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Q3 2024 RESULTS AND SUPPLEMENTARY PROSPECTUS

INTERNATIONAL PAPER CO

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INTERNATIONAL PAPER COMPANY

PUBLICATION OF THIRD QUARTER 2024 RESULTS AND SUPPLEMENTARY

International Paper Company ("**International Paper**") yesterday published its unaudited financial results (the "**Q3 Financial Results**") and held an earnings presentation (the "**Earnings Presentation**"). Copies of the press release relating to the Q3 Financial Results, Earnings Presentation and GAAP financial measures are available at <https://www.internationalpaper.com/reports/quarterly-results>.

It is expected that International Paper will publish a supplementary prospectus (the "**Supplementary Prospectus**") on 4 November 2024, subject to approval by the Financial Conduct Authority ("**FCA**"), in connection with the publication of the Q3 Financial Results. The Supplementary Prospectus will be read in conjunction with, the prospectus which was published by International Paper Company in 2024 in connection with the admission of shares of common stock in the capital of International Paper Company.

shares (international commercial companies secondary listing) category of the Official Listing Rules, and will be traded on the main market of the London Stock Exchange.

A copy of the Supplementary Prospectus will be made available for inspection shortly following the completion of the Offer, and will be subject to certain restrictions relating to persons resident in restricted jurisdictions. The Supplementary Prospectus will be available on International Paper's website at <https://www.internationalpaper.com/uk-listing-prospectus/documentation>

International Paper Q4 Profit Forecast

During the Earnings Presentation, the following statements were made, which for the purposes of the City Code on Takeovers and Mergers (the "Code") constitutes a profit forecast published by International Paper during an offer period (the "**International Paper Q4 Profit Forecast**"):

"Earnings for our Industrial Packaging segment are expected to be higher sequentially by approximately \$55 million, which includes accelerated depreciation expense of \$20 million. We expect Price and Mix to improve earnings by \$45 million sequentially... Volume decrease earnings by \$15 million... We expect Operations and Costs to increase earnings by \$10 million... Lower Maintenance Outage expense is expected to increase earnings by \$10 million... Lastly, lower Input Costs are expected to increase earnings by \$15 million..."

"Earnings for Global Cellulose Fibers are expected to be lower sequentially by approximately \$20 million, which includes accelerated depreciation expense of \$220 million, as well as maintenance outages... We expect price and mix to decrease earnings by approximately \$20 million... Volume is expected to be stable... We expect Operations and Costs to increase earnings by \$10 million... Higher planned Maintenance Outage expense is expected to decrease earnings by \$36 million. And lastly, Input Costs are expected to be stable..."

Confirmations

Pursuant to Note 2(b) to Rule 28.1 of the Code, the Panel has granted International Paper's request for a dispensation to include reports from reporting accountants and International Paper's financial statements in the International Paper Q4 Profit Forecast because it was an ordinary course profit forecast and the Panel has agreed to the dispensation.

In accordance with Rule 28.1(c)(i) of the Code, the International Paper Directors confirm that the International Paper Q4 Profit Forecast has been properly compiled on the basis of the assumptions stated therein and the basis of accounting used is consistent with International Paper's accounting policies.

Basis of Preparation

The International Paper Q4 Profit Forecast has been compiled and prepared on a basis that is comparable with International Paper's audited financial statements for the fiscal years ended 31 December 2022 and 31 December 2021; and (b) consistent with the International Paper's accounting policies, which are in accordance with U.S. GAAP.

The International Paper Directors have prepared the International Paper Q4 Profit Forecast on the basis of unaudited condensed consolidated financial information of International Paper as of an

ended 30 September 2024, 30 June 2024 and 31 March 2024; and (b) its internal forecast ending 31 December 2024.

Assumptions

The International Paper Q4 Profit Forecast is based on the assumptions listed below. As these assumptions are forward-looking, there can be no assurance that they will individually or in aggregate be correct, which may materially change the outcome of the International Paper Group's revised International Paper Q4 Profit Forecast.

Factors outside the influence or control of the International Paper Directors

- (a) no changes to existing prevailing macroeconomic, regulatory or political conditions and regions in which International Paper operates that would materially affect its operations;
- (b) the inflation and tax and foreign exchange rates in the markets and regions in which International Paper operates remaining materially unchanged from the prevailing rates;
- (c) no material adverse events that could have a significant impact on International Paper's performance, including litigation, adverse weather events or natural disasters, supply chain or markets or the construction process;
- (d) no material changes in market conditions over the forecast period to 31 December 2024 due to either customer demand or competitive environment;
- (e) industry pricing indices remaining materially unchanged from the prevailing rates at the date of the Supplementary Prospectus;
- (f) no material changes to manufacturing capacity in the market that would affect the demand for volumes purchased from International Paper;
- (g) no material impact on stakeholder relationships arising from the Combination;
- (h) no material adverse outcome from any ongoing or future disputes with any regulatory or tax authority;
- (i) no material change in International Paper's employee attrition rates or the cost of medical and pension and other post-retirement benefits driven by external factors;
- (j) no material changes in legislation, taxation, regulatory requirements, application or interpretation of any regulatory bodies impacting on International Paper's accounting policies; and
- (k) no material change to International Paper's ability to access the global capital markets.

Factors within the influence and control of the International Paper Directors

- (a) no material change to the present management of International Paper prior to 31 December 2024;
- (b) no major corporate acquisitions or disposals, developments, partnerships or joint ventures or agreements being entered into by International Paper, prior to 31 December 2024.

avoidance of doubt, other than changes related to the Combination);

- (c) no material changes in the dividend or capital policies of International Paper
- (d) International Paper's accounting policies being consistently applied over the period
- (e) no material change in the operational structure and strategy of International Paper

Timetable Update

The Combination remains subject to the Conditions set out in Part A of Part Three of the Scheme Document published on 11 September 2024 in connection with the Combination (the "**Scheme Document**") amongst other things, clearance from the European Commission.

International Paper and DS Smith continue to work proactively and collaboratively with the Commission with a view to obtaining the requisite clearance. The Combination is expected to become EBITDA positive in the quarter of 2025. Otherwise, the expected timetable of principal events remains as set out in the Scheme Document.

International Paper FY 24 Profit Forecast

As required by Rule 27.2(d) of the Code, the International Paper Directors confirm that there have been no material changes to the International Paper FY 24 Profit Forecast, which remains valid; and that Deloitte LLP ("**Deloitte**"), as reporting accountants to International Paper and Merrill Lynch (**"Merrill Lynch Securities"**), as financial advisor to International Paper, has confirmed to International Paper that their respective reports produced in connection with the International Paper FY 24 Profit Forecast, which were included in International Paper's announcement dated 27 August 2024, continue to apply.

International Paper FY 25/26 Profit Forecasts

As required by Rule 27.2(d) of the Code, the International Paper Directors confirm that there have been no material changes to the International Paper FY 25/26 Profit Forecasts, which remain valid.

Quantified Financial Benefits Statement

As required by Rule 27.2(d) of the Code, the International Paper Directors confirm that there have been no material changes to the Quantified Financial Benefits Statement, which remains valid; and that Deloitte LLP ("**Deloitte**") and BofA Securities, as reporting accountants to International Paper and BofA Securities, as financial advisor to International Paper, have confirmed to International Paper that their respective reports produced in connection with the Quantified Financial Benefits Statement, which were included in International Paper's update announcement dated 27 August 2024, continue to apply.

Terms used but not defined in this announcement have the meaning given to them in the Scheme Document.

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Skadden, Arps, Slate, Meagher & Flom LLP is acting as legal adviser to International Paper Combination.

Disclaimers

Merrill Lynch International ("BofA Securities"), which is authorised by the Prudential ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA in the UK exclusively for International Paper and for no one else in connection with the matter announced and will not be responsible to anyone other than International Paper for the information afforded to its clients or for providing advice in relation to the matters referred to in this BofA Securities, nor any of its affiliates, owes or accepts any duty, liability or responsibility, direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who relies on BofA Securities in connection with this announcement, any statement contained herein or otherwise.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the Securities Act of 1933, BofA Securities and its affiliates will continue to act as exempt principal trader in DSX on the London Stock Exchange. These purchases and activities by exempt principal traders will be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Authority. The information will be available on the London Stock Exchange website at www.londonstockexchange.com and will also be publicly disclosed in the US to the extent that such information is made public in the United States.

Further information

This announcement is for information purposes only and is not intended to and does not part of, an offer, invitation or the solicitation of an offer to purchase or subscribe, otherwise sell or otherwise dispose of any securities or the solicitation of any vote or approval in any the Combination or otherwise.

The Combination is subject to English law and to the applicable requirements of the Code Rules, the London Stock Exchange and the FCA.

The Combination is made solely by the Scheme Document, which contains the full terms of the Combination. DS Smith Shareholders are advised to read the formal documentation in relation to the Combination carefully. Each DS Smith Shareholder is urged to consult their independent professional adviser as to the consequences of the Combination.

This announcement does not constitute a prospectus or a prospectus equivalent document.

If you are in any doubt about the contents of this announcement or the action you are recommended to seek your own independent financial advice immediately from your stockbroker, solicitor, accountant or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended).

This announcement has been prepared for the purpose of complying with English law and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.

Overseas shareholders

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction outside the United Kingdom (including Restricted Jurisdictions) should inform themselves about, and observe, the applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their DS Smith Shares in respect of a General Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court, may be affected by the laws of the relevant jurisdictions in which they are located or to which they are subject. Failure to comply with applicable legal or regulatory requirements of any jurisdiction may result in the securities laws in that jurisdiction. To the fullest extent permitted by law, the companies comprising the Combination disclaim any responsibility or liability for the violation of such restrictions.

Copies of this announcement and any formal documentation relating to the Combination should not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into any Restricted Jurisdiction or any jurisdiction where to do so would constitute a violation of the laws of that jurisdiction. Persons receiving such documents (including custodians, nominees and trustees) must not forward, distribute or send copies of this announcement or any formal documentation relating to the Combination in or into or from any Restricted Jurisdiction.

If the Combination is implemented by way of an Offer (unless otherwise permitted regulation), the Offer may not be made, directly or indirectly, in or into or by use of the mail or instrumentality (including, without limitation, facsimile, e-mail or other electronic telephone) of interstate or foreign commerce of, or any facility of a national, state or other any Restricted Jurisdiction and the Offer will not be capable of acceptance by instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to DS Smith Shareholders in overseas jurisdictions are contained in the Scheme Document.

Additional information for US investors in DS Smith

The Combination relates to the shares of an English company and is being made by way of an arrangement provided for under Part 26 of the Companies Act. The Combination, including the scheme of arrangement, is not subject to the tender offer rules or the proxy solicitation rules of the Securities Exchange Act of 1934, as amended (the "US Exchange Act"). Accordingly, the Scheme is subject to the disclosure requirements and practices applicable to a scheme of arrangement for a target company incorporated in the UK and listed on the London Stock Exchange, which do not require compliance with the requirements of US tender offer and proxy solicitation rules. If, in the future, International Paper decides to implement the Combination by way of an Offer and determines to extend the Offer into the US, the Combination will be made in compliance with applicable US laws and regulations.

The New International Paper Shares to be issued pursuant to the Combination have not been registered under the US Securities Act of 1933, as amended, (the "US Securities Act"), and may not be offered or sold in the US without registration or an applicable exemption from the registration requirements of the US Securities Act. The New International Paper Shares to be issued pursuant to the Combination will be issued pursuant to an exemption from registration provided by Section 3(a)(10) under the US Securities Act. If, in the future, International Paper exercises its right to implement the Combination by way of an Offer or otherwise in a manner that requires compliance with the registration requirements of the US Securities Act, it will file a registration statement with the SEC. The registration statement will contain a prospectus with respect to the issuance of New International Paper Shares. Shareholders are urged to read these documents and any other relevant documents filed with the SEC, and any amendments or supplements to those documents, because they will contain important information. All such documents will be available free of charge at the SEC's website at www.sec.gov or by contacting International Paper's contact for enquiries identified above.

Neither the SEC nor any US state securities commission has approved or disapproved or endorsed the New International Paper Shares to be issued in connection with the Combination, or determined if this announcement is complete. Any representation to the contrary is a criminal offence in the United States.

The Scheme Document contains certain unaudited financial information relating to International Paper prepared in accordance with the accounting standards applicable in the UK and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with US GAAP.

US generally accepted accounting principles. US generally accepted accounting principles may differ significantly from accounting standards applicable in the UK.

It may be difficult for US DS Smith Shareholders to enforce their rights and any claim arising under securities laws against DS Smith or its directors or officers, because DS Smith is incorporated in England and Wales, some or all of DS Smith's assets are or may be located in non-US jurisdictions, and all of its officers and directors are residents of a non-US country. US DS Smith Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to the jurisdiction of a US court for judgment.

US DS Smith Shareholders also should be aware that the Combination may have tax consequences under applicable US state and local, as well as foreign and international tax laws. Such consequences, if any, are not described herein. US DS Smith Shareholders are urged to consult with their tax and financial advisers in connection with making a decision regarding the Combination.

Forward Looking Statements

This announcement contains certain "forward-looking statements" within the meaning of the Securities Litigation Reform Act 1995, as amended, that are subject to risks and uncertainties. All statements of historical fact or relating to present facts or current conditions included in this announcement are forward-looking statements, including any statements regarding guidance and statements of a forward-looking nature. Forward-looking statements give International Paper's an indication of its expectations and projections with respect to the financial condition, results of operations, and business of International Paper, DS Smith and certain plans and objectives of International Paper and the Combined Company.

These forward-looking statements can be identified by the fact that they do not relate only to historical facts. These statements are based on assumptions and assessments made by International Paper in the light of their experience and their perception of historical trends, current conditions, and other factors they believe appropriate, and therefore are subject to risks and uncertainties that may cause actual results to differ materially from those expressed or implied by those forward-looking statements.

Forward-looking statements often use forward-looking or conditional words such as "expect", "forecast", "estimate", "intend", "plan", "goal", "believe", "hope", "aim", "will", "can", "would", "could" or "should" or other words of similar meaning or the negative of such words. Forward-looking statements include statements relating to the following: (i) the ability of International Paper to consummate the Combination in a timely manner or at all; (ii) the satisfaction (or waiver) of the conditions to the consummation of the Combination; (iii) adverse effects on the market price of International Paper's common stock operating results including because of a failure to complete the Combination; (iv) the effect of the consummation of the Combination on International Paper's or DS Smith's business relationship with its customers and business generally; (v) future capital expenditures, expenses, revenues, economic conditions, market growth, dividend policy, losses and future prospects; (vi) business strategies and the expansion and growth of the operations of the International Paper and DS Smith Combined Company.

Group; and (vii) the effects of government regulation on the business of the International Smith Group. There are many factors which could cause actual results to differ materially, implied in forward looking statements. Among such factors are changes in the global business, competitive, market and regulatory forces, future exchange and interest rates, and future business combinations or disposals.

These forward-looking statements are not guarantees of future performance and are based on assumptions regarding the present and future business strategies of such persons and each will operate in the future. By their nature, these forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will change. The factors described in the context of such forward-looking statements in this announcement may cause actual results, performance or achievements of any such person, or industry results and developments to differ from any results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that such expectations will prove to have been correct and persons making an announcement are therefore cautioned not to place undue reliance on these forward-looking statements. This announcement speaks only as at the date of this announcement. All subsequent oral or written forward-looking statements attributable to International Paper or DS Smith or any persons acting on their behalf are disavowed in their entirety by the cautionary statement above. Neither of International Paper nor DS Smith has an obligation to update publicly or revise forward-looking statements, whether as a result of new information, events or otherwise, except to the extent legally required.

International Paper's Annual Report on Form 10-K for the fiscal year ended 31 December 2023 and DS Smith's quarterly reports on Form 10-Q for the periods ended 31 March 2024, 30 June 2024 and 30 September 2024 as filed with the SEC contain additional information regarding forward-looking statements and the risk factors with respect to International Paper.

Publication on website

A copy of this announcement and the documents required to be published pursuant to Rule 173 of the Code will be made available (subject to certain restrictions relating to persons in certain jurisdictions), free of charge, at www.internationalpaper.com by no later than 12 noon on the day following the date of this announcement.

Neither the contents of this website nor the content of any other website accessible from this website is incorporated into, or forms part of, this announcement.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of the securities of an offeree company or of any securities exchange offeror (being any offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make a Position Disclosure following the commencement of the Offer Period and, if later, following the announcement of which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day (as defined in the Code) following the commencement of the offer, and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day (as defined in the Code) following the announcement in which any securities exchange offeror is first identified. Repealing the requirement for an Opening Position Disclosure in the relevant securities of the offeree company or of a securities exchange offeror and requiring a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of the relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8.3(a). A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day (as defined in the Code) following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether written or oral, which enables them to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any securities exchange offeror(s). Dealing Disclosures must also be made by the offeree company, by any offeror and by any person acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position and Dealing Disclosures must be made can be found in the Disclosure Table on www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, the period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Financial Conduct Authority Surveillance Unit on +44(0)20 7638 0129.

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