

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended September 30, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_



**RAYONIER INC.**

(Exact name of registrant as specified in its charter)

**North Carolina**  
(State or other Jurisdiction of incorporation or organization)

**1-6780**  
(Commission File Number)

**13-2607329**  
(I.R.S. Employer Identification Number)

**Rayonier, L.P.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other Jurisdiction of incorporation or organization)

**333-237246**  
(Commission File Number)

**91-1313292**  
(I.R.S. Employer Identification Number)

**1 RAYONIER WAY**  
**WILDLIGHT, FL 32097**  
**(Principal Executive Office)**

**Telephone Number: (904) 357-9100**

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class  
Common Shares, no par value, of Rayonier Inc.

Trading Symbol  
RYN

Exchange  
New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

**Rayonier Inc.** Yes  No  **Rayonier, L.P.** Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

**Rayonier Inc.** Yes  No  **Rayonier, L.P.** Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

**Rayonier Inc.**

Large Accelerated Filer  Accelerated Filer  Non-accelerated Filer  Smaller Reporting Company  Emerging Growth Company

**Rayonier, L.P.**

Large Accelerated Filer  Accelerated Filer  Non-accelerated Filer  Smaller Reporting Company  Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Rayonier Inc.**  **Rayonier, L.P.**

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

**Rayonier Inc.** Yes  No  **Rayonier, L.P.** Yes  No

As of October 27, 2023, Rayonier Inc. had 148,292,759 Common Shares outstanding. As of October 27, 2023, Rayonier, L.P. had 2,447,848 Units outstanding.

## EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarterly period ended September 30, 2023 of Rayonier Inc., a North Carolina corporation, and Rayonier, L.P., a Delaware limited partnership. Unless stated otherwise or the context otherwise requires, references to “Rayonier” or “the Company” mean Rayonier Inc. and references to the “Operating Partnership” mean Rayonier, L.P. References to “we,” “us,” and “our” mean collectively Rayonier Inc., the Operating Partnership and entities/subsidiaries owned or controlled by Rayonier Inc. and/or the Operating Partnership.

Rayonier Inc. has elected to be taxed as a real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, commencing with its taxable year ended December 31, 2004. The Company is structured as an umbrella partnership REIT (“UPREIT”) under which substantially all of its business is conducted through the Operating Partnership. Rayonier Inc. is the sole general partner of the Operating Partnership. On May 8, 2020, Rayonier, L.P. acquired Pope Resources, a Delaware Limited Partnership (“Pope Resources”) and issued approximately 4.45 million operating partnership units (“OP Units” or “Redeemable Operating Partnership Units”) of Rayonier, L.P. as partial merger consideration. These OP Units are generally considered to be economic equivalents to Rayonier common shares and receive distributions equal to the dividends paid on Rayonier common shares.

As of September 30, 2023, the Company owned a 98.4% interest in the Operating Partnership, with the remaining 1.6% interest owned by limited partners of the Operating Partnership. As the sole general partner of the Operating Partnership, Rayonier Inc. has exclusive control of the day-to-day management of the Operating Partnership.

Rayonier Inc. and the Operating Partnership are operated as one business. The management of the Operating Partnership consists of the same members as the management of Rayonier Inc. As general partner with control of the Operating Partnership, Rayonier Inc. consolidates Rayonier, L.P. for financial reporting purposes, and has no material assets or liabilities other than its investment in the Operating Partnership.

We believe combining the quarterly reports of Rayonier Inc. and Rayonier, L.P. into this single report results in the following benefits:

- Strengthens investors’ understanding of Rayonier Inc. and the Operating Partnership by enabling them to view the business as a single operating unit in the same manner as management views and operates the business;
- Creates efficiencies for investors by reducing duplicative disclosures and providing a single comprehensive document; and
- Generates time and cost savings associated with the preparation of the reports when compared to preparing separate reports for each entity.

There are a few important differences between Rayonier Inc. and the Operating Partnership in the context of how Rayonier Inc. operates as a consolidated company. The Company itself does not conduct business, other than through acting as the general partner of the Operating Partnership and issuing equity or equity-related instruments from time to time. The Operating Partnership holds, directly or indirectly, substantially all of the Company’s assets. Likewise, all debt is incurred by the Operating Partnership or entities/subsidiaries owned or controlled by the Operating Partnership. The Operating Partnership conducts substantially all of the Company’s business and is structured as a partnership with no publicly traded equity.

To help investors understand the significant differences between the Company and the Operating Partnership, this report includes:

- Separate Consolidated Financial Statements for Rayonier Inc. and Rayonier, L.P.;
  - A combined set of Notes to the Consolidated Financial Statements with separate discussions of per share and per unit information, noncontrolling interests and shareholders’ equity and partners’ capital, as applicable;
  - A combined Management’s Discussion and Analysis of Financial Condition and Results of Operations which includes specific information related to each reporting entity;
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- A separate Part I, Item 4. Controls and Procedures related to each reporting entity;
  - A separate Part II, Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities section related to each reporting entity; and
  - Separate Exhibit 31 and 32 certifications for each reporting entity within Part II, Item 6.
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**PART I. FINANCIAL INFORMATION**
**Item 1. Financial Statements**

**RAYONIER INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**AND COMPREHENSIVE INCOME**  
(Unaudited)  
(Dollars in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>SALES (NOTE 3)</b>	\$201,579	\$195,287	\$589,526	\$663,674
Costs and Expenses				
Cost of sales	(145,622)	(152,079)	(463,197)	(507,381)
Selling and general expenses	(18,947)	(16,886)	(54,677)	(49,002)
Other operating (expense) income, net (NOTE 14)	(1,654)	14,581	(5,571)	14,398
	<u>(166,223)</u>	<u>(154,384)</u>	<u>(523,445)</u>	<u>(541,985)</u>
<b>OPERATING INCOME</b>	35,356	40,903	66,081	121,689
Interest expense, net	(12,598)	(9,056)	(36,755)	(26,476)
Interest and other miscellaneous income, net	529	1,252	21,725	990
<b>INCOME BEFORE INCOME TAXES</b>	23,287	33,099	51,051	96,203
Income tax expense (NOTE 16)	(547)	(1,238)	(1,777)	(8,056)
<b>NET INCOME</b>	22,740	31,861	49,274	88,147
Less: Net income attributable to noncontrolling interests in the operating partnership	(320)	(455)	(811)	(1,670)
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(3,183)	(10,828)	(1,902)	(12,478)
<b>NET INCOME ATTRIBUTABLE TO RAYONIER INC.</b>	19,237	20,578	46,561	73,999
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Foreign currency translation adjustment, net of income tax effect of \$0, \$0, \$0 and \$0	(4,413)	(25,392)	(17,350)	(55,220)
Cash flow hedges, net of income tax effect of \$75, \$2,488, \$322 and \$5,677	7,379	20,147	7,002	66,329
Amortization of pension and postretirement plans, net of income tax expense of \$0, \$0, \$0 and \$0	2	188	4	564
Total other comprehensive income (loss)	<u>2,968</u>	<u>(5,057)</u>	<u>(10,344)</u>	<u>11,673</u>
<b>COMPREHENSIVE INCOME</b>	25,708	26,804	38,930	99,820
Less: Comprehensive income attributable to noncontrolling interests in the operating partnership	(373)	(490)	(592)	(2,147)
Less: Comprehensive income attributable to noncontrolling interests in consolidated affiliates	(2,906)	(8,029)	(884)	(6,670)
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO RAYONIER INC.</b>	<u>\$22,429</u>	<u>\$18,285</u>	<u>\$37,454</u>	<u>\$91,003</u>
<b>EARNINGS PER COMMON SHARE (NOTE 5)</b>				
Basic earnings per share attributable to Rayonier Inc.	\$0.13	\$0.14	\$0.31	\$0.51
Diluted earnings per share attributable to Rayonier Inc.	\$0.13	\$0.14	\$0.31	\$0.50

See Notes to Consolidated Financial Statements.

**RAYONIER INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)  
(Dollars in thousands)

	September 30, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$107,784	\$114,255
Trade receivables, less allowance for doubtful accounts of \$217 and \$74	31,447	27,837
Other receivables	9,894	14,701
Inventory <a href="#">(Note 13)</a>	33,139	23,729
Prepaid expenses	20,415	20,573
Assets held for sale <a href="#">(Note 19)</a>	18,320	713
Other current assets	1,929	573
Total current assets	222,928	202,381
<b>TIMBER AND TIMBERLANDS, NET OF DEPLETION AND AMORTIZATION</b>	3,138,136	3,230,904
<b>HIGHER AND BETTER USE TIMBERLANDS AND REAL ESTATE DEVELOPMENT INVESTMENTS <a href="#">(NOTE 12)</a></b>	106,657	115,097
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land	6,453	6,453
Buildings	30,121	31,020
Machinery and equipment	6,581	6,568
Construction in progress	1,331	653
Total property, plant and equipment, gross	44,486	44,694
Less — accumulated depreciation	(18,478)	(17,505)
Total property, plant and equipment, net	26,008	27,189
<b>RESTRICTED CASH <a href="#">(NOTE 18)</a></b>	1,804	1,152
<b>RIGHT-OF-USE ASSETS</b>	92,736	97,167
<b>OTHER ASSETS</b>	119,480	115,481
<b>TOTAL ASSETS</b>	\$3,707,749	\$3,789,371
<b>LIABILITIES, NONCONTROLLING INTERESTS IN THE OPERATING PARTNERSHIP AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$25,960	\$22,100
Accrued taxes	8,920	3,734
Accrued payroll and benefits	10,443	12,564
Accrued interest	10,605	5,920
Deferred revenue	23,835	22,762
Other current liabilities	30,856	28,247
Total current liabilities	110,619	95,327
<b>LONG-TERM DEBT, NET <a href="#">(NOTE 6)</a></b>	1,511,470	1,514,721
<b>PENSION AND OTHER POSTRETIREMENT BENEFITS <a href="#">(NOTE 15)</a></b>	8,356	8,510
<b>LONG-TERM LEASE LIABILITY</b>	85,111	88,756
<b>LONG-TERM DEFERRED REVENUE</b>	11,317	6,895
<b>OTHER NON-CURRENT LIABILITIES</b>	78,744	88,687
<b>CONTINGENCIES <a href="#">(NOTE 9)</a></b>		
<b>NONCONTROLLING INTERESTS IN THE OPERATING PARTNERSHIP <a href="#">(NOTE 4)</a></b>	69,820	105,763
<b>SHAREHOLDERS' EQUITY</b>		
Common Shares, 480,000,000 shares authorized, 148,287,338 and 147,282,631 shares issued and outstanding	1,493,511	1,462,945
Retained earnings	295,096	366,637
Accumulated other comprehensive income <a href="#">(Note 17)</a>	27,504	35,813
<b>TOTAL RAYONIER INC. SHAREHOLDERS' EQUITY</b>	1,816,111	1,865,395
Noncontrolling interests in consolidated affiliates <a href="#">(Note 4)</a>	16,201	15,317
<b>TOTAL SHAREHOLDERS' EQUITY</b>	1,832,312	1,880,712
<b>TOTAL LIABILITIES, NONCONTROLLING INTERESTS IN THE OPERATING PARTNERSHIP AND SHAREHOLDERS' EQUITY</b>	\$3,707,749	\$3,789,371

See Notes to Consolidated Financial Statements.

**RAYONIER INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**(Unaudited)**  
**(Dollars in thousands, except share data)**

	Common Shares		Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interests in Consolidated Affiliates	Shareholders' Equity
	Shares	Amount				
<b>Balance, January 1, 2023</b>	147,282,631	\$1,462,945	\$366,637	\$35,813	\$15,317	\$1,880,712
Net income (loss)	—	—	8,474	—	(1,037)	7,437
Net income attributable to noncontrolling interests in the operating partnership	—	—	(174)	—	—	(174)
Dividends (\$0.285 per share) (a)	—	—	(42,172)	—	—	(42,172)
Issuance of shares under the "at-the-market" equity offering, net of commissions and offering costs of \$24	400	(10)	—	—	—	(10)
Issuance of shares under incentive stock plans	1,564	—	—	—	—	—
Stock-based compensation	—	2,499	—	—	—	2,499
Repurchase of common shares	(1,167)	(41)	—	—	—	(41)
Adjustment of noncontrolling interests in the operating partnership	—	—	(2,376)	—	—	(2,376)
Conversion of units into common shares	729,551	23,881	—	—	—	23,881
Amortization of pension and postretirement plan liabilities	—	—	—	1	—	1
Foreign currency translation adjustment	—	—	—	(3,552)	(181)	(3,733)
Cash flow hedges	—	—	—	(12,504)	185	(12,319)
Allocation of other comprehensive loss to noncontrolling interests in the operating partnership	—	—	—	1,110	—	1,110
<b>Balance, March 31, 2023</b>	<u>148,012,979</u>	<u>\$1,489,274</u>	<u>\$330,389</u>	<u>\$20,868</u>	<u>\$14,284</u>	<u>\$1,854,815</u>
Net income	—	—	19,341	—	(245)	19,096
Net income attributable to noncontrolling interests in the operating partnership	—	—	(318)	—	—	(318)
Dividends (\$0.285 per share) (a)	—	—	(42,279)	—	—	(42,279)
Costs associated with the "at-the-market" (ATM) equity offering program	—	(71)	—	—	—	(71)
Issuance of shares under incentive stock plans	372,149	—	—	—	—	—
Stock-based compensation	—	4,336	—	—	—	4,336
Repurchase of common shares	(126,788)	(4,147)	—	—	—	(4,147)
Adjustment of noncontrolling interests in the operating partnership	—	—	4,296	—	—	4,296
Conversion of units into common shares	10,103	304	—	—	—	304
Amortization of pension and postretirement plan liabilities	—	—	—	2	—	2
Foreign currency translation adjustment	—	—	—	(8,790)	(413)	(9,203)
Cash flow hedges	—	—	—	12,273	(331)	11,942
Allocation of other comprehensive income to noncontrolling interests in the operating partnership	—	—	—	(58)	—	(58)
<b>Balance, June 30, 2023</b>	<u>148,268,443</u>	<u>\$1,489,696</u>	<u>\$311,429</u>	<u>\$24,295</u>	<u>\$13,295</u>	<u>\$1,838,715</u>

**RAYONIER INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
(Unaudited)  
(Dollars in thousands, except share data)

	Common Shares		Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interests in Consolidated Affiliates	Shareholders' Equity
	Shares	Amount				
<b>Balance, June 30, 2023</b>	148,268,443	\$1,489,696	\$311,429	\$24,295	\$13,295	\$1,838,715
Net income	—	—	19,557	—	3,183	22,740
Net income attributable to noncontrolling interests in the operating partnership	—	—	(320)	—	—	(320)
Dividends (\$0.285 per share) (a)	—	—	(42,460)	—	—	(42,460)
Issuance of shares under incentive stock plans	3,959	—	—	—	—	—
Stock-based compensation	—	3,365	—	—	—	3,365
Repurchase of common shares	(968)	(29)	—	—	—	(29)
Adjustment of noncontrolling interests in the operating partnership	—	—	6,890	—	—	6,890
Conversion of common units to common shares	15,904	479	—	—	—	479
Amortization of pension and postretirement plan liabilities	—	—	—	2	—	2
Foreign currency translation adjustment	—	—	—	(4,180)	(233)	(4,413)
Cash flow hedges	—	—	—	7,423	(44)	7,379
Allocation of other comprehensive income to noncontrolling interests in the operating partnership	—	—	—	(36)	—	(36)
<b>Balance, September 30, 2023</b>	<u>148,287,338</u>	<u>\$1,493,511</u>	<u>\$295,096</u>	<u>\$27,504</u>	<u>\$16,201</u>	<u>\$1,832,312</u>

(a) For information regarding distributions to noncontrolling interests in the operating partnership, see the [Rayonier Inc. Consolidated Statements of Cash Flows](#) and [Note 4 — Noncontrolling Interests](#).



**RAYONIER INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**(Unaudited)**  
**(Dollars in thousands, except share data)**

	Common Shares		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests in Consolidated Affiliates	Shareholders' Equity
	Shares	Amount				
<b>Balance, January 1, 2022</b>	145,372,961	\$1,389,073	\$402,307	(\$19,604)	\$43,802	\$1,815,578
Net income	—	—	29,986	—	1,012	30,998
Net income attributable to noncontrolling interests in the operating partnership	—	—	(669)	—	—	(669)
Dividends (\$0.27 per share) (a)	—	—	(39,902)	—	—	(39,902)
Issuance of shares under the "at-the-market" equity offering, net of commissions and offering costs of \$339	726,248	29,771	—	—	—	29,771
Issuance of shares under incentive stock plans	11,364	415	—	—	—	415
Stock-based compensation	—	2,797	—	—	—	2,797
Repurchase of common shares	(5,420)	(214)	—	—	—	(214)
Adjustment of noncontrolling interests in the operating partnership	—	—	(2,645)	—	—	(2,645)
Conversion of units into common shares	2,535	104	—	—	—	104
Amortization of pension and postretirement plan liabilities	—	—	—	188	—	188
Foreign currency translation adjustment	—	—	—	5,668	790	6,458
Cash flow hedges	—	—	—	39,822	605	40,427
Allocation of other comprehensive income to noncontrolling interests in the operating partnership	—	—	—	(101)	—	(101)
Distributions to noncontrolling interests in consolidated affiliates	—	—	—	—	(1,566)	(1,566)
<b>Balance, March 31, 2022</b>	<u>146,107,688</u>	<u>\$1,421,946</u>	<u>\$389,077</u>	<u>\$25,973</u>	<u>\$44,643</u>	<u>\$1,881,639</u>
Net income	—	—	24,650	—	637	25,287
Net income attributable to noncontrolling interests in the operating partnership	—	—	(546)	—	—	(546)
Dividends (\$0.285 per share) (a)	—	—	(42,098)	—	—	(42,098)
Costs associated with the "at-the-market" (ATM) equity offering program	—	(63)	—	—	—	(63)
Issuance of shares under incentive stock plans	304,887	1,983	—	—	—	1,983
Stock-based compensation	—	4,412	—	—	—	4,412
Repurchase of common shares	(91,820)	(3,991)	—	—	—	(3,991)
Adjustment of noncontrolling interests in the operating partnership	—	—	11,412	—	—	11,412
Conversion of units into common shares	977	42	—	—	—	42
Amortization of pension and postretirement plan liabilities	—	—	—	188	—	188
Foreign currency translation adjustment	—	—	—	(34,373)	(1,912)	(36,285)
Cash flow hedges	—	—	—	8,247	(2,492)	5,755
Allocation of other comprehensive loss to noncontrolling interests in the operating partnership	—	—	—	575	—	575
Noncontrolling interests in consolidated affiliates redemption of shares	—	—	—	—	(27,860)	(27,860)
<b>Balance, June 30, 2022</b>	<u>146,321,732</u>	<u>\$1,424,329</u>	<u>\$382,495</u>	<u>\$610</u>	<u>\$13,016</u>	<u>\$1,820,450</u>

**RAYONIER INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
(Unaudited)  
(Dollars in thousands, except share data)

	Common Shares		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests in Consolidated Affiliates	Shareholders' Equity
	Shares	Amount				
<b>Balance, June 30, 2022</b>	<u>146,321,732</u>	<u>\$1,424,329</u>	<u>\$382,495</u>	<u>\$610</u>	<u>\$13,016</u>	<u>\$1,820,450</u>
Net income	—	—	21,033	—	10,828	31,861
Net income attributable to noncontrolling interests in the operating partnership	—	—	(455)	—	—	(455)
Dividends (\$0.285 per share) (a)	—	—	(42,052)	—	—	(42,052)
Costs associated with the "at-the-market" (ATM) equity offering program	—	(38)	—	—	—	(38)
Issuance of shares under incentive stock plans	760	19	—	—	—	19
Stock-based compensation	—	2,636	—	—	—	2,636
Repurchase of common shares	(569)	(20)	—	—	—	(20)
Adjustment of noncontrolling interests in the operating partnership	—	—	23,363	—	—	23,363
Conversion of common units to common shares	100,902	3,696	—	—	—	3,696
Amortization of pension and postretirement plan liabilities	—	—	—	188	—	188
Foreign currency translation adjustment	—	—	—	(24,065)	(1,327)	(25,392)
Cash flow hedges	—	—	—	21,619	(1,472)	20,147
Allocation of other comprehensive loss to noncontrolling interests in the operating partnership	—	—	—	49	—	49
Distributions to noncontrolling interests in consolidated affiliates	—	—	—	—	(9,789)	(9,789)
<b>Balance, September 30, 2022</b>	<u>146,422,825</u>	<u>\$1,430,622</u>	<u>\$384,384</u>	<u>(\$1,599)</u>	<u>\$11,256</u>	<u>\$1,824,663</u>

(a) For information regarding distributions to noncontrolling interests in the operating partnership, see the [Rayonier Inc. Consolidated Statements of Cash Flows](#) and [Note 4 — Noncontrolling Interests](#).

See Notes to Consolidated Financial Statements.

**RAYONIER INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(Dollars in thousands)

	Nine Months Ended September 30,	
	2023	2022
<b>OPERATING ACTIVITIES</b>		
Net income	\$49,274	\$88,147
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation, depletion and amortization	114,281	114,221
Non-cash cost of land and improved development	20,189	20,289
Stock-based incentive compensation expense	10,201	9,844
Deferred income taxes	(2,855)	(6,678)
Amortization of losses from pension and postretirement plans	4	564
Timber write-offs resulting from casualty events	2,302	1,088
Other	7,822	(2,854)
Changes in operating assets and liabilities:		
Receivables	251	(12,845)
Inventories	(1,190)	(6,238)
Accounts payable	3,630	6,833
All other operating activities	5,027	(2,482)
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>208,936</b>	<b>209,889</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(53,128)	(48,211)
Real estate development investments	(18,757)	(10,935)
Purchase of timberlands	(13,988)	(3,242)
Other	6,197	6,531
<b>CASH USED FOR INVESTING ACTIVITIES</b>	<b>(79,676)</b>	<b>(55,857)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of debt	—	406,842
Repayment of debt	—	(531,842)
Dividends paid on common shares	(127,587)	(123,619)
Distributions to noncontrolling interests in the operating partnership	(2,265)	(2,754)
Proceeds from the issuance of common shares under incentive stock plan	—	2,580
Proceeds from the issuance of common shares under the "at-the-market" (ATM) equity offering program, net of commissions and offering costs	(82)	31,877
Repurchase of common shares to pay withholding taxes on vested incentive stock awards	(4,217)	(4,225)
Distributions to noncontrolling interests in consolidated affiliates	—	(16,472)
<b>CASH USED FOR FINANCING ACTIVITIES</b>	<b>(134,151)</b>	<b>(237,613)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	<b>(928)</b>	<b>(6,038)</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>		
Change in cash, cash equivalents and restricted cash	(5,819)	(89,619)
Balance, beginning of year	115,407	369,139
Balance, end of period	<u>\$109,588</u>	<u>\$279,520</u>

	Nine Months Ended September 30,	
	2023	2022
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the period:		
Interest (a)	\$31,556	\$24,161
Income taxes (b)	4,651	14,627
Non-cash investing activity:		
Capital assets purchased on account	5,161	4,882
Non-cash financing activity:		
Noncontrolling interests in consolidated affiliates redemption of shares (c)	—	27,860

(a) Interest paid is presented net of patronage payments received of \$6.2 million and \$6.0 million for the nine months ended September 30, 2023 and September 30, 2022, respectively. For additional information on patronage payments, see Note 7 — Debt in the 2022 Form 10-K.

(b) Income taxes paid in 2022 were elevated due to timing of required tax payments for the New Zealand subsidiary following a full utilization of its net operating losses.

(c) In the second quarter of 2022, the New Zealand subsidiary made a capital distribution in order to redeem certain equity interests, resulting in the recording of a loan payable by the New Zealand subsidiary in the amount of \$27.9 million.

See Notes to Consolidated Financial Statements.

**RAYONIER, L.P. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**AND COMPREHENSIVE INCOME**  
(Unaudited)  
(Dollars in thousands, except per unit amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>SALES (NOTE 3)</b>	\$201,579	\$195,287	\$589,526	\$663,674
Costs and Expenses				
Cost of sales	(145,622)	(152,079)	(463,197)	(507,381)
Selling and general expenses	(18,947)	(16,886)	(54,677)	(49,002)
Other operating (expense) income, net (NOTE 14)	(1,654)	14,581	(5,571)	14,398
	(166,223)	(154,384)	(523,445)	(541,985)
<b>OPERATING INCOME</b>	35,356	40,903	66,081	121,689
Interest expense, net	(12,598)	(9,056)	(36,755)	(26,476)
Interest and other miscellaneous income, net	529	1,252	21,725	990
<b>INCOME BEFORE INCOME TAXES</b>	23,287	33,099	51,051	96,203
Income tax expense (NOTE 16)	(547)	(1,238)	(1,777)	(8,056)
<b>NET INCOME</b>	22,740	31,861	49,274	88,147
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(3,183)	(10,828)	(1,902)	(12,478)
<b>NET INCOME ATTRIBUTABLE TO RAYONIER, L.P. UNITHOLDERS</b>	19,557	21,033	47,372	75,669
<b>NET INCOME ATTRIBUTABLE TO UNITHOLDERS ATTRIBUTABLE TO:</b>				
Limited Partners	19,361	20,823	46,898	74,912
General Partners	196	210	474	757
<b>Net income attributable to unitholders</b>	19,557	21,033	47,372	75,669
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Foreign currency translation adjustment, net of income tax effect of \$0, \$0, \$0 and \$0	(4,413)	(25,392)	(17,350)	(55,220)
Cash flow hedges, net of income tax effect of \$75, \$2,488, \$322 and \$5,677	7,379	20,147	7,002	66,329
Amortization of pension and postretirement plans, net of income tax expense of \$0, \$0, \$0 and \$0	2	188	4	564
Total other comprehensive income (loss)	2,968	(5,057)	(10,344)	11,673
<b>COMPREHENSIVE INCOME</b>	25,708	26,804	38,930	99,820
Less: Comprehensive income attributable to noncontrolling interests in consolidated affiliates	(2,906)	(8,029)	(884)	(6,670)
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO RAYONIER, L.P. UNITHOLDERS</b>	\$22,802	\$18,775	\$38,046	\$93,150
<b>EARNINGS PER UNIT (NOTE 5)</b>				
Basic earnings per unit attributable to Rayonier, L.P.	\$0.13	\$0.14	\$0.31	\$0.51
Diluted earnings per unit attributable to Rayonier, L.P.	\$0.13	\$0.14	\$0.31	\$0.50

See Notes to Consolidated Financial Statements.

**RAYONIER, L.P. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)  
(Dollars in thousands)

	September 30, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$107,784	\$114,255
Trade receivables, less allowance for doubtful accounts of \$217 and \$74	31,447	27,837
Other receivables	9,894	14,701
Inventory <a href="#">(Note 13)</a>	33,139	23,729
Prepaid expenses	20,415	20,573
Assets held for sale <a href="#">(Note 19)</a>	18,320	713
Other current assets	1,929	573
Total current assets	222,928	202,381
<b>TIMBER AND TIMBERLANDS, NET OF DEPLETION AND AMORTIZATION</b>	3,138,136	3,230,904
<b>HIGHER AND BETTER USE TIMBERLANDS AND REAL ESTATE DEVELOPMENT INVESTMENTS <a href="#">(NOTE 12)</a></b>	106,657	115,097
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land	6,453	6,453
Buildings	30,121	31,020
Machinery and equipment	6,581	6,568
Construction in progress	1,331	653
Total property, plant and equipment, gross	44,486	44,694
Less — accumulated depreciation	(18,478)	(17,505)
Total property, plant and equipment, net	26,008	27,189
<b>RESTRICTED CASH <a href="#">(NOTE 18)</a></b>	1,804	1,152
<b>RIGHT-OF-USE ASSETS</b>	92,736	97,167
<b>OTHER ASSETS</b>	119,480	115,481
<b>TOTAL ASSETS</b>	<b>\$3,707,749</b>	<b>\$3,789,371</b>
<b>LIABILITIES, REDEEMABLE OPERATING PARTNERSHIP UNITS AND CAPITAL</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$25,960	\$22,100
Accrued taxes	8,920	3,734
Accrued payroll and benefits	10,443	12,564
Accrued interest	10,605	5,920
Deferred revenue	23,835	22,762
Other current liabilities	30,856	28,247
Total current liabilities	110,619	95,327
<b>LONG-TERM DEBT, NET <a href="#">(NOTE 6)</a></b>	1,511,470	1,514,721
<b>PENSION AND OTHER POSTRETIREMENT BENEFITS <a href="#">(NOTE 15)</a></b>	8,356	8,510
<b>LONG-TERM LEASE LIABILITY</b>	85,111	88,756
<b>LONG-TERM DEFERRED REVENUE</b>	11,317	6,895
<b>OTHER NON-CURRENT LIABILITIES</b>	78,744	88,687
<b>CONTINGENCIES <a href="#">(NOTE 9)</a></b>		
<b>REDEEMABLE OPERATING PARTNERSHIP UNITS <a href="#">(NOTE 4)</a> 2,453,269 and 3,208,827 Units outstanding, respectively</b>	69,820	105,763
<b>CAPITAL</b>		
General partners' capital	17,852	18,251
Limited partners' capital	1,767,335	1,806,895
Accumulated other comprehensive income <a href="#">(Note 17)</a>	30,924	40,249
<b>TOTAL CONTROLLING INTEREST CAPITAL</b>	1,816,111	1,865,395
Noncontrolling interests in consolidated affiliates <a href="#">(Note 4)</a>	16,201	15,317
<b>TOTAL CAPITAL</b>	1,832,312	1,880,712
<b>TOTAL LIABILITIES, REDEEMABLE OPERATING PARTNERSHIP UNITS AND CAPITAL</b>	<b>\$3,707,749</b>	<b>\$3,789,371</b>

See Notes to Consolidated Financial Statements.

**RAYONIER, L.P. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL**  
**(Unaudited)**  
**(Dollars in thousands, except share data)**

	Units		Accumulated Other Comprehensive Income	Noncontrolling Interests in Consolidated Affiliates	Total Capital
	General Partners' Capital	Limited Partners' Capital			
<b>Balance, January 1, 2023</b>	\$18,251	\$1,806,895	\$40,249	\$15,317	\$1,880,712
Net income (loss)	85	8,389	—	(1,037)	7,437
Distributions on units (\$0.285 per unit)	(431)	(42,602)	—	—	(43,033)
Issuance of units under the "at-the-market" equity offering, net of commissions and offering costs of \$24	—	(10)	—	—	(10)
Stock-based compensation	25	2,474	—	—	2,499
Repurchase of units	—	(41)	—	—	(41)
Adjustment of Redeemable Operating Partnership Units	(6)	(573)	—	—	(579)
Conversion of units into common shares	239	23,642	—	—	23,881
Amortization of pension and postretirement plan liabilities	—	—	1	—	1
Foreign currency translation adjustment	—	—	(3,552)	(181)	(3,733)
Cash flow hedges	—	—	(12,504)	185	(12,319)
<b>Balance, March 31, 2023</b>	<b>\$18,163</b>	<b>\$1,798,174</b>	<b>\$24,194</b>	<b>\$14,284</b>	<b>\$1,854,815</b>
Net income	193	19,148	—	(245)	19,096
Distributions on units (\$0.285 per unit)	(429)	(42,555)	—	—	(42,984)
Costs associated with the "at-the-market" (ATM) equity offering program	(1)	(70)	—	—	(71)
Stock-based compensation	43	4,293	—	—	4,336
Repurchase of units	(41)	(4,106)	—	—	(4,147)
Adjustment of Redeemable Operating Partnership Units	46	4,579	—	—	4,625
Conversion of units into common shares	3	301	—	—	304
Amortization of pension and postretirement plan liabilities	—	—	2	—	2
Foreign currency translation adjustment	—	—	(8,790)	(413)	(9,203)
Cash flow hedges	—	—	12,273	(331)	11,942
<b>Balance, June 30, 2023</b>	<b>\$17,977</b>	<b>\$1,779,764</b>	<b>\$27,679</b>	<b>\$13,295</b>	<b>\$1,838,715</b>
Net income	196	19,361	—	3,183	22,740
Distributions on units (\$0.285 per unit)	(432)	(42,727)	—	—	(43,159)
Stock-based compensation	34	3,331	—	—	3,365
Repurchase of units	—	(29)	—	—	(29)
Adjustment of Redeemable Operating Partnership Units	72	7,161	—	—	7,233
Conversion of units into common shares	5	474	—	—	479
Amortization of pension and postretirement plan liabilities	—	—	2	—	2
Foreign currency translation adjustment	—	—	(4,180)	(233)	(4,413)
Cash flow hedges	—	—	7,423	(44)	7,379
<b>Balance, September 30, 2023</b>	<b>\$17,852</b>	<b>\$1,767,335</b>	<b>\$30,924</b>	<b>\$16,201</b>	<b>\$1,832,312</b>

	Units		Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests in Consolidated Affiliates	Total Capital
	General Partners' Capital	Limited Partners' Capital			
<b>Balance, January 1, 2022</b>	\$17,872	\$1,769,367	(\$15,463)	\$43,802	\$1,815,578
Net income	300	29,686	—	1,012	30,998
Distributions on units (\$0.27 per unit)	(408)	(40,388)	—	—	(40,796)
Issuance of units under the "at-the-market" equity offering, net of commissions and offering costs of \$339	298	29,473	—	—	29,771
Issuance of units under incentive stock plans	4	411	—	—	415
Stock-based compensation	28	2,769	—	—	2,797
Repurchase of units	(2)	(212)	—	—	(214)
Adjustment of Redeemable Operating Partnership Units	(25)	(2,496)	—	—	(2,521)
Conversion of units into common shares	1	103	—	—	104
Amortization of pension and postretirement plan liabilities	—	—	188	—	188
Foreign currency translation adjustment	—	—	5,668	790	6,458
Cash flow hedges	—	—	39,822	605	40,427
Distributions to noncontrolling interests in consolidated affiliates	—	—	—	(1,566)	(1,566)
<b>Balance, March 31, 2022</b>	<u>\$18,068</u>	<u>\$1,788,713</u>	<u>\$30,215</u>	<u>\$44,643</u>	<u>\$1,881,639</u>
Net income	246	24,404	—	637	25,287
Distributions on units (\$0.285 per unit)	(430)	(42,612)	—	—	(43,042)
Costs associated with the "at-the-market" (ATM) equity offering program	(1)	(62)	—	—	(63)
Issuance of units under incentive stock plans	20	1,963	—	—	1,983
Stock-based compensation	44	4,368	—	—	4,412
Repurchase of units	(40)	(3,951)	—	—	(3,991)
Adjustment of Redeemable Operating Partnership Units	124	12,261	—	—	12,385
Conversion of units into common shares	—	42	—	—	42
Amortization of pension and postretirement plan liabilities	—	—	188	—	188
Foreign currency translation adjustment	—	—	(34,373)	(1,912)	(36,285)
Cash flow hedges	—	—	8,247	(2,492)	5,755
Noncontrolling interests in consolidated affiliates redemption of shares	—	—	—	(27,860)	(27,860)
<b>Balance, June 30, 2022</b>	<u>\$18,031</u>	<u>\$1,785,126</u>	<u>\$4,277</u>	<u>\$13,016</u>	<u>\$1,820,450</u>
Net income	210	20,823	—	10,828	31,861
Distributions on units (\$0.285 per unit)	(430)	(42,537)	—	—	(42,967)
Costs associated with the "at-the-market" (ATM) equity offering program	(1)	(37)	—	—	(38)
Issuance of units under incentive stock plans	—	19	—	—	19
Stock-based compensation	27	2,609	—	—	2,636
Repurchase of units	—	(20)	—	—	(20)
Adjustment of Redeemable Operating Partnership Units	239	23,633	—	—	23,872
Conversion of units into common shares	37	3,659	—	—	3,696
Amortization of pension and postretirement plan liabilities	—	—	188	—	188
Foreign currency translation adjustment	—	—	(24,065)	(1,327)	(25,392)
Cash flow hedges	—	—	21,619	(1,472)	20,147
Distributions to noncontrolling interests in consolidated affiliates	—	—	—	(9,789)	(9,789)
<b>Balance, September 30, 2022</b>	<u>\$18,113</u>	<u>\$1,793,275</u>	<u>\$2,019</u>	<u>\$11,256</u>	<u>\$1,824,663</u>

See Notes to Consolidated Financial Statements.

**RAYONIER, L.P. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(Dollars in thousands)

	Nine Months Ended September 30,	
	2023	2022
<b>OPERATING ACTIVITIES</b>		
Net income	\$49,274	\$88,147
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation, depletion and amortization	114,281	114,221
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<b>CASH USED FOR INVESTING ACTIVITIES</b>	<b>(79,676)</b>	<b>(55,857)</b>
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Issuance of debt	—	406,842
Repayment of debt	—	(531,842)
Distributions on units	(129,852)	(126,373)
Proceeds from the issuance of units under incentive stock plan	—	2,580
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<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	<b>(928)</b>	<b>(6,038)</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>		
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Balance, end of period	<u>\$109,588</u>	<u>\$279,520</u>

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Cash paid during the period:		
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Non-cash financing activity:		
Noncontrolling interests in consolidated affiliates redemption of shares (c)	—	27,860

(a) Interest paid is presented net of patronage payments received of \$6.2 million and \$6.0 million for the nine months ended September 30, 2023 and September 30, 2022, respectively. For additional information on patronage payments, see Note 7 — Debt in the 2022 Form 10-K.

(b) Income taxes paid in 2022 were elevated due to timing of required tax payments for the New Zealand subsidiary following a full utilization of its net operating losses.

(c) In the second quarter of 2022, the New Zealand subsidiary made a capital distribution in order to redeem certain equity interests, resulting in the recording of a loan payable by the New Zealand subsidiary in the amount of \$27.9 million.

See Notes to Consolidated Financial Statements.



**RAYONIER INC. AND SUBSIDIARIES**  
**RAYONIER, L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(Dollar amounts in thousands unless otherwise stated)**

## **1. BASIS OF PRESENTATION**

The unaudited consolidated financial statements and notes thereto of Rayonier Inc. and its subsidiaries and Rayonier, L.P. have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC").

The Rayonier Inc. and Rayonier, L.P. year-end balance sheet information was derived from audited financial statements not included herein. In the opinion of management, these financial statements and notes reflect any adjustments (all of which are normal recurring adjustments) necessary for a fair presentation of the results of operations, financial position and cash flows for the periods presented. These statements and notes should be read in conjunction with the financial statements and supplementary data included in our Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC (the "2022 Form 10-K").

As of September 30, 2023, the Company owned a 98.4% interest in the Operating Partnership, with the remaining 1.6% interest owned by limited partners of the Operating Partnership. As the sole general partner of the Operating Partnership, Rayonier Inc. has exclusive control of the day-to-day management of the Operating Partnership.

### **SUMMARY OF UPDATES TO SIGNIFICANT ACCOUNTING POLICIES**

For a full description of our other significant accounting policies, see Note 1 — *Summary of Significant Accounting Policies* in our 2022 Form 10-K.

### **REVENUE RECOGNITION**

#### ***NON-TIMBER SALES***

##### ***Carbon Capture and Storage Sales***

Carbon capture and storage ("CCS") sales are primarily comprised of revenue generated from granting land access and the right to inject, sequester and permanently store carbon dioxide in a subsurface area. CCS contracts contain variable consideration arrangements, which may include variable durations, rates, access acres and carbon volumes. The determination of the transaction price and the allocation of the transaction price to the performance obligations may require significant judgment and is based on management's estimate of the most likely amount of consideration we expect to receive as of the reporting date.

Variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal of the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimation of variable consideration requires us to make certain judgments and assumptions regarding the amount and timing of future payments, which may be impacted by factors such as changes in market conditions, competition or other factors beyond our control. As a result, actual amounts of variable consideration could differ from our estimates.

We regularly review our estimates of variable consideration and, if necessary, adjust the transaction price and related revenue recognition accordingly. Any such adjustments are recorded in the period in which the estimate is revised.

### **NEW ACCOUNTING STANDARDS**

There have been no recently adopted or pending accounting pronouncements which are applicable or are expected to have a material impact on our consolidated financial condition, results of operations, or cash flows.

**RAYONIER INC. AND SUBSIDIARIES**  
**RAYONIER, L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(Dollar amounts in thousands unless otherwise stated)**

## SUBSEQUENT EVENTS

### *Announcement of Oregon Disposition*

As disclosed in our Current Report on Form 8-K filed with the SEC on November 2, 2023, we entered into an agreement for the sale of approximately 55,000 acres of timberland in Oregon to Manulife Investment Management on behalf of clients for \$242 million (~\$4,400 per acre). The transaction is expected to close in the fourth quarter of 2023, and \$150 million of the proceeds are expected to be used to repay the unhedged portion of our 2022 Incremental Term Loan borrowings. See [Note 6 – Debt](#) for additional information.

### *Defined Benefit Pension Plan Distributions*

In connection with the termination of the Company's Defined Benefit Plan ("the Plan"), payments were disbursed to plan participants who chose the lump sum distribution option on October 31, 2023. The lump sum disbursements were sourced from Plan assets. We expect to make cash contributions to fund the Defined Benefit Plan on a plan termination basis in 2024. See [Note 15 – Employee Benefit Plans](#) for additional information.

## 2. SEGMENT AND GEOGRAPHICAL INFORMATION

Sales between operating segments are made based on estimated fair market value, and intercompany sales, purchases and profits (losses) are eliminated in consolidation. We evaluate financial performance based on segment operating income and Adjusted Earnings Before Interest, Taxes, Depreciation, Depletion and Amortization ("Adjusted EBITDA"). Asset information is not reported by segment, as we do not produce asset information by segment internally.

Operating income as presented in the Consolidated Statements of Income and Comprehensive Income is equal to segment income. Certain income (loss) items in the Consolidated Statements of Income and Comprehensive Income are not allocated to segments. These items, which include interest expense, miscellaneous income (expense) and income tax benefit (expense), are not considered by management to be part of segment operations and are included under "unallocated interest expense and other."

The following tables summarize the segment information for the three and nine months ended September 30, 2023 and 2022:

SALES	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Southern Timber	\$63,973	\$64,549	\$204,125	\$207,584
Pacific Northwest Timber	29,325	34,397	96,061	119,834
New Zealand Timber	70,435	72,452	175,438	202,723
Real Estate	31,175	12,435	79,492	81,032
Trading	6,782	11,582	34,767	52,727
Intersegment Eliminations (a)	(111)	(128)	(357)	(226)
Total	<u>\$201,579</u>	<u>\$195,287</u>	<u>\$589,526</u>	<u>\$663,674</u>

(a) Primarily consists of log marketing fees paid to our Trading segment from our Southern Timber and Pacific Northwest Timber segments for marketing log export sales.

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OPERATING INCOME	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Southern Timber	\$18,634	\$22,474	\$62,565	\$76,883
Pacific Northwest Timber (a)	(557)	2,179	(6,475)	11,729
New Zealand Timber (b)	17,555	9,280	19,265	22,653
Real Estate (c)	9,187	15,749	18,720	36,953
Trading	(52)	177	356	84
Corporate and Other	(9,411)	(8,956)	(28,350)	(26,613)
Total Operating Income	35,356	40,903	66,081	121,689
Unallocated interest expense and other (d)	(12,069)	(7,804)	(15,030)	(25,486)
Total Income before Income Taxes	\$23,287	\$33,099	\$51,051	\$96,203

- (a) The three and nine months ended September 30, 2022 include \$1.1 million of timber write-offs resulting from casualty events. Timber write-offs resulting from casualty events are recorded within the Consolidated Statements of Income and Comprehensive Income under the caption "Cost of Sales."
- (b) The nine months ended September 30, 2023 includes a \$2.3 million timber write-off resulting from a casualty event. Timber write-offs resulting from casualty events are recorded within the Consolidated Statements of Income and Comprehensive Income under the caption "Cost of Sales."
- (c) The three and nine months ended September 30, 2022 include an \$11.5 million gain associated with the multi-family apartment complex sale attributable to noncontrolling interests ("NCI"). The gain associated with the multi-family apartment complex sale attributable to noncontrolling interests are recorded within the Consolidated Statements of Income and Comprehensive Income under the caption "Other operating (expense) income, net."
- (d) The nine months ended September 30, 2023 includes \$20.5 million of net recoveries associated with legal settlements.

DEPRECIATION, DEPLETION AND AMORTIZATION	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Southern Timber	\$19,153	\$14,116	\$61,631	\$46,832
Pacific Northwest Timber	8,330	9,356	28,221	35,587
New Zealand Timber	5,952	6,302	16,335	18,192
Real Estate	3,088	961	6,826	12,671
Corporate and Other	444	316	1,268	939
Total	\$36,967	\$31,051	\$114,281	\$114,221

NON-CASH COST OF LAND AND IMPROVED DEVELOPMENT	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Real Estate	\$6,586	\$3,149	\$20,189	\$20,289
Total	\$6,586	\$3,149	\$20,189	\$20,289

### 3. REVENUE

#### PERFORMANCE OBLIGATIONS

We recognize revenue when control of promised goods or services ("performance obligations") is transferred to customers, in an amount that reflects the consideration expected in exchange for those goods or services ("transaction price"). Unsatisfied performance obligations as of September 30, 2023 are primarily due to advances on stumpage contracts, unearned license revenue, unearned carbon capture and storage revenue and post-closing obligations on real estate sales. Of these performance obligations, \$23.8 million is expected to be recognized within the next twelve months, with the remaining \$11.3 million expected to be recognized thereafter as we satisfy our

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performance obligations. We generally collect payment within a year of satisfying performance obligations and therefore have elected not to adjust revenues for a financing component.

**CONTRACT BALANCES**

The timing of revenue recognition, invoicing and cash collections results in trade receivables and deferred revenue (contract liabilities) on the Consolidated Balance Sheets. Trade receivables are recorded when we have an unconditional right to consideration for completed performance under the contract. Contract liabilities relate to payments received in advance of performance under the contract. Contract liabilities are recognized as revenue as (or when) we perform under the contract.

The following table contains contract balances recorded in the Consolidated Balance Sheets at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022	Balance Sheet Location
<b>Contract assets</b>			
Trade receivables, net (a)	\$31,447	\$27,837	Trade receivables
<b>Contract liabilities</b>			
Deferred revenue, current (b)	23,835	22,762	Deferred revenue
Deferred revenue, non-current (c)	11,317	6,895	Long-term deferred revenue

(a) The increase in trade receivables was primarily driven by timing of sales in our timber segments.

(b) The increase in deferred revenue, current is driven by the timing of renewals of hunting contracts and the current portion of a carbon capture and storage contract entered into in the first quarter of 2023, partially offset by the satisfaction of post-closing obligations on real estate sales and stumpage contracts.

(c) The increase in deferred revenue, non-current is primarily driven by a carbon capture and storage contract entered into in the first quarter of 2023.

The following table summarizes revenue recognized during the three and nine months ended September 30, 2023 and 2022 that was included in the contract liability balance at the beginning of each year:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue recognized from contract liability balance at the beginning of the year (a)	\$2,216	\$1,957	\$19,950	\$14,458

(a) Revenue recognized was primarily from hunting licenses, the use of advances on pay-as-cut timber sales and the satisfaction of post closing obligations on real estate sales.

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The following tables present our revenue from contracts with customers disaggregated by product type for the three and nine months ended September 30, 2023 and 2022:

Three Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Elim.	Total
<b>September 30, 2023</b>							
Pulpwood	\$25,514	\$1,440	\$6,507	—	\$447	—	\$33,908
Sawtimber	27,274	26,401	48,356	—	5,954	—	107,985
Hardwood	1,343	—	—	—	—	—	1,343
<b>Total Timber Sales</b>	<b>54,131</b>	<b>27,841</b>	<b>54,863</b>	<b>—</b>	<b>6,401</b>	<b>—</b>	<b>143,236</b>
License Revenue, Primarily from Hunting	7,178	439	90	—	—	—	7,707
Other Non-Timber/Carbon Revenue	2,664	1,045	15,482	—	—	—	19,191
Agency Fee Income	—	—	—	—	270	—	270
<b>Total Non-Timber Sales</b>	<b>9,842</b>	<b>1,484</b>	<b>15,572</b>	<b>—</b>	<b>270</b>	<b>—</b>	<b>27,168</b>
Improved Development	—	—	—	3,120	—	—	3,120
Unimproved Development	—	—	—	114	—	—	114
Rural	—	—	—	20,461	—	—	20,461
Timberland & Non-Strategic	—	—	—	1,055	—	—	1,055
Deferred Revenue/Other (a)	—	—	—	5,981	—	—	5,981
<b>Total Real Estate Sales</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>30,731</b>	<b>—</b>	<b>—</b>	<b>30,731</b>
Revenue from Contracts with Customers	63,973	29,325	70,435	30,731	6,671	—	201,135
Lease Revenue	—	—	—	444	—	—	444
Intersegment	—	—	—	—	111	(111)	—
<b>Total Revenue</b>	<b>\$63,973</b>	<b>\$29,325</b>	<b>\$70,435</b>	<b>\$31,175</b>	<b>\$6,782</b>	<b>(\$111)</b>	<b>\$201,579</b>

Three Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Elim.	Total
<b>September 30, 2022</b>							
Pulpwood	\$32,564	\$2,989	\$7,645	—	\$1,112	—	\$44,310
Sawtimber	20,943	29,630	58,412	—	10,053	—	119,038
Hardwood	4,221	—	—	—	—	—	4,221
<b>Total Timber Sales</b>	<b>57,728</b>	<b>32,619</b>	<b>66,057</b>	<b>—</b>	<b>11,165</b>	<b>—</b>	<b>167,569</b>
License Revenue, Primarily from Hunting	5,141	326	118	—	—	—	5,585
Other Non-Timber/Carbon Revenue	1,680	1,452	6,277	—	—	—	9,409
Agency Fee Income	—	—	—	—	289	—	289
<b>Total Non-Timber Sales</b>	<b>6,821</b>	<b>1,778</b>	<b>6,395</b>	<b>—</b>	<b>289</b>	<b>—</b>	<b>15,283</b>
Improved Development	—	—	—	2,296	—	—	2,296
Rural	—	—	—	6,964	—	—	6,964
Deferred Revenue/Other (a)	—	—	—	2,769	—	—	2,769
<b>Total Real Estate Sales</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>12,029</b>	<b>—</b>	<b>—</b>	<b>12,029</b>
Revenue from Contracts with Customers	64,549	34,397	72,452	12,029	11,454	—	194,881
Lease Revenue	—	—	—	406	—	—	406
Intersegment	—	—	—	—	128	(128)	—
<b>Total Revenue</b>	<b>\$64,549</b>	<b>\$34,397</b>	<b>\$72,452</b>	<b>\$12,435</b>	<b>\$11,582</b>	<b>(\$128)</b>	<b>\$195,287</b>

(a) Includes deferred revenue adjustments, revenue true-ups and marketing fees related to Improved Development sales.

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Nine Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Elim.	Total
<b>September 30, 2023</b>							
Pulpwood	\$76,152	\$7,358	\$20,953	—	\$3,328	—	\$107,791
Sawtimber	95,663	83,963	137,868	—	30,130	—	347,624
Hardwood	3,169	—	—	—	—	—	3,169
<b>Total Timber Sales</b>	<b>174,984</b>	<b>91,321</b>	<b>158,821</b>	<b>—</b>	<b>33,458</b>	<b>—</b>	<b>458,584</b>
License Revenue, Primarily From Hunting	17,632	780	212	—	—	—	18,624
Other Non-Timber/Carbon Revenue	11,509	3,960	16,405	—	—	—	31,874
Agency Fee Income	—	—	—	—	952	—	952
<b>Total Non-Timber Sales</b>	<b>29,141</b>	<b>4,740</b>	<b>16,617</b>	<b>—</b>	<b>952</b>	<b>—</b>	<b>51,450</b>
Improved Development	—	—	—	20,155	—	—	20,155
Unimproved Development	—	—	—	114	—	—	114
Rural	—	—	—	42,587	—	—	42,587
Timberland & Non-Strategic	—	—	—	2,947	—	—	2,947
Deferred Revenue/Other (a)	—	—	—	12,642	—	—	12,642
<b>Total Real Estate Sales</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>78,445</b>	<b>—</b>	<b>—</b>	<b>78,445</b>
Revenue from Contracts with Customers	204,125	96,061	175,438	78,445	34,410	—	588,479
Lease Revenue	—	—	—	1,047	—	—	1,047
Intersegment	—	—	—	—	357	(357)	—
<b>Total Revenue</b>	<b>\$204,125</b>	<b>\$96,061</b>	<b>\$175,438</b>	<b>\$79,492</b>	<b>\$34,767</b>	<b>(\$357)</b>	<b>\$589,526</b>
<b>September 30, 2022</b>							
Pulpwood	\$100,945	\$9,478	\$26,091	—	\$5,636	—	\$142,150
Sawtimber	70,203	106,155	164,759	—	45,910	—	387,027
Hardwood	15,776	—	—	—	—	—	15,776
<b>Total Timber Sales</b>	<b>186,924</b>	<b>115,633</b>	<b>190,850</b>	<b>—</b>	<b>51,546</b>	<b>—</b>	<b>544,953</b>
License Revenue, Primarily from Hunting	16,322	571	266	—	—	—	17,159
Other Non-Timber/Carbon Revenue	4,338	3,630	11,607	—	—	—	19,575
Agency Fee Income	—	—	—	—	955	—	955
<b>Total Non-Timber Sales</b>	<b>20,660</b>	<b>4,201</b>	<b>11,873</b>	<b>—</b>	<b>955</b>	<b>—</b>	<b>37,689</b>
Improved Development	—	—	—	18,828	—	—	18,828
Rural	—	—	—	47,333	—	—	47,333
Timberland & Non-Strategic	—	—	—	11,400	—	—	11,400
Deferred Revenue/Other (a)	—	—	—	2,498	—	—	2,498
<b>Total Real Estate Sales</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>80,059</b>	<b>—</b>	<b>—</b>	<b>80,059</b>
Revenue from Contracts with Customers	207,584	119,834	202,723	80,059	52,501	—	662,701
Lease Revenue	—	—	—	973	—	—	973
Intersegment	—	—	—	—	226	(226)	—
<b>Total Revenue</b>	<b>\$207,584</b>	<b>\$119,834</b>	<b>\$202,723</b>	<b>\$81,032</b>	<b>\$52,727</b>	<b>(\$226)</b>	<b>\$663,674</b>

(a) Includes deferred revenue adjustments, revenue true-ups and marketing fees related to Improved Development sales.

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The following tables present our timber sales disaggregated by contract type for the three and nine months ended September 30, 2023 and 2022:

Three Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Trading	Total
<b>September 30, 2023</b>					
Stumpage Pay-as-Cut	\$25,454	—	—	—	\$25,454
Stumpage Lump Sum	—	969	—	—	969
Total Stumpage	25,454	969	—	—	26,423
Delivered Wood (Domestic)	26,907	24,085	15,265	10	66,267
Delivered Wood (Export)	1,770	2,787	39,598	6,391	50,546
Total Delivered	28,677	26,872	54,863	6,401	116,813
Total Timber Sales	\$54,131	\$27,841	\$54,863	\$6,401	\$143,236
<b>September 30, 2022</b>					
Stumpage Pay-as-Cut	\$21,111	—	—	—	\$21,111
Stumpage Lump Sum	288	121	—	—	409
Total Stumpage	21,399	121	—	—	21,520
Delivered Wood (Domestic)	33,010	30,837	18,825	260	82,932
Delivered Wood (Export)	3,319	1,661	47,232	10,905	63,117
Total Delivered	36,329	32,498	66,057	11,165	146,049
Total Timber Sales	\$57,728	\$32,619	\$66,057	\$11,165	\$167,569

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Nine Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Trading	Total
<b>September 30, 2023</b>					
Stumpage Pay-as-Cut	\$86,424	—	—	—	\$86,424
Stumpage Lump Sum	387	1,592	—	—	1,979
Total Stumpage	<u>86,811</u>	<u>1,592</u>	<u>—</u>	<u>—</u>	<u>88,403</u>
Delivered Wood (Domestic)	81,757	80,249	39,419	501	201,926
Delivered Wood (Export)	6,416	9,480	119,402	32,957	168,255
Total Delivered	<u>88,173</u>	<u>89,729</u>	<u>158,821</u>	<u>33,458</u>	<u>370,181</u>
Total Timber Sales	<u>\$174,984</u>	<u>\$91,321</u>	<u>\$158,821</u>	<u>\$33,458</u>	<u>\$458,584</u>
<b>September 30, 2022</b>					
Stumpage Pay-as-Cut	\$78,643	—	—	—	\$78,643
Stumpage Lump Sum	378	5,593	—	—	5,971
Total Stumpage	<u>79,021</u>	<u>5,593</u>	<u>—</u>	<u>—</u>	<u>84,614</u>
Delivered Wood (Domestic)	98,386	104,239	50,358	1,989	254,972
Delivered Wood (Export)	9,517	5,801	140,492	49,557	205,367
Total Delivered	<u>107,903</u>	<u>110,040</u>	<u>190,850</u>	<u>51,546</u>	<u>460,339</u>
Total Timber Sales	<u>\$186,924</u>	<u>\$115,633</u>	<u>\$190,850</u>	<u>\$51,546</u>	<u>\$544,953</u>



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#### 4. NONCONTROLLING INTERESTS

##### *NONCONTROLLING INTERESTS IN CONSOLIDATED AFFILIATES*

###### *Matariki Forestry Group*

We maintain a 77% controlling financial interest in Matariki Forestry Group (the "New Zealand subsidiary"), a joint venture that owns or leases approximately 419,000 legal acres of New Zealand timberland. Accordingly, we consolidate the New Zealand subsidiary's balance sheet and results of operations. Income attributable to the New Zealand subsidiary's 23% noncontrolling interests is reflected as an adjustment to income in our Consolidated Statements of Income and Comprehensive Income under the caption "Net income attributable to noncontrolling interests in consolidated affiliates." Rayonier New Zealand Limited ("RNZ"), a wholly-owned subsidiary, serves as the manager of the New Zealand subsidiary.

##### *NONCONTROLLING INTERESTS IN THE OPERATING PARTNERSHIP*

Noncontrolling interests in the operating partnership relate to the third-party ownership of Redeemable Operating Partnership Units. Net income attributable to the noncontrolling interests in the operating partnership is computed by applying the weighted average Redeemable Operating Partnership Units outstanding during the period as a percentage of the weighted average total units outstanding to the Operating Partnership's net income for the period. If a noncontrolling unitholder redeems a unit for a registered common share of Rayonier or cash, the noncontrolling interests in the operating partnership will be reduced and the Company's share in the Operating Partnership will be increased by the fair value of each security at the time of redemption.

The following table sets forth the Company's noncontrolling interests in the operating partnership:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Beginning noncontrolling interests in the operating partnership	\$77,532	\$123,811	\$105,763	\$133,823
Adjustment of noncontrolling interests in the operating partnership	(6,890)	(23,363)	(8,810)	(32,131)
Conversions of Redeemable Operating Partnership Units to Common Shares	(479)	(3,696)	(24,663)	(3,842)
Net Income attributable to noncontrolling interests in the operating partnership	320	455	811	1,670
Other Comprehensive Income (Loss) attributable to noncontrolling interests in the operating partnership	36	(49)	(1,016)	(523)
Distributions to noncontrolling interests in the operating partnership	(699)	(915)	(2,265)	(2,754)
<b>Total noncontrolling interests in the operating partnership</b>	<b>\$69,820</b>	<b>\$96,243</b>	<b>\$69,820</b>	<b>\$96,243</b>

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## 5. EARNINGS PER SHARE AND PER UNIT

The following table provides details of the calculations of basic and diluted earnings per common share of the Company:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Earnings per common share - basic</b>				
<b>Numerator:</b>				
Net Income	\$22,740	\$31,861	\$49,274	\$88,147
Less: Net income attributable to noncontrolling interests in the operating partnership	(320)	(455)	(811)	(1,670)
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(3,183)	(10,828)	(1,902)	(12,478)
Net income attributable to Rayonier Inc.	<u>\$19,237</u>	<u>\$20,578</u>	<u>\$46,561</u>	<u>\$73,999</u>
<b>Denominator:</b>				
Denominator for basic earnings per common share - weighted average shares	148,274,209	146,370,340	147,959,983	146,022,718
Basic earnings per common share attributable to Rayonier Inc.:	<u>\$0.13</u>	<u>\$0.14</u>	<u>\$0.31</u>	<u>\$0.51</u>
<b>Earnings per common share - diluted</b>				
<b>Numerator:</b>				
Net Income	\$22,740	\$31,861	\$49,274	\$88,147
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(3,183)	(10,828)	(1,902)	(12,478)
Net income attributable to Rayonier Inc., before net income attributable to noncontrolling interests in the operating partnership	<u>\$19,557</u>	<u>\$21,033</u>	<u>\$47,372</u>	<u>\$75,669</u>
<b>Denominator:</b>				
Denominator for basic earnings per common share - weighted average shares	148,274,209	146,370,340	147,959,983	146,022,718
Add: Dilutive effect of:				
Stock options	—	3,271	629	6,200
Performance shares, restricted shares and restricted stock units	299,613	620,316	394,006	693,954
Noncontrolling interests in operating partnership units	2,462,431	3,238,962	2,676,911	3,288,409
Denominator for diluted earnings per common share - adjusted weighted average shares	<u>151,036,253</u>	<u>150,232,889</u>	<u>151,031,529</u>	<u>150,011,281</u>
Diluted earnings per common share attributable to Rayonier Inc.:	<u>\$0.13</u>	<u>\$0.14</u>	<u>\$0.31</u>	<u>\$0.50</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Anti-dilutive shares excluded from the computations of diluted earnings per common share:				
Stock options, performance shares, restricted shares and restricted stock units	164,521	126,132	156,835	78,634
Total	<u>164,521</u>	<u>126,132</u>	<u>156,835</u>	<u>78,634</u>

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The following table provides details of the calculations of basic and diluted earnings per unit of the Operating Partnership:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Earnings per unit - basic</b>				
<b>Numerator:</b>				
Net Income	\$22,740	\$31,861	\$49,274	\$88,147
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(3,183)	(10,828)	(1,902)	(12,478)
Net income available to unitholders	<u>\$19,557</u>	<u>\$21,033</u>	<u>\$47,372</u>	<u>\$75,669</u>
<b>Denominator:</b>				
Denominator for basic earnings per unit - weighted average units	150,736,640	149,609,302	150,636,894	149,311,127
Basic earnings per unit attributable to Rayonier, L.P.:	<u>\$0.13</u>	<u>\$0.14</u>	<u>\$0.31</u>	<u>\$0.51</u>
<b>Earnings per unit - diluted</b>				
<b>Numerator:</b>				
Net Income	\$22,740	\$31,861	\$49,274	\$88,147
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(3,183)	(10,828)	(1,902)	(12,478)
Net income available to unitholders	<u>\$19,557</u>	<u>\$21,033</u>	<u>\$47,372</u>	<u>\$75,669</u>
<b>Denominator:</b>				
Denominator for basic earnings per unit - weighted average units	150,736,640	149,609,302	150,636,894	149,311,127
Add: Dilutive effect of unit equivalents:				
Stock options	—	3,271	629	6,200
Performance shares, restricted shares and restricted stock units	299,613	620,316	394,006	693,954
Denominator for diluted earnings per unit - adjusted weighted average units	<u>151,036,253</u>	<u>150,232,889</u>	<u>151,031,529</u>	<u>150,011,281</u>
Diluted earnings per unit attributable to Rayonier, L.P.:	<u>\$0.13</u>	<u>\$0.14</u>	<u>\$0.31</u>	<u>\$0.50</u>
<b>Anti-dilutive unit equivalents excluded from the computations of diluted earnings per unit:</b>				
Stock options, performance shares, restricted shares and restricted stock units	164,521	126,132	156,835	78,634
Total	<u>164,521</u>	<u>126,132</u>	<u>156,835</u>	<u>78,634</u>

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## 6. DEBT

Our debt consisted of the following at September 30, 2023:

	September 30, 2023
<b>Debt</b>	
Senior Notes due 2031 at a fixed interest rate of 2.75%	\$450,000
2015 Term Loan borrowings due 2028 at a variable interest rate of 7.00%	350,000
2022 Incremental Term Loan borrowings due 2027 at a variable interest rate of 7.00%	250,000
2016 Incremental Term Loan borrowings due 2026 at a variable interest rate of 7.05%	200,000
2021 Incremental Term Loan borrowings due 2029 at a variable interest rate of 6.95%	200,000
New Zealand subsidiary noncontrolling interests shareholder loan due 2026 at a fixed interest rate of 3.64% (a)	24,161
New Zealand subsidiary noncontrolling interests shareholder loan due 2027 at a fixed interest rate of 6.48% (a)	24,161
New Zealand subsidiary noncontrolling interests shareholder loan due 2025 at a fixed interest rate of 2.95% (a)	20,709
Total principal debt	1,519,031
Less: Unamortized discounts	(2,857)
Less: Deferred financing costs	(4,704)
Total long-term debt	<u>\$1,511,470</u>

(a) Except for changes in the New Zealand foreign exchange rate, there have been no adjustments to the carrying value of the shareholder loans since inception.

The following table contains information on the outstanding variable rate debt as of September 30, 2023:

Debt	Periodic Interest Rate (a)	Effective Fixed Interest Rate (b)
2015 Term Loan	Daily Simple SOFR + 1.70%	3.03 %
2022 Incremental Term Loan	Daily Simple SOFR + 1.70%	5.53 %
2016 Incremental Term Loan	Daily Simple SOFR + 1.75%	2.40 %
2021 Incremental Term Loan	Daily Simple SOFR + 1.65%	1.46 %

(a) Includes credit spread adjustment of 0.1%.

(b) Effective interest rate is after consideration of interest rate swaps and estimated patronage refunds.

Principal payments due during the next five years and thereafter are as follows:

	Total
2023	—
2024	—
2025	20,709
2026	224,161
2027	274,161
Thereafter	1,000,000
Total Debt	<u>\$1,519,031</u>

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**2023 DEBT ACTIVITY****U.S. Debt**

During the nine months ended September 30, 2023, we made no borrowings or repayments on our Revolving Credit Facility. At September 30, 2023, we had available borrowings of \$296.2 million under the Revolving Credit Facility, net of \$3.8 million to secure our outstanding letters of credit.

See [Note 1 - Basis of Presentation](#) for information regarding subsequent events related to our 2022 Incremental Term Loan borrowings.

**New Zealand Debt**

In July 2023, the New Zealand subsidiary renewed its NZ\$20 million working capital facility, extending its maturity date to June 30, 2024. During the nine months ended September 30, 2023, the New Zealand subsidiary made no borrowings or repayments on its working capital facility (the "New Zealand Working Capital Facility"). At September 30, 2023, the New Zealand subsidiary had NZ\$20.0 million of available borrowings under its working capital facility.

**DEBT COVENANTS**

In connection with our 2015 Term Loan Facility, 2016 Incremental Term Loan Facility, 2021 Incremental Term Loan Agreement, 2022 Incremental Term Loan Agreement and Revolving Credit Facility, customary covenants must be met, the most significant of which include interest coverage and leverage ratios.

The covenants listed below, which are the most significant financial covenants in effect as of September 30, 2023, are calculated on a trailing 12-month basis:

	Covenant Requirement	Actual Ratio	Favorable
Covenant EBITDA to consolidated interest expense should not be less than	2.5 to 1	6.9 to 1	4.4
Covenant debt to covenant net worth plus covenant debt shall not exceed	65 %	46 %	19 %

In addition to the financial covenants listed above, the Senior Notes due 2031, 2015 Term Loan Facility, 2016 Incremental Term Loan Facility, 2021 Incremental Term Loan Agreement, 2022 Incremental Term Loan Agreement, and Revolving Credit Facility include customary covenants that limit the incurrence of debt and the disposition of assets, among others. At September 30, 2023, we were in compliance with all applicable covenants.

**7. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES**

We are exposed to market risk related to potential fluctuations in foreign currency exchange rates and interest rates. We use derivative financial instruments to mitigate the financial impact of exposure to these risks.

Accounting for derivative financial instruments is governed by ASC Topic 815, *Derivatives and Hedging*, ("ASC 815"). In accordance with ASC 815, we record our derivative instruments at fair value as either assets or liabilities in the Consolidated Balance Sheets. Changes in the instruments' fair value are accounted for based on their intended use. Gains and losses on derivatives that are designated and qualify for cash flow hedge accounting are recorded as a component of accumulated other comprehensive income ("AOCI") and reclassified into earnings when the hedged transaction materializes. Gains and losses on derivatives that are designated and qualify for net investment hedge accounting are recorded as a component of AOCI and will not be reclassified into earnings until the investment is partially or completely liquidated. The changes in the fair value of derivatives not designated as hedging instruments and those which are no longer effective as hedging instruments, are recognized immediately in earnings.

**FOREIGN CURRENCY EXCHANGE AND OPTION CONTRACTS**

Our New Zealand subsidiary's domestic sales and operating expenses are predominately denominated in New Zealand dollars, while its export sales, shareholder distributions and ocean freight payments are predominately denominated in U.S. dollars. To the extent New Zealand dollar costs exceed New Zealand dollar revenues (the

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“foreign exchange exposure”), the New Zealand subsidiary manages the foreign exchange exposure through the use of derivative financial instruments. It typically hedges a portion of export sales receipts to cover 50% to 90% of the projected foreign exchange exposure for the following 12 months, up to 75% for the forward 12 to 18 months and up to 50% for the forward 18 to 24 months. Additionally, it will occasionally hedge export sales receipts to cover up to 50% of the foreign exchange exposure for the forward 24 to 36 months and up to 25% of the foreign exchange exposure for the forward 36 to 48 months when the New Zealand dollar is at a cyclical low versus the U.S. dollar. The New Zealand subsidiary’s trading operations typically hedge a portion of export sales receipts to cover the projected foreign exchange exposure for the following three months. As of September 30, 2023, foreign currency exchange contracts and foreign currency option contracts had maturity dates through September 2026 and July 2026, respectively.

Foreign currency exchange and option contracts hedging foreign currency risk qualify for cash flow hedge accounting. We may de-designate these cash flow hedge relationships in advance or at the occurrence of the forecasted transaction. The portion of gains or losses on the derivative instrument previously in AOCI for de-designated hedges remains in AOCI until the forecasted transaction affects earnings. Changes in the value of derivative instruments after de-designation are recorded in earnings.

### INTEREST RATE PRODUCTS

We are exposed to cash flow interest rate risk on our variable-rate debt and on anticipated debt issuances. We use variable-to-fixed interest rate swaps and forward-starting interest rate swap agreements to hedge this exposure. For these derivative instruments, we report the gains/losses from the fluctuations in the fair market value of the hedges in AOCI and reclassify them to earnings as interest expense in the same period in which the hedged interest payments affect earnings.

To the extent we de-designate or terminate a cash flow hedging relationship and the associated hedged item continues to exist, any unrealized gain or loss of the cash flow hedge at the time of de-designation remains in AOCI and is amortized using the straight-line method through interest expense over the remaining life of the hedged item. To the extent the associated hedged item is no longer effective, the gain or loss is reclassified out of AOCI to earnings immediately.

### INTEREST RATE SWAPS

The following table contains information on the outstanding interest rate swaps as of September 30, 2023:

Outstanding Interest Rate Swaps (a)						
Date Entered Into	Term	Notional Amount	Related Debt Facility	Fixed Rate of Swap	Bank Margin on Debt (b)	Total Effective Interest Rate (c)
August 2015	9 years	\$170,000	Term Credit Agreement	2.10 %	1.70 %	3.80 %
August 2015	9 years	180,000	Term Credit Agreement	2.26 %	1.70 %	3.96 %
April 2016	10 years	100,000	Incremental Term Loan	1.50 %	1.75 %	3.25 %
April 2016	10 years	100,000	Incremental Term Loan	1.51 %	1.75 %	3.26 %
May 2021	7 years	200,000	2021 Incremental Term Loan Facility	0.67 %	1.65 %	2.32 %
December 2022	5 years	100,000	2022 Incremental Term Loan Facility	3.72 %	1.70 %	5.42 %

(a) All interest rate swaps have been designated as interest rate cash flow hedges and qualify for hedge accounting.

(b) Includes the SOFR Credit Spread Adjustment component of 0.1%.

(c) Rate is before estimated patronage payments.

### FORWARD-STARTING INTEREST RATE SWAPS

In March 2023, we modified our benchmark rates from LIBOR to Daily Simple SOFR for our forward-starting interest rates swaps, resulting in slightly favorable fixed rates. In May 2023, we entered into a new \$50 million forward-starting interest rate swap, benchmarked to Daily Simple SOFR.

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The following table contains information on the outstanding forward-starting interest rate swaps as of September 30, 2023:

Outstanding Forward-Starting Interest Rate Swaps (a)						
Date Entered Into	Term	Notional Amount	Fixed Rate of Swap	Related Debt Facility	Forward Date	Maximum Period Ending for Forecasted Issuance Date
April 2020	4 years	\$100,000	0.78 %	Term Credit Agreement	August 2024	N/A
May 2020	4 years	50,000	0.64 %	Term Credit Agreement	August 2024	N/A
May 2023	4 years	50,000	3.29 %	Term Credit Agreement	August 2024	N/A

(a) All forward-starting interest rate swaps have been designated as interest rate cash flow hedges and qualify for hedge accounting.

The following tables demonstrate the impact, gross of tax, of our derivatives on the Consolidated Statements of Income and Comprehensive Income for the three and nine months ended September 30, 2023 and 2022:

	Income Statement Location	Three Months Ended September 30,	
		2023	2022
<b>Derivatives designated as cash flow hedges:</b>			
Foreign currency exchange contracts	Other comprehensive income (loss)	\$1,752	(\$4,464)
	Other operating (expense) income, net	(1,796)	(2,669)
Foreign currency option contracts	Other comprehensive income (loss)	(26)	(1,754)
	Other operating (expense) income, net	(196)	—
Interest rate products	Other comprehensive income (loss)	12,381	26,607
	Interest expense, net	(4,810)	(62)

	Income Statement Location	Nine Months Ended September 30,	
		2023	2022
<b>Derivatives designated as cash flow hedges:</b>			
Foreign currency exchange contracts	Other comprehensive income (loss)	\$5,753	(\$15,373)
	Other operating (expense) income, net	(5,801)	(2,598)
Foreign currency option contracts	Other comprehensive income (loss)	(858)	(2,304)
	Other operating (expense) income, net	(244)	—
Interest rate products	Other comprehensive income (loss)	20,416	76,372
	Interest expense, net	(12,587)	4,555

During the next 12 months, the amount of the September 30, 2023 AOCI balance, net of tax, expected to be reclassified into earnings is a gain of approximately \$24.7 million. The following table contains details of the expected reclassified amounts into earnings:

	Amount expected to be reclassified into earnings in next 12 months
<b>Derivatives designated as cash flow hedges:</b>	
Foreign currency exchange contracts	(\$2,763)
Foreign currency option contracts	(279)
Interest rate products (a)	27,734
<b>Total estimated gain on derivatives contracts</b>	<b>\$24,692</b>

(a) These reclassified amounts are expected to fully offset variable interest rate payments made to debt holders, resulting in no net impact on our earnings or cash flows.

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The following table contains the notional amounts of the derivative financial instruments recorded in the Consolidated Balance Sheets:

	Notional Amount	
	September 30, 2023	December 31, 2022
<b>Derivatives designated as cash flow hedges:</b>		
Foreign currency exchange contracts	\$127,200	\$138,250
Foreign currency option contracts	86,000	78,000
Interest rate swaps	850,000	850,000
Forward-starting interest rate swaps	200,000	150,000

The following table contains the fair values of the derivative financial instruments recorded in the Consolidated Balance Sheets at September 30, 2023 and December 31, 2022. Changes in balances of derivative financial instruments are recorded as operating activities in the Consolidated Statements of Cash Flows:

	Location on Balance Sheet	Fair Value Assets / (Liabilities) (a)	
		September 30, 2023	December 31, 2022
<b>Derivatives designated as cash flow hedges:</b>			
Foreign currency exchange contracts	Other current assets	\$63	\$25
	Other assets	391	1,303
	Other current liabilities	(3,900)	(5,457)
	Other non-current liabilities	(1,139)	(410)
Foreign currency option contracts	Other current assets	77	66
	Other assets	1,032	2,131
	Other current liabilities	(464)	(347)
	Other non-current liabilities	(1,179)	(1,281)
Interest rate swaps	Other assets	62,520	60,843
	Other non-current liabilities	—	(51)
Forward-starting interest rate swaps	Other assets	17,501	11,939
<b>Total derivative contracts:</b>			
Other current assets		\$140	\$91
Other assets		81,444	76,216
Total derivative assets		\$81,584	\$76,307
Other current liabilities		(4,364)	(5,804)
Other non-current liabilities		(2,318)	(1,742)
Total derivative liabilities		(\$6,682)	(\$7,546)

(a) See [Note 8 — Fair Value Measurements](#) for further information on the fair value of our derivatives including their classification within the fair value hierarchy.

#### OFFSETTING DERIVATIVES

Derivative financial instruments are presented at their gross fair values in the Consolidated Balance Sheets. Our derivative financial instruments are not subject to master netting arrangements, which would allow the right of offset.



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## 8. FAIR VALUE MEASUREMENTS

### FAIR VALUE OF FINANCIAL INSTRUMENTS

A three-level hierarchy that prioritizes the inputs used to measure fair value was established in the Accounting Standards Codification as follows:

*Level 1* — Quoted prices in active markets for identical assets or liabilities.

*Level 2* — Observable inputs other than quoted prices included in Level 1.

*Level 3* — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the carrying amount and estimated fair values of our financial instruments as of September 30, 2023 and December 31, 2022, using market information and what we believe to be appropriate valuation methodologies under GAAP:

Asset (Liability) (a)	September 30, 2023			December 31, 2022		
	Carrying Amount	Fair Value		Carrying Amount	Fair Value	
		Level 1	Level 2		Level 1	Level 2
Cash and cash equivalents	\$107,784	\$107,784	—	\$114,255	\$114,255	—
Restricted cash (b)	1,804	1,804	—	1,152	1,152	—
Long-term debt (c)	(1,511,470)	—	(1,422,224)	(1,514,721)	—	(1,438,736)
Interest rate swaps (d)	62,520	—	62,520	60,792	—	60,792
Forward-starting interest rate swaps (d)	17,501	—	17,501	11,939	—	11,939
Foreign currency exchange contracts (d)	(4,585)	—	(4,585)	(4,539)	—	(4,539)
Foreign currency option contracts (d)	(534)	—	(534)	569	—	569
Noncontrolling interests in the operating partnership (e)	69,820	—	69,820	105,763	—	105,763

(a) We did not have Level 3 assets or liabilities at September 30, 2023 and December 31, 2022.

(b) Restricted cash represents proceeds from like-kind exchange sales deposited with a third-party intermediary and cash held in escrow. See [Note 18 — Restricted Cash](#) for additional information.

(c) The carrying amount of long-term debt is presented net of deferred financing costs and unamortized discounts on non-revolving debt. See [Note 6 — Debt](#) for additional information.

(d) See [Note 7 — Derivative Financial Instruments and Hedging Activities](#) for information regarding the Consolidated Balance Sheets classification of our derivative financial instruments.

(e) Noncontrolling interests in the operating partnership is neither an asset nor liability and is classified as temporary equity in the Company's Consolidated Balance Sheets. This relates to the ownership of Rayonier, L.P. units by various individuals and entities other than the Company. See [Note 4 — Noncontrolling Interests](#) for additional information.

We use the following methods and assumptions in estimating the fair value of our financial instruments:

*Cash and cash equivalents and Restricted cash* — The carrying amount is equal to fair market value.

*Debt* — The fair value of fixed rate debt is based upon quoted market prices for debt with similar terms and maturities. The variable rate debt adjusts with changes in the market rate, therefore the carrying value approximates fair value.

*Interest rate swap agreements* — The fair value of interest rate contracts is determined by discounting the expected future cash flows, for each instrument, at prevailing interest rates.

*Foreign currency exchange contracts* — The fair value of foreign currency exchange contracts is determined by a mark-to-market valuation, which estimates fair value by discounting the difference between the contracted forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

*Foreign currency option contracts* — The fair value of foreign currency option contracts is based on a mark-to-market calculation using the Black-Scholes option pricing model.

*Noncontrolling interests in the operating partnership* — The fair value of noncontrolling interests in the operating partnership is determined based on the period-end closing price of Rayonier Inc. common shares.

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## 9. CONTINGENCIES

We have been named as a defendant in various lawsuits and claims arising in the normal course of business. While we have procured reasonable and customary insurance covering risks normally occurring in connection with our businesses, we have in certain cases retained some risk through the operation of large deductible insurance plans, primarily in the areas of executive risk, property, automobile and general liability. These pending lawsuits and claims, either individually or in the aggregate, are not expected to have a material adverse effect on our financial position, results of operations, or cash flow.

## 10. ENVIRONMENTAL AND NATURAL RESOURCE DAMAGE LIABILITIES

Various federal and state environmental laws in the states in which we operate place cleanup or restoration liability on the current and former owners of affected real estate. These laws are often a source of "strict liability," meaning that an owner or operator need not necessarily have caused, or even been aware of, the release of contaminated materials. Similarly, there are certain environmental laws that allow state, federal, and tribal trustees (collectively, the "Trustees") to bring suit against property owners to recover damage for injuries to natural resources. Like the liability that attaches to current property owners in the cleanup context, liability for natural resource damages ("NRD") can attach to a property simply because an injury to natural resources resulted from releases of contaminated materials on or from the owner's property, regardless of culpability for the release.

Changes in environmental and NRD liabilities from December 31, 2022 to September 30, 2023 are shown below:

	Port Gamble, WA
<b>Non-current portion at December 31, 2022</b>	\$14,418
Plus: Current portion	1,175
<b>Total Balance at December 31, 2022</b>	<u>15,593</u>
Expenditures charged to liabilities	(304)
Increase to liabilities (a)	411
<b>Total Balance at September 30, 2023</b>	15,700
Less: Current portion	<u>(6,689)</u>
<b>Non-current portion at September 30, 2023</b>	<u><u>\$9,011</u></u>

(a) Reflects revised environmental and NRD cost estimates recorded during the nine months ended September 30, 2023.

It is expected that the upland mill site cleanup and NRD restoration will occur over the next one to two years, while the monitoring of Port Gamble Bay, mill site, and landfills will continue for an additional 15 to 20 years. NRD costs are subject to change as the scope of the restoration projects become more clearly defined. It is reasonably possible that these components of the liability may increase as the project progresses. Management continues to monitor the Port Gamble cleanup process and will make adjustments as needed. Should any future circumstances result in a change to the estimated cost of the project, we will record an appropriate adjustment to the liability in the period it becomes known and when we can reasonably estimate the amount. For further information on the timing and amount of future payments related to our environmental remediation liabilities, see Note 10 - *Commitments* in our 2022 Form 10-K.

We do not currently anticipate any material loss in excess of the amounts accrued; however, we are not able to estimate a possible loss or range of loss, if any, in excess of the established liabilities. Our future remediation expenses may be affected by a number of uncertainties including, but not limited to, the difficulty in estimating the extent and method of remediation, the evolving nature of environmental regulations, and the availability and application of technology. We do not expect the resolution of such uncertainties to have a material adverse effect on our consolidated financial position or liquidity.

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## 11. GUARANTEES

We provide financial guarantees as required by creditors, insurance programs, and various governmental agencies.

As of September 30, 2023, the following financial guarantees were outstanding:

Financial Commitments (a)	Maximum Potential Payment
Standby letters of credit (b)	\$3,779
Surety bonds (c)	23,605
<b>Total financial commitments</b>	<b>\$27,384</b>

- (a) We have not recorded any liabilities for these financial commitments in our Consolidated Balance Sheets. The guarantees are not subject to measurement, as the guarantees are dependent on our own performance.
- (b) Approximately \$2.9 million of the standby letters of credit serve as credit support for real estate construction in our Wildlight development project. The remaining letters of credit support various insurance related agreements, primarily workers' compensation. These letters of credit will expire at various dates during 2023 and 2024 and will be renewed as required.
- (c) Surety bonds are issued primarily to secure performance obligations related to various operational activities and to provide collateral for our Wildlight development project in Nassau County, Florida and our Heartwood development project in Richmond Hill, Georgia. These surety bonds expire at various dates during 2023, 2024, and 2025 and are expected to be renewed as required.

## 12. HIGHER AND BETTER USE TIMBERLANDS AND REAL ESTATE DEVELOPMENT INVESTMENTS

We routinely assess potential alternative uses of our timberlands, as some properties may become more valuable for development, residential, recreation or other purposes. We periodically transfer, via a sale or contribution from the real estate investment trust ("REIT") entities to taxable REIT subsidiaries ("TRS"), higher and better use ("HBU") timberlands to enable land-use entitlement, development or marketing activities. We also acquire HBU properties in connection with timberland acquisitions. These properties are managed as timberlands until sold or developed. While the majority of HBU sales involve rural and recreational land, we also selectively pursue various land-use entitlements on certain properties for residential, commercial and industrial development in order to enhance the long-term value of such properties. For selected development properties, we also invest in targeted infrastructure improvements, such as roadways and utilities, to accelerate the marketability and improve the value of such properties.

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Changes in higher and better use timberlands and real estate development investments from December 31, 2022 to September 30, 2023 are shown below:

	Higher and Better Use Timberlands and Real Estate Development Investments		
	Land and Timber	Development Investments	Total
<b>Non-current portion at December 31, 2022</b>	\$91,374	\$23,723	\$115,097
Plus: Current portion (a)	408	17,501	17,909
<b>Total Balance at December 31, 2022</b>	<u>91,782</u>	<u>41,224</u>	<u>133,006</u>
Non-cash cost of land and improved development	(1,998)	(13,711)	(15,709)
Amortization of parcel real estate development investments	—	(7,689)	(7,689)
Timber depletion from harvesting activities and basis of timber sold in real estate sales	(1,556)	—	(1,556)
Capitalized real estate development investments (b)	—	24,038	24,038
Capital expenditures (silviculture)	23	—	23
Intersegment transfers	554	—	554
<b>Total Balance at September 30, 2023</b>	<u>88,805</u>	<u>43,862</u>	<u>132,667</u>
Less: Current portion (a)	(1,601)	(24,409)	(26,010)
<b>Non-current portion at September 30, 2023</b>	<u>\$87,204</u>	<u>\$19,453</u>	<u>\$106,657</u>

- (a) The current portion of Higher and Better Use Timberlands and Real Estate Development Investments is recorded in Inventory. See [Note 13 — Inventory](#) for additional information.
- (b) Capitalized real estate development investments include \$0.6 million of capitalized interest and \$5.3 million of parcel real estate development investments. Parcel real estate development investments represent investments made for specific lots and/or commercial parcels that are currently under contract or expected to be ready for market within a year.

### 13. INVENTORY

As of September 30, 2023 and December 31, 2022, our inventory consisted entirely of finished goods, as follows:

	September 30, 2023	December 31, 2022
Finished goods inventory		
Real estate inventory (a)	\$26,010	\$17,909
Log inventory	6,831	5,347
Carbon unit inventory (b)	298	473
<b>Total inventory</b>	<u>\$33,139</u>	<u>\$23,729</u>

- (a) Represents the cost of HBU real estate (including capitalized development investments) under contract to be sold as well as the cost of HBU real estate deferred until post-closing obligations are satisfied. See [Note 12 — Higher And Better Use Timberlands and Real Estate Development Investments](#) for additional information.
- (b) Represents the basis in New Zealand carbon units intended to be sold in the next 12 months.

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**14. OTHER OPERATING (EXPENSE) INCOME, NET**

Other operating (expense) income, net consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Loss on foreign currency remeasurement, net of cash flow hedges	(\$1,555)	(\$1,158)	(\$5,713)	(\$481)
Gain on sale or disposal of property and equipment	—	9	37	40
Equity income related to Bainbridge Landing LLC joint venture (a)	—	15,848	—	15,477
Miscellaneous (expense) income, net	(99)	(118)	105	(638)
<b>Total</b>	<u>(\$1,654)</u>	<u>\$14,581</u>	<u>(\$5,571)</u>	<u>\$14,398</u>

(a) The three and nine months ended September 30, 2022 include \$16.0 million of equity income from the sale of a multi-family apartment complex in Bainbridge Island, Washington. As the equity investment was co-owned with outside investors, \$4.5 million of the equity income was attributable to Rayonier.

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## 15. EMPLOYEE BENEFIT PLANS

We have one qualified non-contributory defined benefit pension plan covering a portion of our employees and an unfunded plan that provides benefits in excess of amounts allowable under current tax law in the qualified plans. We closed enrollment in the pension plans to salaried employees hired after December 31, 2005. Effective December 31, 2016, we froze benefits for all employees participating in the pension plan. In lieu of the pension plan, we provide those employees with an enhanced 401(k) plan match similar to what is currently provided to employees hired after December 31, 2005. Employee benefit plan liabilities are calculated using actuarial estimates and management assumptions. These estimates are based on historical information, along with certain assumptions about future events. Changes in assumptions, as well as changes in actual experience, could cause the estimates to change.

In December 2022, the Rayonier Board of Directors approved the resolution to terminate the Defined Benefit Plan and notified impacted parties of the termination and alternative distribution options. The Defined Benefit Plan was terminated on February 28, 2023. On July 20, 2023, the Rayonier Board of Directors approved the resolution to terminate the unfunded plan and will distribute all benefits in accordance with Section 409A of the Internal Revenue Code. The unfunded plan was terminated on July 31, 2023. We expect to recognize pre-tax non-cash pension settlement charges related to the actuarial losses currently in AOCI upon settlement of the obligations of the Defined Benefit and Excess Benefit Plans. These charges are currently expected to occur in 2023 and 2024, with the specific timing and final amounts dependent upon several factors.

We expect to make cash contributions of approximately \$7.6 million during the settlement process in order to fund the Defined Benefit Plan on a plan termination basis. The Defined Benefit Plan will be settled upon completion of lump sum distributions and purchase of annuity contracts. The settlement is expected to be completed by the end of Q2 2024. The Excess Benefit Plan will be settled entirely with lump sum payments with expected cash contributions in 2024 of approximately \$1.3 million. Projected cash contributions are an estimate, as actual amounts will be dependent upon the nature and timing of participant settlements and interest rates, as well as prevailing market conditions. See [Note 1 – Basis of Presentation](#) for information regarding subsequent events related to the Defined Benefit Pension Plan.

The net pension and postretirement benefit (credits) costs that have been recorded are shown in the following table:

Components of Net Periodic Benefit (Credit) Cost	Income Statement Location	Pension		Postretirement	
		Three Months Ended September 30,		Three Months Ended September 30,	
		2023	2022	2023	2022
Service cost	Selling and general expenses	—	—	\$1	\$2
Interest cost	Interest and other miscellaneous income, net	844	609	17	13
Expected return on plan assets (a)	Interest and other miscellaneous income, net	(887)	(872)	—	—
Amortization of losses	Interest and other miscellaneous income, net	1	184	—	4
Net periodic benefit (credit) cost		(\$42)	(\$79)	\$18	\$19

Components of Net Periodic Benefit (Credit) Cost	Income Statement Location	Pension		Postretirement	
		Nine Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Service cost	Selling and general expenses	—	—	\$3	\$5
Interest cost	Interest and other miscellaneous income, net	2,533	1,826	52	39
Expected return on plan assets (a)	Interest and other miscellaneous income, net	(2,663)	(2,615)	—	—
Amortization of losses	Interest and other miscellaneous income, net	4	553	—	11
Net periodic benefit (credit) cost		(\$126)	(\$236)	\$55	\$55

(a) The weighted-average expected long-term rate of return on plan assets used in computing 2023 net periodic benefit cost for pension benefits is 5.0%.

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## 16. INCOME TAXES

Rayonier is a REIT under the Internal Revenue Code and therefore generally does not pay U.S. federal or state income tax. As of September 30, 2023, Rayonier owns a 98.4% interest in the Operating Partnership and conducts substantially all of its timberland operations through the Operating Partnership. The taxable income or loss generated by the Operating Partnership is passed through and reported to its unit holders (including the Company) on a Schedule K-1 for inclusion in each unitholder's income tax return.

Certain operations, including log trading and certain real estate activities, such as the entitlement, development and sale of HBU properties, are conducted through our TRS. The TRS subsidiaries are subject to United States federal and state corporate income tax. The New Zealand timber operations are conducted by the New Zealand subsidiary, which is subject to corporate-level tax at 28% in New Zealand and is treated as a partnership for U.S. income tax purposes.

### *PROVISION FOR INCOME TAXES*

The Company's tax expense is principally related to corporate-level tax in New Zealand and non-resident withholding tax on repatriation of earnings from New Zealand. The following table contains the income tax expense recognized on the Consolidated Statements of Income and Comprehensive Income:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Income tax expense	(\$547)	(\$1,238)	(\$1,777)	(\$8,056)

### *ANNUAL EFFECTIVE TAX RATE*

The Company's effective tax rate after discrete items is below the 21.0% U.S. statutory rate due to tax benefits associated with being a REIT. The following table contains the Company's annualized effective tax rate after discrete items:

	Nine Months Ended September 30,	
	2023	2022
Annualized effective tax rate after discrete items	3.1 %	7.9 %

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**17. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

The following table summarizes the changes in AOCI by component for the nine months ended September 30, 2023 and the year ended December 31, 2022. All amounts are presented net of tax and exclude portions attributable to noncontrolling interests.

	Foreign currency translation (loss) gains	Net investment hedges of New Zealand subsidiary	Cash flow hedges	Employee benefit plans	Total Rayonier, L.P.	Allocation to Operating Partnership	Total Rayonier Inc.
Balance as of December 31, 2021	\$4,215	\$1,321	(\$9,163)	(\$11,836)	(\$15,463)	(\$4,141)	(\$19,604)
Other comprehensive income (loss) before reclassifications	(22,282)	—	78,166 (a)	874	56,758	(1,323)	55,435
Amounts reclassified from accumulated other comprehensive income (loss)	—	—	(1,799)	753 (b)	(1,046)	1,028	(18)
Net other comprehensive income (loss)	(22,282)	—	76,367	1,627	55,712	(295)	55,417
Balance as of December 31, 2022	(\$18,067)	\$1,321	\$67,204	(\$10,209)	\$40,249	(\$4,436)	\$35,813
Other comprehensive income (loss) before reclassifications	(16,522)	—	23,131 (a)	—	6,609	(62)	6,547
Amounts reclassified from accumulated other comprehensive income	—	—	(15,938)	4 (b)	(15,934)	1,078	(14,856)
Net other comprehensive income (loss)	(16,522)	—	7,193	4	(9,325)	1,016	(8,309)
Balance as of September 30, 2023	(\$34,589)	\$1,321	\$74,397	(\$10,205)	\$30,924	(\$3,420)	\$27,504

- (a) The nine months ended September 30, 2023 includes \$20.4 million of other comprehensive income related to interest rate products. The year ended December 31, 2022 included \$75.0 million of other comprehensive income related to interest rate products. See [Note 7 — Derivative Financial Instruments and Hedging Activities](#) for additional information.
- (b) This component of other comprehensive income is included in the computation of net periodic pension and post-retirement costs. See [Note 15 — Employee Benefit Plans](#) for additional information.

The following table presents details of the amounts reclassified in their entirety from AOCI to net income for the nine months ended September 30, 2023 and September 30, 2022:

Details about accumulated other comprehensive income (loss) components	Amount reclassified from accumulated other comprehensive income (loss)		Affected line item in the Income Statement
	September 30, 2023	September 30, 2022	
Realized gain on foreign currency exchange contracts	(\$5,801)	(\$2,598)	Other operating expense (income), net
Realized gain on foreign currency option contracts	(244)	—	Other operating expense (income), net
Noncontrolling interests	1,391	598	Comprehensive income attributable to noncontrolling interests
Realized (gain) loss on interest rate contracts	(12,587)	4,555	Interest expense, net
Income tax effect from net gain on foreign currency contracts	1,303	560	Income tax expense
Net (gain) loss on cash flow hedges reclassified from accumulated other comprehensive income	(\$15,938)	\$3,115	



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**18. RESTRICTED CASH**

Restricted cash, excluding Timber Funds includes cash deposited with a like-kind exchange (“LKE”) intermediary. In order to qualify for LKE treatment, the proceeds from real estate sales must be deposited with a third-party intermediary. These proceeds are accounted for as restricted cash until a suitable replacement property is acquired. In the event LKE purchases are not completed, the proceeds are returned to the Company after 180 days and reclassified as available cash. Additionally, restricted cash, excluding Timber Funds, includes cash balances held in escrow as collateral for certain contractual obligations related to our Heartwood development project as well as cash held in escrow for real estate sales.

Restricted cash, Timber Funds includes the portion of proceeds from Fund II Timberland Dispositions required to be distributed to noncontrolling interests.

The following table provides a reconciliation of cash, cash equivalents and restricted cash in the Consolidated Balance Sheets that sum to the total of the same such amounts in the Consolidated Statements of Cash Flows for the nine months ended September 30, 2023 and 2022:

	Nine Months Ended September 30,	
	2023	2022
Restricted cash, excluding Timber Funds:		
Restricted cash deposited with LKE intermediary	\$2	\$15,627
Restricted cash held in escrow	1,802	625
Total restricted cash, excluding Timber Funds	1,804	16,252
Restricted cash, Timber Funds	—	1,464
Cash and cash equivalents	107,784	261,804
Total cash, cash equivalents and restricted cash shown in the Consolidated Statements of Cash Flows	<u>\$109,588</u>	<u>\$279,520</u>

**19. ASSETS HELD FOR SALE**

Assets held for sale is composed of properties under contract and expected to be sold within 12 months that also meet the other relevant held-for-sale criteria in accordance with ASC 360-10-45-9. As of September 30, 2023 and December 31, 2022, the basis in properties meeting this classification was \$18.3 million and \$0.7 million, respectively. Since the basis in these properties was less than the fair value, including costs to sell, no impairment was recognized.

## **Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")**

When we refer to "Rayonier" or "the Company" we mean Rayonier Inc. and its consolidated subsidiaries. References to the "Operating Partnership" mean Rayonier, L.P. and its consolidated subsidiaries. References to "we," "us," or "our," mean collectively Rayonier Inc., the Operating Partnership and entities/subsidiaries owned or controlled by Rayonier Inc. and/or the Operating Partnership. References herein to "Notes to Financial Statements" refer to the Notes to Consolidated Financial Statements of Rayonier Inc. and Rayonier, L.P. included in Item 1 of this report.

This MD&A is intended to provide a reader of our financial statements with a narrative from the perspective of management on our financial condition, results of operations, liquidity, and certain other factors which may affect future results. Our MD&A should be read in conjunction with our Consolidated Financial Statements included in Item 1 of this report, our Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 Form 10-K") and information contained in our subsequent reports filed with the Securities and Exchange Commission (the "SEC").

### **FORWARD-LOOKING STATEMENTS**

Certain statements in this document regarding anticipated financial outcomes, including our earnings guidance, if any, business and market conditions, outlook, expected dividend rate, our business strategies, expected harvest schedules, timberland acquisitions and dispositions, the anticipated benefits of our business strategies, and other similar statements relating to our 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 risk factors contained in Item 1A — *Risk Factors* in our 2022 Form 10-K, and similar discussions included in other reports that we subsequently file with the SEC, among others, could cause actual results or events to differ materially from our historical experience and those expressed in forward-looking statements made in this document.

Forward-looking statements are only as of the date they are made, and we undertake no duty to update our forward-looking statements except as required by law. You are advised, however, to review any subsequent disclosures we make on related subjects in subsequent reports filed with the SEC.

### **NON-GAAP MEASURES**

To supplement our financial statements presented in accordance with generally accepted accounting principles in the United States ("GAAP"), we use certain non-GAAP measures, including "Cash Available for Distribution," and "Adjusted EBITDA," which are defined and further explained in *Performance and Liquidity Indicators* below. Reconciliation of such measures to the nearest GAAP measures can also be found in *Performance and Liquidity Indicators* below. Our 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.

### **OBJECTIVE**

The objective of the Management's Discussion and Analysis is to detail material information, events, uncertainties and other factors impacting the Company and the Operating Partnership and to provide investors an understanding of "Management's perspective." Item 2, Management's Discussion and Analysis highlights the critical areas for evaluating our performance which includes a discussion on the reportable segments, liquidity and capital, and critical accounting estimates. The MD&A is provided as a supplement to, and should be read in conjunction with, our financial statements and notes.

## OUR COMPANY

We are a leading timberland real estate investment trust (“REIT”) with assets located in some of the most productive softwood timber growing regions in the United States and New Zealand. We invest in timberlands and actively manage them to provide current income and attractive long-term returns to our shareholders. We conduct our business through an umbrella partnership real estate investment trust (“UPREIT”) structure in which our assets are owned by our Operating Partnership and its subsidiaries. Rayonier manages the Operating Partnership as its sole general partner. Our revenues, operating income and cash flows are primarily derived from the following core business segments: Southern Timber, Pacific Northwest Timber, New Zealand Timber, Real Estate, and Trading. As of September 30, 2023, we owned or leased under long-term agreements approximately 2.8 million acres of timberlands located in the U.S. South (1.90 million acres), U.S. Pacific Northwest (474,000 acres) and New Zealand (419,000 gross acres or 298,000 net plantable acres).

## SEGMENT INFORMATION

The Southern Timber, Pacific Northwest Timber and New Zealand Timber segments include all activities related to the harvesting of timber and other non-timber income activities, such as the licensing of properties for hunting, granting land access for carbon capture and storage, the leasing of properties for mineral extraction and cell towers, and carbon credit sales. Our New Zealand operations are conducted by Matariki Forestry Group, a joint venture (the “New Zealand subsidiary”), in which we maintain a 77% ownership interest. See [Note 4 - Noncontrolling Interests](#) for additional information regarding our noncontrolling interests in the New Zealand Timber segment.

The Real Estate segment includes all U.S. and New Zealand land or leasehold sales disaggregated into six sales categories: Improved Development, Unimproved Development, Rural, Timberland & Non-Strategic, Conservation Easements and Large Dispositions. It also includes residential and commercial lease activity, primarily in the town of Port Gamble, Washington.

The Trading segment primarily reflects log trading activities in New Zealand and Australia conducted by our New Zealand subsidiary. It also includes log trading activities conducted from the U.S. South and Pacific Northwest. Our Trading segment activities include an export services joint venture with a third-party forest manager in which Matariki Forests Trading Ltd maintains a 50% ownership interest. The Trading segment complements the New Zealand Timber segment by providing added market intelligence, increasing the scale of export operations and achieving cost savings that directly benefit the New Zealand Timber segment. This additional market intelligence also benefits our Southern and Pacific Northwest export log marketing.

## ENVIRONMENTAL MATTERS

For a full description of our environmental matters, see Item 1 - “Business” in our [Annual Report on Form 10-K for the year ended December 31, 2022](#) and our sustainability report located at our Responsible Stewardship webpage.

## INDUSTRY AND MARKET CONDITIONS

The demand for timber is directly related to the underlying demand for pulp, paper, packaging, lumber and other wood products. The significant majority of timber sold in our Southern Timber segment is consumed domestically. With a higher proportion of pulpwood, our Southern Timber segment relies heavily on downstream markets for pulp and paper, and to a lesser extent wood pellet markets. Our Pacific Northwest Timber segment relies primarily on domestic customers but also exports a significant volume of timber, particularly to Japan and China. The Southern Timber and Pacific Northwest Timber segments rely on the strength of U.S. lumber markets as well as underlying housing starts. Our New Zealand Timber segment sells timber to domestic New Zealand wood products mills and also exports a significant portion of its volume to Asian markets, particularly in China and South Korea. In addition to market dynamics in the Pacific Rim, the New Zealand Timber segment is subject to foreign exchange fluctuations, which can impact the operating results of the segment in U.S. dollar terms.

During 2023, each of our timber segments have experienced challenging market conditions due to ongoing market headwinds and weaker end-market demand relative to the prior year. In our Southern Timber segment, weaker demand for pulp and lumber coupled with drier weather conditions has resulted in lower net stumpage prices. In our Pacific Northwest Timber segment, softer domestic lumber demand and decreased competition from export markets has negatively impacted sawtimber prices. In our New Zealand Timber segment, weaker demand in China has driven lower export and domestic sawtimber prices.

We are also subject to the risk of price fluctuations in certain of our cost components, primarily logging and transportation (cut and haul), ocean freight and demurrage costs. Other major components of our cost of sales are the cost basis of timber sold (depletion) and the cost basis of real estate sold. Depletion includes the amortization of capitalized site preparation, planting and fertilization, real estate taxes, timberland lease payments and certain payroll costs. The cost basis of real estate sold includes the cost basis in land and costs directly associated with the development and construction of identified real estate projects, such as infrastructure, roadways, utilities, amenities and/or other improvements. Other costs include amortization of capitalized costs related to road and bridge construction and software, depreciation of fixed assets and equipment, road maintenance, severance and excise taxes, fire prevention and real estate commissions and closing costs.

Our Real Estate segment is exposed to changes in interest and mortgage rates as higher rates could negatively impact buyer demand for the properties we sell. However, current demand for our rural and development real estate properties has not yet been significantly impacted by the higher interest rate environment.

For additional information on market conditions impacting our business, see [Results of Operations](#).

## CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires us to make estimates, assumptions and judgments that affect our assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. We base these estimates and assumptions on historical data and trends, current fact patterns, expectations and other sources of information we believe are reasonable. Actual results may differ from these estimates. For a full description of our critical accounting policies, see Item 7 — *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our 2022 Form 10-K.

## REVENUE RECOGNITION

See [Note 1 – Basis of Presentation](#).

## DISCUSSION OF TIMBER INVENTORY AND SUSTAINABLE YIELD

See Item 1 — Business — Discussion of Timber Inventory and Sustainable Yield in our 2022 Form 10-K.

### OUR TIMBERLANDS

Our timber operations are disaggregated into three geographically distinct segments: Southern Timber, Pacific Northwest Timber and New Zealand Timber. The following tables provide a breakdown of our timberland holdings as of September 30, 2023 and December 31, 2022:

(acres in 000s)	As of September 30, 2023			As of December 31, 2022		
	Owned	Leased	Total	Owned	Leased	Total
<b>Southern</b>						
Alabama	256	5	261	258	14	272
Arkansas	—	2	2	—	2	2
Florida	362	50	412	347	47	394
Georgia	623	65	688	647	64	711
Louisiana	147	—	147	148	—	148
Oklahoma	91	—	91	91	—	91
South Carolina	16	—	16	16	—	16
Texas	282	—	282	285	—	285
	<u>1,777</u>	<u>122</u>	<u>1,899</u>	<u>1,792</u>	<u>127</u>	<u>1,919</u>
<b>Pacific Northwest</b>						
Oregon	61	—	61	61	—	61
Washington	410	3	413	410	3	413
	<u>471</u>	<u>3</u>	<u>474</u>	<u>471</u>	<u>3</u>	<u>474</u>
<b>New Zealand (a)</b>	<u>188</u>	<u>231</u>	<u>419</u>	<u>188</u>	<u>229</u>	<u>417</u>
<b>Total</b>	<u>2,436</u>	<u>356</u>	<u>2,792</u>	<u>2,451</u>	<u>359</u>	<u>2,810</u>

(a) Represents legal acres owned and leased by the New Zealand subsidiary, in which we own a 77% interest. As of September 30, 2023, legal acres in New Zealand consisted of 298,000 plantable acres and 121,000 non-productive acres.

The following tables detail activity for owned and leased acres in our timberland holdings by state from December 31, 2022 to September 30, 2023:

(acres in 000s)	Acres Owned				September 30, 2023
	December 31, 2022	Acquisitions	Sales	Other (a)	
<b>Southern</b>					
Alabama	258	—	(1)	(1)	256
Florida	347	2	(2)	15	362
Georgia	647	—	(1)	(23)	623
Louisiana	148	—	(1)	—	147
Oklahoma	91	—	—	—	91
South Carolina	16	—	—	—	16
Texas	285	1	(5)	1	282
	1,792	3	(10)	(8)	1,777
<b>Pacific Northwest</b>					
Oregon	61	—	—	—	61
Washington	410	—	—	—	410
	471	—	—	—	471
<b>New Zealand (b)</b>					
	188	—	—	—	188
<b>Total</b>	2,451	3	(10)	(8)	2,436

(a) Includes adjustments for land mapping reviews.

(b) Represents legal acres owned by the New Zealand subsidiary, in which we have a 77% interest.

(acres in 000s)	Acres Leased				September 30, 2023
	December 31, 2022	New Leases	Sold/Expired Leases (a)	Other (b)	
<b>Southern</b>					
Alabama	14	—	(9)	—	5
Arkansas	2	—	—	—	2
Florida	47	—	—	3	50
Georgia	64	—	—	1	65
	127	—	(9)	4	122
<b>Pacific Northwest</b>					
Washington (c)	3	—	—	—	3
<b>New Zealand (d)</b>					
	229	—	—	2	231
<b>Total</b>	359	—	(9)	6	356

(a) Includes acres previously under lease that have been harvested and activity for the relinquishment of leased acres.

(b) Includes adjustments for land mapping reviews.

(c) Primarily timber reservations acquired in the merger with Pope Resources.

(d) Represents legal acres leased by the New Zealand subsidiary, in which we have a 77% interest.

## RESULTS OF OPERATIONS

### CONSOLIDATED RESULTS

The following table provides key financial information by segment and on a consolidated basis:

Financial Information (in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Sales</b>				
Southern Timber	\$64.0	\$64.5	\$204.1	\$207.6
Pacific Northwest Timber	29.3	34.4	96.1	119.8
New Zealand Timber	70.4	72.5	175.4	202.7
<b>Real Estate</b>				
Improved Development	3.1	2.3	20.2	18.8
Unimproved Development	0.1	—	0.1	—
Rural	20.5	7.0	42.6	47.3
Timberland & Non-Strategic	1.1	—	2.9	11.4
Deferred Revenue/Other (a)	6.4	3.2	13.7	3.5
<b>Total Real Estate</b>	<b>31.2</b>	<b>12.4</b>	<b>79.5</b>	<b>81.0</b>
Trading	6.8	11.6	34.8	52.7
Intersegment Eliminations	(0.1)	(0.1)	(0.4)	(0.2)
<b>Total Sales</b>	<b>\$201.6</b>	<b>\$195.3</b>	<b>\$589.5</b>	<b>\$663.7</b>
<b>Operating Income (Loss)</b>				
Southern Timber	\$18.6	\$22.5	\$62.6	\$76.9
Pacific Northwest Timber (b)	(0.6)	2.2	(6.5)	11.7
New Zealand Timber (c)	17.6	9.3	19.3	22.7
Real Estate (a)(d)	9.2	15.7	18.7	37.0
Trading	(0.1)	0.2	0.4	0.1
Corporate and Other	(9.4)	(9.0)	(28.3)	(26.6)
<b>Operating Income</b>	<b>35.4</b>	<b>40.9</b>	<b>66.1</b>	<b>121.7</b>
Interest expense, interest income and other (e)	(12.1)	(7.8)	(15.0)	(25.5)
Income tax expense	(0.6)	(1.2)	(1.8)	(8.1)
<b>Net Income</b>	<b>22.7</b>	<b>31.9</b>	<b>49.3</b>	<b>88.1</b>
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(3.2)	(10.8)	(1.9)	(12.4)
<b>Net Income Attributable to Rayonier, L.P.</b>	<b>\$19.5</b>	<b>\$21.1</b>	<b>\$47.4</b>	<b>\$75.7</b>
Less: Net income attributable to noncontrolling interests in the operating partnership	(0.3)	(0.5)	(0.8)	(1.7)
<b>Net Income Attributable to Rayonier Inc.</b>	<b>\$19.2</b>	<b>\$20.6</b>	<b>\$46.6</b>	<b>\$74.0</b>
<b>Adjusted EBITDA (f)</b>				
Southern Timber	\$37.8	\$36.6	\$124.2	\$123.7
Pacific Northwest Timber	7.8	12.6	21.7	48.4
New Zealand Timber	23.5	15.6	37.9	40.8
Real Estate	18.9	8.4	45.8	58.4
Trading	(0.1)	0.2	0.4	0.1
Corporate and Other	(9.0)	(8.6)	(27.1)	(25.7)
<b>Total Adjusted EBITDA</b>	<b>\$78.9</b>	<b>\$64.7</b>	<b>\$202.9</b>	<b>\$245.8</b>

- (a) Includes deferred revenue adjustments, revenue true-ups and marketing fees related to Improved Development sales in addition to residential and commercial lease revenue.  
(b) The three and nine months ended September 30, 2022 includes a \$1.1 million timber write-off resulting from a casualty event.  
(c) The nine months ended September 30, 2023 includes a \$2.3 million timber write-off resulting from a casualty event.  
(d) The three and nine months ended September 30, 2022 includes \$16.0 million of equity income related to the multi-family apartment complex sale in Bainbridge Island, Washington.  
(e) The nine months ended September 30, 2023 includes \$20.5 million of net recoveries associated with legal settlements.  
(f) Adjusted EBITDA is a non-GAAP measure defined and reconciled in [Performance and Liquidity Indicators](#).

Southern Timber Overview	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Sales Volume (in thousands of tons)</b>				
Pine Pulpwood	995	965	3,010	3,098
Pine Sawtimber	745	449	2,563	1,529
<b>Total Pine Volume</b>	<b>1,740</b>	<b>1,414</b>	<b>5,574</b>	<b>4,627</b>
Hardwood	69	85	138	291
<b>Total Volume</b>	<b>1,809</b>	<b>1,499</b>	<b>5,712</b>	<b>4,918</b>
% Delivered Volume (vs. Total Volume)	35 %	47 %	34 %	43 %
% Pine Sawtimber Volume (vs. Total Pine Volume)	43 %	32 %	46 %	33 %
% Export Volume (vs. Total Volume) (a)	1 %	2 %	1 %	2 %
<b>Net Stumpage Pricing (dollars per ton)</b>				
Pine Pulpwood	\$16.54	\$22.77	\$16.53	\$22.88
Pine Sawtimber	28.85	33.31	29.87	34.40
Weighted Average Pine	\$21.81	\$26.12	\$22.67	\$26.69
Hardwood	13.16	20.59	13.98	24.33
Weighted Average Total	\$21.48	\$25.80	\$22.46	\$26.55
<b>Summary Financial Data (in millions of dollars)</b>				
Timber Sales	\$54.1	\$57.7	\$175.0	\$186.9
Less: Cut and Haul	(14.4)	(17.3)	(43.4)	(50.5)
Less: Port and Freight	(0.9)	(1.6)	(3.6)	(5.7)
<b>Net Stumpage Sales</b>	<b>\$38.8</b>	<b>\$38.8</b>	<b>\$128.0</b>	<b>\$130.7</b>
Non-Timber Sales	9.8	6.8	29.1	20.7
<b>Total Sales</b>	<b>\$64.0</b>	<b>\$64.5</b>	<b>\$204.1</b>	<b>\$207.6</b>
Operating Income	\$18.6	\$22.5	\$62.6	\$76.9
(+) Depreciation, depletion and amortization	19.2	14.1	61.6	46.8
<b>Adjusted EBITDA (b)</b>	<b>\$37.8</b>	<b>\$36.6</b>	<b>\$124.2</b>	<b>\$123.7</b>
<b>Other Data</b>				
Period-End Acres (in thousands)	1,899	1,789	1,899	1,789

(a) Estimated percentage of export volume, which includes volumes sold to third-party exporters in addition to direct exports through our log export program.

(b) Adjusted EBITDA is a non-GAAP measure defined and reconciled in [Performance and Liquidity Indicators](#).



Pacific Northwest Timber Overview	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Sales Volume (in thousands of tons)</b>				
Pulpwood	43	59	181	214
Domestic Sawtimber (a)	226	230	760	911
Export Sawtimber	21	18	65	63
<b>Total Volume</b>	<b>290</b>	<b>307</b>	<b>1,006</b>	<b>1,188</b>
% Delivered Volume (vs. Total Volume)	94 %	100 %	97 %	90 %
% Sawtimber Volume (vs. Total Volume)	85 %	81 %	82 %	82 %
% Export Volume (vs. Total Volume) (b)	11 %	12 %	11 %	10 %
<b>Delivered Log Pricing (in dollars per ton)</b>				
Pulpwood	\$33.09	\$50.74	\$40.67	\$44.44
Domestic Sawtimber	108.20	120.08	98.89	114.20
Export Sawtimber (c)	131.15	90.23	146.58	92.15
<b>Weighted Average Log Price</b>	<b>\$98.79</b>	<b>\$104.97</b>	<b>\$91.44</b>	<b>\$100.18</b>
<b>Summary Financial Data (in millions of dollars)</b>				
Timber Sales	\$27.8	\$32.6	\$91.3	\$115.6
Less: Cut and Haul	(12.1)	(13.9)	(44.8)	(46.7)
Less: Port and Freight	(1.1)	(0.2)	(3.8)	(0.7)
<b>Net Stumpage Sales</b>	<b>\$14.7</b>	<b>\$18.5</b>	<b>\$42.7</b>	<b>\$68.3</b>
Non-Timber Sales	1.5	1.8	4.7	4.2
<b>Total Sales</b>	<b>\$29.3</b>	<b>\$34.4</b>	<b>\$96.1</b>	<b>\$119.8</b>
Operating (Loss) Income	(\$0.6)	\$2.2	(\$6.5)	\$11.7
(+) Timber write-offs resulting from a casualty event (d)	—	1.1	—	1.1
(+) Depreciation, depletion and amortization	8.3	9.4	28.2	35.6
<b>Adjusted EBITDA (e)</b>	<b>\$7.8</b>	<b>\$12.6</b>	<b>\$21.7</b>	<b>\$48.4</b>
<b>Other Data</b>				
Period-End Acres (in thousands)	474	486	474	486
Sawtimber (in dollars per MBF) (f)	\$726	\$860	\$722	\$866

(a) Includes volumes sold to third-party exporters.

(b) Estimated percentage of export volume, which includes volumes sold to third-party exporters in addition to direct exports through our log export program.

(c) Prior to Q4 2022, pricing reflects the transfer of logs on an FOB basis. Beginning in Q4 2022, pricing is reported on a CFR basis (i.e., inclusive of export costs and freight).

(d) Timber write-offs resulting from a casualty event include the write-off of merchantable and pre-merchantable timber volume damaged by casualty events which cannot be salvaged.

(e) Adjusted EBITDA is a non-GAAP measure defined and reconciled in [Performance and Liquidity Indicators](#).

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

New Zealand Timber Overview	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Sales Volume (in thousands of tons)</b>				
Domestic Pulpwood (Delivered)	58	103	163	302
Domestic Sawtimber (Delivered)	211	221	502	544
Export Pulpwood (Delivered)	55	38	167	129
Export Sawtimber (Delivered)	367	349	1,012	954
<b>Total Volume</b>	<b>690</b>	<b>712</b>	<b>1,844</b>	<b>1,929</b>
% Delivered Volume (vs. Total Volume)	100 %	100 %	100 %	100 %
% Sawtimber Volume (vs. Total Volume)	84 %	80 %	82 %	78 %
% Export Volume (vs. Total Volume) (a)	61 %	54 %	64 %	56 %
<b>Delivered Log Pricing (in dollars per ton)</b>				
Domestic Pulpwood	\$32.92	\$33.13	\$34.60	\$34.20
Domestic Sawtimber	63.45	69.69	67.46	73.72
Export Sawtimber	95.23	123.07	102.93	130.71
Weighted Average Log Price	\$79.47	\$92.76	\$86.15	\$98.92
<b>Summary Financial Data (in millions of dollars)</b>				
Timber Sales	\$54.9	\$66.1	\$158.8	\$190.9
Less: Cut and Haul	(22.8)	(25.8)	(64.5)	(71.6)
Less: Port and Freight	(15.9)	(23.1)	(47.5)	(69.8)
<b>Net Stumpage Sales</b>	<b>\$16.2</b>	<b>\$17.2</b>	<b>\$46.8</b>	<b>\$49.4</b>
Non-Timber Sales / Carbon Credits	15.6	6.4	16.6	11.9
<b>Total Sales</b>	<b>\$70.4</b>	<b>\$72.5</b>	<b>\$175.4</b>	<b>\$202.7</b>
Operating Income	\$17.6	\$9.3	\$19.3	\$22.7
(+) Timber write-off resulting from a casualty event (b)	—	—	2.3	—
(+) Depreciation, depletion and amortization	6.0	6.3	16.3	18.2
<b>Adjusted EBITDA (c)</b>	<b>\$23.5</b>	<b>\$15.6</b>	<b>\$37.9</b>	<b>\$40.8</b>
<b>Other Data</b>				
New Zealand Dollar to U.S. Dollar Exchange Rate (d)	0.6084	0.6223	0.6166	0.6479
Net Plantable Period-End Acres (in thousands)	298	297	298	297
Export Sawtimber (in dollars per JAS m <sup>3</sup> )	\$110.72	\$143.09	\$119.68	\$151.98
Domestic Sawtimber (in \$NZD per tonne)	\$114.72	\$123.19	\$120.34	\$125.16

(a) Percentage of export volume reflects direct exports through our log export program.

(b) Timber write-off resulting from a casualty event includes the write-off of merchantable and pre-merchantable timber volume damaged by a casualty event which cannot be salvaged.

(c) Adjusted EBITDA is a non-GAAP measure defined and reconciled in [Performance and Liquidity Indicators](#).

(d) Represents the period-average rate.

Real Estate Overview	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Sales (in millions of dollars)</b>				
Improved Development (a)	\$3.1	\$2.3	\$20.2	\$18.8
Unimproved Development	0.1	—	0.1	—
Rural	20.5	7.0	42.6	47.3
Timberland & Non-Strategic	1.1	—	2.9	11.4
Deferred Revenue/Other (b)	6.4	3.2	13.7	3.5
<b>Total Sales</b>	<b>\$31.2</b>	<b>\$12.4</b>	<b>\$79.5</b>	<b>\$81.0</b>
<b>Acres Sold</b>				
Improved Development (a)	6.9	19.0	302.2	95.9
Unimproved Development	10	—	10	—
Rural	3,799	1,809	8,740	11,194
Timberland & Non-Strategic	466	—	1,070	3,966
<b>Total Acres Sold</b>	<b>4,281</b>	<b>1,828</b>	<b>10,122</b>	<b>15,256</b>
<b>Gross Price per Acre (dollars per acre)</b>				
Improved Development (a)	\$454,810	\$121,106	\$66,694	\$196,311
Unimproved Development	11,250	—	11,250	—
Rural	5,386	3,848	4,872	4,228
Timberland & Non-Strategic	2,266	—	2,755	2,874
<b>Weighted Average (Total)</b>	<b>\$5,781</b>	<b>\$5,064</b>	<b>\$6,501</b>	<b>\$5,084</b>
<b>Weighted Average (Adjusted) (c)</b>	<b>\$5,060</b>	<b>\$3,848</b>	<b>\$4,648</b>	<b>\$3,874</b>
Operating Income	\$9.2	\$15.7	\$18.7	\$37.0
(+) Depreciation, depletion and amortization	3.1	1.0	6.8	12.7
(+) Non-cash cost of land and improved development	6.6	3.1	20.2	20.3
(-) Gain associated with the multi-family apartment complex sale attributable to NCI (d)	—	(11.5)	—	(11.5)
<b>Adjusted EBITDA (e)</b>	<b>\$18.9</b>	<b>\$8.4</b>	<b>\$45.8</b>	<b>\$58.4</b>

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

(b) Includes deferred revenue adjustments, revenue true-ups and marketing fees related to Improved Development sales in addition to residential and commercial lease revenue.

(c) Excludes Improved Development.

(d) Gain associated with the multi-family apartment complex sale attributable to NCI represents the gain recognized in connection with the sale of property by the Bainbridge Landing joint venture attributable to noncontrolling interests.

(e) Adjusted EBITDA is a non-GAAP measure defined and reconciled in [Performance and Liquidity Indicators](#).

Trading Overview	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Sales Volume (in thousands of tons)</b>				
U.S.	19	11	49	54
NZ	42	84	252	361
<b>Total Volume</b>	<b>61</b>	<b>95</b>	<b>301</b>	<b>415</b>
<b>Summary Financial Data (in millions of dollars)</b>				
Trading Sales	\$6.4	\$11.2	\$33.5	\$51.5
Non-Timber Sales	0.4	0.4	1.3	1.2
<b>Total Sales</b>	<b>\$6.8</b>	<b>\$11.6</b>	<b>\$34.8</b>	<b>\$52.7</b>
Operating (Loss) Income	(\$0.1)	\$0.2	\$0.4	\$0.1
<b>Adjusted EBITDA (a)</b>	<b>(\$0.1)</b>	<b>\$0.2</b>	<b>\$0.4</b>	<b>\$0.1</b>

(a) Adjusted EBITDA is a non-GAAP measure defined and reconciled in [Performance and Liquidity Indicators](#).

Capital Expenditures By Segment (in millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Timber Capital Expenditures</b>				
Southern Timber				
Reforestation, silviculture and other capital expenditures	\$4.0	\$5.4	\$17.6	\$11.5
Property taxes	2.0	1.9	6.0	5.6
Lease payments	0.1	0.1	0.7	1.0
Allocated overhead	1.5	1.2	4.2	3.6
<b>Subtotal Southern Timber</b>	<b>\$7.5</b>	<b>\$8.6</b>	<b>\$28.4</b>	<b>\$21.7</b>
Pacific Northwest Timber				
Reforestation, silviculture and other capital expenditures	1.6	2.3	6.6	7.5
Property taxes	0.3	0.3	0.8	0.8
Allocated overhead	1.5	1.3	4.1	4.0
<b>Subtotal Pacific Northwest Timber</b>	<b>\$3.3</b>	<b>\$3.9</b>	<b>\$11.5</b>	<b>\$12.3</b>
New Zealand Timber				
Reforestation, silviculture and other capital expenditures	3.1	3.2	7.6	8.7
Property taxes	0.2	0.2	0.6	0.6
Lease payments	1.3	1.4	2.6	2.8
Allocated overhead	0.6	0.6	2.0	2.0
<b>Subtotal New Zealand Timber</b>	<b>\$5.2</b>	<b>\$5.4</b>	<b>\$12.9</b>	<b>\$14.0</b>
<b>Total Timber Segments Capital Expenditures</b>	<b>\$16.1</b>	<b>\$17.8</b>	<b>\$52.8</b>	<b>\$48.0</b>
Real Estate	—	0.1	0.2	0.2
Corporate	0.2	—	0.2	—
<b>Total Capital Expenditures</b>	<b>\$16.3</b>	<b>\$17.9</b>	<b>\$53.1</b>	<b>\$48.2</b>
<b>Timberland Acquisitions</b>				
Southern Timber	\$4.7	—	\$10.4	\$3.2
Pacific Northwest Timber	—	—	3.6	—
<b>Timberland Acquisitions</b>	<b>\$4.7</b>	<b>—</b>	<b>\$14.0</b>	<b>\$3.2</b>
<b>Real Estate Development Investments (a)</b>	<b>\$4.0</b>	<b>\$4.9</b>	<b>\$18.8</b>	<b>\$10.9</b>

(a) Represents investments in master infrastructure or entitlements in our real estate development projects. Real Estate Development Investments are amortized as the underlying properties are sold and included in Non-Cash Cost of Land and Improved Development.

The following tables summarize sales, operating income (loss) and Adjusted EBITDA variances for September 30, 2023 versus September 30, 2022 (millions of dollars):

Sales	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Intersegment Eliminations	Total
<b>Three Months Ended September 30, 2022</b>	\$64.5	\$34.4	\$72.5	\$12.4	\$11.6	(\$0.1)	\$195.3
Volume	8.0	(1.0)	(2.0)	11.9	(3.9)	—	13.0
Price	(7.8)	(2.4)	(0.7)	3.1	(0.8)	—	(8.6)
Non-timber sales	3.0	(0.3)	9.3	—	—	—	12.0
Foreign exchange (a)	—	—	(0.6)	—	—	—	(0.6)
Other	(3.7) (b)	(1.4) (b)	(8.1) (c)	3.8 (d)	(0.1)	—	(9.5)
<b>Three Months Ended September 30, 2023</b>	<u>\$64.0</u>	<u>\$29.3</u>	<u>\$70.4</u>	<u>\$31.2</u>	<u>\$6.8</u>	<u>(\$0.1)</u>	<u>\$201.6</u>

- (a) Net of currency hedging impact.  
(b) Includes variance due to stumpage versus delivered sales.  
(c) Includes variance due to domestic versus export sales.  
(d) Includes deferred revenue adjustments, revenue true-ups and marketing fees related to Improved Development sales in addition to residential and commercial lease revenue.

Sales	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Intersegment Eliminations	Total
<b>Nine Months Ended September 30, 2022</b>	\$207.6	\$119.8	\$202.7	\$81.0	\$52.7	(\$0.2)	\$663.7
Volume	21.1	(10.4)	(8.3)	(25.0)	(14.2)	—	(36.8)
Price	(23.4)	(15.3)	(2.2)	14.0	(3.9)	—	(30.8)
Non-timber sales	8.5	0.5	5.4	—	0.1	—	14.5
Foreign exchange (a)	—	—	(3.2)	—	—	—	(3.2)
Other	(9.7) (b)	1.5 (b)	(19.0) (c)	9.5 (d)	0.1	(0.2)	(17.8)
<b>Nine Months Ended September 30, 2023</b>	<u>\$204.1</u>	<u>\$96.1</u>	<u>\$175.4</u>	<u>\$79.5</u>	<u>\$34.8</u>	<u>(\$0.4)</u>	<u>\$589.5</u>

- (a) Net of currency hedging impact.  
(b) Includes variance due to stumpage versus delivered sales.  
(c) Includes variance due to domestic versus export sales.  
(d) Includes deferred revenue adjustments, revenue true-ups and marketing fees related to Improved Development sales in addition to residential and commercial lease revenue.

Operating Income	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>Three Months Ended September 30, 2022</b>	\$22.5	\$2.2	\$9.3	\$15.7	\$0.2	(\$9.0)	\$40.9
Volume	5.0	(0.4)	(0.3)	6.7	—	—	11.0
Price (a)	(7.8)	(2.4)	(0.7)	3.1	—	—	(7.8)
Cost	(1.7)	(1.2)	—	(2.6)	(0.3)	(0.4)	(6.2)
Non-timber income (b)	2.8	(0.3)	9.3	—	—	—	11.8
Depreciation, depletion & amortization	(2.2)	0.4	—	(1.0)	—	—	(2.8)
Non-cash cost of land and improved development	—	—	—	2.5	—	—	2.5
Other (c)	—	1.1	—	(15.2)	—	—	(14.1)
<b>Three Months Ended September 30, 2023</b>	<u>\$18.6</u>	<u>(\$0.6)</u>	<u>\$17.6</u>	<u>\$9.2</u>	<u>(\$0.1)</u>	<u>(\$9.4)</u>	<u>\$35.4</u>

- (a) For Timber segments, price reflects net stumpage realizations (i.e., net of cut and haul and shipping costs). For Real Estate, price is presented net of cash closing costs.  
(b) For the New Zealand Timber segment, includes carbon credit sales.  
(c) Pacific Northwest Timber includes a \$1.1 million timber write-off resulting from a casualty event in Q3 2022. Real Estate includes a gain associated with the multi-family apartment complex sale attributable to NCI in Q3 2022, deferred revenue adjustments, revenue true-ups and marketing fees related to Improved Development sales in addition to residential and commercial lease revenue.

<b>Operating Income</b>	<b>Southern Timber</b>	<b>Pacific Northwest Timber</b>	<b>New Zealand Timber</b>	<b>Real Estate</b>	<b>Trading</b>	<b>Corporate and Other</b>	<b>Total</b>
<b>Nine Months Ended September 30, 2022</b>	\$76.9	\$11.7	\$22.7	\$37.0	\$0.1	(\$26.6)	\$121.7
Volume	13.3	(3.8)	(1.5)	(13.7)	—	—	(5.7)
Price (a)	(23.4)	(15.3)	(2.2)	14.0	—	—	(26.9)
Cost	(4.4)	(2.8)	(0.9)	(5.7)	0.3	(1.4)	(14.9)
Non-timber income (b)	7.5	0.5	5.3	—	—	—	13.3
Foreign exchange (c)	—	—	(2.0)	—	—	—	(2.0)
Depreciation, depletion & amortization	(7.3)	2.1	0.2	1.8	—	(0.3)	(3.5)
Non-cash cost of land and improved development	—	—	—	(3.5)	—	—	(3.5)
Other (d)	—	1.1	(2.3)	(11.2)	—	—	(12.5)
<b>Nine Months Ended September 30, 2023</b>	<b>\$62.6</b>	<b>(\$6.5)</b>	<b>\$19.3</b>	<b>\$18.7</b>	<b>\$0.4</b>	<b>(\$28.3)</b>	<b>\$66.1</b>

- (a) For Timber segments, price reflects net stumpage realizations (i.e., net of cut and haul and shipping costs). For Real Estate, price is presented net of cash closing costs.
- (b) For the New Zealand Timber segment, includes carbon credit sales.
- (c) Net of currency hedging impact.
- (d) Pacific Northwest Timber includes a \$1.1 million timber write-off resulting from a casualty event in Q3 2022. New Zealand Timber includes a \$2.3 million timber write-off resulting from a casualty event in Q1 2023. Real Estate includes a gain associated with the multi-family apartment complex sale attributable to NCI in Q3 2022, deferred revenue adjustments, revenue true-ups and marketing fees related to Improved Development sales in addition to residential and commercial lease revenue.

<b>Adjusted EBITDA (a)</b>	<b>Southern Timber</b>	<b>Pacific Northwest Timber</b>	<b>New Zealand Timber</b>	<b>Real Estate</b>	<b>Trading</b>	<b>Corporate and Other</b>	<b>Total</b>
<b>Three Months Ended September 30, 2022</b>	\$36.6	\$12.6	\$15.6	\$8.4	\$0.2	(\$8.6)	\$64.7
Volume	7.9	(0.9)	(0.6)	11.9	—	—	18.3
Price (b)	(7.8)	(2.4)	(0.7)	3.1	—	—	(7.8)
Cost	(1.7)	(1.2)	—	(2.6)	(0.3)	(0.4)	(6.2)
Non-timber income (c)	2.8	(0.3)	9.3	—	—	—	11.8
Foreign exchange (d)	—	—	(0.1)	—	—	—	(0.1)
Other (e)	—	—	—	(1.9)	—	—	(1.9)
<b>Three Months Ended September 30, 2023</b>	<b>\$37.8</b>	<b>\$7.8</b>	<b>\$23.5</b>	<b>\$18.9</b>	<b>(\$0.1)</b>	<b>(\$9.0)</b>	<b>\$78.9</b>

- (a) Adjusted EBITDA is a non-GAAP measure defined and reconciled in [Performance and Liquidity Indicators](#) below.
- (b) For Timber segments, price reflects net stumpage realizations (i.e., net of cut and haul and shipping costs). For Real Estate, price is presented net of cash closing costs.
- (c) For the New Zealand Timber segment, includes carbon credit sales.
- (d) Net of currency hedging impact.
- (e) Real Estate includes deferred revenue adjustments, revenue true-ups and marketing fees related to Improved Development sales in addition to residential and commercial lease revenue. The prior year period included a \$4.5 million gain associated with a multi-family apartment complex sale attributable to Rayonier.

Adjusted EBITDA (a)	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>Nine Months Ended September 30, 2022</b>	\$123.7	\$48.4	\$40.8	\$58.4	\$0.1	(\$25.7)	\$245.8
Volume	20.8	(9.1)	(2.3)	(25.0)	—	—	(15.6)
Price (b)	(23.4)	(15.3)	(2.2)	14.0	—	—	(26.9)
Cost	(4.4)	(2.8)	(0.9)	(5.7)	0.3	(1.4)	(14.9)
Non-timber income (c)	7.5	0.5	5.3	—	—	—	13.3
Foreign exchange (d)	—	—	(2.8)	—	—	—	(2.8)
Other (e)	—	—	—	4.1	—	—	4.1
<b>Nine Months Ended September 30, 2023</b>	<b>\$124.2</b>	<b>\$21.7</b>	<b>\$37.9</b>	<b>\$45.8</b>	<b>\$0.4</b>	<b>(\$27.1)</b>	<b>\$202.9</b>

(a) Adjusted EBITDA is a non-GAAP measure defined and reconciled in [Performance and Liquidity Indicators](#) below.

(b) For Timber segments, price reflects net stumpage realizations (i.e., net of cut and haul and shipping costs). For Real Estate, price is presented net of cash closing costs.

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

(d) Net of currency hedging impact.

(e) Real Estate includes deferred revenue adjustments, revenue true-ups and marketing fees related to Improved Development sales in addition to residential and commercial lease revenue. The prior year period included a \$4.5 million gain associated with a multi-family apartment complex sale attributable to Rayonier.

### SOUTHERN TIMBER

Third quarter sales of \$64.0 million decreased \$0.6 million, or 1%, versus the prior year period. Harvest volumes increased 21% to 1.81 million tons versus 1.50 million tons in the prior year period, primarily driven by additional volume from acquisitions completed in the fourth quarter of 2022. Average pine sawtimber stumpage realizations decreased 13% to \$28.85 per ton versus \$33.31 per ton in the prior year period, primarily due to drier weather conditions, softer demand from sawmills, and decreased competition from pulp mills for chip-n-saw volume. Average pine pulpwood stumpage realizations decreased 27% to \$16.54 per ton versus \$22.77 per ton in the prior year period due to weaker end-market demand and drier weather conditions. Overall, weighted-average stumpage realizations (including hardwood) decreased 17% to \$21.48 per ton versus \$25.80 per ton in the prior year period. Operating income of \$18.6 million decreased \$3.8 million versus the prior year period due to lower net stumpage realizations (\$7.8 million), higher depletion rates (\$2.2 million), and higher overhead and other costs (\$1.7 million), partially offset by higher volumes (\$5.0 million) and higher non-timber income (\$2.8 million). Third quarter Adjusted EBITDA of \$37.8 million was 3%, or \$1.2 million, above the prior year period.

Year-to-date sales of \$204.1 million decreased \$3.5 million, or 2%, versus the prior year period. Harvest volumes increased 16% to 5.71 million tons versus 4.92 million tons in the prior year period, primarily driven by the additional volume contributions from acquisitions completed in the fourth quarter of 2022. Average pine sawtimber stumpage realizations decreased 13% to \$29.87 per ton versus \$34.40 per ton in the prior year period, primarily due to drier weather conditions, softer demand from sawmills, and decreased competition from pulp mills for chip-n-saw volume. Average pine pulpwood stumpage realizations decreased 28% to \$16.53 per ton versus \$22.88 per ton in the prior year period as weaker end-market demand, drier weather conditions, extended maintenance outages at pulp mills, and unfavorable geographical mix all contributed to softer market conditions. Overall, weighted-average stumpage realizations (including hardwood) decreased 15% to \$22.46 per ton versus \$26.55 per ton in the prior year period. Operating income of \$62.6 million decreased \$14.3 million versus the prior year period due to lower net stumpage realizations (\$23.4 million), higher depletion rates (\$7.3 million), and higher overhead and other costs (\$4.4 million), partially offset by higher volumes (\$13.3 million) and higher non-timber income (\$7.5 million). Year-to-date Adjusted EBITDA of \$124.2 million was \$0.5 million above the prior year period.

### PACIFIC NORTHWEST TIMBER

Third quarter sales of \$29.3 million decreased \$5.1 million, or 15%, versus the prior year period. Harvest volumes decreased 6% to 290,000 tons versus 307,000 tons in the prior year period, as some planned harvests were deferred in response to soft market conditions. Average delivered prices for domestic sawtimber decreased 10% to \$108.20 per ton versus \$120.08 per ton in the prior year period due to weaker domestic and export market demand. Average delivered pulpwood prices decreased 35% to \$33.09 per ton versus \$50.74 per ton in the prior year period, as the prior year period benefited from much stronger end-market demand. An operating loss of \$0.6 million versus operating income of \$2.2 million in the prior year period was driven by lower net stumpage



realizations (\$2.4 million), higher costs (\$1.2 million), lower volumes (\$0.4 million) and lower non-timber income (\$0.3 million), partially offset by lower depletion rates (\$0.4 million) and the prior year period write-off of timber basis due to a fire in Washington (\$1.1 million). Third quarter Adjusted EBITDA of \$7.8 million was 38%, or \$4.8 million, below the prior year period.

Year-to-date sales of \$96.1 million decreased \$23.8 million, or 20%, versus the prior year period. Harvest volumes decreased 15% to 1.01 million tons versus 1.19 million tons in the prior year period as some planned harvests have been deferred in response to soft market conditions. Average delivered prices for domestic sawtimber decreased 13% to \$98.89 per ton versus \$114.20 per ton in the prior year period due to weaker domestic and export market demand, as well as less competition from export markets. Average delivered pulpwood prices decreased 8% to \$40.67 per ton versus \$44.44 per ton in the prior year period as the prior year period benefited from stronger end-market demand. Operating loss of \$6.5 million decreased \$18.2 million versus the prior year period due to lower net stumpage realizations (\$15.3 million), lower volumes (\$3.8 million), and higher costs (\$2.8 million), partially offset by lower depletion rates (\$2.1 million), the prior year period write-off of timber basis due to a fire in Washington (\$1.1 million), and higher non-timber income (\$0.5 million). Year-to-date Adjusted EBITDA of \$21.7 million was 55%, or \$26.7 million, below the prior year period.

#### *NEW ZEALAND TIMBER*

Third quarter sales of \$70.4 million decreased \$2.0 million, or 3%, versus the prior year period. Harvest volumes decreased 3% to 690,000 tons versus 712,000 tons in the prior year period, as some planned harvests were deferred in response to soft market conditions. Average delivered prices for export sawtimber decreased 23% to \$95.23 per ton versus \$123.07 per ton in the prior year period, primarily due to weaker demand in China and increased supply from Cyclone Gabrielle salvage volume. Despite the significant decline in delivered pricing, export sawtimber net stumpage realizations were down only 4% due to significantly lower port and freight costs versus the prior year period. Average delivered prices for domestic sawtimber declined 9% to \$63.45 per ton versus \$69.69 per ton in the prior year period. The decrease in domestic sawtimber prices (in U.S. dollar terms) was driven in part by the decline in the NZ\$/US\$ exchange rate (US\$0.61 per NZ\$1.00 versus US\$0.62 per NZ\$1.00). Excluding the impact of foreign exchange rates, domestic sawtimber prices decreased 7% versus the prior year period, reflecting weaker domestic demand and decreased competition from export markets. Third quarter non-timber / carbon credit sales totaled \$15.6 million versus \$6.4 million in the prior year period, as increased volumes were sold into the market following a significant uptick in NZU pricing. Operating income of \$17.6 million increased \$8.3 million versus the prior year period primarily due to higher carbon credit sales (\$9.3 million), partially offset by lower net stumpage realizations (\$0.7 million) and lower volumes (\$0.3 million). Third quarter Adjusted EBITDA of \$23.5 million was 51%, or \$7.9 million, above the prior year period.

Year-to-date sales of \$175.4 million decreased \$27.3 million, or 13%, versus the prior year period. Harvest volumes decreased 4% to 1.84 million tons versus 1.93 million tons in the prior year period, primarily due to lost production days resulting from Cyclone Gabrielle in the first quarter and the deferral of planned harvests in response to soft market conditions. Average delivered prices for export sawtimber decreased 21% to \$102.93 per ton versus \$130.71 per ton in the prior year period, driven by increased salvage volume from Cyclone Gabrielle and weaker demand in China. Average delivered prices for domestic sawtimber decreased 8% to \$67.46 per ton versus \$73.72 per ton in the prior year period. The decrease in domestic sawtimber prices (in U.S. dollar terms) was partially driven by the decline in the NZ\$/US\$ exchange rate (US\$0.62 per NZ\$1.00 versus US\$0.65 per NZ\$1.00). Excluding the impact of foreign exchange rates, domestic sawtimber prices decreased 4% versus the prior year period, reflecting weaker domestic demand and decreased competition from export markets. Operating income of \$19.3 million decreased \$3.4 million versus the prior year period due to a timber write-off resulting from a tropical cyclone casualty event (\$2.3 million), lower net stumpage realizations (\$2.2 million), unfavorable foreign exchange impacts (\$2.0 million), lower volumes (\$1.5 million), and higher costs (\$0.9 million), partially offset by higher carbon credit sales (\$5.3 million) and lower depletion rates (\$0.2 million). Year-to-date Adjusted EBITDA of \$37.9 million was 7% or \$2.9 million, below the prior year period.

#### *REAL ESTATE*

Third quarter sales of \$31.2 million increased \$18.7 million versus the prior year period, while operating income of \$9.2 million decreased \$6.6 million versus the prior year period. Prior year third quarter operating income included an \$11.5 million gain attributable to noncontrolling interests associated with the Bainbridge Island multi-family apartment complex sale. Sales increased versus the prior year period primarily due to a higher number of acres sold (4,281 acres sold versus 1,828 acres sold in the prior year period) and an increase in weighted-average prices (\$5,781 per acre versus \$5,064 per acre in the prior year period).

Improved Development sales of \$3.1 million included \$1.8 million from the Heartwood development project south of Savannah, Georgia and \$1.4 million from the Wildlight development project north of Jacksonville, Florida. Sales in Heartwood consisted of 24 finished residential lots for \$1.1 million (\$45,000 per lot or \$290,000 per acre) and a 1.3-acre commercial parcel to be used for a quick-service restaurant for \$0.7 million (\$531,000 per acre). Sales in Wildlight consisted of a 2-acre commercial parcel to be used for a convenience store for \$1.4 million (\$735,000 per acre). This compares to Improved Development sales of \$2.3 million in the prior year period.

Unimproved Development sales of \$0.1 million consisted of a 10-acre transaction for \$11,250 per acre. There were no Unimproved Development sales in the prior year period.

Rural sales of \$20.5 million consisted of 3,799 acres at an average price of \$5,386 per acre. This compares to prior year period sales of \$7.0 million, which consisted of 1,809 acres at an average price of \$3,848 per acre.

Timberland & Non-Strategic sales of \$1.1 million consisted of 466 acres at an average price of \$2,266 per acre. There were no Timberland & Non-Strategic sales in the prior year period.

Third quarter Adjusted EBITDA of \$18.9 million increased \$10.5 million versus the prior year period.

Year-to-date sales of \$79.5 million decreased \$1.5 million versus the prior year period, while operating income of \$18.7 million decreased \$18.2 million versus the prior year period. Prior year period operating income included an \$11.5 million gain attributable to noncontrolling interests associated with the Bainbridge Island multi-family apartment complex sale. Sales and operating income decreased in the first nine months primarily due to lower volumes (10,122 acres sold versus 15,256 acres sold in the prior year period), partially offset by higher weighted-average prices (\$6,501 per acre versus \$5,084 per acre in the prior year period). Year-to-date Adjusted EBITDA of \$45.8 million decreased \$12.7 million versus the prior year period.

#### **TRADING**

Third quarter sales of \$6.8 million decreased \$4.8 million versus the prior year period due to lower volumes and prices. Sales volumes decreased 35% to 61,000 tons versus 95,000 tons in the prior year period. The Trading segment generated an operating loss of \$0.1 million versus operating income of \$0.2 million in the prior year period.

Year-to-date sales of \$34.8 million decreased \$18.0 million versus the prior year period due to lower volumes and prices. Sales volumes decreased 28% to 301,000 tons versus 415,000 tons in the prior year period. Year-to-date operating income and Adjusted EBITDA of \$0.4 million increased \$0.3 million versus the prior year period as improved margins more than offset reduced trading volume.

#### **OTHER ITEMS**

##### **CORPORATE AND OTHER EXPENSE / ELIMINATIONS**

Third quarter corporate and other operating expenses of \$9.4 million increased \$0.5 million versus the prior year period, primarily driven by higher compensation and benefits expenses.

Year-to-date corporate and other operating expenses of \$28.3 million increased \$1.7 million versus the prior year period, primarily due to higher compensation and benefits expenses.

##### **INTEREST EXPENSE**

Third quarter and year-to-date interest expense of \$12.6 million and \$36.7 million increased \$3.5 million and \$10.3 million, respectively, versus the prior year period, primarily due to higher average outstanding debt and a higher weighted-average interest rate.

##### **INTEREST AND OTHER MISCELLANEOUS INCOME, NET**

Year-to-date interest and other miscellaneous income includes \$20.5 million of net recoveries associated with legal settlements.

##### **INCOME TAX EXPENSE**

Third quarter and year-to-date income tax expense of \$0.6 million and \$1.8 million decreased \$0.7 million and \$6.3 million, respectively, versus the prior year period. The New Zealand subsidiary is the primary driver of income tax expense.

## OUTLOOK

In our Southern Timber segment, we continue to expect higher non-timber income for full-year 2023 as compared to full-year 2022, driven by growth in our Land-Based Solutions businesses. In our Pacific Northwest Timber segment, we expect continued softness in end-market demand for the balance of the year. In our New Zealand Timber segment, we expect to remain active in the carbon market following the uptick in NZU pricing during the third quarter; however, we anticipate a lower contribution from carbon sales relative to the third quarter. In our Real Estate segment, the demand for HBU properties and timberland assets has remained strong despite the higher interest rate environment. We expect a significant contribution from our Real Estate segment in the fourth quarter based on transaction volume expected to close.

## LIQUIDITY AND CAPITAL RESOURCES

Our principal source of cash is cash flow from operations, primarily the harvesting of timber and sales of real estate. As an UPREIT, our main use of cash is dividends and unitholder distributions. We also use cash to maintain the productivity of our timberlands through replanting and silviculture. Our operations have generally produced consistent cash flow and required limited capital resources. Short-term borrowings have helped fund working capital needs, while acquisitions of timberlands generally require funding from external sources or Large Dispositions.

## SUMMARY OF LIQUIDITY AND FINANCING COMMITMENTS

(millions of dollars)	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$107.8	\$114.3
Total debt (a)	1,519.0	1,523.1
Noncontrolling interests in the operating partnership	69.8	105.8
Shareholders' equity	1,832.3	1,880.7
Total capitalization (total debt plus permanent and temporary equity)	3,421.1	3,509.6
Debt to capital ratio	44 %	43 %
Net debt to enterprise value (b)(c)	25 %	22 %

(a) Total debt as of September 30, 2023 and December 31, 2022 reflects principal on long-term debt, gross of deferred financing costs and unamortized discounts.

(b) Net debt is calculated as total debt less cash and cash equivalents.

(c) Enterprise value based on market capitalization (including Rayonier, L.P. "OP" units) plus net debt based on Rayonier's share price of \$28.46 and \$32.96 as of September 30, 2023 and December 31, 2022, respectively.

## AT-THE-MARKET ("ATM") EQUITY OFFERING PROGRAM

On November 4, 2022 we entered into a new distribution agreement with a group of sales agents through which we may sell common shares, from time to time, having an aggregate sales price of up to \$300 million (the "2022 ATM Program"). As of September 30, 2023, \$269.7 million remains available for issuance under the program.

The following table outlines common share issuances pursuant to our ATM program (dollars in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Shares of common stock issued under the ATM program	—	—	400	726,248
Average price per share sold under the ATM program	—	—	\$34.03	\$41.46
Gross proceeds from common shares issued under the ATM program	—	—	—	\$30.1

## CASH FLOWS

The following table summarizes our cash flows from operating, investing and financing activities for the nine months ended September 30, 2023 and 2022:

(millions of dollars)	2023	2022
Cash provided by (used for):		
Operating activities	\$208.9	\$209.9
Investing activities	(79.7)	(55.9)
Financing activities	(134.2)	(237.6)

### **CASH PROVIDED BY OPERATING ACTIVITIES**

Cash provided by operating activities decreased \$1.0 million from the prior year period primarily due to lower operating results and changes in working capital.

### **CASH USED FOR INVESTING ACTIVITIES**

Cash used for investing activities increased \$23.8 million from the prior year period due to higher timberland acquisitions (\$10.7 million), higher real estate development investments (\$7.8 million), higher capital expenditures (\$4.9 million), and lower proceeds from other investing activities (\$0.3 million).

### **CASH USED FOR FINANCING ACTIVITIES**

Cash used for financing activities decreased \$103.5 million from the prior year period. This is primarily due to lower net repayments (\$125.0 million), lower distributions to consolidated affiliates (\$16.5 million), and lower distributions to noncontrolling interests in the operating partnership (\$0.5 million), partially offset by lower net proceeds from the issuance of common shares under the ATM equity offering program (\$32.0 million), higher dividends paid on common shares (\$4.0 million), and lower proceeds from the issuance of common shares under the Company's incentive stock plan (\$2.6 million).

### **FUTURE USES OF CASH**

We expect future uses of cash to include working capital requirements, principal and interest payments on long-term debt, lease payments, capital expenditures, real estate development investments, timberland acquisitions, dividends on Rayonier Inc. common shares and distributions on Rayonier, L.P. units, distributions to noncontrolling interests, and repurchases of the Company's common shares to satisfy other commitments.

Significant long-term uses of cash include the following (in millions):

Future uses of cash (in millions)	Total	2023	Payments Due by Period		
			2024-2025	2026-2027	Thereafter
Long-term debt (a)	\$1,519.0	—	\$20.7	\$498.3	\$1,000.0
Interest payments on long-term debt (b)	408.7	24.6	171.8	143.2	69.1
Operating leases — timberland (c)	182.4	4.1	16.1	14.4	147.8
Operating leases — PP&E, offices (c)	6.0	0.4	2.0	0.9	2.7
Commitments — real estate projects	40.3	11.1	19.0	2.3	7.9
Commitments — derivatives (d)	5.1	1.6	3.0	0.5	—
Commitments — environmental remediation (e)	15.7	1.7	9.7	1.3	3.0
Commitments — other (f)	10.3	0.1	10.2	—	—
<b>Total</b>	<b>\$2,187.5</b>	<b>\$43.6</b>	<b>\$252.5</b>	<b>\$660.9</b>	<b>\$1,230.5</b>

- (a) The book value of long-term debt, net of deferred financing costs and unamortized discounts, is currently recorded at \$1,511.5 million on our Consolidated Balance Sheets, but upon maturity the liability will be \$1,519.0 million. See [Note 6 - Debt](#) for additional information.
- (b) Projected interest payments for variable-rate debt were calculated based on outstanding principal amounts and interest rates as of September 30, 2023.
- (c) Excludes anticipated renewal options.
- (d) Commitments — derivatives represent payments expected to be made on derivative financial instruments (foreign exchange contracts). See [Note 7 — Derivative Financial Instruments and Hedging Activities](#) for additional information.
- (e) Commitments — environmental remediation represents our estimate of potential liability associated with environmental contamination and Natural Resource Damages in Port Gamble, Washington. See [Note 10 - Environmental and Natural Resource Damage Liabilities](#) for additional information.
- (f) Commitments — other includes \$8.9 million related to pension plan termination. See [Note 15 - Employee Benefit Plans](#) for additional information.

We expect to fund future uses of cash with a combination of existing cash balances, cash generated by operating activities, the remaining issuances available under the Company's ATM Program, Large Dispositions and the use of our revolving credit facilities. We believe we have sufficient sources of funding to meet our business requirements for the next 12 months and in the longer term.

#### EXPECTED 2023 EXPENDITURES

Capital expenditures in 2023 are expected to be between \$83 million and \$87 million, excluding any strategic timberland acquisitions we may make. Capital expenditures are expected to primarily consist of seedling planting, fertilization and other silvicultural activities, property taxes, lease payments, allocated overhead and other capitalized costs. Aside from capital expenditures, we may also acquire timberland as we actively evaluate acquisition opportunities.

We anticipate real estate development investments in 2023 to be between \$20 million and \$23 million, net of reimbursements from community development bonds. Expected real estate development investments are primarily related to Wildlight, our mixed-use community development project located north of Jacksonville, Florida and Heartwood, our mixed-use development project located in Richmond Hill just south of Savannah, Georgia.

Our 2023 dividend payments on Rayonier Inc. common shares and distributions to Rayonier, L.P. unitholders are expected to be approximately \$170 million and \$3 million, respectively, assuming no change in the quarterly dividend rate of \$0.285 per share or partnership unit, or material changes in the number of shares or partnership units outstanding.

Future share repurchases, if any, will depend on the Company's liquidity and cash flow, as well as general market conditions and other considerations including capital allocation priorities.

Full-year 2023 cash tax payments are expected to be between \$5.0 million and \$7.0 million, primarily related to the New Zealand subsidiary.

See [Note 1 – Basis of Presentation](#) for information regarding subsequent events that are expected to impact our future sources and uses of cash.

## OFF-BALANCE SHEET ARRANGEMENTS

We utilize off-balance sheet arrangements to provide credit support for certain suppliers and vendors in case of their default on critical obligations, and collateral for outstanding claims under our previous workers' compensation self-insurance programs. These arrangements consist of standby letters of credit and surety bonds. As part of our ongoing operations, we also periodically issue guarantees to third parties. Off-balance sheet arrangements are not considered a source of liquidity or capital resources and do not expose us to material risks or material unfavorable financial impacts. See [Note 11 — Guarantees](#) for details on the letters of credit and surety bonds as of September 30, 2023.

## SUMMARY OF GUARANTOR FINANCIAL INFORMATION

In May 2021, Rayonier, L.P. issued \$450 million of 2.75% Senior Notes due 2031 (the "Senior Notes due 2031"). Rayonier TRS Holdings Inc., Rayonier Inc., and Rayonier Operating Company, LLC agreed to irrevocably, fully and unconditionally guarantee jointly and severally, the obligations of Rayonier, L.P. in regards to the Senior Notes due 2031. As a general partner of Rayonier, L.P., Rayonier Inc. consolidates Rayonier, L.P. and has no material assets or liabilities other than its interest in Rayonier, L.P. These notes are unsecured and unsubordinated and will rank equally with all other unsecured and unsubordinated indebtedness from time to time outstanding.

Rayonier, L.P. is a limited partnership, in which Rayonier Inc. is the general partner. The operating subsidiaries of Rayonier, L.P. conduct all of our operations. Rayonier, L.P.'s most significant assets are its interest in operating subsidiaries, which have been excluded in the table below to eliminate intercompany transactions between the issuer and guarantors and to exclude investments in non-guarantors. As a result, our ability to make required payments on the notes depends on the performance of our operating subsidiaries and their ability to distribute funds to us. There are no material restrictions on dividends from the operating subsidiaries.

The summarized balance sheet information for the consolidated obligor group of debt issued by Rayonier, L.P. for the nine months ended September 30, 2023 and year ended December 31, 2022 are provided in the table below:

(in millions)	September 30, 2023	December 31, 2022
Current assets	\$89.9	\$112.2
Non-current assets	128.3	122.8
Current liabilities	21.7	19.8
Non-current liabilities	2,223.3	2,001.9
Due to non-guarantors	747.5	520.4

The summarized results of operations information for the consolidated obligor group of debt issued by Rayonier, L.P. for the nine months ended September 30, 2023 and year ended December 31, 2022 are provided in the table below:

(in millions)	September 30, 2023	December 31, 2022
Cost and expenses	(\$23.5)	(\$28.9)
Operating loss	(23.4)	(28.9)
Net loss	(50.9)	(54.3)
Revenue from non-guarantors	641.5	977.9

## PERFORMANCE AND LIQUIDITY INDICATORS

The discussion below is presented to enhance the reader's understanding of our operating performance, liquidity, and ability to generate cash and satisfy rating agency and creditor requirements. This information includes two measures of financial results: Adjusted Earnings before Interest, Taxes, Depreciation, Depletion and Amortization ("Adjusted EBITDA") and Cash Available for Distribution ("CAD"). These measures are not defined by Generally Accepted Accounting Principles ("GAAP"), and the discussion of Adjusted EBITDA and CAD is not intended to conflict with or change any of the GAAP disclosures described above.

Management uses CAD as a liquidity measure. CAD is a non-GAAP measure of cash generated during a period that is available for common share dividends, distributions to operating partnership unitholders, distributions to noncontrolling interests, repurchase of the Company's common shares, debt reduction, timberland acquisitions and real estate development investments. CAD is defined as cash provided by operating activities adjusted for capital spending (excluding timberland acquisitions and real estate development investments) and working capital and other balance sheet changes. CAD is not necessarily indicative of the CAD that may be generated in future periods.

Management uses Adjusted EBITDA as a performance measure. 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 excludes specific items that management believes are not indicative of the Company's ongoing operating results. We define Adjusted EBITDA as earnings before interest, taxes, depreciation, depletion, amortization, the non-cash cost of land and improved development, non-operating income and expense, the gain associated with the multi-family apartment complex sale attributable to noncontrolling interests, timber write-offs resulting from casualty events and Large Dispositions.

We reconcile Adjusted EBITDA to Net Income for the consolidated Company and to Operating Income for the segments, as those are the most comparable GAAP measures for each. The following table provides a reconciliation of Net Income to Adjusted EBITDA for the respective periods (in millions of dollars):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Net Income to Adjusted EBITDA Reconciliation</b>				
Net Income	\$22.7	\$31.9	\$49.3	\$88.1
Interest, net and miscellaneous income	12.0	7.9	35.5	25.0
Income tax expense	0.6	1.2	1.8	8.1
Depreciation, depletion and amortization	37.0	31.1	114.3	114.2
Non-cash cost of land and improved development	6.6	3.1	20.2	20.3
Gain associated with the multi-family apartment complex sale attributable to NCI (a)	—	(11.5)	—	(11.5)
Timber write-offs resulting from casualty events (b)	—	1.1	2.3	1.1
Non-operating expense (income) (c)	0.1	(0.1)	(20.5)	0.5
Adjusted EBITDA	<u>\$78.9</u>	<u>\$64.7</u>	<u>\$202.9</u>	<u>\$245.8</u>

(a) Gain associated with the multi-family apartment complex sale attributable to NCI represents the gain recognized in connection with the sale of property by the Bainbridge Landing joint venture attributable to noncontrolling interests.

(b) Timber write-offs resulting from casualty events includes the write-off of merchantable and pre-merchantable timber volume damaged by casualty events which cannot be salvaged.

(c) The nine months ended September 30, 2023 includes \$20.5 million of net recoveries associated with legal settlements.

The following tables provide a reconciliation of Operating Income (Loss) by segment to Adjusted EBITDA by segment for the respective periods (in millions of dollars):

Three Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>September 30, 2023</b>							
Operating income (loss)	\$18.6	(\$0.6)	\$17.6	\$9.2	(\$0.1)	(\$9.4)	\$35.4
Depreciation, depletion and amortization	19.2	8.3	6.0	3.1	—	0.4	37.0
Non-cash cost of land and improved development	—	—	—	6.6	—	—	6.6
Adjusted EBITDA	<u>\$37.8</u>	<u>\$7.8</u>	<u>\$23.5</u>	<u>\$18.9</u>	<u>(\$0.1)</u>	<u>(\$9.0)</u>	<u>\$78.9</u>
<b>September 30, 2022</b>							
Operating income	\$22.5	\$2.2	\$9.3	\$15.7	\$0.2	(\$9.0)	\$40.9
Gain associated with the multi-family apartment complex sale attributable to NCI (a)	—	—	—	(11.5)	—	—	(11.5)
Timber write-off resulting from a casualty event (b)	—	1.1	—	—	—	—	1.1
Depreciation, depletion and amortization	14.1	9.4	6.3	1.0	—	0.3	31.1
Non-cash cost of land and improved development	—	—	—	3.1	—	—	3.1
Adjusted EBITDA	<u>\$36.6</u>	<u>\$12.6</u>	<u>\$15.6</u>	<u>\$8.4</u>	<u>\$0.2</u>	<u>(\$8.6)</u>	<u>\$64.7</u>

(a) Gain associated with the multi-family apartment complex sale attributable to NCI represents the gain recognized in connection with the sale of property by the Bainbridge Landing joint venture attributable to noncontrolling interests.

(b) Timber write-off resulting from a casualty event includes the write-off of merchantable and pre-merchantable timber volume damaged by a casualty event which cannot be salvaged.

Nine Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>September 30, 2023</b>							
Operating income (loss)	\$62.6	(\$6.5)	\$19.3	\$18.7	\$0.4	(\$28.3)	\$66.1
Timber write-off resulting from a casualty event (a)	—	—	2.3	—	—	—	2.3
Depreciation, depletion and amortization	61.6	28.2	16.3	6.8	—	1.3	114.3
Non-cash cost of land and improved development	—	—	—	20.2	—	—	20.2
Adjusted EBITDA	<u>\$124.2</u>	<u>\$21.7</u>	<u>\$37.9</u>	<u>\$45.8</u>	<u>\$0.4</u>	<u>(\$27.1)</u>	<u>\$202.9</u>
<b>September 30, 2022</b>							
Operating income	\$76.9	\$11.7	\$22.7	\$37.0	\$0.1	(\$26.6)	\$121.7
Gain associated with the multi-family apartment complex sale attributable to NCI (b)	—	—	—	(11.5)	—	—	(11.5)
Timber write-off resulting from casualty event (a)	—	1.1	—	—	—	—	1.1
Depreciation, depletion and amortization	46.8	35.6	18.2	12.7	—	0.9	114.2
Non-cash cost of land and improved development	—	—	—	20.3	—	—	20.3
Adjusted EBITDA	<u>\$123.7</u>	<u>\$48.4</u>	<u>\$40.8</u>	<u>\$58.4</u>	<u>\$0.1</u>	<u>(\$25.7)</u>	<u>\$245.8</u>

(a) Timber write-off resulting from a casualty event includes the write-off of merchantable and pre-merchantable timber volume damaged by a casualty event which cannot be salvaged.

(b) Gain associated with the apartment complex sale attributable to NCI represents the gain recognized in connection with the sale of property by the Bainbridge Landing joint venture attributable to noncontrolling interests.



The following table provides a reconciliation of Cash Provided by Operating Activities to Adjusted CAD (in millions of dollars):

	Nine Months Ended September 30,	
	2023	2022
Cash provided by operating activities	\$208.9	\$209.9
Capital expenditures (a)	(53.1)	(48.2)
Net recoveries on legal settlements	(20.5)	—
Working capital and other balance sheet changes	(21.8)	(2.9)
CAD	\$113.5	\$158.8
Mandatory debt repayments	—	—
CAD after mandatory debt repayments	\$113.5	\$158.8
Cash used for investing activities	(\$79.7)	(\$55.9)
Cash used for financing activities	(\$134.2)	(\$237.6)

(a) Capital expenditures exclude timberland acquisitions of \$14.0 million and \$3.2 million during the nine months ended September 30, 2023 and September 30, 2022, respectively.

The following table provides supplemental cash flow data (in millions of dollars):

	Nine Months Ended September 30,	
	2023	2022
Purchase of timberlands	(\$14.0)	(\$3.2)
Real Estate Development Investments	(18.8)	(10.9)
Distributions to noncontrolling interests in consolidated affiliates	—	(16.5)

## LIQUIDITY FACILITIES

### 2023 DEBT ACTIVITY

See [Note 6 — Debt](#) for additional information.

### Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various market risks, including changes in interest rates, commodity prices and foreign exchange rates. Our objective is to minimize the economic impact of these market risks. We use derivatives in accordance with policies and procedures approved by the Audit Committee of the Board of Directors. Derivatives are managed by a senior executive committee whose responsibilities include initiating, managing and monitoring resulting exposures. We do not enter into financial instruments for trading or speculative purposes.

#### *Interest Rate Risk*

Due to the discontinuation of LIBOR on June 30, 2023, we amended our outstanding variable rate debt agreements and active interest rate swaps to change the interest rate benchmark from LIBOR to Daily Simple SOFR in December 2022. In March 2023, we modified our benchmark rates from LIBOR to Daily Simple SOFR for our forward-starting interest rates swaps. We are exposed to interest rate risk through our variable rate debt due to changes in SOFR. However, we use interest rate swaps to manage our exposure to interest rate movements on our term credit agreements by swapping existing and anticipated future borrowings from floating rates to fixed rates. As of September 30, 2023, we had \$1 billion of U.S. long-term variable rate debt outstanding on our term credit agreements.

The notional amount of outstanding interest rate swap contracts with respect to our term credit agreements at September 30, 2023 was \$850 million. The \$350 million 2015 Term Loan Facility matures in April 2028, with the associated interest rate swaps maturing in August 2024. We have entered into forward starting interest rate swaps to cover \$200 million of the 2015 Term Loan Facility through the extended maturity date. The 2016 Incremental Term Loan Facility and associated interest rate swaps mature in May 2026, and the 2021 Incremental Term Loan Facility and associated interest rate swaps mature in June 2029. We have entered into an interest rate swap agreement to cover \$100 million of borrowings under the 2022 Incremental Term Loan Facility through the maturity date in December 2027. At this borrowing level, a hypothetical one-percentage point increase/decrease in interest rates would result in a corresponding increase/decrease in interest payments and expense of approximately \$1.5 million over a 12-month period.

The fair market value of our fixed interest rate debt is also subject to interest rate risk. The estimated fair value of our fixed rate debt at September 30, 2023 was \$422.2 million compared to the \$519.0 million principal amount. We use interest rates of debt with similar terms and maturities to estimate the fair value of our debt. Generally, the fair market value of fixed-rate debt will increase as interest rates fall and decrease as interest rates rise. A hypothetical one-percentage point increase/decrease in prevailing interest rates at September 30, 2023 would result in a corresponding decrease/increase in the fair value of our fixed rate debt of approximately \$24 million and \$26 million, respectively.

We estimate the periodic effective interest rate on our long-term fixed and variable rate debt to be approximately 3.1% after consideration of interest rate swaps and estimated patronage refunds, excluding unused commitment fees on the revolving credit facility.

The following table summarizes our outstanding debt, interest rate swaps and average interest rates, by year of expected maturity and their fair values at September 30, 2023:

(Dollars in thousands)	2023	2024	2025	2026	2027	Thereafter	Total	Fair Value
<b>Variable rate debt:</b>								
Principal amounts	—	—	—	\$200,000	\$250,000	\$550,000	\$1,000,000	\$1,000,000
Average interest rate (a)(b)	—	—	—	7.05 %	7.00 %	6.99 %	7.00 %	
<b>Fixed rate debt:</b>								
Principal amounts	—	—	\$20,709	\$24,161	\$24,161	\$450,000	\$519,030	\$422,224
Average interest rate (b)	—	—	2.95 %	3.64 %	6.48 %	2.75 %	2.97 %	
<b>Interest rate swaps:</b>								
Notional amount	—	\$350,000	—	\$200,000	\$100,000	\$200,000	\$850,000	\$62,520
Average pay rate (b)	—	2.18 %	—	1.50 %	3.72 %	0.67 %	1.85 %	
Average receive rate (b)	—	5.30 %	—	5.30 %	5.30 %	5.30 %	5.30 %	
<b>Forward-starting interest rate swaps</b>								
Notional amount	—	—	—	—	—	\$200,000	\$200,000	\$17,501
Average pay rate (b)	—	—	—	—	—	1.37 %	1.37 %	
Average receive rate (b)	—	—	—	—	—	5.30 %	5.30 %	

(a) Excludes estimated patronage refunds.

(b) Interest rates as of September 30, 2023.

#### Foreign Currency Exchange Rate Risk

The New Zealand subsidiary's export sales are predominately denominated in U.S. dollars, and therefore its cash flows are affected by fluctuations in the exchange rate between the New Zealand dollar and the U.S. dollar. This exposure is partially managed by a natural currency hedge, as ocean freight payments and shareholder distributions are also paid in U.S. dollars. We manage any excess foreign exchange exposure through the use of derivative financial instruments.

#### Foreign Exchange Exposure

At September 30, 2023, the New Zealand subsidiary had foreign currency exchange contracts with a notional amount of \$127.2 million and foreign currency option contracts with a notional amount of \$86.0 million outstanding related to foreign export sales. The amount hedged represents a portion of forecasted U.S. dollar denominated export timber and log trading sales proceeds over the next 36 months and next 2 months, respectively.

The following table summarizes our outstanding foreign currency exchange rate risk contracts at September 30, 2023:

(Dollars in thousands)	0-1 months	1-2 months	2-3 months	3-6 months	6-12 months	12-18 months	18-24 months	24-36 months	Total	Fair Value
<b>Foreign exchange contracts to sell U.S. dollar for New Zealand dollar</b>										
Notional amount	\$8,500	\$6,200	\$5,000	\$15,000	\$34,000	\$14,500	\$12,000	\$32,000	\$127,200	(\$4,585)
Average contract rate	1.5225	1.5312	1.5350	1.5403	1.6136	1.6836	1.6572	1.6521	1.6135	
<b>Foreign currency option contracts to sell U.S. dollar for New Zealand dollar</b>										
Notional amount	\$2,000	\$2,000	\$2,000	\$6,000	\$12,000	\$24,000	\$24,000	\$14,000	\$86,000	(\$534)
Average strike price	1.4946	1.4969	1.5243	1.5684	1.6347	1.6446	1.7150	1.6680	1.6517	

## Item 4. CONTROLS AND PROCEDURES

### DISCLOSURE CONTROLS AND PROCEDURES

#### *Rayonier Inc.*

Rayonier's management is responsible for establishing and maintaining adequate disclosure controls and procedures. Disclosure controls and procedures (as defined in Rule 13a-15(e)) under the Securities Exchange Act of 1934 (the "Exchange Act"), are designed with the objective of ensuring information required to be disclosed by the Company in reports filed under the Exchange Act, such as this quarterly report on Form 10-Q, is (1) recorded, processed, summarized and reported or submitted within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Because of the inherent limitations in all control systems, no control evaluation can provide absolute assurance that all control exceptions and instances of fraud have been prevented or detected on a timely basis. Even systems determined to be effective can provide only reasonable assurance that their objectives are achieved.

Based on an evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this quarterly report on Form 10-Q, our management, including the Chief Executive Officer and Chief Financial Officer, concluded the design and operation of the disclosure controls and procedures were effective as of September 30, 2023.

In the quarter ended September 30, 2023, based upon the evaluation required by Rule 13a-15(d) under the Exchange Act, there were no changes in our internal control over financial reporting that would materially affect or are reasonably likely to materially affect our internal control over financial reporting.

#### *Rayonier, L.P.*

The Operating Partnership is responsible for establishing and maintaining adequate disclosure controls and procedures. Disclosure controls and procedures (as defined in Rule 13a-15(e)) under the Securities Exchange Act of 1934 (the "Exchange Act"), are designed with the objective of ensuring information required to be disclosed by Rayonier, L.P. in reports filed under the Exchange Act, such as this quarterly report on Form 10-Q, is (1) recorded, processed, summarized and reported or submitted within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including Rayonier's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Because of the inherent limitations in all control systems, no control evaluation can provide absolute assurance that all control exceptions and instances of fraud have been prevented or detected on a timely basis. Even systems determined to be effective can provide only reasonable assurance that their objectives are achieved.

Based on an evaluation of the Operating Partnership's disclosure controls and procedures as of the end of the period covered by this quarterly report on Form 10-Q, management, including Rayonier's Chief Executive Officer and Chief Financial Officer, concluded the design and operation of the disclosure controls and procedures were effective as of September 30, 2023.

In the quarter ended September 30, 2023, based upon the evaluation required by Rule 13a-15(d) under the Exchange Act, there were no changes in internal controls over financial reporting that would materially affect or are reasonably likely to materially affect internal controls over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. LEGAL PROCEEDINGS

The information set forth in [Note 9 — Contingencies](#) and in [Note 10 – Environmental and Natural Resource Damage Liabilities](#) in the "Notes to Consolidated Financial Statements" under Item 1 of Part I of this report is incorporated herein by reference.

## Item 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Rayonier Inc.

### REGISTERED SALES OF EQUITY SECURITIES

From time to time, the Company may issue its common shares in exchange for units in the Operating Partnership. Such shares are issued based on an exchange ratio of one common share for each unit in the Operating Partnership. During the quarter ended September 30, 2023, the Company issued 15,904 common shares in exchange for an equal number of units in the Operating Partnership pursuant to the agreement of the Operating Partnership.

### ISSUER PURCHASES OF EQUITY SECURITIES

In February 2016, the Board of Directors approved the repurchase of up to \$100 million of Rayonier's common shares (the "share repurchase program") to be made at management's discretion. The program has no time limit and may be suspended or discontinued at any time. There were no shares repurchased under this program in the third quarter of 2023. As of September 30, 2023, there was \$87.7 million, or approximately 3,082,518 shares based on the period-end closing stock price of \$28.46, remaining under this program.

The following table provides information regarding our purchases of Rayonier common shares during the quarter ended September 30, 2023:

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (c)
July 1 to July 31	38	\$31.40	—	2,648,806
August 1 to August 31	10	32.94	—	2,934,062
September 1 to September 30	920	30.11	—	3,082,518
Total	968		—	

(a) Includes 968 shares repurchased to satisfy tax withholding requirements related to the vesting of shares under the Rayonier Incentive Stock Plan. The price per share surrendered is based on the closing price of the Company's common shares on the respective vesting dates of the awards.

(b) Purchases made in open-market transactions under the \$100 million share repurchase program announced on February 10, 2016.

(c) Maximum number of shares authorized to be purchased under the share repurchase program at the end of July, August and September are based on month-end closing stock prices of \$33.12, \$29.90 and \$28.46, respectively.

Rayonier, L.P.

### UNREGISTERED SALES OF EQUITY SECURITIES

There were no unregistered sales of equity securities made by the Operating Partnership during the quarter ended September 30, 2023.

### ISSUER PURCHASES OF EQUITY SECURITIES

Pursuant to the Operating Partnership's limited partnership agreement, limited partners have the right to redeem their units in the Operating Partnership for cash, or at our election, shares of Rayonier Common Stock on a one-for-one basis. During the quarter ended September 30, 2023, 15,904 units in the Operating Partnership held by limited partners were redeemed in exchange for shares of Rayonier Common Stock.

**Item 5. OTHER INFORMATION**

*Insider Trading Arrangements and Policies*

None of the Company's directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended September 30, 2023, as such terms are defined under item 408(a) of Regulation S-K.

**Item 6. EXHIBITS**

- |      |   |   |
|------|---|---|
| 22.1 | <a href="#">List of Guarantor Subsidiaries</a>  | Incorporated by reference to Exhibit 22.1 to the Registrant's June 30, 2022 Form 10-Q<br>Filed herewith |
| 31.1 | <a href="#">Rayonier Inc. - Chief Executive Officer's Certification Pursuant to Rule 13a-14(a)/15d-14(a) and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  | Filed herewith  |
| 31.2 | <a href="#">Rayonier Inc. - Chief Financial Officer's Certification Pursuant to Rule 13a-14(a)/15d-14(a) and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  | Filed herewith  |
| 31.3 | <a href="#">Rayonier, L.P. - Chief Executive Officer's Certification Pursuant to Rule 13a-14(a)/15d-14(a) and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>   | Filed herewith  |
| 31.4 | <a href="#">Rayonier, L.P. - Chief Financial Officer's Certification Pursuant to Rule 13a-14(a)/15d-14(a) and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>   | Filed herewith  |
| 32.1 | <a href="#">Rayonier Inc. - Certification of Periodic Financial Reports Under Section 906 of the Sarbanes-Oxley Act of 2002</a>   | Furnished herewith  |
| 32.2 | <a href="#">Rayonier, L.P. - Certification of Periodic Financial Reports Under Section 906 of the Sarbanes-Oxley Act of 2002</a>  | Furnished herewith  |
| 101  | The following financial information from Rayonier Inc. and Rayonier, L.P.'s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023, formatted in Inline Extensible Business Reporting Language ("iXBRL"), includes: (i) the Consolidated Statements of Income and Comprehensive Income for the Three and Nine Months Ended September 30, 2023 and 2022 of Rayonier Inc.; (ii) the Consolidated Balance Sheets as of September 30, 2023 and December 31, 2022 of Rayonier Inc.; (iii) the Consolidated Statements of Changes in Shareholders' Equity for the Nine Months Ended September 30, 2023 and 2022 of Rayonier Inc.; (iv) the Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2023 and 2022 of Rayonier Inc.; (v) the Consolidated Statements of Income and Comprehensive Income for the Three and Nine Months Ended September 30, 2023 and 2022 of Rayonier, L.P.; (vi) the Consolidated Balance Sheets as of September 30, 2023 and December 31, 2022 of Rayonier, L.P.; (vii) the Consolidated Statements of Changes in Capital for the Nine Months Ended September 30, 2023 and 2022 of Rayonier, L.P.; (viii) the Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2023 and 2022 of Rayonier, L.P.; and (ix) the Notes to Consolidated Financial Statements of Rayonier Inc. and Rayonier, L.P. | Filed herewith  |
| 104  | The cover page from the Company's Quarterly Report on Form 10-Q from the quarter ended September 30, 2023, formatted in Inline XBRL (included as Exhibit 101).  | Filed herewith  |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, each of the registrants has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**RAYONIER INC.**

By: /s/ APRIL TICE

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April Tice  
*Vice President and Chief Accounting Officer*  
*(Duly Authorized Officer, Principal Accounting Officer)*

Date: November 3, 2023

**RAYONIER, L.P.**

**By: RAYONIER INC., its sole general partner**

By: /s/ APRIL TICE

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April Tice  
*Vice President and Chief Accounting Officer*  
*(Duly Authorized Officer, Principal Accounting Officer)*

Date: November 3, 2023



**CERTIFICATION**

I, David L. Nunes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rayonier Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

/s/ DAVID L. NUNES

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David L. Nunes  
*Chief Executive Officer, Rayonier Inc.*

**CERTIFICATION**

I, Mark McHugh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rayonier Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

/s/ MARK MCHUGH

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Mark McHugh  
*President and Chief Financial Officer, Rayonier Inc.*

**CERTIFICATION**

I, David L. Nunes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rayonier, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

/s/ DAVID L. NUNES

David L. Nunes

*Chief Executive Officer of Rayonier Inc., General Partner*

**CERTIFICATION**

I, Mark McHugh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rayonier, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

/s/ MARK MCHUGH

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Mark McHugh  
*President and Chief Financial Officer  
of Rayonier Inc., General Partner*

**CERTIFICATION**

The undersigned hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to our knowledge:

1. The quarterly report on Form 10-Q of Rayonier Inc. (the "Company") for the period ended September 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 3, 2023

/s/ DAVID L. NUNES

David L. Nunes

*Chief Executive Officer, Rayonier Inc.*

/s/ MARK MCHUGH

Mark McHugh

*President and Chief Financial Officer, Rayonier Inc.*

A signed original of this written statement required by Section 906 has been provided to Rayonier, Inc. and will be retained by Rayonier, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.
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**CERTIFICATION**

The undersigned hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to our knowledge:

1. The quarterly report on Form 10-Q of Rayonier, L.P. (the "Rayonier Operating Partnership") for the period ended September 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information in the Report fairly presents, in all material respects, the financial condition and results of operations of the Rayonier Operating Partnership.

November 3, 2023

/s/ DAVID L. NUNES

David L. Nunes

*Chief Executive Officer of Rayonier Inc., General Partner*

/s/ MARK MCHUGH

Mark McHugh

*President and Chief Financial Officer of Rayonier Inc., General Partner*

A signed original of this written statement required by Section 906 has been provided to Rayonier, L.P. and will be retained by Rayonier, L.P. and furnished to the Securities and Exchange Commission or its staff upon request.