

Rayonier Advanced Materials Announces Pricing of Mandatory Convertible Preferred Stock

August 4, 2016 10:02 PM ET

JACKSONVILLE, Fla.--(BUSINESS WIRE)--Aug. 4, 2016-- Rayonier Advanced Materials Inc. (the "Company") (NYSE:RYAM) today announced the pricing of its underwritten public offering (the "Offering") of 1,500,000 shares of the Company's 8.00 percent Series A Mandatory Convertible Preferred Stock (the "Mandatory Convertible Preferred Stock"). The underwriters of the Offering have a 30-day option to purchase a maximum of 225,000 additional shares of Mandatory Convertible Preferred Stock to cover over-allotments.

The offering price is \$100 per share. The Offering is expected to close on August 10, 2016, subject to customary closing conditions.

Holder of the Mandatory Convertible Preferred Stock will be entitled to conversion, dividend, liquidation and voting rights, subject to the provisions of a certificate of designations. Dividends on the Mandatory Convertible Preferred Stock will be payable on a cumulative basis when, as and if declared by the Company's board of directors, or an authorized committee of the board of directors, at an annual rate of 8.00 percent on the liquidation preference of \$100 per share of Mandatory Convertible Preferred Stock. The Company may pay declared dividends in cash or, subject to certain limitations, in shares of its common stock or in any combination of cash and common stock on February 15, May 15, August 15 and November 15 of each year, commencing on November 15, 2016 and ending on, and including, August 15, 2019.

Unless earlier converted, each share of Mandatory Convertible Preferred Stock will automatically convert on or around August 15, 2019 into between approximately 6.5923 and 7.7459 shares of the Company's common stock, subject to anti-dilution adjustments. The number of shares of the Company's common stock issuable on mandatory conversion will be determined based on the average volume-weighted average price of the Company's common stock over the 20 consecutive trading day period beginning on, and including, the 23rd scheduled trading day prior to August 15, 2019.

The Company estimates the net proceeds from the Offering, after deducting underwriting discounts and commissions and estimated offering expenses, will be approximately \$145 million (or approximately \$167 million if the underwriters exercise their over-allotment option in full). The Company intends to use the net proceeds of the Offering for general corporate purposes, which may include but are not limited to investments in or the financing of research and development for new products, capital expenditures for the existing business, possible acquisitions and the reduction of indebtedness.

BofA Merrill Lynch, J.P. Morgan and Wells Fargo Securities are acting as joint book running managers of the Offering. DNB Markets, PNC Capital Markets LLC, TD Securities and US Bancorp are acting as co-managers of the Offering.

The Offering is being made pursuant to an effective shelf registration statement (including a prospectus)(File No. 333-209747) filed with the U.S. Securities and Exchange Commission ("SEC"). Before you invest, you should read the prospectus in that registration statement, the prospectus supplement and other documents the Company has filed with the SEC for more complete information about the Company and the Offering. You may get these documents for free by visiting EDGAR on the SEC's website at www.sec.gov. Alternatively, copies of the prospectus and prospectus supplement may be obtained from the following:

BofA Merrill Lynch

NC1-004-03-43

200 North College Street, 3rd floor

Charlotte, North Carolina 28255-0001

Attn: Prospectus Department

Via telephone at (800) 294-1322 or by emailing dg.prospectus_requests@baml.com

J.P. Morgan Securities LLC
c/o Broadridge Financial Solutions
1155 Long Island Avenue
Edgewood, New York 11717
Via telephone at (866) 803-9204 or by emailing prospectus-eq_fi@jpmchase.com

Wells Fargo Securities, LLC
Attn: Equity Syndicate Department
375 Park Avenue
New York, New York, 10152
Via telephone at (800) 326-5897 or email a request to cmclientsupport@wellsfargo.com

This press release shall not constitute an offer to sell or a solicitation of an offer to buy any of these securities nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. The Offering will be made only by means of a prospectus supplement and the accompanying prospectus.

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 the completion of the Offering and 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.

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