



## **Investor Presentation**

May 2022

# Safe Harbor

## **Forward-Looking Statements**

*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:*

**Epidemic and Pandemic Risks** *Our businesses are subject to risks associated with epidemics and pandemics, including the COVID-19 pandemic and related impacts. The nature and extent of ongoing and future impacts of the pandemic are highly uncertain and unpredictable.*

**Macroeconomic and Industry Risks** *The 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; Changes in raw material and energy availability and prices could affect our business, financial condition and results of operations; We are subject to risks associated with doing business outside of the United States; 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.*

# Safe Harbor (continued)

**Business and Operating Risks** Taking into consideration the sale of the lumber and newsprint assets completed in August 2021, our ten largest customers represented approximately 37 percent of our 2021 sales. The loss of all or a substantial portion of our revenue from these large customers could have a material adverse effect on our business; 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; The availability of, and prices for, wood fiber could materially impact our business, results of operations and financial condition; Our operations require substantial capital; We depend on third parties for transportation services and increases in costs and the availability of transportation could adversely affect our business; 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; The 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 cybersecurity breaches, could adversely impact the Company.

**Regulatory Risks** Our business is subject to extensive environmental laws, regulations and permits that may restrict or adversely affect our financial results and how we conduct business; The potential longer-term impacts of climate-related risks remain uncertain at this time.

**Financial Risks** 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; The phase-out of LIBOR as an interest rate benchmark in 2023 may impact our borrowing costs; 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.

**Company's Common Stock and Certain Corporate Matters Risks** Your percentage of ownership in the Company may be diluted in the future; Certain provisions in our amended and restated certificate of incorporation and bylaws, and of Delaware law, could prevent or delay an acquisition of the Company, which could decrease the price of our common stock.

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.

All statements made in this earnings release are made only as of the date set forth at the beginning of this release. The Company undertakes no obligation to update the information made in this release in the event facts or circumstances subsequently change after the date of this release.

# Non-GAAP Financial Measures

*These presentation materials contain certain non-GAAP financial measures, including EBITDA, adjusted EBITDA, adjusted free cash flows, adjusted operating income, adjusted income (loss) from continuing operations 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.*


# **Business Highlights**

# RYAM Overview

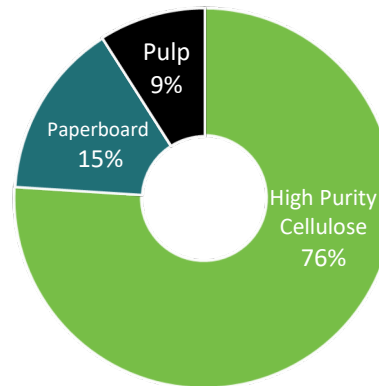
## Business Description

- Formed in 2014 when Rayonier Inc. separated the performance fibers business from its land resources business, Rayonier Advanced Materials (“RYAM”) is the leading global supplier of high purity cellulose specialties products
- With world-class production facilities in the US, Canada and France, RYAM leverages its biorefinery platform developed over 95 years to engineer natural cellulose fibers used to create customized products and meet customers’ exacting specifications
- RYAM’s one million metric tons of high purity cellulose capacity are used in a wide range of industrial and consumer applications, such as cell phone and computer screens, filters, cosmetics, textiles and pharmaceuticals
- Investments into RYAM’s BioFuture are expected to develop natural renewable materials and create value for customers in new and existing markets
- Additionally, the Company produces 180,000 metric tons of paperboard and 290,000 metric tons of high-yield pulp
- RYAM has ~2,500 employees and is headquartered in Jacksonville, FL

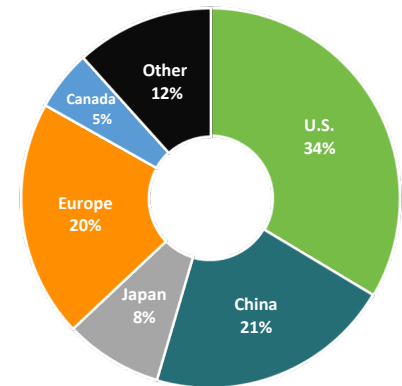
## Diverse Business Segments

	High Purity Cellulose	Paperboard	High-Yield Pulp
Products	<ul style="list-style-type: none"> <li>Dissolving Wood Pulp                             <ul style="list-style-type: none"> <li>Acetate</li> <li>Ethers</li> <li>Specialties</li> <li>Viscose</li> </ul> </li> <li>Fluff Pulp</li> </ul>	<ul style="list-style-type: none"> <li>Kallima® brand</li> <li>Packaging</li> <li>Multiply Coated Board</li> </ul>	<ul style="list-style-type: none"> <li>Mechanical Hardwood Pulp (Maple &amp; Aspen)</li> </ul>
End Markets			

**2021 Revenue by Segment**



**2021 Revenue by Geography**



**2021 Revenue: \$1.4 Billion**

# **RYAM Attraction**

**Market Leader in High Purity Cellulose with Best Products and Technical Acumen**

**Unparalleled Security of Supply Offering a Broad and Diversified Portfolio of Cellulose-Based Products**

**Leading R&D Platform with Innovation & BioFuture Opportunities**

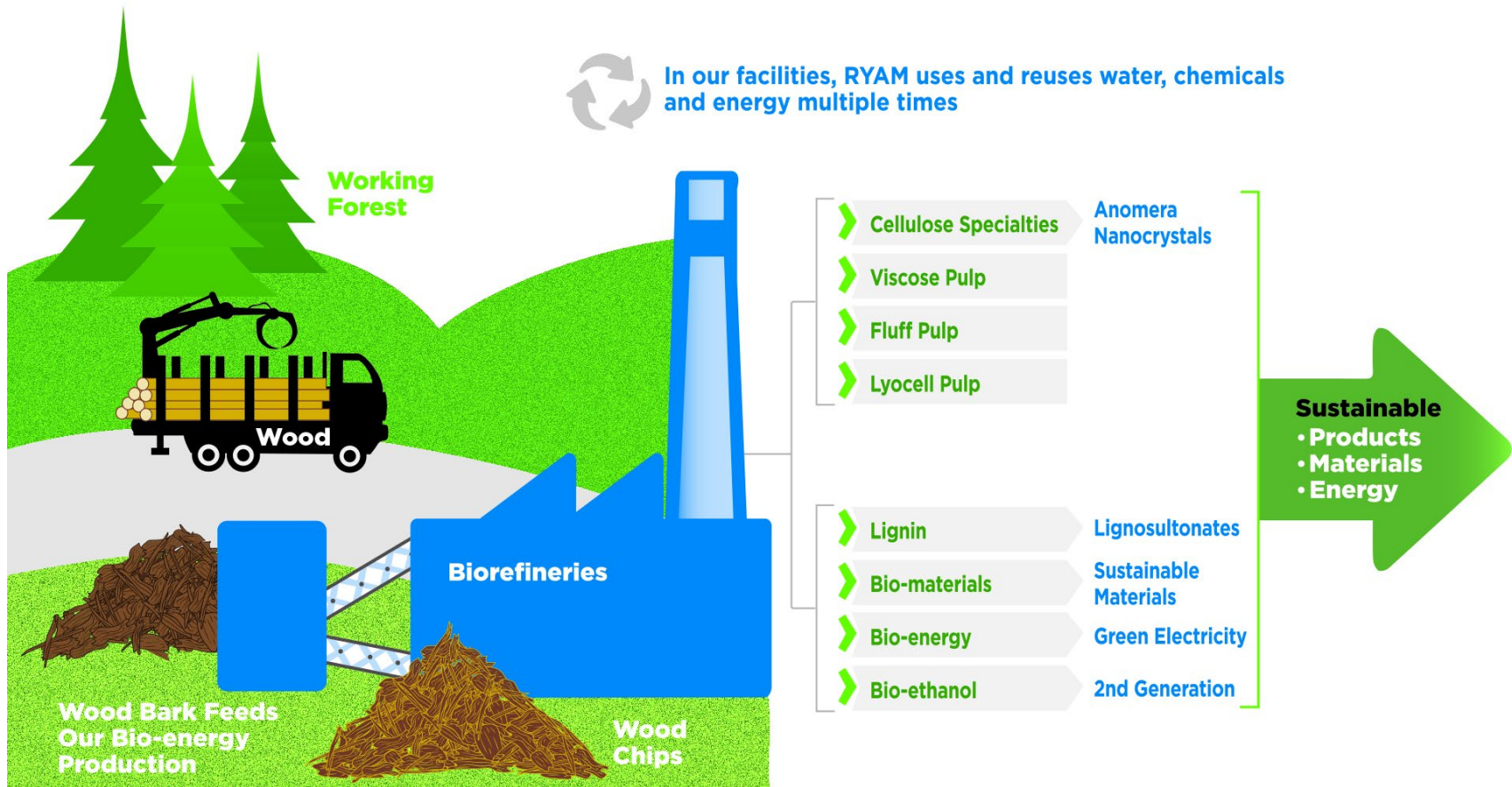
**Sustainable Raw Material & Natural-based Product Solutions**

**Solid Liquidity and Financial Flexibility**

**Well Positioned to Capitalize on Markets Conditions**

# BioFuture Opportunities

## Leveraging Four World Class Biorefineries



Making Renewable to Remarkable a Reality



# Sustainability Framework

## Board of Directors Oversight of Sustainability

### Environmental

#### Forest Stewardship

- Access to multiple forestry certifications across organization
- Established FSC group certificate in 2020 to encourage more adoption of FSC standard.

#### Responsible Operations

- Disclose SASB metrics: Greenhouse Gas Emissions, Air Quality, Energy and Water Management.
- Targeting 40% reduction in GHG by 2030 over only 10-year period
- New capital projects vetted for GHG, water and energy impacts.

#### Sustainable Products

- Products offer renewable alternatives to petrochemical products (e.g., rayon vs polyester)

### Social

#### Safety Driven

*“Everyone going home safe, everyday”*

- Focus on five key leading metrics
  - Corrective Actions
  - Gas Monitor Minutes
  - Housekeeping
  - Life Safety Programs
  - Value Exchanges

#### Community Engagement

- Large employer in our communities
- Community Advisory Councils work closely with operations
- Charitable foundations provide needed resources

#### Human Capital Engagement

- Code of Conduct
- Diversity & Inclusion Advisory Group

### Governance

#### Sustainability Subcommittee

- Created in 2021 with specific oversight of company's sustainability program.
- Committee consists of Board chair, and chairs of nom/gov and compensation committees.

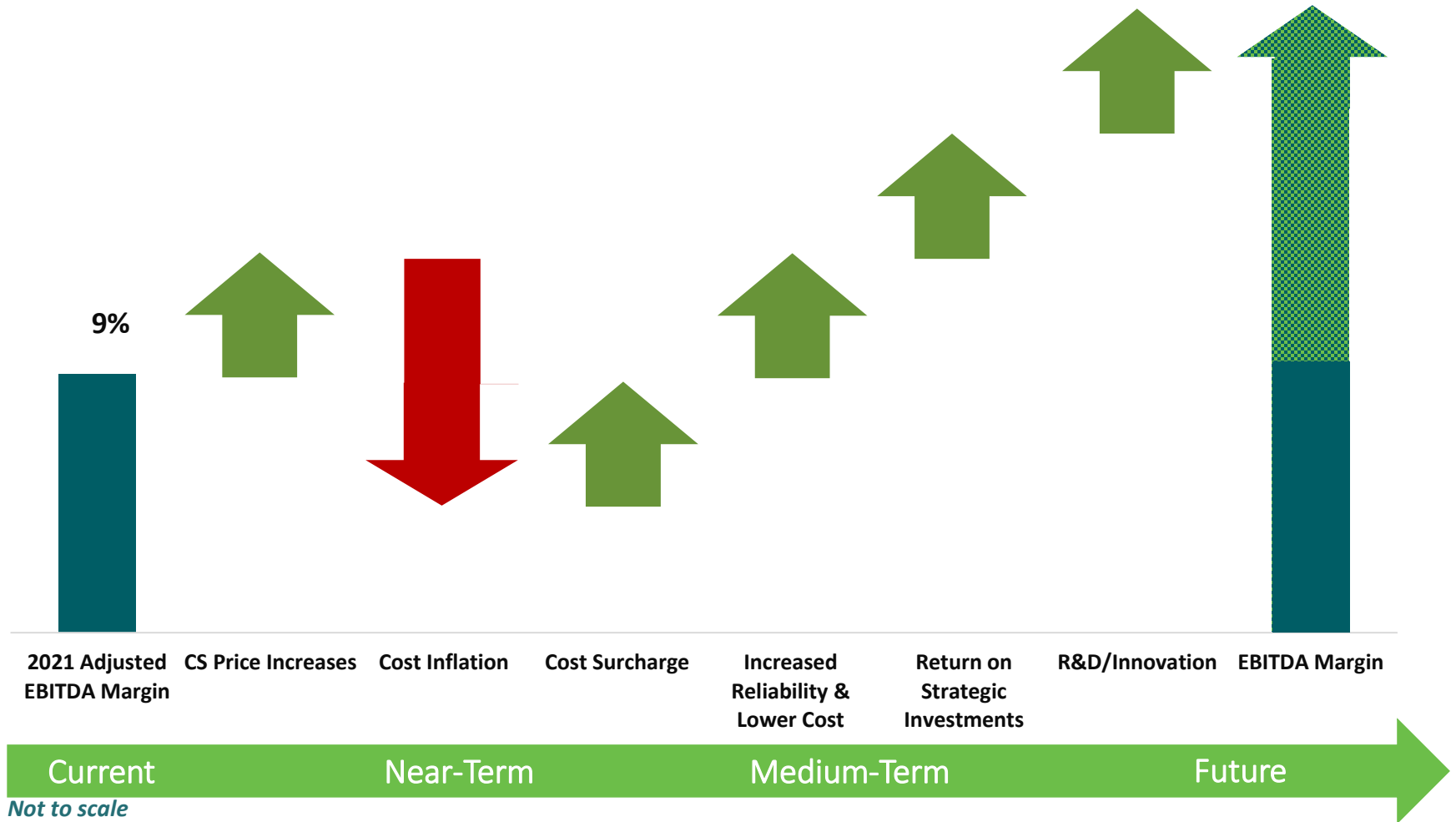
#### Director Diversity

- 89% Independent Board Members
- 67% Director Refreshment since 2015
- 44% Diversity on Board of Directors
- 33% Female Board Members
- Average tenure of Directors – 5.3 years

#### Shareholder Engagement

- Split Chairman & CEO roles in 2020
- Added 2 new Directors in 2020

# Driving EBITDA Growth



# Disciplined and Balanced Capital Allocation

Cash Flow From Operations

Maintain Assets

~\$100 million of annual custodial 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

High-return projects designed to enhance competitive position and drive EBITDA growth

Return of Capital to Shareholders

Stock buybacks and dividends to maximize long-term shareholder returns

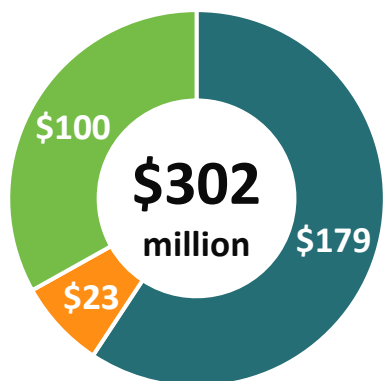
External Strategic Investments

Acquisitions and other investments to complement core business

Current

Future

# Capital Structure & Liquidity



■ Cash ■ Factoring (France) ■ ABL (North America)

- \$302 million of liquidity, including \$179 million of cash
  - \$43 million from sale of GFP shares in Q2
- Adjusted Net Debt of \$755 million
- 2022 Capital Allocation focused on:
  - \$100 million of Maintenance CapEx
  - \$40-50 million of Strategic CapEx
  - Opportunistic debt repayment
- Monitoring Debt Capital Markets for refinancing opportunity
  - Improving credit metrics in H2'22 expected to create opportunities for refinancing of Sr Unsecured Notes

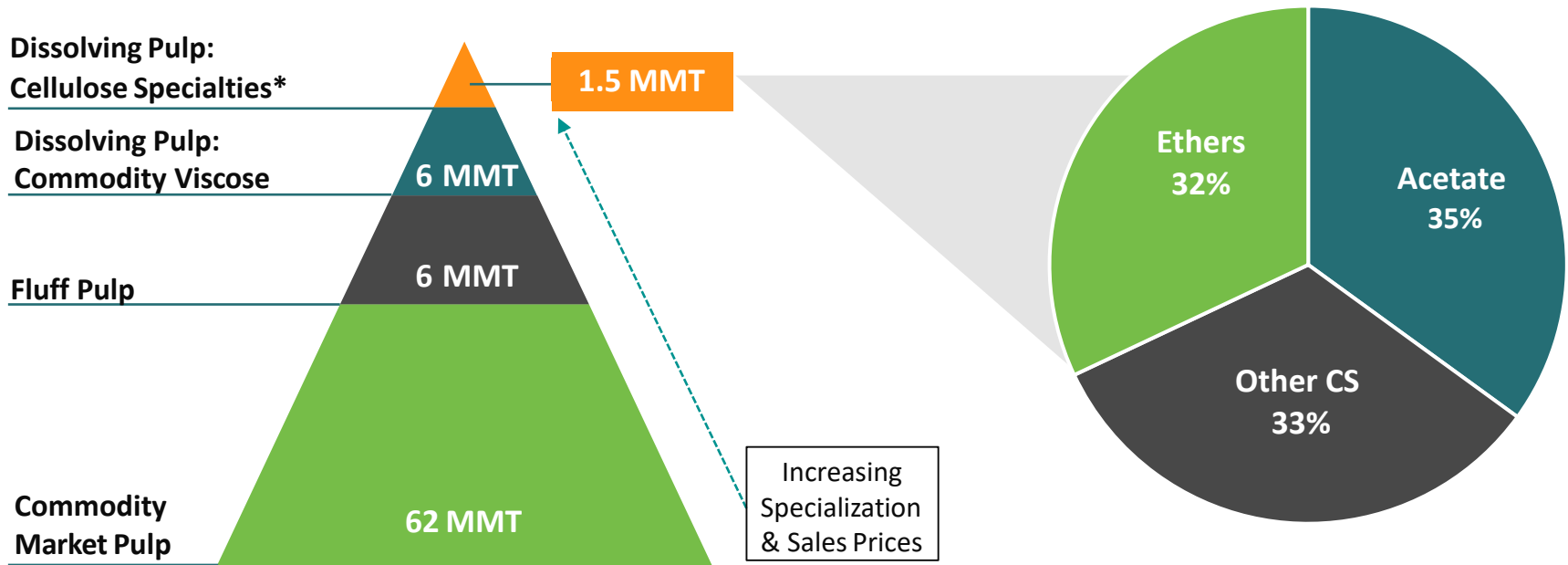
	<u>Amount</u>		
	<u>Outstanding</u>	<u>Interest Rate</u>	<u>Maturity</u>
ABL	-	L + 2.5%	December-25
Sr Secured Notes	475	7.6%	January-26
Sr Unsecured Notes	369	5.5%	June-24
Canada Debt	65	5.8%	2022-2028
Other Debt	25	Various	Various
<b>Total Debt Principal</b>	\$ 934	6.5%	
<b>Cash</b>	(179)		
<b>Net Debt</b>	\$ 755		

# Market Overview

# High Purity Cellulose Value Chain

Market Pulp Industry: 76 MMT\*









## CS Market Segmentation



**2.6% Dissolving Wood Pulp projected CAGR Growth through 2025**

Source: Hawkins Wright and company 2021 estimates, including Cotton Linter Pulp

# High Purity Cellulose Landscape

Products	End Markets	Primary Competitors	Demand Outlook	Size (000s tons)
Acetate Pulp			~(1)%	505
Ethers Pulp			4-5%	475
Other CS			2-3%	490
<b>Total Cellulose Specialties</b>				<b>1,470</b>
Viscose Pulp		Various	6-7%	6,200
Fluff Pulp		Various	3-4%	6,300
<b>Total Commodity</b>				<b>12,500</b>
<b>Total High Purity Cellulose</b>				<b>13,970</b>

Source: Hawkins Wright and company 2021 estimates, including Cotton Linter Pulp

# A Global Leader in High Purity Cellulose

775k MT Cellulose Specialties Capacity  
 + 245k MT Commodity Capacity  
 => 1,000k MT Total Capacity

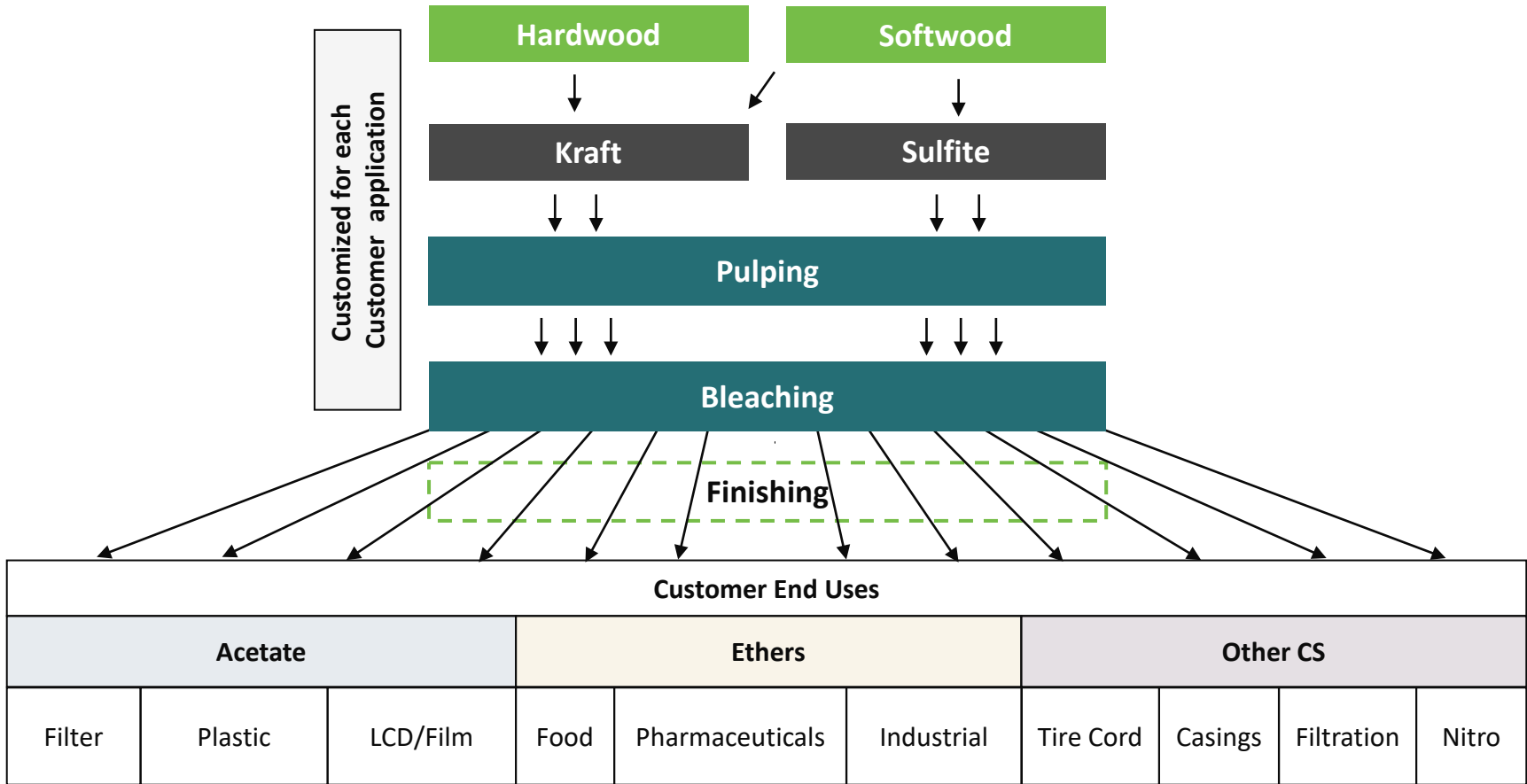


RYAM Line	Wood	Tech	Capacity (kMT)
Fernandina	Softwood	Sulfite	155
Jesup A	Hardwood/ Softwood	Kraft	} 330
Jesup B	Hardwood	Kraft	
Jesup C*	Softwood	Kraft	245
Tartas	Softwood	Sulfite	140
Temiscaming	Softwood	Sulfite	150

\* Commodity Fluff



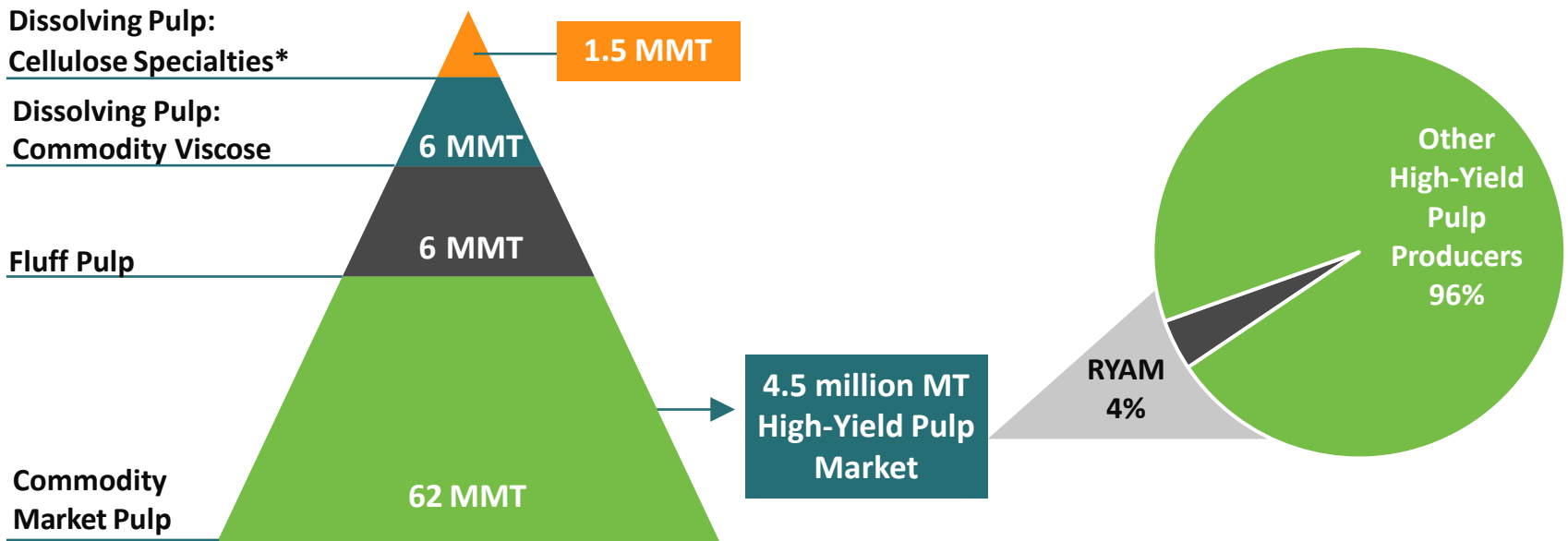
# The RYAM Recipe



**Best Product Offering • Highest Technical Acumen • Unparalleled Security of Supply**

# High-Yield Pulp Value Chain

Market Pulp Industry: 76 MMT\*



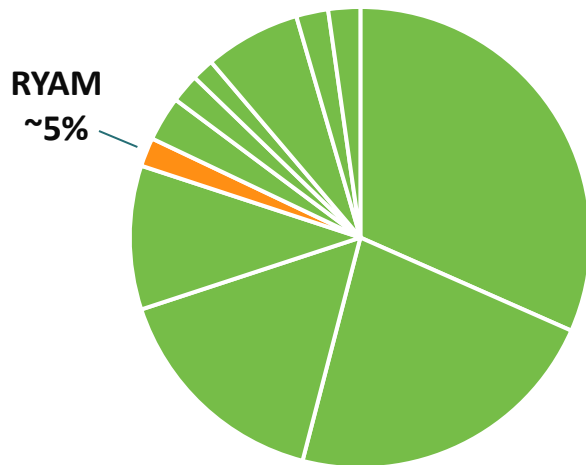
**RYAM High-Yield Pulp focuses on servicing internal needs and niche hardwood commodity markets**

Source: Brian McLay and Associates and company estimates

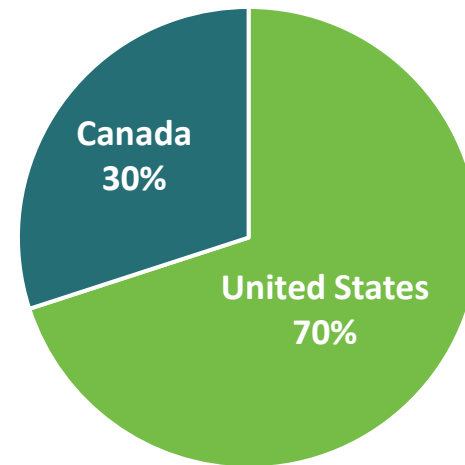
# Paperboard Value Chain

North American Paperboard Industry: 4.5 MMT

Market Share



RYAM 2021 Sales by Geography



**RYAM's Kallima® is a unique 3-ply product with greater surface to weight ratio than North American competitors**

Source: Fastmarkets (RISI) and company estimates

# Paperboard & High-Yield Pulp Overview

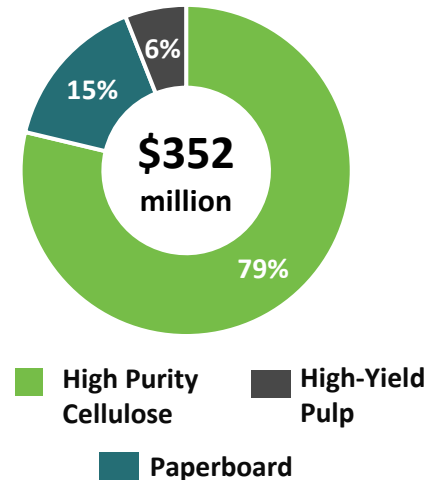
	Paperboard	High-Yield Pulp
Location	Temiscaming, Quebec	Temiscaming, Quebec
Capacity	180k MT	290k MT - 65k MT sold internally to Paperboard
Key Raw Materials	80-90k MT of NBHK & NBSK Pulp Chemicals	Hardwood (Maple & Aspen) Chemicals & Energy
Primary Product	3-ply Kallima® paperboard	BCTMP (Bleached Chemi-Thermal Mechanical Pulp)
Key End Markets	Packaging Commercial Print	Paperboard Printing & Writing
Sustainability	Natural-base packaging supplanting petroleum (plastic) packaging	Leader in FSC Certification

# Financial Update

# Q1'22 Financial Highlights

- Revenue of \$352 million from continuing operations; up \$33 million or 10% from Q1 2021 amid strong demand
- Operating loss from continuing operations of \$16 million; \$16 million down from Q1 2021
- \$20 million of Adjusted EBITDA from continuing operations; \$12 million down from Q1 2021
  - High Purity Cellulose down \$19 million due to cost inflation and lower production with extensive planned outage
  - Paperboard flat as price increases offset higher costs and lower sales volumes
  - High-Yield Pulp flat as higher prices were offset by higher costs and lower sales volumes
  - Corporate improved \$8 million driven by revaluation of GreenFirst Forest Products shares

**Revenue by Segment**



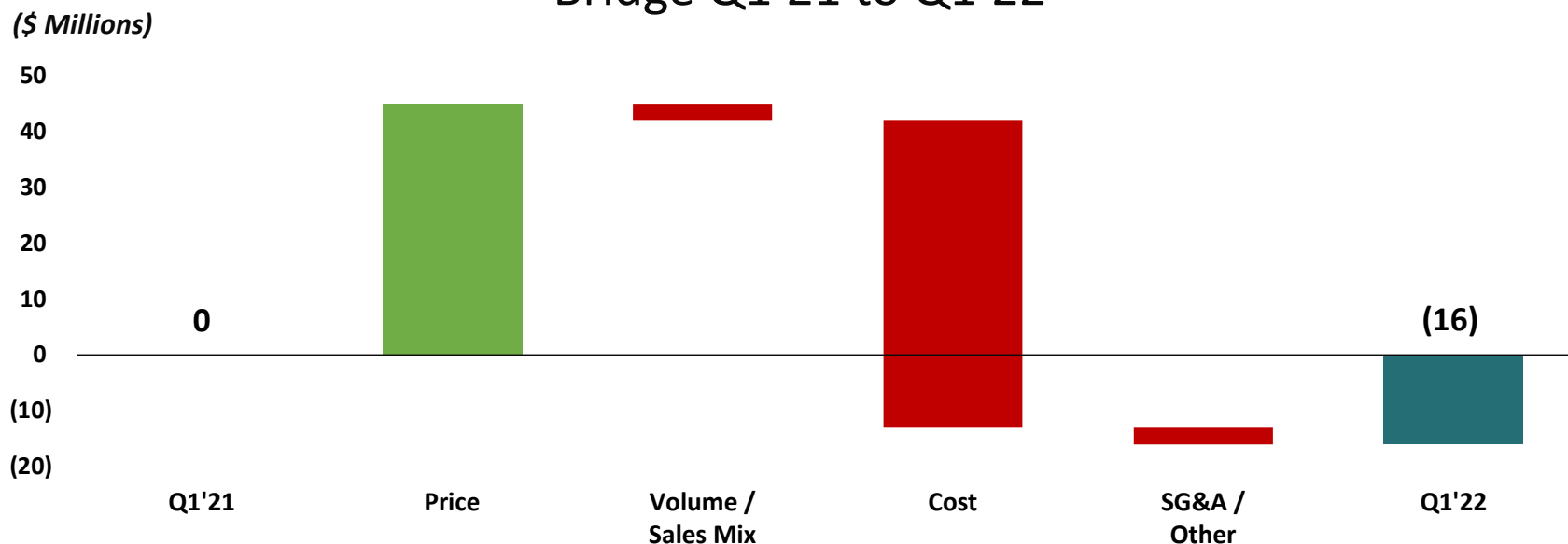
**Adjusted EBITDA from Continuing Operations**

	<i>\$ millions</i>
High Purity Cellulose	16
Paperboard	10
High-Yield Pulp	0
Corporate	(6)
<b>Total</b>	<b>20</b>

*\*Revenue excludes eliminations*

# Consolidated Operating Income/(Loss)

## Bridge Q1'21 to Q1'22



- Operating loss of \$16 million; down \$16 million from prior year
- Improved prices across commodity High Purity Cellulose, Paperboard and High-Yield Pulp
- Lower sales volumes due to an improved mix in High Purity Cellulose and due to supply-chain constraints
- Cost inflation in High Purity Cellulose chemicals, wood and energy, higher pulp input costs in Paperboard, and higher supply chain costs across the Company
- SG&A/other cost improvements from revaluation of GFP shares and higher variable compensation

# Market Assessment

## High Purity Cellulose

- Strong demand for cellulose specialties continues
- Implemented \$146/ MT cost surcharge in Q2 and double-digit price increases negotiated for cellulose specialties in 2022 with sales volume increases
- Commodity prices are expected to improve to offset higher inflation
- Extensive planned facility outages in 2022 focused on improving reliability
- Expect improved profitability sequentially

## Paperboard

- Strong demand for packaging and commercial print with supply constrained
- Expect Paperboard prices and raw material costs to increase sequentially

## High-Yield Pulp

- Solid demand for global pulp with risks with supply chain and Chinese demand
- Expect to recognize higher High-Yield Pulp prices and volumes sequentially

## Corporate/ Other

- Annual Corporate costs expected to normalize at \$50 million for 2022 with quarterly volatility
- Forecast 2022 Capital Expenditures of \$140-150 million, including ~\$40-50 million of strategic capital
- Sold shares in GreenFirst Forest Products for \$43 million and expect \$21 million of cash tax refunds



# Appendix

# Definitions of Non-GAAP Measures

**EBITDA** is defined as net income (loss) 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 adjusted for items management believes do not represent core operations. Management believes this measure is useful to evaluate the Company's performance.

**EBITDA by Segment – Continuing Operations** is defined as income from continuing operations before interest, taxes, depreciation and amortization.

**Adjusted Net Loss** is defined as net income (loss) adjusted net of tax for pension settlement loss, loan amendment costs and certain non-recurring expenses.

**Adjusted Free Cash Flows – Continuing Operations** is defined as cash provided by operating activities from continuing operations 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, 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.

**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.

# Net Sales and Operating Income by Segment

(\$ Millions)

Net sales (in millions)	Three Months Ended		
	March 26, 2022	December 31, 2021	March 27, 2021
High Purity Cellulose	\$ 281	\$ 299	\$ 250
Paperboard	54	52	48
High-Yield Pulp	22	29	28
Eliminations	(5)	(6)	(7)
Total net sales	\$ 352	\$ 374	\$ 319

Operating income (loss) (in millions)	Three Months Ended		
	March 26, 2022	December 31, 2021	March 27, 2021
High Purity Cellulose	\$ (8)	\$ 1	\$ 6
Paperboard	6	3	6
High-Yield Pulp	—	(1)	(1)
Corporate	(14)	(17)	(11)
Total operating income (loss)	\$ (16)	\$ (14)	\$ —

# Consolidated Statements of Income

(\$ Millions)

	Three Months Ended		
	March 26, 2022	December 31, 2021	March 27, 2021
<b>Net Sales</b>	\$ 352	\$ 374	\$ 319
<b>Cost of Sales</b>	(346)	(361)	(299)
<b>Gross Margin</b>	6	13	20
Selling, general & administrative expenses	(20)	(24)	(16)
Other operating expense, net	(2)	(3)	(4)
<b>Operating Loss</b>	(16)	(14)	—
Interest expense	(16)	(17)	(15)
Interest income and other, net	9	(3)	(1)
<b>Loss From Continuing Operations Before Income Taxes</b>	(23)	(34)	(16)
Income tax benefit (expense)	(1)	6	—
Equity in loss of equity method investment	—	—	—
<b>Loss from Continuing Operations</b>	\$ (24)	\$ (28)	\$ (16)
Income (loss) from discontinued operations, net of taxes	(1)	4	(11)
<b>Net Loss</b>	\$ (25)	\$ (24)	\$ (27)
<b>Basic Earnings Per Common Share:</b>			
<b>Loss from continuing operations</b>	\$ (0.38)	\$ (0.45)	\$ (0.26)
Income (loss) from discontinued operations	(0.01)	0.07	(0.17)
<b>Loss per common share - Basic</b>	\$ (0.39)	\$ (0.38)	\$ (0.43)
<b>Diluted Earnings Per Common Share:</b>			
<b>Loss from continuing operations</b>	\$ (0.38)	\$ (0.45)	\$ (0.26)
Income (loss) from discontinued operations	(0.01)	0.07	(0.17)
<b>Net loss per common share - Diluted</b>	\$ (0.39)	\$ (0.38)	\$ (0.43)
<b>Shares Used for Determining:</b>			
Basic EPS	63,771,484	63,738,408	63,430,601
Diluted EPS	63,771,484	63,738,408	63,430,601

# Consolidated Balance Sheet

(\$ Millions)

	March 26, 2022	December 31, 2021
<b>Assets</b>		
Cash and cash equivalents.....	\$ 179	\$ 253
Other current assets.....	566	523
Property, plant and equipment, net.....	1,173	1,146
Other assets.....	521	523
	<u>\$ 2,439</u>	<u>\$ 2,445</u>
<b>Liabilities and Stockholders' Equity</b>		
Debt due within one year.....	\$ 33	\$ 38
Other current liabilities.....	345	317
Long-term debt and finance lease obligations.....	893	891
Non-current environmental liabilities.....	160	160
Other non-current liabilities.....	221	225
Total stockholders' equity.....	787	814
	<u>\$ 2,439</u>	<u>\$ 2,445</u>

# Reconciliation of EBITDA by Segment

(\$ Millions)

Three Months Ended March 26, 2022					
EBITDA by Segment (a):	High Purity Cellulose	Paperboard	High-Yield Pulp	Corporate & Other	Total
<b>Income (loss) from continuing operations</b>	\$ (7)	\$ 6	\$ —	\$ (23)	\$ (24)
Depreciation and amortization	23	4	—	—	27
Interest expense, net	—	—	—	16	16
Income tax expense (benefit)	—	—	—	1	1
<b>EBITDA-continuing operations</b>	\$ 16	\$ 10	\$ —	\$ (6)	\$ 20

Three Months Ended March 27, 2021					
	High Purity Cellulose	Paperboard	High-Yield Pulp	Corporate & Other	Total
<b>Income (loss) from continuing operations</b>	\$ 7	\$ 6	\$ —	\$ (29)	\$ (16)
Depreciation and amortization	28	4	1	—	33
Interest expense, net	—	—	—	15	15
Income tax expense (benefit)	—	—	—	—	—
<b>EBITDA-continuing operations</b>	\$ 35	\$ 10	\$ 1	\$ (14)	\$ 32

# Reconciliation of Adjusted Income

(\$ Millions)

	Three Months Ended					
	March 26, 2022		December 31, 2021		March 27, 2021	
	\$	Per Diluted Share	\$	Per Diluted Share	\$	Per Diluted Share
<b>Loss from Continuing Operations (a):</b>						
<b>Loss from Continuing Operations</b>	\$ (24)	\$ (0.38)	\$ (28)	\$ (0.45)	\$ (16)	\$ (0.26)
Pension settlement loss	—	—	6	0.10	—	—
Tax effects of adjustments	—	—	(2)	(0.02)	—	—
<b>Adjusted Loss from Continuing Operations</b>	<u>\$ (24)</u>	<u>\$ (0.38)</u>	<u>\$ (24)</u>	<u>\$ (0.37)</u>	<u>\$ (16)</u>	<u>\$ (0.26)</u>