



INTERNATIONAL PAPER

First Quarter 2022 Earnings
April 28, 2022

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. Words such as “expects,” “anticipates,” “believes,” “estimates” and similar expressions identify forward-looking statements. These statements are not guarantees of future performance and reflect management’s current views and 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) risks with respect to climate change and global, regional, and local weather conditions, as well as risks related to our ability to meet targets and goals with respect to climate change and the emission of GHGs and other environmental, social and governance matters; (ii) the impact of the conflict involving Russia and Ukraine, including in connection with related escalated sanctions imposed by the United States, the European Union, G7 and other countries and possible actions by the Russian government, and the impact of such developments on domestic and global economic and geopolitical conditions in general and on us and our Ilim joint venture, which could be materially and adversely affected by such developments, and our inability to predict the impact of the Russian invasion of Ukraine, sanctions imposed to date, geopolitical instability and the broadened military conflict on our Ilim joint venture and on our receipt of dividends from our Ilim joint venture; (iii) the possible impact of these developments involving Ukraine and Russia and possible resulting disruptions in the capital markets on the value of and our ability to sell all or a portion of our equity stake in Sylvamo Corporation and the timing of any such sales; (iv) the impact of and developments related to the COVID-19 pandemic; (v) the level of our indebtedness and changes in interest rates; (vi) the impact of global and domestic economic conditions and industry conditions, including with respect to commercial activity, inflationary pressures and changes in the cost or availability of raw materials, energy sources and transportation sources, supply chain shortages and disruptions, the availability of labor, particularly in light of current labor market conditions which are exceptionally tight, competition we face, cyclicity and changes in consumer preferences, demand and pricing for our products, and conditions impacting the credit, capital and financial markets; (vii) domestic and global geopolitical conditions, 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) unanticipated expenditures or other adverse developments related to compliance with existing and new environmental, 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) risks inherent in conducting business through joint ventures; (xii) our ability to achieve the benefits expected from, and other risks associated with, acquisitions, joint ventures, divestitures, spinoffs and other corporate transactions, (xiii) cybersecurity and information technology risks; (xiv) loss contingencies and pending, threatened or future litigation, including with respect to environmental related matters; (xv) our exposure to claims under our agreements with Sylvamo Corporation; (xvi) 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 (xvii) 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 SEC filings. 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 <http://www.internationalpaper.com/performance/presentations-events/webcasts-presentations>.

Printing Papers Discontinued Operations

As a result of the spin-off of our global Printing Papers business on October 1, 2021, the Printing Papers business segment has been eliminated. Amounts from 2019 to 2021 have been adjusted to reflect this business as a discontinued operation.

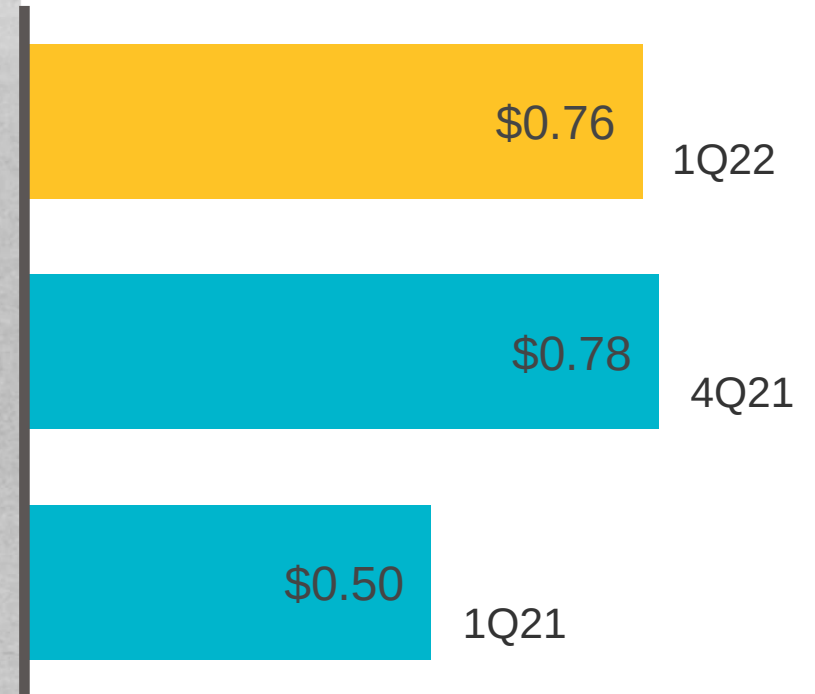
Ilim JV and Sylvamo Corporation Investment Information

All financial information and statistical measures regarding our 50/50 Ilim joint venture in Russia (“Ilim”) and our 19.9% ownership interest in Sylvamo Corporation as of March 31, 2022, other than historical International Paper Equity Earnings and dividends received by International Paper, have been prepared by the management of Ilim and Sylvamo Corporation, respectively. On April 21, 2022, we sold 4,132,000 shares of Sylvamo common stock, reducing our ownership interest to 10.5%. Any projected financial information and statistical measures reflect the current views of Ilim and Sylvamo Corporation 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 2022 Highlights

- 14% year-over-year revenue growth
- Strong price realization from prior increases
- Higher-than-expected costs driven by energy, chemicals and distribution
- Solid mill and converting system performance
 - Operating costs impacted by supply chain constraints
 - Successfully executed highest maintenance outage quarter
- Meaningful benefits from Building a Better IP initiatives
- Returned \$580 million to shareowners
- Actively pursuing options, including sale of equity investment in Ilim Group

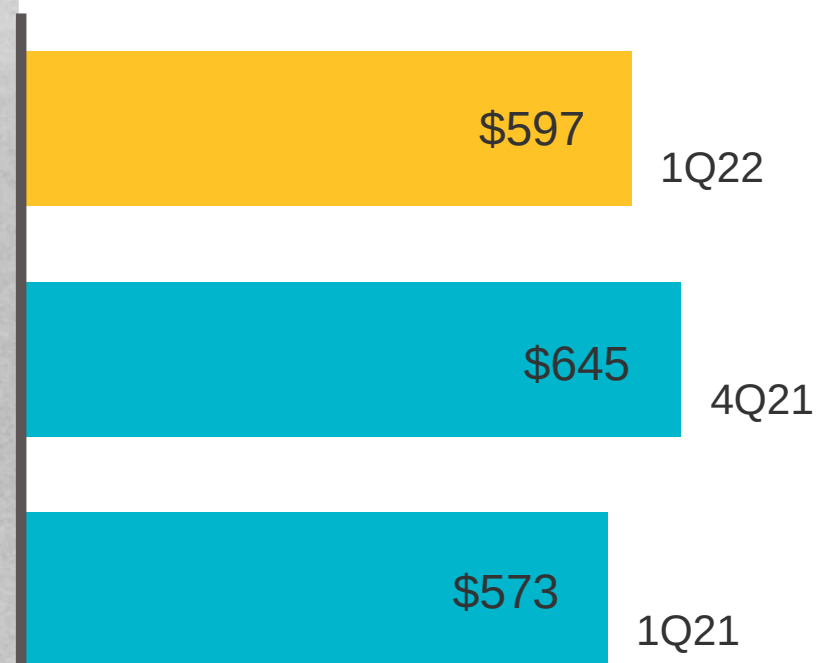
Adjusted Operating EPS¹



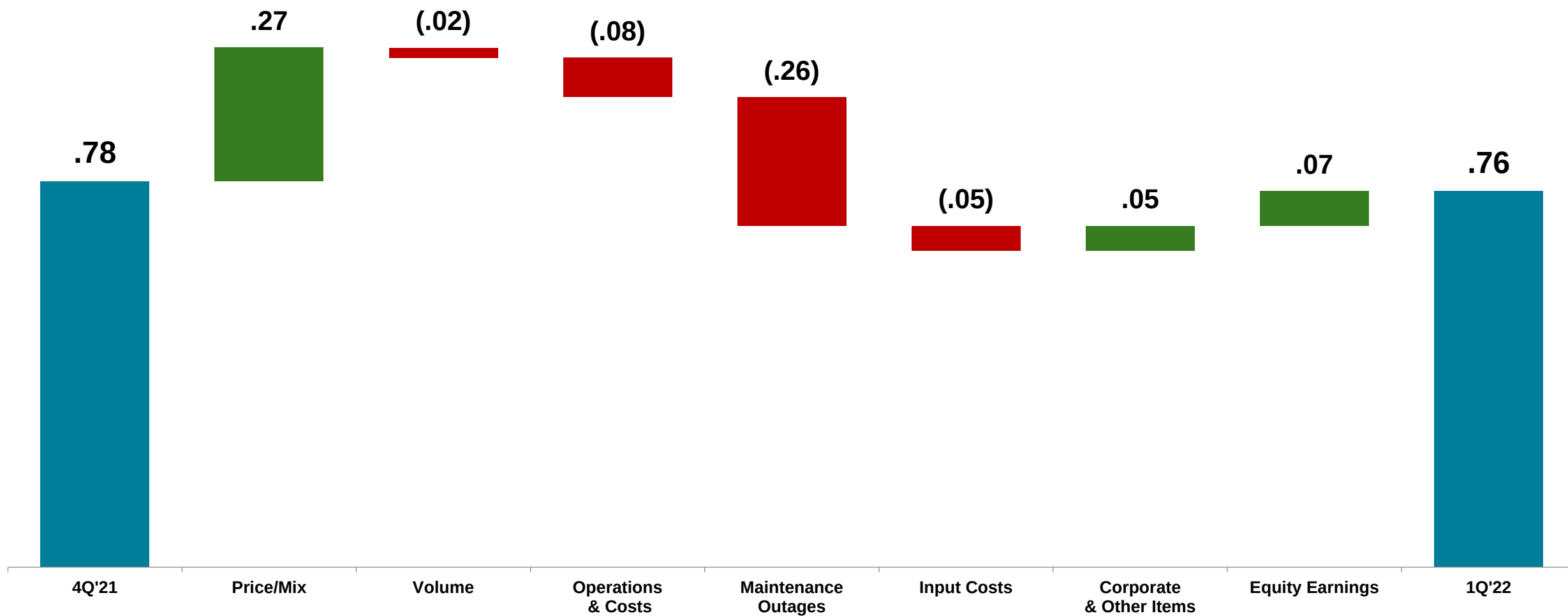
First Quarter 2022 Financials

	1Q21	4Q21	1Q22
Sales (\$B)	\$4.6	\$5.1	\$5.2
Adjusted EBIT ¹ (\$MM)	\$305	\$368	\$336
Adjusted Operating EPS ²	\$0.50	\$0.78	\$0.76
Adjusted EBITDA ¹ (\$MM)	\$573	\$645	\$597
Adjusted EBITDA Margin ¹	12.5%	12.7%	11.4%
Equity Earnings (\$MM)	\$49	\$66	\$93
Free Cash Flow ³ (\$MM)	\$423	\$(94)	\$403

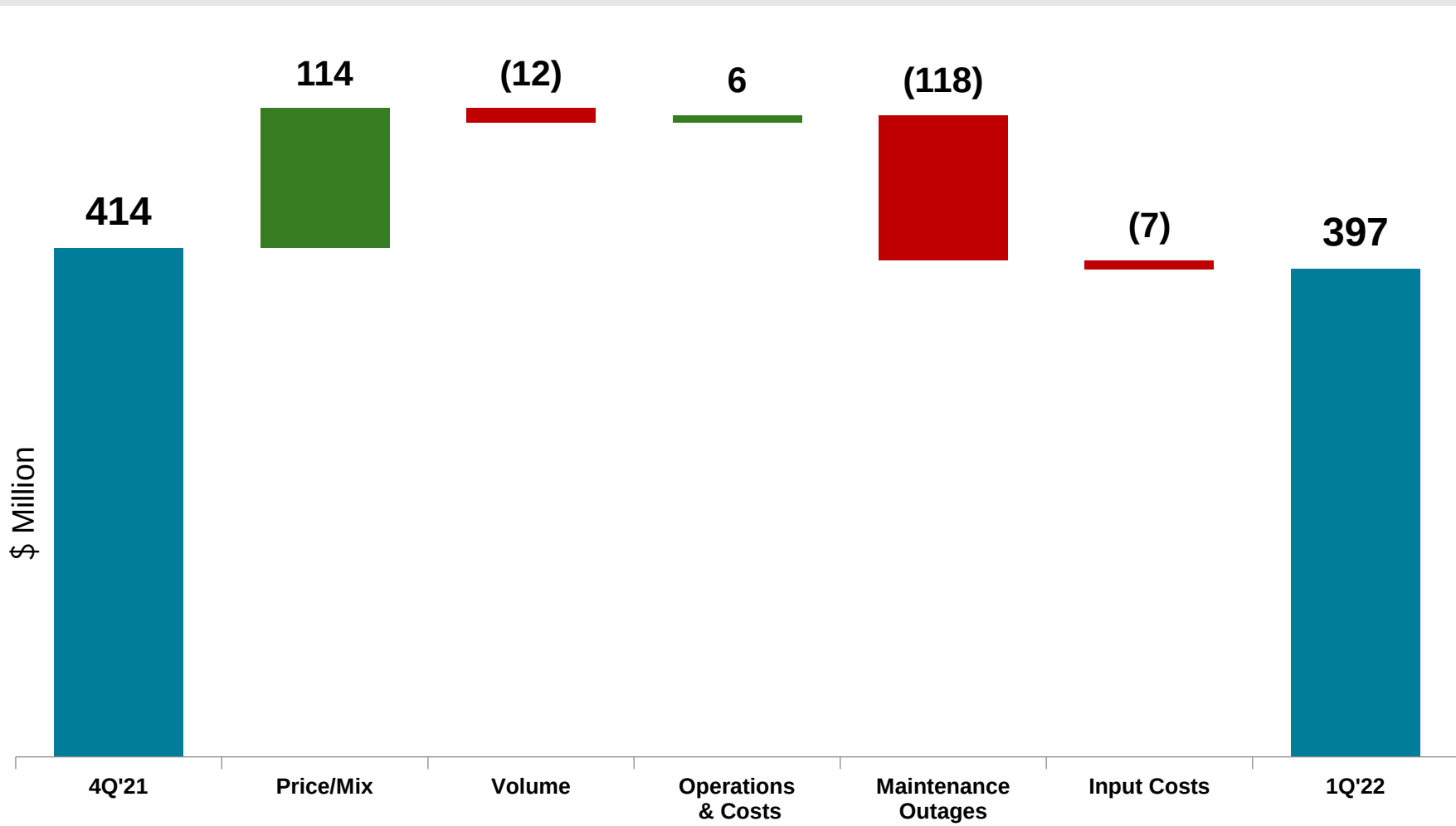
Adjusted EBITDA¹ (\$MM)



1Q22 vs. 4Q21 Adjusted Operating EPS¹



Industrial Packaging | 1Q22 vs. 4Q21 Adjusted EBIT¹



IP 1Q22: U.S. box shipments -4.2% YoY (daily); U.S. channels -0.8% YoY

Omicron labor constraints early 1Q22

Strong price realization from our August 2021 price increase

Solid mill performance – operating costs impacted by logistics constraints

Successfully executed highest maintenance outage quarter

Significant cost pressure from energy, chemicals and distribution

N.A. Industrial Packaging | Margins Expanding 2Q22 → Further Step Up 2H22

Expect to achieve 20%+ EBITDA margins¹ 2H22

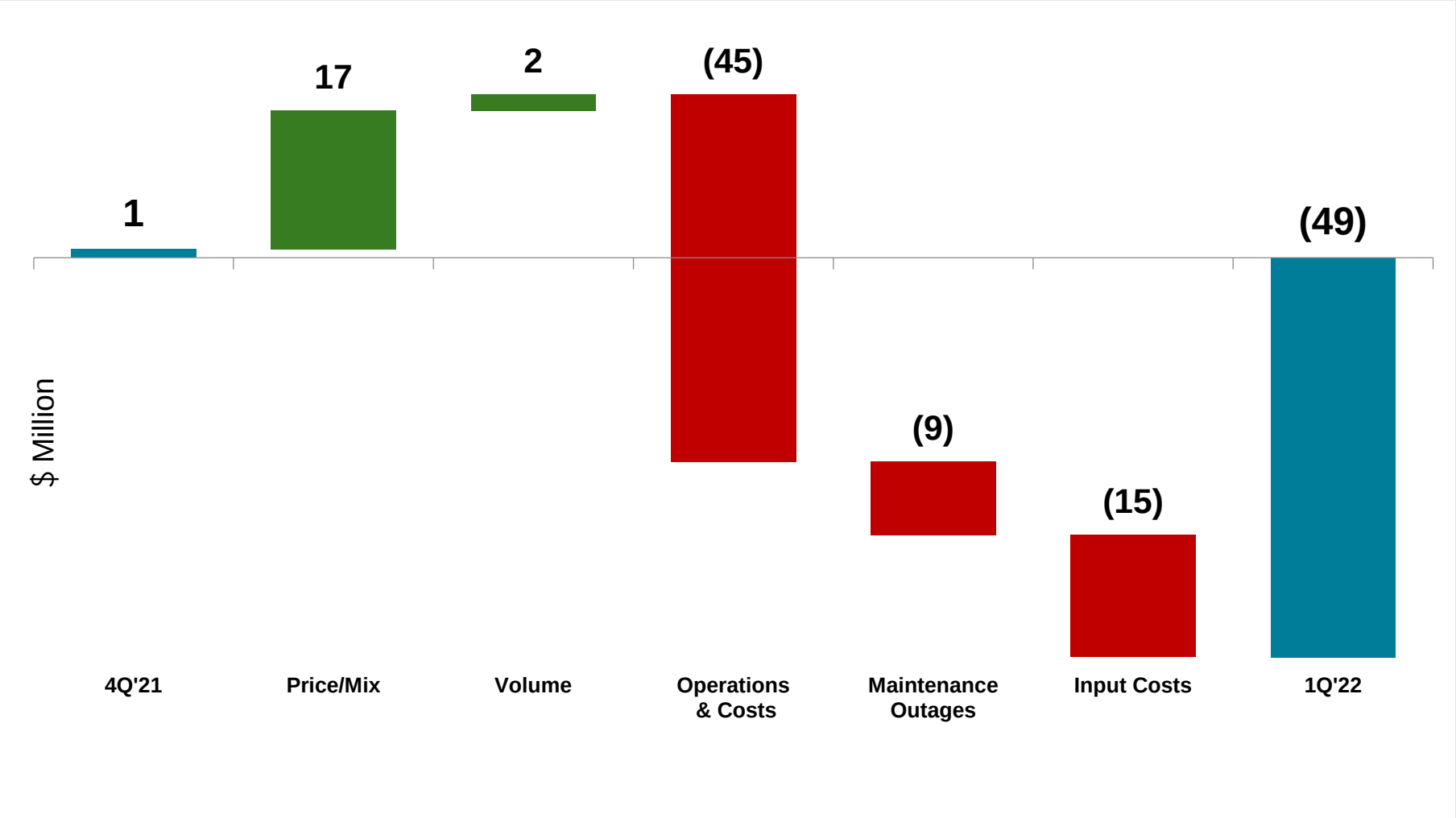
Continued price realization on prior increases outpacing higher input costs

Significantly lower maintenance outage expense (70% completed 1H22)

Benefits from Building a Better IP initiatives



Global Cellulose Fibers | 1Q22 vs. 4Q21 Adjusted EBIT¹



- Favorable demand / supply environment for fluff pulp
- Strong price realization from prior increases
- Volume and operating costs impacted by logistics challenges
- Solid mill performance
- Successfully executed highest maintenance outage quarter
- Significant cost pressure from chemicals and distribution

Global Cellulose Fibers | Positioned for Strong 2H22

Expect to achieve cost of capital returns 2H22

Favorable supply / demand environment for fluff pulp

Continued price realization on prior increases

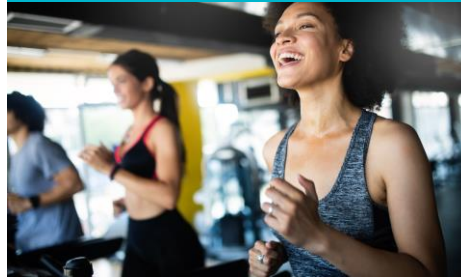
Lower maintenance outage expense

Benefits from Building a Better IP initiatives

Baby Diapers



Feminine Care



Adult Incontinence



Wipes



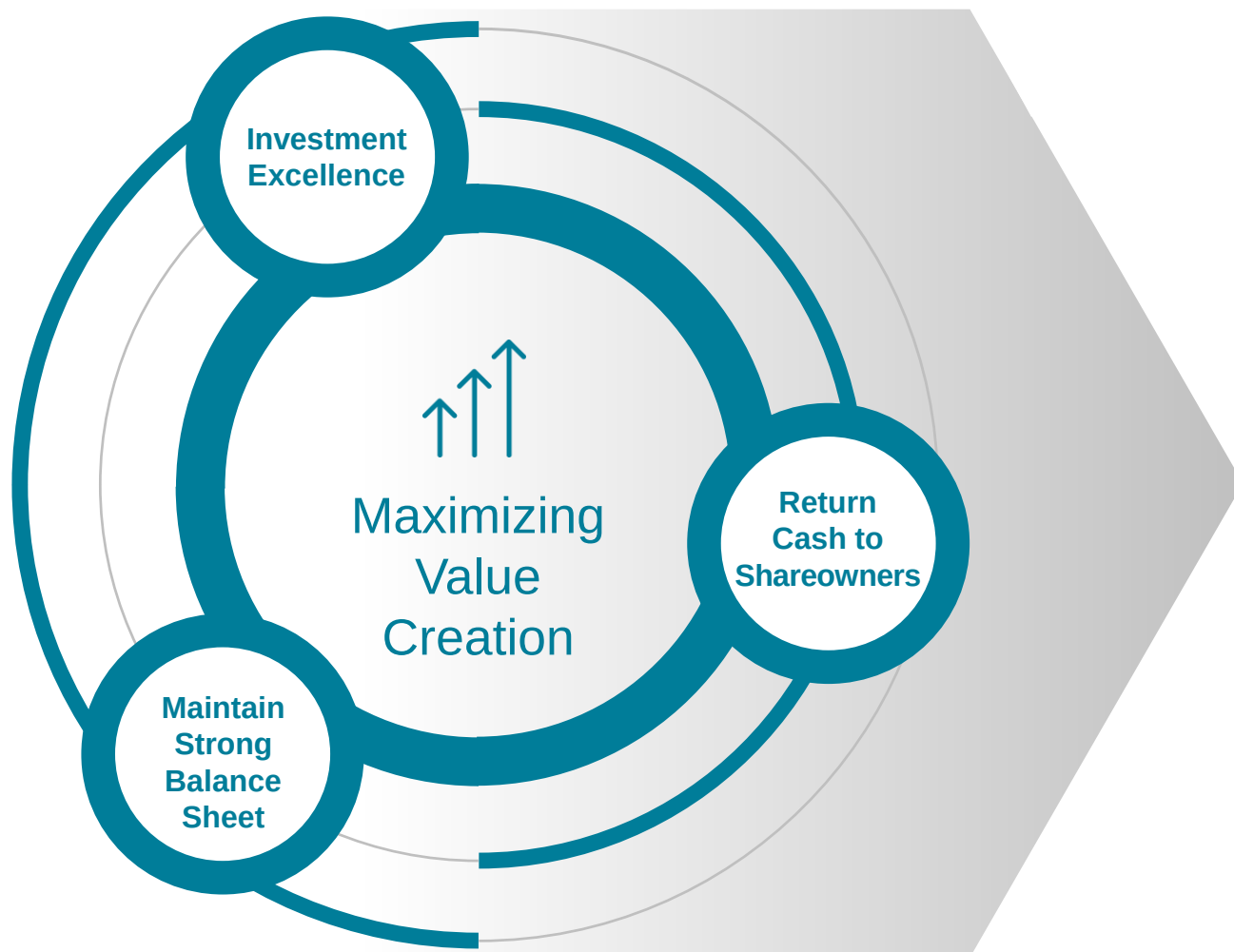
Second Quarter Earnings Outlook | Changes from 1Q22

	Industrial Packaging	Cellulose Fibers
Price & Mix	Price realization on prior increases	Price realization on prior increases
Volume	Seasonally stronger (+) 1 less day (-)	Solid demand (+) Logistics challenges (-)
Ops & Costs	Insurance non-repeat (-)	Supply chain (-)
Maintenance Outages	\$60MM lower	\$26MM lower
Inputs & Freight	Higher	Higher
Other	• 2Q22 corporate expense of \$20MM • 2Q22 interest expense of \$70MM • 2Q22 tax rate outlook of 25% • Equity earnings of ~\$90MM¹	

2022 Outlook | Maintaining Confidence in Full Year

\$ Billions (Unless Noted Otherwise)	2022 Outlook	Assumptions
Adjusted EBITDA ¹	\$3.1 - \$3.4	▪ Demand normalized at elevated levels post-Omicron ▪ Continued price realization from prior increases ▪ Significant 1H22 cost pressure from energy, chemicals and distribution ▪ Mill and box system optimized following 2021 disruptions ▪ Confidence in \$200 - \$225MM gross benefits from Building a Better IP initiatives ▪ ~70% of maintenance outages to be completed 1H22 ▪ Targeting \$1.1B capex with funding for strategic projects in packaging business
Capex	\$1.1	
Free Cash Flow	\$1.3 - \$1.5	
Net Interest Expense	\$290MM	
Corporate Expense	\$80MM	
Effective Tax Rate	25%	

Capital Allocation | Maximize Value Creation



1Q22 Highlights

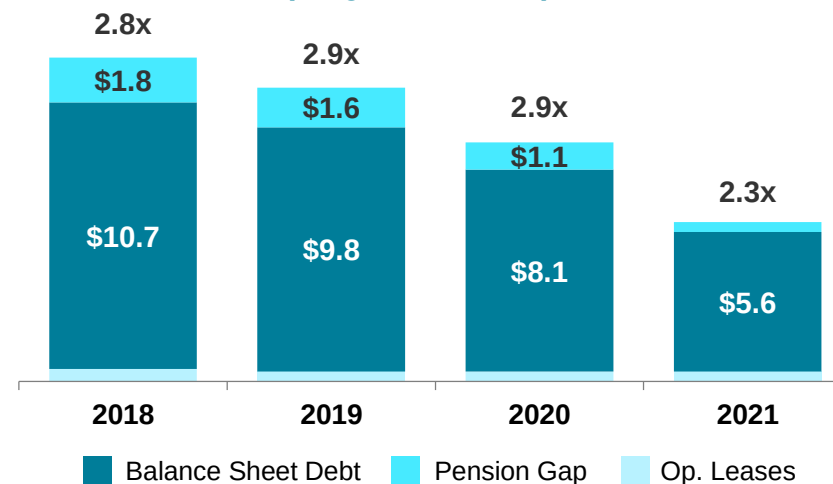
Returned \$580MM to shareowners

- Dividend payout of \$174MM
- Share repurchases of \$406MM

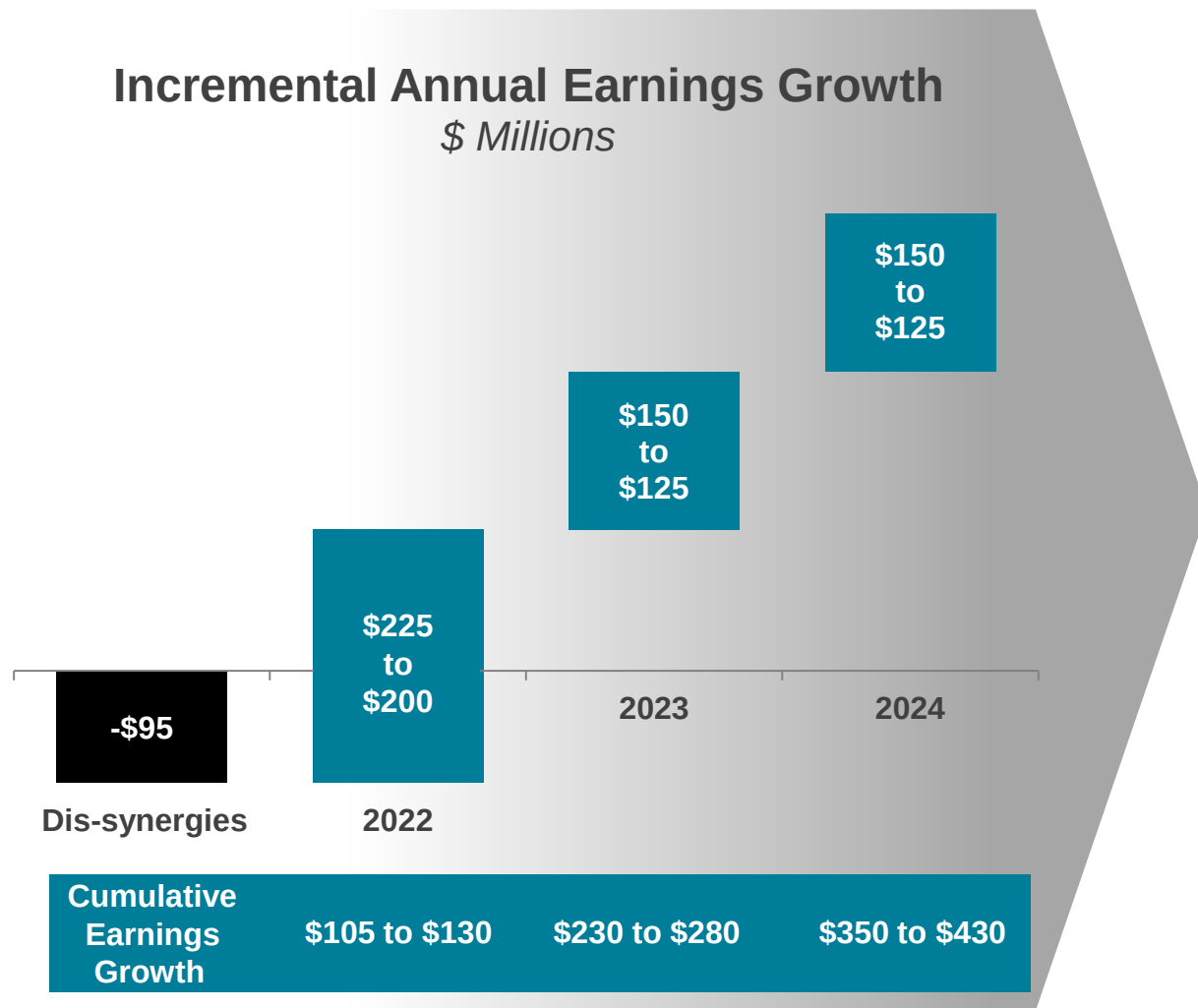
Financial Strength

- YE 2021 Moody's leverage 2.3x
- Qualified pension plan fully funded

Debt / EBITDA¹ (Target 2.5 – 2.8x)



Building a Better IP | On Track to Achieve Full-Year Target



\$40MM Achieved 1Q22

- 60% Lean Effectiveness**
 - Streamline the organization
 - Overhead spend reduction
- 10% Process Optimization**
 - Leverage advanced technology & data analytics
 - Optimize customer order scheduling & transportation planning
 - Mill monitoring & process control
 - Sourcing opportunities
- 30% Strategy Acceleration**
 - Margin improvement
 - Profitable growth

CEO Perspective

Confident in our 2022 earnings growth outlook



Strong progress and momentum as we focus on Building a Better IP



Enhanced financial strength to accelerate value creation for our shareowners



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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 from Continuing Operations Attributable to International Paper (GAAP) before net special items and non operating pension expense (income))

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 from Continuing Operations Attributable to International Paper (GAAP) before net special items and non operating pension expense (income))

³ See slide #20 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 from Continuing Operations 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 7

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

Slide 8

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Footnotes

Slide 10

¹ Assumes stable F/X as of March 31, 2022

Slide 11

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

Slide 12

¹ 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 19

¹ Before special items

Slide 25

¹ 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

² Includes Ilim Joint Venture, Investment in Graphic Packaging through 2Q21, and other investments

Slide 26

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 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

² Before special items

Footnotes

Slide 27

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

Slide 28

Ilim JV results are on U.S. GAAP basis

¹ A non-GAAP financial measure

² Represents F/X impact primarily related to Ilim Group USD-denominated net debt balance; 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 primarily related to USD-denominated net debt

Slide 29

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

Slide 30

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Slide 31

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Select Financial Metrics¹

\$ Million		2020	2021	2022F
Maintenance Outage Expense		\$378	\$531	\$578
Capex	Maintenance & Regulatory	\$430	\$415	Targeting \$1,100
	Cost Reduction	\$30	\$10	
	Strategic	\$290	\$125	
Depreciation & Amortization		\$1,090	\$1,097	\$1,145
Net Interest Expense		\$447	\$337	\$290
Corporate Expense		\$62	\$134	\$80
Effective Tax Rate		25%	19%	25%

Free Cash Flow

\$ Million	2019	2020	1Q21	2021	4Q21	1Q22
Cash Provided by Operations	\$3,610	\$3,063	\$512	\$2,030²	\$107¹	\$588
Cash Invested in Capital Projects, Net of Insurance Recoveries	\$(1,276)	\$(751)	\$(89)	\$(549)	\$(201)	\$(185)
Free Cash Flow	\$2,334	\$2,312	\$423	\$1,481	\$(94)	\$403

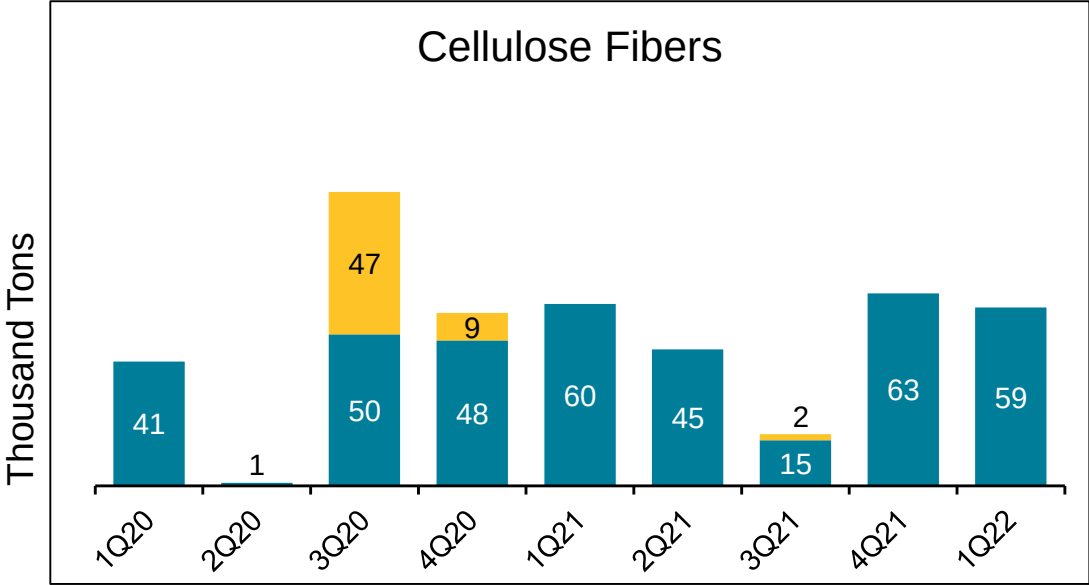
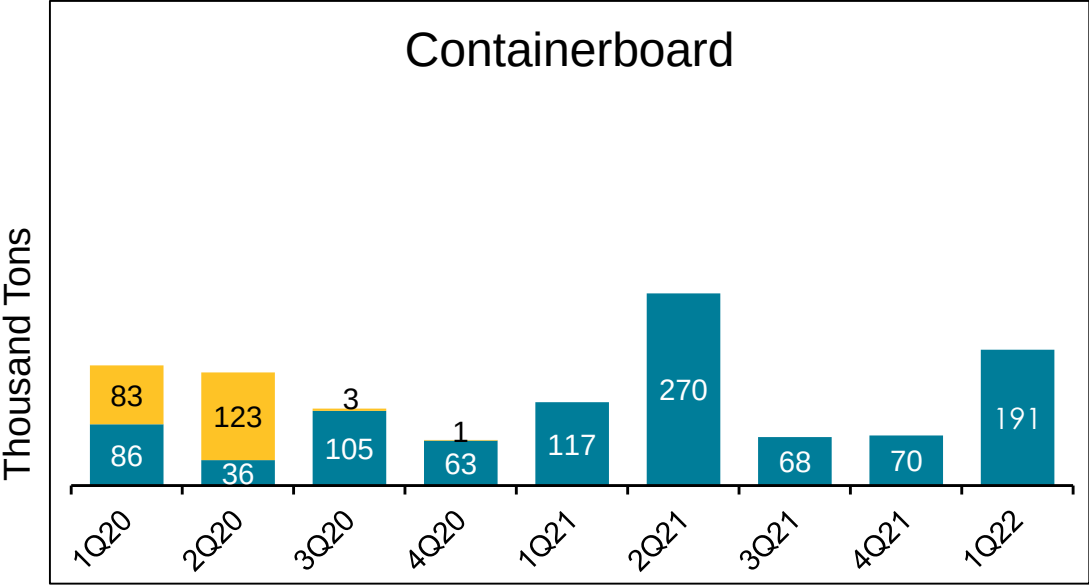
¹4Q21 cash provided by operations includes tax payments of ~\$0.3B related to monetization transactions and CARES Act payroll tax deferral

²2021 cash provided by operations includes tax payments of ~\$0.5B related to monetization transactions and CARES Act payroll tax deferral

Maintenance Outages Expenses | 2022 Forecast

	\$ Million	1Q22A	2Q22F	3Q22F	4Q22F	2022F
 Industrial Packaging		\$165	\$105	\$59	\$72	\$401
North America		\$148	\$105	\$59	\$68	\$380
Riverdale Papers		\$17	-	-	-	\$17
EMEA		\$0	-	-	\$4	\$4
 Global Cellulose Fibers		\$69	\$43	\$25	\$40	\$177
North America		\$55	\$43	\$25	\$40	\$163
Georgetown Papers		\$14	-	-	-	\$14
Total Impact		\$234	\$148	\$84	\$112	\$578

North America Downtime



Economic
Maintenance

Special Items Before Tax | Continuing Operations

Special Items Pre-Tax \$(Million)		1Q21	4Q21	1Q22
Industrial Packaging	EMEA Packaging Business Optimization	\$(12)		
	EMEA Packaging Impairment – Turkey	\$(2)		
	Building a Better IP		\$(11)	
	Other		\$1	
Global Cellulose Fibers	Building a Better IP		\$(3)	
Corporate	Debt Extinguishment	\$(18)	\$(238)	
	Sylvamo Investment MTM Gains / (Losses)		\$(32)	\$46
	Gain on Sale of Equity Investment in Graphic Packaging	\$74		
	Building a Better IP		\$(15)	
	Legal Reserve		\$5	
	Other		\$(2)	
Total Special Items Before Tax		\$42	\$(295)	\$46

Special Items Net of Tax

	1Q22	
	\$ Million	EPS
Earnings Before Special Items	\$288	\$0.76
Special Items Net of Taxes:		
Sylvamo Investment MTM	\$35	
Total Special Items Net of Taxes	\$35	\$0.09
Non-Operating Pension Expense	\$37	\$0.10
Net Earnings (Loss) Attributable to International Paper	\$360	\$0.95

Operating Profits by Industry Segment

\$ Million	1Q21	4Q21	1Q22
Earnings (Loss) Before Income Taxes and Equity Earnings	\$306	\$44	\$362
Interest Expense, Net	\$93	\$76	\$69
Non-controlling Interest Adjustment	\$(1)	\$(2)	\$0
Corporate Items, Net	\$36	\$49	\$12
Net Special Items	\$(42)	\$295	(\$46)
Non-Operating Pension Expense (Income)	\$(52)	\$(47)	(\$49)
Business Segment Operating Profit	\$340	\$415	\$348
Industrial Packaging ¹	\$421	\$414	\$397
Global Cellulose Fibers ¹	\$(81)	\$1	(\$49)
Total Business Segment Operating Profit¹	\$340	\$415	\$348
Equity Earnings (Loss), Net of Taxes²	\$49	\$66	\$93

Geographic Business Segment Operating Results | Quarterly

	\$ Million	Sales			D & A ²	Business Segment Operating Profit ¹		
		1Q21	4Q21	1Q22		1Q21	4Q21	1Q22
 Industrial Packaging								
North America		\$3,560	\$3,907	\$4,025	\$184	\$395	\$415	\$400
EMEA		\$396	\$387	\$410	\$15	\$26	\$(1)	\$(3)
 Global Cellulose Fibers								
Global Cellulose Fibers		\$595	\$717	\$710	\$61	\$(81)	\$1	\$(49)

2022 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							
1Q22	\$362	(\$95)	-	\$93	\$360	379	\$0.95
Net Special Items							
1Q22	(\$46)	\$11	-	-	(\$35)	379	(\$0.09)
Non-Operating Pension Expense							
1Q22	(\$49)	\$12	-	-	(\$37)	379	(\$0.10)
Adj. Operating Earnings							
1Q22	\$267	(\$72)	-	\$93	\$288	379	\$0.76

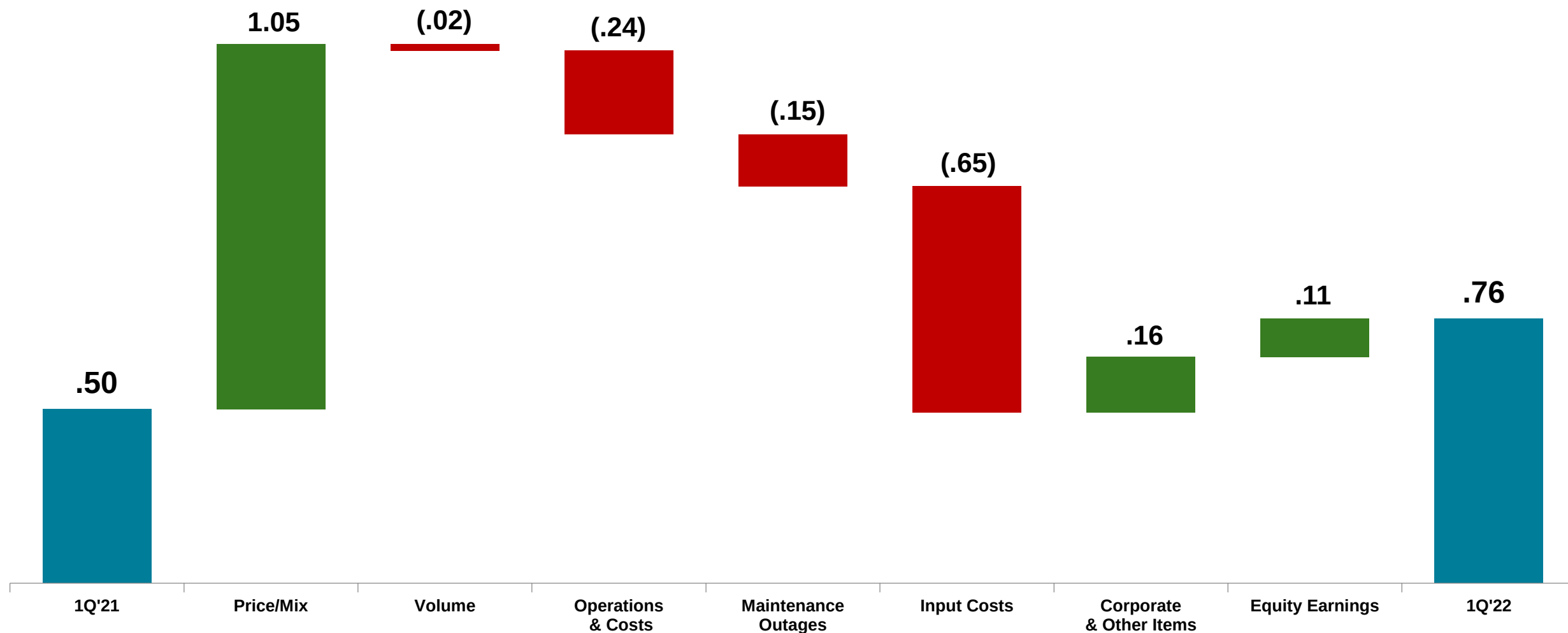
ILIM Joint Venture | 1Q22 vs. 4Q21

\$ Million	1Q21	4Q21	1Q22
Sales Volume (thousand metric tonnes)	797	829	869
Sales	\$531	\$699	\$707
EBITDA ¹	\$181	\$273	\$302
F/X (Impact of USD Net Debt) ²	\$0	\$0	\$0
Adj. Operating EBITDA ³	\$181	\$273	\$302
IP Equity Earnings (Loss)	\$49	\$66	\$93

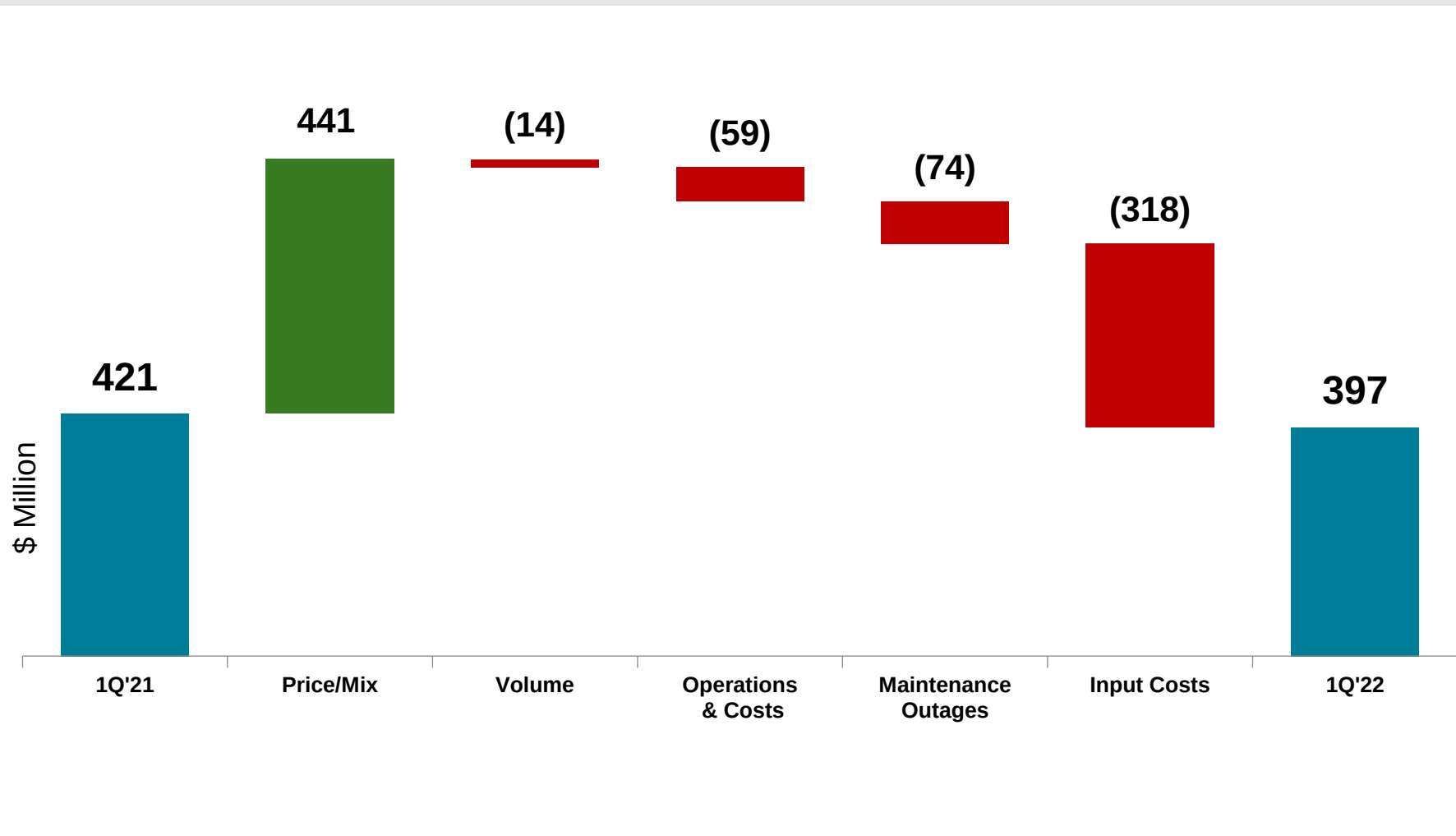
Actively pursuing options, including
sale of equity investment in Ilim Group

Working with urgency to complete this work

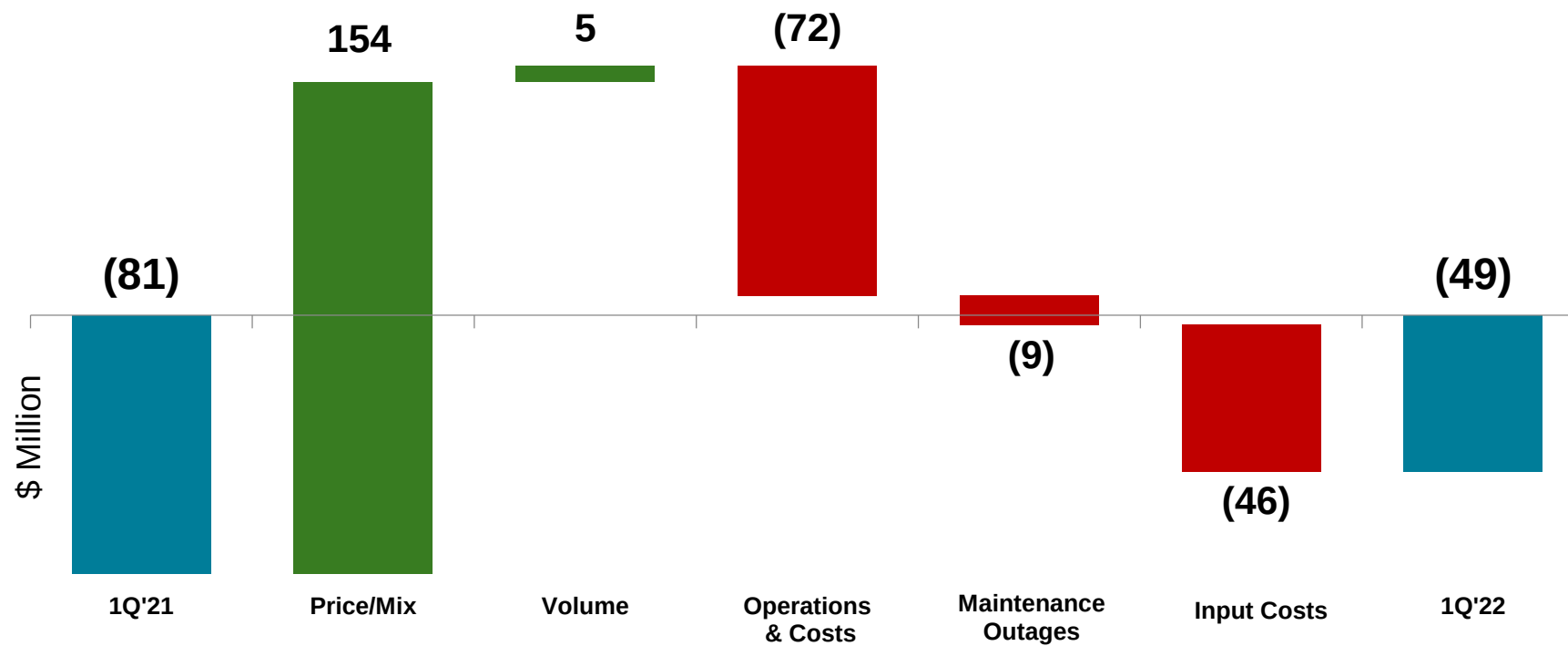
1Q22 vs. 1Q21 Adj. Operating EPS¹



Industrial Packaging | 1Q22 vs. 1Q21 Adj. EBIT¹



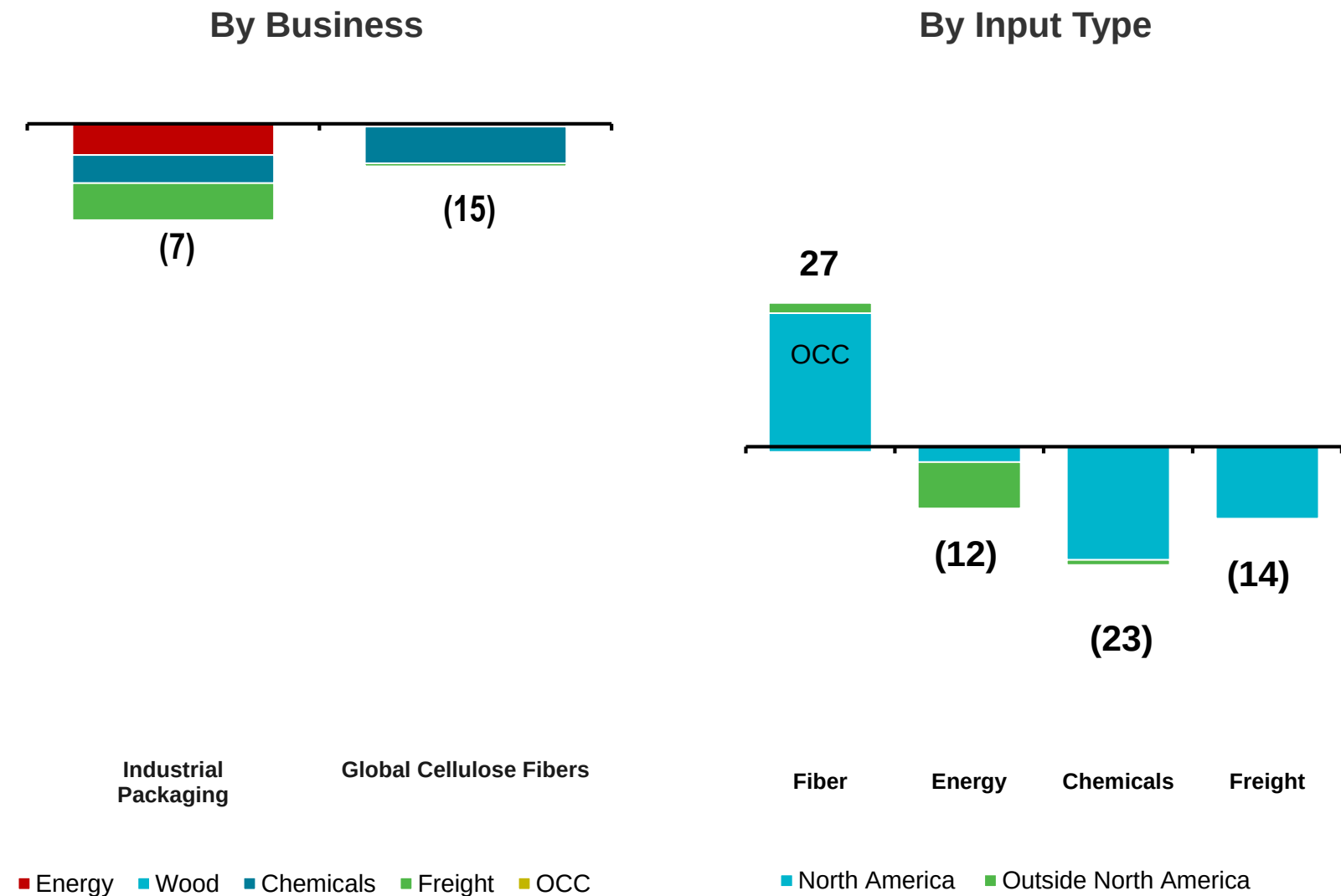
Global Cellulose Fibers | 1Q22 vs. 1Q21 Adj. EBIT¹



Global Consumption | Annual Purchases for Key Inputs

	Commodity	North America	EMEA
Energy	Natural Gas (MMBTUs)	90,000,000	1,700,000
	Fuel Oil (Barrels)	230,000	0
	Coal (Tons)	60,000	0
Fiber	Wood (Tons)	48,600,000	0
	Old Corrugated Containers / DLK (Tons)	5,100,000	500,000
Chemicals	Caustic Soda (Tons)	370,000	2,000
	Starch (Tons)	240,000	30,000
	Sodium Chlorate (Tons)	140,000	0

Global Input Costs 1Q22 vs. 4Q21 | \$(22)MM Unfavorable, (\$0.05) per share



U.S. Average Cost vs. 4Q21		
Wood	1%	▲
OCC	-9%	▼
Natural Gas	-2%	▼
Electricity	1%	▲
Chemical Composite	7%	▲