

RESOLUTE FOREST PRODUCTS Q4 2020 RESULTS



FEBRUARY 4, 2021

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

Statements in this press release and the earnings conference call and webcast referred to above that are not reported financial results or other historical information of Resolute Forest Products Inc. (with its subsidiaries, “we,” “our,” “us” or the “company”) are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. They include, for example, statements included in the Outlook section of this press release and statements relating to the impact of the coronavirus or COVID-19 pandemic and resulting economic conditions on our business, results of operations and market price of our securities, and to our: efforts and initiatives to reduce costs, increase revenues, improve profitability; business and operating outlook; future pension obligations; assessment of market conditions; growth strategies and prospects, and the growth potential of the company and the industry in which we operate; liquidity; future cash flows, including as a result of the changes to our pension funding obligations; estimated capital expenditures; and strategies for achieving our goals generally. Forward-looking statements may be identified by the use of forward-looking terminology such as the words “should,” “would,” “could,” “will,” “may,” “expect,” “believe,” “see,” “anticipate,” “continue,” “attempt,” “project,” “progress,” “build,” “plan,” “grow,” “lead,” “drive,” “move,” “accelerate”, and other terms with similar meaning indicating possible future events or potential impact on our business or our shareholders.

The reader is cautioned not to place undue reliance on these forward-looking statements, which are not guarantees of future performance. These statements are based on management’s current assumptions, beliefs and expectations, all of which involve a number of business risks and uncertainties that could cause actual results to differ materially. The potential risks and uncertainties that could cause our actual future financial condition, results of operations, and performance to differ materially from those expressed or implied in this press release and the earnings conference call and webcast referred to above include, but are not limited to, the impact of: the coronavirus or COVID-19 pandemic and resulting economic conditions, developments in non-print media, and the effectiveness of our responses to these developments; intense competition in the forest products industry; any inability to offer products certified to globally recognized forestry management and chain of custody standards; any inability to successfully implement our strategies to increase our earnings power; the possible failure to successfully integrate acquired businesses with ours or to realize the anticipated benefits of acquisitions, such as our entry into wood manufacturing in the U.S. and tissue production and sales, or divestitures or other strategic transactions or projects, including loss of synergies following business divestitures; uncertainty or changes in political or economic conditions in the United States, Canada or other countries in which we sell our products, including the effects of pandemics; global economic conditions; the highly cyclical nature of the forest products industry; any difficulties in obtaining timber or wood fiber at favorable prices, or at all; changes in the cost of purchased energy and other raw materials; physical and financial risks associated with global, regional, and local weather conditions, and climate change; any disruption in operations or increased labor costs due to labor disputes or occupational health and safety issues; difficulties in our employee relations or in employee attraction or retention; disruptions to our supply chain, operations, or the delivery of our products, including due to public health epidemics; disruptions to our information technology systems including cybersecurity incidents; risks related to the operation and transition of legacy system applications; negative publicity, even if unjustified; currency fluctuations; any increase in the level of required contributions to our pension plans, including as a result of any increase in the amount by which they are underfunded; our ability to maintain adequate capital resources to provide for all of our substantial capital requirements; the terms of our outstanding indebtedness, which could restrict our current and future operations; changes relating to LIBOR, which could impact our borrowings under our credit facilities; losses that are not covered by insurance; any shutdown of machines or facilities, restructuring of operations or sale of assets resulting in any additional closure costs and long-lived asset impairment or accelerated depreciation charges; any need to record additional valuation allowances against our recorded deferred income tax assets; our exports from one country to another country becoming or remaining subject to duties, cash deposit requirements, border taxes, quotas, or other trade remedies or restrictions; countervailing and anti-dumping duties on imports to the U.S. of the vast majority of our softwood lumber products produced at our Canadian sawmills; any failure to comply with laws or regulations generally; any additional environmental or health and safety liabilities; any violation of trade laws, export controls, or other laws relating to our international sales and operations; adverse outcomes of legal proceedings, claims and governmental inquiries, investigations, and other disputes in which we are involved; the actions of holders of a significant percentage of our common stock; and the potential risks and uncertainties set forth under the heading “Risk Factors” in Part I, Item 1A of the company’s annual report on Form 10-K for the year ended December 31, 2019, which have been heightened by the COVID-19 pandemic, including related governmental responses and economic impacts, market disruptions and changes in consumer habits and which should be read in conjunction with the COVID-19 risk factor update set forth under the heading “Risk Factors” in Part II, Item 1A of the company’s quarterly report on Form 10-Q for the quarter ended September 30, 2020.

All forward-looking statements in this press release and in the conference call and webcast referred to above are expressly qualified by the cautionary statements contained or referred to above and in the company’s other filings with the U.S. Securities and Exchange Commission and the Canadian securities regulatory authorities. The company disclaims any obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.



All figures in US\$ unless otherwise noted

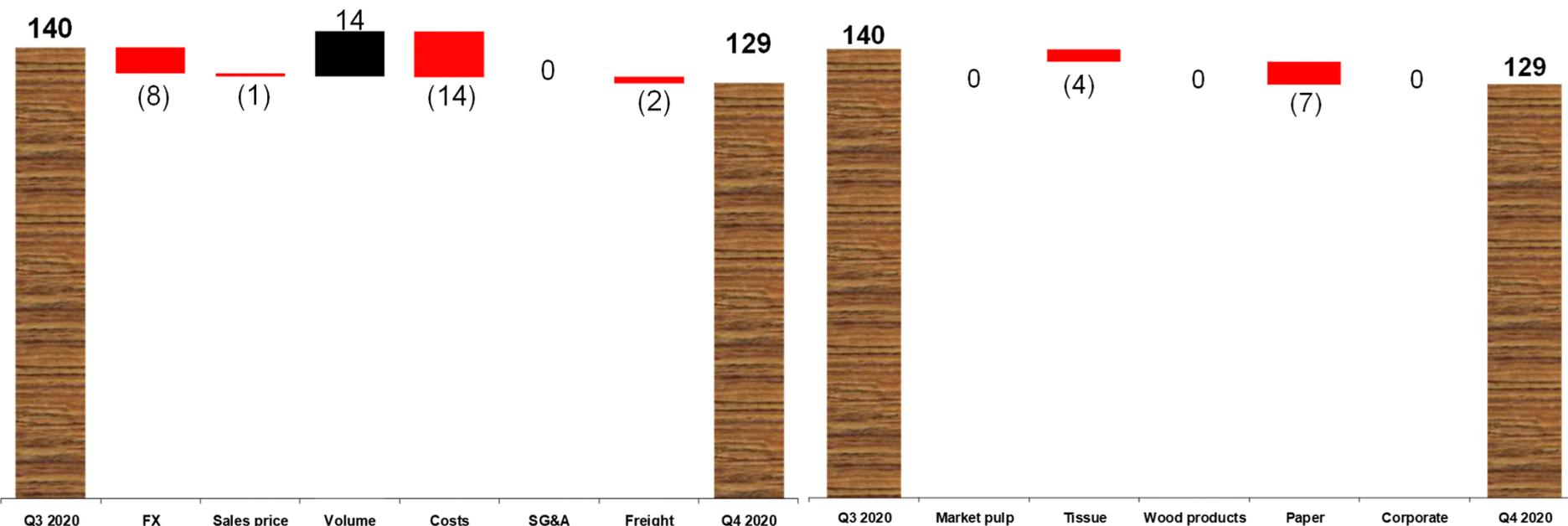
Q4 2020 & RECENT HIGHLIGHTS

- Q4 GAAP net loss of \$52 million / net income of \$10 million for 2020
- Adjusted EBITDA of \$129 million in the quarter / \$338 million for the full year
- Net debt down by \$93 million to \$448 million / year-end liquidity at \$693 million
- Net debt to adjusted 2020 EBITDA down to 1.3x
- Repurchased 2.1 million shares in Q4 / 6.9 million (8%) in 2020
- Completed private offering of \$300 million 4.875% senior unsecured notes, proceeds to fully redeem 2023 notes

Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

Q4 2020 OVERVIEW

Adjusted EBITDA : Q4'20 vs. Q3'20

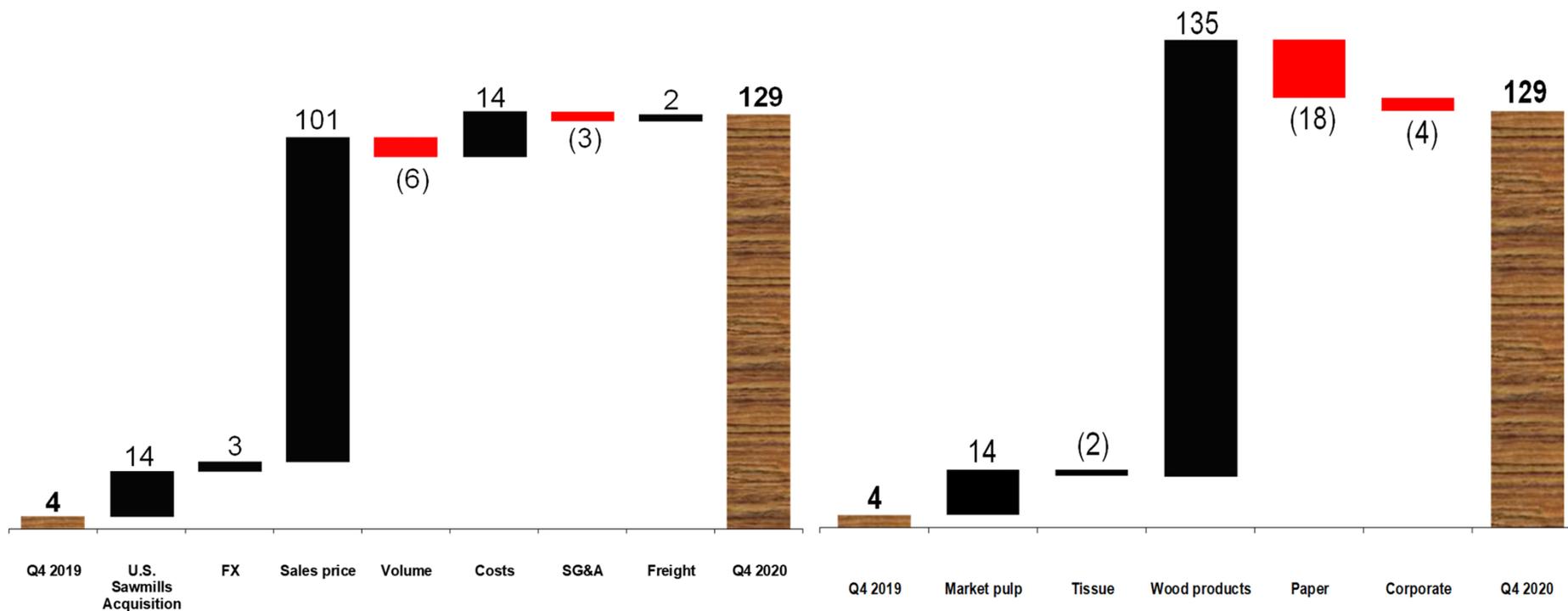


- Higher shipments: paper ↑ 12%; tissue ↑ 5%; market pulp ↑ 4%; wood products ↑ 1%
- Higher costs mainly driven by higher log costs (stumpage), higher maintenance and lower internal power generation
- Unfavorable impact of the stronger Canadian dollar
- Paper: 2% lower pricing, higher maintenance costs and lower internal power generation

Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

Q4 2020 OVERVIEW

Adjusted EBITDA : Q4'20 vs. Q4'19

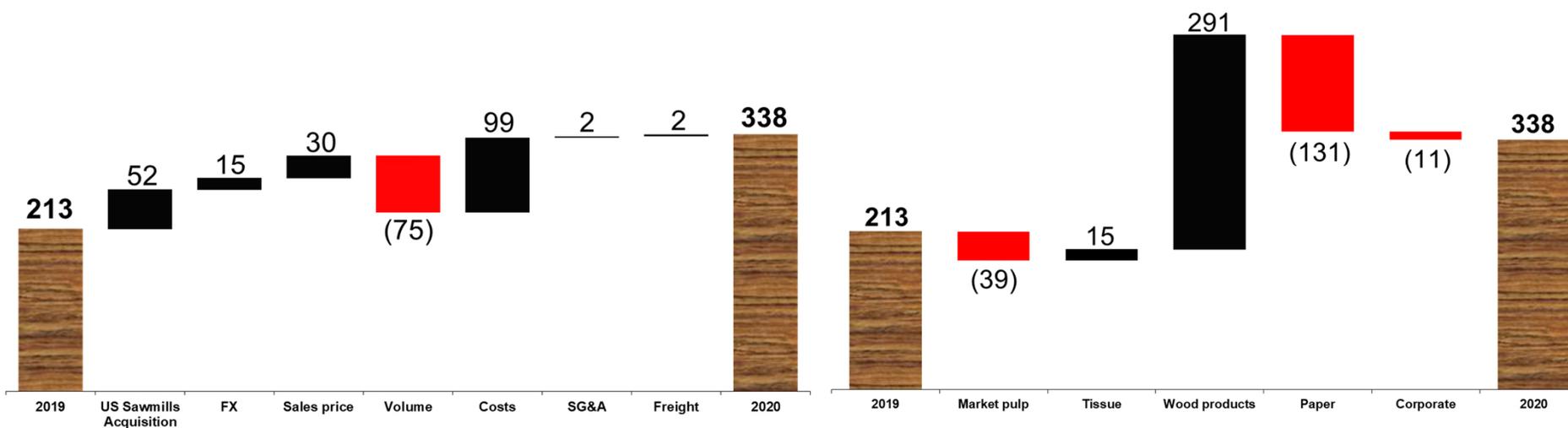


- Higher selling price : wood products ↑ 67%; tissue ↑ 4%; offset by paper ↓ 7%; market pulp ↓ 1%
- Lower volume : paper ↓ 20%; tissue ↓ 4%; market pulp ↓ 3%; offset by wood products ↑ 39%
- Acquisition : U.S. sawmills acquired in Q1 2020
- Costs : lower input cost of market pulp and paper and CEWS credit

Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

2020 OVERVIEW

Adjusted EBITDA : 2020 vs. 2019

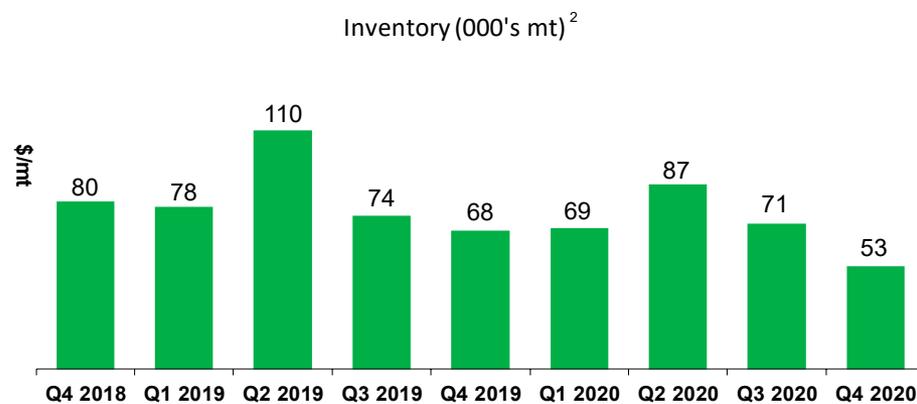
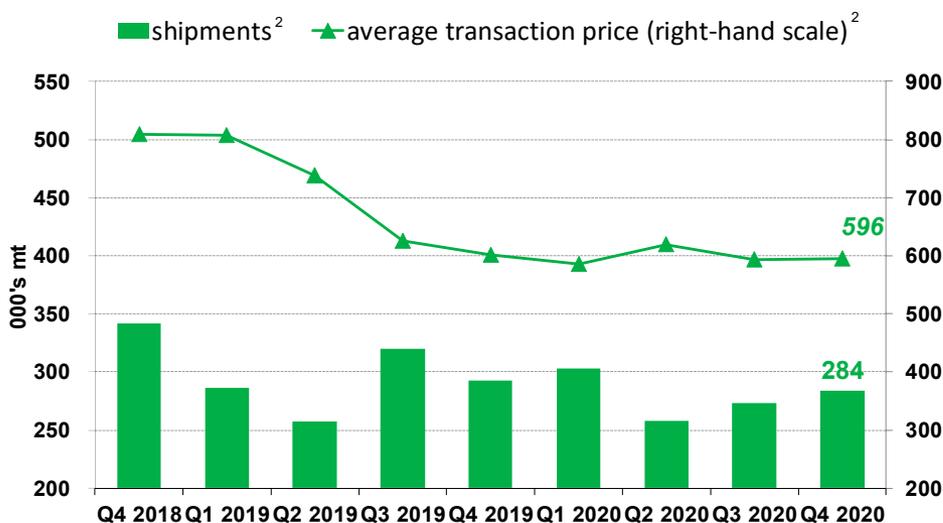


- Acquisition of U.S. sawmills in Q1 2020
- Higher selling price: wood products \uparrow 41%; tissue \uparrow 6%; offset by market pulp \downarrow 13%; paper \downarrow 11%
- Lower volume: paper \downarrow 22%; market pulp \downarrow 3%; tissue \downarrow 2%; offset by wood products \uparrow 18%
- Costs: lower maintenance and energy costs, CEWS credit, dispute settlements and other items

MARKET PULP

(US\$mm)	Q4 2020	Q3 2020	2020	2019
Sales	169	161	668	797
Operating (loss) income	(4)	(4)	(1)	39
EBITDA ¹	2	2	23	62
Shipments (000's mt)	284	273	1,118	1,156

- YTD World shipments of chemical pulp ↑ 4% vs. 2019³
 - Hardwood ↑ 8%
 - Softwood ↓ 2%
- Q4 transaction price ↑ \$3/mt vs. Q3
- Q4 shipments ↑ 11k mt vs. Q3
- Q4 cash cost⁴ ↑ \$2/mt vs. Q3
- Finished goods inventory ↓ 18k mt vs. Q3

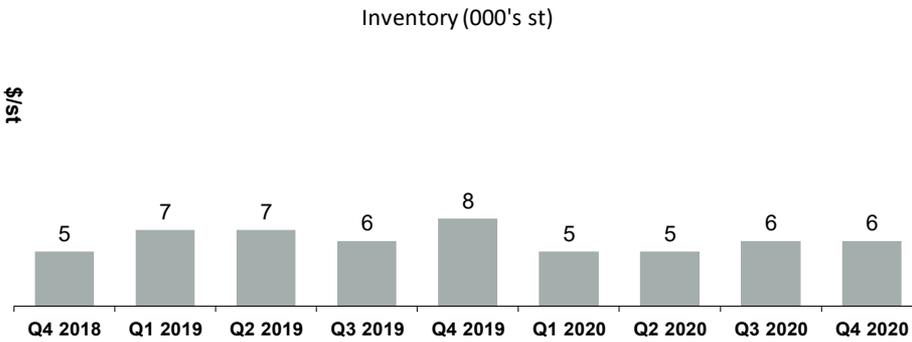
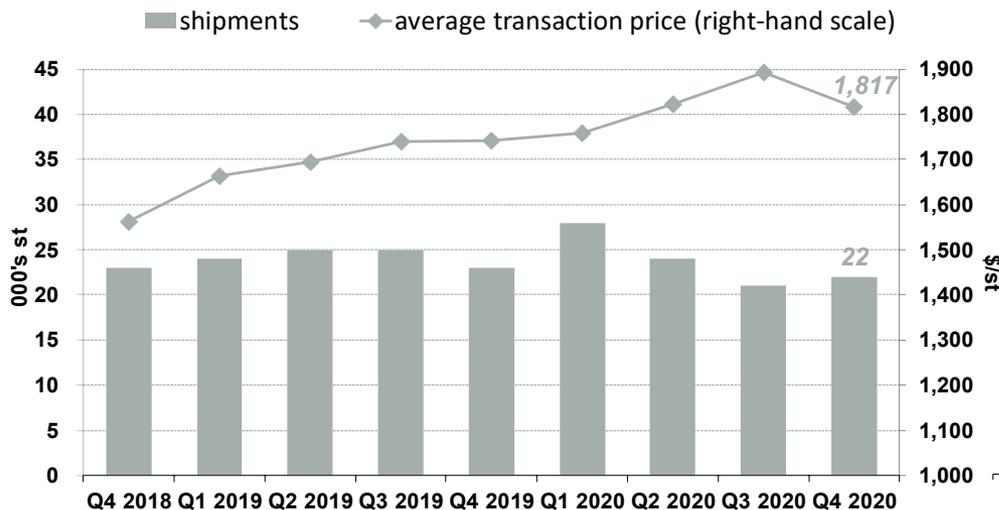


1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
2. Divestitures in Q4 2018: Catawba mill (approx. 230,000 mt annual capacity) and Fairmont mill (net impact of approx. 80,000 mt of shipments annually).
3. For the eleven months ended November 30, 2020 vs. November 30, 2019.
4. The "all-in" cash cost is the total cost, excluding depreciation and amortization, of each ton shipped (cost of sales, distribution costs, and selling, general and administrative expenses).

TISSUE

(US\$mm)	Q4 2020	Q3 2020	2020	2019
Sales	41	39	173	165
Operating (loss) income	(3)	2	(1)	(16)
EBITDA ¹	2	6	17	2
Shipments (000's st)	22	21	95	97

- 2020 U.S. consumption vs. 2019
 - At-home shipments ↑ 16%
 - Away-from-home shipments ↓ 9%
- Q4 transaction price ↓ \$77/st vs. Q3
 - Parent roll destocking at Calhoun
- Q4 shipments ↑ 1k st vs. Q3
- Q4 cash cost ↑ \$129/st vs. Q3
- Finished goods inventory unch. vs. Q3

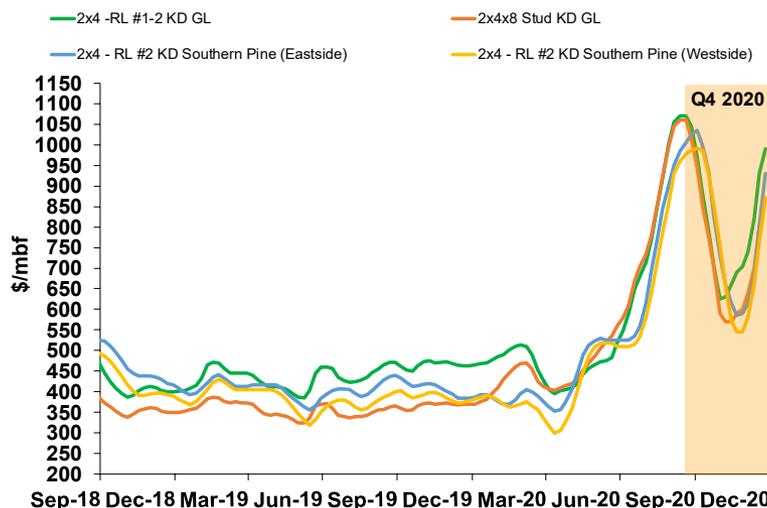
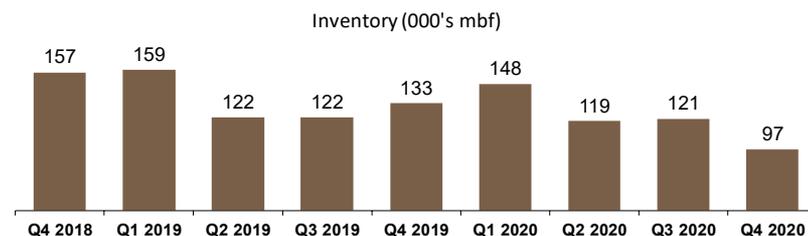
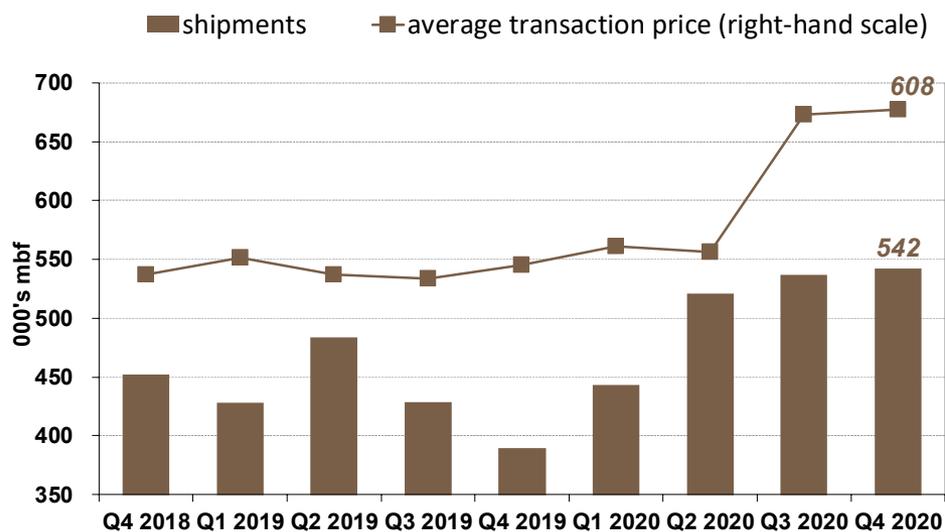


1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

WOOD PRODUCTS

(US\$mm)	Q4 2020	Q3 2020	2020	2019
Sales	330	322	1,025	616
Operating income (loss)	128	128	276	(6)
EBITDA ¹	139	139	319	28
Shipments (mmbf)	542	537	2,043	1,731

- U.S. housing starts SAAR average of 1.6 million in Q4
- Q4 shipments ↑ 5 mmbf vs. Q3
- Q4 transaction price ↑ \$8/mbf vs. Q3
- Q4 cash cost ↑ \$12/mbf vs. Q3
- Finished goods inventory ↓ 24 mmbf vs. Q3

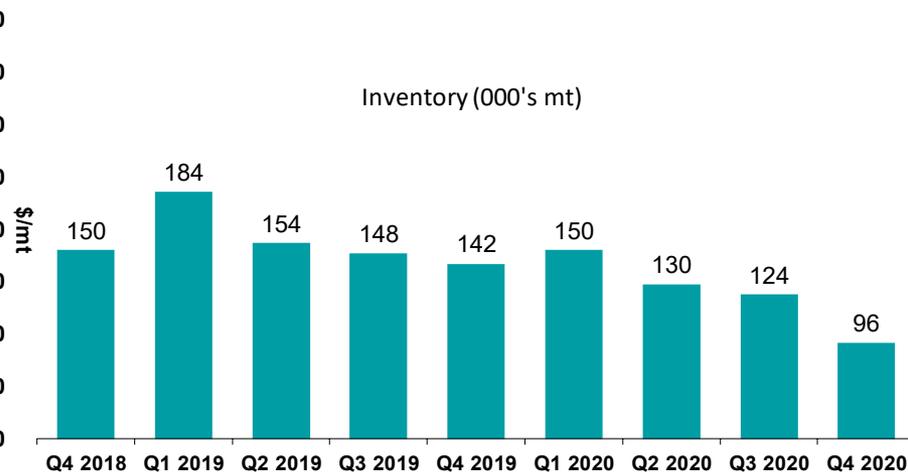
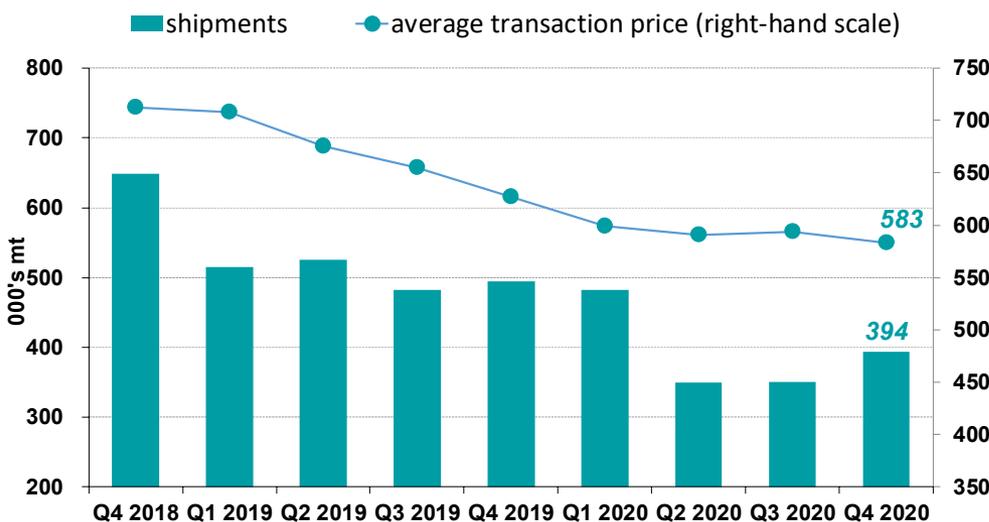


1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

PAPER

(US\$mm)	Q4 2020	Q3 2020	2020	2019
Sales	229	208	934	1,345
Operating (loss) income	(19)	(12)	(46)	82
EBITDA ¹	(1)	6	23	154
Shipments (000's mt)	394	351	1,577	2,017

- 2020 North America demand vs. 2019
 - ↓ 23% for uncoated mechanical papers
 - ↓ 29% for newsprint
- 2020 world demand vs. 2019
 - ↓ 23% for newsprint
- Q4 shipments ↑ 43 mt vs. Q3
- Q4 transaction price ↓ \$11/mt vs. Q3
- Q4 cash cost ↑ \$7/mt vs. Q3
- Finished goods inventory ↓ 28k mt vs. Q3



1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

P&L

Selected financial information

2020	vs 2019	Q4 2020	vs Q3 2020	vs Q4 2019
Net income (excluding special items) ¹ \$56mm	+\$102mm	Net income (excluding special items) ¹ \$45mm	-\$17mm	+\$98mm
Sales \$2,800mm	-4%	Sales \$769mm	+5%	+15%
EPS ¹ \$0.65	+\$1.15	EPS ¹ \$0.55	-\$0.17	+\$1.14
Adjusted EBITDA ² \$338mm	+59%	Adjusted EBITDA ² \$129mm	-8%	+3125%

Special items affecting net income (pre-tax)

2020	Q4 2020
<ul style="list-style-type: none"> - \$78mm of net charges mainly related to the temporary idling of the Baie-Comeau and Amos newsprint mills - \$11mm net gain on disposition of assets 	<ul style="list-style-type: none"> - \$80mm of charges related to the temporary idling of the Baie-Comeau and Amos newsprint mills - \$24mm non-operating pension and OPEB³ costs - \$13mm foreign exchange loss recorded in other expense - \$15mm other expenses

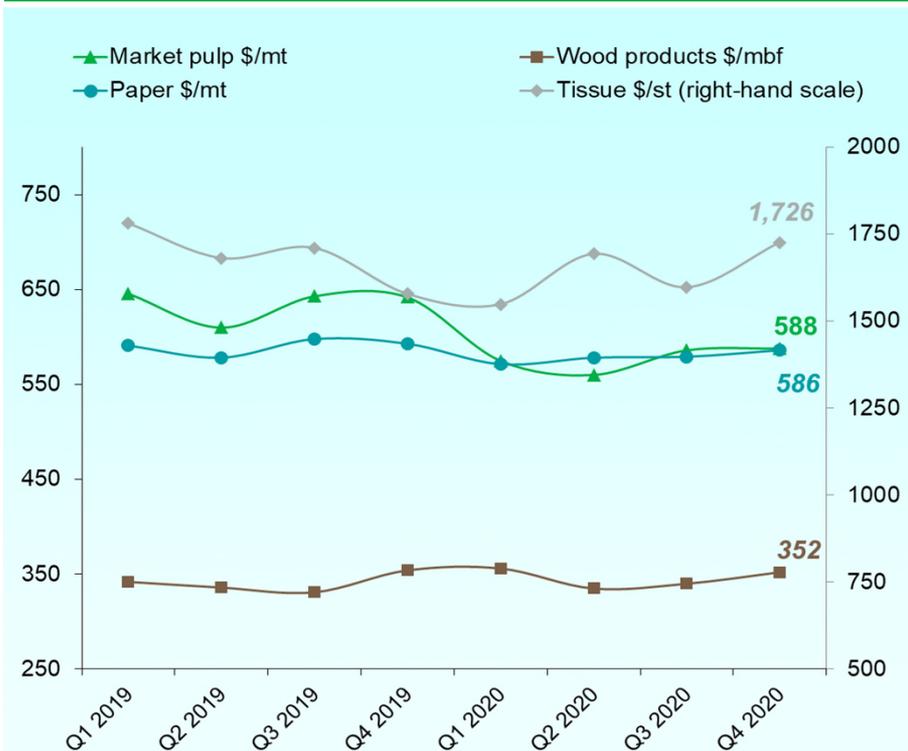
1. Excluding special items. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

2. Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

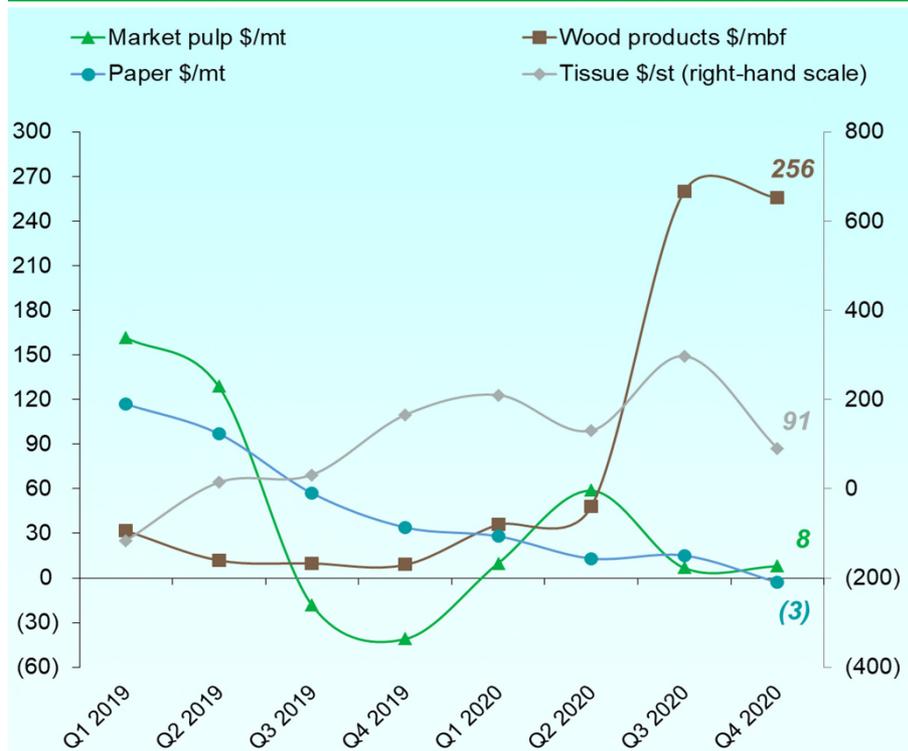
3. Other postretirement benefit.

PERFORMANCE METRICS

« All-in » cash cost



EBITDA¹ per unit



EBITDA¹ contribution from cogen (US\$mm)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20
	11	8	9	8	11	10	10	7



1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

LIQUIDITY AND CASH FLOW

Available liquidity (US\$mm)	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total debt	\$561	\$561	\$630	\$821	\$449	\$424	\$423	\$423
Cash on hand	113	20	27	116	3	69	98	69
Available under revolving credit facilities	580	457	369	233	580	497	492	526
Available liquidity	\$693	\$477	\$396	\$349	\$583	\$566	\$590	\$595
LTM Adj. EBITDA ¹	\$338	\$213	\$96	\$141	\$213	\$314	\$480	\$570
Net debt / LTM Adj. EBITDA ¹	1.3x	2.5x	6.3x	5.0x	2.1x	1.1x	0.7x	0.6x
Capital expenditures	\$25	\$16	\$16	\$21	\$31	\$37	\$19	\$26

- Q4 net cash generated by operations of \$158mm with cash position at \$113mm at year-end
- Repurchased 2.1 million shares in Q4; 6.9 million in 2020
- Liquidity improved to \$693mm, a \$216mm increase vs. Q3
- Net debt fell by \$93mm to \$448mm at year-end
- Net debt to LTM adjusted EBITDA¹ ratio down to 1.3x
- 2020 net capex of \$78mm
- Q4 lumber cash duty deposits of \$29mm (cumulative of \$243mm)
- Closed offering of \$300 million unsecured senior notes due 2026 at 4.875% and 100% of par value, proceeds to be used to fully redeem 2023 notes

1. Rolling LTM Calculated as the sum of the last 4 quarters. Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

PENSION

(US\$mm)	2020	2019	2018
Net pension liabilities	1,440	1,326	1,122
OPEB liabilities	136	147	148
Net pension and OPEB liabilities	1,576	1,473	1,270
U.S. GAAP discount rate at 12/31 ¹	2.5%	3.0%	3.8%
Pension plans deficit for funding purposes ²	629	497	550

(US\$mm)	2021E	2020	2019	2018
Pension contributions ⁴	120	108	99	121
OPEB payments	12	11	12	13
Operating pension and OPEB costs ⁴	33	32	33	40
Non-op. pension and OPEB (credits)/costs ⁴	(5)	0	(47)	(50)
Total pension and OPEB (credits)/costs³	28	32	(14)	(10)

1. Pension plans.
2. Funding for pension plans in Quebec is determined on a going concern basis; in Ontario, also on a going-concern basis for 2018 as we exited special funding regulations on December 31, 2018, and on a solvency basis for 2017; and in the U.S. on a 25-year average interest rate basis.
3. Includes defined benefit and defined contribution plans.
4. Excluded from adjusted EBITDA.

PENSION FINANCIAL POSITION UPDATE

FUNDING & ACCOUNTING POSITION – CANADA & U.S. (USD)

Total Pension Contributions



1. Includes all pension contributions and excluding OPEB

2. Funding for pension plans in Canada are on a going concern basis and in the U.S. on a 25-year average interest rate basis. The funding results above suppose valuations are performed on the date specified.

2019 Pension Plans Deficit¹

	Accounting Basis	Funding Purposes ²	Variance
Net pension liabilities (US\$m)	1,326	497	829
Funded ratio (%)	74%	88%	
Discount rate (%)	3.0%	5.6%	

Dec. 31, 2020 Pension Plans Deficit¹

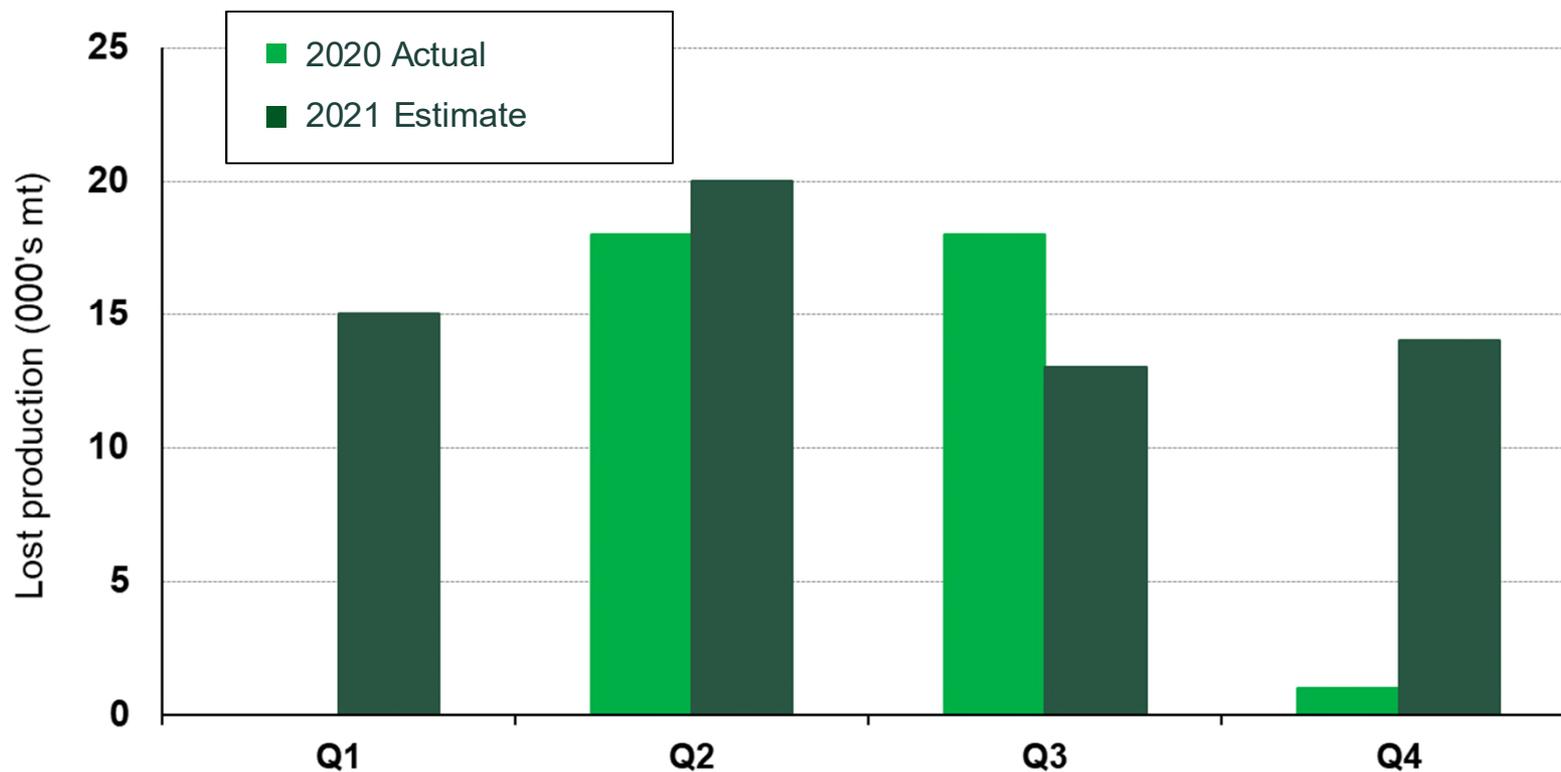
	Accounting Basis	Funding Purposes ²	Variance
Net pension liabilities (US\$m)	1,440	629	811
Funded ratio (%)	73%	86%	
Discount rate (%)	2.5%	5.1%	

OUTLOOK

Market Pulp	<ul style="list-style-type: none">• Marked pick-up in pulp demand against lower industry inventories
Tissue	<ul style="list-style-type: none">• Continue to drive performance improvements in the tissue business with better portfolio mix and operating efficiency
Wood Products	<ul style="list-style-type: none">• Strong level of U.S. housing starts and healthy repair & remodeling activity is a tailwind for lumber markets
Paper	<ul style="list-style-type: none">• Paper end-markets gradually rebalancing after the steep pandemic-induced demand drop of 2020• Room to build with pricing on the fourth quarter volume gains, as publically reported

OUTLOOK

2021 Scheduled Market Pulp Outages



APPENDIX A



RESOLUTE FOREST PRODUCTS INC.
RECONCILIATION OF OPERATING INCOME AND NET INCOME ADJUSTED FOR SPECIAL ITEMS

A reconciliation of our operating income, net income and net income per share reported before special items is presented in the tables below. See Note 1 to the Reconciliations of Non-GAAP Measures regarding our use of non-GAAP measures.

Three months ended December 31, 2020 (Unaudited, in millions of U.S. dollars, except per share amounts)	Operating income	Net (loss) income	EPS
GAAP, as reported	\$ 4	\$ (52)	\$ (0.63)
Adjustments for special items:			
Closure costs, impairment and other related charges	55	55	0.67
Inventory write-downs related to closures	25	25	0.30
Start-up costs	3	3	0.04
Net gain on disposition of assets	(2)	(2)	(0.02)
Non-operating pension and other postretirement benefit costs	-	24	0.29
Other expense, net	-	28	0.34
Income tax effect of special items	-	(36)	(0.44)
Adjusted for special items	\$ 85	\$ 45	\$ 0.55
<hr/>			
Three months ended December 31, 2019 (Unaudited, in millions of U.S. dollars, except per share amounts)	Operating loss	Net loss	EPS
GAAP, as reported	\$ (69)	\$ (71)	\$ (0.79)
Adjustments for special items:			
Closure costs, impairment and other related charges	18	18	0.20
Inventory write-downs related to closures	13	13	0.14
Net gain on disposition of assets	(1)	(1)	(0.01)
Non-operating pension and other postretirement benefit credits	-	(11)	(0.12)
Income tax effect of special items	-	(1)	(0.01)
Adjusted for special items	\$ (39)	\$ (53)	\$ (0.59)

Year ended December 31, 2020	Operating		Net income		EPS	
(Unaudited, in millions of U.S. dollars, except per share amounts)	income					
GAAP, as reported	\$	99	\$	10	\$	0.12
Adjustments for special items:						
Closure costs, impairment and other related charges		53		53		0.61
Inventory write-downs related to closures		25		25		0.29
Start-up costs		3		3		0.03
Net gain on disposition of assets		(11)		(11)		(0.13)
Other expense, net		-		4		0.05
Income tax effect of special items		-		(28)		(0.32)
Adjusted for special items	\$	169	\$	56	\$	0.65
Year ended December 31, 2019	Operating		Net loss		EPS	
(Unaudited, in millions of U.S. dollars, except per share amounts)	income					
GAAP, as reported	\$	17	\$	(47)	\$	(0.51)
Adjustments for special items:						
Closure costs, impairment and other related charges		18		18		0.19
Inventory write-downs related to closures		13		13		0.14
Net gain on disposition of assets		(2)		(2)		(0.02)
Non-operating pension and other postretirement benefit credits		-		(47)		(0.51)
Other expense, net		-		22		0.24
Income tax effect of special items		-		(3)		(0.03)
Adjusted for special items	\$	46	\$	(46)	\$	(0.50)

RESOLUTE FOREST PRODUCTS INC.
RECONCILIATION OF EBITDA AND ADJUSTED EBITDA

A reconciliation of our net income including noncontrolling interest to EBITDA and Adjusted EBITDA is presented in the tables below. See Note 1 to the Reconciliations of Non-GAAP Measures regarding our use of the non-GAAP measures EBITDA and Adjusted EBITDA.

Three months ended December 31, 2020 (Unaudited, in millions of U.S. dollars)	Market pulp	Tissue	Wood products	Paper ^(a)	Corporate and other	Total
Net (loss) income including noncontrolling interest	\$ (4)	\$ (3)	\$ 128	\$ (19)	\$ (154)	\$ (52)
Interest expense					8	8
Income tax benefit					(4)	(4)
Depreciation and amortization	6	5	11	18	4	44
EBITDA	\$ 2	\$ 2	\$ 139	\$ (1)	\$ (146)	\$ (4)
Closure costs, impairment and other related charges					55	55
Inventory write-downs related to closures					25	25
Start-up costs					3	3
Net gain on disposition of assets					(2)	(2)
Non-operating pension and other postretirement benefit costs					24	24
Other expense, net					28	28
Adjusted EBITDA	\$ 2	\$ 2	\$ 139	\$ (1)	\$ (13)	\$ 129
Three months ended December 31, 2019 (Unaudited, in millions of U.S. dollars)	Market pulp	Tissue	Wood products	Paper ^(a)	Corporate and other	Total
Net loss including noncontrolling interest	\$ (18)	\$ (1)	\$ (5)	\$ (1)	\$ (46)	\$ (71)
Interest expense					7	7
Income tax provision					6	6
Depreciation and amortization	6	5	9	18	5	43
EBITDA	\$ (12)	\$ 4	\$ 4	\$ 17	\$ (28)	\$ (15)
Closure costs, impairment and other related charges					18	18
Inventory write-downs related to closures					13	13
Net gain on disposition of assets					(1)	(1)
Non-operating pension and other postretirement benefit credits					(11)	(11)
Adjusted EBITDA	\$ (12)	\$ 4	\$ 4	\$ 17	\$ (9)	\$ 4

Year ended December 31, 2020 (Unaudited, in millions of U.S. dollars)	Market pulp	Tissue	Wood products	Paper ^(a)	Corporate and other	Total
Net (loss) income including noncontrolling interest	\$ (1)	\$ (1)	\$ 276	\$ (46)	\$ (218)	10
Interest expense					34	34
Income tax provision					51	51
Depreciation and amortization	24	18	43	69	15	169
EBITDA	\$ 23	\$ 17	\$ 319	\$ 23	\$ (118)	264
Closure costs, impairment and other related charges					53	53
Inventory write-downs related to closures					25	25
Start-up costs					3	3
Net gain on disposition of assets					(11)	(11)
Other expense, net					4	4
Adjusted EBITDA	\$ 23	\$ 17	\$ 319	\$ 23	\$ (44)	338
Year ended December 31, 2019 (Unaudited, in millions of U.S. dollars)	Market pulp	Tissue	Wood products	Paper ^(a)	Corporate and other	Total
Net income (loss) including noncontrolling interest	\$ 39	\$ (16)	\$ (6)	\$ 82	\$ (146)	(47)
Interest expense					31	31
Income tax provision					58	58
Depreciation and amortization	23	18	34	72	20	167
EBITDA	\$ 62	\$ 2	\$ 28	\$ 154	\$ (37)	209
Closure costs, impairment and other related charges					18	18
Inventory write-downs related to closures					13	13
Net gain on disposition of assets					(2)	(2)
Non-operating pension and other postretirement benefit credits					(47)	(47)
Other expense, net					22	22
Adjusted EBITDA	\$ 62	\$ 2	\$ 28	\$ 154	\$ (33)	213

APPENDIX B



Financial and Operating Statistics (Page 1 of 5)

(In millions of U.S. dollars, except per share amounts and otherwise indicated)

	2019					2020				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Income Statement Data										
Sales	\$ 795	\$ 755	\$ 705	\$ 668	\$ 2,923	\$ 689	\$ 612	\$ 730	\$ 769	\$ 2,800
Operating income (loss)	64	40	(18)	(69)	17	(8)	6	97	4	99
Interest expense	(9)	(7)	(8)	(7)	(31)	(9)	(9)	(8)	(8)	(34)
Net income (loss) attributable to Resolute Forest Products Inc.	42	25	(43)	(71)	(47)	(1)	6	57	(52)	10
Diluted net income (loss) per share attributable to Resolute Forest Products Inc. common shareholders	\$ 0.45	\$ 0.27	\$ (0.47)	\$ (0.79)	\$ (0.51)	\$ (0.01)	\$ 0.07	\$ 0.66	\$ (0.63)	\$ 0.12
Average diluted shares outstanding (in thousands)	93,868	93,633	90,869	89,700	91,356	88,120	88,154	86,243	81,983	86,366
Ending shares outstanding (in thousands)	91,099	90,400	89,294	86,694	86,694	87,358	87,113	82,601	80,814	80,814
Financial Position										
Cash and cash equivalents	\$ 69	\$ 98	\$ 69	\$ 3	\$ 3	\$ 116	\$ 27	\$ 20	\$ 113	\$ 113
Working capital ⁽¹⁾	615	596	543	562	562	640	555	549	414	414
Fixed assets, net	1,492	1,479	1,477	1,459	1,459	1,583	1,524	1,503	1,441	1,441
Total assets	3,802	3,752	3,671	3,626	3,626	3,859	3,667	3,678	3,730	3,730
Current portion of long-term debt	1	1	1	1	1	2	2	2	2	2
Long-term debt, net of current portion	422	422	423	448	448	819	628	559	559	559
Net debt ⁽²⁾	354	325	355	446	446	705	603	541	448	448
Liquidity ⁽³⁾	595	590	566	583	583	349	396	477	693	693
Total Resolute Forest Products Inc. shareholders' equity	1,579	1,599	1,551	1,234	1,234	1,233	1,249	1,299	1,081	1,081
Noncontrolling interest	1	1	1	1	1	1	1	1	1	1
Total equity	1,580	1,600	1,552	1,235	1,235	1,234	1,250	1,300	1,082	1,082
Cash Flow Information										
Net cash provided by (used in) operating activities	\$ 23	\$ 72	\$ 25	\$ (35)	\$ 85	\$ (49)	\$ 125	\$ 100	\$ 158	\$ 334
Cash invested in fixed assets	(26)	(19)	(37)	(31)	(113)	(21)	(16)	(16)	(25)	(78)
Acquisition of business, net of cash acquired	-	-	-	-	-	(174)	2	-	-	(172)
Increase in countervailing and anti-dumping duty cash deposits on softwood lumber	(14)	(19)	(13)	(13)	(59)	(15)	(17)	(20)	(29)	(81)
Net cash used in investing activities	(33)	(36)	(50)	(43)	(162)	(206)	(21)	(21)	(49)	(297)
Net borrowings (repayments) under revolving credit facilities	-	-	-	71	71	189	(191)	(69)	-	(71)
Proceeds from long-term debt	-	-	-	-	-	180	-	-	-	180
Repayments of debt	(225)	-	-	(46)	(271)	(1)	-	-	-	(1)
Purchases of treasury stock	-	(5)	(7)	(12)	(24)	-	(1)	(18)	(11)	(30)
Net cash (used in) provided by financing activities	(225)	(7)	(7)	11	(228)	368	(192)	(87)	(11)	78

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(In millions of U.S. dollars, except per unit items and otherwise indicated)

	2019					2020				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Sales										
Market pulp	\$ 231	\$ 189	\$ 201	\$ 176	\$ 797	\$ 177	\$ 161	\$ 161	\$ 169	\$ 668
Tissue	39	43	43	40	165	49	44	39	41	173
Wood products	161	168	146	141	616	174	199	322	330	1,025
Paper ⁽¹⁾	364	355	315	311	1,345	289	208	208	229	934
Total sales	\$ 795	\$ 755	\$ 705	\$ 668	\$ 2,923	\$ 689	\$ 612	\$ 730	\$ 769	\$ 2,800
Shipments (thousands of units)										
Market pulp (mt)	286	257	320	293	1,156	303	258	273	284	1,118
Tissue (st)	24	25	25	23	97	28	24	21	22	95
Wood products (mbf)	428	484	429	390	1,731	443	521	537	542	2,043
Paper (mt) ⁽¹⁾	515	525	482	495	2,017	482	350	351	394	1,577
Average Transaction Price per Unit										
Market pulp (\$/mt)	\$ 808	\$ 739	\$ 625	\$ 601	\$ 690	\$ 585	\$ 619	\$ 593	\$ 596	\$ 598
Tissue (\$/st)	1,664	1,695	1,741	1,743	1,711	1,758	1,823	1,894	1,817	1,818
Wood products (\$/mbf)	374	348	341	363	356	392	383	600	608	502
Paper (\$/mt) ⁽¹⁾	708	675	655	627	667	599	591	594	583	592

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(In millions of U.S. dollars, except per unit items and otherwise indicated)

	2019					2020				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Operating income (Loss)										
Market pulp	\$ 42	\$ 27	\$ (12)	\$ (18)	\$ 39	\$ (3)	\$ 10	\$ (4)	\$ (4)	\$ (1)
Tissue	(8)	(4)	(3)	(1)	(16)	2	(2)	2	(3)	(1)
Wood products	6	(3)	(4)	(5)	(6)	5	15	128	128	276
Paper ^(a)	43	32	8	(1)	82	(3)	(12)	(12)	(19)	(46)
Corporate and other	(19)	(12)	(7)	(44)	(82)	(9)	(5)	(17)	(98)	(129)
Total operating income (loss)	\$ 64	\$ 40	\$ (18)	\$ (69)	\$ 17	\$ (8)	\$ 6	\$ 97	\$ 4	\$ 99
Selling, General and Administrative Expenses										
Market pulp	\$ 7	\$ 7	\$ 7	\$ 6	\$ 27	\$ 8	\$ 5	\$ 6	\$ 7	\$ 26
Tissue	3	3	2	2	10	2	3	3	2	10
Wood products	6	6	5	6	23	7	5	5	4	21
Paper ^(a)	14	13	13	13	53	12	10	10	9	41
Corporate and other	7	7	3	6	23	5	9	11	13	38
Total selling, general and administrative expenses	\$ 37	\$ 36	\$ 30	\$ 33	\$ 136	\$ 34	\$ 32	\$ 35	\$ 35	\$ 136
Operating Cost per Unit										
Market pulp (\$/mt)	\$ 664	\$ 630	\$ 664	\$ 663	\$ 656	\$ 595	\$ 581	\$ 608	\$ 610	\$ 599
Tissue (\$/st)	1,984	1,853	1,885	1,769	1,873	1,703	1,870	1,815	1,927	1,822
Wood products (\$/mbf)	360	355	351	377	360	380	355	361	373	367
Paper (\$/mt) ^(a)	626	613	636	630	626	605	625	628	631	621
Operating Cost per Unit, Excluding Depreciation and Amortization										
Market pulp (\$/mt)	\$ 646	\$ 610	\$ 643	\$ 642	\$ 636	\$ 575	\$ 560	\$ 586	\$ 588	\$ 578
Tissue (\$/st)	1,781	1,681	1,710	1,578	1,688	1,548	1,693	1,597	1,726	1,637
Wood products (\$/mbf)	342	336	331	354	340	356	335	340	352	345
Paper (\$/mt) ^(a)	591	578	598	593	590	571	578	579	586	578
Product Inventory (thousands of units)										
Market pulp (mt)	78	110	74	68	68	69	87	71	53	53
Tissue (st)	7	7	6	8	8	5	5	6	6	6
Wood products (mbf)	159	122	122	133	133	148	119	121	97	97
Paper (mt) ^(a)	184	154	148	142	142	150	130	124	96	96

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	2019					2020				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
(In millions of U.S. dollars)										
Net Income (Loss) Including Noncontrolling Interest										
Market pulp	\$ 42	\$ 27	\$ (12)	\$ (18)	\$ 39	\$ (3)	\$ 10	\$ (4)	\$ (4)	\$ (1)
Tissue	(8)	(4)	(3)	(1)	(16)	2	(2)	2	(3)	(1)
Wood products	6	(3)	(4)	(5)	(6)	5	15	128	128	276
Paper ^(A)	43	32	8	(1)	82	(3)	(12)	(12)	(19)	(46)
Corporate and other	(41)	(27)	(32)	(46)	(146)	(2)	(5)	(57)	(154)	(218)
Total net income (loss) including noncontrolling interest	\$ 42	\$ 25	\$ (43)	\$ (71)	\$ (47)	\$ (1)	\$ 6	\$ 57	\$ (52)	\$ 10
Interest Expense	\$ 9	\$ 7	\$ 8	\$ 7	\$ 31	\$ 9	\$ 9	\$ 8	\$ 8	\$ 34
Income Tax Provision (Benefit)	\$ 21	\$ 19	\$ 12	\$ 6	\$ 58	\$ 27	\$ 5	\$ 23	\$ (4)	\$ 51
Depreciation and Amortization										
Market pulp	\$ 5	\$ 5	\$ 7	\$ 6	\$ 23	\$ 6	\$ 6	\$ 6	\$ 6	\$ 24
Tissue	5	4	4	5	18	4	5	4	5	18
Wood products	8	9	8	9	34	11	10	11	11	43
Paper ^(A)	17	19	18	18	72	17	16	18	18	69
Corporate and other	5	5	5	5	20	4	3	4	4	15
Total depreciation and amortization	\$ 40	\$ 42	\$ 42	\$ 43	\$ 167	\$ 42	\$ 40	\$ 43	\$ 44	\$ 169
EBITDA ^(B)										
Market pulp	\$ 47	\$ 32	\$ (5)	\$ (12)	\$ 62	\$ 3	\$ 16	\$ 2	\$ 2	\$ 23
Tissue	(3)	-	1	4	2	6	3	6	2	17
Wood products	14	6	4	4	28	16	25	139	139	319
Paper ^(A)	60	51	26	17	154	14	4	6	(1)	23
Corporate and other	(6)	4	(7)	(28)	(37)	38	12	(22)	(146)	(118)
Total EBITDA	\$ 112	\$ 93	\$ 19	\$ (15)	\$ 209	\$ 77	\$ 60	\$ 131	\$ (4)	\$ 264
Special Items ^(B)										
Closure costs, impairment and other related charges	\$ -	\$ -	\$ -	\$ 18	\$ 18	\$ (2)	\$ -	\$ -	\$ 55	\$ 53
Inventory write-downs related to closures	-	-	-	13	13	-	-	-	25	25
Net gain on disposition of assets	-	-	(1)	(1)	(2)	-	(9)	-	(2)	(11)
Non-operating pension and other postretirement benefit credits	(12)	(12)	(12)	(11)	(47)	(15)	(4)	(5)	24	-
Start-up costs	-	-	-	-	-	-	-	-	3	3
Other expense (income), net	4	1	17	-	22	(28)	(10)	14	28	4
Income tax effect of special items	(4)	(3)	5	(1)	(3)	17	(5)	(4)	(36)	(28)
Total special items	\$ (12)	\$ (14)	\$ 9	\$ 18	\$ 1	\$ (28)	\$ (28)	\$ 5	\$ 97	\$ 46
Adjusted EBITDA ^(B)										
Market pulp	\$ 47	\$ 32	\$ (5)	\$ (12)	\$ 62	\$ 3	\$ 16	\$ 2	\$ 2	\$ 23
Tissue	(3)	-	1	4	2	6	3	6	2	17
Wood products	14	6	4	4	28	16	25	139	139	319
Paper ^(A)	60	51	26	17	154	14	4	6	(1)	23
Corporate and other	(14)	(7)	(3)	(9)	(33)	(7)	(11)	(13)	(13)	(44)
Total adjusted EBITDA	\$ 104	\$ 82	\$ 23	\$ 4	\$ 213	\$ 32	\$ 37	\$ 140	\$ 129	\$ 338

Financial and Operating Statistics (Page 5 of 5)

Notes

¹ We define working capital as current assets less current liabilities excluding cash and cash equivalents, restricted cash, debt, and operating lease liabilities.

² We define net debt as total debt less cash and cash equivalents.

³ We define liquidity as cash and cash equivalents and availability under our credit facilities.

⁴ In the second quarter of 2020, the results from our newsprint and specialty papers operations have been combined to form the paper reportable segment. This better reflects management's internal analysis, given the diminishing percentage newsprint and specialty papers represent in our product portfolio. Comparative information has been modified to conform with this revised segment presentation.

⁵ Earnings before interest expense, income taxes, and depreciation and amortization (or "EBITDA") by reportable segment is calculated as net income (loss) including noncontrolling interest from the consolidated statements of operations, allocated to each of our reportable segments (market pulp, tissue, wood products and paper) in accordance with Financial Accounting Standards Board Accounting Standards Codification 290, "Segment Reporting," adjusted for depreciation and amortization. EBITDA for corporate and other is calculated as net income (loss) including noncontrolling interest from the consolidated statements of operations, after the allocation to reportable segments, adjusted for interest expense, income taxes, and depreciation and amortization.

Adjusted EBITDA means EBITDA, excluding special items, such as closure costs, impairment and other related charges, inventory write-downs related to closures, gains and losses on disposition of assets, non-operating pension and other postretirement benefit costs and credits, start-up costs, and other income and expense, net. Special items are allocated to corporate and other.

EBITDA and adjusted EBITDA are not financial measures recognized under U.S. generally accepted accounting principles (or "GAAP"). We believe that using these non-GAAP measures is useful because they are consistent with the indicators management uses internally to measure the Company's performance, and it allows the reader to compare our operations and financial performance from period to period. EBITDA and adjusted EBITDA are internal measures, and therefore may not be comparable to those of other companies. These non-GAAP measures should not be viewed as substitutes to financial measures determined under GAAP in our consolidated statements of operations in our filings with the U.S. Securities and Exchange Commission.

RESOLUTE FOREST PRODUCTS Q4 2020 RESULTS



FEBRUARY 4, 2021