



**Third Quarter 2015  
Financial Presentation Materials**

# Safe Harbor

Certain statements in this document regarding anticipated financial, business, legal or other outcomes including business and market conditions, outlook and other similar statements relating to Rayonier Advanced Materials' future events, developments or financial or operational performance or results, are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements are identified by the use of words such as "may," "will," "should," "expect," "estimate," "believe," "intend," "anticipate" and other similar language. However, the absence of these or similar words or expressions does not mean that a statement is not forward-looking. While we believe that these forward-looking statements are reasonable when made, forward-looking statements are not guarantees of future performance or events and undue reliance should not be placed on these statements. Although we believe that the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties.

Such risks and uncertainties include, but are not limited to: competitive pressures in the markets in which we operate; our ability to complete our recently announced operational realignment at the Jesup plant within the planned cost and timing parameters and achieve the anticipated benefits; the risks associated with the previously-disclosed litigation with Eastman Chemical, our largest customer, relating to certain volume and pricing-related terms of our supply contract; our customer concentration; changes in cellulose specialties and commodity product supply, demand and prices; changes in raw material and energy prices; international operations; changes in global economic conditions, including currency; the Chinese dumping duties currently in effect for commodity viscose pulps; potential legal, regulatory and similar challenges relating to our permitted air emissions and waste water discharges from our facilities by non-governmental groups and individuals; the effect of current and future environmental laws and regulations as well as changes in circumstances on the cost and estimated future cost of required environmental expenditures; the potential impact of future tobacco-related restrictions; potential for additional pension contributions; labor relations with the unions representing our hourly employees; the effect of weather and other natural conditions; changes in transportation-related costs and availability; the failure to attract and retain key personnel; the failure to develop new ideas and protect our intellectual property; uncertainties related to the availability of additional financing to us in the future and the terms of such financing; our inability to make or effectively integrate future acquisitions and engage in certain other corporate transactions; any failure to realize expected benefits from our separation from Rayonier Inc.; financial and other obligations under agreements relating to our debt; and uncertainties relating to general economic, political, business, industry, regulatory and market conditions.

Other important factors that could cause actual results or events to differ materially from those expressed in forward-looking statements that may have been made in this document are described or will be described in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Rayonier Advanced Materials assumes no obligation to update these statements except as is required by law.



# Financial Highlights

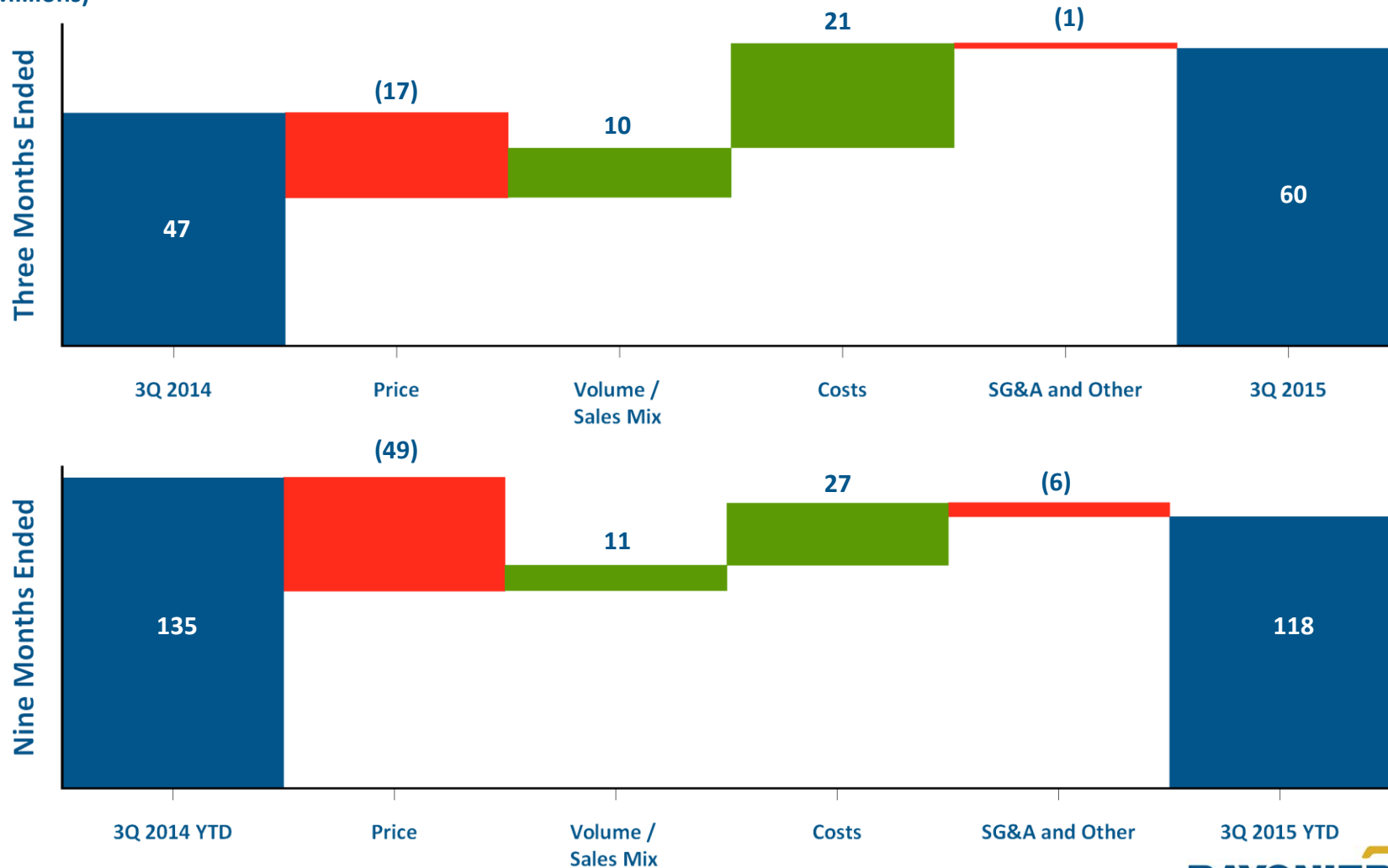
(\$ Millions)

	Quarter Ended		Nine Months Ended	
	3Q 2015	3Q 2014	3Q 2015	3Q 2014
Sales	\$ 257	\$ 254	\$ 700	\$ 710
Operating Income	58	42	90	91
Pro Forma Operating Income*	60	47	118	135
Net Income	32	19	42	55
Pro Forma Net Income*	33	22	60	80
Pro Forma Net Income per Share*	\$ 0.78	\$ 0.53	\$ 1.42	\$ 1.90

\* Non-GAAP measures (see Appendix for definitions and reconciliations).

# Pro Forma Operating Income - Variance Analysis

(\$ Millions)



Price variance is calculated for all products. Volume variance is calculated on a contribution margin basis.

# Selected Financial and Operating Information

	Three Months Ended		Nine Months Ended	
	September 26, 2015	September 27, 2014	September 26, 2015	September 27, 2014
<b>Sales Volume, thousands of metric tons</b>				
Cellulose specialties	133	129	352	356
Commodity products	61	39	174	102
Total	194	168	526	458

## Sales Price, \$ per metric ton

Cellulose specialties	\$ 1,623	\$ 1,727	\$ 1,641	\$ 1,771
Commodity products	\$ 664	\$ 711	\$ 672	\$ 692

# Capital Resources & Liquidity

(\$ Millions)

	Nine Months Ended	
	September 26, 2015	September 27, 2014
Cash Provided by Operating Activities	\$ 152	\$ 128
Cash Used for Investing Activities	(60)	(76)
Cash Used for Financing Activities	(58)	(24)
EBITDA*	155	153
Pro Forma EBITDA*	183	197
Adjusted Free Cash Flow*	92	68
Debt	\$ 893	\$ 947
Cash	100	28
Net Debt	793	919
Available Liquidity*	336	251

## Financial Covenants\*\*

	September 26, 2015	Covenant
Net Secured Leverage	0.9x	< 3.0x
Interest Coverage	7.4x	> 3.0x

\* Non-GAAP measures (see Appendix for definitions and reconciliations).

\*\* Defined by credit agreement as the trailing 12 months' pro forma EBITDA including certain adjustments of approximately \$21 million as of September 26, 2015.



# Revised 2015 Guidance

- CS volumes comparable with 2014 levels
- CS Prices 7 – 8% below 2014 average prices
- Commodity sales volumes higher than 2014
- Pro forma EBITDA of approximately \$230 million
- Expected cost savings of at least \$30 million
- CapEx of approximately \$80 million

# 2015 Focus and Initiatives

- Reduce costs and enhance profitability
  - Significant cost savings initiatives
  - Efficient and reliable operations
  - Discipline of continuous improvement
  - Focus on cash generation and debt repayment
- Asset optimization
  - Review and match assets to market conditions
  - Drive incremental sales and profits from our assets, specifically co-products
- Protect and grow our business
  - Drive products and services that enhance customer value
  - Re-invigorate culture of new product innovation





# Appendix

# Definitions of Non-GAAP Measures

**EBITDA** is defined as earnings before interest, taxes, depreciation and amortization. EBITDA is a non-GAAP measure used by our Chief Operating Decision Maker, existing stockholders and potential stockholders to measure how the Company is performing relative to the assets under management.

**Pro Forma EBITDA** is defined by the Company as EBITDA before non-cash impairment charges, environmental reserve adjustments, one-time separation and legal costs and insurance recoveries.

**Adjusted Free Cash Flow** Adjusted free cash flow is defined as cash provided by operating activities adjusted for capital expenditures excluding strategic capital. Adjusted free cash flow, as defined by the Company, is a non-GAAP measure of cash generated during a period which is available for dividend distribution, debt reduction, strategic acquisitions and repurchase of the Company's common stock. Adjusted free cash flow is not necessarily indicative of the adjusted free cash flow that may be generated in future periods.

**Pro Forma Operating Income** is defined as operating income adjusted for non-cash impairment charges, one-time separation and legal costs, insurance recovery and environmental reserve adjustments.

**Pro Forma Net Income** is defined as net income adjusted net of tax for non-cash impairment charges, one-time separation and legal costs, insurance recovery, environmental reserve adjustments and for tax benefits from the reversal of reserve related to the taxability of the CBPC.

**Available Liquidity** is defined as the funds available under the revolving credit facility and term loans, adjusted for cash on hand and outstanding letters of credit.

# Reconciliation of Non-GAAP Measures

(\$ Millions)

	Nine Months Ended	
	September 26, 2015	September 27, 2014
<b>EBITDA Reconciliation</b>		
<b>Net Income</b>	\$ 42	\$ 55
Depreciation and amortization	65	62
Interest expense, net	27	13
Income tax expense	21	23
<b>EBITDA</b>	\$ 155	\$ 153
Non-cash impairment charge	28	—
Environmental reserve adjustments	—	20
One-time separation and legal costs	1	24
Insurance settlement	(1)	—
<b>Pro Forma EBITDA</b>	\$ 183	\$ 197
<b>Adjusted Free Cash Flow Reconciliation</b>		
Cash provided by operating activities	\$ 152	\$ 128
Capital expenditures*	(60)	(60)
<b>Adjusted Free Cash Flow</b>	\$ 92	\$ 68

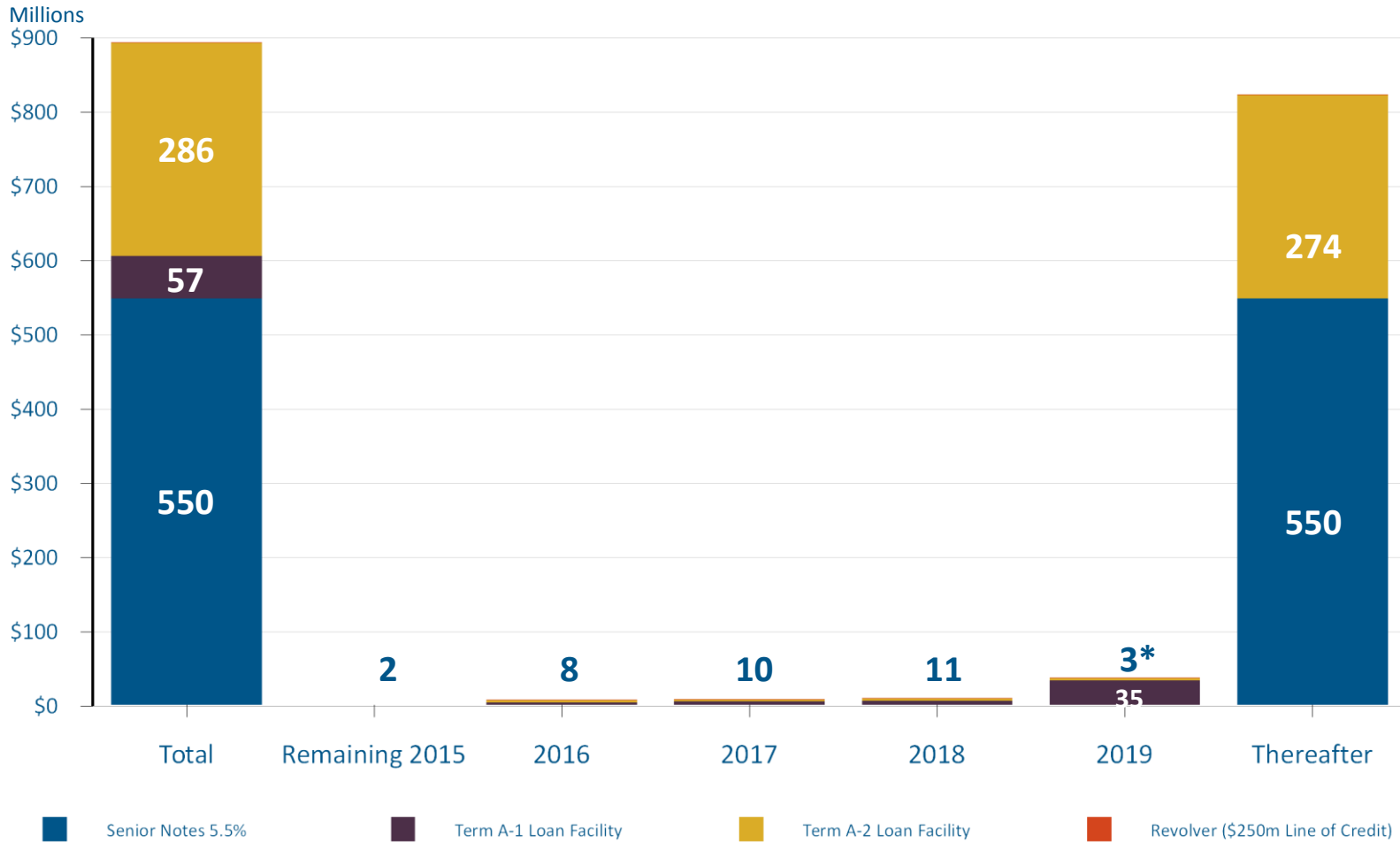
\* Capital expenditures exclude strategic capital.

# Reconciliation of Reported to Pro Forma Earnings

(\$ Millions, except per share amounts)

	Three Months Ended						Nine Months Ended			
	September 26, 2015		June 27, 2015		September 27, 2014		September 26, 2015		September 27, 2014	
Pro Forma Operating Income and Net Income:	\$	Per Diluted Share	\$	Per Diluted Share	\$	Per Diluted Share	\$	Per Diluted Share	\$	Per Diluted Share
<b>Operating Income</b>	\$ 58		\$ 8		\$ 42		\$ 90		\$ 91	
Non-cash impairment charge	—		28		—		28		—	
One-time separation and legal costs	2		(1)		3		1		24	
Insurance recovery	—		(1)		—		(1)		—	
Environmental reserve adjustments	—		—		2		—		20	
<b>Pro Forma Operating Income</b>	<u>\$ 60</u>		<u>\$ 34</u>		<u>\$ 47</u>		<u>\$ 118</u>		<u>\$ 135</u>	
<b>Net Income</b>	\$ 32	\$ 0.76	\$ —	\$ (0.01)	\$ 19	\$ 0.46	\$ 42	\$ 1.00	\$ 55	\$ 1.30
Non-cash impairment charge, net of tax	—	—	18	0.43	—	—	18	0.43	—	—
One-time separation and legal costs, net of tax	1	0.02	(1)	(0.01)	2	0.04	1	0.01	17	0.41
Insurance recovery, net of tax	—	—	(1)	(0.02)	—	—	(1)	(0.02)	—	—
Environmental reserve adjustments, net of tax	—	—	—	—	1	0.03	—	—	13	0.30
Reversal of reserve related to the taxability of the CBPC	—	—	—	—	—	—	—	—	(5)	(0.11)
<b>Pro Forma Net Income</b>	<u>\$ 33</u>	<u>\$ 0.78</u>	<u>\$ 16</u>	<u>\$ 0.39</u>	<u>\$ 22</u>	<u>\$ 0.53</u>	<u>\$ 60</u>	<u>\$ 1.42</u>	<u>\$ 80</u>	<u>\$ 1.90</u>

# Debt Maturity Schedule



\* \$3 million of Term A-2 paid in 2019