



**Third Quarter 2016
Financial Presentation Materials**

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.

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 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 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, 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.

Financial Highlights

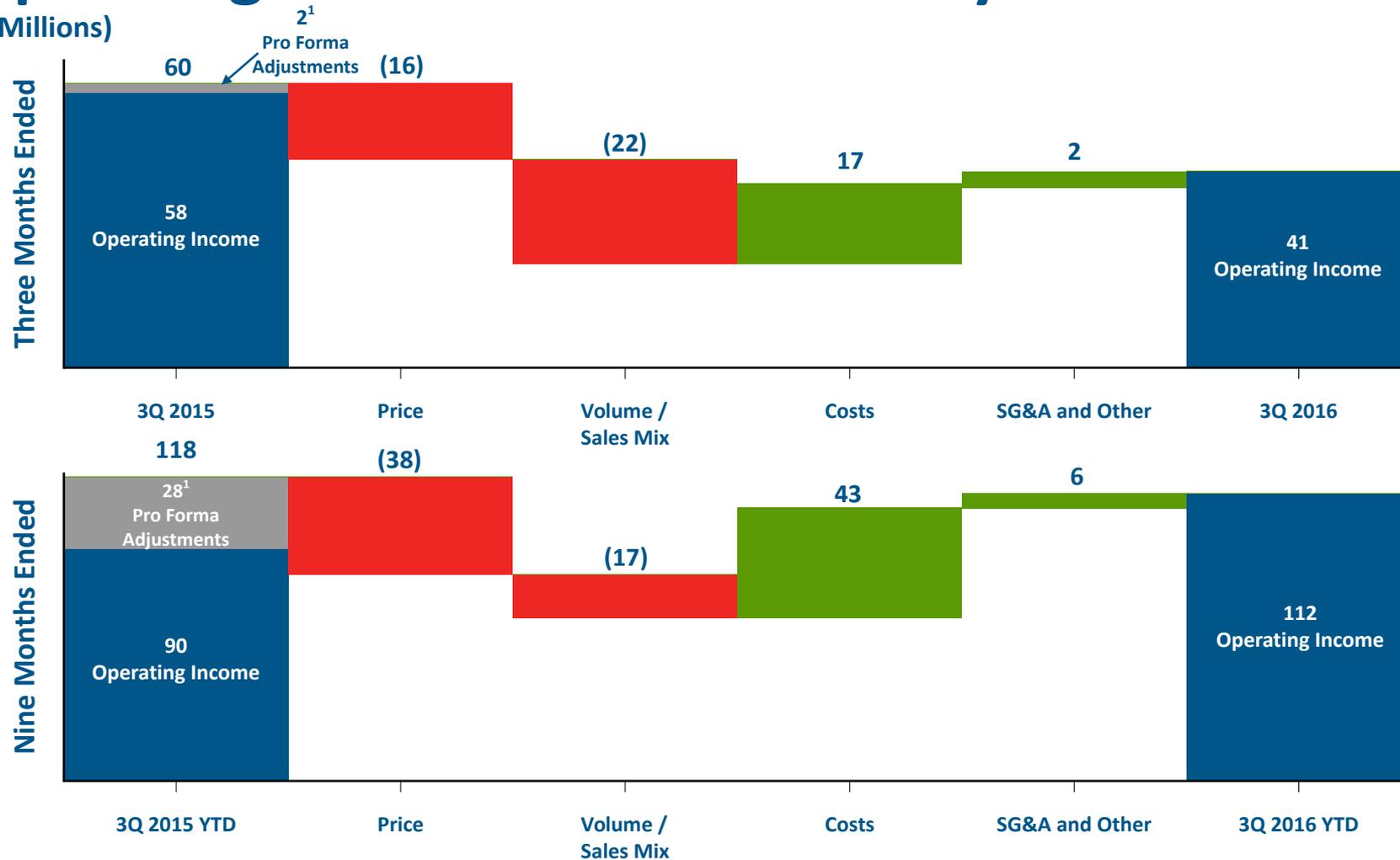
(\$ Millions)

	Quarter Ended		Nine Months Ended	
	3Q 2016	3Q 2015	3Q 2016	3Q 2015
Sales	\$ 207	\$ 257	\$ 638	\$ 700
Operating Income	41	58	112	90
Pro Forma Operating Income ¹	41	60	112	118
Net Income	22	32	62	42
Pro Forma Net Income ¹	22	33	56	60
EBITDA ¹	64	81	185	155
Pro Forma EBITDA ¹	64	83	176	183
Diluted Earnings per Share	\$ 0.44	\$ 0.76	\$ 1.38	\$ 1.00
Pro Forma Net Income per Share ¹	\$ 0.44	\$ 0.78	\$ 1.24	\$ 1.42

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

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

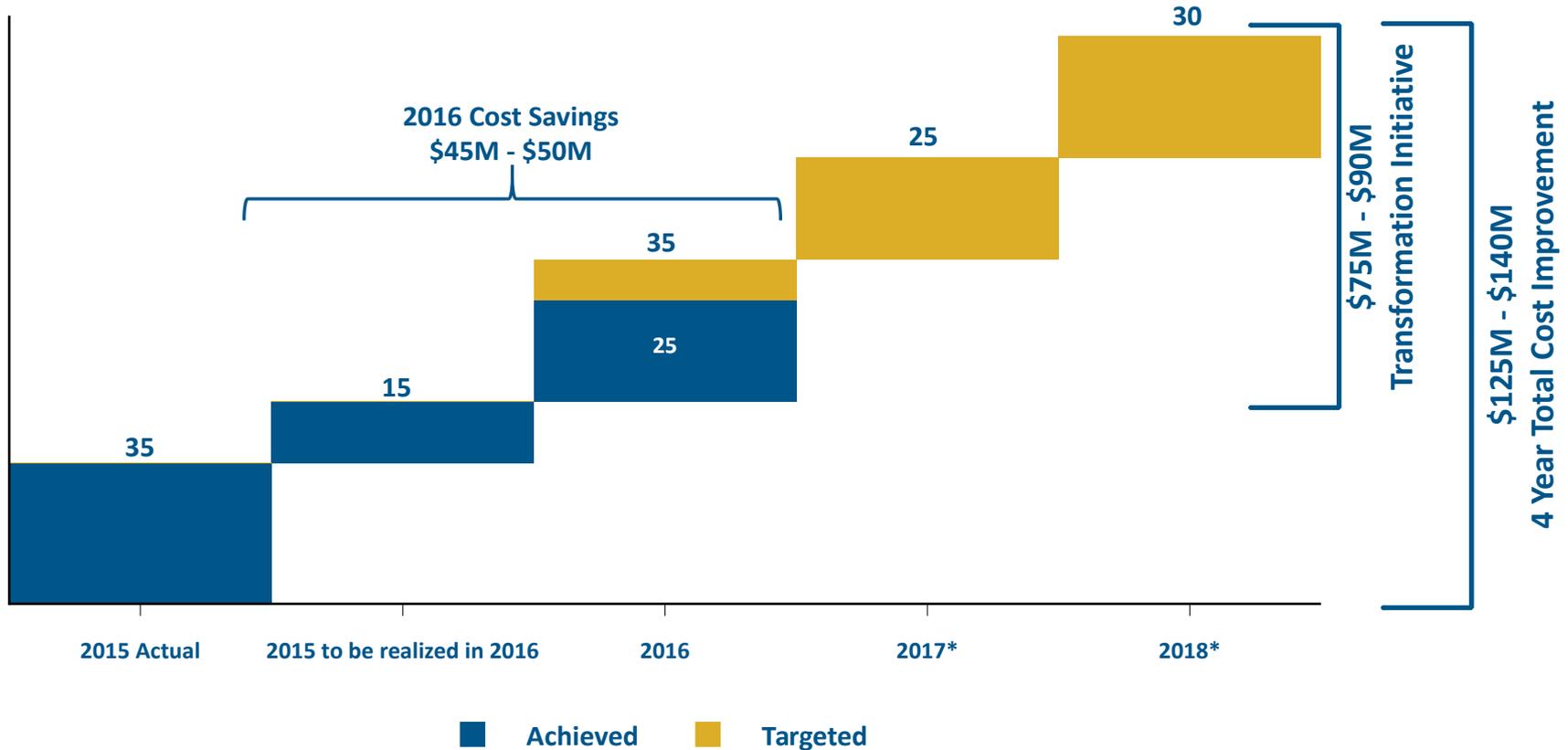
	Three Months Ended		Nine Months Ended	
	September 24, 2016	September 26, 2015	September 24, 2016	September 26, 2015
Sales Volume, thousands of metric tons				
Cellulose specialties	116	133	335	352
Commodity products	49	61	179	174
Total	165	194	514	526

Average Sales Price, \$ per metric ton

Cellulose specialties	\$ 1,495	\$ 1,623	\$ 1,532	\$ 1,641
Commodity products	\$ 643	\$ 664	\$ 666	\$ 672

Cost Improvement Initiatives

(\$ Millions)



\$75 million achieved from January 2015 - September 2016

* 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.



2016 Full Year Guidance

- Cellulose specialties (“CS”) prices 6% to 7% below 2015 average prices
- CS volumes down 4% to 5% from 2015
- Commodity sales volumes expected to be flat with higher viscose volumes in the fourth quarter
- Net income expected to be \$66 to \$72 million
- Pro forma EBITDA expected to be \$215 to \$225 million
- Transformation Initiative on track to achieve \$30 - \$35 million; total 2016 cost savings approaching \$50 million
- Operating cash flows of \$210 to \$215 million
- CapEx of approximately \$85 million
- Adjusted free cash flows of \$125 to \$130 million

Capital Resources & Liquidity

(\$ Millions)

	Nine Months Ended	
	September 24, 2016	September 26, 2015
Cash Provided by Operating Activities	\$ 181	\$ 152
Cash Used for Investing Activities	(56)	(60)
Cash Provided by (Used for) Financing Activities	94	(58)
Adjusted Free Cash Flows*	123	92
Debt Principal Payments	\$ 791	\$ 891
Cash	320	100
Adjusted Net Debt*	471	791
Available Liquidity*	556	336
Financial Covenants**	September 24, 2016	Covenant
Net Secured Leverage	0.8x	< 3.0x
Interest Coverage	6.8x	> 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 \$9 million as of September 24, 2016.

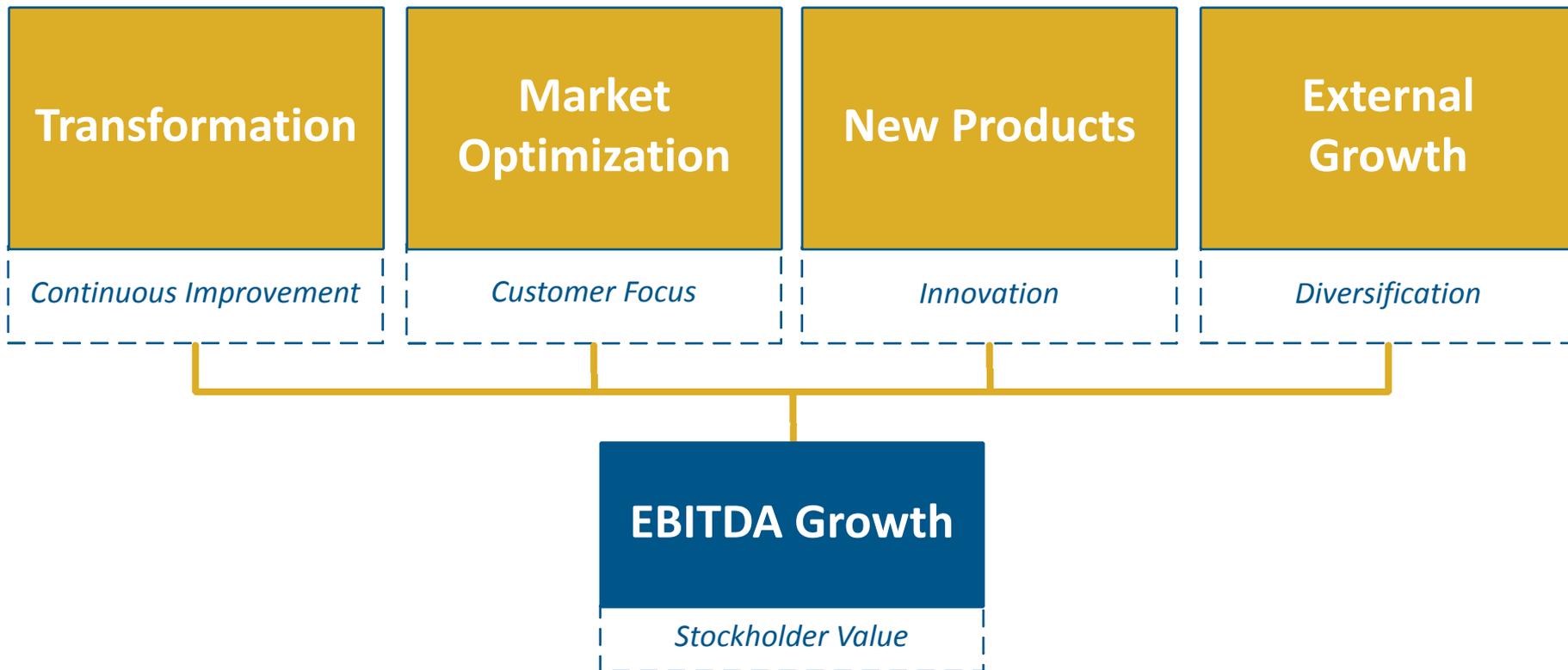
Outlook

- Cellulose specialties
 - Continued acetate demand weakness
 - Improving demand in ethers, tire cord & filtration
 - Excess capacity with highly competitive environment
 - Global currencies vs. US\$ benefiting competitors
- Anticipate 2017 acetate pricing down approximately 2% from 2016¹
- 2017 CS prices and volumes to be negotiated for other volumes
- Moderately improving commodity viscose markets and increasing pressure in absorbent materials markets due to incremental capacity
- Incremental Transformation Initiative cost improvements of \$25 million in 2017

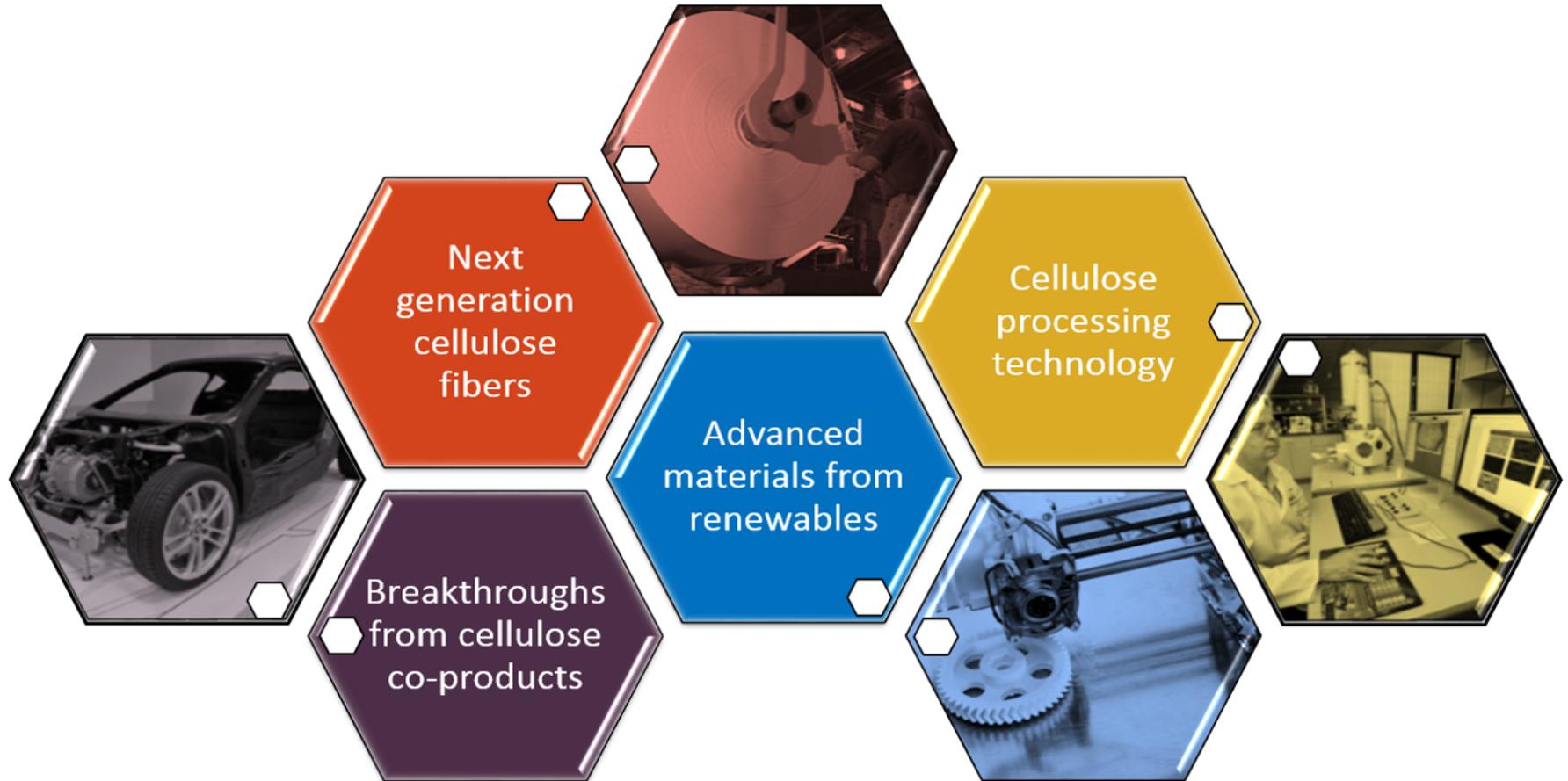
¹ Based on contractually committed acetate volume and price

Strategic Pillars

Enhanced Strategic Focus Will Drive Future Growth and Stockholder Value



Innovation Platform





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 non-cash impairment, one-time separation and legal costs, insurance recovery 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 non-cash impairment, one-time separation and legal costs and insurance recovery.

Pro Forma Net Income is defined as net income adjusted net of tax for non-cash impairment, one-time separation and legal costs, insurance recovery and 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.

Reconciliation of Non-GAAP Measures

(\$ Millions)

	Nine Months Ended	
	September 24, 2016	September 26, 2015
EBITDA Reconciliation		
Net Income	\$ 62	\$ 42
Depreciation and amortization	64	65
Interest expense, net	26	27
Income tax expense	33	21
EBITDA	\$ 185	\$ 155
Non-cash impairment charge	—	28
One-time separation and legal costs	—	1
Insurance recovery	—	(1)
Gain on debt extinguishment	(9)	—
Pro Forma EBITDA	\$ 176	\$ 183
Adjusted Free Cash Flows Reconciliation		
Cash provided by operating activities	\$ 181	\$ 152
Capital expenditures*	(58)	(60)
Adjusted Free Cash Flows	\$ 123	\$ 92

* Capital expenditures exclude strategic capital.

Reconciliation of Non-GAAP Measures

(\$ Millions)

	<u>September 24, 2016</u>	<u>September 26, 2015</u>
Adjusted Net Debt Reconciliation		
Current maturities of long-term debt	\$ 8	\$ 8
Long-term debt	775	872
Total debt	<u>\$ 783</u>	<u>\$ 880</u>
Original issue discount and debt issuance costs	8	11
Cash and cash equivalents	<u>(320)</u>	<u>(100)</u>
Adjusted Net Debt	<u><u>\$ 471</u></u>	<u><u>\$ 791</u></u>

Reconciliation of Reported to Pro Forma Earnings

(\$ Millions, except per share amounts)

	Three Months Ended						Nine Months Ended			
	September 24, 2016		June 25, 2016		September 26, 2015		September 24, 2016		September 26, 2015	
Pro Forma Operating Income and Net Income:	\$	Per Diluted Share	\$	Per Diluted Share	\$	Per Diluted Share	\$	Per Diluted Share	\$	Per Diluted Share
Operating Income	\$ 41		\$ 39		\$ 58		\$ 112		\$ 90	
Non-cash impairment charge	—		—		—		—		28	
One-time separation and legal costs	—		—		2		—		1	
Insurance recovery	—		—		—		—		(1)	
Pro Forma Operating Income	<u>\$ 41</u>		<u>\$ 39</u>		<u>\$ 60</u>		<u>\$ 112</u>		<u>\$ 118</u>	
Net Income	\$ 22	\$ 0.44	\$ 19	\$ 0.46	\$ 32	\$ 0.76	\$ 62	\$ 1.38	\$ 42	\$ 1.00
Non-cash impairment charge	—	—	—	—	—	—	—	—	28	0.67
One-time separation and legal costs	—	—	—	—	2	0.03	—	—	1	0.02
Insurance recovery	—	—	—	—	—	—	—	—	(1)	(0.02)
Gain on debt extinguishment	—	—	—	—	—	—	(9)	(0.21)	—	—
Tax effects of Pro Forma adjustments	—	—	—	—	(1)	(0.01)	3	0.07	(10)	(0.25)
Pro Forma Net Income	<u>\$ 22</u>	<u>\$ 0.44</u>	<u>\$ 19</u>	<u>\$ 0.46</u>	<u>\$ 33</u>	<u>\$ 0.78</u>	<u>\$ 56</u>	<u>\$ 1.24</u>	<u>\$ 60</u>	<u>\$ 1.42</u>

Reconciliation of Guided Non-GAAP Measures

(\$ Millions, except per share amounts)

	Minimum	Maximum
2016 Pro Forma EBITDA Guidance	\$ 215	\$ 225
Gain on debt extinguishment	9	9
2016 EBITDA Guidance	224	234
Income tax expense ¹	35	39
Interest expense, net	35	35
Depreciation and amortization	88	88
2016 Net Income Guidance	\$ 66	\$ 72
	Minimum	Maximum
2016 Operating Cash Flows Guidance	\$ 210	\$ 215
Capital expenditures	85	85
2016 Adjusted Free Cash Flows Guidance	\$ 125	\$ 130

¹ Income tax expense for the full year 2016 is based on an expected effective tax rate of approximately 35%.

Debt Maturity Schedule

