Second Quarter 2017 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," "forecast," "anticipate," "guidance," and other similar language. However, the absence of these or similar words or expressions does not mean a statement is not forward-looking. While we believe 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 the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance these expectations will be attained and it is possible 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, especially with respect to increases in supply and pressures on demand for our products, which impact pricing; our ability to complete our announced cost and debt reduction initiatives and objectives within the planned parameters and achieve the anticipated benefits; our customer concentration, especially with our three largest customers; 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 innovate to maintain our competitiveness, grow our business 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 current and future acquisitions and engage in certain other corporate transactions; any failure to realize expected benefits from our separation from Rayonier Inc.; risks related to our pending acquisition of Tembec Inc., including the failure to satisfy the conditions to completing the transaction, including obtaining regulatory approvals, our failure to obtain the anticipated benefits and synergies from the acquisition and the impact of additional debt we will incur and equity that we will issue to finance the acquisition; financial and other obligations under agreements relating to our debt; and uncertainties relating to general economic, political, and regulatory 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.

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Non-GAAP Financial Measures

These presentation materials contain certain non-GAAP financial measures, including EBITDA, adjusted free cash flows, pro forma operating income, pro forma net income and adjusted net debt. These non-GAAP measures are reconciled to each of their respective most directly comparable GAAP financial measures in the appendix of these presentation materials.

We believe these non-GAAP measures provide useful information to our board of directors, management and investors regarding certain trends relating to our financial condition and results of operations. Our management uses these non-GAAP measures to compare our performance to that of prior periods for trend analyses, purposes of determining management incentive compensation and budgeting, forecasting and planning purposes.

We do not consider these non-GAAP measures an alternative to financial measures determined in accordance with GAAP. The principal limitations of these non-GAAP financial measures are that they may exclude significant expenses and income items that are required by GAAP to be recognized in our consolidated financial statements. In addition, they reflect the exercise of management's judgment about which expenses and income items are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management provides reconciliations of the non-GAAP financial measures we use to their most directly comparable GAAP measures. Non-GAAP financial measures should not be relied upon, in whole or part, in evaluating the financial condition, results of operations or future prospects of the Company.

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Financial Highlights

($ Millions)

	Quarter Ended				Six Months Ended			
	2Q 2017		2Q 2016		2Q 2017		2Q 2016	
Sales	$	201	$	214	$	403	$	431
Operating Income		13		39		39		70
Pro Forma Operating Income[1]		21		39		47		70
Net Income		5		19		14		40
Pro Forma Net Income[1]		9		19		18		34
EBITDA[1]		36		58		84		121
Pro Forma EBITDA[1]		42		58		90		112
Diluted Earnings per Share	$	0.03	$	0.46	$	0.18	$	0.95
Pro Forma Net Income per Share[1]	$	0.11	$	0.46	$	0.26	$	0.82

[1] Non-GAAP measures (see Appendix for definitions and reconciliations).

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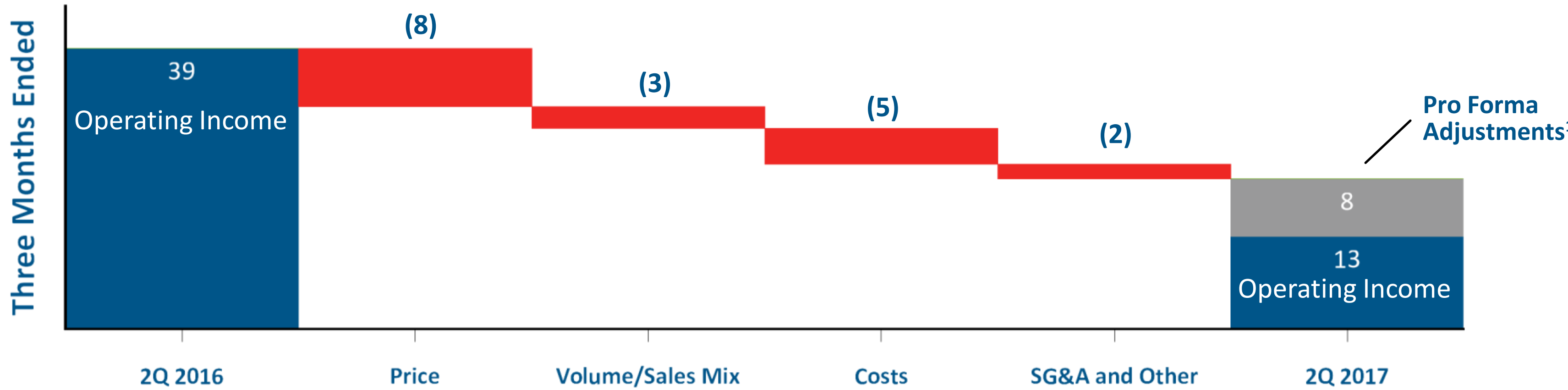
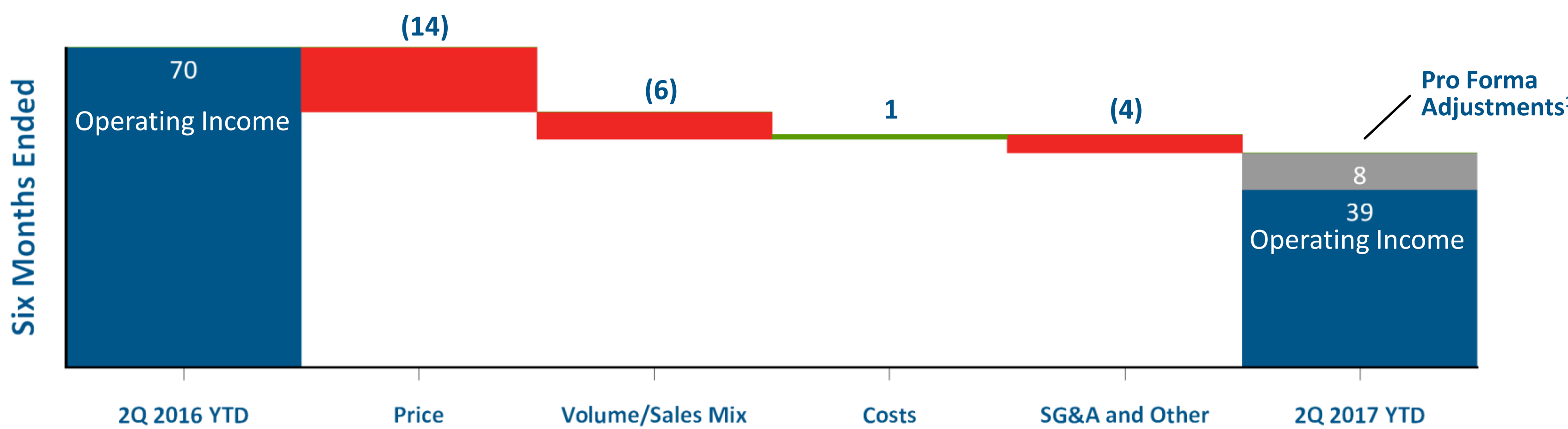
Operating Income - Variance Analysis

($ Millions)





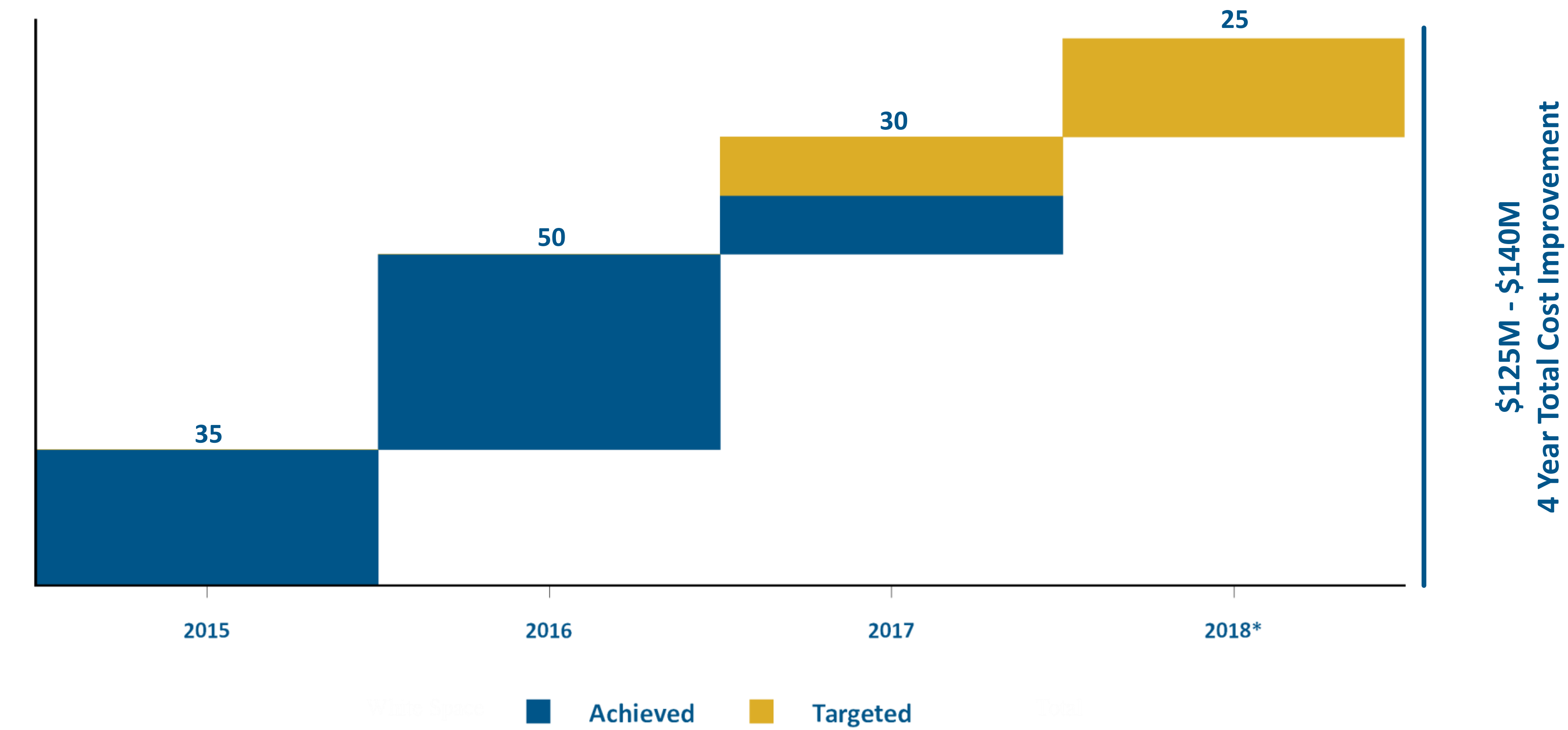
[1] See Appendix for pro forma adjustments detail and reconciliations.
Price variance is calculated for all products. Volume variance is calculated on a contribution margin basis.

Selected Financial and Operating Information

	Three Months Ended		Six Months Ended	
	June 24, 2017	June 25, 2016	June 24, 2017	June 25, 2016
Sales Volume, thousands of metric tons				
Cellulose specialties	110	113	217	219
Commodity products	54	55	113	130
Total	164	168	330	349
Average Sales Price, $ per metric ton				
Cellulose specialties	$ 1,434	$ 1,548	$ 1,453	$ 1,551
Commodity products	$ 764	$ 668	$ 740	$ 675

Cost Improvement Initiatives

($ Millions)



$100 million in Cost Improvements achieved since 2014

* Breakdown of expected future cost savings on a run-rate basis included for illustrative purposes. To be refined in future periods to reflect actual results.

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2017 Guidance

- Cellulose specialties (“CS”) prices 3% to 4% below 2016 average prices primarily due to lower acetate mix and pricing
- CS volumes flat to slightly down compared to 2016 due to the timing of revenue recognition
- Commodity sales volumes higher (depending on viscose/absorbent materials mix)
- Cost Transformation savings of $30 million
- Net income at high-end of $32 to $39 million
- Pro Forma EBITDA at high-end of $190 to $200 million
- Operating cash flows of $142 to $152 million
- CapEx of approximately $60 million, including LTF
- Adjusted free cash flows of $90 to $100 million

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 The statements on this page should be considered “forward-looking statements.” See the cautionary statements provided on slide 2 of this presentation.

Capital Resources & Liquidity

($ Millions)

	Six Months Ended	
	June 24, 2017	**June 25, 2016**
Cash Provided by Operating Activities	$ 87	$ 151
Cash Used for Investing Activities	(32)	(36)
Cash Used for Financing Activities	(12)	(50)
Adjusted Free Cash Flows*	56	113
Debt Principal Payments	$ 790	$ 812
Cash	369	166
Adjusted Net Debt*	421	646
Available Liquidity*	612	402

Financial Covenants**	**June 24, 2017**	**Covenant**
Net Secured Leverage	0.9x	< 3.0x
Interest Coverage	6.0x	> 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 $2 million as of June 24, 2017.

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Combination Drives Successful Earnings Growth

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tembec

- Enhanced scale drives ability to execute growth strategy
- Superior capabilities in high purity cellulose
- Diversified paper and forest products profile
- Expansion of cost transformation initiative
- Significant high return capital project opportunities
- Acceleration of product innovation

Acquisition of Tembec Process

- ☑ Tembec Shareholder Vote
- ☐ Canadian Court Ratifies Vote - August 7
- ☐ Antitrust Clearance
  - ☑ United States
  - ☑ Germany
  - ☐ Canada
  - ☐ China
- ☐ Investment Canada Compliance

Closing expected in Q4 2017

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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 as EBITDA before acquisition related costs, unrealized gain on derivative instrument, and gain on debt extinguishment.

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

Adjusted Net Debt is defined as the amount of debt after the consideration of the original issue discount and debt issuance costs, less cash. Adjusted net debt is a non-GAAP measure of debt and is not necessarily indicative of the adjusted net debt that may occur in future periods.

Pro Forma Operating Income is defined as operating income adjusted for acquisition related costs.

Pro Forma Net Income is defined as net income adjusted net of tax for gain on debt extinguishment, acquisition related costs and unrealized gain on debt extinguishment.

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.

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Reconciliation of Non-GAAP Measures

($ Millions)

	Six Months Ended	
	June 24, 2017	June 25, 2016
EBITDA Reconciliation		
Net Income	$ 14	$ 40
Depreciation and amortization	43	42
Interest expense, net	17	17
Income tax expense	10	22
EBITDA	$ 84	$ 121
Acquisition related costs	8	
Unrealized gain on derivative instrument	(2)	
Gain on debt extinguishment	—	(9)
Pro Forma EBITDA	$ 90	$ 112
Adjusted Free Cash Flows Reconciliation		
Cash provided by operating activities	$ 87	$ 151
Capital expenditures*	(31)	(38)
Adjusted Free Cash Flows	$ 56	$ 113

* Capital expenditures exclude strategic capital.

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Reconciliation of Non-GAAP Measures

($ Millions)

	June 24, 2017	June 25, 2016
Adjusted Net Debt Reconciliation		
Current maturities of long-term debt	$ 13	$ 8
Long-term debt & capital lease obligation	769	795
Total debt	$ 782	$ 803
Original issue discount and debt issuance costs	8	9
Cash and cash equivalents	(369)	(166)
Adjusted Net Debt	$ 421	$ 646

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Reconciliation of Reported to Pro Forma Earnings

($ Millions, except per share amounts)

	Three Months Ended						Six Months Ended			
	June 24, 2017		March 25, 2017		June 25, 2016		June 24, 2017		June 25, 2016	
Pro Forma Operating and Net Income (a):	**$**	**Per Diluted Share**	**$**	**Per Diluted Share**	**$**	**Per Diluted Share**	**$**	**Per Diluted Share**	**$**	**Per Diluted Share**
Operating Income	$ 13		$ 26		$ 39		$ 39		$ 70	
Acquisition related costs	8		—		—		8		—	
Pro Forma Operating Income	$ 21		$ 26		$ 39		$ 47		$ 70	
Net Income	$ 5	$ 0.03	$ 10	$ 0.15	$ 19	$ 0.46	$ 14	$ 0.18	$ 40	$ 0.95
Gain on debt extinguishment	—	—	—	—	—	—	—	—	(9)	$ (0.21)
Acquisition related costs	8	$ 0.18	—	—	—	—	8	$ 0.18	—	—
Unrealized gain on derivative instrument	(2)	$ (0.05)	—	—	—	—	(2)	$ (0.05)	—	—
Tax effects of Pro Forma adjustments	(2)	$ (0.05)	—	—	—	—	(2)	$ (0.05)	3	$ 0.08
Pro Forma Net Income	$ 9	$ 0.11	$ 10	$ 0.15	$ 19	$ 0.46	$ 18	$ 0.26	$ 34	$ 0.82

(a) Pro forma operating income is defined as operating income adjusted for acquisition related costs. Pro forma net income is defined as net income adjusted net of tax for gain on debt extinguishment, acquisition related costs and unrealized gain on debt extinguishment. Pro forma operating income and pro forma net income are not necessarily indicative of results that may be generated in future periods.

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Reconciliation of Guided Non-GAAP Measures

($ Millions, except per share amounts)

	Minimum	Maximum
2017 Net Income Guidance	$ 32	$ 39
Income tax expense	20	23
Acquisition related costs	12	12
Interest expense, net	37	37
Depreciation and amortization	89	89
2017 Pro Forma EBITDA Guidance	$ 190	$ 200

	Minimum	Maximum
2017 Operating Cash Flows Guidance	$ 142	$ 152
Acquisition related costs, net of tax benefit	8	8
Capital expenditures	(60)	(60)
2017 Adjusted Free Cash Flows Guidance	$ 90	$ 100

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Debt Maturity Schedule