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 June 30, 2025 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 June 30,		Three Months Ended	Six Months Ended December 31,	
	2025	**2024**	**March 31, 2025**	**2025**	**2024**
Net Earnings (Loss)	**$ 75**	$ 498	$ (105)	**$ (30)**	$ 554
Add back: Non-operating pension expense (income)	**(5)**	(10)	3	**(2)**	(22)
Add back: Net Special items expense (income)	**35**	49	249	**284**	67
Income taxes - Non-operating pension and special items	**—**	(344)	(46)	**(46)**	(345)
Adjusted Operating Earnings	**$ 105**	$ 193	$ 101	**$ 206**	$ 254

	Three Months Ended June 30,		Three Months Ended	Six Months Ended December 31,	
	2025	**2024**	**March 31, 2025**	**2025**	**2024**
Diluted Earnings per Common Share as Reported	**$ 0.14**	$ 1.41	$ (0.24)	**$ (0.06)**	$ 1.57
Add back: Non-operating pension expense (income)	**—**	(0.02)	0.01	**—**	(0.06)
Add back: Net Special items expense (income)	**0.06**	0.14	0.57	**0.59**	0.19
Income taxes - Non-operating pension and special items	**—**	(0.98)	(0.11)	**(0.10)**	(0.98)
Adjusted Operating Earnings per Share	**$ 0.20**	$ 0.55	$ 0.23	**$ 0.43**	$ 0.72

Notes:

Adjusted Operating Earnings and Adjusted Operating Earnings Per Share are non-GAAP financial measures defined as net earnings (loss) (a GAAP measure) excluding net special items and non-operating pension expense (income). Net earnings (loss) and Diluted earnings (loss) per share are the most directly comparable GAAP measures. The Company calculates Adjusted Operating Earnings (non-GAAP) by excluding the after-tax effect of non-operating pension expense (income) and net special items, as described in greater detail in our current earnings release, from the net earnings (loss) reported under U.S. GAAP. Adjusted Operating Earnings Per Share is calculated by dividing Adjusted Operating Earnings by the diluted average shares of common stock outstanding. Management uses these non-GAAP financial measures to focus on on-going operations, and believes that such non-GAAP financial measures are useful to investors in assessing the operational performance of the Company and enabling investors to perform meaningful comparisons of past and present consolidated operating results from continuing operations. The Company believes that using these non-GAAP financial measures, along with the most directly comparable GAAP measures, provides for a more complete analysis of the Company's results of operations.

Non-operating pension expense (income) represents amortization of prior service cost, amortization of actuarial gains/losses, expected return on assets and interest cost. The Company excludes these amounts from Adjusted Operating Earnings as the Company does not believe these items reflect ongoing operations. These particular pension cost elements are not directly attributable to current employee service. The Company includes service cost in our non-GAAP measure as it is directly attributable to employee service, and the corresponding employees' compensation elements, in connection with ongoing operations.

INTERNATIONAL PAPER COMPANY
Calculation of EBITDA before Special Items

$ Millions	2024 Full Year	2025 1st Quarter	2025 2nd Quarter	2025 3rd Quarter	2025 4th Quarter	2025 Year to Date
Earnings (Loss) Before Income Taxes and Equity Earnings	$ 147	$ (135)	$ 116	$ —	$ —	$ (19)
Interest Expense, Net	208	81	107	—	—	188
Special Items	373	249	35	—	—	284
Non-operating pension expense (income)	(42)	3	(5)	—	—	(2)
EBIT before Special Items	686	198	253	—	—	451
Depreciation and amortization	1,300	571	480	—	—	1,051
EBITDA before Special Items	1,986	769	733	—	—	1,502
Annualized EBITDA before Special Items	1,986	3,076	2,932	—	—	3,004
Annualized Net Sales	18,619	23,604	27,068	—	—	25,336
Adjusted EBITDA Margin	10.7 %	13.0 %	10.8 %	— %	— %	11.9 %

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) 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

$ Millions	2023 Full Year	2024 1st Quarter	2024 2nd Quarter	2024 3rd Quarter	2024 4th Quarter	2024 Year to Date
Earnings (Loss) Before Income Taxes and Equity Earnings	$ 382	$ 85	$ 206	$ 80	$ (224)	$ 147
Interest Expense, Net	231	46	55	51	56	208
Special Items	135	28	49	114	182	373
Non-operating pension expense (income)	54	(12)	(10)	(12)	(8)	(42)
EBIT before Special Items	802	147	300	233	6	686
Depreciation and amortization	1,432	273	261	267	499	1,300
EBITDA before Special Items	2,234	420	561	500	505	1,986
Annualized EBITDA before Special Items	2,234	1,680	2,244	2,000	2,020	1,986
Annualized Net Sales	18,916	18,476	18,936	18,744	18,320	18,619
Adjusted EBITDA Margin	11.8%	9.1%	11.9%	10.7%	11.0%	10.7%

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

	Packaging Solutions North America				
$ Millions	**Q1 2025**	**Q2 2025**	**Q3 2025**	**Q4 2025**	**YTD 2025**
Business Segment Operating Profit	$ 142	$ 277	$ —	$ —	$ 419
Depreciation and Amortization	413	236	—	—	649
EBITDA before Special Items	555	513	—	—	1,068
Less: Recycling Business EBITDA	1	(2)	—	—	(1)
EBITDA before Special Items after Exclusions	554	515	—	—	1,069
Net Sales	3,702	3,860	—	—	7,562
Less: Trade Sales	98	98	—	—	196
Less: Recycling Business Net Sales	69	68	—	—	137
Net Sales after Exclusions	$ 3,535	$ 3,694	$ —	$ —	$ 7,229
Adjusted EBITDA Margin	15.7 %	13.9 %	— %	— %	14.8 %

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

	Packaging Solutions North America				
$ Millions	**Q1 2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	**YTD 2024**
Business Segment Operating Profit	$ 192	$ 281	$ 190	$ 228	$ 891
Depreciation and Amortization	203	186	192	205	786
EBITDA before Special Items	395	467	382	433	1,677
Less: Recycling Business EBITDA	6	2	4	(1)	11
EBITDA before Special Items after Exclusions	389	465	378	434	1,666
Net Sales	3,486	3,628	3,640	3,539	14,293
Less: Trade Sales	84	108	84	104	380
Less: Recycling Business Net Sales	79	81	84	71	315
Net Sales after Exclusions	$ 3,323	$ 3,439	$ 3,472	$ 3,364	$ 13,598
Adjusted EBITDA Margin	11.7 %	13.5 %	10.9 %	12.9 %	12.3 %

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

	Packaging Solutions EMEA				
$ Millions	**Q1 2025**	**Q2 2025**	**Q3 2025**	**Q4 2025**	**YTD 2025**
Business Segment Operating Profit	$ 46	$ (1)	$ —	$ —	$ 45
Depreciation and Amortization	107	195	—	—	302
EBITDA before Special Items	153	194	—	—	347
Net Sales	1,550	2,291	—	—	3,841
Adjusted EBITDA Margin	9.9 %	8.5 %	— %	— %	9.0 %

	Packaging Solutions EMEA				
$ Millions	**Q1 2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	**YTD 2024**
Business Segment Operating Profit	$ 24	$ 10	$ 7	$ 19	$ 60
Depreciation and Amortization	16	16	16	16	64
EBITDA before Special Items	40	26	23	35	124
Net Sales	348	328	322	357	1,355
Adjusted EBITDA Margin	11.5 %	7.9 %	7.1 %	9.8 %	9.2 %

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

	Global Cellulose Fibers				
$ Millions	**Q1 2025**	**Q2 2025**	**Q3 2025**	**Q4 2025**	**YTD 2025**
Business Segment Operating Profit	$ 17	$ (4)	$ —	$ —	$ 13
Depreciation and Amortization	51	49	—	—	100
EBITDA before Special Items	68	45	—	—	113
Net Sales	643	628	—	—	1,271
Adjusted EBITDA Margin	10.6 %	7.2 %	— %	— %	8.9 %

	Global Cellulose Fibers				
$ Millions	**Q1 2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	**YTD 2024**
Business Segment Operating Profit	$ (47)	$ 31	$ 40	$ (250)	$ (226)
Depreciation and Amortization	54	59	59	278	450
EBITDA before Special Items	7	90	99	28	224
Net Sales	704	717	710	662	2,793
Adjusted EBITDA Margin	1.0 %	12.6 %	13.9 %	4.2 %	8.0 %

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

	DS Smith Legacy - North America				
$ Millions	**Q1 2025**	**Q2 2025**	**Q3 2025**	**Q4 2025**	**YTD 2025**
Business Segment Operating Profit	$ (9)	$ (33)	$ —	$ —	$ (42)
Depreciation and Amortization	16	35	—	—	51
EBITDA before Special Items	$ 7	$ 2	$ —	$ —	$ 9

	DS Smith Legacy - EMEA				
$ Millions	**Q1 2025**	**Q2 2025**	**Q3 2025**	**Q4 2025**	**YTD 2025**
Business Segment Operating Profit	$ 13	$ (10)	$ —	$ —	$ 3
Depreciation and Amortization	91	178	—	—	269
EBITDA before Special Items	$ 104	$ 168	$ —	$ —	$ 272

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 financial 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 EBITDA Outlook before Special Items Excluding Global Cellulose Fibers

$ Millions	2025 Outlook	2025 2H Outlook	2027 Outlook
Earnings (Loss) Before Income Taxes and Equity Earnings	$ 866	$ 1,456	$3,400 - $3,900
Interest Expense, Net	380	390	400
Special Items	284	284	—
Non-operating pension expense (income)	(30)	(30)	—
EBIT before Special Items	$ 1,500	$ 2,100	$3,800 - $4,300
Depreciation and amortization	1,800	1,700	1,700
EBITDA before Special Items	$ 3,300	$ 3,800	$5,500 - $6,000

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 Pro Forma before Special Items

$ Millions		2024 Pro Forma
Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	$	147
Interest Expense, Net		208
Special Items		373
Non-operating pension expense (income)		(42)
EBIT before Special Items		686
Depreciation, amortization and cost of timber harvested		1,300
EBITDA before Special Items	$	1,986
Less: GCF EBITDA		(224)
Add: DS Smith EBITDA		1,052
Adjusted EBITDA	$	2,814

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

	Three Months Ended June 30,		Three Months Ended March 31,	Twelve Months Ended December 31,	
	2025	**2024**	**2024**	**2024**	**2023**
Cash Provided By (Used For) Operating Activities	**$ 476**	$ 365	$ (288)	$ 1,678	$ 1,833
Adjustments:					
Capital expenditures	**(422)**	(198)	(330)	(921)	(1,141)
Free Cash Flow	**$ 54**	$ 167	$ (618)	$ 757	$ 692

Free cash flow is a non-GAAP financial measure which equals cash provided by (used for) operating activities less capital expenditures. The most directly comparable GAAP measure is cash provided by operations. Management utilizes this measure in connection with managing our business and 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.

The non-GAAP financial measures presented 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 financial 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 Forecasted Free Cash Flow

$ Millions	2025 Full Year
Cash provided by (used for) Operating Activities	$1,900 - $2,200
Adjustments:	
Capital expenditures	1,800 - 1,900
Forecasted Free Cash Flow	$100 - $300

Free cash flow is a non-GAAP financial measure which equals cash provided by (used for) operating activities less capital expenditures. The most directly comparable GAAP measure is cash provided by operations. Management utilizes this measure in connection with managing our business and 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.

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International Paper Company
Calculation of Operational Tax Rate

$ Millions	2024	2023
Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	$ 147	$ 382
Special Items	363	132
Non-operating pension expense (income)	(42)	54
Operating Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	468	568
Income Tax Provision (Benefit)	(415)	59
Income Taxes - Non-Operating Pension and Special Items	478	68
Operational Income Tax Provision (Benefit)	$ 63	$ 127
Operational Tax Rate	13 %	22 %