortization	261	244	278 (c)		539 (c)	485
Distribution expenses	379	376	391		770	798
Taxes other than payroll and income taxes	35	40	41		76	76
Restructuring and other charges, net	—	—	3 (d)		3 (d)	—
Net (gains) losses on sales of fixed assets	(5) (e)	—	5 (e)		— (e)	—
Interest expense, net	55	59 (h)	46 (f)		101 (f)	121 (h)
Non-operating pension expense (income)	(10)	12	(12)		(22)	27
<b>Earnings (Loss) From Continuing Operations Before Income Taxes and Equity Earnings (Loss)</b>	<b>206</b>	<b>255</b>	<b>85</b>		<b>291</b>	<b>476</b>
Income tax provision (benefit)	(293) (g)	33 (i)	27		(266) (g)	81 (i)
Equity earnings (loss), net of taxes	(1)	—	(2)		(3)	(1)
<b>Earnings (Loss) From Continuing Operations</b>	<b>498</b>	<b>222</b>	<b>56</b>		<b>554</b>	<b>394</b>
Discontinued operations, net of taxes	—	13 (j)	—		—	13 (j)
<b>Net Earnings (Loss)</b>	<b>\$ 498</b>	<b>\$ 235</b>	<b>\$ 56</b>		<b>\$ 554</b>	<b>\$ 407</b>
<b>Basic Earnings Per Common Share</b>						
Earnings (loss) from continuing operations	\$ 1.43	\$ 0.64	\$ 0.16		\$ 1.59	\$ 1.13
Discontinued operations, net of taxes	—	0.04	—		—	0.04
Net earnings (loss)	\$ 1.43	\$ 0.68	\$ 0.16		\$ 1.59	\$ 1.17
<b>Diluted Earnings Per Common Share</b>						
Earnings (loss) from continuing operations	\$ 1.41	\$ 0.64	\$ 0.16		\$ 1.57	\$ 1.12
Discontinued operations, net of taxes	—	0.04	—		—	0.04
Net earnings (loss)	\$ 1.41	\$ 0.68	\$ 0.16		\$ 1.57	\$ 1.16
<b>Average Shares of Common Stock Outstanding - Diluted</b>	<b>352.8</b>	<b>346.5</b>	<b>348.5</b>		<b>352.7</b>	<b>349.5</b>

The accompanying notes are an integral part of this Consolidated Statement of Operations.

- (a) Includes a pre-tax charge of \$25 million (\$19 million after taxes) for the three months and six months ended June 30, 2024 for environmental remediation adjustments and a pre-tax charge of \$10 million (\$7 million after taxes) for the three months ended March 31, 2024 and the six months ended June 30, 2024 for a litigation reserve.
- (b) Includes pre-tax charges of \$17 million (before and after taxes), \$5 million (\$4 million after taxes) and \$22 million (\$21 million after taxes) for the three months ended June 30, 2024 and March 31, 2024 and the six months ended June 30, 2024, respectively, for costs associated with our announced agreement of an all-share combination with DS Smith Plc and a pre-tax charge of \$12 million (\$9 million after taxes) for the three months and six months ended June 30, 2024 for strategic advisory fees.
- (c) Includes a pre-tax charge of \$5 million (\$4 million after taxes) for the three months ended March 31, 2024 and the six months ended June 30, 2024 for closure costs associated with the permanent closure of our containerboard mill in Orange, Texas and the permanent shutdown of pulp machines at our Riegelwood, North Carolina and Pensacola, Florida mills.
- (d) Includes a pre-tax charge of \$3 million (\$2 million after taxes) for the three months ended March 31, 2024 and the six months ended June 30, 2024 for costs associated with the permanent closure of our containerboard mill in Orange, Texas and the permanent shutdown of pulp machines at our Riegelwood, North Carolina and Pensacola, Florida mills.
- (e) Includes a pre-tax net gain of \$5 million (\$4 million after taxes) and a pre-tax net loss of \$5 million (\$4 million after taxes) for the three months ended June 30, 2024 and March 31, 2024, respectively, related to miscellaneous land sales.
- (f) Includes pre-tax income of \$10 million (\$7 million after taxes) for the three months ended March 31, 2024 and the six months ended June 30, 2024 for interest income associated with the settlement of tax audits.
- (g) Includes a tax benefit of \$338 million for the three months and six months ended June 30, 2024 related to internal legal entity restructuring.

- (h) Includes pre-tax income of \$6 million (\$4 million after taxes) for the three months and six months ended June 30, 2023 for interest income associated with the settlement of tax audits and a pre-tax charge of \$3 million (\$2 million after taxes) for the six months ended June 30, 2023 related to the previously announced settlement of the timber monetization restructuring tax matter.
- (i) Includes a tax benefit of \$23 million for the three months and six months ended June 30, 2023 related to the settlement of tax audits.
- (j) Includes charges of \$33 million (before and after taxes) and \$76 million (before and after taxes) for the three months and the six months ended June 30, 2023, respectively, for the impairment of our equity method investment in the Ilim joint venture.

**INTERNATIONAL PAPER COMPANY**  
**Reconciliation of Net Earnings (Loss) to Adjusted Operating Earnings**  
Preliminary and Unaudited  
(In millions, except per share amounts)

	Three Months Ended June 30,		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
<b>Net Earnings (Loss)</b>	\$ 498	\$ 235	\$ 56	\$ —	\$ 554	\$ 407
Less: Discontinued operations, net of taxes (gain) loss	—	(13)	—	—	—	(13)
<b>Earnings (Loss) from Continuing Operations</b>	<b>498</b>	<b>222</b>	<b>56</b>	<b>—</b>	<b>554</b>	<b>394</b>
Add back: Non-operating pension expense (income)	(10)	12	(12)	—	(22)	27
Add back: Net special items expense (income)	49	(6)	18	—	67	(3)
Income taxes - Non-operating pension and special items	(344)	(24)	(1)	—	(345)	(29)
<b>Adjusted Operating Earnings</b>	<b>\$ 193</b>	<b>\$ 204</b>	<b>\$ 61</b>	<b>\$ —</b>	<b>\$ 254</b>	<b>\$ 389</b>

	Three Months Ended June 30,		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
<b>Diluted Earnings per Common Share as Reported</b>	\$ 1.41	\$ 0.68	\$ 0.16	\$ —	\$ 1.57	\$ 1.16
Less: Discontinued operations, net of taxes (gain) loss	—	(0.04)	—	—	—	(0.04)
<b>Continuing Operations</b>	<b>1.41</b>	<b>0.64</b>	<b>0.16</b>	<b>—</b>	<b>1.57</b>	<b>1.12</b>
Add back: Non-operating pension expense (income)	(0.02)	0.03	(0.04)	—	(0.06)	0.08
Add back: Net special items expense (income)	0.14	(0.02)	0.05	—	0.19	(0.01)
Income taxes per share - Non-operating pension and special items	(0.98)	(0.06)	—	—	(0.98)	(0.08)
<b>Adjusted Operating Earnings per Share</b>	<b>\$ 0.55</b>	<b>\$ 0.59</b>	<b>\$ 0.17</b>	<b>\$ —</b>	<b>\$ 0.72</b>	<b>\$ 1.11</b>

**Notes:**

Adjusted Operating Earnings and Adjusted Operating Earnings Per Share are non-GAAP measures defined as net earnings (loss) (a GAAP measure) excluding discontinued operations, net special items and non-operating pension expense (income). Net earnings (loss) and Diluted earnings (loss) per share are the most directly comparable GAAP measures. The Company calculates Adjusted Operating Earnings (non-GAAP) by excluding the after-tax effect of discontinued operations, non-operating pension expense (income) and net special items, as described in greater detail above, from the net earnings (loss) reported under U.S. GAAP. Adjusted Operating Earnings Per Share is calculated by dividing Adjusted Operating Earnings by the diluted average shares of common stock outstanding. Management uses these non-GAAP measures to focus on on-going operations, and believes that such non-GAAP measures are useful to investors in assessing the operational performance of the Company and enabling investors to perform meaningful comparisons of past and present consolidated operating results from continuing operations. The Company believes that using these non-GAAP measures, along with the most directly comparable GAAP measures, provides for a more complete analysis of the Company's results of operations.

Non-operating pension expense (income) represents amortization of prior service cost, amortization of actuarial gains/losses, expected return on assets and interest cost. The Company excludes these amounts from Adjusted Operating Earnings as the Company does not believe these items reflect ongoing operations. These particular pension cost elements are not directly attributable to current employee service. The Company includes service cost in our Non-GAAP measure as it is directly attributable to employee service, and the corresponding employees' compensation elements, in connection with ongoing operations.

Since diluted earnings per share are computed independently for each period, six-month per share amounts may not equal the sum of respective quarters.



**INTERNATIONAL PAPER COMPANY**  
**Consolidated Balance Sheet**  
Preliminary and Unaudited  
(In millions)

	June 30, 2024	December 31, 2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Temporary Investments	\$ 1,049	\$ 1,113
Accounts and Notes Receivable, Net	3,197	3,059
Contract Assets	436	433
Inventories	1,728	1,889
Other	147	114
Total Current Assets	6,557	6,608
Plants, Properties and Equipment, Net	9,953	10,150
Investments	163	163
Long-Term Financial Assets of Variable Interest Entities	2,321	2,312
Goodwill	3,040	3,041
Overfunded Pension Plan Assets	171	118
Right of Use Assets	439	448
Deferred Charges and Other Assets	419	421
<b>Total Assets</b>	<b>\$ 23,063</b>	<b>\$ 23,261</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Notes Payable and Current Maturities of Long-Term Debt	\$ 259	\$ 138
Accounts Payable and Other Current Liabilities	3,855	3,821
Total Current Liabilities	4,114	3,959
Long-Term Debt	5,329	5,455
Long-Term Nonrecourse Financial Liabilities of Variable Interest Entities	2,117	2,113
Deferred Income Taxes	1,131	1,552
Underfunded Pension Benefit Obligation	249	280
Postretirement and Postemployment Benefit Obligation	130	140
Long-Term Lease Obligations	299	312
Other Liabilities	1,099	1,095
<b>Equity</b>		
Common Stock	449	449
Paid-in Capital	4,688	4,730
Retained Earnings	9,719	9,491
Accumulated Other Comprehensive Loss	(1,580)	(1,565)
	13,276	13,105
Less: Common Stock Held in Treasury, at Cost	4,681	4,750
Total Equity	8,595	8,355
<b>Total Liabilities and Equity</b>	<b>\$ 23,063</b>	<b>\$ 23,261</b>

**INTERNATIONAL PAPER COMPANY**  
**Consolidated Statement of Cash Flows**  
Preliminary and Unaudited  
(In millions)

	Six Months Ended June 30,	
	2024	2023
<b>Operating Activities</b>		
Net earnings (loss)	\$ 554	\$ 407
Depreciation and amortization	539	485
Deferred income tax expense (benefit), net	(427)	(13)
Restructuring and other charges, net	3	—
Net (gains) losses on sales and impairments of equity method investments	—	76
Equity method dividends received	—	13
Equity (earnings) losses, net of taxes	3	(88)
Periodic pension (income) expense, net	(1)	47
Other, net	77	34
Changes in current assets and liabilities		
Accounts and notes receivable	(161)	160
Contract assets	(3)	(9)
Inventories	112	87
Accounts payable and accrued liabilities	90	(280)
Interest payable	4	(23)
Other	(30)	(23)
<b>Cash Provided By (Used For) Operating Activities</b>	<b>760</b>	<b>873</b>
<b>Investment Activities</b>		
Invested in capital projects	(449)	(608)
Proceeds from sale of fixed assets	4	3
Other	(1)	2
<b>Cash Provided By (Used For) Investment Activities</b>	<b>(446)</b>	<b>(603)</b>
<b>Financing Activities</b>		
Repurchases of common stock and payments of restricted stock tax withholding	(22)	(218)
Issuance of debt	—	772
Reduction of debt	(8)	(536)
Change in book overdrafts	(14)	(33)
Dividends paid	(321)	(322)
Other	—	(1)
<b>Cash Provided By (Used for) Financing Activities</b>	<b>(365)</b>	<b>(338)</b>
<b>Effect of Exchange Rate Changes on Cash and Temporary Investments</b>	<b>(13)</b>	<b>10</b>
<b>Change in Cash and Temporary Investments</b>	<b>(64)</b>	<b>(58)</b>
<b>Cash and Temporary Investments</b>		
Beginning of the period	1,113	804
End of the period	<u>\$ 1,049</u>	<u>\$ 746</u>

**INTERNATIONAL PAPER COMPANY**  
**Reconciliation of Cash Provided by Operations to Free Cash Flow**  
Preliminary and Unaudited  
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Cash Provided By (Used For) Operating Activities</b>	\$ 365	\$ 528	\$ 760	\$ 873
Adjustments:				
Cash invested in capital projects	(198)	(267)	(449)	(608)
<b>Free Cash Flow</b>	<u>\$ 167</u>	<u>\$ 261</u>	<u>\$ 311</u>	<u>\$ 265</u>

Free cash flow is a non-GAAP measure which equals cash provided by (used for) operating activities less cash invested in capital projects, and the most directly comparable GAAP measure is cash provided by operations. Management utilizes this measure in connection with managing our business and 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, pay dividends, repurchase stock, service debt and make investments for future growth. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures.

The non-GAAP financial measures presented in this release have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our results calculated in accordance with GAAP. In addition, because not all companies use identical calculations, the Company's presentation of non-GAAP measures in this release may not be comparable to similarly titled measures disclosed by other companies, including companies in the same industry as International Paper.

Management believes non-GAAP financial measures, when used in conjunction with information presented in accordance with GAAP, can facilitate a better understanding of the impact of various factors and trends on the Company's financial results. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. Investors are cautioned to not place undue reliance on any non-GAAP financial measures used in this release.



**International  
Paper**

## Second Quarter 2024 Earnings

July 24, 2024

## Forward-Looking Statements

Certain statements in this presentation that are not historical in nature may be considered “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements can be identified by the use of forward-looking or conditional words such as “expects,” “anticipates,” “believes,” “estimates,” “could,” “should,” “can,” “forecast,” “intend,” “look,” “may,” “will,” “remain,” “confident,” “commit” and “plan” or similar expressions. These statements are not guarantees of future performance and reflect management’s current views and speak only as to the dates the statements are made and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these statements. All statements, other than statements of historical fact, are forward-looking statements, including, but not limited to, statements regarding anticipated financial results, economic conditions, industry trends, future prospects, and the execution and consummation of corporate transactions or contemplated acquisitions, including our proposed business combination with DS Smith Plc. Factors which could cause actual results to differ include but are not limited to: (i) our ability to consummate and achieve the benefits expected from, and other risks associated with, acquisitions, joint ventures, divestitures, spinoffs, capital investments and other corporate transactions, including, but not limited to, our proposed business combination with DS Smith Plc and our ability to integrate and implement our plans, forecasts, and other expectations with respect to the combined company (ii) uncertainties as to whether or when the business combination may be completed, if at all; (iii) risks with respect to climate change and global, regional, and local weather conditions, as well as risks related to our targets and goals with respect to climate change and the emission of greenhouse gases and other environmental, social and governance matters, including our ability to meet such targets and goals; (iv) loss contingencies and pending, threatened or future litigation, including with respect to environmental related matters; (v) the level of our indebtedness, risks associated with our variable rate debt, and changes in interest rates (including the impact of current elevated interest rate levels); (vi) the impact of global and domestic economic conditions and industry conditions, including with respect to current negative macroeconomic conditions, inflationary pressures and changes in the cost or availability of raw materials, energy sources and transportation sources, supply chain shortages and disruptions, competition we face, cyclical and changes in consumer preferences, demand and pricing for our products, and conditions impacting the credit, capital and financial markets; (vii) risks arising from conducting business internationally, domestic and global geopolitical conditions, military conflict (including the Russia/Ukraine conflict, the conflict in the Middle East, the possible expansion of such conflicts, and the potential geopolitical and economic consequences associated therewith), changes in currency exchange rates, trade protectionist policies, downgrades in our credit ratings, and/or the credit ratings of banks issuing certain letters of credit, issued by recognized credit rating organizations; (viii) the amount of our future pension funding obligations, and pension and healthcare costs; (ix) the costs of compliance, or the failure to comply with, existing and new environmental (including with respect to climate change and GHG emissions), tax, labor and employment, privacy, anti-bribery and anti-corruption, and other U.S. and non-U.S. governmental laws and regulations; (x) any material disruption at any of our manufacturing facilities or other adverse impact on our operations due to severe weather, natural disasters, climate change or other causes; (xi) our ability to realize expected benefits and cost savings associated with restructuring initiatives; (xii) cybersecurity and information technology risks, including as a result of security breaches and cybersecurity incidents; (xiii) our exposure to claims under our agreements with Sylvamo Corporation; (xiv) our failure to realize the anticipated benefits of the spin-off of Sylvamo Corporation and the qualification of such spin-off as a tax-free transaction for U.S. federal income tax purposes; and (xv) our ability to attract and retain qualified personnel. These and other factors that could cause or contribute to actual results differing materially from such forward-looking statements can be found in our press releases and reports filed with the U.S. Securities and Exchange Commission. In addition, other risks and uncertainties not presently known to the Company or that we currently believe to be immaterial could affect the accuracy of any forward-looking statements. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## Statements Relating to Non-U.S. GAAP Measures

While the Company reports its financial results in accordance with accounting principles generally accepted in the United States (“GAAP”), during the course of this presentation, certain non-GAAP financial measures are presented. Management believes non-GAAP financial measures, when used in conjunction with information presented in accordance with GAAP, can facilitate a better understanding of the impact of various factors and trends on the Company’s financial condition and results of operations. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company’s performance. The non-GAAP financial measures in this presentation have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our results calculated in accordance with GAAP. In addition, because not all companies use identical calculations, our presentation of non-GAAP financial measures in this presentation may not be comparable to similarly titled measures disclosed by other companies, including companies in our industry. A reconciliation of all presented non-GAAP measures (and their components) to GAAP financial measures is available on IP’s website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

## Discontinued Operations

As previously announced, the Company sold its interest in the Ilim joint venture on September 18, 2023. Current and historical results have been adjusted to reflect Ilim as a discontinued operation. All financial information and statistical measures regarding our prior 50/50 ownership in the Ilim joint venture in Russia (“Ilim”), other than historical International Paper Equity Earnings and dividends received by International Paper, have been prepared by the management of Ilim.

## Additional Information

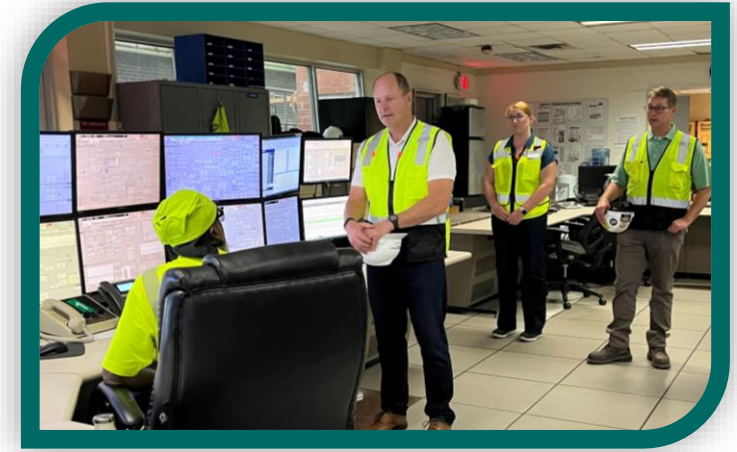
This release may be deemed to be solicitation material in respect of the proposed business combination with DS Smith Plc (the "Business Combination"), including the issuance of new shares of International Paper common stock ("Common Stock") in connection with the Business Combination (the "Share Issuance"). In connection with the proposed Share Issuance, International Paper expects to file a proxy statement on Schedule 14A, including any amendments and supplements thereto (the "Proxy Statement") with the United States Securities and Exchange Commission (the "SEC") in later summer/early autumn. To the extent International Paper effects the Business Combination as a scheme of arrangement under the laws of the United Kingdom, the Share Issuance would not be expected to require registration under the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), pursuant to an exemption provided by Section 3(a)(10) under the Securities Act. In the event that International Paper determines to conduct the Business Combination pursuant to an offer or otherwise in a manner that is not exempt from the registration requirements of the Securities Act, it will file a registration statement with the SEC containing a prospectus with respect to the Share Issuance. INVESTORS AND STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT, THE SCHEME DOCUMENT, AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT (IF ANY) CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT INTERNATIONAL PAPER, THE BUSINESS COMBINATION AND RELATED MATTERS. Investors and stockholders will be able to obtain free copies of the Proxy Statement, the scheme document, and other documents filed by International Paper with the SEC at the SEC's website at <http://www.sec.gov>. In addition, investors and stockholders will be able to obtain free copies of the Proxy Statement, the scheme document, and other documents filed by International Paper with the SEC at <https://www.internationalpaper.com/investors>.

## Participants in the Solicitation

International Paper and its directors, officers and employees, including Mark S. Sutton, chairman of the Board, Andrew K. Silvernail, also chief executive officer, Jamie A. Beggs, Christopher M. Connor, Ahmet C. Dorduncu, Anders Gustafsson, Jacqueline C. Hinman, Clinton A. Lewis, Jr., Kathryn D. Sullivan, Scott A. Tozier and Anton V. Vincent, all of whom are members of International Paper's board of directors as well as Timothy S. Nicholls, Senior Vice President and Chief Financial Officer, may be deemed participants in the solicitation of proxies from International Paper's stockholders in respect of the Business Combination, including the proposed Share Issuance. Information regarding International Paper's directors and executive officers is contained in (i) the "Directors, Executive Officers and Corporate Governance," "Executive Compensation" and "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" sections of the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 of International Paper, which was filed with the SEC on February 16, 2024; (ii) the "Item 1 - Election of 9 Directors," "Compensation Discussion & Analysis (CD&A)," and "Security Ownership of Management" sections in the definitive proxy statement for the 2024 on Schedule 14A annual meeting of stockholders of International Paper, which was filed with the SEC on April 2, 2024; and (iii) our Current Reports on Form 8-K filed with the SEC on March 19, 2024 and May 23, 2024. Additional information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the Proxy Statement relating to the Business Combination when it is filed with the SEC. These documents may be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov) and the Company's website at <https://www.internationalpaper.com/investors>.

# Andy Silvernail | First 90 Days

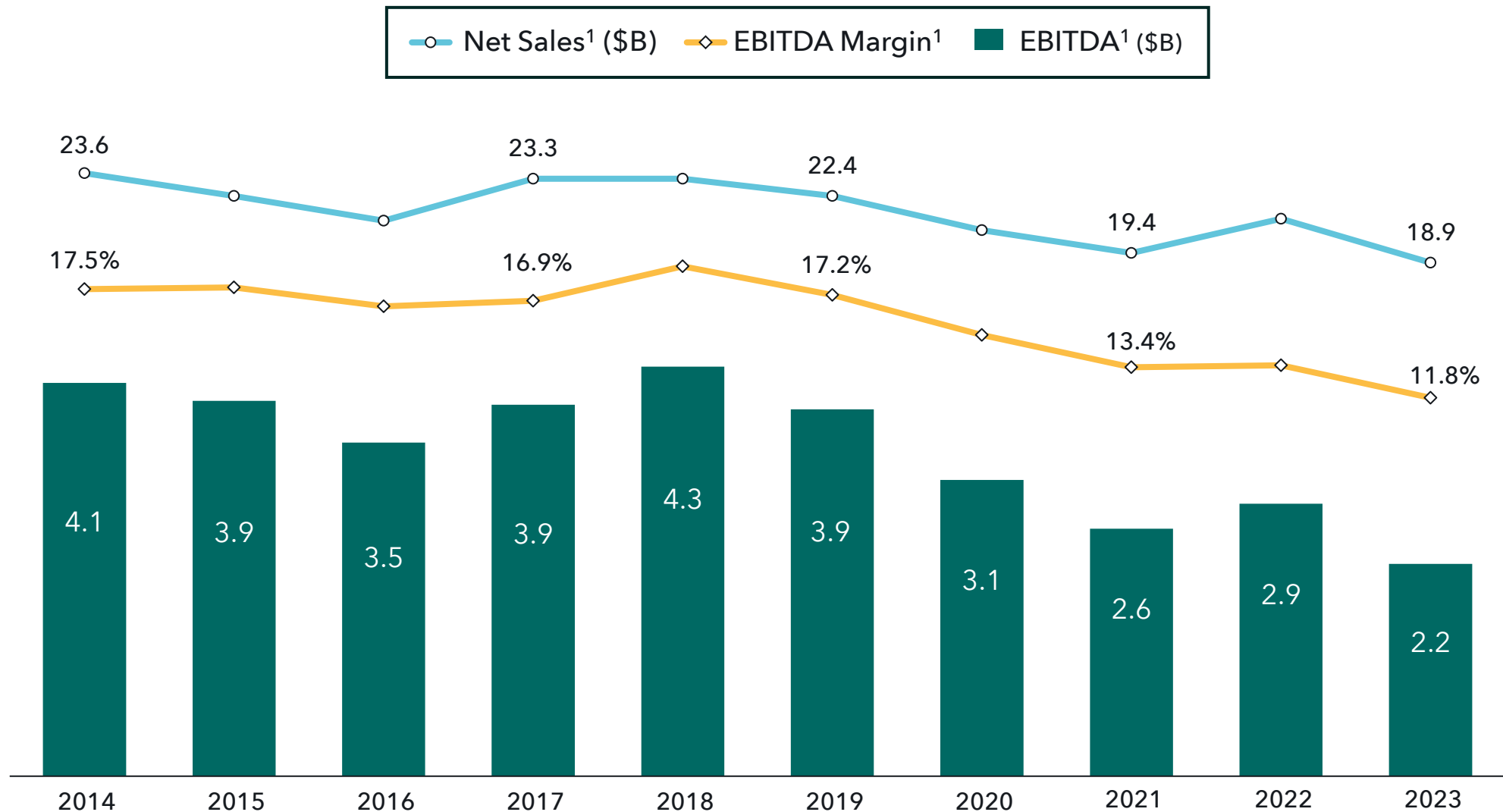
- Why IP
- Learning Journey
- Early Insights



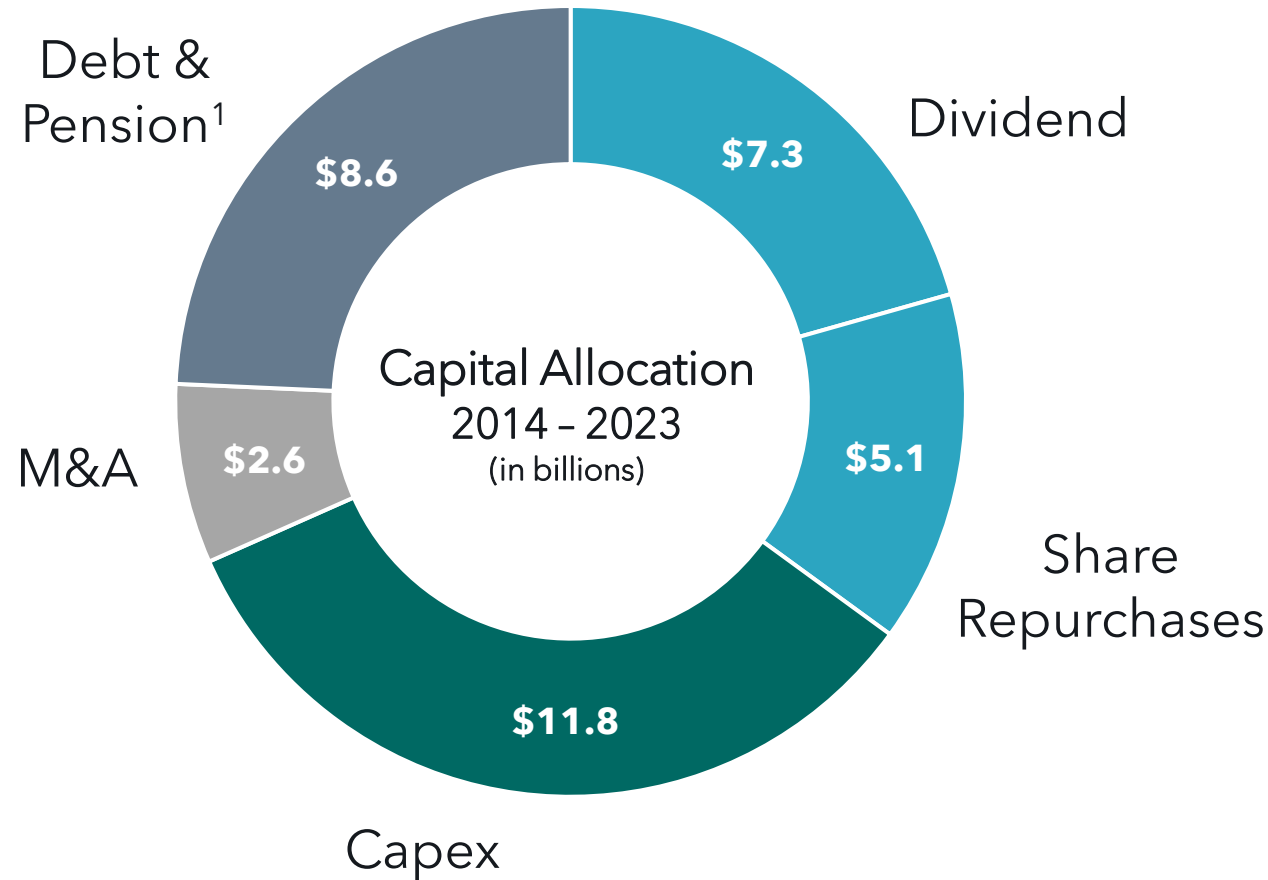
# IP's Challenge



# IP's Challenged Decade of Performance ...



# ... While Deploying More Than \$35B of Cash...

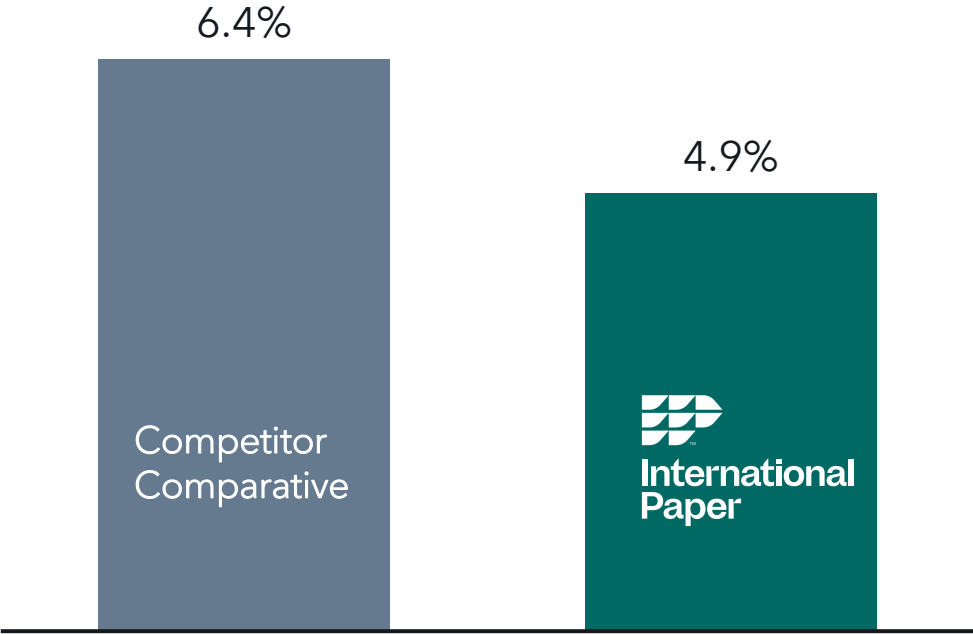


- 35% Returned to Shareholders
- 33% Reinvested in Businesses
- 24% Strengthened Balance Sheet
- 8% M&A

# ... But Significantly Underinvested in Reliability, Capability & Productivity

## Underinvested in capital relative to competitors

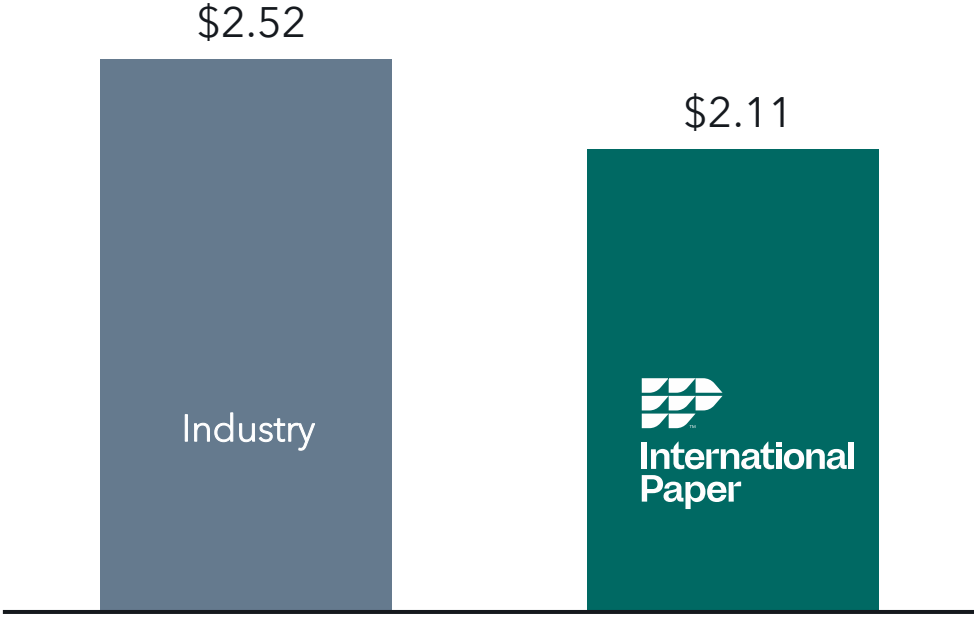
Capex as a % of revenue (2018-2023 avg.)



Source: Public filings<sup>1</sup>

## Box business underspent in maintenance expense relative to industry

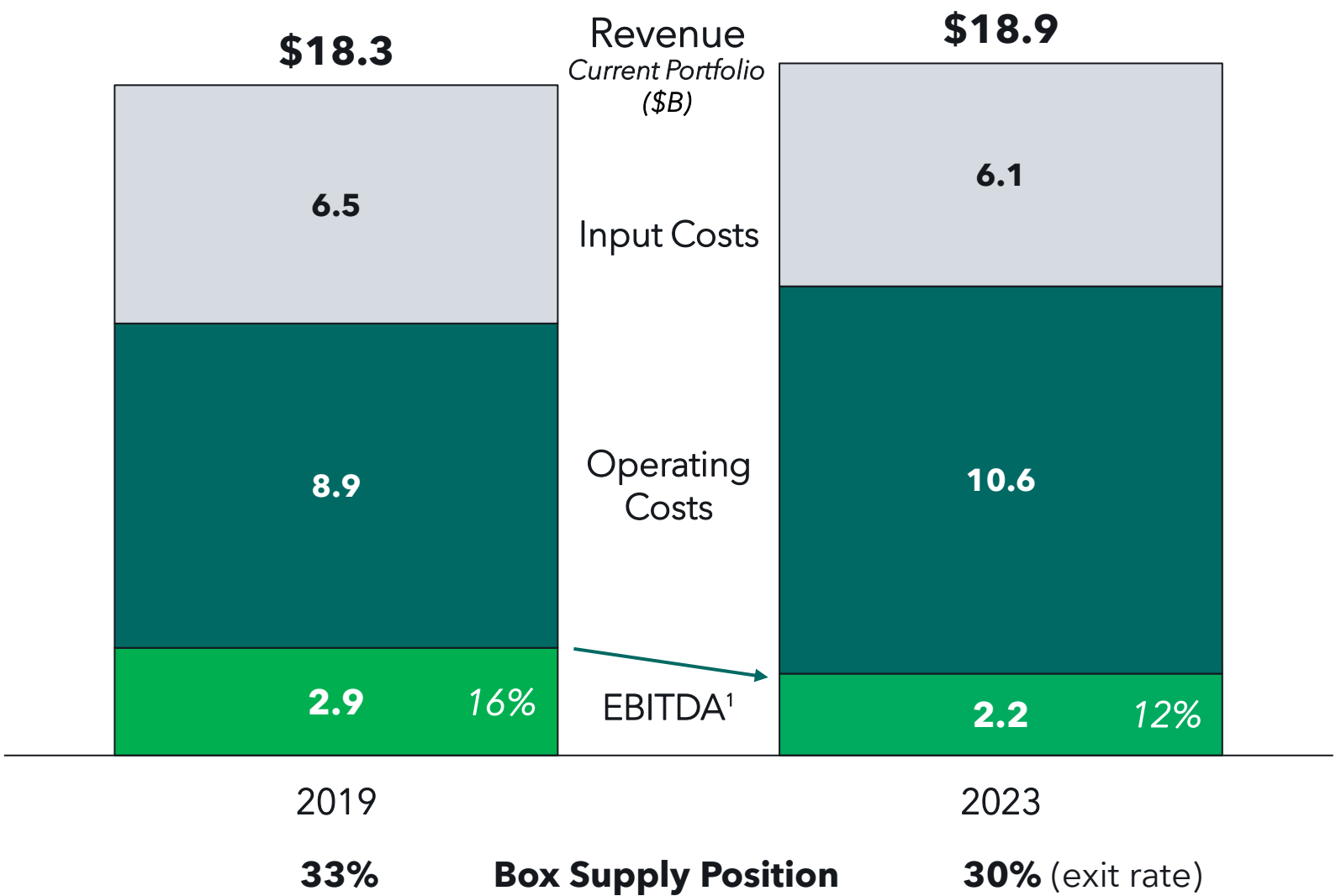
Maintenance \$ per MSF (2018-2023 avg.)



Source: FBA

<sup>1</sup>Represents packaging segments and other

# ... While Cost Creep and Share Loss Eroded Earnings on Current Portfolio



▲

\$ 1.0 Material Margin  
~~\$(1.7) Operating Costs~~  
 \$(0.7) EBITDA<sup>1</sup> Erosion (B)  
 (400) bps Margin Decline  
 (300) bps Box Share Decline

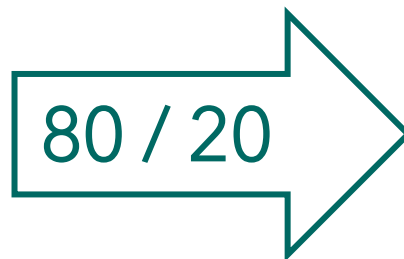
# 90 Day Insights

## Build From

- Ethical culture
- Talented, experienced team
- NA IPG franchise
- Solid balance sheet

## Improve

- Customer-driven strategy
- Cost structure
- Team alignment
- Performance: culture & results



# Performance & Outlook

# Second Quarter 2024 Highlights

	2Q23	1Q24	<b>2Q24</b>
Sales (\$B)	\$4.7	\$4.6	<b>\$4.7</b>
Adjusted EBIT <sup>1</sup> (\$MM)	\$326	\$147	<b>\$300</b>
Adjusted Operating EPS <sup>2</sup>	\$0.59	\$0.17	<b>\$0.55</b>
Adjusted EBITDA <sup>1</sup> (\$MM)	\$570	\$420	<b>\$561</b>
Adjusted EBITDA Margin <sup>1</sup>	12.2%	9.1%	<b>11.9%</b>
Free Cash Flow <sup>3</sup> (\$MM)	\$261	\$144	<b>\$167</b>

All earnings metrics have been adjusted to reflect the prior Ilim JV as discontinued operations. Please see the footnotes at the end of this presentation as well as the Investors section of our website ([www.internationalpaper.com](http://www.internationalpaper.com)) for more information on non-GAAP financial measures, definitions and reconciliations to most comparable U.S. GAAP measures.

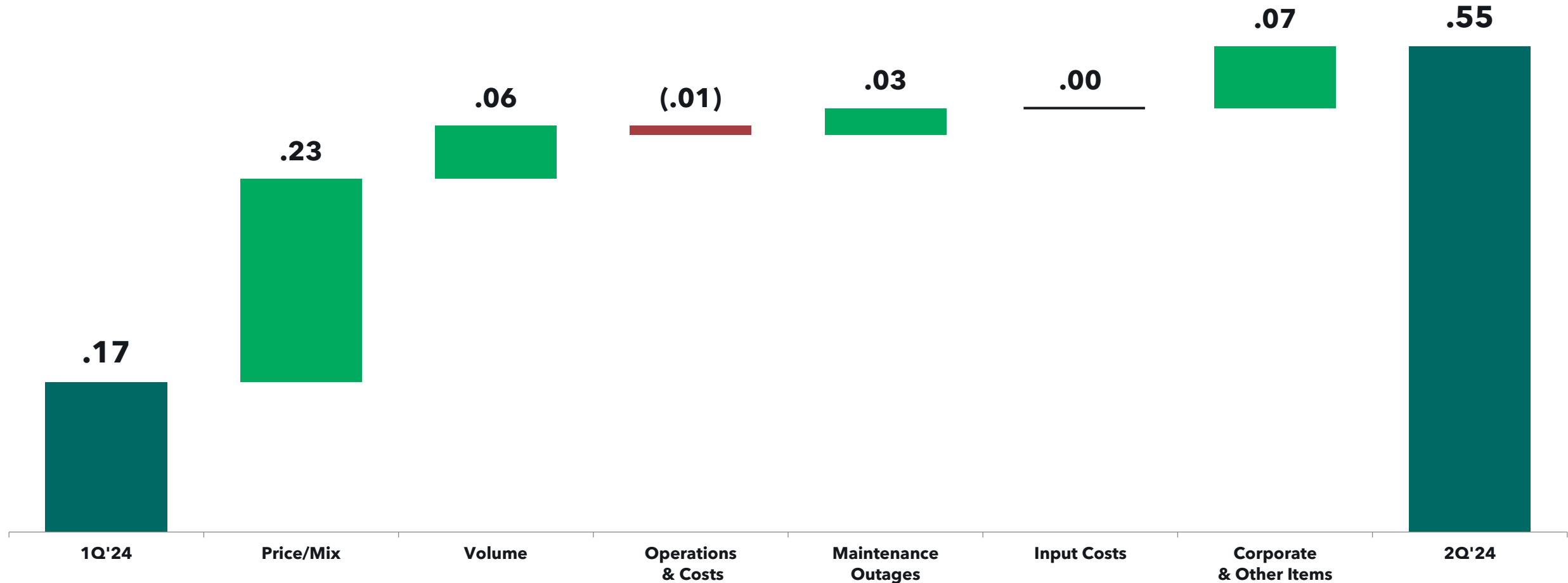
## 2Q24 Performance

- Sequential earnings increased; flat YoY
- Higher sales prices and seasonally stronger packaging volume
- Stable to moderate demand growth; IP lagging industry from Box Go-to-Market strategy
- Higher spending for reliability

## 3Q24 Outlook

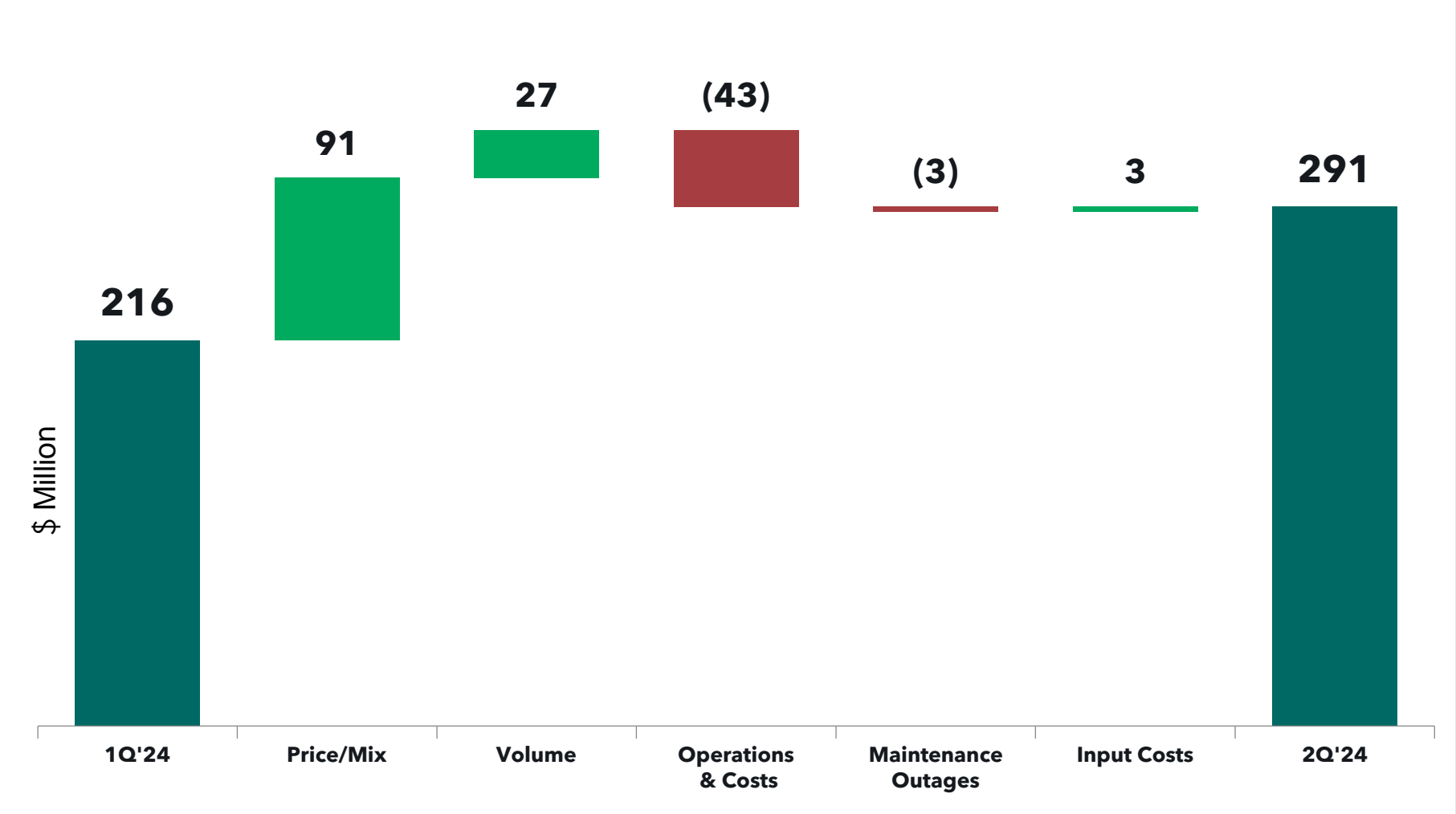
- Expect sequentially lower earnings due to volume decline and higher costs, offsetting benefits from prior price index increases

# 2Q24 vs 1Q24 Adjusted Operating EPS<sup>1</sup>





# Industrial Packaging | 2Q24 vs 1Q24 Adjusted EBIT<sup>1</sup>



Higher price/mix, including:  
 \$45MM Index movement  
 \$25MM Box Go-to-Market strategy  
 \$21MM Higher export & mix

Demand trends stable to improving

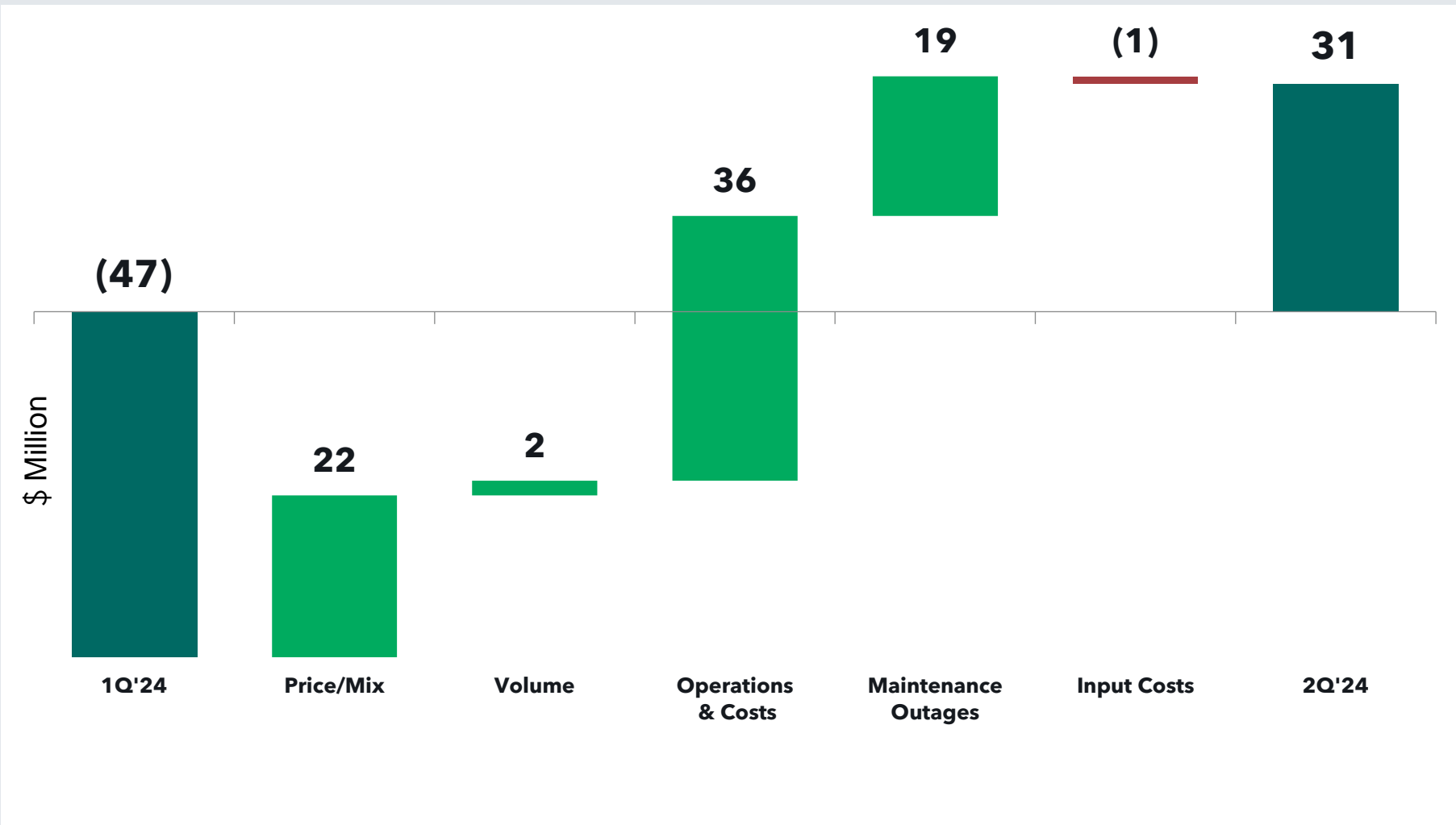
Seasonally stronger volume plus one additional shipping day vs. 1Q

IP U.S. box shipments -7.2% YoY /day, impacted by Box Go-to-Market strategy

Ops & Costs impacted by inflation, higher S&A, and spending to improve reliability

Lower energy offset higher OCC

# Global Cellulose Fibers | 2Q24 vs 1Q24 Adjusted EBIT<sup>1</sup>



Higher price/mix from price index movement and Optimization strategy

Higher fluff volume, offset by reduction in commodity pulp

Ops & Costs favorably impacted by mill efficiencies following pulp machine closure, and timing

# Third Quarter Earnings Outlook | Changes from 2Q24

	Industrial Packaging	Cellulose Fibers
Price & Mix	Prior index movement & export YTD (+) Box Go-to-Market strategy (+)	Prior index movement (+)
Volume	N.A. 1 less day (-) Seasonality (-) Box Go-to-Market strategy (-)	Seasonality (-)
Ops & Costs	Reliability spending (-) Seasonal labor/benefits & timing (-) Higher unabsorbed fixed costs (-)	Distribution costs & timing (-) Higher unabsorbed fixed costs (-)
Maintenance Outages	\$44MM higher	\$25MM lower
Inputs & Freight	Higher energy, OCC and chemicals (-)	Stable
Other	<ul style="list-style-type: none"> <li>FY24 corporate expense of \$70MM - \$80MM</li> <li>FY24 interest expense of ~\$220MM</li> <li>FY24 operational tax rate outlook of 20% - 22%<sup>1</sup></li> </ul>	

# 80/20 Strategic Approach

Improved Focus & Alignment  
Drives Significant Improvement

# Four Steps to 80/20



## 1. Simplify

Choose our crops



## 2. Segment

Separate tomatoes and pumpkins



## 3. Resource

Only water as needed

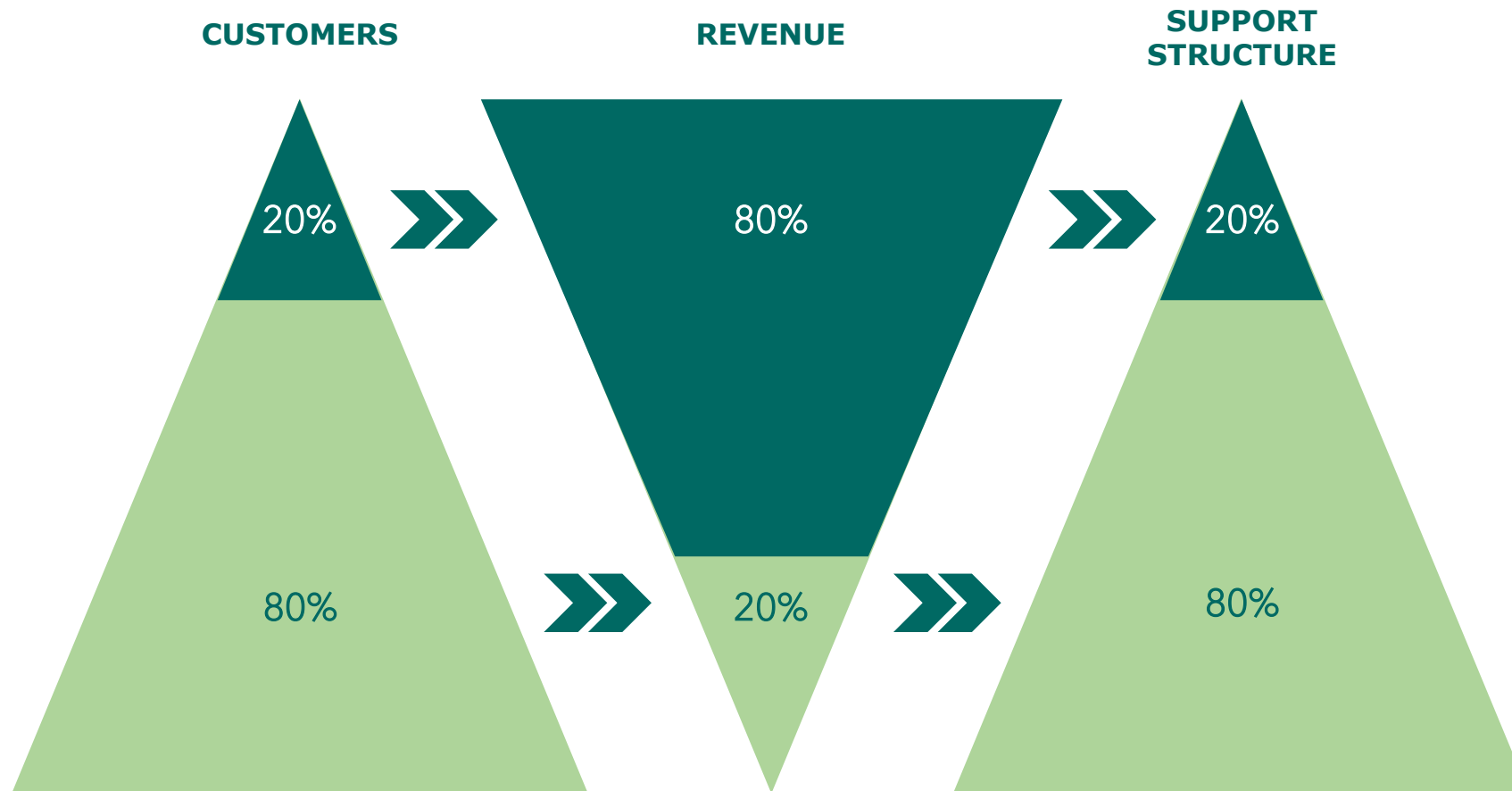


## 4. Growth

Fertilize & Harvest

*A Differentiated Approach to Winning*

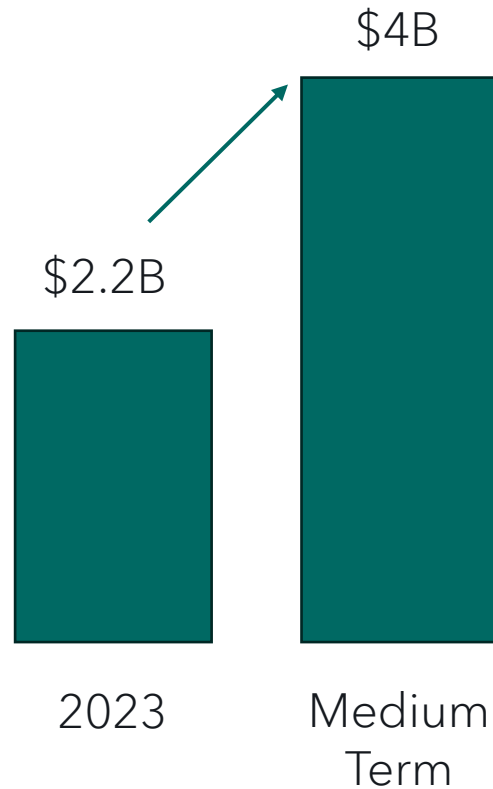
# Aligning Resources with Opportunity



# IP's 80/20 Approach to Resource Allocation - Future State



# Targeting \$4B EBITDA over Medium Term<sup>1</sup>



## Strategic Drivers - 80/20 Approach

Focus on People, Customers & Products where we win

Simplify, align and reduce cost structure

Invest for reliability, productivity, innovation

Price to value



Profitable Growth



# Next Steps

- Accelerate 80/20 strategy work
- Investor roadshow
- Shareholder vote – DS Smith
- October update – earnings call
- Investor Day

# Q&A



# International Paper

## Investor Relations

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[amy.simpson@ipaper.com](mailto:amy.simpson@ipaper.com)

# Appendix & Footnotes



International  
Paper

# N.A. Corrugated Packaging | Demand Trends

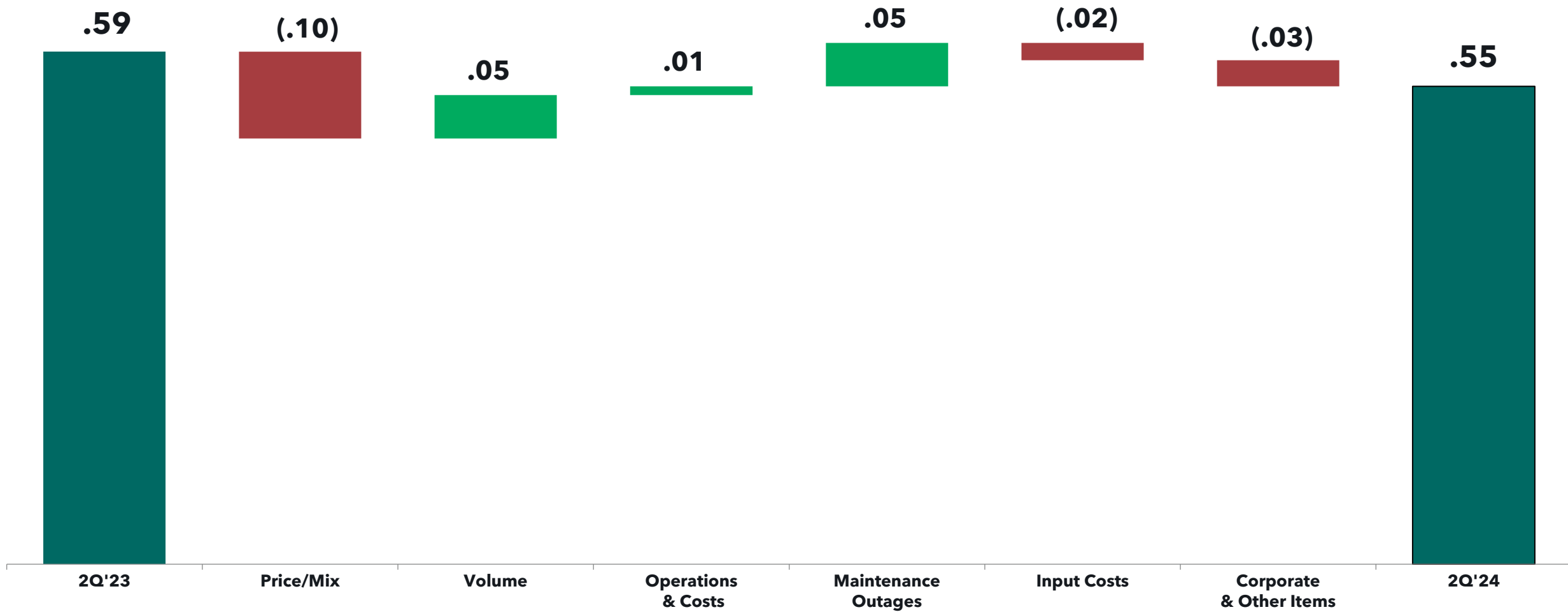
Customer Segment	Industry Mix	IP View of Demand Trends
<b>E-commerce, Shipping &amp; Distribution</b> E-commerce Shipping & Distribution	~20%	<b>Improving</b> Strong growth from consumer preferences for online retail Favorable trend post destocking
<b>Food &amp; Beverage</b> Fresh Produce Processed Food & Beverage Protein	~45%	<b>Stable w/ expected improvement</b> "Make at home" focus; Favorable harvest season in 2Q Push for volume as producers / retailers run promotions Improving production with some supply chain headwinds
<b>Durables &amp; Non-Durables</b> Chemicals & Pharmaceuticals Paper, Towels & Tissue Other Non-Durables Durables	~35%	<b>Soft w/ signs of improvement</b> Consumer focus on essentials & value impacting entire segment; improving with inventory normalization Will grow as housing starts improve

Expect industry box demand growth of ~1% to ~2% in '24

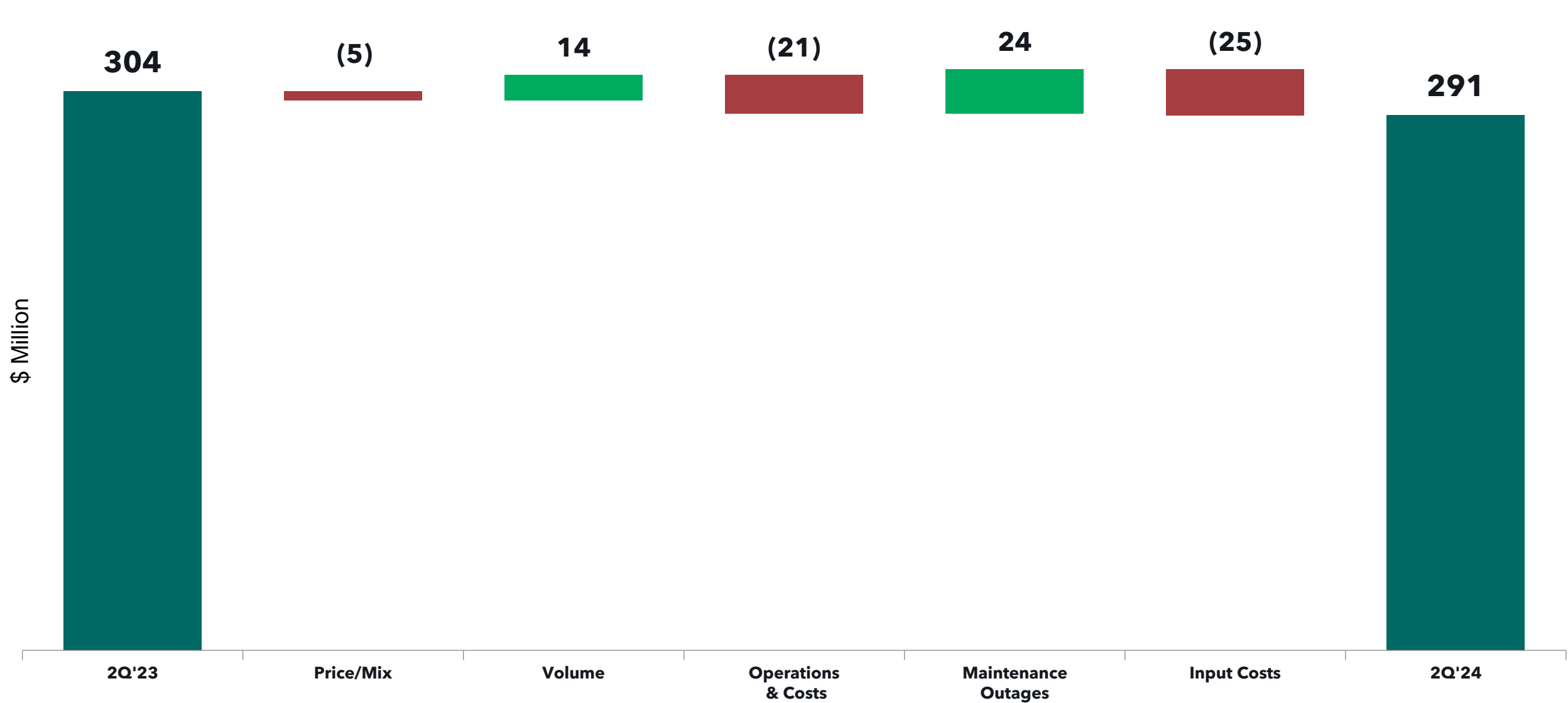
# Geographic Business Segment Operating Results | Quarterly

\$ Million	Sales			D & A	Business Segment Operating Profit <sup>1</sup>		
	2Q23	1Q24	2Q24	2Q24	2Q23	1Q24	2Q24
<b>North America</b>	\$3,550	\$3,486	\$3,628	\$186	\$284	\$192	\$281
<b>EMEA</b>	\$351	\$348	\$328	\$16	\$20	\$24	\$10
<b>Global Cellulose Fibers</b>							
<b>Global Cellulose Fibers</b>	\$698	\$704	\$717	\$59	\$30	\$(47)	\$31

# 2Q24 vs 2Q23 Adjusted Operating EPS<sup>1</sup>

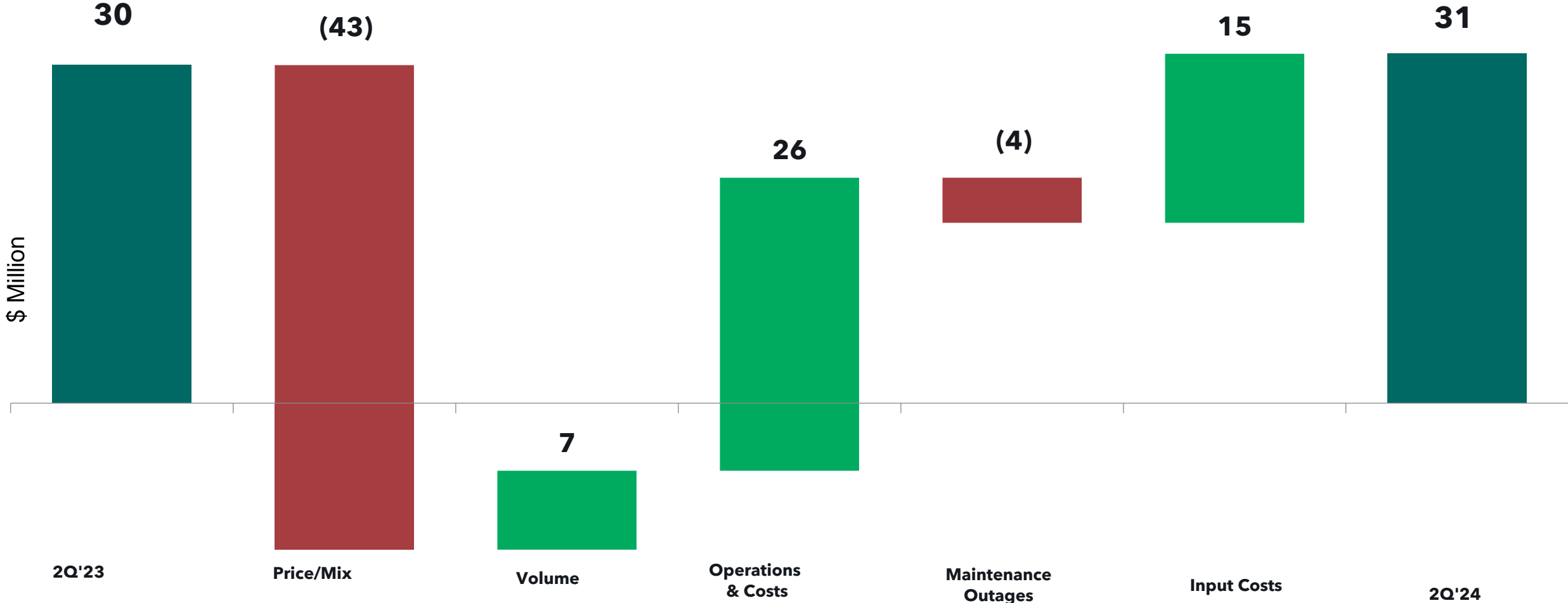


# Industrial Packaging | 2Q24 vs 2Q23 Adjusted EBIT<sup>1</sup>





# Global Cellulose Fibers | 2Q24 vs 2Q23 Adjusted EBIT<sup>1</sup>



# Business Segment Operating Profit (Loss)

	\$ Million	2Q23	1Q24	2Q24
<b>Business Segment Operating Profit (Loss)</b>				
Industrial Packaging <sup>1</sup>		\$304	\$216	\$291
Global Cellulose Fibers <sup>1</sup>		\$30	\$(47)	\$31

# Select Financial Metrics<sup>1</sup>

		\$ Million	2022	2023	2024F
<b>Maintenance Outage Expense</b>			\$601	\$593	\$533
<b>Capex</b>	<b>Maintenance &amp; Regulatory</b>		\$649	\$815	
	<b>Cost Reduction</b>		\$50	\$85	Targeting \$800 - \$1,000
	<b>Strategic</b>		\$232	\$241	
<b>Depreciation &amp; Amortization<sup>2</sup></b>			\$1,040	\$1,432	\$1,040
<b>Net Interest Expense<sup>3</sup></b>			\$267	\$234	\$220
<b>Corporate Expense</b>			\$34	\$27	\$70 - \$80

# Maintenance Outages Expenses | 2024 Forecast

\$ Million	1Q24A	2Q24A	3Q24F	4Q24F	2024F
<b>Industrial Packaging</b>	<b>\$77</b>	<b>\$80</b>	<b>\$124</b>	<b>\$93</b>	<b>\$374</b>
North America	\$77	\$59	\$124	\$91	\$351
Riverdale Papers	-	\$18	-	-	\$18
EMEA	-	\$3	-	\$2	\$5
<b>Global Cellulose Fibers</b>	<b>\$57</b>	<b>\$38</b>	<b>\$13</b>	<b>\$51</b>	<b>\$159</b>
North America	\$33	\$38	\$13	\$51	\$135
Georgetown Papers	\$24	-	-	-	\$24
<b>Total Impact</b>	<b>\$134</b>	<b>\$118</b>	<b>\$137</b>	<b>\$144</b>	<b>\$533</b>

# Free Cash Flow<sup>1</sup>

<b>\$ Million</b>	<b>2021</b>	<b>2022</b>	<b>2Q23</b>	<b>2023</b>	<b>1Q24</b>	<b>2Q24</b>
<b>Cash Provided by Operations</b>	<b>\$2,030<sup>2</sup></b>	<b>\$2,174</b>	<b>\$528</b>	<b>\$1,833</b>	<b>\$395</b>	<b>\$365</b>
Cash Invested in Capital Projects	\$(549)	\$(931)	\$(267)	\$(1,141)	\$(251)	\$(198)
<b>Free Cash Flow</b>	<b>\$1,481</b>	<b>\$1,243</b>	<b>\$261</b>	<b>\$692</b>	<b>\$144</b>	<b>\$167</b>

<sup>2</sup>2021 cash provided by operations includes tax payments of ~\$0.5B related to monetization transactions and CARES Act payroll tax deferral

# Capital Allocation | Maximizing Value Creation



## Highlights

### Solid balance sheet

- Debt / EBITDA<sup>1</sup> at 2.6x (Moody's basis) YE 2023
- Limited short & medium-term debt maturities
- Liquidity & cash = \$3B YE 2023

### Qualified pension plan fully funded

### Returned \$839MM to shareowners in 2023

### Investing to create value

- 2023 capex of \$1.1B
- Continued focus on cost reduction and future growth in Packaging business

Balances as of fiscal year end 12/31/2023

# 2024 Operating Earnings

	Pre-Tax \$MM	Tax \$MM	Non- controlling Interest \$MM	Equity Earnings \$MM	Net Income \$MM	Average Shares MM	Diluted EPS <sup>1</sup>
<b>Net Earnings from Continuing Operations</b>							
1Q24	\$85	\$(27)	-	\$(2)	\$56	349	\$0.16
2Q24	\$206	\$293	-	\$(1)	\$498	353	\$1.41
<b>Net Special Items</b>							
1Q24	\$18	\$(4)	-	-	\$14	349	\$0.04
2Q24	\$49	\$(346)	-	-	\$(297)	353	\$(0.84)
<b>Non-Operating Pension Expense</b>							
1Q24	\$(12)	\$3	-	-	\$(9)	349	\$(0.03)
2Q24	\$(10)	\$2	-	-	\$(8)	353	\$(0.02)
<b>Adj. Operating Earnings</b>							
1Q24	\$91	\$(28)	-	\$(2)	\$61	349	\$0.17
2Q24	\$245	\$(51)	-	\$(1)	\$193	353	\$0.55

# Special Items Before Tax | Continuing Operations

Special Items Pre-Tax \$(Million)		2Q23	1Q24	2Q24
<b>Industrial Packaging</b>	Mill Closure		\$(4)	
	Net Gain/(Loss) on Miscellaneous Land Sales			<b>\$5</b>
<b>Global Cellulose Fibers</b>	Machine Closures		\$(4)	
<b>Corporate</b>	Legal Reserve Adjustments		\$(10)	
	Net Gain/(Loss) on Miscellaneous Land Sales		\$(5)	
	Interest Related to Settlement of Tax Audits	\$6	\$10	
	Environmental Remediation Adjustment			<b>\$(25)</b>
	DS Smith Combination Costs		\$(5)	<b>\$(17)</b>
	Strategic Advisory Fees			<b>\$(12)</b>
<b>Total Special Items Before Tax</b>		<b>\$6</b>	<b>\$(18)</b>	<b>\$(49)</b>



# Special Items Net of Tax

	2Q24	
	\$ Million	EPS
<b>Earnings Before Special Items</b>	<b>\$193</b>	<b>\$0.55</b>
<b>Special Items Net of Taxes:</b>		
Environmental Remediation Adjustment	\$(19)	
Net Gain/(Loss) on Miscellaneous Land Sales	\$4	
Internal Legal Entity Restructuring	\$338	
DS Smith Combination Costs	\$(17)	
Strategic Advisory Fees	\$(9)	
<b>Total Special Items Net of Taxes</b>	<b>\$297</b>	<b>\$0.84</b>
<b>Non-Operating Pension (Expense) Income</b>	<b>\$8</b>	<b>\$0.02</b>
<b>Earnings (Loss) from Continuing Operations</b>	<b>\$498</b>	<b>\$1.41</b>

# Sales Volume by Product | Preliminary and Unaudited

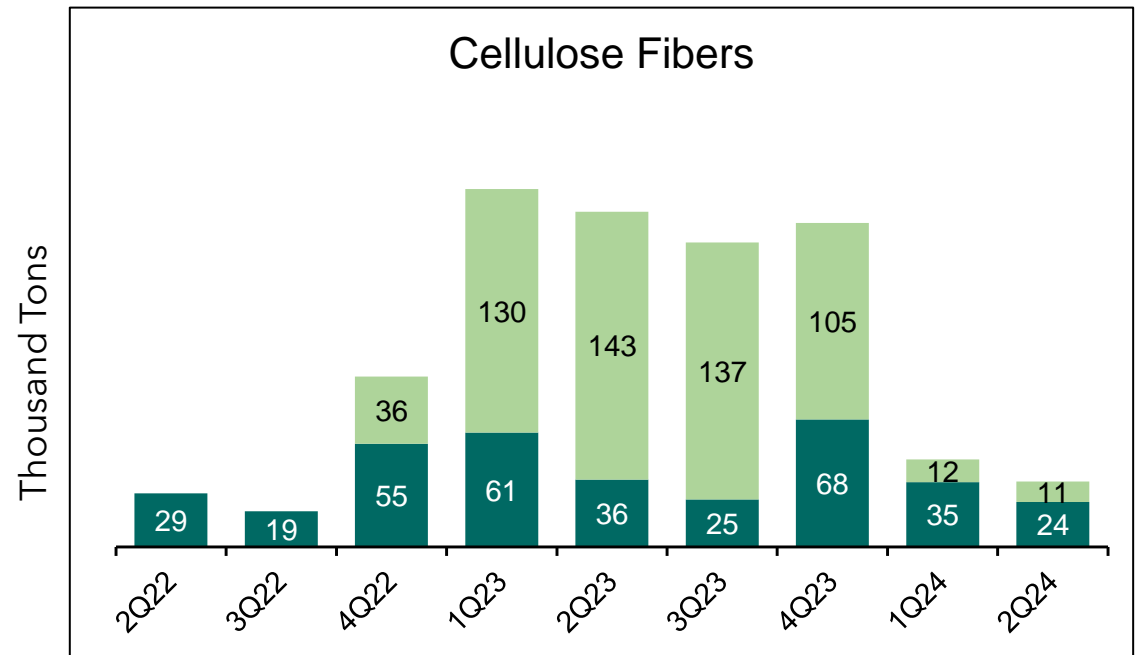
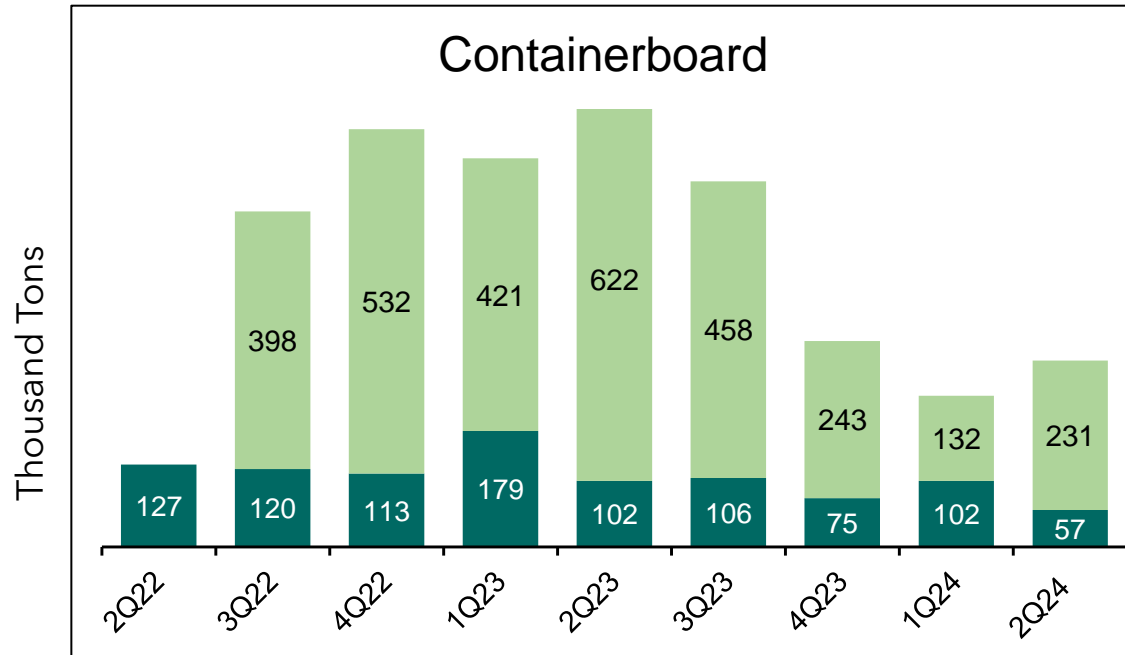
	Three Months Ended June 30,		Three Months Ended March 31,	Six Months Ended June 30,	
	2024	2023	2024	2024	2023
<b>Industrial Packaging</b> (In thousands of short tons)					
Corrugated Packaging (b)	2,255	2,393	2,232	4,487	4,774
Containerboard	791	600	739	1,530	1,144
Recycling	552	528	575	1,127	1,088
Saturated Kraft	49	44	47	96	78
Gypsum /Release Kraft	67	61	58	125	121
EMEA Packaging (b)	323	317	340	663	652
<b>Industrial Packaging</b>	<b>4,037</b>	<b>3,943</b>	<b>3,991</b>	<b>8,028</b>	<b>7,857</b>
<b>Global Cellulose Fibers</b> (In thousands of metric tons) (c)					
	684	625	729	1,413	1,313

(a) Sales volume include third party and inter-segment sales and excludes sales of equity investees

(b) Volumes for corrugated box sales reflect consumed tons sold ("CTS"). Board sales by these businesses reflect invoiced tons.

(c) Includes North American volumes and internal sales to mills.

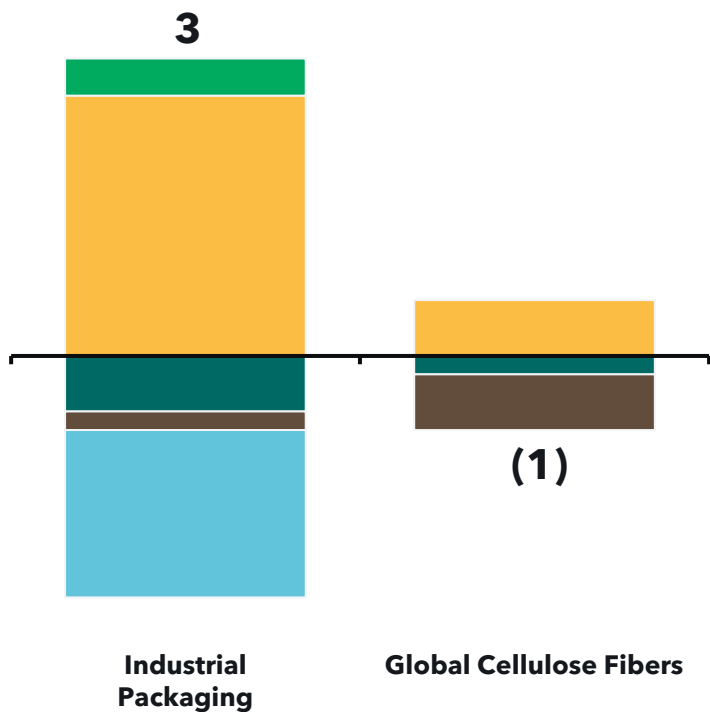
# North America Downtime



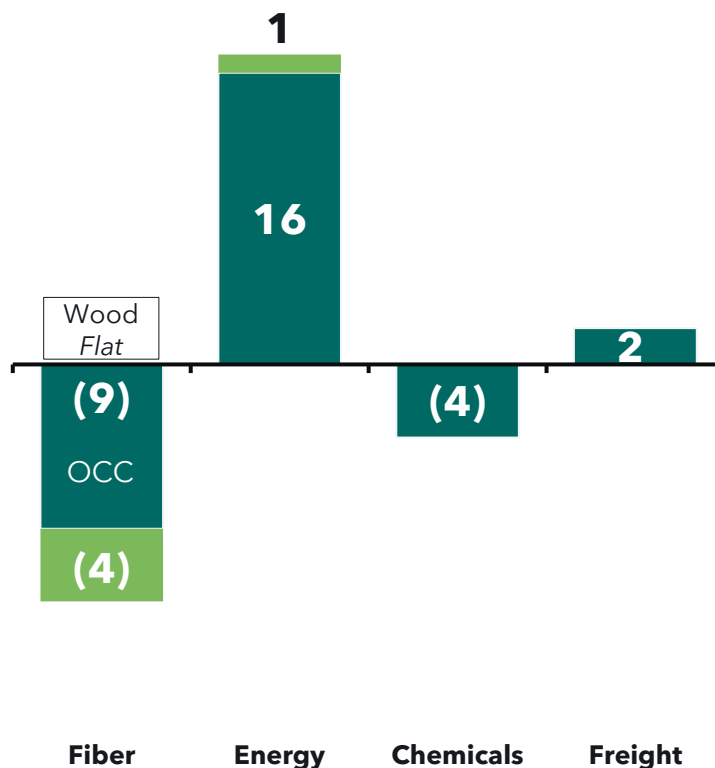
■ Economic  
■ Maintenance

# Global Input Costs 2Q24 vs 1Q24 | \$2MM Favorable, \$0.00 per share

By Business



By Input Type



U.S Average Cost vs 1Q24

Wood	-1%	▼
OCC	11%	▲
Natural Gas	-19%	▼
Electricity	-2%	▼
Chemical Composite	1%	▲

Energy Wood Chemicals Freight OCC

North America Outside North America

# Footnotes

## Slide 6

<sup>1</sup>All metrics are as previously disclosed. 2013 includes xpedx. Years 2013-2017 are inclusive of N.A. Consumer Packaging. 2021 excludes Papers.

A reconciliation of these non-GAAP measures to the most directly comparable GAAP measures is available on IP's website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

## Slide 7

<sup>1</sup> Amount excludes amounts related to Consumer Packaging Group and Printing Papers transactions.

## Slide 9

<sup>1</sup>Before special items and non-operating pension expense/(income) (non-GAAP). A reconciliation of these non-GAAP measures to the most directly comparable GAAP financial measures is available on IP's website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

## Slide 12

<sup>1</sup> Before special items and non-operating pension expense (income) (non-GAAP). A reconciliation of all presented historical non-GAAP measures to the most directly comparable GAAP financial measures is available on IP's website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

<sup>2</sup> Adjusted operating EPS, a non-GAAP financial measure based on Adjusted Operating Earnings (defined as Net Earnings from Continuing Operations (GAAP) before net special items and non operating pension expense (income)). All periods have been adjusted to reflect the Ilim JV as discontinued operations. A reconciliation of all presented historical non-GAAP measures to the most directly comparable GAAP financial measures is available on IP's website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

<sup>3</sup> See slide #34 for a reconciliation of cash provided by operations to Free Cash Flow, a non-GAAP financial measure.

## Slide 13

<sup>1</sup> Adjusted operating EPS, a non-GAAP financial measure based on Adjusted Operating Earnings (defined as Net Earnings from Continuing Operations (GAAP) before net special items and non operating pension expense (income)). All periods have been adjusted to reflect the Ilim JV as discontinued operations. A reconciliation of all presented historical non-GAAP measures to the most directly comparable GAAP financial measures is available on IP's website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

## Slide 14

<sup>1</sup> Adjusted EBIT at a segment level is Business Segment Operating Profit for such segment defined as earnings (loss) from continuing operations before income taxes and equity earnings, but including the impact of less than wholly owned subsidiaries, and excluding interest expense, net, corporate expenses, net, corporate net special items, business net special items and non-operating pension expense. Business segment operating profit at a segment level is a measure reported to our management for purposes of making decisions about allocating resources to our business segments and assessing the performance of our business segments and is presented in our financial statement footnotes in accordance with ASC 280.

## Slide 15

<sup>1</sup> Adjusted EBIT at a segment level is Business Segment Operating Profit for such segment defined as earnings (loss) from continuing operations before income taxes and equity earnings, but including the impact of less than wholly owned subsidiaries, and excluding interest expense, net, corporate expenses, net, corporate net special items, business net special items and non-operating pension expense. Business segment operating profit at a segment level is a measure reported to our management for purposes of making decisions about allocating resources to our business segments and assessing the performance of our business segments and is presented in our financial statement footnotes in accordance with ASC 280.

# Footnotes

## Slide 16

<sup>1</sup> No reconciliation of the anticipated operational effective income tax rate for 2024, a forward-looking non-GAAP financial measure, to the most comparable GAAP measure, is included in this presentation because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts, including forecasting net income for 2024.

## Slide 21

<sup>1</sup>The Company is unable to provide a reconciliation of the medium-term EBITDA target, a forward-looking non-GAAP financial measure, presented on this slide without unreasonable efforts. The Company is unable to provide a reconciliation of this forward-looking non-GAAP financial measure as the result of the fact that this target is a composite of our goals for our results over time, and from the inherent difficulty in forecasting generally and quantifying the components of this target that would be necessary to provide any such reconciliation. In addition, actual performance may vary from the target set forth above for a variety of reasons, including known and unknown risks and uncertainties.

## Slide 27

Does not reflect total company sales. Sales as reported is a U.S. GAAP metric. For North American Industrial Packaging, this metric includes Recycling Business Sales and Trade Sales.

A reconciliation of this U.S. GAAP metric to a non-U.S. GAAP metric of Sales excluding these items for North American Industrial Packaging is available as a Non-GAAP reconciliation on our website at <http://www.internationalpaper.com/performance/presentations-events/webcasts-presentations>.

<sup>1</sup> Business segment operating profit defined as earnings (loss) before income taxes and equity earnings, but including the impact of less than wholly owned subsidiaries, and excluding interest expense, net, corporate expenses, net, corporate net special items, business net special items and non-operating pension expense. Business segment operating profit at a segment level is a measure reported to our management for purposes of making decisions about allocating resources to our business segments and assessing the performance of our business segments and is presented in our financial statement footnotes in accordance with ASC 280

## Slide 28

<sup>1</sup> Adjusted operating EPS, a non-GAAP financial measure based on Adjusted Operating Earnings (defined as Net Earnings from Continuing Operations (GAAP) before net special items and non operating pension expense (income)). All periods have been adjusted to reflect the Ilim JV as discontinued operations. A reconciliation of all presented historical non-GAAP measures to the most directly comparable GAAP financial measures is available on IP's website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

## Slide 29

<sup>1</sup> Adjusted EBIT at a segment level is Business Segment Operating Profit for such segment defined as earnings (loss) from continuing operations before income taxes and equity earnings, but including the impact of less than wholly owned subsidiaries, and excluding interest expense, net, corporate expenses, net, corporate net special items, business net special items and non-operating pension expense. Business segment operating profit at a segment level is a measure reported to our management for purposes of making decisions about allocating resources to our business segments and assessing the performance of our business segments and is presented in our financial statement footnotes in accordance with ASC 280.

## Slide 30

<sup>1</sup> Adjusted EBIT at a segment level is Business Segment Operating Profit for such segment defined as earnings (loss) from continuing operations before income taxes and equity earnings, but including the impact of less than wholly owned subsidiaries, and excluding interest expense, net, corporate expenses, net, corporate net special items, business net special items and non-operating pension expense. Business segment operating profit at a segment level is a measure reported to our management for purposes of making decisions about allocating resources to our business segments and assessing the performance of our business segments and is presented in our financial statement footnotes in accordance with ASC 280.

# Footnotes

## Slide 31

<sup>1</sup> Business segment operating profit defined as earnings (loss) before income taxes and equity earnings, but including the impact of less than wholly owned subsidiaries, and excluding interest expense, net, corporate expenses, net, corporate net special items, business net special items and non-operating pension expense. Business segment operating profit at a segment level is a measure reported to our management for purposes of making decisions about allocating resources to our business segments and assessing the performance of our business segments and is presented in our financial statement footnotes in accordance with ASC 280.

## Slide 32

<sup>1</sup> Before special items

<sup>2</sup> Includes expense of \$422 million for 2023 associated with mill closures and machine shutdown costs.

<sup>3</sup> Excludes special items interest expense of \$58 million, net interest income of \$3 million and interest income of \$10 million for 2022, 2023 and 2024, respectively.

## Slide 34

<sup>1</sup> Free cash flow is a non-GAAP financial measure, which equals cash provided by operations less cash invested in capital projects.

## Slide 35

<sup>1</sup> Moody's methodology is used to calculate Adjusted Debt to EBITDA ratio. Moody's adjusts debt to include balance sheet debt, operating leases/deferred tax liability and debt issuance expense, and pension gap. EBITDA is adjusted to include lease and pension adjustments (non-GAAP).

## Slide 36

<sup>1</sup> A non-GAAP reconciliation to GAAP EPS is available at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

## INTERNATIONAL PAPER COMPANY

### Reconciliation of Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures. The calculation of these measures, and a reconciliation to previously reported comparable measures calculated in accordance with U.S. generally accepted accounting principles (GAAP) is shown below. The Company believes that this information, 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 the Company's financial condition and results of operations. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. These non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our results calculated in accordance with GAAP. In addition, because not all companies use identical calculations, our presentation of non-GAAP financial measures may not be comparable to similarly titled measures disclosed by other companies, including companies in our industry. This information should be used in conjunction with the Company's Quarterly Report on Form 10Q for the quarter ended June 30, 2024 and subsequently publicly filed financial reports.



**INTERNATIONAL PAPER COMPANY**  
**Reconciliation of Net Earnings (Loss) to Adjusted Operating Earnings**  
Preliminary and Unaudited  
(In millions, except per share amounts)

	Three Months Ended June 30,		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2024	2023	2023
<b>Net Earnings (Loss)</b>	\$ 498	\$ 235	\$ 56	\$ 554	\$ 407	
Less: Discontinued operations, net of taxes (gain) loss	—	(13)	—	—	(13)	
<b>Earnings (Loss) from Continuing Operations</b>	<b>498</b>	<b>222</b>	<b>56</b>	<b>554</b>	<b>394</b>	
Add back: Non-operating pension expense (income)	(10)	12	(12)	(22)	27	
Add back: Net Special items expense (income)	49	(6)	18	67	(3)	
Income taxes - Non-operating pension and special items	(344)	(24)	(1)	(345)	(29)	
<b>Adjusted Operating Earnings</b>	<b>\$ 193</b>	<b>\$ 204</b>	<b>\$ 61</b>	<b>\$ 254</b>	<b>\$ 389</b>	

	Three Months Ended June 30,		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2024	2023	2023
<b>Diluted Earnings per Common Share as Reported</b>	\$ 1.41	\$ 0.68	\$ 0.16	\$ 1.57	\$ 1.16	
Less: Discontinued operations, net of taxes (gain) loss	—	(0.04)	—	—	(0.04)	
<b>Continuing Operations</b>	<b>1.41</b>	<b>0.64</b>	<b>0.16</b>	<b>1.57</b>	<b>1.12</b>	
Add back: Non-operating pension expense (income)	(0.02)	0.03	(0.04)	(0.06)	0.08	
Add back: Net Special items expense (income)	0.14	(0.02)	0.05	0.19	(0.01)	
Income taxes - Non-operating pension and special items	(0.98)	(0.06)	—	(0.98)	(0.08)	
<b>Adjusted Operating Earnings per Share</b>	<b>\$ 0.55</b>	<b>\$ 0.59</b>	<b>\$ 0.17</b>	<b>\$ 0.72</b>	<b>\$ 1.11</b>	

**Notes:**

Adjusted Operating Earnings and Adjusted Operating Earnings Per Share are non-GAAP measures defined as net earnings (loss) (a GAAP measure) excluding discontinued operations, net special items and non-operating pension expense (income). Net earnings (loss) and Diluted earnings (loss) per share are the most directly comparable GAAP measures. The Company calculates Adjusted Operating Earnings (non-GAAP) by excluding the after-tax effect of discontinued operations, non-operating pension expense (income) and net special items, as described in greater detail in our current earnings release, from the net earnings (loss) reported under U.S. GAAP. Adjusted Operating Earnings Per Share is calculated by dividing Adjusted Operating Earnings by the diluted average shares of common stock outstanding. Management uses these non-GAAP measures to focus on on-going operations, and believes that such non-GAAP measures are useful to investors in assessing the operational performance of the Company and enabling investors to perform meaningful comparisons of past and present consolidated operating results from continuing operations. The Company believes that using these non-GAAP measures, along with the most directly comparable GAAP measures, provides for a more complete analysis of the Company's results of operations.

Non-operating pension expense (income) represents amortization of prior service cost, amortization of actuarial gains/losses, expected return on assets and interest cost. The Company excludes these amounts from Adjusted Operating Earnings as the Company does not believe these items reflect ongoing operations. These particular pension cost elements are not directly attributable to current employee service. The Company includes service cost in our Non-GAAP measure as it is directly attributable to employee service, and the corresponding employees' compensation elements, in connection with ongoing operations.

Since diluted earnings per share are computed independently for each period, six-month per share amounts may not equal the sum of respective quarters.

**INTERNATIONAL PAPER COMPANY**  
**Reconciliation of Cash Provided by Operations to Free Cash Flow**  
Preliminary and Unaudited  
(In millions)

	<u>Three Months Ended June 30,</u>		<u>Three Months Ended March 31,</u>	<u>Twelve Months Ended December 31,</u>		
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Cash Provided By (Used For) Operating Activities</b>	\$ 365	\$ 528	\$ 395	\$ 1,833	\$ 2,174	\$ 2,030
Adjustments:						
Cash invested in capital projects	(198)	(267)	(251)	(1,141)	(931)	(549)
<b>Free Cash Flow</b>	<u>\$ 167</u>	<u>\$ 261</u>	<u>\$ 144</u>	<u>\$ 692</u>	<u>\$ 1,243</u>	<u>\$ 1,481</u>

Free cash flow is a non-GAAP measure which equals cash provided by (used for) operating activities less cash invested in capital projects, and the most directly comparable GAAP measure is cash provided by operations. Management utilizes this measure in connection with managing our business and 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, pay dividends, repurchase stock, service debt and make investments for future growth. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures.

The non-GAAP financial measures presented in this release have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our results calculated in accordance with GAAP. In addition, because not all companies use identical calculations, the Company's presentation of non-GAAP measures in this release may not be comparable to similarly titled measures disclosed by other companies, including companies in the same industry as International Paper.

Management believes non-GAAP financial measures, when used in conjunction with information presented in accordance with GAAP, can facilitate a better understanding of the impact of various factors and trends on the Company's financial results. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. Investors are cautioned to not place undue reliance on any non-GAAP financial measures used in this release.

**INTERNATIONAL PAPER COMPANY**  
**Calculation of EBITDA before Special Items**

<b>\$ Millions</b>	<b>2023</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
	<b>Full Year</b>	<b>1st Quarter</b>	<b>2nd Quarter</b>	<b>3rd Quarter</b>	<b>4th Quarter</b>	<b>Year to Date</b>
Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	\$ 382	\$ 85	\$ 206	\$ —	\$ —	\$ 291
Interest Expense, Net	231	46	55	—	—	101
Special Items	135	28	49	—	—	77
Non-operating pension expense (income)	54	(12)	(10)	—	—	(22)
EBIT before Special Items	802	147	300	—	—	447
Depreciation, amortization and cost of timber harvested	1,432	273	261	—	—	534
EBITDA before Special Items	2,234	420	561	—	—	981
Annualized EBITDA before Special Items	2,234	1,680	2,244	—	—	1,962
Annualized Net Sales	18,916	18,476	18,936	—	—	18,706
Adjusted EBITDA Margin	11.8 %	9.1 %	11.9 %	— %	— %	10.5 %

Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin are all "non-GAAP financial measures" presented as supplemental measures of our performance and the most directly comparable GAAP measure for Adjusted EBIT and Adjusted EBITDA is earnings (loss) from continuing operations before income taxes and equity earnings. They are not presented in accordance with accounting principles generally accepted in the United States, or GAAP. The Company believes these measures provide additional meaningful information in evaluating the Company's performance over time, and that other companies use these and/or similar measures for similar purposes. However, Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin have limitations as analytical tools, and you should not consider them in isolation, or as substitutes for an analysis of our results as reported under GAAP. In addition, in evaluating Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin, you should be aware that in the future we will incur expenses such as those used in calculating these measures. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

**INTERNATIONAL PAPER COMPANY**  
**Calculation of EBITDA before Special Items**  
**Adjusted for Discontinued Operations**

<b>\$ Millions</b>	<b>2022</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>Full Year</b>	<b>1st Quarter</b>	<b>2nd Quarter</b>	<b>3rd Quarter</b>	<b>4th Quarter</b>	<b>Year to Date</b>
Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	\$ 1,511	\$ 221	\$ 255	\$ 232	\$ (326)	\$ 382
Interest Expense, Net	325	62	59	58	52	231
Special Items	175	—	—	29	106	135
Non-operating pension expense (income)	(192)	15	12	13	14	54
EBIT before Special Items	1,819	298	326	332	(154)	802
Depreciation, amortization and cost of timber harvested	1,040	241	244	258	689	1,432
EBITDA before Special Items	<u>2,859</u>	<u>539</u>	<u>570</u>	<u>590</u>	<u>535</u>	<u>2,234</u>
Annualized EBITDA before Special Items	<u>2,859</u>	<u>2,156</u>	<u>2,280</u>	<u>2,360</u>	<u>2,140</u>	<u>2,234</u>
Annualized Net Sales	21,161	20,080	18,728	18,452	18,404	18,916
Adjusted EBITDA Margin	<u>13.5%</u>	<u>10.7%</u>	<u>12.2%</u>	<u>12.8%</u>	<u>11.6%</u>	<u>11.8%</u>

Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin are all "non-GAAP financial measures" presented as supplemental measures of our performance and the most directly comparable GAAP measure for Adjusted EBIT and Adjusted EBITDA earnings (loss) from continuing operations before income taxes and equity earnings. They are not presented in accordance with accounting principles generally accepted in the United States or GAAP. The Company believes these measures provide additional meaningful information in evaluating the Company's performance over time and that other companies use these and/or similar measures for similar purposes. However, Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin have limitations as analytical tools, and you should not consider them in isolation or as substitutes for an analysis of our results as reported under GAAP. In addition, in evaluating Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin, you should be aware that in the future we will incur expenses such as those used in calculating these measures. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

**INTERNATIONAL PAPER COMPANY**  
**Reconciliation of Non-GAAP Information to U.S. GAAP**  
**Calculation of Adjusted EBITDA Margin before Special Items**

<b>\$ Millions</b>	<b>Q1 2024</b> <b>North American</b> <b>Industrial</b> <b>Packaging</b>	<b>Q2 2024</b> <b>North American</b> <b>Industrial</b> <b>Packaging</b>	<b>Q3 2024</b> <b>North American</b> <b>Industrial</b> <b>Packaging</b>	<b>Q4 2024</b> <b>North American</b> <b>Industrial</b> <b>Packaging</b>	<b>YTD 2024</b> <b>North American</b> <b>Industrial</b> <b>Packaging</b>
Business Segment Operating Profit	\$ 192	\$ 281	\$ —	\$ —	\$ 473
Depreciation, Amortization and Cost of Timber	203	186	—	—	389
EBITDA before Special Items	395	467	—	—	862
Less: Recycling Business EBITDA	6	2	—	—	8
EBITDA before Special Items after Exclusions	389	465	—	—	854
Net Sales	3,486	3,628	—	—	7,114
Less: Trade Sales	84	108	—	—	192
Less: Recycling Business Net Sales	79	81	—	—	160
Net Sales after Exclusions	3,323	3,439	—	—	6,762
Adjusted EBITDA Margin	11.7 %	13.5 %	— %	— %	12.6 %

We use the non-GAAP financial measures Adjusted EBIT and Adjusted EBITDA margin, along with other factors, to evaluate our segment performance against our peers. We believe that investors use these measures to evaluate our performance relative to our peers. However, these non-GAAP measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP.

**INTERNATIONAL PAPER COMPANY**  
**Calculation of EBITDA before Special Items - Continuing and Discontinued Operations (a)**

\$ Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><i>EBITDA - Continuing Operations Reconciliation</i></b>										
Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	\$ 872	\$ 1,132	\$ 795	\$ 848	\$ 1,781	\$ 921	\$ 329	\$ 999	\$ 1,511	\$ 382
Interest Expense, Net	607	555	520	572	536	499	446	337	325	231
Special Items	1,046	559	182	491	208	409	742	370	175	135
Non-operating pension expense (income)	212	258	610	484	494	36	(41)	(200)	(192)	54
EBIT before Special Items	2,737	2,504	2,107	2,395	3,019	1,865	1,476	1,506	1,819	802
Depreciation, amortization and cost of timber harvested	1,406	1,167	1,124	1,343	1,328	1,072	1,091	1,097	1,040	1,432
EBITDA before Special Items - Continuing Operations	<u>\$ 4,143</u>	<u>\$ 3,671</u>	<u>\$ 3,231</u>	<u>\$ 3,738</u>	<u>\$ 4,347</u>	<u>\$ 2,937</u>	<u>\$ 2,567</u>	<u>\$ 2,603</u>	<u>\$ 2,859</u>	<u>\$ 2,234</u>
<b><i>EBITDA - Discontinued Operations Reconciliation</i></b>										
Earnings (Loss) from Discontinued Operations Before Income Taxes and Equity	\$ —	\$ 134	\$ 161	\$ 52	\$ —	\$ 682	\$ 321	\$ —	\$ —	\$ —
Interest Expense, Net	—	—	—	1	—	(7)	(2)	—	—	—
Special Items	—	—	—	17	—	4	20	—	—	—
Non-operating pension expense (income)	—	—	—	45	—	—	—	—	—	—
EBIT before Special Items	—	134	161	115	—	679	339	—	—	—
Depreciation, amortization and cost of timber harvested	—	127	103	80	—	234	196	—	—	—
EBITDA before Special Items - Discontinued Operations	<u>\$ —</u>	<u>\$ 261</u>	<u>\$ 264</u>	<u>\$ 195</u>	<u>\$ —</u>	<u>\$ 913</u>	<u>\$ 535</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Total EBITDA Reconciliation - Continuing and Discontinued Operations</b>	<b><u>\$ 4,143</u></b>	<b><u>\$ 3,932</u></b>	<b><u>\$ 3,495</u></b>	<b><u>\$ 3,933</u></b>	<b><u>\$ 4,347</u></b>	<b><u>\$ 3,850</u></b>	<b><u>\$ 3,102</u></b>	<b><u>\$ 2,603</u></b>	<b><u>\$ 2,859</u></b>	<b><u>\$ 2,234</u></b>
<b><i>Net Sales Reconciliation</i></b>										
Net Sales As Reported	\$ 23,617	\$ 20,675	\$ 19,495	\$ 21,743	\$ 23,306	\$ 18,317	\$ 17,565	\$ 19,363	\$ 21,161	\$ 18,916
Net Sales - Discontinued Operations	—	1,690	1,584	1,559	—	4,058	3,015	—	—	—
<b>Total Net Sales - Continuing and Discontinued Operations</b>	<b><u>\$ 23,617</u></b>	<b><u>\$ 22,365</u></b>	<b><u>\$ 21,079</u></b>	<b><u>\$ 23,302</u></b>	<b><u>\$ 23,306</u></b>	<b><u>\$ 22,375</u></b>	<b><u>\$ 20,580</u></b>	<b><u>\$ 19,363</u></b>	<b><u>\$ 21,161</u></b>	<b><u>\$ 18,916</u></b>
<b>Total Adjusted EBITDA Margin - Continuing and Discontinued Operations</b>	<b><u>17.5 %</u></b>	<b><u>17.6 %</u></b>	<b><u>16.6 %</u></b>	<b><u>16.9 %</u></b>	<b><u>18.7 %</u></b>	<b><u>17.2 %</u></b>	<b><u>15.1 %</u></b>	<b><u>13.4 %</u></b>	<b><u>13.5 %</u></b>	<b><u>11.8 %</u></b>

(a) Years 2014 - 2017 are inclusive of N.A. Consumer Packaging. 2021 excludes Papers.

Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin are all "non-GAAP financial measures" presented as supplemental measures of our performance and the most directly comparable GAAP measure for Adjusted EBIT and Adjusted EBITDA is earnings (loss) from continuing operations before income taxes and equity earnings. They are not presented in accordance with accounting principles generally accepted in the United States, or GAAP. The Company believes these measures provide additional meaningful information in evaluating the Company's performance over time, and

that other companies use these and/or similar measures for similar purposes. However, Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin have limitations as analytical tools, and you should not consider them in isolation, or as substitutes for an analysis of our results as reported under GAAP. In addition, in evaluating Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin, you should be aware that in the future we will incur expenses such as those used in calculating these measures. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.