

**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, 2024

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:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Exchange</u>
Common Shares, no par value, of Rayonier Inc.	RYN	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 November 1, 2024, Rayonier Inc. had 149,001,211 Common Shares outstanding. As of November 1, 2024, Rayonier, L.P. had 2,009,522 Units outstanding.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarterly period ended September 30, 2024 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, 2024, the Company owned a 98.7% interest in the Operating Partnership, with the remaining 1.3% 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 and Use of Proceeds; 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 (LOSS)
(Unaudited)
(Dollars in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
SALES (NOTE 3)	\$194,993	\$201,579	\$536,700	\$589,526
Costs and Expenses				
Cost of sales	(147,202)	(145,622)	(419,053)	(463,197)
Selling and general expenses	(18,271)	(18,947)	(57,852)	(54,677)
Other operating expense, net (Note 14)	(1,914)	(1,654)	(3,538)	(5,571)
	(167,387)	(166,223)	(480,443)	(523,445)
OPERATING INCOME	27,606	35,356	56,257	66,081
Interest expense, net	(10,021)	(12,598)	(29,576)	(36,755)
Interest and other miscellaneous income, net	12,892	529	8,805	21,725
INCOME BEFORE INCOME TAXES	30,477	23,287	35,486	51,051
Income tax (expense) benefit (Note 16)	(35)	(547)	297	(1,777)
NET INCOME	30,442	22,740	35,783	49,274
Less: Net income attributable to noncontrolling interests in the Operating Partnership	(391)	(320)	(437)	(811)
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(1,293)	(3,183)	(3,328)	(1,902)
NET INCOME ATTRIBUTABLE TO RAYONIER INC.	28,758	19,237	32,018	46,561
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustment, net of income tax effect of \$0, \$0, \$0 and \$0	13,338	(4,413)	2,402	(17,350)
Cash flow hedges, net of income tax effect of \$2,312, \$75, \$1,339 and \$322	(15,827)	7,379	(12,664)	7,002
Pension and postretirement benefit plans, net of income tax effect of \$0, \$0, \$1,222 and \$0	139	2	9,701	4
Total other comprehensive (loss) income	(2,350)	2,968	(561)	(10,344)
COMPREHENSIVE INCOME	28,092	25,708	35,222	38,930
Less: Comprehensive income attributable to noncontrolling interests in the Operating Partnership	(334)	(373)	(417)	(592)
Less: Comprehensive income attributable to noncontrolling interests in consolidated affiliates	(3,195)	(2,906)	(4,168)	(884)
COMPREHENSIVE INCOME ATTRIBUTABLE TO RAYONIER INC.	\$24,563	\$22,429	\$30,637	\$37,454
EARNINGS PER COMMON SHARE (NOTE 5)				
Basic earnings per share attributable to Rayonier Inc.	\$0.19	\$0.13	\$0.22	\$0.31
Diluted earnings per share attributable to Rayonier Inc.	\$0.19	\$0.13	\$0.21	\$0.31

See Notes to Consolidated Financial Statements.

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

	September 30, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$74,225	\$207,696
Trade receivables, less allowance for doubtful accounts of \$504 and \$210	37,155	28,652
Other receivables	12,253	11,517
Inventory (Note 13)	18,656	31,017
Prepaid expenses	20,918	19,070
Assets held for sale (Note 19)	106,165	9,932
Other current assets	7,701	9,074
Total current assets	277,073	316,958
TIMBER AND TIMBERLANDS, NET OF DEPLETION AND AMORTIZATION	2,848,323	3,004,316
HIGHER AND BETTER USE TIMBERLANDS AND REAL ESTATE DEVELOPMENT INVESTMENTS (NOTE 12)	138,977	105,595
PROPERTY, PLANT AND EQUIPMENT		
Land	6,453	6,453
Buildings	31,579	31,251
Machinery and equipment	5,070	6,523
Construction in progress	1,433	1,841
Total property, plant and equipment, gross	44,535	46,068
Less — accumulated depreciation	(20,146)	(19,059)
Total property, plant and equipment, net	24,389	27,009
RESTRICTED CASH (NOTE 18)	3,021	678
RIGHT-OF-USE ASSETS	93,988	95,474
OTHER ASSETS	93,463	97,555
TOTAL ASSETS	\$3,479,234	\$3,647,585
LIABILITIES, NONCONTROLLING INTERESTS IN THE OPERATING PARTNERSHIP AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$29,335	\$26,561
Current maturities of long-term debt, net (Note 6)	22,010	—
Accrued taxes	8,307	4,394
Accrued payroll and benefits	11,145	14,215
Accrued interest	9,050	7,094
Pension and other postretirement benefits (Note 15)	52	8,444
Dividend and distribution payable	—	30,148
Deferred revenue	29,570	19,012
Other current liabilities	29,993	30,409
Total current liabilities	139,462	140,277
LONG-TERM DEBT, NET (NOTE 6)	1,285,239	1,365,773
PENSION AND OTHER POSTRETIREMENT BENEFITS, NON-CURRENT (NOTE 15)	1,483	1,441
LONG-TERM LEASE LIABILITY	86,980	87,684
LONG-TERM DEFERRED REVENUE	14,070	11,294
OTHER NON-CURRENT LIABILITIES	84,569	81,863
CONTINGENCIES (NOTE 9)		
NONCONTROLLING INTERESTS IN THE OPERATING PARTNERSHIP (NOTE 4)	64,666	81,651
SHAREHOLDERS' EQUITY		
Common Shares, 480,000,000 shares authorized, 149,000,336 and 148,299,117 shares issued and outstanding	1,519,570	1,497,641
Retained earnings	243,861	338,244
Accumulated other comprehensive income (Note 17)	23,574	24,651
TOTAL RAYONIER INC. SHAREHOLDERS' EQUITY	1,787,005	1,860,536
Noncontrolling interests in consolidated affiliates (Note 4)	15,760	17,066
TOTAL SHAREHOLDERS' EQUITY	1,802,765	1,877,602
TOTAL LIABILITIES, NONCONTROLLING INTERESTS IN THE OPERATING PARTNERSHIP AND SHAREHOLDERS' EQUITY	\$3,479,234	\$3,647,585

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				
Balance, January 1, 2024	148,299,117	\$1,497,641	\$338,244	\$24,651	\$17,066	\$1,877,602
Net income	—	—	1,377	—	929	2,306
Net income attributable to noncontrolling interests in the Operating Partnership	—	—	(20)	—	—	(20)
Dividends (\$0.285 per share) (a)	—	—	(42,777)	—	—	(42,777)
Issuance of shares under incentive stock plans	752	—	—	—	—	—
Stock-based incentive compensation	—	3,218	—	—	—	3,218
Repurchase of common shares	(924)	(31)	—	—	—	(31)
Adjustment of noncontrolling interests in the Operating Partnership	—	—	(291)	—	—	(291)
Conversion of units into common shares	350,376	11,511	—	—	—	11,511
Pension and postretirement benefit plans	—	—	—	9,562	—	9,562
Foreign currency translation adjustment	—	—	—	(16,178)	(773)	(16,951)
Cash flow hedges	—	—	—	4,070	(1,104)	2,966
Allocation of other comprehensive loss to noncontrolling interests in the Operating Partnership	—	—	—	265	—	265
Distributions to noncontrolling interests in consolidated affiliates	—	—	—	—	(1,713)	(1,713)
Balance, March 31, 2024	<u>148,649,321</u>	<u>\$1,512,339</u>	<u>\$296,533</u>	<u>\$22,370</u>	<u>\$14,405</u>	<u>\$1,845,647</u>
Net income	—	—	1,929	—	1,106	3,035
Net income attributable to noncontrolling interests in the Operating Partnership	—	—	(26)	—	—	(26)
Dividends (\$0.285 per share) (a)	—	—	(42,517)	—	—	(42,517)
Issuance of shares under incentive stock plans	396,849	—	—	—	—	—
Stock-based incentive compensation	—	4,904	—	—	—	4,904
Repurchase of common shares	(130,460)	(4,132)	—	—	—	(4,132)
Adjustment of noncontrolling interests in the Operating Partnership	—	—	8,093	—	—	8,093
Conversion of units into common shares	63,708	1,915	—	—	—	1,915
Foreign currency translation adjustment	—	—	—	5,728	286	6,014
Cash flow hedges	—	—	—	(330)	528	198
Allocation of other comprehensive income to noncontrolling interests in the Operating Partnership	—	—	—	(19)	—	(19)
Distributions to noncontrolling interests in consolidated affiliates	—	—	—	—	(2,047)	(2,047)
Balance, June 30, 2024	<u>148,979,418</u>	<u>\$1,515,026</u>	<u>\$264,012</u>	<u>\$27,749</u>	<u>\$14,278</u>	<u>\$1,821,065</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				
Balance, June 30, 2024	148,979,418	\$1,515,026	\$264,012	\$27,749	\$14,278	\$1,821,065
Net income	—	—	29,149	—	1,293	30,442
Net income attributable to noncontrolling interests in the Operating Partnership	—	—	(391)	—	—	(391)
Dividends (\$0.285 per share) (a)	—	—	(42,433)	—	—	(42,433)
Issuance of shares under incentive stock plans	848	—	—	—	—	—
Stock-based incentive compensation	—	3,906	—	—	—	3,906
Repurchase of common shares	(222)	(5)	—	—	—	(5)
Adjustment of noncontrolling interests in the Operating Partnership	—	—	(6,476)	—	—	(6,476)
Conversion of units into common shares	20,292	643	—	—	—	643
Pension and postretirement benefit plans	—	—	—	139	—	139
Foreign currency translation adjustment	—	—	—	12,804	534	13,338
Cash flow hedges	—	—	—	(17,195)	1,368	(15,827)
Allocation of other comprehensive loss to noncontrolling interests in the Operating Partnership	—	—	—	77	—	77
Distributions to noncontrolling interests in consolidated affiliates	—	—	—	—	(1,713)	(1,713)
Balance, September 30, 2024	149,000,336	\$1,519,570	\$243,861	\$23,574	\$15,760	\$1,802,765

(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	Noncontrolling Interests in Consolidated Affiliates	Shareholders' Equity
	Shares	Amount				
Balance, January 1, 2023	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 incentive 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
Pension and postretirement benefit plans	—	—	—	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
Balance, March 31, 2023	<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 (loss)	—	—	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 incentive 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
Pension and postretirement benefit plans	—	—	—	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)
Balance, June 30, 2023	<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				
Balance, June 30, 2023	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 incentive 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 units into common shares	15,904	479	—	—	—	479
Pension and postretirement benefit plans	—	—	—	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)
Balance, September 30, 2023	<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](#).

See Notes to Consolidated Financial Statements.

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

	Nine Months Ended September 30,	
	2024	2023
OPERATING ACTIVITIES		
Net income	\$35,783	\$49,274
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation, depletion and amortization	106,663	114,281
Non-cash cost of land and improved development	19,217	20,189
Stock-based incentive compensation expense	12,027	10,201
Deferred income taxes	(4,154)	(2,855)
Pension settlement charge	5,979	—
Timber write-offs resulting from casualty events	—	2,302
Other	51	7,826
Changes in operating assets and liabilities:		
Receivables	(12,469)	251
Inventories	721	(1,190)
Accounts payable	5,000	3,630
All other operating activities	4,960	5,027
CASH PROVIDED BY OPERATING ACTIVITIES	173,778	208,936
INVESTING ACTIVITIES		
Capital expenditures	(53,166)	(53,128)
Real estate development investments	(19,073)	(18,757)
Purchase of timberlands	(3,637)	(13,988)
Other	1,031	6,197
CASH USED FOR INVESTING ACTIVITIES	(74,845)	(79,676)
FINANCING ACTIVITIES		
Repayment of debt	(60,000)	—
Dividends paid on common shares (a)	(158,094)	(127,587)
Distributions to noncontrolling interests in the Operating Partnership (b)	(2,192)	(2,265)
Proceeds from the issuance of common shares under the "at-the-market" (ATM) equity offering program, net of commissions and offering costs	—	(82)
Repurchase of common shares to pay withholding taxes on vested incentive stock awards	(4,167)	(4,217)
Distributions to noncontrolling interests in consolidated affiliates	(5,473)	—
CASH USED FOR FINANCING ACTIVITIES	(229,926)	(134,151)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(135)	(928)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Change in cash, cash equivalents and restricted cash	(131,128)	(5,819)
Balance, beginning of year	208,374	115,407
Balance, end of period	\$77,246	\$109,588

- (a) The nine months ended September 30, 2024 includes an additional cash dividend of \$0.20 per common share, totaling \$29.8 million. The additional dividend was paid on January 12, 2024, to shareholders of record on December 29, 2023.
- (b) The nine months ended September 30, 2024 includes an additional cash distribution of \$0.20 per Redeemable Operating Partnership Unit, totaling \$0.5 million. The additional distribution was paid on January 12, 2024, to holders of record on December 29, 2023.

	Nine Months Ended September 30,	
	2024	2023
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period:		
Interest (a)	\$24,900	\$31,556
Income taxes	5,493	4,651
Non-cash investing activity:		
Capital assets purchased on account	5,091	5,161

- (a) Interest paid is presented net of patronage payments received of \$8.3 million and \$6.2 million for the nine months ended September 30, 2024 and September 30, 2023, respectively. For additional information on patronage payments, see Note 7 — Debt in the 2023 Form 10-K.

See Notes to Consolidated Financial Statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
SALES (NOTE 3)	\$194,993	\$201,579	\$536,700	\$589,526
Costs and Expenses				
Cost of sales	(147,202)	(145,622)	(419,053)	(463,197)
Selling and general expenses	(18,271)	(18,947)	(57,852)	(54,677)
Other operating expense, net (Note 14)	(1,914)	(1,654)	(3,538)	(5,571)
	<u>(167,387)</u>	<u>(166,223)</u>	<u>(480,443)</u>	<u>(523,445)</u>
OPERATING INCOME	27,606	35,356	56,257	66,081
Interest expense, net	(10,021)	(12,598)	(29,576)	(36,755)
Interest and other miscellaneous income, net	12,892	529	8,805	21,725
INCOME BEFORE INCOME TAXES	30,477	23,287	35,486	51,051
Income tax (expense) benefit (Note 16)	(35)	(547)	297	(1,777)
NET INCOME	30,442	22,740	35,783	49,274
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(1,293)	(3,183)	(3,328)	(1,902)
NET INCOME ATTRIBUTABLE TO RAYONIER, L.P. UNITHOLDERS	29,149	19,557	32,455	47,372
NET INCOME ATTRIBUTABLE TO UNITHOLDERS ATTRIBUTABLE TO:				
Limited Partners	28,858	19,361	32,131	46,898
General Partners	291	196	324	474
Net income attributable to unitholders	29,149	19,557	32,455	47,372
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustment, net of income tax effect of \$0, \$0, \$0 and \$0	13,338	(4,413)	2,402	(17,350)
Cash flow hedges, net of income tax effect of \$2,312, \$75, \$1,339 and \$322	(15,827)	7,379	(12,664)	7,002
Pension and postretirement benefit plans, net of income tax expense of \$0, \$0, \$1,222 and \$0	139	2	9,701	4
Total other comprehensive (loss) income	<u>(2,350)</u>	<u>2,968</u>	<u>(561)</u>	<u>(10,344)</u>
COMPREHENSIVE INCOME	28,092	25,708	35,222	38,930
Less: Comprehensive income attributable to noncontrolling interests in consolidated affiliates	(3,195)	(2,906)	(4,168)	(884)
COMPREHENSIVE INCOME ATTRIBUTABLE TO RAYONIER, L.P. UNITHOLDERS	<u>\$24,897</u>	<u>\$22,802</u>	<u>\$31,054</u>	<u>\$38,046</u>
EARNINGS PER UNIT (NOTE 5)				
Basic earnings per unit attributable to Rayonier, L.P.	\$0.19	\$0.13	\$0.22	\$0.31
Diluted earnings per unit attributable to Rayonier, L.P.	\$0.19	\$0.13	\$0.21	\$0.31

See Notes to Consolidated Financial Statements.

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

ASSETS	September 30, 2024	December 31, 2023
CURRENT ASSETS		
Cash and cash equivalents	\$74,225	\$207,696
Trade receivables, less allowance for doubtful accounts of \$504 and \$210	37,155	28,652
Other receivables	12,253	11,517
Inventory (Note 13)	18,656	31,017
Prepaid expenses	20,918	19,070
Assets held for sale (Note 19)	106,165	9,932
Other current assets	7,701	9,074
Total current assets	277,073	316,958
TIMBER AND TIMBERLANDS, NET OF DEPLETION AND AMORTIZATION	2,848,323	3,004,316
HIGHER AND BETTER USE TIMBERLANDS AND REAL ESTATE DEVELOPMENT INVESTMENTS (NOTE 12)	138,977	105,595
PROPERTY, PLANT AND EQUIPMENT		
Land	6,453	6,453
Buildings	31,579	31,251
Machinery and equipment	5,070	6,523
Construction in progress	1,433	1,841
Total property, plant and equipment, gross	44,535	46,068
Less — accumulated depreciation	(20,146)	(19,059)
Total property, plant and equipment, net	24,389	27,009
RESTRICTED CASH (NOTE 18)	3,021	678
RIGHT-OF-USE ASSETS	93,988	95,474
OTHER ASSETS	93,463	97,555
TOTAL ASSETS	\$3,479,234	\$3,647,585
LIABILITIES, REDEEMABLE OPERATING PARTNERSHIP UNITS AND CAPITAL		
CURRENT LIABILITIES		
Accounts payable	\$29,335	\$26,561
Current maturities of long-term debt, net (Note 6)	22,010	—
Accrued taxes	8,307	4,394
Accrued payroll and benefits	11,145	14,215
Accrued interest	9,050	7,094
Pension and other postretirement benefits (Note 15)	52	8,444
Distribution payable	—	30,148
Deferred revenue	29,570	19,012
Other current liabilities	29,993	30,409
Total current liabilities	139,462	140,277
LONG-TERM DEBT, NET (NOTE 6)	1,285,239	1,365,773
PENSION AND OTHER POSTRETIREMENT BENEFITS, NON-CURRENT (NOTE 15)	1,483	1,441
LONG-TERM LEASE LIABILITY	86,980	87,684
LONG-TERM DEFERRED REVENUE	14,070	11,294
OTHER NON-CURRENT LIABILITIES	84,569	81,863
CONTINGENCIES (NOTE 9)		
REDEEMABLE OPERATING PARTNERSHIP UNITS (NOTE 4) 2,009,522 and 2,443,898 Units outstanding, respectively	64,666	81,651
CAPITAL		
General partners' capital	17,603	18,325
Limited partners' capital	1,742,784	1,814,193
Accumulated other comprehensive income (Note 17)	26,618	28,018
TOTAL CONTROLLING INTEREST CAPITAL	1,787,005	1,860,536
Noncontrolling interests in consolidated affiliates (Note 4)	15,760	17,066
TOTAL CAPITAL	1,802,765	1,877,602
TOTAL LIABILITIES, REDEEMABLE OPERATING PARTNERSHIP UNITS AND CAPITAL	\$3,479,234	\$3,647,585

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			
Balance, January 1, 2024	\$18,325	\$1,814,193	\$28,018	\$17,066	\$1,877,602
Net income	14	1,363	—	929	2,306
Distributions on units (\$0.285 per unit)	(434)	(42,940)	—	—	(43,374)
Stock-based incentive compensation	32	3,186	—	—	3,218
Repurchase of units	(1)	(30)	—	—	(31)
Adjustment of Redeemable Operating Partnership Units	6	545	—	—	551
Conversion of units into common shares	115	11,396	—	—	11,511
Pension and postretirement benefit plans	—	—	9,562	—	9,562
Foreign currency translation adjustment	—	—	(16,178)	(773)	(16,951)
Cash flow hedges	—	—	4,070	(1,104)	2,966
Distributions to noncontrolling interests in consolidated affiliates	—	—	—	(1,713)	(1,713)
Balance, March 31, 2024	<u>\$18,057</u>	<u>\$1,787,713</u>	<u>\$25,472</u>	<u>\$14,405</u>	<u>\$1,845,647</u>
Net income	19	1,910	—	1,106	3,035
Distributions on units (\$0.285 per unit)	(430)	(42,665)	—	—	(43,095)
Stock-based incentive compensation	49	4,855	—	—	4,904
Repurchase of units	(41)	(4,091)	—	—	(4,132)
Adjustment of Redeemable Operating Partnership Units	86	8,540	—	—	8,626
Conversion of units into common shares	19	1,896	—	—	1,915
Foreign currency translation adjustment	—	—	5,728	286	6,014
Cash flow hedges	—	—	(330)	528	198
Distributions to noncontrolling interests in consolidated affiliates	—	—	—	(2,047)	(2,047)
Balance, June 30, 2024	<u>\$17,759</u>	<u>\$1,758,158</u>	<u>\$30,870</u>	<u>\$14,278</u>	<u>\$1,821,065</u>
Net income	291	28,858	—	1,293	30,442
Distributions on units (\$0.285 per unit)	(430)	(42,531)	—	—	(42,961)
Stock-based incentive compensation	39	3,867	—	—	3,906
Repurchase of units	—	(5)	—	—	(5)
Adjustment of Redeemable Operating Partnership Units	(62)	(6,200)	—	—	(6,262)
Conversion of units into common shares	6	637	—	—	643
Pension and postretirement benefit plans	—	—	139	—	139
Foreign currency translation adjustment	—	—	12,804	534	13,338
Cash flow hedges	—	—	(17,195)	1,368	(15,827)
Distributions to noncontrolling interests in consolidated affiliates	—	—	—	(1,713)	(1,713)
Balance, September 30, 2024	<u>\$17,603</u>	<u>\$1,742,784</u>	<u>\$26,618</u>	<u>\$15,760</u>	<u>\$1,802,765</u>

	Units		Accumulated Other Comprehensive Income	Noncontrolling Interests in Consolidated Affiliates	Total Capital
	General Partners' Capital	Limited Partners' Capital			
Balance, January 1, 2023	\$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 incentive 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
Pension and postretirement benefit plans	—	—	1	—	1
Foreign currency translation adjustment	—	—	(3,552)	(181)	(3,733)
Cash flow hedges	—	—	(12,504)	185	(12,319)
Balance, March 31, 2023	<u>\$18,163</u>	<u>\$1,798,174</u>	<u>\$24,194</u>	<u>\$14,284</u>	<u>\$1,854,815</u>
Net income (loss)	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 incentive 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
Pension and postretirement benefit plans	—	—	2	—	2
Foreign currency translation adjustment	—	—	(8,790)	(413)	(9,203)
Cash flow hedges	—	—	12,273	(331)	11,942
Balance, June 30, 2023	<u>\$17,977</u>	<u>\$1,779,764</u>	<u>\$27,679</u>	<u>\$13,295</u>	<u>\$1,838,715</u>
Net income	196	19,361	—	3,183	22,740
Distributions on units (\$0.285 per unit)	(432)	(42,727)	—	—	(43,159)
Stock-based incentive 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
Pension and postretirement benefit plans	—	—	2	—	2
Foreign currency translation adjustment	—	—	(4,180)	(233)	(4,413)
Cash flow hedges	—	—	7,423	(44)	7,379
Balance, September 30, 2023	<u>\$17,852</u>	<u>\$1,767,335</u>	<u>\$30,924</u>	<u>\$16,201</u>	<u>\$1,832,312</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,	
	2024	2023
OPERATING ACTIVITIES		
Net income	\$35,783	\$49,274
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation, depletion and amortization	106,663	114,281
Non-cash cost of land and improved development	19,217	20,189
Stock-based incentive compensation expense	12,027	10,201
Deferred income taxes	(4,154)	(2,855)
Pension settlement charge	5,979	—
Timber write-offs resulting from casualty events	—	2,302
Other	51	7,826
Changes in operating assets and liabilities:		
Receivables	(12,469)	251
Inventories	721	(1,190)
Accounts payable	5,000	3,630
All other operating activities	4,960	5,027
CASH PROVIDED BY OPERATING ACTIVITIES	173,778	208,936
INVESTING ACTIVITIES		
Capital expenditures	(53,166)	(53,128)
Real estate development investments	(19,073)	(18,757)
Purchase of timberlands	(3,637)	(13,988)
Other	1,031	6,197
CASH USED FOR INVESTING ACTIVITIES	(74,845)	(79,676)
FINANCING ACTIVITIES		
Repayment of debt	(60,000)	—
Distributions on units (a)	(160,286)	(129,852)
Proceeds from the issuance of units under the “at-the-market” (ATM) equity offering program, net of commissions and offering costs	—	(82)
Repurchase of units to pay withholding taxes on vested incentive stock awards	(4,167)	(4,217)
Distributions to noncontrolling interests in consolidated affiliates	(5,473)	—
CASH USED FOR FINANCING ACTIVITIES	(229,926)	(134,151)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(135)	(928)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Change in cash, cash equivalents and restricted cash	(131,128)	(5,819)
Balance, beginning of year	208,374	115,407
Balance, end of period	\$77,246	\$109,588

(a) The nine months ended September 30, 2024 includes an additional cash distribution of \$0.20 per Redeemable Operating Partnership Unit, totaling \$30.2 million. The additional distribution was paid on January 12, 2024, to holders of record on December 29, 2023.

	Nine Months Ended September 30,	
	2024	2023
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period:		
Interest (a)	\$24,900	\$31,556
Income taxes	5,493	4,651
Non-cash investing activity:		
Capital assets purchased on account	5,091	5,161

(a) Interest paid is presented net of patronage payments received of \$8.3 million and \$6.2 million for the nine months ended September 30, 2024 and September 30, 2023, respectively. For additional information on patronage payments, see Note 7 — Debt in the 2023 Form 10-K.

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, 2023, as filed with the SEC (the “2023 Form 10-K”).

As of September 30, 2024, the Company owned a 98.7% interest in the Operating Partnership, with the remaining 1.3% 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 2023 Form 10-K.

ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”) and a description of other segment items (the difference between segment revenue less the segment expenses disclosed under the significant expense principle and each reported measure of segment profit or loss) by reportable segment, as well as disclosure of the title and position of the entity’s CODM and an explanation of how the CODM uses the reported measures of segment profit or loss in assessing segment performance and deciding how to allocate resources. The pronouncement is effective for annual reporting periods in fiscal years beginning after December 15, 2023, and for interim periods in fiscal years beginning after December 15, 2024. We do not expect the adoption of this pronouncement to impact our consolidated financial statements as this is a disclosure only ASU.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires enhanced annual income tax disclosures, primarily through changes to the rate reconciliation and income taxes paid reconciliation. The pronouncement is effective for annual reporting periods in fiscal years beginning after December 15, 2024. Early adoption and retrospective application are permitted. We do not expect the adoption of this pronouncement to impact our consolidated financial statements as this is a disclosure only ASU.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires additional disclosure about certain costs and expenses in the notes to financial statements. The pronouncement is effective for annual reporting periods in fiscal years beginning after December 15, 2026, and for interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The requirements in this ASU may be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. We are currently evaluating the impact of adopting this new guidance on the consolidated financial statements and disclosures.

Recent accounting pronouncements adopted or pending adoption not discussed above are either not applicable or are not 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

Completed Timberland Dispositions

In November 2024, we announced completed and pending timberland dispositions totaling approximately 200,000 acres for an aggregate purchase price of \$495 million (~\$2,475/acre). The dispositions consist of approximately 91,000 acres in Southeast Oklahoma and 109,000 acres on the Olympic Peninsula in Northwest Washington. Three of these transactions totaling \$378 million have already closed during the fourth quarter, and the remaining transaction is expected to close before the end of the year. As of September 30, 2024, two of these properties met all of the criteria in ASC 360-10-45-9 and were classified as held for sale. See [Note 19 — Assets Held for Sale](#) for additional information.

Debt Repayment

On October 11, 2024, we repaid the \$90 million unhedged portion of our 2015 Term Loan Agreement. Following the repayment, 100% of our debt is fixed through maturity. See [Note 6 — Debt](#) 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 (Loss) is equal to segment income. Certain income (loss) items in the Consolidated Statements of Income and Comprehensive Income (Loss) are not allocated to segments. These items, which include interest expense, interest and miscellaneous income and income tax (expense) benefit, 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, 2024 and 2023:

SALES	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Southern Timber	\$62,019	\$63,973	\$191,322	\$204,125
Pacific Northwest Timber	27,248	29,325	76,723	96,061
New Zealand Timber	66,774	70,435	166,256	175,438
Real Estate	30,061	31,175	76,596	79,492
Trading	8,979	6,782	26,035	34,767
Intersegment Eliminations (a)	(88)	(111)	(232)	(357)
Total	\$194,993	\$201,579	\$536,700	\$589,526

(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.

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

OPERATING INCOME (LOSS)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Southern Timber	\$19,821	\$18,634	\$59,919	\$62,565
Pacific Northwest Timber	847	(557)	(4,980)	(6,475)
New Zealand Timber (a)	8,936	17,555	19,284	19,265
Real Estate	8,632	9,187	14,284	18,720
Trading	(117)	(52)	60	356
Corporate and Other (b)	(10,513)	(9,411)	(32,310)	(28,350)
Total Operating Income	27,606	35,356	56,257	66,081
Unallocated interest expense and other (c)	2,871	(12,069)	(20,771)	(15,030)
Total Income before Income Taxes	\$30,477	\$23,287	\$35,486	\$51,051

- (a) The nine months ended September 30, 2023 includes \$2.3 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 (Loss) under the caption "Cost of sales."
- (b) The three and nine months ended September 30, 2024 includes \$0.9 million and \$1.6 million, respectively, of costs related to disposition initiatives. Costs related to disposition initiatives are recorded within the Consolidated Statements of Income and Comprehensive Income (Loss) under the caption "Other operating expense, net."
- (c) The three months ended September 30, 2024 includes \$12.0 million of net recoveries associated with legal settlements, which is partially offset by \$0.3 million of pension settlement charges. The nine months ended September 30, 2024 includes \$9.6 million of net recoveries associated with legal settlements, which is partially offset by \$6.0 million of pension settlement charges. The nine months ended September 30, 2023 includes \$20.5 million of net recoveries associated with legal settlements. Net recoveries associated with legal settlements and pension settlement charges are recorded within the Consolidated Statements of Income and Comprehensive Income (Loss) under the caption "Interest and other miscellaneous income, net."

DEPRECIATION, DEPLETION AND AMORTIZATION	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Southern Timber	\$18,118	\$19,153	\$56,672	\$61,631
Pacific Northwest Timber	7,841	8,330	24,306	28,221
New Zealand Timber	5,632	5,952	14,454	16,335
Real Estate	1,451	3,088	9,900	6,826
Corporate and Other	444	444	1,331	1,268
Total	\$33,486	\$36,967	\$106,663	\$114,281

NON-CASH COST OF LAND AND IMPROVED DEVELOPMENT	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Real Estate	\$9,845	\$6,586	\$19,217	\$20,189
Total	\$9,845	\$6,586	\$19,217	\$20,189

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

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, 2024 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, \$29.6 million is expected to be recognized within the next twelve months, with the remaining \$14.1 million expected to be recognized thereafter as we satisfy our 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, 2024 and December 31, 2023:

	September 30, 2024	December 31, 2023	Balance Sheet Location
Contract assets			
Trade receivables, net (a)	\$37,155	\$28,652	Trade receivables
Contract liabilities			
Deferred revenue, current (b)	29,570	19,012	Deferred revenue
Deferred revenue, non-current (c)	14,070	11,294	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 carbon capture and storage contracts entered into during 2024, partially offset by the satisfaction of post-closing obligations on real estate sales.
(c) The increase in deferred revenue, non-current is primarily driven by carbon capture and storage contracts entered into during 2024.

The following table summarizes revenue recognized during the three and nine months ended September 30, 2024 and 2023 that was included in the contract liability balance at the beginning of each year:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue recognized from contract liability balance at the beginning of the year (a)	\$2,122	\$2,216	\$20,377	\$19,950

- (a) Revenue recognized was primarily from hunting licenses, carbon capture and storage (“CCS”), 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, 2024 and 2023:

Three Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Elim.	Total
September 30, 2024							
Pulpwood	\$23,182	\$1,318	\$8,307	—	\$358	—	\$33,165
Sawtimber	21,034	24,378	49,571	—	8,253	—	103,236
Hardwood	1,136	—	—	—	—	—	1,136
Total Timber Sales	45,352	25,696	57,878	—	8,611	—	137,537
License Revenue, Primarily from Hunting	5,348	290	96	—	—	—	5,734
Land-Based Solutions (a)	2,767	10	—	—	—	—	2,777
Other Non-Timber/Carbon Credit Revenue	8,552	1,252	8,800	—	—	—	18,604
Agency Fee Income	—	—	—	—	280	—	280
Total Non-Timber Sales	16,667	1,552	8,896	—	280	—	27,395
Improved Development	—	—	—	11,999	—	—	11,999
Rural	—	—	—	13,766	—	—	13,766
Conservation Easement	—	—	—	1,101	—	—	1,101
Deferred Revenue/Other (b)	—	—	—	2,740	—	—	2,740
Total Real Estate Sales	—	—	—	29,606	—	—	29,606
Revenue from Contracts with Customers	62,019	27,248	66,774	29,606	8,891	—	194,538
Lease Revenue	—	—	—	455	—	—	455
Intersegment	—	—	—	—	88	(88)	—
Total Revenue	\$62,019	\$27,248	\$66,774	\$30,061	\$8,979	(\$88)	\$194,993

Three Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Elim.	Total
September 30, 2023							
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
Total Timber Sales	54,131	27,841	54,863	—	6,401	—	143,236
License Revenue, Primarily from Hunting	7,133	439	90	—	—	—	7,662
Land-Based Solutions (a)	1,041	8	—	—	—	—	1,049
Other Non-Timber/Carbon Credit Revenue	1,668	1,037	15,482	—	—	—	18,187
Agency Fee Income	—	—	—	—	270	—	270
Total Non-Timber Sales	9,842	1,484	15,572	—	270	—	27,168
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 (b)	—	—	—	5,981	—	—	5,981
Total Real Estate Sales	—	—	—	30,731	—	—	30,731
Revenue from Contracts with Customers	63,973	29,325	70,435	30,731	6,671	—	201,135
Lease Revenue	—	—	—	444	—	—	444
Intersegment	—	—	—	—	111	(111)	—
Total Revenue	\$63,973	\$29,325	\$70,435	\$31,175	\$6,782	(\$111)	\$201,579

(a) Consists primarily of sales from carbon capture and storage ("CCS"), solar and wind energy contracts.

(b) 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
September 30, 2024							
Pulpwood	\$73,141	\$4,329	\$25,113	—	\$2,075	—	\$104,658
Sawtimber	79,973	68,495	124,087	—	22,822	—	295,377
Hardwood	3,003	—	—	—	—	—	3,003
Total Timber Sales	156,117	72,824	149,200	—	24,897	—	403,038
License Revenue, Primarily From Hunting	15,907	515	221	—	—	—	16,643
Land-Based Solutions (a)	7,062	30	—	—	—	—	7,092
Other Non-Timber/Carbon Credit Revenue	12,236	3,354	16,835	—	—	—	32,425
Agency Fee Income	—	—	—	—	906	—	906
Total Non-Timber Sales	35,205	3,899	17,056	—	906	—	57,066
Improved Development	—	—	—	16,399	—	—	16,399
Rural	—	—	—	29,964	—	—	29,964
Timberland & Non-Strategic	—	—	—	16,111	—	—	16,111
Conservation Easement	—	—	—	1,101	—	—	1,101
Deferred Revenue/Other (b)	—	—	—	11,902	—	—	11,902
Total Real Estate Sales	—	—	—	75,477	—	—	75,477
Revenue from Contracts with Customers	191,322	76,723	166,256	75,477	25,803	—	535,581
Lease Revenue	—	—	—	1,119	—	—	1,119
Intersegment	—	—	—	—	232	(232)	—
Total Revenue	\$191,322	\$76,723	\$166,256	\$76,596	\$26,035	(\$232)	\$536,700

Nine Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Elim.	Total
September 30, 2023							
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
Total Timber Sales	174,984	91,321	158,821	—	33,458	—	458,584
License Revenue, Primarily from Hunting	17,475	780	212	—	—	—	18,467
Land-Based Solutions (a)	2,909	1,345	—	—	—	—	4,254
Other Non-Timber/Carbon Credit Revenue	8,757	2,615	16,405	—	—	—	27,777
Agency Fee Income	—	—	—	—	952	—	952
Total Non-Timber Sales	29,141	4,740	16,617	—	952	—	51,450
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 (b)	—	—	—	12,642	—	—	12,642
Total Real Estate Sales	—	—	—	78,445	—	—	78,445
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)	—
Total Revenue	\$204,125	\$96,061	\$175,438	\$79,492	\$34,767	(\$357)	\$589,526

- (a) Consists primarily of sales from carbon capture and storage (“CCS”), solar and wind energy contracts and conservation easements for habitat protection.
- (b) 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, 2024 and 2023:

Three Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Trading	Total
September 30, 2024					
Stumpage Pay-as-Cut	\$20,907	—	—	—	\$20,907
Stumpage Lump Sum	—	3,846	—	—	3,846
Total Stumpage	20,907	3,846	—	—	24,753
Delivered Wood (Domestic)	23,733	20,612	15,872	477	60,694
Delivered Wood (Export)	712	1,238	42,006	8,134	52,090
Total Delivered	24,445	21,850	57,878	8,611	112,784
Total Timber Sales	\$45,352	\$25,696	\$57,878	\$8,611	\$137,537
September 30, 2023					
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

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Nine Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Trading	Total
September 30, 2024					
Stumpage Pay-as-Cut	\$80,531	\$8	—	—	\$80,539
Stumpage Lump Sum	—	7,381	—	—	7,381
Total Stumpage	80,531	7,389	—	—	87,920
Delivered Wood (Domestic)	70,851	61,513	39,368	1,945	173,677
Delivered Wood (Export)	4,735	3,922	109,832	22,952	141,441
Total Delivered	75,586	65,435	149,200	24,897	315,118
Total Timber Sales	<u>\$156,117</u>	<u>\$72,824</u>	<u>\$149,200</u>	<u>\$24,897</u>	<u>\$403,038</u>
September 30, 2023					
Stumpage Pay-as-Cut	\$86,424	—	—	—	\$86,424
Stumpage Lump Sum	387	1,592	—	—	1,979
Total Stumpage	86,811	1,592	—	—	88,403
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	88,173	89,729	158,821	33,458	370,181
Total Timber Sales	<u>\$174,984</u>	<u>\$91,321</u>	<u>\$158,821</u>	<u>\$33,458</u>	<u>\$458,584</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 411,000 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 (Loss) 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,	
	2024	2023	2024	2023
Beginning noncontrolling interests in the Operating Partnership	\$59,047	\$77,532	\$81,651	\$105,763
Adjustment of noncontrolling interests in the Operating Partnership	6,476	(6,890)	(1,325)	(8,810)
Conversions of Redeemable Operating Partnership Units to common shares	(643)	(479)	(14,070)	(24,663)
Net income attributable to noncontrolling interests in the Operating Partnership	391	320	437	811
Other comprehensive (loss) income attributable to noncontrolling interests in the Operating Partnership	(77)	36	(323)	(1,016)
Distributions to noncontrolling interests in the Operating Partnership	(528)	(699)	(1,704)	(2,265)
Total noncontrolling interests in the Operating Partnership	\$64,666	\$69,820	\$64,666	\$69,820

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5. EARNINGS PER SHARE AND PER UNIT

Basic earnings per common share ("EPS") is calculated by dividing net income attributable to Rayonier Inc. by the weighted average number of common shares outstanding. Diluted EPS is calculated by dividing net income attributable to Rayonier Inc., before net income attributable to noncontrolling interests in the Operating Partnership by the weighted average number of common shares outstanding adjusted to include the potentially dilutive effect of outstanding stock options, performance shares, restricted shares, restricted stock units and noncontrolling interests in Operating Partnership units.

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,	
	2024	2023	2024	2023
Earnings per common share - basic				
Numerator:				
Net Income	\$30,442	\$22,740	\$35,783	\$49,274
Less: Net income attributable to noncontrolling interests in the Operating Partnership	(391)	(320)	(437)	(811)
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(1,293)	(3,183)	(3,328)	(1,902)
Net income attributable to Rayonier Inc.	<u>\$28,758</u>	<u>\$19,237</u>	<u>\$32,018</u>	<u>\$46,561</u>
Denominator:				
Denominator for basic earnings per common share - weighted average shares	148,984,534	148,274,209	148,821,306	147,959,983
Basic earnings per common share attributable to Rayonier Inc.:	<u>\$0.19</u>	<u>\$0.13</u>	<u>\$0.22</u>	<u>\$0.31</u>
Earnings per common share - diluted				
Numerator:				
Net Income	\$30,442	\$22,740	\$35,783	\$49,274
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(1,293)	(3,183)	(3,328)	(1,902)
Net income attributable to Rayonier Inc., before net income attributable to noncontrolling interests in the Operating Partnership	<u>\$29,149</u>	<u>\$19,557</u>	<u>\$32,455</u>	<u>\$47,372</u>
Denominator:				
Denominator for basic earnings per common share - weighted average shares	148,984,534	148,274,209	148,821,306	147,959,983
Add: Dilutive effect of:				
Stock options	—	—	55	629
Performance shares, restricted shares and restricted stock units	281,407	299,613	403,444	394,006
Noncontrolling interests in Operating Partnership units	2,027,053	2,462,431	2,088,013	2,676,911
Denominator for diluted earnings per common share - adjusted weighted average shares	<u>151,292,994</u>	<u>151,036,253</u>	<u>151,312,818</u>	<u>151,031,529</u>
Diluted earnings per common share attributable to Rayonier Inc.:	<u>\$0.19</u>	<u>\$0.13</u>	<u>\$0.21</u>	<u>\$0.31</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Anti-dilutive shares excluded from the computations of diluted earnings per common share:				
Stock options, performance shares, restricted shares and restricted stock units	149,609	164,521	149,446	156,835

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Basic earnings per unit (“EPU”) is calculated by dividing net income available to unitholders of Rayonier, L.P. by the weighted average number of units outstanding. Diluted EPU is calculated by dividing net income available to unitholders of Rayonier, L.P. by the weighted average number of units outstanding adjusted to include the potentially dilutive effect of outstanding unit equivalents, including stock options, performance shares, restricted shares and restricted stock units.

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,	
	2024	2023	2024	2023
Earnings per unit - basic				
Numerator:				
Net Income	\$30,442	\$22,740	\$35,783	\$49,274
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(1,293)	(3,183)	(3,328)	(1,902)
Net income available to unitholders	<u>\$29,149</u>	<u>\$19,557</u>	<u>\$32,455</u>	<u>\$47,372</u>
Denominator:				
Denominator for basic earnings per unit - weighted average units	151,011,587	150,736,640	150,909,319	150,636,894
Basic earnings per unit attributable to Rayonier, L.P.:	<u>\$0.19</u>	<u>\$0.13</u>	<u>\$0.22</u>	<u>\$0.31</u>
Earnings per unit - diluted				
Numerator:				
Net Income	\$30,442	\$22,740	\$35,783	\$49,274
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(1,293)	(3,183)	(3,328)	(1,902)
Net income available to unitholders	<u>\$29,149</u>	<u>\$19,557</u>	<u>\$32,455</u>	<u>\$47,372</u>
Denominator:				
Denominator for basic earnings per unit - weighted average units	151,011,587	150,736,640	150,909,319	150,636,894
Add: Dilutive effect of unit equivalents:				
Stock options	—	—	55	629
Performance shares, restricted shares and restricted stock units	281,407	299,613	403,444	394,006
Denominator for diluted earnings per unit - adjusted weighted average units	<u>151,292,994</u>	<u>151,036,253</u>	<u>151,312,818</u>	<u>151,031,529</u>
Diluted earnings per unit attributable to Rayonier, L.P.:	<u>\$0.19</u>	<u>\$0.13</u>	<u>\$0.21</u>	<u>\$0.31</u>
Anti-dilutive unit equivalents excluded from the computations of diluted earnings per unit:				
Stock options, performance shares, restricted shares and restricted stock units	149,609	164,521	149,446	156,835

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6. DEBT

Our debt consisted of the following at September 30, 2024:

	September 30, 2024
Debt	
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 6.85%	290,000
2021 Incremental Term Loan borrowings due 2029 at a variable interest rate of 6.90%	200,000
2016 Incremental Term Loan borrowings due 2026 at a variable interest rate of 7.00%	200,000
2022 Incremental Term Loan borrowings due 2027 at a variable interest rate of 6.95%	100,000
New Zealand subsidiary noncontrolling interests shareholder loan due 2026 at a fixed interest rate of 3.64% (a)	25,679
New Zealand subsidiary noncontrolling interests shareholder loan due 2027 at a fixed interest rate of 6.48% (a)	25,679
New Zealand subsidiary noncontrolling interests shareholder loan due 2025 at a fixed interest rate of 2.95% (a)	22,010
Total principal debt	1,313,368
Less: Current maturities of long-term debt	(22,010)
Less: Unamortized discounts	(2,517)
Less: Deferred financing costs	(3,602)
Total long-term debt	<u>\$1,285,239</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, 2024:

Debt	Periodic Interest Rate (a)	Effective Fixed Interest Rate (b)
2015 Term Loan	Daily Simple SOFR + 1.60%	3.31 %
2022 Incremental Term Loan	Daily Simple SOFR + 1.70%	4.55 %
2016 Incremental Term Loan	Daily Simple SOFR + 1.75%	2.38 %
2021 Incremental Term Loan	Daily Simple SOFR + 1.65%	1.45 %

(a) Includes credit spread adjustment of 0.1%.

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

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

	Total
2024	—
2025	22,010
2026	225,679
2027	125,679
2028	290,000
Thereafter	650,000
Total Debt	<u>\$1,313,368</u>

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2024 DEBT ACTIVITY

U.S. Debt

During the third quarter of 2024, we repaid \$60 million of the principal balance on the 2015 Term Loan. Additionally, on August 1, 2024, three forward-starting interest rate swaps with a total notional amount of \$200 million matured into active interest rate swaps. These interest rate swaps fixed \$200 million of the 2015 Term Loan until the debt matures on April 1, 2028. We estimate the effective interest rate on the 2015 Term Loan to be approximately 3.3% after consideration of interest rate swaps and estimated patronage refunds.

During the nine months ended September 30, 2024, we made no borrowings or repayments on our Revolving Credit Facility. At September 30, 2024, we had available borrowings of \$293.0 million under the Revolving Credit Facility, net of \$7.0 million to secure our outstanding letters of credit.

New Zealand Debt

During the nine months ended September 30, 2024, the New Zealand subsidiary made no borrowings or repayments on its working capital facility (the "New Zealand Working Capital Facility"). At September 30, 2024, 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 Agreement, 2016 Incremental Term Loan Agreement, 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, 2024, 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	12.7 to 1	10.2
Covenant debt to covenant net worth plus covenant debt shall not exceed	65 %	43 %	22 %

In addition to the financial covenants listed above, the Senior Notes due 2031, 2015 Term Loan Agreement, 2016 Incremental Term Loan Agreement, 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, 2024, 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.

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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 "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 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, 2024, foreign currency exchange contracts and foreign currency option contracts had maturity dates through July 2027.

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, 2024:

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)
April 2016	10 years	100,000	2016 Incremental Term Loan	1.50 %	1.75 %	3.25 %
April 2016	10 years	100,000	2016 Incremental Term Loan	1.51 %	1.75 %	3.26 %
May 2021 (d)	7 years	200,000	2021 Incremental Term Loan	0.67 %	1.65 %	2.32 %
December 2022	5 years	100,000	2022 Incremental Term Loan	3.72 %	1.70 %	5.42 %
April 2020 (e)	4 years	100,000	2015 Term Loan	0.78 %	1.60 %	2.38 %
May 2020 (e)	4 years	50,000	2015 Term Loan	0.64 %	1.60 %	2.24 %
May 2023 (e)	4 years	50,000	2015 Term Loan	3.29 %	1.60 %	4.89 %

(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.

(d) Matured into an active interest rate swap on February 1, 2022.

(e) On August 1, 2024, our three forward-starting interest rate swaps with a total notional amount of \$200 million matured into active interest rate swaps. See [Note 6 — Debt](#) for additional information.

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The following tables demonstrate the impact, gross of tax, of our derivatives on the Consolidated Statements of Income and Comprehensive Income (Loss) for the three and nine months ended September 30, 2024 and 2023:

	Income Statement Location	Three Months Ended September 30,	
		2024	2023
Derivatives designated as cash flow hedges:			
Foreign currency exchange contracts	Other comprehensive income (loss)	\$5,758	\$1,752
	Other operating expense, net	349	(1,796)
Foreign currency option contracts	Other comprehensive income (loss)	2,143	(26)
	Other operating expense, net	5	(196)
Interest rate products	Other comprehensive income (loss)	(14,949)	12,381
	Interest expense, net	(6,822)	(4,810)

	Income Statement Location	Nine Months Ended September 30,	
		2024	2023
Derivatives designated as cash flow hedges:			
Foreign currency exchange contracts	Other comprehensive income (loss)	\$1,903	\$5,753
	Other operating expense, net	1,742	(5,801)
Foreign currency option contracts	Other comprehensive income (loss)	1,123	(858)
	Other operating expense, net	13	(244)
Interest rate products	Other comprehensive income (loss)	5,273	20,416
	Interest expense, net	(21,379)	(12,587)

During the next 12 months, the amount of the September 30, 2024 AOCI balance, net of tax, expected to be reclassified into earnings is a gain of approximately \$17.9 million. The following table contains details of the expected reclassified amounts into earnings:

	Amount expected to be reclassified into earnings in next 12 months
Derivatives designated as cash flow hedges:	
Foreign currency exchange contracts	\$2,169
Foreign currency option contracts	781
Interest rate products (a)	14,998
Total estimated net gain on derivatives contracts	\$17,948

(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, 2024	December 31, 2023
Derivatives designated as cash flow hedges:		
Foreign currency exchange contracts	\$122,900	\$122,700
Foreign currency option contracts	126,000	98,000
Interest rate swaps	700,000	850,000
Forward-starting interest rate swaps	—	200,000

The following table contains the fair values of the derivative financial instruments recorded in the Consolidated Balance Sheets at September 30, 2024 and December 31, 2023. 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, 2024	December 31, 2023
Derivatives designated as cash flow hedges:			
Foreign currency exchange contracts	Other current assets	\$3,012	\$1,175
	Other assets	3,549	2,405
	Other current liabilities	—	(664)
Foreign currency option contracts	Other current assets	1,193	342
	Other assets	2,472	2,158
	Other current liabilities	(108)	(139)
Interest rate swaps	Other non-current liabilities	(850)	(789)
	Other current assets	—	5,742
	Other assets	40,737	37,983
Forward-starting interest rate swaps	Other non-current liabilities	(1,423)	(546)
	Other assets	—	12,790
	Other non-current liabilities	—	(8)
Total derivative contracts:			
Other current assets		\$4,205	\$7,259
Other assets		46,758	55,336
Total derivative assets		<u>\$50,963</u>	<u>\$62,595</u>
Other current liabilities		(108)	(803)
Other non-current liabilities		(2,273)	(1,343)
Total derivative liabilities		<u>(\$2,381)</u>	<u>(\$2,146)</u>

(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, 2024 and December 31, 2023, using market information and what we believe to be appropriate valuation methodologies under GAAP:

Asset (Liability) (a)	September 30, 2024			December 31, 2023		
	Carrying Amount	Fair Value		Carrying Amount	Fair Value	
		Level 1	Level 2		Level 1	Level 2
Cash and cash equivalents	\$74,225	\$74,225	—	\$207,696	\$207,696	—
Restricted cash (b)	3,021	3,021	—	678	678	—
Current maturities of long-term debt (c)	(22,010)	—	(22,522)	—	—	—
Long-term debt (c)	(1,285,239)	—	(1,236,015)	(1,365,773)	—	(1,299,951)
Interest rate swaps (d)	39,314	—	39,314	43,179	—	43,179
Forward-starting interest rate swaps (d)	—	—	—	12,782	—	12,782
Foreign currency exchange contracts (d)	6,561	—	6,561	2,916	—	2,916
Foreign currency option contracts (d)	2,707	—	2,707	1,572	—	1,572
Noncontrolling interests in the Operating Partnership (e)	64,666	—	64,666	81,651	—	81,651

(a) We did not have Level 3 assets or liabilities at September 30, 2024 or December 31, 2023.

(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, 2023 to September 30, 2024 are shown below:

	Port Gamble, WA
Non-current portion at December 31, 2023	\$4,785
Plus: Current portion	11,793
Total Balance at December 31, 2023	<u>16,578</u>
Expenditures charged to liabilities	(2,991)
Increase to liabilities (a)	1,938
Total Balance at September 30, 2024	15,525
Less: Current portion	<u>(11,973)</u>
Non-current portion at September 30, 2024	<u><u>\$3,552</u></u>

(a) The increase in liabilities reflects revised environmental and NRD cost estimates recorded during the nine months ended September 30, 2024.

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 restoration projects progress. It is reasonably possible that these components of the liability may increase as construction continues. 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.

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, 2024, the following financial guarantees were outstanding:

Financial Commitments (a)	Maximum Potential Payment
Standby letters of credit (b)	\$6,996
Surety bonds (c)	32,591
Total financial commitments	\$39,587

- (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 \$6.3 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. These letters of credit will expire at various dates during 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 2024, 2025, 2026, and 2027 and are expected to be renewed as required.

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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.

Changes in higher and better use timberlands and real estate development investments from December 31, 2023 to September 30, 2024 are shown below:

	Higher and Better Use Timberlands and Real Estate Development Investments		
	Land and Timber	Development Investments	Total
Non-current portion at December 31, 2023	\$86,986	\$18,609	\$105,595
Plus: Current portion (a)	1,699	24,639	26,338
Total Balance at December 31, 2023	88,685	43,248	131,933
Non-cash cost of land and improved development	(1,120)	(12,835)	(13,955)
Amortization of parcel real estate development investments	—	(5,264)	(5,264)
Timber depletion from harvesting activities and basis of timber sold in real estate sales	(1,115)	—	(1,115)
Capitalized real estate development investments (b)	—	26,878	26,878
Capital expenditures (silviculture)	233	—	233
Intersegment transfers	14,319	—	14,319
Total Balance at September 30, 2024	101,002	52,027	153,029
Less: Current portion (a)	(12,942)	(1,110)	(14,052)
Non-current portion at September 30, 2024	\$88,060	\$50,917	\$138,977

(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 \$1.0 million of capitalized interest and \$7.8 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 one year.

13. INVENTORY

As of September 30, 2024 and December 31, 2023, our inventory consisted entirely of finished goods, as follows:

	September 30, 2024	December 31, 2023
Finished goods inventory		
Real estate inventory (a)	\$14,052	\$26,338
Log inventory	4,413	4,490
Carbon unit inventory (b)	191	189
Total inventory	\$18,656	\$31,017

(a) Represents the cost of HBU real estate (including capitalized development investments) expected 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, NET

Other operating expense, net consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Loss on foreign currency remeasurement, net of cash flow hedges	(\$1,038)	(\$1,555)	(\$1,966)	(\$5,713)
Gain on sale or disposal of property and equipment	—	—	13	37
Costs related to disposition initiatives (a)	(857)	—	(1,553)	—
Miscellaneous (expense) income, net	(19)	(99)	(32)	105
Total	(\$1,914)	(\$1,654)	(\$3,538)	(\$5,571)

(a) Costs related to disposition initiatives include legal, advisory, and other due diligence costs incurred in connection with our asset disposition plan, which was announced in November 2023.

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15. EMPLOYEE BENEFIT PLANS

We had 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.

DEFINED BENEFIT PLAN

In December 2022, the Rayonier Board of Directors authorized the termination of its Defined Benefit Plan. Affected participants were notified of the termination and provided with alternative distribution options. The Defined Benefit Plan was terminated on February 28, 2023. During the fourth quarter of 2023, lump sum distributions were made to participants who elected that option. The remaining plan liabilities were settled in March 2024 through the purchase of annuity contracts from a third-party insurance provider. In connection with the plan's termination, we made a cash contribution of \$2.7 million to fully fund the plan. Additionally, a pre-tax non-cash pension settlement charge of \$5.7 million was recognized as a component of AOCI due to actuarial losses.

UNFUNDED PLAN

In July 2023, the Rayonier Board of Directors authorized the termination of the unfunded plan and distribution of all benefits in accordance with Section 409A of the Internal Revenue Code. The unfunded plan was terminated on July 31, 2023, and settled in the third quarter of 2024 with lump sum cash payments of \$1.2 million. A pre-tax non-cash pension settlement charge related to the actuarial losses was recognized as a component of AOCI. See [Note 17 — Accumulated Other Comprehensive Income](#) for additional information.

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

Components of Net Periodic Benefit Cost (Credit)	Income Statement Location	Pension		Postretirement	
		Three Months Ended September 30,		Three Months Ended September 30,	
		2024	2023	2024	2023
Service cost	Selling and general expenses	—	—	\$1	\$1
Interest cost	Interest and other miscellaneous income, net	5	844	18	17
Expected return on plan assets (a)	Interest and other miscellaneous income, net	—	(887)	—	—
Amortization of losses	Interest and other miscellaneous income, net	—	1	—	—
Pension settlement loss	Interest and other miscellaneous income, net	306	—	—	—
Net periodic benefit cost (credit)		\$311	(\$42)	\$19	\$18

Components of Net Periodic Benefit Cost (Credit)	Income Statement Location	Pension		Postretirement	
		Nine Months Ended September 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
Service cost	Selling and general expenses	—	—	\$3	
Interest cost	Interest and other miscellaneous income, net	535	2,533	53	
Expected return on plan assets (a)	Interest and other miscellaneous income, net	(542)	(2,663)	—	
Amortization of losses	Interest and other miscellaneous income, net	1	4	—	
Pension settlement loss	Interest and other miscellaneous income, net	5,979	—	—	
Net periodic benefit cost (credit)		\$5,973	(\$126)	\$56	\$

(a) Prior to remeasurement of the Defined Benefit Plan due to the pension settlement, the weighted-average expected long-term rate of return on plan assets used in computing 2024 net periodic benefit cost for benefits was 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, 2024, Rayonier owns a 98.7% 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) benefit recognized on the Consolidated Statements of Income and Comprehensive Income (Loss):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Income tax (expense) benefit (a)	(\$35)	(\$547)	\$297	(\$1,777)

(a) The nine months ended September 30, 2024 includes a \$1.2 million income tax benefit related to the pension settlement.

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,	
	2024	2023
Annualized effective tax rate after discrete items	1.6 %	3.1 %

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17. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following table summarizes the changes in AOCI by component for the nine months ended September 30, 2024 and the year ended December 31, 2023. All amounts are presented net of tax and exclude portions attributable to noncontrolling interests.

	Foreign currency translation (losses) gains	Net investment hedges of New Zealand subsidiary	Cash flow hedges	Employee benefit plans	Total Rayonier, L.P.	Allocation of Operating Partnership	Total Rayonier Inc.
Balance as of December 31, 2022	(\$18,067)	\$1,321	\$67,204	(\$10,209)	\$40,249	(\$4,436)	\$35,813
Other comprehensive (loss) income before reclassifications	(1,466)	—	10,537 (a)	(1,449)	7,622	(75)	7,547
Amounts reclassified from accumulated other comprehensive income	—	—	(21,895)	2,042 (b)	(19,853)	1,144	(18,709)
Net other comprehensive (loss) income	(1,466)	—	(11,358)	593	(12,231)	1,069	(11,162)
Balance as of December 31, 2023	(\$19,533)	\$1,321	\$55,846	(\$9,616)	\$28,018	(\$3,367)	\$24,651
Other comprehensive income (loss) before reclassifications	2,354	—	6,951 (a)	5,106	14,411	(196)	14,215
Amounts reclassified from accumulated other comprehensive income	—	—	(20,406)	4,595 (b)	(15,811)	519	(15,292)
Net other comprehensive income (loss)	2,354	—	(13,455)	9,701	(1,400)	323	(1,077)
Balance as of September 30, 2024	(\$17,179)	\$1,321	\$42,391	\$85	\$26,618	(\$3,044)	\$23,574

(a) The nine months ended September 30, 2024 includes \$5.3 million of other comprehensive income related to interest rate products. The year ended December 31, 2023 included \$10.3 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. The nine months ended September 30, 2024 includes a pension settlement charge of \$4.6 million, net of tax of \$1.2 million. The year ended December 31, 2023 includes a \$2.0 million pension settlement charge. 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, 2024 and September 30, 2023:

Details about accumulated other comprehensive income components	Amount reclassified from accumulated other comprehensive income		Affected line item in the Income Statement
	September 30, 2024	September 30, 2023	
Realized loss (gain) on foreign currency exchange contracts	\$1,742	(\$5,801)	Other operating expense, net
Realized loss (gain) on foreign currency option contracts	13	(244)	Other operating expense, net
Noncontrolling interests	(404)	1,391	Comprehensive income attributable to noncontrolling interests
Realized gain on interest rate contracts	(21,379)	(12,587)	Interest expense, net
Income tax effect from net (loss) gain on foreign currency contracts	(378)	1,303	Income tax (expense) benefit
Net gain on cash flow hedges reclassified from accumulated other comprehensive income	(\$20,406)	(\$15,938)	

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

18. RESTRICTED CASH

Restricted cash 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 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.

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, 2024 and 2023:

	Nine Months Ended September 30,	
	2024	2023
Restricted cash:		
Restricted cash deposited with LKE intermediary	\$2,345	\$2
Restricted cash held in escrow	676	1,802
Total restricted cash	3,021	1,804
Cash and cash equivalents	74,225	107,784
Total cash, cash equivalents and restricted cash shown in the Consolidated Statements of Cash Flows	<u>\$77,246</u>	<u>\$109,588</u>

19. ASSETS HELD FOR SALE

Assets held for sale is composed of properties not included in inventory which are 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, 2024 and December 31, 2023, the basis in properties meeting this classification was \$106.2 million and \$9.9 million, respectively. Since the basis in these properties was less than the fair value, including costs to sell, no impairment was recognized. See [Note 1 — Basis of Presentation](#) for additional information regarding our assets held for sale balance as of September 30, 2024 and related subsequent events.

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, 2023 (the "2023 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 2023 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, 2024, we owned or leased under long-term agreements approximately 2.7 million acres of timberlands located in the U.S. South (1.84 million acres), U.S. Pacific Northwest (417,000 acres) and New Zealand (411,000 gross acres or 289,000 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 value-added activities such as the licensing of properties for hunting, the leasing of properties for mineral extraction and cell towers, the sale of carbon credits, and revenue from land-based solutions such as carbon capture and storage, solar, and wind energy. 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, 2023](#) and our sustainability report located at our Responsible Stewardship webpage.

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 2023 Form 10-K.

ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

See [Note 1 — Basis of Presentation](#) for a summary of recently issued accounting standards.

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 timber to China and Japan. 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.

Pricing in our timber segments is influenced by macroeconomic factors, including residential construction activity, and can also vary considerably on a local level based on weather, the available inventory of logs, mill demand, and export market access. In our Southern Timber segment, pine pulpwood net stumpage realizations have generally stabilized due to improved demand from pulp mills and weather-related constraints in select markets on competing supply, while pine sawtimber net stumpage realizations have been constrained by softer demand from lumber mills. In our Pacific Northwest Timber segment, weighted-average delivered log prices remain under pressure due to soft domestic demand and reduced export market tension. In our New Zealand Timber segment, lower levels of construction activity in China continue to negatively impact export market demand and 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, our improved development projects, specifically Wildlight, our development project north of Jacksonville, Florida, and Heartwood, our development project south of Savannah, Georgia, continue to benefit from favorable migration and demographic trends, which have thus far outweighed the impacts of higher interest rates.

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

DISCUSSION OF TIMBER INVENTORY AND SUSTAINABLE YIELD

See Item 1 — *Business* — *Discussion of Timber Inventory and Sustainable Yield* in our 2023 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, 2024 and December 31, 2023:

(acres in 000s)	As of September 30, 2024			As of December 31, 2023		
	Owned	Leased	Total	Owned	Leased	Total
Southern						
Alabama	250	3	253	250	5	255
Arkansas	—	2	2	—	2	2
Florida	361	35	396	361	36	397
Georgia	611	50	661	612	50	662
Louisiana	146	—	146	147	—	147
Oklahoma	91	—	91	91	—	91
South Carolina	15	—	15	16	—	16
Texas	279	—	279	282	—	282
	<u>1,753</u>	<u>90</u>	<u>1,843</u>	<u>1,759</u>	<u>93</u>	<u>1,852</u>
Pacific Northwest						
Oregon	6	—	6	6	—	6
Washington	408	3	411	408	4	412
	<u>414</u>	<u>3</u>	<u>417</u>	<u>414</u>	<u>4</u>	<u>418</u>
New Zealand (a)	<u>178</u>	<u>233</u>	<u>411</u>	<u>188</u>	<u>233</u>	<u>421</u>
Total	<u>2,345</u>	<u>326</u>	<u>2,671</u>	<u>2,361</u>	<u>330</u>	<u>2,691</u>

(a) Represents legal acres owned and leased by the New Zealand subsidiary, in which we own a 77% interest. As of September 30, 2024, legal acres in New Zealand consisted of 289,000 plantable acres and 122,000 non-productive acres.

The following tables detail activity for owned and leased acres in our timberland holdings by state from December 31, 2023 to September 30, 2024:

(acres in 000s)	Acres Owned				
	December 31, 2023	Acquisitions	Sales	Other	September 30, 2024
Southern					
Alabama	250	—	—	—	250
Florida	361	1	(1)	—	361
Georgia	612	—	(1)	—	611
Louisiana	147	—	(1)	—	146
Oklahoma	91	—	—	—	91
South Carolina	16	—	(1)	—	15
Texas	282	—	(3)	—	279
	1,759	1	(7)	—	1,753
Pacific Northwest					
Oregon	6	—	—	—	6
Washington	408	—	—	—	408
	414	—	—	—	414
New Zealand (a)	188	—	(10)	—	178
Total	2,361	1	(17)	—	2,345

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

(acres in 000s)	Acres Leased				
	December 31, 2023	New Leases	Sold/Expired Leases (a)	Other (b)	September 30, 2024
Southern					
Alabama	5	—	(2)	—	3
Arkansas	2	—	—	—	2
Florida	36	—	(1)	—	35
Georgia	50	—	—	—	50
	93	—	(3)	—	90
Pacific Northwest					
Washington (c)	4	—	(1)	—	3
New Zealand (d)	233	—	(3)	3	233
Total	330	—	(7)	3	326

(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,	
	2024	2023	2024	2023
Sales				
Southern Timber	\$62.0	\$64.0	\$191.3	\$204.1
Pacific Northwest Timber	27.2	29.3	76.7	96.1
New Zealand Timber	66.8	70.4	166.3	175.4
Real Estate				
Improved Development	12.0	3.1	16.4	20.2
Unimproved Development	—	0.1	—	0.1
Rural	13.8	20.5	30.0	42.6
Timberland & Non-Strategic	—	1.1	16.1	2.9
Conservation Easement	1.1	—	1.1	—
Deferred Revenue/Other (a)	3.2	6.4	13.0	13.7
Total Real Estate	30.1	31.2	76.6	79.5
Trading	9.0	6.8	26.0	34.8
Intersegment Eliminations	(0.1)	(0.1)	(0.2)	(0.4)
Total Sales	\$195.0	\$201.6	\$536.7	\$589.5
Operating Income (Loss)				
Southern Timber	\$19.8	\$18.6	\$59.9	\$62.6
Pacific Northwest Timber	0.8	(0.6)	(5.0)	(6.5)
New Zealand Timber (b)	8.9	17.6	19.3	19.3
Real Estate	8.6	9.2	14.3	18.7
Trading	(0.1)	(0.1)	0.1	0.4
Corporate and Other (c)	(10.5)	(9.4)	(32.3)	(28.3)
Operating Income	27.6	35.4	56.3	66.1
Interest expense, net	(10.0)	(12.6)	(29.6)	(36.7)
Interest and other miscellaneous income, net (d)	12.8	0.5	8.8	21.7
Income tax (expense) benefit (e)	—	(0.6)	0.3	(1.8)
Net Income	30.4	22.7	35.8	49.3
Less: Net income attributable to noncontrolling interests in consolidated affiliates	(1.3)	(3.2)	(3.3)	(1.9)
Net Income Attributable to Rayonier, L.P.	\$29.1	\$19.5	\$32.5	\$47.4
Less: Net income attributable to noncontrolling interests in the Operating Partnership	(0.3)	(0.3)	(0.5)	(0.8)
Net Income Attributable to Rayonier Inc.	\$28.8	\$19.2	\$32.0	\$46.6
Adjusted EBITDA (f)				
Southern Timber	\$37.9	\$37.8	\$116.6	\$124.2
Pacific Northwest Timber	8.7	7.8	19.3	21.7
New Zealand Timber	14.6	23.5	33.7	37.9
Real Estate	19.9	18.9	43.4	45.8
Trading	(0.1)	(0.1)	0.1	0.4
Corporate and Other	(9.2)	(9.0)	(29.4)	(27.1)
Total Adjusted EBITDA	\$71.8	\$78.9	\$183.7	\$202.9

- (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 nine months ended September 30, 2023 includes \$2.3 million of timber write-offs resulting from casualty events.
- (c) The three and nine months ended September 30, 2024 includes \$0.9 million and \$1.6 million, respectively, of costs related to disposition initiatives.
- (d) The three months ended September 30, 2024 includes \$12.0 million of net recoveries associated with legal settlements, which is partially offset by \$0.3 million of pension settlement charges. The nine months ended September 30, 2024 includes \$9.6 million of net recoveries associated with legal settlements, which is partially offset by \$6.0 million of pension settlement charges. The nine months ended September 30, 2023 includes \$20.5 million of net recoveries associated with legal settlements.
- (e) The nine months ended September 30, 2024 includes a \$1.2 million income tax benefit related to the pension settlement.
- (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,	
	2024	2023	2024	2023
Sales Volume (in thousands of tons)				
Pine Pulpwood	909	995	2,851	3,010
Pine Sawtimber	583	745	2,207	2,563
Total Pine Volume	1,492	1,740	5,058	5,574
Hardwood	79	69	194	138
Total Volume	1,570	1,809	5,252	5,712
% Delivered Volume (vs. Total Volume)	36 %	35 %	32 %	34 %
% Pine Sawtimber Volume (vs. Total Pine Volume)	39 %	43 %	44 %	46 %
% Export Volume (vs. Total Volume) (a)	—	1 %	1 %	1 %
Net Stumpage Pricing (dollars per ton) (b)				
Pine Pulpwood	\$17.21	\$16.54	\$17.13	\$16.53
Pine Sawtimber	27.46	28.85	29.38	29.87
Weighted Average Pine	\$21.22	\$21.81	\$22.48	\$22.67
Hardwood	12.35	13.16	12.47	13.98
Weighted Average Total	\$20.77	\$21.48	\$22.11	\$22.46
Summary Financial Data (in millions of dollars)				
Timber Sales	\$45.4	\$54.1	\$156.1	\$175.0
Less: Cut and Haul	(12.5)	(14.4)	(37.7)	(43.4)
Less: Port and Freight	(0.4)	(0.9)	(2.4)	(3.6)
Net Stumpage Sales	\$32.5	\$38.8	\$116.0	\$128.0
Land-Based Solutions (c)	2.8	1.0	7.1	2.9
Other Non-Timber Sales	13.9	8.8	28.1	26.2
Total Sales	\$62.0	\$64.0	\$191.3	\$204.1
Operating Income	\$19.8	\$18.6	\$59.9	\$62.6
(+) Depreciation, depletion and amortization	18.1	19.2	56.7	61.6
Adjusted EBITDA (d)	\$37.9	\$37.8	\$116.6	\$124.2
Other Data				
Period-End Acres (in thousands)	1,843	1,899	1,843	1,899

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

(c) Consists of sales from carbon capture and storage ("CCS"), solar and wind energy contracts.

(d) 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,	
	2024	2023	2024	2023
Sales Volume (in thousands of tons)				
Pulpwood	42	43	145	181
Domestic Sawtimber (a)	268	226	756	760
Export Sawtimber	9	21	28	65
Total Volume	319	290	929	1,006
% Delivered Volume (vs. Total Volume)	78 %	94 %	85 %	97 %
% Sawtimber Volume (vs. Total Volume)	87 %	85 %	84 %	82 %
% Export Volume (vs. Total Volume) (b)	8 %	11 %	7 %	11 %
Delivered Log Pricing (in dollars per ton)				
Pulpwood	\$30.14	\$33.09	\$29.85	\$40.67
Domestic Sawtimber	95.27	108.20	90.06	98.89
Export Sawtimber (c)	138.00	131.15	137.77	146.58
Weighted Average Log Price	\$88.06	\$98.79	\$82.13	\$91.44
Summary Financial Data (in millions of dollars)				
Timber Sales	\$25.7	\$27.8	\$72.8	\$91.3
Less: Cut and Haul	(10.1)	(12.1)	(31.1)	(44.8)
Less: Port and Freight	(0.6)	(1.1)	(1.8)	(3.8)
Net Stumpage Sales	\$15.0	\$14.7	\$39.9	\$42.7
Land-Based Solutions (d)	—	—	—	1.3
Other Non-Timber Sales	1.5	1.5	3.9	3.4
Total Sales	\$27.2	\$29.3	\$76.7	\$96.1
Operating Income (Loss)	\$0.8	(\$0.6)	(\$5.0)	(\$6.5)
(+) Depreciation, depletion and amortization	7.8	8.3	24.3	28.2
Adjusted EBITDA (e)	\$8.7	\$7.8	\$19.3	\$21.7
Other Data				
Period-End Acres (in thousands)	417	474	417	474
Sawtimber (in dollars per MBF) (f)	\$663	\$726	\$660	\$722

(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) Pricing is reported on a CFR basis (i.e., inclusive of export costs and freight).

(d) Consists primarily of conservation easement sales for habitat protection in Q2 2023.

(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,	
	2024	2023	2024	2023
Sales Volume (in thousands of tons)				
Domestic Pulpwood (Delivered)	64	58	171	163
Domestic Sawtimber (Delivered)	212	211	513	502
Export Pulpwood (Delivered)	67	55	212	167
Export Sawtimber (Delivered)	343	367	862	1,012
Total Volume	686	690	1,757	1,844
% Delivered Volume (vs. Total Volume)	100 %	100 %	100 %	100 %
% Sawtimber Volume (vs. Total Volume)	81 %	84 %	78 %	82 %
% Export Volume (vs. Total Volume) (a)	60 %	61 %	61 %	64 %
Delivered Log Pricing (in dollars per ton)				
Domestic Pulpwood	\$33.84	\$32.92	\$33.25	\$34.60
Domestic Sawtimber	64.89	63.45	65.85	67.46
Export Sawtimber	104.48	95.23	104.75	102.93
Weighted Average Log Price	\$84.40	\$79.47	\$84.90	\$86.15
Summary Financial Data (in millions of dollars)				
Timber Sales	\$57.9	\$54.9	\$149.2	\$158.8
Less: Cut and Haul (b)	(23.3)	(22.2)	(60.8)	(63.2)
Less: Port and Freight (b)	(21.1)	(16.4)	(51.3)	(48.8)
Net Stumpage Sales	\$13.5	\$16.2	\$37.1	\$46.8
Carbon Credit Sales	8.6	15.3	16.4	15.7
Other Non-Timber Sales	0.3	0.2	0.6	0.9
Total Sales	\$66.8	\$70.4	\$166.3	\$175.4
Operating Income	\$8.9	\$17.6	\$19.3	\$19.3
(+) Timber write-offs resulting from casualty events (c)	—	—	—	2.3
(+) Depreciation, depletion and amortization	5.6	6.0	14.5	16.3
Adjusted EBITDA (d)	\$14.6	\$23.5	\$33.7	\$37.9
Other Data				
New Zealand Dollar to U.S. Dollar Exchange Rate (e)	0.6085	0.6084	0.6082	0.6166
Net Plantable Period-End Acres (in thousands)	289	298	289	298
Export Sawtimber (in dollars per JAS m ³)	\$121.48	\$110.72	\$121.79	\$119.68
Domestic Sawtimber (in \$NZD per tonne)	\$117.30	\$114.72	\$119.09	\$120.34

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

(b) Prior year periods have been restated to reclassify certain export related costs from cut and haul to port and freight.

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

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

(e) Represents the period-average rate.

Real Estate Overview	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Sales (in millions of dollars)				
Improved Development (a)	\$12.0	\$3.1	\$16.4	\$20.2
Unimproved Development	—	0.1	—	0.1
Rural	13.8	20.5	30.0	42.6
Timberland & Non-Strategic	—	1.1	16.1	2.9
Conservation Easement	1.1	—	1.1	—
Deferred Revenue/Other (b)	3.2	6.4	13.0	13.7
Total Sales	\$30.1	\$31.2	\$76.6	\$79.5
Acres Sold				
Improved Development (a)	116.0	6.9	176.9	302.2
Unimproved Development	—	10	—	10
Rural	2,800	3,799	5,737	8,740
Timberland & Non-Strategic	—	466	13,536	1,070
Total Acres Sold	2,916	4,281	19,450	10,122
Gross Price per Acre (dollars per acre)				
Improved Development (a)	\$103,421	\$454,810	\$92,701	\$66,694
Unimproved Development	—	11,250	—	11,250
Rural	4,916	5,386	5,223	4,872
Timberland & Non-Strategic	—	2,266	1,190	2,755
Weighted Average (Total)	\$8,835	\$5,781	\$3,212	\$6,501
Weighted Average (Adjusted) (c)	\$4,916	\$5,060	\$2,391	\$4,648
Operating Income	\$8.6	\$9.2	\$14.3	\$18.7
(+) Depreciation, depletion and amortization	1.5	3.1	9.9	6.8
(+) Non-cash cost of land and improved development	9.8	6.6	19.2	20.2
Adjusted EBITDA (d)	\$19.9	\$18.9	\$43.4	\$45.8

(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) 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,	
	2024	2023	2024	2023
Sales Volume (in thousands of tons)				
U.S.	36	19	64	49
NZ	41	42	173	252
Total Volume	76	61	236	301
Summary Financial Data (in millions of dollars)				
Trading Sales	\$8.6	\$6.4	\$24.9	\$33.5
Non-Timber Sales	0.4	0.4	1.1	1.3
Total Sales	\$9.0	\$6.8	\$26.0	\$34.8
Operating (Loss) Income	(\$0.1)	(\$0.1)	\$0.1	\$0.4
Adjusted EBITDA (a)	(\$0.1)	(\$0.1)	\$0.1	\$0.4

(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,	
	2024	2023	2024	2023
Timber Capital Expenditures				
Southern Timber				
Reforestation, silviculture and other capital expenditures	\$5.5	\$4.0	\$19.6	\$17.6
Property taxes	2.0	2.0	5.9	6.0
Lease payments	0.1	0.1	0.6	0.7
Allocated overhead	1.5	1.5	4.7	4.2
Subtotal Southern Timber	\$9.1	\$7.5	\$30.7	\$28.4
Pacific Northwest Timber				
Reforestation, silviculture and other capital expenditures	1.0	1.6	5.1	6.6
Property taxes	0.1	0.3	0.4	0.8
Allocated overhead	1.1	1.5	3.7	4.1
Subtotal Pacific Northwest Timber	\$2.2	\$3.3	\$9.2	\$11.5
New Zealand Timber				
Reforestation, silviculture and other capital expenditures	2.5	3.1	6.8	7.6
Property taxes	0.2	0.2	0.6	0.6
Lease payments	1.4	1.3	3.5	2.6
Allocated overhead	0.7	0.6	2.0	2.0
Subtotal New Zealand Timber	\$4.8	\$5.2	\$12.9	\$12.9
Total Timber Segments Capital Expenditures	\$16.1	\$16.1	\$52.9	\$52.8
Real Estate	0.1	—	0.2	0.2
Corporate	—	0.2	0.1	0.2
Total Capital Expenditures	\$16.2	\$16.3	\$53.2	\$53.1
Timberland Acquisitions				
Southern Timber	\$3.6	\$4.7	\$3.6	\$10.4
Pacific Northwest Timber	—	—	—	3.6
Timberland Acquisitions	\$3.6	\$4.7	\$3.6	\$14.0
Real Estate Development Investments (a)	\$8.9	\$4.0	\$19.1	\$18.8

(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, 2024 versus September 30, 2023 (millions of dollars):

Sales	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Intersegment Eliminations	Total
Three Months Ended September 30, 2023	\$64.0	\$29.3	\$70.4	\$31.2	\$6.8	(\$0.1)	\$201.6
Volume	(5.1)	1.5	(0.4)	(7.6)	1.6	—	(10.0)
Price	(1.1)	(1.1)	(2.6)	8.5	0.6	—	4.3
Non-timber sales (a)	6.8	0.1	(6.6)	—	—	—	0.3
Other	(2.6) (b)	(2.6) (b)	6.0 (c)	(2.0) (d)	—	—	(1.2)
Three Months Ended September 30, 2024	<u>\$62.0</u>	<u>\$27.2</u>	<u>\$66.8</u>	<u>\$30.1</u>	<u>\$9.0</u>	<u>(\$0.1)</u>	<u>\$195.0</u>

- (a) For the Southern Timber segment, includes sales from carbon capture and storage ("CCS"), solar and wind energy contracts. For the New Zealand Timber segment, includes carbon credit sales.
- (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 Conservation Easement sales and residential and commercial lease revenue.

Sales	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Intersegment Eliminations	Total
Nine Months Ended September 30, 2023	\$204.1	\$96.1	\$175.4	\$79.5	\$34.8	(\$0.4)	\$589.5
Volume	(10.3)	(3.3)	(7.4)	58.4	(7.2)	—	30.2
Price	(1.8)	0.5	(8.1)	(62.7)	(1.4)	—	(73.5)
Non-timber sales (a)	6.1	(0.9)	0.7	—	(0.2)	—	5.7
Foreign exchange (b)	—	—	(0.9)	—	—	—	(0.9)
Other	(6.8) (c)	(15.7) (c)	6.6 (d)	1.4 (e)	—	0.2	(14.3)
Nine Months Ended September 30, 2024	<u>\$191.3</u>	<u>\$76.7</u>	<u>\$166.3</u>	<u>\$76.6</u>	<u>\$26.0</u>	<u>(\$0.2)</u>	<u>\$536.7</u>

- (a) For the Southern Timber segment, includes sales from carbon capture and storage ("CCS"), solar and wind energy contracts. For the Pacific Northwest Timber segment, includes Conservation Easement sales for habitat protection in Q2 2023. For the New Zealand Timber segment, includes carbon credit sales.
- (b) Net of currency hedging impact.
- (c) Includes variance due to stumpage versus delivered sales.
- (d) Includes variance due to domestic versus export sales.
- (e) Includes deferred revenue adjustments, revenue true-ups and marketing fees related to Improved Development sales in addition to Conservation Easement sales and residential and commercial lease revenue.

Operating Income (Loss)	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
Three Months Ended September 30, 2023	\$18.6	(\$0.6)	\$17.6	\$9.2	(\$0.1)	(\$9.4)	\$35.4
Volume	(2.6)	0.4	(0.1)	(5.2)	—	—	(7.5)
Price (a)	(1.1)	(1.1)	(2.6)	8.5	—	—	3.7
Cost	0.1	0.8	(0.2)	1.7	—	(0.2)	2.2
Non-timber income (b)	6.2	—	(6.6)	—	—	—	(0.4)
Foreign exchange (c)	—	—	0.5	—	—	—	0.5
Depreciation, depletion & amortization	(1.4)	1.3	0.3	0.7	—	—	0.9
Non-cash cost of land and improved development	—	—	—	(5.8)	—	—	(5.8)
Other (d)	—	—	—	(0.5)	—	(0.9)	(1.4)
Three Months Ended September 30, 2024	\$19.8	\$0.8	\$8.9	\$8.6	(\$0.1)	(\$10.5)	\$27.6

- (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 Southern Timber segment, includes income from carbon capture and storage ("CCS"), solar and wind energy contracts. For the New Zealand Timber segment, includes income from carbon credit sales.
- (c) Net of currency hedging impact.
- (d) Real Estate includes deferred revenue adjustments, revenue true-ups and marketing fees related to Improved Development sales in addition to Conservation Easement sales and residential and commercial lease revenue. Corporate and Other includes \$0.9 million of costs related to disposition initiatives.

Operating Income (Loss)	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
Nine Months Ended September 30, 2023	\$62.6	(\$6.5)	\$19.3	\$18.7	\$0.4	(\$28.3)	\$66.1
Volume	(5.4)	(0.5)	(1.5)	36.1	—	—	28.7
Price (a)	(1.8)	0.5	(8.1)	(62.7)	—	—	(72.1)
Cost	(1.3)	0.6	0.7	2.6	(0.3)	(2.3)	—
Non-timber income (b)	5.7	(0.9)	1.0	—	—	—	5.8
Foreign exchange (c)	—	—	4.7	—	—	—	4.7
Depreciation, depletion & amortization	0.1	1.8	0.9	2.9	—	(0.1)	5.6
Non-cash cost of land and improved development	—	—	—	16.7	—	—	16.7
Other (d)	—	—	2.3	—	—	(1.6)	0.8
Nine Months Ended September 30, 2024	\$59.9	(\$5.0)	\$19.3	\$14.3	\$0.1	(\$32.3)	\$56.3

- (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 Southern Timber segment, includes income from carbon capture and storage ("CCS"), solar and wind energy contracts. For the Pacific Northwest Timber segment, includes Conservation Easement sales for habitat protection in Q2 2023. For the New Zealand Timber segment, includes income from carbon credit sales.
- (c) Net of currency hedging impact.
- (d) New Zealand Timber includes \$2.3 million of timber write-offs resulting from casualty events in 2023. Corporate and Other includes \$1.6 million of costs related to disposition initiatives.

Adjusted EBITDA (a)	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
Three Months Ended September 30, 2023	\$37.8	\$7.8	\$23.5	\$18.9	(\$0.1)	(\$9.0)	\$78.9
Volume	(5.1)	1.2	—	(7.6)	—	—	(11.5)
Price (b)	(1.1)	(1.1)	(2.6)	8.5	—	—	3.7
Cost	0.1	0.8	(0.2)	1.7	—	(0.2)	2.2
Non-timber income (c)	6.2	—	(6.6)	—	—	—	(0.4)
Foreign exchange (d)	—	—	0.5	—	—	—	0.5
Other (e)	—	—	—	(1.6)	—	—	(1.6)
Three Months Ended September 30, 2024	\$37.9	\$8.7	\$14.6	\$19.9	(\$0.1)	(\$9.2)	\$71.8

(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 Southern Timber segment, includes income from carbon capture and storage ("CCS"), solar and wind energy contracts. For the New Zealand Timber segment, includes income from 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 Conservation Easement sales and residential and commercial lease revenue.

Adjusted EBITDA (a)	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
Nine Months Ended September 30, 2023	\$124.2	\$21.7	\$37.9	\$45.8	\$0.4	(\$27.1)	\$202.9
Volume	(10.2)	(2.6)	(2.2)	58.4	—	—	43.4
Price (b)	(1.8)	0.5	(8.1)	(62.7)	—	—	(72.1)
Cost	(1.3)	0.6	0.7	2.6	(0.3)	(2.3)	—
Non-timber income (c)	5.7	(0.9)	1.0	—	—	—	5.8
Foreign exchange (d)	—	—	4.4	—	—	—	4.4
Other (e)	—	—	—	(0.7)	—	—	(0.7)
Nine Months Ended September 30, 2024	\$116.6	\$19.3	\$33.7	\$43.4	\$0.1	(\$29.4)	\$183.7

(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 Southern Timber segment, includes income from carbon capture and storage ("CCS"), solar and wind energy contracts. For the Pacific Northwest Timber segment, includes Conservation Easement sales for habitat protection in Q2 2023. For the New Zealand Timber segment, includes income from 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 Conservation Easement sales and residential and commercial lease revenue.

SOUTHERN TIMBER

Third quarter sales of \$62.0 million decreased \$2.0 million, or 3%, versus the prior year period. Harvest volumes decreased 13% to 1.57 million tons versus 1.81 million tons in the prior year period, primarily driven by wet ground conditions that constrained production as well as softer demand from lumber mills. Average pine sawtimber stumpage realizations decreased 5% to \$27.46 per ton versus \$28.85 per ton in the prior year period, primarily due to softer demand from sawmills and an unfavorable geographic mix. Average pine pulpwood stumpage realizations increased 4% to \$17.21 per ton versus \$16.54 per ton in the prior year period, primarily driven by improved demand from pulp mills and weather-related constraints on competing supply in certain markets. Overall, weighted-average net stumpage realizations (including hardwood) decreased 3% to \$20.77 per ton versus \$21.48 per ton in the prior year period. Non-timber sales of \$16.7 million increased \$6.8 million versus the prior year period, primarily driven by higher pipeline easement revenues and growth in our land-based solutions business. Operating income of \$19.8 million increased \$1.2 million versus the prior year period as higher non-timber income (\$6.2 million) and lower costs (\$0.1 million) were partially offset by lower volumes (\$2.6 million), higher depletion expense (\$1.4 million), and lower net stumpage realizations (\$1.1 million). Third quarter Adjusted EBITDA of \$37.9 million was \$0.2 million above the prior year period.

Year-to-date sales of \$191.3 million decreased \$12.8 million, or 6%, versus the prior year period. Harvest volumes decreased 8% to 5.25 million tons versus 5.71 million tons in the prior year period, primarily driven by wet ground conditions that constrained production and softer demand from lumber mills. Average pine sawtimber stumpage realizations decreased 2% to \$29.38 per ton versus \$29.87 per ton in the prior year period, primarily due to softer demand from lumber mills. Average pine pulpwood stumpage realizations increased 4% to \$17.13 per ton versus \$16.53 per ton in the prior year period primarily driven by improved demand from pulp mills. Overall, weighted-average stumpage realizations (including hardwood) decreased 2% to \$22.11 per ton versus \$22.46 per ton in the prior year period. Operating income of \$59.9 million decreased \$2.6 million versus the prior year period due to lower volumes (\$5.4 million), lower net stumpage realizations (\$1.8 million), and higher costs (\$1.3 million), partially offset by higher non-timber income (\$5.7 million) and lower depletion expense (\$0.1 million). Year-to-date Adjusted EBITDA of \$116.6 million was 6%, or \$7.6 million, below the prior year period.

PACIFIC NORTHWEST TIMBER

Third quarter sales of \$27.2 million decreased \$2.1 million, or 7%, versus the prior year period. Harvest volumes increased 10% to 319,000 tons versus 290,000 tons in the prior year period. Average delivered prices for domestic sawtimber decreased 12% to \$95.27 per ton versus \$108.20 per ton in the prior year period due to a combination of weaker demand from domestic lumber mills and an unfavorable species / product mix, as a lower proportion of Douglas-fir sawtimber was harvested in the current year period. Average delivered pulpwood prices decreased 9% to \$30.14 per ton versus \$33.09 per ton in the prior year period, primarily due to softer mill demand in the region. Operating income of \$0.8 million versus an operating loss of \$0.6 million in the prior year period was driven by lower depletion expense (\$1.3 million), lower costs (\$0.8 million), and higher volumes (\$0.4 million), partially offset by lower net stumpage realizations (\$1.1 million). Third quarter Adjusted EBITDA of \$8.7 million was 12%, or \$0.9 million, above the prior year period.

Year-to-date sales of \$76.7 million decreased \$19.3 million, or 20%, versus the prior year period. Harvest volumes decreased 8% to 929,000 tons versus 1,006,000 tons in the prior year period, primarily due to the Large Disposition we completed in Oregon in late 2023. Average delivered prices for domestic sawtimber decreased 9% to \$90.06 per ton versus \$98.89 per ton in the prior year period primarily due to softer demand from domestic lumber mills and less competition from export markets. Average delivered pulpwood prices decreased 27% to \$29.85 per ton versus \$40.67 per ton in the prior year period due to softer mill demand in the region. An operating loss of \$5.0 million versus an operating loss of \$6.5 million in the prior year period was driven by lower depletion expense (\$1.8 million), lower costs (\$0.6 million), and improved net stumpage realizations (\$0.5 million), partially offset by lower non-timber income (\$0.9 million) and lower volumes (\$0.5 million). Year-to-date Adjusted EBITDA of \$19.3 million was 11%, or \$2.4 million, below the prior year period.

NEW ZEALAND TIMBER

Third quarter sales of \$66.8 million decreased \$3.7 million, or 5%, versus the prior year period. Sales volumes decreased 1% to 686,000 tons versus 690,000 tons in the prior year period. Average delivered prices for export sawtimber increased 10% to \$104.48 per ton versus \$95.23 per ton in the prior year period, as higher shipping costs were partially passed on to export customers through increased prices. Average delivered prices for domestic sawtimber increased 2% to \$64.89 per ton versus \$63.45 per ton in the prior year period. Despite higher delivered log prices, net stumpage realizations declined 16% versus the prior year quarter, largely due to elevated shipping and production costs. Third quarter non-timber / carbon credit sales totaled \$8.9 million versus \$15.6 million in the prior year period, primarily due to a lower volume of carbon credits sold as compared to the prior year period. Operating income of \$8.9 million decreased \$8.6 million versus the prior year period due to lower carbon credit income (\$6.6 million), lower net stumpage realizations (\$2.6 million), higher costs (\$0.2 million), and lower volumes (\$0.1 million), partially offset by favorable foreign exchange impacts (\$0.5 million) and lower depletion rates (\$0.3 million). Third quarter Adjusted EBITDA of \$14.6 million was 38%, or \$8.9 million, below the prior year period.

Year-to-date sales of \$166.3 million decreased \$9.2 million, or 5%, versus the prior year period. Sales volumes decreased 5% to 1.76 million tons versus 1.84 million tons in the prior year period. Average delivered prices for export sawtimber increased 2% to \$104.75 per ton versus \$102.93 per ton in the prior year period, as higher shipping costs were partially passed on to export customers through increased prices. Average delivered prices for domestic sawtimber decreased 2% to \$65.85 per ton versus \$67.46 per ton in the prior year period. The decrease in domestic sawtimber prices was primarily driven by weaker domestic demand coupled with 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 1% versus the prior year period. Year-to-date non-

timber / carbon credit sales totaled \$17.1 million versus \$16.6 million in the prior year period. Operating income of \$19.3 million was consistent with the prior year period due to favorable foreign exchange impacts (\$4.7 million), the prior year write-off of timber basis due to a tropical cyclone casualty event (\$2.3 million), higher carbon credit income (\$1.0 million), lower depletion rates (\$0.9 million), and lower costs (\$0.7 million), largely offset by lower net stumpage realizations (\$8.1 million) and lower volumes (\$1.5 million). Year-to-date Adjusted EBITDA of \$33.7 million was 11%, or \$4.2 million, below the prior year period.

REAL ESTATE

Third quarter sales of \$30.1 million decreased \$1.1 million versus the prior year period, while operating income of \$8.6 million decreased \$0.6 million versus the prior year period. Sales and operating income decreased versus the prior year period due to lower acres sold (2,916 acres sold versus 4,281 acres sold in the prior year period), partially offset by higher weighted-average prices (\$8,835 per acre versus \$5,781 per acre in the prior year period).

Improved Development sales of \$12.0 million included \$7.9 million from the Wildlight development project north of Jacksonville, Florida, \$3.6 million from the Heartwood development project south of Savannah, Georgia, and \$0.5 million from the sale of an industrial-use parcel in Kitsap County, Washington (\$266,000 per acre). Sales in Wildlight consisted of two residential pod sales totaling 104 acres for \$7.7 million (\$74,000 per acre) and two small non-residential sales totaling \$0.2 million. Sales in Heartwood consisted of an 8.8-acre commercial parcel for \$3.6 million (\$410,000 per acre). This compares to Improved Development sales of \$3.1 million in the prior year period.

Rural sales of \$13.8 million consisted of 2,800 acres at an average price of \$4,916 per acre. This compares to prior year period sales of \$20.5 million, which consisted of 3,799 acres at an average price of \$5,386 per acre.

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

Third quarter Adjusted EBITDA of \$19.9 million increased \$1.1 million versus the prior year period.

Year-to-date sales of \$76.6 million decreased \$2.9 million versus the prior year period, while operating income of \$14.3 million decreased \$4.4 million versus the prior year period. Sales and operating income decreased in the first nine months primarily due to lower weighted-average prices (\$3,212 per acre versus \$6,501 per acre in the prior year period), partially offset by significantly higher acres sold (19,450 acres sold versus 10,122 acres sold in the prior year period). Year-to-date Adjusted EBITDA of \$43.4 million decreased \$2.4 million versus the prior year period.

TRADING

Third quarter sales of \$9.0 million increased \$2.2 million versus the prior year period, primarily due to higher volumes and prices. Sales volumes of 76,000 tons increased 24% versus the prior year period. The Trading segment generated an operating loss of \$0.1 million, which was consistent with the prior year period.

Year-to-date sales of \$26.0 million decreased \$8.7 million versus the prior year period, primarily due to lower volumes and prices. Sales volumes of 236,000 tons decreased 21% versus the prior year period. Year-to-date operating income and Adjusted EBITDA of \$0.1 million decreased \$0.3 million versus the prior year period.

OTHER ITEMS

CORPORATE AND OTHER EXPENSE / ELIMINATIONS

Third quarter corporate and other operating expenses of \$10.5 million increased \$1.1 million versus the prior year period, primarily due to \$0.9 million of costs related to disposition initiatives and higher compensation and benefits expenses, partially offset by lower professional services fees.

Year-to-date corporate and other operating expenses of \$32.3 million increased \$4.0 million versus the prior year period, primarily due to \$1.6 million of costs related to disposition initiatives, higher compensation and benefits expenses, and higher IT related expenses.

INTEREST EXPENSE, NET

Third quarter and year-to-date interest expense of \$10.0 million and \$29.6 million decreased \$2.6 million and \$7.2 million, respectively, versus the prior year period, primarily due to lower average outstanding debt.

INTEREST AND OTHER MISCELLANEOUS INCOME, NET

Third quarter interest and other miscellaneous income of \$12.8 million included \$12.0 million of net recoveries associated with legal settlements, partially offset by \$0.3 million of pension settlement charges.

Year-to-date interest and other miscellaneous income of \$8.8 million includes \$9.6 million of net recoveries associated with legal settlements, partially offset by \$6.0 million of pension settlement charges. This compares to prior year period interest and other miscellaneous income of \$21.7 million, which included \$20.5 million of net recoveries associated with legal settlements.

INCOME TAX (EXPENSE) BENEFIT

Third quarter income tax expense decreased \$0.5 million versus the prior year period. Year-to-date income tax benefit of \$0.3 million versus income tax expense of \$1.8 million in the prior year period was primarily due to a \$1.2 million tax benefit associated with the pension termination and settlement. The New Zealand subsidiary is the primary driver of income tax expense.

OUTLOOK

In our Southern Timber segment, we now expect full-year harvest volumes slightly below the lower end of our prior guidance range due to the disposition of approximately 91,000 acres in Oklahoma as well as weather-related impacts in certain markets. In our Pacific Northwest Timber segment, we now expect full-year harvest volumes slightly below the lower end of our prior guidance range due to the disposition of approximately 109,000 acres in Washington. In our New Zealand Timber segment, we expect full-year harvest volumes in line with our prior guidance and lower carbon credit sales, softer export markets, and elevated shipping costs. In our Real Estate segment, we continue to expect strong fourth quarter closing activity, contingent on the timing of several large transactions.

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, 2024	December 31, 2023
Cash and cash equivalents	\$74.2	\$207.7
Total debt (a)	1,313.4	1,372.7
Noncontrolling interests in the Operating Partnership	64.7	81.7
Shareholders' equity	1,802.8	1,877.6
Total capitalization (total debt plus permanent and temporary equity)	3,180.9	3,332.0
Debt to capital ratio	41 %	41 %
Net debt to enterprise value (b)(c)	20 %	19 %

(a) Total debt as of September 30, 2024 and December 31, 2023 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 \$32.18 and \$33.41 as of September 30, 2024 and December 31, 2023, 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, 2024, \$269.7 million remains available for issuance under the 2022 ATM 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,	
	2024	2023	2024	2023
Common shares issued under the ATM program	—	—	—	400
Average price of common shares issued under the ATM program	—	—	—	\$34.03

CASH FLOWS

The following table summarizes our cash flows from operating, investing and financing activities for the nine months ended September 30, 2024 and 2023:

(millions of dollars)	2024	2023
Cash provided by (used for):		
Operating activities	\$173.8	\$208.9
Investing activities	(74.8)	(79.7)
Financing activities	(229.9)	(134.2)

CASH PROVIDED BY OPERATING ACTIVITIES

Cash provided by operating activities decreased \$35.2 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 decreased \$4.8 million from the prior year period, due to lower cash used for timberland acquisitions (\$10.4 million), partially offset by higher real estate development investments (\$0.3 million) and lower proceeds from other investing activities (\$5.2 million).

CASH USED FOR FINANCING ACTIVITIES

Cash used for financing activities increased \$95.8 million from the prior year period. This is primarily due to higher repayments of debt (\$60.0 million), higher dividends paid on common shares (\$30.5 million), and higher distributions to noncontrolling interests in consolidated affiliates (\$5.5 million), partially offset by lower distributions to noncontrolling interests in the Operating Partnership (\$0.1 million) and lower costs associated with the issuance of common shares under the ATM equity offering program (\$0.1 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	Payments Due by Period			
		2024	2025-2026	2027-2028	Thereafter
Long-term debt (a)	\$1,291.4	—	\$225.7	\$415.7	\$650.0
Current maturities of long-term debt	22.0	—	22.0	—	—
Interest payments on long-term debt (b)	272.2	20.8	130.5	84.2	36.7
Operating leases — timberland (c)	196.1	4.4	16.4	15.1	160.2
Operating leases — PP&E, offices (c)	5.5	0.4	1.6	1.0	2.5
Commitments — real estate projects	56.0	18.4	32.2	1.1	4.3
Commitments — environmental remediation (d)	15.5	9.8	3.0	0.7	2.0
Commitments — other (e)	2.9	0.5	1.6	0.4	0.4
Total	\$1,861.6	\$54.3	\$433.0	\$518.2	\$856.1

- (a) The book value of long-term debt, net of deferred financing costs and unamortized discounts, is currently recorded at \$1,285.2 million on our Consolidated Balance Sheets, but upon maturity the liability will be \$1,291.4 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, 2024 and excludes the impact of hedging.
- (c) Excludes anticipated renewal options.
- (d) 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.
- (e) Commitments — other includes other purchase obligations.

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 2024 EXPENDITURES

Capital expenditures in 2024 are expected to be between \$79 million and \$82 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 2024 to be between \$30 million and \$34 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 2024 dividend payments on Rayonier Inc. common shares and distributions to Rayonier, L.P. unitholders, excluding the additional dividend and distribution paid on January 12, 2024 to shareholders of record on December 29, 2023, are expected to be approximately \$171 million and \$2 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.

We made cash contributions of \$2.7 million in 2024 in order to fund the Defined Benefit Plan on a plan termination basis. Additionally, we settled the Excess Benefit Plan with lump sum cash payments of \$1.2 million in 2024. We have no mandatory contribution requirements remaining in 2024. See [Note 15 — Employee Benefit Plans](#) for additional information.

Full-year 2024 cash tax payments are expected to be between \$5.0 million and \$6.0 million, primarily related to the New Zealand subsidiary.

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, 2024.

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, 2024 and year ended December 31, 2023 are provided in the table below:

(in millions)	September 30, 2024	December 31, 2023
Current assets	\$61.0	\$197.5
Non-current assets	88.1	98.8
Current liabilities	20.2	60.0
Non-current liabilities	2,429.2	2,181.6
Due to non-guarantors	1,167.2	861.5

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, 2024 and year ended December 31, 2023 are provided in the table below:

(in millions)	September 30, 2024	December 31, 2023
Cost and expenses	(\$27.1)	(\$32.3)
Operating loss	(27.1)	(32.3)
Net loss	(49.7)	(70.5)
Revenue from non-guarantors	536.7	1,108.9

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) expense, costs related to disposition initiatives, 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,	
	2024	2023	2024	2023
Net Income to Adjusted EBITDA Reconciliation				
Net Income	\$30.4	\$22.7	\$35.8	\$49.3
Interest, net and miscellaneous income	8.7	12.0	24.0	35.5
Income tax expense (benefit) (a)	—	0.6	(0.3)	1.8
Depreciation, depletion and amortization	33.5	37.0	106.7	114.3
Non-cash cost of land and improved development	9.8	6.6	19.2	20.2
Non-operating (income) expense (b)	(11.5)	0.1	(3.3)	(20.5)
Costs related to disposition initiatives (c)	0.9	—	1.6	—
Timber write-offs resulting from casualty events (d)	—	—	—	2.3
Adjusted EBITDA	<u>\$71.8</u>	<u>\$78.9</u>	<u>\$183.7</u>	<u>\$202.9</u>

(a) The nine months ended September 30, 2024 includes a \$1.2 million income tax benefit related to the pension settlement.

(b) The three months ended September 30, 2024 includes \$12.0 million of net recoveries associated with legal settlements, which is partially offset by \$0.3 million of pension settlement charges. The nine months ended September 30, 2024 includes \$9.6 million of net recoveries associated with legal settlements, which is partially offset by \$6.0 million of pension settlement charges. The nine months ended September 30, 2023 includes \$20.5 million of net recoveries associated with legal settlements.

(c) Costs related to disposition initiatives include legal, advisory, and other due diligence costs incurred in connection with our asset disposition plan, which was announced in November 2023.

(d) 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.

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
September 30, 2024							
Operating income (loss)	\$19.8	\$0.8	\$8.9	\$8.6	(\$0.1)	(\$10.5)	\$27.6
Costs related to disposition initiatives (a)	—	—	—	—	—	0.9	0.9
Depreciation, depletion and amortization	18.1	7.8	5.6	1.5	—	0.4	33.5
Non-cash cost of land and improved development	—	—	—	9.8	—	—	9.8
Adjusted EBITDA	<u>\$37.9</u>	<u>\$8.7</u>	<u>\$14.6</u>	<u>\$19.9</u>	<u>(\$0.1)</u>	<u>(\$9.2)</u>	<u>\$71.8</u>
September 30, 2023							
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>

(a) Costs related to disposition initiatives include legal, advisory, and other due diligence costs incurred in connection with our asset disposition plan, which was announced in November 2023.

Nine Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
September 30, 2024							
Operating income (loss)	\$59.9	(\$5.0)	\$19.3	\$14.3	\$0.1	(\$32.3)	\$56.3
Costs related to disposition initiatives (a)	—	—	—	—	—	1.6	1.6
Depreciation, depletion and amortization	56.7	24.3	14.5	9.9	—	1.3	106.7
Non-cash cost of land and improved development	—	—	—	19.2	—	—	19.2
Adjusted EBITDA	<u>\$116.6</u>	<u>\$19.3</u>	<u>\$33.7</u>	<u>\$43.4</u>	<u>\$0.1</u>	<u>(\$29.4)</u>	<u>\$183.7</u>
September 30, 2023							
Operating income (loss)	\$62.6	(\$6.5)	\$19.3	\$18.7	\$0.4	(\$28.3)	\$66.1
Timber write-offs resulting from casualty events (b)	—	—	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>

(a) Costs related to disposition initiatives include legal, advisory, and other due diligence costs incurred in connection with our asset disposition plan, which was announced in November 2023.

(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.

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

	Nine Months Ended September 30,	
	2024	2023
Cash provided by operating activities	\$173.8	\$208.9
Capital expenditures (a)	(53.2)	(53.1)
Net recovery on legal settlements (b)	(9.6)	(20.5)
Working capital and other balance sheet changes	(5.3)	(20.6)
CAD	\$105.7	\$114.7
Mandatory debt repayments	—	—
CAD after mandatory debt repayments	\$105.7	\$114.7
Cash used for investing activities	(\$74.8)	(\$79.7)
Cash used for financing activities	(\$229.9)	(\$134.2)

(a) Capital expenditures exclude timberland acquisitions and real estate development investments.

(b) Net recovery on legal settlements reflects the net gain from litigation regarding insurance claims.

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

	Nine Months Ended September 30,	
	2024	2023
Purchase of timberlands	(\$3.6)	(\$14.0)
Real Estate Development Investments	(19.1)	(18.8)
Distributions to noncontrolling interests in consolidated affiliates	(5.5)	—

LIQUIDITY FACILITIES

2024 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

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, 2024, we had \$790 million 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, 2024 was \$700 million. The \$290 million 2015 Term Loan Agreement matures in April 2028 and on August 1, 2024, three forward-starting interest rate swaps with a total notional amount of \$200 million matured into active interest rate swaps and fixed \$200 million of the outstanding principal over its remaining four-year term. The 2016 Incremental Term Loan Agreement and associated interest rate swaps mature in May 2026, and the 2021 Incremental Term Loan Agreement 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 Agreement through the maturity date in December 2027. At this current borrowing and derivatives 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 \$0.9 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, 2024 was \$468.5 million compared to the \$523.4 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, 2024 would result in a corresponding decrease/increase in the fair value of our fixed rate debt of approximately \$24 million and \$25 million, respectively.

We estimate the periodic effective interest rate on our U.S. long-term fixed and variable rate debt to be approximately 2.8% after consideration of interest rate swaps and estimated patronage and 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, 2024:

(Dollars in thousands)	2024	2025	2026	2027	2028	Thereafter	Total	Fair Value
Variable rate debt:								
Principal amounts	—	—	\$200,000	\$100,000	\$290,000	\$200,000	\$790,000	\$790,000
Average interest rate (a)(b)	—	—	7.00 %	6.95 %	6.85 %	6.90 %	6.91 %	
Fixed rate debt:								
Principal amounts	—	\$22,010	\$25,679	\$25,679	—	\$450,000	\$523,368	\$468,538
Average interest rate (b)	—	2.95 %	3.64 %	6.48 %	—	2.75 %	2.99 %	
Interest rate swaps:								
Notional amount	—	—	\$200,000	\$100,000	\$200,000	\$200,000	\$700,000	\$39,314
Average pay rate (b)	—	—	1.50 %	3.72 %	1.37 %	0.67 %	1.54 %	
Average receive rate (c)	—	—	5.25 %	5.25 %	5.25 %	5.25 %	5.25 %	

(a) Excludes estimated patronage refunds.

(b) Interest rates as of September 30, 2024.

(c) Average daily SOFR rate as of September 30, 2024 based on a 30-day look back period.

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, 2024, the New Zealand subsidiary had foreign currency exchange contracts with a notional amount of \$123 million and foreign currency option contracts with a notional amount of \$126 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, 2024:

(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
Foreign exchange contracts to sell U.S. dollar for New Zealand dollar										
Notional amount	\$7,200	\$4,200	\$2,000	\$13,500	\$28,000	\$27,000	\$17,000	\$24,000	\$122,900	\$6,561
Average contract rate	1.6405	1.6613	1.6818	1.6708	1.6514	1.6392	1.6719	1.6659	1.6567	
Foreign currency option contracts to sell U.S. dollar for New Zealand dollar										
Notional amount	\$4,000	\$6,000	\$4,000	\$12,000	\$28,000	\$20,000	\$18,000	\$34,000	\$126,000	\$2,707
Average strike price	1.6409	1.6513	1.6467	1.6454	1.7105	1.6728	1.6733	1.6701	1.6750	

Item 4. CONTROLS AND PROCEDURES

Rayonier Inc.

DISCLOSURE CONTROLS AND PROCEDURES

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, 2024.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

In the quarter ended September 30, 2024, 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.

DISCLOSURE CONTROLS AND PROCEDURES

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, our 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, 2024.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

In the quarter ended September 30, 2024, based upon the evaluation required by Rule 13a-15(d) under the Exchange Act, there were no changes in internal control over financial reporting that would materially affect or are reasonably likely to materially affect internal control 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 AND USE OF PROCEEDS

Rayonier Inc.

REGISTERED SALES OF EQUITY SECURITIES

From time to time, the Company may issue 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, 2024, the Company issued 20,292 common shares in exchange for an equal number of units in the Operating Partnership pursuant to the agreement of the Operating Partnership.

ISSUER REPURCHASES 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 2024. As of September 30, 2024, there was \$87.7 million, or approximately 2,726,179 shares based on the period-end closing stock price of \$32.18, remaining under this program.

The following table provides information regarding our purchases of Rayonier common shares during the quarter ended September 30, 2024:

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	111	\$28.03	—	2,892,464
August 1 to August 31	—	—	—	2,847,402
September 1 to September 30	111	30.81	—	2,726,179
Total	222		—	

(a) Includes 222 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 \$30.33, \$30.81 and \$32.18, 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, 2024.

ISSUER REPURCHASES 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, 2024, 20,292 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

On June 13, 2024, V. Larkin Martin, a member of the Company's Board of Directors, adopted a trading arrangement for the sale of shares of Common Stock (a "Rule 10b5-1 Trading Plan") that was intended to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c). On September 12, 2024, Ms. Martin's Rule 10b5-1 Trading Plan automatically terminated pursuant to its terms following the sale of 22,009 shares of Common Stock, which represented all shares to be sold under such plan.

Other than as described above, 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, 2024, as such terms are defined under item 408(a) of Regulation S-K.

Item 6. EXHIBITS

- | | | |
|------|---|---|
| 10.1 | Amendment Number One Rayonier Investment and Savings Plan for Salaried Employees effective as of July 1, 2024, executed June 13, 2024* | Filed herewith |
| 22.1 | List of Guarantor Subsidiaries | Incorporated by reference to Exhibit 22.1 to the Registrant's June 30, 2022 Form 10-Q |
| 31.1 | 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 | Filed herewith |
| 31.2 | 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 | Filed herewith |
| 31.3 | 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 | Filed herewith |
| 31.4 | 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 | Filed herewith |
| 32.1 | Rayonier Inc. - Certification of Periodic Financial Reports Under Section 906 of the Sarbanes-Oxley Act of 2002 | Furnished herewith |
| 32.2 | Rayonier, L.P. - Certification of Periodic Financial Reports Under Section 906 of the Sarbanes-Oxley Act of 2002 | 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, 2024, formatted in Inline Extensible Business Reporting Language ("iXBRL"), includes: (i) the Consolidated Statements of Income and Comprehensive Income (Loss) for the Three and Nine Months Ended September 30, 2024 and 2023 of Rayonier Inc.; (ii) the Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023 of Rayonier Inc.; (iii) the Consolidated Statements of Changes in Shareholders' Equity for the Nine Months Ended September 30, 2024 and 2023 of Rayonier Inc.; (iv) the Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2024 and 2023 of Rayonier Inc.; (v) the Consolidated Statements of Income and Comprehensive Income (Loss) for the Three and Nine Months Ended September 30, 2024 and 2023 of Rayonier, L.P.; (vi) the Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023 of Rayonier, L.P.; (vii) the Consolidated Statements of Changes in Capital for the Nine Months Ended September 30, 2024 and 2023 of Rayonier, L.P.; (viii) the Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2024 and 2023 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, 2024, formatted in Inline XBRL (included as Exhibit 101). | Filed herewith |

* Management contract or compensatory plan

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

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

Date: November 8, 2024

RAYONIER, L.P.

By: RAYONIER INC., its sole general partner

By: /s/ APRIL TICE

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

Date: November 8, 2024

AMENDMENT NUMBER ONE

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES

BY THIS AGREEMENT, Rayonier Investment and Savings Plan for Salaried Employees (herein referred to as the "Plan") is hereby amended as follows, effective as of July 1, 2024, except as otherwise provided herein:

1. The section of the Adoption Agreement entitled "MATCHING CONTRIBUTIONS" is amended as follows:

MATCHING CONTRIBUTIONS (EXCLUDING SAFE HARBOR MATCH AND ADDITIONAL MATCH UNDER SECTION 3.05) (3.03(A)). The Employer Matching Contributions under Election 6(c) are subject to the following additional elections regarding type (discretionary/fixed), rate/amount, limitations and time period (collectively, such elections are "the matching formula") and the allocation of Matching Contributions is subject to Section 3.06 except as otherwise provided (*select one or more of (a) through (f); then, for the elected match in (b) through (e), complete (1); choose one or more of (2) and (3) if applicable*):

[Note: If the Employer wishes to make any Matching Contributions that satisfy the ADP or ACP safe harbor, the Employer should make these Elections under Election 30, and not under this Election 24.]

	(1) Matching Rate/Amt [\$/% of Elective Deferrals]	(2) Limit on Deferrals Matched [\$/% of Compensation]	(3) Limit on Match Amount [\$/% of Compensation]
(a) <input checked="" type="checkbox"/> Discretionary – see Section 1.35(B) <i>(The Employer may, but is not required to complete (a)(1)-(3). See the "Note" following Election 24(f))</i>	_____	_____	_____
The Discretionary Matching Contribution under this Election 24(a) is a Flexible Discretionary Match unless the Employer elects to use a Rigid Discretionary Match. (<i>Choose a. if applicable.</i>) A Flexible Discretionary Match will be subject to the Instructions and Notice requirement of Section 3.03(A)(2)(c), reproduced below.			
a. <input type="checkbox"/> Rigid Discretionary Match. The Discretionary Matching Contribution is a Rigid Discretionary Match. A Rigid Discretionary Match is not subject to the Instructions and Notice requirement of Section 3.03(A)(2)(c).			
Section 3.03(A)(2)(c) provides: Instructions and Notice. For any Plan Year beginning after the Plan Year the Employer signs its Adoption Agreement, if the Employer makes a Flexible Discretionary Match to the Plan, the Employer must provide the Plan Administrator (or Trustee, if applicable), written instructions describing (1) how the Flexible Discretionary Match Formula will be allocated to Participants (e.g., a uniform percentage of Elective Deferrals or a flat dollar amount), (2) the computation period(s) to which the Flexible Discretionary Match Formula applies, and (3) if applicable, a description of each business location or business classification subject to separate Flexible Discretionary Match Formulas. Such instructions must be provided no later than the date on which the Flexible Discretionary Match is made to the Plan. A summary of these instructions must be communicated to Participants who receive an allocation of the Flexible Discretionary Match no later than 60 days following the date on which the last Flexible Discretionary Match is made to the Plan for the Plan Year.			
(b) <input checked="" type="checkbox"/> Fixed - uniform rate/amount	60%	6%	_____
(c) <input type="checkbox"/> Fixed - tiered	Elective Deferral % _____ _____ _____ _____ _____	Matching Rate _____ _____ _____ _____ _____	_____ _____ _____ _____ _____
(d) <input type="checkbox"/> Fixed – Years of Service	Years of Service _____ _____	Matching Rate _____ _____	_____ _____
"Years of Service" under this Election 24(d) means (<i>select one of a. or b.</i>):			
a. <input type="checkbox"/> Eligibility. Years of Service for eligibility in Election 16.			
b. <input type="checkbox"/> Vesting. Years of Service for vesting in Elections 42 and 43.			
(e) <input type="checkbox"/> Fixed - multiple formulas	Formula 1: _____ Formula 2: _____ Formula 3: _____	_____ _____ _____	_____ _____ _____

(f) **Describe:** _____

(The Employer may only describe the matching formula from the elections available in this Election 24, and/or a combination thereof, as to a Participant group (e.g., Fixed Match of 50% of elective deferrals of deferrals up to 6% of annual compensation applies to Collective Bargaining Employees; Discretionary Match allocated each payroll period applies to all other Participants). The Group Allocation Limitations of Section 3.14 apply to allocations under this Election 24(f). If the formula is non-uniform, it is not a design-based safe harbor for nondiscrimination purposes.)

[Note: See Section 1.35(A) as to Fixed Matching Contributions. A Participant's Elective Deferral percentage is equal to the Participant's Elective Deferrals divided by his/her Compensation. The matching rate/amount is the specified rate/amount of match for the corresponding Elective Deferral amount/percentage. Any Matching Contributions apply to Pre-Tax Deferrals and to Roth Deferrals unless described otherwise in Election 24(g). Matching Contributions for nondiscrimination testing purposes are subject to the targeting limitations. See Section 4.10(D). The Employer under Election 24(a) in its discretion may determine the amount of a Discretionary Matching Contribution and the matching contribution formula. Alternatively, the Employer in Election 24(a) may specify elements of the Discretionary Matching Contribution formula.]

Computation period, true-up. Any Matching Contribution other than a Flexible Discretionary Match will be allocated on the period described below: (Select one of (g) through (l). Skip if the only Matching Contribution is a Flexible Discretionary Match.)

(g) Each payroll period

(h) Each month

(i) Each Plan Year quarter

(j) Each payroll unit (e.g., hour)

(k) Other (specify) _____ [The time period described must be definitely determinable under Treas. Reg. §1.401-1(b). This line may be used to apply different options to different matching contributions (e.g., Discretionary matching contributions will be allocated on a Plan Year period while fixed matching contributions will be allocated on each payroll period)]

(l) Each Plan Year

Related and Participating Employers (choose (m) if applicable)

(m) If any Related and Participating Employers (or in the case of a Multiple Employer Plan, Participating Employers regardless of whether they are Related Employers) contribute Matching Contributions to the Plan, the following apply:

Matching formula. The matching formula for the Participating Employer(s) (select one of (1) or (2)):

(1) **All the same.** Is (are) the same as for the Signatory Employer under this Election 24.

(2) **At least one different.** Is (are) as follows: ____

Allocation sharing. The Matching Contributions will be allocated to all Participants regardless of which Employer directly employs them and regardless of whether their direct Employer made Matching Contributions for the Plan Year unless otherwise elected below or specified in a participation agreement. (choose (3) if applicable):

(3) **Employer by Employer.** The Plan Administrator will allocate the Matching Contributions made by the Signatory Employer and by any Participating Employer only to the Participants directly employed by the contributing Employer.

[Note: Unless the Plan is a Multiple Employer Plan, the Employer should not elect 24(m) unless there are Related Employers which are also Participating Employers. See Section 1.24(D).]

2. The section of the Adoption Agreement entitled "VESTING SCHEDULE" is amended as follows:

VESTING SCHEDULE (5.03). A Participant has a 100% Vested interest at all times in his/her Accounts attributable to: (i) Elective Deferrals; (ii) Employee Contributions; (iii) QNECs; (iv) QMACs; (v) Safe Harbor Contributions (other than QACA Safe Harbor Contributions); (vi) SIMPLE Contributions; (vii) Rollover Contributions; (viii) Prevailing Wage Contributions; (ix) DECs; and (x) Designated IRA Contributions. The following vesting schedule applies to Regular Matching Contributions, to Additional Matching Contributions (irrespective of ACP testing status), to Nonelective Contributions (other than Prevailing Wage Contributions) and to QACA Safe Harbor Contributions. (select (a) or (b)):

(a) **Immediate vesting.** 100% Vested at all times in all Accounts.

[Note: Unless all Contribution Types are 100% Vested, the Employer should not elect 41(a). If the Employer elects immediate vesting under 41(a), the Employer should not complete the balance of Election 41 or Elections 42 and 43 (except as noted therein). For 401(k) plans: (i) The Employer must elect 41(a) if the eligibility Service condition under Election 14 as to all Contribution Types (except Elective Deferrals and Safe Harbor Contributions) exceeds one Year of Service or more than 12 months; (ii) The Employer must elect 41(b)(1) as to any Contribution Type where the eligibility service condition exceeds one Year of Service or more than 12 months; and (iii) The Employer should elect 41(b) if any Contribution Type is subject to a vesting schedule. For Money Purchase Pension Plans and Profit Sharing Plans, the Employer must elect 41(a) if the eligibility Service condition exceeds one Year of Service or more than 12 months.]

(b) **Vesting schedules:** Apply the following vesting schedules (Select one or more of (1) through (6). Select Contribution Type as applicable.):

	(1)	(2)	(3)	(4)	(5)
	All Contributions	Nonelective	Regular Matching	Additional Matching (See Section 3.05(F))	QACA Safe Harbor
(1) <input type="checkbox"/> Immediate Vesting	N/A (See Election 41(a))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) <input type="checkbox"/> 6-year graded.	<input type="checkbox"/>	OR <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
(3) <input type="checkbox"/> 3-year cliff.	<input type="checkbox"/>	OR <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
(4) <input checked="" type="checkbox"/> Modified schedule:	<input checked="" type="checkbox"/>	OR <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
<u>Years of Service</u>	<u>Vested %</u>	<u>Not Less Than</u>			
Less than 1	a. <u>0%</u>	0%			
1	b. <u>20%</u>	0%			
2	c. <u>40%</u>	20%			
3	d. <u>60%</u>	40%			
4	e. <u>80%</u>	60%			
5	f. <u>100%</u>	80%			
6 or more	100%				
(5) <input type="checkbox"/> 2-year cliff.	<input type="checkbox"/>	OR <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) <input type="checkbox"/> Modified 2-year schedule:	<input type="checkbox"/>	OR <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Years of Service</u>	<u>Vested %</u>				
Less than 1	a. <u> </u>				
1	b. <u> </u>				
2	100%				

[Note: If the Employer does not elect 41(a), the Employer under 41(b) must elect immediate vesting or must elect one of the specified alternative vesting schedules. The modified schedule of Election 41(b)(4) must satisfy Code §411(a)(2)(B).]

[Note for 401(k) plans: The Employer must elect either 41(b)(5) or (6) as to QACA Safe Harbor Contributions. If the Employer elects Additional Matching under Election 30(p), the Employer should elect vesting under the Additional Matching column in this Election 41(b). That election applies to the Additional Matching even if the Employer has given the maybe notice but does not give the supplemental notice for any Plan Year and as to such Plan Years, the Plan is not a safe harbor plan and the Matching Contributions are not Additional Matching Contributions.]

Special vesting provisions (choose c. if applicable)

(c) **Describe:** A Participant who experiences a Change in Control as that term is defined in the Retirement Plan for Salaried Employees of Rayonier Inc. shall become 100% Vested. Employees hired prior to July 1, 2012 shall become 100% Vested if employed after attainment of age 50. The Employer Retirement Contribution is 100% Vested. Balances attributable to amounts transferred from the Rayonier Inc. Savings Plan for Non-Bargaining Unit Hourly Employees at Certain Locations shall be 100% Vested at all times. Employees whose position is eliminated due to the sale of a business unit shall become 100% Vested.

[Note: The Employer under Election 41(c) may describe special vesting provisions from the elections available under Election 41 and/or a combination thereof as to a: (i) Participant group (e.g., Full vesting applies to Division A Employees OR to Employees hired on/before "x" date. 6-year graded vesting applies to Division B Employees OR to Employees hired after "x" date.); and/or (ii) Contribution Type (e.g., Full vesting applies as to Discretionary Nonelective Contributions. 6-year graded vesting applies to Fixed Nonelective Contributions). Any special vesting provision must satisfy Code §411(a) and must be nondiscriminatory.]

3. The section of the Adoption Agreement entitled "IN-SERVICE DISTRIBUTIONS/ADDITIONAL CONDITIONS" is amended as follows:

IN-SERVICE DISTRIBUTIONS/ADDITIONAL CONDITIONS (6.01(C)). Unless otherwise elected below, a Participant may elect to receive an In-Service Distribution upon any Election 46(b) event without further condition, provided that the amount distributed may not exceed the Vested amount in the distributing Account (choose one or more of (a) through (f) if applicable):

(a) **100% vesting required.** A Participant may not receive an In-Service Distribution unless the Participant is 100% Vested in the distributing Account. This restriction applies to (select one or more of (1), (2), or (3)):

- (1) **Hardship distributions.** Distributions based on hardship. (does not apply for Money Purchase Pension Plans)
- (2) **Deemed Severance.** Distributions based on Deemed Severance under Section 6.11.
- (3) **Other In-Service.** In-Service distributions other than distributions based on hardship or Deemed Severance.

- (b) **Minimum amount.** A Participant may not receive an In-Service Distribution in an amount which is less than: \$___
(specify amount not exceeding \$1,000). This restriction applies to (Select one or more of (1), (2), or (3)):
- (1) **Hardship distributions.** Distributions based on hardship. (does not apply for Money Purchase Pension Plans)
 - (2) **Deemed Severance.** Distributions based on Deemed Severance under Section 6.11.
 - (3) **Other In-Service.** In-Service distributions other than distributions based on hardship or Deemed Severance.
- (c) **Roth In-Service.** A Participant may not receive an In-Service Distribution from the Participant's Roth Deferral Account unless it is a qualified distribution as defined in Code §402A(d)(2). (may only be selected with 401(k) plans)
- (d) **Maximum Number.** The maximum number of In-Service Distributions a Participant may receive during a Plan Year is
___(Specify a number at least equal to 1. If (d) is not elected, the Plan Administrator, by policy, can impose a limitation).
- (e) **Beneficiary's hardship need.** A Participant's hardship does not include an immediate and heavy financial need of the Participant's primary Individual Beneficiary under the Plan, as described in Section 6.07(G).
- (f) **Describe other conditions:** _____
[Note: An Employer's election under Election 47(f) must: (i) be objectively determinable; (ii) not be subject to Employer discretion; (iii) preserve Protected Benefits as required; (iv) be nondiscriminatory; and (v) not permit an "early" distribution of any Restricted 401(k) Accounts or Restricted Pension Accounts. See Section 6.01(C)(4).]

The Employer executes this Amendment on the date specified below.

Date: June 13, 2024
Rayonier Inc.
By: /s/ Shelby Pyatt
EMPLOYER

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 8, 2024

/s/ MARK MCHUGH

Mark McHugh

President and Chief Executive Officer, Rayonier Inc.

CERTIFICATION

I, April Tice, 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 8, 2024

/s/ APRIL TICE

April Tice
Senior Vice President and Chief Financial Officer, Rayonier Inc.

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 8, 2024

/s/ MARK MCHUGH

Mark McHugh

President and Chief Executive Officer of Rayonier Inc., General Partner

CERTIFICATION

I, April Tice, 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 8, 2024

/s/ APRIL TICE

April Tice
*Senior Vice 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, 2024 (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 8, 2024

/s/ MARK MCHUGH

Mark McHugh

President and Chief Executive Officer, Rayonier Inc.

/s/ APRIL TICE

April Tice

Senior Vice 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.

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, 2024 (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 8, 2024

/s/ MARK MCHUGH

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

/s/ APRIL TICE

April Tice
*Senior Vice 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.
