



**International
Paper**

Third Quarter 2024 Earnings

October 31, 2024



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, as amended. Forward-looking statements can be identified by the use of forward-looking or conditional words such as “expects,” “anticipates,” “believes,” “estimates,” “could,” “should,” “can,” “forecast,” “intend,” “look,” “may,” “will,” “remain,” “confident,” “commit” and “plan” or similar expressions. These statements are not guarantees of future performance and reflect management’s current views and speak only as to the dates the statements are made and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these statements. All statements, other than statements of historical fact, are forward-looking statements, including, but not limited to, statements regarding anticipated financial results, economic conditions, industry trends, future prospects, and the execution and consummation of corporate transactions or contemplated acquisitions, including our proposed business combination with DS Smith Plc. Factors which could cause actual results to differ include but are not limited to: (i) our ability to consummate and achieve the benefits expected from, and other risks associated with, acquisitions, joint ventures, divestitures, spinoffs, capital investments and other corporate transactions, including, but not limited to, our proposed business combination with DS Smith Plc and our ability to integrate and implement our plans, forecasts, and other expectations with respect to the combined company; (ii) uncertainties as to whether or when the business combination may be completed, if at all; (iii) risks with respect to climate change and global, regional, and local weather conditions, as well as risks related to our targets and goals with respect to climate change and the emission of greenhouse gases and other environmental, social and governance matters, including our ability to meet such targets and goals; (iv) loss contingencies and pending, threatened or future litigation, including with respect to environmental related matters; (v) the level of our indebtedness, risks associated with our variable rate debt, and changes in interest rates (including the impact of current elevated interest rate levels and the potential for ongoing reductions in interest rates); (vi) the impact of global and domestic economic conditions and industry conditions, including with respect to current negative macroeconomic conditions, inflationary pressures and changes in the cost or availability of raw materials, energy sources and transportation sources, supply chain shortages and disruptions, competition we face, cyclicality and changes in consumer preferences, demand and pricing for our products, and conditions impacting the credit, capital and financial markets; (vii) risks arising from conducting business internationally, domestic and global geopolitical conditions, military conflict (including the Russia/Ukraine conflict, the conflict in the Middle East, the further expansion of such conflicts, and the geopolitical and economic consequences associated therewith), changes in currency exchange rates, trade protectionist policies and trade tensions, 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) the costs of compliance, or the failure to comply with, existing and new environmental (including with respect to climate change and GHG emissions), tax, labor and employment, privacy, anti-bribery and anti-corruption, and other U.S. and non-U.S. governmental laws and regulations (including but not limited to those in the United Kingdom and European Union); (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) our ability to realize expected benefits and cost savings associated with restructuring initiatives; (xii) cybersecurity and information technology risks, including as a result of security breaches and cybersecurity incidents; (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; (xv) risks associated with our review of strategic options for our global cellulose fibers business; and (xvi) 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 reports filed with the U.S. Securities and Exchange Commission. 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 these 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 <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

Discontinued Operations

As previously announced, the Company sold its interest in the Ilim joint venture on September 18, 2023. Current and historical results have been adjusted to reflect Ilim as a discontinued operation. All financial information and statistical measures regarding our prior 50/50 ownership in the Ilim joint venture in Russia (“Ilim”), other than historical International Paper Equity Earnings and dividends received by International Paper, have been prepared by the management of Ilim.

Driving Transformational Performance at IP

Through **great teams** with an **80/20 mindset**, we deliver **profitable market share growth** as the **low-cost producer** by providing North American and EMEA customers the **most reliable & innovative sustainable packaging solutions**.

Developing Action Plans and Entering Implementation Phase

80/20 Approach

1) Simplify

2) Segment

3) Resource

4) Grow

✓ Analytics

✓ Brave on Paper

✓ Zero up, Resource & Alignment Plans

Implementation & Renewal

April 2024

Today

2025 and beyond

Actions Taken to Strengthen IP and Drive Better Performance

Enterprise

Resource Alignment

- ✓ Zero-up approach
- ✓ Public company requirement
- ✓ More resources into the business, closer to customer
- ✓ Reducing complexity and structural cost

NA Packaging Solutions

Box System Optimization

- ✓ Investing in service, reliability & productivity to grow
- ✓ Regional optimization pilots
- ✓ Reducing structural cost
- 5 plant closures announced

Global Cellulose Fibers

Exploring Strategic Options for GCF business

Georgetown Mill Closure

- ✓ Strategic focus to grow fluff
- ✓ Reducing exposure to commodity pulp
- ✓ Reducing structural cost

See slide 17 for more details

~\$230 MM EBITDA¹ Improvement*
(FY Run Rate)

*Reflects anticipated adjusted EBITDA benefit from announcements to date; excludes one-time costs associated with these strategic actions and impact from GCF Strategic Options

Early 80/20 Wins Across the Company



Next Steps

- Accelerate 80/20 strategy
- Preparing for DS Smith integration
 - Regulatory process underway
 - Expect transaction to close early 1Q25
- Investor Day – March 25, 2025

Performance & Outlook

Third Quarter 2024 Highlights

	3Q23	2Q24	3Q24
Sales (\$B)	\$4.6	\$4.7	\$4.7
Adjusted EBIT ¹ (\$MM)	\$332	\$300	\$233
Adjusted Operating EPS ²	\$0.64	\$0.55	\$0.44
Adjusted EBITDA ¹ (\$MM)	\$590	\$561	\$500
Adjusted EBITDA Margin ¹	12.8%	11.9%	10.7%
Free Cash Flow ³ (\$MM)	\$240	\$167	\$309

All earnings metrics have been adjusted to reflect the prior Ilim JV as discontinued operations. Please see the footnotes at the end of this presentation as well as the Investors section of our website (www.internationalpaper.com) for more information on non-GAAP financial measures, definitions and reconciliations to most directly comparable U.S. GAAP measures.

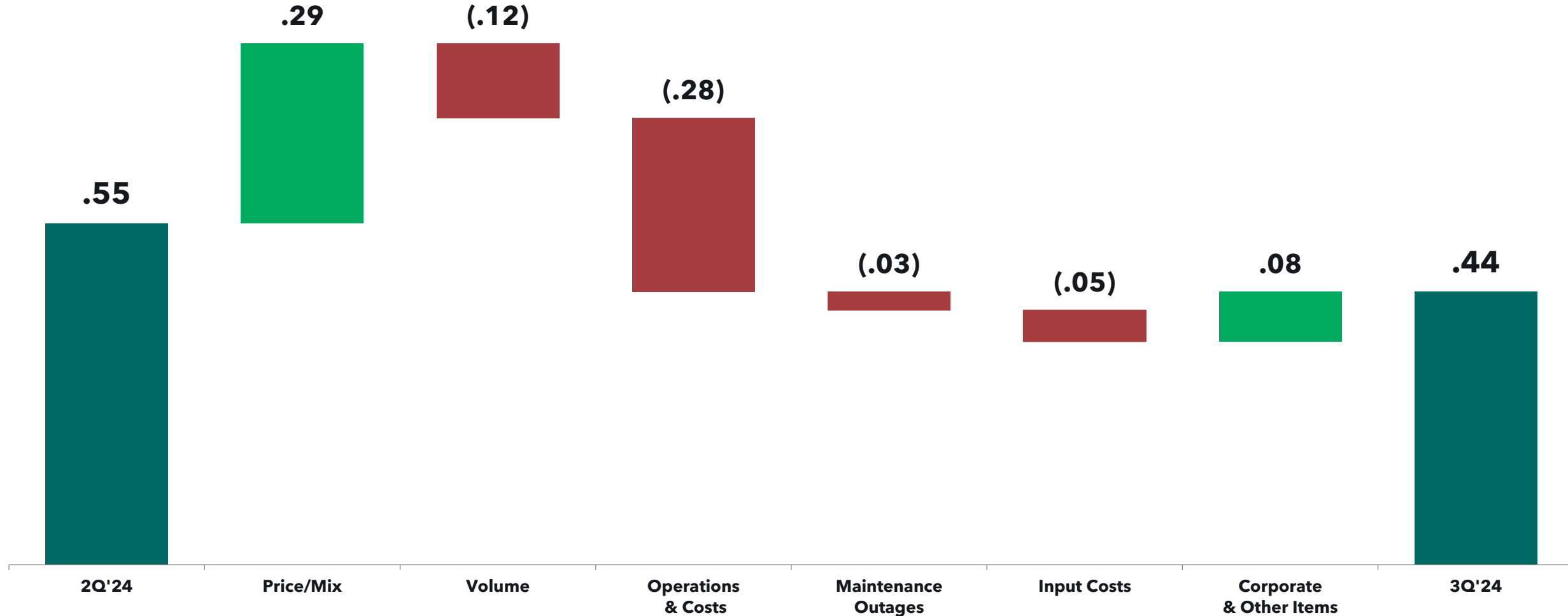
3Q24 Performance

- Earnings & margins lower sequentially and YoY, primarily from higher costs
- Higher sales prices across the portfolio
- Lower volume as anticipated due to seasonality and commercial contract restructuring
- Limited impact from hurricanes and port strikes
- Higher FCF driven by favorable working capital

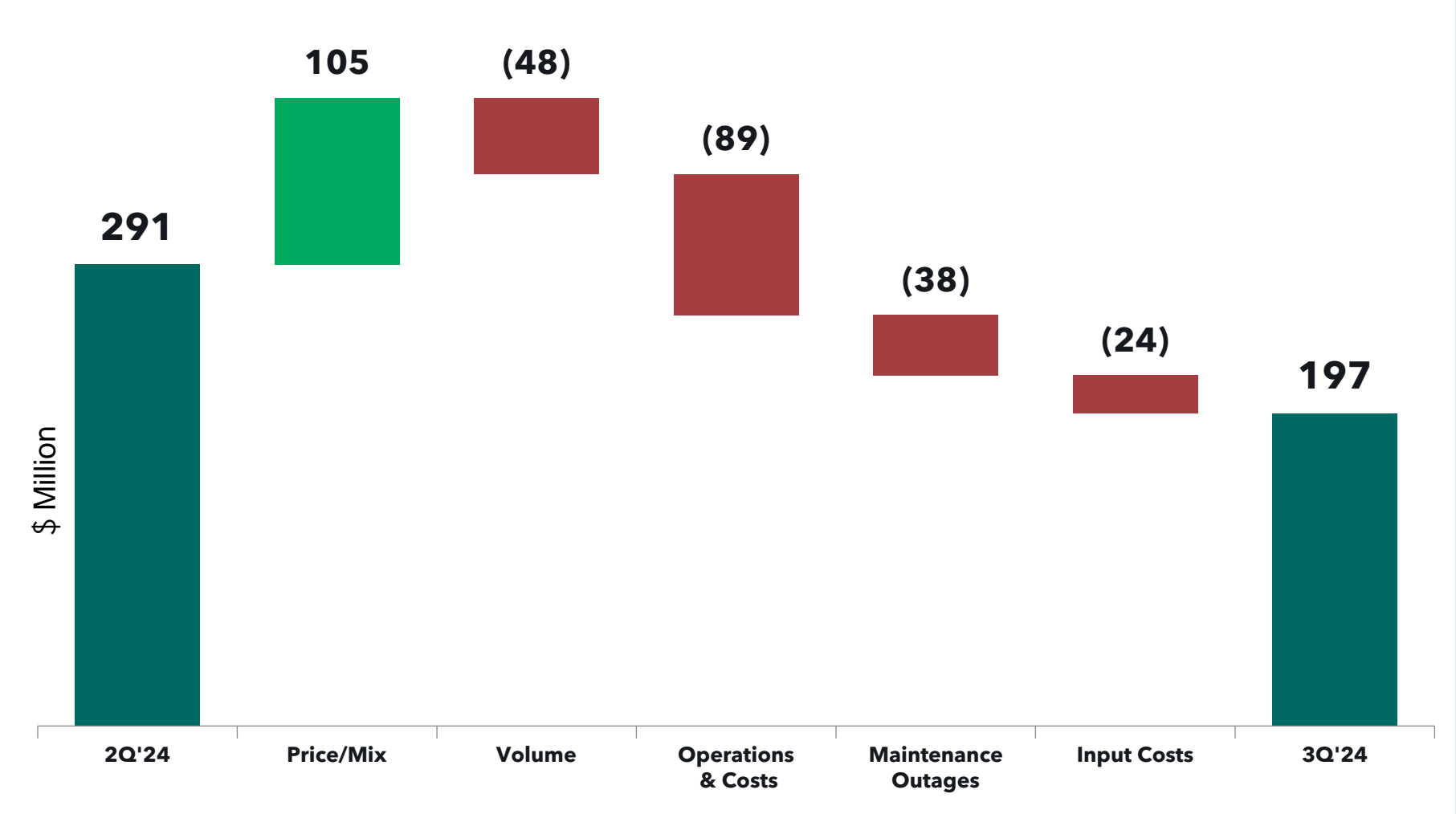
4Q24 Outlook

- Expect higher earnings in Packaging Business from prior price index increases and lower costs
- Expect lower earnings in Global Cellulose Fibers due to prior price index declines, higher planned maintenance outages, and accelerated depreciation of \$220MM for Georgetown mill

3Q24 vs 2Q24 Adjusted Operating EPS¹



Industrial Packaging | 3Q24 vs 2Q24 Adjusted EBIT¹



Prices increased in all channels:
 \$70MM Index movement
 \$17MM Box Go-to-Market strategy
 \$18MM Exports

Seasonally softer volume plus one less shipping day vs. 2Q

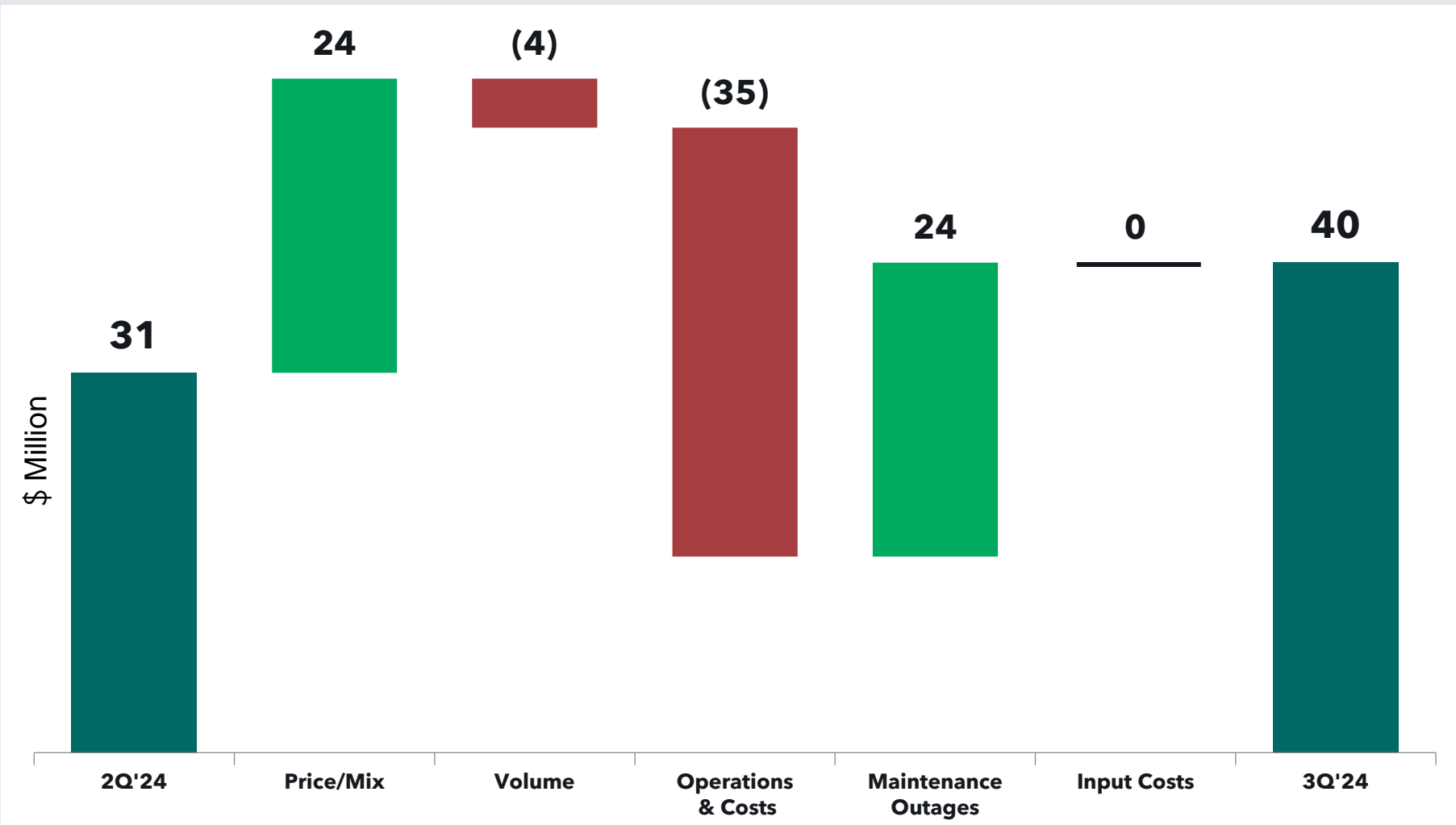
Demand trends moderately improving

IP U.S. box shipments -9% YoY /day, impacted by contract restructuring

Ops & Costs impacted by lower volume, reliability incidents and spending, employee incentive comp., seasonally higher labor

Higher energy & wood costs

Global Cellulose Fibers | 3Q24 vs 2Q24 Adjusted EBIT¹

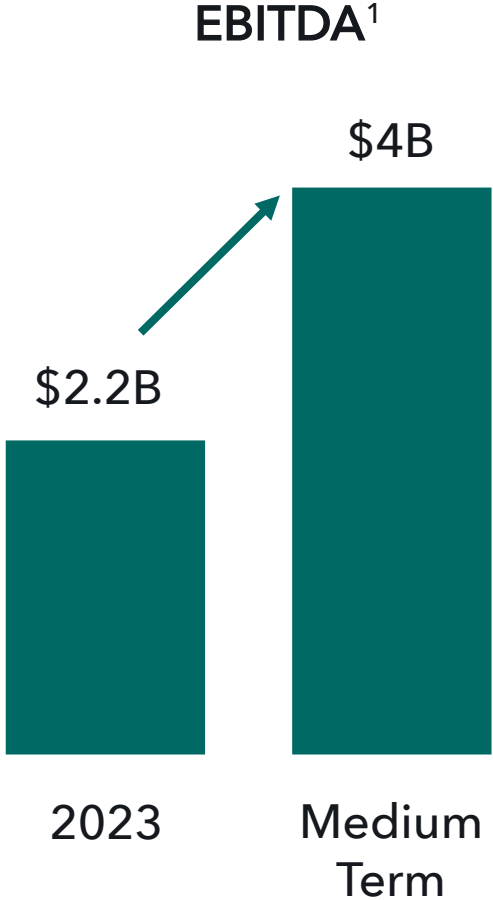


- Higher price from index movement
- Higher fluff volume, offset by reduction in commodity pulp
- Ops & Costs impacted by mill reliability incidents, employee incentive comp., and timing
- Seasonally lower planned maintenance outages

Fourth Quarter Earnings Outlook* | Changes from 3Q24

	Industrial Packaging	Cellulose Fibers
Price & Mix	Prior index movement (+) EMEA mix (+)	Prior index movement (-)
Volume	N.A. 2 less days (-) Seasonality (+)	Stable
Ops & Costs	Improved performance (+) Seasonality and non repeats (-)	Improved performance (+) Seasonality and distribution (-)
Accelerated Depreciation	5 plant closures in 4Q \$(15)MM	Georgetown closure \$(220)MM
Maintenance Outages	\$21MM lower	\$36MM higher
Inputs & Freight	Lower OCC and wood (+)	Stable
Other	<ul style="list-style-type: none"> FY24 corporate expense of \$65MM - \$70MM FY24 interest expense of ~\$220MM FY24 operational tax rate outlook of 16% - 18%¹ 	

Building a Performance-Driven Culture with an 80/20 Mindset

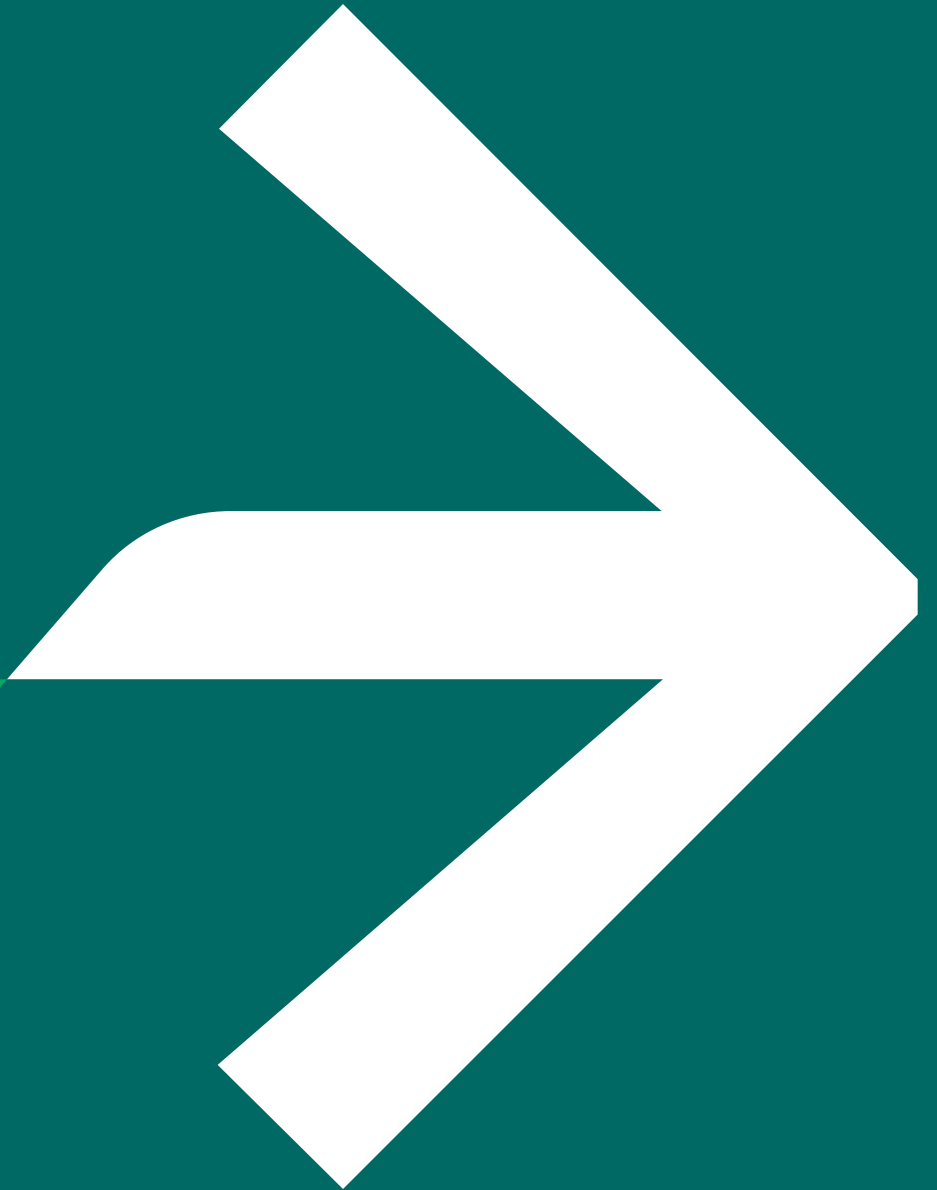


Profitable Growth

- Focus on People, Customers & Products where we win
- Simplify, align resources and reduce cost structure
- Invest for reliability, productivity and innovation
- Price to value

All EBITDA reflects Adjusted EBITDA for current portfolio
\$4B EBITDA target in mid-cycle environment

Appendix & Footnotes





International Paper

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Strategic Actions Impact | ~75% of benefits expected in 2025

Full Year Estimates \$ Million	Enterprise Resource Alignment ^(a)			NA Packaging 5 Plant Closures in '24			Global Cellulose Fibers Georgetown Mill Closure			Total
	'24F	'25F	'26F	'24F	'25F	'26F	'24F	'25F	'26F	
Cumulative Run Rate Adjusted EBITDA Benefit ¹	-	80	120	-	30	40	-	60	70	230
Incremental YoY Anticipated Adjusted EBITDA Benefit	-	80	40	-	30	10	-	60	10	
Total One-Time Costs ²	80	-	-	40	-	-	270	-	-	390
Accel. Depreciation	-	-	-	15	-	-	220	-	-	235
Other Costs ^(b)	80	-	-	25	-	-	50	-	-	155

It is expected the closure of the Georgetown, SC mill will remove approximately 300M tons of commodity and other pulp from the system.

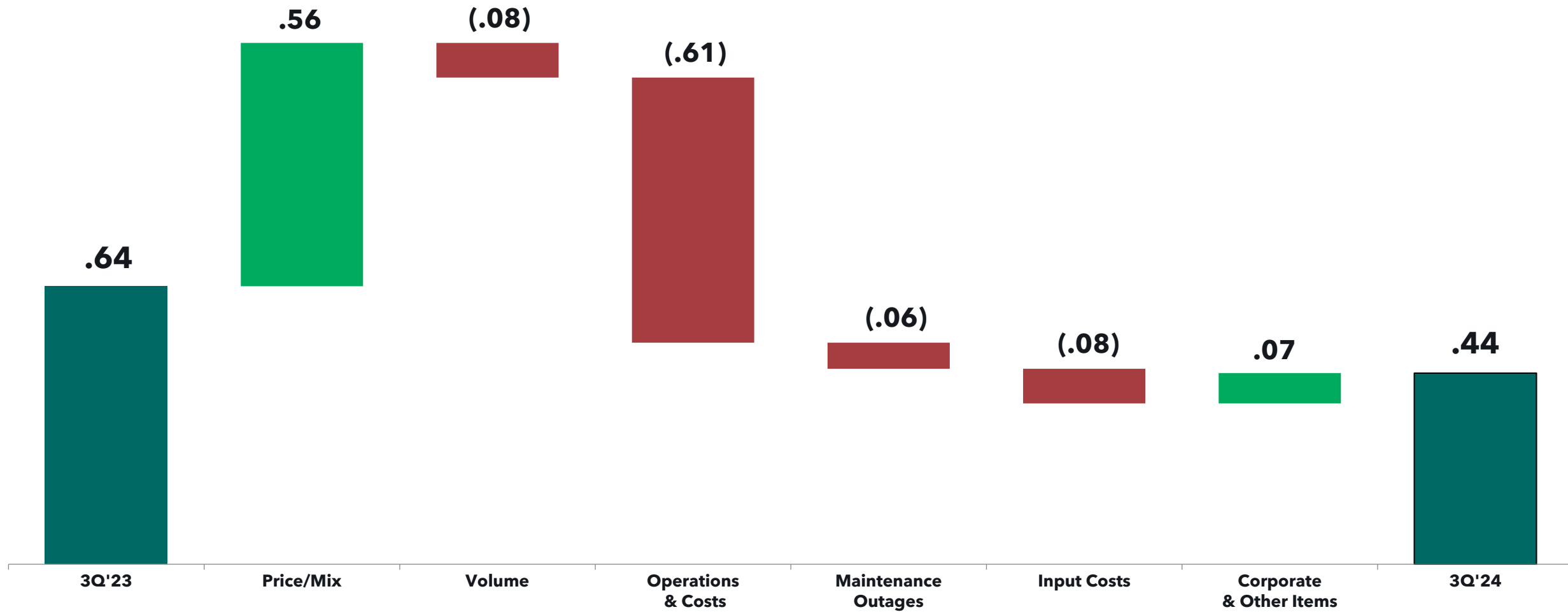
^(a) Based on implementation plans.

^(b) We expect cash costs will be approximately \$130 million of the \$155 million of Other Costs; with timing of ~10% paid out in 2024, ~80% paid out in 2025, and ~10% paid out in 2026.

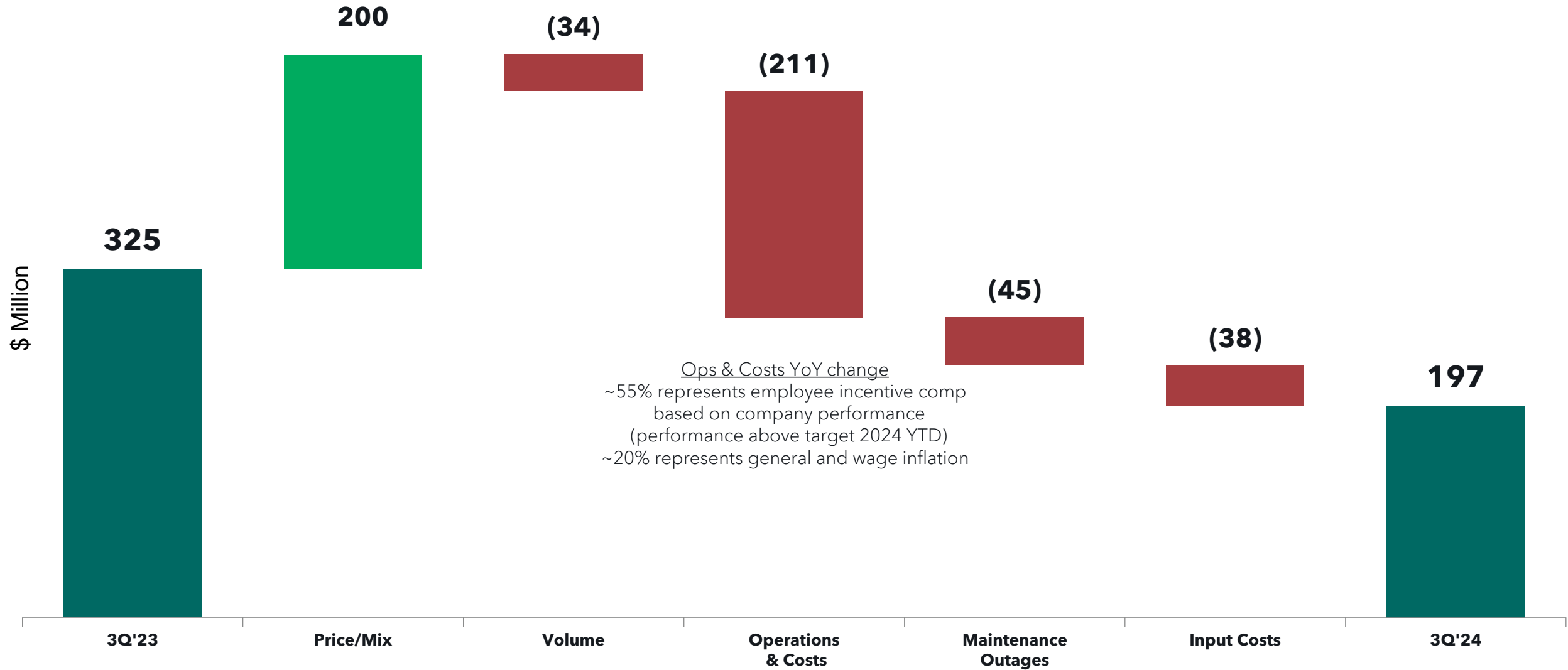
Select Financial Metrics¹

\$ Million		2022	2023	2024F
Maintenance Outage Expense		\$601	\$593	\$531
Capex	Maintenance & Regulatory	\$649	\$815	Targeting \$800 - \$1,000
	Cost Reduction	\$50	\$85	
	Strategic	\$232	\$241	
Depreciation & Amortization²		\$1,040	\$1,432	\$1,300
Net Interest Expense³		\$267	\$234	\$220
Corporate Expense		\$34	\$27	\$65-70

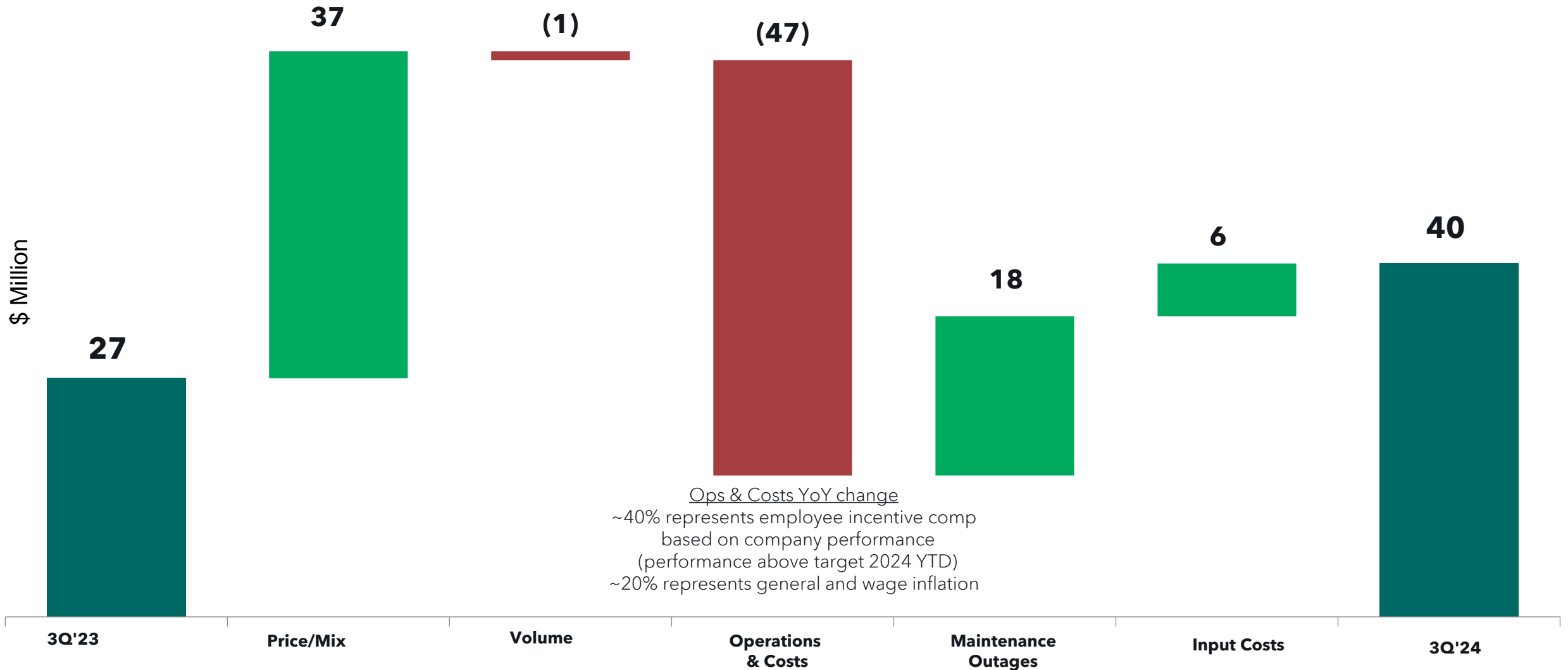
3Q24 vs 3Q23 Adjusted Operating EPS¹



Industrial Packaging | 3Q24 vs 3Q23 Adjusted EBIT¹



Global Cellulose Fiber | 3Q24 vs 3Q23 Adjusted EBIT¹



Geographic Business Segment Operating Results | Quarterly

\$ Million	Sales			D & A	Business Segment Operating Profit ¹		
	3Q23	2Q24	3Q24	3Q24	3Q23	2Q24	3Q24
North America	\$3,491	\$3,628	\$3,640	\$192	\$313	\$281	\$190
EMEA	\$316	\$328	\$322	\$16	\$12	\$10	\$7
Global Cellulose Fibers							
Global Cellulose Fibers	\$725	\$717	\$710	\$59	\$27	\$31	\$40

Maintenance Outages Expenses | 2024 Forecast

\$ Million	1Q24A	2Q24A	3Q24A	4Q24F	2024F
Industrial Packaging	\$77	\$80	\$118	\$97	\$372
North America	\$77	\$59	\$118	\$94	\$348
Riverdale Papers	-	\$18	-	\$1	\$19
EMEA	-	\$3	-	\$2	\$5
Global Cellulose Fibers	\$57	\$38	\$14	\$50	\$159
North America	\$33	\$38	\$14	\$50	\$135
Georgetown Papers	\$24	-	-	-	\$24
Total Impact	\$134	\$118	\$132	\$147	\$531

2024 Operating Earnings

	Pre-Tax \$MM	Tax \$MM	Non- controlling Interest \$MM	Equity Earnings \$MM	Net Income \$MM	Average Shares MM	Diluted EPS ¹
Net Earnings from Continuing Operations							
1Q24	\$85	\$(27)	-	\$(2)	\$56	349	\$0.16
2Q24	\$206	\$293	-	\$(1)	\$498	353	\$1.41
3Q24	\$80	\$71	-	\$(1)	\$150	353	\$0.42
Net Special Items							
1Q24	\$18	\$(4)	-	-	\$14	349	\$0.04
2Q24	\$49	\$(346)	-	-	\$(297)	353	\$(0.84)
3Q24	\$114	\$(102)	-	-	\$12	353	\$0.04
Non-Operating Pension Expense							
1Q24	\$(12)	\$3	-	-	\$(9)	349	\$(0.03)
2Q24	\$(10)	\$2	-	-	\$(8)	353	\$(0.02)
3Q24	\$(12)	\$3	-	-	\$(9)	353	\$(0.02)
Adj. Operating Earnings²							
1Q24	\$91	\$(28)	-	\$(2)	\$61	349	\$0.17
2Q24	\$245	\$(51)	-	\$(1)	\$193	353	\$0.55
3Q24	\$182	\$(28)	-	\$(1)	\$153	353	\$0.44

Sales Volume by Product^(a) | Preliminary and Unaudited

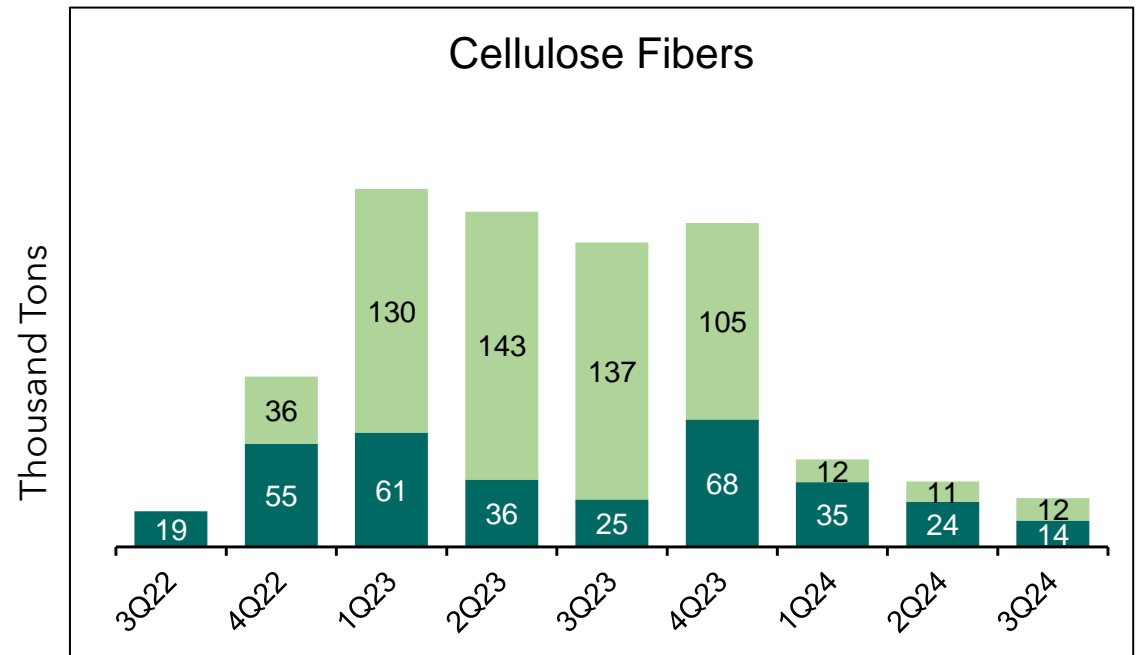
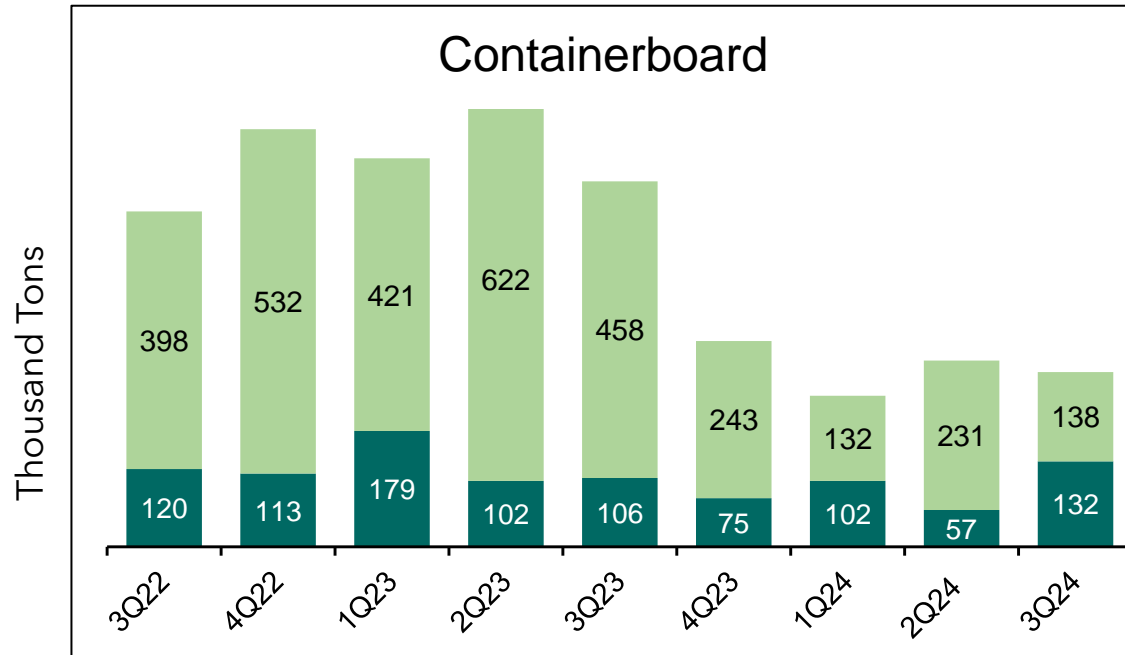
	Three Months Ended September 30,		Three Months Ended June 30,	Nine Months Ended September 30,	
	2024	2023	2024	2024	2023
Industrial Packaging (In thousands of short tons)					
Corrugated Packaging (b)	2,192	2,329	2,255	6,679	7,103
Containerboard	772	677	791	2,302	1,821
Recycling	532	529	552	1,659	1,617
Saturated Kraft	51	40	49	147	118
Gypsum /Release Kraft	57	58	67	182	179
EMEA Packaging (b)	309	299	323	972	951
Industrial Packaging	3,913	3,932	4,037	11,941	11,789
Global Cellulose Fibers (In thousands of metric tons) (c)	648	692	684	2,061	2,005

(a) Sales volume includes third party and inter-segment sales and excludes sales of equity investees

(b) Volumes for corrugated box sales reflect consumed tons sold ("CTS"). Board sales by these businesses reflect invoiced tons.

(c) Includes North American volumes and internal sales to mills.

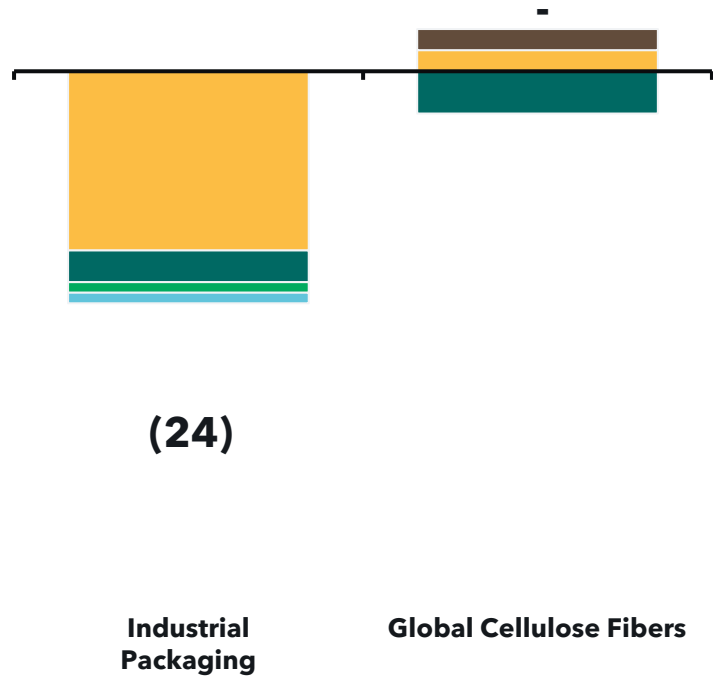
North America Downtime



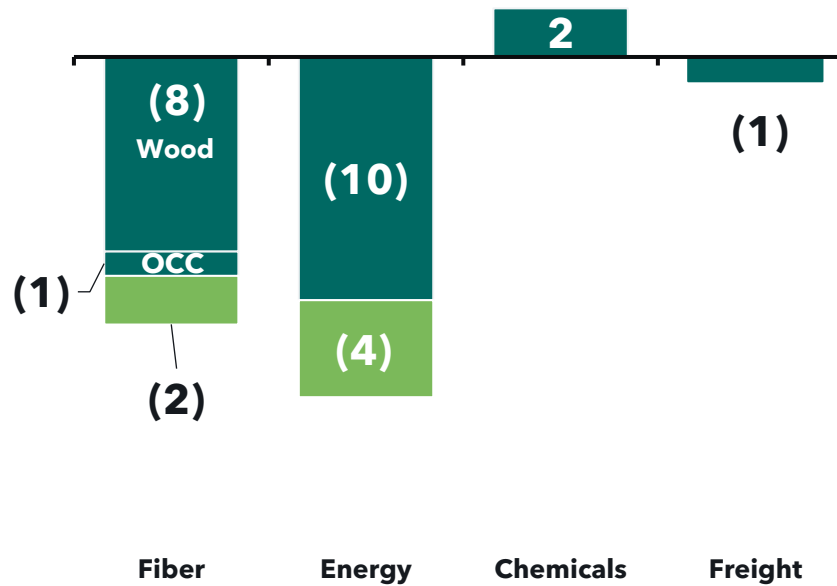
■ Economic
■ Maintenance

Global Input Costs 3Q24 vs 2Q24 | \$24MM Unfavorable, \$(0.05) per share

By Business



By Input Type



U.S Average Cost vs 2Q24

Wood	2%	▲
OCC	-1%	▼
Natural Gas	2%	▲
Electricity	9%	▲
Chemical Composite	1%	▲

Energy Wood Chemicals Freight OCC

North America Outside North America

Footnotes

Slide 5

¹ The Company is unable to provide a reconciliation of this anticipated Adjusted EBITDA benefit, a forward-looking non-GAAP financial measure, on a fiscal year run rate basis associated with the actions described on this slide, as presented, without unreasonable efforts. This is due to the inherent difficulty in forecasting generally and quantifying certain types of expenses that would be required to be included in the GAAP measure. In addition, actual results may differ from this amount for a variety of reasons, including known and unknown risks and uncertainties.

Slide 9

¹ Before special items and non-operating pension expense (income) (non-GAAP). A reconciliation of all presented historical non-GAAP measures to the most directly comparable GAAP financial measures is available on IP's website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

² Adjusted operating EPS, a non-GAAP financial measure based on Adjusted Operating Earnings (defined as Net Earnings from Continuing Operations (GAAP) before net special items and non-operating pension expense (income)). All periods have been adjusted to reflect the Ilim JV as discontinued operations. A reconciliation of all presented historical non-GAAP measures to the most directly comparable GAAP financial measures is available on IP's website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

³ Free cash flow is a non-GAAP financial measure, which equals cash provided by operations less cash invested in capital projects. A reconciliation of all presented historical non-GAAP measures to the most directly comparable GAAP financial measures is available on IP's website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

Slide 10

¹ Adjusted operating EPS, a non-GAAP financial measure based on Adjusted Operating Earnings (defined as Net Earnings from Continuing Operations (GAAP) before net special items and non-operating pension expense (income)). All periods have been adjusted to reflect the Ilim JV as discontinued operations. A reconciliation of all presented historical non-GAAP measures to the most directly comparable GAAP financial measures is available on IP's website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

Slide 11 and Slide 12

¹ Adjusted EBIT at a segment level is Business Segment Operating Profit for such segment defined as earnings (loss) from continuing operations 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 at a segment level 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 13

¹ No reconciliation of the anticipated operational effective income tax rate for 2024, a forward-looking non-GAAP financial measure, to the most comparable GAAP measure, is included in this presentation because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts, including forecasting net income for 2024.

Slide 14

¹The Company is unable to provide a reconciliation of the medium-term Adjusted EBITDA target, a forward-looking non-GAAP financial measure, presented on this slide without unreasonable efforts. The Company is unable to provide a reconciliation of this forward-looking non-GAAP financial measure as the result of the fact that this target is a composite of our goals for our results over time, and from the inherent difficulty in forecasting generally and quantifying the components of this target that would be necessary to provide any such reconciliation. In addition, actual performance may vary from the target set forth above for a variety of reasons, including known and unknown risks and uncertainties.

Footnotes

Slide 17

¹ The Company is unable to provide reconciliations of these anticipated Adjusted EBITDA benefits, which are forward-looking non-GAAP financial measures, as presented on this slide, without unreasonable efforts. This is due to the inherent difficulty in forecasting generally and quantifying certain types of expenses that would be required to be included in the GAAP measure. In addition, actual results may differ from these amounts for a variety of reasons, including known and unknown risks and uncertainties

² The company recognized \$57 million of Other Cost in the third quarter 2024 and the remaining 2024 Other Costs expected to be recognized in the fourth quarter.

Slide 18

¹ Before special items

² Includes expense of \$422 million for 2023 associated with mill closures and machine shutdown costs and \$235 million for 2024 associated with mill closure and plant closures.

³ Excludes special items interest expense of \$58 million, net interest income of \$3 million and interest income of \$10 million for 2022, 2023 and 2024, respectively.

Slide 19

¹ Adjusted operating EPS, a non-GAAP financial measure based on Adjusted Operating Earnings (defined as Net Earnings from Continuing Operations (GAAP) before net special items and non operating pension expense (income)). All periods have been adjusted to reflect the Ilim JV as discontinued operations. A reconciliation of all presented historical non-GAAP measures to the most directly comparable GAAP financial measures is available on IP's website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

Slide 20 and Slide 21

¹ Adjusted EBIT at a segment level is Business Segment Operating Profit for such segment defined as earnings (loss) from continuing operations 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 at a segment level 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 22

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 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 at a segment level 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 24

¹ A non-GAAP reconciliation to GAAP EPS is available at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.

² Adjusted Operating Earnings, a non-GAAP financial measure, is net earnings from continuing operations under GAAP before net special items and non-operating pension expense (income). A reconciliation of all presented historical non-GAAP measures to the most directly comparable GAAP financial measures is available on IP's website at <https://www.internationalpaper.com/investors/financial-reports/quarterly-results>.