RAYONIER Advanced Materials™

# Fourth 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.

Our operations are subject to a number of risks and uncertainties including, but not limited to, those listed below. When considering an investment in our securities, you should carefully read and consider these risks, together with all other information in our Annual Report on Form 10-K and our other filings and submissions to the SEC, which provide much more information and detail on the risks described below. If any of the events described in the following risk factors actually occur, our business, financial condition or operating results, as well as the market price of our securities, could be materially adversely affected. These risks and events include, without limitation: Our businesses we operate are highly competitive and many of them are cyclical, which may result in fluctuations in pricing and volume that can adversely impact our business, financial condition and results of operations; Our ten largest customers represent approximately 38% of our pro forma 2017 revenue, and the loss of all or a substantial portion of our revenue from these large customers could have a material adverse effect on us; A material disruption at one of our major manufacturing facilities could prevent us from meeting customer demand, reduce our sales and profitability, increase our cost of production and capital needs, or otherwise adversely affect our business, financial condition and results of operation; Changes in raw material and energy availability and prices could affect our results of operations and financial condition; The availability of, and prices for, wood fiber may significantly impact our business, results of operations and financial condition; We are subject to risks associated with manufacturing and selling products and otherwise doing business outside of the United States; Our operations require substantial capital for ongoing maintenance, repair and replacement of existing facilities and equipment; Currency fluctuations may have a negative impact on our business, financial condition and results of operations; Restrictions on trade through tariffs, countervailing and anti-dumping duties, quotas and other trade barriers, in the United States and internationally, could adversely affect our ability to access certain markets; We depend on third parties for transportation services and increases in costs and the availability of transportation could adversely affect our business; Our business is subject to extensive environmental laws, regulations and permits that may restrict or adversely affect our ability to conduct our business; The impacts of climate-related initiatives remain uncertain at this time; Our failure to maintain satisfactory labor relations could have a material adverse effect on our business; We are dependent upon attracting and retaining key personnel, the loss of whom could adversely affect our business; Failure to develop new products or discover new applications for our existing products, or our inability to protect the intellectual property underlying such new products or applications, could have a negative impact on our business; Risk of loss of the Company's intellectual property and sensitive business information, or disruption of its manufacturing operations, in each case due to cyberattacks or cyber security breaches, could adversely impact the Company; We may need to make significant additional cash contributions to our retirement benefit plans if investment returns on pension assets are lower than expected or interest rates decline, and/or due to changes to regulatory, accounting and actuarial requirements; We have significant debt obligations that could adversely affect our business and our ability to meet our obligations; Challenges in the commercial and credit environments may materially adversely affect our future access to capital; We may need additional financing in the future to meet our capital needs or to make acquisitions, and such financing may not be available on favorable terms, if at all, and may be dilutive to existing stockholders; The inability to effectively integrate the Tembec acquisition, and any future acquisitions we may make, may affect our results; and, we may not achieve the benefits anticipated from our previously-announced transformation plan.

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.

# Non-GAAP Financial Measures

These presentation materials contain certain non-GAAP financial measures, including EBITDA, adjusted free cash flows, adjusted operating income, adjusted 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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# A Global Leader of Cellulose-Based Technologies

## Well Positioned to Drive EBITDA Growth

- Acquisition of Tembec completed on November 17, 2017 creates:
  - Stronger, more balanced business with greater scale to drive growth
  - Product and geographic diversification creates a more balanced CS portfolio
- Strategic Pillars provide framework to achieve an incremental ~$155 million of EBITDA opportunities by 2020 before inflation and changes in commodity prices
  - Cost Transformation of $100 million, including $75 million from synergies
  - Market Optimization of $15 million
  - New Products of $15 million
  - Investments/Acquisitions of $25 million, primarily from capital projects
- Strong free cash flow generation provides catalyst to maximize shareholder value through disciplined and balanced capital allocation strategy focused on risk-adjusted returns
  - Investment opportunities in high-return capital projects, share buybacks and attractive external growth opportunities

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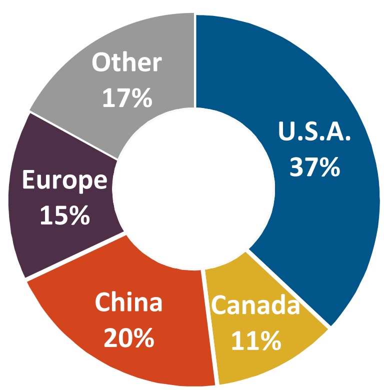
# Rayonier Advanced Materials at a Glance

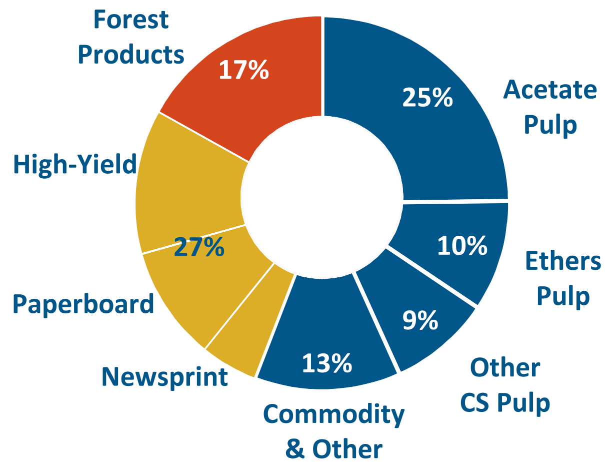
**Combination of Two Best-in-Class Organizations with Complementary Products**

- Global leader in high purity Cellulose Specialties; #1 or #2 in all product segments
- Pro Forma 2017 Revenue: $2.1 billion*
- Pro Forma Adjusted 2017 EBITDA: $369 million*
- Three business segments – High Purity Cellulose, Forest Products, and Pulp & Paper
- Moderate pro forma leverage of 3.1x, target leverage ~2.5x

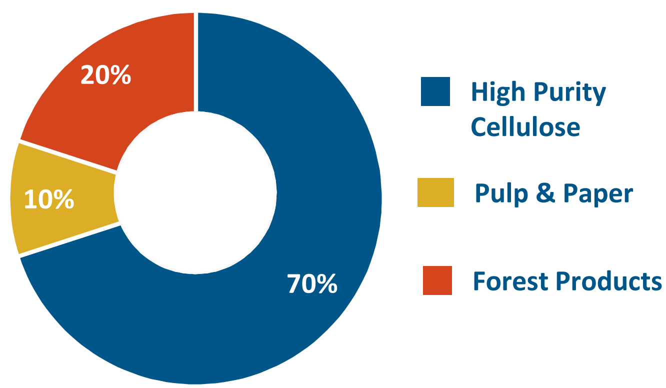
**Revenue by Geography***




**Revenue by Products***




**EBITDA by Segment***

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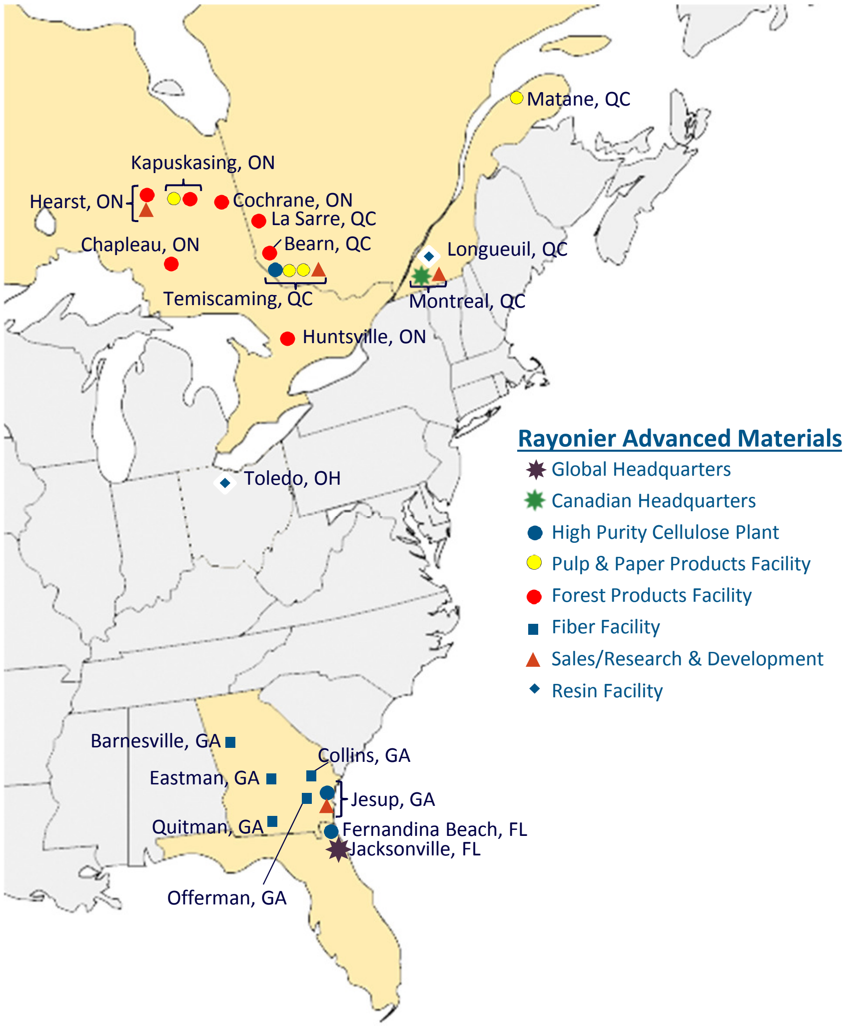
** Annualized based on pro forma Nine Months ended September 2017*

# Global Footprint






| Facilities | Capacity |
|---|---|
| **High Purity Cellulose** ● | |
| Jesup, GA | 575,000 MT |
| Fernandina Beach, FL | 155,000 MT |
| Tartas, France | 140,000 MT |
| Temiscaming, QC | 150,000 MT |
| **Pulp & Paper** ○ | |
| Temboard, QC | 180,000 MT |
| Temcell, QC | 300,000 MT |
| Matane, QC | 270,000 MT |
| Kapuskasing, ON | 205,000 MT |

| Facilities | Capacity |
|---|---|
| **Forest Products*** ● | |
| Bearn, QC | 110,000 MBF |
| Chapleau, ON | 135,000 MBF |
| Cochrane, ON | 160,000 MBF |
| Hearst, ON | 110,000 MBF |
| Huntsville, ON | 15,000 MBF |
| Kapuskasing, ON | 105,000 MBF |
| La Sarre, QC | 135,000 MBF |

** Facilities run at ~85% of capacity due to economic conditions, wood supply limitation and downtime*

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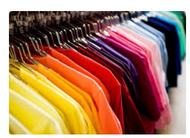
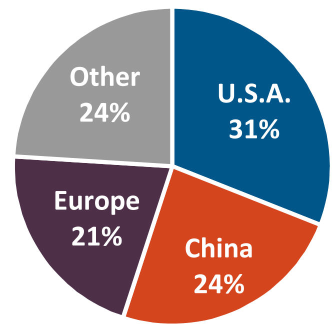
# High Purity Cellulose – Segment Overview

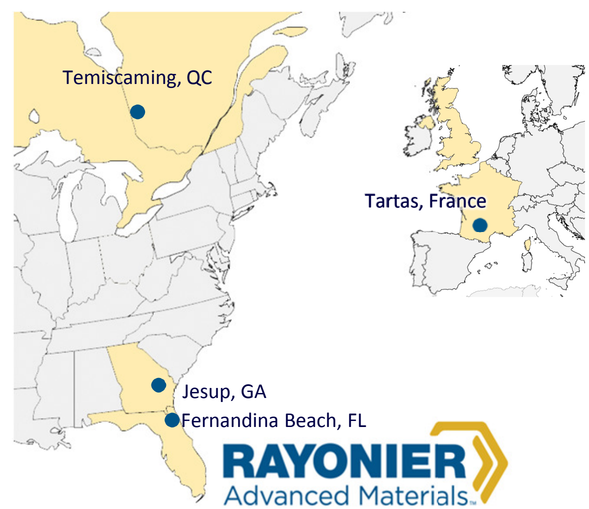
- Four facilities with six manufacturing lines span an international footprint (US/Canada/France)
- Cellulose Specialties capacity of 775,000 MT with additional 245,000 MT of Commodity capacity+
- Ranks as the #1 or #2 manufacturer of acetates, ethers, MCC, tirecord, casings and nitrocellulose pulp

| | Core Products | End Markets | Demand Outlook** |
|---|---|---|---|
| Cellulose Specialties | Acetate Pulp | Tow, High Impact Plastics, Optical Screens | 0-(1)% |
| Cellulose Specialties | Ethers Pulp | Construction Material, Food Thickeners, Pharma | 3-5% |
| Cellulose Specialties | Other Cellulose Specialties Pulp | Filtration, Tirecord, Sausage Casings, Nitrocellulose | 2-3% |
| Commodities | Viscose | Textiles | 5-7% |
| Commodities | Absorbent Materials | Diapers, Incontinence, Feminine Hygiene | 3-4% |



## Sales by Geography*




*+ 2017 Actual production of ~650,000 MT of Cellulose Specialties and ~260,000 MT of Commodity Products*
** Annualized based on pro forma Nine Months ended September 2017*
*** Based on Company estimates*

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# Forest Products – Segment Overview

- Seven facilities with Total capacity of 770,000 MBF
- Produces a range of commodity forest products used primarily for residential and commercial construction
- Integrated facilities provide chip capacity to supply raw material fiber needs to Canadian pulp assets

## Core Products

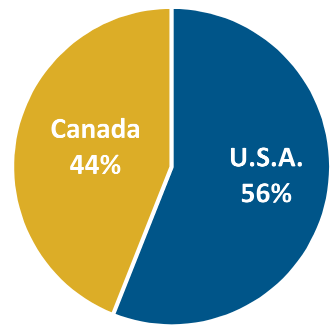
## End Markets

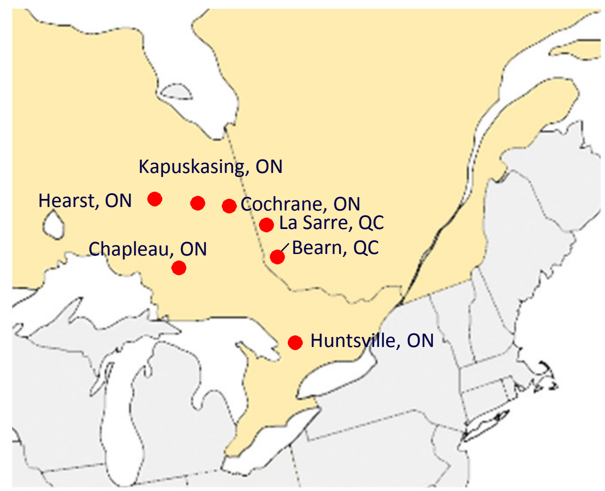
- Studs → Construction/ Building
- Random Length Lumber → Construction/ Building
- Specialty Hardwood → Construction/ Building
- Residual Chips for Pulp → RYAM Pulp Assets

## Demand Outlook**

In line with U.S. Housing Market

## Sales by Geography*



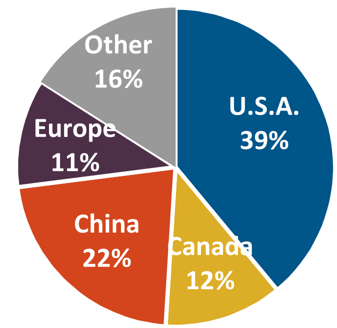

*Annualized based on pro forma Nine Months ended September 2017*
*** Based on Company estimates*

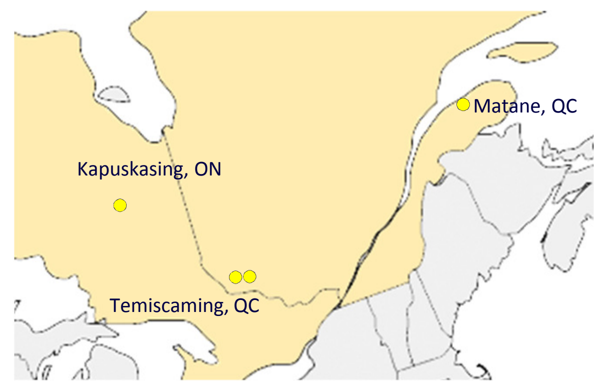
# Pulp & Paper – Segment Overview

- Footprint comprised of four facilities located in Canada
- Total capacity is 180,000 MT of paperboard, 570,000 MT of high-yield pulp, and 205,000 MT of newsprint
- Paperboard focus on coated printing bristols for graphical end-uses in the Northeast, Midwest and Canada

| Core Products | End Markets | | Demand Outlook** |
|---|---|---|---|
| Paperboard | Lightweight board, Packaging and Cardstock |  | 3-4% |
| High-Yield Pulp | Writing Materials, Packaging |  | ~2% |
| Newsprint | Newpapers |  | ~(10)% |

## Sales by Geography*




- Integrated High-Yield Pulp in Temiscaming supplies its products to Paperboard in Temiscaming as a raw material
  - ~1/3 of raw material sourced from integrated business

** Annualized based on pro forma Nine Months ended September 2017*
*** Based on Company estimates*

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# Financial Highlights

**($ Millions)**

| | Quarter Ended | | Twelve Months Ended | |
|---|---|---|---|---|
| | 4Q 2017 | 4Q 2016 | 4Q 2017 | 4Q 2016 |
| Sales | $ 349 | $ 231 | $ 961 | $ 869 |
| Operating Income | — | 26 | 57 | 138 |
| Adjusted Operating Income[1] | 44 | 26 | 114 | 138 |
| Net Income | 295 | 11 | 325 | 73 |
| Adjusted Net Income[1] | 29 | 11 | 57 | 67 |
| EBITDA[1] | 342 | 50 | 480 | 235 |
| Adjusted EBITDA[1] | 77 | 50 | 212 | 226 |
| Diluted Earnings per Share | $ 5.01 | $ 0.18 | $ 5.81 | $ 1.55 |
| Adjusted Net Income per Share[1] | $ 0.50 | $ 0.18 | $ 0.97 | $ 1.43 |

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

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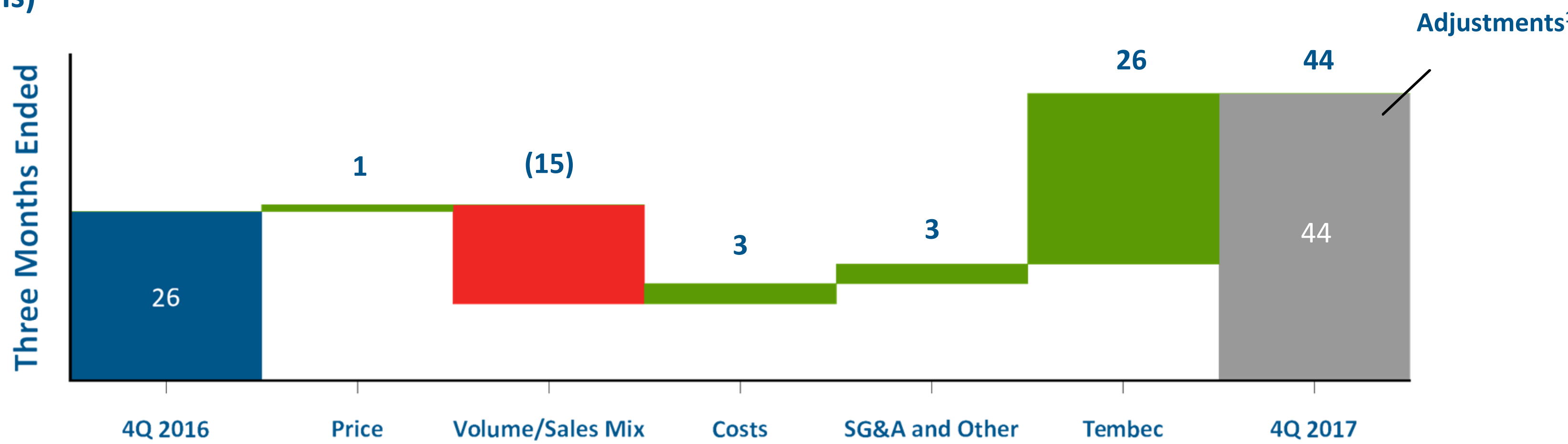
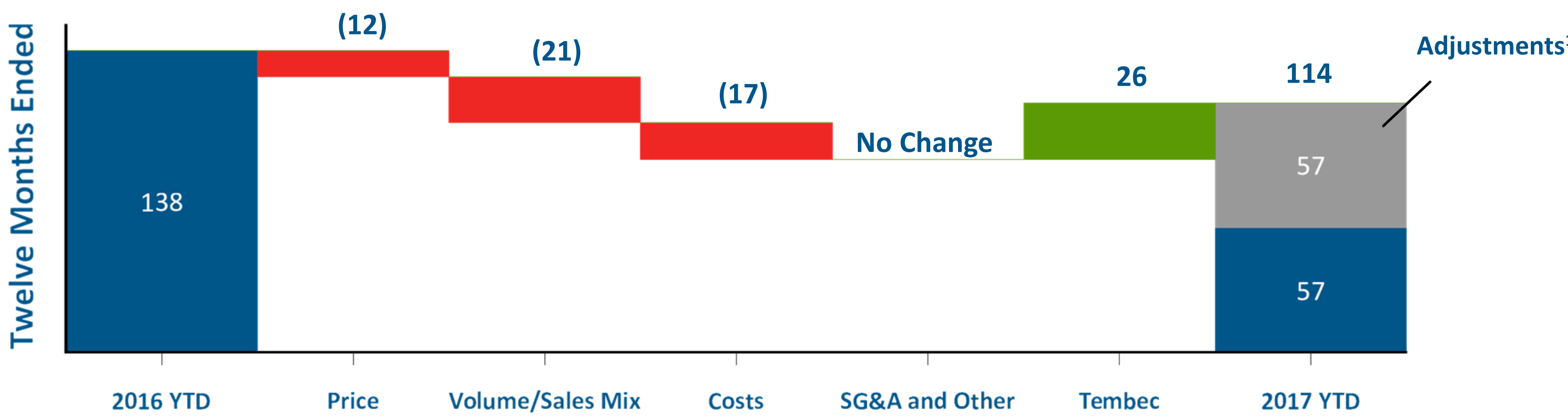
# Operating Income - Variance Analysis

($ Millions)




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

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# Capital Resources & Liquidity

**($ Millions)**

| | Twelve Months Ended | |
|---|---|---|
| | December 31, 2017 | December 31, 2016 |
| Cash Provided by Operating Activities | $ 130 | $ 232 |
| Cash Used for Investing Activities | (277) | (87) |
| Cash Used for Financing Activities | (84) | 80 |
| Adjusted Free Cash Flows* | 91 | 147 |
| | | |
| Debt Principal Payments | $ 1,246 | $ 792 |
| Cash | 96 | 326 |
| Adjusted Net Debt* | 1,150 | 466 |
| Available Liquidity* | 312 | 555 |

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

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# Efficient Tax Structure

**Anticipated tax rate of 25-30% with cash taxes of ~10% over the next three years**

- U.S. Tax reform expected to provide significant benefits
- Canadian NOLs generated by Tembec from integrated business model maintained through acquisition
- Efficient tax structure supports increased cash flow generation
- Ultimate tax rate to be determined by profitability in various jurisdictions

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# 2018 Outlook

**High Purity**

- Cellulose Specialties – Expect pricing down 4-5% with flat volume
  - Driven by pricing declines in acetate, partially offset by gains in ethers and other CS
  - 2018 acetate pricing now consistent with competition
  - Total impact of ~$40 million
- Commodities– Expect pricing flat over full year; volume up from improved productivity

**Forest Products**

- Forest Products prices remain at record levels and volumes steady despite U.S. import duties impacting EBITDA by ~$25 million, which historically have been recovered upon final settlement

**Pulp & Paper**

- Paperboard expects stable revenues with decreased profitability due to higher raw materials costs
- High-Yield pricing at peak levels due to Chinese demand, not expected to continue the full year
- Newsprint prices benefiting from reduced supply, but U.S. duties and declining demand could weaken price

**Costs & CapEx**

- 3 to 4% raw material inflation, driven by chemicals and energy; partially offset by improvements from Cost Transformation
- Capital expenditures of approximately $150 million

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# 3-Year Outlook

**~$155 million EBITDA* opportunity by end of 2020 including $50 million target in 2018**


**Cost improvements before inflation and changes in commodity prices*

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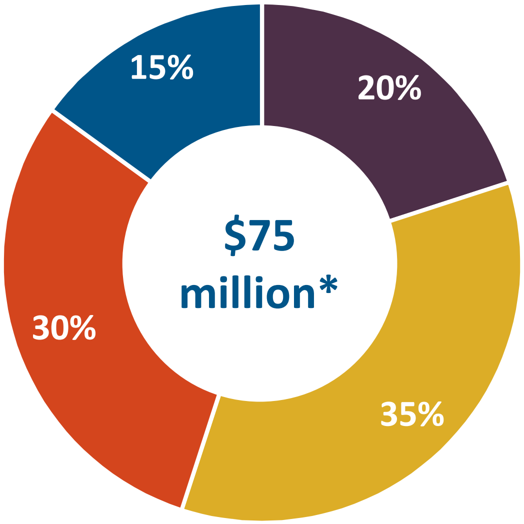
# Significant Synergy Opportunity

**Increased target to $75 million from $50 million**

**SG&A/Public Company Costs**
- General corporate cost reductions
- Consolidation of duplicate systems and spending

**Operational/Manufacturing**
- Apply continuous improvement across a larger combined company
- Increase production yields




**Sales & Marketing Optimization**
- Optimize sales channel distribution
- Regional customer alignment

**Supply Chain & Procurement**
- Leverage combined spending
- Reduce transportation costs

**2:1 Ratio of Savings to Costs to Achieve**
**1:1 Ratio in 2018**

**Full run-rate synergies expected to be realized over a 3 year period.*

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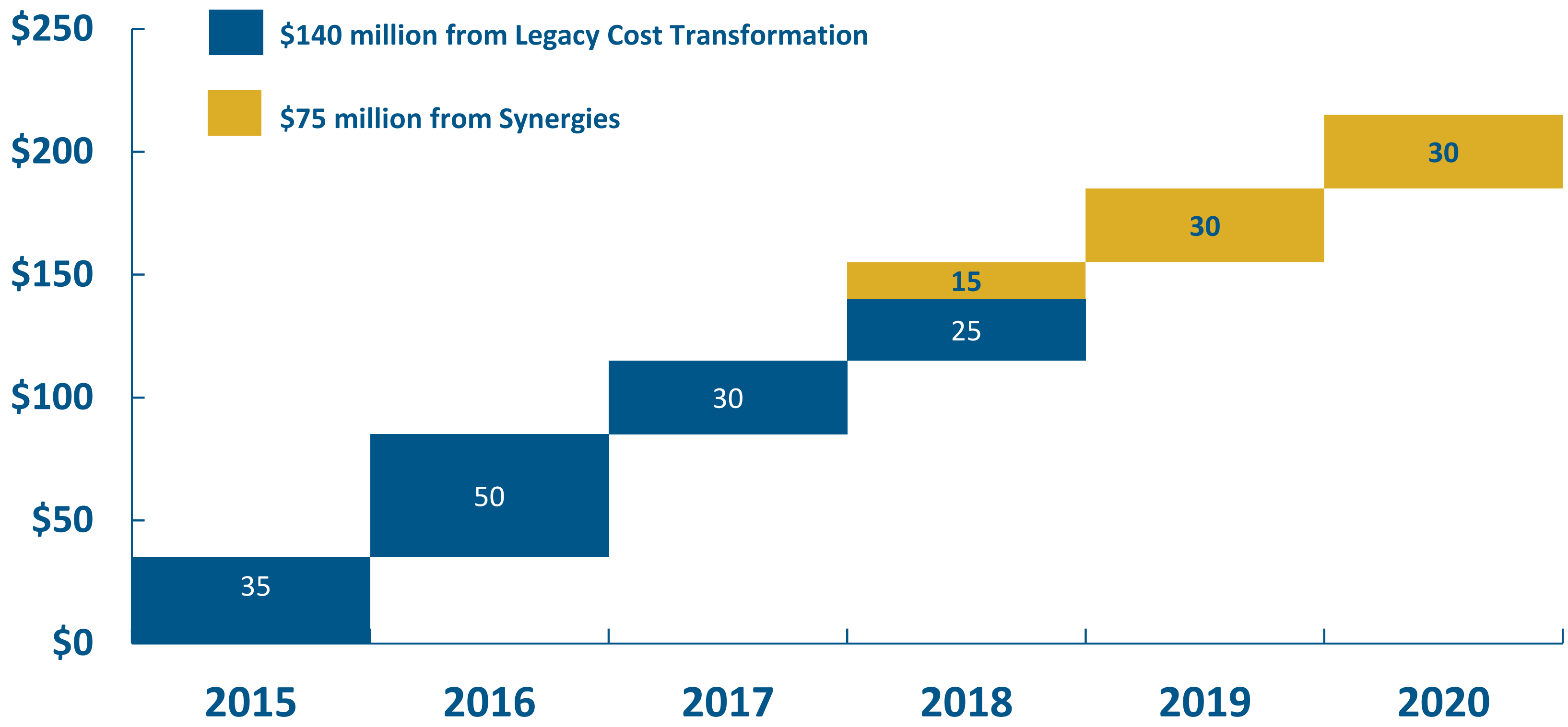
# Total Cost Transformation with Synergies

- Expect Legacy Cost Transformation Benefits of $25 million in 2018
- Targeting Acquisition Synergies of $75 million by 2020
- Total Incremental Cost Transformation of $100 million by 2020




**Cost Transformation improvements before inflation and changes in commodity prices*

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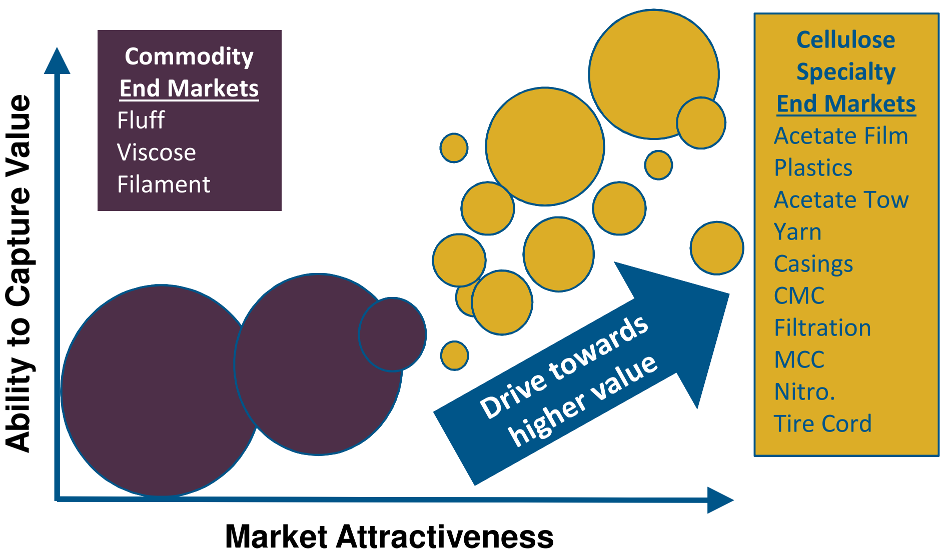
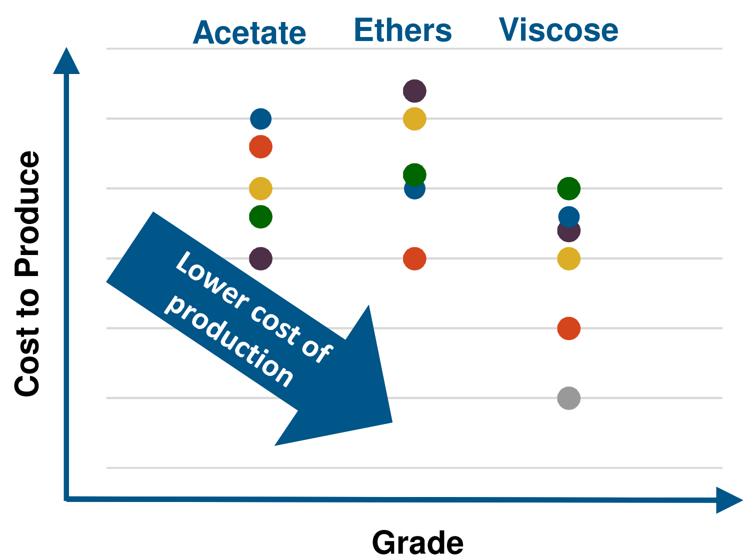
# Market Optimization

**Position production to maximize value within our markets**




**Optimize production at lowest cost line for each grade**




*Charts are Illustrative Only*

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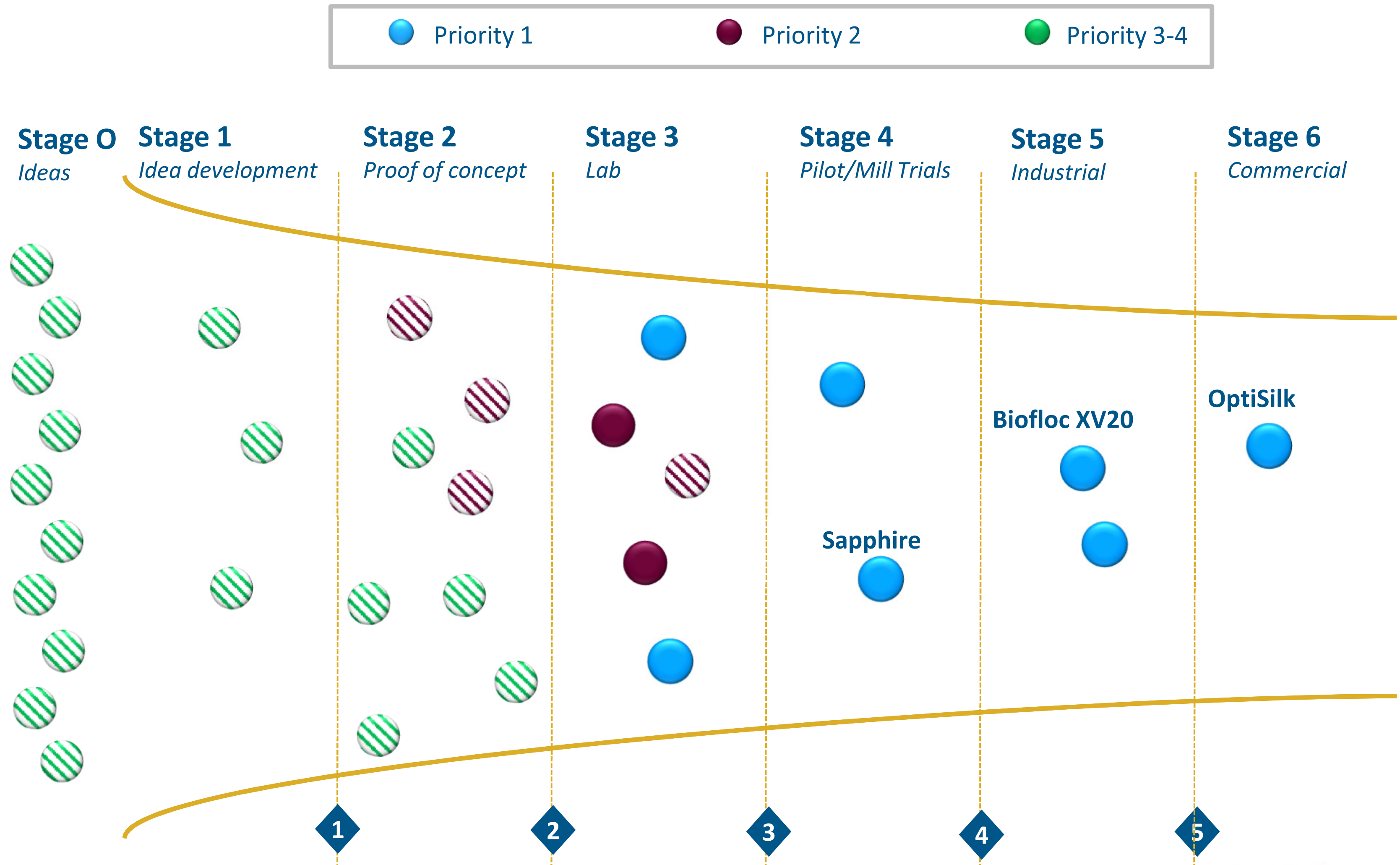
# New Products - Pipeline

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# Disciplined & Balanced Capital Allocation

**Cash Flow From Operations**

| Maintain Assets | $100-110 million of annual capex |
|---|---|

**Adjusted Free Cash Flow**

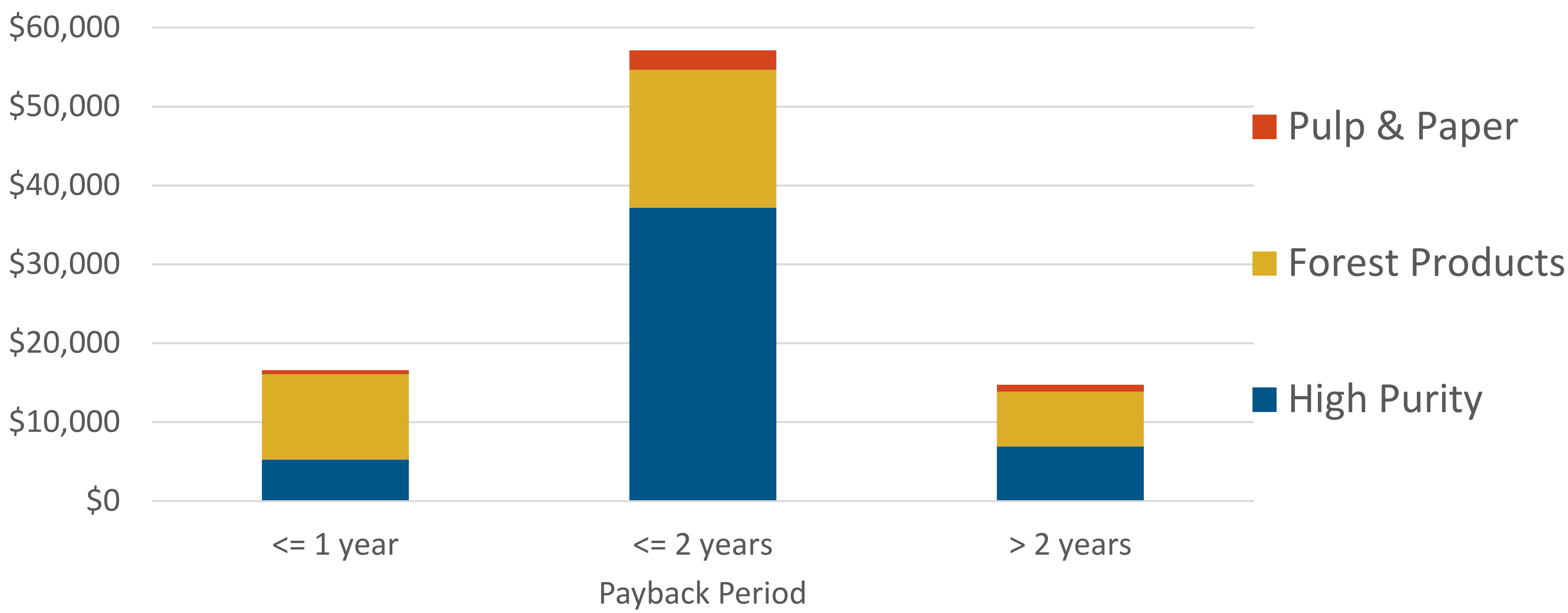
| Reduce Leverage | Target 2.5x Net Leverage |
|---|---|

**Value Driven Approach Focused on Risk Adjusted Returns on Invested Capital**

| Investment in the Company | External Strategic Investments | Return of Capital to Shareholders |
|---|---|---|
| High-return projects designed to enhance competitive position and drive EBITDA growth | Acquisitions and other investments to complement core business | Stock buybacks and dividends to maximize long-term shareholder returns |

# Strategic Capital Projects Under Review

## Sizable Opportunity for Attractive Re-Investment




- ~$90 million of High Return Capital Projects currently under consideration
- Focused on strongest returns, primarily in core markets

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# Return of Capital to Shareholders

## Dividend Policy and Share Buyback Authorization

- RYAM currently pays a $0.07 quarterly dividend per share of common stock
- On January 29, 2018, the Board of Directors authorized a $100 million share buyback
- Company is committed to growing and maximizing long-term shareholder value including prudent return of capital to shareholders

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# Appendix

# Key Production & Pricing

| Product | 2017 Annualized Sales* | Annual Capacity | Index** | Average YTD Sep 2017 Index Price | Dec 2017 Index Price |
|---|---|---|---|---|---|
| Cellulose Specialties | • 652k MT | • 775k MT | • None | • $1,381**** | • N/A |
| High Purity Commodity | • 292k MT | • 245k MT | • Bleached Kraft Fluff<br>• Viscose Pulp delivered to China | • $1,085<br>• $896 | • $1,190<br>• $910 |
| Forest Products | • 665k mbf | • 770k mbf | • 2x4 Random Lengths Grade 2 & Better Great Lakes<br>• 2x4 8' Stud Great Lakes | • $465<br>• $444 | • $534<br>• $409 |
| Paperboard | • 191k MT | • 180k MT | • Solid Bleached Sulfate 16 point | • $1,023***** | • $1,025***** |
| High-Yield Pulp | • 568k MT | • 570k MT | • Bleached Eucalyptus Kraft*** | • $644 | • $795 |
| Newsprint | • 200k MT | • 205k MT | • 48.8 gram US East | • $575 | • $620 |

** Annualized based on 9 months ended September 2017; paperboard inventories reduced in 2017*
*** Indices provide directional relationship between products and pricing; contractual arrangements and mix will determine actual pricing*
**** Alterative Index includes Bleached Chemi-Thermo Mechanical Pulp (BCTMP), which more closely reflects production capabilities*
***** Cellulose Specialties pricing reflects average blended price for RYAM and Tembec for the 9 month period, using CAD/USD exchange rate of 0.77*
****** Index is based on price per short ton; sales are measured on metric ton*

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# 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.

**Adjusted EBITDA** is defined as EBITDA before acquisition related costs, inventory fair value adjustment, gain on bargain purchase, loss (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 and acquisition related costs, net of tax. 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, premiums, 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.

**Adjusted Operating Income** is defined as operating income adjusted for acquisition related costs and fair market valuation of inventory.

**Adjusted Net Income** is defined as net income adjusted net of tax for gain on debt extinguishment, gain on bargain purchase, acquisition related costs, fair market valuation of inventory, and loss (gain) on derivative.

**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)**

| | Twelve Months Ended December 31, | |
|---|---|---|
| | **2017** | **2016** |
| **EBITDA Reconciliation** | | |
| **Net Income** | $ 325 | $ 73 |
| Depreciation and amortization | 97 | 88 |
| Interest expense, net | 38 | 35 |
| Income tax expense | 20 | 39 |
| **EBITDA** | $ 480 | $ 235 |
| Acquisition related costs | 34 | — |
| Inventory write-up to fair value | 23 | — |
| Gain on bargain purchase | (317) | — |
| Loss (Gain) on derivative instrument | (8) | — |
| Gain on debt extinguishment | — | (9) |
| **Adjusted EBITDA** | $ 212 | $ 226 |
| **Adjusted Free Cash Flows Reconciliation** | | |
| Cash provided by operating activities | $ 130 | $ 232 |
| Capital expenditures* | (65) | (85) |
| Transaction costs, net of tax | 26 | — |
| **Adjusted Free Cash Flows** | $ 91 | $ 147 |

* Capital expenditures exclude strategic capital.

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# Reconciliation of Non-GAAP Measures

**($ Millions)**

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| **Adjusted Net Debt Reconciliation** | | |
| Current maturities of long-term debt | $ 9 | $ 9 |
| Long-term debt & capital lease obligation | 1,232 | 774 |
| Total debt | $ 1,241 | $ 783 |
| Original issue discount, premiums and debt issuance costs | 5 | 9 |
| Cash and cash equivalents | (96) | (326) |
| **Adjusted Net Debt** | $ 1,150 | $ 466 |

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# Reconciliation of Reported to Adjusted Earnings

**($ Millions, except per share amounts)**

| | Three Months Ended | | | | | | Twelve Months Ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | December 31, 2017 | | September 23, 2017 | | December 31, 2016 | | December 31, 2017 | | December 31, 2016 | |
| **Adjusted Operating and Net Income (a):** | $ | Per Diluted Share | $ | Per Diluted Share | $ | Per Diluted Share | $ | Per Diluted Share | $ | Per Diluted Share |
| **Operating Income** | $ — | | $ 18 | | $ 26 | | $ 57 | | $ 138 | |
| Acquisition related costs | 21 | | 5 | | — | | 34 | | — | |
| Inventory write-up to fair value | 23 | | — | | — | | 23 | | — | |
| **Adjusted Operating Income** | $ 44 | | $ 23 | | $ 26 | | $ 114 | | $ 138 | |
| **Net Income** | $ 295 | $ 5.01 | $ 16 | $ 0.28 | $ 11 | $ 0.18 | $ 325 | $ 5.81 | $ 73 | $ 1.55 |
| Gain on debt extinguishment | — | — | — | — | — | — | — | — | (9) | (0.19) |
| Gain on bargain purchase | (317) | (5.37) | — | — | — | — | (317) | (5.66) | — | — |
| Acquisition related costs | 21 | 0.36 | 5 | 0.09 | — | — | 34 | 0.61 | — | — |
| Inventory write-up to fair value | 23 | 0.39 | — | — | — | — | 23 | 0.41 | — | — |
| Loss (Gain) on derivative instrument | 8 | 0.14 | (14) | (0.25) | — | — | (8) | (0.14) | — | — |
| U.S. tax reform impact | 11 | 0.19 | — | — | — | — | 11 | 0.20 | — | — |
| Tax effects of adjustments | (12) | (0.22) | 3 | 0.06 | — | — | (11) | (0.21) | 3 | 0.07 |
| Dilutive impact of Preferred Stock | — | — | — | (0.03) | — | — | — | (0.05) | — | — |
| **Adjusted Net Income** | $ 29 | $ 0.50 | $ 10 | $ 0.15 | $ 11 | $ 0.18 | $ 57 | $ 0.97 | $ 67 | $ 1.43 |

(a) Adjusted operating income and adjusted net income are not necessarily indicative of results that may be generated in future periods.

RAYONIER Advanced Materials