

# RESOLUTE FOREST PRODUCTS Q3 2021 RESULTS



NOVEMBER 4, 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; impacts of inflation on the price of goods and services, including 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.

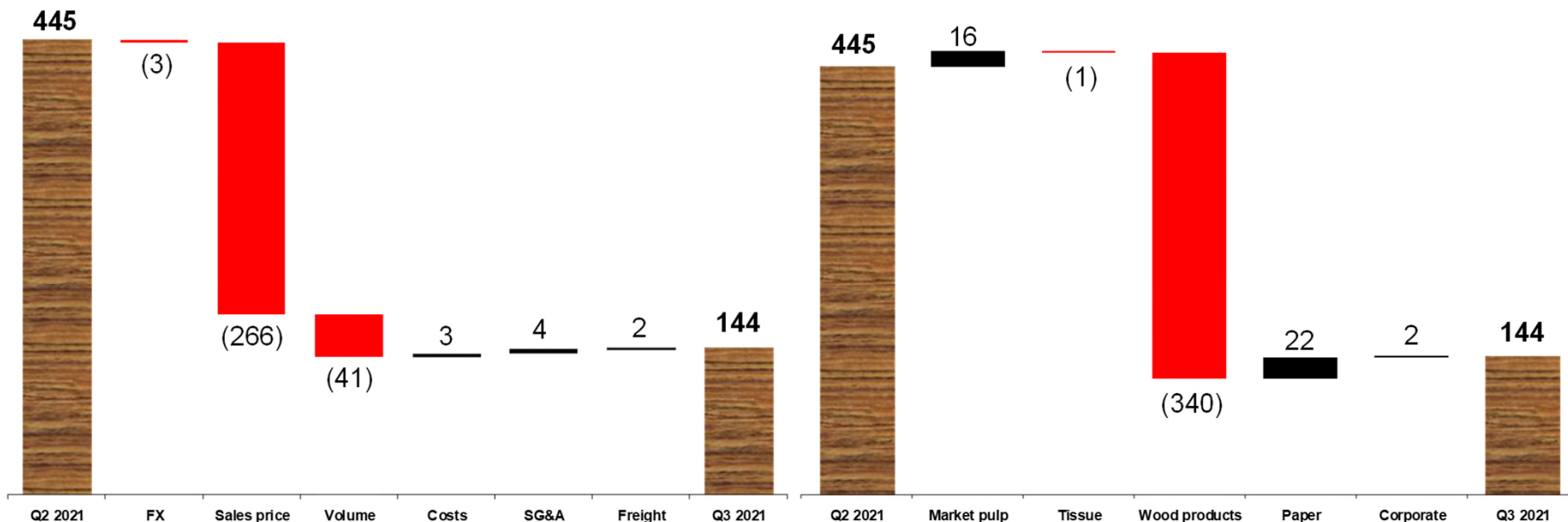
*All figures in US\$ unless otherwise noted.*

# Q3 2021 & RECENT HIGHLIGHTS

- Q3 GAAP net income of \$80 million / \$0.99 per diluted share
- Adjusted EBITDA of \$144 million
- Cash flow from operations of \$105 million
- Liquidity of \$930 million / net debt of \$184 million at quarter-end
- Repurchased 1.2 million shares in Q3 / 5.5 million shares LTM

# Q3 2021 OVERVIEW

## Adjusted EBITDA : Q3'21 vs. Q2'21

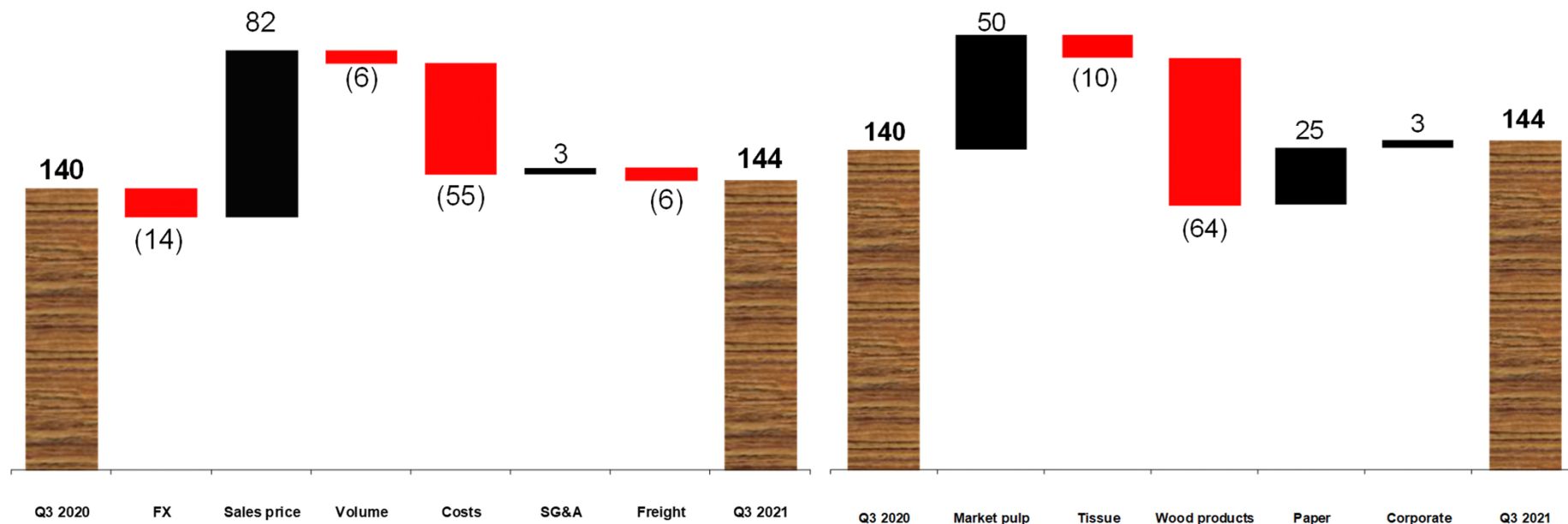


- Lower selling prices : wood products ↓ 50%; partially offset by paper ↑ 9%; market pulp ↑ 5%
- Lower shipments : wood products ↓ 11%; paper ↓ 5%; offset by pulp ↑ 12%
- Higher chemical and energy expenses, mitigated by stumpage fee reduction

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 2021 OVERVIEW

## Adjusted EBITDA : Q3'21 vs. Q3'20

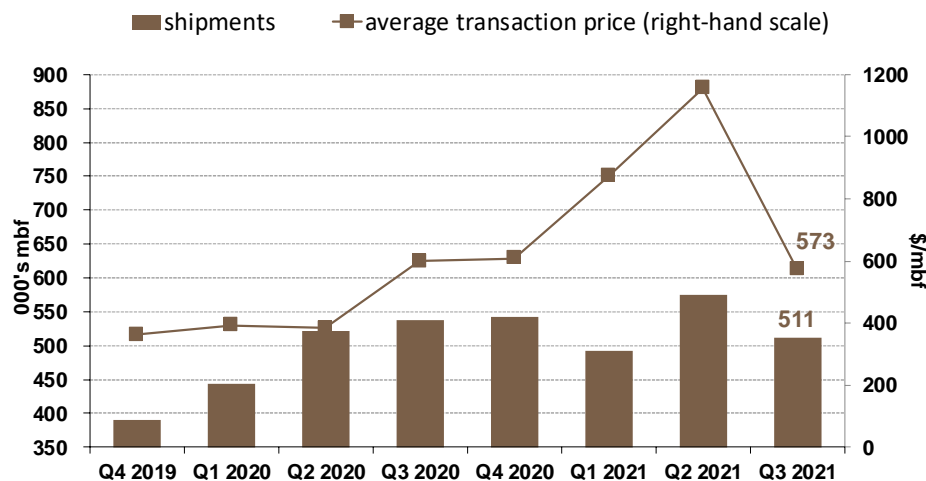


- Higher selling price : market pulp ↑ 39%; paper ↑ 16%; partially offset by wood products ↓ 5%
- Lower shipments : wood products ↓ 5%; partially offset by tissue ↑ 10%, market pulp ↑ 4%, paper ↑ 4%
- Higher costs : higher fiber, energy, freight and maintenance costs
- Stronger Canadian dollar : 0.79 USD in Q3 2021 vs 0.75 USD in Q3 2020

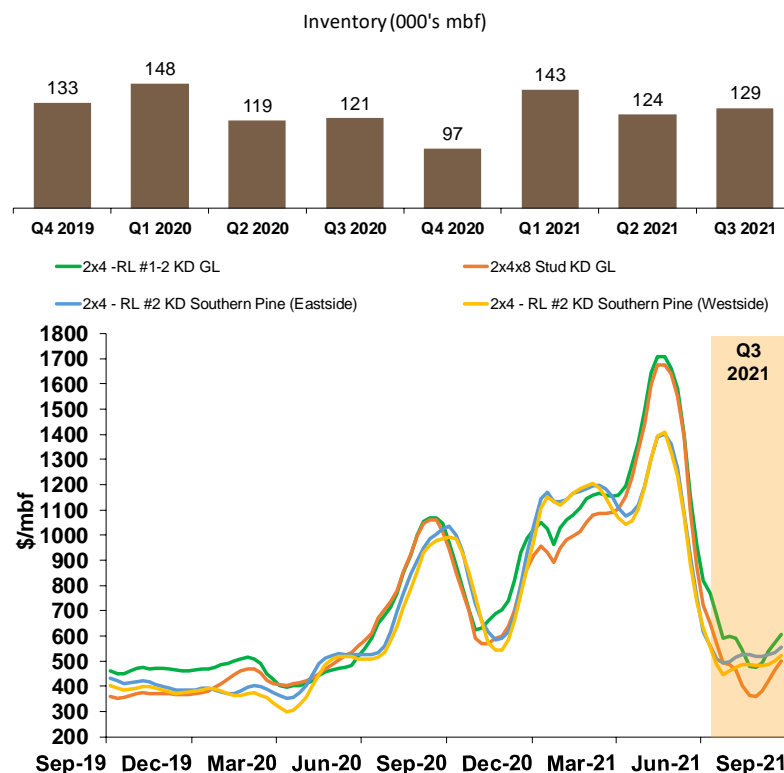
Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

# WOOD PRODUCTS

(US\$M)	Q3 2021	Q2 2021
Sales	293	664
Operating income (loss)	64	405
EBITDA <sup>1</sup>	75	415
Shipments (mmbf)	511	575



- U.S. housing starts seasonally adjusted annual rate average of 1.6 million in Q3, unch. vs. Q2
- Q3 shipments ↓ 64k mmbf vs. Q2
- Q3 transaction price ↓ \$583/mbf vs. Q2
- Q3 delivered cost<sup>2</sup> ↓ \$4/mbf vs. Q2
- Finished goods inventory ↑ 5k mmbf vs. Q2



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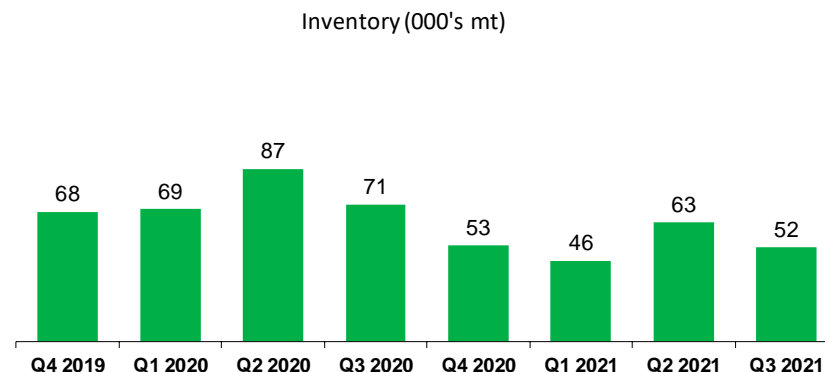
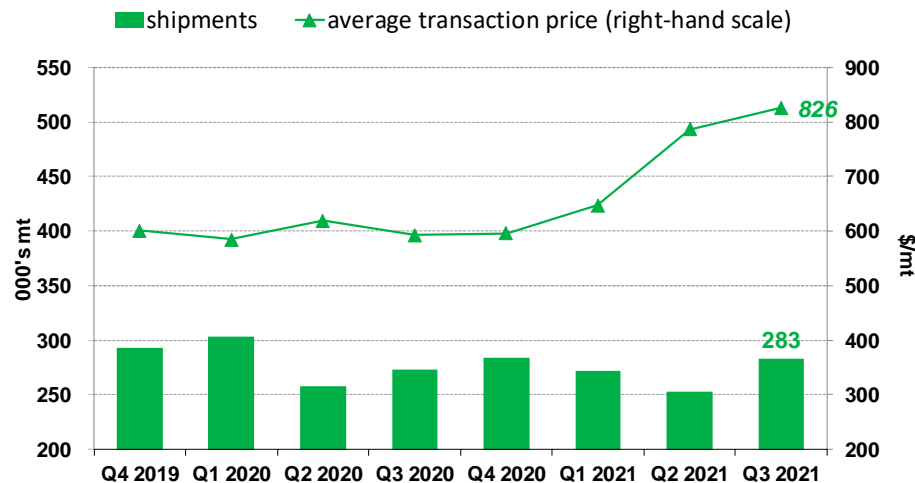
1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
2. The delivered cost is the total cost of each ton shipped (cost of sales, distribution costs, selling, general and administrative expenses, and depreciation and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



# MARKET PULP

(US\$M)	Q3 2021	Q2 2021
Sales	234	199
Operating income (loss)	46	30
EBITDA <sup>1</sup>	52	36
Shipments (000's mt)	283	253

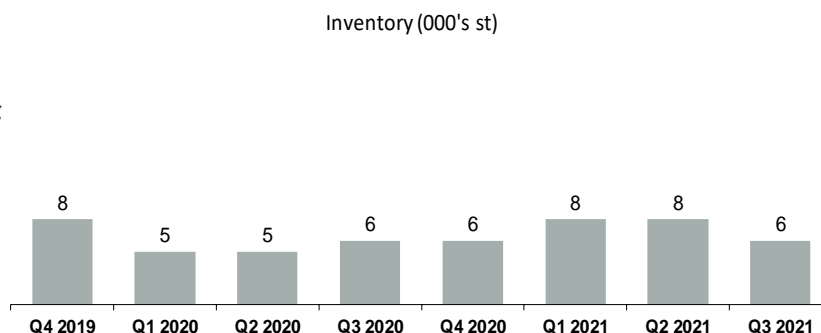
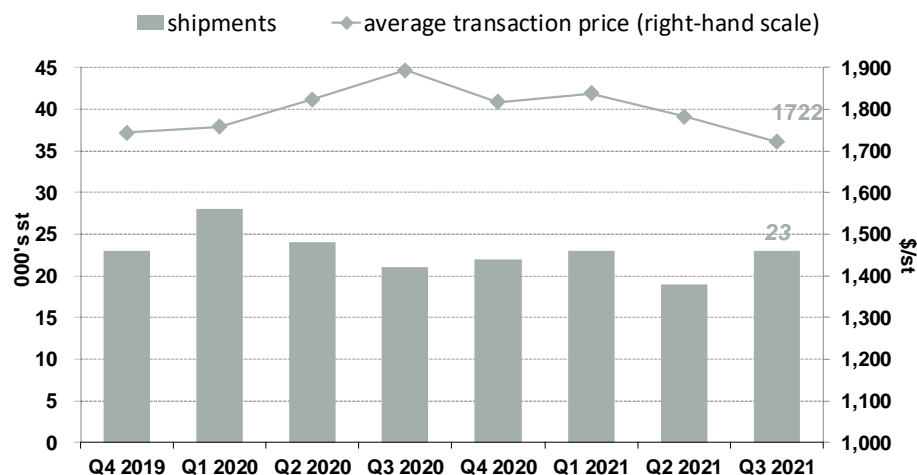
- World demand of chemical pulp ↓ 3% vs 2020 <sup>2</sup>
  - Hardwood ↓ 5%
  - Softwood ↓ 3%
- Q3 shipments ↑ 30k mt vs. Q2
- Q3 transaction price ↑ \$39/mt vs. Q2
- Q3 delivered cost ↓ \$2/mt vs. Q2
- Finished goods inventory ↓ 11k mt vs. Q2



# TISSUE

(US\$M)	Q3 2021	Q2 2021
Sales	38	35
Operating income (loss)	(9)	(7)
EBITDA <sup>1</sup>	(4)	(3)
Shipments (000's st)	23	19

- US consumption ↓ 9% vs 2020<sup>2</sup>
  - At-home shipments ↓ 11%
  - Away-from-home shipments ↑ 4%
- Q3 shipments ↑ 4k st vs. Q2
- Q3 transaction price ↓ \$60/st vs. Q2
- Q3 delivered cost ↓ \$109/st vs. Q2
- Finished goods inventory ↓ 2k st vs. Q2

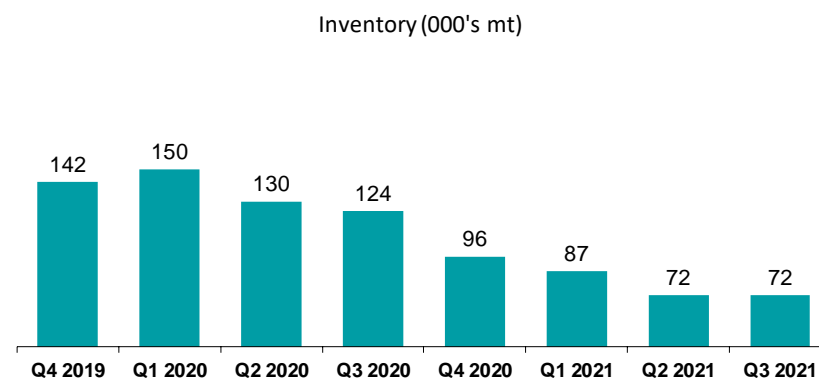
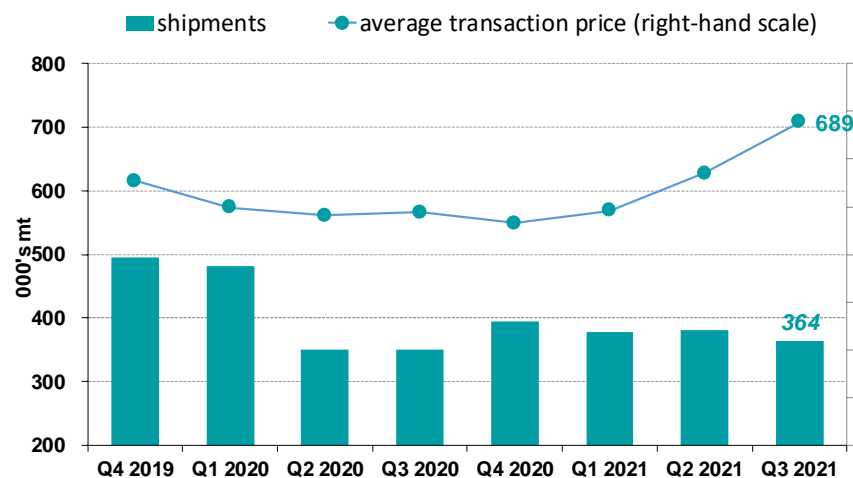




# PAPER

(US\$M)	Q3 2021	Q2 2021
Sales	252	242
Operating income (loss)	16	(7)
EBITDA <sup>1</sup>	31	9
Shipments (000's mt)	364	382

- 2021 North America demand vs. 2020 <sup>2</sup>
  - ↑ 4% for uncoated mechanical papers
  - ↓ 5% for newsprint
- Q3 shipments ↓ 18 mt vs. Q2
- Q3 transaction price ↑ \$54/mt vs. Q2
- Q3 delivered cost ↓ \$1/mt vs. Q2
- Finished goods inventory unchanged vs. Q2



# P&L

## Selected financial information

	Q3 2021	vs Q2 2021	vs Q3 2020
Net income (adjusted for special items) <sup>1</sup>	\$67M	-\$233M	+\$5M
Sales	\$817M	-28%	+12%
EPS (adjusted for special items) <sup>1</sup>	\$0.84	-\$2.90	+\$0.12
Adjusted EBITDA <sup>2</sup>	\$144M	-68%	+3%

## Special items affecting net income (pre-tax) in Q3 2021

- \$20M other income, net, including \$12M related to foreign currency translation gains and \$8M of equity income mostly from our I-joist partnership

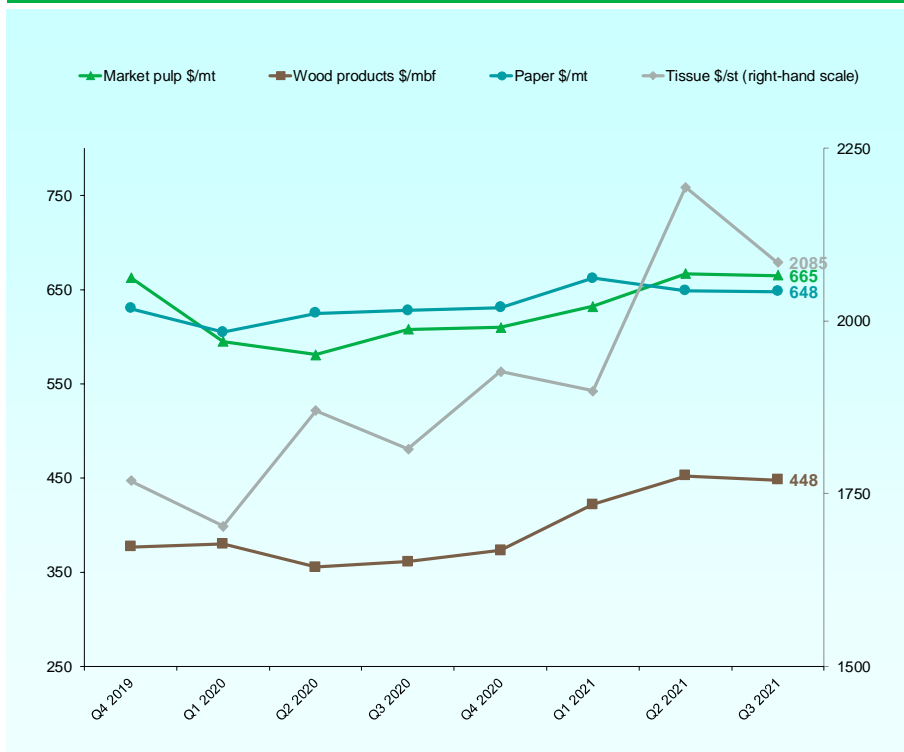
## EBITDA contribution from cogen <sup>2</sup> (US\$M)

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

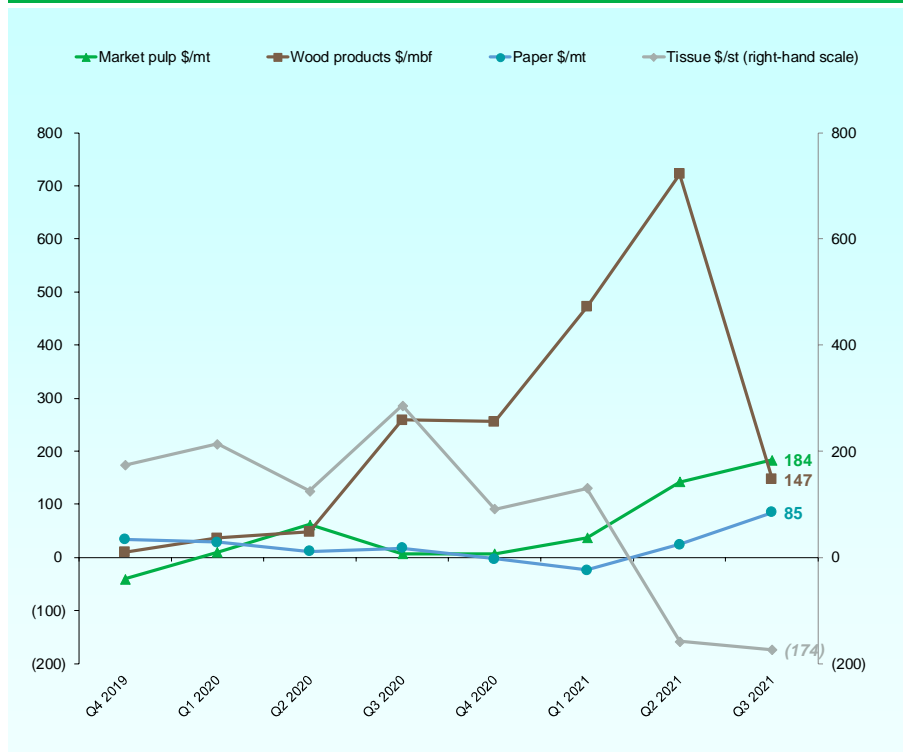
1. Excluding special items. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
2. Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
3. Other postretirement benefit.

# PERFORMANCE METRICS

## Delivered cost



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



# LIQUIDITY AND CASH FLOW

Available liquidity (US\$M)	2021			2020				2019
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total debt	\$303	\$303	\$482	\$561	\$561	\$630	\$821	\$449
Cash on hand	119	177	33	113	20	27	116	3
Available under revolving credit facilities	811	873	620	580	457	369	233	580
<b>Available liquidity</b>	<b>\$930</b>	<b>\$1,050</b>	<b>\$653</b>	<b>\$693</b>	<b>\$477</b>	<b>\$396</b>	<b>\$349</b>	<b>\$583</b>
LTM Adj. EBITDA <sup>1</sup>	\$939	\$935	\$527	\$338	\$213	\$96	\$141	\$213
Net debt / LTM Adj. EBITDA <sup>1</sup>	0.2x	0.1x	0.9x	1.3x	2.5x	6.3x	5.0x	2.1x
Capital expenditures	\$32	\$33	\$14	\$25	\$16	\$16	\$21	\$31

- \$1/share special cash dividend paid in Q3 (\$79M)
- 1.2 million shares repurchased, or 2%, in Q3 (\$14M) / 5.5 million shares in LTM, or 7% (\$45M)
- Strong liquidity position at \$930 million
- Q3 net cash provided by operation of \$105 million
- Q3 capex of \$32 million
- Quarterly lumber cash duty deposits of \$39M (cumulative of \$371M)

# PENSION

(US\$M)	Q3 2021	2020	2019	2018
Net pension liabilities	1,298	1,440	1,326	1,122
OPEB liabilities	132	136	147	148
<b>Net pension and OPEB liabilities</b>	<b>1,430</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>	457	629	497	550

(US\$M)	2021E	Q3 2021	2020	2019	2018
Pension contributions	107	28	108	99	121
OPEB payments	12	2	11	12	13
Operating pension and OPEB costs	33	10	32	33	40
Non-op. pension and OPEB (credits)/costs <sup>3</sup>	(10)	(3)	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>

1. Pension plans.

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. 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 <sup>2</sup>	Dec. 2020	Sep. 2021 <sup>3</sup>	Variance
Funding deficit (US\$M)	629	457	↓ (172)

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.
3. The September 30, 2021 funding deficit reflects changes enacted as a result of new pension legislation under the ARPA and includes a prefunding balance of \$31M created for the US Pension Plan. The prefunding balance can be used at the company's discretion to offset future contribution requirements.

# 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

<b>Wood Products</b>	<ul style="list-style-type: none"><li>• Lumber prices seem to have stabilized at above-trend levels on a pre-duties basis</li><li>• Expect higher lumber shipments and slightly lower fiber costs in Q4, but we could see a quarter-over-quarter reduction in average transaction price vs. Q3</li><li>• Softwood duty rates to increase from 20% to 30% for most of 2022, based on US Department of Commerce last annual review</li></ul>
<b>Market Pulp</b>	<ul style="list-style-type: none"><li>• Energy-related downtime in China is slowing global demand and adding downward pressure on prices and volume</li><li>• Expect an uptick in costs as a result of higher energy and chemicals prices, as well as freight costs</li></ul>
<b>Tissue</b>	<ul style="list-style-type: none"><li>• At-home market gradually improving and away-from-home market slowly recovering</li><li>• Focus on driving improvements and to leverage our integrated pulp advantage</li></ul>
<b>Paper</b>	<ul style="list-style-type: none"><li>• Expect paper realized prices to build on their third quarter momentum in the seasonally busier fourth quarter</li><li>• Expect an uptick in costs as a result of higher energy and chemicals prices, as well as freight costs</li></ul>

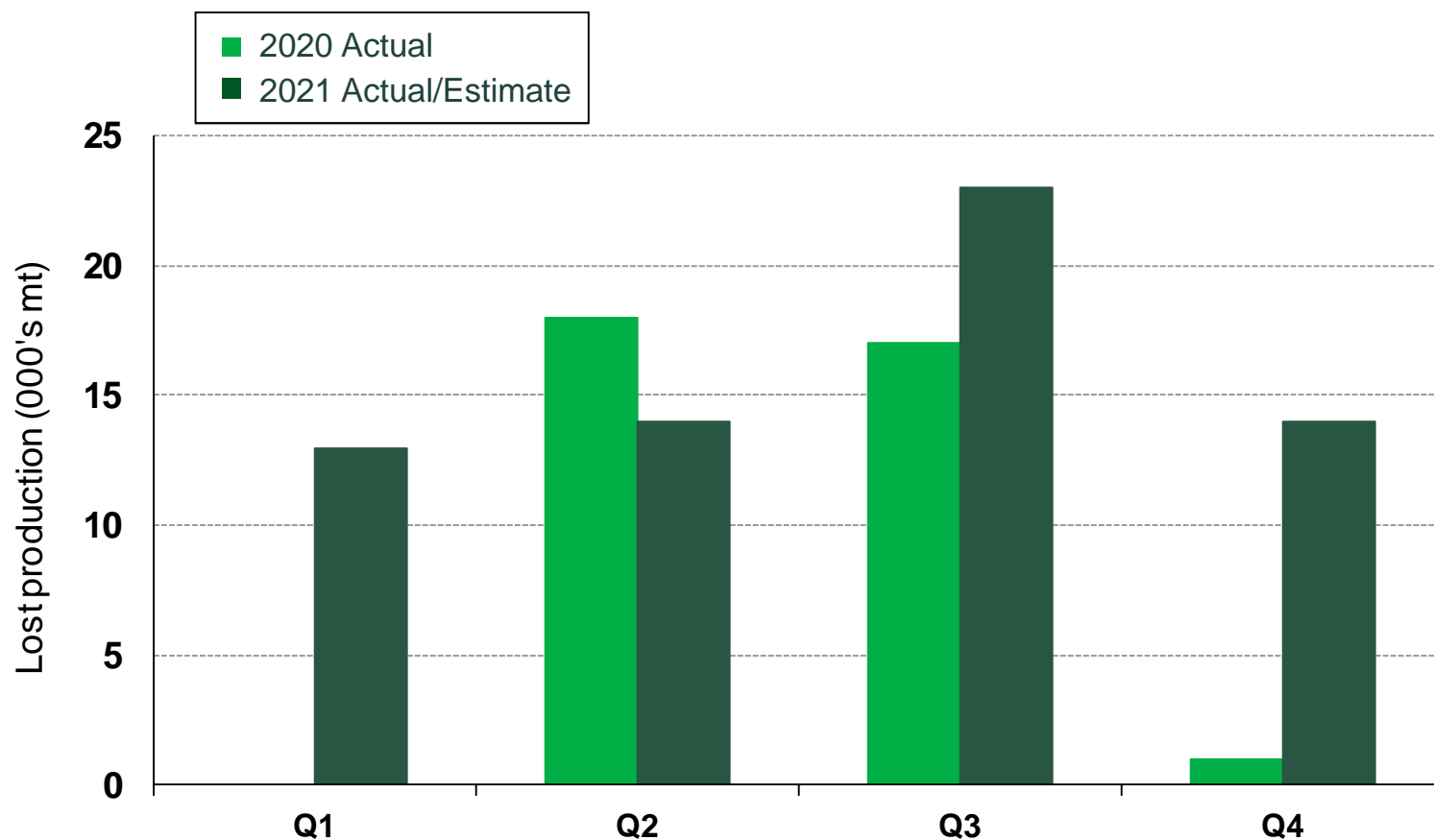
# RESOLUTE FOREST PRODUCTS Q3 2021 RESULTS



NOVEMBER 4, 2021

# OUTLOOK

## 2021 Scheduled Market Pulp Outages



# APPENDIX A



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

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

<b>Three months ended September 30, 2021</b>			
<b>(Unaudited, in millions of U.S. dollars, except per share amounts)</b>			
	<b>Operating income</b>	<b>Net income</b>	<b>EPS</b>
<b>GAAP, as reported</b>	<b>\$ 102</b>	<b>\$ 80</b>	<b>\$ 0.99</b>
Adjustments for special items:			
Non-operating pension and other postretirement benefit credits	—	(3)	(0.04)
Other income, net	—	(20)	(0.24)
Income tax effect of special items	—	10	0.13
<b>Adjusted for special items</b>	<b>\$ 102</b>	<b>\$ 67</b>	<b>\$ 0.84</b>

<b>Three months ended September 30, 2020</b>			
<b>(Unaudited, in millions of U.S. dollars, except per share amounts)</b>			
	<b>Operating income</b>	<b>Net income</b>	<b>EPS</b>
<b>GAAP, as reported</b>	<b>\$ 97</b>	<b>\$ 57</b>	<b>\$ 0.66</b>
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)
<b>Adjusted for special items</b>	<b>\$ 97</b>	<b>\$ 62</b>	<b>\$ 0.72</b>



**Nine months ended September 30, 2021****(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>	<b>\$ 685</b>	<b>\$ 435</b>	<b>\$ 5.39</b>
Adjustments for special items:			
Closure costs, impairment and other related charges	2	2	0.02
Non-operating pension and other postretirement benefit credits	—	(8)	(0.10)
Other expense, net	—	74	0.92
Income tax effect of special items	—	(17)	(0.22)
<b>Adjusted for special items</b>	<b>\$ 687</b>	<b>\$ 486</b>	<b>\$ 6.01</b>

**Nine months ended September 30, 2020****(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>	<b>\$ 95</b>	<b>\$ 62</b>	<b>\$ 0.71</b>
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
<b>Adjusted for special items</b>	<b>\$ 84</b>	<b>\$ 11</b>	<b>\$ 0.13</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 September 30, 2021</b> <b>(Unaudited, in millions of U.S. dollars)</b>	<b>Market pulp</b>	<b>Tissue</b>	<b>Wood products</b>	<b>Paper</b>	<b>Corporate and other</b>	<b>Total</b>
Net income (loss) including noncontrolling interest	\$ 46	\$ (9)	\$ 64	\$ 16	\$ (37)	\$ 80
Interest expense					5	5
Income tax provision					40	40
Depreciation and amortization	6	5	11	15	5	42
<b>EBITDA</b>	<b>\$ 52</b>	<b>\$ (4)</b>	<b>\$ 75</b>	<b>\$ 31</b>	<b>\$ 13</b>	<b>\$ 167</b>
Non-operating pension and other postretirement benefit credits					(3)	(3)
Other income, net					(20)	(20)
<b>Adjusted EBITDA</b>	<b>\$ 52</b>	<b>\$ (4)</b>	<b>\$ 75</b>	<b>\$ 31</b>	<b>\$ (10)</b>	<b>\$ 144</b>
<b>Three months ended September 30, 2020</b> <b>(Unaudited, in millions of U.S. dollars)</b>	<b>Market pulp</b>	<b>Tissue</b>	<b>Wood products</b>	<b>Paper</b>	<b>Corporate and other</b>	<b>Total</b>
Net income (loss) 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
<b>EBITDA</b>	<b>\$ 2</b>	<b>\$ 6</b>	<b>\$ 139</b>	<b>\$ 6</b>	<b>\$ (22)</b>	<b>\$ 131</b>
Non-operating pension and other postretirement benefit credits					(5)	(5)
Other expense, net					14	14
<b>Adjusted EBITDA</b>	<b>\$ 2</b>	<b>\$ 6</b>	<b>\$ 139</b>	<b>\$ 6</b>	<b>\$ (13)</b>	<b>\$ 140</b>



<b>Nine months ended September 30, 2021</b> <b>(Unaudited, in millions of U.S. dollars)</b>	<b>Market pulp</b>	<b>Tissue</b>	<b>Wood products</b>	<b>Paper</b>	<b>Corporate and other</b>	<b>Total</b>
<b>Net income (loss) including noncontrolling interest</b>	<b>\$ 80</b>	<b>\$ (18)</b>	<b>\$ 690</b>	<b>\$ (15)</b>	<b>\$ (301)</b>	<b>\$ 436</b>
Interest expense					16	16
Income tax provision					167	167
Depreciation and amortization	18	14	32	46	13	123
<b>EBITDA</b>	<b>\$ 98</b>	<b>\$ (4)</b>	<b>\$ 722</b>	<b>\$ 31</b>	<b>\$ (105)</b>	<b>\$ 742</b>
Closure costs, impairment and other related charges					2	2
Non-operating pension and other postretirement benefit credits					(8)	(8)
Other expense, net					74	74
<b>Adjusted EBITDA</b>	<b>\$ 98</b>	<b>\$ (4)</b>	<b>\$ 722</b>	<b>\$ 31</b>	<b>\$ (37)</b>	<b>\$ 810</b>
<b>Nine months ended September 30, 2020</b> <b>(Unaudited, in millions of U.S. dollars)</b>	<b>Market pulp</b>	<b>Tissue</b>	<b>Wood products</b>	<b>Paper</b>	<b>Corporate and other</b>	<b>Total</b>
<b>Net income (loss) including noncontrolling interest</b>	<b>\$ 3</b>	<b>\$ 2</b>	<b>\$ 148</b>	<b>\$ (27)</b>	<b>\$ (64)</b>	<b>\$ 62</b>
Interest expense					26	26
Income tax provision					55	55
Depreciation and amortization	18	13	32	51	11	125
<b>EBITDA</b>	<b>\$ 21</b>	<b>\$ 15</b>	<b>\$ 180</b>	<b>\$ 24</b>	<b>\$ 28</b>	<b>\$ 268</b>
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)
<b>Adjusted EBITDA</b>	<b>\$ 21</b>	<b>\$ 15</b>	<b>\$ 180</b>	<b>\$ 24</b>	<b>\$ (31)</b>	<b>\$ 209</b>

# 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	\$ 817		\$ 2,830
Operating income (loss)	(8)	6	97	4	99	177	406	102		685
Interest expense	(9)	(9)	(8)	(8)	(34)	(6)	(5)	(5)		(16)
Net income (loss) attributable to Resolute Forest Products Inc.	(1)	6	57	(52)	10	87	268	80		435
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	\$ 0.99		\$ 5.39
Average diluted shares outstanding (in thousands)	88,120	88,154	86,243	81,983	86,366	81,851	80,270	80,139		80,751
Ending shares outstanding (in thousands)	87,358	87,113	82,601	80,814	80,814	79,435	79,108	77,860		77,860

## Financial Position

Cash and cash equivalents	\$ 116	\$ 27	\$ 20	\$ 113	\$ 113	\$ 33	\$ 177	\$ 119		\$ 119
Working capital <sup>(1)</sup>	640	555	549	414	414	493	369	467		467
Fixed assets, net	1,583	1,524	1,503	1,441	1,441	1,412	1,406	1,406		1,406
Total assets	3,859	3,667	3,678	3,730	3,730	3,728	3,828	3,767		3,767
Current portion of long-term debt	2	2	2	2	2	2	3	3		3
Long-term debt, net of current portion	819	628	559	559	559	480	300	300		300
Net debt <sup>(2)</sup>	705	603	541	448	448	449	126	184		184
Liquidity <sup>(3)</sup>	349	396	477	693	693	653	1,050	930		930
Total Resolute Forest Products Inc. shareholders' equity	1,233	1,249	1,299	1,081	1,081	1,185	1,385	1,463		1,463
Noncontrolling interest	1	1	1	1	1	2	2	2		2
Total equity	1,234	1,250	1,300	1,082	1,082	1,187	1,387	1,465		1,465

## Cash Flow Information

Net cash provided by (used in) operating activities	\$ (49)	\$ 125	\$ 100	\$ 158	\$ 334	\$ 74	\$ 401	\$ 105		\$ 580
Cash invested in fixed assets	(21)	(16)	(16)	(25)	(78)	(14)	(33)	(32)		(79)
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)	(39)		(128)
Net cash used in investing activities	(206)	(21)	(21)	(49)	(297)	(43)	(90)	(71)		(204)
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)
Payment of special dividend	-	-	-	-	-	-	-	(79)		(79)
Purchases of treasury stock	-	(1)	(18)	(11)	(30)	(17)	(3)	(14)		(34)
Net cash (used in) provided by financing activities	368	(192)	(87)	(11)	78	(99)	(183)	(93)		(375)

**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	\$ 199	\$ 234		\$ 609
Tissue	49	44	39	41	173	42	35	38		115
Wood products	174	199	322	330	1,025	430	664	293		1,387
Paper	289	208	208	229	934	225	242	252		719
<b>Total sales</b>	<b>\$ 689</b>	<b>\$ 612</b>	<b>\$ 730</b>	<b>\$ 769</b>	<b>\$ 2,800</b>	<b>\$ 873</b>	<b>\$ 1,140</b>	<b>\$ 817</b>		<b>\$ 2,830</b>
<b>Shipments (thousands of units)</b>										
Market pulp (mt)	303	258	273	284	1,118	272	253	283		808
Tissue (st)	28	24	21	22	95	23	19	23		65
Wood products (mbf)	443	521	537	542	2,043	492	575	511		1,578
Paper (mt)	482	350	351	394	1,577	378	382	364		1,124
<b>Average Transaction Price per Unit</b>										
Market pulp (\$/mt)	\$ 585	\$ 619	\$ 593	\$ 596	\$ 598	\$ 647	\$ 787	\$ 826		\$ 753
Tissue (\$/st)	1,758	1,823	1,894	1,817	1,818	1,838	1,782	1,722		1,781
Wood products (\$/mbf)	392	383	600	608	502	874	1,156	573		879
Paper (\$/mt)	599	591	594	583	592	596	635	689		639

**Financial and Operating Statistics (Page 3 of 5)**

(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	\$ 46		\$ 80
Tissue	2	(2)	2	(3)	(1)	(2)	(7)	(9)		(18)
Wood products	5	15	128	128	276	221	405	64		690
Paper	(3)	(12)	(12)	(19)	(46)	(24)	(7)	16		(15)
Corporate and other	(9)	(5)	(17)	(98)	(129)	(22)	(15)	(15)		(52)
<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>\$ 406</b>	<b>\$ 102</b>		<b>\$ 685</b>

**Selling, General and Administrative Expenses**

Market pulp	\$ 8	\$ 5	\$ 6	\$ 7	\$ 26	\$ 9	\$ 7	\$ 7		\$ 23
Tissue	2	3	3	2	10	3	2	2		7
Wood products	7	5	5	4	21	8	6	7		21
Paper	12	10	10	9	41	11	11	9		31
Corporate and other	5	9	11	13	38	15	10	7		32
<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>\$ 36</b>	<b>\$ 32</b>		<b>\$ 114</b>

**Operating Cost per Unit**

Market pulp (\$/mt)	\$ 595	\$ 581	\$ 608	\$ 610	\$ 599	\$ 632	\$ 667	\$ 665		\$ 654
Tissue (\$/st)	1,703	1,870	1,815	1,927	1,822	1,899	2,194	2,085		2,052
Wood products (\$/mbf)	380	355	361	373	367	422	452	448		442
Paper (\$/mt)	605	625	628	631	621	662	649	648		653

**Operating Cost per Unit, Excluding Depreciation and Amortization**

Market pulp (\$/mt)	\$ 575	\$ 560	\$ 586	\$ 588	\$ 578	\$ 610	\$ 643	\$ 642		\$ 632
Tissue (\$/st)	1,548	1,693	1,597	1,726	1,637	1,698	1,974	1,872		1,841
Wood products (\$/mbf)	356	335	340	352	345	401	434	427		422
Paper (\$/mt)	571	578	579	586	578	621	608	606		612

**Product Inventory (thousands of units)**

Market pulp (mt)	69	87	71	53	53	46	63	52		52
Tissue (st)	5	5	6	6	6	8	8	6		6
Wood products (mbf)	148	119	121	97	97	143	124	129		129
Paper (mt)	150	130	124	96	96	87	72	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	\$ 46		\$ 80
Tissue	2	(2)	2	(3)	(1)	(2)	(7)	(9)		(18)
Wood products	5	15	128	128	276	221	405	64		690
Paper	(3)	(12)	(12)	(19)	(46)	(24)	(7)	16		(15)
Corporate and other	(2)	(5)	(57)	(154)	(218)	(111)	(153)	(37)		(301)
Total net income (loss) including noncontrolling interest	\$ (1)	\$ 6	\$ 57	\$ (52)	\$ 10	\$ 88	\$ 268	\$ 80		\$ 436
<b>Interest Expense</b>	\$ 9	\$ 9	\$ 8	\$ 8	\$ 34	\$ 6	\$ 5	\$ 5		\$ 16
<b>Income Tax Provision (Benefit)</b>	\$ 27	\$ 5	\$ 23	\$ (4)	\$ 51	\$ 40	\$ 87	\$ 40		\$ 167
<b>Depreciation and Amortization</b>										
Market pulp	\$ 6	\$ 6	\$ 6	\$ 6	\$ 24	\$ 6	\$ 6	\$ 6		\$ 18
Tissue	4	5	4	5	18	5	4	5		14
Wood products	11	10	11	11	43	11	10	11		32
Paper	17	16	18	18	69	15	16	15		46
Corporate and other	4	3	4	4	15	4	4	5		13
Total depreciation and amortization	\$ 42	\$ 40	\$ 43	\$ 44	\$ 169	\$ 41	\$ 40	\$ 42		\$ 123
<b>EBITDA <sup>(4)</sup></b>										
Market pulp	\$ 3	\$ 16	\$ 2	\$ 2	\$ 23	\$ 10	\$ 36	\$ 52		\$ 98
Tissue	6	3	6	2	17	3	(3)	(4)		(4)
Wood products	16	25	139	139	319	232	415	75		722
Paper	14	4	6	(1)	23	(9)	9	31		31
Corporate and other	38	12	(22)	(146)	(118)	(61)	(57)	13		(105)
Total EBITDA	\$ 77	\$ 60	\$ 131	\$ (4)	\$ 264	\$ 175	\$ 400	\$ 167		\$ 742
<b>Special Items <sup>(4)</sup></b>										
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)	(3)		(8)
Start-up costs	-	-	-	3	3	-	-	-		-
Other expense (income), net	(28)	(10)	14	28	4	45	49	(20)		74
Income tax effect of special items	17	(5)	(4)	(36)	(28)	(14)	(13)	10		(17)
Total special items	\$ (28)	\$ (28)	\$ 5	\$ 97	\$ 46	\$ 32	\$ 32	\$ (13)		\$ 51
<b>Adjusted EBITDA <sup>(4)</sup></b>										
Market pulp	\$ 3	\$ 16	\$ 2	\$ 2	\$ 23	\$ 10	\$ 36	\$ 52		\$ 98
Tissue	6	3	6	2	17	3	(3)	(4)		(4)
Wood products	16	25	139	139	319	232	415	75		722
Paper	14	4	6	(1)	23	(9)	9	31		31
Corporate and other	(7)	(11)	(13)	(13)	(44)	(15)	(12)	(10)		(37)
Total adjusted EBITDA	\$ 32	\$ 37	\$ 140	\$ 129	\$ 338	\$ 221	\$ 445	\$ 144		\$ 810

## 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 Q3 2021 RESULTS



NOVEMBER 4, 2021