

# CIBC 18<sup>TH</sup> ANNUAL EASTERN INSTITUTIONAL INVESTOR CONFERENCE



SEPTEMBER 25, 2019

# CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

Statements in this presentation that are not reported financial results or other historical information of Resolute Forest Products Inc. (with its subsidiaries, “we,” “our,” “us” or the company”) are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. They include, for example, statements made in the Outlook slide of this presentation and statements relating to our: efforts and initiatives to reduce costs and increase revenues and 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; 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,” “anticipate,” “attempt,” “project,” and other terms with similar meaning indicating possible future events or potential impact on our business or our shareholders.

The reader is cautioned not to place undue reliance on these forward-looking statements, which are not guarantees of future performance. These statements are based on management’s current assumptions, beliefs, and expectations, all of which involve a number of business risks and uncertainties that could cause actual results to differ materially. The potential risks and uncertainties that could cause our actual future financial condition, results of operations, and performance to differ materially from those expressed or implied in this presentation include, but are not limited to, the impact of: developments in non-print media, and the effectiveness of our responses to these developments; intense competition in the forest products industry; any inability to offer products certified to globally recognized forestry management and chain of custody standards; any inability to successfully implement our strategies to increase our earnings power; the possible failure to successfully integrate acquired businesses with ours or to realize the anticipated benefits of acquisitions, such as our entry into tissue production and sales, or divestitures or other strategic transactions or projects; uncertainty or changes in political or economic conditions in the United States, Canada or other countries in which we sell our products; global economic conditions; the highly cyclical nature of the forest products industry; any difficulties in obtaining timber or wood fiber at favorable prices, or at all; changes in the cost of purchased energy and other raw materials; physical and financial risks associated with global, regional, and local weather conditions, and climate change; any disruption in operations or increased labor costs due to labor disputes; difficulties in our employee relations or retention; disruptions to our supply chain, operations, or the delivery of our products; disruptions to our information technology systems including cybersecurity incidents; risks related to the operation and transition of legacy system applications; negative publicity, even if unjustified; currency fluctuations; any increase in the level of required contributions to our pension plans, including as a result of any increase in the amount by which they are underfunded; our ability to maintain adequate capital resources to provide for all of our substantial capital requirements; the terms of our outstanding indebtedness, which could restrict our current and future operations; losses that are not covered by insurance; any additional closure costs and long-lived asset impairment or accelerated depreciation charges; any need to record additional valuation allowances against our recorded deferred income tax assets; our exports from one country to another country becoming or remaining subject to duties, cash deposit requirements, border taxes, quotas, or other trade remedies or restrictions; countervailing and anti-dumping duties on imports to the U.S. of substantially all 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 described 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, 2018.

All forward-looking statements in this presentation 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.



*All figures in US\$ unless otherwise noted*

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# PRESENTER



**Remi G. Lalonde**  
**Senior Vice President and Chief Financial Officer**

- Mr. Lalonde previously served as vice president for strategy and corporate development from May 2018 to November 2018
- He was general manager of Resolute's pulp and paper mill in Thunder Bay (Ontario) from February 2016 to May 2018
- Before taking a leadership role in operations, Mr. Lalonde was treasurer and vice president for investor relations from November 2014 to February 2016, and vice president for investor relations from September 2011 to November 2014
- He initially joined the company in 2009 as senior counsel (securities), following six years at a Wall Street law firm

# WHO WE ARE

## WOOD PRODUCTS



Lumber  
Furring strips  
Graded lumber  
Finger joints  
Box spring components  
Flooring I-joists

## TISSUE



Bath tissue  
Paper towels

## MARKET PULP



Facial tissue  
Bath tissue  
Paper towels  
Coffee filters  
Printing and writing papers  
Disposable diapers  
Feminine hygiene products  
Other absorbent products  
Packaging

## PAPER



Books  
Catalogs  
Direct mail  
Financial printing  
General commercial printing  
Inserts, flyers, circulars  
Magazines  
Newspapers

## ENERGY



Hydroelectricity  
Cogeneration

## BIOMATERIALS



Wood pellets  
Cellulose filaments  
Lignin  
Cellulosic sugars

# OUR COMPETITIVE STRENGTHS

## ✓ COMPETITIVE COST STRUCTURE & INTEGRATED ASSET BASE

- **Large-scale** and **cost-effective** operations, including **significant internal energy production**, to support value proposition
- Integration = **control over fiber transformation** chain from stump to end-product for majority of offering
- Nearly 100% of our **products sourced from high-quality virgin fiber**
- **Harvesting rights** for a vast majority of fiber needs in Canada
- **Sophisticated logistics capabilities** to meet demanding customer expectations

## ✓ STRONG BALANCE SHEET

- Low debt, favorable financings, high liquidity and focus on costs = **maximum flexibility**
- Customers benefit from **financially stable and reliable** business partner in challenging industry
- **Significant tax attributes** available

## ✓ SEASONED MANAGEMENT TEAM

- **Deep industry expertise**, with **influential leaders in forestry**, operations, environmental risk management and public policy
- **Culture of accountability** encourages transparency and straightforwardness
- Core identity tied to renewable resources we **harvest in a truly sustainable manner**

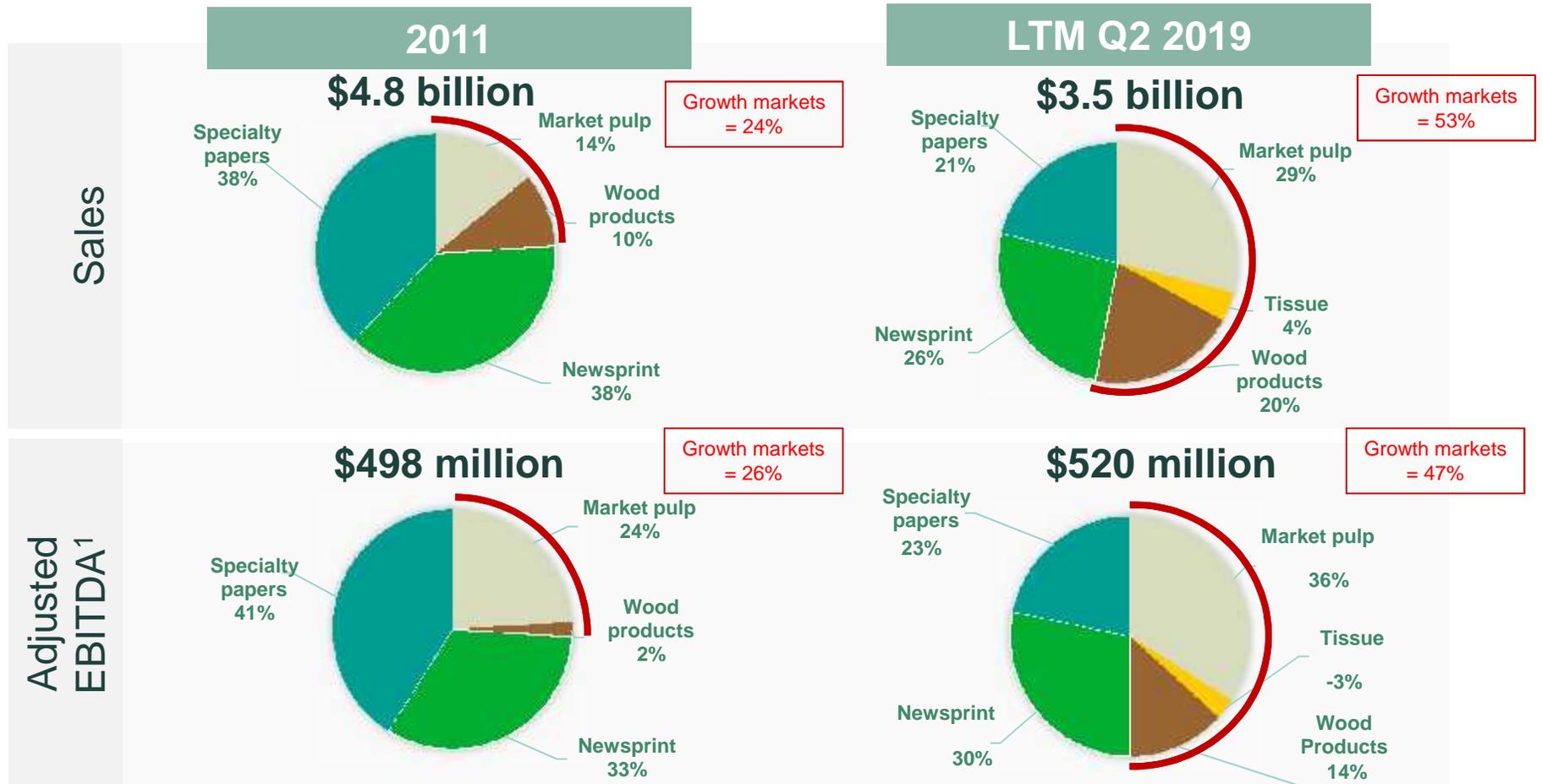
**Fiber from trees is renewable, reusable and fossil-free, representing a core pillar in moving the world away from fossil-based material**

# OUR STRATEGY

## CAPITAL ALLOCATION PRIORITIES

- Invest to diversify and grow our wood products business
- Tailored organic projects to grow pulp capacity and integrate internal pulp into tissue
- Targeted capital to maximize value generation from paper assets
- Capture mega trends associated with innovative uses for fiber
- LTM: deleveraged by \$225 million, bought back 2 million shares, paid a \$136 million dividend

# STRATEGY TRANSFORMATION



1. For illustrative purposes, chart excludes adjusted EBITDA for « corporate and other » of \$1 million and negative \$40 million for the years ended December 31, 2011 and June 30, 2019, respectively.



# BUSINESS OUTLOOK

<b>Market Pulp</b>	<ul style="list-style-type: none"><li>• Soft global market conditions will continue to impact profitability in the third quarter</li><li>• Pricing pressures in Q3 but shipments are expected to be higher</li><li>• Limited supply additions and growing demand expected to support favorable market dynamics in the medium term</li></ul>
<b>Tissue</b>	<ul style="list-style-type: none"><li>• Continue to grow sales and improve productivity</li></ul>
<b>Wood Products</b>	<ul style="list-style-type: none"><li>• Cautious outlook in the short term as demand remains soft</li><li>• Belief in growth prospects for lumber markets</li></ul>
<b>Paper</b>	<ul style="list-style-type: none"><li>• Pricing headwinds expected to continue in the second half of the year</li></ul>