RAYONIER
Advanced Materials™

# Second 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.

RAYONIER Advanced 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, 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.

RAYONIER Advanced Materials

# Financial Highlights
**($ Millions)**

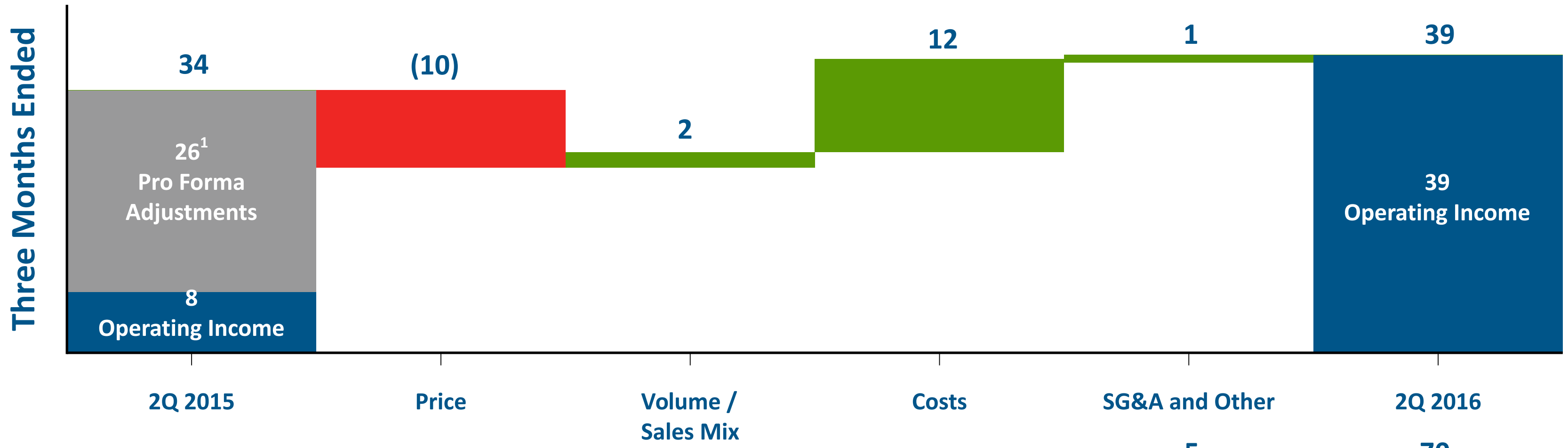
| | Quarter Ended | | Six Months Ended | |
|---|---|---|---|---|
| | 2Q 2016 | 2Q 2015 | 2Q 2016 | 2Q 2015 |
| Sales | $ 214 | $ 221 | $ 431 | $ 442 |
| Operating Income | 39 | 8 | 70 | 33 |
| Pro Forma Operating Income[1] | 39 | 34 | 70 | 59 |
| Net Income | 19 | — | 40 | 10 |
| Pro Forma Net Income[1] | 19 | 16 | 34 | 26 |
| EBITDA[1] | 58 | 29 | 121 | 75 |
| Pro Forma EBITDA[1] | 58 | 55 | 112 | 101 |
| Diluted Earnings per Share | $ 0.46 | $ (0.01) | $ 0.95 | $ 0.24 |
| Pro Forma Net Income per Share[1] | $ 0.46 | $ 0.39 | $ 0.82 | $ 0.64 |

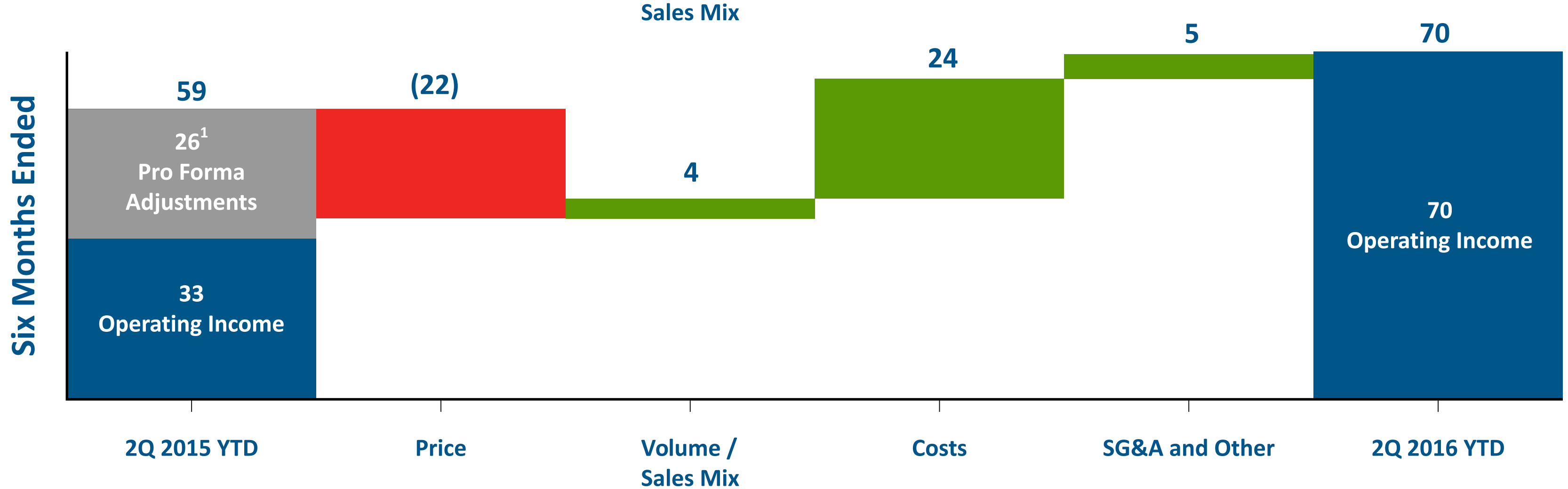
[1] Non-GAAP measures (see Appendix for definitions and reconciliations).

RAYONIER Advanced Materials

# 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.

RAYONIER Advanced Materials

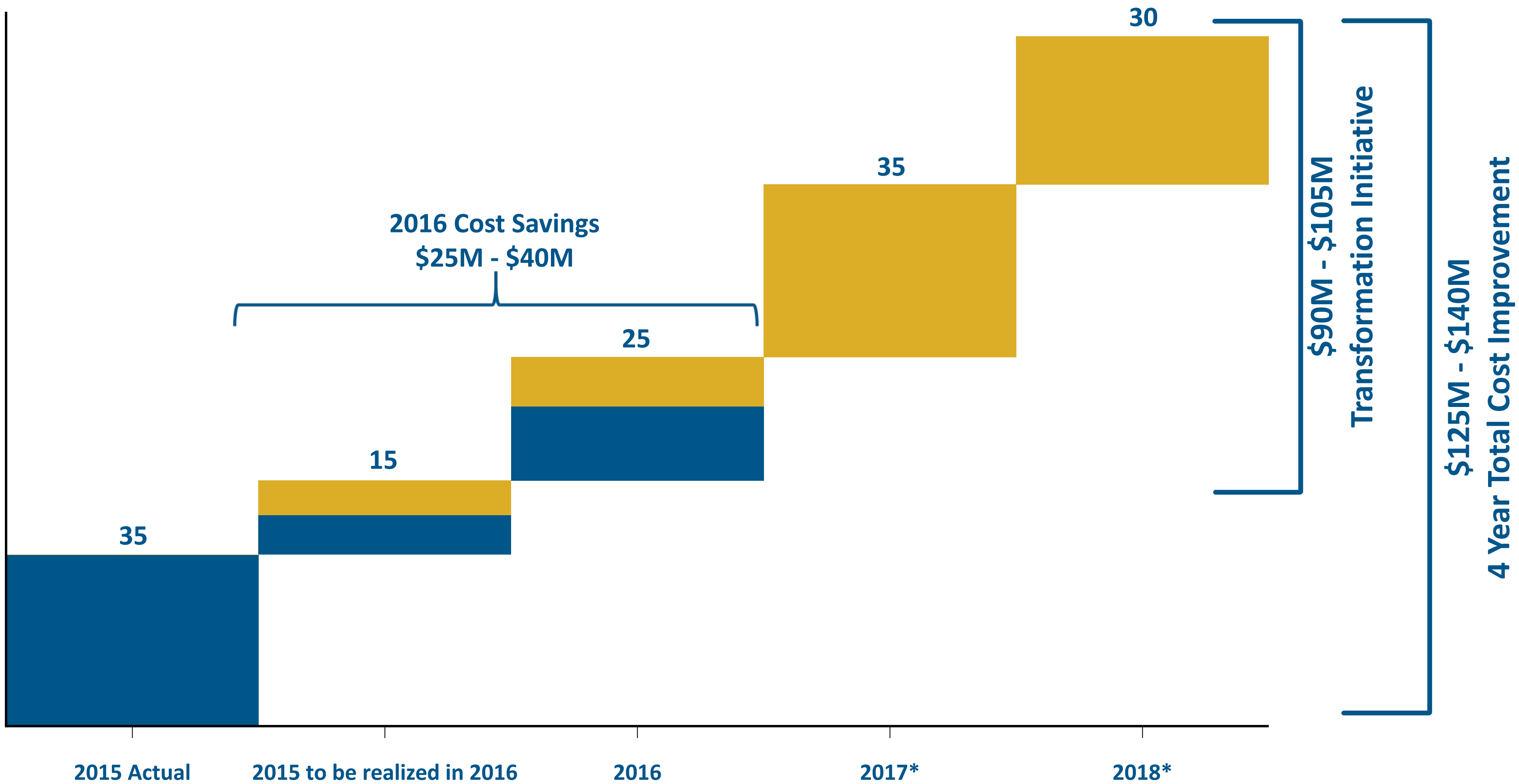
# Selected Financial and Operating Information

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | June 25, 2016 | June 27, 2015 | June 25, 2016 | June 27, 2015 |
| **Sales Volume, thousands of metric tons** | | | | |
| Cellulose specialties | 113 | 111 | 219 | 219 |
| Commodity products | 55 | 55 | 130 | 113 |
| Total | 168 | 166 | 349 | 332 |
| **Average Sales Price, $ per metric ton** | | | | |
| Cellulose specialties | $ 1,548 | $ 1,638 | $ 1,551 | $ 1,653 |
| Commodity products | $ 668 | $ 666 | $ 675 | $ 676 |

RAYONIER Advanced Materials

# Cost Improvement Initiatives

**($ Millions)**




**$58 Million achieved from January 2015 - June 2016**

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

RAYONIER Advanced Materials

# 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 higher than 2015
- Net income expected to be $51 to $57 million
- Pro forma EBITDA expected to be $195 to $205 million
- Transformation Initiative on track to achieve upper end of 2016 $25 - $40 million target range
- Operating cash flows of $190 to $195 million
- CapEx of approximately $90 million
- Adjusted free cash flows of $100 to $105 million

RAYONIER Advanced Materials

# Capital Resources & Liquidity

**($ Millions)**

| | Six Months Ended | |
|---|---|---|
| | June 25, 2016 | June 27, 2015 |
| Cash Provided by Operating Activities | $ 151 | $ 88 |
| Cash Used for Investing Activities | (36) | (41) |
| Cash Used for Financing Activities | (50) | (40) |
| Adjusted Free Cash Flows* | 113 | 47 |
| | | |
| Debt Principal Payments | $ 812 | $ 919 |
| Cash | 166 | 73 |
| Adjusted Net Debt* | 646 | 846 |
| Available Liquidity* | 402 | 308 |

| Financial Covenants** | June 25, 2016 | Covenant |
|---|---|---|
| Net Secured Leverage | 0.8x | < 3.0x |
| Interest Coverage | 7.6x | > 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 $22 million as of June 25, 2016.

RAYONIER Advanced Materials

# Outlook

- Cellulose specialties market
  - Flat acetate growth outlook / destocking continues
  - Improving demand in ethers, tire cord & filtration
  - Continued excess capacity
  - Global currencies vs. US$ benefiting competitors
- Anticipate 2017 acetate pricing down approximately 2% from 2016[1]
- 2017 CS prices and volumes to be negotiated for uncommitted volumes
- Moderately improving commodity viscose markets and increasing pressure in absorbent materials markets due to incremental capacity

[1] Based on contractually committed acetate volume

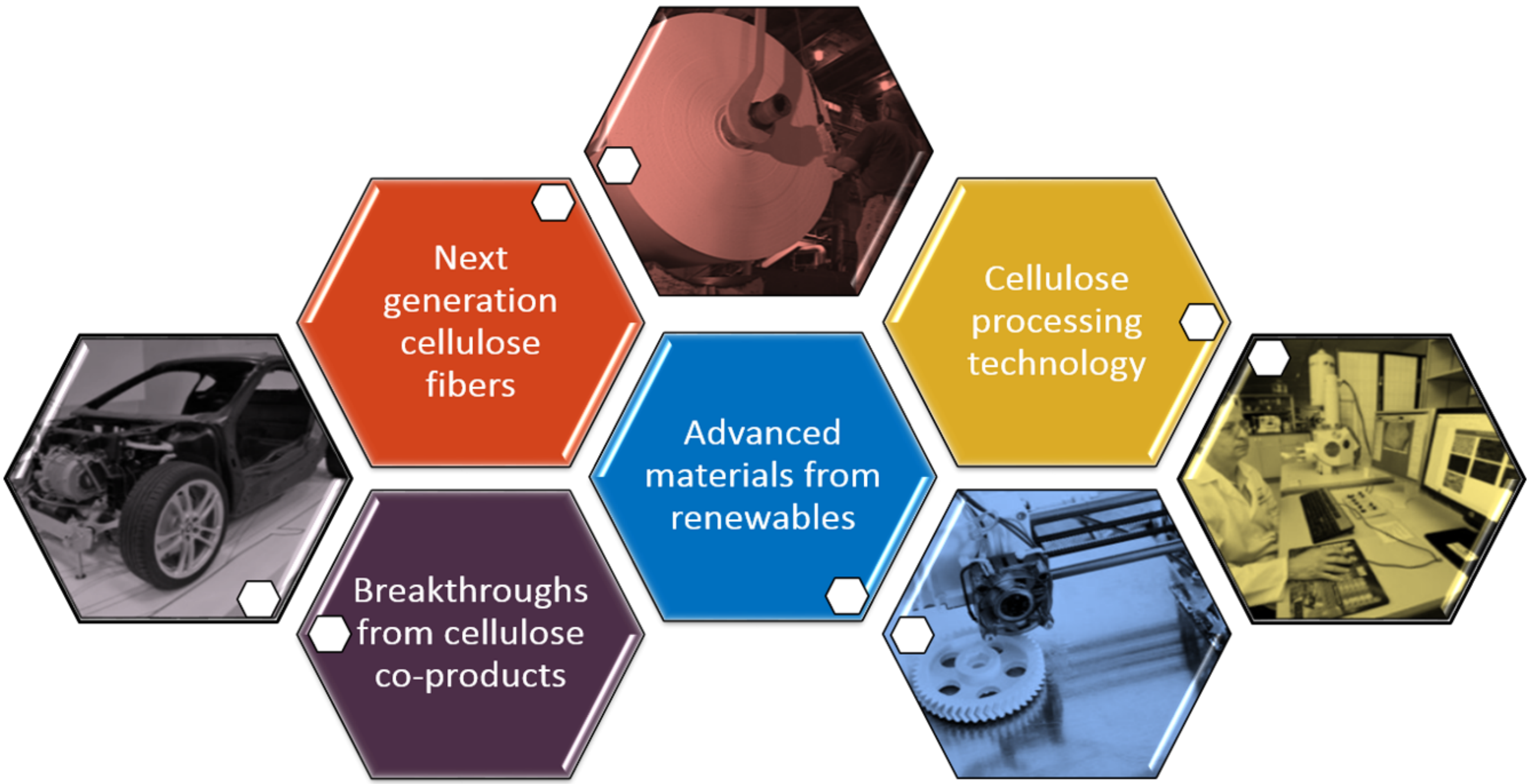
RAYONIER Advanced Materials

# Our Long-Term Growth Strategy

- Three-year Transformation Initiative to enhance profitability
  - Improve costs by $75 to $90 million run-rate over the next three years
  - Maintain efficient and reliable operations
  - Optimize assets to match market conditions
- Stepping up efforts on Innovation Initiative and external growth opportunities
  - Develop products that enhance value to customer
  - Create incremental value from co-products
  - Deliver 20% of revenue from new products within 10 years
  - Evaluate opportunities for adjacent businesses

RAYONIER Advanced Materials

# Innovation Platform



# Potential Joint Venture with Borregaard

## Partnering with global leader in lignin-based products

- Joint venture for the manufacturing, marketing and sale of natural lignin-based products at Fernandina facility
- We will be 45% owner in joint venture
- Utilizing co-product our manufacturing process, currently used for energy value
- Global end uses in construction,agriculture & other industrial applications
- Total capacity of 150,000 MT/yr
- Target competition in 2 phases over 5 years
- Aggregate ~$135 million of capital investment
- Final go / no go decision in late 2016
- Commercial sales estimated to begin 18 months after construction commences

RAYONIER Advanced Materials

# 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** as EBITDA before non-cash impairment, one-time separation and legal costs, insurance recovery and gain on debt extinguishment.

**Adjusted Free Cash Flows** 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** 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.

RAYONIER Advanced Materials™

# Reconciliation of Non-GAAP Measures

**($ Millions)**

| | Six Months Ended | |
|---|---|---|
| | **June 25, 2016** | **June 27, 2015** |
| **EBITDA Reconciliation** | | |
| **Net Income** | $ 40 | $ 10 |
| Depreciation and amortization | 42 | 42 |
| Interest expense, net | 17 | 19 |
| Income tax expense | 22 | 4 |
| **EBITDA** | $ 121 | $ 75 |
| Non-cash impairment charge | — | 28 |
| One-time separation and legal costs | — | (1) |
| Insurance recovery | — | (1) |
| Gain on debt extinguishment | (9) | — |
| **Pro Forma EBITDA** | $ 112 | $ 101 |
| | | |
| **Adjusted Free Cash Flows Reconciliation** | | |
| Cash provided by operating activities | $ 151 | $ 88 |
| Capital expenditures* | (38) | (41) |
| **Adjusted Free Cash Flows** | $ 113 | $ 47 |

* Capital expenditures exclude strategic capital.

RAYONIER Advanced Materials

# Reconciliation of Non-GAAP Measures
**($ Millions)**

| | June 25, 2016 | June 27, 2015 |
|---|---|---|
| **Adjusted Net Debt Reconciliation** | | |
| Current maturities of long-term debt | $ 8 | $ 8 |
| Long-term debt | 795 | 900 |
| Total debt | $ 803 | $ 908 |
| Original issue discount and debt issuance costs | 9 | 11 |
| Cash and cash equivalents | (166) | (73) |
| **Adjusted Net Debt** | $ 646 | $ 846 |

RAYONIER Advanced Materials

# Reconciliation of Reported to Pro Forma Earnings

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

| | Three Months Ended | | | | | | Six Months Ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | June 25, 2016 | | March 26, 2016 | | June 27, 2015 | | June 25, 2016 | | June 27, 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** | $ 39 | | $ 32 | | $ 8 | | $ 70 | | $ 33 | |
| Non-cash impairment charge | — | | — | | 28 | | — | | 28 | |
| One-time separation and legal costs | — | | — | | (1) | | — | | (1) | |
| Insurance recovery | — | | — | | (1) | | — | | (1) | |
| **Pro Forma Operating Income** | $ 39 | | $ 32 | | $ 34 | | $ 70 | | $ 59 | |
| | | | | | | | | | | |
| **Net Income** | $ 19 | $ 0.46 | $ 21 | $ 0.49 | $ — | $ (0.01) | $ 40 | $ 0.95 | $ 10 | $ 0.24 |
| Non-cash impairment charge | — | — | — | — | 28 | 0.67 | — | — | 28 | 0.67 |
| One-time separation and legal costs | — | — | — | — | (1) | (0.02) | — | — | (1) | (0.02) |
| Insurance recovery | — | — | — | — | (1) | (0.02) | — | — | (1) | (0.02) |
| Gain on debt extinguishment | — | — | (9) | (0.21) | — | — | (9) | (0.21) | — | — |
| Tax effects of Pro Forma adjustments | — | — | 3 | 0.08 | (10) | (0.23) | 3 | 0.08 | (10) | (0.23) |
| **Pro Forma Net Income** | $ 19 | $ 0.46 | $ 15 | $ 0.36 | $ 16 | $ 0.39 | $ 34 | $ 0.82 | $ 26 | $ 0.64 |

RAYONIER Advanced Materials

# Reconciliation of Guided Non-GAAP Measures

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

| | Minimum | | Maximum | |
|---|---|---|---|---|
| **2016 Pro Forma EBITDA Guidance** | $ | 195 | $ | 205 |
| Gain on debt extinguishment | | 9 | | 9 |
| **2016 EBITDA Guidance** | | 204 | | 214 |
| Income tax expense[1] | | 28 | | 32 |
| Interest expense, net | | 35 | | 35 |
| Depreciation and amortization | | 90 | | 90 |
| **2016 Net Income Guidance** | $ | 51 | $ | 57 |

| | Minimum | | Maximum | |
|---|---|---|---|---|
| **2016 Operating Cash Flows Guidance** | $ | 190 | $ | 195 |
| Capital expenditures | | 90 | | 90 |
| **2016 Adjusted Free Cash Flows Guidance** | $ | 100 | $ | 105 |

[1] Income tax expense for the full year 2016 is based on an expected effective tax rate of approximately 36%.

RAYONIER Advanced Materials

# Debt Maturity Schedule