

RESOLUTE FOREST PRODUCTS Q2 2021 RESULTS



JULY 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,” “generate,” “improve,” “allow,” “increase,” “maintain,” “provide,” “trend,” “strategy,” “seek,” “evolve,” “vision,” “commit,” “develop,” “project,” “progress,” “build,” “pursue,” “plan,” “grow,” “reduce,” “accelerate,” “drive,” “look,” “enhance” 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.

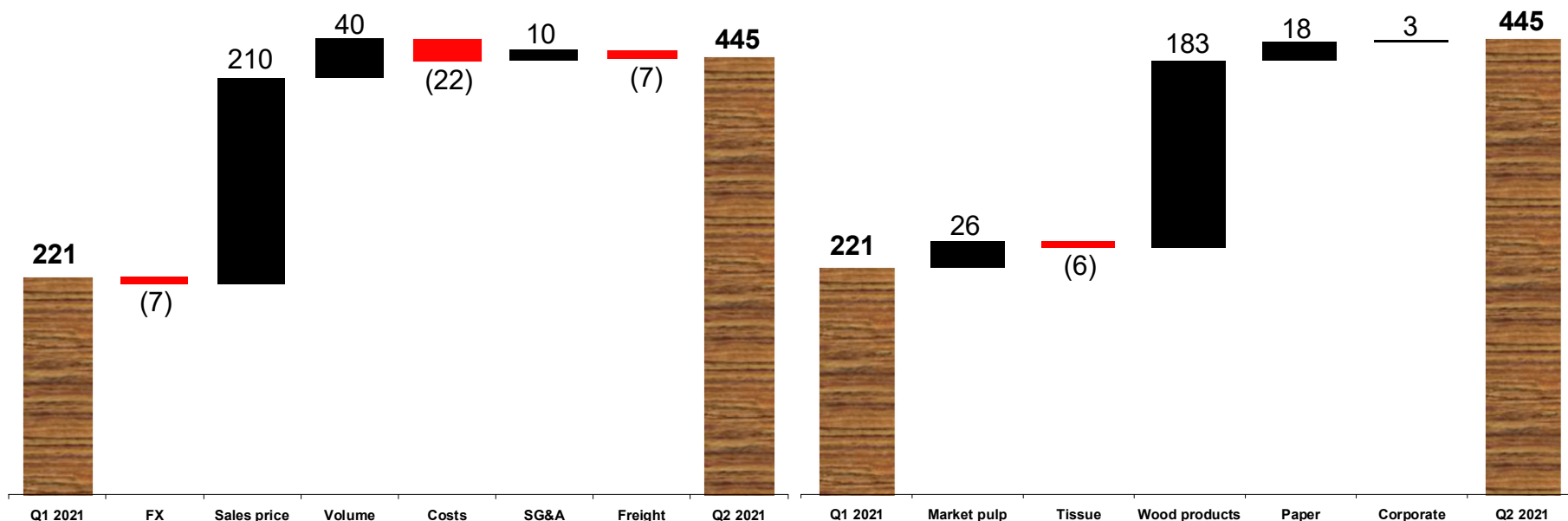
All figures in US\$ unless otherwise noted.

Q2 2021 & RECENT HIGHLIGHTS

- Q2 GAAP net income of \$268 million / \$3.34 per diluted share
- Adjusted EBITDA of \$445 million; Wood products contributes \$415 million to quarterly EBITDA
- Liquidity over \$1 billion / net debt down to \$126 million at quarter-end
- Paid special cash dividend of \$1.00 per share in July
- Revised 2021 CAPEX guidance of \$125 million, up by \$25 million

Q2 2021 OVERVIEW

Adjusted EBITDA : Q2'21 vs. Q1'21

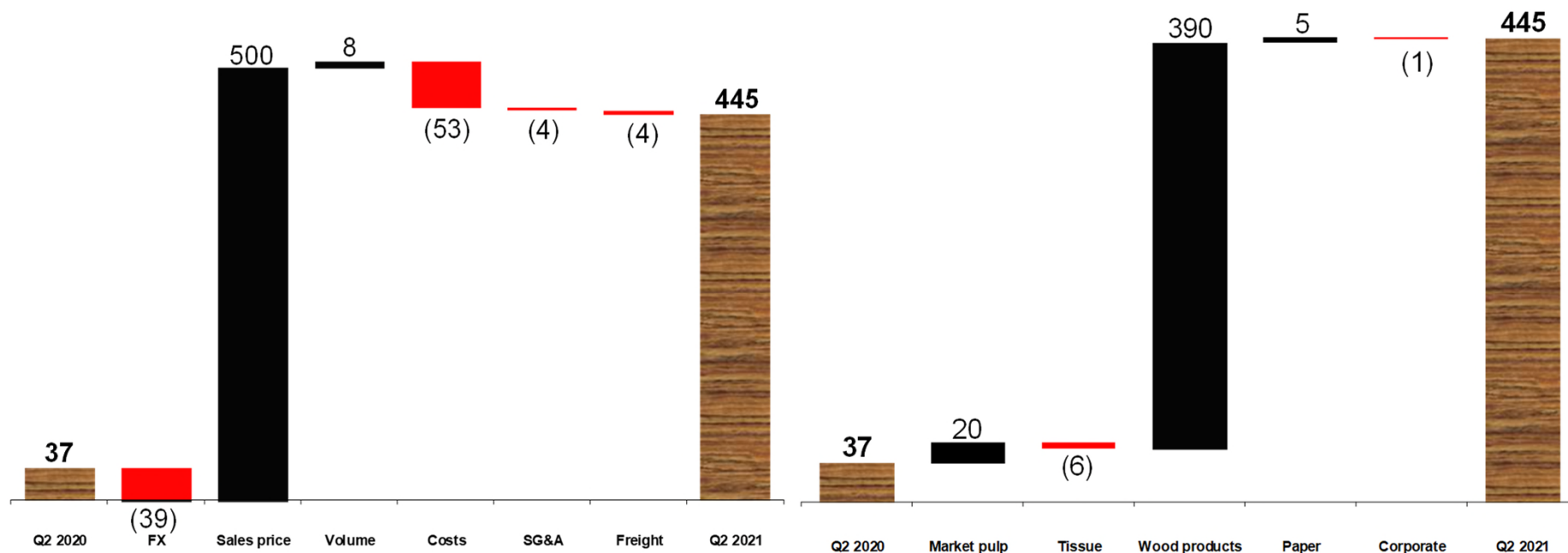


- Higher selling price : wood products ↑ 32%; market pulp ↑ 22%; paper ↑ 7%
- Higher shipments : wood products ↑ 17%
- Higher costs : stumpage-fee driven input costs and freight costs
- Lower selling, general and administrative expenses

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

Q2 2021 OVERVIEW

Adjusted EBITDA : Q2'21 vs. Q2'20

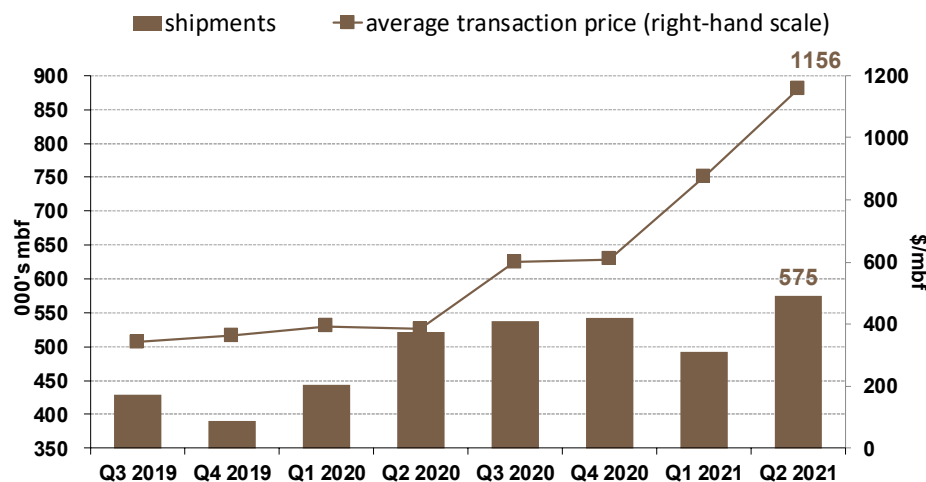


- Higher selling price : wood products ↑ 202%; market pulp ↑ 27%; paper ↑ 7%
- Higher costs : higher fiber and maintenance costs
- Stronger Canadian dollar

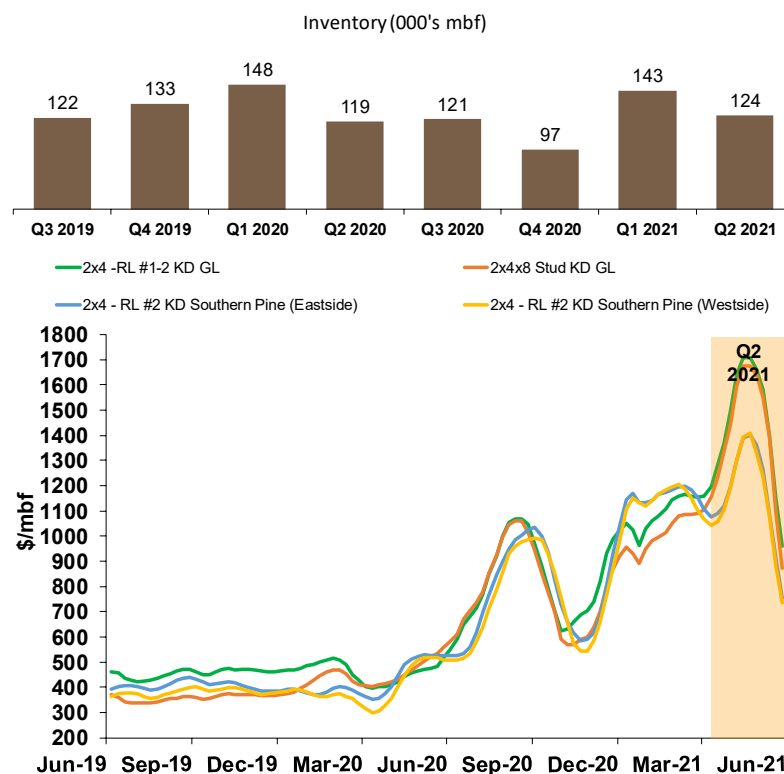
Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

WOOD PRODUCTS

(US\$M)	Q2 2021	Q1 2021
Sales	664	430
Operating income (loss)	405	221
EBITDA ¹	415	232
Shipments (mmbf)	575	492



- U.S. housing starts seasonally adjusted annual rate average of 1.6 million in Q2, ↓ 2% vs. Q1
- Q2 shipments ↑ 83k mbf vs. Q1
- Q2 transaction price ↑ \$282/mbf vs. Q1
- Q2 delivered cost² ↑ \$30/mbf vs. Q1
- Finished goods inventory ↓ 19k mbf vs. Q1

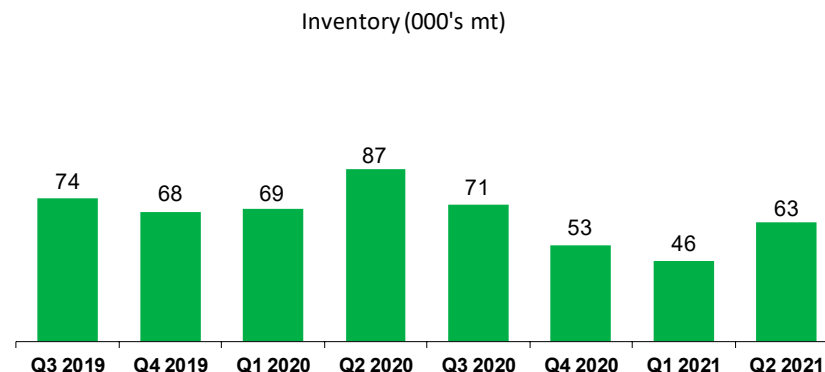
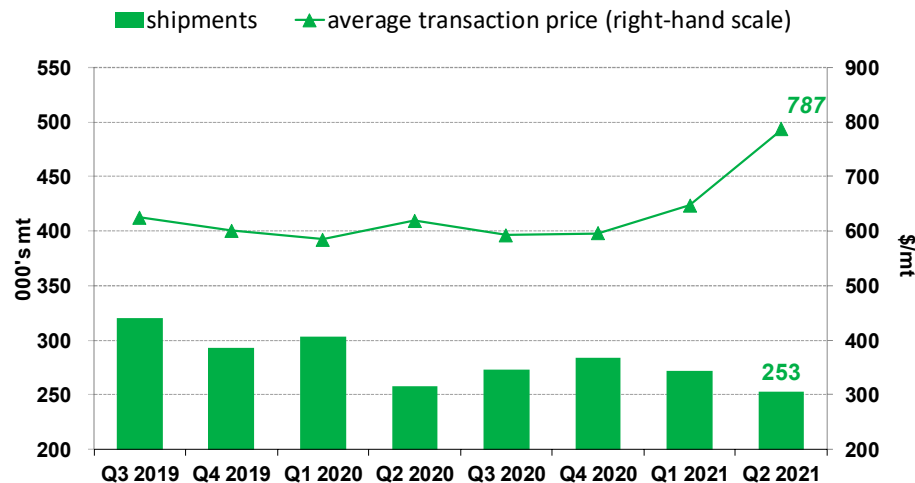


1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
 2. The delivered cost is the total cost of each ton shipped (cost of sales, distribution costs, selling, general and administrative expenses, and depreciation and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

MARKET PULP

(US\$M)	Q2 2021	Q1 2021
Sales	199	176
Operating income (loss)	30	4
EBITDA ¹	36	10
Shipments (000's mt)	253	272

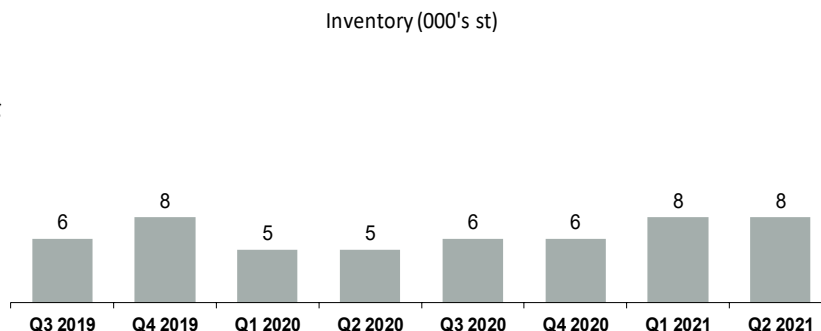
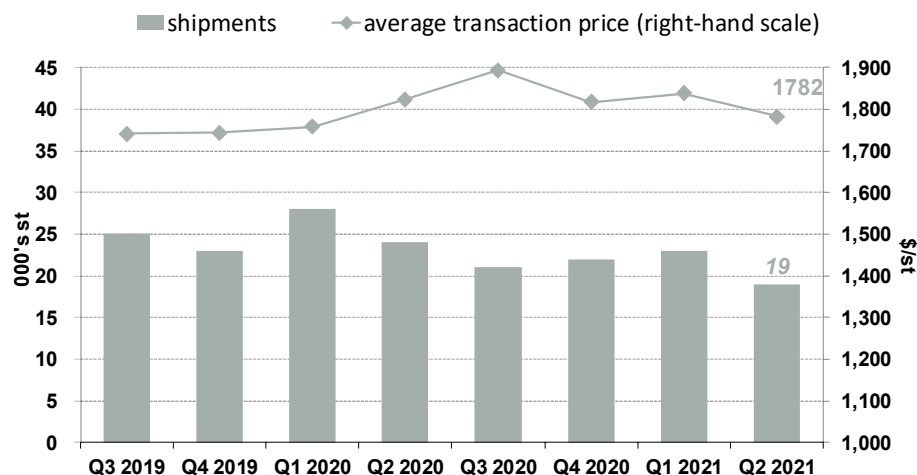
- Market dynamics influenced by pandemic; tight supply and demand
- World demand of chemical pulp ↓ 2% vs 2020²
 - Hardwood ↓ 1%
 - Softwood ↓ 5%
- Q2 shipments ↓ 19k mt vs. Q1
- Q2 transaction price ↑ \$140/mt vs. Q1
- Q2 delivered cost ↑ \$35/mt vs. Q1
- Finished goods inventory ↑ 17k mt vs. Q1



TISSUE

(US\$M)	Q2 2021	Q1 2021
Sales	35	42
Operating income (loss)	(7)	(2)
EBITDA ¹	(3)	3
Shipments (000's st)	19	23

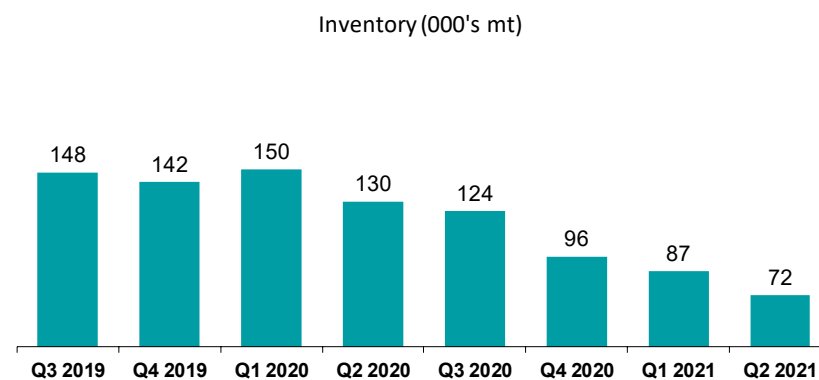
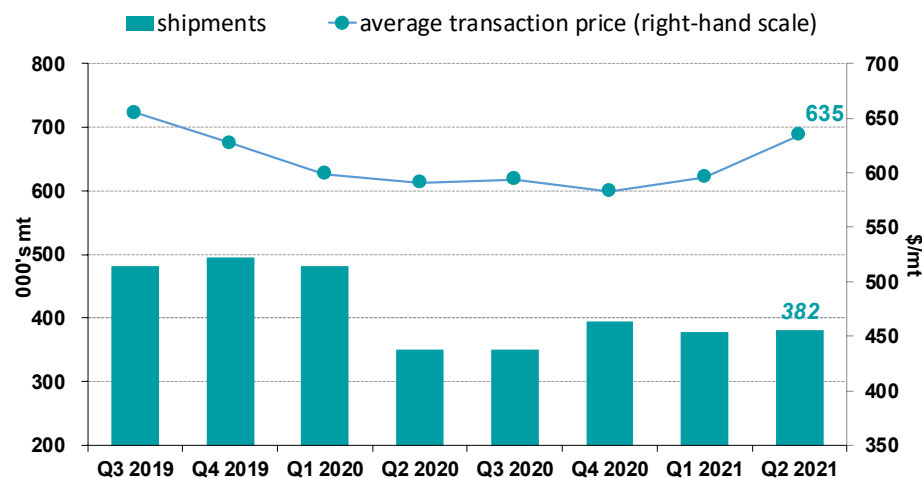
- US consumption ↓ 5% vs 2020 ²
 - At-home shipments ↓ 12%
 - Away-from-home shipments stable
- Q2 shipments ↓ 4k st vs. Q1
- Q2 transaction price ↓ \$56/st vs. Q1
- Q2 delivered cost ↑ \$295/st vs. Q1
- Finished goods inventory unchanged vs. Q1



PAPER

(US\$M)	Q2 2021	Q1 2021
Sales	242	225
Operating income (loss)	(7)	(24)
EBITDA ¹	9	(9)
Shipments (000's mt)	382	378

- 2021 North America demand vs. 2020 ²
 - flat for uncoated mechanical papers
 - ↓ 10% for newsprint
- Q2 shipments ↑ 4 mt vs. Q1
- Q2 transaction price ↑ \$39/mt vs. Q1
- Q2 delivered cost ↓ \$13/mt vs. Q1
- Finished goods inventory ↓ 15k mt vs. Q1



P&L

Selected financial information

	Q2 2021	vs Q1 2021	vs Q2 2020
Net income (adjusted for special items) ¹	\$300M	+\$181M	+\$322M
Sales	\$1,140M	+31%	+86%
EPS (adjusted for special items) ¹	\$3.74	+\$2.29	+\$3.99
Adjusted EBITDA ²	\$445M	+101%	+1,103%

Special items affecting net income (pre-tax) in Q2 2021

- \$49M other expense, net, including \$49M loss principally related to lumber future commodity contracts. Closed all outstanding lumber futures positions in the quarter.

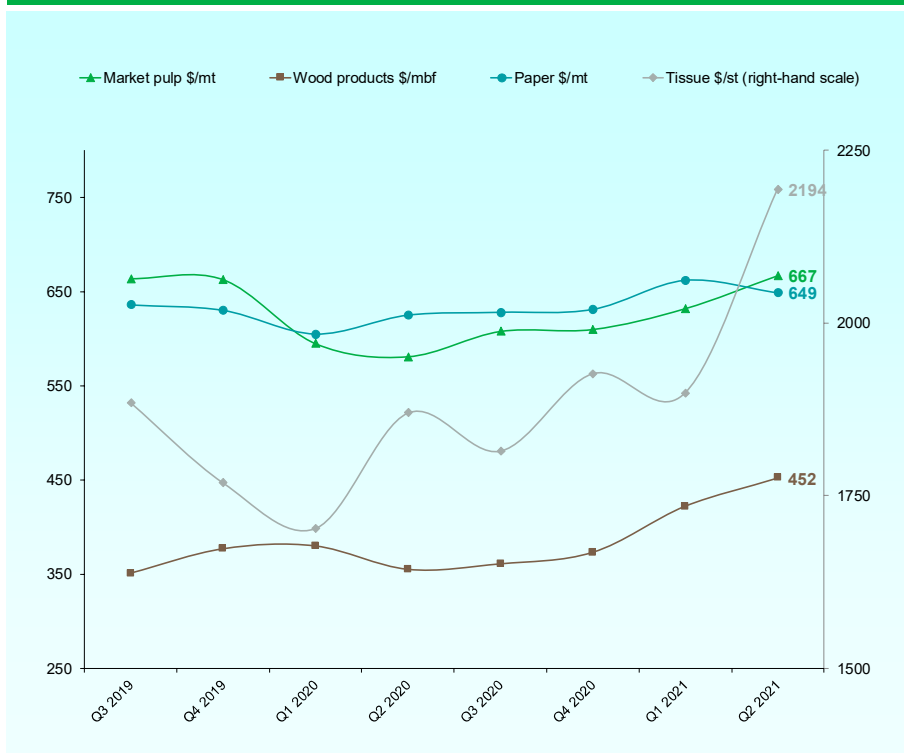
EBITDA contribution from cogen ² (US\$M)

Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
8	11	7	10	10	11	8	9

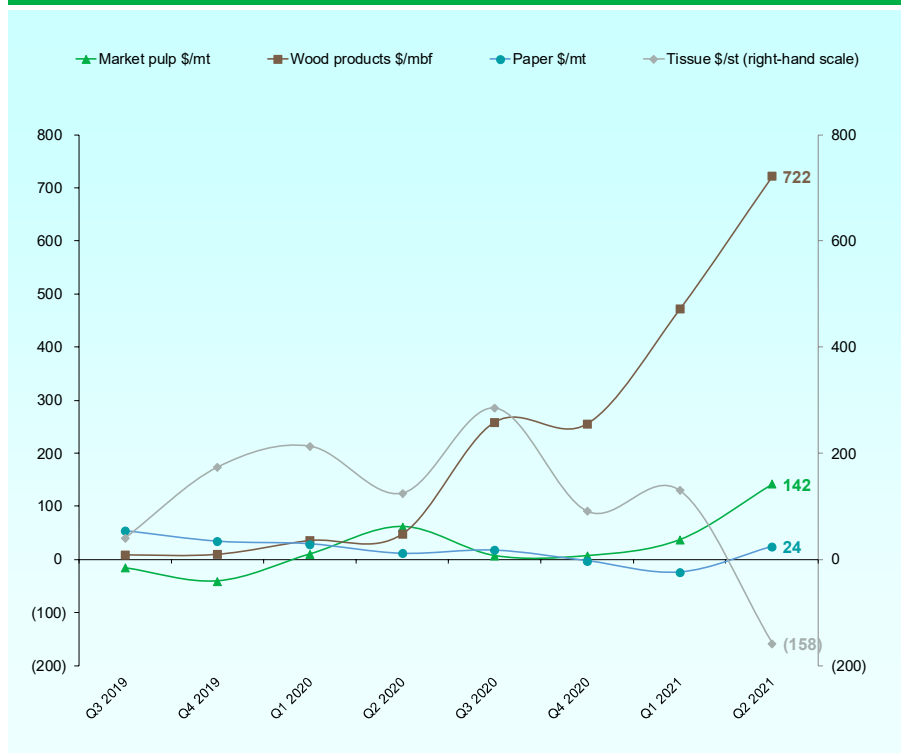
1. Excluding special items. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
2. Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
3. Other postretirement benefit.

PERFORMANCE METRICS

Delivered cost



EBITDA¹ per unit



LIQUIDITY AND CASH FLOW

Available liquidity (US\$M)	2021		2020				2019	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total debt	\$303	\$482	\$561	\$561	\$630	\$821	\$449	\$424
Cash on hand	177	33	113	20	27	116	3	69
Available under revolving credit facilities	873	620	580	457	369	233	580	497
Available liquidity	\$1,050	\$653	\$693	\$477	\$396	\$349	\$583	\$566
LTM Adj. EBITDA ¹	\$935	\$527	\$338	\$213	\$96	\$141	\$213	\$314
Net debt / LTM Adj. EBITDA ¹	0.1x	0.9x	1.3x	2.5x	6.3x	5.0x	2.1x	1.1x
Capital expenditures	\$33	\$14	\$25	\$16	\$16	\$21	\$31	\$37

- Strong liquidity position at \$1.1 B
- Q2 repayment of revolving and term credit facilities of \$180M
- 2021 CAPEX guidance increased to \$125M, up by \$25M, following the announcement of \$50M investments in wood projects expected to be completed by end of 2022
- Repurchased 0.3 million shares, or 0.4%, in Q2 (\$3M) and 8.7 million shares in LTM, or 10% (\$49.5M)
- Q2 lumber cash duty deposits of \$57M (cumulative of \$332M)
- Special cash dividend of \$1.00 per share paid on July 7

PENSION

(US\$M)	Q2 2021	2020	2019	2018
Net pension liabilities	1,360	1,440	1,326	1,122
OPEB liabilities	136	136	147	148
Net pension and OPEB liabilities	1,496	1,576	1,473	1,270
U.S. GAAP discount rate at 12/31 ¹	N/A	2.5%	3.0%	3.8%
Pension plans deficit for funding purposes ²	445	629	497	550

(US\$M)	2021E	Q2 2021	2020	2019	2018
Pension contributions	107 <i>Revised</i>	27	108	99	121
OPEB payments	12	3	11	12	13
Operating pension and OPEB costs	33	8	32	33	40
Non-op. pension and OPEB (credits)/costs ³	(10)	(3)	0	(47)	(50)
Total pension and OPEB (credits)/costs ⁴	23	5	32	(14)	(10)

1. Pension plans.

2. Funding for pension plans in Quebec is determined on a going concern basis; in Ontario, also on a going-concern basis for 2018 as we exited special funding regulations on December 31, 2018, and on a solvency basis for 2017; and in the U.S. on a 25-year average interest rate basis.

3. 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



Pension Plans Deficit	
Accounting Basis	Dec. 2020
Net pension liabilities (US\$M)	1,440
Funded ratio (%)	73%
Discount rate (%)	2.5%

Pension Plans Deficit			
Funding Basis ²	Dec. 2020	June 2021	Variance
Funding deficit (US\$M)	629	445	↓ (184)

1. Includes all pension contributions, 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.

OUTLOOK

Wood Products	<ul style="list-style-type: none">• Confident in the underlying business fundamentals, despite recent benchmark lumber pricing volatility• El Dorado and Ignace to produce 125+ million board feet in 2021• Expect 25 million board feet of downtime in the third quarter for capital projects and production optimization
Market Pulp	<ul style="list-style-type: none">• Favorable momentum to carry into the third quarter• Expect higher realized prices and stronger shipments
Tissue	<ul style="list-style-type: none">• Away-from-home market showing signs of recovery• Return to normal demand trends in the coming months, once inventory rebalancing affecting the industry passes
Paper	<ul style="list-style-type: none">• Price recovery expected to continue in Q3, supporting our cash generation strategy

OUR STRATEGY

Industry
Growth

Wood Products

- Capitalize on favorable macro environment
- Scale opportunities through M&A
- Invest in high return and short payback capital projects



Market Pulp

- Build on key top-quality assets
- Focus on organic growth projects and leverage low-cost operations



Tissue

- Drive operational performance and leverage integration with market pulp
- Optimize converting and distribution capacity geographically



Paper

- Maximize free cash flow generation from existing operations and assets
- Manage structural demand decline
- Leverage potential conversion opportunities

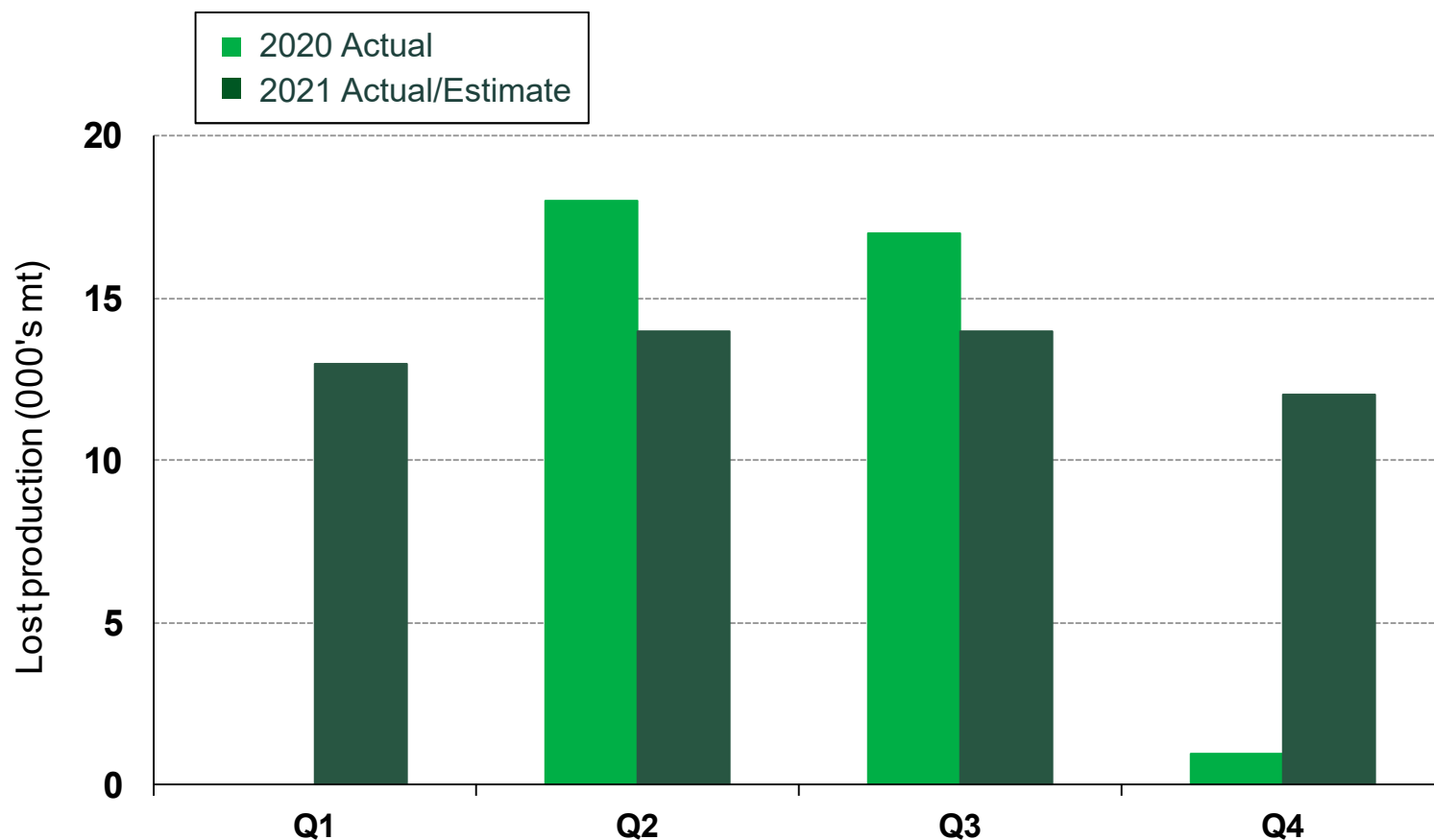


Legend

Growth Markets

OUTLOOK

2021 Scheduled Market Pulp Outages



RESOLUTE FOREST PRODUCTS Q2 2021 RESULTS



JULY 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.

Three months ended June 30, 2021		Operating	Net income	EPS
(Unaudited, in millions of U.S. dollars, except per share amounts)		income		
GAAP, as reported		\$ 406	\$ 268	\$ 3.34
Adjustments for special items:				
Closure costs, impairment and other related charges		(1)	(1)	(0.01)
Non-operating pension and other postretirement benefit credits		-	(3)	(0.04)
Other expense, net		-	49	0.61
Income tax effect of special items		-	(13)	(0.16)
Adjusted for special items		\$ 405	\$ 300	\$ 3.74

Three months ended June 30, 2020		Operating	Net income	EPS
(Unaudited, in millions of U.S. dollars, except per share amounts)		income (loss)	(loss)	
GAAP, as reported		\$ 6	\$ 6	\$ 0.07
Adjustments for special items:				
Net gain on disposition of assets		(9)	(9)	(0.10)
Non-operating pension and other postretirement benefit credits		-	(4)	(0.05)
Other income, net		-	(10)	(0.11)
Income tax effect of special items		-	(5)	(0.06)
Adjusted for special items		\$ (3)	\$ (22)	\$ (0.25)

Six months ended June 30, 2021 (Unaudited, in millions of U.S. dollars, except per share amounts)	Operating income	Net income	EPS
GAAP, as reported	\$ 583	\$ 355	\$ 4.39
Adjustments for special items:			
Closure costs, impairment and other related charges	2	2	0.02
Non-operating pension and other postretirement benefit credits	-	(5)	(0.06)
Other expense, net	-	94	1.16
Income tax effect of special items	-	(27)	(0.33)
Adjusted for special items	\$ 585	\$ 419	\$ 5.18
Six months ended June 30, 2020 (Unaudited, in millions of U.S. dollars, except per share amounts)	Operating loss	Net income (loss)	EPS
GAAP, as reported	\$ (2)	\$ 5	\$ 0.06
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	-	(19)	(0.22)
Other income, net	-	(38)	(0.43)
Income tax effect of special items	-	12	0.14
Adjusted for special items	\$ (13)	\$ (51)	\$ (0.57)

RESOLUTE FOREST PRODUCTS INC.
RECONCILIATION OF EBITDA AND ADJUSTED EBITDA

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

Three months ended June 30, 2021 (Unaudited, in millions of U.S. dollars)							Corporate and other		Total	
	Market pulp		Tissue		Wood products		Paper			
Net income (loss) including noncontrolling interest	\$	30	\$	(7)	\$	405	\$	(7)	\$	268
Interest expense									5	5
Income tax provision									87	87
Depreciation and amortization		6		4		10		16	4	40
EBITDA	\$	36	\$	(3)	\$	415	\$	9	\$	400
Closure costs, impairment and other related charges									(1)	(1)
Non-operating pension and other postretirement benefit credits									(3)	(3)
Other expense, net									49	49
Adjusted EBITDA	\$	36	\$	(3)	\$	415	\$	9	\$	445
Three months ended June 30, 2020 (Unaudited, in millions of U.S. dollars)							Corporate and other		Total	
	Market pulp		Tissue		Wood products		Paper			
Net income (loss) including noncontrolling interest	\$	10	\$	(2)	\$	15	\$	(12)	\$	6
Interest expense									9	9
Income tax provision									5	5
Depreciation and amortization		6		5		10		16	3	40
EBITDA	\$	16	\$	3	\$	25	\$	4	\$	60
Net gain on disposition of assets									(9)	(9)
Non-operating pension and other postretirement benefit credits									(4)	(4)
Other income, net									(10)	(10)
Adjusted EBITDA	\$	16	\$	3	\$	25	\$	4	\$	37



Six months ended June 30, 2021 (Unaudited, in millions of U.S. dollars)							Corporate and other	Total
	Market pulp	Tissue	Wood products	Paper				
Net income (loss) including noncontrolling interest	\$ 34	\$ (9)	\$ 626	\$ (31)	\$ (264)	\$		356
Interest expense					11			11
Income tax provision					127			127
Depreciation and amortization	12	9	21	31	8			81
EBITDA	\$ 46	\$ -	\$ 647	\$ -	\$ (118)	\$		575
Closure costs, impairment and other related charges					2			2
Non-operating pension and other postretirement benefit credits					(5)			(5)
Other expense, net					94			94
Adjusted EBITDA	\$ 46	\$ -	\$ 647	\$ -	\$ (27)	\$		666
Six months ended June 30, 2020 (Unaudited, in millions of U.S. dollars)							Corporate and other	Total
	Market pulp	Tissue	Wood products	Paper				
Net income (loss) including noncontrolling interest	\$ 7	\$ -	\$ 20	\$ (15)	\$ (7)	\$		5
Interest expense					18			18
Income tax provision					32			32
Depreciation and amortization	12	9	21	33	7			82
EBITDA	\$ 19	\$ 9	\$ 41	\$ 18	\$ 50	\$		137
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					(19)			(19)
Other income, net					(38)			(38)
Adjusted EBITDA	\$ 19	\$ 9	\$ 41	\$ 18	\$ (18)	\$		69

APPENDIX B



Financial and Operating Statistics (Page 1 of 5)

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

Income Statement Data

	2020					2021				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Sales	\$ 689	\$ 612	\$ 730	\$ 769	\$ 2,800	\$ 873	\$ 1,140			\$ 2,013
Operating income (loss)	(8)	6	97	4	99	177	406			583
Interest expense	(9)	(9)	(8)	(8)	(34)	(6)	(5)			(11)
Net income (loss) attributable to Resolute Forest Products Inc.	(1)	6	57	(52)	10	87	268			355
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	\$ 3.34			\$ 4.39
Average diluted shares outstanding (in thousands)	88,120	88,154	86,243	81,983	86,366	81,851	80,270			81,060
Ending shares outstanding (in thousands)	87,358	87,113	82,601	80,814	80,814	79,435	79,108			79,108
Financial Position										
Cash and cash equivalents	\$ 116	\$ 27	\$ 20	\$ 113	\$ 113	\$ 33	\$ 177			\$ 177
Working capital ⁽¹⁾	640	555	549	414	414	493	369			369
Fixed assets, net	1,583	1,524	1,503	1,441	1,441	1,412	1,406			1,406
Total assets	3,859	3,667	3,678	3,730	3,730	3,728	3,828			3,828
Current portion of long-term debt	2	2	2	2	2	2	3			3
Long-term debt, net of current portion	819	628	559	559	559	480	300			300
Net debt ⁽²⁾	705	603	541	448	448	449	126			126
Liquidity ⁽³⁾	349	396	477	693	693	653	1,050			1,050
Total Resolute Forest Products Inc. shareholders' equity	1,233	1,249	1,299	1,081	1,081	1,185	1,385			1,385
Noncontrolling interest	1	1	1	1	1	2	2			2
Total equity	1,234	1,250	1,300	1,082	1,082	1,187	1,387			1,387
Cash Flow Information										
Net cash provided by (used in) operating activities	\$ (49)	\$ 125	\$ 100	\$ 158	\$ 334	\$ 74	\$ 401			\$ 475
Cash invested in fixed assets	(21)	(16)	(16)	(25)	(78)	(14)	(33)			(47)
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)	(57)			(89)
Net cash used in investing activities	(206)	(21)	(21)	(49)	(297)	(43)	(90)			(133)
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)	(181)			(557)
Purchases of treasury stock	-	(1)	(18)	(11)	(30)	(17)	(3)			(20)
Net cash (used in) provided by financing activities	368	(192)	(87)	(11)	78	(99)	(183)			(282)

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
Sales										
Market pulp	\$ 177	\$ 161	\$ 161	\$ 169	\$ 668	\$ 176	\$ 199			\$ 375
Tissue	49	44	39	41	173	42	35			77
Wood products	174	199	322	330	1,025	430	664			1,094
Paper	289	208	208	229	934	225	242			467
Total sales	\$ 689	\$ 612	\$ 730	\$ 769	\$ 2,800	\$ 873	\$ 1,140			\$ 2,013
Shipments (thousands of units)										
Market pulp (mt)	303	258	273	284	1,118	272	253			525
Tissue (st)	28	24	21	22	95	23	19			42
Wood products (mbf)	443	521	537	542	2,043	492	575			1,067
Paper (mt)	482	350	351	394	1,577	378	382			760
Average Transaction Price per Unit										
Market pulp (\$/mt)	\$ 585	\$ 619	\$ 593	\$ 596	\$ 598	\$ 647	\$ 787			\$ 714
Tissue (\$/st)	1,758	1,823	1,894	1,817	1,818	1,838	1,782			1,813
Wood products (\$/mbf)	392	383	600	608	502	874	1,156			1,026
Paper (\$/mt)	599	591	594	583	592	596	635			615

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

Operating Income (Loss)

	2020					2021				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Market pulp	\$ (3)	\$ 10	\$ (4)	\$ (4)	\$ (1)	\$ 4	\$ 30			\$ 34
Tissue	2	(2)	2	(3)	(1)	(2)	(7)			(9)
Wood products	5	15	128	128	276	221	405			626
Paper	(3)	(12)	(12)	(19)	(46)	(24)	(7)			(31)
Corporate and other	(9)	(5)	(17)	(98)	(129)	(22)	(15)			(37)
Total operating income (loss)	\$ (8)	\$ 6	\$ 97	\$ 4	\$ 99	\$ 177	\$ 406			\$ 583
Selling, General and Administrative Expenses										
Market pulp	\$ 8	\$ 5	\$ 6	\$ 7	\$ 26	\$ 9	\$ 7			\$ 16
Tissue	2	3	3	2	10	3	2			5
Wood products	7	5	5	4	21	8	6			14
Paper	12	10	10	9	41	11	11			22
Corporate and other	5	9	11	13	38	15	10			25
Total selling, general and administrative expenses	\$ 34	\$ 32	\$ 35	\$ 35	\$ 136	\$ 46	\$ 36			\$ 82
Operating Cost per Unit										
Market pulp (\$/mt)	\$ 595	\$ 581	\$ 608	\$ 610	\$ 599	\$ 632	\$ 667			\$ 649
Tissue (\$/st)	1,703	1,870	1,815	1,927	1,822	1,899	2,194			2,033
Wood products (\$/mbf)	380	355	361	373	367	422	452			439
Paper (\$/mt)	605	625	628	631	621	662	649			655
Operating Cost per Unit, Excluding Depreciation and Amortization										
Market pulp (\$/mt)	\$ 575	\$ 560	\$ 586	\$ 588	\$ 578	\$ 610	\$ 643			\$ 626
Tissue (\$/st)	1,548	1,693	1,597	1,726	1,637	1,698	1,974			1,824
Wood products (\$/mbf)	356	335	340	352	345	401	434			419
Paper (\$/mt)	571	578	579	586	578	621	608			615
Product Inventory (thousands of units)										
Market pulp (mt)	69	87	71	53	53	46	63			63
Tissue (st)	5	5	6	6	6	8	8			8
Wood products (mbf)	148	119	121	97	97	143	124			124
Paper (mt)	150	130	124	96	96	87	72			72

Financial and Operating Statistics (Page 4 of 5)

(In millions of U.S. dollars)

Net Income (Loss) Including Noncontrolling Interest

	2020					2021				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Market pulp	\$ (3)	\$ 10	\$ (4)	\$ (4)	\$ (1)	\$ 4	\$ 30			\$ 34
Tissue	2	(2)	2	(3)	(1)	(2)	(7)			(9)
Wood products	5	15	128	128	276	221	405			626
Paper	(3)	(12)	(12)	(19)	(46)	(24)	(7)			(31)
Corporate and other	(2)	(5)	(57)	(154)	(218)	(111)	(153)			(264)
Total net income (loss) including noncontrolling interest	\$ (1)	\$ 6	\$ 57	\$ (52)	\$ 10	\$ 88	\$ 268			\$ 356
Interest Expense	\$ 9	\$ 9	\$ 8	\$ 8	\$ 34	\$ 6	\$ 5			\$ 11
Income Tax Provision (Benefit)	\$ 27	\$ 5	\$ 23	\$ (4)	\$ 51	\$ 40	\$ 87			\$ 127
Depreciation and Amortization										
Market pulp	\$ 6	\$ 6	\$ 6	\$ 6	\$ 24	\$ 6	\$ 6			\$ 12
Tissue	4	5	4	5	18	5	4			9
Wood products	11	10	11	11	43	11	10			21
Paper	17	16	18	18	69	15	16			31
Corporate and other	4	3	4	4	15	4	4			8
Total depreciation and amortization	\$ 42	\$ 40	\$ 43	\$ 44	\$ 169	\$ 41	\$ 40			\$ 81
EBITDA ⁽⁴⁾										
Market pulp	\$ 3	\$ 16	\$ 2	\$ 2	\$ 23	\$ 10	\$ 36			\$ 46
Tissue	6	3	6	2	17	3	(3)			-
Wood products	16	25	139	139	319	232	415			647
Paper	14	4	6	(1)	23	(9)	9			-
Corporate and other	38	12	(22)	(146)	(118)	(61)	(57)			(118)
Total EBITDA	\$ 77	\$ 60	\$ 131	\$ (4)	\$ 264	\$ 175	\$ 400			\$ 575
Special Items ⁽⁴⁾										
Closure costs, impairment and other related charges	\$ (2)	\$ -	\$ -	\$ 55	\$ 53	\$ 3	\$ (1)			\$ 2
Inventory write-downs related to closures	-	-	-	25	25	-	-			-
Net gain on disposition of assets	-	(9)	-	(2)	(11)	-	-			-
Non-operating pension and other postretirement benefit (credits) costs	(15)	(4)	(5)	24	-	(2)	(3)			(5)
Start-up costs	-	-	-	3	3	-	-			-
Other expense (income), net	(28)	(10)	14	28	4	45	49			94
Income tax effect of special items	17	(5)	(4)	(36)	(28)	(14)	(13)			(27)
Total special items	\$ (28)	\$ (28)	\$ 5	\$ 97	\$ 46	\$ 32	\$ 32			\$ 64
Adjusted EBITDA ⁽⁴⁾										
Market pulp	\$ 3	\$ 16	\$ 2	\$ 2	\$ 23	\$ 10	\$ 36			\$ 46
Tissue	6	3	6	2	17	3	(3)			-
Wood products	16	25	139	139	319	232	415			647
Paper	14	4	6	(1)	23	(9)	9			-
Corporate and other	(7)	(11)	(13)	(13)	(44)	(15)	(12)			(27)
Total adjusted EBITDA	\$ 32	\$ 37	\$ 140	\$ 129	\$ 338	\$ 221	\$ 445			\$ 666

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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 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 Q2 2021 RESULTS



JULY 29, 2021