

RESOLUTE FOREST PRODUCTS Q4 2021 RESULTS



FEBRUARY 3, 2022

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,” “contribute,” “generate,” “improve,” “remain,” “trend,” “strategy,” “support,” “commit,” “grow,” “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; impacts of inflation on the price of goods and services, including changes in the cost of purchased energy and other raw materials; physical, financial, transitional 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, occupational health and safety issues or labor shortages; 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.

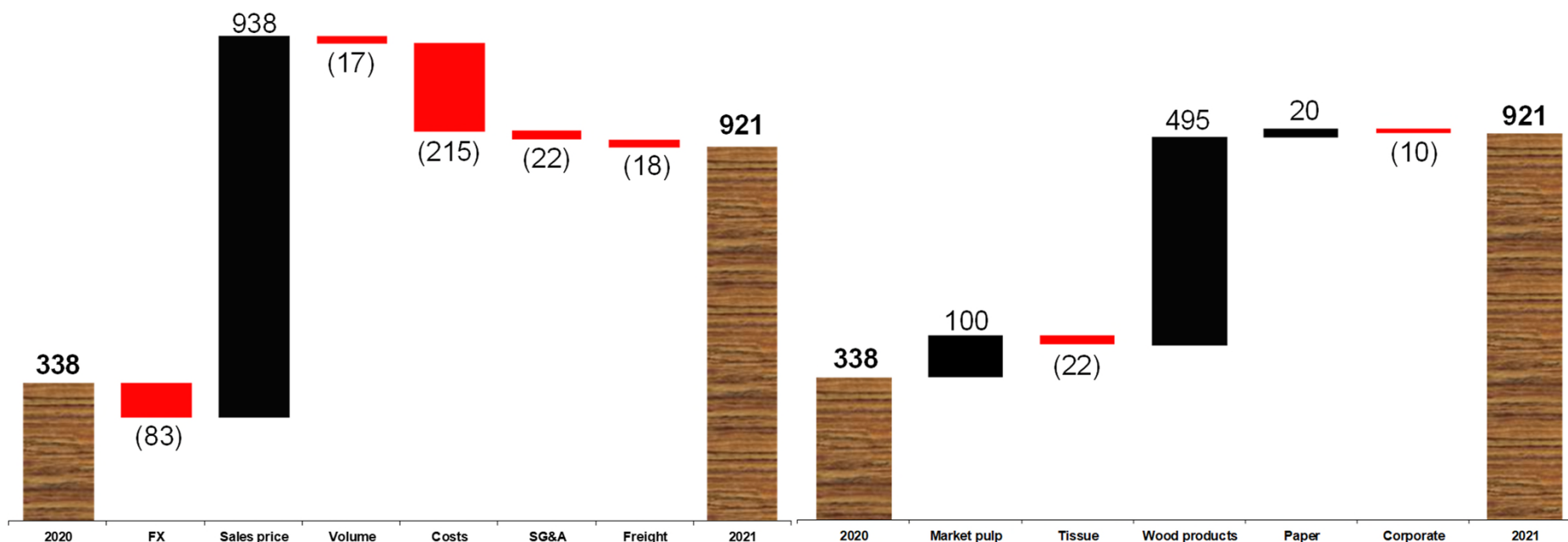
All figures in US\$ unless otherwise noted.

Q4 2021 & RECENT HIGHLIGHTS

- Q4 GAAP net loss of \$128 million / net income of \$307 million for 2021
- Adjusted EBITDA of \$111 million in the quarter / \$921 million for the full year
- Liquidity of \$953 million / net debt of \$190 million at year-end
- Repurchased 1.3 million shares in Q4 / 4.6 million shares (6%) in 2021
- Net pension & OPEB liability down by over \$400 million at year-end

2021 OVERVIEW

Adjusted EBITDA : 2021 vs. 2020

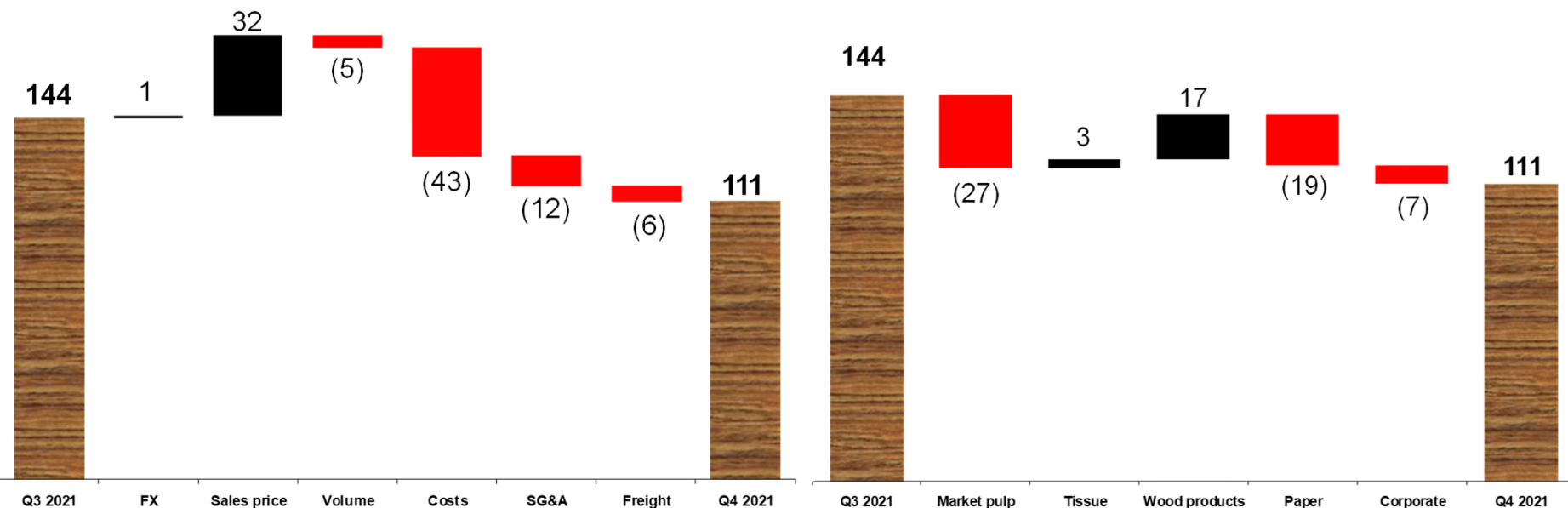


- Higher selling price: wood products ↑ 62%; market pulp ↑ 28%; paper ↑ 11%
- Lower shipments: paper ↓ 6%; tissue ↓ 6%; market pulp ↓ 5%; partially offset by wood products ↑ 4%
- Costs: higher manufacturing and freight costs
- SG&A: higher share-based compensation expense
- Stronger Canadian dollar: 0.80 USD in 2021 vs 0.75 USD in 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.

Q4 2021 OVERVIEW

Adjusted EBITDA : Q4'21 vs. Q3'21

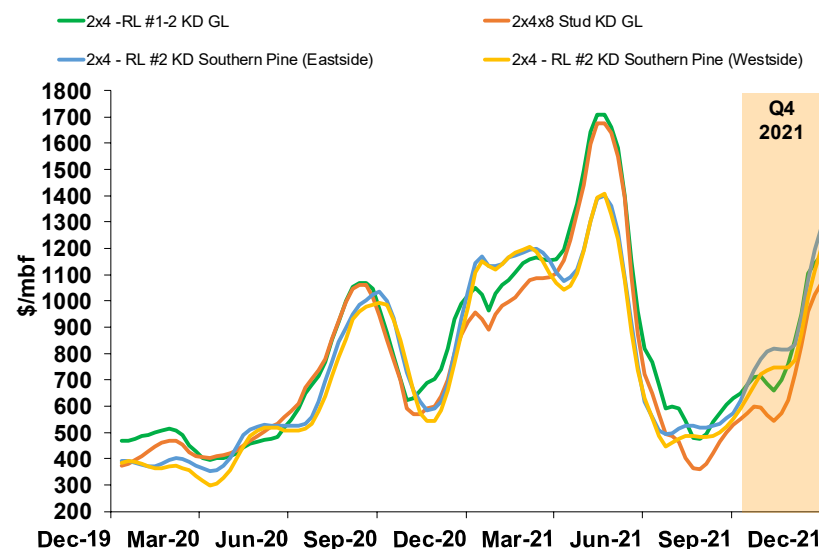
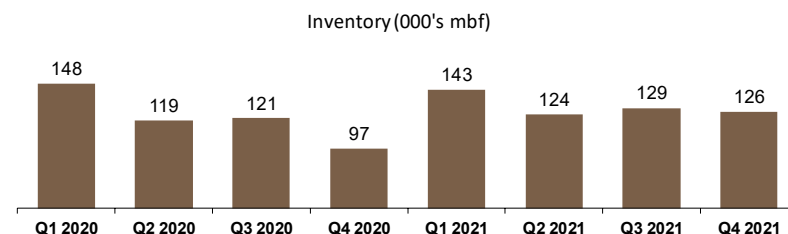
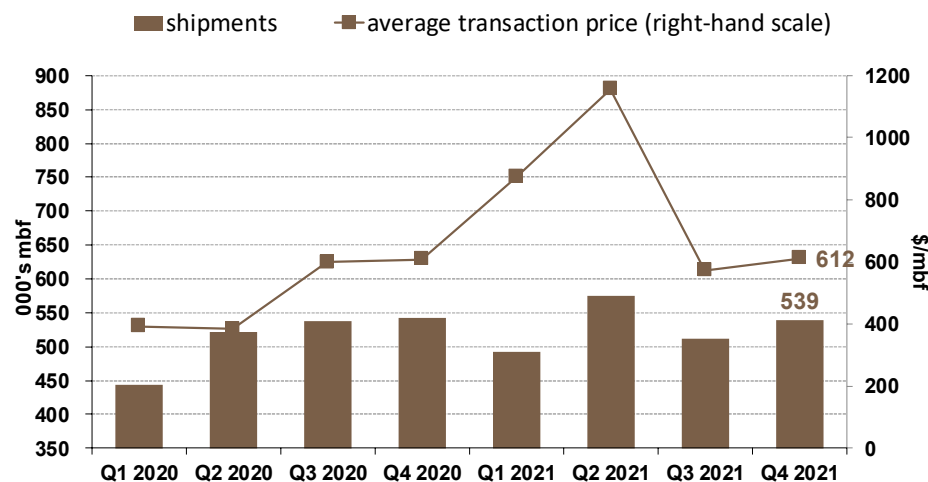


- Higher selling prices : tissue ↑ 9%; wood products ↑ 7%; paper ↑ 4%; partially offset by market pulp ↓ 2%
- Lower shipments : market pulp ↓ 10%; paper ↓ 3%; partially offset by wood products ↑ 5%; tissue ↑ 4%
- Costs: higher manufacturing and freight costs
- SG&A: higher share-based compensation expense

WOOD PRODUCTS

(US\$M)	Q4 2021	Q3 2021	2021	2020
Sales	331	293	1,718	1,025
Operating income (loss)	82	64	772	276
EBITDA ¹	92	75	814	319
Shipments (mmbf)	539	511	2,117	2,043

- U.S. housing starts seasonally adjusted annual rate average of 1.6 million in Q4
- Q4 shipments ↑ 28k mmbf vs. Q3
- Q4 transaction price ↑ \$39/mmbf vs. Q3
- Q4 delivered cost² ↑ \$14/mmbf vs. Q3
- Finished goods inventory ↓ 3k mmbf vs. Q3



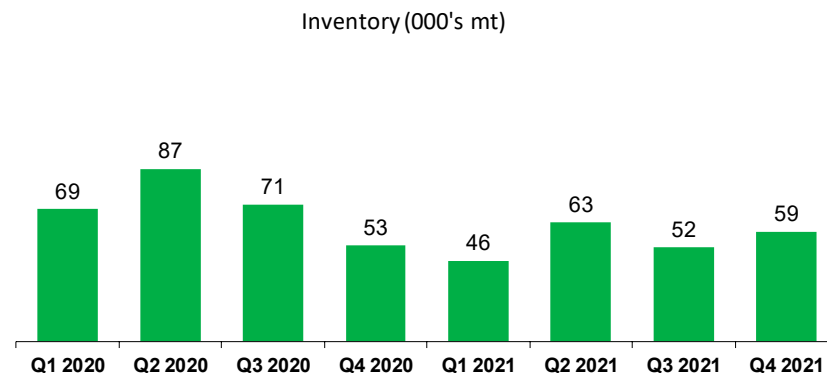
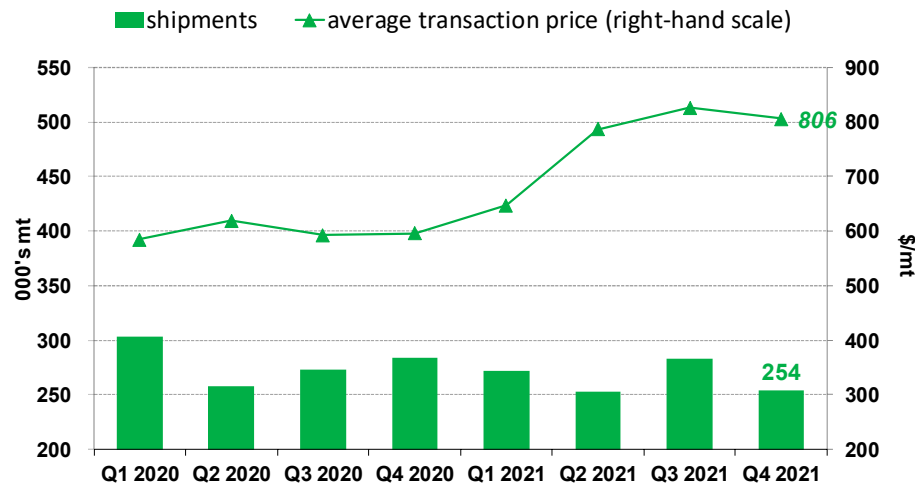
resolute

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)	Q4 2021	Q3 2021	2021	2020
Sales	204	234	813	668
Operating income (loss)	19	46	99	(1)
EBITDA ¹	25	52	123	23
Shipments (000's mt)	254	283	1,062	1,118

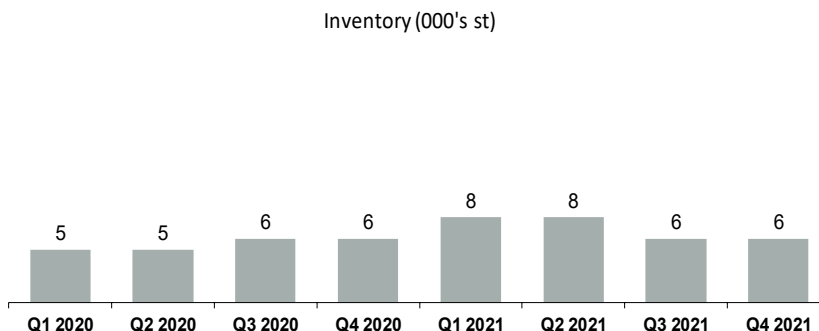
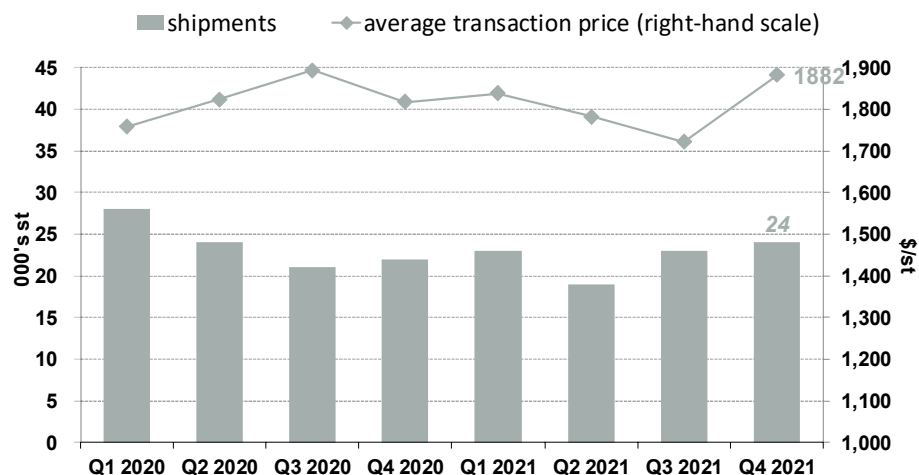
- YTD world demand of chemical pulp ↓ 3% vs 2020²
 - Hardwood ↓ 4%
 - Softwood ↓ 4%
- Q4 shipments ↓ 29k mt vs. Q3
- Q4 transaction price ↓ \$20/mt vs. Q3
- Q4 delivered cost ↑ \$67/mt vs. Q3
- Finished goods inventory ↑ 7k mt vs. Q3



TISSUE

(US\$M)	Q4 2021	Q3 2021	2021	2020
Sales	46	38	161	173
Operating income (loss)	(6)	(9)	(24)	(1)
EBITDA ¹	(1)	(4)	(5)	17
Shipments (000's st)	24	23	89	95

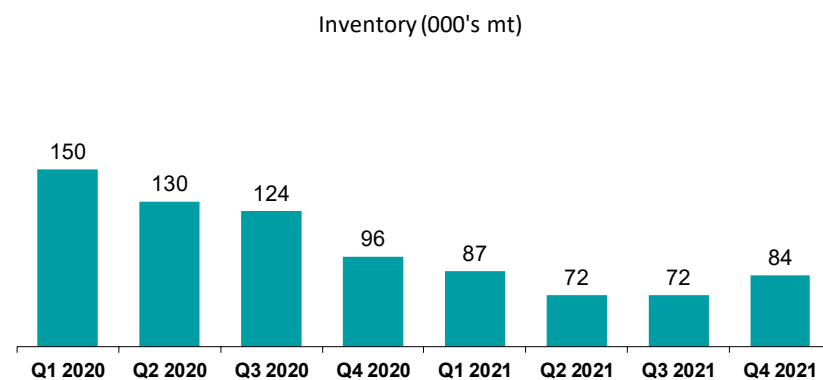
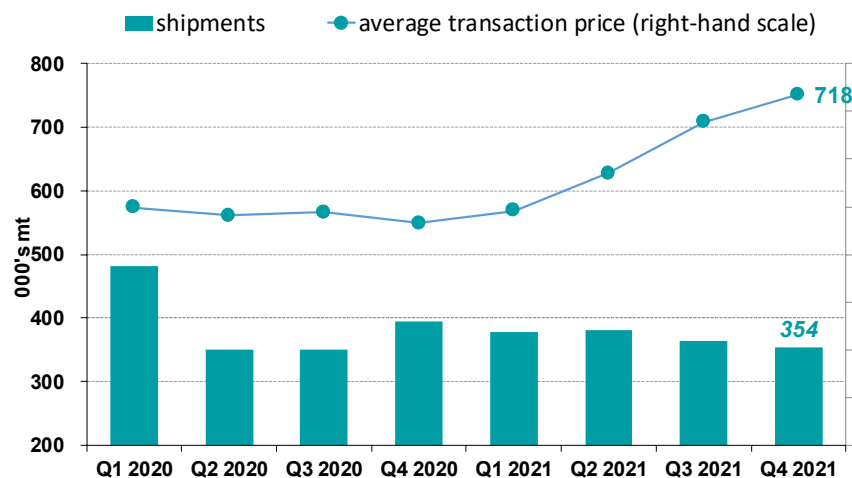
- US consumption ↓ 7% vs 2020²
 - At-home shipments ↓ 8%
 - Away-from-home shipments ↑ 5%
- Q4 shipments ↑ 1k st vs. Q3
- Q4 transaction price ↑ \$160/st vs. Q3
- Q4 delivered cost ↑ \$37/st vs. Q3
- Finished goods inventory unchanged vs. Q3



PAPER

(US\$m)	Q4 2021	Q3 2021	2021	2020
Sales	253	252	972	934
Operating income (loss)	(4)	16	(19)	(46)
EBITDA ¹	12	31	43	23
Shipments (000's mt)	354	364	1,478	1,577

- 2021 North America demand vs. 2020
 - ↑ 5% for uncoated mechanical papers
 - ↓ 7% for newsprint
- Q4 shipments ↓ 10 mt vs. Q3
- Q4 transaction price ↑ \$29/mt vs. Q3
- Q4 delivered cost ↑ \$78/mt vs. Q3
- Finished goods inventory ↑ \$12k mt vs. Q3



P&L

Selected financial information

	2021	vs 2020	Q4 2021	vs Q3 2021	vs Q4 2020
Net income (adjusted for special items) ¹	\$523M	+\$467M	\$37M	-\$30M	-\$8M
Sales	\$3,664M	+31%	\$834M	+2%	+8%
EPS (adjusted for special items) ¹	\$6.51	+\$5.86	\$0.48	-\$0.36	-\$0.07
Adjusted EBITDA ²	\$921M	+172%	\$111M	-23%	-14%

Special items affecting net income (pre-tax)

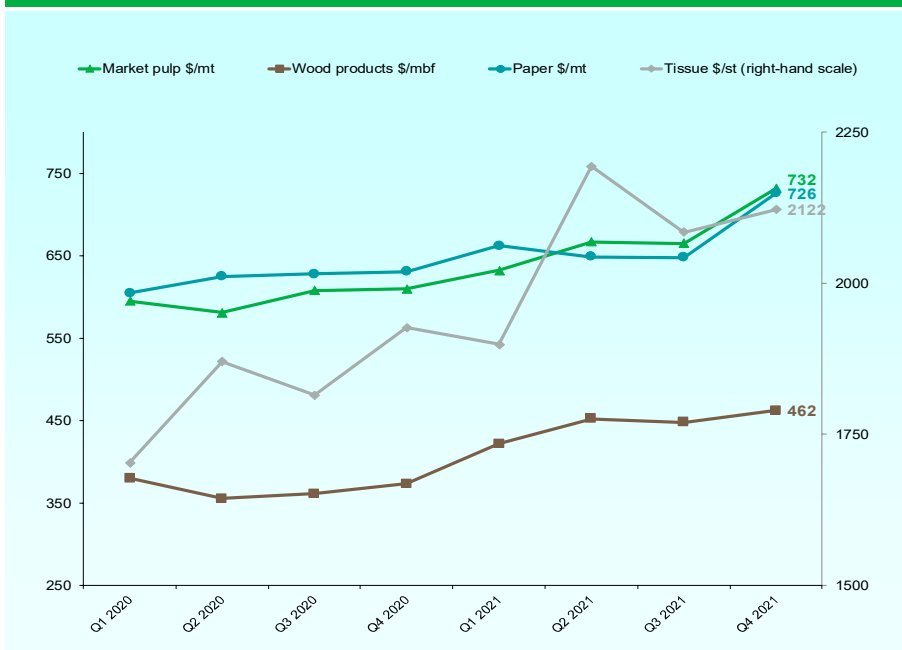
	2021	Q4 2021
Closure costs, impairment and other related charges	\$144M	\$142M
Inventory write-downs related to closures	\$29M	\$29M
Other (income) expense, net	\$70M	(\$4M)

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

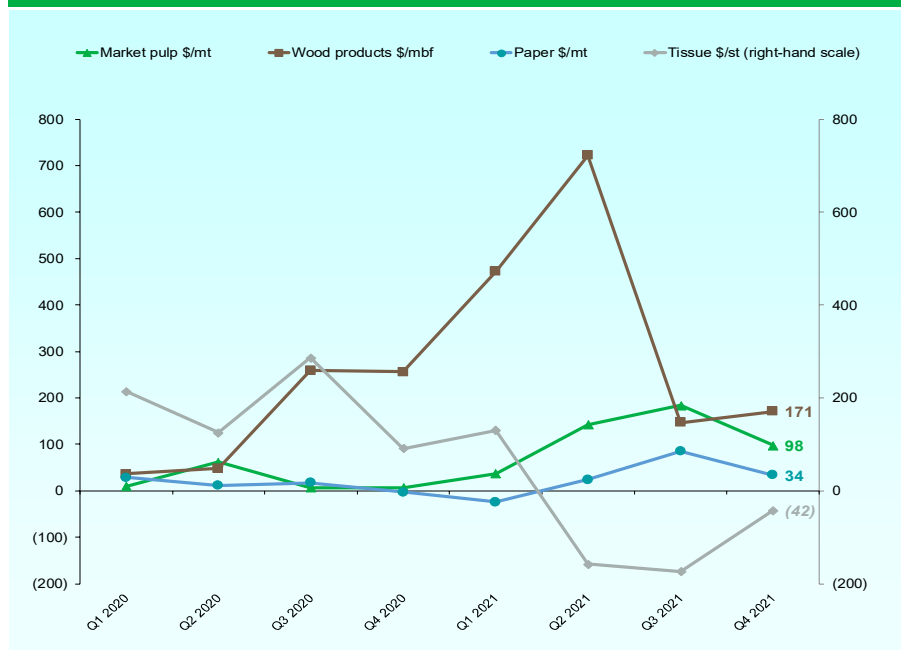
2. Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

PERFORMANCE METRICS

Delivered cost



EBITDA¹ per unit



EBITDA¹ contribution from cogen (US\$M)

Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
11	10	10	7	11	8	11	3

- Reduced contribution in Q4 2021 due to the turbine failure at St-Felicien

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\$M)	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total debt	\$302	\$303	\$303	\$482	\$561	\$561	\$630	\$821
Cash on hand	112	119	177	33	113	20	27	116
Available under revolving credit facilities	841	811	873	620	580	457	369	233
Available liquidity	\$953	\$930	\$1,050	\$653	\$693	\$477	\$396	\$349
LTM Adj. EBITDA ¹	\$921	\$939	\$935	\$527	\$338	\$213	\$96	\$141
Net debt / LTM Adj. EBITDA ¹	0.2x	0.2x	0.1x	0.9x	1.3x	2.5x	6.3x	5.0x
Capital expenditures	\$33	\$32	\$33	\$14	\$25	\$16	\$16	\$21

- Q4 net cash provided by operation of \$68 million with cash position of \$112 million at year-end
- Strong liquidity position of \$953 million
- 2021 net debt reimbursement of \$259 million
- 2021 net capital expenditures of \$112 million
- 1.3 million shares repurchased, or 2%, in Q4 (\$14M) / 4.6 million in 2021, or 6% (\$48M)
- New share repurchase program of up to \$100 million or 10 million shares
- Q4 lumber cash duty deposits of \$26 million (cumulative of \$397M)
- Amendment and extension of ABL credit facility

PENSION

(US\$M)	2021	2020	2019
Net pension liabilities	1,041	1,440	1,326
OPEB liabilities	122	136	147
Net pension and OPEB liabilities	1,163	1,576	1,473
U.S. GAAP discount rate at 12/31 ¹	2.8%	2.5%	3.0%
Pension plans deficit for funding purposes ²	464	657	564

(US\$M)	2022E	2021	2020	2019
Pension contributions	95	104	108	99
OPEB payments	11	11	11	12
Operating pension and OPEB costs	34	35	32	33
Non-op. pension and OPEB (credits)/costs ³	9	(11)	—	(47)
Total pension and OPEB (credits)/costs ⁴	43	24	32	(14)

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 deficits above suppose valuations are performed on the dates specified, determined on a plan by plan basis, and exclude surpluses from fully funded plans (changed from previously reported amounts, which were presented net of surpluses, \$629M and \$497M for 2020 and 2019, respectively).

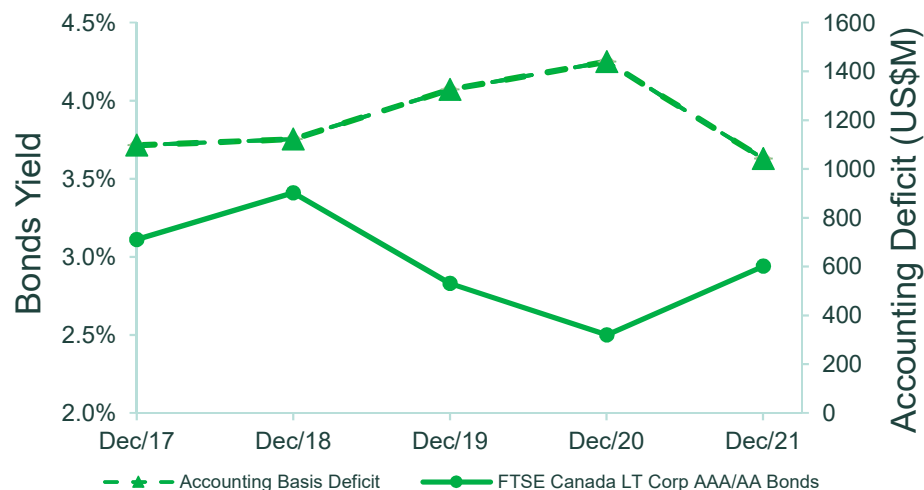
3. Excluded from adjusted EBITDA.

4. Includes defined benefit and defined contribution plans.

PENSION FINANCIAL POSITION UPDATE

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

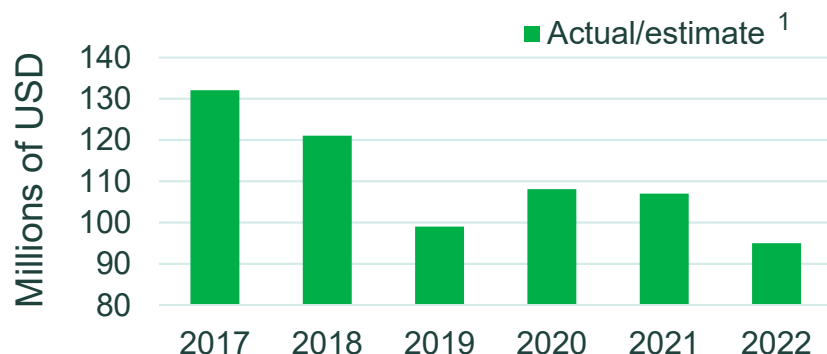
Accounting Deficit Vs Long Term Corp Bonds



Accounting Deficit			
	Dec. 2020	Dec. 2021	Variance
Net pension liabilities (US\$M)	1,440	1,041	↓(399)

Note : As of December 31, 2021, a discount rate increase of 25 basis point translates into a decrease of \$109M in net pension liabilities on an accounting basis

Total Pension Contributions



Funding Deficit ²			
	Dec. 2020	Dec. 2021 ³	Variance
Funding deficit (US\$M)	657	464	↓(193)

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 deficits above suppose valuations are performed on the dates specified, determined on a plan by plan basis, and exclude surpluses from fully funded plans (changed from previously reported amount, which was presented at \$629M for 2020, net of surpluses)

3. The December 31, 2021 funding deficit reflects changes enacted as a result of new pension legislation under the ARPA and includes a prefunding balance of \$33M created for the US Pension Plan, to be used at the company's discretion to offset future contribution requirements.

OUTLOOK

Resolute	<ul style="list-style-type: none">• Expect recalibration toward more normal business environment once omicron, weather and logistics constraints pass• Unclear how much of the input costs inflation will remain
Wood Products	<ul style="list-style-type: none">• Combination of encouraging underlying fundamentals, higher cost structures and higher softwood lumber duty rates will contribute to above trend prices for some time
Market Pulp	<ul style="list-style-type: none">• Realized transaction prices to improve in the first quarter, largely due to limited availability of supply
Tissue	<ul style="list-style-type: none">• Expect the retail market to continue its recovery and the away-from-home market to remain sluggish for some time
Paper	<ul style="list-style-type: none">• Higher operating rates and price recovery in printing and writing paper markets should continue and support our cash generation strategy

IMPORTANCE OF ESG AT RESOLUTE

- Amended and extended ABL credit facility, including ESG module
- Achieved an annual OSHA incident rate of 0.47
- Committed to set GHG goal in line with Science Based Targets initiative
- Reaffirmed leadership in forest management by achieving an “A-” score on CDP’s Forests questionnaire
- 32 awards and accolades in 2021, including Green Company of the Year from the Business Intelligence Group’s BIG Awards for Business



New ESG reporting according to SASB Standards now available

https://www.resolutefp.com/Investors/ESG_Reporting/

ESG at Resolute



ESG by the Numbers



Public commitments



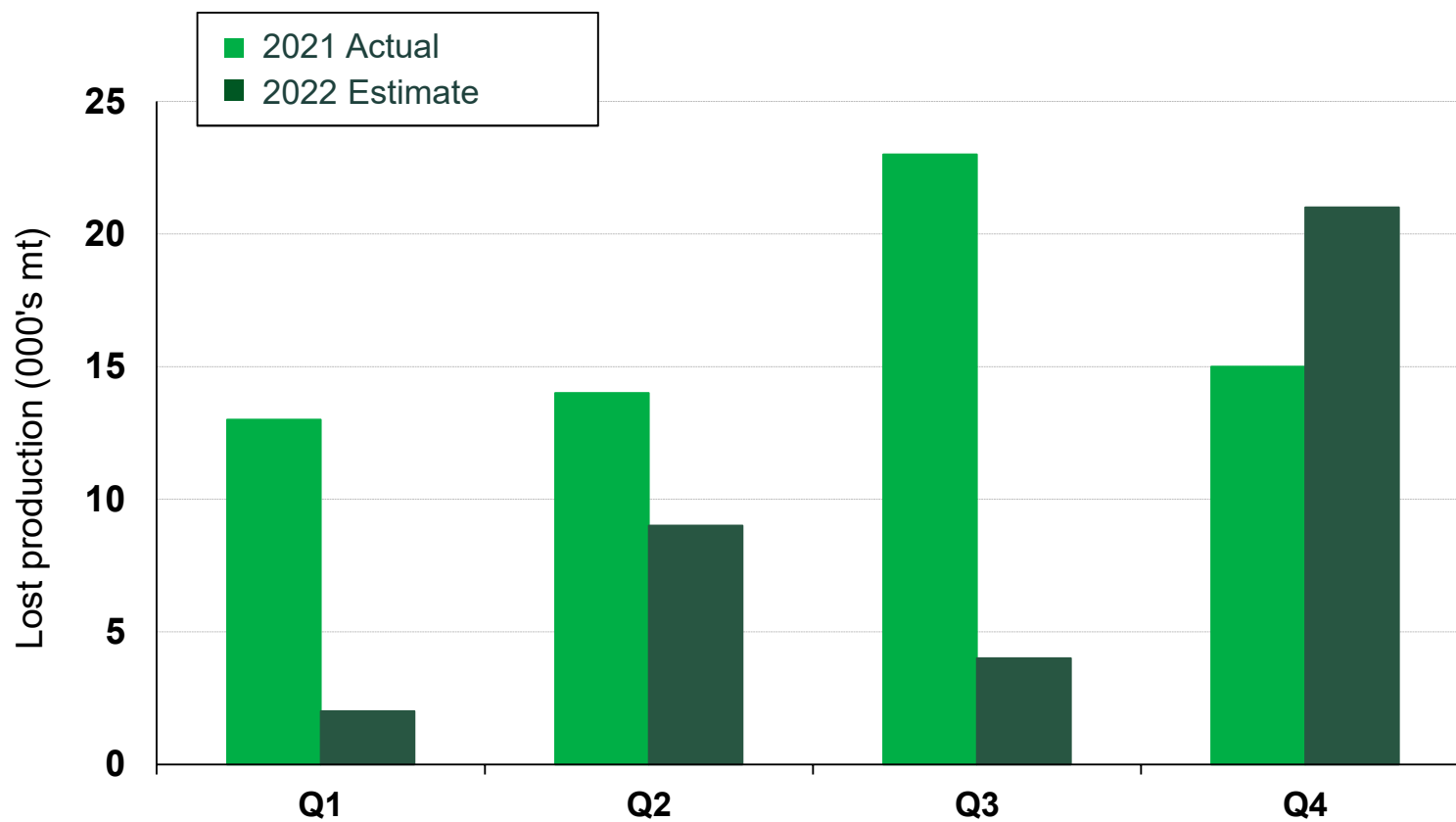
RESOLUTE FOREST PRODUCTS Q4 2021 RESULTS



FEBRUARY 3, 2022

OUTLOOK

2022 Scheduled Market Pulp Outages



APPENDIX A



RESOLUTE FOREST PRODUCTS INC.

RECONCILIATION OF OPERATING INCOME AND NET INCOME ADJUSTED FOR SPECIAL ITEMS

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

Three months ended December 31, 2021			
(Unaudited, in millions of U.S. dollars, except per share amounts)			
	Operating (loss) income	Net (loss) income	EPS
GAAP, as reported	\$ (101)	\$ (128)	\$ (1.64)
Adjustments for special items:			
Closure costs, impairment and other related charges	142	142	1.83
Inventory write-downs related to closures	29	29	0.37
Non-operating pension and other postretirement benefit credits	—	(3)	(0.04)
Other income, net	—	(4)	(0.05)
Income tax effect of special items	—	1	0.01
Adjusted for special items	\$ 70	\$ 37	\$ 0.48

Three months ended December 31, 2020			
(Unaudited, in millions of U.S. dollars, except per share amounts)			
	Operating income	Net (loss) income	EPS
GAAP, as reported	\$ 4	\$ (52)	\$ (0.63)
Adjustments for special items:			
Closure costs, impairment and other related charges	55	55	0.67
Inventory write-downs related to closures	25	25	0.30
Start-up costs	3	3	0.04
Net gain on disposition of assets	(2)	(2)	(0.02)
Non-operating pension and other postretirement benefit costs	—	24	0.29
Other expense, net	—	28	0.34
Income tax effect of special items	—	(36)	(0.44)
Adjusted for special items	\$ 85	\$ 45	\$ 0.55

Year ended December 31, 2021			
(Unaudited, in millions of U.S. dollars, except per share amounts)			
	Operating income	Net income	EPS
GAAP, as reported	\$ 584	\$ 307	\$ 3.83
Adjustments for special items:			
Closure costs, impairment and other related charges	144	144	1.79
Inventory write-downs related to closures	29	29	0.36
Non-operating pension and other postretirement benefit credits	—	(11)	(0.14)
Other expense, net	—	70	0.87
Income tax effect of special items	—	(16)	(0.20)
Adjusted for special items	\$ 757	\$ 523	\$ 6.51

Year ended December 31, 2020			
(Unaudited, in millions of U.S. dollars, except per share amounts)			
	Operating income	Net income	EPS
GAAP, as reported	\$ 99	\$ 10	\$ 0.12
Adjustments for special items:			
Closure costs, impairment and other related charges	53	53	0.61
Inventory write-downs related to closures	25	25	0.29
Start-up costs	3	3	0.03
Net gain on disposition of assets	(11)	(11)	(0.13)
Other expense, net	—	4	0.05
Income tax effect of special items	—	(28)	(0.32)
Adjusted for special items	\$ 169	\$ 56	\$ 0.65

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 December 31, 2021 (Unaudited, in millions of U.S. dollars)	Market pulp	Tissue	Wood products	Paper	Corporate and other	Total
Net income (loss) including noncontrolling interest	\$ 19	\$ (6)	\$ 82	\$ (4)	\$ (218)	\$ (127)
Interest expense					5	5
Income tax provision					28	28
Depreciation and amortization	6	5	10	16	4	41
EBITDA	\$ 25	\$ (1)	\$ 92	\$ 12	\$ (181)	\$ (53)
Closure costs, impairment and other related charges					142	142
Inventory write-downs related to closures					29	29
Non-operating pension and other postretirement benefit credits					(3)	(3)
Other income, net					(4)	(4)
Adjusted EBITDA	\$ 25	\$ (1)	\$ 92	\$ 12	\$ (17)	\$ 111

Three months ended December 31, 2020 (Unaudited, in millions of U.S. dollars)	Market pulp	Tissue	Wood products	Paper	Corporate and other	Total
Net (loss) income including noncontrolling interest	\$ (4)	\$ (3)	\$ 128	\$ (19)	\$ (154)	\$ (52)
Interest expense					8	8
Income tax benefit					(4)	(4)
Depreciation and amortization	6	5	11	18	4	44
EBITDA	\$ 2	\$ 2	\$ 139	\$ (1)	\$ (146)	\$ (4)
Closure costs, impairment and other related charges					55	55
Inventory write-downs related to closures					25	25
Start-up costs					3	3
Net gain on disposition of assets					(2)	(2)
Non-operating pension and other postretirement benefit costs					24	24
Other expense, net					28	28
Adjusted EBITDA	\$ 2	\$ 2	\$ 139	\$ (1)	\$ (13)	\$ 129

Year ended December 31, 2021 (Unaudited, in millions of U.S. dollars)	Market pulp	Tissue	Wood products	Paper	Corporate and other	Total
Net income (loss) including noncontrolling interest	\$ 99	\$ (24)	\$ 772	\$ (19)	\$ (519)	\$ 309
Interest expense					21	21
Income tax provision					195	195
Depreciation and amortization	24	19	42	62	17	164
EBITDA	\$ 123	\$ (5)	\$ 814	\$ 43	\$ (286)	\$ 689
Closure costs, impairment and other related charges					144	144
Inventory write-downs related to closures					29	29
Non-operating pension and other postretirement benefit credits					(11)	(11)
Other expense, net					70	70
Adjusted EBITDA	\$ 123	\$ (5)	\$ 814	\$ 43	\$ (54)	\$ 921
<hr/>						
Year ended December 31, 2020 (Unaudited, in millions of U.S. dollars)	Market pulp	Tissue	Wood products	Paper	Corporate and other	Total
Net income (loss) including noncontrolling interest	\$ (1)	\$ (1)	\$ 276	\$ (46)	\$ (218)	\$ 10
Interest expense					34	34
Income tax provision					51	51
Depreciation and amortization	24	18	43	69	15	169
EBITDA	\$ 23	\$ 17	\$ 319	\$ 23	\$ (118)	\$ 264
Closure costs, impairment and other related charges					53	53
Inventory write-downs related to closures					25	25
Start-up costs					3	3
Net gain on disposition of assets					(11)	(11)
Other expense, net					4	4
Adjusted EBITDA	\$ 23	\$ 17	\$ 319	\$ 23	\$ (44)	\$ 338

APPENDIX B



Resolute Forest Products Inc.
Financial and Operating Statistics (Page 1 of 5)

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

Income Statement Data

	2020					2021				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Sales	\$ 689	\$ 612	\$ 730	\$ 769	\$ 2,800	\$ 873	\$ 1,140	\$ 817	\$ 834	\$ 3,664
Operating income (loss)	(8)	6	97	4	99	177	406	102	(101)	584
Interest expense	(9)	(9)	(8)	(8)	(34)	(6)	(5)	(5)	(5)	(21)
Net income (loss) attributable to Resolute Forest Products Inc.	(1)	6	57	(52)	10	87	268	80	(128)	307
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	\$ (1.64)	\$ 3.83
Average diluted shares outstanding (in thousands)	88,120	88,154	86,243	81,983	86,366	81,851	80,270	80,139	77,634	80,269
Ending shares outstanding (in thousands)	87,358	87,113	82,601	80,814	80,814	79,435	79,108	77,860	77,860	77,860
Financial Position										
Cash and cash equivalents	\$ 116	\$ 27	\$ 20	\$ 113	\$ 113	\$ 33	\$ 177	\$ 119	\$ 112	\$ 112
Working capital ⁽¹⁾	640	555	549	414	414	493	369	467	456	456
Fixed assets, net	1,583	1,524	1,503	1,441	1,441	1,412	1,406	1,406	1,270	1,270
Total assets	3,859	3,667	3,678	3,730	3,730	3,728	3,828	3,767	3,538	3,538
Current portion of long-term debt	2	2	2	2	2	2	3	3	2	2
Long-term debt, net of current portion	819	628	559	559	559	480	300	300	300	300
Net debt ⁽²⁾	705	603	541	448	448	449	126	184	190	190
Liquidity ⁽³⁾	349	396	477	693	693	653	1,050	930	953	953
Total Resolute Forest Products Inc. shareholders' equity	1,233	1,249	1,299	1,081	1,081	1,185	1,385	1,463	1,514	1,514
Noncontrolling interest	1	1	1	1	1	2	2	2	3	3
Total equity	1,234	1,250	1,300	1,082	1,082	1,187	1,387	1,465	1,517	1,517
Cash Flow Information										
Net cash provided by (used in) operating activities	\$ (49)	\$ 125	\$ 100	\$ 158	\$ 334	\$ 74	\$ 401	\$ 105	\$ 68	\$ 648
Cash invested in fixed assets	(21)	(16)	(16)	(25)	(78)	(14)	(33)	(32)	(33)	(112)
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)	(26)	(154)
Net cash used in investing activities	(206)	(21)	(21)	(49)	(297)	(43)	(90)	(71)	(58)	(262)
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)	-	(1)	(558)
Payment of special dividend	-	-	-	-	-	-	-	(79)	-	(79)
Purchases of treasury stock	-	(1)	(18)	(11)	(30)	(17)	(3)	(14)	(14)	(48)
Net cash (used in) provided by financing activities	368	(192)	(87)	(11)	78	(99)	(183)	(93)	(17)	(392)

Resolute Forest Products Inc.

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(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	\$ 234	\$ 204	\$ 813
Tissue	49	44	39	41	173	42	35	38	46	161
Wood products	174	199	322	330	1,025	430	664	293	331	1,718
Paper	289	208	208	229	934	225	242	252	253	972
Total sales	\$ 689	\$ 612	\$ 730	\$ 769	\$ 2,800	\$ 873	\$ 1,140	\$ 817	\$ 834	\$ 3,664
Shipments (thousands of units)										
Market pulp (mt)	303	258	273	284	1,118	272	253	283	254	1,062
Tissue (st)	28	24	21	22	95	23	19	23	24	89
Wood products (mbf)	443	521	537	542	2,043	492	575	511	539	2,117
Paper (mt)	482	350	351	394	1,577	378	382	364	354	1,478
Average Transaction Price per Unit										
Market pulp (\$/mt)	\$ 585	\$ 619	\$ 593	\$ 596	\$ 598	\$ 647	\$ 787	\$ 826	\$ 806	\$ 766
Tissue (\$/st)	1,758	1,823	1,894	1,817	1,818	1,838	1,782	1,722	1,882	1,808
Wood products (\$/mbf)	392	383	600	608	502	874	1,156	573	612	811
Paper (\$/mt)	599	591	594	583	592	596	635	689	718	658

Resolute Forest Products Inc.
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(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
Operating Income (Loss)										
Market pulp	\$ (3)	\$ 10	\$ (4)	\$ (4)	\$ (1)	\$ 4	\$ 30	\$ 46	\$ 19	\$ 99
Tissue	2	(2)	2	(3)	(1)	(2)	(7)	(9)	(6)	(24)
Wood products	5	15	128	128	276	221	405	64	82	772
Paper	(3)	(12)	(12)	(19)	(46)	(24)	(7)	16	(4)	(19)
Corporate and other	(9)	(5)	(17)	(98)	(129)	(22)	(15)	(15)	(192)	(244)
Total operating income (loss)	\$ (8)	\$ 6	\$ 97	\$ 4	\$ 99	\$ 177	\$ 406	\$ 102	\$ (101)	\$ 584
Selling, General and Administrative Expenses										
Market pulp	\$ 8	\$ 5	\$ 6	\$ 7	\$ 26	\$ 9	\$ 7	\$ 7	\$ 7	\$ 30
Tissue	2	3	3	2	10	3	2	2	3	10
Wood products	7	5	5	4	21	8	6	7	8	29
Paper	12	10	10	9	41	11	11	9	10	41
Corporate and other	5	9	11	13	38	15	10	7	16	48
Total selling, general and administrative expenses	\$ 34	\$ 32	\$ 35	\$ 35	\$ 136	\$ 46	\$ 36	\$ 32	\$ 44	\$ 158
Operating Cost per Unit										
Market pulp (\$/mt)	\$ 595	\$ 581	\$ 608	\$ 610	\$ 599	\$ 632	\$ 667	\$ 665	\$ 732	\$ 673
Tissue (\$/st)	1,703	1,870	1,815	1,927	1,822	1,899	2,194	2,085	2,122	2,071
Wood products (\$/mbf)	380	355	361	373	367	422	452	448	462	447
Paper (\$/mt)	605	625	628	631	621	662	649	648	726	671
Operating Cost per Unit, Excluding Depreciation and Amortization										
Market pulp (\$/mt)	\$ 575	\$ 560	\$ 586	\$ 588	\$ 578	\$ 610	\$ 643	\$ 642	\$ 709	\$ 650
Tissue (\$/st)	1,548	1,693	1,597	1,726	1,637	1,698	1,974	1,872	1,920	1,862
Wood products (\$/mbf)	356	335	340	352	345	401	434	427	441	427
Paper (\$/mt)	571	578	579	586	578	621	608	606	683	629
Product Inventory (thousands of units)										
Market pulp (mt)	69	87	71	53	53	46	63	52	59	59
Tissue (st)	5	5	6	6	6	8	8	6	6	6
Wood products (mbf)	148	119	121	97	97	143	124	129	126	126
Paper (mt)	150	130	124	96	96	87	72	72	84	84

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(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	\$ 19	\$ 99
Tissue	2	(2)	2	(3)	(1)	(2)	(7)	(9)	(6)	(24)
Wood products	5	15	128	128	276	221	405	64	82	772
Paper	(3)	(12)	(12)	(19)	(46)	(24)	(7)	16	(4)	(19)
Corporate and other	(2)	(5)	(57)	(154)	(218)	(111)	(153)	(37)	(218)	(519)

Total net income (loss) including noncontrolling interest

	\$ (1)	\$ 6	\$ 57	\$ (52)	\$ 10	\$ 88	\$ 268	\$ 80	\$ (127)	\$ 309
Interest Expense	\$ 9	\$ 9	\$ 8	\$ 8	\$ 34	\$ 6	\$ 5	\$ 5	\$ 5	\$ 21
Income Tax Provision (Benefit)	\$ 27	\$ 5	\$ 23	\$ (4)	\$ 51	\$ 40	\$ 87	\$ 40	\$ 28	\$ 195

Depreciation and Amortization

Market pulp	\$ 6	\$ 6	\$ 6	\$ 6	\$ 24	\$ 6	\$ 6	\$ 6	\$ 6	\$ 24
Tissue	4	5	4	5	18	5	4	5	5	19
Wood products	11	10	11	11	43	11	10	11	10	42
Paper	17	16	18	18	69	15	16	15	16	62
Corporate and other	4	3	4	4	15	4	4	5	4	17
Total depreciation and amortization	\$ 42	\$ 40	\$ 43	\$ 44	\$ 169	\$ 41	\$ 40	\$ 42	\$ 41	\$ 164

EBITDA ⁽⁴⁾

Market pulp	\$ 3	\$ 16	\$ 2	\$ 2	\$ 23	\$ 10	\$ 36	\$ 52	\$ 25	\$ 123
Tissue	6	3	6	2	17	3	(3)	(4)	(1)	(5)
Wood products	16	25	139	139	319	232	415	75	92	814
Paper	14	4	6	(1)	23	(9)	9	31	12	43
Corporate and other	38	12	(22)	(146)	(118)	(61)	(57)	13	(181)	(286)
Total EBITDA	\$ 77	\$ 60	\$ 131	\$ (4)	\$ 264	\$ 175	\$ 400	\$ 167	\$ (53)	\$ 689

Special Items ⁽⁴⁾

Closure costs, impairment and other related charges	\$ (2)	\$ -	\$ -	\$ 55	\$ 53	\$ 3	\$ (1)	\$ -	\$ 142	\$ 144
Inventory write-downs related to closures	-	-	-	25	25	-	-	-	29	29
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)	(3)	(11)
Start-up costs	-	-	-	3	3	-	-	-	-	-
Other expense (income), net	(28)	(10)	14	28	4	45	49	(20)	(4)	70
Income tax effect of special items	17	(5)	(4)	(36)	(28)	(14)	(13)	10	1	(16)
Total special items	\$ (28)	\$ (28)	\$ 5	\$ 97	\$ 46	\$ 32	\$ 32	\$ (13)	\$ 165	\$ 216

Adjusted EBITDA ⁽⁴⁾

Market pulp	\$ 3	\$ 16	\$ 2	\$ 2	\$ 23	\$ 10	\$ 36	\$ 52	\$ 25	\$ 123
Tissue	6	3	6	2	17	3	(3)	(4)	(1)	(5)
Wood products	16	25	139	139	319	232	415	75	92	814
Paper	14	4	6	(1)	23	(9)	9	31	12	43
Corporate and other	(7)	(11)	(13)	(13)	(44)	(15)	(12)	(10)	(17)	(54)
Total adjusted EBITDA	\$ 32	\$ 37	\$ 140	\$ 129	\$ 338	\$ 221	\$ 445	\$ 144	\$ 111	\$ 921

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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 Q4 2021 RESULTS



FEBRUARY 3, 2022