INVESTOR FACTSHEET

DOMTAR CONTINUES TO BUILD ON ITS CAPABILITIES AND EXECUTE A WELL-DEFINED STRATEGY TO MAXIMIZE THE VALUE OF EACH OF ITS BUSINESSES. LED BY A STRONG TEAM, DOMTAR IS WELL POSITIONED TO DRIVE GROWTH, RETURN CAPITAL TO SHAREHOLDERS AND REACH THE NEXT STAGE IN ITS EVOLUTION AS A LEADING NORTH AMERICAN PULP AND PAPER COMPANY AND TRANSFORMING INTO A MAJOR PACKAGING PLAYER IN NORTH AMERICA.

PAPER
- Maintain strong market leadership
- Favorable supply dynamics
- Low cost mills and highly cash generative business

- Low cost mills with limited future capital requirements
- Only paper supplier in North America with a national presence and truly committed to paper
- Major paper buyers seeking to pivot more volume towards Domtar and increasingly looking to develop long term relationships

Top performer with highly resilient and strong cash flows in all market conditions

PULP
- Leading market position with exposure to attractive growth categories (i.e. tissue, hygiene)
- Continuing to focus on low risk / high ROIC investments to bring assets towards 1st quartile and drive stable growth

- Modernize, integrate and optimize platforms in order to drive pulp mills towards 1st quartile cash costs
- Debottleneck, improve energy efficiency and make several additional upgrades at four of our mills

Solidifying Domtar as one of the most competitive suppliers of premium pulp in the world

PACKAGING
- Potential capacity of 2.8M tons over time
- Differentiated commercial strategy enabling independent converters to win in the marketplace

- Domtar’s strong balance sheet and cash flows support investments
- Strong packaging team already in place with deep understanding of the market
- Ability to leverage our extensive network of existing relationships
- Large addressable market across independent converters, converters with mill affiliations, etc.

Unleash growth potential of independent converters currently constrained by integrated producers with opportunity for joint ventures
PACKAGING

PAPERGRADE, FLUFF, SPECIALTY PULP AND AIRLAID NONWOVENS

- 30% of 2020 sales

MANUFACTURING CAPACITY BY REGION
- U.S. 58%
- Canada 42%

SALES BY REGION
- U.S. 38%
- China 27%
- Other 16%
- Europe 11%
- Mexico 6%
- Canada 2%

SHIPMENTS BY GRADE
- Softwood 58%
- Fluff 38%
- Hardwood 4%

WE WILL CREATE A TRANSFORMATIVE LOW-COST PACKAGING PLATFORM IN NORTH AMERICA
- Proven track record of successful large-scale mill conversions
- Highly competitive packaging assets with potential capacity of 2.8M tons
- Flexibility to build a business tailored to take advantage of future trends of the industry
- Targeting a diversified portfolio of independent packaging companies
- Significant optionality in repurposing roadmap
- Ability to respond to evolution of paper demand and packaging market conditions

DIFFERENTIATED VALUE PROPOSITION TO DE-RISK OUR PACKAGING STRATEGY
- Large addressable market across independents, converters with mill affiliations, etc.
- Preliminary discussions with potential customers validate our value proposition

BUSINESS OVERVIEW

PACKAGING

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BUSINESS, COMMERCIAL PRINT AND PUBLISHING PAPERS

THERMAL, TECHNICAL AND SPECIALTY PACKAGING PAPERS

- 54% of 2020 sales
- 16% of 2020 sales

MANUFACTURING CAPACITY BY REGION
- U.S. 68%
- Canada 32%

SALES BY REGION
- U.S. 85%
- Canada 9%
- Europe 6%

SHIPMENTS BY GRADE
- Communication 82%
- Specialty and Packaging 18%
Converted facilities will be competitive and well located to serve domestic and export markets.

ASHDOWN, AR
Market pulp capacity: 400,000 tons
- 700,000 tons of kraftliner board

HAWESVILLE, KY
Uncoated freesheet capacity: 596,000 tons
- 580,000 tons of kraftliner board
- 320,000 tons of recycled medium

MARLBORO, SC
Uncoated freesheet capacity: 274,000 tons
Option-1
- 600,000 tons of kraftliner board
Option-2
- 315,000 ADMT of fluff pulp

1 We plan to enter the containerboard market with the conversion of our Kingsport paper machine. Once in full operation, the mill will produce and market approximately 600,000 tons annually of high-quality recycled linerboard and medium, providing us with a strategic footprint in a growing market. The conversion is expected to be completed by the end of 2022.
### SUSTAINABILITY HIGHLIGHTS

- **61% Reduction** in recordable safety incidents since 2008, our 9th consecutive year our recordable incident rate has been below 1.00.

- **5.2% Voluntary Employee Turnover Rate** compared to 13.5 percent for the U.S. Manufacturing & Distribution Industry average.*

- **73% Renewable Energy** used in our pulp and paper mills.* Industry average = 65 percent.**
  - An equivalent of **71%** of the electricity used in our pulp and paper mills was self-generated. Industry average = 55 percent.***

- **71%** of pulp and paper mill manufacturing byproducts were beneficially used. Industry average = 46 percent.***

- **27% Reduction** in total direct greenhouse gas emissions and indirect emissions from purchased energy at our pulp and paper mills since 2010.

### SELECTED FINANCIAL FIGURES

<table>
<thead>
<tr>
<th>Financial Measure</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>4,565</td>
<td>4,369</td>
<td>3,652</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>395</td>
<td>179</td>
<td>(177)</td>
</tr>
<tr>
<td>Net earnings (loss)</td>
<td>283</td>
<td>84</td>
<td>(127)</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>554</td>
<td>442</td>
<td>411</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>195</td>
<td>255</td>
<td>175</td>
</tr>
<tr>
<td>Free cash flow¹</td>
<td>359</td>
<td>187</td>
<td>236</td>
</tr>
<tr>
<td>Total assets</td>
<td>4,925</td>
<td>4,903</td>
<td>4,856</td>
</tr>
<tr>
<td>Long-term debt, including current portion</td>
<td>853</td>
<td>938</td>
<td>1,097</td>
</tr>
<tr>
<td>Net debt-to-total capitalization ratio¹</td>
<td>23%</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>2,538</td>
<td>2,376</td>
<td>2,260</td>
</tr>
<tr>
<td>Weighted average number of common shares outstanding in millions (diluted)</td>
<td>63.1</td>
<td>61.4</td>
<td>55.4</td>
</tr>
</tbody>
</table>

¹ Non-GAAP financial measure. For a reconciliation to GAAP financial measures, please refer to earnings in the investor section at www.domtar.com.

### MANUFACTURING ENERGY SOURCES

- **Total Energy Use**: 147.65 Million Gigajoules

### ANALYST COVERAGE

- **Bank of America/Merrill Lynch**: George Staphos
- **Bank of Montreal**: Mark Wilde
- **CIBC**: Hamir Patel
- **Citigroup**: Anthony Pettinari
- **KeyBanc**: Adam Josephson
- **Raymond James**: Daryl Swetlishoff
- **RBC Capital Markets**: Paul Quinn
- **Scotia Capital**: Benoît Laprade
- **Stephens**: Mark Connelly
- **TD Securities**: Sean Steuart

### SHAREHOLDER INFORMATION

- **Common Stock**: Domtar Corporation
  - **Symbol**: UFS (NYSE; TSX)
  - **CUSIP**: 257559203
  - **Shares Outstanding**: 50,242,792 (March 31, 2021)
  - **Transfer Agent**: Computershare Investor Services
    - Tel.: 1-781-575-2879
    - www.computershare.com

- **Investor Relations**: Nicholas Estrela
  - Director, Investor Relations
  - ir@domtar.com
  - To find out more about Domtar and its people, products and operations, go to: domtar.com

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***2020 American Forest & Paper Association Sustainability Report, Additional Environmental Indicators.