

# RESOLUTE FOREST PRODUCTS Q1 2021 RESULTS



APRIL 29, 2021

# CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

Statements in this presentation 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 presentation 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, 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,” “generate,” “allow,” “look” 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 COVID-19 pandemic on our business and resulting economic conditions, developments in non-print media, including changes in consumer habits, 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, financial and regulatory 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 and privacy 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; the replacement of the London Interbank Offered Rate (or, the “LIBOR”) with an alternative interest rate, 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 or goodwill 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, 2020, which have been heightened by the COVID-19 pandemic, including related governmental responses and economic impacts, market disruptions and resulting changes in consumer habits.

All forward-looking statements in this presentation 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.

The information on industry and general economic conditions in this presentation was derived from third-party sources and trade publications we believe to be widely accepted and accurate. We have not independently verified the information and cannot assure you of its accuracy.



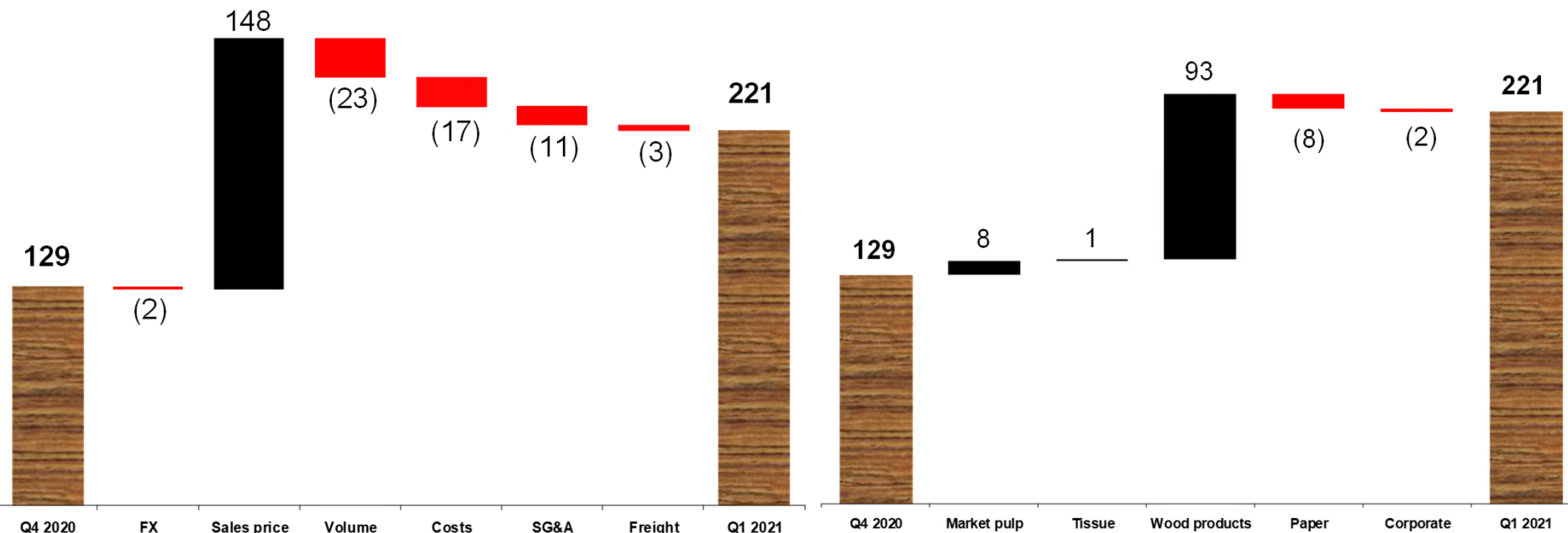
*All figures in US\$ unless otherwise noted.*

# Q1 2021 & RECENT HIGHLIGHTS

- Q1 GAAP net income of \$87 million / \$1.06 per diluted share
- Adjusted EBITDA of \$221 million
- Net debt at \$449 million / liquidity at \$653 million at quarter-end
- Repurchased 1.7 million shares in Q1 (2%) / 8.7 million in last twelve months (10%)
- Recent U.S. pension relief measures expected to improve free cash flow by approx. \$30 million/year
- Target to reduce GHG emissions by 30% against 2015 levels by 2025

# Q1 2021 OVERVIEW

## Adjusted EBITDA : Q1'21 vs. Q4'20

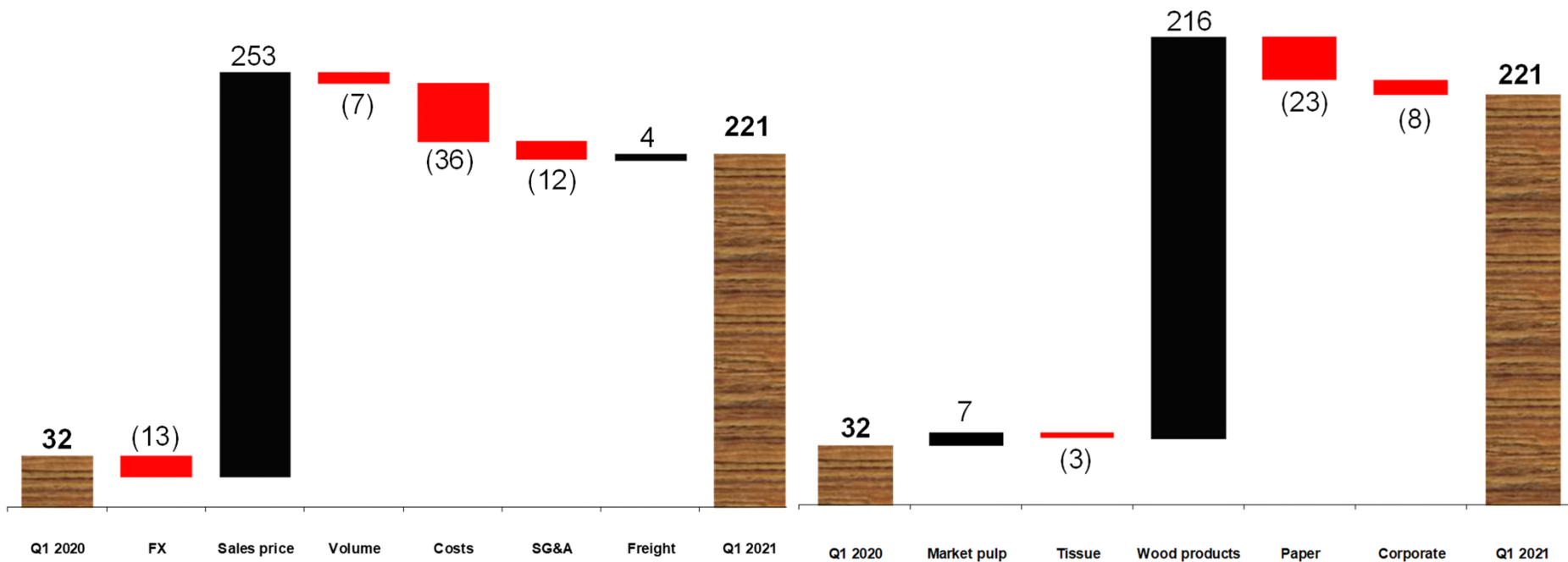


- Higher selling prices : wood products ↑ 44%; market pulp ↑ 9%; paper ↑ 2%; tissue ↑ 1%
- Higher costs : CEWS credit in Q4; impact of share-based and variable compensation, and Calhoun process improvement project in Q1
- Lower shipments : wood products ↓ 9%; market pulp ↓ 4%; paper ↓ 4%

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 2021 OVERVIEW

## Adjusted EBITDA : Q1'21 vs. Q1'20



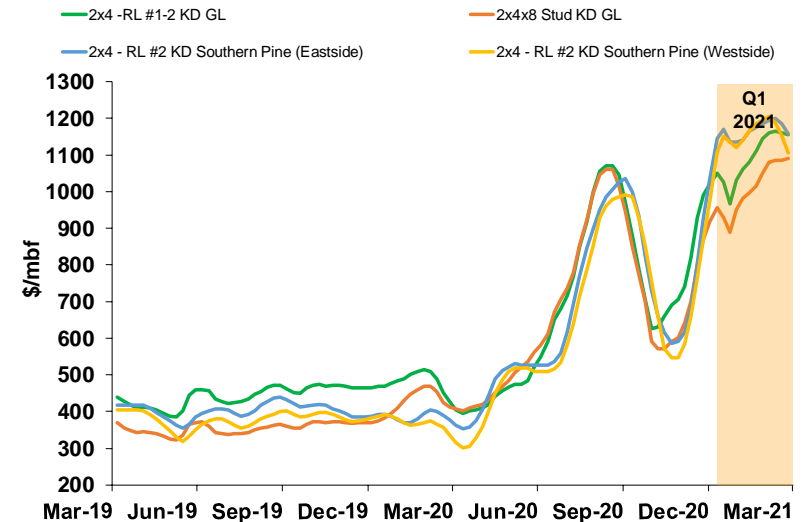
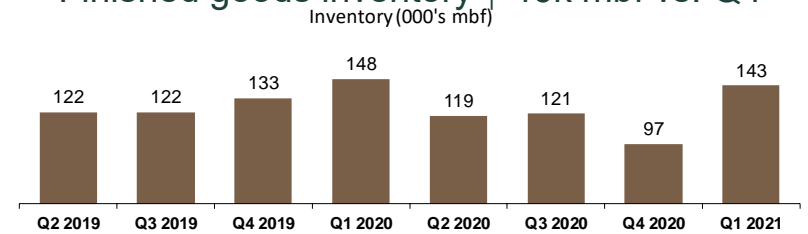
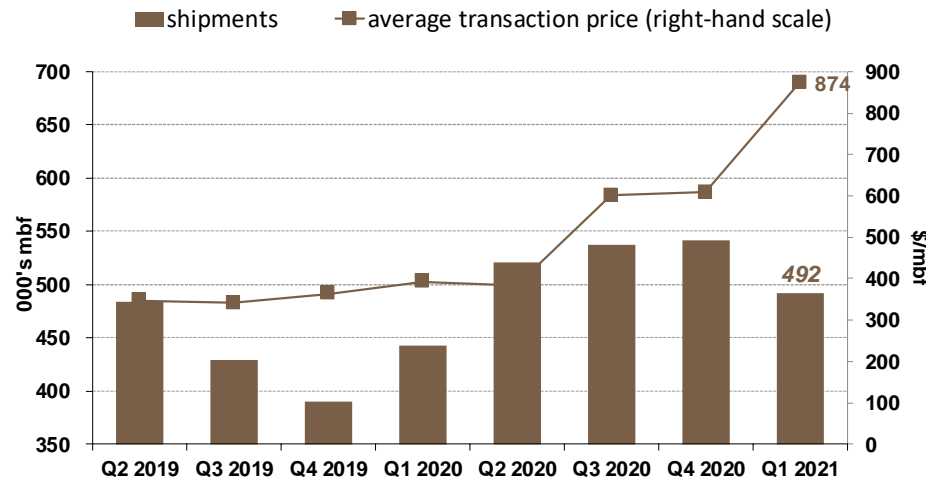
- Shipments : paper ↓ 22%; pulp ↓ 10%
- Costs : higher manufacturing costs and compensation provision
- Wood : 123% higher pricing, 11% higher shipments

Adjusted 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\$M)	Q1 2021	Q4 2020
Sales	430	330
Operating income (loss)	221	128
EBITDA <sup>1</sup>	232	139
Shipments (mmbf)	492	542

- U.S. housing starts seasonally adjusted annual rate average of 1.6 million in Q1, ↑ 2% vs. Q4
- R&R lumber consumption ↑ 12% in 2020
- Q1 shipments ↓ 50k mbf vs. Q4
- Q1 transaction price ↑ \$266/mbf vs. Q4
- Q1 delivered cost<sup>2</sup> ↑ \$49/mbf vs. Q4
- Finished goods inventory ↑ 46k mbf vs. Q4

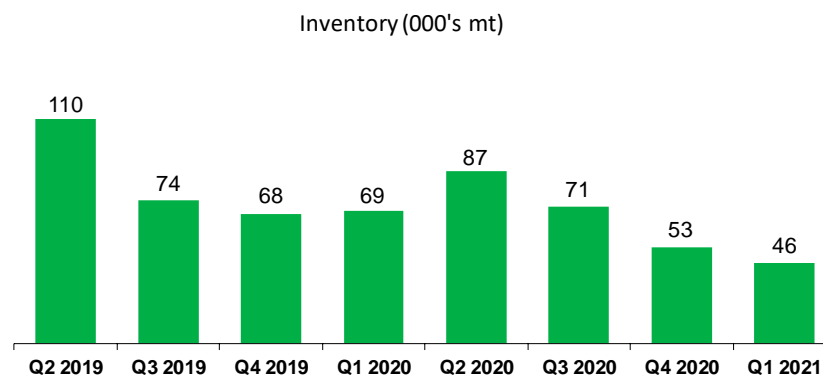
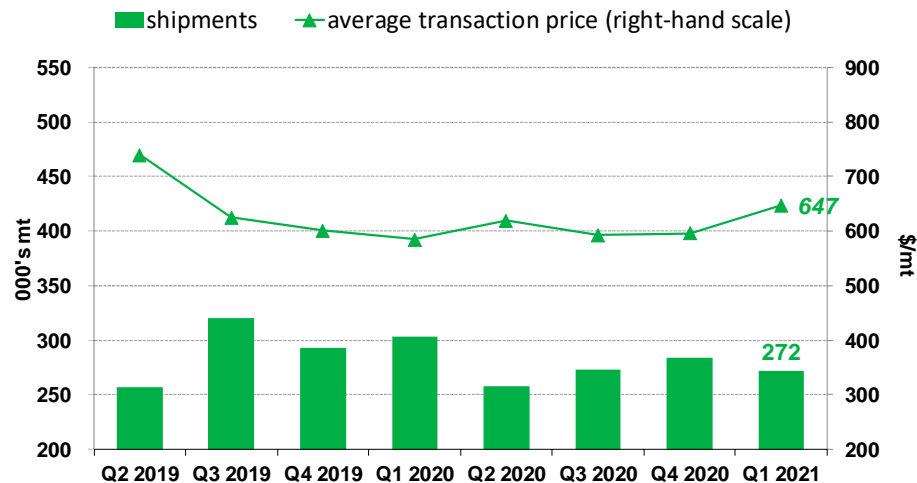


1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.  
 2. The delivered cost is the total cost of each ton shipped (cost of sales, distribution costs, selling, general and administrative expenses, and depreciation and amortization).

# MARKET PULP

(US\$M)	Q1 2021	Q4 2020
Sales	176	169
Operating income (loss)	4	(4)
EBITDA <sup>1</sup>	10	2
Shipments (000's mt)	272	284

- Significant list price increases announced in Q1
- Q1 transaction price ↑ \$51/mt vs. Q4
- Q1 shipments ↓ 12k mt vs. Q4
- Q1 delivered cost ↑ \$22/mt vs. Q4
- Finished goods inventory ↓ 7k mt vs. Q4

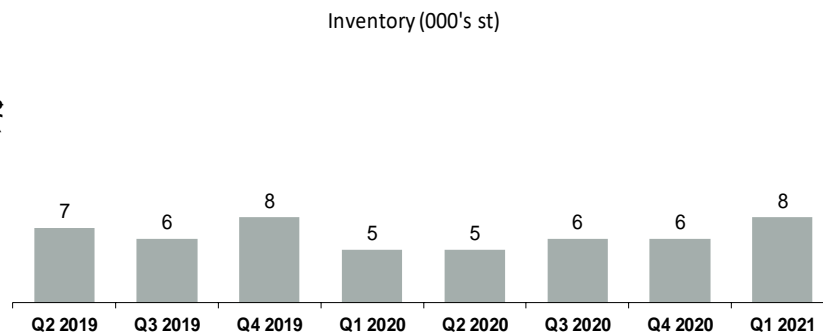
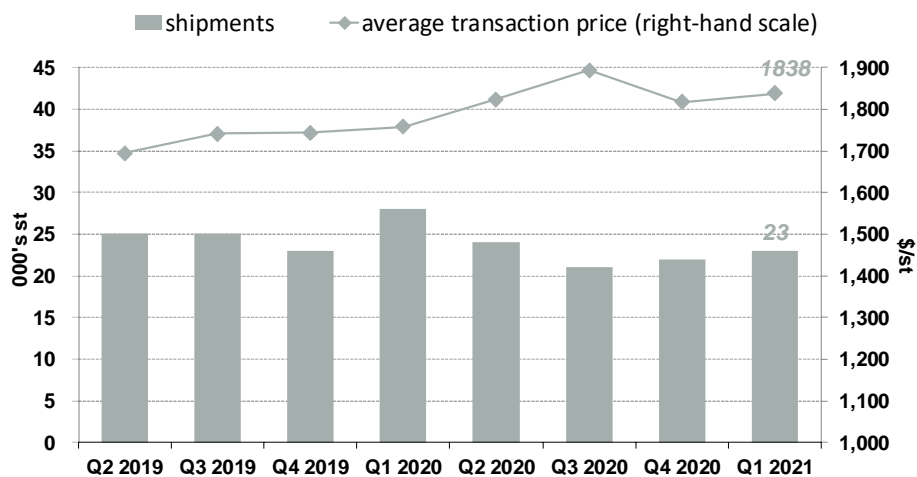


1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

# TISSUE

(US\$M)	Q1 2021	Q4 2020
Sales	42	41
Operating income (loss)	(2)	(3)
EBITDA <sup>1</sup>	3	2
Shipments (000's st)	23	22

- Softness in at-home market observed in March
- Away-from-home market still a challenge
- Q1 transaction price ↑ \$21/st vs. Q4
- Q1 shipments ↑ 1k st vs. Q4
- Q1 delivered cost ↓ \$28/st vs. Q4
- Finished goods inventory ↑ 2k st vs. Q4



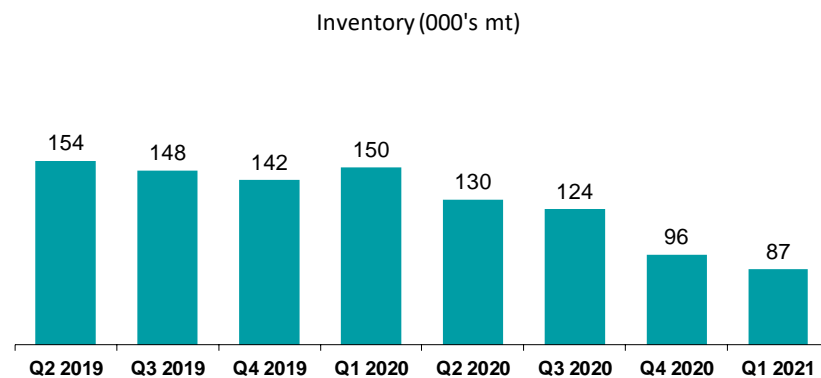
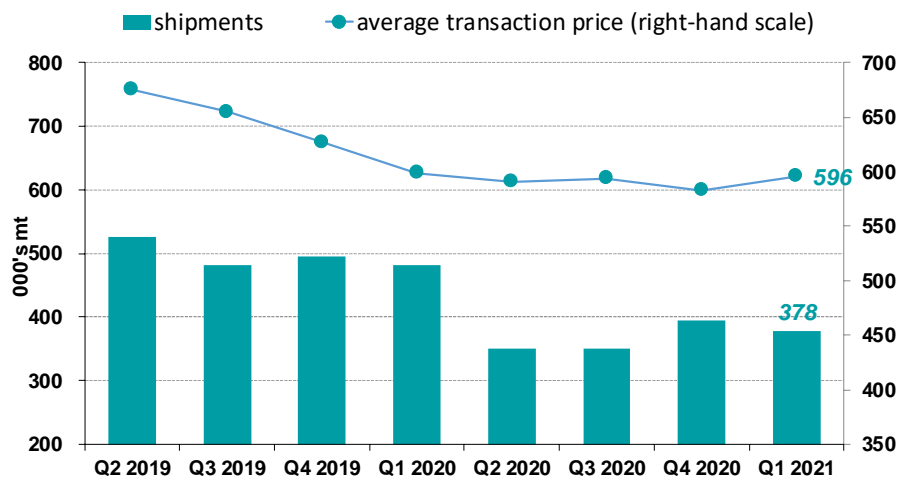
1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.  
 2. For the two months ended February 28, 2021 vs. February 29, 2020.



# PAPER

(US\$M)	Q1 2021	Q4 2020
Sales	225	229
Operating income (loss)	(24)	(19)
EBITDA <sup>1</sup>	(9)	(1)
Shipments (000's mt)	378	394

- 2021 North America demand vs. 2020
  - ↓ 14% for uncoated mechanical papers
  - ↓ 25% for newsprint
- 2021 world demand vs. 2020
  - ↓ 24% for newsprint
- Q1 shipments ↓ 16 mt vs. Q4
- Q1 transaction price ↑ \$13/mt vs. Q4
- Q1 delivered cost ↑ \$31/mt vs. Q4
- Finished goods inventory ↓ 9k mt 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.

# P&L

## Selected financial information

	Q1 2021	vs Q4 2020	vs Q1 2020
Net income (adjusted for special items) <sup>1</sup>	\$119M	+\$74M	+\$148M
Sales	\$873M	+14%	+27%
EPS (adjusted for special items) <sup>1</sup>	\$1.45	+\$0.90	+\$1.78
Adjusted EBITDA <sup>2</sup>	\$221M	+71%	+591%

## Special items affecting net income (pre-tax) in Q1 2021

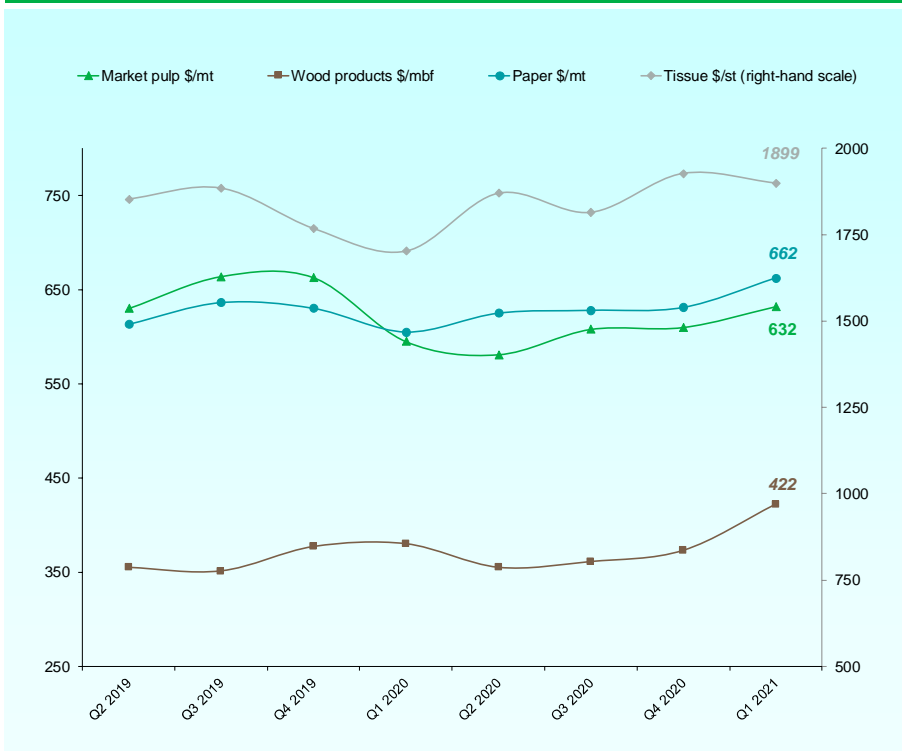
- \$45M other expense, net, including \$37M loss principally related to lumber future commodity contracts

EBITDA <sup>2</sup> contribution from cogen (US\$M)	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
	11	7	10	10	11	8	9	8

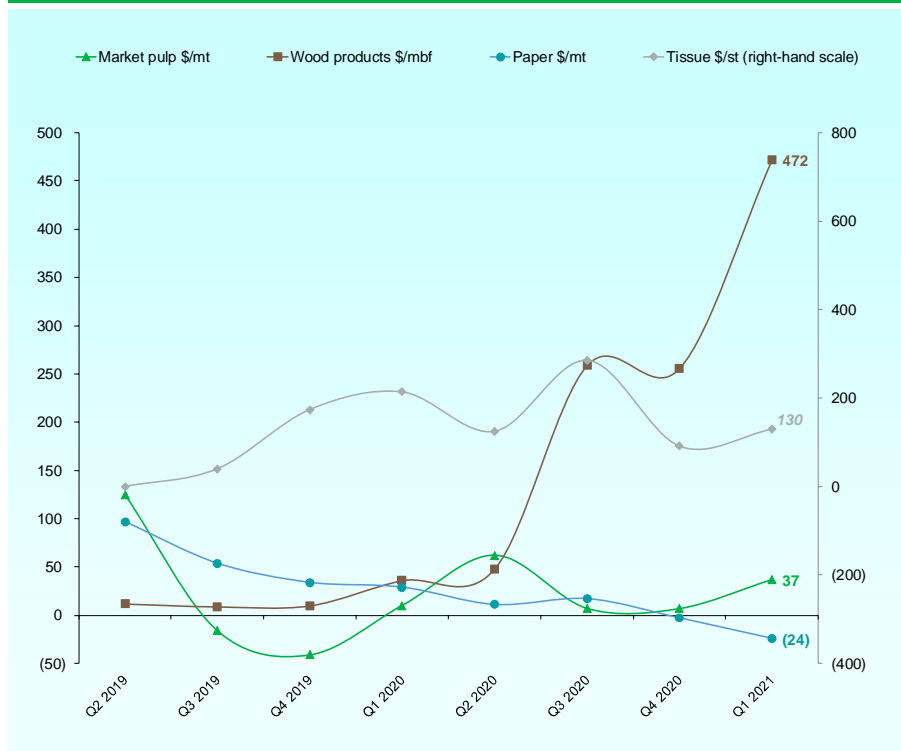
1. Excluding special items. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
2. Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
3. Other postretirement benefit.

# PERFORMANCE METRICS

## Delivered cost



## EBITDA<sup>1</sup> per unit



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)	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total debt	\$482	\$561	\$561	\$630	\$821	\$449	\$424	\$423
Cash on hand	33	113	20	27	116	3	69	98
Available under revolving credit facilities	620	580	457	369	233	580	497	492
<b>Available liquidity</b>	<b>\$653</b>	<b>\$693</b>	<b>\$477</b>	<b>\$396</b>	<b>\$349</b>	<b>\$583</b>	<b>\$566</b>	<b>\$590</b>
LTM Adj. EBITDA <sup>1</sup>	\$527	\$338	\$213	\$96	\$141	\$213	\$314	\$480
Net debt / LTM Adj. EBITDA <sup>1</sup>	0.9x	1.3x	2.5x	6.3x	5.0x	2.1x	1.1x	0.7x
Capital expenditures	\$14	\$25	\$16	\$16	\$21	\$31	\$37	\$19

- Strong liquidity position at \$653M
- Repurchased 1.7 million shares, or 2%, in Q1 (\$17M) and 8.7 million shares in LTM, or 10% (\$47M)
- Unsecured senior notes refinancing with a net redemption of \$75M
- Q1 lumber cash duty deposit of \$32M (cumulative of \$275M)
- U.S. pension relief expected to decrease contributions by ~\$30M per year for the next three years, once implementing guidelines are announced later this year
- Subsequent to Q1, senior secured credit facility amendment with net debt repayment of \$25M; no impact on liquidity

# PENSION

(US\$M)	Q1 2021	2020	2019	2018
Net pension liabilities	1,385	1,440	1,326	1,122
OPEB liabilities	136	136	147	148
<b>Net pension and OPEB liabilities</b>	<b>1,521</b>	<b>1,576</b>	<b>1,473</b>	<b>1,270</b>
U.S. GAAP discount rate at 12/31 <sup>1</sup>	N/A	2.5%	3.0%	3.8%
Pension plans deficit for funding purposes <sup>2</sup>	N/A	629	497	550

(US\$M)	2021E	Q1 2021	2020	2019	2018
Pension contributions	120*	27	108	99	121
OPEB payments	12	3	11	12	13
Operating pension and OPEB costs	33	9	32	33	40
Non-op. pension and OPEB (credits)/costs <sup>3</sup>	(10)	(2)	0	(47)	(50)
<b>Total pension and OPEB (credits)/costs <sup>4</sup></b>	<b>23</b>	<b>7</b>	<b>32</b>	<b>(14)</b>	<b>(10)</b>

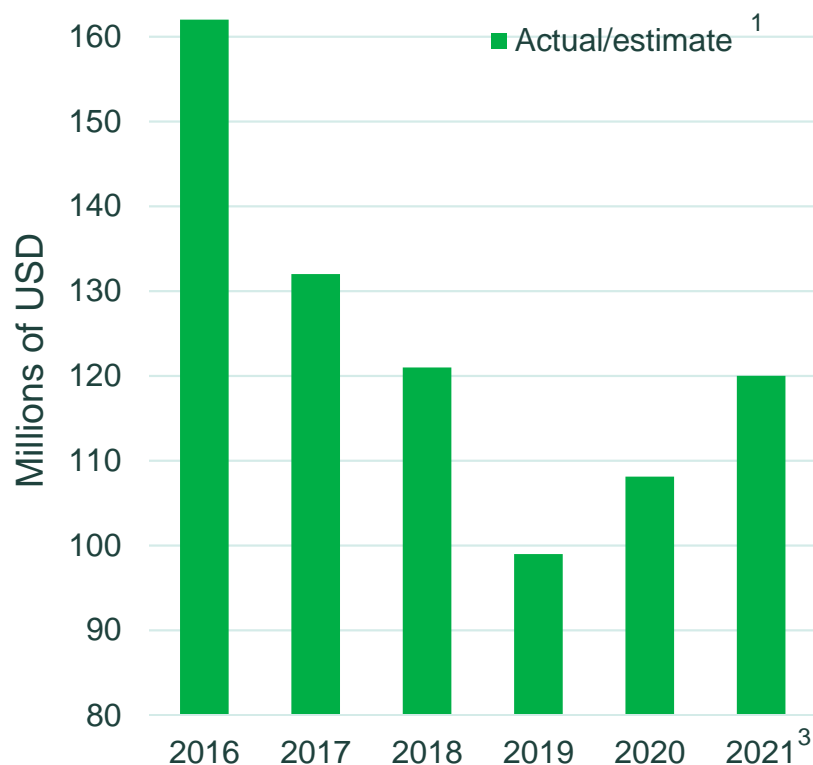
**\*Will be updated once implementing guidelines are announced later this year**

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. Excluded from adjusted EBITDA.
4. Includes defined benefit and defined contribution plans.

# PENSION FINANCIAL POSITION UPDATE

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

### Total Pension Contributions



1. Includes all pension contributions and excludes 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

3. Will be revised once implementing guidelines are announced later this year

### Dec. 31, 2020 Pension Plans Deficit<sup>1</sup>

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

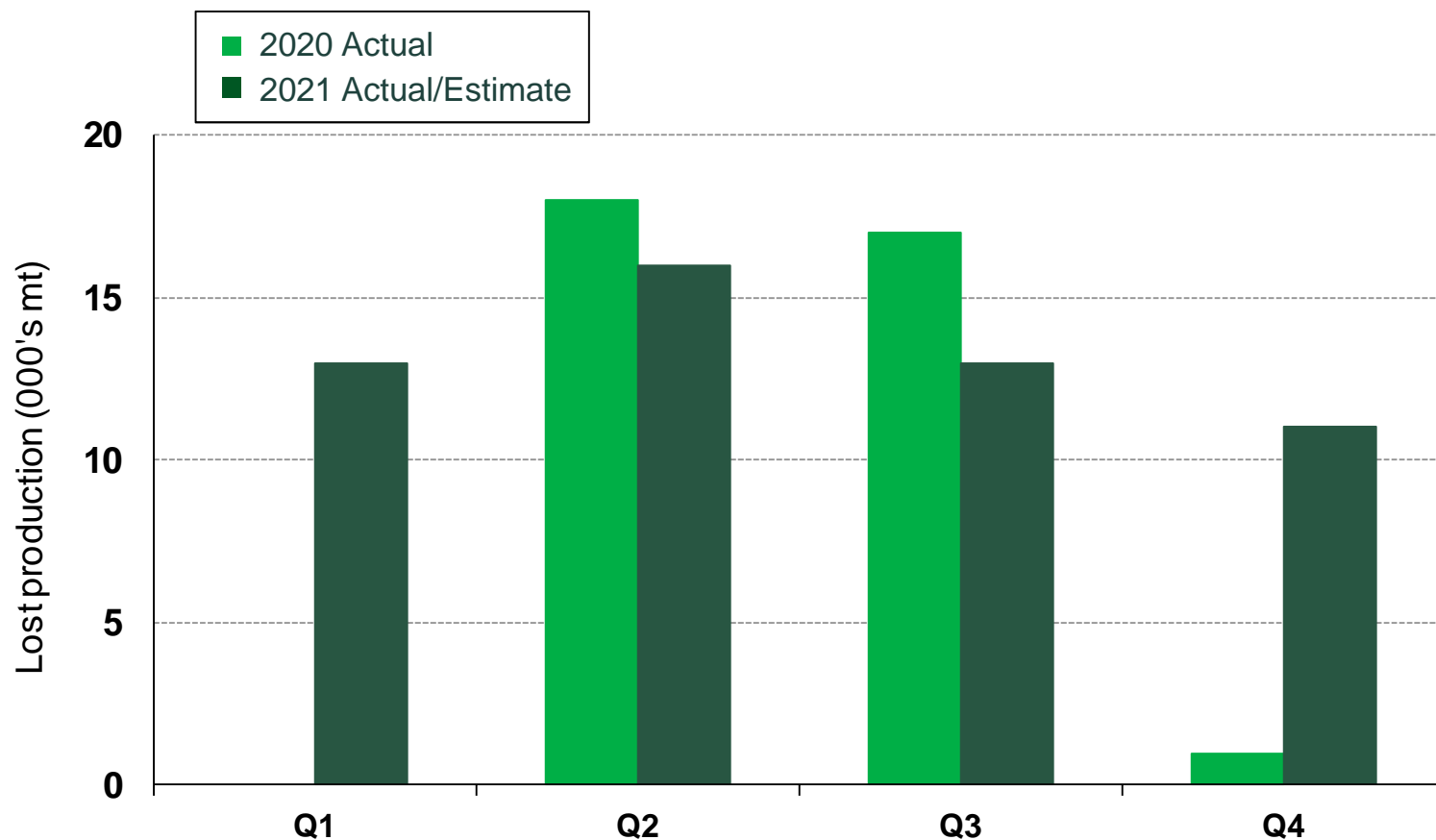
Note : As of December 31, 2020, a discount rate increase of 25 basis point translates into a decrease of \$128M in net pension liabilities on an accounting basis

# OUTLOOK

<b>Wood Products</b>	<ul style="list-style-type: none"><li>• Strong market fundamentals and an accommodative interest rate environment continue to support higher U.S. housing starts</li><li>• Expect continued robust lumber consumption for home improvement projects this year</li></ul>
<b>Market Pulp</b>	<ul style="list-style-type: none"><li>• Pace of price recovery picked up in the first quarter</li><li>• Momentum expected to carry into the second quarter with further price improvements toward normalized levels for high quality virgin pulp</li></ul>
<b>Tissue</b>	<ul style="list-style-type: none"><li>• Softness in demand for at-home tissue products, as retailers now appear to be de-stocking inventories built during height of pandemic</li><li>• Away-from-home space still under pressure</li></ul>
<b>Paper</b>	<ul style="list-style-type: none"><li>• Global capacity reductions leading to better operating rates and improved pricing conditions in the near-term</li></ul>

# OUTLOOK

## 2021 Scheduled Market Pulp Outages





# RESOLUTE FOREST PRODUCTS

## Q1 2021 RESULTS



APRIL 29, 2021

# 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.

<b>Three months ended March 31, 2021</b> (Unaudited, in millions of U.S. dollars, except per share amounts)	<b>Operating income</b>	<b>Net income</b>	<b>EPS</b>
<b>GAAP, as reported</b>	\$ 177	\$ 87	\$ 1.06
Adjustments for special items:			
Closure costs, impairment and other related charges	3	3	0.03
Non-operating pension and other postretirement benefit credits	-	(2)	(0.02)
Other expense, net	-	45	0.55
Income tax effect of special items	-	(14)	(0.17)
<b>Adjusted for special items</b>	<b>\$ 180</b>	<b>\$ 119</b>	<b>\$ 1.45</b>
<b>Three months ended March 31, 2020</b> (Unaudited, in millions of U.S. dollars, except per share amounts)	<b>Operating loss</b>	<b>Net loss</b>	<b>EPS</b>
<b>GAAP, as reported</b>	\$ (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
<b>Adjusted for special items</b>	<b>\$ (10)</b>	<b>\$ (29)</b>	<b>\$ (0.33)</b>

**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.

<b>Three months ended March 31, 2021</b> (Unaudited, in millions of U.S. dollars)	<b>Market pulp</b>		<b>Tissue</b>		<b>Wood products</b>		<b>Paper <sup>(2)</sup></b>		<b>Corporate and other</b>		<b>Total</b>
<b>Net income (loss) including noncontrolling interest</b>	\$	4	\$	(2)	\$	221	\$	(24)	\$	(111)	\$ 88
Interest expense										6	6
Income tax provision										40	40
Depreciation and amortization		6		5		11		15		4	41
<b>EBITDA</b>	\$	10	\$	3	\$	232	\$	(9)	\$	(61)	\$ 175
Closure costs, impairment and other related charges										3	3
Non-operating pension and other postretirement benefit credits										(2)	(2)
Other expense, net										45	45
<b>Adjusted EBITDA</b>	\$	10	\$	3	\$	232	\$	(9)	\$	(15)	\$ 221

<b>Three months ended March 31, 2020</b> (Unaudited, in millions of U.S. dollars)	<b>Market pulp</b>		<b>Tissue</b>		<b>Wood products</b>		<b>Paper <sup>(2)</sup></b>		<b>Corporate and other</b>		<b>Total</b>
<b>Net (loss) income including noncontrolling interest</b>	\$	(3)	\$	2	\$	5	\$	(3)	\$	(2)	\$ (1)
Interest expense										9	9
Income tax provision										27	27
Depreciation and amortization		6		4		11		17		4	42
<b>EBITDA</b>	\$	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)
<b>Adjusted EBITDA</b>	\$	3	\$	6	\$	16	\$	14	\$	(7)	\$ 32



# APPENDIX B



## Resolute Forest Products Inc.

### Financial and Operating Statistics (Page 1 of 5)

	2020					2021				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
<i>(In millions of U.S. dollars, except per share amounts and otherwise indicated)</i>										
<b>Income Statement Data</b>										
Sales	\$ 689	\$ 612	\$ 730	\$ 769	\$ 2,800	\$ 873				\$ 873
Operating income (loss)	(8)	6	97	4	99	177				177
Interest expense	(9)	(9)	(8)	(8)	(34)	(6)				(6)
Net income (loss) attributable to Resolute Forest Products Inc.	(1)	6	57	(52)	10	87				87
Diluted net income (loss) per share attributable to Resolute Forest Products Inc. common shareholders	\$ (0.01)	\$ 0.07	\$ 0.66	\$ (0.63)	\$ 0.12	\$ 1.06				\$ 1.06
Average diluted shares outstanding (in thousands)	88,120	88,154	86,243	81,983	86,366	81,851				81,851
Ending shares outstanding (in thousands)	87,358	87,113	82,601	80,814	80,814	79,435				79,435
<b>Financial Position</b>										
Cash and cash equivalents	\$ 116	\$ 27	\$ 20	\$ 113	\$ 113	\$ 33				\$ 33
Working capital <sup>(1)</sup>	640	555	549	414	414	493				493
Fixed assets, net	1,583	1,524	1,503	1,441	1,441	1,412				1,412
Total assets	3,859	3,667	3,678	3,730	3,730	3,728				3,728
Current portion of long-term debt	2	2	2	2	2	2				2
Long-term debt, net of current portion	819	628	559	559	559	480				480
Net debt <sup>(2)</sup>	705	603	541	448	448	449				449
Liquidity <sup>(3)</sup>	349	396	477	693	693	653				653
Total Resolute Forest Products Inc. shareholders' equity	1,233	1,249	1,299	1,081	1,081	1,185				1,185
Noncontrolling interest	1	1	1	1	1	2				2
Total equity	1,234	1,250	1,300	1,082	1,082	1,187				1,187
<b>Cash Flow Information</b>										
Net cash provided by (used in) operating activities	\$ (49)	\$ 125	\$ 100	\$ 158	\$ 334	\$ 74				\$ 74
Cash invested in fixed assets	(21)	(16)	(16)	(25)	(78)	(14)				(14)
Acquisition of business, net of cash acquired	(174)	2	-	-	(172)	-				-
Increase in countervailing and anti-dumping duty cash deposits on softwood lumber	(15)	(17)	(20)	(29)	(81)	(32)				(32)
Net cash used in investing activities	(206)	(21)	(21)	(49)	(297)	(43)				(43)
Net borrowings (repayments) under revolving credit facilities	189	(191)	(69)	-	(71)	-				-
Issuance of long-term debt	-	-	-	-	-	300				300
Proceeds from long-term debt	180	-	-	-	180	-				-
Repayments of debt	(1)	-	-	-	(1)	(376)				(376)
Purchases of treasury stock	-	(1)	(18)	(11)	(30)	(17)				(17)
Net cash (used in) provided by financing activities	368	(192)	(87)	(11)	78	(99)				(99)

**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)

	2020					2021				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
<b>Sales</b>										
Market pulp	\$ 177	\$ 161	\$ 161	\$ 169	\$ 668	\$ 176				\$ 176
Tissue	49	44	39	41	173	42				42
Wood products	174	199	322	330	1,025	430				430
Paper	289	208	208	229	934	225				225
<b>Total sales</b>	<b>\$ 689</b>	<b>\$ 612</b>	<b>\$ 730</b>	<b>\$ 769</b>	<b>\$ 2,800</b>	<b>\$ 873</b>				<b>\$ 873</b>
<b>Shipments (thousands of units)</b>										
Market pulp (mt)	303	258	273	284	1,118	272				272
Tissue (st)	28	24	21	22	95	23				23
Wood products (mbf)	443	521	537	542	2,043	492				492
Paper (mt)	482	350	351	394	1,577	378				378
<b>Average Transaction Price per Unit</b>										
Market pulp (\$/mt)	\$ 585	\$ 619	\$ 593	\$ 596	\$ 598	\$ 647				\$ 647
Tissue (\$/st)	1,758	1,823	1,894	1,817	1,818	1,838				1,838
Wood products (\$/mbf)	392	383	600	608	502	874				874
Paper (\$/mt)	599	591	594	583	592	596				596

**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)

	2020					2021				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
<b>Operating Income (Loss)</b>										
Market pulp	\$ (3)	\$ 10	\$ (4)	\$ (4)	\$ (1)	\$ 4				\$ 4
Tissue	2	(2)	2	(3)	(1)	(2)				(2)
Wood products	5	15	128	128	276	221				221
Paper	(3)	(12)	(12)	(19)	(46)	(24)				(24)
Corporate and other	(9)	(5)	(17)	(98)	(129)	(22)				(22)
<b>Total operating income (loss)</b>	<b>\$ (8)</b>	<b>\$ 6</b>	<b>\$ 97</b>	<b>\$ 4</b>	<b>\$ 99</b>	<b>\$ 177</b>				<b>\$ 177</b>
<b>Selling, General and Administrative Expenses</b>										
Market pulp	\$ 8	\$ 5	\$ 6	\$ 7	\$ 26	\$ 9				\$ 9
Tissue	2	3	3	2	10	3				3
Wood products	7	5	5	4	21	8				8
Paper	12	10	10	9	41	11				11
Corporate and other	5	9	11	13	38	15				15
<b>Total selling, general and administrative expenses</b>	<b>\$ 34</b>	<b>\$ 32</b>	<b>\$ 35</b>	<b>\$ 35</b>	<b>\$ 136</b>	<b>\$ 46</b>				<b>\$ 46</b>
<b>Operating Cost per Unit</b>										
Market pulp (\$/mt)	\$ 595	\$ 581	\$ 608	\$ 610	\$ 599	\$ 632				\$ 632
Tissue (\$/st)	1,703	1,870	1,815	1,927	1,822	1,899				1,899
Wood products (\$/mbf)	380	355	361	373	367	422				422
Paper (\$/mt)	605	625	628	631	621	662				662
<b>Operating Cost per Unit, Excluding Depreciation and Amortization</b>										
Market pulp (\$/mt)	\$ 575	\$ 560	\$ 586	\$ 588	\$ 578	\$ 610				\$ 610
Tissue (\$/st)	1,548	1,693	1,597	1,726	1,637	1,698				1,698
Wood products (\$/mbf)	356	335	340	352	345	401				401
Paper (\$/mt)	571	578	579	586	578	621				621
<b>Product Inventory (thousands of units)</b>										
Market pulp (mt)	69	87	71	53	53	46				46
Tissue (st)	5	5	6	6	6	8				8
Wood products (mbf)	148	119	121	97	97	143				143
Paper (mt)	150	130	124	96	96	87				87



Financial and Operating Statistics (Page 4 of 5)

	2020					2021				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
<small>(In millions of U.S. dollars)</small>										
<b>Net Income (Loss) Including Noncontrolling Interest</b>										
Market pulp	\$ (3)	\$ 10	\$ (4)	\$ (4)	\$ (1)	\$ 4				\$ 4
Tissue	2	(2)	2	(3)	(1)	(2)				(2)
Wood products	5	15	128	128	276	221				221
Paper	(3)	(12)	(12)	(19)	(46)	(24)				(24)
Corporate and other	(2)	(5)	(57)	(154)	(218)	(111)				(111)
<b>Total net income (loss) including noncontrolling interest</b>	<b>\$ (1)</b>	<b>\$ 6</b>	<b>\$ 57</b>	<b>\$ (52)</b>	<b>\$ 10</b>	<b>\$ 88</b>				<b>\$ 88</b>
<b>Interest Expense</b>	<b>\$ 9</b>	<b>\$ 9</b>	<b>\$ 8</b>	<b>\$ 8</b>	<b>\$ 34</b>	<b>\$ 6</b>				<b>\$ 6</b>
<b>Income Tax Provision (Benefit)</b>	<b>\$ 27</b>	<b>\$ 5</b>	<b>\$ 23</b>	<b>\$ (4)</b>	<b>\$ 51</b>	<b>\$ 40</b>				<b>\$ 40</b>
<b>Depreciation and Amortization</b>										
Market pulp	\$ 6	\$ 6	\$ 6	\$ 6	\$ 24	\$ 6				\$ 6
Tissue	4	5	4	5	18	5				5
Wood products	11	10	11	11	43	11				11
Paper	17	16	18	18	69	15				15
Corporate and other	4	3	4	4	15	4				4
<b>Total depreciation and amortization</b>	<b>\$ 42</b>	<b>\$ 40</b>	<b>\$ 43</b>	<b>\$ 44</b>	<b>\$ 169</b>	<b>\$ 41</b>				<b>\$ 41</b>
<b>EBITDA <sup>(4)</sup></b>										
Market pulp	\$ 3	\$ 16	\$ 2	\$ 2	\$ 23	\$ 10				\$ 10
Tissue	6	3	6	2	17	3				3
Wood products	16	25	139	139	319	232				232
Paper	14	4	6	(1)	23	(9)				(9)
Corporate and other	38	12	(22)	(146)	(118)	(61)				(61)
<b>Total EBITDA</b>	<b>\$ 77</b>	<b>\$ 60</b>	<b>\$ 131</b>	<b>\$ (4)</b>	<b>\$ 264</b>	<b>\$ 175</b>				<b>\$ 175</b>
<b>Special Items <sup>(4)</sup></b>										
Closure costs, impairment and other related charges	\$ (2)	\$ -	\$ -	\$ 55	\$ 53	\$ 3				\$ 3
Inventory write-downs related to closures	-	-	-	25	25	-				-
Net gain on disposition of assets	-	(9)	-	(2)	(11)	-				-
Non-operating pension and other postretirement benefit (costs) credits	(15)	(4)	(5)	24	-	(2)				(2)
Start-up costs	-	-	-	3	3	-				-
Other expense (income), net	(28)	(10)	14	28	4	45				45
Income tax effect of special items	17	(5)	(4)	(36)	(28)	(14)				(14)
<b>Total special items</b>	<b>\$ (28)</b>	<b>\$ (28)</b>	<b>\$ 5</b>	<b>\$ 97</b>	<b>\$ 46</b>	<b>\$ 32</b>				<b>\$ 32</b>
<b>Adjusted EBITDA <sup>(4)</sup></b>										
Market pulp	\$ 3	\$ 16	\$ 2	\$ 2	\$ 23	\$ 10				\$ 10
Tissue	6	3	6	2	17	3				3
Wood products	16	25	139	139	319	232				232
Paper	14	4	6	(1)	23	(9)				(9)
Corporate and other	(7)	(11)	(13)	(13)	(44)	(15)				(15)
<b>Total adjusted EBITDA</b>	<b>\$ 32</b>	<b>\$ 37</b>	<b>\$ 140</b>	<b>\$ 129</b>	<b>\$ 338</b>	<b>\$ 221</b>				<b>\$ 221</b>



Financial and Operating Statistics (Page 5 of 5)

Notes

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

<sup>2</sup> We define net debt as total debt less cash and cash equivalents.

<sup>3</sup> We define liquidity as cash and cash equivalents and availability under our credit facilities.

<sup>4</sup> 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

## Q1 2021 RESULTS



APRIL 29, 2021