



**First Quarter 2023  
Financial Presentation Materials**

May 9, 2023

# 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 RYAM's 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. 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. The Company has not filed its Form 10-Q for the quarter ended April 1, 2023. As a result, all financial results described in this earnings release should be considered preliminary, and are subject to change to reflect any necessary adjustments or changes in accounting estimates, that are identified prior to the time the Company files its Form 10-Q.*

*The Company's operations are subject to a number of risks and uncertainties including, but not limited to, those listed below. When considering an investment in the Company's securities, you should carefully read and consider these risks, together with all other information in the Company's Annual Report on Form 10-K and 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, the Company's business, financial condition or operating results, as well as the market price of the Company's securities, could be materially adversely affected. These risks and events include, without limitation:*

**Macroeconomic and Industry Risks** *The Company's business, financial condition and results of operations could be adversely affected by disruptions in the global economy caused by the ongoing conflict between Russia and Ukraine or other geopolitical conflicts. The Company is subject to risks associated with epidemics and pandemics, including the COVID-19 pandemic, which has had, and may continue to have, a material adverse impact on the Company's business, financial condition, results of operations and cash flows. The businesses the Company operates are highly competitive and many of them are cyclical, which may result in fluctuations in pricing and volume that can materially adversely affect the Company's business, financial condition, results of operations and cash flows. Changes in raw material and energy availability and prices, and continued inflationary pressure, could have a material adverse effect on the Company's business, financial condition and results of operations. The Company is subject to material risks associated with doing business outside of the United States. Foreign currency exchange fluctuations may have a material adverse impact on the Company's 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 materially adversely affect the Company's ability to access certain markets.*

**Business and Operational Risks** *The Company's ten largest customers represented approximately 40% percent of 2022 revenue, and the loss of all or a substantial portion of revenue from these customers could have a material adverse effect on the Company's business. A material disruption at any of the Company's major manufacturing facilities could prevent the Company from meeting customer demand, reduce sales and profitability, increase the cost of production and capital needs, or otherwise materially adversely affect the Company's business, financial condition and results of operations;*

# Safe Harbor

**Business and Operational Risks (continued)** *Unfavorable changes in the availability of, and prices for, wood fiber may have a material adverse impact on the Company's business, financial condition and results of operations. Substantial capital is required to maintain the Company's facilities, and the cost to repair or replace equipment, as well as the associated downtime, could materially adversely affect the Company's business. The Company depends on third parties for transportation services and unfavorable changes in the cost and availability of transportation could materially adversely affect the Company's business. Failure to maintain satisfactory labor relations could have a material adverse effect on the Company's business. The Company is dependent upon attracting and retaining key personnel, the loss of whom could materially adversely affect the Company's business. Failure to develop new products or discover new applications for existing products, or inability to protect the intellectual property underlying new products or applications, could have a material adverse impact on the Company's business. Loss of Company intellectual property and sensitive data or disruption of manufacturing operations due to cyberattacks or cybersecurity breaches could materially adversely impact the business.*

**Regulatory and Environmental Risks** *The Company's business is subject to extensive environmental laws, regulations and permits that may materially restrict or adversely affect how the Company conducts business and its financial results. The potential longer-term impacts of climate-related risks remain uncertain currently. Regulatory measures to address climate change may materially restrict how the Company conducts business or adversely affect its financial results..*

**Financial Risks** *The Company may need to make significant additional cash contributions to its 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. The Company has debt obligations that could materially adversely affect the Company's business and its ability to meet its obligations. Challenges in the commercial and credit environments may materially adversely affect the Company's future access to capital. The Company may require additional financing in the future to meet its 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.*

**Common Stock and Certain Corporate Matters Risks** *Stockholders' percentage of ownership in RYAM may be diluted. Certain provisions in the Company's 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 its 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 the Company's filings with the U.S. Securities and Exchange Commission, including the Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The Company assumes no obligation to update these statements except as is required by law.*

# Non-GAAP Financial Measures

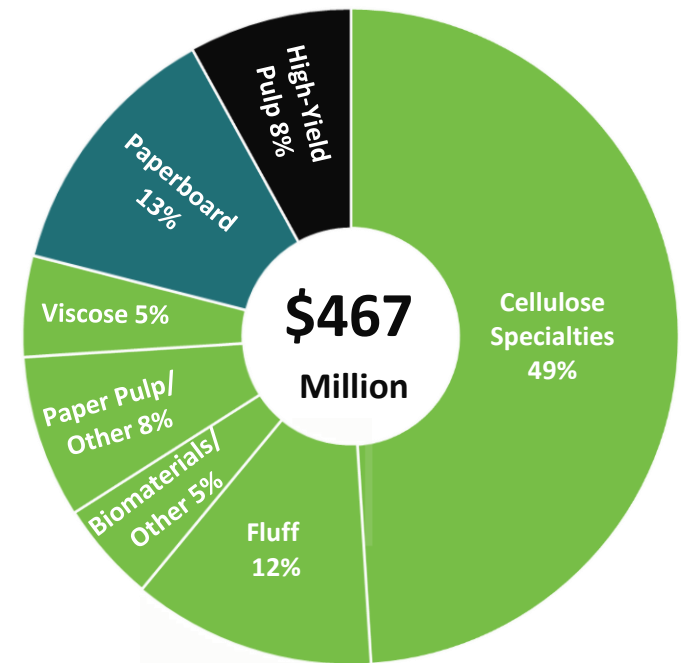
*This earnings presentation and the accompanying schedules contain certain non-GAAP financial measures, including EBITDA, adjusted EBITDA, adjusted free cash flows, adjusted income from continuing operations and adjusted net debt. The Company believes these non-GAAP financial measures provide useful information to its Board of Directors, management and investors regarding its financial condition and results of operations. Management uses these non-GAAP financial measures to compare its performance to that of prior periods for trend analyses, to determine management incentive compensation and for budgeting, forecasting and planning purposes.*

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

# Q1'23 Financial Highlights

- Revenue of \$467 million; +\$115 million or +33% from Q1'22
- Operating income of \$17 million; +\$33 million from Q1'22
- Adjusted Free Cash Flow generation of \$36 million
- Adjusted EBITDA of \$51 million; +\$31 million or +155% from Q1'22
  - High Purity Cellulose: +\$28 million
    - Higher prices and improved volumes, partially offset by higher costs
  - Paperboard: +\$3 million
    - Higher prices partially offset by lower sales volumes and higher costs
  - High-Yield Pulp: +\$8 million
    - Higher prices and improved volumes, partially offset by higher costs
  - Corporate: -\$8 million
    - Current period pension settlement loss and prior period gain on fair value of GFP shares

## Revenue by Segment/Product\*



## Adjusted EBITDA

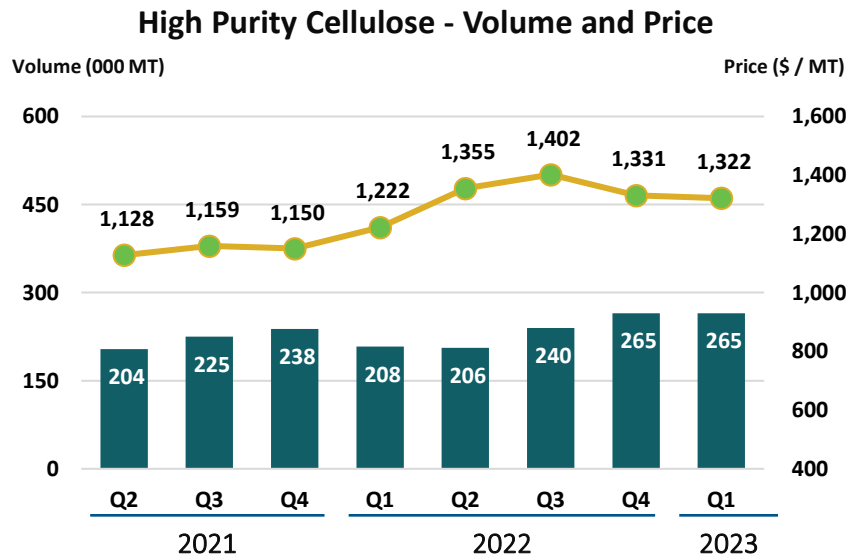
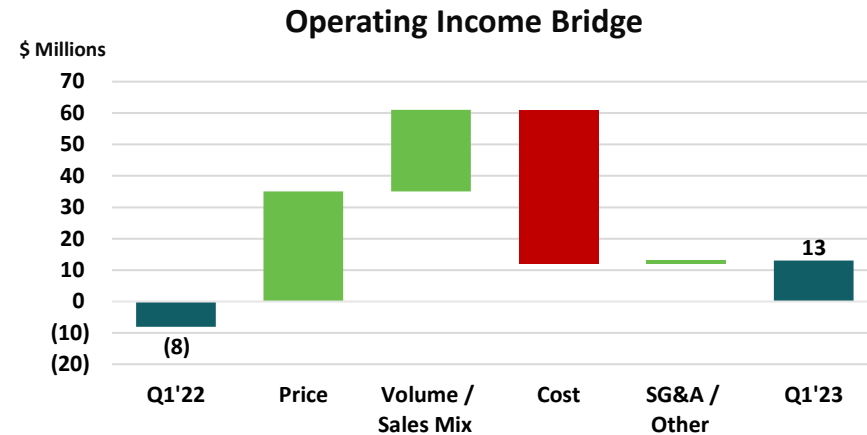
	\$ millions
High Purity Cellulose	44
Paperboard	13
High-Yield Pulp	8
Corporate	(14)
<b>Total</b>	<b>\$51</b>

\*Revenue % by segment excludes eliminations

**Reaffirming Adjusted EBITDA Guidance of \$200-215 million**  
**Increasing Adjusted Free Cash Flow Guidance to \$40-65 million**

# High Purity Cellulose

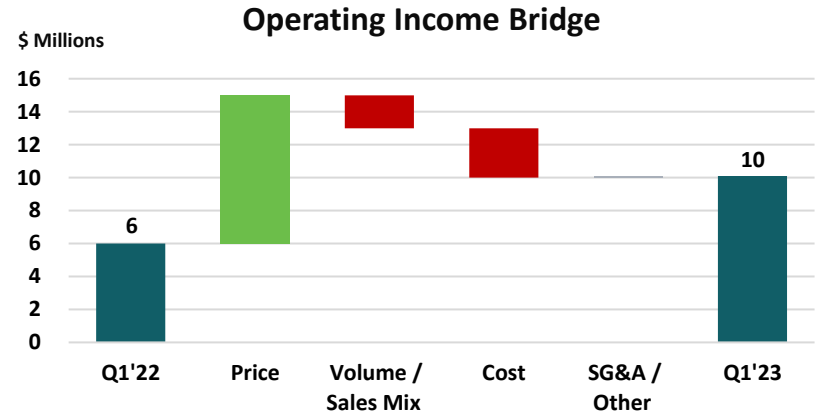
Key Financials	Quarter Ended		
	Apr 1, 2023	Dec 31, 2022	Mar 26, 2022
(\$ millions)			
Net Sales	\$374	\$384	\$281
Operating Income	13	10	(8)
Adjusted EBITDA	44	45	16



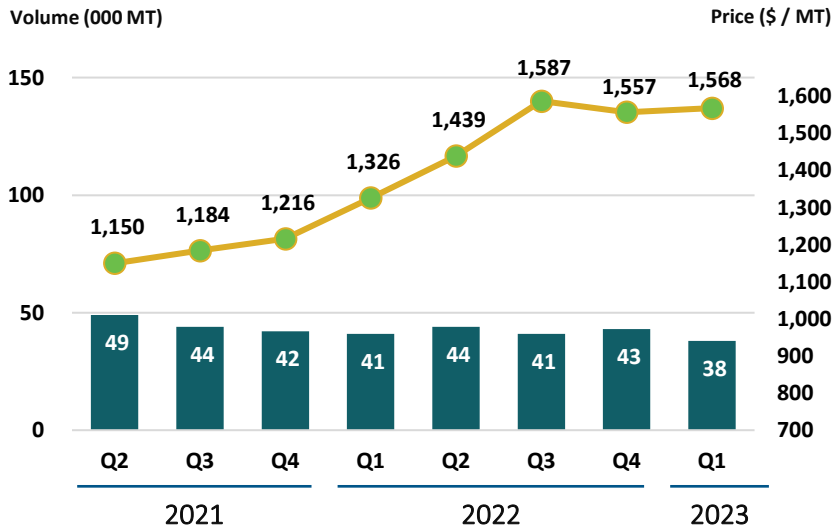
- 8% increase in sales price compared to prior year period, driven primarily by an 18% increase in cellulose specialties prices
- 27% increase in volumes driven by higher commodity sales and improved cellulose specialties customer contract terms
- EBITDA and Op Income increased as a result of higher sales prices and volumes, partially offset by higher chemicals and logistics costs along with the impact of annual maintenance outage expense in prior year

# Paperboard

Key Financials	Quarter Ended		
	Apr 1, 2023	Dec 31, 2022	Mar 26, 2022
(\$ millions)			
Net Sales	\$59	\$67	\$54
Operating Income	10	9	6
Adjusted EBITDA	13	14	10



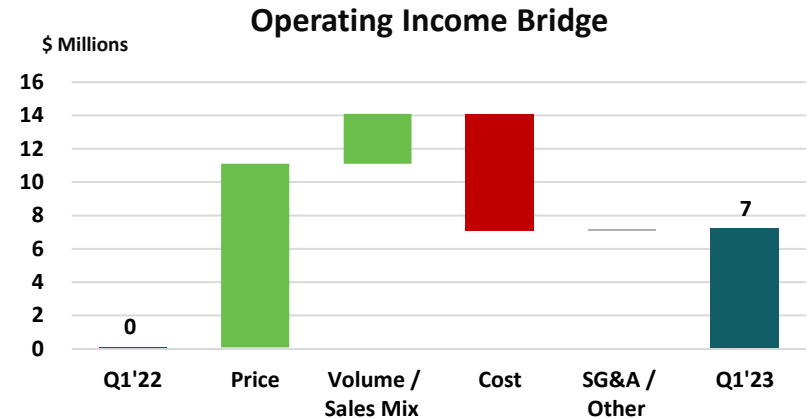
## Paperboard - Volume and Price



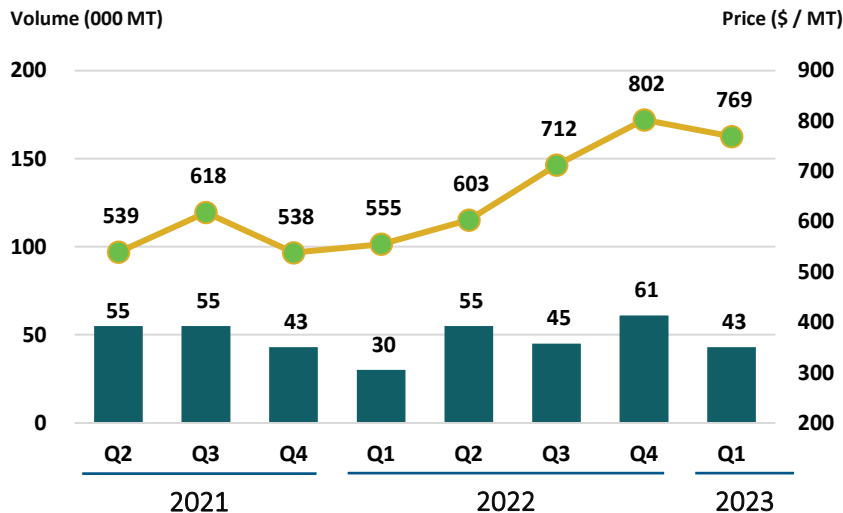
- 18% increase in sales price compared to prior year period driven by demand for packaging
- 7% decrease in volumes driven by sales timing
- EBITDA and Op Income increased as a result of higher sales prices, partially offset by lower sales volumes and higher chemical and purchased pulp costs

# High-Yield Pulp

Key Financials	Quarter Ended		
	Apr 1, 2023	Dec 31, 2022	Mar 26, 2022
(\$ millions)			
Net Sales	\$42	\$58	\$22
Operating Income	7	12	-
Adjusted EBITDA	8	13	-



## High-Yield Pulp - Volume and Price\*

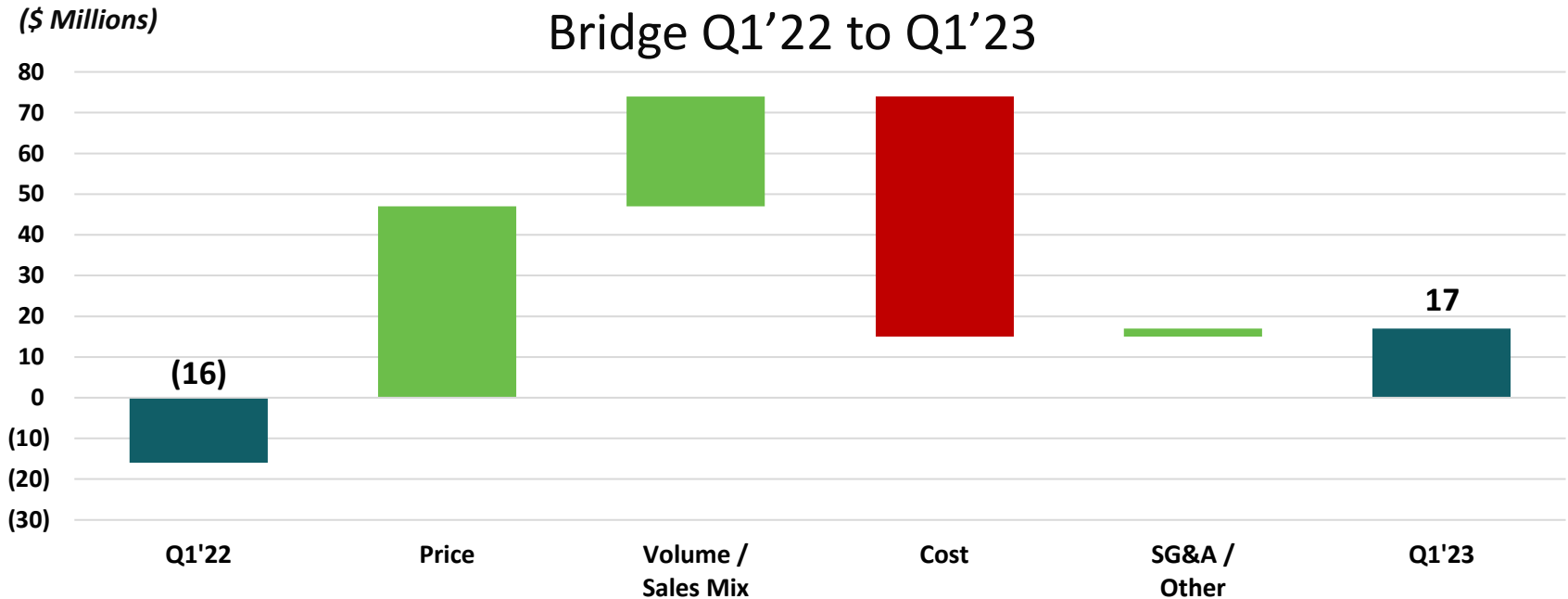


- 39% increase in sales price compared to prior year period
- 43% increase in sales volumes driven by stronger demand, increased productivity, and easing logistics constraints
- EBITDA and Op Income increased as a result of higher sales prices and sales volumes, partially offset by higher chemicals and logistics costs

\*External sales



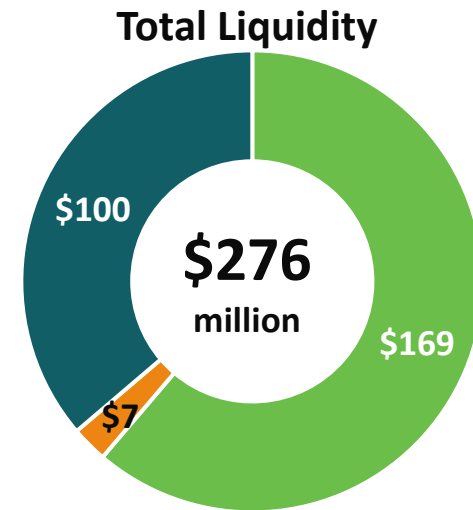
# Consolidated Operating Income



- Operating income of \$17 million; up \$33 million or +206% from prior year period
- Higher prices across High Purity Cellulose, Paperboard and High-Yield Pulp
- High Purity Cellulose and High-Yield Pulp sales volumes increased due to improved demand, increased productivity, and easing logistics constraints
- Consolidated price and volume upside partially offset by higher costs on chemicals and logistics inputs
- Adjusted EBITDA margin of 11%; up 524bps from prior year period & down 8bps from prior quarter

# Capital Structure & Liquidity

- Adjusted Net Debt of \$683 million; \$72 million decline from Q1'22
- \$276 million of liquidity, including \$169 million of cash
  - Expanded ABL in Q2 through credit insurance providing \$36M of additional availability
- Capital Allocation focused on:
  - Debt repayment
    - Reduced debt by \$18M through April 2023
  - \$100-105 million of Maintenance CapEx including \$10-15 million of catch-up CapEx in 2023
  - \$30-35 million of Strategic CapEx in 2023
- Reduced Net Debt to LTM Adjusted EBITDA to 3.3x
- Monitoring Debt Capital Markets for acceptable refinancing opportunity
  - Improved metrics to provide a catalyst for refinancing efforts
  - Cash position providing flexibility
  - Goldman Sachs to act as lead advisor



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

	<b>Amount</b>		
	<u>Outstanding</u>	<u>Interest Rate</u>	<u>Maturity</u>
ABL*	-	S + 2.3%	Dec-25
Sr Secured Notes	475	7.6%	Jan-26
Sr Unsecured Notes	318	5.5%	Jun-24
Canada Debt	34	5.5%	Apr-28
Other Debt	25	Various	Various
<b>Total Debt Principal</b>	<b>\$ 852</b>	<b>6.5%</b>	
<b>Cash</b>	<b>(169)</b>		
<b>Net Debt</b>	<b>\$ 683</b>		

\*ABL is undrawn

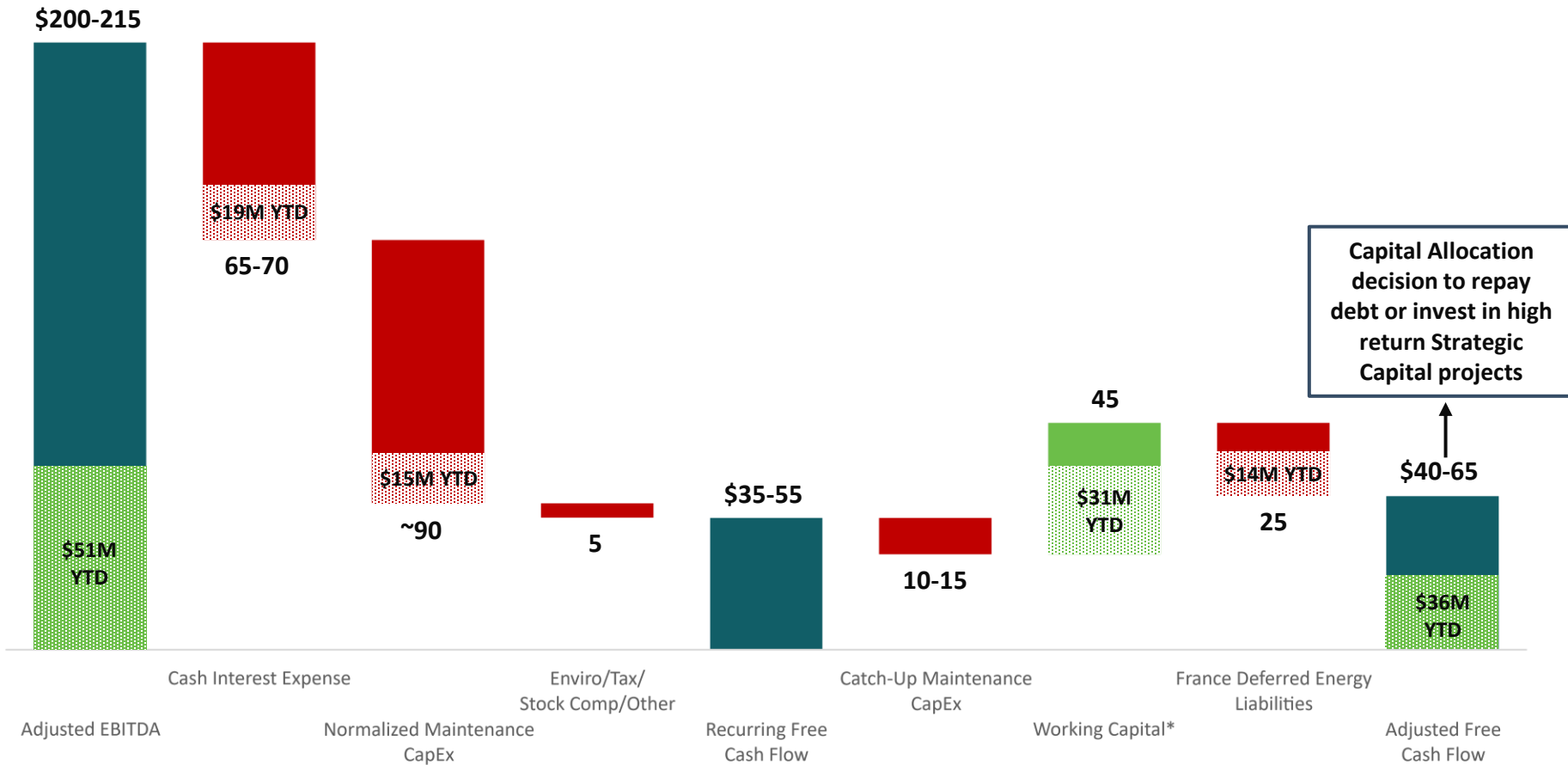
# Update on 2023 Initiatives

- Solid progress towards 2023 guidance
  - Reiterating guidance to achieve \$200-215 million of Adjusted EBITDA in 2023
    - \$51 million of Adjusted EBITDA in Q1'23
  - Increasing guidance to generate \$40-65 million of Adjusted Free Cash Flow
    - Generated \$36 million of Adjusted Free Cash Flow in Q1'23
    - \$31 million of working capital improvement in Q1'23
- Expect to refinance Senior Notes maturing in June 2024 at acceptable terms in the coming quarter
  - Net Debt to LTM Adjusted EBITDA ratio of 3.3x with further improvement expected in Q2
  - Expect to reduce size of new issue with robust cash balances to ~\$300 million
- Realizing the benefits from extensive investments into reliability
  - \$21 million of CapEx in Q1'23 including \$6 million of Strategic Capital
  - Expecting increased CapEx in Q2 with Jesup and Temiscaming planned maintenance outages
- Capturing value for products amid mixed demand across end markets
  - Capturing higher cellulose specialties prices as a result of contract negotiations
    - Prioritizing value of our cellulose specialties products over volume
    - Well balanced supply/demand dynamic for the CS market
  - Paperboard pricing remains elevated with steady volumes

# 2023 Guidance

Reaffirming Guidance to Achieve \$200-215M in EBITDA

(\$ Millions)



\* Working capital includes AR, Inventory and AP

# Market Assessment

## High Purity Cellulose

- 2023 cellulose specialties price increase of 7% sequentially from prior quarter
- Demand mixed for cellulose specialties with strength for acetate and other CS end markets offsetting softness in construction and food-related markets
- Fluff prices are expected to decline, in line with industry forecasts
- Viscose prices have stabilized and are expected to increase slightly in the second half
- Commodity volumes expected to increase as production & logistics constraints improve
- Planned maintenance outages at Jesup & Temiscaming plants to be executed in Q2'23
- Input costs moderating from 2022 highs, but key raw material prices expected to remain elevated

## Biomaterials

- Strategic investments in Biomaterials continues as demand for sustainable products grows with benefits beginning in 2024 (e.g., Bioethanol in Tartas)

## Paperboard

- Paperboard prices are expected to moderate slightly over the balance of the year but will remain elevated from 2022 levels
- Sales volumes expected to remain steady and raw material prices are expected to decline

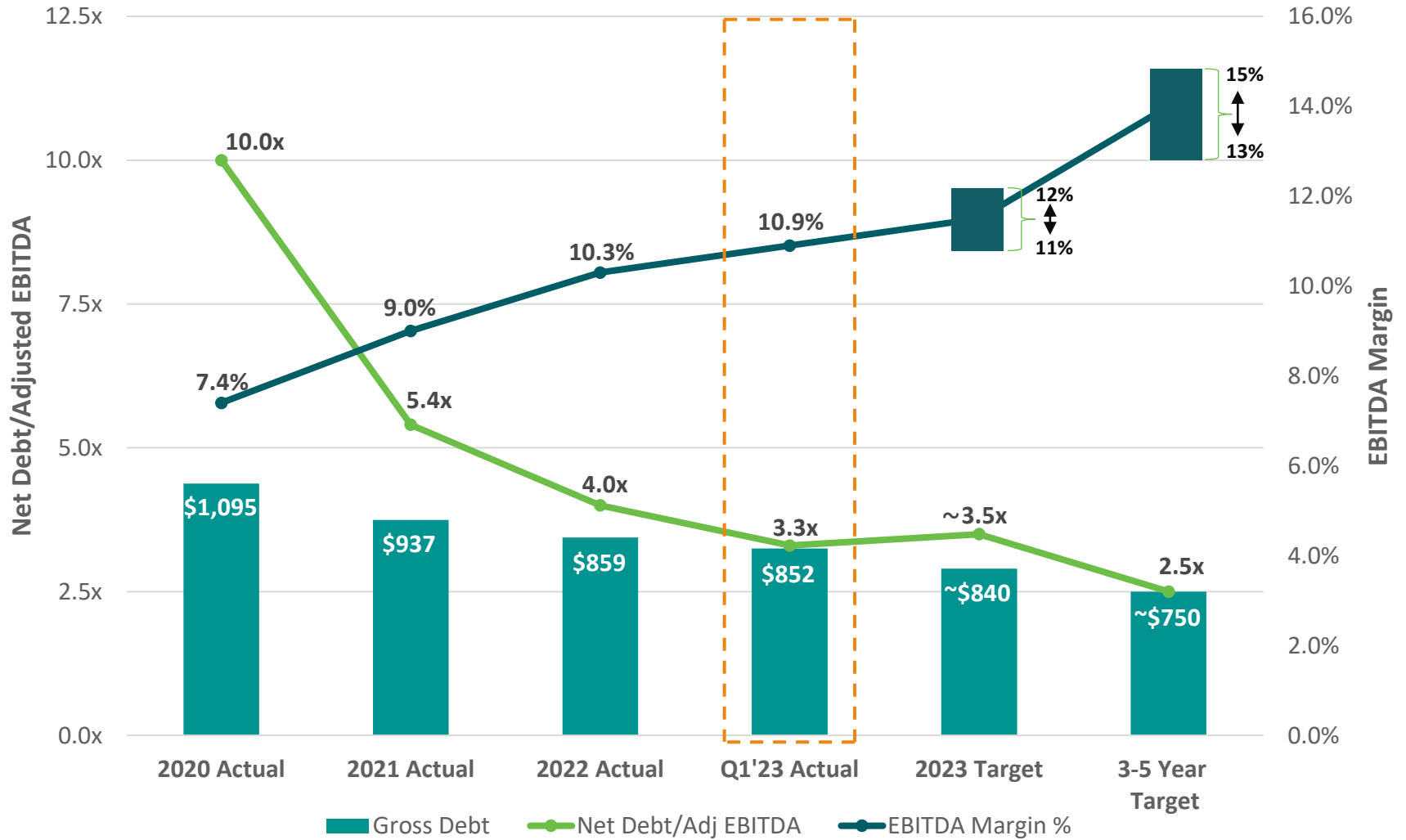
## High-Yield Pulp

- High-yield pulp markets have declined as global economic demand slows and new capacity ramps up, impacting sales price throughout 2023
- Sales volumes expected to improve slightly in 2023 due to improved logistics and productivity

## Corporate/ Other

- 2023 Corporate costs expected to be higher due to ERP implementation and FX

# Reducing Net Leverage via EBITDA Growth & Debt Reduction



# 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 Management, 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-continuing operations by Segment** is defined as income from continuing operations before interest, taxes, depreciation and amortization.

**Adjusted Income (Loss) from continuing operations** is defined as income (loss) from continuing operations adjusted net of tax for pension settlement loss 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, net of proceeds from sale of assets and 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 Net Debt** is defined as the amount of debt after the consideration of the debt premiums, original issue discounts and issuance costs, less cash.

**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)

(in millions)	Three Months Ended		
	April 1, 2023	December 31, 2022	March 26, 2022
High Purity Cellulose	\$ 374	\$ 384	\$ 281
Paperboard	59	67	54
High-Yield Pulp	42	58	22
Eliminations	(8)	(9)	(5)
Net sales	<u>\$ 467</u>	<u>\$ 500</u>	<u>\$ 352</u>

(in millions)	Three Months Ended		
	April 1, 2023	December 31, 2022	March 26, 2022
High Purity Cellulose	\$ 13	\$ 10	\$ (8)
Paperboard	10	9	6
High-Yield Pulp	7	12	—
Corporate	(13)	(15)	(14)
Operating income (loss)	<u>\$ 17</u>	<u>\$ 16</u>	<u>\$ (16)</u>

# Consolidated Statements of Operations

(\$ Millions)

	Three Months Ended		
	April 1, 2023	December 31, 2022	March 26, 2022
<b>Net sales</b>	\$ 467	\$ 500	\$ 352
<b>Cost of sales</b>	(430)	(456)	(346)
<b>Gross margin</b>	37	44	6
Selling, general and administrative expenses	(19)	(23)	(20)
Other operating expense, net	(1)	(5)	(2)
<b>Operating income (loss)</b>	17	16	(16)
Interest expense	(15)	(17)	(16)
Unrealized gain on GreenFirst equity securities	—	—	9
Other income (expense), net	(2)	3	—
<b>Income (loss) from continuing operations before income taxes</b>	—	2	(23)
Income tax (expense) benefit	3	2	(1)
Equity in loss of equity method investment	(1)	—	—
<b>Income (loss) from continuing operations</b>	2	4	(24)
Loss from discontinued operations, net of taxes	—	—	(1)
<b>Net income (loss)</b>	\$ 2	\$ 4	\$ (25)
<b>Basic earnings per common share</b>			
Income (loss) from continuing operations	\$ 0.02	\$ 0.06	\$ (0.38)
Loss from discontinued operations	—	—	(0.01)
<b>Net income (loss) per common share-basic</b>	\$ 0.02	\$ 0.06	\$ (0.39)
<b>Diluted earnings per common share</b>			
Income (loss) from continuing operations	\$ 0.02	\$ 0.05	\$ (0.38)
Loss from discontinued operations	—	—	(0.01)
<b>Net income (loss) per common share-diluted</b>	\$ 0.02	\$ 0.05	\$ (0.39)
<b>Shares used in determining EPS</b>			
Basic EPS	64,504,200	63,983,818	63,771,484
Diluted EPS	66,596,653	66,213,467	63,771,484

# Consolidated Balance Sheets

(\$ Millions)

	April 1, 2023	December 31, 2022
<b>Assets</b>		
Cash and cash equivalents	\$ 169	\$ 152
Other current assets	493	538
Property, plant and equipment, net	1,144	1,151
Other assets	504	507
Total assets	<u>\$ 2,310</u>	<u>\$ 2,348</u>
<b>Liabilities and Stockholders' Equity</b>		
Debt due within one year	\$ 14	\$ 14
Other current liabilities	307	340
Long-term debt	832	839
Non-current environmental liabilities	159	160
Other liabilities	167	166
Total stockholders' equity	831	829
Total liabilities and stockholders' equity	<u>\$ 2,310</u>	<u>\$ 2,348</u>

# Reconciliation of EBITDA by Segment

(\$ Millions)

	Three Months Ended April 1, 2023				
	High Purity Cellulose	Paperboard	High-Yield Pulp	Corporate	Total
<b>Income (loss) from continuing operations</b>	\$ 13	\$ 10	\$ 7	\$ (28)	\$ 2
Depreciation and amortization	31	3	1	—	35
Interest expense, net	—	—	—	15	15
Income tax benefit	—	—	—	(3)	(3)
<b>EBITDA-continuing operations</b>	44	13	8	(16)	49
Pension settlement loss	—	—	—	2	2
<b>Adjusted EBITDA-continuing operations</b>	<u>\$ 44</u>	<u>\$ 13</u>	<u>\$ 8</u>	<u>\$ (14)</u>	<u>\$ 51</u>

	Three Months Ended December 31, 2022				
	High Purity Cellulose	Paperboard	High-Yield Pulp	Corporate	Total
<b>Income (loss) from continuing operations</b>	\$ 11	\$ 10	\$ 12	\$ (29)	\$ 4
Depreciation and amortization	34	4	1	—	39
Interest expense, net	—	—	—	15	15
Income tax benefit	—	—	—	(2)	(2)
<b>EBITDA-continuing operations</b>	45	14	13	(16)	56
Gain on debt extinguishment	—	—	—	(1)	(1)
<b>Adjusted EBITDA-continuing operations</b>	<u>\$ 45</u>	<u>\$ 14</u>	<u>\$ 13</u>	<u>\$ (17)</u>	<u>\$ 55</u>

	Three Months Ended March 26, 2022				
	High Purity Cellulose	Paperboard	High-Yield Pulp	Corporate	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	—	—	—	1	1
<b>EBITDA and Adjusted EBITDA-continuing operations</b>	<u>\$ 16</u>	<u>\$ 10</u>	<u>\$ —</u>	<u>\$ (6)</u>	<u>\$ 20</u>

# Reconciliation of EBITDA Guidance

(\$ Millions)

	Annual Guidance Range	
	2023	
	Low	High
<b>Income (loss) from continuing operations</b>	\$ (8)	\$ 12
Depreciation and amortization	135	135
Interest expense, net <sup>(a)</sup>	70	65
Income tax expense <sup>(b)</sup>	3	3
<b>EBITDA and Adjusted EBITDA-continuing operations</b>	<u>\$ 200</u>	<u>\$ 215</u>

# Reconciliation of Adjusted Free Cash Flow

(\$ Millions)

	Three Months Ended	
	April 1, 2023	March 26, 2022
Cash provided by (used in) operating activities-continuing operations	\$ 51	\$ (23)
Capital expenditures, net	(15)	(36)
Adjusted free cash flows-continuing operations	<u>\$ 36</u>	<u>\$ (59)</u>

# Reconciliation of Adjusted Free Cash Flow Guidance

(\$ Millions)

	Annual Guidance Range	
	2023	
	Low	High
Cash provided by operating activities-continuing operations	\$ 145	\$ 165
Capital expenditures, net	(105)	(100)
Adjusted free cash flows-continuing operations	\$ 40	\$ 65

# Reconciliation of Adjusted Net Debt

(\$ Millions)

	April 1, 2023	December 31, 2022
<b>Debt due within one year</b>	\$ 14	\$ 14
<b>Long-term debt</b>	832	839
<b>Total debt</b>	846	853
Unamortized debt premium, discount and issuance costs	6	6
Cash and cash equivalents	(169)	(152)
<b>Adjusted net debt</b>	<u>\$ 683</u>	<u>\$ 707</u>

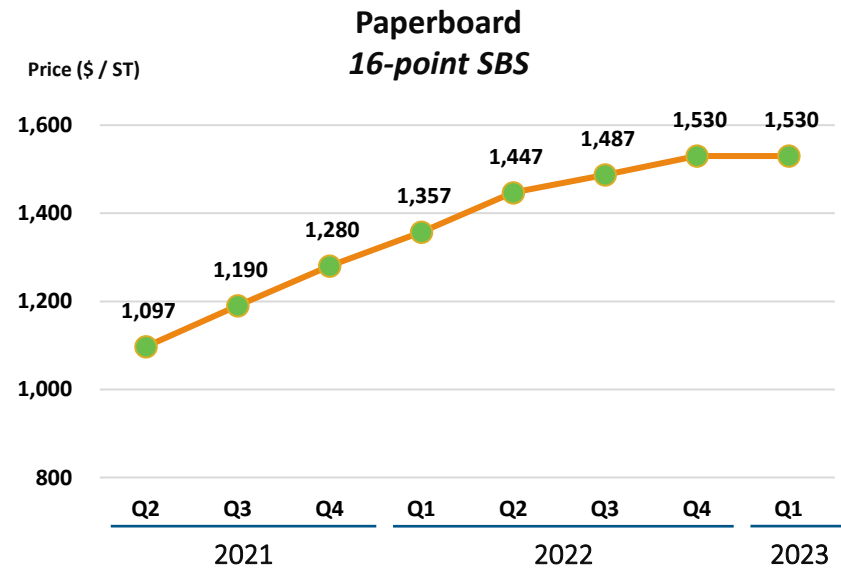
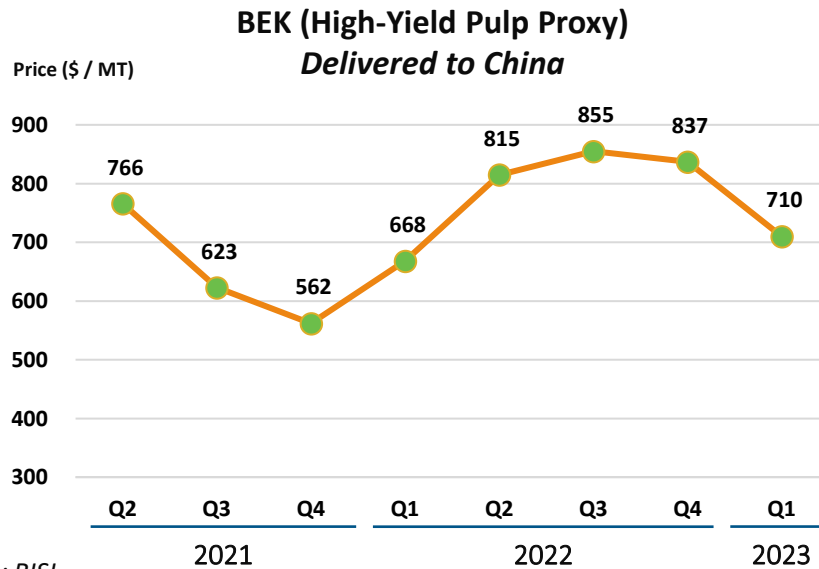
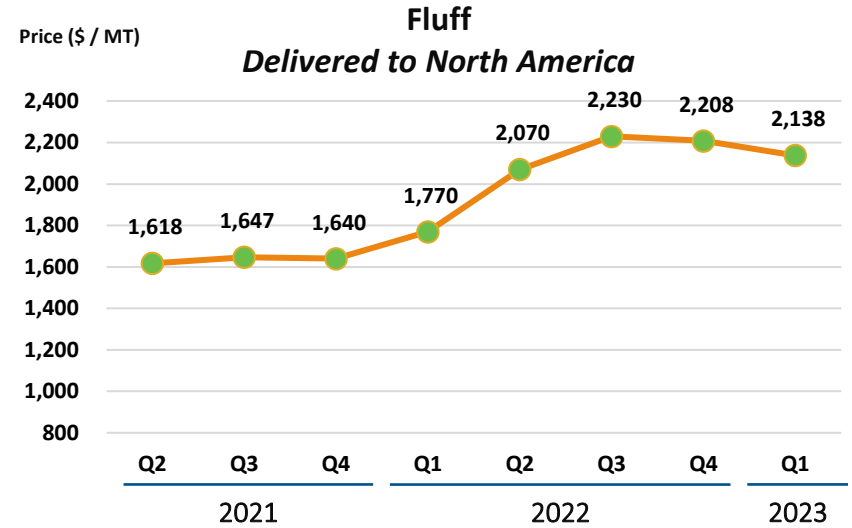
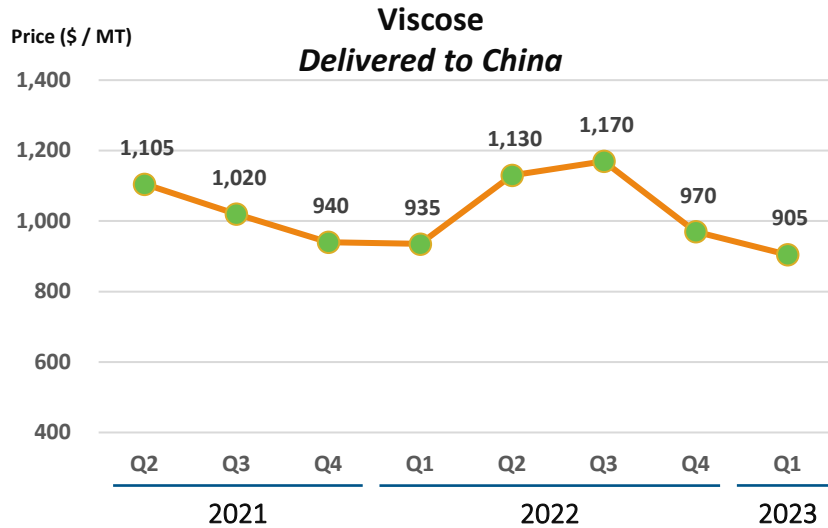


# Reconciliation of Adjusted Income

(\$ Millions)

	Three Months Ended					
	April 1, 2023		December 31, 2022		March 26, 2022	
	\$	Per Diluted Share	\$	Per Diluted Share	\$	Per Diluted Share
<b>Income (loss) from continuing operations</b>	\$ 2	\$ 0.02	\$ 4	\$ 0.05	\$ (24)	\$ (0.38)
Pension settlement loss	2	0.03	—	—	—	—
Gain on debt extinguishment	—	—	(1)	(0.01)	—	—
Tax effect of adjustments	—	—	—	—	—	—
<b>Adjusted income (loss) from continuing operations</b>	<u>\$ 4</u>	<u>\$ 0.05</u>	<u>\$ 3</u>	<u>\$ 0.04</u>	<u>\$ (24)</u>	<u>\$ (0.38)</u>

# Commodity Prices Mixed



Source: RISI