

Building a Better IP

December 3, 2020



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. These statements are often identified by the words “will,” “may,” “should,” “continue,” “anticipate,” “believe,” “expect,” “plan,” “appear,” “project,” “estimate,” “intend” and words of a similar nature, and include International Paper’s expected earnings growth, ability to maintain investment grade credit rating, payment of future dividends, ability to monetize retained interest in SpinCo, and the tax treatment of the spinoff transaction and the expected completion timing. These statements are not guarantees of future performance and reflect management’s current views with respect to future events, which are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed or implied in these statements. Factors which could cause actual results or events to differ include but are not limited to: (i) the receipt of regulatory approvals relating to the spinoff transaction without unexpected delays or conditions; (ii) International Paper’s ability to successfully separate the SpinCo business and realize the anticipated benefits of the spinoff transaction; (iii) the ability to satisfy any necessary conditions to consummate the spinoff transaction within the estimated timeframes or at all; (iv) the final terms and conditions of any spinoff transaction, including the amount of any dividend by SpinCo to International Paper and the terms of any ongoing commercial agreements and arrangements between International Paper and SpinCo following any such transaction, the costs of any such transaction, the nature and amount of indebtedness incurred by SpinCo, the qualification of the spin-off transaction as a tax-free transaction for U.S. federal income tax purposes (including whether an IRS ruling will be obtained), diversion of management’s attention and the impact on relationships with customers, suppliers, employees and other business counterparties, and the impact of any such transaction on the businesses of International Paper and SpinCo and the relationship between the two companies following any such transaction; (v) developments related to the COVID-19 pandemic, including the severity, magnitude and duration of the pandemic, the development, availability and effectiveness of treatments and vaccines, negative global economic conditions arising from the pandemic, impacts of governments’ responses to the pandemic on our operations, impacts of the pandemic on commercial activity, our customers and business partners and consumer preferences and demand, supply chain disruptions, and disruptions in the credit or financial markets; (vi) the level of indebtedness and changes in interest rates; (vii) industry conditions, including but not limited to changes in the cost or availability of raw materials, energy and transportation costs, competition International Paper faces, cyclicalities and changes in consumer preferences, demand and pricing for International Paper or SpinCo products (including changes resulting from the COVID-19 pandemic); (viii) domestic and global economic conditions and political changes, changes in currency exchange rates, trade protectionist policies, downgrades in International Paper’s credit ratings, and/or the credit ratings of banks issuing certain letters of credit, issued by recognized credit rating organizations; (ix) the amount of International Paper’s future pension funding obligations, and pension and health care costs; (x) unanticipated expenditures or other adverse developments related to the cost of compliance with existing and new environmental, tax, labor and employment, privacy and other U.S. and non-U.S. governmental laws and regulations (including new legal requirements arising from the COVID-19 pandemic); (xi) any material disruption at any of International Paper’s manufacturing facilities (including as the result of the COVID-19 pandemic); (xii) risks inherent in conducting business through joint ventures; (xiii) International Paper’s ability to achieve the benefits expected from, and other risks associated with, acquisitions, joint ventures, divestitures and other corporate transactions, (xiv) information technology risks, and (xv) loss contingencies and pending, threatened or future litigation, including with respect to environmental related matters. These and other factors that could cause or contribute to actual results or events differing materially from such forward-looking statements can be found in International Paper’s press releases and U.S. Securities and Exchange Commission filings. In addition, other risks and uncertainties not presently known to International Paper or that it currently believes to be immaterial could affect the accuracy of any forward-looking statements. International Paper 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 (“U.S. GAAP”), during the course of this presentation, certain non-U.S. GAAP financial measures are presented. Management believes certain non-U.S. GAAP financial measures, when used in conjunction with information presented in accordance with U.S. GAAP, can facilitate a better understanding of the impact of various factors and trends on the Company’s financial condition and results of operations. Management also uses these non-U.S. GAAP financial measures in making financial, operating and planning decisions and in evaluating 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-U.S. GAAP measures (and their components) to U.S. GAAP financial measures is available on IP’s website at internationalpaper.com under Performance/Investors. This presentation is not an offer to sell, or a solicitation of an offer to buy, any securities.

Strategic Rationale | Creating Value Through Focus



CREATE TWO FOCUSED, LEADING COMPANIES

IP: Highly advantaged
packaging focused company

SpinCo: Well-positioned global
paper company



POSITION IP TO ACCELERATE VALUE CREATION

Building on strength of our
industrial packaging business

Taking meaningful actions
to grow earnings and cash
generation



BUILD FOUNDATION FOR LONG-TERM SUCCESS

Agile organizational and
operating model

Commitment to capital
allocation framework and
investment excellence

Creating Two Focused, Leading Companies

IP

Highly advantaged corrugated packaging-focused company

- Strong strategic profile
- Significant earnings growth catalysts
- Commitment to capital allocation framework

\$17B Sales¹

~20,000 Customers

28 Mills | **220** Converting Facilities

SpinCo

Well-positioned global paper company

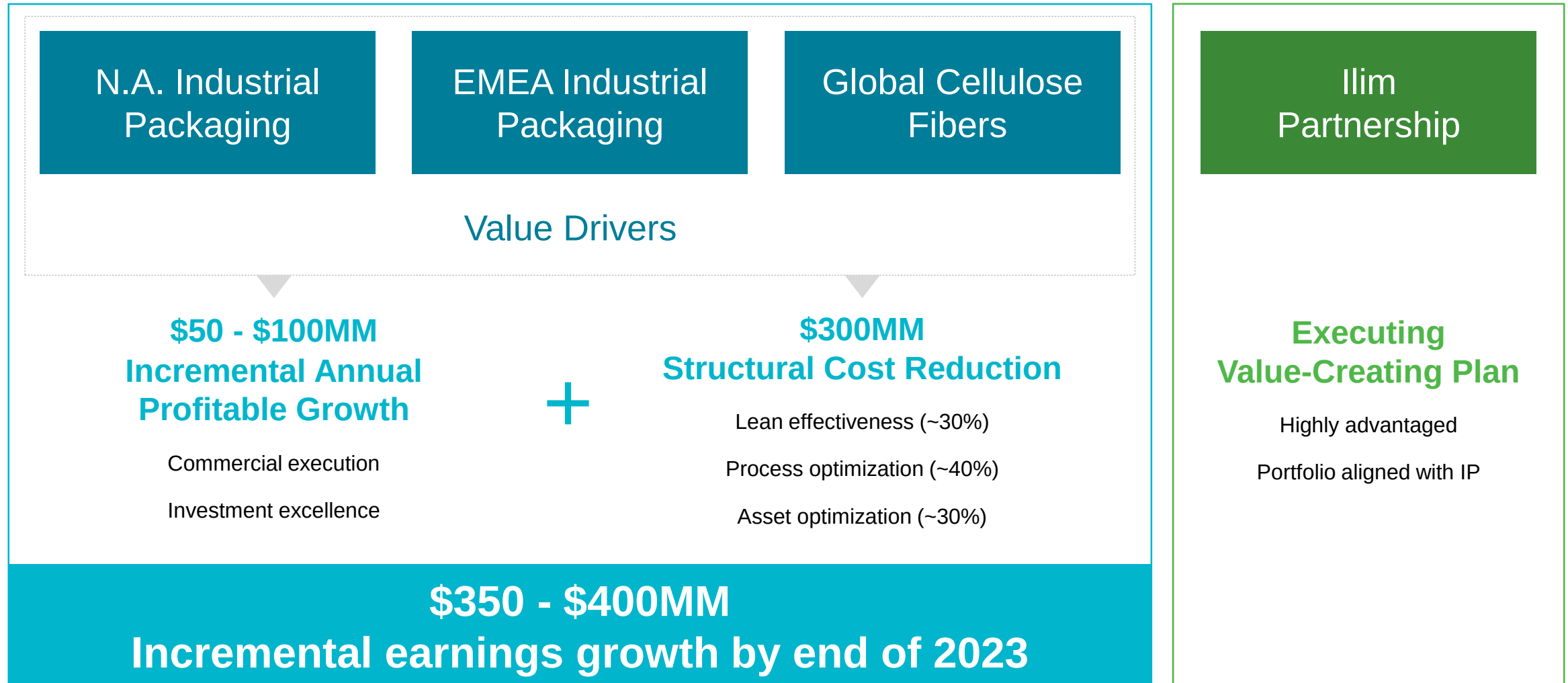
- Talented team
- Scale and capabilities
- Capital structure with potential to unlock strategic value

\$4B Sales¹

Leading Brands across key markets

8 Mills

IP | Taking Meaningful Action to Grow Earnings and Cash Generation



IP | Building on Strength of Corrugated Packaging Business



Unmatched capabilities and scale
220 converting facilities

Low-cost and flexible mill system
20 mills with ~90% of capacity 1st quartile cost

~20,000
customers

~2 million
unique box designs

~350
designers

~1,000
active
innovation ideas

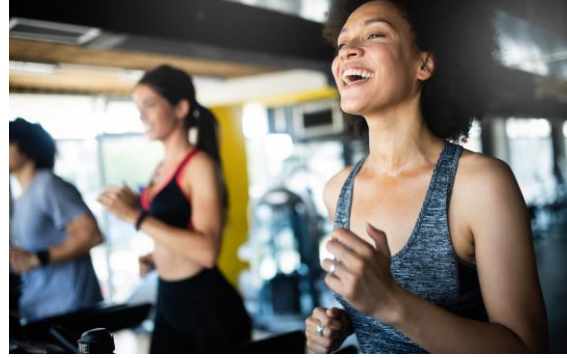
~3,500
packaging formers at
customer locations

IP | Global Cellulose Fibers Path to Profitability

Baby Diapers: 1% CAGR



Feminine Care: 2-3% CAGR



Adult Incontinence: 3-4% CAGR



Wipes: 2-3% CAGR



Attractive and Growing Consumer Segments

IP Advantages

Preferred quality
and breadth of
offerings

Innovative
products and
services

Scale and
reliable multi-mill
system

Profit Drivers

Commercial
execution

Leverage
innovation

Improve cost
position

SpinCo | Global Paper Company Positioned for Success

Strong **leadership and talented team**

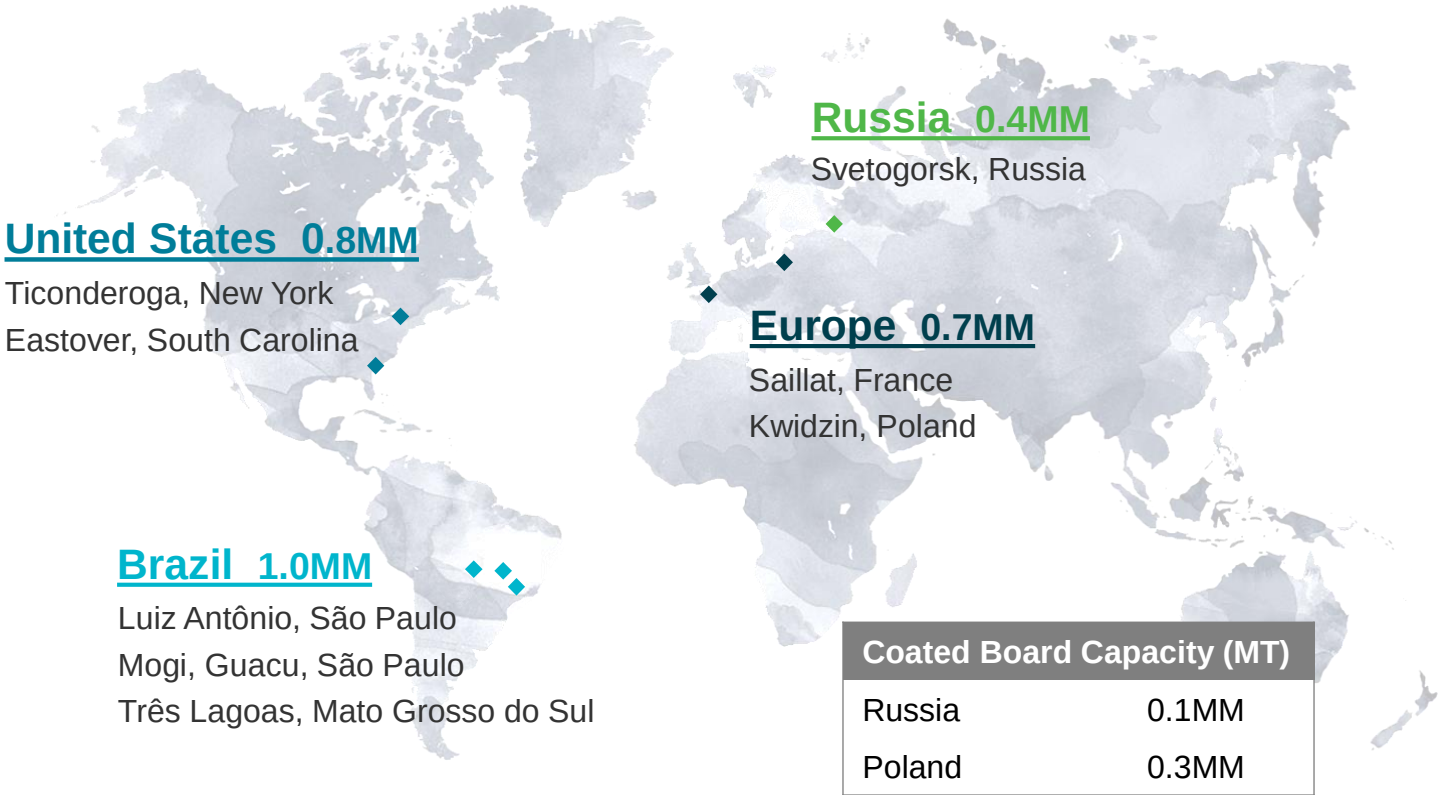
Substantial scale with global capabilities

Competitive cost positions across geographies

Leading brands across key markets

Significant potential to **unlock strategic options**

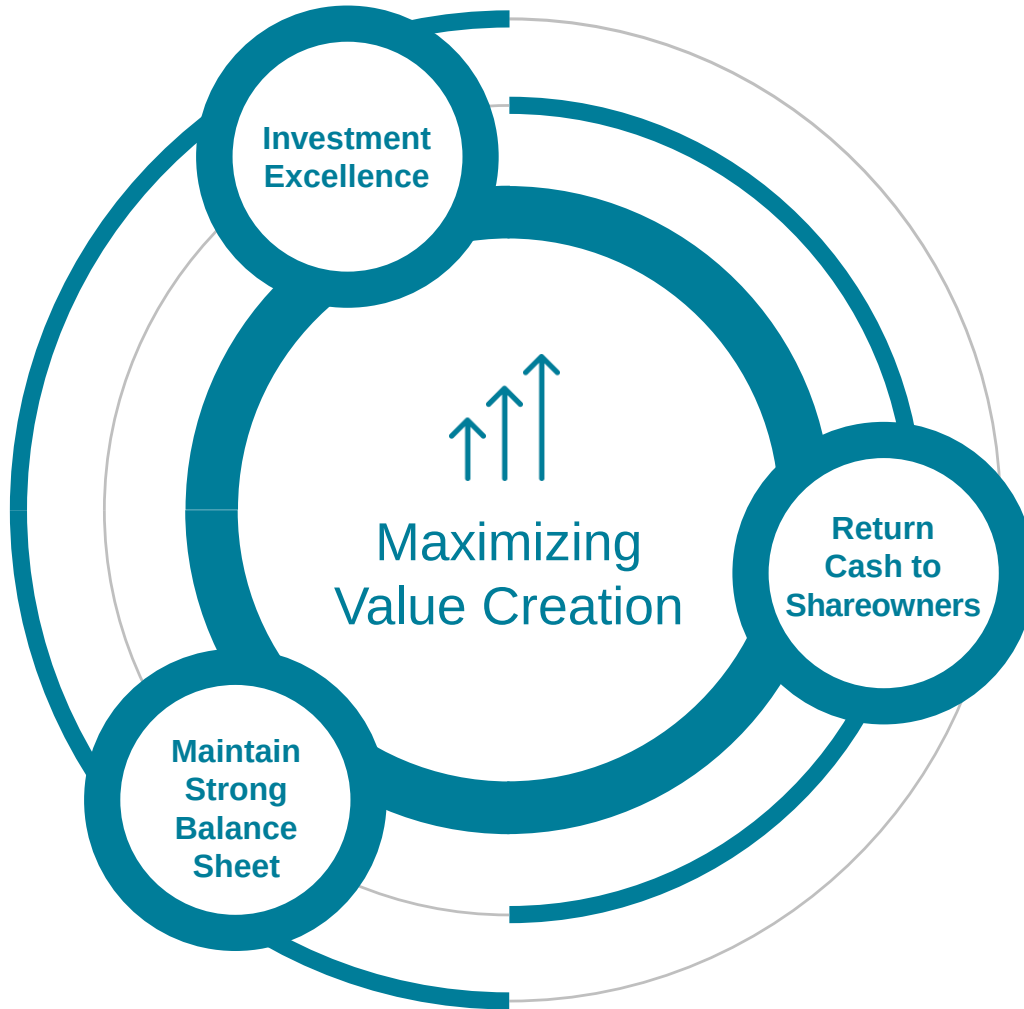
8 Mills with Paper Capacity of 2.9MM Metric Tons



Coated Board Capacity (MT)

Russia	0.1MM
Poland	0.3MM

IP | Capital Allocation Framework Foundational to IP



Maintain Strong Balance Sheet

- Committed to our investment grade credit rating (Baa2/BBB)
- Maintain targeted Debt to EBITDA¹ of 2.5x to 2.8x

Return Cash to Shareowners

- Competitive and sustainable dividend at 40-50% of FCF
- Share repurchases

Commitment to Investment Excellence

- Strategic Fit | Compelling Value | Disciplined
- Meaningful spread above cost of capital
- Disciplined, selective and compelling M&A

Separation Overview

STRUCTURE	• Spin-off to be implemented by distribution of “SpinCo” shares to IP shareowners • IP will retain up to 19.99% of SpinCo shares with intent to monetize within 1 year to provide additional proceeds to IP • SpinCo will raise debt to pay dividend to IP • Spin-off is expected to be tax-free for U.S. federal tax purposes
FINANCIAL POLICY	• IP expects to maintain current investment grade credit rating (Baa2/BBB) • IP expects to reduce its dividend by 15-20% in proportion to cash generated by SpinCo, upon completion of spin-off • SpinCo’s capital structure will provide operating and strategic flexibility – expected to have strong sub-investment grade credit rating
LEADERSHIP & GOVERNANCE	• Jean-Michel Ribiéras named CEO of SpinCo • John V. Sims named CFO of SpinCo • SpinCo management team and Board of Directors to be announced over next several months
TIMING & CONDITIONS	• Expect to complete late 3Q21 • Subject to customary conditions, including receipt of tax opinion, Form 10 registration and final IP Board approval

Building a Better IP



**CREATE TWO
FOCUSED, LEADING
COMPANIES**



**POSITION IP TO
ACCELERATE
VALUE CREATION**



**BUILD FOUNDATION
FOR LONG-TERM
SUCCESS**

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