

## 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 September 30, 2024 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<br>September 30, |               | Three Months Ended<br>June 30, | Three Months Ended<br>March 31, |
|---|-------------------------------------|---------------|--------------------------------|---------------------------------|
|   | 2024                                | 2023          | 2024                           | 2024                            |
| <b>Net Earnings (Loss)</b>                              | \$ 150                              | \$ 165        | \$ 498                         | \$ 56                           |
| Less: Discontinued operations, net of taxes (gain) loss | —                                   | 27            | —                              | —                               |
| <b>Earnings (Loss) from Continuing Operations</b>       | <b>150</b>                          | <b>192</b>    | <b>498</b>                     | <b>56</b>                       |
| Add back: Non-operating pension expense (income)        | (12)                                | 13            | (10)                           | (12)                            |
| Add back: Net Special items expense (income)            | 114                                 | 29            | 49                             | 18                              |
| Income taxes - Non-operating pension and special items  | (99)                                | (10)          | (344)                          | (1)                             |
| <b>Adjusted Operating Earnings</b>                      | <b>\$ 153</b>                       | <b>\$ 224</b> | <b>\$ 193</b>                  | <b>\$ 61</b>                    |

|   | Three Months Ended<br>September 30, |                | Three Months Ended<br>June 30, | Three Months Ended<br>March 31, |
|---|-------------------------------------|----------------|--------------------------------|---------------------------------|
|   | 2024                                | 2023           | 2024                           | 2024                            |
| <b>Diluted Earnings per Common Share as Reported</b>    | \$ 0.42                             | \$ 0.47        | \$ 1.41                        | \$ 0.16                         |
| Less: Discontinued operations, net of taxes (gain) loss | —                                   | 0.08           | —                              | —                               |
| <b>Continuing Operations</b>                            | <b>0.42</b>                         | <b>0.55</b>    | <b>1.41</b>                    | <b>0.16</b>                     |
| Add back: Non-operating pension expense (income)        | (0.03)                              | 0.04           | (0.02)                         | (0.04)                          |
| Add back: Net Special items expense (income)            | 0.33                                | 0.08           | 0.14                           | 0.05                            |
| Income taxes - Non-operating pension and special items  | (0.28)                              | (0.03)         | (0.98)                         | —                               |
| <b>Adjusted Operating Earnings per Share</b>            | <b>\$ 0.44</b>                      | <b>\$ 0.64</b> | <b>\$ 0.55</b>                 | <b>\$ 0.17</b>                  |

**Notes:**

Adjusted Operating Earnings and Adjusted Operating Earnings Per Share are non-GAAP measures defined as net earnings (loss) (a GAAP measure) excluding discontinued operations, 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 discontinued operations, 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 measures to focus on on-going operations, and believes that such non-GAAP 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 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.

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

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

|   | <u>Three Months Ended<br/>September 30,</u> |                      | <u>Three Months Ended<br/>June 30,</u> |
|---|---|----------------------|--|
|   | <u>2024</u>                                 | <u>2023</u>          | <u>2024</u>                            |
| <b>Cash Provided By (Used For) Operating Activities</b> | <b>\$ 521</b>                               | <b>\$ 468</b>        | <b>\$ 365</b>                          |
| Adjustments:  |   |                      |  |
| Cash invested in capital projects                       | <u>(212)</u>                                | <u>(228)</u>         | <u>(198)</u>                           |
| <b>Free Cash Flow</b>                                   | <b><u>\$ 309</u></b>                        | <b><u>\$ 240</u></b> | <b><u>\$ 167</u></b>                   |

Free cash flow is a non-GAAP measure which equals cash provided by (used for) operating activities less cash invested in capital projects, and 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 in this release 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 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 EBITDA before Special Items**

| <b>\$ Millions</b>   | <b>2023</b>      | <b>2024</b>        | <b>2024</b>        | <b>2024</b>        | <b>2024</b>        | <b>2024</b>         |
|--|------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
|  | <b>Full Year</b> | <b>1st Quarter</b> | <b>2nd Quarter</b> | <b>3rd Quarter</b> | <b>4th Quarter</b> | <b>Year to Date</b> |
| Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings | \$ 382           | \$ 85              | \$ 206             | \$ 80              | \$ —               | \$ 371              |
| Interest Expense, Net  | 231              | 46                 | 55                 | 51                 | —                  | 152                 |
| Special Items  | 135              | 28                 | 49                 | 114                | —                  | 191                 |
| Non-operating pension expense (income)   | 54               | (12)               | (10)               | (12)               | —                  | (34)                |
| EBIT before Special Items  | 802              | 147                | 300                | 233                | —                  | 680                 |
| Depreciation, amortization and cost of timber harvested                            | 1,432            | 273                | 261                | 267                | —                  | 801                 |
| EBITDA before Special Items  | 2,234            | 420                | 561                | 500                | —                  | 1,481               |
| Annualized EBITDA before Special Items   | 2,234            | 1,680              | 2,244              | 2,000              | —                  | 1,975               |
| Annualized Net Sales   | 18,916           | 18,476             | 18,936             | 18,744             | —                  | 18,719              |
| Adjusted EBITDA Margin   | 11.8 %           | 9.1 %              | 11.9 %             | 10.7 %             | — %                | 10.6 %              |

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. 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**  
**Adjusted for Discontinued Operations**

| <b>\$ Millions</b>   | <b>2022</b>      | <b>2023</b>            | <b>2023</b>            | <b>2023</b>            | <b>2023</b>            | <b>2023</b>         |
|--|------------------|------------------------|------------------------|------------------------|------------------------|---------------------|
|  | <b>Full Year</b> | <b>1st<br/>Quarter</b> | <b>2nd<br/>Quarter</b> | <b>3rd<br/>Quarter</b> | <b>4th<br/>Quarter</b> | <b>Year to Date</b> |
| Earnings (Loss) from Continuing Operations Before Income Taxes and Equity Earnings | \$ 1,511         | \$ 221                 | \$ 255                 | \$ 232                 | \$ (326)               | \$ 382              |
| Interest Expense, Net  | 325              | 62                     | 59                     | 58                     | 52                     | 231                 |
| Special Items  | 175              | —                      | —                      | 29                     | 106                    | 135                 |
| Non-operating pension expense (income)   | (192)            | 15                     | 12                     | 13                     | 14                     | 54                  |
| EBIT before Special Items  | 1,819            | 298                    | 326                    | 332                    | (154)                  | 802                 |
| Depreciation, amortization and cost of timber harvested                            | 1,040            | 241                    | 244                    | 258                    | 689                    | 1,432               |
| EBITDA before Special Items  | <u>2,859</u>     | <u>539</u>             | <u>570</u>             | <u>590</u>             | <u>535</u>             | <u>2,234</u>        |
| Annualized EBITDA before Special Items   | <u>2,859</u>     | <u>2,156</u>           | <u>2,280</u>           | <u>2,360</u>           | <u>2,140</u>           | <u>2,234</u>        |
| Annualized Net Sales   | 21,161           | 20,080                 | 18,728                 | 18,452                 | 18,404                 | 18,916              |
| Adjusted EBITDA Margin   | <u>13.5%</u>     | <u>10.7%</u>           | <u>12.2%</u>           | <u>12.8%</u>           | <u>11.6%</u>           | <u>11.8%</u>        |

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

| \$ Millions                                   | Q1 2024<br>North American<br>Industrial<br>Packaging | Q2 2024<br>North American<br>Industrial<br>Packaging | Q3 2024<br>North American<br>Industrial<br>Packaging | Q4 2024<br>North American<br>Industrial<br>Packaging | YTD 2024<br>North American<br>Industrial<br>Packaging |
|---|--|--|--|--|---|
| Business Segment Operating Profit             | \$ 192   | \$ 281   | \$ 190   | \$ —   | \$ 663  |
| Depreciation, Amortization and Cost of Timber | 203  | 186  | 192  | —  | 581   |
| EBITDA before Special Items                   | 395  | 467  | 382  | —  | 1,244   |
| Less: Recycling Business EBITDA               | 6  | 2  | 4  | —  | 12  |
| EBITDA before Special Items after Exclusions  | 389  | 465  | 378  | —  | 1,232   |
| Net Sales                                     | 3,486  | 3,628  | 3,640  | —  | 10,754  |
| Less: Trade Sales                             | 84   | 108  | 84   | —  | 276   |
| Less: Recycling Business Net Sales            | 79   | 81   | 84   | —  | 244   |
| Net Sales after Exclusions                    | 3,323  | 3,439  | 3,472  | —  | 10,234  |
| Adjusted EBITDA Margin                        | 11.7 %   | 13.5 %   | 10.9 %   | — %  | 12.0 %  |

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 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.