



MORE THAN
trees

Q1 2019 Financial Supplement

May 2019



Safe Harbor Statement

Forward-Looking Statements - Certain statements in this presentation regarding anticipated financial outcomes including Rayonier's earnings guidance, if any, business and market conditions, outlook, expected dividend rate, Rayonier's business strategies, including expected harvest schedules, timberland acquisitions and dispositions, the anticipated benefits of Rayonier's business strategies, and other similar statements relating to Rayonier's future events, developments or financial or operational performance or results, are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements are identified by the use of words such as "may," "will," "should," "expect," "estimate," "believe," "intend," "project," "anticipate" and other similar language. However, the absence of these or similar words or expressions does not mean that a statement is not forward-looking. While management believes that these forward-looking statements are reasonable when made, forward-looking statements are not guarantees of future performance or events and undue reliance should not be placed on these statements.

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

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

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

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Section 1



Financial and Segment Information

Financial Highlights

(\$ in millions, except per share data)

| Profitability | Q1 2019 | Q4 2018 | Q1 2018 |
|--|---------|---------|---------|
| Sales | \$191.5 | \$166.1 | \$203.2 |
| Operating Income | 38.5 | 15.0 | 57.1 |
| Net Income Attributable to Rayonier Inc. | 24.8 | 2.0 | 40.5 |
| Adjusted EBITDA ⁽¹⁾ | 79.0 | 49.9 | 93.2 |
| Diluted Earnings Per Share: | | | |
| Net Income Attributable to Rayonier Inc. | 0.19 | 0.02 | 0.31 |
| Average Diluted Shares (millions) | 129.8 | 129.7 | 129.6 |

| Capital Resources & Liquidity | Three Months Ended March 31, | |
|--|------------------------------|--------|
| | 2019 | 2018 |
| Cash provided by Operating Activities | \$70.9 | \$78.2 |
| Cash used for Investing Activities | (25.8) | (17.6) |
| Cash used for Financing Activities | (37.9) | (56.1) |
| Cash Available for Distribution (CAD) ⁽¹⁾ | 62.2 | 77.2 |

| | 3/31/2019 | 12/31/2018 |
|--|-----------|------------|
| Debt ⁽²⁾ | \$975.0 | \$975.0 |
| Cash ⁽³⁾ | 154.6 | 148.4 |
| Net Debt | 820.4 | 826.6 |
| Net Debt / Enterprise Value ⁽⁴⁾ | 17% | 19% |

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

(2) Debt as of March 31, 2019 includes \$975.0 million of long-term borrowings, gross of \$2.3 million of deferred financing costs.

(3) Excludes \$9.3 million and \$7.5 million of restricted cash held by LKE intermediaries as of March 31, 2019 and December 31, 2018, respectively.

(4) Enterprise Value based on equity market capitalization plus net debt at March 31, 2019 and December 31, 2018, respectively.

Variance Analysis – Q1 2018 to Q1 2019

Operating Income (\$ in millions)

| | Southern Timber | Pacific Northwest Timber | New Zealand Timber | Real Estate | Trading | Corporate and Other | Total |
|--|-----------------|--------------------------|--------------------|---------------|--------------|---------------------|---------------|
| Q1-18 Operating Income | \$12.2 | \$4.7 | \$16.0 | \$28.1 | \$0.1 | (\$4.0) | \$57.1 |
| Volume | 3.6 | (1.9) | 1.5 | (9.6) | — | — | (6.4) |
| Price ⁽¹⁾ | 1.4 | (6.1) | (0.9) | (4.0) | — | — | (9.6) |
| Cost | (0.2) | (0.3) | (0.4) | (0.4) | 0.4 | (0.9) | (1.8) |
| Non-timber income ⁽²⁾ | 4.5 | (0.4) | 0.2 | — | — | — | 4.3 |
| Foreign exchange ⁽³⁾ | — | — | (0.2) | — | — | — | (0.2) |
| Depreciation, depletion & amortization | — | 0.3 | (0.5) | (1.2) | — | — | (1.4) |
| Non-cash cost of land and improved development | — | — | — | (2.9) | — | — | (2.9) |
| Other ⁽⁴⁾ | — | — | — | — | — | (0.6) | (0.6) |
| Q1-19 Operating Income (Loss) | \$21.5 | (\$3.7) | \$15.7 | \$10.0 | \$0.5 | (\$5.5) | \$38.5 |

Adjusted EBITDA⁽⁵⁾ (\$ in millions)

| | Southern Timber | Pacific Northwest Timber | New Zealand Timber | Real Estate | Trading | Corporate and Other | Total |
|----------------------------------|-----------------|--------------------------|--------------------|---------------|--------------|---------------------|---------------|
| Q1-18 Adjusted EBITDA | \$28.2 | \$14.2 | \$21.7 | \$32.7 | \$0.1 | (\$3.7) | \$93.2 |
| Volume | 7.3 | (4.3) | 1.9 | (10.9) | — | — | (6.0) |
| Price ⁽¹⁾ | 1.4 | (6.1) | (0.9) | (4.0) | — | — | (9.6) |
| Cost | (0.2) | (0.3) | (0.4) | (0.4) | 0.4 | (0.9) | (1.8) |
| Non-timber income ⁽²⁾ | 4.5 | (0.4) | 0.2 | — | — | — | 4.3 |
| Foreign exchange ⁽³⁾ | — | — | (0.5) | — | — | — | (0.5) |
| Other ⁽⁴⁾ | — | — | — | — | — | (0.6) | (0.6) |
| Q1-19 Adjusted EBITDA | \$41.2 | \$3.1 | \$22.0 | \$17.4 | \$0.5 | (\$5.2) | \$79.0 |

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

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

(3) Net of currency hedging impact.

(4) Prior year period includes \$0.6 million from the sale of unused Internet Protocol addresses.

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

Liquidity Measures – Cash Available for Distribution

| (\$ in millions, except per share data) | Three Months Ended March 31, | |
|--|------------------------------|---------------|
| | 2019 | 2018 |
| Cash Provided by Operating Activities | \$70.9 | \$78.2 |
| Working capital and other balance sheet changes | 5.4 | 12.2 |
| Capital expenditures ⁽¹⁾ | (14.1) | (13.2) |
| Cash Available for Distribution⁽²⁾ | \$62.2 | \$77.2 |
| Net Income | \$27.8 | \$42.7 |
| Interest, net and miscellaneous income | 6.7 | 7.7 |
| Income tax expense | 4.3 | 6.9 |
| Depreciation, depletion and amortization | 36.5 | 34.5 |
| Non-cash cost of land and improved development | 4.0 | 1.6 |
| Non-operating income | (0.3) | (0.2) |
| Adjusted EBITDA⁽²⁾ | \$79.0 | \$93.2 |
| Cash interest paid ⁽³⁾ | (2.1) | (2.6) |
| Cash taxes paid | (0.6) | (0.2) |
| Capital expenditures ⁽¹⁾ | (14.1) | (13.2) |
| Cash Available for Distribution⁽²⁾ | \$62.2 | \$77.2 |
| Cash Available for Distribution | 62.2 | 77.2 |
| Real estate development investments | (1.7) | (2.3) |
| Cash Available for Distribution after real estate development investments | \$60.5 | \$74.9 |
| Shares outstanding at period end | 129,513,566 | 129,174,301 |
| CAD per Share | \$0.48 | \$0.60 |
| Dividends per Share | \$0.27 | \$0.25 |

(1) Capital expenditures exclude timberland acquisitions of \$12.3 million during the three months ended March 31, 2019.

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

(3) Cash interest paid is presented net of patronage refunds received of \$3.9 million and \$3.7 million for the three months ended March 31, 2019 and March 31, 2018, respectively.

Southern Timber Overview

| | 2018 | | | | | 2019 | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----|----|----|----------------|
| | Q1 | Q2 | Q3 | Q4 | FY 2018 | Q1 | Q2 | Q3 | Q4 | YTD |
| Sales Volume (Tons in 000s) | | | | | | | | | | |
| Pine Pulpwood | 943 | 905 | 828 | 768 | 3,444 | 1,122 | — | — | — | 1,122 |
| Pine Sawtimber | 580 | 503 | 427 | 524 | 2,034 | 744 | — | — | — | 744 |
| Total Pine Volume | 1,523 | 1,408 | 1,255 | 1,292 | 5,478 | 1,865 | — | — | — | 1,865 |
| Hardwood | 45 | 82 | 75 | 38 | 240 | 70 | — | — | — | 70 |
| Total Volume | 1,568 | 1,490 | 1,330 | 1,330 | 5,718 | 1,935 | — | — | — | 1,935 |
| % Delivered Sales | 23% | 29% | 34% | 35% | 30% | 27% | — | — | — | 27% |
| % Stumpage Sales | 77% | 71% | 66% | 65% | 70% | 73% | — | — | — | 73% |
| Net Stumpage Pricing (\$ per ton)⁽¹⁾ | | | | | | | | | | |
| Pine Pulpwood | \$17.11 | \$16.05 | \$16.74 | \$14.82 | \$16.20 | \$17.94 | — | — | — | \$17.94 |
| Pine Sawtimber | 26.31 | 26.23 | 25.55 | 24.03 | 25.59 | 26.38 | — | — | — | 26.38 |
| Weighted Average Pine | \$20.61 | \$19.69 | \$19.74 | \$18.55 | \$19.69 | \$21.31 | — | — | — | \$21.31 |
| Hardwood | 10.49 | 12.12 | 13.34 | 12.62 | 12.27 | 13.80 | — | — | — | 13.80 |
| Weighted Average Total | \$20.32 | \$19.27 | \$19.36 | \$18.37 | \$19.37 | \$21.03 | — | — | — | \$21.03 |
| Summary Financial Data (\$ in MMs) | | | | | | | | | | |
| Timber Sales | \$38.1 | \$37.3 | \$34.8 | \$33.6 | \$143.9 | \$51.0 | — | — | — | \$51.0 |
| (-) Cut, Haul & Freight | (6.3) | (8.6) | (9.1) | (9.2) | (33.1) | (10.3) | — | — | — | (10.3) |
| Net Stumpage Sales | \$31.9 | \$28.7 | \$25.7 | \$24.4 | \$110.8 | \$40.7 | — | — | — | \$40.7 |
| Non-Timber Sales | 5.4 | 10.8 | 4.9 | 5.1 | 26.1 | 9.8 | — | — | — | 9.8 |
| Total Sales | \$43.6 | \$48.0 | \$39.7 | \$38.7 | \$170.0 | \$60.8 | — | — | — | \$60.8 |
| Operating Income | \$12.2 | \$15.7 | \$9.2 | \$7.2 | \$44.2 | \$21.5 | — | — | — | \$21.5 |
| (+) DD&A | 16.0 | 14.9 | 13.7 | 14.0 | 58.6 | 19.7 | — | — | — | 19.7 |
| Adjusted EBITDA⁽²⁾ | \$28.2 | \$30.6 | \$22.9 | \$21.2 | \$102.8 | \$41.2 | — | — | — | \$41.2 |
| Other Data | | | | | | | | | | |
| Period End Acres (in 000s) | 1,811 | 1,808 | 1,812 | 1,807 | 1,807 | 1,803 | — | — | — | 1,803 |

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

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

Pacific Northwest Timber Overview

| | 2018 | | | | | 2019 | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------|----------|----------------|
| | Q1 | Q2 | Q3 | Q4 | FY 2018 | Q1 | Q2 | Q3 | Q4 | YTD |
| Sales Volume (Tons in 000s) | | | | | | | | | | |
| Pulpwood | 75 | 94 | 73 | 57 | 299 | 62 | — | — | — | 62 |
| Sawtimber | 304 | 281 | 237 | 185 | 1,007 | 220 | — | — | — | 220 |
| Total Volume | 379 | 374 | 310 | 242 | 1,305 | 283 | — | — | — | 283 |
| Northwest Sales Volume (Converted to MBF) | | | | | | | | | | |
| Pulpwood | 7,170 | 8,859 | 6,878 | 5,400 | 28,307 | 5,933 | — | — | — | 5,933 |
| Sawtimber | 38,810 | 37,414 | 32,194 | 24,377 | 132,795 | 28,945 | — | — | — | 28,945 |
| Total Volume | 45,980 | 46,273 | 39,072 | 29,777 | 161,102 | 34,878 | — | — | — | 34,878 |
| % Delivered Sales | 79% | 81% | 90% | 100% | 86% | 100% | — | — | — | 100% |
| % Sawtimber Sales | 80% | 75% | 77% | 76% | 77% | 78% | — | — | — | 78% |
| Delivered Log Pricing (\$ per ton) | | | | | | | | | | |
| Pulpwood | \$44.52 | \$49.76 | \$48.93 | \$47.36 | \$47.82 | \$45.15 | — | — | — | \$45.15 |
| Sawtimber | 95.45 | 103.38 | 102.74 | 81.14 | 96.24 | 78.47 | — | — | — | 78.47 |
| Weighted Average Log Price | \$84.35 | \$88.45 | \$89.37 | \$73.17 | \$84.29 | \$71.11 | — | — | — | \$71.11 |
| Summary Financial Data (\$ in MMs) | | | | | | | | | | |
| Timber Sales | \$30.5 | \$31.3 | \$27.1 | \$17.7 | \$106.5 | \$20.1 | — | — | — | \$20.1 |
| (-) Cut & Haul | (11.4) | (11.6) | (11.5) | (10.5) | (44.9) | (12.0) | — | — | — | (12.0) |
| Net Stumpage Sales | \$19.1 | \$19.6 | \$15.6 | \$7.2 | \$61.5 | \$8.1 | — | — | — | \$8.1 |
| Non-Timber Sales | 0.9 | 0.9 | 0.8 | 0.8 | 3.4 | 0.4 | — | — | — | 0.4 |
| Total Sales | \$31.4 | \$32.2 | \$27.8 | \$18.4 | \$109.8 | \$20.5 | — | — | — | \$20.5 |
| Operating Income (Loss) | \$4.7 | \$5.6 | \$1.9 | (\$4.1) | \$8.1 | (\$3.7) | — | — | — | (\$3.7) |
| (+) DD&A | 9.5 | 9.4 | 7.8 | 6.1 | 32.8 | 6.8 | — | — | — | 6.8 |
| Adjusted EBITDA⁽¹⁾ | \$14.2 | \$15.0 | \$9.7 | \$2.0 | \$40.9 | \$3.1 | — | — | — | \$3.1 |
| Other Data | | | | | | | | | | |
| Period-End Acres (in 000s) | 378 | 378 | 378 | 378 | 378 | 379 | — | — | — | 379 |
| Northwest Sawtimber (\$ per MBF) ⁽²⁾ | \$764 | \$770 | \$741 | \$617 | \$725 | \$609 | — | — | — | \$609 |
| Estimated Percentage of Export Volume | 21% | 27% | 23% | 23% | 23% | 16% | — | — | — | 16% |

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

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

New Zealand Timber Overview

| | 2018 | | | | | 2019 | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----|----|----|----------------|
| | Q1 | Q2 | Q3 | Q4 | FY 2018 | Q1 | Q2 | Q3 | Q4 | YTD |
| Sales Volume (Tons in 000s) | | | | | | | | | | |
| Domestic Pulpwood (Delivered) | 113 | 141 | 136 | 117 | 507 | 113 | — | — | — | 113 |
| Domestic Sawtimber (Delivered) | 185 | 235 | 243 | 201 | 864 | 195 | — | — | — | 195 |
| Export Pulpwood (Delivered) | 17 | 22 | 21 | 35 | 94 | 41 | — | — | — | 41 |
| Export Sawtimber (Delivered) | 244 | 340 | 323 | 302 | 1,210 | 255 | — | — | — | 255 |
| Total Volume | 558 | 738 | 724 | 655 | 2,675 | 604 | — | — | — | 604 |
| Delivered Log Pricing (\$ per ton) | | | | | | | | | | |
| Domestic Pulpwood | \$35.99 | \$38.28 | \$37.54 | \$35.83 | \$37.00 | \$39.23 | — | — | — | \$39.23 |
| Domestic Sawtimber | 87.02 | 86.21 | 80.74 | 79.54 | 83.29 | 83.42 | — | — | — | 83.42 |
| Export Sawtimber | 117.70 | 120.80 | 114.54 | 114.89 | 117.03 | 116.24 | — | — | — | 116.24 |
| Weighted Average Log Price | \$90.62 | \$93.46 | \$88.35 | \$89.19 | \$90.44 | \$90.49 | — | — | — | \$90.49 |
| Summary Financial Data (\$ in MM\$) | | | | | | | | | | |
| Timber Sales | \$50.6 | \$69.0 | \$63.9 | \$58.4 | \$241.9 | \$54.6 | — | — | — | \$54.6 |
| (-) Cut & Haul | (18.3) | (24.6) | (22.2) | (20.8) | (85.9) | (20.2) | — | — | — | (20.2) |
| (-) Port / Freight Costs | (8.6) | (14.5) | (13.7) | (12.8) | (49.5) | (9.7) | — | — | — | (9.7) |
| Net Stumpage Sales | \$23.6 | \$30.0 | \$28.1 | \$24.8 | \$106.5 | \$24.7 | — | — | — | \$24.7 |
| Non-Timber Sales/Carbon Credits | 2.4 | 0.6 | 2.3 | 1.7 | 7.1 | 2.5 | — | — | — | 2.5 |
| Total Sales | \$53.0 | \$69.7 | \$66.3 | \$60.1 | \$249.0 | \$57.1 | — | — | — | \$57.1 |
| Operating Income | \$16.0 | \$17.8 | \$16.4 | \$12.6 | \$62.8 | \$15.7 | — | — | — | \$15.7 |
| (+) DD&A | 5.7 | 8.0 | 7.5 | 6.7 | 28.0 | 6.3 | — | — | — | 6.3 |
| Adjusted EBITDA⁽¹⁾ | \$21.7 | \$25.8 | \$24.0 | \$19.3 | \$90.8 | \$22.0 | — | — | — | \$22.0 |
| Other Data | | | | | | | | | | |
| NZ\$/US\$ Exchange Rate (Period-average rate) | 0.7236 | 0.7104 | 0.6755 | 0.6644 | 0.6935 | 0.6831 | — | — | — | 0.6831 |
| Net Plantable Period-End Acres (in 000s) | 293 | 294 | 290 | 289 | 289 | 291 | — | — | — | 291 |
| Export Sawtimber (\$ / JAS m3) | \$136.85 | \$140.46 | \$133.18 | \$133.59 | \$136.07 | \$135.15 | — | — | — | \$135.15 |
| Domestic Sawtimber (NZ\$ / tonne) | \$132.03 | \$133.60 | \$131.48 | \$131.69 | \$132.22 | \$134.33 | — | — | — | \$134.33 |

Real Estate Overview

| | 2018 | | | | | 2019 | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------|----------|----------------|
| | Q1 | Q2 | Q3 | Q4 | FY 2018 | Q1 | Q2 | Q3 | Q4 | YTD |
| Gross Sales (\$ in MMs) | | | | | | | | | | |
| Improved Development ⁽¹⁾ | \$1.1 | \$1.3 | \$1.3 | \$4.5 | \$8.4 | \$0.3 | — | — | — | \$0.3 |
| Unimproved Development | 7.4 | — | 1.2 | — | 8.6 | 1.0 | — | — | — | 1.0 |
| Rural | 1.7 | 4.8 | 4.5 | 11.7 | 22.7 | 12.7 | — | — | — | 12.7 |
| Non-strategic / Timberlands | 25.8 | 43.7 | 29.2 | 0.2 | 98.9 | 6.9 | — | — | — | 6.9 |
| Other ⁽²⁾ | — | — | — | — | — | 0.1 | — | — | — | 0.1 |
| Total Sales | \$36.1 | \$49.9 | \$36.2 | \$16.5 | \$138.6 | \$21.0 | — | — | — | \$21.0 |
| Acres Sold | | | | | | | | | | |
| Improved Development ⁽¹⁾ | 4.1 | 4.1 | 5.2 | 30.7 | 44.1 | 1.2 | — | — | — | 1.2 |
| Unimproved Development | 625 | — | 126 | — | 751 | 7 | — | — | — | 7 |
| Rural | 415 | 1,071 | 1,420 | 2,102 | 5,008 | 3,338 | — | — | — | 3,338 |
| Non-strategic / Timberlands | 7,181 | 14,729 | 5,785 | 116 | 27,811 | 2,333 | — | — | — | 2,333 |
| Total Acres Sold | 8,225 | 15,804 | 7,336 | 2,249 | 33,614 | 5,679 | — | — | — | 5,679 |
| Gross Price per Acre (\$ per acre) | | | | | | | | | | |
| Improved Development ⁽¹⁾ | \$280,691 | \$317,008 | \$260,721 | \$147,883 | \$189,154 | \$291,880 | — | — | — | \$291,880 |
| Unimproved Development | 11,922 | — | 9,325 | — | 11,486 | 145,773 | — | — | — | 145,773 |
| Rural | 3,977 | 4,509 | 3,161 | 5,575 | 4,530 | 3,794 | — | — | — | 3,794 |
| Non-strategic / Timberlands | 3,599 | 2,966 | 5,039 | 3,381 | 3,555 | 2,972 | — | — | — | 2,972 |
| Weighted Avg. (Total) | \$4,387 | \$3,153 | \$4,929 | \$7,406 | \$4,121 | \$3,687 | — | — | — | \$3,687 |
| Weighted Avg. (Adjusted) ⁽³⁾ | \$4,250 | \$3,071 | \$4,749 | \$5,460 | \$3,878 | \$3,628 | — | — | — | \$3,628 |
| Operating Income | \$28.1 | \$18.9 | \$24.7 | \$4.6 | \$76.2 | \$10.0 | — | — | — | \$10.0 |
| (+) Depreciation, depletion and amortization | 3.1 | 13.7 | 5.5 | 1.3 | 23.6 | 3.3 | — | — | — | 3.3 |
| (+) Non-cash cost of land and improved development | 1.6 | 13.3 | 2.1 | 6.5 | 23.6 | 4.0 | — | — | — | 4.0 |
| Adjusted EBITDA⁽⁴⁾ | \$32.7 | \$45.9 | \$32.3 | \$12.4 | \$123.4 | \$17.4 | — | — | — | \$17.4 |

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

(2) Includes marketing fees from Improved Development sales.

(3) Excludes Improved Development.

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

Capital Expenditures By Segment

| (\$ in millions) | Three Months Ended | | |
|--|--------------------|-------------------|----------------|
| | March 31, 2019 | December 31, 2018 | March 31, 2018 |
| Southern Timber | | | |
| Reforestation, Silviculture & Other Capital Expenditures | \$2.8 | \$6.3 | \$2.6 |
| Property taxes | 1.8 | 1.5 | 1.6 |
| Lease payments | 1.6 | 2.0 | 1.6 |
| Allocated overhead | 1.2 | 1.2 | 1.1 |
| Subtotal Southern Timber | \$7.4 | \$11.1 | \$6.9 |
| Pacific Northwest Timber | | | |
| Reforestation, Silviculture & Other Capital Expenditures | 2.8 | 0.9 | 2.5 |
| Property taxes | 0.2 | 0.3 | 0.2 |
| Allocated overhead | 0.8 | 0.6 | 0.6 |
| Subtotal Pacific Northwest Timber | \$3.8 | \$1.7 | \$3.3 |
| New Zealand Timber | | | |
| Reforestation, Silviculture & Other Capital Expenditures | 1.7 | 2.6 | 1.8 |
| Property taxes | 0.2 | 0.2 | 0.2 |
| Lease payments | 0.3 | 1.7 | 0.4 |
| Allocated overhead | 0.7 | 0.7 | 0.7 |
| Subtotal New Zealand Timber | \$2.9 | \$5.3 | \$3.0 |
| Total Timber Segments Capital Expenditures | \$14.1 | \$18.1 | \$13.2 |
| Real Estate | — | 0.1 | — |
| Total Capital Expenditures | \$14.1 | \$18.2 | \$13.2 |
| Timberland Acquisitions | | | |
| Southern Timber | 1.8 | 18.6 | — |
| Pacific Northwest Timber | 3.6 | — | — |
| New Zealand Timber | 6.9 | — | — |
| Subtotal Timberland Acquisitions | \$12.3 | \$18.6 | — |
| Real Estate Development Investments | \$1.7 | \$2.6 | \$2.3 |

Section 2



Supplemental Information

Definitions of Non-GAAP Measures

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

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

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

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

(\$ in millions)

| Three Months Ended | Southern Timber | Pacific Northwest Timber | New Zealand Timber | Real Estate | Trading | Corporate and Other | Total |
|--|-----------------|--------------------------|--------------------|---------------|--------------|---------------------|---------------|
| March 31, 2019 | | | | | | | |
| Operating income (loss) | \$21.5 | (\$3.7) | \$15.7 | \$10.0 | \$0.5 | (\$5.5) | \$38.5 |
| Depreciation, depletion & amortization | 19.7 | 6.8 | 6.3 | 3.3 | — | 0.3 | 36.5 |
| Non-cash cost of land and improved development | — | — | — | 4.0 | — | — | 4.0 |
| Adjusted EBITDA | \$41.2 | \$3.1 | \$22.0 | \$17.4 | \$0.5 | (\$5.2) | \$79.0 |
| December 31, 2018 | | | | | | | |
| Operating income (loss) | \$7.2 | (\$4.1) | \$12.6 | \$4.6 | \$0.3 | (\$5.6) | \$15.0 |
| Depreciation, depletion & amortization | 14.0 | 6.1 | 6.7 | 1.3 | — | 0.3 | 28.4 |
| Non-cash cost of land and improved development | — | — | — | 6.5 | — | — | 6.5 |
| Adjusted EBITDA | \$21.2 | \$2.0 | \$19.3 | \$12.4 | \$0.3 | (\$5.3) | \$49.9 |
| March 31, 2018 | | | | | | | |
| Operating income | \$12.2 | \$4.7 | \$16.0 | \$28.1 | \$0.1 | (\$4.0) | \$57.1 |
| Depreciation, depletion & amortization | 16.0 | 9.5 | 5.7 | 3.1 | — | 0.3 | 34.5 |
| Non-cash cost of land and improved development | — | — | — | 1.6 | — | — | 1.6 |
| Adjusted EBITDA | \$28.2 | \$14.2 | \$21.7 | \$32.7 | \$0.1 | (\$3.7) | \$93.2 |