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, 2026 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 March 31,		Three Months Ended December 31,
	2026	**2025**	**2025**
Earnings (Loss) from Continuing Operations	**$ 76**	$ (124)	$ (2,363)
Add back: Non-operating pension expense (income)	**(18)**	3	(6)
Add back: Net Special items expense (income)	**26**	237	2,626
Income taxes - Non-operating pension and special items	**(3)**	(43)	(300)
Adjusted Operating Earnings	**$ 81**	$ 73	$ (43)

	Three Months Ended March 31,		Three Months Ended December 31,
	2025	**2024**	**2025**
Diluted Earnings (Loss) per Common Share from Continuing Operations	**$ 0.14**	$ (0.28)	$ (4.48)
Add back: Non-operating pension expense (income)	**(0.03)**	0.01	(0.01)
Add back: Net special items expense (income)	**0.05**	0.54	4.98
Income taxes per share - Non-operating pension and special items	**(0.01)**	(0.10)	(0.57)
Adjusted Operating Earnings (Loss) per Share	**$ 0.15**	$ 0.17	$ (0.08)

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 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 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 from continuing 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.

INTERNATIONAL PAPER COMPANY
Calculation of Adjusted EBITDA from Continuing Operations

$ Millions	2025 Full Year	2026 1st Quarter	2026 2nd Quarter	2026 3rd Quarter	2026 4th Quarter	2026 Year to Date
Earnings (Loss) From Continuing Operations	$ (2,838)	$ 76	$ —	$ —	$ —	$ 76
Add back: Income tax provision (benefit)	(533)	17	—	—	—	17
Less: Equity earnings (loss), net of taxes	(3)	—	—	—	—	—
Earnings (Loss) From Continuing Operations Before Income Taxes and Equity Earnings (loss)	$ (3,368)	$ 93	$ —	$ —	$ —	$ 93
Interest Expense, Net	372	76	—	—	—	76
Special Items	3,237	37	—	—	—	37
Non-operating pension expense (income)	(12)	(18)	—	—	—	(18)
Adjusted EBIT from Continuing Operations	$ 229	$ 188	$ —	$ —	$ —	$ 188
Depreciation and amortization	2,747	489	—	—	—	489
Adjusted EBITDA from Continuing Operations	$ 2,976	$ 677	$ —	$ —	$ —	$ 677
Annualized Adjusted EBITDA from Continuing Operations	$ 2,976	$ 2,708	$ —	$ —	$ —	$ 2,708
Annualized Net Sales	$ 23,634	$ 23,884	$ —	$ —	$ —	$ 23,884
Adjusted EBITDA Margin	12.6 %	11.3 %	— %	— %	— %	11.3 %

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. 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	2024 Full Year	2025 1st Quarter	2025 2nd Quarter	2025 3rd Quarter	2025 4th Quarter	2025 Year to Date
Earnings (Loss) From Continuing Operations	$ 725	$ (124)	$ 75	$ (426)	$ (2,363)	$ (2,838)
Add back: Income tax provision (benefit)	(361)	(32)	40	(250)	(291)	(533)
Less: Equity earnings (loss), net of taxes	(5)	(1)	(1)	(1)	—	(3)
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)
EBIT before Special Items	$ 786	$ 169	$ 239	$ (240)	$ 61	$ 229
Depreciation and amortization	850	520	431	1,099	697	2,747
EBITDA before Special Items	$ 1,636	$ 689	$ 670	$ 859	$ 758	$ 2,976
Annualized EBITDA before Special Items	$ 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. 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 2026**	**Q2 2026**	**Q3 2026**	**Q4 2026**	**YTD 2026**
Business Segment Operating Profit	$ 248	$ —	$ —	$ —	$ 248
Depreciation and Amortization	230	—	—	—	230
EBITDA before Special Items	$ 478	$ —	$ —	$ —	$ 478
Less: Recycling Business EBITDA	1	—	—	—	1
EBITDA before Special Items after Exclusions	$ 477	$ —	$ —	$ —	$ 477
Net Sales	$ 3,626	$ —	$ —	$ —	$ 3,626
Less: Trade Sales	92	—	—	—	92
Less: Recycling Business Net Sales	51	—	—	—	51
Net Sales after Exclusions	$ 3,483	$ —	$ —	$ —	$ 3,483
Adjusted EBITDA Margin	13.7 %	— %	— %	— %	13.7 %

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	**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.

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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 2026**	**Q2 2026**	**Q3 2026**	**Q4 2026**	**YTD 2026**
Business Segment Operating Profit	$ (51)	$ —	$ —	$ —	$ (51)
Depreciation and Amortization	259	—	—	—	259
EBITDA before Special Items	$ 208	$ —	$ —	$ —	$ 208
Net Sales	$ 2,323	$ —	$ —	$ —	$ 2,323
Adjusted EBITDA Margin	9.0 %	— %	— %	— %	9.0 %

	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 %

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	**Full Year 2026**
Earnings (Loss) from Continuing Operations	$965 - $1,265
Add back: Income tax provision (benefit)	—
Less: Equity earnings (loss), net of taxes	—
Earnings (Loss) Before Income Taxes and Equity Earnings	$965 - $1,265
Interest Expense, Net	370
Special Items	37
Non-operating pension expense (income)	(72)
EBIT before Special Items	$1,300 - $1,600
Depreciation and amortization	1,900
EBITDA before Special Items	$3,200 - $3,500

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. 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. Income tax provision (benefit) is excluded from the target setting as 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 2026. 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	**2Q 2026**	**2H 2026**	**Full Year 2026**
Business Segment Operating Profit	$164 - $194	$1,040 - $1,160	$1,454 - $1,604
Depreciation and Amortization	216	450	896
EBITDA before Special Items	$380 - $410	$1,490 - $1,610	$2,350 - $2,500

	Packaging Solutions EMEA		
$ Millions	**2Q 2026**	**2H 2026**	**Full Year 2026**
Business Segment Operating Profit	$(79) - $(99)	$42 - $122	$(5) - $(105)
Depreciation and Amortization	249	498	1,005
EBITDA before Special Items	$150 - $170	$540 - $620	$900 - $1,000

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 March 31,		Three Months Ended December 31,	Twelve Months Ended December 31,	
	2026	**2025**	**2025**	**2025**	**2024**
Cash Provided By (Used For) Operating Activities	**$ 611**	$ (288)	$ 905	$ 1,698	$ 1,678
Adjustments:					
Capital expenditures	**(517)**	(330)	(650)	(1,857)	(921)
Free Cash Flow	**$ 94**	$ (618)	$ 255	$ (159)	$ 757

Free cash flow is a non-GAAP financial measure defined as cash provided by (used for) operating activities (a GAAP measure) less capital expenditures. The most directly comparable GAAP measure is cash provided by (used for) operating activities. Management uses 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 defined as cash provided by (used for) operating activities (a GAAP measure) less capital expenditures. The most directly comparable GAAP measure is cash provided by (used for) operating activities. Management uses 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.