



INTERNATIONAL PAPER

First Quarter 2021 Earnings
April 29, 2021

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. 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 to differ materially from those expressed or implied in these statements. Factors which could cause actual results to differ include but are not limited to: (i) developments related to the COVID-19 pandemic, including the spread of new variants of the virus, the effectiveness and distribution of vaccines, continuing 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; (ii) the level of indebtedness and changes in interest rates; (iii) industry conditions, including but not limited to changes in the cost or availability of raw materials, energy and transportation costs, competition we face, cyclicalities and changes in consumer preferences, demand and pricing for our products (including changes resulting from the COVID-19 pandemic); (iv) domestic and global economic conditions and political changes, 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; (v) the amount of our future pension funding obligations, and pension and health care costs; (vi) 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); (vii) any material disruption at any of our manufacturing facilities due to severe weather, natural disasters or other causes (including as the result of the COVID-19 pandemic); (viii) risks inherent in conducting business through joint ventures; (ix) our ability to achieve the benefits expected from, and other risks associated with, acquisitions, joint ventures, divestitures and other corporate transactions, (x) information technology risks, (xi) loss contingencies and pending, threatened or future litigation, including with respect to environmental related matters, (xii) the receipt of regulatory approvals relating to the spin-off transaction without unexpected delays or conditions; (xiii) our ability to successfully separate the SpinCo business (known as Sylvamo Corporation) and realize the anticipated benefits of the spin-off transaction; (xiv) our ability to satisfy any necessary conditions to consummate the spin-off transaction within the estimated timeframes or at all; and (xv) the final terms and conditions of any spin-off transaction, including the amount of any dividend by Sylvamo to us and the terms of any ongoing commercial agreements and arrangements between us and Sylvamo following any such transaction, the costs of any such transaction, the nature and amount of indebtedness incurred by Sylvamo, 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 the Company and Sylvamo and the relationship between the two companies following any such transaction. 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 U.S. Securities and Exchange Commission filings. In addition, other risks and uncertainties not presently known to the Company or that it currently believes 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 (“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 <http://www.internationalpaper.com/performance/presentations-events/webcasts-presentations>.

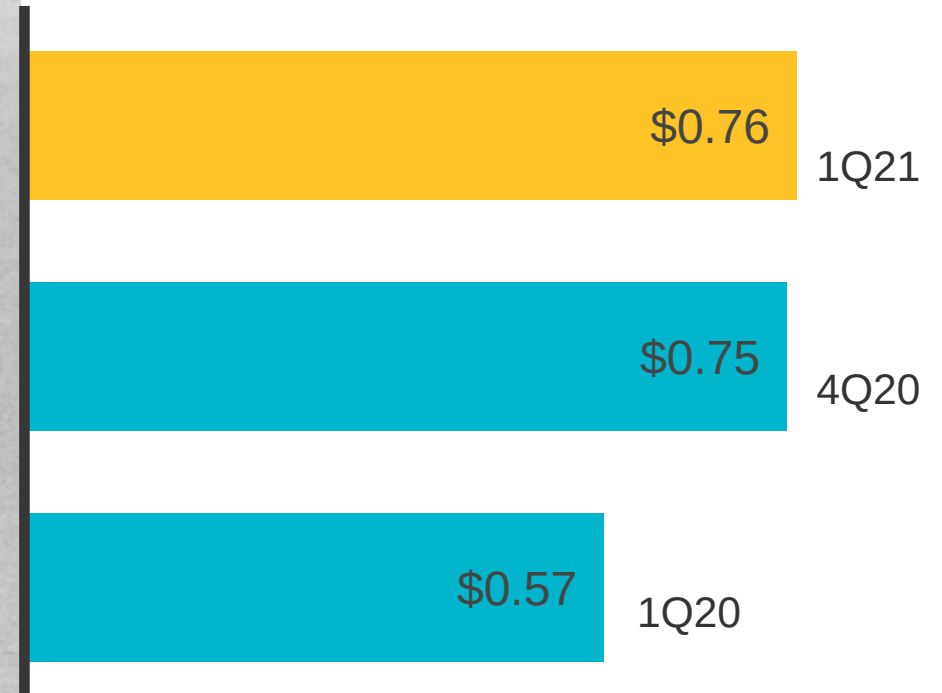
Ilim JV and Graphic Packaging Investment Information

All financial information and statistical measures regarding our 50/50 Ilim joint venture in Russia (“Ilim”) and our 7.4% ownership interest in a subsidiary of Graphic Packaging Holding Company, other than historical International Paper Equity Earnings and dividends received by the Company, have been prepared by the management of Ilim and Graphic Packaging Holding Company, respectively. Any projected financial information and statistical measures reflect the current views of Ilim and Graphic Packaging Holding Company management and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such projections. See “Forward-Looking Statements” above.

First Quarter 2021 Results

- **Solid earnings and strong cash generation**
 - \$730MM Adjusted EBITDA²
 - \$423MM Free Cash Flow³ generation
- **Momentum continuing to build across our businesses**
- **Winter storm impact of \$80MM**
- **Packaging system performance helped mitigate storm impact and support strong customer demand**
- **Input and transportation cost headwinds**
- **Share repurchases of \$129MM**
- **Solid progress on planned papers spin and actions to Build a Better IP**

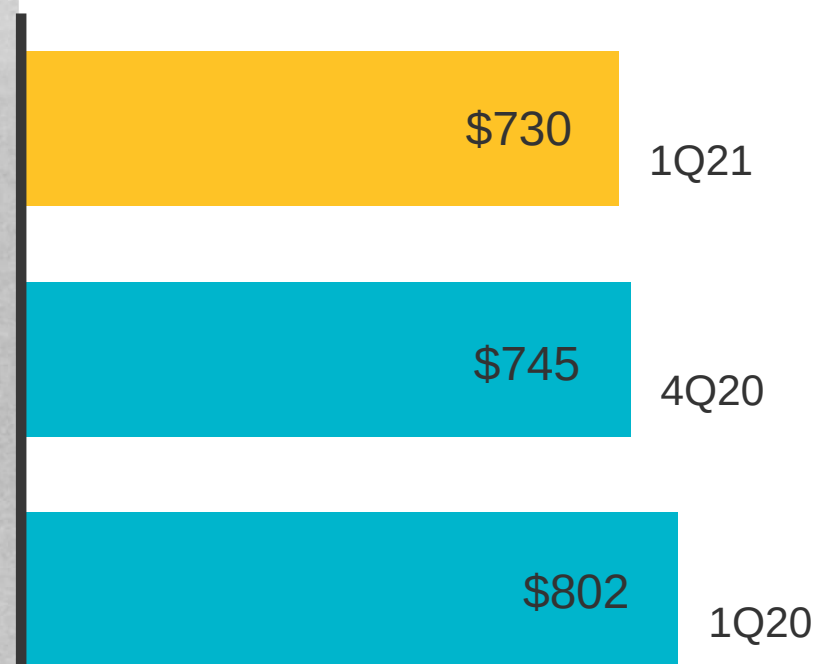
Adjusted Operating EPS¹



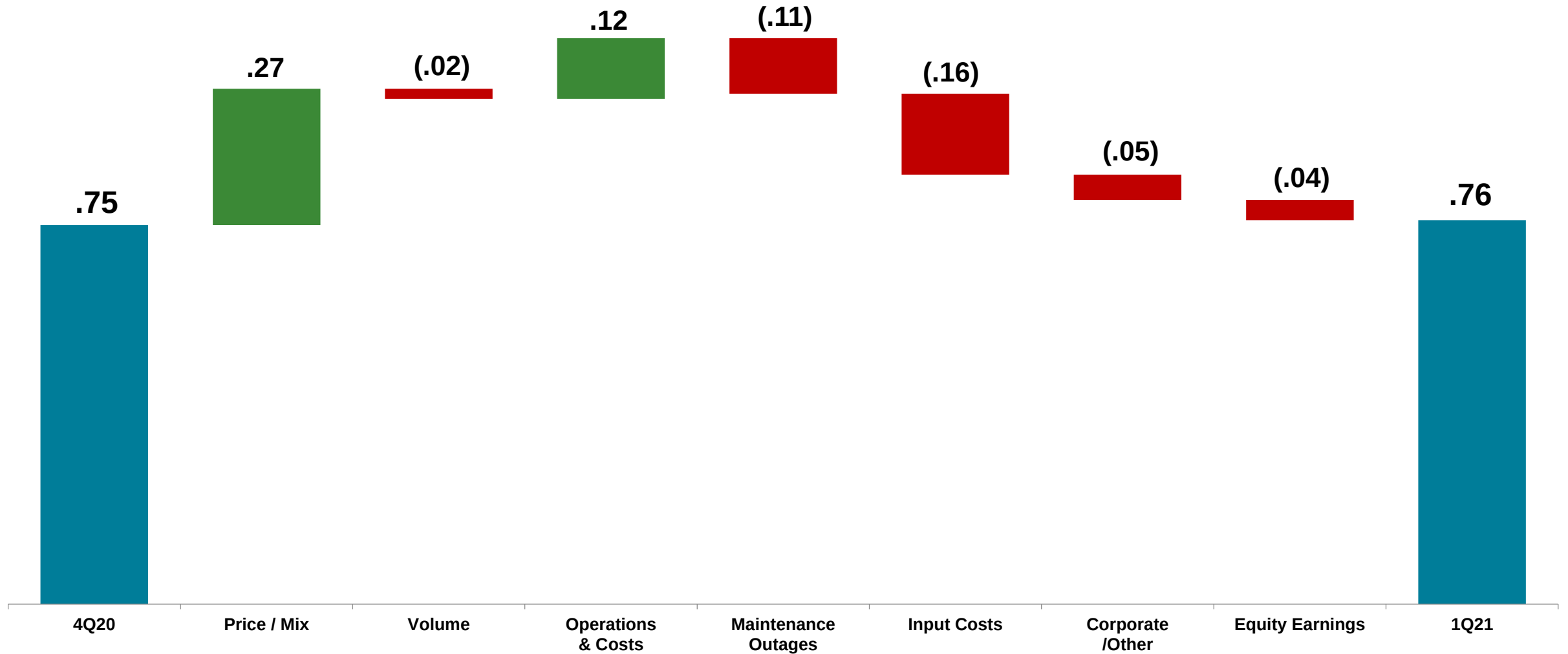
First Quarter 2021 Financials

	1Q20	4Q20	1Q21
Sales (\$B)	\$5.4	\$5.2	\$5.4
Adjusted EBIT ¹ (\$MM)	\$480	\$413	\$421
Adjusted Operating EPS ²	\$0.57	\$0.75	\$0.76
Adjusted EBITDA ¹ (\$MM)	\$802	\$745	\$730
Adjusted EBITDA Margin ¹	15.0%	14.2%	13.6%
Equity Earnings (\$MM)	\$(31)	\$64	\$49
Free Cash Flow ³ (\$MM)	\$363	\$695	\$423

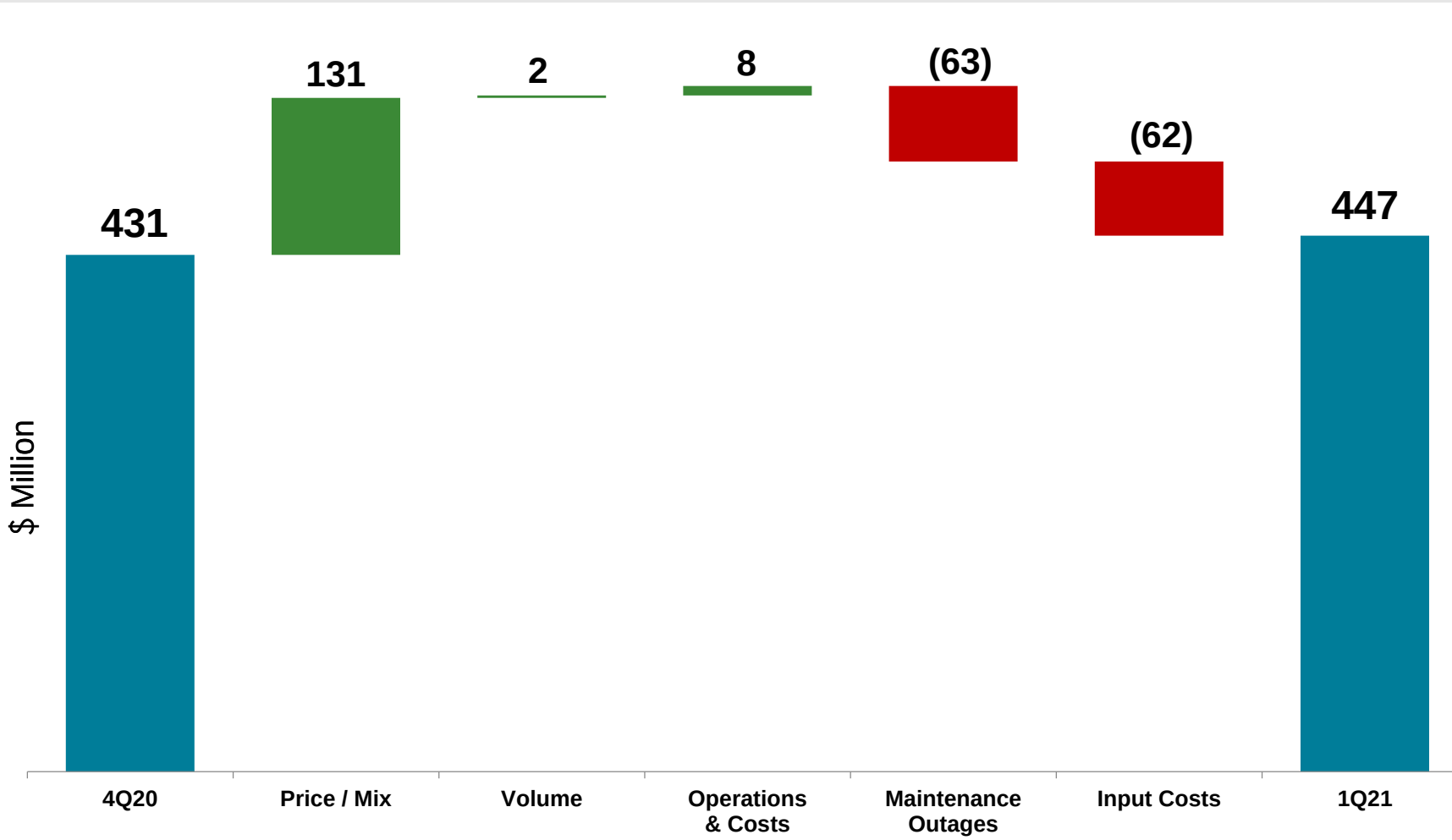
Adjusted EBITDA¹ (\$MM)



1Q21 vs. 4Q20 Adjusted Operating EPS¹



Industrial Packaging | 1Q21 vs. 4Q20 Adjusted EBIT¹



IP 1Q21 U.S. box shipments +3.4% YoY (daily)

Strong demand across N.A. and exports channels

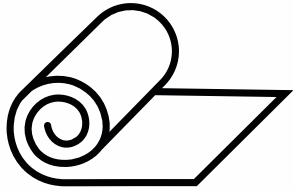
Winter storm impact of \$75MM with lost mill production of 145,000 tons

Higher input costs driven by OCC, energy and distribution

Significant YoY improvement in EMEA Packaging margins

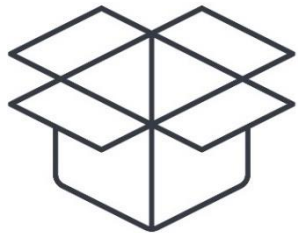
N.A. Industrial Packaging | Commercial Momentum

Strong demand across all channels



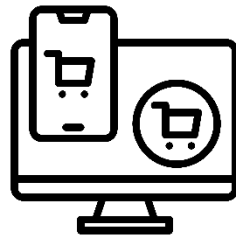
Open Market Containerboard

- US containerboard demand trends remain strong
- Strong export containerboard demand globally



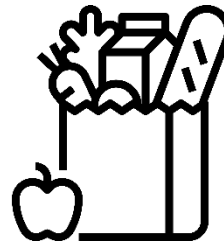
Corrugated Packaging

eCommerce



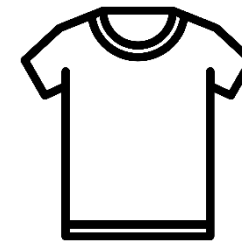
Accelerated consumer adoption permanent

Protein & Produce



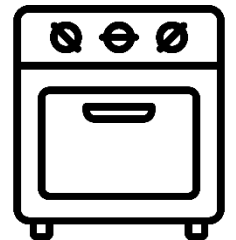
Benefiting from foodservice recovery

Non-Durables



Benefiting from strong consumer demand and manufacturing recovery

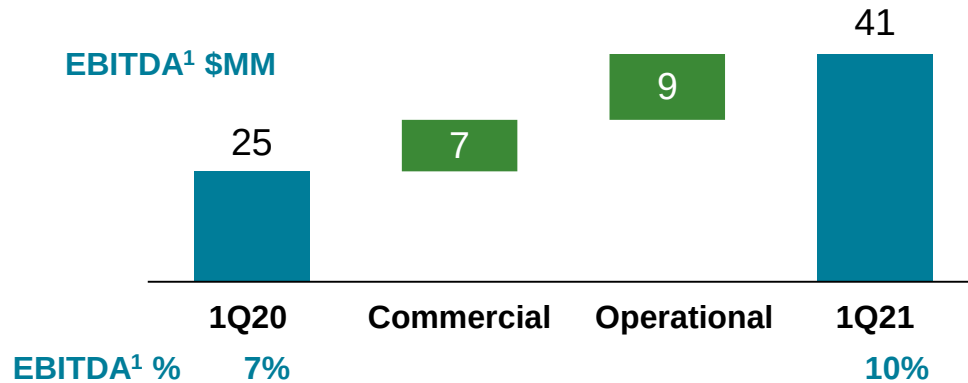
Durables



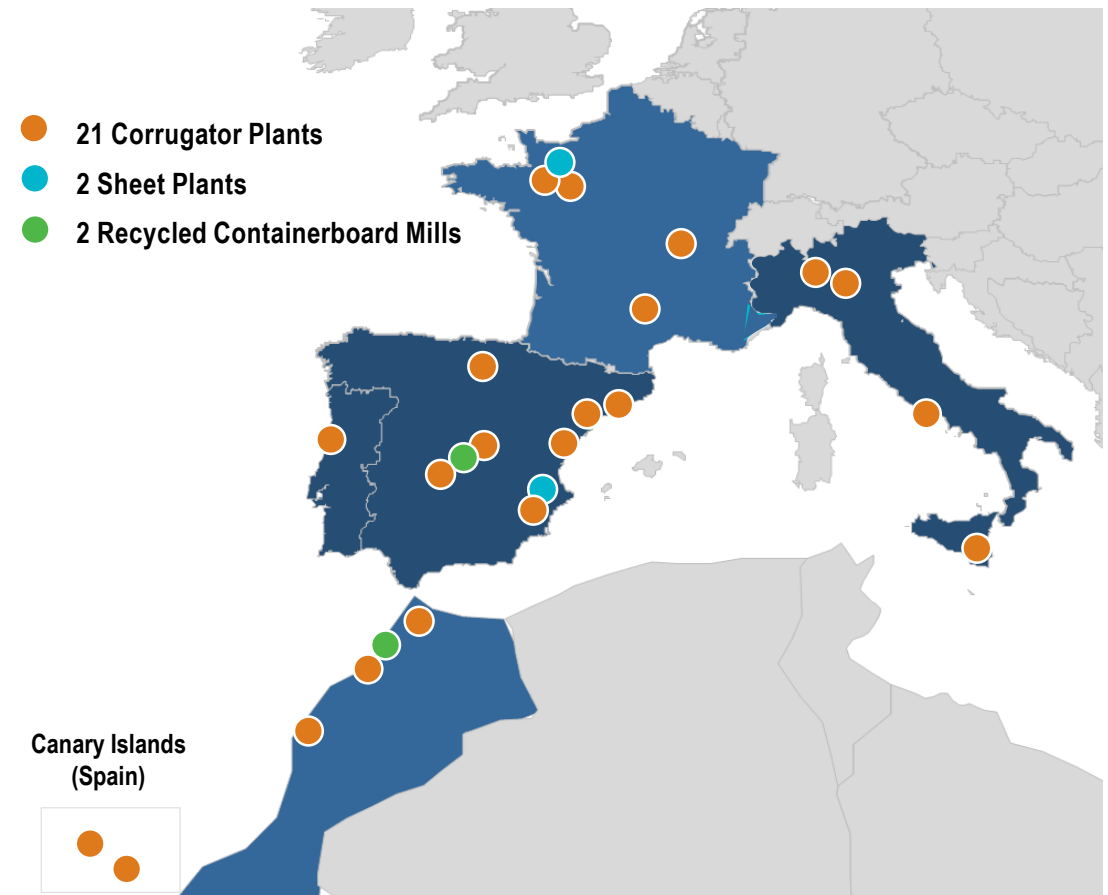
Benefiting from strong housing starts

EMEA Industrial Packaging | Accelerating Performance

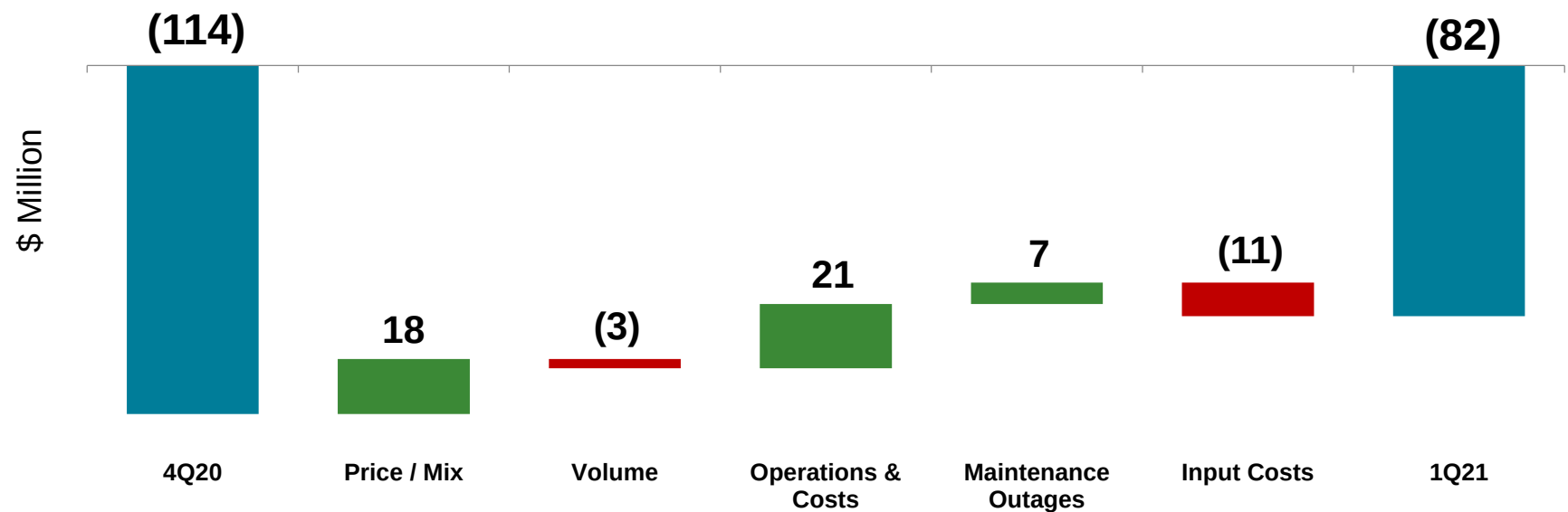
Accelerating performance through focused initiatives and value-creating investments



- Profitable growth and mix optimization
- Madrid Mill fully ramped up – more integration and cost improvement opportunities available
- Enhanced box system performance
- Selective acquisitions enhance system scale and optimize Iberian peninsula footprint

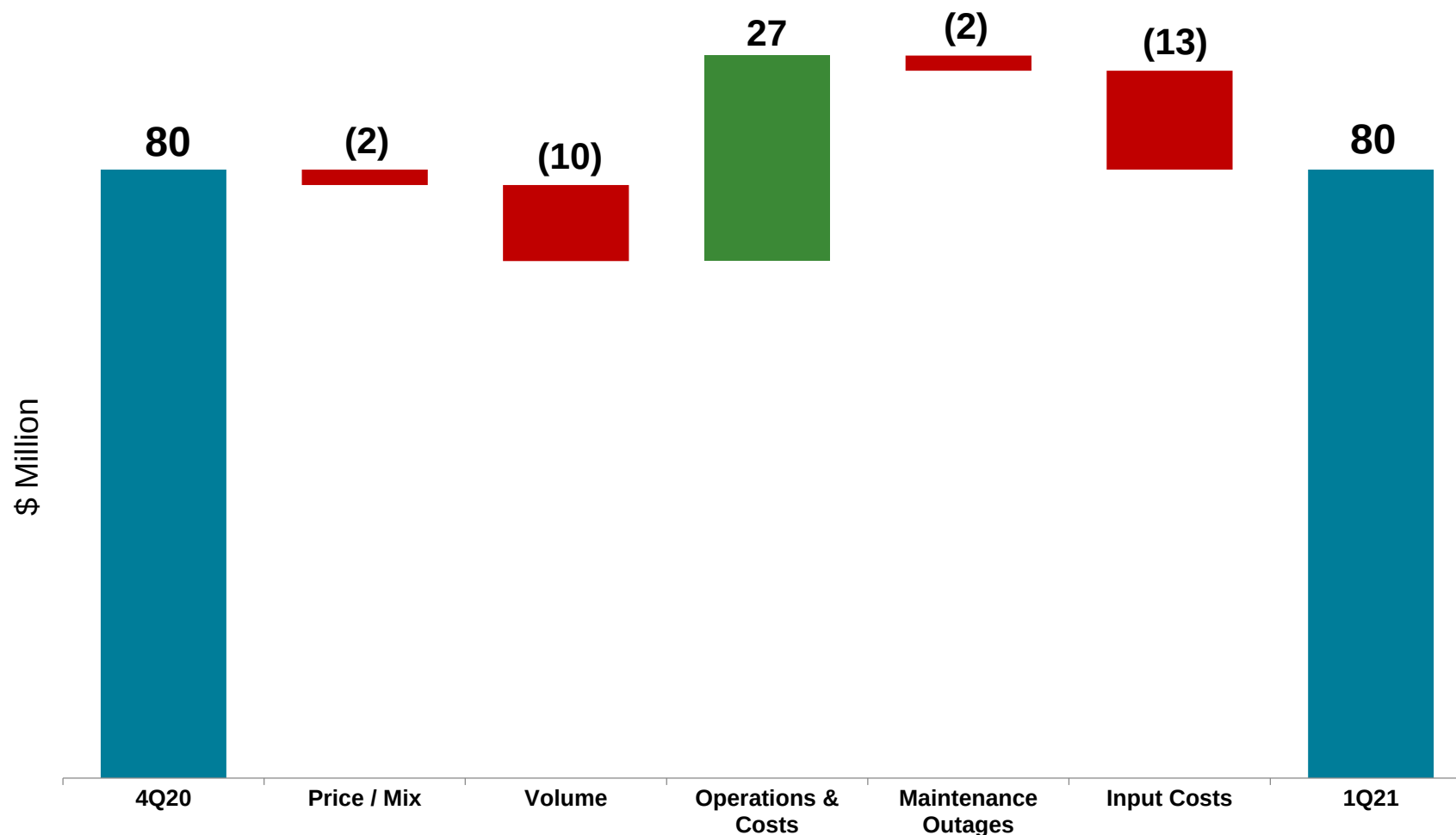


Global Cellulose Fibers | 1Q21 vs. 4Q20 Adjusted EBIT¹



- Solid demand and healthy backlogs
- Price realization accelerated across all segments
- Port congestion and vessel delays continued stretching supply chains
- Solid operations and good cost management

Printing Papers | 1Q21 vs. 4Q20 Adjusted EBIT¹



Demand improving in all regions
(lower 1Q seasonal demand in
Latin America and Russia)

Supply / demand dynamics
improved

Solid operations and good cost
management

Higher input costs driven by wood
and energy costs in N.A.

ILIM Joint Venture | 1Q21 vs. 4Q20



\$ Million	1Q20	4Q20	1Q21
Sales Volume (thousand metric tonnes)	796	932	797
Sales	\$482	\$541	\$531
EBITDA ¹	\$(15)	\$206	\$181
F/X (Impact of USD Net Debt) ²	\$(128)	\$55	\$0
Adj. Operating EBITDA ³	\$113	\$151	\$181
IP Equity Earnings (Loss) ⁴	\$(35)	\$53	\$49

Continued strong demand for softwood pulp in China
1Q21 volume impacted by fewer shipping days related to the Chinese New Year holiday

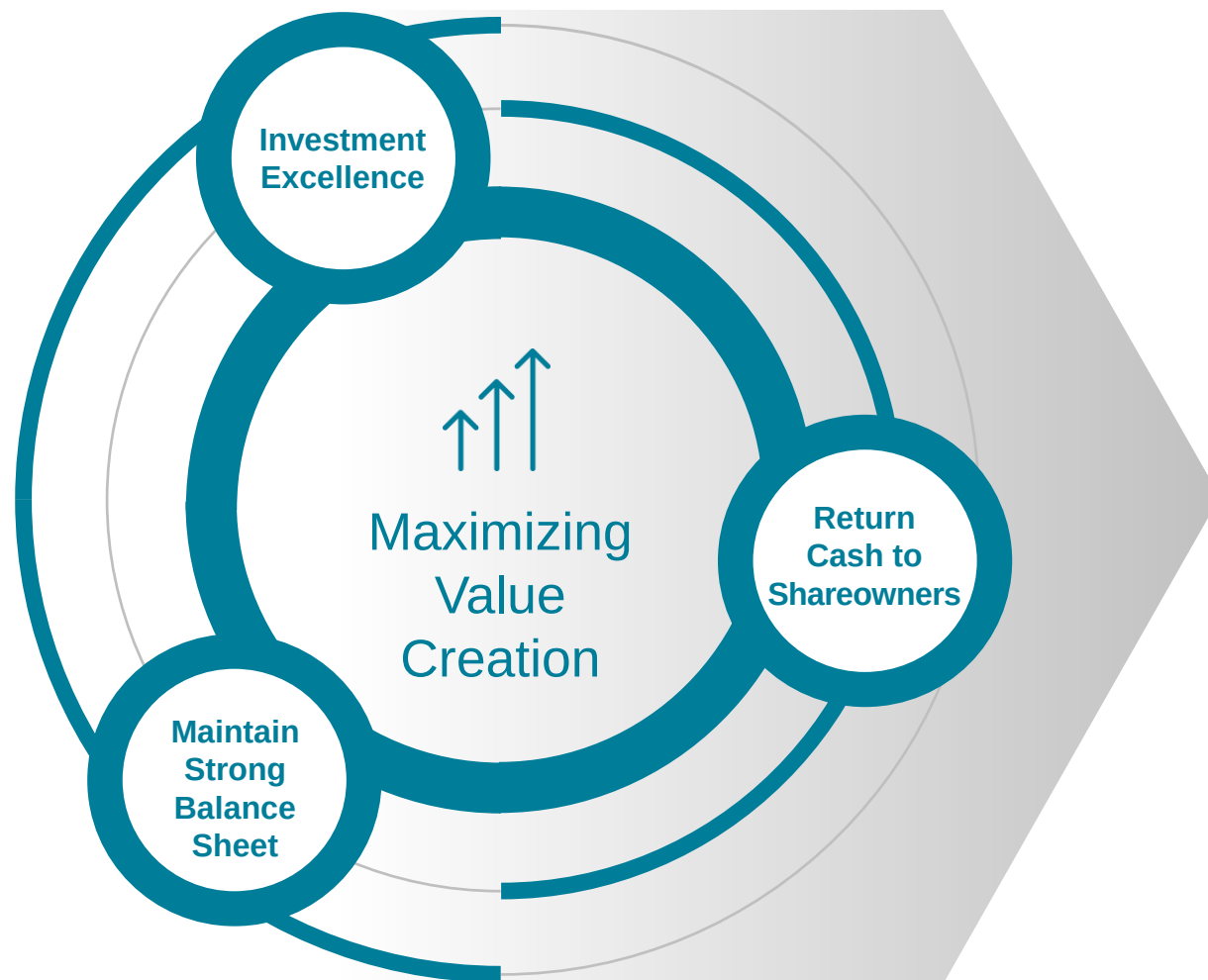
Price/mix improvement driven by higher softwood pulp pricing

\$144 million cash dividend received April 2021

Second Quarter Earnings Outlook | Changes from 1Q21

	Industrial Packaging 	Cellulose Fibers 	Printing Papers 
Price & Mix	Price realization (March 2021 increase)	Price realization on prior increases	Price realization on prior increases
Volume	Strong demand (+) EMEA seasonality (-)	Solid demand	Demand improving
Ops & Costs	Non-repeat with offsets	Higher costs	Higher costs
Maintenance Outages	\$77MM higher	\$10MM lower	\$22MM higher
Inputs & Freight	Higher OCC	Stable	Moderately higher
Equity Earnings	- Ilim JV \$100MM¹ - GPK ownership interest ~7.4% Other 2Q21 corporate expense of ~\$20MM 2Q21 interest expense of \$90MM 2Q21 tax rate outlook of ~26%		

Capital Allocation Framework | Maximize Value Creation



1Q21 Highlights

Further strengthened balance sheet

- Debt repayment of \$108MM
- No significant near-term maturities

Returned \$331MM to shareholders

- Dividend \$202MM
- Share repurchases \$129MM

Investing to create value

- 2021 Capex ≤ \$800MM
- Acquired two box plants in Spain
- Monetized ~\$400MM GPK stake

2021 Momentum Building

Demand



- Strong outlook in corrugated packaging and fluff pulp
- Steady recovery in printing papers

Margin



- Price flow through of prior increases in N.A. Packaging, Global Cellulose Fibers and Printing Papers
- Higher OCC, energy and distribution costs

Other Drivers



- Cost initiatives offset general inflation
- Significant non-operating cash catalysts

CEO Perspective

*“The talent and commitment
of our employees leads to a
strong and resilient
International Paper.”*

-Mark Sutton



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Footnotes

Slide 3

¹ Adjusted operating EPS , a non-GAAP financial measure based on Adjusted Operating Earnings (defined as Net Earnings Attributable to International Paper (GAAP) before special items and non-operating pension expense (income))

² Before special items and non-operating pension expense (income) (non-GAAP)

³ See slide #21 for a reconciliation of cash provided by operations to Free Cash Flow, a non-GAAP financial measure

Slide 4

¹ Before special items and non-operating pension expense (income) (non-GAAP)

² Adjusted operating EPS , a non-GAAP financial measure based on Adjusted Operating Earnings (defined as Net Earnings Attributable to International Paper (GAAP) before special items and non-operating pension expense (income))

³ See slide #21 for a reconciliation of cash provided by operations to Free Cash Flow, a non-GAAP financial measure

Slide 5

¹ Adjusted operating EPS, a non-GAAP financial measure based on Adjusted Operating Earnings (defined as Net Earnings Attributable to International Paper (GAAP) before net special items and non-operating pension expense (income))

Slide 6

¹ Adjusted EBIT is Business Segment Operating Profit defined as earnings (loss) before income taxes and equity earnings, but including the impact of non-controlling interests, 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 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 8

¹ Excludes special items (non-GAAP)

Slide 9

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Footnotes

Slide 10

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Slide 11

Ilim JV results are on U.S. GAAP basis

¹ A non-GAAP financial measure

² Represents F/X impact including amounts related to Ilim Group USD-denominated net (debt)/cash balance of ~\$60MM as of March 31, 2021); Ilim Group's functional currency is the Ruble (RUB); Non-functional-denominated currency balances are measured monthly using the month-end exchange rate

³ Before F/X impact including USD-denominated net debt

⁴ IP Equity Earnings (Loss) for 1Q20, 4Q20 and 1Q21 include after-tax F/X gains (losses) (primarily on USD-denominated net debt) of \$(51)MM, \$22MM and \$(2)MM, respectively

Slide 12

¹ Assumes stable F/X as of March 31, 2021

Slide 20

¹ Before special items

Slide 26

¹ Excludes special items (non-GAAP)

² Includes Ilim Joint Venture, Investment in Graphic Packaging and other investments

³ Includes special items interest expense (income) of \$(1)MM for 1Q20

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>

¹ Excludes special items (non-GAAP)

Footnotes

Slide 28

¹ A non-GAAP reconciliation to GAAP EPS is available at <http://www.internationalpaper.com/performance/presentations-events/webcasts-presentations>

Slide 29

¹ Adjusted operating EPS, a non-GAAP financial measure based on Adjusted Operating Earnings (defined as Net Earnings Attributable to International Paper (GAAP) before net special items and non operating pension expense (income))

Slide 30

¹ Adjusted EBIT is Business Segment Operating Profit defined as earnings (loss) before income taxes and equity earnings, but including the impact of non-controlling interests, 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 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 31

¹ Adjusted EBIT is Business Segment Operating Profit defined as earnings (loss) before income taxes and equity earnings, but including the impact of non-controlling interests, 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 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

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Select Financial Metrics¹

\$ Million		2019	2020	2021F
Maintenance Outage Expense		\$518	\$454	\$625
Capex	Maintenance & Regulatory	\$750	\$430	} ≤ \$800
	Cost Reduction	\$150	\$30	
	Strategic	\$400	\$290	
Depreciation & Amortization		\$1,301	\$1,286	\$1,310
Net Interest Expense		\$493	\$446	\$360
Corporate Expense		\$54	\$(7)	\$60
Effective Tax Rate		26%	25%	26%

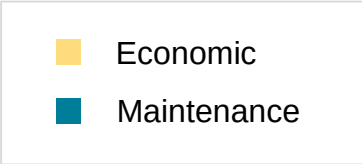
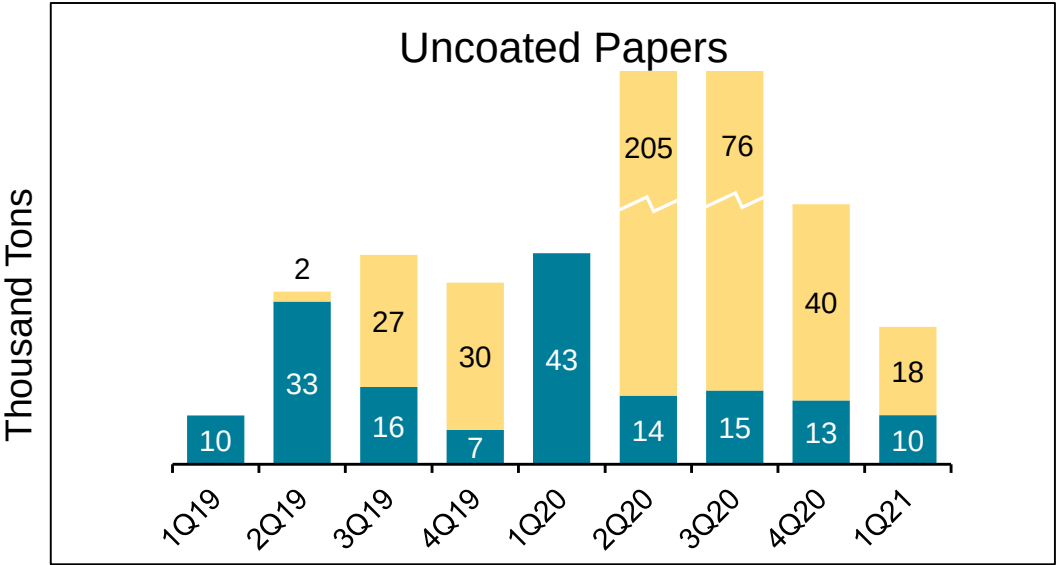
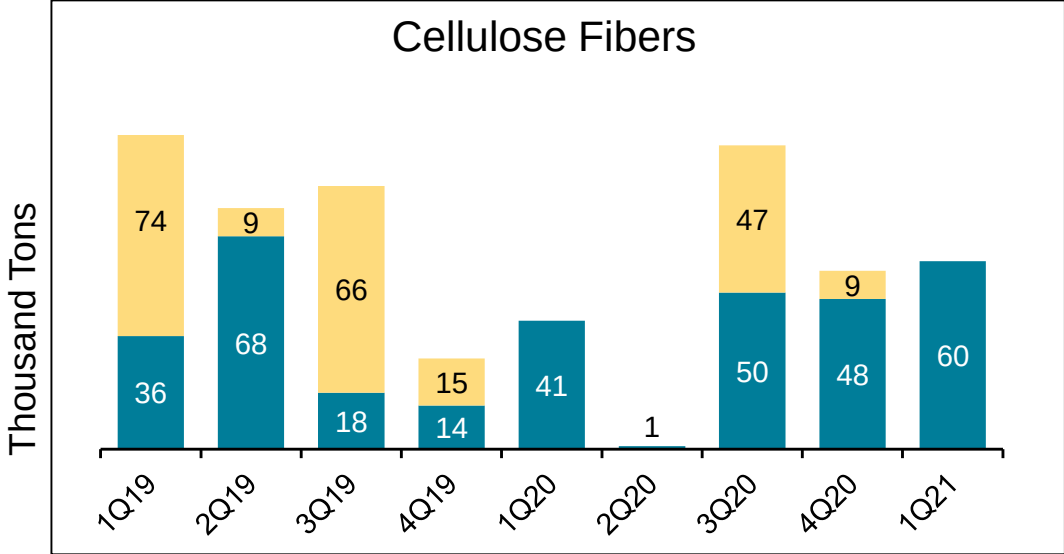
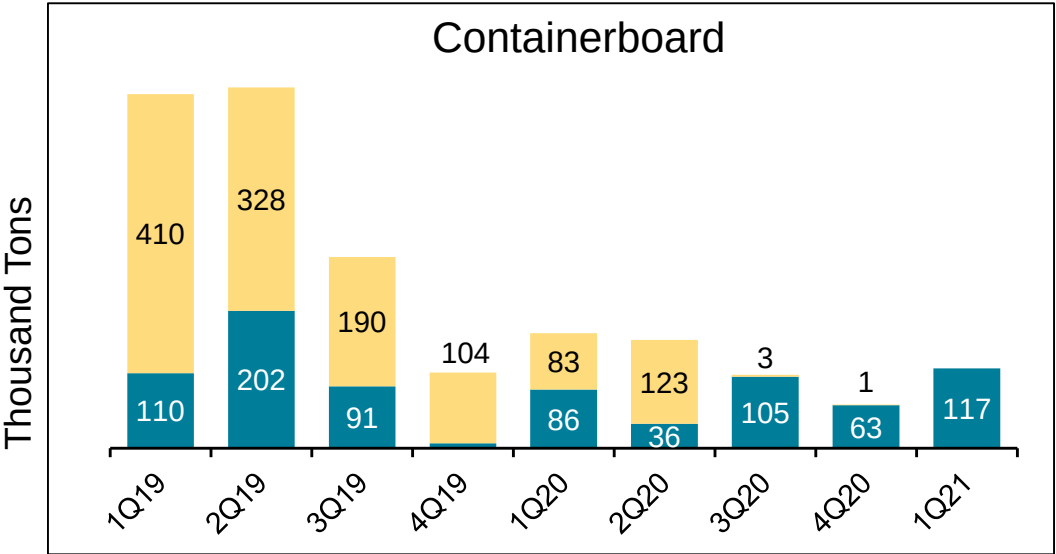
Free Cash Flow

\$ Million	2018	2019	1Q20	4Q20	2020	1Q21
Cash Provided by Operations	\$3,226	\$3,610	\$649	\$789	\$3,063	\$512
Cash Invested in Capital Projects, Net of Insurance Recoveries	\$(1,572)	\$(1,276)	\$(286)	\$(94)	\$(751)	\$(89)
Free Cash Flow	\$1,654	\$2,334	\$363	\$695	\$2,312	\$423

Maintenance Outages Expenses | 2021 Forecast

\$ Million		1Q21A	2Q21F	3Q21F	4Q21F	2021F
	Industrial Packaging	\$91	\$168	\$62	\$32	\$353
	North America	\$91	\$160	\$59	\$31	\$341
	Europe	-	-	\$2	\$1	\$3
	Europe Coated Paperboard	-	\$8	\$1	-	\$9
	Global Cellulose Fibers	\$47	\$37	\$34	\$55	\$173
	North America	\$47	\$36	\$33	\$44	\$160
	Europe	-	\$1	\$1	\$11	\$13
	Printing Papers	\$16	\$38	\$14	\$31	\$99
	North America	\$13	\$26	\$8	\$19	\$66
	Europe	\$2	\$12	\$1	\$12	\$27
	Brazil	\$1	-	\$5	-	\$6
Total Impact		\$154	\$243	\$110	\$118	\$625

North American Downtime



Special Items Before Tax | Continuing Operations

Special Items Pre-Tax \$(Million)		1Q20	4Q20	1Q21
Industrial Packaging	EMEA Packaging Business Optimization			\$(12)
	EMEA Packaging Impairment – Turkey		\$(123)	\$(2)
	Brazil Packaging Impairment	\$(344)	\$5	
	Other	\$(4)		
Global Cellulose Fibers	Other	\$(3)		
Printing Papers	Riverdale Mill Conversion	\$(1)		
	Other		\$(4)	
Corporate	Printing Papers Spin-off / Build a Better IP		\$(9)	\$(25)
	Debt Extinguishment	\$(8)	\$(65)	\$(18)
	Brazil Packaging Transaction Costs		\$(5)	
	Environmental Remediation Reserve Adjustment	\$(41)		
	Gain on Sale of Portion of Equity Investment in Graphic Packaging	\$33		\$74
	India Transaction	\$(17)		
	Other	\$1		
Total Special Items Before Tax		\$(384)	\$(201)	\$17

Special Items Net of Tax

	1Q21	
	\$ Million	EPS
Earnings Before Special Items	\$299	\$0.76
Special Items Net of Taxes:		
Printing Papers Spin-off / Build a Better IP	\$(20)	
Debt Extinguishment	\$(14)	
EMEA Packaging Business Optimization	\$(10)	
EMEA Packaging Impairment – Turkey	\$(2)	
Gain on Sale of Portion of Equity Investment in Graphic Packaging	\$56	
Total Special Items Net of Taxes	\$10	\$0.02
Non-Operating Pension Expense	\$40	\$0.10
Net Earnings (Loss) Attributable to International Paper	\$349	\$0.88

Operating Profits by Industry Segment

\$ Million	1Q20	4Q20	1Q21
Earnings (Loss) Before Income Taxes and Equity Earnings	\$(16)	\$123	\$399
Interest Expense, Net	\$117 ³	\$99	\$92
Noncontrolling Interest Adjustment	\$0	\$0	\$(1)
Corporate Items, Net	\$32	\$(16)	\$25
Net Special Items	\$385	\$201	\$(17)
Non-Operating Pension Expense (Income)	\$(6)	\$(10)	\$(53)
Business Segment Operating Profit	\$512	\$397	\$445
Industrial Packaging ¹	\$470	\$431	\$447
Global Cellulose Fibers ¹	\$(54)	\$(114)	\$(82)
Printing Papers ¹	\$96	\$80	\$80
Total Business Segment Operating Profit¹	\$512	\$397	\$445
Equity Earnings (Loss), Net of Taxes²	\$(31)	\$64	\$49

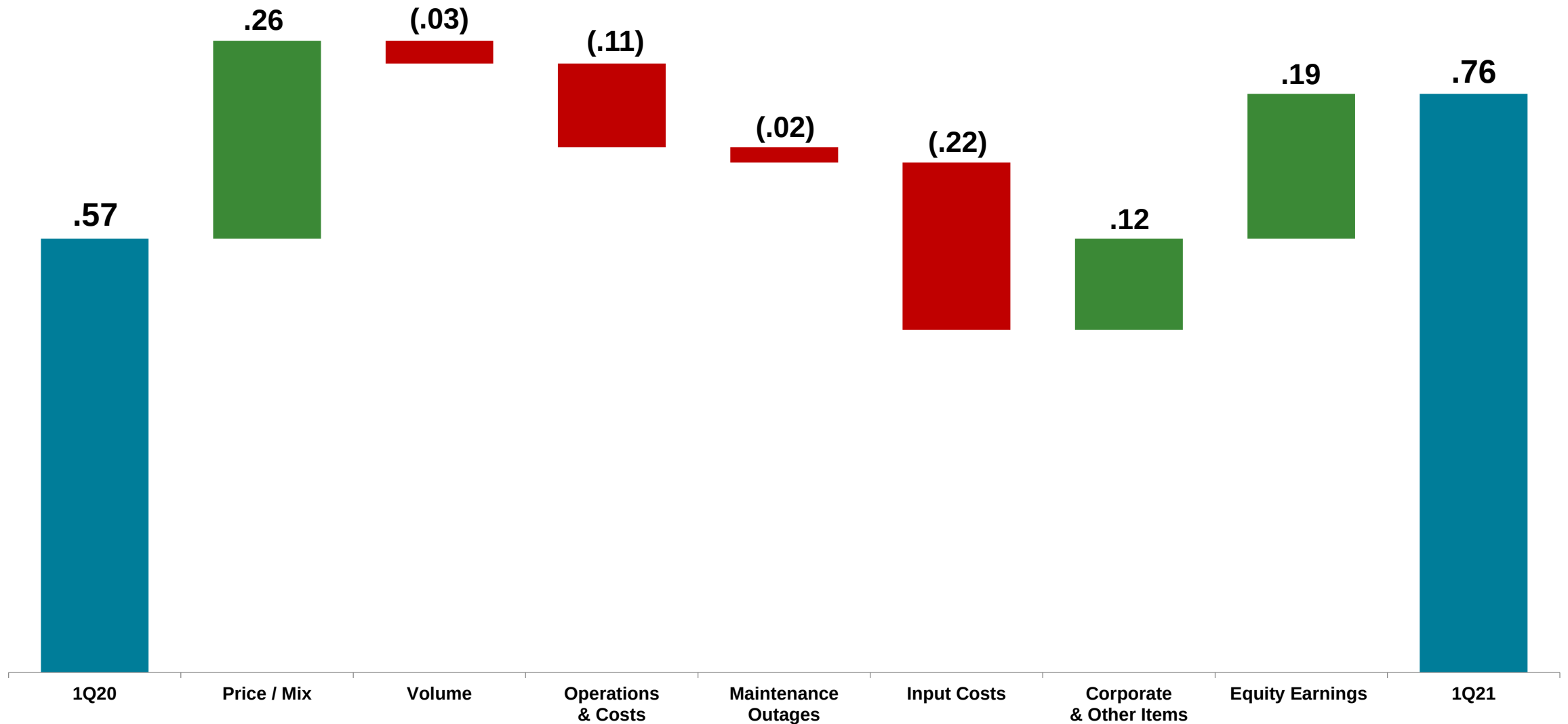
Geographic Business Segment Operating Results | Quarterly

	\$ Million	Sales			D & A ¹	Adj. Operating Profit ¹		
		1Q20	4Q20	1Q21		1Q20	4Q20	1Q21
 Industrial Packaging								
North America		\$3,355	\$3,371	\$3,485	\$181	\$437	\$396	\$395
Europe		\$350	\$364	\$396	\$15	\$10	\$20	\$26
Europe Coated Paperboard		\$92	\$100	\$98	\$4	\$24	\$15	\$26
Brazil		\$54	\$0	\$0	\$0	\$(1)	\$0	\$0
 Global Cellulose Fibers								
Global Cellulose Fibers		\$568	\$582	\$581	\$64	\$(54)	\$(114)	\$(82)
 Printing Papers								
North America		\$446	\$363	\$366	\$21	\$23	\$22	\$15
Europe		\$287	\$248	\$250	\$9	\$41	\$21	\$22
Brazil		\$176	\$198	\$168	\$14	\$32	\$37	\$43

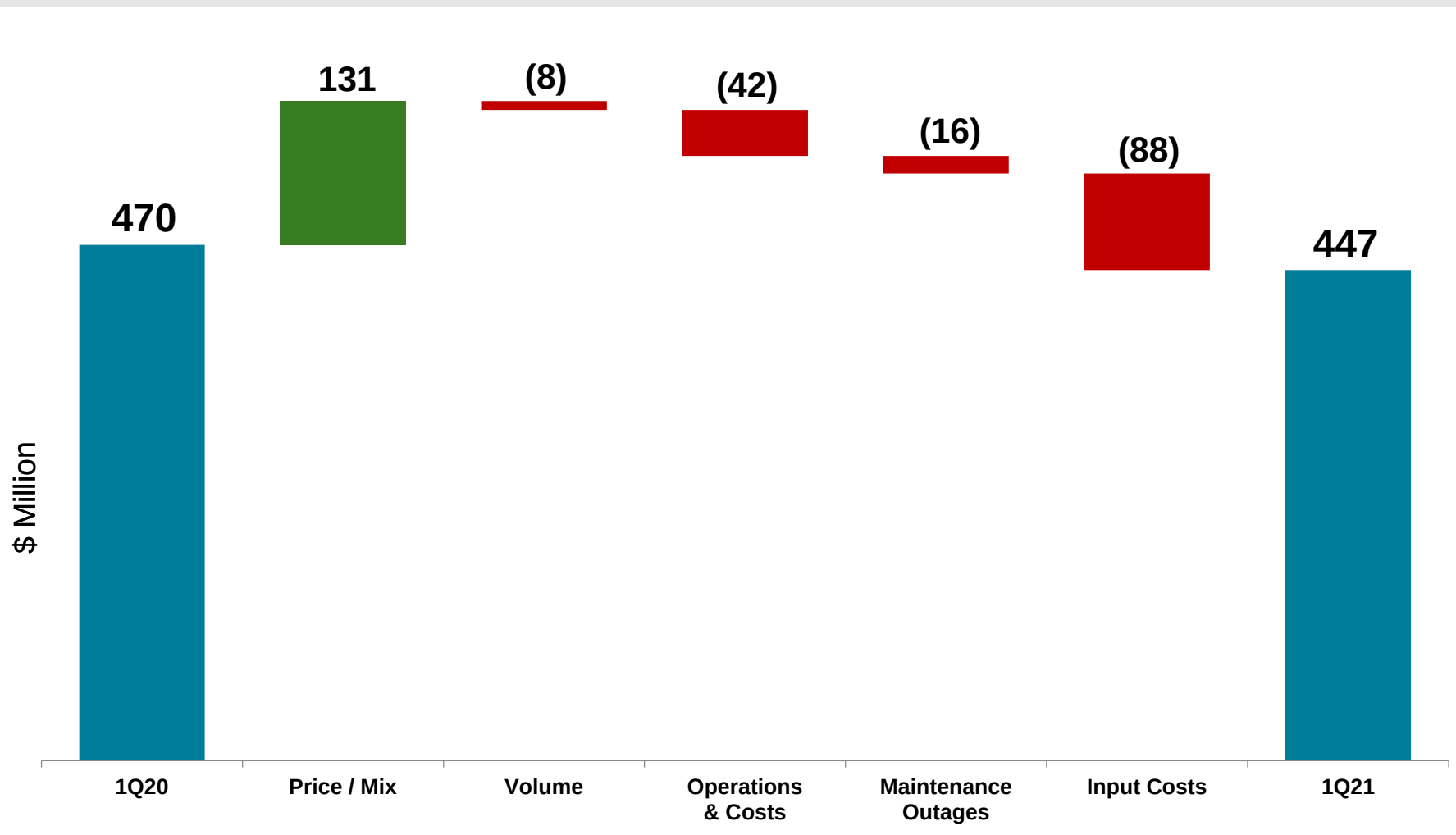
2021 Operating Earnings

	Pre-Tax \$MM	Tax \$MM	Non- controlling Interest \$MM	Equity Earnings	Net Income \$MM	Average Shares MM	Diluted EPS ¹
Net Earnings from Continuing Operations							
1Q21	\$399	\$(99)	-	\$49	\$349	395	\$0.88
Net Special Items							
1Q21	\$(17)	\$7	-	-	\$(10)	395	\$(0.02)
Non-Operating Pension Expense							
1Q21	\$(53)	\$13	-	-	\$(40)	395	\$(0.10)
Adj. Operating Earnings							
1Q21	\$329	\$(79)	-	\$49	\$299	395	\$0.76

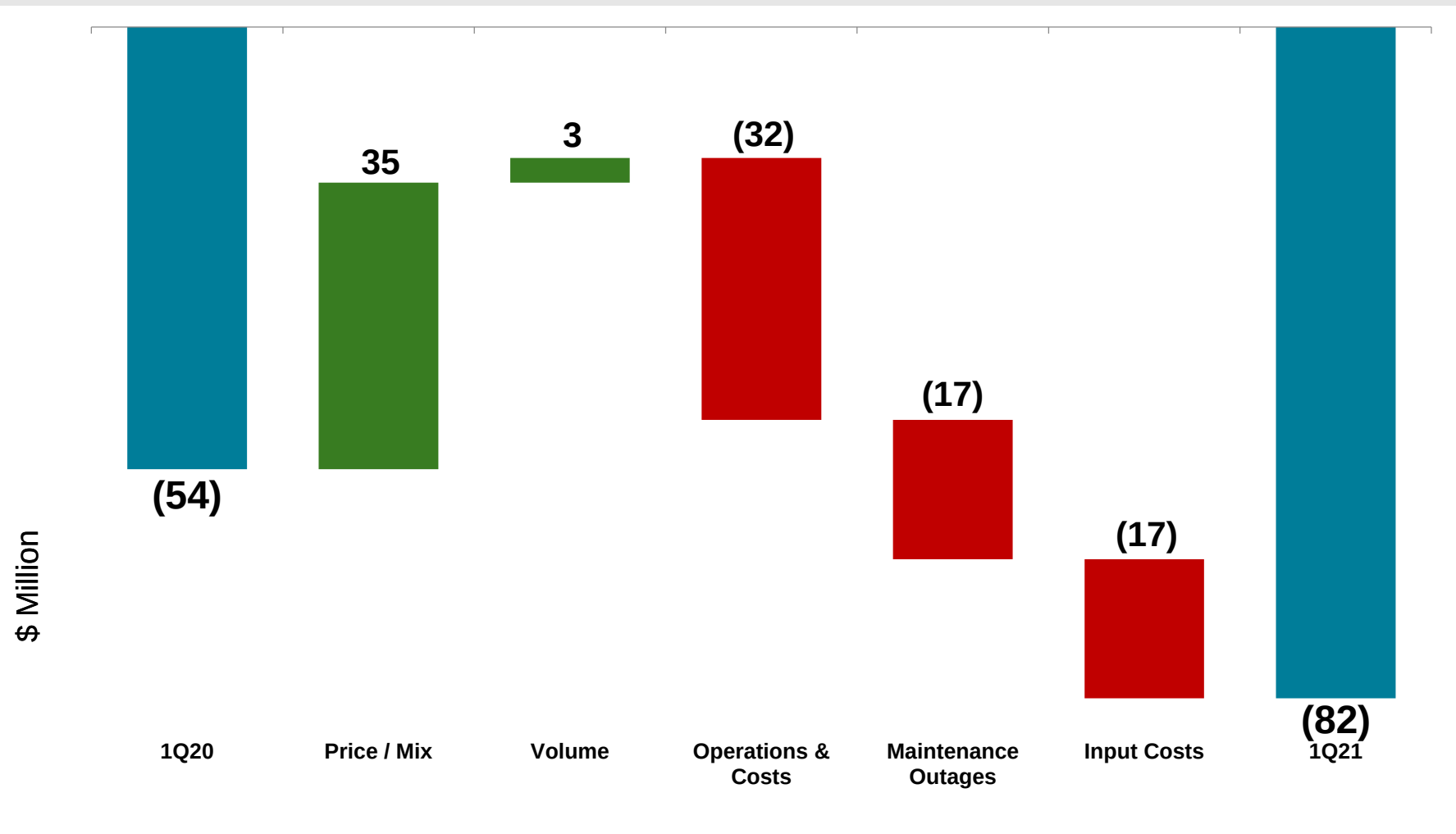
1Q21 vs. 1Q20 Adj. Operating EPS¹



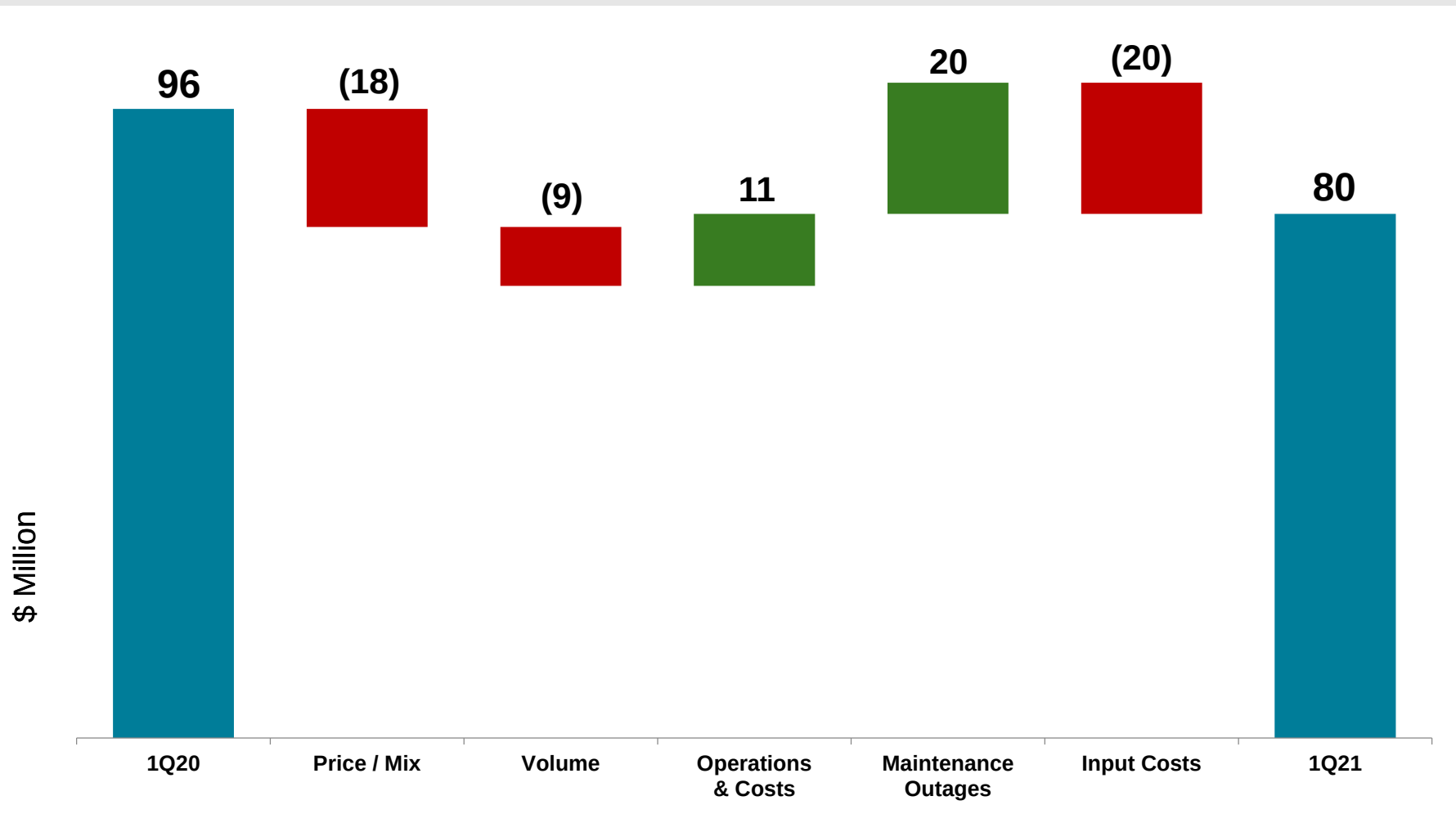
Industrial Packaging | 1Q21 vs. 1Q20 Adj. EBIT¹



Global Cellulose Fibers | 1Q21 vs. 1Q20 Adj. EBIT¹

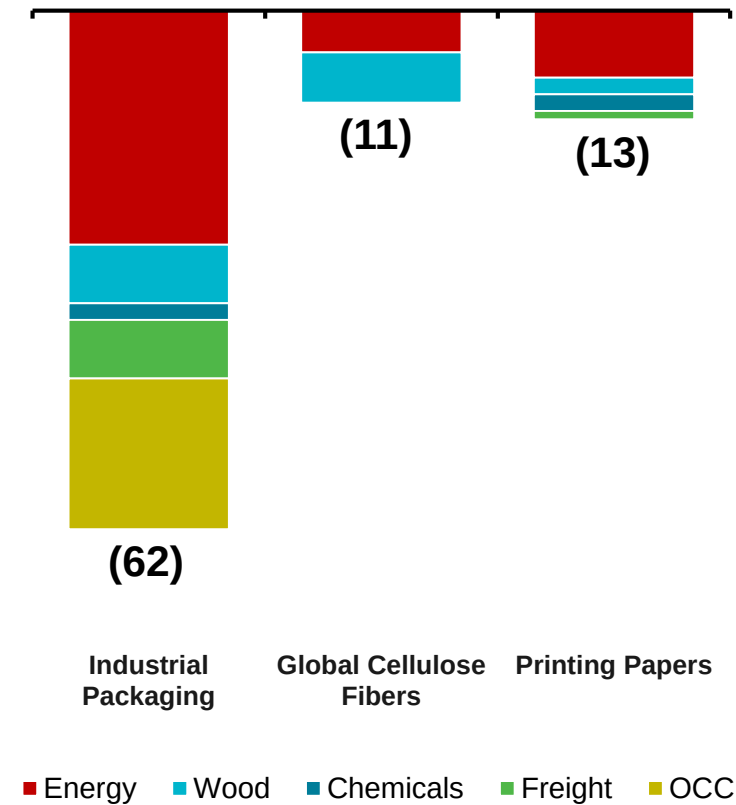


Printing Papers | 1Q21 vs. 1Q20 Adj. EBIT¹

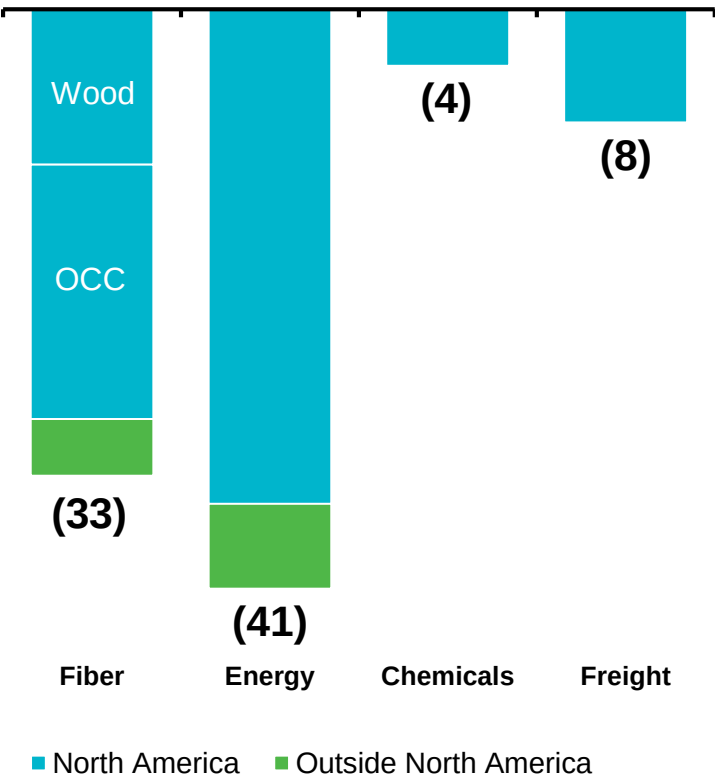


Global Input Costs 1Q21 vs. 4Q20 | \$86MM Unfavorable, or \$(0.16) per share

By Business



By Input Type



U.S. Average Cost vs. 4Q20

Wood	3%	▲
OCC	13%	▲
Natural Gas	24%	▲
Electricity	10%	▲
Chemical Composite	NC	▶