



MORE THAN
trees

Q3 2020 Financial Supplement

October 2020



Safe Harbor Statement

Forward-Looking Statements - Certain statements in this presentation regarding anticipated financial outcomes including Rayonier's earnings guidance, if any, business and market conditions, outlook, expected dividend rate, Rayonier's business strategies, including the recent acquisition of Pope Resources, expected harvest schedules, timberland acquisitions and dispositions, the anticipated benefits of Rayonier's business strategies, and other similar statements relating to Rayonier'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," "project," "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 management believes 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.

The following important factors, among others, could cause actual results or events to differ materially from those expressed in forward-looking statements that may have been made in this document: the cyclical and competitive nature of the industries in which we operate; fluctuations in demand for, or supply of, our forest products and real estate offerings, including any downturn in the housing market; entry of new competitors into our markets; changes in global economic conditions and world events; business disruptions arising from public health crises and outbreaks of communicable diseases, including the current outbreak of the virus known as the novel coronavirus; fluctuations in demand for our products in Asia, and especially China; the uncertainties of potential impacts of climate-related initiatives; the cost and availability of third party logging and trucking services; the geographic concentration of a significant portion of our timberland; our ability to identify, finance and complete timberland acquisitions; changes in environmental laws and regulations regarding timber harvesting, delineation of wetlands, endangered species and development of real estate generally, that may restrict or adversely impact our ability to conduct our business, or increase the cost of doing so; adverse weather conditions, natural disasters and other catastrophic events such as hurricanes, wind storms and wildfires; the lengthy, uncertain and costly process associated with the ownership, entitlement and development of real estate, especially in Florida and Washington, including changes in law, policy and political factors beyond our control; the availability of financing for real estate development and mortgage loans; changes in tariffs, taxes or treaties relating to the import and export of our products or those of our competitors; changes in key management and personnel; and our ability to meet all necessary legal requirements to continue to qualify as a real estate investment trust ("REIT") and changes in tax laws that could adversely affect beneficial tax treatment.

For additional factors that could impact future results, please see Item 1A - Risk Factors in the Company's most recent Annual Report on Form 10-K and similar discussion included in other reports that we subsequently file with the Securities and Exchange Commission (the "SEC"). Forward-looking statements are only as of the date they are made, and the Company undertakes no duty to update its forward-looking statements except as required by law. You are advised, however, to review any further disclosures we make on related subjects in our subsequent reports filed with the SEC.

Non-GAAP Financial Measures - To supplement Rayonier's financial statements presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Rayonier uses certain non-GAAP measures, including "cash available for distribution," "pro forma sales," "pro forma operating income (loss)," "pro forma net income (loss)," "Consolidated EBITDA," and "Adjusted EBITDA," which are defined and further explained in this communication. Reconciliation of such measures to the nearest GAAP measures can also be found in this communication. Rayonier's definitions of these non-GAAP measures may differ from similarly titled measures used by others. These non-GAAP measures should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP.

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Section 1



Financial and Segment Information

Financial Highlights

(\$ in millions, except per share data)

| Profitability | Q3 2020 | Q2 2020 | Q3 2019 |
|---|---------|---------|---------|
| Sales | \$198.9 | \$195.6 | \$156.4 |
| Pro Forma Sales ⁽¹⁾ | 191.2 | 189.8 | 156.4 |
| Operating Income | 1.8 | 11.7 | 11.0 |
| Pro Forma Operating Income ⁽¹⁾ | 20.3 | 27.2 | 11.0 |
| Net (Loss) Income Attributable to Rayonier Inc. | (0.8) | 1.7 | (0.4) |
| Pro Forma Net Income (Loss) ⁽¹⁾ | 7.5 | 15.2 | (0.4) |
| Adjusted EBITDA ⁽¹⁾ | 67.2 | 78.6 | 43.2 |
| Diluted Earnings Per Share: | | | |
| Net Income Attributable to Rayonier Inc. | (0.01) | 0.01 | — |
| Pro Forma Net Income (Loss) ⁽¹⁾ | 0.06 | 0.11 | — |
| Average Diluted Shares (millions) | 136.4 | 136.0 | 129.3 |
| | | | |
| Total Shares Outstanding (millions) | 136.5 | 136.5 | 129.3 |
| Total Common Units Outstanding (millions) | 4.4 | 4.4 | — |

| Capital Resources & Liquidity | Nine Months Ended September 30, | |
|--|---------------------------------|---------|
| | 2020 | 2019 |
| Cash provided by Operating Activities | \$138.0 | \$164.2 |
| Cash used for Investing Activities | (184.8) | (132.8) |
| Cash provided by (used for) Financing Activities | 55.7 | (125.2) |
| Cash Available for Distribution (CAD) ⁽¹⁾ | 124.2 | 115.6 |

| | 9/30/2020 | 12/31/2019 |
|--|-----------|------------|
| Debt (excluding Timber Funds) ⁽²⁾ | \$1,312.7 | \$1,057.0 |
| Cash (excluding Timber Funds) ⁽³⁾ | 75.2 | 68.7 |
| Net Debt | 1,237.5 | 988.3 |
| | | |
| Net Debt / Enterprise Value ⁽⁴⁾ | 26% | 19% |

(1) Non-GAAP measures (see Section 2 — Supplemental Information for reconciliations).

(2) Debt as of September 30, 2020 reflects principal on long-term debt, gross of deferred financing costs and net of fair market value adjustments.

(3) Excludes \$0.8 million of restricted cash held by LKE intermediaries as of December 31, 2019.

(4) Enterprise Value based on equity market capitalization plus net debt at September 30, 2020 and December 31, 2019, respectively.



Variance Analysis – Q3 2019 to Q3 2020

Operating Income (Loss) (\$ in millions)

| | Southern Timber | Pacific Northwest Timber | New Zealand Timber | Timber Funds | Real Estate | Trading | Corporate and Other | Total |
|--|-----------------|--------------------------|--------------------|-----------------|--------------|----------------|---------------------|---------------|
| Q3-19 Operating Income (Loss) | \$9.5 | (\$3.6) | \$10.1 | — | \$0.4 | — | (\$5.4) | \$11.0 |
| Volume | 1.6 | — | 0.4 | — | 26.4 | — | — | 28.4 |
| Price ⁽¹⁾ | 1.2 | 5.0 | (1.0) | — | (44.1) | — | — | (38.9) |
| Cost | 1.6 | (1.4) | — | — | 0.2 | (0.5) | (2.8) | (2.9) |
| Non-timber income ⁽²⁾ | (2.9) | 0.8 | 0.9 | — | — | (0.1) | — | (1.3) |
| Foreign exchange ⁽³⁾ | — | — | (0.2) | — | — | — | — | (0.2) |
| Depreciation, depletion & amortization | 0.1 | (2.6) | 0.5 | — | (0.9) | — | (0.1) | (3.0) |
| Non-cash cost of land and improved development | — | — | — | — | 24.5 | — | — | 24.5 |
| Other ⁽⁴⁾ | (6.0) | — | — | (12.4) | 3.0 | — | (0.4) | (15.8) |
| Q3-20 Operating Income (Loss) | \$5.1 | (\$1.8) | \$10.7 | (\$12.4) | \$9.5 | (\$0.6) | (\$8.7) | \$1.8 |
| Pro forma adjustments ⁽⁵⁾ | 6.0 | — | — | 12.1 | — | — | 0.4 | 18.6 |
| Pro forma Operating Income (Loss)⁽⁵⁾ | \$11.1 | (\$1.8) | \$10.7 | (\$0.3) | \$9.5 | (\$0.6) | (\$8.3) | \$20.3 |

Adjusted EBITDA⁽⁵⁾ (\$ in millions)

| | Southern Timber | Pacific Northwest Timber | New Zealand Timber | Timber Funds | Real Estate | Trading | Corporate and Other | Total |
|----------------------------------|-----------------|--------------------------|--------------------|--------------|---------------|----------------|---------------------|---------------|
| Q3-19 Adjusted EBITDA | \$22.5 | \$2.7 | \$17.7 | — | \$5.4 | — | (\$5.1) | \$43.2 |
| Volume | 3.7 | 2.0 | 0.6 | — | 57.5 | — | — | 63.8 |
| Price ⁽¹⁾ | 1.2 | 5.0 | (1.0) | — | (44.1) | — | — | (38.9) |
| Cost | 1.6 | (1.4) | — | — | 0.2 | (0.5) | (2.8) | (2.9) |
| Non-timber income ⁽²⁾ | (2.9) | 0.8 | 0.9 | — | — | (0.1) | — | (1.3) |
| Foreign exchange ⁽³⁾ | — | — | (0.1) | — | — | — | — | (0.1) |
| Other ⁽⁴⁾ | — | — | — | 0.2 | 3.2 | — | — | 3.4 |
| Q3-20 Adjusted EBITDA | \$26.1 | \$9.1 | \$18.1 | \$0.2 | \$22.2 | (\$0.6) | (\$7.9) | \$67.2 |

(1) For Timber segments, price reflects net stumpage (i.e., net of cut and haul and shipping costs).

(2) For the New Zealand Timber segment, includes carbon credit sales.

(3) Net of currency hedging impact.

(4) Timber Funds was a new segment in Q2 2020. Real Estate includes Conservation Easement sales, deferred revenue adjustments and marketing fees related to Improved Development sales in addition to residential and commercial lease revenue. Corporate and Other includes \$0.4 million in costs related to the merger with Pope Resources. Southern Timber includes \$6.0 million in timber write-offs resulting from casualty events.

(5) Non-GAAP measures and pro forma items (see Section 2 — *Supplemental Information* for definitions and reconciliations).

Variance Analysis – Q3 2019 YTD to Q3 2020 YTD

Operating Income (Loss) (\$ in millions)

| | Southern Timber | Pacific Northwest Timber | New Zealand Timber | Timber Funds | Real Estate | Trading | Corporate and Other | Total |
|--|--------------------|-----------------------------|-----------------------|-----------------|---------------|----------------|------------------------|---------------|
| Q3-19 YTD Operating Income (Loss) | \$45.8 | (\$11.1) | \$38.6 | — | \$25.9 | \$0.3 | (\$18.6) | \$80.9 |
| Volume | 3.6 | (0.7) | (6.8) | — | 73.6 | — | — | 69.7 |
| Price ⁽¹⁾ | (3.4) | 7.7 | (12.7) | — | (81.1) | — | — | (89.5) |
| Cost | 1.6 | (2.9) | (0.3) | — | 0.2 | (0.6) | (2.2) | (4.2) |
| Non-timber income ⁽²⁾ | (11.2) | 0.7 | 0.6 | — | — | (0.2) | — | (10.1) |
| Foreign exchange ⁽³⁾ | — | — | 0.8 | — | — | — | — | 0.8 |
| Depreciation, depletion & amortization | 1.0 | (3.2) | 0.9 | — | 2.8 | — | (0.1) | 1.4 |
| Non-cash cost of land and improved development | — | — | — | — | 8.5 | — | — | 8.5 |
| Other ⁽⁴⁾ | (6.0) | — | — | (14.3) | 31.2 | — | (16.4) | (5.5) |
| Q3-20 YTD Operating Income (Loss) | \$31.4 | (\$9.5) | \$21.1 | (\$14.3) | \$61.1 | (\$0.5) | (\$37.3) | \$52.0 |
| Pro forma adjustments ⁽⁵⁾ | 6.0 | — | — | 14.1 | (28.7) | — | 16.4 | 7.8 |
| Pro forma Operating Income (Loss)⁽⁵⁾ | \$37.4 | (\$9.5) | \$21.1 | (\$0.1) | \$32.4 | (\$0.5) | (\$20.9) | \$59.9 |

Adjusted EBITDA⁽⁵⁾ (\$ in millions)

| | Southern Timber | Pacific Northwest Timber | New Zealand Timber | Timber Funds | Real Estate | Trading | Corporate and Other | Total |
|----------------------------------|--------------------|-----------------------------|-----------------------|-----------------|---------------|----------------|------------------------|----------------|
| Q3-19 YTD Adjusted EBITDA | \$91.4 | \$8.0 | \$59.7 | — | \$41.1 | \$0.3 | (\$17.7) | \$182.8 |
| Volume | 7.4 | 9.3 | (9.2) | — | 103.9 | — | — | 111.4 |
| Price ⁽¹⁾ | (3.4) | 7.7 | (12.7) | — | (81.1) | — | — | (89.5) |
| Cost | 1.6 | (2.9) | (0.3) | — | 0.2 | (0.6) | (2.2) | (4.2) |
| Non-timber income ⁽²⁾ | (11.2) | 0.7 | 0.6 | — | — | (0.2) | — | (10.1) |
| Foreign exchange ⁽³⁾ | — | — | 0.1 | — | — | — | — | 0.1 |
| Other ⁽⁴⁾ | — | — | — | 0.8 | 1.6 | — | — | 2.4 |
| Q3-20 YTD Adjusted EBITDA | \$85.8 | \$22.8 | \$38.2 | \$0.8 | \$65.7 | (\$0.5) | (\$19.9) | \$192.9 |

(1) For Timber segments, price reflects net stumpage (i.e. net of cut and haul and shipping costs).

(2) For the New Zealand Timber segment, includes carbon credit sales.

(3) Net of currency hedging impact.

(4) Timber Funds was a new segment in Q2 2020. Real Estate includes \$28.7 million from Large Dispositions in addition to Conservation Easement sales and residential and commercial lease revenue, partially offset by deferred revenue adjustments and marketing fees related to Improved Development sales. Corporate and Other includes \$16.4 million in costs related to the merger with Pope Resources. Southern Timber includes \$6.0 million in timber write-offs resulting from casualty events.

(5) Non-GAAP measure (see Section 2 — Supplemental Information for reconciliations).

Liquidity Measures – Cash Available for Distribution

| (\$ in millions, except per share data) | Nine Months Ended September 30, | |
|--|---------------------------------|----------------|
| | 2020 | 2019 |
| Cash Provided by Operating Activities | \$138.0 | \$164.2 |
| Working capital and other balance sheet changes | 14.6 | (3.3) |
| Costs related to the merger with Pope Resources ⁽²⁾ | 16.4 | — |
| CAD attributable to NCI in Timber Funds | (0.1) | — |
| Capital expenditures ⁽¹⁾ | (44.7) | (45.3) |
| Cash Available for Distribution⁽²⁾ | \$124.2 | \$115.6 |
| Net Income | \$17.4 | \$50.2 |
| Operating loss attributable to NCI in Timber Funds | 12.3 | — |
| Interest, net attributable to NCI in Timber Funds | 0.3 | — |
| Income tax expense attributable to NCI in Timber Funds | 0.2 | — |
| Net Income (Excluding NCI in Timber Funds) | \$30.2 | \$50.2 |
| Interest, net and miscellaneous income attributable to Rayonier | 27.9 | 21.2 |
| Income tax expense attributable to Rayonier | 7.3 | 10.2 |
| Depreciation, depletion and amortization attributable to Rayonier | 112.2 | 91.9 |
| Non-cash cost of land and improved development | 20.7 | 10.0 |
| Timber write-offs resulting from casualty events attributable to Rayonier ⁽²⁾ | 7.9 | — |
| Non-operating income | (1.0) | (0.8) |
| Costs related to the merger with Pope Resources ⁽²⁾ | 16.4 | — |
| Large Dispositions ⁽²⁾ | (28.7) | — |
| Adjusted EBITDA⁽²⁾ | \$192.9 | \$182.8 |
| Cash interest paid attributable to Rayonier ⁽³⁾ | (25.0) | (20.6) |
| Cash taxes paid attributable to Rayonier | (0.6) | (1.4) |
| Capital expenditures attributable to Rayonier ⁽¹⁾ | (43.1) | (45.3) |
| Cash Available for Distribution⁽²⁾ | \$124.2 | \$115.6 |
| Cash Available for Distribution ⁽²⁾ | 124.2 | 115.6 |
| Real estate development investments | (5.4) | (3.3) |
| Cash Available for Distribution after real estate development investments | \$118.8 | \$112.3 |
| Shares and units outstanding at period end | 140,963,159 | 129,311,893 |
| CAD per Share or Unit | \$0.88 | \$0.89 |
| Dividends per Share or Unit | \$0.81 | \$0.81 |

(1) Capital expenditures during the nine months ended September 30, 2020 exclude timberland acquisitions. Excluding the Pope Resources acquisition, timberland acquisitions were \$24.4 million and \$81.9 million, respectively, during the nine months ended September 30, 2020 and September 30, 2019.

(2) Non-GAAP measures and pro forma items (see Section 2 — *Supplemental Information* for definitions).

(3) Cash interest paid is presented net of patronage refunds received of \$4.6 million and \$4.0 million, respectively, excluding patronage refunds attributable to noncontrolling interest in Timber Funds during the nine months ended September 30, 2020 and September 30, 2019.

Southern Timber Overview

| | 2019 | | | | | 2020 | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------------|
| | Q1 | Q2 | Q3 | Q4 | FY 2019 | Q1 | Q2 | Q3 | Q4 | YTD |
| Sales Volume (Tons in 000s) | | | | | | | | | | |
| Pine Pulpwood | 1,122 | 755 | 829 | 934 | 3,640 | 1,133 | 1,003 | 881 | — | 3,017 |
| Pine Sawtimber | 744 | 462 | 369 | 616 | 2,191 | 680 | 497 | 551 | — | 1,728 |
| Total Pine Volume | 1,865 | 1,217 | 1,198 | 1,550 | 5,831 | 1,813 | 1,500 | 1,432 | — | 4,746 |
| Hardwood | 70 | 57 | 82 | 26 | 235 | 30 | 35 | 51 | — | 116 |
| Total Volume | 1,935 | 1,274 | 1,280 | 1,576 | 6,066 | 1,843 | 1,535 | 1,483 | — | 4,862 |
| % Delivered Sales | 27% | 40% | 37% | 33% | 33% | 32% | 41% | 46% | — | 39% |
| % Stumpage Sales | 73% | 60% | 63% | 67% | 67% | 68% | 59% | 54% | — | 61% |
| Net Stumpage Pricing (\$ per ton)⁽¹⁾ | | | | | | | | | | |
| Pine Pulpwood | \$17.94 | \$17.16 | \$15.53 | \$14.82 | \$16.42 | \$16.05 | \$15.94 | \$15.50 | — | \$15.86 |
| Pine Sawtimber | 26.38 | 25.82 | 23.16 | 23.25 | 24.86 | 26.67 | 25.48 | 25.02 | — | 25.79 |
| Weighted Average Pine | \$21.31 | \$20.45 | \$17.88 | \$18.17 | \$19.59 | \$20.03 | \$19.11 | \$19.16 | — | \$19.48 |
| Hardwood | 13.80 | 16.86 | 20.47 | 14.33 | 16.93 | 12.74 | 10.80 | 11.03 | — | 11.40 |
| Weighted Average Total | \$21.03 | \$20.29 | \$18.05 | \$18.10 | \$19.49 | \$19.91 | \$18.91 | \$18.88 | — | \$19.28 |
| Summary Financial Data (\$ in MM\$) | | | | | | | | | | |
| Timber Sales | \$51.0 | \$37.0 | \$33.0 | \$38.1 | \$159.2 | \$47.5 | \$41.6 | \$42.2 | — | \$131.2 |
| (-) Cut, Haul & Freight | (10.3) | (11.1) | (9.9) | (9.6) | (41.0) | (10.8) | (12.5) | (14.2) | — | (37.5) |
| Net Stumpage Sales | \$40.7 | \$25.9 | \$23.1 | \$28.5 | \$118.2 | \$36.7 | \$29.0 | \$28.0 | — | \$93.7 |
| Non-Timber Sales | 9.8 | 9.2 | 8.3 | 7.7 | 35.0 | 5.5 | 5.2 | 5.5 | — | 16.2 |
| Total Sales | \$60.8 | \$46.2 | \$41.3 | \$45.8 | \$194.1 | \$53.0 | \$46.8 | \$47.7 | — | \$147.4 |
| Operating Income | \$21.5 | \$14.7 | \$9.5 | \$12.0 | \$57.8 | \$15.1 | \$11.2 | \$5.1 | — | \$31.4 |
| (+) Timber write-offs resulting from casualty events ⁽²⁾ | — | — | — | — | — | — | — | 6.0 | — | 6.0 |
| Pro Forma Operating Income ⁽²⁾ | \$21.5 | \$14.7 | \$9.5 | \$12.0 | \$57.8 | \$15.1 | \$11.2 | \$11.1 | — | \$37.4 |
| (+) DD&A | 19.7 | 12.9 | 13.0 | 16.3 | 61.9 | 18.2 | 15.2 | 15.0 | — | 48.4 |
| Adjusted EBITDA⁽²⁾ | \$41.2 | \$27.6 | \$22.5 | \$28.3 | \$119.7 | \$33.3 | \$26.4 | \$26.1 | — | \$85.8 |
| Other Data | | | | | | | | | | |
| Period-End Acres (in 000s) | 1,803 | 1,808 | 1,825 | 1,835 | 1,835 | 1,780 | 1,763 | 1,749 | — | 1,749 |

(1) Pulpwood and sawtimber product pricing for composite stumpage sales is estimated based on market data.

(2) Non-GAAP measure and pro forma item (see Section 2 — *Supplemental Information* for reconciliations).

Pacific Northwest Timber Overview

| | 2019 | | | | | 2020 | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------------|
| | Q1 | Q2 | Q3 | Q4 | FY 2019 | Q1 | Q2 | Q3 | Q4 | YTD |
| Sales Volume (Tons in 000s) | | | | | | | | | | |
| Pulpwood | 62 | 54 | 56 | 83 | 254 | 82 | 86 | 62 | — | 231 |
| Sawtimber | 220 | 197 | 205 | 334 | 956 | 393 | 299 | 284 | — | 976 |
| Total Volume | 283 | 250 | 261 | 417 | 1,211 | 476 | 385 | 346 | — | 1,207 |
| Northwest Sales Volume (Converted to MBF) | | | | | | | | | | |
| Pulpwood | 5,933 | 5,076 | 5,277 | 7,823 | 24,109 | 7,789 | 8,152 | 5,912 | — | 21,853 |
| Sawtimber | 28,945 | 26,603 | 28,039 | 43,130 | 126,717 | 50,406 | 39,847 | 38,892 | — | 129,144 |
| Total Volume | 34,878 | 31,679 | 33,316 | 50,952 | 150,826 | 58,194 | 47,999 | 44,804 | — | 150,997 |
| % Delivered Sales | 100% | 100% | 100% | 82% | 94% | 78% | 98% | 95% | — | 89% |
| % Sawtimber Sales | 78% | 79% | 79% | 80% | 79% | 83% | 78% | 82% | — | 81% |
| Delivered Log Pricing (\$ per ton) | | | | | | | | | | |
| Pulpwood | \$45.15 | \$42.26 | \$37.87 | \$39.24 | \$41.09 | \$38.11 | \$36.92 | \$32.12 | — | \$36.01 |
| Sawtimber | 78.47 | 78.35 | 78.26 | 78.51 | 78.41 | 75.40 | 75.39 | 93.34 | — | 81.01 |
| Weighted Average Log Price | \$71.11 | \$70.61 | \$69.64 | \$70.04 | \$70.34 | \$68.29 | \$66.74 | \$82.44 | — | \$72.06 |
| Summary Financial Data (\$ in MM\$) | | | | | | | | | | |
| Timber Sales | \$20.1 | \$17.7 | \$18.2 | \$26.8 | \$82.7 | \$30.6 | \$25.5 | \$27.5 | — | \$83.5 |
| (-) Cut & Haul | (12.0) | (10.5) | (10.6) | (12.8) | (45.9) | (14.2) | (14.5) | (12.4) | — | (41.0) |
| Net Stumpage Sales | \$8.1 | \$7.2 | \$7.6 | \$14.0 | \$36.8 | \$16.4 | \$11.0 | \$15.1 | — | \$42.5 |
| Non-Timber Sales | 0.4 | 0.9 | 0.6 | 0.8 | 2.7 | 0.5 | 0.7 | 1.4 | — | 2.6 |
| Total Sales | \$20.5 | \$18.6 | \$18.8 | \$27.6 | \$85.4 | \$31.1 | \$26.2 | \$28.9 | — | \$86.1 |
| Operating Loss | (\$3.7) | (\$3.8) | (\$3.6) | (\$1.3) | (\$12.4) | (\$0.9) | (\$6.7) | (\$1.8) | — | (\$9.5) |
| (+) DD&A | 6.8 | 6.0 | 6.3 | 10.0 | 29.2 | 10.7 | 10.6 | 10.9 | — | 32.2 |
| Adjusted EBITDA⁽¹⁾ | \$3.1 | \$2.2 | \$2.7 | \$8.7 | \$16.7 | \$9.8 | \$3.9 | \$9.1 | — | \$22.8 |
| Other Data | | | | | | | | | | |
| Period-End Acres (in 000s) | 379 | 379 | 379 | 379 | 379 | 384 | 507 | 507 | — | 507 |
| Northwest Sawtimber (\$ per MBF) ⁽²⁾ | \$609 | \$587 | \$575 | \$574 | \$587 | \$611 | \$579 | \$677 | — | \$621 |
| Estimated Percentage of Export Volume | 16% | 26% | 18% | 9% | 17% | 2% | 20% | 9% | — | 10% |

(1) Non-GAAP measure (see Section 2 — *Supplemental Information* for reconciliations).

(2) Delivered Sawtimber excluding chip-n-saw.

New Zealand Timber Overview

| | 2019 | | | | | 2020 | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------------|
| | Q1 | Q2 | Q3 | Q4 | FY 2019 | Q1 | Q2 | Q3 | Q4 | YTD |
| Sales Volume (Tons in 000s) | | | | | | | | | | |
| Domestic Pulpwood (Delivered) | 113 | 125 | 132 | 120 | 490 | 101 | 106 | 136 | — | 343 |
| Domestic Sawtimber (Delivered) | 195 | 204 | 235 | 169 | 803 | 147 | 130 | 220 | — | 497 |
| Export Pulpwood (Delivered) | 41 | 37 | 34 | 37 | 148 | 16 | 27 | 38 | — | 82 |
| Export Sawtimber (Delivered) | 255 | 318 | 354 | 362 | 1,290 | 216 | 266 | 381 | — | 863 |
| Total Volume | 604 | 684 | 754 | 688 | 2,731 | 481 | 529 | 776 | — | 1,786 |
| Delivered Log Pricing (\$ per ton) | | | | | | | | | | |
| Domestic Pulpwood | \$39.23 | \$39.10 | \$38.47 | \$34.91 | \$37.93 | \$33.84 | \$32.10 | \$34.71 | — | \$33.65 |
| Domestic Sawtimber | 83.42 | 82.66 | 75.29 | 69.13 | 77.85 | 69.97 | 66.95 | 70.24 | — | 69.30 |
| Export Sawtimber | 116.24 | 111.81 | 95.51 | 102.69 | 105.65 | 94.86 | 98.75 | 94.42 | — | 95.86 |
| Weighted Average Log Price | \$90.49 | \$89.16 | \$78.68 | \$81.98 | \$84.75 | \$74.16 | \$76.92 | \$76.50 | — | \$75.99 |
| Summary Financial Data (\$ in MM\$) | | | | | | | | | | |
| Timber Sales | \$54.6 | \$61.0 | \$59.3 | \$56.4 | \$231.4 | \$35.6 | \$40.7 | \$59.3 | — | \$135.7 |
| (-) Cut & Haul | (20.2) | (22.9) | (23.2) | (21.8) | (88.1) | (15.2) | (15.6) | (23.8) | — | (54.6) |
| (-) Port / Freight Costs | (9.7) | (12.6) | (13.6) | (15.1) | (51.0) | (8.0) | (8.4) | (13.3) | — | (29.8) |
| Net Stumpage Sales | \$24.7 | \$25.5 | \$22.6 | \$19.5 | \$92.3 | \$12.4 | \$16.7 | \$22.2 | — | \$51.3 |
| Non-Timber Sales/Carbon Credits | 2.5 | 1.1 | 2.7 | 4.2 | 10.5 | 1.9 | 1.0 | 3.5 | — | 6.4 |
| Total Sales | \$57.1 | \$62.1 | \$62.0 | \$60.6 | \$241.9 | \$37.5 | \$41.8 | \$62.8 | — | \$142.1 |
| Operating Income | \$15.7 | \$12.8 | \$10.1 | \$9.4 | \$48.0 | \$5.4 | \$5.0 | \$10.7 | — | \$21.1 |
| (+) DD&A | 6.3 | 7.2 | 7.6 | 6.7 | 27.8 | 4.8 | 4.9 | 7.3 | — | 17.1 |
| Adjusted EBITDA⁽¹⁾ | \$22.0 | \$20.0 | \$17.7 | \$16.1 | \$75.8 | \$10.2 | \$9.9 | \$18.1 | — | \$38.2 |
| Other Data | | | | | | | | | | |
| NZ\$/US\$ Exchange Rate (Period-average rate) | 0.6831 | 0.6659 | 0.6554 | 0.6361 | 0.6615 | 0.6500 | 0.6157 | 0.6614 | — | 0.6459 |
| Net Plantable Period-End Acres (in 000s) | 291 | 292 | 295 | 295 | 295 | 295 | 296 | 296 | — | 296 |
| Export Sawtimber (\$ / JAS m ³) | \$135.15 | \$130.00 | \$111.05 | \$119.40 | \$122.84 | \$110.29 | \$114.82 | \$109.78 | — | \$111.46 |
| Domestic Sawtimber (NZ\$ / tonne) | \$134.33 | \$136.55 | \$126.36 | \$119.54 | \$129.46 | \$118.41 | \$119.60 | \$116.83 | — | \$118.02 |

Timber Funds Overview

| | 2019 | | | | | 2020 | | | | |
|--|------|----|----|----|---------|------|--------------|--------------|----|---------------|
| | Q1 | Q2 | Q3 | Q4 | FY 2019 | Q1 | Q2 | Q3 | Q4 | YTD |
| Sales Volume (Tons in 000s) | | | | | | | | | | |
| Pulpwood | — | — | — | — | — | — | 10 | 9 | — | 19 |
| Sawtimber | — | — | — | — | — | — | 80 | 101 | — | 181 |
| Total Volume | — | — | — | — | — | — | 90 | 110 | — | 200 |
| Summary Financial Data (\$ in MM) | | | | | | | | | | |
| Timber Sales | — | — | — | — | — | — | \$6.6 | \$8.6 | — | \$15.3 |
| (-) Cut & Haul | — | — | — | — | — | — | (2.9) | (3.4) | — | (6.4) |
| Net Stumpage Sales | — | — | — | — | — | — | \$3.7 | \$5.2 | — | \$8.9 |
| Timberland Management Fees | — | — | — | — | — | — | 0.9 | 1.3 | — | 2.2 |
| Total Sales | — | — | — | — | — | — | \$7.5 | \$9.9 | — | \$17.4 |
| (-) Sales attributable to noncontrolling interest in Timber Funds | — | — | — | — | — | — | (5.8) | (7.7) | — | (13.5) |
| Pro Forma Sales⁽¹⁾ | — | — | — | — | — | — | \$1.7 | \$2.2 | — | \$3.9 |
| Operating Loss | — | — | — | — | — | — | (\$1.9) | (\$12.4) | — | (\$14.3) |
| (+) Timber write-offs resulting from casualty events ⁽¹⁾ | — | — | — | — | — | — | — | 9.2 | — | 9.2 |
| (+) DD&A | — | — | — | — | — | — | 4.1 | 4.2 | — | 8.3 |
| Consolidated EBITDA⁽¹⁾ | — | — | — | — | — | — | \$2.2 | \$1.0 | — | \$3.2 |
| Operating Loss | — | — | — | — | — | — | (\$1.9) | (\$12.4) | — | (\$14.3) |
| (+) Operating Loss attributable to NCI in Timber Funds ⁽²⁾ | — | — | — | — | — | — | 2.0 | 10.3 | — | 12.3 |
| (+) Timber write-offs resulting from casualty events attributable to Rayonier ⁽¹⁾ | — | — | — | — | — | — | — | 1.8 | — | 1.8 |
| Pro forma operating income (loss) ⁽¹⁾ | — | — | — | — | — | — | \$0.1 | (\$0.3) | — | (\$0.1) |
| (+) DD&A ("Look-through") | — | — | — | — | — | — | 0.5 | 0.5 | — | 1.0 |
| Adjusted EBITDA⁽¹⁾ | — | — | — | — | — | — | \$0.7 | \$0.2 | — | \$0.8 |
| Other Data | | | | | | | | | | |
| Period-End Acres (in 000s) | — | — | — | — | — | — | 141 | 141 | — | 141 |
| "Look-through" Period-End Acres (in 000s) | — | — | — | — | — | — | 17 | 17 | — | 17 |

(1) Non-GAAP measure and pro forma item (see Section 2 — *Supplemental Information* for reconciliations).
(2) Includes \$7.3 million related to timber write-offs resulting from casualty events as of September 30, 2020.

Real Estate Overview

| | 2019 | | | | | 2020 | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------------|
| | Q1 | Q2 | Q3 | Q4 | FY 2019 | Q1 | Q2 | Q3 | Q4 | YTD |
| Gross Sales (\$ in MMs) | | | | | | | | | | |
| Improved Development ⁽¹⁾ | \$0.3 | \$0.2 | \$4.5 | \$0.9 | \$5.9 | — | \$6.4 | \$1.3 | — | \$7.8 |
| Unimproved Development | 1.0 | 14.4 | — | 4.0 | 19.5 | — | 8.4 | — | — | 8.4 |
| Rural | 19.2 | 7.1 | 4.2 | 17.1 | 47.7 | 2.4 | 27.2 | 23.2 | — | 52.9 |
| Timberland & Non-Strategic | 0.4 | 0.8 | — | 0.1 | 1.3 | — | 9.6 | — | — | 9.6 |
| Conservation Easement | — | — | — | — | — | — | — | 3.1 | — | 3.1 |
| Deferred Revenue/Other ⁽²⁾ | 0.1 | — | 0.5 | — | 0.5 | 0.1 | (1.7) | 1.1 | — | (0.5) |
| Large Dispositions ⁽³⁾ | — | — | — | — | — | 116.0 | — | — | — | 116.0 |
| Total Sales | \$21.0 | \$22.5 | \$9.2 | \$22.1 | \$74.9 | \$118.5 | \$50.0 | \$28.8 | — | \$197.4 |
| Acres Sold | | | | | | | | | | |
| Improved Development ⁽¹⁾ | 1.2 | 0.9 | 21.7 | 20.7 | 44.4 | — | 122.0 | 4.1 | — | 126.1 |
| Unimproved Development | 7 | 784 | — | 405 | 1,196 | — | 570 | — | — | 570 |
| Rural | 5,500 | 1,886 | 1,291 | 6,412 | 15,089 | 624 | 7,710 | 10,482 | — | 18,816 |
| Timberland & Non-Strategic | 171 | 594 | 32 | 25 | 821 | — | 11,907 | 75 | — | 11,983 |
| Acres Sold | 5,679 | 3,265 | 1,345 | 6,862 | 17,151 | 624 | 20,310 | 10,562 | — | 31,495 |
| Large Dispositions ⁽³⁾ | — | — | — | — | — | 66,946 | — | — | — | 66,946 |
| Total Acres Sold | 5,679 | 3,265 | 1,345 | 6,862 | 17,151 | 67,570 | 20,310 | 10,562 | — | 98,441 |
| Gross Price per Acre (\$ per acre) | | | | | | | | | | |
| Improved Development ⁽¹⁾ | \$291,880 | \$198,276 | \$207,325 | \$42,250 | \$132,412 | — | \$52,672 | \$329,412 | — | \$61,626 |
| Unimproved Development | 145,773 | 18,402 | — | 10,000 | 16,290 | — | 14,780 | — | — | 14,780 |
| Rural | 3,492 | 3,768 | 3,262 | 2,670 | 3,158 | 3,842 | 3,532 | 2,218 | — | 2,810 |
| Timberland & Non-Strategic | 2,291 | 1,373 | 1,749 | 3,062 | 1,629 | — | 807 | 553 | — | 805 |
| Large Dispositions ⁽³⁾ | — | — | — | — | — | 1,733 | — | — | — | 1,733 |
| Weighted Avg. (Total)⁽⁴⁾ | \$3,687 | \$6,899 | \$6,513 | \$3,223 | \$4,335 | \$3,842 | \$2,545 | \$2,332 | — | \$2,499 |
| Weighted Avg. (Adjusted) ⁽⁵⁾ | \$3,628 | \$6,848 | \$3,225 | \$3,105 | \$4,002 | \$3,842 | \$2,242 | \$2,206 | — | \$2,262 |
| Total Net Sales (Excluding Large Dispositions ⁽³⁾) | \$21.0 | \$22.5 | \$9.2 | \$22.1 | \$74.9 | \$2.5 | \$50.0 | \$28.8 | — | \$81.4 |
| Operating Income | \$10.0 | \$15.5 | \$0.4 | \$12.7 | \$38.7 | \$26.8 | \$24.8 | \$9.5 | — | \$61.1 |
| (-) Large Dispositions ⁽³⁾ | — | — | — | — | — | (28.7) | — | — | — | (28.7) |
| Pro Forma Operating Income (Loss) ⁽³⁾ | \$10.0 | \$15.5 | \$0.4 | \$12.7 | \$38.7 | (\$1.9) | \$24.8 | \$9.5 | — | \$32.4 |
| (+) Depreciation, depletion and amortization | 3.3 | 1.2 | 0.7 | 3.0 | 8.2 | 0.4 | 6.7 | 5.5 | — | 12.6 |
| (+) Non-cash cost of land and improved development | 4.0 | 1.6 | 4.3 | 2.6 | 12.6 | 0.4 | 13.0 | 7.3 | — | 20.7 |
| Adjusted EBITDA⁽³⁾ | \$17.4 | \$18.3 | \$5.4 | \$18.4 | \$59.5 | (\$1.1) | \$44.6 | \$22.2 | — | \$65.7 |

(1) Reflects land with capital invested in infrastructure improvements.

(2) Includes deferred revenue adjustments and marketing fees related to Improved Development sales in addition to residential and commercial lease revenue.

(3) Non-GAAP measure and pro forma item (see Section 2 — Supplemental Information for reconciliations).

(4) Excludes Large Dispositions.

(5) Excludes Improved Development and Large Dispositions.



Capital Expenditures By Segment

| (\$ in millions) | Three Months Ended | | | Nine Months Ended | |
|--|-----------------------|---------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2020 | June 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 |
| Southern Timber | | | | | |
| Reforestation, Silviculture & Other Capital Expenditures | \$3.7 | \$2.6 | \$3.8 | \$13.4 | \$12.3 |
| Property taxes | 1.7 | 1.7 | 1.7 | 5.1 | 5.3 |
| Lease payments | 0.2 | 0.2 | 0.3 | 1.5 | 2.2 |
| Allocated overhead | 1.0 | 1.0 | 1.0 | 3.3 | 3.2 |
| Subtotal Southern Timber | \$6.6 | \$5.5 | \$6.8 | \$23.3 | \$22.9 |
| Pacific Northwest Timber | | | | | |
| Reforestation, Silviculture & Other Capital Expenditures | 1.1 | 0.9 | 2.1 | 4.3 | 5.7 |
| Property taxes | 0.2 | 0.2 | 0.2 | 0.6 | 0.6 |
| Allocated overhead | 1.1 | 1.0 | 0.8 | 3.0 | 2.3 |
| Subtotal Pacific Northwest Timber | \$2.5 | \$2.2 | \$3.1 | \$7.9 | \$8.7 |
| New Zealand Timber | | | | | |
| Reforestation, Silviculture & Other Capital Expenditures | 3.2 | 2.0 | 3.3 | 6.7 | 7.2 |
| Property taxes | 0.2 | 0.1 | 0.2 | 0.5 | 0.5 |
| Lease payments | 1.0 | 0.9 | 1.1 | 2.2 | 3.2 |
| Allocated overhead | 0.7 | 0.6 | 0.6 | 2.0 | 2.0 |
| Subtotal New Zealand Timber | \$5.1 | \$3.7 | \$5.2 | \$11.4 | \$12.9 |
| Total Timber Segments Capital Expenditures | \$14.2 | \$11.4 | \$15.1 | \$42.6 | \$44.5 |
| Timber Funds ("Look-through")⁽¹⁾ | 0.1 | 0.1 | — | 0.2 | — |
| Real Estate | — | 0.1 | — | 0.2 | 0.2 |
| Corporate | — | — | 0.6 | — | 0.6 |
| Total Capital Expenditures | \$14.3 | \$11.6 | \$15.8 | \$43.1 | \$45.3 |
| Timberland Acquisitions | | | | | |
| Southern Timber | — | 0.1 | 26.4 | 24.2 | 42.3 |
| Pacific Northwest Timber | — | — | — | — | 3.6 |
| New Zealand Timber | 0.1 | — | 29.1 | 0.1 | 36.0 |
| Timberland Acquisitions | \$0.1 | \$0.1 | \$55.5 | \$24.4 | \$81.9 |
| Real Estate Development Investments⁽²⁾ | \$1.9 | \$1.9 | \$2.4 | \$5.4 | \$3.3 |

(1) The three and nine months ended September 30, 2020 and the three months ended June 30, 2020 exclude \$0.9 million, \$1.6 million and \$0.6 million, respectively, in capital expenditures attributable to noncontrolling interests in Timber Funds.

(2) The nine months ended September 30, 2019 includes \$3.7 million of reimbursements from community development bonds.

Section 2



Supplemental Information

Definitions of Non-GAAP Measures and Pro Forma Items

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, depletion, amortization, the non-cash cost of land and improved development, non-operating income and expense, operating loss attributable to noncontrolling interest in Timber Funds, costs related to the merger with Pope Resources, timber write-offs resulting from casualty events and Large Dispositions. Adjusted EBITDA is a non-GAAP measure that management uses to make strategic decisions about the business and that investors can use to evaluate the operational performance of the assets under management. It removes the impact of specific items that management believes do not directly reflect the core business operations on an ongoing basis attributable to Rayonier.

Consolidated EBITDA is defined as earnings before interest, taxes, depreciation, depletion, amortization, the non-cash cost of land and improved development, non-operating income and expense, costs related to the merger with Pope Resources, timber write-offs resulting from casualty events and Large Dispositions. Consolidated EBITDA is a non-GAAP measure that management uses to make strategic decisions about the business and that investors can use to evaluate the operational performance of the assets under management. It removes the impact of specific items that management believes do not directly reflect the core business operations on an ongoing basis.

Large Dispositions are defined as transactions involving the sale of timberland that exceed \$20 million in size and do not have a demonstrable premium relative to timberland value.

Cash Available for Distribution (CAD) is defined as cash provided by operating activities adjusted for capital spending (excluding timberland acquisitions and real estate development investments), CAD attributable to noncontrolling interest in Timber Funds and working capital and other balance sheet changes. CAD is a non-GAAP measure of cash generated during a period that is available for common stock dividends, distributions to noncontrolling interest in the Operating Partnership, distributions to the New Zealand minority shareholder, repurchase of the Company's common shares, debt reduction, timberland acquisitions and real estate development investments. CAD is not necessarily indicative of the CAD that may be generated in future periods.

Pro Forma Sales is defined as revenue adjusted for Large Dispositions and sales attributable to noncontrolling interest in Timber Funds. Rayonier believes that this non-GAAP financial measure provides investors with useful information to evaluate our core business operations because it excludes items that are not indicative of ongoing operating results attributable to Rayonier.

Pro Forma Operating Income (Loss) is defined as operating income (loss) adjusted for operating loss attributable to noncontrolling interest in Timber Funds, costs related to the merger with Pope Resources, timber write-offs resulting from casualty events and Large Dispositions. Rayonier believes that this non-GAAP financial measure provides investors with useful information to evaluate our core business operations because it excludes specific items that are not indicative of ongoing operating results attributable to Rayonier.

Pro Forma Net Income (Loss) is defined as net (loss) income attributable to Rayonier Inc. adjusted for costs related to the merger with Pope Resources, timber write-offs resulting from casualty events and Large Dispositions. Rayonier believes that this non-GAAP financial measure provides investors with useful information to evaluate our core business operations because it excludes specific items that are not indicative of ongoing operating results attributable to Rayonier.

Costs related to the merger with Pope Resources include legal, accounting, due diligence, consulting and other costs related to the merger with Pope Resources.

Timber write-offs resulting from casualty events include the write-off of merchantable and pre-merchantable timber volume destroyed by casualty events which cannot be salvaged.

Reconciliation of Reported to Pro Forma Earnings

(\$ in millions, except per share amounts)

| Three Months Ended | September 30, 2020 | | June 30, 2020 | | September 30, 2019 | |
|--|--------------------|----------|---------------|--------|--------------------|-----|
| | \$ | EPS | \$ | EPS | \$ | EPS |
| Sales | \$198.9 | | \$195.6 | | \$156.4 | |
| Sales attributable to noncontrolling interest in Timber Funds | (7.7) | | (5.8) | | — | |
| Pro Forma Sales | \$191.2 | | \$189.8 | | \$156.4 | |
| Net (Loss) Income attributable to Rayonier Inc. | (\$0.8) | (\$0.01) | \$1.7 | \$0.01 | (\$0.4) | — |
| Costs related to the merger with Pope Resources ⁽¹⁾ | 0.4 | — | 13.5 | 0.10 | — | — |
| Timber write-offs resulting from casualty events attributable to Rayonier ⁽¹⁾ | 7.9 | 0.07 | — | — | — | — |
| Pro Forma Net Income (Loss) | \$7.5 | \$0.06 | \$15.2 | \$0.11 | (\$0.4) | — |

| Nine Months Ended | September 30, 2020 | | September 30, 2019 | |
|--|--------------------|-----|--------------------|---------|
| | \$ | EPS | \$ | EPS |
| Sales | | | \$653.6 | \$532.8 |
| Sales attributable to noncontrolling interest in Timber Funds | | | (13.5) | — |
| Large Dispositions ⁽¹⁾ | | | (116.0) | — |
| Pro Forma Sales | | | \$524.1 | \$532.8 |
| Net Income attributable to Rayonier Inc. | | | \$26.8 | \$0.20 |
| Costs related to the merger with Pope Resources ⁽¹⁾ | | | 16.4 | 0.12 |
| Timber write-offs resulting from casualty events attributable to Rayonier ⁽¹⁾ | | | 7.9 | 0.06 |
| Large Dispositions ⁽¹⁾ | | | (28.7) | (0.21) |
| Pro Forma Net Income | | | \$22.4 | \$0.17 |

Reconciliation of Operating Income (Loss) to Adjusted EBITDA by Segment

(\$ in millions)

| Three Months Ended | Southern Timber | Pacific Northwest Timber | New Zealand Timber | Timber Funds | Real Estate | Trading | Corporate and Other | Total |
|--|-----------------|--------------------------|--------------------|--------------|---------------|----------------|---------------------|---------------|
| September 30, 2020 | | | | | | | | |
| Operating income (loss) | \$5.1 | (\$1.8) | \$10.7 | (\$12.4) | \$9.5 | (\$0.6) | (\$8.7) | \$1.8 |
| Operating loss attributable to NCI in Timber Funds ⁽¹⁾ | — | — | — | 10.3 | — | — | — | 10.3 |
| Timber write-offs resulting from casualty events attributable to Rayonier ⁽²⁾ | 6.0 | — | — | 1.8 | — | — | — | 7.9 |
| Costs related to the merger with Pope Resources ⁽²⁾ | — | — | — | — | — | — | 0.4 | 0.4 |
| Pro forma operating income (loss) | \$11.1 | (\$1.8) | \$10.7 | (\$0.3) | \$9.5 | (\$0.6) | (\$8.3) | \$20.3 |
| Depreciation, depletion & amortization | 15.0 | 10.9 | 7.3 | 0.5 | 5.5 | — | 0.4 | 39.6 |
| Non-cash cost of land and improved development | — | — | — | — | 7.3 | — | — | 7.3 |
| Adjusted EBITDA | \$26.1 | \$9.1 | \$18.1 | \$0.2 | \$22.2 | (\$0.6) | (\$7.9) | \$67.2 |
| June 30, 2020 | | | | | | | | |
| Operating income (loss) | \$11.2 | (\$6.7) | \$5.0 | (\$1.9) | \$24.8 | \$0.1 | (\$20.9) | \$11.7 |
| Operating loss attributable to NCI in Timber Funds | — | — | — | 2.0 | — | — | — | 2.0 |
| Costs related to the merger with Pope Resources ⁽²⁾ | — | — | — | — | — | — | 13.5 | 13.5 |
| Pro forma operating income (loss) | \$11.2 | (\$6.7) | \$5.0 | \$0.1 | \$24.8 | \$0.1 | (\$7.4) | \$27.2 |
| Depreciation, depletion & amortization | 15.2 | 10.6 | 4.9 | 0.5 | 6.7 | — | 0.3 | 38.3 |
| Non-cash cost of land and improved development | — | — | — | — | 13.0 | — | — | 13.0 |
| Adjusted EBITDA | \$26.4 | \$3.9 | \$9.9 | \$0.7 | \$44.6 | \$0.1 | (\$7.0) | \$78.6 |
| September 30, 2019 | | | | | | | | |
| Operating income (loss) | \$9.5 | (\$3.6) | \$10.1 | — | \$0.4 | — | (\$5.4) | \$11.0 |
| Depreciation, depletion & amortization | 13.0 | 6.3 | 7.6 | — | 0.7 | — | 0.3 | 27.8 |
| Non-cash cost of land and improved development | — | — | — | — | 4.3 | — | — | 4.3 |
| Adjusted EBITDA | \$22.5 | \$2.7 | \$17.7 | — | \$5.4 | — | (\$5.1) | \$43.2 |

(1) Timber Funds includes \$7.3 million related to timber write-offs resulting from casualty events.

(2) Pro forma items (see page 16 for definitions).

Reconciliation of Operating Income (Loss) to Adjusted EBITDA by Segment

| (\$ in millions) | | | | | | | | |
|--|-----------------|--------------------------|--------------------|--------------|---------------|----------------|---------------------|----------------|
| Nine Months Ended | Southern Timber | Pacific Northwest Timber | New Zealand Timber | Timber Funds | Real Estate | Trading | Corporate and Other | Total |
| September 30, 2020 | | | | | | | | |
| Operating income (loss) | \$31.4 | (\$9.5) | \$21.1 | (\$14.3) | \$61.1 | (\$0.5) | (\$37.3) | \$52.0 |
| Operating loss attributable to NCI in Timber Funds ⁽¹⁾ | — | — | — | 12.3 | — | — | — | 12.3 |
| Timber write-offs resulting from casualty events attributable to Rayonier ⁽²⁾ | 6.0 | — | — | 1.8 | — | — | — | 7.9 |
| Costs related to the merger with Pope Resources ⁽²⁾ | — | — | — | — | — | — | 16.4 | 16.4 |
| Large Dispositions ⁽²⁾ | — | — | — | — | (28.7) | — | — | (28.7) |
| Pro forma operating income (loss) | \$37.4 | (\$9.5) | \$21.1 | (\$0.1) | \$32.4 | (\$0.5) | (\$20.9) | \$59.9 |
| Depreciation, depletion & amortization | 48.4 | 32.2 | 17.1 | 1.0 | 12.6 | — | 1.0 | 112.2 |
| Non-cash cost of land and improved development | — | — | — | — | 20.7 | — | — | 20.7 |
| Adjusted EBITDA | \$85.8 | \$22.8 | \$38.2 | \$0.8 | \$65.7 | (\$0.5) | (\$19.9) | \$192.9 |
| September 30, 2019 | | | | | | | | |
| Operating income (loss) | \$45.8 | (\$11.1) | \$38.6 | — | \$25.9 | \$0.3 | (\$18.6) | \$80.9 |
| Depreciation, depletion & amortization | 45.6 | 19.2 | 21.1 | — | 5.2 | — | 0.9 | 91.9 |
| Non-cash cost of land and improved development | — | — | — | — | 10.0 | — | — | 10.0 |
| Adjusted EBITDA | \$91.4 | \$8.0 | \$59.7 | — | \$41.1 | \$0.3 | (\$17.7) | \$182.8 |

(1) Timber Funds includes \$7.3 million related to timber write-offs resulting from casualty events.

(2) Pro forma items (see page 16 for definitions).