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 Quarterly Report on Form 10Q for the quarter ended March 31, 2024 and subsequently publicly filed financial reports.

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

	Three Months Ended March 31,		Three Months Ended December 31,
	2024	**2023**	**2023**
Net Earnings (Loss)	**$ 56**	$ 172	$ (284)
Less: Discontinued operations, net of taxes (gain) loss	**—**	—	—
Earnings (Loss) from Continuing Operations	**56**	172	(284)
Add back: Non-operating pension expense (income)	**(12)**	15	14
Add back: Net Special items expense (income)	**18**	3	546
Income taxes - Non-operating pension and special items	**(1)**	(5)	(134)
Adjusted Operating Earnings	**$ 61**	$ 185	$ 142

	Three Months Ended March 31,		Three Months Ended December 31,
	2024	**2023**	**2023**
Diluted Earnings per Common Share as Reported	**$ 0.16**	$ 0.49	$ (0.82)
Less: Discontinued operations, net of taxes (gain) loss	**—**	—	—
Continuing Operations	**0.16**	0.49	(0.82)
Add back: Non-operating pension expense (income)	**(0.04)**	0.04	0.04
Add back: Net Special items expense (income)	**0.05**	0.01	1.58
Income taxes - Non-operating pension and special items	**—**	(0.01)	(0.39)
Adjusted Operating Earnings per Share	**$ 0.17**	$ 0.53	$ 0.41

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.

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

	Three Months Ended March 31,		Three Months Ended December 31,	Twelve Months Ended December 31,		
	2024	**2023**	**2023**	**2023**	**2022**	**2021**
Cash Provided By (Used For) Operating Activities	**$ 395**	$ 345	$ 492	$ 1,833	$ 2,174	$ 2,030
Adjustments:						
Cash invested in capital projects	**(251)**	(341)	(305)	(1,141)	(931)	(549)
Free Cash Flow	**$ 144**	$ 4	$ 187	$ 692	$ 1,243	$ 1,481

Free cash flow is a non-GAAP (Generally Accepted Accounting Principles) measure which equals cash provided by (used for) operating activities subject to the adjustments set forth in the reconciliation table above. 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 results. 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	2023 Full Year	2024 1st Quarter	2024 2nd Quarter	2024 3rd Quarter	2024 4th Quarter	2024 Year to Date
Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	$ 382	$ 85	$ —	$ —	$ —	$ 85
Interest Expense, Net	231	46	—	—	—	46
Special Items	557	28	—	—	—	28
Non-operating pension expense (income)	54	(12)	—	—	—	(12)
EBIT before Special Items	1,224	147	—	—	—	147
Depreciation, amortization and cost of timber harvested	1,010	273	—	—	—	273
EBITDA before Special Items	2,234	420	—	—	—	420
Annualized EBITDA before Special Items	2,234	1,680	—	—	—	1,680
Annualized Net Sales	18,916	18,476	—	—	—	18,476
Adjusted EBITDA Margin	11.8 %	9.1 %	— %	— %	— %	9.1 %

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 measure for Adjusted EBIT and Adjusted EBITDA is earnings (loss) from continuing operations before income taxes and equity earnings. 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	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 measure for Adjusted EBIT and Adjusted EBITDA earnings (loss) from continuing operations before income taxes and equity earnings. 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 2024 North American Industrial Packaging	Q2 2024 North American Industrial Packaging	Q3 2024 North American Industrial Packaging	Q4 2024 North American Industrial Packaging	YTD 2024 North American Industrial Packaging
Business Segment Operating Profit	$ 192	$ —	$ —	$ —	$ 192
Depreciation, Amortization and Cost of Timber	203	—	—	—	203
EBITDA before Special Items	395	—	—	—	395
Less: Recycling Business EBITDA	6	—	—	—	6
EBITDA before Special Items after Exclusions	389	—	—	—	389
Net Sales	3,486	—	—	—	3,486
Less: Trade Sales	84	—	—	—	84
Less: Recycling Business Net Sales	79	—	—	—	79
Net Sales after Exclusions	3,323	—	—	—	3,323
Adjusted EBITDA Margin	11.7 %	— %	— %	— %	11.7 %

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 Full Year	2023 Full Year
Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	$ 1,511	$ 382
Special Items	233	554
Non-operating pension expense (income)	(192)	54
Operating Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	1,552	990
Income Tax Provision (Benefit)	(236)	59
Income Taxes - Non-Operating Pension and Special Items	614	173
Operational Income Tax Provision (Benefit)	$ 378	$ 232
Operational Tax Rate	24 %	23 %

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.