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, 2025 and subsequently publicly filed financial reports.

INTERNATIONAL PAPER COMPANY

Reconciliation of Earnings (Loss) from Continuing Operations to Adjusted Operating Earnings (Loss)

Preliminary and Unaudited

(In millions, except per share amounts)

	Three Months Ended December 31,		Three Months Ended			Twelve Months Ended December 31,	
	2025	2024	September 30, 2025	June 30, 2025	March 31, 2025	2025	2024
Earnings (Loss) from Continuing Operations	**$ (2,363)**	$ 88	$ (426)	$ 75	$ (124)	**$ (2,838)**	$ 725
Add back: Non-operating pension expense (income)	**(6)**	(8)	(4)	(5)	3	**(12)**	(42)
Add back: Net Special items expense (income)	**2,626**	59	354	20	237	**3,237**	235
Income taxes - Non-operating pension and special items	**(300)**	(4)	(148)	4	(43)	**(487)**	(447)
Adjusted Operating Earnings	**$ (43)**	$ 135	$ (224)	$ 94	$ 73	**$ (100)**	$ 471

	Three Months Ended December 31,		Three Months Ended			Twelve Months Ended December 31,	
	2025	2024	September 30, 2025	June 30, 2025	March 31, 2025	2025	2024
Diluted Earnings (Loss) per Common Share from Continuing Operations	**$ (4.48)**	$ 0.25	$ (0.81)	$ 0.14	$ (0.28)	**$ (5.61)**	$ 2.05
Add back: Non-operating pension expense (income)	**(0.01)**	(0.02)	(0.01)	—	0.01	**(0.02)**	(0.12)
Add back: Net special items expense (income)	**4.98**	0.17	0.67	0.03	0.54	**6.40**	0.66
Income taxes per share - Non-operating pension and special items	**(0.57)**	(0.02)	(0.28)	0.01	(0.10)	**(0.97)**	(1.26)
Adjusted Operating Earnings (Loss) per Share	**$ (0.08)**	$ 0.38	$ (0.43)	$ 0.18	$ 0.17	**$ (0.20)**	$ 1.33

Notes:

Adjusted Operating Earnings (loss) and Adjusted Operating Earnings (Loss) Per Share are non-GAAP financial measures defined as earnings (loss) from continuing operations (a GAAP measure) excluding net special items and non-operating pension expense (income). Earnings (loss) from continuing operations and Diluted earnings (loss) per common share from continuing operations are the most directly comparable GAAP measures. The Company calculates Adjusted Operating Earnings (Loss) (non-GAAP) by excluding the after-tax effect of non-operating pension expense (income) and net special items, as described in greater detail above, from the earnings (loss) from continuing operations reported under U.S. GAAP. Adjusted Operating Earnings (Loss) Per Share is calculated by dividing Adjusted Operating Earnings (Loss) 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 these non-GAAP financial measures, viewed alongside 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 (Loss) 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 financial measure as it is directly attributable to employee service, and the corresponding employees' compensation elements, in connection with ongoing operations.

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

INTERNATIONAL PAPER COMPANY
Calculation of Adjusted EBITDA from Continuing Operations

$ Millions	2024 Full Year	2025 1st Quarter	2025 2nd Quarter	2025 3rd Quarter	2025 4th Quarter	2025 Year to Date
Earnings (Loss) From Continuing Operations Before Income Taxes and Equity Earnings (loss)	$ 369	$ (155)	$ 116	$ (675)	$ (2,654)	$ (3,368)
Interest Expense, Net	214	84	108	85	95	372
Special Items	245	237	20	354	2,626	3,237
Non-operating pension expense (income)	(42)	3	(5)	(4)	(6)	(12)
Adjusted EBIT from Continuing Operations	786	169	239	(240)	61	229
Depreciation and amortization	850	520	431	1,099	697	2,747
Adjusted EBITDA from Continuing Operations	1,636	689	670	859	758	2,976
Annualized Adjusted EBITDA from Continuing Operations	1,636	2,756	2,680	3,436	3,032	2,976
Annualized Net Sales	15,835	21,056	24,568	24,888	24,024	23,634
Adjusted EBITDA Margin	10.3 %	13.1 %	10.9 %	13.8 %	12.6 %	12.6 %

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.

INTERNATIONAL PAPER COMPANY
Calculation of Adjusted EBITDA from Continuing Operations

$ 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 (Loss)	$ 402	$ 105	$ 146	$ 5	$ 113	$ 369
Interest Expense, Net	230	47	57	52	58	214
Special Items	101	24	49	113	59	245
Non-operating pension expense (income)	54	(12)	(10)	(12)	(8)	(42)
EBIT before Special Items	787	164	242	158	222	786
Depreciation and amortization	1,146	219	202	208	221	850
EBITDA before Special Items	1,933	383	444	366	443	1,636
Annualized EBITDA before Special Items	1,933	1,532	1,776	1,464	1,772	1,636
Annualized Net Sales	16,033	15,660	16,076	15,916	15,688	15,835
Adjusted EBITDA Margin	12.1 %	9.8 %	11.0 %	9.2 %	11.3 %	10.3 %

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.

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	$ (166)	$ 319	$ 572
Depreciation and Amortization	413	236	831	244	1,724
EBITDA before Special Items	555	513	665	563	2,296
Less: Recycling Business EBITDA	1	(2)	10	3	12
EBITDA before Special Items after Exclusions	554	515	655	560	2,284
Net Sales	3,702	3,860	3,898	3,715	15,175
Less: Trade Sales	98	98	100	88	384
Less: Recycling Business Net Sales	69	68	60	54	251
Net Sales after Exclusions	$ 3,535	$ 3,694	$ 3,738	$ 3,573	$ 14,540
Adjusted EBITDA Margin	15.7 %	13.9 %	17.5 %	15.7 %	15.7 %

Business Segment Operating Profit is 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, 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.

We use the non-GAAP financial measures Adjusted EBITDA 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	**YTD 2023**	**Q1 2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	**YTD 2024**
Business Segment Operating Profit	$ 839	$ 192	$ 281	$ 190	$ 228	$ 891
Depreciation and Amortization	1,080	203	186	192	205	786
EBITDA before Special Items	1,919	395	467	382	433	1,677
Less: Recycling Business EBITDA	7	6	2	4	(1)	11
EBITDA before Special Items after Exclusions	1,912	389	465	378	434	1,666
Net Sales	14,293	3,486	3,628	3,640	3,539	14,293
Less: Trade Sales	429	84	108	84	104	380
Less: Recycling Business Net Sales	257	79	81	84	71	315
Net Sales after Exclusions	$ 13,607	$ 3,323	$ 3,439	$ 3,472	$ 3,364	$ 13,598
Adjusted EBITDA Margin	14.1 %	11.7 %	13.5 %	10.9 %	12.9 %	12.3 %

Business Segment Operating Profit is 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, 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.

We use the non-GAAP financial measures Adjusted EBITDA 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)	$ (58)	$ (223)	$ (236)
Depreciation and Amortization	107	195	267	451	1,020
EBITDA before Special Items	153	194	209	228	784
Net Sales	1,550	2,291	2,310	2,300	8,451
Adjusted EBITDA Margin	9.9 %	8.5 %	9.0 %	9.9 %	9.3 %

	Packaging Solutions EMEA					
$ Millions	**YTD 2023**	**Q1 2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	**YTD 2024**
Business Segment Operating Profit	$ 80	$ 24	$ 10	$ 7	$ 19	$ 60
Depreciation and Amortization	64	16	16	16	16	64
EBITDA before Special Items	144	40	26	23	35	124
Net Sales	1,398	348	328	322	357	1,355
Adjusted EBITDA Margin	10.3 %	11.5 %	7.9 %	7.1 %	9.8 %	9.2 %

Business Segment Operating Profit is 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, 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.

We use the non-GAAP financial measures Adjusted EBITDA 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 Targets before Special Items

$ Millions	1Q 2026	Full Year 2026	Full Year 2027
Earnings (Loss) Before Income Taxes and Equity Earnings	$169 - $189	$1,202 - $1,402	$ 2,840
Interest Expense, Net	93	375	360
Special Items	—	—	—
Non-operating pension expense (income)	(19)	(77)	—
EBIT before Special Items	$243 - $263	$1,500 - $1,700	$ 3,200
Depreciation and amortization	497	2,000	1,800
EBITDA before Special Items	$740 - $760	$3,500 - $3,700	$ 5,000

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. Special items excluded from the target setting are difficult to predict and quantify and may reflect the effect of future events.

International Paper Company
Calculation of EBITDA Outlook before Special Items

		Packaging Solutions North America			
$ Millions		**1Q 2026**	**1H 2026**	**2H 2026**	**Full Year 2026**
Business Segment Operating Profit	$	304	$535 - $560	$1,035 - $1,135	$1,570 - $1,670
Depreciation and Amortization		230	465	465	930
EBITDA before Special Items	$	534	$1,000 - $1,025	$1,500 - $1,600	$2,500 - $2,600

		Packaging Solutions EMEA	
$ Millions		**1Q 2026**	**Full Year 2026**
Business Segment Operating Profit	$	(46)	$(70) - $30
Depreciation and Amortization		267	1,070
EBITDA before Special Items	$	221	$1,000 - $1,100

Business Segment Operating Profit is 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, 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.

We use the non-GAAP financial measures Adjusted EBITDA 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 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,		
	2025	**2024**	**2025**	**2025**	**2024**	**2023**
Cash Provided By (Used For) Operating Activities	**$ 905**	$ 397	$ 605	**$ 1,698**	$ 1,678	$ 1,833
Adjustments:						
Capital expenditures	**(650)**	(260)	(455)	**(1,857)**	(921)	(1,141)
Free Cash Flow	**$ 255**	$ 137	$ 150	**$ (159)**	$ 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 Free Cash Flow Targets

$ Millions	**2026 Target**
Cash provided by (used for) Operating Activities	$2,350-$2,450
Adjustments:	
Capital expenditures	(1,950 - $2,050)
Forecasted Free Cash Flow	$300 - $500

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 Operational Tax Rate

$ Millions	2024	2025
Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	$ 369	$ (3,368)
Special Items	235	3,237
Non-operating pension expense (income)	(42)	(12)
Operating Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings	562	(143)
Income Tax Provision (Benefit)	(361)	(533)
Income Taxes - Non-Operating Pension and Special Items	447	487
Operational Income Tax Provision (Benefit)	$ 86	$ (46)
Operational Effective Income Tax Rate	15 %	32 %

The operational income tax provision and operational effective income tax rate are non-GAAP financial measures and are calculated by adjusting the earnings (loss) from continuing operations before income taxes and equity earnings (loss), income tax provision (benefit) and rate to exclude net special items and non-operating pension expense (income). The most directly comparable GAAP measures are the reported income tax provision and effective income tax rate, respectively. Management believes that this presentation provides useful information to investors by providing a meaningful comparison of the income tax rate between past and present periods.