AS A LEADING FIBER-BASED TECHNOLOGY COMPANY, DOMTAR – AND ITS TEAM OF 10,000 EMPLOYEES – IS FOCUSED ON DRIVING INNOVATION, ENHANCING ITS OPERATING PLATFORMS AND DELIVERING HIGH-QUALITY PRODUCTS. THESE INCLUDE COMMUNICATION PAPERS, SPECIALTY AND PACKAGING PAPERS, MARKET PULP AND ABSORBENT HYGIENE PRODUCTS.

$5.5 BILLION IN SALES IN 2018

SALES BY BUSINESS SEGMENT
- Pulp and Paper 82%
- Personal Care 18%

SALES BY PRODUCT CATEGORY
- Communication Papers 47%
- Specialty and Packaging Papers 13%
- Market Pulp 22%
- Adult Incontinence Products 12%
- Infant Products 5%
- Other Personal Care Products 1%

SALES BY REGION
- U.S. 67%
- Europe 13%
- Canada 9%
- Asia 9%
- Other 2%

STRATEGIC PRIORITIES

1. DRIVE VALUE IN PULP AND PAPER BUSINESS
   - Operate an optimal portfolio of strategic assets
   - Increase productivity in pulp business
   - Pursue new sources of paper consumption

2. EXPAND INTO GROWTH BUSINESSES
   - Optimize and expand operations in markets with positive demand dynamics
   - Repurpose assets; invest in organic growth and strategic acquisitions
   - Capitalize on new opportunities in wood fiber market

3. DEPLOY CAPITAL TOWARDS GROWTH WHILE RETURNING CASH TO STOCKHOLDERS
   - Balanced and disciplined approach to capital allocation
   - Committed to deploying capital only where it will achieve the best possible return for stockholders
PULP AND PAPER SEGMENT

- Largest manufacturer of uncoated freesheet paper in North America
- Leading global producer of softwood and fluff pulp
- Low-cost, flexible manufacturing asset base
- Pulp business well-positioned in attractive markets with positive medium to long-term outlook

COMMUNICATION PAPERS
Business, commercial print and publishing papers

47% of 2018 sales

2.5-3% Long-term growth rate

SPECIALTY AND PACKAGING PAPERS
Thermal, technical and specialty packaging papers

13% of 2018 sales

GDP Long-term growth rate

MARKET PULP
Papergrade, fluff and specialty pulp

22% of 2018 sales

4-6% Long-term growth rate

PERSONAL CARE SEGMENT

- Leading supplier of quality, cost-effective absorbent hygiene solutions
- Unique combination of proprietary insights, category management and innovation capabilities

ADULT PRODUCTS
Briefs, professional care, protective underwear, pads, underpads

12% of 2018 sales

4-6% Long-term growth rate

INFANT PRODUCTS
Diapers, training and youth pants, bed mats

5% of 2018 sales

0-2% Long-term growth rate

OTHER
Other absorbency products

5% of 2018 sales

2-4% Long-term growth rate

SALES BY REGION

PAPER
- U.S. 77%
- Canada 23%

MARKET PULP
- U.S. 54%
- Canada 46%

MANUFACTURING CAPACITY BY REGION

PAPER
- U.S. 77%
- Canada 23%

MARKET PULP
- U.S. 54%
- Canada 46%

SALES BY REGION

PAPER
- U.S. 82%
- Canada 10%
- Other 8%

MARKET PULP
- Other 58%
- U.S. 39%
- Canada 3%

SALES BY PRODUCT CATEGORY

ADULT PRODUCTS
Briefs, professional care, protective underwear, pads, underpads

12% of 2018 sales

4-6% Long-term growth rate

INFANT PRODUCTS
Diapers, training and youth pants, bed mats

5% of 2018 sales

0-2% Long-term growth rate

OTHER
Other absorbency products

5% of 2018 sales

2-4% Long-term growth rate

SALES BY CHANNEL

- Healthcare 47%
- Retail 36%
- Direct-to-Consumer 9%
- Other 8%

SHIPMENTS BY GRADE

PAPER–MANUFACTURED
- Communication 82%
- Specialty and Packaging 18%

MARKET PULP
- Softwood 56%
- Fluff 40%
- Hardwood 4%

1 Includes pulp shipments to Personal Care

SALES BY GRADE

PAPER–MANUFACTURED
- Communication 82%
- Specialty and Packaging 18%

MARKET PULP
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- Fluff 40%
- Hardwood 4%

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SALES BY REGION

PAPER
- U.S. 82%
- Canada 10%
- Other 8%

MARKET PULP
- Other 58%
- U.S. 39%
- Canada 3%
KEY PERFORMANCE INDICATORS

SALES
(In millions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,090</td>
<td>5,148</td>
<td>5,455</td>
</tr>
</tbody>
</table>

NET INCOME
(In millions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>(258)</td>
<td>203</td>
<td></td>
</tr>
</tbody>
</table>

EBITDA BEFORE ITEMS\(^1\)
(In millions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>635</td>
<td>569</td>
<td>725</td>
</tr>
</tbody>
</table>

$1.6B
RETURNED TO
SHAREHOLDERS SINCE 2011

23%
NET DEBT TO TOTAL
CAPITALIZATION RATIO\(^1,2\)

CASH FLOW FROM OPERATING ACTIVITIES
(In millions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow</td>
<td>465</td>
<td>449</td>
<td>554</td>
</tr>
</tbody>
</table>

LONG-TERM DEBT, INCLUDING CURRENT PORTION
(In millions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Debt</td>
<td>1,281</td>
<td>1,130</td>
<td>854</td>
</tr>
</tbody>
</table>

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

72%
RENEWABLE ENERGY
USED IN OUR
PULP AND PAPER MILLS\(^*\)
INDUSTRY AVERAGE
IS 67%\(^3\)

72%
SELF-GENERATED
ELECTRICITY IN OUR
PULP AND PAPER MILLS
INDUSTRY AVERAGE
IS 55%\(^3\)

36%
TOTAL CERTIFIED FIBER
USED BY OUR PULP AND
PAPER MILLS IN 2016
INDUSTRY AVERAGE
IS 29%\(^3\)

17%
REDUCED WASTE SENT
TO LANDFILLS FROM
PULP AND PAPER MILLS
SINCE 2013

15%
REDUCTION IN TOTAL
GHG EMISSIONS FROM
PURCHASED ENERGY AT
OUR PULP AND PAPER
MILLS SINCE 2010

500,000 +
ACRES ENROLLED
IN FOUR STATES
TIMBERLAND OWNERS
ASSOCIATION FSC GROUP
CERTIFICATION IN LESS
THAN FIVE YEARS

\(^1\) Non-GAAP financial measure. For a reconciliation to GAAP financial measures, please refer to earnings in the investor section at www.domtar.com.
\(^2\) As at December 31, 2018.
\(^3\) Source: 2016 American Forest & Paper Association Sustainability Report.
\(^*\) Net of 3% sold into various renewable energy marketplaces
On November 1, 2018, we announced a margin improvement plan within our Personal Care Division, including the permanent closure of our Waco, Texas, manufacturing and distribution facility. The facility is expected to cease operations in the third quarter of 2019.