



MORE THAN
trees

Q4 2020 Financial Supplement

February 2021



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	Q4 2020	Q3 2020	Q4 2019
Sales	\$205.5	\$198.9	\$178.8
Pro Forma Sales ⁽¹⁾	196.3	191.2	178.8
Operating Income	22.4	1.8	26.1
Pro Forma Operating Income ⁽¹⁾	22.4	20.3	26.1
Net Income (Loss) Attributable to Rayonier Inc.	10.3	(0.8)	16.0
Pro Forma Net Income ⁽¹⁾	11.0	7.5	16.0
Adjusted EBITDA ⁽¹⁾	74.5	67.2	65.0
Diluted Earnings Per Share:			
Net Income (Loss) Attributable to Rayonier Inc.	0.07	(0.01)	0.12
Pro Forma Net Income ⁽¹⁾	0.08	0.06	0.12
Average Diluted Shares (millions)	141.4	136.4	129.4
Total Shares Outstanding (millions)	137.7	136.5	129.3
Total Common Units Outstanding (millions)	4.4	4.4	—

Capital Resources & Liquidity	Year Ended December 31,	
	2020	2019
Cash provided by Operating Activities	\$204.2	\$214.3
Cash used for Investing Activities	(213.6)	(219.4)
Cash provided by (used for) Financing Activities	27.0	(79.6)
Cash Available for Distribution (CAD) ⁽¹⁾	162.4	149.4

	12/31/2020	12/31/2019
Debt (excluding Timber Funds) ⁽²⁾	\$1,294.9	\$1,057.0
Cash (excluding Timber Funds) ⁽³⁾	80.5	68.7
Net Debt	1,214.4	988.3
Net Debt / Enterprise Value ⁽⁴⁾	23%	19%

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

(2) Debt as of December 31, 2020 reflects principal on long-term debt, gross of deferred financing costs and net of fair market value adjustments.

(3) Excludes \$2.5 million of restricted cash held in escrow and \$0.8 million of restricted cash held by LKE intermediaries as of December 31, 2020 and December 31, 2019, respectively.

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



Variance Analysis – Q4 2019 to Q4 2020

Operating Income (Loss) (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Timber Funds	Real Estate	Trading	Corporate and Other	Total
Q4-19 Operating Income (Loss)	\$12.0	(\$1.3)	\$9.4	—	\$12.7	(\$0.3)	(\$6.5)	\$26.1
Volume	(1.8)	—	0.2	—	13.4	—	—	11.8
Price ⁽¹⁾	1.7	6.2	3.4	—	(9.8)	—	—	1.5
Cost	(0.2)	(0.8)	0.1	—	(1.3)	0.4	(0.4)	(2.2)
Non-timber income ⁽²⁾	(2.2)	0.8	(2.7)	—	—	(0.1)	—	(4.2)
Foreign exchange ⁽³⁾	—	—	(0.8)	—	—	—	—	(0.8)
Depreciation, depletion & amortization	0.4	(5.4)	(0.8)	—	0.3	—	(0.2)	(5.7)
Non-cash cost of land and improved development	—	—	—	—	(4.2)	—	—	(4.2)
Other ⁽⁴⁾	—	—	—	1.1	(0.2)	—	(0.7)	0.2
Q4-20 Operating Income (Loss)	\$9.9	(\$0.5)	\$8.8	\$1.1	\$10.9	—	(\$7.8)	\$22.4
Pro forma adjustments ⁽⁵⁾	—	—	—	(0.7)	—	—	0.7	—
Pro forma Operating Income (Loss)⁽⁵⁾	\$9.9	(\$0.5)	\$8.8	\$0.3	\$10.9	—	(\$7.0)	\$22.4

Adjusted EBITDA⁽⁵⁾ (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Timber Funds	Real Estate	Trading	Corporate and Other	Total
Q4-19 Adjusted EBITDA	\$28.3	\$8.7	\$16.1	—	\$18.4	(\$0.3)	(\$6.2)	\$65.0
Volume	(4.3)	(0.5)	0.4	—	17.8	—	—	13.4
Price ⁽¹⁾	1.7	6.2	3.4	—	(9.8)	—	—	1.5
Cost	(0.2)	(0.8)	0.1	—	(1.3)	0.4	(0.4)	(2.2)
Non-timber income ⁽²⁾	(2.2)	0.8	(2.7)	—	—	(0.1)	—	(4.2)
Foreign exchange ⁽³⁾	—	—	(0.5)	—	—	—	—	(0.5)
Other ⁽⁴⁾	—	—	—	0.9	0.6	—	—	1.5
Q4-20 Adjusted EBITDA	\$23.3	\$14.4	\$16.8	\$0.9	\$25.7	—	(\$6.6)	\$74.5

(1) For Timber segments, price reflects net stumpage (i.e., net of cut and haul and shipping costs). For Real Estate, price is presented net of cash closing 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 residential and commercial lease income, deferred adjustments and marketing fees related to Improved Development sales, partially offset by equity losses from joint venture entities. Corporate and Other includes \$0.7 million in costs related to the merger with Pope Resources.

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

Variance Analysis – 2019 to 2020

Operating Income (Loss) (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Timber Funds	Real Estate	Trading	Corporate and Other	Total
2019 Operating Income (Loss)	\$57.8	(\$12.4)	\$48.0	—	\$38.7	—	(\$25.1)	\$107.0
Volume	1.3	—	(6.0)	—	81.1	—	—	76.4
Price ⁽¹⁾	(1.2)	13.2	(10.3)	—	(78.9)	—	—	(77.2)
Cost	1.4	(3.7)	(0.2)	—	(4.1)	(0.2)	(2.6)	(9.4)
Non-timber income ⁽²⁾	(13.4)	1.5	(2.0)	—	—	(0.3)	—	(14.2)
Foreign exchange ⁽³⁾	—	—	0.3	—	—	—	—	0.3
Depreciation, depletion & amortization	1.4	(8.6)	0.2	—	2.9	—	(0.3)	(4.4)
Non-cash cost of land and improved development	—	—	—	—	1.4	—	—	1.4
Other ⁽⁴⁾	(6.0)	—	—	(13.2)	30.9	—	(17.2)	(5.5)
2020 Operating Income (Loss)	\$41.3	(\$10.0)	\$30.0	(\$13.2)	\$72.0	(\$0.5)	(\$45.2)	\$74.4
Pro forma adjustments ⁽⁵⁾	6.0	—	—	13.4	(28.7)	—	17.2	8.0
Pro forma Operating Income (Loss)⁽⁵⁾	\$47.3	(\$10.0)	\$30.0	\$0.2	\$43.3	(\$0.5)	(\$28.0)	\$82.3

Adjusted EBITDA⁽⁵⁾ (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Timber Funds	Real Estate	Trading	Corporate and Other	Total
2019 Adjusted EBITDA	\$119.7	\$16.7	\$75.8	—	\$59.5	—	(\$23.9)	\$247.8
Volume	2.6	9.4	(8.2)	—	112.9	—	—	116.7
Price ⁽¹⁾	(1.2)	13.2	(10.3)	—	(78.9)	—	—	(77.2)
Cost	1.4	(3.7)	(0.2)	—	(4.1)	(0.2)	(2.6)	(9.4)
Non-timber income ⁽²⁾	(13.4)	1.5	(2.0)	—	—	(0.3)	—	(14.2)
Foreign exchange ⁽³⁾	—	—	(0.1)	—	—	—	—	(0.1)
Other ⁽⁴⁾	—	—	—	1.8	2.0	—	—	3.8
2020 Adjusted EBITDA	\$109.1	\$37.1	\$55.0	\$1.8	\$91.4	(\$0.5)	(\$26.6)	\$267.4

(1) For Timber segments, price reflects net stumpage (i.e. net of cut and haul and shipping costs). For Real Estate, price is presented net of cash closing 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 and includes \$9.2 million in timber write-offs resulting from casualty events (of which \$1.8 million was attributable to Rayonier). Real Estate includes \$28.7 million from Large Dispositions in addition to Conservation Easement sales, residential and commercial lease income and marketing fees related to Improved Development sales, partially offset by deferred adjustments and equity losses from joint venture entities. Corporate and Other includes \$17.2 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)	Year Ended December 31,	
	2020	2019
Cash Provided by Operating Activities	\$204.2	\$214.3
Working capital and other balance sheet changes	10.3	(0.9)
Costs related to the merger with Pope Resources ⁽²⁾	17.2	—
CAD attributable to NCI in Timber Funds	(2.8)	—
Capital expenditures ⁽¹⁾	(66.5)	(64.0)
Cash Available for Distribution⁽²⁾	\$162.4	\$149.4
Net Income	\$29.8	\$67.7
Operating loss attributable to NCI in Timber Funds	11.6	—
Interest, net attributable to NCI in Timber Funds	0.5	—
Income tax expense attributable to NCI in Timber Funds	0.2	—
Net Income (Excluding NCI in Timber Funds)	\$42.1	\$67.7
Interest, net and miscellaneous income attributable to Rayonier	38.0	29.1
Income tax expense attributable to Rayonier	6.8	12.9
Depreciation, depletion and amortization attributable to Rayonier	154.7	128.2
Non-cash cost of land and improved development	30.4	12.6
Timber write-offs resulting from casualty events attributable to Rayonier ⁽²⁾	7.9	—
Non-operating income	(0.9)	(2.7)
Costs related to the merger with Pope Resources ⁽²⁾	17.2	—
Large Dispositions ⁽²⁾	(28.7)	—
Adjusted EBITDA⁽²⁾	\$267.4	\$247.8
Cash interest paid attributable to Rayonier ⁽³⁾	(39.9)	(32.8)
Cash taxes paid attributable to Rayonier	(0.8)	(1.7)
Capital expenditures attributable to Rayonier ⁽¹⁾	(64.2)	(64.0)
Cash Available for Distribution⁽²⁾	\$162.4	\$149.4
Cash Available for Distribution ⁽²⁾	162.4	149.4
Real estate development investments	(6.5)	(6.8)
Cash Available for Distribution after real estate development investments	\$155.9	\$142.6
Shares and units outstanding at period end	142,107,722	129,331,069
CAD per Share or Unit	\$1.14	\$1.15
Dividends per Share or Unit	\$1.08	\$1.08

(1) Capital expenditures during the twelve months ended December 31, 2020 exclude timberland acquisitions. Excluding the Pope Resources acquisition, timberland acquisitions were \$24.7 million and \$142.3 million, respectively, during the twelve months ended December 31, 2020 and December 31, 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 twelve months ended December 31, 2020 and December 31, 2019.

Southern Timber Overview

	2019					2020				
	Q1	Q2	Q3	Q4	FY 2019	Q1	Q2	Q3	Q4	FY 2020
Sales Volume (Tons in 000s)										
Pine Pulpwood	1,122	755	829	934	3,640	1,133	1,003	881	787	3,804
Pine Sawtimber	744	462	369	616	2,191	680	497	551	514	2,243
Total Pine Volume	1,865	1,217	1,198	1,550	5,831	1,813	1,500	1,432	1,301	6,047
Hardwood	70	57	82	26	235	30	35	51	36	152
Total Volume	1,935	1,274	1,280	1,576	6,066	1,843	1,535	1,483	1,337	6,199
% Delivered Sales	27%	40%	37%	33%	33%	32%	41%	46%	48%	41%
% Stumpage Sales	73%	60%	63%	67%	67%	68%	59%	54%	52%	59%
Net Stumpage Pricing (\$ per ton)⁽¹⁾										
Pine Pulpwood	\$17.94	\$17.16	\$15.53	\$14.82	\$16.42	\$16.05	\$15.94	\$15.50	\$15.71	\$15.83
Pine Sawtimber	26.38	25.82	23.16	23.25	24.86	26.67	25.48	25.02	25.48	25.72
Weighted Average Pine	\$21.31	\$20.45	\$17.88	\$18.17	\$19.59	\$20.03	\$19.11	\$19.16	\$19.57	\$19.50
Hardwood	13.80	16.86	20.47	14.33	16.93	12.74	10.80	11.03	11.92	11.52
Weighted Average Total	\$21.03	\$20.29	\$18.05	\$18.10	\$19.49	\$19.91	\$18.91	\$18.88	\$19.36	\$19.30
Summary Financial Data (\$ in MMs)										
Timber Sales	\$51.0	\$37.0	\$33.0	\$38.1	\$159.2	\$47.5	\$41.6	\$42.2	\$39.0	\$170.2
(-) Cut, Haul & Freight	(10.3)	(11.1)	(9.9)	(9.6)	(41.0)	(10.8)	(12.5)	(14.2)	(13.1)	(50.6)
Net Stumpage Sales	\$40.7	\$25.9	\$23.1	\$28.5	\$118.2	\$36.7	\$29.0	\$28.0	\$25.9	\$119.6
Non-Timber Sales	9.8	9.2	8.3	7.7	35.0	5.5	5.2	5.5	5.4	21.6
Total Sales	\$60.8	\$46.2	\$41.3	\$45.8	\$194.1	\$53.0	\$46.8	\$47.7	\$44.4	\$191.8
Operating Income	\$21.5	\$14.7	\$9.5	\$12.0	\$57.8	\$15.1	\$11.2	\$5.1	\$9.9	\$41.3
(+) 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	\$9.9	\$47.3
(+) DD&A	19.7	12.9	13.0	16.3	61.9	18.2	15.2	15.0	13.5	61.8
Adjusted EBITDA⁽²⁾	\$41.2	\$27.6	\$22.5	\$28.3	\$119.7	\$33.3	\$26.4	\$26.1	\$23.3	\$109.1
Other Data										
Period-End Acres (in 000s)	1,803	1,808	1,825	1,835	1,835	1,780	1,763	1,749	1,733	1,733

(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	FY 2020
Sales Volume (Tons in 000s)										
Pulpwood	62	54	56	83	254	82	86	62	67	297
Sawtimber	220	197	205	334	956	393	299	284	330	1,306
Total Volume	283	250	261	417	1,211	476	385	346	396	1,603
Northwest Sales Volume (Converted to MBF)										
Pulpwood	5,933	5,076	5,277	7,823	24,109	7,789	8,152	5,912	6,331	28,184
Sawtimber	28,945	26,603	28,039	43,130	126,717	50,406	39,847	38,892	40,571	169,715
Total Volume	34,878	31,679	33,316	50,952	150,826	58,194	47,999	44,804	46,902	197,899
% Delivered Sales	100%	100%	100%	82%	94%	78%	98%	95%	91%	90%
% Sawtimber Sales	78%	79%	79%	80%	79%	83%	78%	82%	83%	82%
Delivered Log Pricing (\$ per ton)										
Pulpwood	\$45.15	\$42.26	\$37.87	\$39.24	\$41.09	\$38.11	\$36.92	\$32.12	\$33.78	\$35.51
Sawtimber	78.47	78.35	78.26	78.51	78.41	75.40	75.39	93.34	96.23	84.93
Weighted Average Log Price	\$71.11	\$70.61	\$69.64	\$70.04	\$70.34	\$68.29	\$66.74	\$82.44	\$85.50	\$75.44
Summary Financial Data (\$ in MM\$)										
Timber Sales	\$20.1	\$17.7	\$18.2	\$26.8	\$82.7	\$30.6	\$25.5	\$27.5	\$33.1	\$116.6
(-) Cut & Haul	(12.0)	(10.5)	(10.6)	(12.8)	(45.9)	(14.2)	(14.5)	(12.4)	(13.6)	(54.6)
Net Stumpage Sales	\$8.1	\$7.2	\$7.6	\$14.0	\$36.8	\$16.4	\$11.0	\$15.1	\$19.5	\$62.0
Non-Timber Sales	0.4	0.9	0.6	0.8	2.7	0.5	0.7	1.4	1.6	4.2
Total Sales	\$20.5	\$18.6	\$18.8	\$27.6	\$85.4	\$31.1	\$26.2	\$28.9	\$34.7	\$120.8
Operating Loss	(\$3.7)	(\$3.8)	(\$3.6)	(\$1.3)	(\$12.4)	(\$0.9)	(\$6.7)	(\$1.8)	(\$0.5)	(\$10.0)
(+) DD&A	6.8	6.0	6.3	10.0	29.2	10.7	10.6	10.9	14.9	47.1
Adjusted EBITDA⁽¹⁾	\$3.1	\$2.2	\$2.7	\$8.7	\$16.7	\$9.8	\$3.9	\$9.1	\$14.4	\$37.1
Other Data										
Period-End Acres (in 000s)	379	379	379	379	379	384	507	507	507	507
Northwest Sawtimber (\$ per MBF) ⁽²⁾	\$609	\$587	\$575	\$574	\$587	\$611	\$579	\$677	\$812	\$666
Estimated Percentage of Export Volume	16%	26%	18%	9%	17%	2%	20%	9%	8%	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	FY 2020
Sales Volume (Tons in 000s)										
Domestic Pulpwood (Delivered)	113	125	132	120	490	101	106	136	127	470
Domestic Sawtimber (Delivered)	195	204	235	169	803	147	130	220	168	665
Export Pulpwood (Delivered)	41	37	34	37	148	16	27	38	50	133
Export Sawtimber (Delivered)	255	318	354	362	1,290	216	266	381	358	1,221
Total Volume	604	684	754	688	2,731	481	529	776	702	2,488
Delivered Log Pricing (\$ per ton)										
Domestic Pulpwood	\$39.23	\$39.10	\$38.47	\$34.91	\$37.93	\$33.84	\$32.10	\$34.71	\$34.16	\$33.79
Domestic Sawtimber	83.42	82.66	75.29	69.13	77.85	69.97	66.95	70.24	73.53	70.37
Export Sawtimber	116.24	111.81	95.51	102.69	105.65	94.86	98.75	94.42	104.78	98.47
Weighted Average Log Price	\$90.49	\$89.16	\$78.68	\$81.98	\$84.75	\$74.16	\$76.92	\$76.50	\$83.70	\$78.17
Summary Financial Data (\$ in MM\$)										
Timber Sales	\$54.6	\$61.0	\$59.3	\$56.4	\$231.4	\$35.6	\$40.7	\$59.3	\$58.8	\$194.5
(-) Cut & Haul	(20.2)	(22.9)	(23.2)	(21.8)	(88.1)	(15.2)	(15.6)	(23.8)	(23.0)	(77.6)
(-) Port / Freight Costs	(9.7)	(12.6)	(13.6)	(15.1)	(51.0)	(8.0)	(8.4)	(13.3)	(13.1)	(42.9)
Net Stumpage Sales	\$24.7	\$25.5	\$22.6	\$19.5	\$92.3	\$12.4	\$16.7	\$22.2	\$22.7	\$74.0
Non-Timber Sales/Carbon Credits	2.5	1.1	2.7	4.2	10.5	1.9	1.0	3.5	1.4	7.8
Total Sales	\$57.1	\$62.1	\$62.0	\$60.6	\$241.9	\$37.5	\$41.8	\$62.8	\$60.2	\$202.3
Operating Income	\$15.7	\$12.8	\$10.1	\$9.4	\$48.0	\$5.4	\$5.0	\$10.7	\$8.8	\$30.0
(+) DD&A	6.3	7.2	7.6	6.7	27.8	4.8	4.9	7.3	8.0	25.0
Adjusted EBITDA⁽¹⁾	\$22.0	\$20.0	\$17.7	\$16.1	\$75.8	\$10.2	\$9.9	\$18.1	\$16.8	\$55.0
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	0.6704	0.6522
Net Plantable Period-End Acres (in 000s)	291	292	295	295	295	295	296	296	296	296
Export Sawtimber (\$ / JAS m ³)	\$135.15	\$130.00	\$111.05	\$119.40	\$122.84	\$110.29	\$114.82	\$109.78	\$121.83	\$114.50
Domestic Sawtimber (NZ\$ / tonne)	\$134.33	\$136.55	\$126.36	\$119.54	\$129.46	\$118.41	\$119.60	\$116.83	\$120.66	\$118.69

Timber Funds Overview

	2019					2020				
	Q1	Q2	Q3	Q4	FY 2019	Q1	Q2	Q3	Q4	FY 2020
Sales Volume (Tons in 000s)										
Pulpwood	—	—	—	—	—	—	10	9	8	27
Sawtimber	—	—	—	—	—	—	80	101	107	288
Total Volume	—	—	—	—	—	—	90	110	115	315
Summary Financial Data (\$ in MMs)										
Timber Sales	—	—	—	—	—	—	\$6.6	\$8.6	\$10.7	\$26.0
(-) Cut & Haul	—	—	—	—	—	—	(2.9)	(3.4)	(3.8)	(10.2)
Net Stumpage Sales	—	—	—	—	—	—	\$3.7	\$5.2	\$6.9	\$15.8
Non-Timber Sales	—	—	—	—	—	—	—	—	0.1	0.1
Timberland Management Fees	—	—	—	—	—	—	0.9	1.3	1.3	3.4
Total Sales	—	—	—	—	—	—	\$7.5	\$9.9	\$12.1	\$29.6
(-) Sales attributable to noncontrolling interest in Timber Funds	—	—	—	—	—	—	(5.8)	(7.7)	(9.2)	(22.8)
Pro Forma Sales⁽¹⁾	—	—	—	—	—	—	\$1.7	\$2.2	\$2.9	\$6.8
Operating (Loss) Income	—	—	—	—	—	—	(\$1.9)	(\$12.4)	\$1.1	(\$13.2)
(+) Timber write-offs resulting from casualty events ⁽¹⁾	—	—	—	—	—	—	—	9.2	—	9.2
(+) DD&A	—	—	—	—	—	—	4.1	4.2	3.6	11.9
Consolidated EBITDA⁽¹⁾	—	—	—	—	—	—	\$2.2	\$1.0	\$4.7	\$7.8
Operating (Loss) Income	—	—	—	—	—	—	(\$1.9)	(\$12.4)	\$1.1	(\$13.2)
(+) Operating Loss (Income) attributable to NCI in Timber Funds ⁽²⁾	—	—	—	—	—	—	2.0	10.3	(0.7)	11.6
(+) 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)	\$0.3	\$0.2
(+) DD&A ("Look-through")	—	—	—	—	—	—	0.5	0.5	0.6	1.6
Adjusted EBITDA⁽¹⁾	—	—	—	—	—	—	\$0.7	\$0.2	\$0.9	\$1.8
Other Data										
Period-End Acres (in 000s)	—	—	—	—	—	—	141	141	141	141
"Look-through" Period-End Acres (in 000s)	—	—	—	—	—	—	17	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 during the three months ended September 30, 2020 and the year ended December 31, 2020.

Real Estate Overview

	2019					2020				
	Q1	Q2	Q3	Q4	FY 2019	Q1	Q2	Q3	Q4	FY 2020
Gross Sales (\$ in MMs)										
Improved Development ⁽¹⁾	\$0.3	\$0.2	\$4.5	\$0.9	\$5.9	—	\$6.4	\$1.3	\$6.7	\$14.5
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	14.3	67.2
Timberland & Non-Strategic	0.4	0.8	—	0.1	1.3	—	9.6	—	9.6	19.3
Conservation Easement	—	—	—	—	—	—	—	3.1	—	3.1
Deferred Revenue/Other ⁽²⁾	0.1	—	0.5	—	0.5	0.1	(1.7)	1.1	1.4	0.9
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	\$32.0	\$229.3
Acres Sold										
Improved Development ⁽¹⁾	1.2	0.9	21.7	20.7	44.4	—	122.0	4.1	203.7	329.8
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	3,621	22,437
Timberland & Non-Strategic	171	594	32	25	821	—	11,907	75	8,718	20,701
Acres Sold	5,679	3,265	1,345	6,862	17,151	624	20,310	10,562	12,543	44,038
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	12,543	110,984
Gross Price per Acre (\$ per acre)										
Improved Development ⁽¹⁾	\$291,880	\$198,276	\$207,325	\$42,250	\$132,412	—	\$52,672	\$329,412	\$33,020	\$43,957
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	3,942	2,993
Timberland & Non-Strategic	2,291	1,373	1,749	3,062	1,629	—	807	553	1,102	930
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	\$2,440	\$2,483
Weighted Avg. (Adjusted) ⁽⁵⁾	\$3,628	\$6,848	\$3,225	\$3,105	\$4,002	\$3,842	\$2,242	\$2,206	\$1,936	\$2,170
Total Net Sales (Excluding Large Dispositions ⁽³⁾)	\$21.0	\$22.5	\$9.2	\$22.1	\$74.9	\$2.5	\$50.0	\$28.8	\$32.0	\$113.3
Operating Income	\$10.0	\$15.5	\$0.4	\$12.7	\$38.7	\$26.8	\$24.8	\$9.5	\$10.9	\$72.0
(–) 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	\$10.9	\$43.3
(+) Depreciation, depletion and amortization	3.3	1.2	0.7	3.0	8.2	0.4	6.7	5.5	5.1	17.7
(+) Non-cash cost of land and improved development	4.0	1.6	4.3	2.6	12.6	0.4	13.0	7.3	9.7	30.4
Adjusted EBITDA⁽³⁾	\$17.4	\$18.3	\$5.4	\$18.4	\$59.5	(\$1.1)	\$44.6	\$22.2	\$25.7	\$91.4

(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			Year Ended	
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Southern Timber					
Reforestation, Silviculture & Other Capital Expenditures	\$7.4	\$3.7	\$6.5	\$20.7	\$18.8
Property taxes	1.7	1.7	1.8	6.8	7.1
Lease payments	2.0	0.2	2.2	3.5	4.4
Allocated overhead	1.1	1.0	1.2	4.4	4.3
Subtotal Southern Timber	\$12.2	\$6.6	\$11.6	\$35.5	\$34.6
Pacific Northwest Timber					
Reforestation, Silviculture & Other Capital Expenditures	2.2	1.1	1.7	6.5	7.4
Property taxes	0.2	0.2	0.1	0.8	0.7
Allocated overhead	1.1	1.1	0.8	4.1	3.1
Subtotal Pacific Northwest Timber	\$3.4	\$2.5	\$2.6	\$11.4	\$11.2
New Zealand Timber					
Reforestation, Silviculture & Other Capital Expenditures	2.2	3.2	2.2	8.9	9.4
Property taxes	0.2	0.2	0.2	0.7	0.6
Lease payments	2.1	1.0	1.5	4.3	4.7
Allocated overhead	0.7	0.7	0.6	2.7	2.6
Subtotal New Zealand Timber	\$5.2	\$5.1	\$4.5	\$16.6	\$17.4
Total Timber Segments Capital Expenditures	\$20.8	\$14.2	\$18.7	\$63.5	\$63.2
Timber Funds ("Look-through")⁽¹⁾	0.1	0.1	—	0.3	—
Real Estate	0.2	—	—	0.4	0.2
Corporate	—	—	—	—	0.6
Total Capital Expenditures	\$21.1	\$14.3	\$18.7	\$64.2	\$64.0
Timberland Acquisitions					
Southern Timber	—	—	56.7	24.2	98.9
Pacific Northwest Timber	—	—	3.7	—	7.3
New Zealand Timber	0.3	0.1	—	0.5	36.0
Timberland Acquisitions	\$0.3	\$0.1	\$60.4	\$24.7	\$142.3
Real Estate Development Investments⁽²⁾	\$1.0	\$1.9	\$3.5	\$6.5	\$6.8

(1) The three months and year ended December 31, 2020 and the three months ended September 30, 2020 exclude \$0.7 million, \$2.3 million and \$0.9 million, respectively, of capital expenditures attributable to noncontrolling interests in Timber Funds.

(2) The three months and year ended December 31, 2020 includes \$1.0 million of reimbursements from community development bonds. The year ended December 31, 2019 includes \$3.7 million of reimbursements from community development bonds.

2021 Financial Guidance

(\$ in millions)	2020	Guidance		
Timber Volumes (tons in millions)				
Southern Timber	6.2	6.2	-	6.4
Pacific Northwest Timber	1.6	1.7	-	1.8
New Zealand Timber	2.5	2.6	-	2.8
Total	10.3	10.5	-	11.0
Segment Adjusted EBITDA⁽¹⁾				
Southern Timber	\$109.1	\$114.0	-	\$120.0
Pacific Northwest Timber	37.1	50.0	-	55.0
New Zealand Timber	55.0	71.0	-	75.0
Timber Funds ("Look-through")	1.8	5.0	-	5.0
Real Estate	91.4	70.0	-	85.0
Trading	(0.5)	1.0	-	1.0
Corporate and Other	(26.6)	(26.0)	-	(26.0)
Total	\$267.4	\$285.0	-	\$315.0
Segment DD&A				
Southern Timber	\$61.8	\$59.0	-	\$61.0
Pacific Northwest Timber	47.1	52.0	-	55.0
New Zealand Timber	25.0	26.0	-	28.0
Timber Funds ("Look-through")	1.6	4.0	-	4.0
Real Estate	17.7	15.0	-	17.0
Trading	—	—	-	—
Corporate and Other	1.4	1.5	-	1.5
Total	\$154.7	\$157.5	-	\$166.5
Non-cash cost of land and improved development	\$30.4	\$22.0	-	\$28.0
Segment Pro forma Operating Income⁽¹⁾				
Southern Timber	\$47.3	\$55.0	-	\$59.0
Pacific Northwest Timber	(10.0)	(2.0)	-	—
New Zealand Timber	30.0	45.0	-	47.0
Timber Funds ("Look-through")	0.2	1.0	-	1.0
Real Estate	43.3	33.0	-	40.0
Trading	(0.5)	1.0	-	1.0
Corporate and Other	(28.0)	(27.5)	-	(27.5)
Total	\$82.3	\$105.5	-	\$120.5
Operating loss attributable to NCI in Timber Funds	(11.6)	(6.5)	-	(6.5)
Timber write-offs resulting from casualty events attributable to Rayonier ⁽¹⁾	(7.9)	—	-	—
Costs related to the merger with Pope Resources ⁽¹⁾	(17.2)	—	-	—
Large Dispositions ⁽¹⁾	28.7	—	-	—
Operating Income	\$74.4	\$99.0	-	\$114.0
Capital Expenditures ⁽²⁾	\$64.2	\$70.0	-	\$75.0
Diluted Earnings per Share	\$0.27	\$0.32	-	\$0.41
Pro forma Diluted Earnings Per Share ⁽¹⁾	\$0.25	\$0.32	-	\$0.41

(1) Non-GAAP measure or pro forma item (see Section 2 — *Supplemental Information* for definitions).

(2) Excludes capital expenditures attributable to noncontrolling interests in Timber Funds.



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 income (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 income (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 income (loss) 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	December 31, 2020		September 30, 2020		December 31, 2019	
	\$	EPS	\$	EPS	\$	EPS
Sales	\$205.5		\$198.9		\$178.8	
Sales attributable to noncontrolling interest in Timber Funds	(9.2)		(7.7)		—	
Pro Forma Sales	\$196.3		\$191.2		\$178.8	
Net Income (Loss) attributable to Rayonier Inc.	\$10.3	\$0.07	(\$0.8)	(\$0.01)	\$16.0	\$0.12
Costs related to the merger with Pope Resources ⁽¹⁾	0.7	0.01	0.4	—	—	—
Timber write-offs resulting from casualty events attributable to Rayonier ⁽¹⁾	—	—	7.9	0.07	—	—
Pro Forma Net Income	\$11.0	\$0.08	\$7.5	\$0.06	\$16.0	\$0.12

Year Ended	December 31, 2020		December 31, 2019	
	\$	EPS	\$	EPS
Sales	\$859.2		\$711.6	
Sales attributable to noncontrolling interest in Timber Funds	(22.8)		—	
Large Dispositions ⁽¹⁾	(116.0)		—	
Pro Forma Sales	\$720.4		\$711.6	
Net Income attributable to Rayonier Inc.	\$37.1	\$0.27	\$59.1	\$0.46
Costs related to the merger with Pope Resources ⁽¹⁾	17.2	0.13	—	—
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	\$33.5	\$0.25	\$59.1	\$0.46



(1) Pro forma items (see page 17 for definitions).

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
December 31, 2020								
Operating income (loss)	\$9.9	(\$0.5)	\$8.8	\$1.1	\$10.9	—	(\$7.8)	\$22.4
Operating income attributable to NCI in Timber Funds	—	—	—	(0.7)	—	—	—	(0.7)
Costs related to the merger with Pope Resources ⁽¹⁾	—	—	—	—	—	—	0.7	0.7
Pro forma operating income (loss)	\$9.9	(\$0.5)	\$8.8	\$0.3	\$10.9	—	(\$7.0)	\$22.4
Depreciation, depletion & amortization	13.5	14.9	8.0	0.6	5.1	—	0.4	42.4
Non-cash cost of land and improved development	—	—	—	—	9.7	—	—	9.7
Adjusted EBITDA	\$23.3	\$14.4	\$16.8	\$0.9	\$25.7	—	(\$6.6)	\$74.5
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 ⁽²⁾	—	—	—	10.3	—	—	—	10.3
Timber write-offs resulting from casualty events attributable to Rayonier ⁽¹⁾	6.0	—	—	1.8	—	—	—	7.9
Costs related to the merger with Pope Resources ⁽¹⁾	—	—	—	—	—	—	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
December 31, 2019								
Operating income (loss)	\$12.0	(\$1.3)	\$9.4	—	\$12.7	(\$0.3)	(\$6.5)	\$26.1
Depreciation, depletion & amortization	16.3	10.0	6.7	—	3.0	—	0.3	36.3
Non-cash cost of land and improved development	—	—	—	—	2.6	—	—	2.6
Adjusted EBITDA	\$28.3	\$8.7	\$16.1	—	\$18.4	(\$0.3)	(\$6.2)	\$65.0

(1) Pro forma items (see page 17 for definitions).

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

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

(\$ in millions)								
Year Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Timber Funds	Real Estate	Trading	Corporate and Other	Total
December 31, 2020								
Operating income (loss)	\$41.3	(\$10.0)	\$30.0	(\$13.2)	\$72.0	(\$0.5)	(\$45.2)	\$74.4
Operating loss attributable to NCI in Timber Funds ⁽¹⁾	—	—	—	11.6	—	—	—	11.6
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⁾	—	—	—	—	—	—	17.2	17.2
Large Dispositions ⁽²⁾	—	—	—	—	(28.7)	—	—	(28.7)
Pro forma operating income (loss)	\$47.3	(\$10.0)	\$30.0	\$0.2	\$43.3	(\$0.5)	(\$28.0)	\$82.3
Depreciation, depletion & amortization	61.8	47.1	25.0	1.6	17.7	—	1.4	154.7
Non-cash cost of land and improved development	—	—	—	—	30.4	—	—	30.4
Adjusted EBITDA	\$109.1	\$37.1	\$55.0	\$1.8	\$91.4	(\$0.5)	(\$26.6)	\$267.4
December 31, 2019								
Operating income (loss)	\$57.8	(\$12.4)	\$48.0	—	\$38.7	—	(\$25.1)	\$107.0
Depreciation, depletion & amortization	61.9	29.2	27.8	—	8.2	—	1.2	128.2
Non-cash cost of land and improved development	—	—	—	—	12.6	—	—	12.6
Adjusted EBITDA	\$119.7	\$16.7	\$75.8	—	\$59.5	—	(\$23.9)	\$247.8

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

(2) Pro forma items (see page 17 for definitions).