

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

BUSINESS OVERVIEW

PAPER

Communication Papers

Specialty Papers



BUSINESS, COMMERCIAL PRINT AND PUBLISHING PAPERS

THERMAL, TECHNICAL AND SPECIALTY PACKAGING PAPERS

54%
of 2020 sales

16%
of 2020 sales

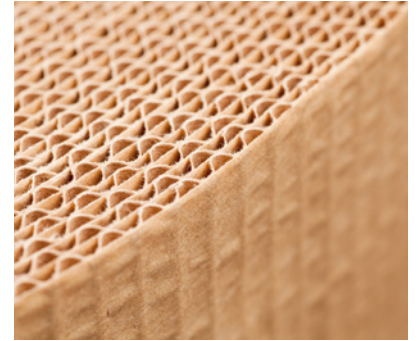
PULP



PAPERGRADE, FLUFF, SPECIALTY PULP AND AIRLAID NONWOVENS

30%
of 2020 sales

PACKAGING



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

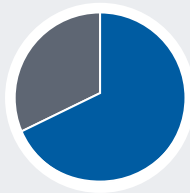
DIFFERENTIATED VALUE PROPOSITION TO DE-RISK OUR PACKAGING STRATEGY

Large addressable market across independents, converters with mill affiliations, etc.

Preliminary discussions with potential customers validate our value proposition

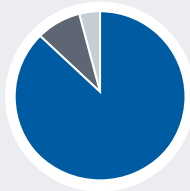
MANUFACTURING CAPACITY BY REGION

- U.S. 68%
- Canada 32%



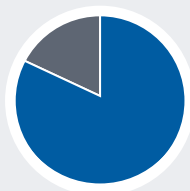
SALES BY REGION

- U.S. 85%
- Canada 9%
- Europe 6%



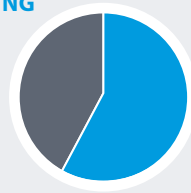
SHIPMENTS BY GRADE

- Communication 82%
- Specialty and Packaging 18%



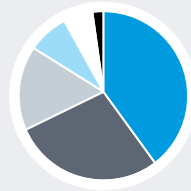
MANUFACTURING CAPACITY BY REGION

- U.S. 58%
- Canada 42%



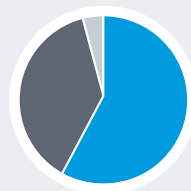
SALES BY REGION

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



SHIPMENTS BY GRADE

- Softwood 58%
- Fluff 38%
- Hardwood 4%



CURRENT FOOTPRINT AND ASSET OPTIONALITY

CORPORATE OFFICES

Fort Mill, South Carolina
Montreal, Quebec

PULP & PAPER DIVISION HEADQUARTERS

Fort Mill, South Carolina

UNCOATED FREESHEET

(Annual paper manufacturing capacity in short tons)

Espanola, Ontario
(69,000 tons)

Hawesville, Kentucky
(596,000 tons)

Johnsonburg, Pennsylvania
(344,000 tons)

Marlboro (Bennettsville),
South Carolina (274,000 tons)

Nekoosa, Wisconsin
(168,000 tons)

Rothschild, Wisconsin
(131,000 tons)

Windsor, Quebec
(642,000 tons)

MARKET PULP

(Annual pulp manufacturing capacity in air-dried metric tons)

Ashdown, Arkansas
(775,000 tons)

Dryden, Ontario
(327,000 tons)

Kamloops, British Columbia
(408,000 tons)

Plymouth, North Carolina
(390,000 tons)

PACKAGING

Kingsport, Tennessee¹

MATERIALS

Jesup, Georgia

CHIP MILLS

Hawesville, Kentucky
Johnsonburg, Pennsylvania
Marlboro (Bennettsville),
South Carolina

CONVERTING AND DISTRIBUTION – ONSITE

Ashdown, Arkansas
Rothschild, Wisconsin
Windsor, Quebec

CONVERTING AND FORMS MANUFACTURING

Addison, Illinois
Brownsville, Tennessee
Dallas, Texas

DuBois, Pennsylvania
Owensboro, Kentucky
Rock Hill, South Carolina
Tatum, South Carolina
Washington Court House, Ohio
West Carrollton, Ohio

ARIVA – CANADA

Halifax, Nova Scotia
Montreal, Quebec
Mount Pearl, Newfoundland
and Labrador
Ottawa, Ontario
Quebec City, Quebec
Toronto, Ontario

REGIONAL REPLENISHMENT CENTERS – UNITED STATES

Charlotte, North Carolina
Chicago, Illinois
Dallas, Texas
Delran, New Jersey
Indianapolis, Indiana
Jacksonville, Florida
Mira Loma, California
Seattle, Washington

REGIONAL REPLENISHMENT CENTERS – CANADA

Richmond, Quebec
Toronto, Ontario
Winnipeg, Manitoba

REPRESENTATIVE OFFICE – INTERNATIONAL

Hong Kong, China

LOCAL DISTRIBUTION CENTERS

Buffalo, New York
Cincinnati, Ohio
Cleveland, Ohio
Denver, Colorado
Des Moines, Iowa
Omaha, Nebraska
Phoenix, Arizona
Plain City, Ohio
Salt Lake City, Utah
San Antonio, Texas
San Lorenzo, California
St. Louis, Missouri
Vancouver, Washington
Walton, Kentucky
Wisconsin Rapids, Wisconsin

Converted facilities will be competitive and well located to serve domestic and export markets.

ASHDOWN, AR ^A

Market pulp capacity:
400,000 tons

~ 700,000 tons of kraftliner board



HAWESVILLE, KY ^B

Uncoated freesheet capacity:
596,000 tons

~ 580,000 tons of kraftliner board
~ 320,000 tons of recycled medium



MARLBORO, SC ^C

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.*

*2018 Turnover Report, Compdata Surveys & Consulting.



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.***

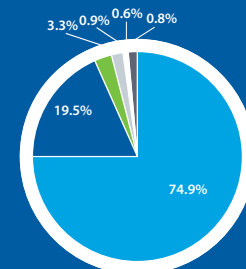
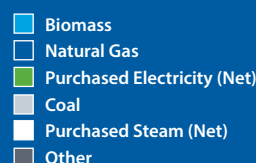


27% REDUCTION in total direct greenhouse gas emissions and indirect emissions from purchased energy at our pulp and paper mills since 2010.



MANUFACTURING ENERGY SOURCES

Total Energy Use = 147.65 Million Gigajoules



*Net of renewable energy and attribute sales.

**2020 American Forest & Paper Association Sustainability Report.

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

SELECTED FINANCIAL FIGURES

Years ended December 31

(In millions of dollars unless otherwise noted)

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

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

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	Benoit Laprade
Stephens	Mark Connelly
TD Securities	Sean Steuart

SHAREHOLDER INFORMATION

Common Stock

Domtar Corporation

Symbol: UFS (NYSE; TSX)

CUSIP: 257559203

Shares Outstanding

UFS: 50,242,792
(March 31, 2021)

Transfer Agent

Computershare Investor Services
North American Toll Free
Number: 1-877-282-1168
Tel.: 1-781-575-2879
www.computershare.com

Investor Relations

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To find out more about Domtar and its people, products and operations, go to: **domtar.com**