INTERNATIONAL PAPER COMPANY

Reconciliation of Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures. The calculation of these measures, and a reconciliation to previously reported comparable measures calculated in accordance with U.S. generally accepted accounting principles (GAAP) is shown below. The Company believes that this information, 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-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. These non-GAAP financial measures 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 may not be comparable to similarly titled measures disclosed by other companies, including companies in our industry. This information should be used in conjunction with the Company's Annual Report on Form 10K for the year ended December 31, 2023 and subsequently publicly filed financial reports.

INTERNATIONAL PAPER COMPANY

Reconciliation of Operating Earnings Before Net Interest Expense to Net Earnings Before Taxes and Equity Earnings

Preliminary and Unaudited

(In millions)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Earnings (Loss) From Continuing Operations Before Income Taxes and Equity Earnings	$ 382	$ 1,511	$ 999	$ 329	$ 921	$ 1,781	$ 848	$ 795	$ 1,132	$ 734	$ 1,092	$ 1,024	$ 1,458	$ 822	$ 1,199	$ (1,153)	$ 1,654	$ 3,188
Add back: Net Interest Expense	231	325	337	446	499	536	572	520	555	607	612	672	541	608	669	492	297	521
Add back: Net Special Items Before Taxes	557	175	370	743	414	214	501	182	559	1,046	305	384	343	389	(564)	2,331	(242)	(2,258)
Add back: Non-Operating Pension Expense (Income) Before Taxes	54	(192)	(200)	(41)	36	494	484	610	258	212	323	159	43	84	63	(11)	77	209
Adjusted Operating Earnings Before Net Interest Expense, Income Taxes and Equity Earnings	1,224	1,819	1,506	1,477	1,870	3,025	2,405	2,107	2,504	2,599	2,332	2,239	2,385	1,903	1,367	1,659	1,786	1,660
Add back: Graphic Packaging Equity Earnings Before Taxes	-	-	4	40	46	46												
Adjusted Operating Earnings Before Net Interest Expense, Income Taxes and Other Equity Earnings	1,224	1,819	1,510	1,517	1,916	3,071												
Tax Rate	23.4%	24.4%	19.3%	24.2%	27.0%	24.3%	30%	32%	33%	31%	26%	31.5%	32%	30%	30%	31.5%	30%	29%
Adjusted Operating Earnings Before Net Interest Expense and Equity Earnings	938	1,375	1,219	1,150	1,399	2,325	1,684	1,433	1,678	1,793	1,726	1,534	1,622	1,332	957	1,136	1,250	1,179
Equity Earnings (Loss) Other than Graphic Packaging, Net of Taxes	(21)	(6)	(2)	(11)	204	290	177	198	117	(200)	(39)	61	159	64	(49)	49	-	-
Add back: Equity Earnings Net Special Items	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Operating Earnings Before Net Interest Expense	**935**	**1,369**	**1,217**	**1,139**	**1,603**	**2,615**	**1,861**	**1,631**	**1,795**	**1,593**	**1,687**	**1,595**	**1,781**	**1,396**	**908**	**1,185**	**1,250**	**1,179**

The Company considers return on invested capital ("ROIC") to be a meaningful indicator of our operating performance, and we evaluate this metric because it measures how effectively and efficiently we use the capital invested in our business. ROIC, a non-GAAP financial measure, may not be defined and calculated by other companies in the same manner. The Company defines and calculates ROIC using in the numerator Adjusted Operating Earnings Before Net Interest Expense, the most directly comparable GAAP measure to which is Earnings (Loss) From Continuing Operations Before Income Taxes and Equity Earnings. The Company calculates Adjusted Operating Earnings Before Net Interest Expense by excluding net interest expense, the after-tax effect of non-operating pension expense and items considered by management to be unusual (net special items) from the earnings reported under GAAP. Management uses this measure to focus on on-going operations and believes that it is useful to investors because it enables them to perform meaningful comparisons of past and present operating results.

ROIC = Adjusted Operating Earnings Before Net Interest Expense / Average Invested Capital

Average Invested Capital = Equity (adjusted to remove pension-related amounts in OCI, net of tax) + interest-bearing Debt

Note: Years 2020 - 2023 reflect Ilim as Discontinued Operations. Years 2019 - 2021 reflect Printing Papers as Discontinued Operations. Years 2013 - 2017 reflect North America Consumer Packaging and xpedx as Discontinued Operations. Years 2006-2012 and 2018 are as reported in the 10-K for each year at the time of filing.

INTERNATIONAL PAPER COMPANY
Reconciliation of Net Earnings (Loss) to Adjusted Operating Earnings
Preliminary and Unaudited
(In millions, except per share amounts)

	Three Months Ended December 31,		Three Months Ended			Twelve Months Ended December 31,	
	2023	2022	September 30, 2023	June 30, 2023	March 31, 2023	2023	2022
Net Earnings (Loss)	**$ (284)**	$ (318)	$ 165	$ 235	$ 172	**$ 288**	$ 1,504
Less: Discontinued operations, net of taxes (gain) loss	**—**	489	27	(13)	—	**14**	237
Earnings (Loss) from Continuing Operations	**(284)**	171	192	222	172	**302**	1,741
Add back: Non-operating pension expense (income)	**14**	(48)	13	12	15	**54**	(192)
Add back: Net Special items expense (income)	**546**	144	29	(6)	3	**572**	233
Income taxes - Non-operating pension and special items	**(134)**	42	(10)	(24)	(5)	**(173)**	(614)
Adjusted Operating Earnings	**$ 142**	$ 309	$ 224	$ 204	$ 185	**$ 755**	$ 1,168

	Three Months Ended December 31,		Three Months Ended			Twelve Months Ended December 31,	
	2023	2022	September 30, 2023	June 30, 2023	March 31, 2023	2023	2022
Diluted Earnings per Common Share as Reported	**$ (0.82)**	$ (0.90)	$ 0.47	$ 0.68	$ 0.49	**$ 0.82**	$ 4.10
Less: Discontinued operations, net of taxes (gain) loss	**—**	1.38	0.08	(0.04)	—	**0.04**	0.64
Continuing Operations	**(0.82)**	0.48	0.55	0.64	0.49	**0.86**	4.74
Add back: Non-operating pension expense (income)	**0.04**	(0.13)	0.04	0.03	0.04	**0.15**	(0.52)
Add back: Net Special items expense (income)	**1.58**	0.41	0.08	(0.02)	0.01	**1.64**	0.63
Income taxes - Non-operating pension and special items	**(0.39)**	0.11	(0.03)	(0.06)	(0.01)	**(0.49)**	(1.67)
Adjusted Operating Earnings per Share	**$ 0.41**	$ 0.87	$ 0.64	$ 0.59	$ 0.53	**$ 2.16**	$ 3.18

Notes:

Adjusted Operating Earnings is a non-GAAP measure. Net earnings (loss) is the most directly comparable GAAP measure. The Company calculates Adjusted Operating Earnings (non-GAAP) by excluding the after-tax effect of discontinued operations, non-operating pension expense (income) and items considered by management to be unusual or otherwise not reflective of on-going operations (net special items) as reflected in the Consolidated Statement of Operations and related notes included in this release from the earnings reported under U.S. GAAP. Management uses this measure to focus on on-going operations, and believes that it is useful to investors because it enables them to perform meaningful comparisons of past and present consolidated operating results from continuing operations. The Company believes that using this information, along with net earnings, provides for a more complete analysis of the results of operations by quarter. .

Since diluted earnings per share are computed independently for each period, twelve-month per share amounts may not equal the sum of respective quarters.

INTERNATIONAL PAPER COMPANY
Reconciliation of Cash Provided by Operations to Free Cash Flow
Preliminary and Unaudited
(In millions)

	Three Months Ended December 31,		Three Months Ended September 30,	Twelve Months Ended December 31,		
	2023	**2022**	**2023**	**2023**	**2022**	**2021**
Cash Provided By (Used For) Operating Activities	**$ 492**	$ 761	$ 468	$ 1,833	$ 2,174	$ 2,030
Adjustments:						
Cash invested in capital projects, net of insurance recoveries	**(305)**	(322)	(228)	(1,141)	(931)	(549)
Free Cash Flow	**$ 187**	$ 439	$ 240	$ 692	$ 1,243	$ 1,481

Free cash flow is a non-GAAP (Generally Accepted Accounting Principles) measure and the most directly comparable GAAP measure is cash provided by operations. Management believes that free cash flow is useful to investors as a liquidity measure because it measures the amount of cash generated that is available, after reinvesting in the business, to maintain a strong balance sheet, pay dividends, repurchase stock, service debt and make investments for future growth. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures. By adjusting for certain items that are not indicative of the Company's ongoing performance, free cash flow also enables investors to perform meaningful comparisons between past and present periods.

The non-GAAP financial measures presented in this release 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, the Company's presentation of non-GAAP measures in this release may not be comparable to similarly titled measures disclosed by other companies, including companies in the same industry as International Paper.

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. Investors are cautioned to not place undue reliance on any non-GAAP financial measures used in this release.

INTERNATIONAL PAPER COMPANY
Calculation of EBITDA before Special Items

$ Millions	2022 Full Year	2023 1st Quarter	2023 2nd Quarter	2023 3rd Quarter	2023 4th Quarter	2023 Year to Date
Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	$ 1,511	$ 221	$ 255	$ 232	$ (326)	$ 382
Interest Expense, Net	325	62	59	58	52	231
Special Items	175	—	—	29	528	557
Non-operating pension expense (income)	(192)	15	12	13	14	54
EBIT before Special Items	1,819	298	326	332	268	1,224
Depreciation, amortization and cost of timber harvested	1,040	241	244	258	267	1,010
EBITDA before Special Items	2,859	539	570	590	535	2,234
Annualized EBITDA before Special Items	2,859	2,156	2,280	2,360	2,140	2,234
Annualized Net Sales	21,161	20,080	18,728	18,452	18,404	18,916
Adjusted EBITDA Margin	13.5 %	10.7 %	12.2 %	12.8 %	11.6 %	11.8 %

Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin are all "non-GAAP financial measures" presented as supplemental measures of our performance and the most directly comparable GAAP measures for Adjusted EBIT and Adjusted EBITDA are operating income and net income, respectively. They are not presented in accordance with accounting principles generally accepted in the United States, or GAAP. The Company believes these measures provide additional meaningful information in evaluating the Company's performance over time, and that other companies use these and/or similar measures for similar purposes. However, Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin have limitations as analytical tools, and you should not consider them in isolation, or as substitutes for an analysis of our results as reported under GAAP. In addition, in evaluating Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin, you should be aware that in the future we will incur expenses such as those used in calculating these measures. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

INTERNATIONAL PAPER COMPANY
Calculation of EBITDA before Special Items
Adjusted for Discontinued Operations

$ Millions	2021 Full Year	2022 1st Quarter	2022 2nd Quarter	2022 3rd Quarter	2022 4th Quarter	2022 Year to Date
Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	$ 999	$ 362	$ 514	$ 313	$ 322	$ 1,511
Interest Expense, Net	337	69	74	123	59	325
Special Items	370	(46)	18	62	141	175
Non-operating pension expense (income)	(200)	(49)	(47)	(48)	(48)	(192)
EBIT before Special Items	1,506	336	559	450	474	1,819
Depreciation, amortization and cost of timber harvested	1,097	261	267	261	251	1,040
EBITDA before Special Items	2,603	597	826	711	725	2,859
Annualized EBITDA before Special Items	2,603	2,388	3,304	2,844	2,900	2,859
Annualized Net Sales	19,363	20,948	21,556	21,608	20,532	21,161
Adjusted EBITDA Margin	13.4%	11.4%	15.3%	13.2%	14.1%	13.5%

Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin are all "non-GAAP financial measures" presented as supplemental measures of our performance and the most directly comparable GAAP measures for Adjusted EBIT and Adjusted EBITDA are operating income and net income, respectively. They are not presented in accordance with accounting principles generally accepted in the United States or GAAP. The Company believes these measures provide additional meaningful information in evaluating the Company's performance over time and that other companies use these and/or similar measures for similar purposes. However, Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin have limitations as analytical tools, and you should not consider them in isolation or as substitutes for an analysis of our results as reported under GAAP. In addition, in evaluating Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin, you should be aware that in the future we will incur expenses such as those used in calculating these measures. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

Reconciliation of Non-GAAP Information to U.S. GAAP
Calculation of Adjusted EBITDA Margin before Special Items

$ Millions	Q1 2023 North American Industrial Packaging	Q2 2023 North American Industrial Packaging	Q3 2023 North American Industrial Packaging	Q4 2023 North American Industrial Packaging	YTD 2023 North American Industrial Packaging
Business Segment Operating Profit	$ 302	$ 284	$ 313	$ 287	$ 1,186
Depreciation, Amortization and Cost of Timber	178	176	187	192	733
EBITDA before Special Items	480	460	500	479	1,919
Less: Recycling Business EBITDA	—	2	2	3	7
EBITDA before Special Items after Exclusions	480	458	498	476	1,912
Net Sales	3,724	3,550	3,491	3,528	14,293
Less: Trade Sales	114	111	107	97	429
Less: Recycling Business Net Sales	66	59	60	72	257
Net Sales after Exclusions	3,544	3,380	3,324	3,359	13,607
Adjusted EBITDA Margin	13.5 %	13.6 %	15.0 %	14.2 %	14.1 %

We use the non-GAAP financial measures Adjusted EBIT and Adjusted EBITDA margin, along with other factors, to evaluate our segment performance against our peers. We believe that investors use these measures to evaluate our performance relative to our peers. However, these non-GAAP measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP.

INTERNATIONAL PAPER COMPANY
Calculation of Operational Tax Rate

$ Millions	2022 4th Quarter	2023 3rd Quarter	2023 4th Quarter
Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	$ 322	$ 232	$ (326)
Special Items	144	29	528
Non-operating pension expense (income)	(48)	13	14
Operating Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	418	274	216
Income Tax Provision (Benefit)	148	39	(61)
Income Taxes - Non-Operating Pension and Special Items	(42)	10	134
Operational Income Tax Provision (Benefit)	$ 106	$ 49	$ 73
Operational Tax Rate	25 %	18 %	34 %

The Operational Income Tax Provision and Rate are "non-GAAP financials measures" and the most directly comparable GAAP measure for Operational Income Tax Provision is Income Tax Provision. Management adjusts the income tax provision and rate to account for non-recurring, non-operational items as we believe it provides a more meaningful comparison of the income tax rate between past and present periods.