



INTERNATIONAL PAPER

Third Quarter 2022 Earnings
October 27, 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 full impact of the Russian invasion of Ukraine, current or future sanctions, geopolitical instability and the possibility of broadened military conflict on our Ilim joint venture and on our receipt of dividends from our Ilim joint venture; (iii) the level of our indebtedness and changes in interest rates; (iv) 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, cyclicalities and changes in consumer preferences, demand and pricing for our products, and conditions impacting the credit, capital and financial markets; (v) 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; (vi) the amount of our future pension funding obligations, and pension and healthcare costs; (vii) 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; (viii) 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; (ix) risks inherent in conducting business through joint ventures; (x) our ability to achieve the benefits expected from, and other risks associated with, acquisitions, joint ventures, divestitures, spinoffs and other corporate transactions; (xi) cybersecurity and information technology risks; (xii) loss contingencies and pending, threatened or future litigation, including with respect to environmental related matters; (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 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.

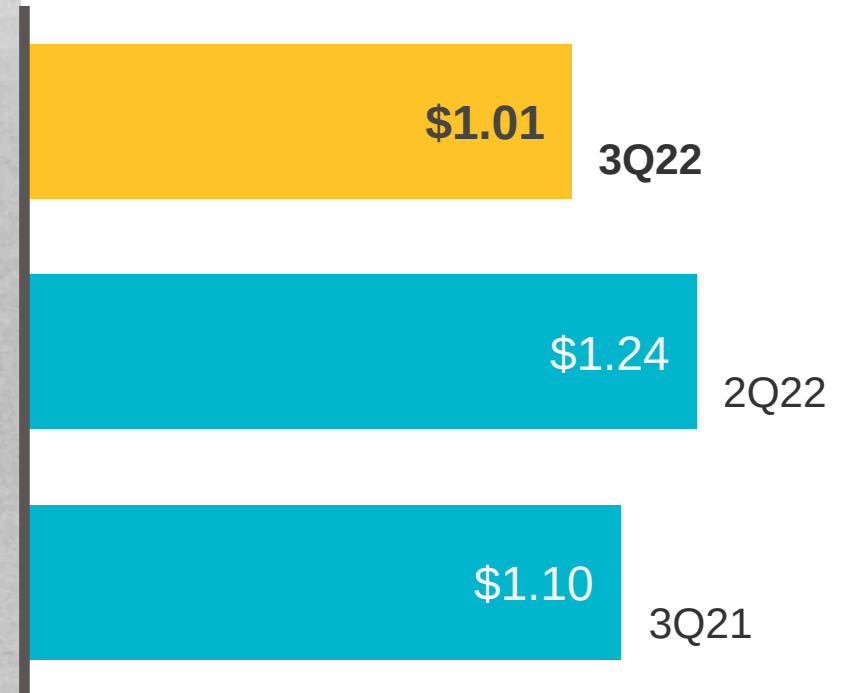
Ilim JV and Sylvamo Corporation Investment Information

All financial information and statistical measures regarding our 50/50 Ilim joint venture in Russia (“Ilim”) and our prior ownership interest in Sylvamo Corporation, 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. 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.

Third Quarter 2022 Highlights

- Challenging macro environment impacted earnings, primarily Industrial Packaging
 - Lower packaging demand driven by lower consumer spending for goods and retailer inventory destocking
 - Lower volume in Industrial Packaging significantly impacted operating cost
 - Higher energy and distribution costs, partially offset by lower OCC
- Global Cellulose Fibers achieved cost-of-capital returns
- Continued price realization from prior increases
- Strong mill operating performance
- \$70MM benefit from Building a Better IP initiatives
- Returned \$434 million to shareowners

Adjusted Operating EPS¹

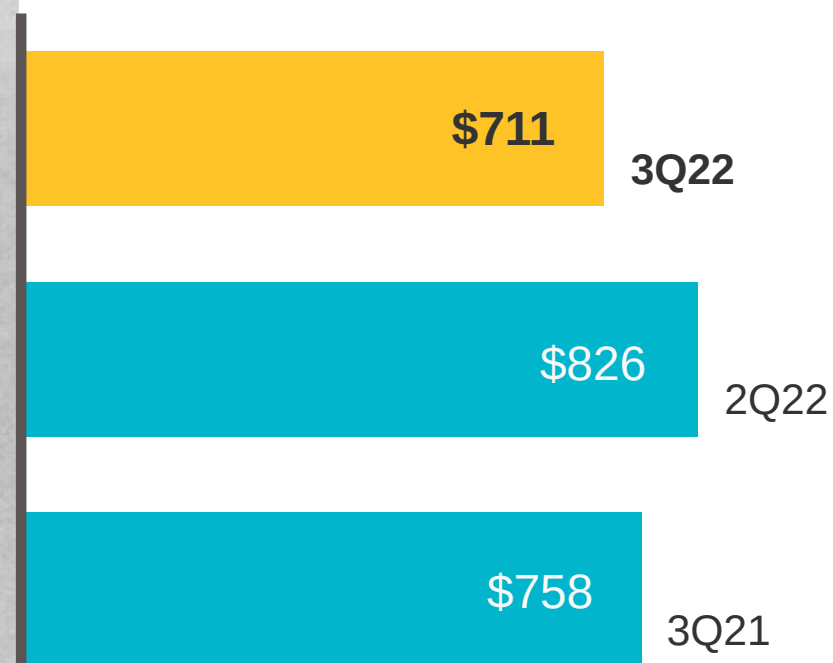


Third Quarter 2022 Financials

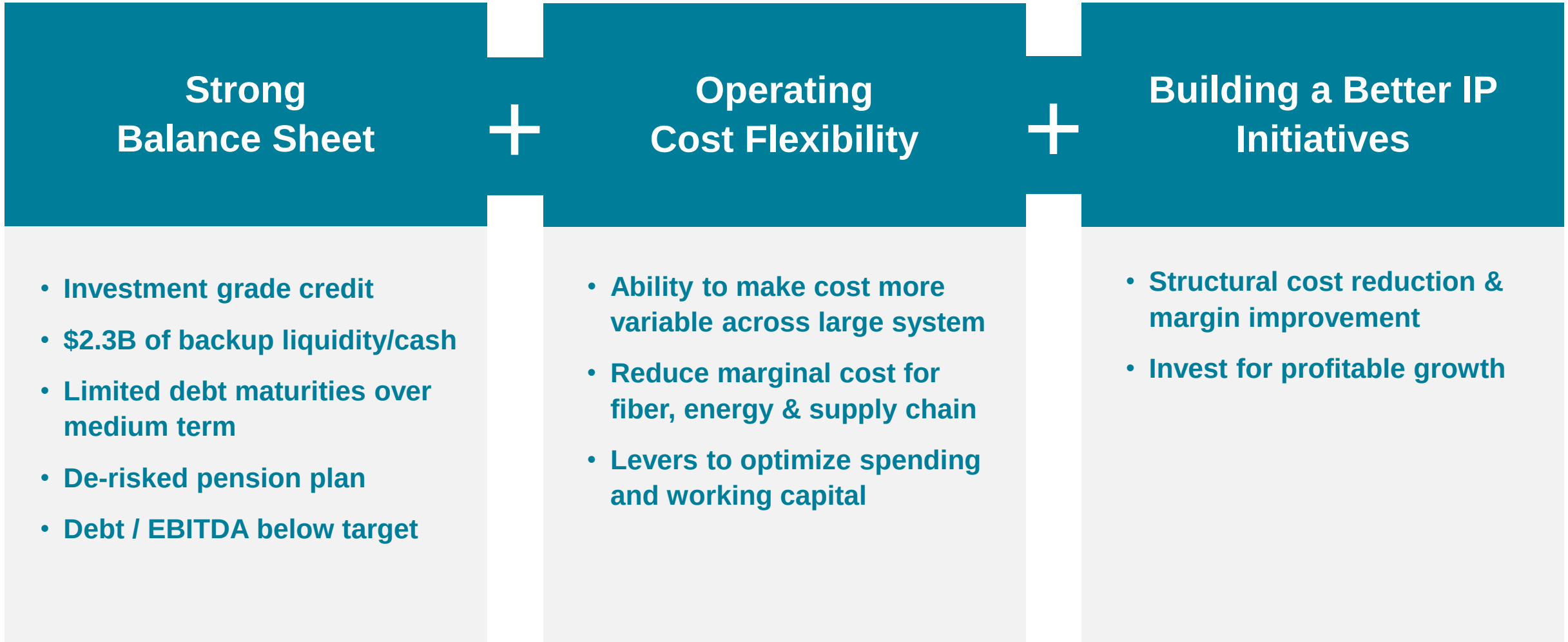
	3Q21	2Q22	3Q22
Sales (\$B)	\$4.9	\$5.4	\$5.4
Adjusted EBIT ¹ (\$MM)	\$478	\$559	\$450
Adjusted Operating EPS ²	\$1.10	\$1.24	\$1.01
Adjusted EBITDA ¹ (\$MM)	\$758	\$826	\$711
Adjusted EBITDA Margin ¹	15.4%	15.3%	13.2%
Equity Earnings (\$MM)	\$94	\$93	\$63
Free Cash Flow ³ (\$MM)	\$519	\$204	\$197

3Q21 Free Cash Flow includes \$53MM from Printing Papers

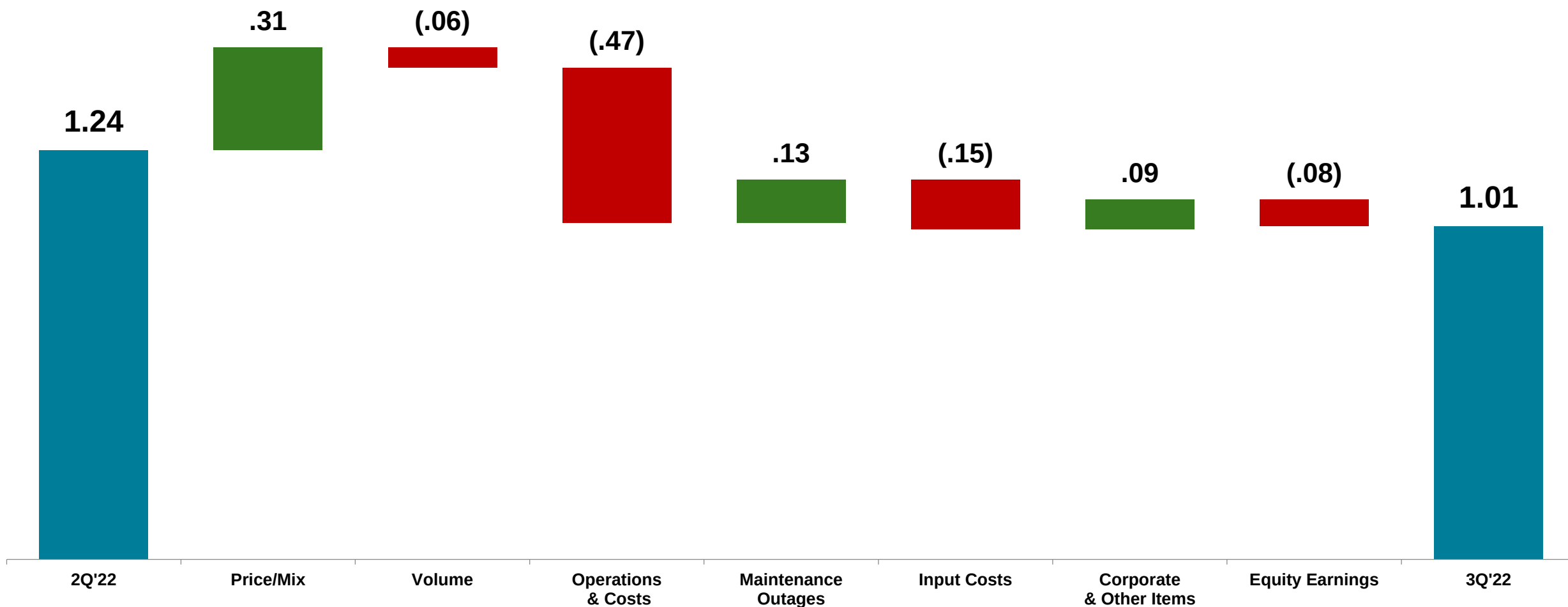
Adjusted EBITDA¹ (\$MM)



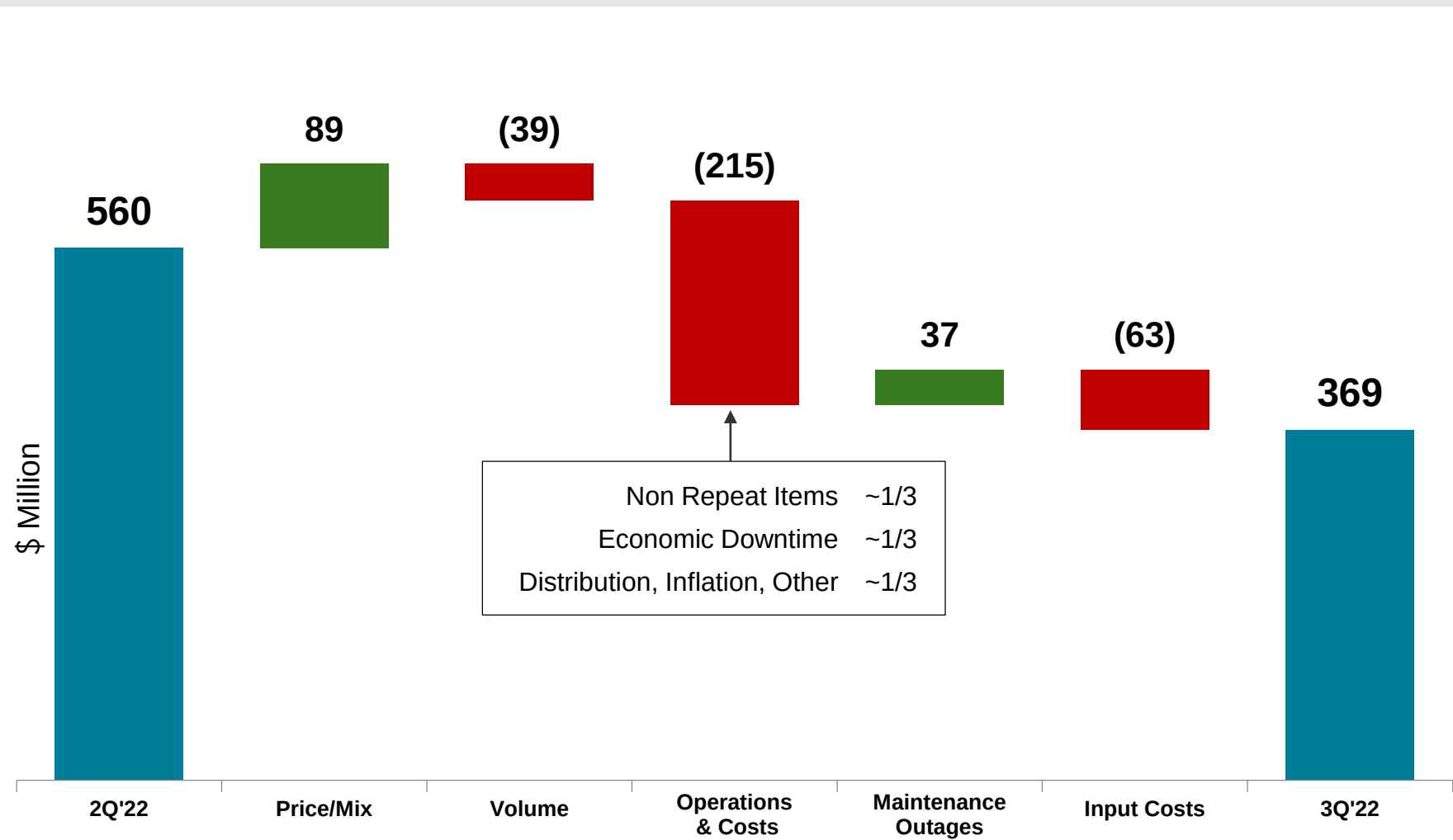
Resiliency of IP | Financial Strength and Flexibility Throughout Economic Cycle



3Q22 vs. 2Q22 Adjusted Operating EPS¹



Industrial Packaging | 3Q22 vs. 2Q22 Adjusted EBIT¹



Strong price realization from March 2022 price increase

IP 3Q22: U.S. box shipments -5.4% YoY; U.S. channels -5.9%

Export channel demand weak

Operating costs significantly impacted by economic downtime, higher distribution costs, inflation and non-repeat of favorable one-time items

Significant cost increase from energy; partially offset by lower OCC

N.A. Corrugated Packaging | Lower Demand Across all Segments

Customer Segment	Industry	2H YoY IP Trend
Food & Beverage	~45%	
Processed Food		
Beverage		
Protein		
Fresh Produce		
Other Non-Durables	~30%	
Chemicals & Pharmaceuticals		
Paper, Towels & Tissue		
Other Non-Durables		
Durable Goods & Distribution	~25%	
E-commerce		
Shipping & Distribution		
Durable Goods		

**Consumer focused on
non-discretionary
and value**

**Retailer inventory
destocking**

 < Average decline of 5.4%
 > Average decline of 5.4%

Industrial Packaging | Focused on Reducing Highest Marginal Costs

Fiber & Energy

- Maximizing lowest cost fiber
 - Wood vs. OCC
 - Round wood vs. chips
- Reduce highest cost suppliers
- Optimize wood inventory levels
- Improve fiber yields
- Maximize own-make power
- Reduce natural gas & steam consumption

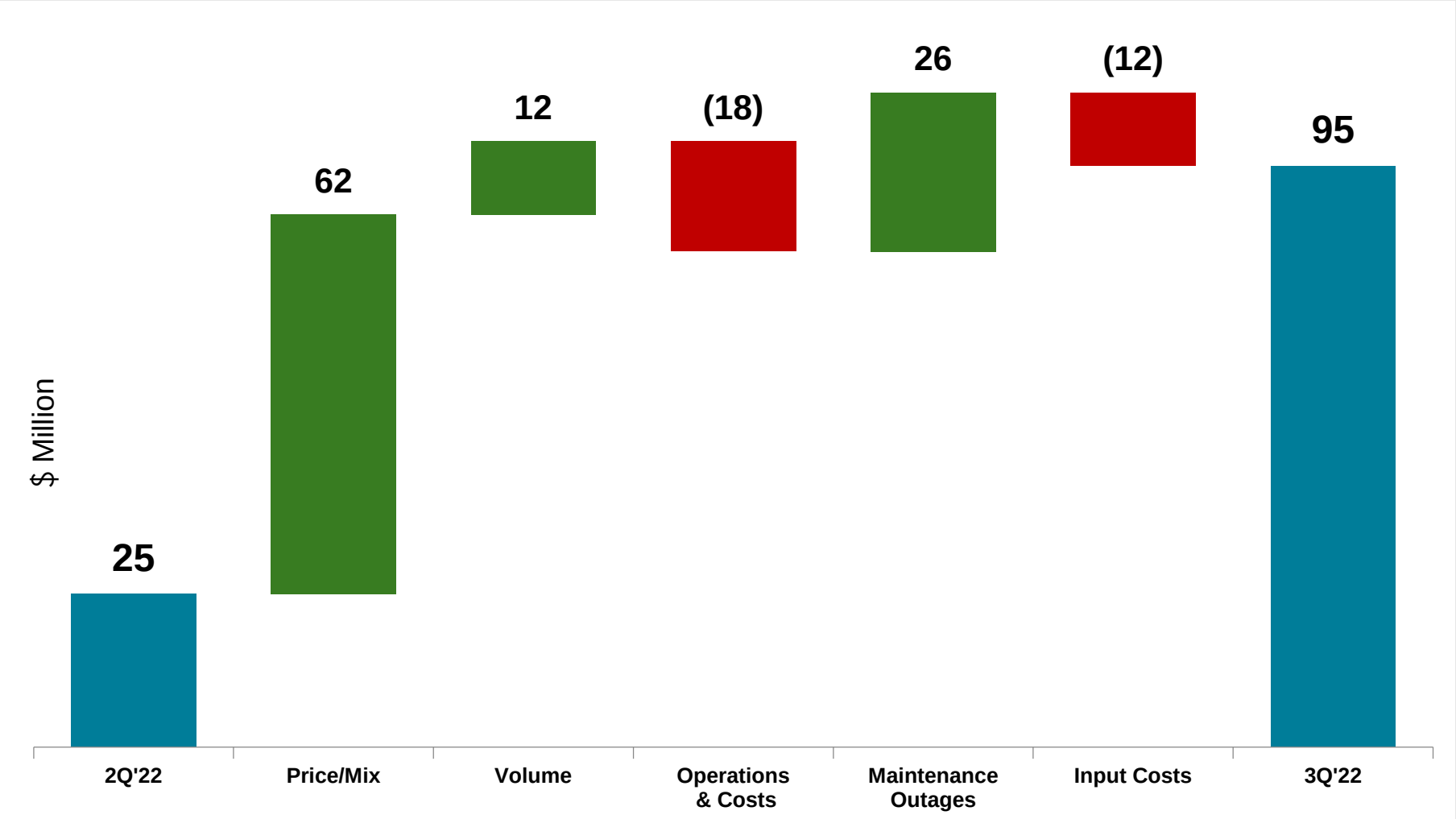
Supply Chain

- Mode optimization
 - Rail vs. Truck
- Reduce premium freight, warehousing & demurrage
- Improve equipment utilization
- Reduce highest cost suppliers
- Sourcing opportunities
- Supply chain planning optimization using data analytics

Supplies & Services

- Optimize planned maintenance outages and reduce spending
 - Cost driven vs schedule
- Overtime reduction
- Reduce inventory levels and other working capital
- Reduce highest cost suppliers
- Sourcing opportunities

Global Cellulose Fibers | 3Q22 vs. 2Q22 Adjusted EBIT¹



- Stable demand for fluff pulp
- Strong price realization from prior increases
- Volume benefit from supply chain pull through
- Solid mill performance
- Operating costs impacted by higher distribution costs, inflation and non-repeat of favorable one-time items
- Significant cost pressure from energy and chemicals

Global Cellulose Fibers | Achieved Cost of Capital in 3Q22

Key drivers for continued momentum and value creation

Strategically align with most attractive regions, customers and product segments

Deliver innovation to create value for our customers and grow specialty products

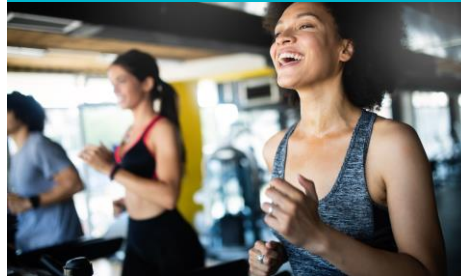
Enhance commercial agreements to capture value

Optimize cost structure

Baby Diapers



Feminine Care



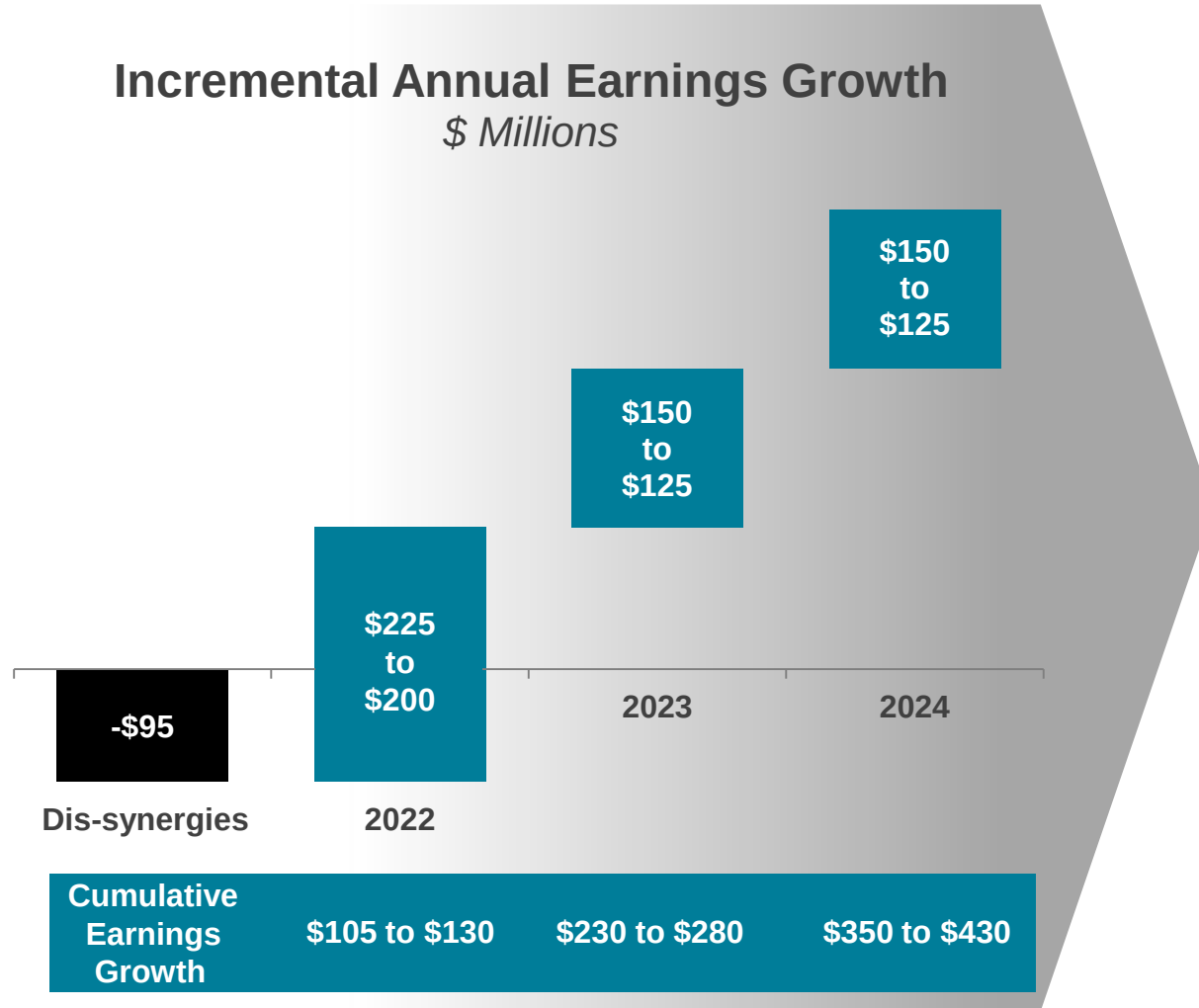
Adult Incontinence



Wipes



Building a Better IP | On Track to Exceed High End of 2022 Target

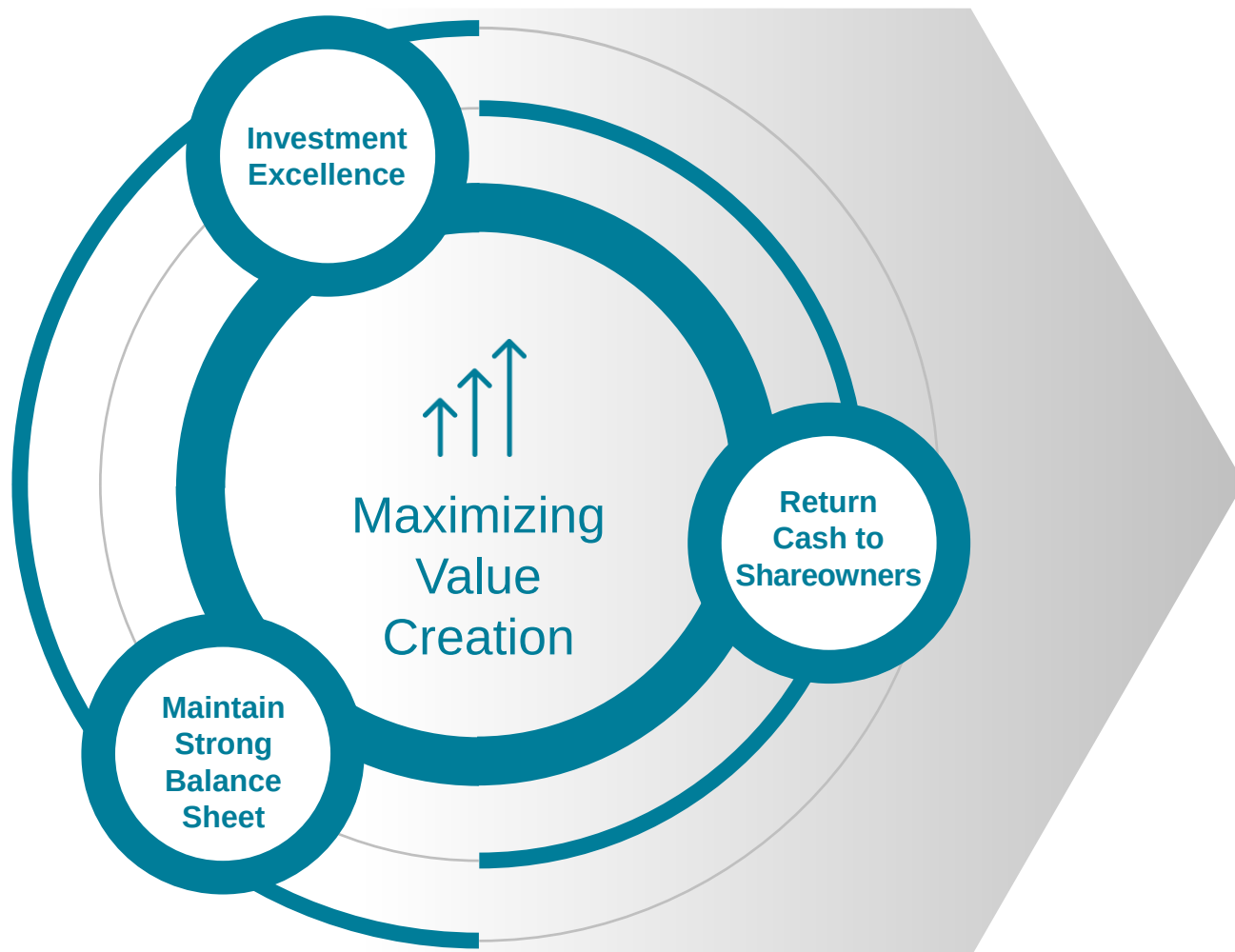


Achievement	
\$70MM 3Q22 / \$175MM YTD	
YTD	
47%	Lean Effectiveness - Streamline the organization - Overhead spend reduction
15%	Process Optimization - Leverage advanced technology & data analytics - Optimize customer order scheduling & transportation planning - Mill monitoring & process control - Sourcing opportunities
38%	Strategy Acceleration - Margin improvement - Profitable growth

Fourth Quarter Earnings Outlook | Changes from 3Q22

	Industrial Packaging	Cellulose Fibers
Price & Mix	Export lower	Price realization on prior increases
Volume	N.A. 4 less days Europe seasonality (+)	Stable demand Less supply chain pull through
Ops & Costs	Seasonality; Inflation; Unabsorbed fixed costs	Seasonality
Maintenance Outages	\$1MM higher	\$34MM higher
Inputs & Freight	Lower	Higher
Other	4Q22 corporate expense of \$15MM 4Q22 interest expense of \$70MM 4Q22 tax rate outlook of 23% - Equity earnings of ~\$45MM¹	FY 2022 Outlook Adjusted EBITDA ² ~\$2.7B FCF \$0.9 - \$1.0B Capex \$0.9 - \$1.0B

Capital Allocation | Maximize Value Creation



Return Cash to Shareowners

Returned \$434MM to shareowners in 3Q22

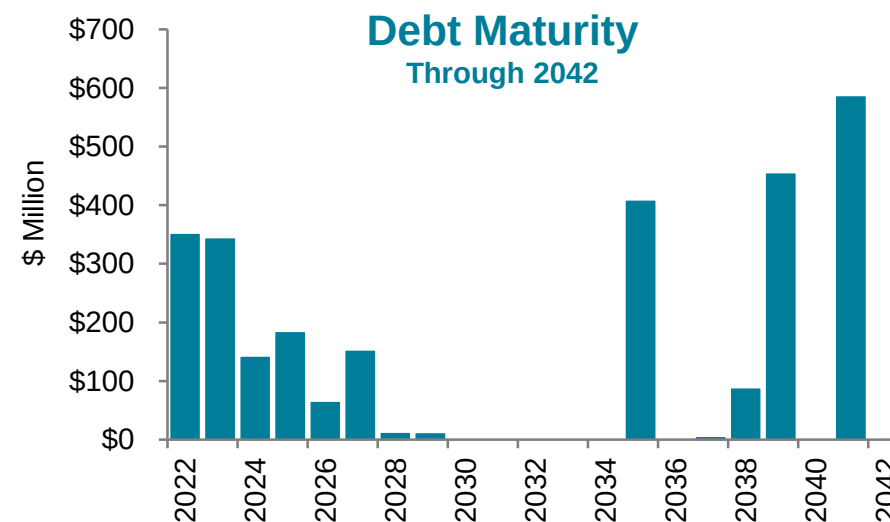
- Dividend payout of \$165MM
- Share repurchases of \$269MM

Returned \$1.6B to shareowners YTD

Share repurchase authorization raised to \$3.4B

Strong Balance Sheet

- YE 2021 Moody's leverage 2.3x vs. target 2.5 – 2.8x¹
- Qualified pension plan fully funded
- Limited medium and long-term debt maturities



CEO Perspective

Resiliency of IP through various macro environments

Strong progress as we focus on
Building a Better IP

Continued financial strength and flexibility
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 #22 for a reconciliation of cash provided by operations to Free Cash Flow, a non-GAAP financial measure

Slide 6

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 7

¹ Adjusted EBIT is 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 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 10

¹ Adjusted EBIT is 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 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 13

¹ Assumes stable F/X as of September 30, 2022

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

Slide 14

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 21

¹ Before special items

Slide 27

¹ 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 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 and other investments

³ Includes special items of \$55MM related to the previously announced settlement of the timber monetization restructuring tax matter

Slide 28

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 Before special items

² 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 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 29

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

Slide 30

Ilim JV results are on U.S. GAAP basis

¹ A non-GAAP financial measure

Slide 31

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 32

¹ Adjusted EBIT is 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 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 33

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Industrial Packaging | Macro Headwinds Significantly Impact 3Q22 Earnings

Change from 2Q22 Earnings				Key Drivers
	Outlook (\$MM)	Actual (\$MM)	Variance (\$MM)	
Price & Mix	\$40	\$89	\$49	Stronger realization on prior increases
Volume	\$10	\$(39)	\$(49)	Softer demand across all channels and segments US box (5.4)% YoY / U.S. channels (5.9)% YoY
Ops & Costs	\$(75)	\$(215)	\$(140)	Economic downtime totaled 398k tons, sub optimizing mill & converting costs / Higher distribution & inflation
Maintenance Outages	\$41	\$37	\$(4)	
Inputs & Freight	\$(30)	\$(63)	\$(33)	Record high energy costs in North America and Europe, partially offset by lower OCC costs
Total Variance: \$(177)				

Select Financial Metrics¹

\$ Million		2020	2021	2022F
Maintenance Outage Expense		\$378	\$531	\$593
Capex	Maintenance & Regulatory	\$430	\$415	Targeting \$900 to \$1,000
	Cost Reduction	\$30	\$10	
	Strategic	\$290	\$125	
Depreciation & Amortization		\$1,090	\$1,097	\$1,050
Net Interest Expense		\$447	\$337	\$280
Corporate Expense		\$62	\$134	\$70
Effective Tax Rate		25%	19%	24%

Free Cash Flow

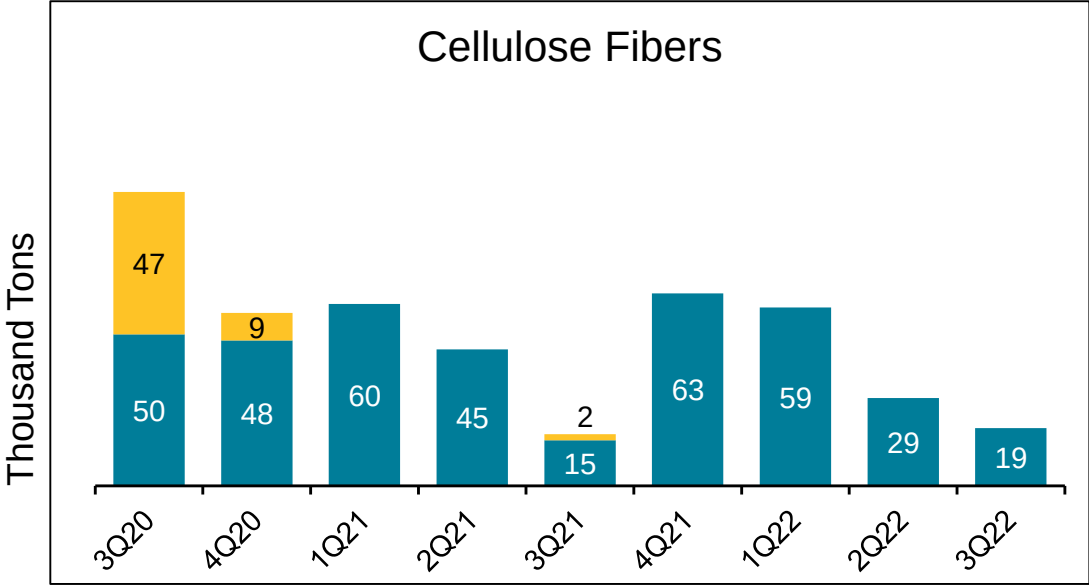
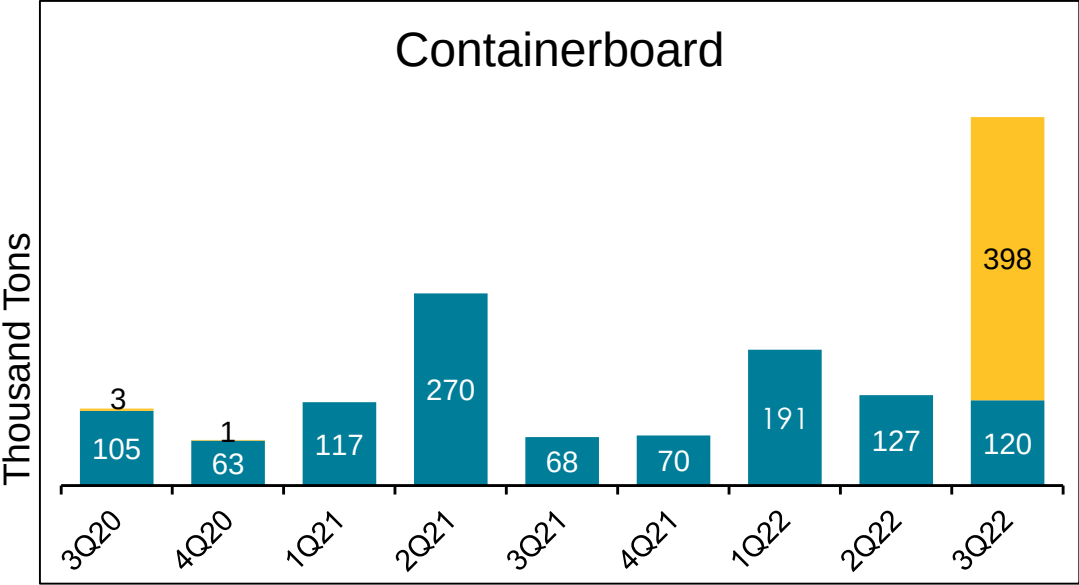
\$ Million	2019	2020	3Q21	2021	2Q22	3Q22
Cash Provided by Operations	\$3,610	\$3,063	\$645	\$2,030¹	\$390	\$435
Cash Invested in Capital Projects, Net of Insurance Recoveries	\$(1,276)	\$(751)	\$(126)	\$(549)	\$(186)	\$(238)
Free Cash Flow	\$2,334	\$2,312	\$519	\$1,481	\$204	\$197

¹2021 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	2Q22A	3Q22A	4Q22F	2022F
 Industrial Packaging		\$165	\$106	\$69	\$70	\$410
North America		\$148	\$106	\$66	\$66	\$386
Riverdale Papers		\$17	-	\$3	-	\$20
EMEA		\$0	-	-	\$4	\$4
 Global Cellulose Fibers		\$69	\$44	\$18	\$52	\$183
North America		\$55	\$43	\$18	\$52	\$168
Georgetown Papers		\$14	\$1	-	-	\$15
Total Impact		\$234	\$150	\$87	\$122	\$593

North America Downtime



Economic
Maintenance

Special Items Before Tax | Continuing Operations

Special Items Pre-Tax \$(Million)		3Q21	2Q22	3Q22
Industrial Packaging				
Global Cellulose Fibers				
	Debt Extinguishment	\$(35)		\$(93)
	Timber Monetization Settlement Interest			\$(55)
Corporate	Environmental Remediation Reserve Adjustment	\$(5)	\$(15)	
	Legal Settlement			\$15
	Sylvamo Investment		\$3	\$16
	Other	\$(9)	\$(6)	
Total Special Items Before Tax		\$(49)	\$(18)	\$(117)

Special Items Net of Tax

	3Q22	
	\$ Million	EPS
Earnings Before Special Items	\$364	\$1.01
Special Items Net of Taxes:		
Debt Extinguishment Costs	\$(70)	
Legal Settlement	\$11	
Sylvamo Investment	\$12	
Tax Benefit Related to Exchange of Sylvamo Shares	\$35	
Tax Benefit Related to Timber Monetization Settlement, Net of Interest	\$563	
Total Special Items Net of Taxes	\$551	\$1.53
Non-Operating Pension Expense	\$36	\$0.10
Net Earnings (Loss) Attributable to International Paper	\$951	\$2.64

Operating Profits by Industry Segment

\$ Million	3Q21	2Q22	3Q22
Earnings (Loss) Before Income Taxes and Equity Earnings	\$397	\$514	\$313
Interest Expense, Net	\$82	\$74	\$123 ³
Adjustment for Less than Wholly Owned Subsidiaries	\$(1)	\$(1)	\$(1)
Corporate Items, Net	\$13	\$27	\$15
Net Special Items	\$49	\$18	\$62
Non-Operating Pension Expense (Income)	\$(50)	\$(47)	\$(48)
Business Segment Operating Profit	\$490	\$585	\$464
Industrial Packaging ¹	\$414	\$560	\$369
Global Cellulose Fibers ¹	\$76	\$25	\$95
Total Business Segment Operating Profit¹	\$490	\$585	\$464
Equity Earnings (Loss), Net of Taxes²	\$94	\$93	\$63

Geographic Business Segment Operating Results | Quarterly

	\$ Million	Sales			D & A ¹	Business Segment Operating Profit ²		
		3Q21	2Q22	3Q22		3Q21	2Q22	3Q22
 Industrial Packaging								
North America		\$3,814	\$4,126	\$4,055	\$181	\$418	\$550	\$387
EMEA		\$331	\$413	\$355	\$13	\$(4)	\$10	\$(18)
 Global Cellulose Fibers								
Global Cellulose Fibers		\$740	\$788	\$887	\$66	\$76	\$25	\$95

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
2Q22	\$514	(\$96)	-	\$93	\$511	371	\$1.38
3Q22	\$313	\$575	-	\$63	\$951	360	\$2.64
Net Special Items							
1Q22	(\$46)	\$11	-	-	(\$35)	379	(\$0.09)
2Q22	\$18	(\$35)	-	-	(\$17)	371	(\$0.05)
3Q22	\$117	(\$668)	-	-	(\$551)	360	(\$1.53)
Non-Operating Pension Expense							
1Q22	(\$49)	\$12	-	-	(\$37)	379	(\$0.10)
2Q22	(\$47)	\$12	-	-	(\$35)	371	(\$0.09)
3Q22	(\$48)	\$12	-	-	(\$36)	360	(\$0.10)
Adj. Operating Earnings							
1Q22	\$267	(\$72)	-	\$93	\$288	379	\$0.76
2Q22	\$485	(\$119)	-	\$93	\$459	371	\$1.24
3Q22	\$382	(\$81)	-	\$63	\$364	360	\$1.01

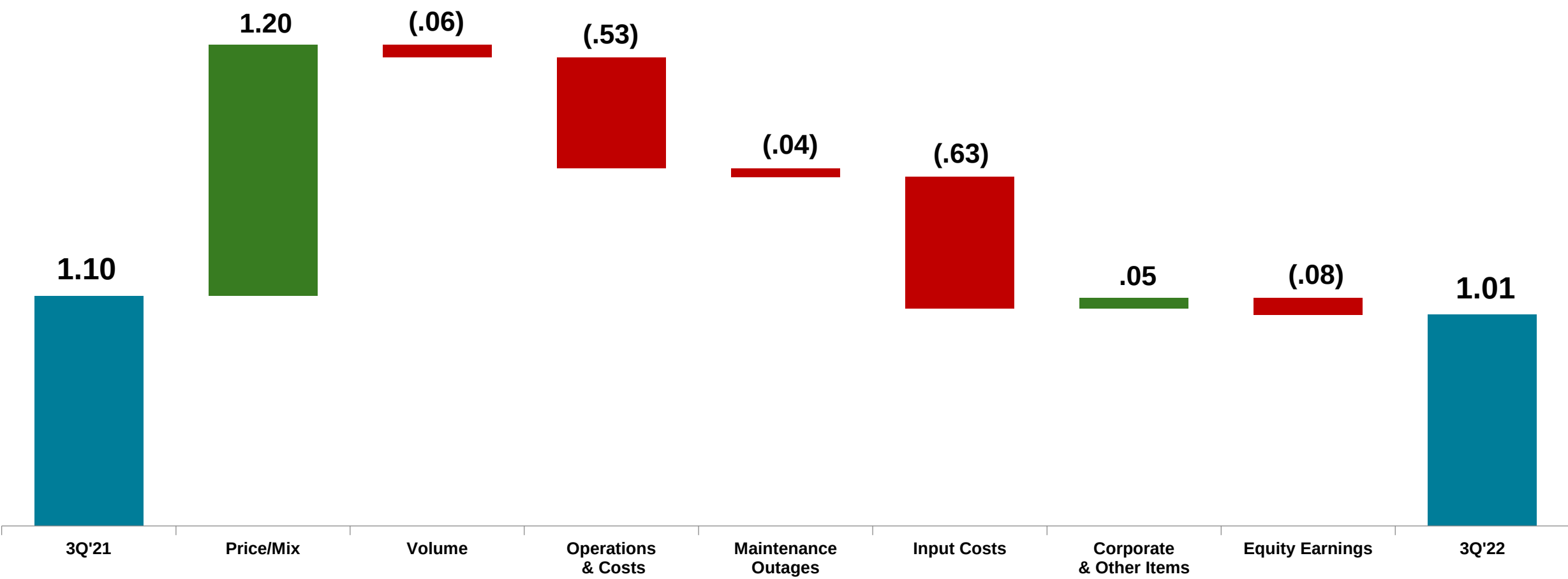
ILIM Joint Venture | 3Q22 vs. 2Q22

\$ Million	3Q21	2Q22	3Q22
Sales Volume (thousand metric tonnes)	833	877	900
Sales	\$729	\$815	\$834
EBITDA ¹	\$318	\$353	\$257
IP Equity Earnings (Loss)	\$95	\$95	\$64

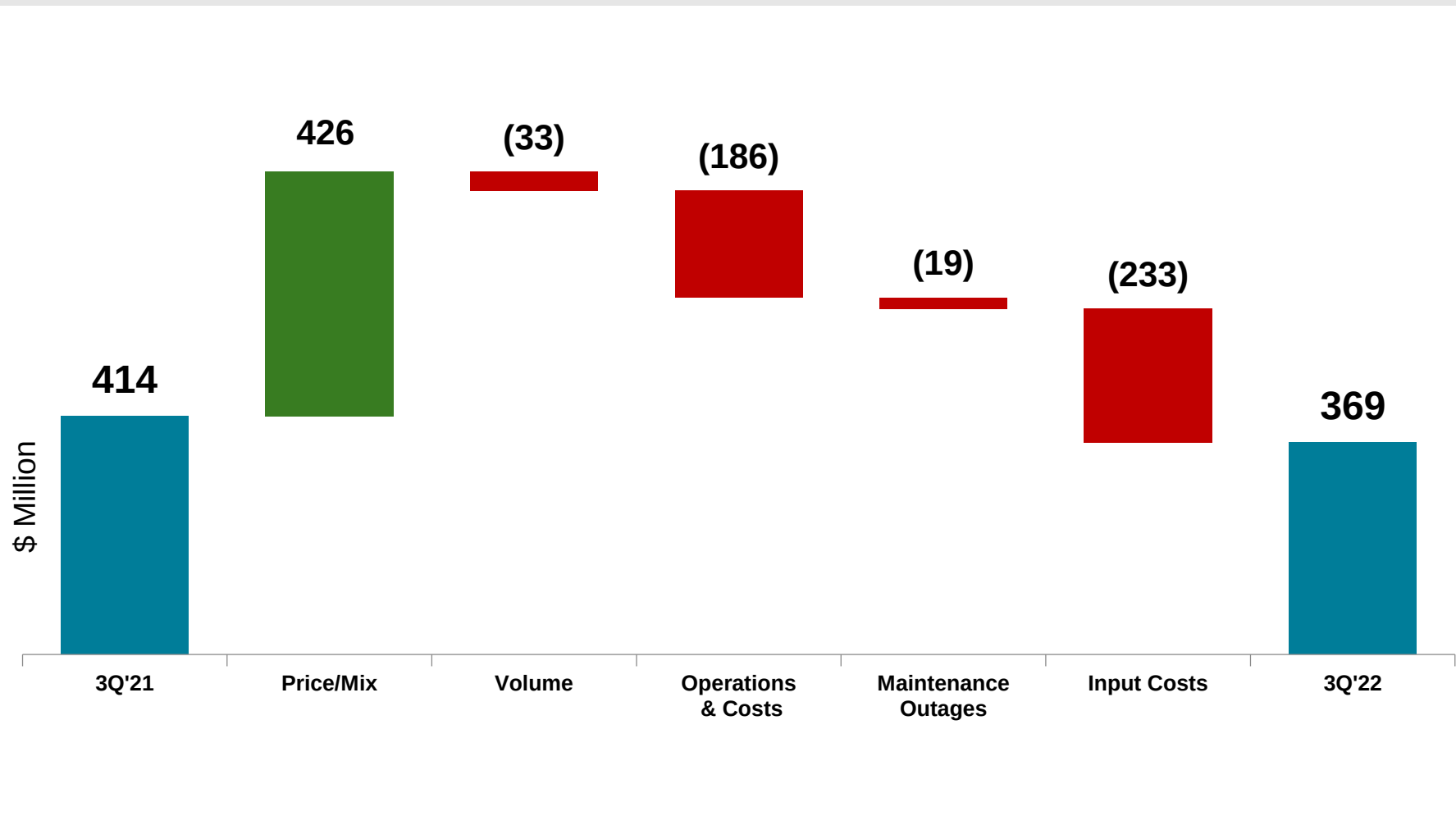
Actively pursuing options, including sale of equity investment in Ilim Group

Working with urgency to complete this work

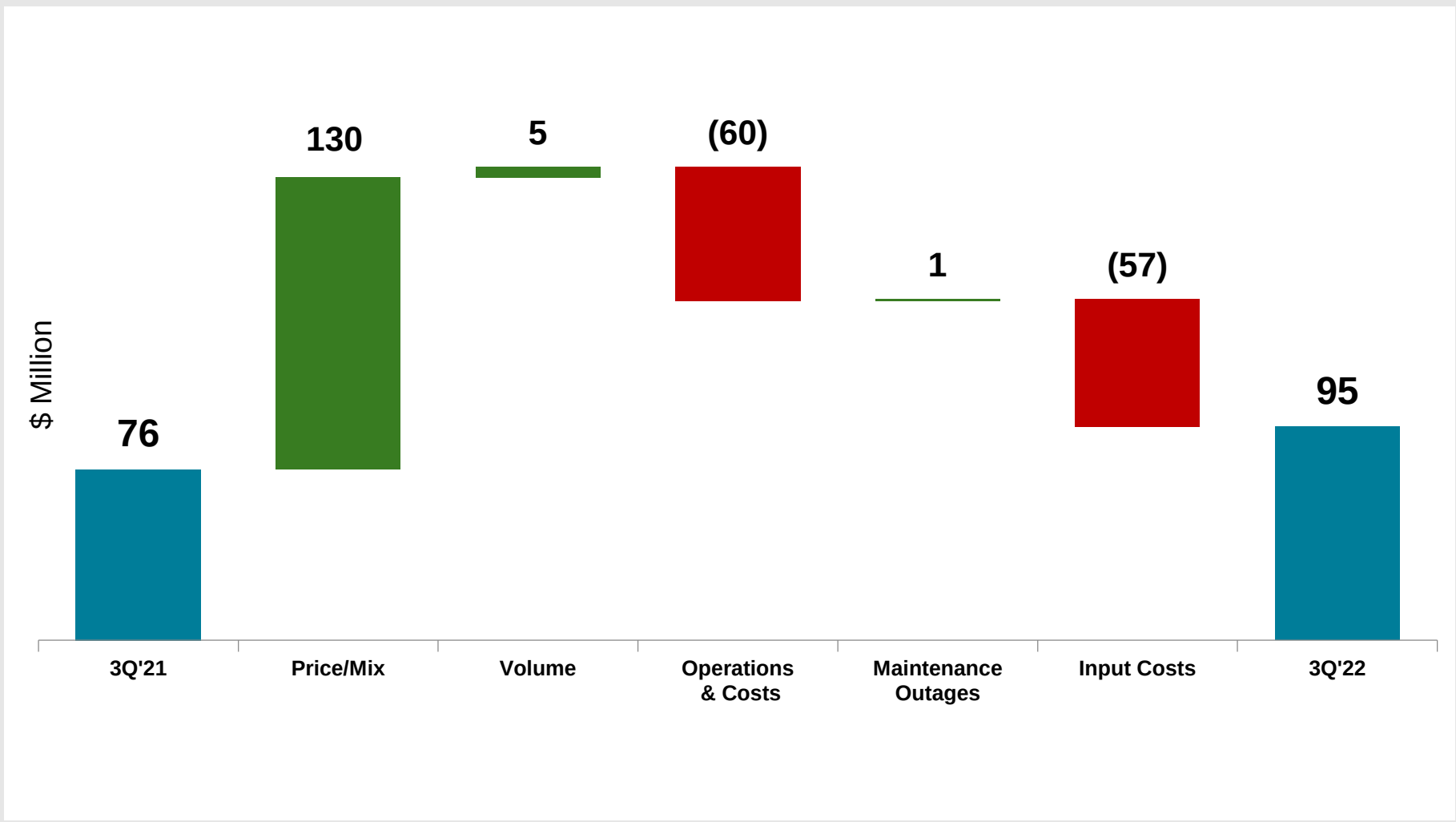
3Q22 vs. 3Q21 Adj. Operating EPS¹



Industrial Packaging | 3Q22 vs. 3Q21 Adj. EBIT¹



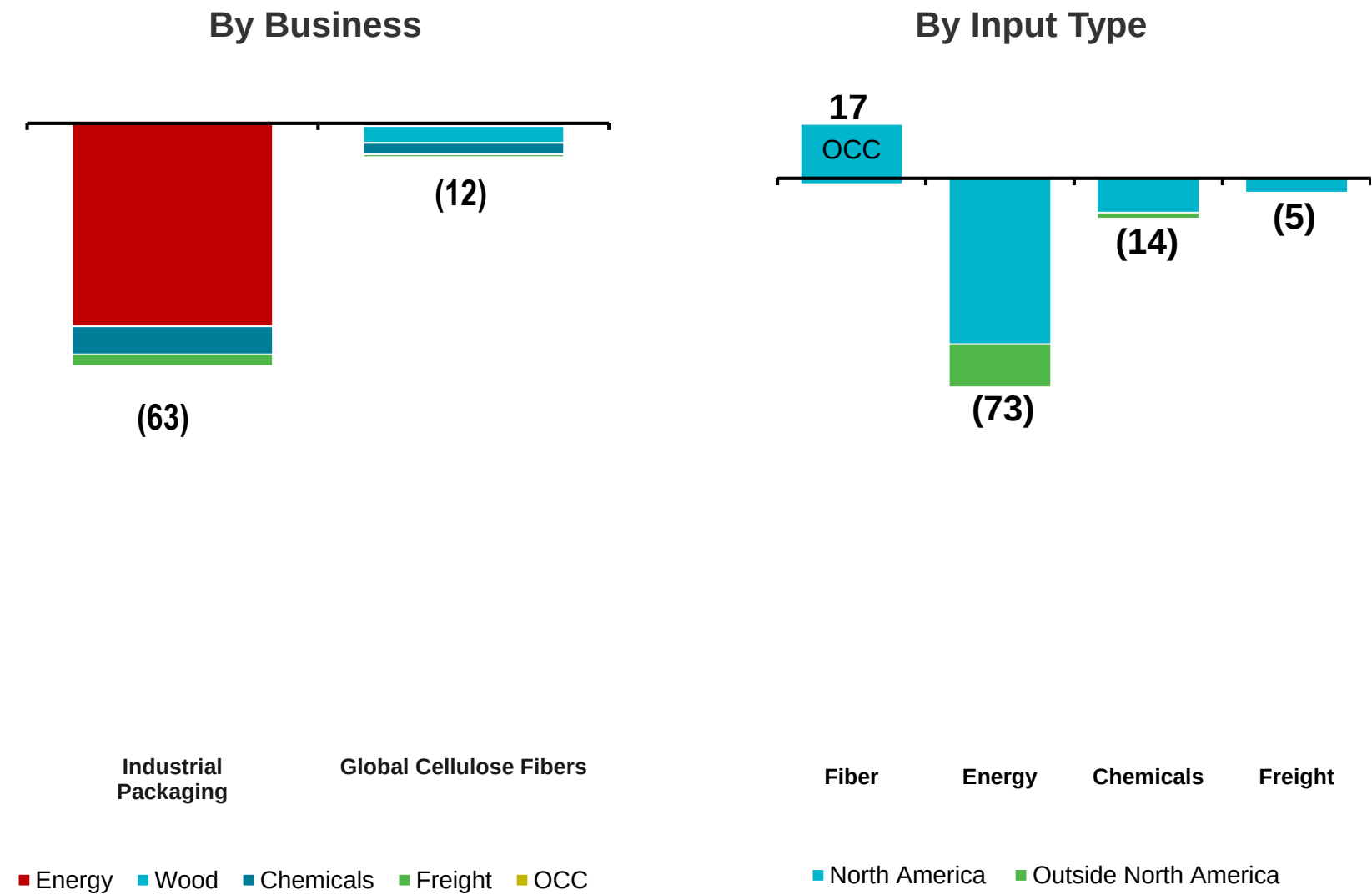
Global Cellulose Fibers | 3Q22 vs. 3Q21 Adj. EBIT¹



Global Consumption | 2021 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
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

Global Input Costs 3Q22 vs. 2Q22 | \$(75)MM Unfavorable, (\$0.15) per share



U.S. Average Cost vs. 2Q22		
Wood	1%	▲
OCC	-10%	▼
Natural Gas	17%	▲
Electricity	21%	▲
Chemical Composite	6%	▲