

INTERNATIONAL PAPER

Bank of America Merrill Lynch
2020 Global Agriculture & Materials Conference

February 27, 2020

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. These statements are often identified by the words "will," "may," "should," "continue," "anticipate," "believe," "expect," "plan," "appear," "project," "estimate," "intend" and words of a similar nature. These statements are not guarantees of future performance and reflect management's current views with respect to future events, which are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these statements. Factors which could cause actual results to differ include but are not limited to: (i) the level of indebtedness and changes in interest rates; (ii) industry conditions, including but not limited to changes in the cost or availability of raw materials, energy and transportation costs, competition International Paper faces, cyclicality and changes in consumer preferences, demand and pricing for International Paper products; (iii) domestic and global economic conditions and political changes, including but not limited to changes in currency exchange rates, trade protectionist policies, downgrades in International Paper's credit ratings, and/or the credit ratings of banks issuing certain letters of credit, issued by recognized credit rating organizations; (iv) the amount of International Paper's future pension funding obligations, and pension and health care costs; (v) unanticipated expenditures or other adverse developments related to the cost of compliance with existing and new environmental, tax, labor and employment, privacy and other U.S. and non-U.S. governmental laws and regulations; (vi) whether International Paper experiences a material disruption at one of its manufacturing facilities; (vii) risks inherent in conducting business through joint ventures; (viii) International Paper's ability to achieve the benefits expected from, and other risks associated with, acquisitions, joint ventures, divestitures and other corporate transactions, (ix) information technology risks, and (x) loss contingencies and pending, threatened or future litigation, including with respect to environmental related matters. These and other factors that could cause or contribute to actual results differing materially from such forward-looking statements can be found in International Paper's press releases and U.S. Securities and Exchange Commission filings. In addition, other risks and uncertainties not presently known to International Paper or that it currently believes to be immaterial could affect the accuracy of any forward-looking statements. International Paper 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

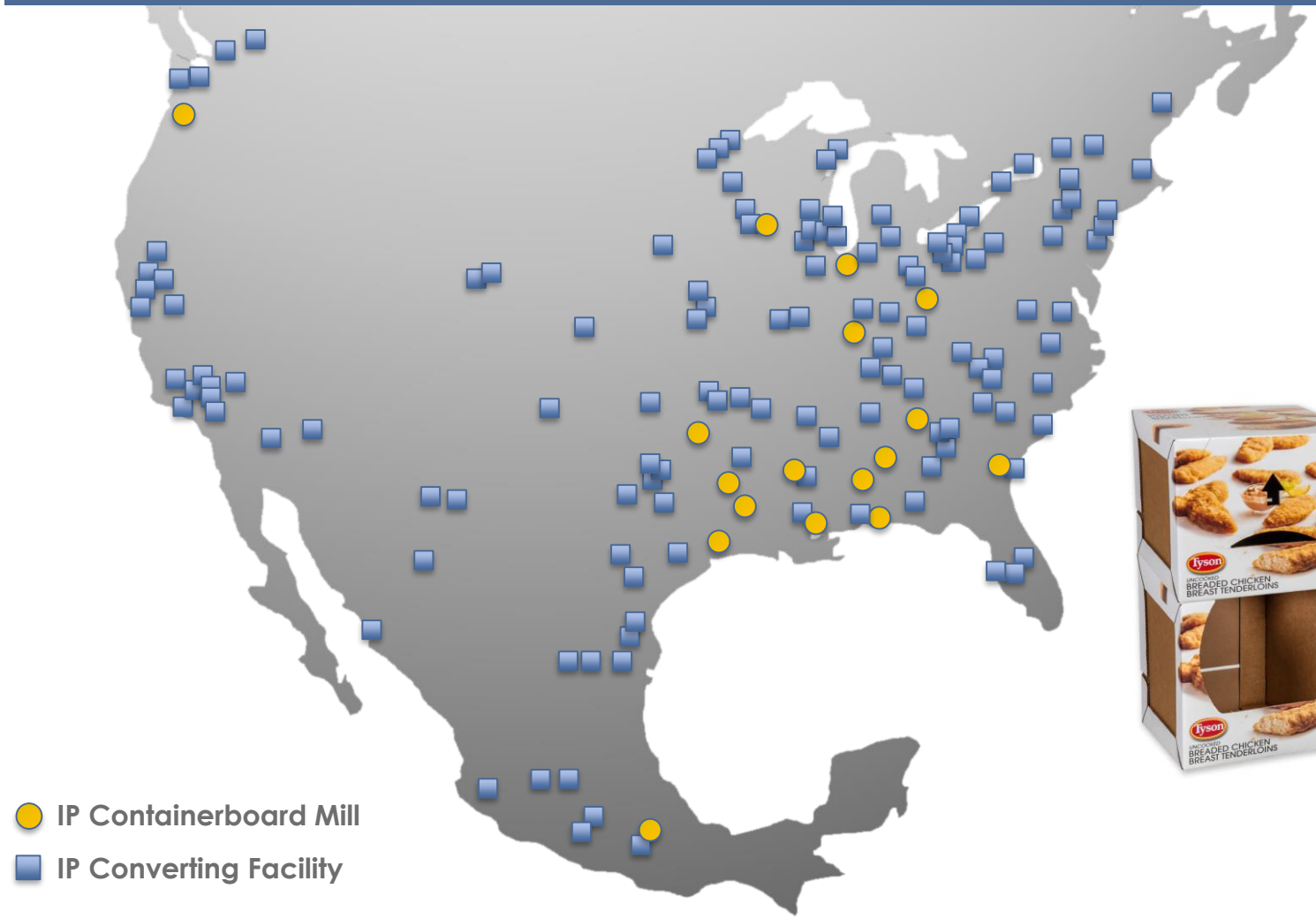
While the Company reports its financial results in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), during the course of this presentation, certain non-U.S. GAAP financial measures are presented. Management believes certain non-U.S. GAAP financial measures, 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-U.S. 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-U.S. GAAP measures (and their components) to U.S. GAAP financial measures is available on IP's website at internationalpaper.com under Performance/Investors.

Ilim JV and Graphic Packaging Investment Information

All financial information and statistical measures regarding our 50/50 Ilim joint venture in Russia ("Ilim") and our 18.3% ownership interest in a subsidiary of Graphic Packaging Holding Company, other than historical International Paper Equity Earnings and dividends received by International Paper, have been prepared by the management of Ilim and Graphic Packaging Holding Company, respectively. Any projected financial information and statistical measures reflect the current views of Ilim and Graphic Packaging Holding Company management and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such projections. See "Forward-Looking Statements" above.

North America Industrial Packaging

Winning through enhanced capabilities







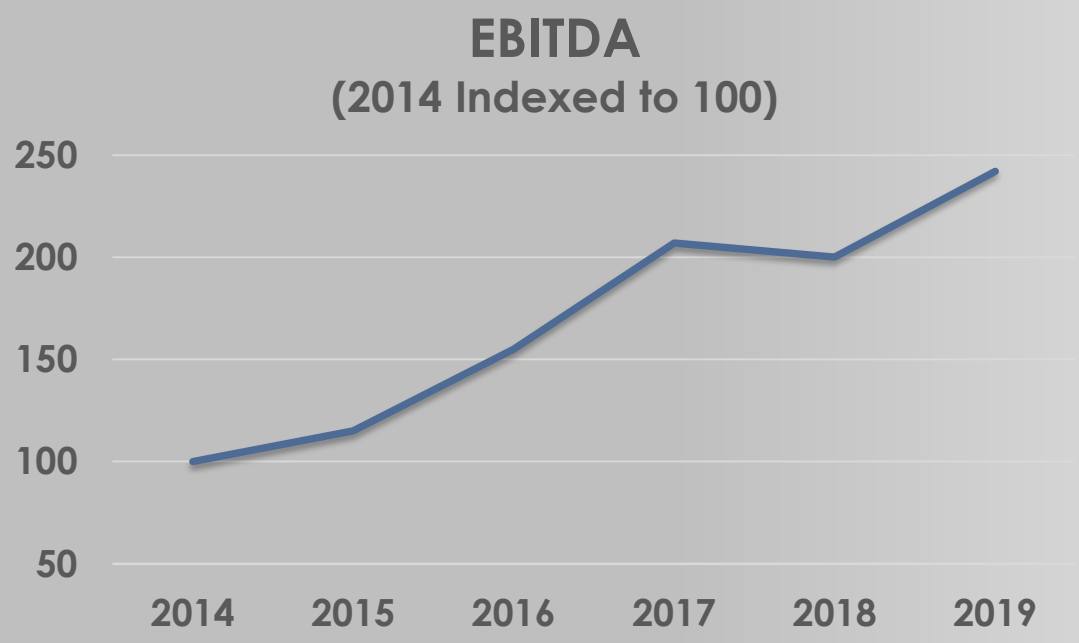




North America Industrial Packaging | Enhanced Graphic Solutions

Full range graphic solutions

Revenue $500 Million











North America Industrial Packaging | IP Mexico

Growing advantage in attractive markets

Revenue $500 Million

Greenfield plant built in Toluca, Mexico in 2018

- 50 miles from Mexico City
- $60 million investment
- 16% IRR
- Enabled IP Mexico to grow volume ~3% in 2019
- Attractive local and multinational customers
- Fully integrated with N.A. Industrial Packaging mill system



Strong & Resilient Free Cash Flow

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Maximizing value for our shareholders

Customers

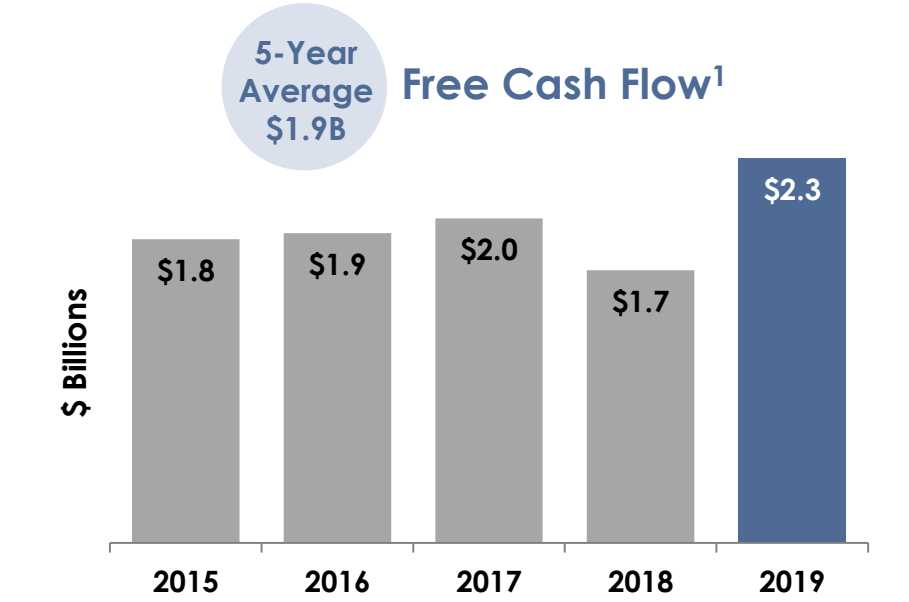
- Well positioned to capture growth
- Investing to strengthen capabilities in faster growing segments

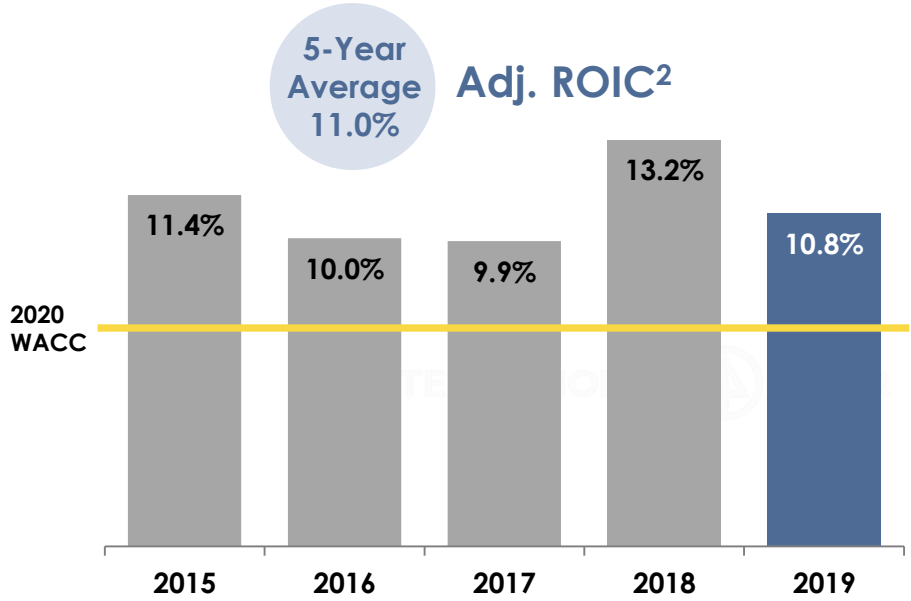
Performance

- Ability to optimize full value chain
- Low-cost, high quality, mill and converting network

Value Creation

- Strong and sustainable free cash flow
- Capital allocation framework to maximize value creation







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Footnotes

Slide 6

[1] Free Cash Flow, a non-GAAP financial measure, reflects cash provided by continuing operations for 2006 – 2011,based on data in the 10-K for each year at the time of filing. Free Cash Flow reflects cash provided by operations for 2012 onward. Excludes net cash pension contributions impacting 2006, 2010, 2011, 2013, 2014, 2015, 2016 & 2017, cash flows under European accounts receivable securitization beginning in 2009 and ending in 2011, and cash received from Black Liquor Tax Credits in 2009 and 2010. 2012 excludes $120MM cash paid for Temple-Inland change-in-control agreements, $251MM cash received from unwinding a timber monetization, $44MM cash paid for Temple-Inland pension plan contribution, and $80MM cash paid for Guaranty Bank settlement. 2013 excludes $30MM cash received from Guaranty Bank insurance reimbursements.

[2] Adjusted ROIC, a non-GAAP financial measure, based on Adjusted Operating Earnings before Interest / Average Invested Capital [Equity (adjusted to remove pension related amounts in OCI, net of tax) + Interest-bearing Debt]. Years 2013-2017 restated to reflect N.A. Consumer Packaging and xpedx as discontinued operations. Years 2006-2012 are as reported in the 10-K for each year at time of filing