

RESOLUTE FOREST PRODUCTS Q3 2020 RESULTS



NOVEMBER 5, 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 novel 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; 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,” 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 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 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 June 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.

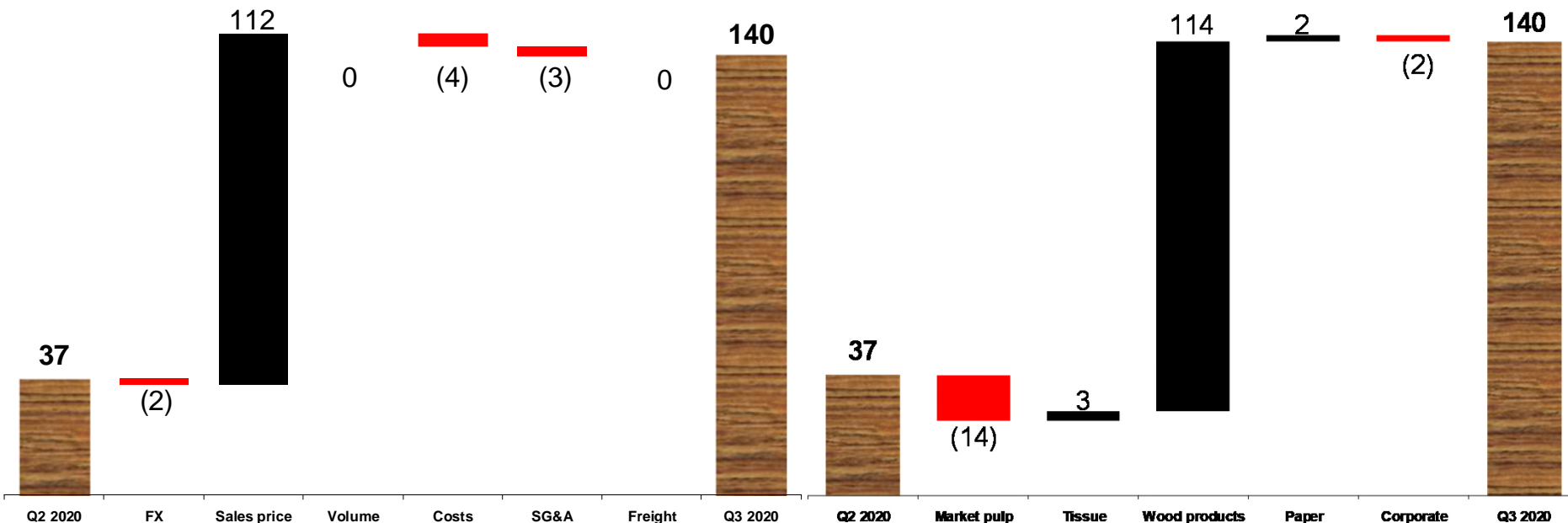
Q3 2020 HIGHLIGHTS

- Q3 GAAP net income of \$57 million / \$0.66 per diluted share
- Adjusted EBITDA of \$140 million
- Net debt down to \$541 million, and liquidity strengthened to \$477 million at quarter-end
- \$38 million YTD EBITDA contribution from our recently acquired U.S. sawmills

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

Q3 2020 OVERVIEW

Adjusted EBITDA : Q3'20 vs. Q2'20

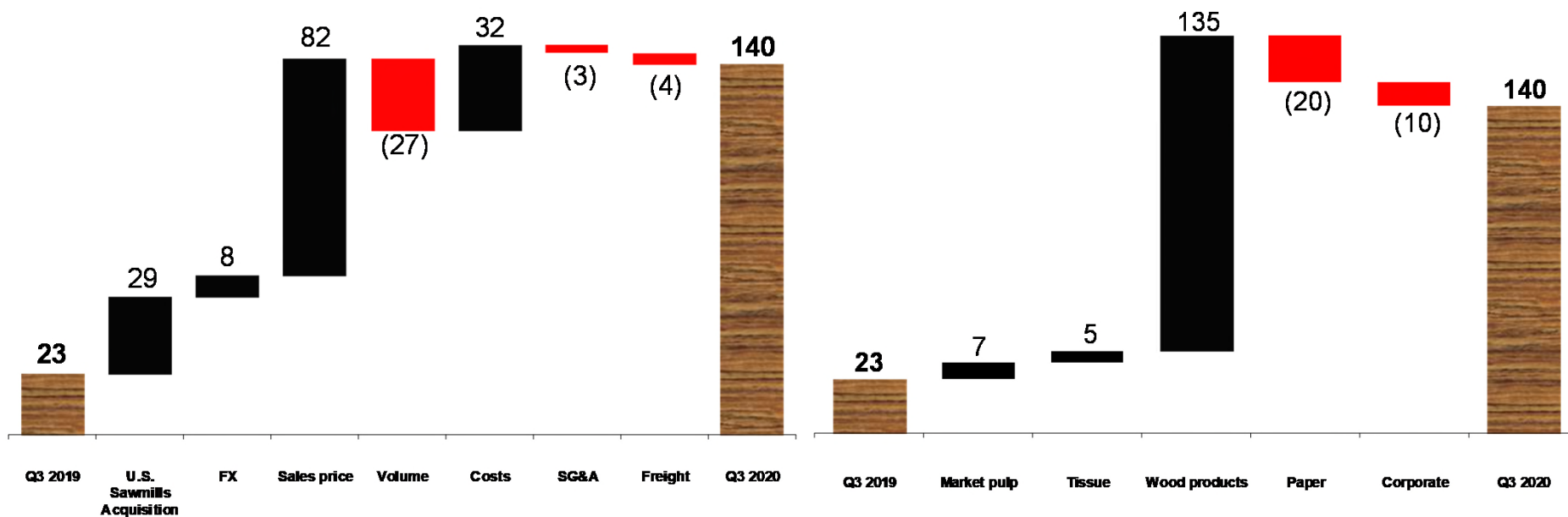


- Higher sales price: wood ↑ 57%; tissue ↑ 4%; paper ↑ 1%; partially offset by pulp ↓ 4%
- Higher costs mainly driven by higher log costs

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

Q3 2020 OVERVIEW

Adjusted EBITDA : Q3'20 vs. Q3'19

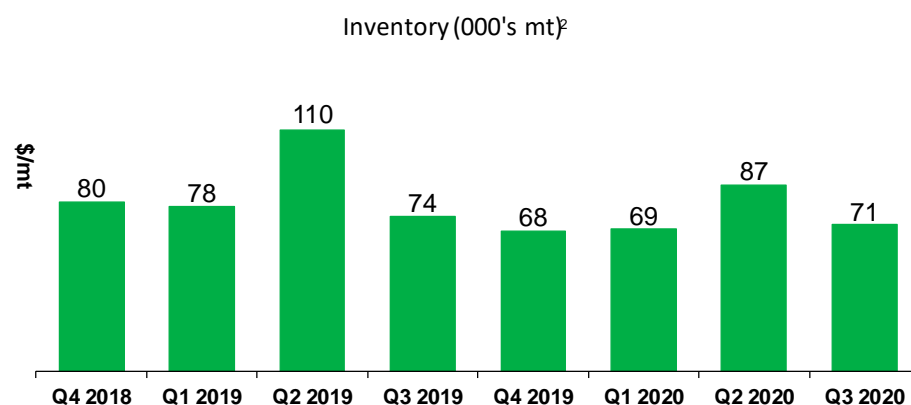
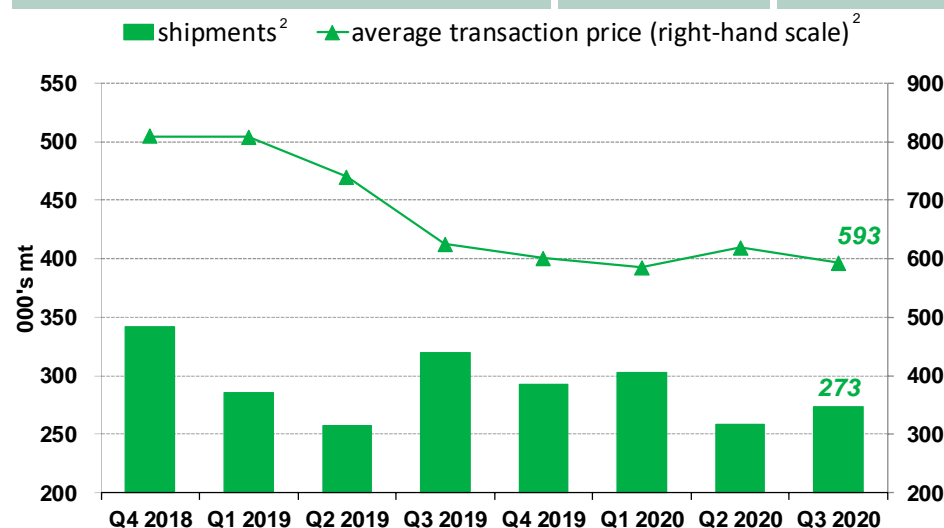


- Higher selling price : wood products ↑ 76%; tissue ↑ 9%; partially offset by paper ↓ 9%; pulp ↓ 5%
- Lower volume : paper ↓ 27%; tissue ↓ 16%; pulp ↓ 15%; partially offset by wood ↑ 25%
- Acquisition : U.S. sawmills acquired in Q1 2020
- Costs : lower maintenance cost and disciplined spending

MARKET PULP

(US\$mm)	Q3 2020	Q2 2020
Sales	161	161
Operating (loss) income	(4)	10
EBITDA ¹	2	16
Shipments (000's mt)	273	258

- YTD World shipments of chemical pulp ↑ 5% vs. 2019³
 - Hardwood ↑ 11%
 - Softwood ↓ 3%
- Q3 transaction price ↓ \$26/mt vs. Q2
- Q3 shipments ↑ 15k mt vs. Q2
- Q3 cash cost⁴ ↑ \$26/mt vs. Q2
- Finished goods inventory ↓ 16k mt vs. Q2

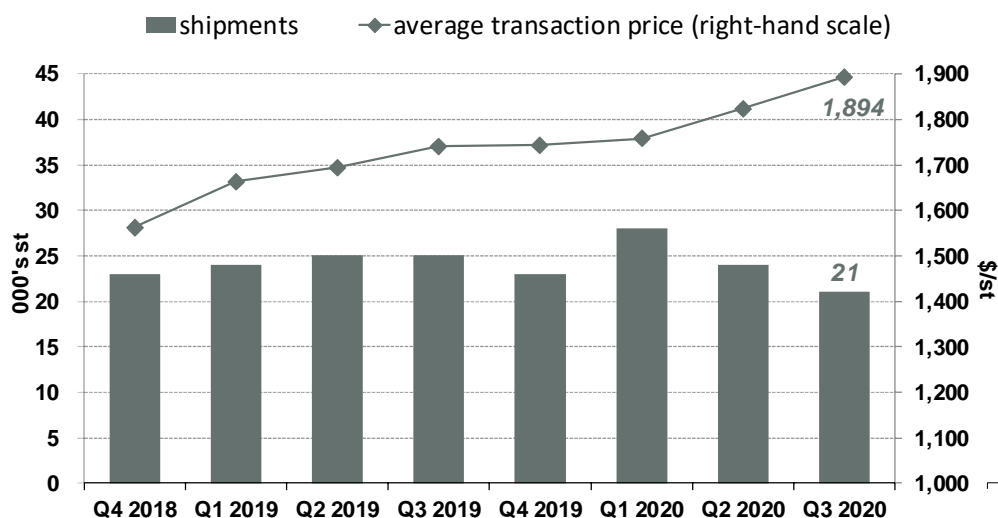


1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
2. Divestitures in Q4 2018: Catawba mill (approx. 230,000 mt annual capacity) and Fairmont mill (net impact of approx. 80,000 mt of shipments annually).
3. For the eight months ended August 31, 2020 vs. August 31, 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).

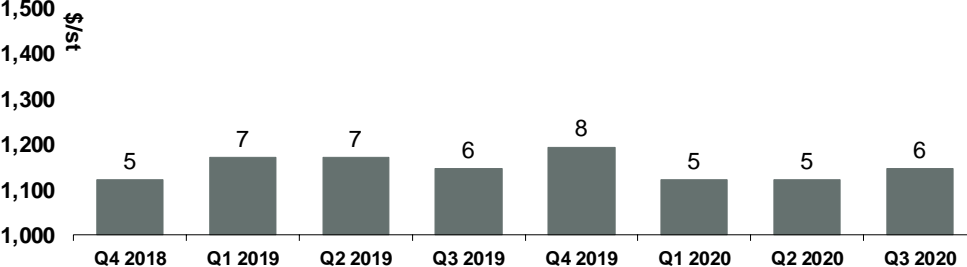
TISSUE

(US\$mm)	Q3 2020	Q2 2020
Sales	39	44
Operating income (loss)	2	(2)
EBITDA ¹	6	3
Shipments (000's st)	21	24

- YTD U.S. consumption vs. 2019
 - At-home shipments ↑ 16%
 - Away-from-home shipments ↓ 9%
- Q3 transaction price ↑ \$71/st vs. Q2
- Q3 shipments ↓ 3k st vs. Q2
- Q3 cash cost ↓ \$96/st vs. Q2



Inventory (000's st)

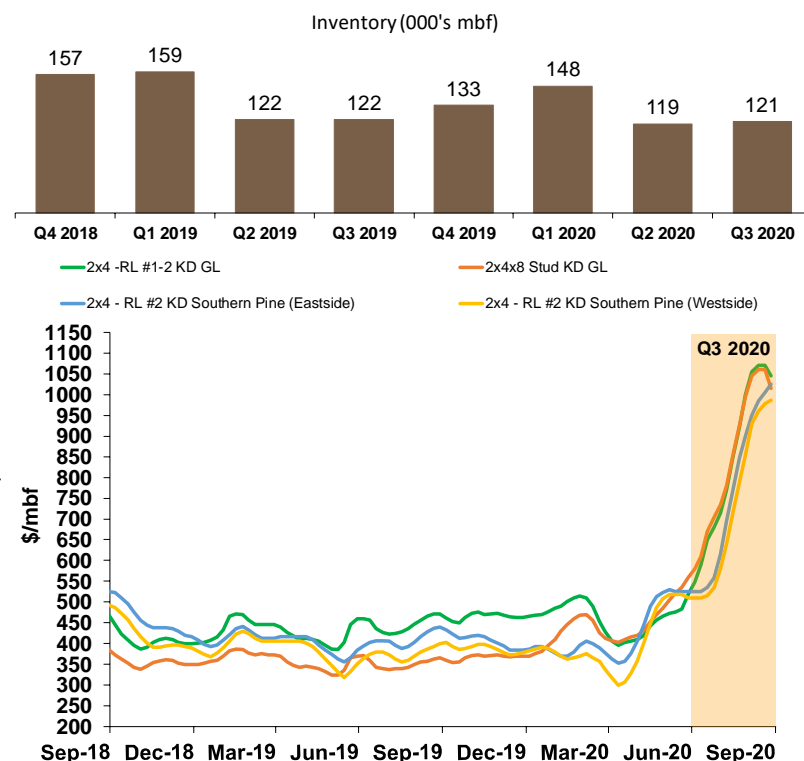
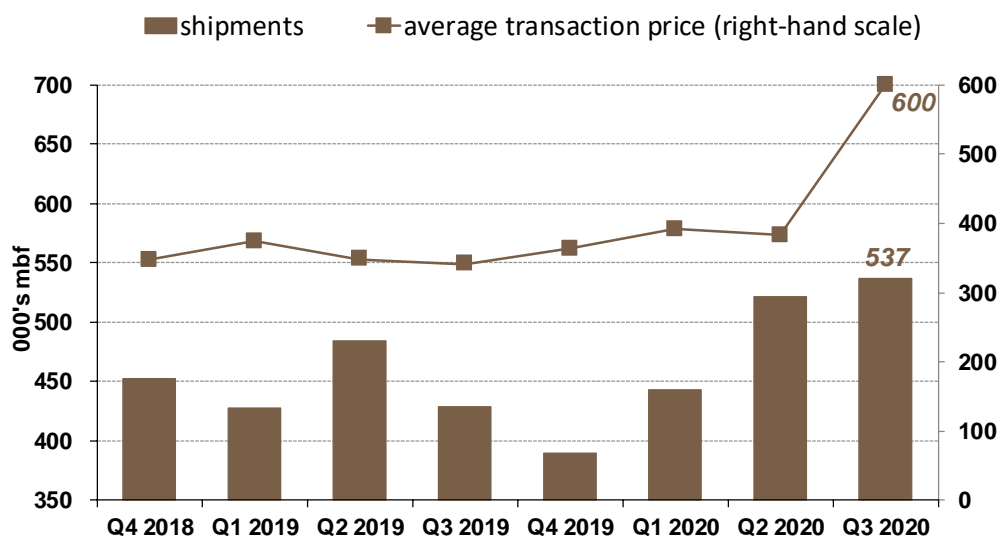


1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

WOOD PRODUCTS

(US\$mm)	Q3 2020	Q2 2020
Sales	322	199
Operating income	128	15
EBITDA ¹	139	25
Shipments (mmbf)	537	521

- U.S. housing starts recovered to seasonally adjusted annual rate average of 1.4 million in Q3
- Q3 shipments ↑ 16 mmbf vs. Q2
- Q3 transaction price ↑ \$217/mbf vs. Q2
- Q3 cash cost ↑ \$5/mbf vs. Q2
- Finished goods inventory ↑ 2 mmbf vs. Q2

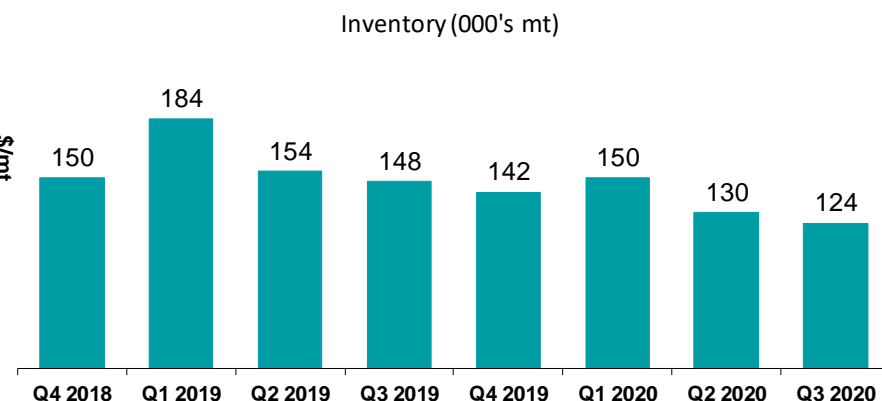
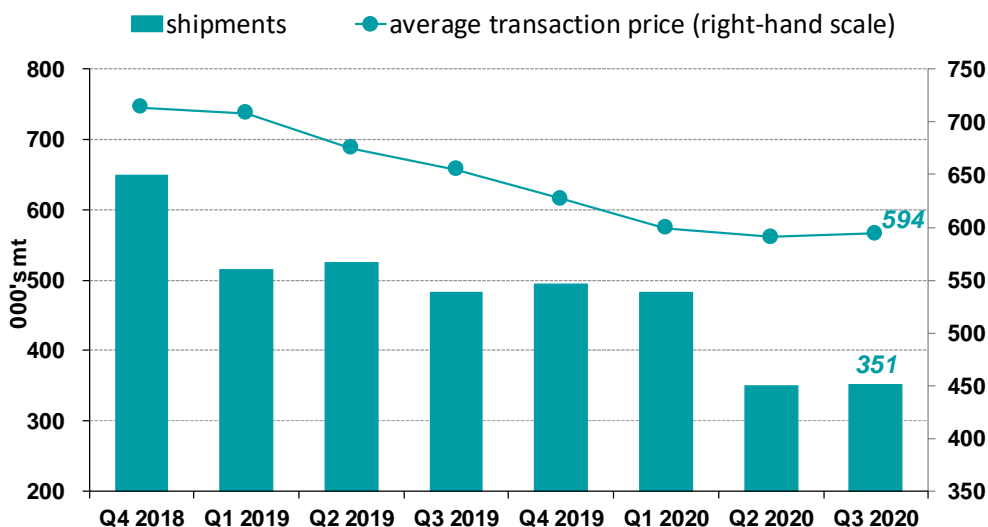


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PAPER

(US\$mm)	Q3 2020	Q2 2020
Sales	208	208
Operating loss	(12)	(12)
EBITDA ¹	6	4
Shipments (000's mt)	351	350

- YTD North America:
 - Demand ↓ 24% for uncoated mechanical papers; ↓ 27% for newsprint vs. 2019
 - Shipment-to-capacity ratio of 73% for uncoated mechanical papers; 75% for newsprint
- YTD World:
 - Demand ↓ 22% for newsprint vs. 2019
 - Shipment-to-capacity ratio of 71% for newsprint
- Q3 shipments remained unch. vs. Q2
- Q3 transaction price ↑ \$3/mt vs. Q2



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

	Q3 2020	vs Q2 2020	vs Q3 2019
Net income (excluding special items) ¹	\$62mm	+\$84mm	+\$96mm
Sales	\$730mm	+19%	+4%
EPS (excluding special items) ¹	\$0.72	+\$0.97	+\$1.10
Adjusted EBITDA ²	\$140mm	+278%	+509%

Special items affecting net income (pre-tax) in Q3 2020

- \$5mm foreign exchange loss recorded in other expense
- \$5mm non-operating pension and OPEB³ credits

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

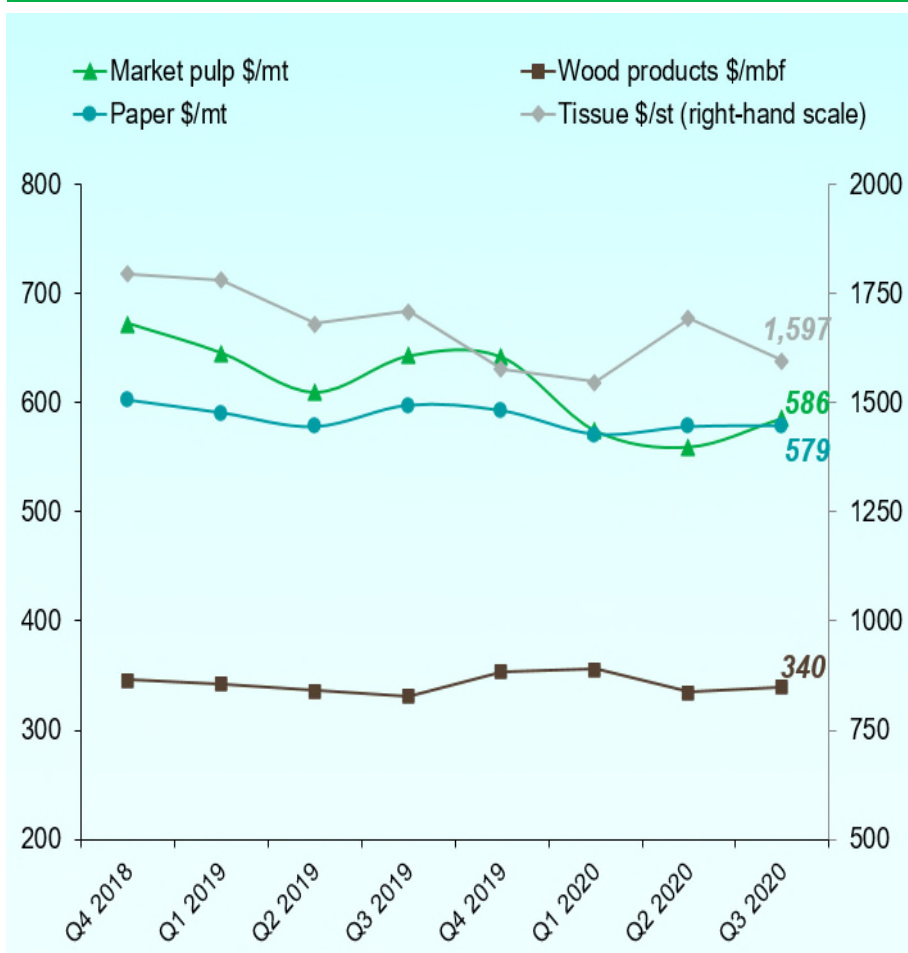
1. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

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.

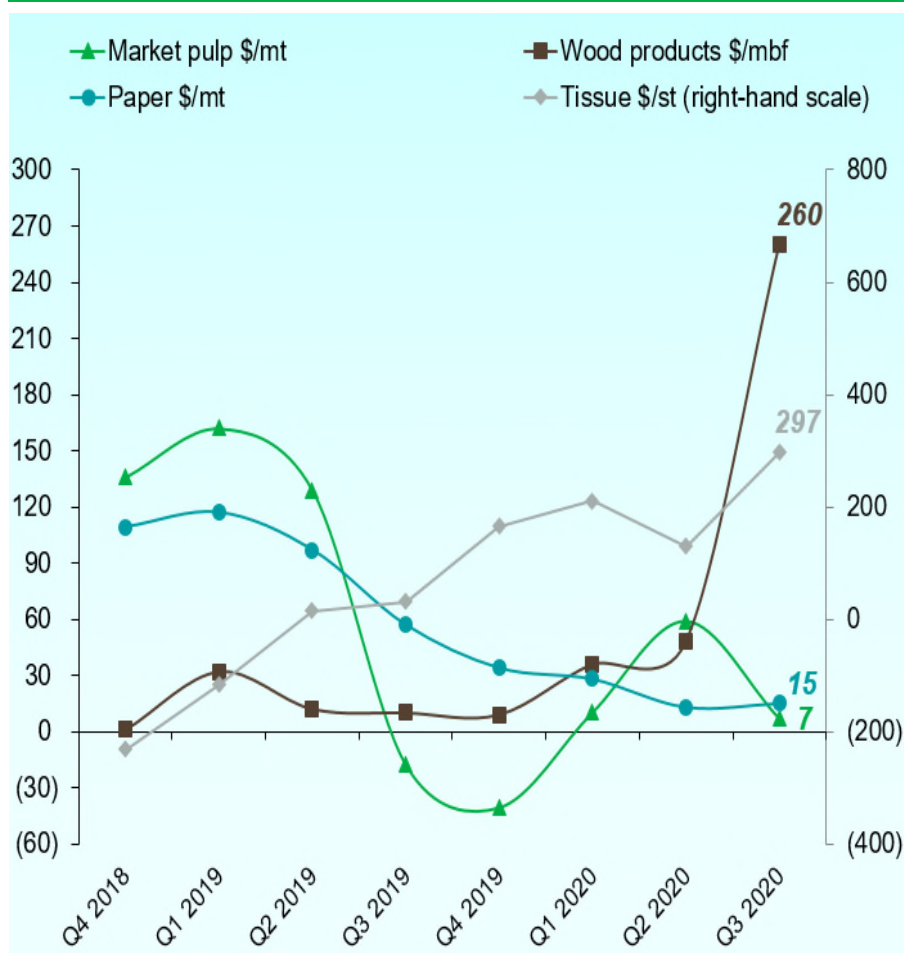
3. Other postretirement benefit.

PERFORMANCE METRICS

« All-in » cash cost



EBITDA¹ per unit



LIQUIDITY AND CASH FLOW

- 4.5 million share repurchased, or 5% of o/s
- Liquidity improved to \$477 mm, a \$81 mm increase vs. Q2
- Repaid all revolving borrowings (\$69 mm) in Q3
- New loan facility of up to \$167 mm, adding approx. \$114 mm to Q4 liquidity
- Q3 net cash provided by operations of \$100 mm
- Q3 capex of \$16 mm
- \$90 mm of capital expenditures expected in 2020, aligned with Q1 revised guidance
- Quarterly lumber cash duty deposits of \$20 mm (cumulative of \$214 mm)

(US\$mm)	Q3 2020	vs Q2 2020	vs Q3 2019
Cash	20	-7	-49
Working capital	549	-6	+6
Total debt	561	-69	+137
Net debt	541	-62	+186

(US\$mm)	2020			2019				2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total debt	561	630	821	449	424	423	423	645
Cash on hand	20	27	116	3	69	98	69	304
Available under revolving credit facilities	457	369	233	580	497	492	526	517
Available liquidity	477	396	349	583	566	590	595	821

PENSION

(US\$mm)	Q3'2020	2019	2018	2017
Net pension liabilities	1,211	1,326	1,122	1,097
OPEB liabilities	139	147	148	172
Net pension and OPEB liabilities	1,350	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	Q3'2020	2019	2018	2017
Pension contributions ⁴	112	18	99	121	132
OPEB payments	13	2	12	13	11
Operating pension and OPEB costs ⁴	34	7	33	40	41
Non-op. pension and OPEB (credits)/costs ⁵	8	(5)	(47)	(50)	(7)
Total pension and OPEB (credits)/costs⁴	42	2	(14)	(10)	34

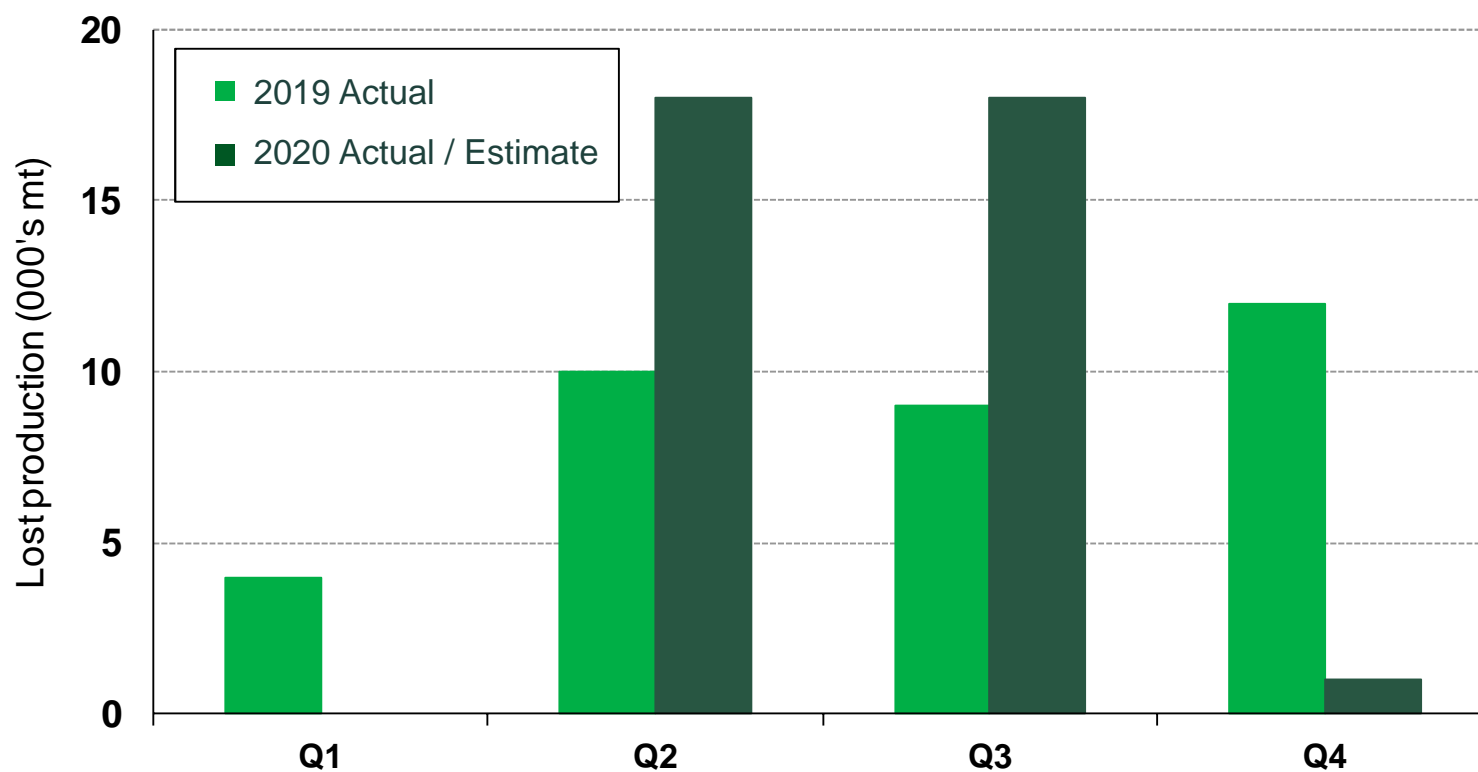
1. Pension plans.
2. Funding for pension plans in Quebec is determined on a going concern basis; in Ontario, also on a going-concern basis for 2018 as we exited special funding regulations on December 31, 2018, and on a solvency basis for 2017; and in the U.S. on a 25-year average interest rate basis.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

OUTLOOK

Market Pulp	<ul style="list-style-type: none">• Remain cautiously optimistic that markets will improve with overall economic conditions
Tissue	<ul style="list-style-type: none">• Continue to focus on customer portfolio optimization and productivity improvements• Strong retail end-market conditions while away-from-home market remains under pressure
Wood Products	<ul style="list-style-type: none">• Strong market fundamentals expected to continue in 2021• Seasonally lower shipments expected in Q4• On track with our plan to bring El Dorado on-line early in 2021
Paper	<ul style="list-style-type: none">• Paper markets activity appears to be slowly and gradually starting to recover• Covid-19 pandemic could have a step change impact on trend of secular demand decline

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.

Three months ended September 30, 2020 (Unaudited, in millions of U.S. dollars, except per share amounts)		Operating income	Net income	EPS
GAAP, as reported		\$ 97	\$ 57	\$ 0.66
Adjustments for special items:				
Non-operating pension and other postretirement benefit credits		-	(5)	(0.06)
Other expense, net		-	14	0.17
Income tax effect of special items		-	(4)	(0.05)
Adjusted for special items		\$ 97	\$ 62	\$ 0.72

Three months ended September 30, 2019 (Unaudited, in millions of U.S. dollars, except per share amounts)		Operating loss	Net loss	EPS
GAAP, as reported		\$ (18)	\$ (43)	\$ (0.47)
Adjustments for special items:				
Net gain on disposition of assets		(1)	(1)	(0.01)
Non-operating pension and other postretirement benefit credits		-	(12)	(0.13)
Other expense, net		-	17	0.19
Income tax effect of special items		-	5	0.05
Adjusted for special items		\$ (19)	\$ (34)	\$ (0.37)

Nine months ended September 30, 2020		Operating		
(Unaudited, in millions of U.S. dollars, except per share amounts)		income	Net income	EPS
GAAP, as reported		\$ 95	\$ 62	\$ 0.71
Adjustments for special items:				
Closure costs, impairment and other related charges		(2)	(2)	(0.02)
Net gain on disposition of assets		(9)	(9)	(0.10)
Non-operating pension and other postretirement benefit credits		-	(24)	(0.27)
Other income, net		-	(24)	(0.27)
Income tax effect of special items		-	8	0.08
Adjusted for special items		\$ 84	\$ 11	\$ 0.13
Nine months ended September 30, 2019		Operating		
(Unaudited, in millions of U.S. dollars, except per share amounts)		income	Net income	EPS
GAAP, as reported		\$ 86	\$ 24	\$ 0.26
Adjustments for special items:				
Net gain on disposition of assets		(1)	(1)	(0.01)
Non-operating pension and other postretirement benefit credits		-	(36)	(0.39)
Other expense, net		-	22	0.24
Income tax effect of special items		-	(2)	(0.02)
Adjusted for special items		\$ 85	\$ 7	\$ 0.08

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 September 30, 2020, press release available on our website.

Three months ended September 30, 2020 (Unaudited, in millions of U.S. dollars)	Market pulp	Tissue	Wood products	Paper ⁽²⁾	Corporate and other	Total
Net (loss) income including noncontrolling interest	\$ (4)	\$ 2	\$ 128	\$ (12)	\$ (57)	\$ 57
Interest expense					8	8
Income tax provision					23	23
Depreciation and amortization	6	4	11	18	4	43
EBITDA	\$ 2	\$ 6	\$ 139	\$ 6	\$ (22)	\$ 131
Non-operating pension and other postretirement benefit credits					(5)	(5)
Other expense, net					14	14
Adjusted EBITDA	\$ 2	\$ 6	\$ 139	\$ 6	\$ (13)	\$ 140

Three months ended September 30, 2019 (Unaudited, in millions of U.S. dollars)	Market pulp	Tissue	Wood products	Paper ⁽²⁾	Corporate and other	Total
Net (loss) income including noncontrolling interest	\$ (12)	\$ (3)	\$ (4)	\$ 8	\$ (32)	\$ (43)
Interest expense					8	8
Income tax provision					12	12
Depreciation and amortization	7	4	8	18	5	42
EBITDA	\$ (5)	\$ 1	\$ 4	\$ 26	\$ (7)	\$ 19
Net gain on disposition of assets					(1)	(1)
Non-operating pension and other postretirement benefit credits					(12)	(12)
Other expense, net					17	17
Adjusted EBITDA	\$ (5)	\$ 1	\$ 4	\$ 26	\$ (3)	\$ 23

Nine months ended September 30, 2020 (Unaudited, in millions of U.S. dollars)							Corporate and other	Total
	Market pulp	Tissue	Wood products	Paper ⁽²⁾				
Net income (loss) including noncontrolling interest	\$ 3	\$ 2	\$ 148	\$ (27)	\$ (64)	\$		62
Interest expense					26			26
Income tax provision					55			55
Depreciation and amortization	18	13	32	51	11			125
EBITDA	\$ 21	\$ 15	\$ 180	\$ 24	\$ 28	\$		268
Closure costs, impairment and other related charges					(2)			(2)
Net gain on disposition of assets					(9)			(9)
Non-operating pension and other postretirement benefit credits					(24)			(24)
Other income, net					(24)			(24)
Adjusted EBITDA	\$ 21	\$ 15	\$ 180	\$ 24	\$ (31)	\$		209

Nine months ended September 30, 2019 (Unaudited, in millions of U.S. dollars)							Corporate and other	Total
	Market pulp	Tissue	Wood products	Paper ⁽²⁾				
Net income (loss) including noncontrolling interest	\$ 57	\$ (15)	\$ (1)	\$ 83	\$ (100)	\$		24
Interest expense					24			24
Income tax provision					52			52
Depreciation and amortization	17	13	25	54	15			124
EBITDA	\$ 74	\$ (2)	\$ 24	\$ 137	\$ (9)	\$		224
Net gain on disposition of assets					(1)			(1)
Non-operating pension and other postretirement benefit credits					(36)			(36)
Other expense, net					22			22
Adjusted EBITDA	\$ 74	\$ (2)	\$ 24	\$ 137	\$ (24)	\$		209

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	\$ 612	\$ 730		\$ 2,031
Operating income (loss)	64	40	(18)	(69)	17	(8)	6	97		95
Interest expense	(9)	(7)	(8)	(7)	(31)	(9)	(9)	(8)		(26)
Net income (loss) attributable to Resolute Forest Products Inc.	42	25	(43)	(71)	(47)	(1)	6	57		62
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		\$ 0.71
Average diluted shares outstanding (in thousands)	93,868	93,633	90,869	89,780	91,356	88,120	88,154	86,243		87,646
Ending shares outstanding (in thousands)	91,099	90,400	89,294	86,694	86,694	87,358	87,113	82,601		82,601

Financial Position

Cash and cash equivalents	\$ 69	\$ 98	\$ 69	\$ 3	\$ 3	\$ 116	\$ 27	\$ 20		\$ 20
Working capital ⁽¹⁾	615	596	543	562	562	640	555	549		549
Fixed assets, net	1,492	1,479	1,477	1,459	1,459	1,583	1,524	1,503		1,503
Total assets	3,802	3,752	3,671	3,626	3,626	3,859	3,667	3,678		3,678
Current portion of long-term debt	1	1	1	1	1	2	2	2		2
Long-term debt, net of current portion	422	422	423	448	448	819	628	559		559
Net debt ⁽²⁾	354	325	355	446	446	705	603	541		541
Liquidity ⁽³⁾	595	590	566	583	583	349	396	477		477
Total Resolute Forest Products Inc. shareholders' equity	1,579	1,599	1,551	1,234	1,234	1,233	1,249	1,299		1,299
Noncontrolling interest	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		1,300

Cash Flow Information

Net cash provided by (used in) operating activities	\$ 23	\$ 72	\$ 25	\$ (35)	\$ 85	\$ (49)	\$ 125	\$ 100		\$ 176
Cash invested in fixed assets	(26)	(19)	(37)	(31)	(113)	(21)	(16)	(16)		(53)
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)		(52)
Net cash used in investing activities	(33)	(36)	(50)	(43)	(162)	(206)	(21)	(21)		(248)
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)		(19)
Net cash (used in) provided by financing activities	(225)	(7)	(7)	11	(228)	368	(192)	(87)		89

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	\$ 161	\$ 161		\$ 499
Tissue	39	43	43	40	165	49	44	39		132
Wood products	161	168	146	141	616	174	199	322		695
Paper ^(a)	364	355	315	311	1,345	289	208	208		705
Total sales	\$ 795	\$ 755	\$ 705	\$ 668	\$ 2,923	\$ 689	\$ 612	\$ 730		\$ 2,031
Shipments (thousands of units)										
Market pulp (mt)	286	257	320	293	1,156	303	258	273		834
Tissue (st)	24	25	25	23	97	28	24	21		73
Wood products (mbf)	428	484	429	390	1,731	443	521	537		1,501
Paper (mt) ^(a)	515	525	482	495	2,017	482	350	351		1,183
Average Transaction Price per Unit										
Market pulp (\$/mt)	\$ 808	\$ 739	\$ 625	\$ 601	\$ 690	\$ 585	\$ 619	\$ 593		\$ 598
Tissue (\$/st)	1,664	1,695	1,741	1,743	1,711	1,758	1,823	1,894		1,818
Wood products (\$/mbf)	374	348	341	363	356	392	383	600		463
Paper (\$/mt) ^(a)	708	675	655	627	667	599	591	594		595

Resolute Forest Products Inc.
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(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)	\$ 10	\$ (4)		\$ 3
Tissue	(8)	(4)	(3)	(1)	(16)	2	(2)	2		2
Wood products	6	(3)	(4)	(5)	(6)	5	15	128		148
Paper ^(a)	43	32	8	(1)	82	(3)	(12)	(12)		(27)
Corporate and other	(19)	(12)	(7)	(44)	(82)	(9)	(5)	(17)		(31)
Total operating income (loss)	\$ 64	\$ 40	\$ (18)	\$ (69)	\$ 17	\$ (8)	\$ 6	\$ 97		\$ 95

Selling, General and Administrative Expenses

Market pulp	\$ 7	\$ 7	\$ 7	\$ 6	\$ 27	\$ 8	\$ 5	\$ 6		\$ 19
Tissue	3	3	2	2	10	2	3	3		8
Wood products	6	6	5	6	23	7	5	5		17
Paper ^(a)	14	13	13	13	53	12	10	10		32
Corporate and other	7	7	3	6	23	5	9	11		25
Total selling, general and administrative expenses	\$ 37	\$ 36	\$ 30	\$ 33	\$ 136	\$ 34	\$ 32	\$ 35		\$ 101

Operating Cost per Unit

Market pulp (\$/mt)	\$ 664	\$ 630	\$ 664	\$ 663	\$ 656	\$ 595	\$ 581	\$ 608		\$ 595
Tissue (\$/st)	1,984	1,853	1,885	1,769	1,873	1,703	1,870	1,815		1,790
Wood products (\$/mbf)	360	355	351	377	360	380	355	361		364
Paper (\$/mt) ^(a)	626	613	636	630	626	605	625	628		618

Operating Cost per Unit, Excluding Depreciation and Amortization

Market pulp (\$/mt)	\$ 646	\$ 610	\$ 643	\$ 642	\$ 636	\$ 575	\$ 560	\$ 586		\$ 574
Tissue (\$/st)	1,781	1,681	1,710	1,578	1,688	1,548	1,693	1,597		1,610
Wood products (\$/mbf)	342	336	331	354	340	356	335	340		343
Paper (\$/mt) ^(a)	591	578	598	593	590	571	578	579		575

Product Inventory (thousands of units)

Market pulp (mt)	78	110	74	68	68	69	87	71		71
Tissue (st)	7	7	6	8	8	5	5	6		6
Wood products (mbf)	159	122	122	133	133	148	119	121		121
Paper (mt) ^(a)	184	154	148	142	142	150	130	124		124

Financial and Operating Statistics (Page 4 of 5)

	2019					2020				
(in millions of U.S. dollars)	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Net Income (Loss) including Noncontrolling Interest										
Market pulp	\$ 42	\$ 27	\$ (12)	\$ (18)	\$ 39	\$ (3)	\$ 10	\$ (4)		\$ 3
Tissue	(8)	(4)	(3)	(1)	(16)	2	(2)	2		2
Wood products	6	(3)	(4)	(5)	(6)	5	15	128		148
Paper ⁽⁴⁾	43	32	8	(1)	82	(3)	(12)	(12)		(27)
Corporate and other	(41)	(27)	(32)	(46)	(146)	(2)	(5)	(57)		(64)
Total net income (loss) including noncontrolling interest	\$ 42	\$ 25	\$ (43)	\$ (71)	\$ (47)	\$ (1)	\$ 6	\$ 57		\$ 62
Interest Expense	\$ 9	\$ 7	\$ 8	\$ 7	\$ 31	\$ 9	\$ 9	\$ 8		\$ 26
Income Tax Provision	\$ 21	\$ 19	\$ 12	\$ 6	\$ 58	\$ 27	\$ 5	\$ 23		\$ 55
Depreciation and Amortization										
Market pulp	\$ 5	\$ 5	\$ 7	\$ 6	\$ 23	\$ 6	\$ 6	\$ 6		\$ 18
Tissue	5	4	4	5	18	4	5	4		13
Wood products	8	9	8	9	34	11	10	11		32
Paper ⁽⁴⁾	17	19	18	18	72	17	16	18		51
Corporate and other	5	5	5	5	20	4	3	4		11
Total depreciation and amortization	\$ 40	\$ 42	\$ 42	\$ 43	\$ 167	\$ 42	\$ 40	\$ 43		\$ 125
EBITDA ⁽⁵⁾										
Market pulp	\$ 47	\$ 32	\$ (5)	\$ (12)	\$ 62	\$ 3	\$ 16	\$ 2		\$ 21
Tissue	(3)	-	1	4	2	6	3	6		15
Wood products	14	6	4	4	28	16	25	139		180
Paper ⁽⁴⁾	60	51	26	17	154	14	4	6		24
Corporate and other	(6)	4	(7)	(28)	(37)	38	12	(22)		28
Total EBITDA	\$ 112	\$ 93	\$ 19	\$ (15)	\$ 209	\$ 77	\$ 60	\$ 131		\$ 268
Special Items ⁽⁵⁾										
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)	-	(9)	-		(9)
Non-operating pension and other postretirement benefit credits	(12)	(12)	(12)	(11)	(47)	(15)	(4)	(5)		(24)
Other expense (income), net	4	1	17	-	22	(28)	(10)	14		(24)
Income tax effect of special items	(4)	(3)	5	(1)	(3)	17	(5)	(4)		8
Total special items	\$ (12)	\$ (14)	\$ 9	\$ 18	\$ 1	\$ (28)	\$ (28)	\$ 5		\$ (51)
Adjusted EBITDA ⁽⁵⁾										
Market pulp	\$ 47	\$ 32	\$ (5)	\$ (12)	\$ 62	\$ 3	\$ 16	\$ 2		\$ 21
Tissue	(3)	-	1	4	2	6	3	6		15
Wood products	14	6	4	4	28	16	25	139		180
Paper ⁽⁴⁾	60	51	26	17	154	14	4	6		24
Corporate and other	(14)	(7)	(3)	(9)	(33)	(7)	(11)	(13)		(31)
Total adjusted EBITDA	\$ 104	\$ 82	\$ 23	\$ 4	\$ 213	\$ 32	\$ 37	\$ 140		\$ 209

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 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 for 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 Q3 2020 RESULTS



NOVEMBER 5, 2020