

RESOLUTE FOREST PRODUCTS Q1 2020 RESULTS



APRIL 30, 2020

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

Statements in this presentation 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 presentation 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, and 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; 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,” 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 presentation 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 U.S., 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 the London Interbank Offered Rate (or, the “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 substantially all 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 described 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 included on the Form 8-K filed April 30, 2020.

All forward-looking statements in this presentation are expressly qualified by the cautionary statements contained or referred to above and in our other filings with the U.S. Securities and Exchange Commission and the Canadian securities regulatory authorities. We disclaim 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

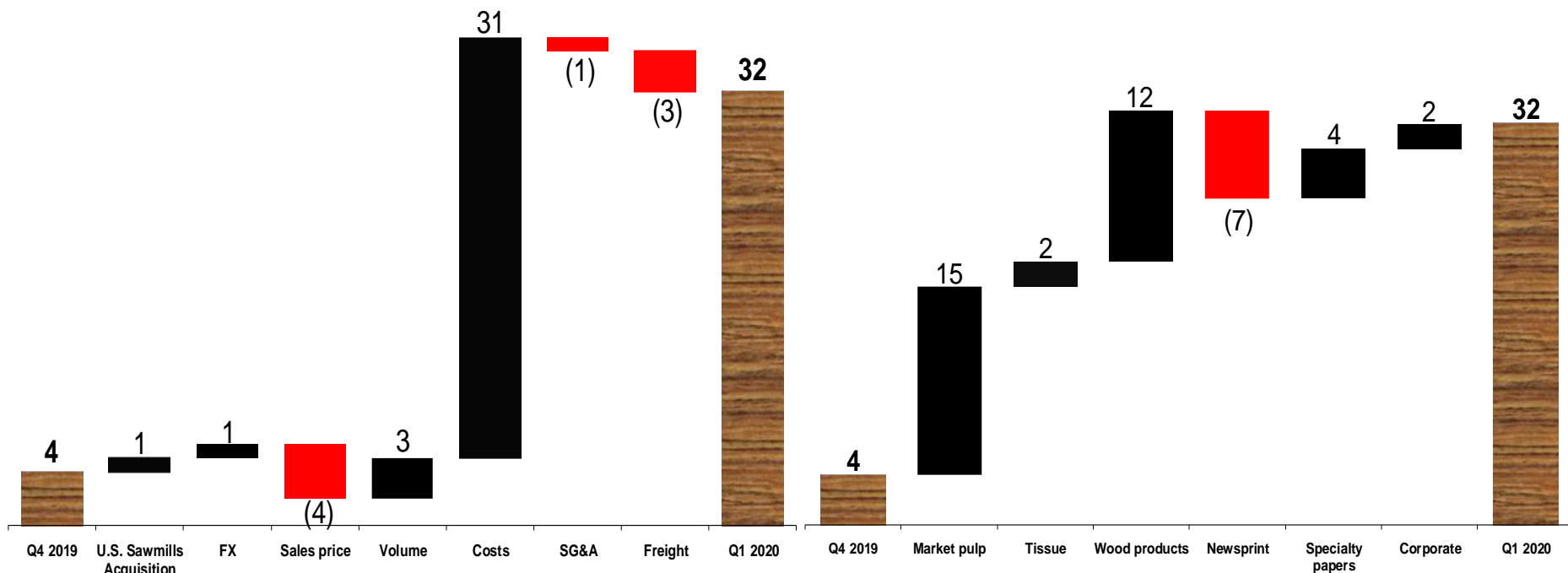
Q1 2020 FINANCIAL HIGHLIGHTS

- Q1 GAAP net loss of \$1 million / \$0.01 per share
- Adjusted EBITDA of \$32 million in the quarter
- Completed acquisition of three U.S. South sawmills
- Operating all segments as essential services, adjusting to economic slowdown

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

Q1 2020 OVERVIEW

Adjusted EBITDA : Q1'20 vs. Q4'19

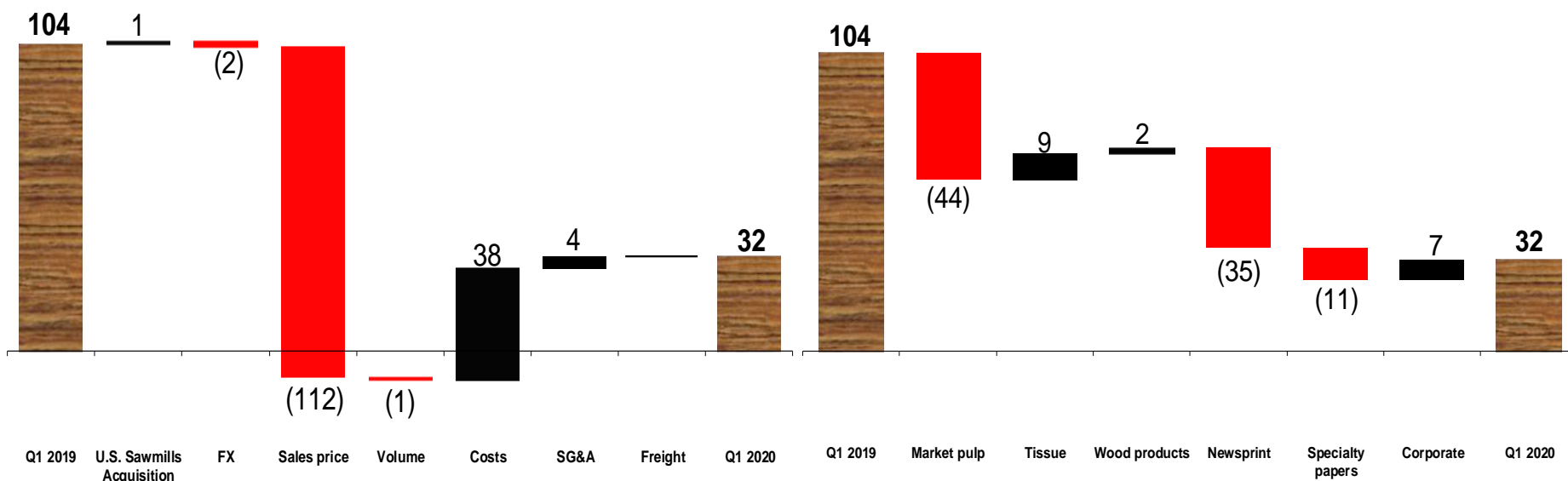


- Higher sales prices for wood \uparrow 8% offset by newsprint \downarrow 7%; pulp \downarrow 3%; specialty papers \downarrow 2%
- Costs: lower maintenance costs

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

Q1 2020 OVERVIEW

Adjusted EBITDA : Q1'20 vs. Q1'19



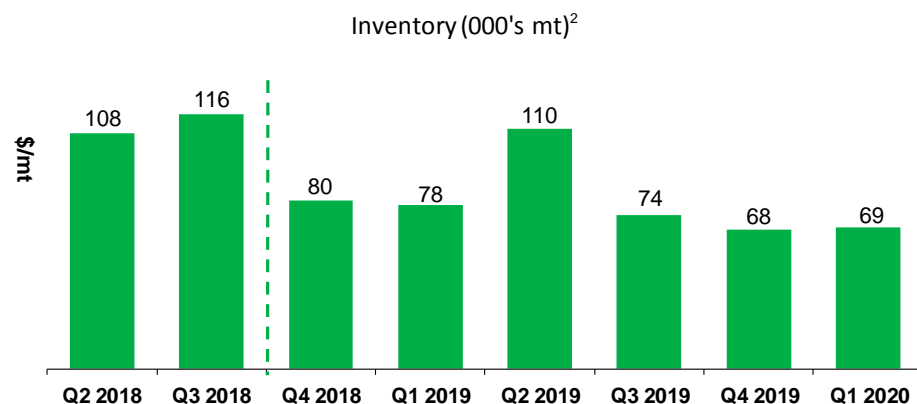
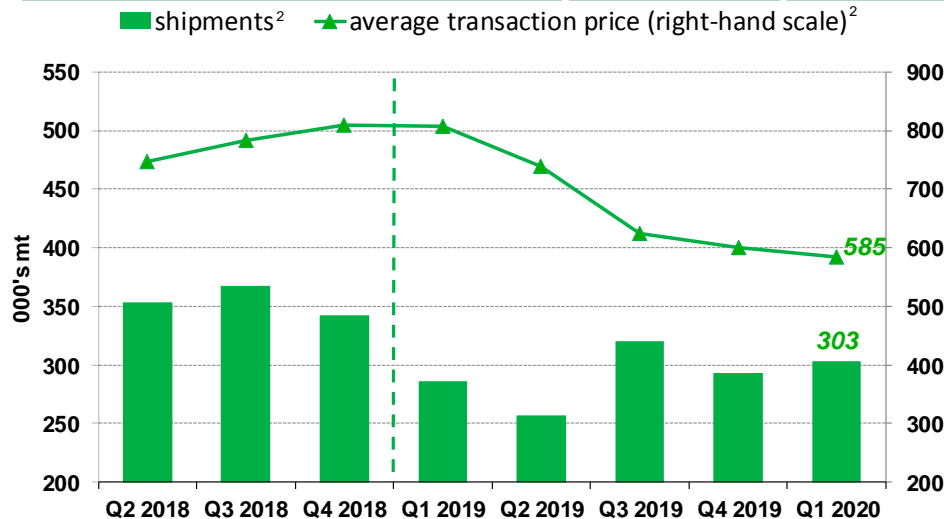
- Lower selling price: pulp ↓ 28%; newsprint ↓ 20%; specialty paper ↓ 11%
- Costs: lower maintenance, wood fiber and energy costs

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

MARKET PULP

(US\$mm)	Q1 2020	Q4 2019
Sales	177	176
Operating loss	(3)	(18)
EBITDA ¹	3	(12)
Shipments (000's mt)	303	293

- World shipments of chemical pulp vs. 2019³
 - Hardwood ↑ 13%
 - Softwood unchanged
- Q1 shipments ↑ 10k mt vs. Q4
- Q1 transaction price ↓ \$16/mt vs. Q4
- Q1 cash cost⁴ ↓ \$67/mt vs. Q4
- Finished goods inventory ↑ 1k mt vs. Q4

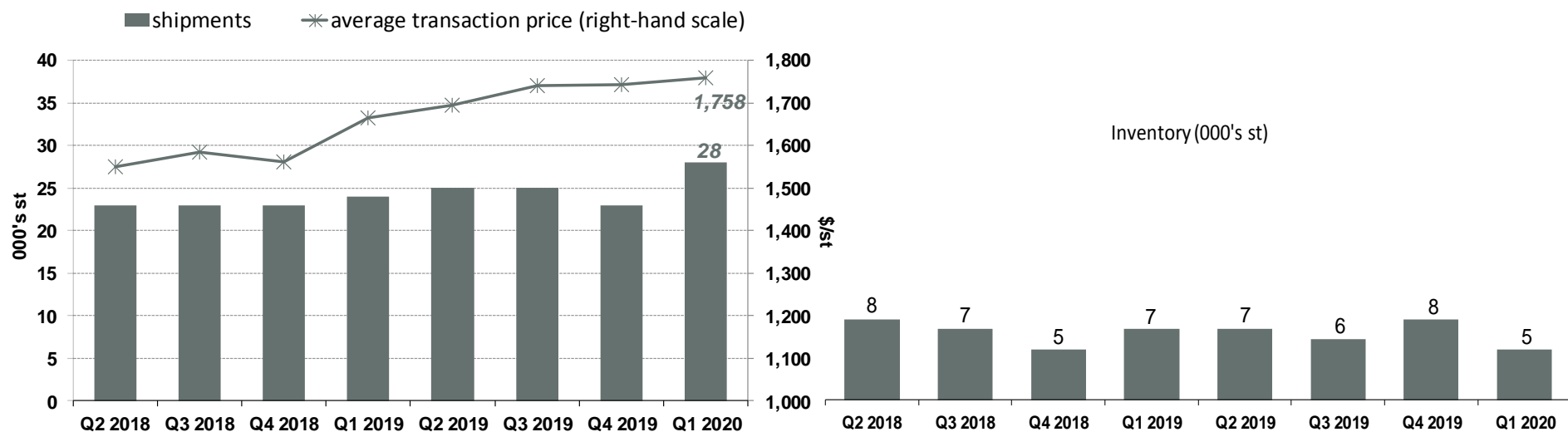


- EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
- Divestitures in Q4 2018: Catawba mill (approx. 230,000 mt annual capacity) and Fairmont mill (net impact of approx. 80,000 mt of shipments annually).
- For the two months ended February 29, 2020 vs. February 28, 2019.
- 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)	Q1 2020	Q4 2019
Sales	49	40
Operating income (loss)	2	(1)
EBITDA ¹	6	4
Shipments (000's st)	28	23

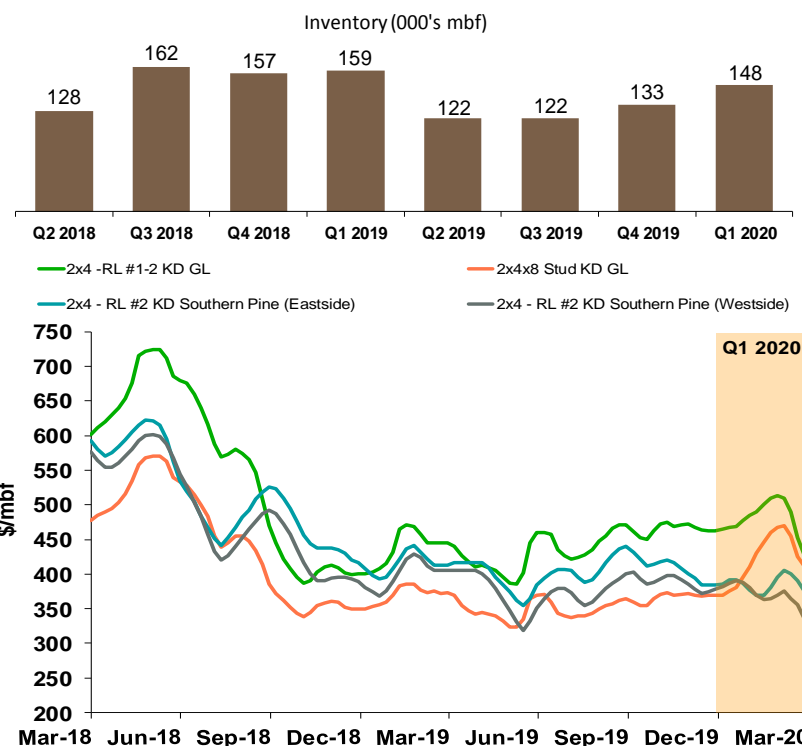
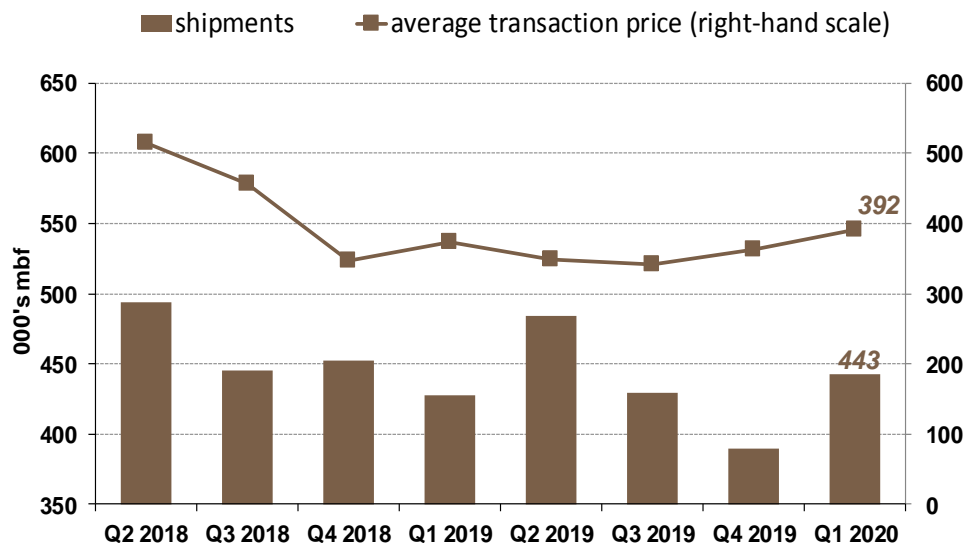
- U.S. consumption unchanged vs. 2019²
 - Away-from-home shipments ↑ 4%
 - At-home shipments ↑ 1%
- Q1 transaction price ↑ \$15/st vs. Q4
- Q1 cash cost ↓ \$30/st vs. Q4



WOOD PRODUCTS

(US\$mm)	Q1 2020	Q4 2019
Sales	174	141
Operating income (loss)	5	(5)
EBITDA ¹	16	4
Shipments (mmbf)	443	390

- U.S. housing starts ↑ 21% vs. 2019
 - Single-family starts ↑ 11%
 - multi-family starts ↑ 45%
- Q1 transaction price ↑ \$29/mbf vs. Q4
- Q1 shipments ↑ 53 mmbf vs. Q4
- Q1 cash cost ↑ \$2/mbf vs. Q4
- Q1 downtime: nearly 70 mmbf²

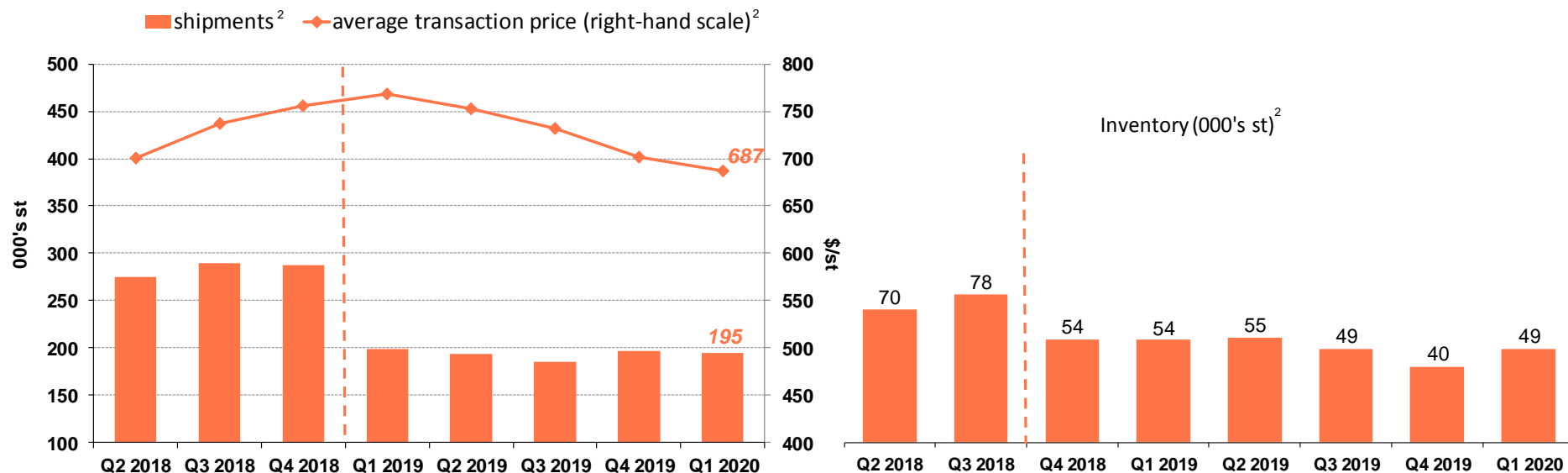


1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
2. Excluding the recently-acquired U.S. sawmills.

SPECIALTY PAPERS

(US\$mm)	Q1 2020	Q4 2019
Sales	134	139
Operating income (loss)	3	(1)
EBITDA ¹	14	10
Shipments (000's st)	195	197

- North American uncoated mechanical grades demand ↓ 14% vs. 2019
 - SC³ ↓ 20%; standard papers ↓ 8%
 - Shipment-to-capacity ratio of 84%
- Q1 transaction price ↓ \$15/st vs. Q4
- Q1 shipments ↓ 2k st vs. Q4
- Q1 cash cost ↓ \$38/st vs. Q4

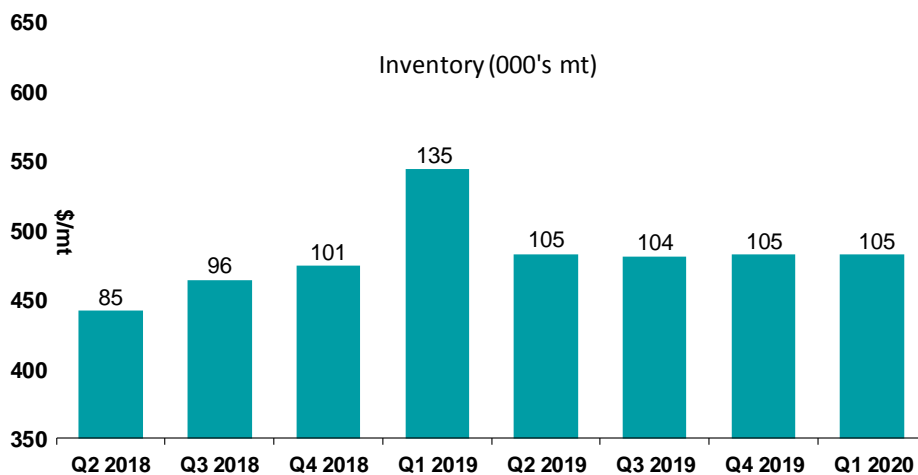
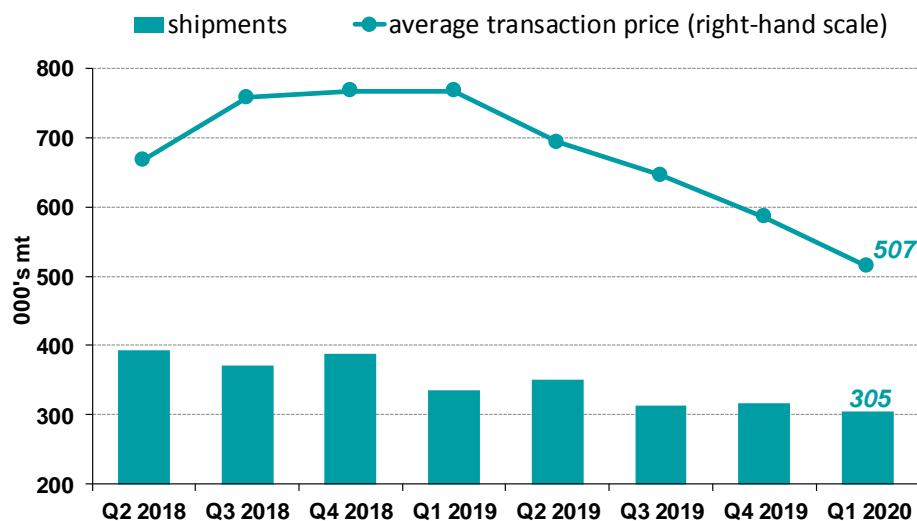


1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
2. Divestiture at the end of Q4 2018: Catawba mill (approx. 350,000 st annual capacity).
3. Supercalendered.

NEWSPRINT

(US\$mm)	Q1 2020	Q4 2019
Sales	155	172
Operating (loss) income	(6)	-
EBITDA ¹	-	7
Shipments (000's mt)	305	316

- North America:
 - Demand ↓ 12% vs. 2019
 - Publishers ↓ 15%
 - Commercial printers ↓ 8%
 - Shipment-to-capacity ratio of 86%
- World²:
 - Demand ↓ 12% vs. 2019
 - Shipment-to-capacity ratio of 78%
- Q1 transaction price ↓ \$36/mt vs. Q4
- Q1 shipments ↓ 11k mt vs. Q4
- Q1 cash cost ↓ \$13/mt vs. Q4



P&L

Selected financial information

	Q1 2020	vs Q4 2019	vs Q1 2019
Net income (excluding special items) ¹	-\$29mm	+\$24mm	-\$59mm
Sales	\$689mm	+3%	-13%
EPS (excluding special items) ¹	-\$0.33	+\$0.26	-\$0.65
Adjusted EBITDA ²	\$32mm	+7%	-69%

Special items affecting net income (pre-tax) in Q1 2020

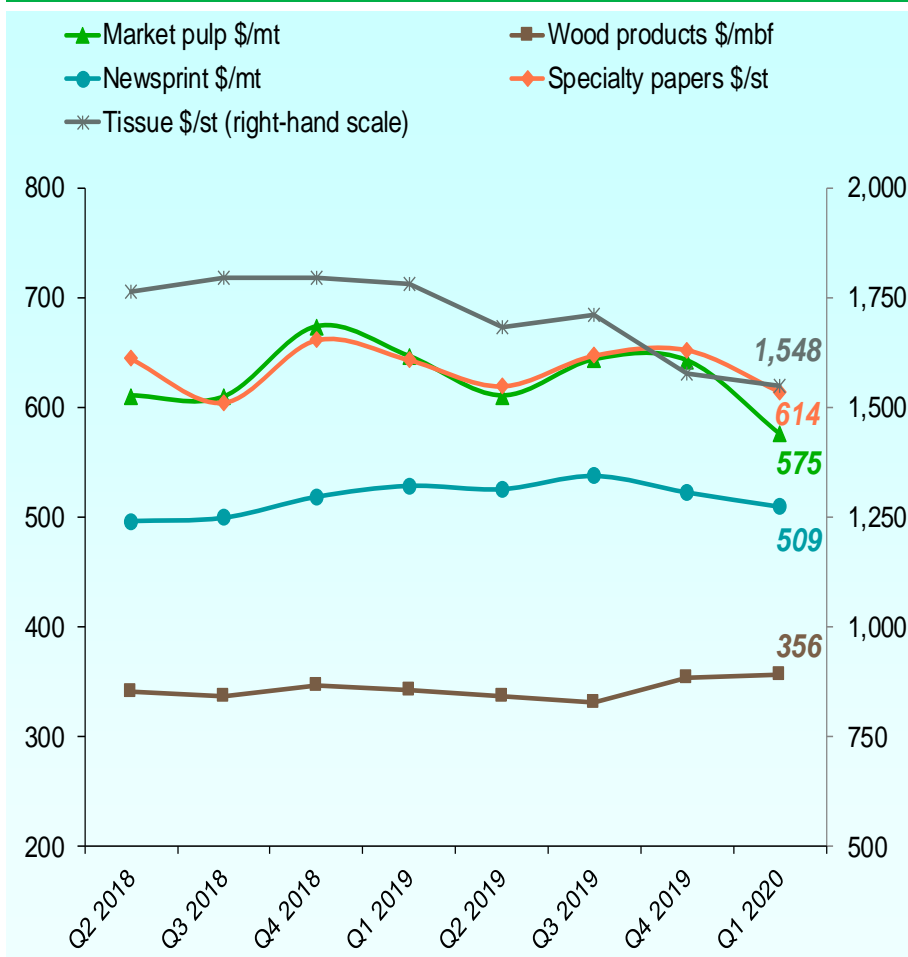
- \$15mm non-operating pension and OPEB³ credits
- \$23mm foreign exchange gain recorded in other income

EBITDA ² contribution from cogen (US\$mm)	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20
	11	10	4	11	8	9	8	11

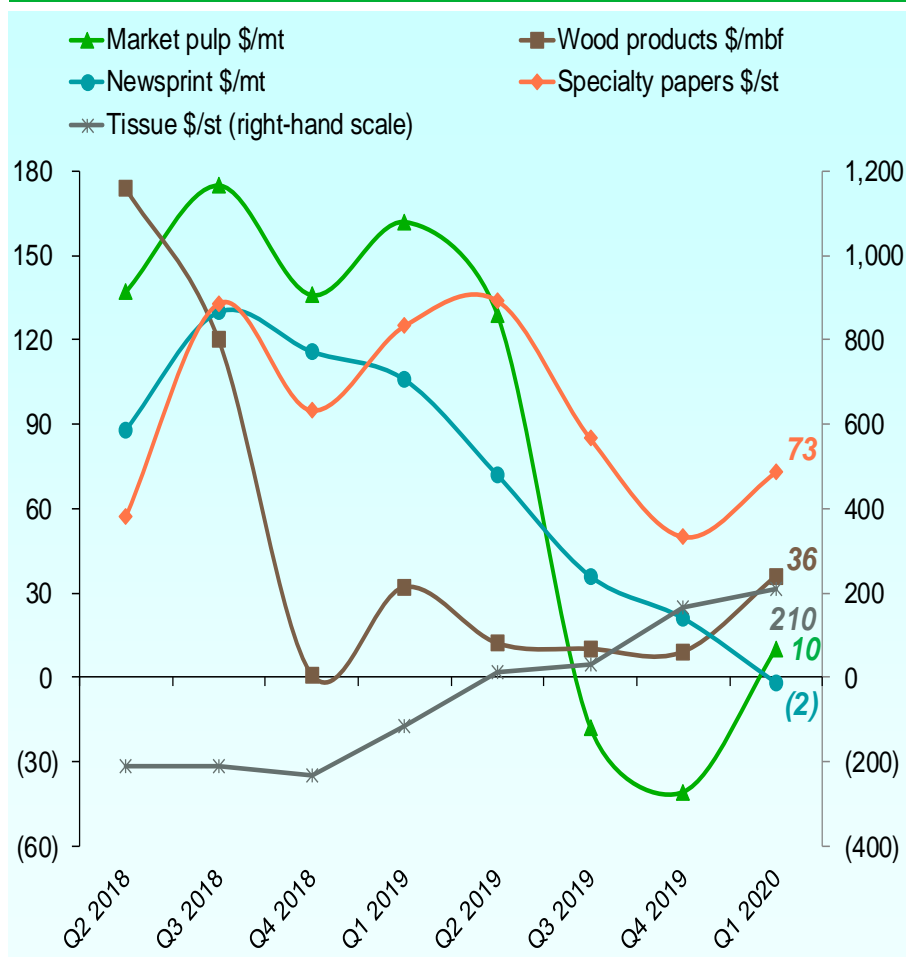
1. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
2. Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
3. Other postretirement benefit.

PERFORMANCE METRICS

« All-in » cash cost



EBITDA¹ per unit



LIQUIDITY AND CASH FLOW

- Q1 net cash used in operations of \$49mm
- Q1 capex of \$21mm
- \$90mm of capital expenditures expected in 2020, down from \$115mm previously guided
- Quarterly lumber cash duty deposits of \$15mm (cumulative of \$177mm)
- Drew \$180mm from 10-year term loans to finance sawmills acquisition
- Drew \$120 million for cash buffer and \$70mm from credit facilities for short-term working cap
- New program to repurchase up to 15% of common stock for consideration up to \$100mm
- Liquidity remains strong at \$349mm

(US\$mm)	Q1 2020	vs Q4 2019	vs Q1 2019
Cash	116	+113	+47
Working capital	640	+78	+25
Total debt	821	+372	+398
Interest	9	+2	-

Available liquidity (US\$mm)	2020	2019				2018		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total debt	821	449	424	423	423	645	645	675
Cash on hand	116	3	69	98	69	304	72	6
Available under revolving credit facilities	233	580	497	492	526	517	582	511

PENSION

- Net pension & OPEB liability ↓ \$117mm in Q1
 - Ongoing pension contributions and favorable currency impact

(US\$mm)	Q1'2020	2019	2018	2017
Net pension liabilities	1,219	1,326	1,122	1,097
OPEB liabilities	137	147	148	172
Net pension and OPEB liabilities	1,356	1,473	1,270	1,269
U.S. GAAP discount rate at 12/31 ¹	N/A	3.0%	3.8%	3.6%
Pension plans deficit for funding purposes ²	N/A	497 ³	550	562

(US\$mm)	2020E	Q1'2020	2019	2018	2017
Pension contributions ⁴	112*	23	99	121	132
OPEB payments	13	3	12	13	11
Operating pension and OPEB costs ⁴	34	8	33	40	41
Non-op. pension and OPEB (credits)/costs ⁵	8	(15)	(47)	(50)	(7)
Total pension and OPEB (credits)/costs⁴	42	(7)	(14)	(10)	34

**Up to \$34mm to be deferred to 2021*

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. Preliminary, subject to final actuarial reports.
4. Includes defined benefit and defined contribution plans.
5. Excluded from adjusted EBITDA.

MEASURES AROUND COVID-19

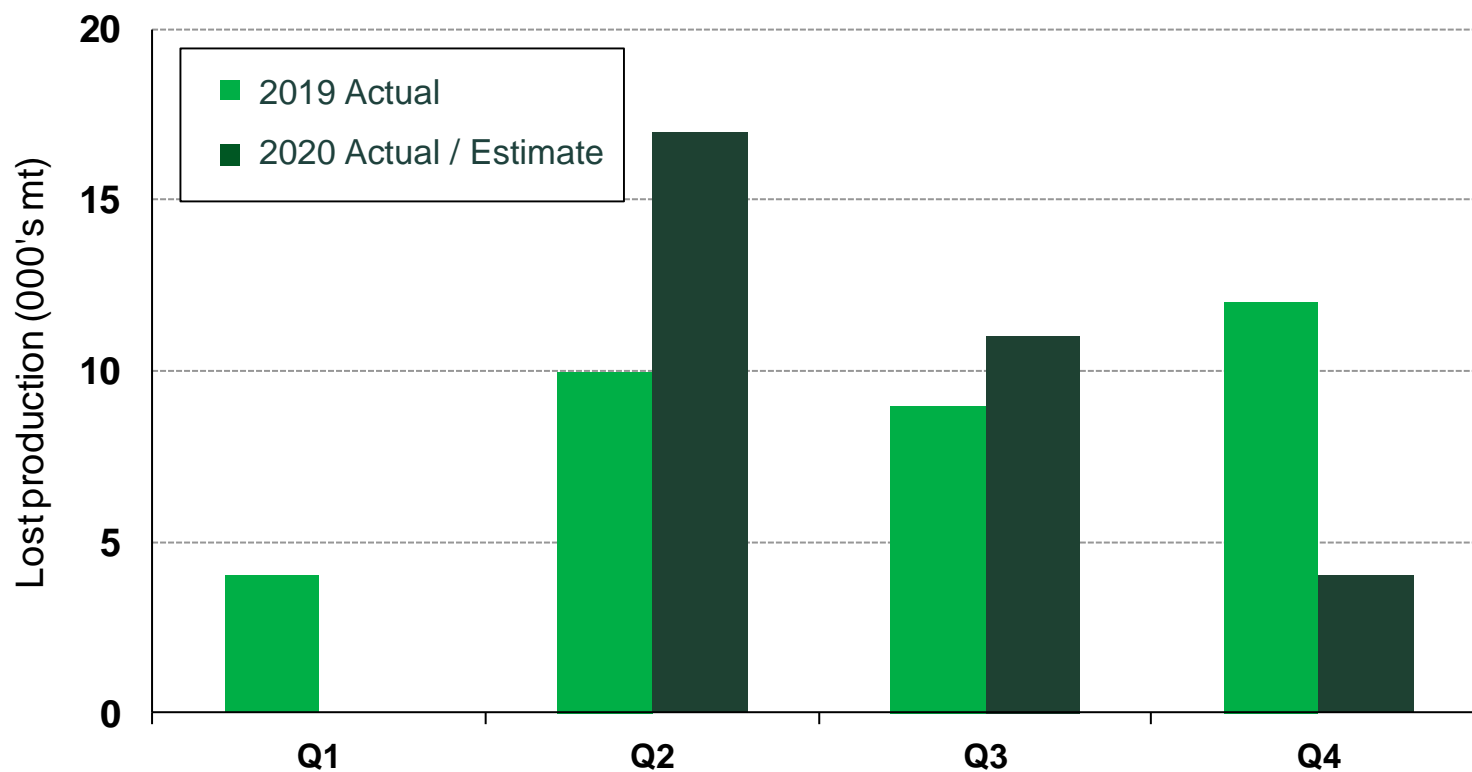
- ✓ Forest products sector recognized across NA as essential service
- ✓ Resolute manufactures a number of key products => lumber for infrastructure; pulp for personal care; tissue products for cleanliness and comfort; papers to inform
- ✓ Short-term priorities:
 - Health and safety in accordance with rigorous protocols; special measures to minimize the spread of the virus at our locations
 - Managing sources of liquidity; opportunities to access additional liquidity
 - Working governments to support speedy economic recovery
 - Monitoring growing risk around credit exposure
 - Minimizing risk of rising pension contributions
 - Adjusting capacity dynamically based on rapidly-changing conditions
 - Keeping tight control on SG&A expenses and controlling capital spending

OUTLOOK

Market Pulp	<ul style="list-style-type: none">• Resilient global demand as higher-quality tissue demand outpaces lower printing & writing uses• Cautiously optimistic for sustained volume and improving pricing
Tissue	<ul style="list-style-type: none">• Increase in demand for at-home end-uses• Will continue to support away-from-home customers
Wood Products	<ul style="list-style-type: none">• Expect to be a key role in the economic recovery, but housing start projections are not encouraging• Integration of recently-acquired U.S. sawmills going well• Plans to bring El Dorado on-line early in 2021, subject to market conditions
Paper	<ul style="list-style-type: none">• Sustained pressure in the current environment• Focus on maximizing cash generation

OUTLOOK

2020 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 contained in our April 30, 2020, press release available on our website.

Three months ended March 31, 2020		Operating		
(Unaudited, in millions of U.S. dollars, except per share amounts)		loss	Net loss	EPS
GAAP, as reported		\$ (8)	\$ (1)	\$ (0.01)
Adjustments for special items:				
Closure costs, impairment and other related charges		(2)	(2)	(0.02)
Non-operating pension and other postretirement benefit credits		-	(15)	(0.17)
Other income, net		-	(28)	(0.32)
Income tax effect of special items		-	17	0.19
Adjusted for special items		\$ (10)	\$ (29)	\$ (0.33)
Three months ended March 31, 2019		Operating		
(Unaudited, in millions of U.S. dollars, except per share amounts)		income	Net income	EPS
GAAP, as reported		\$ 64	\$ 42	\$ 0.45
Adjustments for special items:				
Non-operating pension and other postretirement benefit credits		-	(12)	(0.13)
Other expense, net		-	4	0.04
Income tax effect of special items		-	(4)	(0.04)
Adjusted for special items		\$ 64	\$ 30	\$ 0.32

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 contained in our April 30, 2020, press release available on our website.

Three months ended March 31, 2020 (Unaudited, in millions of U.S. dollars)	Market pulp	Tissue	Wood products	Newsprint	Specialty papers	Corporate and other	Total
Net (loss) income including noncontrolling interest	\$ (3)	\$ 2	\$ 5	\$ (6)	\$ 3	\$ (2)	\$ (1)
Interest expense						9	9
Income tax provision						27	27
Depreciation and amortization	6	4	11	6	11	4	42
EBITDA	\$ 3	\$ 6	\$ 16	\$ -	\$ 14	\$ 38	\$ 77
Closure costs, impairment and other related charges						(2)	(2)
Non-operating pension and other postretirement benefit credits						(15)	(15)
Other income, net						(28)	(28)
Adjusted EBITDA	\$ 3	\$ 6	\$ 16	\$ -	\$ 14	\$ (7)	\$ 32

Three months ended March 31, 2019 (Unaudited, in millions of U.S. dollars)	Market pulp	Tissue	Wood products	Newsprint	Specialty papers	Corporate and other	Total
Net income (loss) including noncontrolling interest	\$ 42	\$ (8)	\$ 6	\$ 28	\$ 15	\$ (41)	\$ 42
Interest expense						9	9
Income tax provision						21	21
Depreciation and amortization	5	5	8	7	10	5	40
EBITDA	\$ 47	\$ (3)	\$ 14	\$ 35	\$ 25	\$ (6)	\$ 112
Non-operating pension and other postretirement benefit credits						(12)	(12)
Other expense, net						4	4
Adjusted EBITDA	\$ 47	\$ (3)	\$ 14	\$ 35	\$ 25	\$ (14)	\$ 104

APPENDIX B



Resolute Forest Products Inc.

Financial and Operating Statistics (Page 1 of 5)

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

Income Statement Data

	2019					2020				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Sales	\$ 795	\$ 755	\$ 705	\$ 668	\$ 2,923	\$ 689				\$ 689
Operating income (loss)	64	40	(18)	(69)	17	(8)				(8)
Interest expense	(9)	(7)	(8)	(7)	(31)	(9)				(9)
Net income (loss) attributable to Resolute Forest Products Inc.	42	25	(43)	(71)	(47)	(1)				(1)
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)				\$ (0.01)
Average diluted shares outstanding (in thousands)	93,868	93,633	90,869	89,780	91,356	88,120				88,120
Ending shares outstanding (in thousands)	91,099	90,400	89,294	86,694	86,694	87,358				87,358

Financial Position

Cash and cash equivalents	\$ 69	\$ 98	\$ 69	\$ 3	\$ 3	\$ 116				\$ 116
Working capital ⁽¹⁾	615	596	543	562	562	640				640
Fixed assets, net	1,492	1,479	1,477	1,459	1,459	1,583				1,583
Total assets	3,802	3,752	3,671	3,626	3,626	3,859				3,859
Current portion of long-term debt	1	1	1	1	1	2				2
Long-term debt, net of current portion	422	422	423	448	448	819				819
Net debt ⁽²⁾	354	325	355	446	446	705				705
Liquidity ⁽³⁾	595	590	566	583	583	349				349
Total Resolute Forest Products Inc. shareholders' equity	1,579	1,599	1,551	1,234	1,234	1,233				1,233
Noncontrolling interest	1	1	1	1	1	1				1
Total equity	1,580	1,600	1,552	1,235	1,235	1,234				1,234

Cash Flow Information

Net cash provided by (used in) operating activities	\$ 23	\$ 72	\$ 25	\$ (35)	\$ 85	\$ (49)				\$ (49)
Cash invested in fixed assets	(26)	(19)	(37)	(31)	(113)	(21)				(21)
Acquisition of business, net of cash acquired	-	-	-	-	-	(174)				(174)
Increase in countervailing and anti-dumping duty cash deposits on softwood lumber	(14)	(19)	(13)	(13)	(59)	(15)				(15)
Net cash used in investing activities	(33)	(36)	(50)	(43)	(162)	(206)				(206)
Net borrowings under revolving credit facilities	-	-	-	71	71	189				189
Proceeds from long-term debt	-	-	-	-	-	180				180
Repayments of debt	(225)	-	-	(46)	(271)	(1)				(1)
Purchases of treasury stock	-	(5)	(7)	(12)	(24)	-				-
Net cash (used in) provided by financing activities	(225)	(7)	(7)	11	(228)	368				368

Resolute Forest Products Inc.

Financial and Operating Statistics (Page 2 of 5)

(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				\$ 177
Tissue	39	43	43	40	165	49				49
Wood products	161	168	146	141	616	174				174
Newsprint	212	209	180	172	773	155				155
Specialty papers	152	146	135	139	572	134				134
Total sales	\$ 795	\$ 755	\$ 705	\$ 668	\$ 2,923	\$ 689				\$ 689
Shipments (thousands of units)										
Market pulp (mt)	286	257	320	293	1,156	303				303
Tissue (st)	24	25	25	23	97	28				28
Wood products (mbf)	428	484	429	390	1,731	443				443
Newsprint (mt)	335	350	314	316	1,315	305				305
Specialty papers (st)	199	193	185	197	774	195				195
Average Transaction Price per Unit										
Market pulp (\$/mt)	\$ 808	\$ 739	\$ 625	\$ 601	\$ 690	\$ 585				\$ 585
Tissue (\$/st)	1,664	1,695	1,741	1,743	1,711	1,758				1,758
Wood products (\$/mbf)	374	348	341	363	356	392				392
Newsprint (\$/mt)	634	597	573	543	588	507				507
Specialty papers (\$/st)	768	753	732	702	739	687				687

Resolute Forest Products Inc.
Financial and Operating Statistics (Page 3 of 5)

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

Operating Income (Loss)

	2019					2020				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Market pulp	\$ 42	\$ 27	\$ (12)	\$ (18)	\$ 39	\$ (3)				\$ (3)
Tissue	(8)	(4)	(3)	(1)	(16)	2				2
Wood products	6	(3)	(4)	(5)	(6)	5				5
Newsprint	28	17	4	-	49	(6)				(6)
Specialty papers	15	15	4	(1)	33	3				3
Corporate and other	(19)	(12)	(7)	(44)	(82)	(9)				(9)
Total operating income (loss)	\$ 64	\$ 40	\$ (18)	\$ (69)	\$ 17	\$ (8)				\$ (8)

Selling, General and Administrative Expenses

Market pulp	\$ 7	\$ 7	\$ 7	\$ 6	\$ 27	\$ 8				\$ 8
Tissue	3	3	2	2	10	2				2
Wood products	6	6	5	6	23	7				7
Newsprint	9	9	9	8	35	8				8
Specialty papers	5	4	4	5	18	4				4
Corporate and other	7	7	3	6	23	5				5
Total selling, general and administrative expenses	\$ 37	\$ 36	\$ 30	\$ 33	\$ 136	\$ 34				\$ 34

Operating Cost per Unit

Market pulp (\$/mt)	\$ 664	\$ 630	\$ 664	\$ 663	\$ 656	\$ 595				\$ 595
Tissue (\$/st)	1,984	1,853	1,885	1,769	1,873	1,703				1,703
Wood products (\$/mbf)	360	355	351	377	360	380				380
Newsprint (\$/mt)	550	547	560	545	550	529				529
Specialty papers (\$/st)	695	676	705	708	696	668				668

Operating Cost per Unit, Excluding Depreciation and Amortization

Market pulp (\$/mt)	\$ 646	\$ 610	\$ 643	\$ 642	\$ 636	\$ 575				\$ 575
Tissue (\$/st)	1,781	1,681	1,710	1,578	1,688	1,548				1,548
Wood products (\$/mbf)	342	336	331	354	340	356				356
Newsprint (\$/mt)	528	525	537	522	528	509				509
Specialty papers (\$/st)	643	619	647	652	640	614				614

Product Inventory (thousands of units)

Market pulp (mt)	78	110	74	68	68	69				69
Tissue (st)	7	7	6	8	8	5				5
Wood products (mbf)	159	122	122	133	133	148				148
Newsprint (mt)	135	105	104	105	105	105				105
Specialty papers (st)	54	55	49	40	40	49				49

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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)				\$ (3)
Tissue	(8)	(4)	(3)	(1)	(16)	2				2
Wood products	6	(3)	(4)	(5)	(6)	5				5
Newsprint	28	17	4	-	49	(6)				(6)
Specialty papers	15	15	4	(1)	33	3				3
Corporate and other	(41)	(27)	(32)	(46)	(146)	(2)				(2)
Total net income (loss) including noncontrolling interest	\$ 42	\$ 25	\$ (43)	\$ (71)	\$ (47)	\$ (1)				\$ (1)
Interest Expense	\$ 9	\$ 7	\$ 8	\$ 7	\$ 31	\$ 9				\$ 9
Income Tax Provision	\$ 21	\$ 19	\$ 12	\$ 6	\$ 58	\$ 27				\$ 27
Depreciation and Amortization										
Market pulp	\$ 5	\$ 5	\$ 7	\$ 6	\$ 23	\$ 6				\$ 6
Tissue	5	4	4	5	18	4				4
Wood products	8	9	8	9	34	11				11
Newsprint	7	8	7	7	29	6				6
Specialty papers	10	11	11	11	43	11				11
Corporate and other	5	5	5	5	20	4				4
Total depreciation and amortization	\$ 40	\$ 42	\$ 42	\$ 43	\$ 167	\$ 42				\$ 42
EBITDA ⁽⁴⁾										
Market pulp	\$ 47	\$ 32	\$ (5)	\$ (12)	\$ 62	\$ 3				\$ 3
Tissue	(3)	-	1	4	2	6				6
Wood products	14	6	4	4	28	16				16
Newsprint	35	25	11	7	78	-				-
Specialty papers	25	26	15	10	76	14				14
Corporate and other	(6)	4	(7)	(28)	(37)	38				38
Total EBITDA	\$ 112	\$ 93	\$ 19	\$ (15)	\$ 209	\$ 77				\$ 77
Special Items ⁽⁴⁾										
Closure costs, impairment and other related charges	\$ -	\$ -	\$ -	\$ 18	\$ 18	\$ (2)				\$ (2)
Inventory write-downs related to closures	-	-	-	13	13	-				-
Net gain on disposition of assets	-	-	(1)	(1)	(2)	-				-
Non-operating pension and other postretirement benefit credits	(12)	(12)	(12)	(11)	(47)	(15)				(15)
Other expense (income), net	4	1	17	-	22	(28)				(28)
Income tax effect of special items	(4)	(3)	5	(1)	(3)	17				17
Total special items	\$ (12)	\$ (14)	\$ 9	\$ 18	\$ 1	\$ (28)				\$ (28)
Adjusted EBITDA ⁽⁴⁾										
Market pulp	\$ 47	\$ 32	\$ (5)	\$ (12)	\$ 62	\$ 3				\$ 3
Tissue	(3)	-	1	4	2	6				6
Wood products	14	6	4	4	28	16				16
Newsprint	35	25	11	7	78	-				-
Specialty papers	25	26	15	10	76	14				14
Corporate and other	(14)	(7)	(3)	(9)	(33)	(7)				(7)
Total adjusted EBITDA	\$ 104	\$ 82	\$ 23	\$ 4	\$ 213	\$ 32				\$ 32



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 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, newsprint and specialty papers) 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 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 Q1 2020 RESULTS



APRIL 30, 2020