



MORE THAN
trees

Q4 2022 Financial Supplement
February 2023



Safe Harbor Statement

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

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

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

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

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Section 1



Financial and Segment Information

Financial Highlights

(\$ in millions, except per share data)

Profitability	Q4 2022	Q3 2022	Q4 2021
Sales	\$245.4	\$195.3	\$262.0
Pro Forma Sales ⁽¹⁾	214.9	195.3	191.0
Operating Income	44.1	40.9	33.5
Pro Forma Operating Income ⁽¹⁾	27.2	30.5	14.4
Net Income Attributable to Rayonier Inc.	33.1	20.6	8.7
Pro Forma Net Income ⁽¹⁾	16.5	21.6	2.0
Adjusted EBITDA ⁽¹⁾	68.4	64.7	50.4
Diluted Earnings Per Share:			
Net Income Attributable to Rayonier Inc.	0.22	0.14	0.06
Pro Forma Net Income ⁽¹⁾	0.11	0.15	0.01
Average Diluted Shares (millions)	150.6	150.2	148.1
Total Shares Outstanding (millions)	147.3	146.4	145.4
Total Redeemable Operating Partnership Units Outstanding (millions)	3.2	3.2	3.3

Capital Resources & Liquidity	Year Ended December 31,	
	2022	2021
Cash provided by Operating Activities	\$269.2	\$325.1
Cash used for Investing Activities	(516.4)	(26.3)
Cash used for Financing Activities	(4.6)	(16.3)
Cash Available for Distribution (CAD) ⁽¹⁾	188.5	207.8

	12/31/2022	12/31/2021
Debt ⁽²⁾	\$1,523.1	\$1,376.1
Cash (excluding Timber Funds) ⁽³⁾	114.3	358.7
Net Debt	1,408.8	1,017.4
Net Debt / Enterprise Value ⁽⁴⁾	22%	14%

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

(2) Debt as of December 31, 2022 and December 31, 2021 reflects principal on long-term debt, gross of deferred financing costs and unamortized discounts.

(3) Excludes \$0.5 million of restricted cash held by LKE intermediaries as of December 31, 2022.

(4) Enterprise Value based on market capitalization (including Rayonier, L.P. "OP" units) plus net debt at December 31, 2022 and December 31, 2021, respectively.



Variance Analysis – Q4 2021 to Q4 2022

Operating Income (Loss) (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Timber Funds	Real Estate	Trading	Corporate and Other	Total
Q4-21 Operating Income (Loss)	\$19.0	\$1.5	\$3.6	\$18.4	(\$0.3)	(\$0.5)	(\$8.2)	\$33.5
Pro forma adjustments ⁽¹⁾	—	—	—	(19.1)	—	—	—	(19.1)
Pro forma Operating Income (Loss)⁽¹⁾	\$19.0	\$1.5	\$3.6	(\$0.7)	(\$0.3)	(\$0.5)	(\$8.2)	\$14.4
Volume	(2.4)	0.3	0.9	—	5.4	—	—	4.2
Price ⁽²⁾	2.2	0.7	(3.3)	—	8.4	—	—	8.0
Cost	0.8	0.1	(0.1)	—	(4.2)	0.7	(0.7)	(3.4)
Non-timber income ⁽³⁾	0.5	(0.5)	8.7	—	—	0.1	—	8.8
Foreign exchange ⁽⁴⁾	—	—	(1.8)	—	—	—	—	(1.8)
Depreciation, depletion & amortization	(0.4)	(0.4)	—	—	0.1	—	—	(0.7)
Non-cash cost of land and improved development	—	—	—	—	(4.8)	—	—	(4.8)
Other ⁽⁵⁾	—	1.8	—	0.7	16.9	—	—	19.4
Q4-22 Operating Income	\$19.7	\$3.5	\$8.0	—	\$21.5	\$0.3	(\$8.9)	\$44.1
Pro forma adjustments ⁽¹⁾	—	(0.4)	—	—	(16.6)	—	—	(17.0)
Pro forma Operating Income⁽¹⁾	\$19.7	\$3.1	\$8.0	—	\$4.9	\$0.3	(\$8.9)	\$27.2

Adjusted EBITDA⁽¹⁾ (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Timber Funds	Real Estate	Trading	Corporate and Other	Total
Q4-21 Adjusted EBITDA	\$33.6	\$13.2	\$9.8	(\$0.6)	\$2.8	(\$0.5)	(\$7.9)	\$50.4
Volume	(3.9)	0.6	1.2	—	7.2	—	—	5.1
Price ⁽²⁾	2.2	0.7	(3.3)	—	8.4	—	—	8.0
Cost	0.8	0.1	(0.1)	—	(4.2)	0.7	(0.7)	(3.4)
Non-timber income ⁽³⁾	0.5	(0.5)	8.7	—	—	0.1	—	8.8
Foreign exchange ⁽⁴⁾	—	—	(2.6)	—	—	—	—	(2.6)
Other ⁽⁵⁾	—	1.4	—	0.6	—	—	—	2.1
Q4-22 Adjusted EBITDA	\$33.2	\$15.5	\$13.7	—	\$14.2	\$0.3	(\$8.6)	\$68.4

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

(2) 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.

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

(4) Net of currency hedging impact.

(5) Pacific Northwest Timber includes a \$1.4 million timber reservation sale to a conservation group. Real Estate includes \$16.6 million of operating income from a Large Dispositions.

Variance Analysis – 2021 to 2022

Operating Income (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Timber Funds	Real Estate	Trading	Corporate and Other	Total
2021 Operating Income	\$66.1	\$6.8	\$51.5	\$63.3	\$112.5	\$0.1	(\$30.6)	\$269.8
Pro forma adjustments ⁽¹⁾	—	—	—	(63.4)	(44.8)	—	—	(108.2)
Pro forma Operating Income⁽¹⁾	\$66.1	\$6.8	\$51.5	(\$0.1)	\$67.8	\$0.1	(\$30.6)	\$161.6
Volume	7.5	(1.1)	0.4	—	9.7	—	—	16.5
Price ⁽²⁾	25.7	11.3	(37.5)	—	(39.9)	—	—	(40.4)
Cost	(4.5)	(2.2)	(1.9)	—	(7.6)	0.2	(4.9)	(20.9)
Non-timber income ⁽³⁾	2.5	(0.3)	19.7	—	—	0.1	—	22.0
Foreign exchange ⁽⁴⁾	—	—	(2.1)	—	—	—	—	(2.1)
Depreciation, depletion & amortization	(0.7)	—	0.5	—	(5.3)	—	—	(5.5)
Non-cash cost of land and improved development	—	—	—	—	(2.4)	—	—	(2.4)
Other ⁽⁵⁾	—	0.7	—	0.1	36.2	—	—	37.0
2022 Operating Income	\$96.6	\$15.2	\$30.6	—	\$58.5	\$0.4	(\$35.5)	\$165.8
Pro forma adjustments ⁽¹⁾	—	0.7	—	—	(28.1)	—	—	(27.4)
Pro forma Operating Income⁽¹⁾	\$96.6	\$15.9	\$30.6	—	\$30.4	\$0.4	(\$35.5)	\$138.5

Adjusted EBITDA⁽¹⁾ (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Timber Funds	Real Estate	Trading	Corporate and Other	Total
2021 Adjusted EBITDA	\$120.2	\$57.3	\$78.5	\$2.3	\$100.7	\$0.1	(\$29.4)	\$329.8
Volume	13.0	(3.6)	0.5	—	12.9	—	—	22.8
Price ⁽²⁾	25.7	11.3	(37.5)	—	(39.9)	—	—	(40.4)
Cost	(4.5)	(2.2)	(1.9)	—	(7.6)	0.2	(4.8)	(20.8)
Non-timber income ⁽³⁾	2.5	(0.3)	19.7	—	—	0.1	—	22.0
Foreign exchange ⁽⁴⁾	—	—	(4.8)	—	—	—	—	(4.8)
Other ⁽⁵⁾	—	1.4	—	(2.3)	6.6	—	—	5.7
2022 Adjusted EBITDA	\$156.9	\$63.9	\$54.5	—	\$72.7	\$0.4	(\$34.2)	\$314.2

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

(2) 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.

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

(4) Net of currency hedging impact.

(5) Pacific Northwest Timber includes a \$1.4 million timber reservation sale to a conservation group. Real Estate includes Conservation Easement sales in Q2 2021, \$16.6 million of operating income from Large Dispositions and equity income from joint venture entities, including an \$11.5 million gain associated with the multi-family apartment complex sale in Bainbridge, Washington.

Liquidity Measures – Cash Available for Distribution

(\$ in millions, except per share data)	Twelve Months Ended December 31,	
	2022	2021
Cash Provided by Operating Activities	\$269.2	\$325.1
Working capital and other balance sheet changes	(5.9)	(28.4)
Cash Available for Distribution attributable to NCI in Timber Funds	—	(12.9)
Capital expenditures ⁽¹⁾	(74.8)	(76.0)
Cash Available for Distribution⁽²⁾	\$188.5	\$207.8
Net Income	\$122.8	\$210.5
Operating income attributable to NCI in Timber Funds	—	(45.6)
Interest, net attributable to NCI in Timber Funds	—	0.3
Income tax expense attributable to NCI in Timber Funds	—	0.1
Net Income (Excluding NCI in Timber Funds)	\$122.8	\$165.3
Interest, net and miscellaneous income attributable to Rayonier	33.2	44.3
Income tax expense attributable to Rayonier	9.4	14.6
Depreciation, depletion and amortization attributable to Rayonier	147.3	143.2
Non-cash cost of land and improved development	28.4	25.0
Non-operating expense	0.4	—
Timber write-off and adjustments resulting from casualty events attributable to Rayonier ⁽²⁾	0.7	—
Gain associated with the multi-family apartment complex sale attributable to NCI ⁽²⁾	(11.5)	—
Gain on investment in Timber Funds ⁽²⁾	—	(7.5)
Fund II Timberland Dispositions attributable to Rayonier ⁽²⁾	—	(10.3)
Large Dispositions ⁽²⁾	(16.6)	(44.8)
Adjusted EBITDA⁽²⁾	\$314.2	\$329.8
Cash interest paid attributable to Rayonier ⁽³⁾	(35.7)	(41.5)
Cash taxes paid attributable to Rayonier	(15.1)	(7.4)
Capital expenditures attributable to Rayonier ⁽¹⁾	(74.8)	(73.2)
Cash Available for Distribution⁽²⁾	\$188.5	\$207.8
Cash Available for Distribution ⁽²⁾	188.5	207.8
Real estate development investments	(13.7)	(12.5)
Cash Available for Distribution after real estate development investments	\$174.8	\$195.2
Shares and units outstanding at period end	150,491,458	148,688,702
CAD per Share or Unit	\$1.25	\$1.40
Dividends per Share or Unit	\$1.13	\$1.08

(1) Capital expenditures exclude timberland acquisitions of \$458.5 million and \$179.1 million during the twelve months ended December 31, 2022 and December 31, 2021, respectively.

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

(3) Cash interest paid is presented net of patronage refunds received of \$6.0 million and \$6.5 million during the twelve months ended December 31, 2022 and December 31, 2021 respectively, excluding patronage refunds attributable to noncontrolling interests in Timber Funds.

Southern Timber Overview

	2021					2022				
	Q1	Q2	Q3	Q4	FY 2021	Q1	Q2	Q3	Q4	FY 2022
Sales Volume (Tons in 000s)										
Pine Pulpwood	843	889	793	992	3,516	1,171	962	965	813	3,911
Pine Sawtimber	638	516	378	469	2,001	622	458	449	512	2,041
Total Pine Volume	1,481	1,405	1,171	1,461	5,517	1,793	1,420	1,414	1,325	5,952
Hardwood	31	63	14	68	177	103	103	85	40	331
Total Volume	1,512	1,468	1,185	1,529	5,694	1,896	1,523	1,499	1,365	6,283
% Delivered Volume (vs. Total Volume)	36%	39%	47%	40%	40%	35%	47%	47%	43%	43%
% Pine Sawtimber Volume (vs. Total Pine Volume)	43%	37%	32%	32%	36%	35%	32%	32%	39%	34%
% Export Volume (vs. Total Volume) ⁽¹⁾	5%	4%	6%	4%	5%	1%	3%	2%	1%	2%
Net Stumpage Pricing (\$ per ton)⁽²⁾										
Pine Pulpwood	\$17.10	\$18.22	\$19.14	\$21.08	\$19.09	\$24.11	\$21.46	\$22.77	\$20.95	\$22.45
Pine Sawtimber	27.51	27.96	28.06	30.74	28.27	35.46	34.09	33.31	34.00	34.36
Weighted Average Pine	\$21.58	\$21.80	\$22.02	\$24.18	\$22.42	\$28.05	\$25.54	\$26.12	\$26.00	\$26.53
Hardwood	10.51	17.49	10.94	23.31	17.96	26.06	25.70	20.59	17.25	23.48
Weighted Average Total	\$21.35	\$21.61	\$21.88	\$24.14	\$22.28	\$27.94	\$25.55	\$25.80	\$25.74	\$26.37
Summary Financial Data (\$ in MMs)										
Timber Sales	\$44.2	\$43.7	\$39.3	\$52.6	\$179.8	\$71.0	\$58.2	\$57.7	\$49.7	\$236.6
(-) Cut & Haul	(9.9)	(10.3)	(10.6)	(12.7)	(43.6)	(15.6)	(17.6)	(17.3)	(13.5)	(64.0)
(-) Port / Freight Costs	(2.0)	(1.6)	(2.7)	(3.0)	(9.4)	(2.4)	(1.8)	(1.6)	(1.1)	(6.8)
Net Stumpage Sales	\$32.3	\$31.7	\$25.9	\$36.9	\$126.9	\$53.0	\$38.9	\$38.8	\$35.1	\$165.8
Non-Timber Sales	7.5	5.6	5.5	6.0	24.6	5.8	8.1	6.8	6.9	27.6
Total Sales	\$51.7	\$49.3	\$44.8	\$58.7	\$204.4	\$76.8	\$66.3	\$64.5	\$56.6	\$264.2
Operating Income	\$17.3	\$17.0	\$12.8	\$19.0	\$66.1	\$30.3	\$24.1	\$22.5	\$19.7	\$96.6
(+) DD&A	14.4	13.6	11.6	14.6	54.1	18.1	14.7	14.1	13.5	60.3
Adjusted EBITDA⁽³⁾	\$31.7	\$30.6	\$24.4	\$33.6	\$120.2	\$48.4	\$38.7	\$36.6	\$33.2	\$156.9
Other Data										
Period-End Acres (in 000s)	1,751	1,743	1,739	1,798	1,798	1,795	1,791	1,789	1,919	1,919

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

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

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

Pacific Northwest Timber Overview

	2021					2022				
	Q1	Q2	Q3	Q4	FY 2021	Q1	Q2	Q3	Q4	YTD
Sales Volume (Tons in 000s)										
Pulpwood	79	70	66	71	287	76	80	59	86	300
Sawtimber	457	330	279	316	1,382	429	296	248	312	1,285
Total Volume	536	400	346	387	1,669	505	376	307	397	1,585
% Delivered Volume (vs. Total Volume)	78%	96%	89%	92%	88%	82%	99%	100%	92%	92%
% Sawtimber Volume (vs. Total Volume)	85%	82%	81%	82%	83%	85%	79%	81%	78%	81%
% Export Volume (vs. Total Volume) ⁽¹⁾	10%	19%	20%	14%	16%	5%	16%	12%	15%	11%
Delivered Log Pricing (\$ per ton)										
Pulpwood	\$29.36	\$29.02	\$31.34	\$36.82	\$31.65	\$37.69	\$45.17	\$50.74	\$66.26	\$50.83
Sawtimber	90.98	97.80	107.56	98.09	97.87	105.69	116.60	117.86	111.78	112.44
Weighted Average Log Price	\$81.64	\$85.47	\$92.67	\$86.69	\$86.23	\$95.35	\$101.62	\$104.97	\$101.47	\$100.50
Summary Financial Data (\$ in MMs)										
Timber Sales	\$40.3	\$33.8	\$30.2	\$32.8	\$137.1	\$45.1	\$37.9	\$32.6	\$41.0	\$156.6
(-) Cut & Haul	(16.0)	(14.5)	(12.0)	(12.9)	(55.3)	(16.2)	(16.5)	(13.9)	(16.0)	(62.7)
(-) Port / Freight Costs	—	—	—	—	—	(0.1)	(0.4)	(0.2)	(2.1)	(2.8)
Net Stumpage Sales	\$24.3	\$19.3	\$18.3	\$19.8	\$81.8	\$28.8	\$21.0	\$18.5	\$22.8	\$91.1
Non-Timber Sales	1.3	1.5	1.3	1.9	5.9	1.1	1.3	1.8	1.4	5.6
Total Sales	\$41.5	\$35.3	\$31.5	\$34.7	\$143.0	\$46.3	\$39.2	\$34.4	\$42.4	\$162.2
Operating Income	\$1.3	\$1.9	\$2.1	\$1.5	\$6.8	\$6.6	\$2.9	\$2.2	\$3.5	\$15.2
(+) Timber write-off and adjustments resulting from casualty events ⁽²⁾	—	—	—	—	—	—	—	1.1	(0.4)	0.7
Pro Forma Operating Income ⁽²⁾	\$1.3	\$1.9	\$2.1	\$1.5	\$6.8	\$6.6	\$2.9	\$3.3	\$3.1	\$15.9
(+) DD&A	16.3	12.0	10.5	11.7	50.5	14.9	11.3	9.4	12.4	48.0
Adjusted EBITDA⁽²⁾	\$17.6	\$13.9	\$12.5	\$13.2	\$57.3	\$21.5	\$14.3	\$12.6	\$15.5	\$63.9
Other Data										
Period-End Acres (in 000s)	507	499	490	490	490	486	486	486	474	474
Northwest Sawtimber (\$ per MBF) ⁽³⁾	\$730	\$750	\$803	\$755	\$748	\$849	\$905	\$860	\$783	\$849

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

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

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

New Zealand Timber Overview

	2021					2022				
	Q1	Q2	Q3	Q4	FY 2021	Q1	Q2	Q3	Q4	FY 2022
Sales Volume (Tons in 000s)										
Domestic Pulpwood (Delivered)	106	104	114	102	425	94	105	103	85	388
Domestic Sawtimber (Delivered)	159	174	185	153	671	135	188	221	142	686
Export Pulpwood (Delivered)	47	56	43	52	198	36	55	38	53	182
Export Sawtimber (Delivered)	287	359	326	335	1,308	250	355	349	406	1,360
Total Volume	599	692	668	642	2,602	515	703	712	686	2,616
% Delivered Volume (vs. Total Volume)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
% Sawtimber Volume (vs. Total Volume)	74%	77%	76%	76%	76%	75%	77%	80%	80%	78%
% Export Volume (vs. Total Volume) ⁽¹⁾	56%	60%	55%	60%	58%	56%	58%	54%	67%	59%
Delivered Log Pricing (\$ per ton)										
Domestic Pulpwood	\$40.15	\$43.31	\$43.35	\$40.95	\$41.97	\$34.98	\$34.56	\$33.13	\$31.04	\$33.50
Domestic Sawtimber	80.95	85.09	85.00	81.16	83.19	75.99	76.82	69.69	64.79	71.87
Export Sawtimber	121.65	148.28	149.68	132.87	138.84	127.59	140.44	123.07	111.30	124.91
Weighted Average Log Price	\$95.70	\$115.92	\$112.65	\$104.65	\$107.65	\$96.59	\$106.88	\$92.76	\$90.70	\$96.77
Summary Financial Data (\$ in MM\$)										
Timber Sales	\$57.3	\$80.3	\$75.3	\$67.2	\$280.1	\$49.7	\$75.1	\$66.1	\$62.3	\$253.1
(-) Cut & Haul	(20.9)	(25.1)	(23.3)	(24.1)	(93.4)	(19.1)	(26.7)	(25.8)	(24.2)	(95.8)
(-) Port / Freight Costs	(12.0)	(23.1)	(26.6)	(27.8)	(89.6)	(15.3)	(31.4)	(23.1)	(22.7)	(92.5)
Net Stumpage Sales	\$24.4	\$32.1	\$25.4	\$15.3	\$97.1	\$15.3	\$16.9	\$17.2	\$15.4	\$64.8
Non-Timber Sales/Carbon Credits	0.2	0.3	0.2	0.3	1.1	1.7	3.8	6.4	9.1	21.0
Total Sales	\$57.6	\$80.6	\$75.6	\$67.5	\$281.2	\$51.4	\$78.9	\$72.5	\$71.4	\$274.1
Operating Income	\$14.0	\$20.7	\$13.3	\$3.6	\$51.5	\$5.4	\$8.0	\$9.3	\$8.0	\$30.6
(+) DD&A	7.2	7.0	6.6	6.2	27.0	5.0	6.9	6.3	5.7	23.9
Adjusted EBITDA⁽²⁾	\$21.2	\$27.7	\$19.9	\$9.8	\$78.5	\$10.4	\$14.9	\$15.6	\$13.7	\$54.5
Other Data										
NZ\$/US\$ Exchange Rate (Period-average rate)	0.7217	0.7164	0.7017	0.6969	0.7090	0.6680	0.6628	0.6223	0.5842	0.6350
Net Plantable Period-End Acres (in 000s)	296	296	297	296	296	297	296	297	297	297
Export Sawtimber (\$ / JAS m ³)	\$141.45	\$172.41	\$174.03	\$154.48	\$161.42	\$148.35	\$163.29	\$143.09	\$129.41	\$145.23
Domestic Sawtimber (NZ\$ / tonne)	\$123.39	\$130.65	\$133.26	\$128.10	\$129.07	\$125.13	\$127.50	\$123.19	\$121.99	\$124.50

(1) Percentage of export volume includes direct exports through our log export program.

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

Real Estate Overview

	2021					2022				
	Q1	Q2	Q3	Q4	FY 2021	Q1	Q2	Q3	Q4	FY 2022
Gross Sales (\$ in MMs)										
Improved Development ⁽¹⁾	\$0.3	\$19.3	\$27.8	\$4.3	\$51.7	\$5.0	\$11.6	\$2.3	\$16.6	\$35.4
Unimproved Development	—	—	37.5	—	37.5	—	—	—	—	—
Rural	9.8	20.3	6.9	6.1	43.1	16.9	23.4	7.0	12.2	59.5
Timberland & Non-Strategic	—	—	—	—	—	11.4	—	—	—	11.4
Conservation Easement	—	3.9	—	—	3.9	—	—	—	—	—
Deferred Revenue/Other ⁽²⁾	0.5	(5.0)	1.1	1.0	(2.4)	0.9	(0.6)	3.2	(2.2)	1.2
Large Dispositions ⁽³⁾	—	36.0	20.0	—	56.0	—	—	—	30.5	30.5
Total Sales	\$10.5	\$74.5	\$93.4	\$11.5	\$189.9	\$34.2	\$34.4	\$12.4	\$57.0	\$138.0
Acres Sold										
Improved Development ⁽¹⁾	0.6	289.2	479.0	22.2	791.0	16.1	60.8	19.0	129.0	224.9
Unimproved Development	—	—	359	—	359	—	—	—	—	—
Rural	2,394	7,725	3,260	1,186	14,565	4,751	4,633	1,809	1,961	13,156
Timberland & Non-Strategic	—	—	34	—	34	3,966	—	—	—	3,966
Acres Sold	2,395	8,014	4,131	1,209	15,749	8,734	4,694	1,828	2,090	17,347
Large Dispositions ⁽³⁾	—	8,534	8,088	—	16,622	—	—	—	10,977	10,977
Total Acres Sold	2,395	16,548	12,219	1,209	32,371	8,734	4,694	1,828	13,067	28,323
Gross Price per Acre (\$ per acre)										
Improved Development ⁽¹⁾	\$406,452	\$66,864	\$57,988	\$195,899	\$65,375	\$308,065	\$190,136	\$121,106	\$128,522	\$157,424
Unimproved Development	—	—	104,579	—	104,579	—	—	—	—	—
Rural	4,079	2,627	2,128	5,132	2,958	3,567	5,054	3,848	6,196	4,522
Timberland & Non-Strategic	—	—	1,297	—	1,297	2,874	—	—	—	2,874
Large Dispositions ⁽³⁾	—	4,218	2,479	—	3,372	—	—	—	2,776	2,776
Weighted Avg. (Total)⁽⁴⁾	\$4,183	\$4,946	\$17,490	\$8,635	\$8,403	\$3,815	\$7,453	\$5,064	\$13,747	\$6,128
Weighted Avg. (Adjusted) ⁽⁵⁾	\$4,079	\$2,627	\$12,179	\$5,132	\$5,391	\$3,252	\$5,054	\$3,848	\$6,196	\$4,140
Total Net Sales (Excluding Large Dispositions ⁽³⁾)	\$10.5	\$38.5	\$73.4	\$11.5	\$133.9	\$34.2	\$34.4	\$12.4	\$26.5	\$107.5
Operating Income (Loss)	\$1.7	\$50.5	\$60.6	(\$0.3)	\$112.5	\$10.2	\$11.0	\$15.7	\$21.5	\$58.5
(-) Gain associated with the multi-family apartment complex sale attributable to NCI ⁽³⁾	—	—	—	—	—	—	—	(11.5)	—	(11.5)
(-) Large Dispositions ⁽³⁾	—	(30.3)	(14.5)	—	(44.8)	—	—	—	(16.6)	(16.6)
Pro Forma Operating Income (Loss) ⁽³⁾	\$1.7	\$20.2	\$46.1	(\$0.3)	\$67.8	\$10.2	\$11.0	\$4.3	\$4.9	\$30.4
(+) Depreciation, depletion and amortization	1.6	3.7	1.8	0.9	7.9	9.1	2.6	1.0	1.2	13.9
(+) Non-cash cost of land and improved development	1.8	5.2	15.8	2.2	25.0	5.4	11.8	3.1	8.1	28.4
Adjusted EBITDA⁽³⁾	\$5.1	\$29.1	\$63.8	\$2.8	\$100.7	\$24.7	\$25.4	\$8.4	\$14.2	\$72.7

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

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

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

(4) Excludes Large Dispositions.

(5) Excludes Improved Development and Large Dispositions.

Capital Expenditures By Segment

(\$ in millions)	Three Months Ended			Year Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Southern Timber					
Reforestation, Silviculture & Other Capital Expenditures	\$12.6	\$5.4	\$10.4	\$24.1	\$21.5
Property taxes	1.5	1.9	1.7	7.1	6.8
Lease payments	2.2	0.1	2.0	3.1	3.1
Allocated overhead	1.3	1.2	1.3	4.9	4.4
Subtotal Southern Timber	\$17.6	\$8.6	\$15.4	\$39.3	\$35.8
Pacific Northwest Timber					
Reforestation, Silviculture & Other Capital Expenditures	3.0	2.3	4.4	10.5	10.8
Property taxes	0.3	0.3	0.3	1.1	1.1
Allocated overhead	1.2	1.3	1.2	5.2	4.7
Subtotal Pacific Northwest Timber	\$4.5	\$3.9	\$5.9	\$16.8	\$16.6
New Zealand Timber					
Reforestation, Silviculture & Other Capital Expenditures	2.2	3.2	3.3	10.9	11.2
Property taxes	0.2	0.2	0.2	0.8	0.8
Lease payments	1.6	1.4	2.8	4.4	5.2
Allocated overhead	0.4	0.6	0.7	2.4	3.0
Subtotal New Zealand Timber	\$4.5	\$5.4	\$7.0	\$18.5	\$20.1
Total Timber Segments Capital Expenditures	\$26.5	\$17.8	\$28.3	\$74.5	\$72.5
Timber Funds ("Look-through")⁽¹⁾	—	—	—	—	0.5
Real Estate	0.1	0.1	0.1	0.3	0.2
Total Capital Expenditures	\$26.6	\$17.9	\$28.4	\$74.8	\$73.2
Timberland Acquisitions					
Southern Timber	454.5	—	127.2	457.8	168.2
New Zealand Timber	0.7	—	—	0.7	10.9
Timberland Acquisitions	\$455.3	—	\$127.2	\$458.5	\$179.1
Real Estate Development Investments⁽²⁾	\$2.8	\$4.9	\$3.4	\$13.7	\$12.5

(1) The year ended December 31, 2021 excludes \$2.8 million of capital expenditures attributable to noncontrolling interests in Timber Funds.

(2) 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.

2023 Financial Guidance

(\$ in millions)	2022	Guidance		
Timber Volumes (tons in millions)				
Southern Timber	6.3	6.7	-	7.0
Pacific Northwest Timber	1.6	1.5	-	1.6
New Zealand Timber	2.6	2.5	-	2.7
Total	10.5	10.7	-	11.3
Segment Adjusted EBITDA⁽¹⁾				
Southern Timber	\$156.9	\$145.0	-	\$160.0
Pacific Northwest Timber	63.9	42.0	-	52.0
New Zealand Timber	54.5	58.0	-	64.0
Real Estate	72.7	68.0	-	77.0
Trading	0.4	1.0	-	1.0
Corporate and Other	(34.2)	(34.0)	-	(34.0)
Total	\$314.2	\$280.0	-	\$320.0
Segment DD&A				
Southern Timber	\$60.3	\$73.0	-	\$76.0
Pacific Northwest Timber	48.0	39.0	-	42.0
New Zealand Timber	23.9	24.0	-	26.0
Real Estate	13.9	9.0	-	11.0
Trading	—	—	-	—
Corporate and Other	1.3	1.5	-	2.0
Total	\$147.3	\$146.5	-	\$157.0
Non-cash cost of land and improved development	\$28.4	\$25.0	-	\$31.0
Segment Pro Forma Operating Income				
Southern Timber	\$96.6	\$72.0	-	\$84.0
Pacific Northwest Timber	15.9	3.0	-	10.0
New Zealand Timber	30.6	34.0	-	38.0
Real Estate	30.4	34.0	-	35.0
Trading	0.4	1.0	-	1.0
Corporate and Other	(35.5)	(35.5)	-	(36.0)
Total	\$138.5	\$108.5	-	\$132.0
Capital Expenditures	\$74.8	\$85.0	-	\$95.0
Diluted Earnings per Share	\$0.73	\$0.36	-	\$0.50

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

Section 2



Supplemental Information

Definitions of Non-GAAP Measures and Pro Forma Items

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, depletion, amortization, the non-cash cost of land and improved development, non-operating expense, operating income attributable to noncontrolling interests in Timber Funds, gain associated with the multi-family apartment complex sale attributable to noncontrolling interests, the gain on investment in Timber Funds, Fund II Timberland Dispositions, timber write-offs resulting from casualty events and Large Dispositions. Adjusted EBITDA is a non-GAAP measure that management uses to make strategic decisions about the business and that investors can use to evaluate the operational performance of the assets under management. It excludes specific items that management believes are not indicative of the Company's ongoing operating results.

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

Fund II Timberland Dispositions represent the disposition of Fund II Timberland assets, which we managed and owned a co-investment stake in.

Gain on investment in Timber Funds represents the gain recognized on the sale of rights to manage two timber funds (Funds III and IV) previously managed by the Company's Olympic Resources Management (ORM) subsidiary, as well as its co-investment stake in both funds.

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

Loss related to debt extinguishments and modifications includes prepayment penalties and unamortized capitalized loan costs associated with repaid debt in addition to legal and arrangement fees associated with refinancing, partially offset by write-off of fair market value adjustments.

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

Loss from terminated cash flow hedge is the mark to market loss recognized in earnings due to the early termination of an interest rate swap, as the hedged cash flows will no longer occur.

Timber write-off and adjustments resulting from casualty events includes the write-off of merchantable and pre-merchantable timber volume related to a casualty event and a favorable adjustment to the original write-off estimate of \$1.1 million.

Pro Forma net income is defined as net income attributable to Rayonier Inc. adjusted for its proportionate share of losses from a terminated cash flow hedge, losses related to debt extinguishments and modifications, the gain on investment in Timber Funds, Fund II Timberland Dispositions, timber write-offs resulting from casualty events and Large Dispositions. Rayonier believes that this non-GAAP financial measure provides investors with useful information to evaluate our core business operations because it excludes specific items that are not indicative of the Company's ongoing operating results.

Pro Forma net income adjustments attributable to noncontrolling interests in the operating partnership are the proportionate share of pro forma items that are attributable to noncontrolling interests in the operating partnership.

Pro Forma operating income (loss) is defined as operating income (loss) adjusted for operating income attributable to noncontrolling interests in Timber Funds, the gain associated with the multi-family apartment complex sale attributable to noncontrolling interests, the gain on investment in Timber Funds, Fund II Timberland Dispositions, timber write-offs resulting from casualty events and Large Dispositions. Rayonier believes that this non-GAAP financial measure provides investors with useful information to evaluate our core business operations because it excludes specific items that are not indicative of the Company's ongoing operating results.

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

Reconciliation of Reported to Pro Forma Earnings

(\$ in millions, except per share amounts)

Three Months Ended	December 31, 2022		September 30, 2022		December 31, 2021	
	\$	EPS	\$	EPS	\$	EPS
Sales	\$245.4		\$195.3		\$262.0	
Sales attributable to noncontrolling interests in Timber Funds	—		—		(57.0)	
Fund II Timberland Dispositions attributable to Rayonier ⁽¹⁾	—		—		(14.0)	
Large Dispositions ⁽¹⁾	(30.5)		—		—	
Pro Forma Sales	\$214.9		\$195.3		\$191.0	
Net Income attributable to Rayonier Inc.	\$33.1	\$0.22	\$20.6	\$0.14	\$8.7	\$0.06
Gain on investment in Timber Funds ⁽¹⁾	—	—	—	—	(3.8)	(0.03)
Fund II Timberland Dispositions attributable to Rayonier ⁽¹⁾	—	—	—	—	(3.1)	(0.02)
Timber write-off and adjustments resulting from casualty events attributable to Rayonier ⁽¹⁾	(0.4)	—	1.1	0.01	—	—
Large Dispositions ⁽¹⁾	(16.6)	(0.11)	—	—	—	—
Pro forma net income adjustments attributable to noncontrolling interests in the operating partnership ⁽¹⁾	0.4	—	—	—	0.2	—
Pro Forma Net Income	\$16.5	\$0.11	\$21.6	\$0.15	\$2.0	\$0.01

Year Ended	December 31, 2022		December 31, 2021	
	\$	EPS	\$	EPS
Sales	\$909.1		\$1,109.6	
Sales attributable to noncontrolling interests in Timber Funds	—		(159.1)	
Fund II Timberland Dispositions attributable to Rayonier ⁽¹⁾	—		(31.4)	
Large Dispositions ⁽¹⁾	(30.5)		(56.0)	
Pro Forma Sales	\$878.6		\$863.1	
Net Income attributable to Rayonier Inc.	\$107.1	\$0.73	\$152.6	\$1.08
Fund II Timberland Dispositions attributable to Rayonier ⁽¹⁾	—	—	(10.3)	(0.07)
Gain on investment in Timber Funds ⁽¹⁾	—	—	(7.5)	(0.05)
Loss from terminated cash flow hedge ⁽¹⁾	—	—	2.2	0.02
Loss related to debt extinguishments and modifications ⁽¹⁾	—	—	0.2	—
Timber write-off resulting from casualty events attributable to Rayonier ⁽¹⁾	0.7	—	—	—
Large Dispositions ⁽¹⁾	(16.6)	(0.11)	(44.8)	(0.31)
Pro forma net income adjustments attributable to noncontrolling interests in the operating partnership ⁽¹⁾	0.3	—	1.7	—
Pro Forma Net Income	\$91.5	\$0.62	\$94.1	\$0.67



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

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

(\$ in millions)								
Three Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Timber Funds	Real Estate	Trading	Corporate and Other	Total
December 31, 2022								
Operating income	\$19.7	\$3.5	\$8.0	—	\$21.5	\$0.3	(\$8.9)	\$44.1
Adjustment to prior period timber write-off ⁽¹⁾	—	(0.4)	—	—	—	—	—	(0.4)
Large Dispositions ⁽¹⁾	—	—	—	—	(16.6)	—	—	(16.6)
Pro forma operating income	\$19.7	\$3.1	\$8.0	—	\$4.9	\$0.3	(\$8.9)	\$27.2
Depreciation, depletion & amortization	13.5	12.4	5.7	—	1.2	—	0.3	33.1
Non-cash cost of land and improved development	—	—	—	—	8.1	—	—	8.1
Adjusted EBITDA	\$33.2	\$15.5	\$13.7	—	\$14.2	\$0.3	(\$8.6)	\$68.4
September 30, 2022								
Operating income	\$22.5	\$2.2	\$9.3	—	\$15.7	\$0.2	(\$9.0)	\$40.9
Gain associated with the multi-family apartment complex sale attributable to NCI ⁽¹⁾	—	—	—	—	(11.5)	—	—	(11.5)
Timber write-off resulting from casualty events attributable to Rayonier ⁽¹⁾	—	1.1	—	—	—	—	—	1.1
Pro forma operating income	\$22.5	\$3.3	\$9.3	—	\$4.3	\$0.2	(\$9.0)	\$30.5
Depreciation, depletion & amortization	14.1	9.4	6.3	—	1.0	—	0.3	31.1
Non-cash cost of land and improved development	—	—	—	—	3.1	—	—	3.1
Adjusted EBITDA	\$36.6	\$12.6	\$15.6	—	\$8.4	\$0.2	(\$8.6)	\$64.7
December 31, 2021								
Operating income (loss)	\$19.0	\$1.5	\$3.6	\$18.4	(\$0.3)	(\$0.5)	(\$8.2)	\$33.5
Gain on investment in Timber Funds ⁽¹⁾	—	—	—	(3.8)	—	—	—	(3.8)
Fund II Timberland Dispositions attributable to Rayonier ⁽¹⁾	—	—	—	(3.1)	—	—	—	(3.1)
Operating income attributable to NCI in Timber Funds ⁽²⁾	—	—	—	(12.3)	—	—	—	(12.3)
Pro forma operating income (loss)	\$19.0	\$1.5	\$3.6	(\$0.7)	(\$0.3)	(\$0.5)	(\$8.2)	\$14.4
Depreciation, depletion & amortization	14.6	11.7	6.2	0.2	0.9	—	0.3	33.9
Non-cash cost of land and improved development	—	—	—	—	2.2	—	—	2.2
Adjusted EBITDA	\$33.6	\$13.2	\$9.8	(\$0.6)	\$2.8	(\$0.5)	(\$7.9)	\$50.4

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

(2) The three months ended December 31, 2021 includes \$12.5 million of income from Fund II Timberland Dispositions.

Reconciliation of Operating Income to Adjusted EBITDA by Segment

(\$ in millions)								
Year Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Timber Funds	Real Estate	Trading	Corporate and Other	Total
December 31, 2022								
Operating income	\$96.6	\$15.2	\$30.6	—	\$58.5	\$0.4	(\$35.5)	\$165.8
Gain associated with the multi-family apartment complex sale attributable to NCI ⁽¹⁾	—	—	—	—	(11.5)	—	—	(11.5)
Timber write-off resulting from casualty events attributable to Rayonier ⁽¹⁾	—	0.7	—	—	—	—	—	0.7
Large Dispositions ⁽¹⁾	—	—	—	—	(16.6)	—	—	(16.6)
Pro forma operating income	\$96.6	\$15.9	\$30.6	—	\$30.4	\$0.4	(\$35.5)	\$138.5
Depreciation, depletion & amortization	60.3	48.0	23.9	—	13.9	—	1.3	147.3
Non-cash cost of land and improved development	—	—	—	—	28.4	—	—	28.4
Adjusted EBITDA	\$156.9	\$63.9	\$54.5	—	\$72.7	\$0.4	(\$34.2)	\$314.2
December 31, 2021								
Operating income	\$66.1	\$6.8	\$51.5	\$63.3	\$112.5	\$0.1	(\$30.6)	\$269.8
Gain on investment in Timber Funds ⁽¹⁾	—	—	—	(7.5)	—	—	—	(7.5)
Fund II Timberland Dispositions attributable to Rayonier ⁽¹⁾	—	—	—	(10.3)	—	—	—	(10.3)
Operating income attributable to NCI in Timber Funds ⁽²⁾	—	—	—	(45.6)	—	—	—	(45.6)
Large Dispositions ⁽¹⁾	—	—	—	—	(44.8)	—	—	(44.8)
Pro forma operating income (loss)	\$66.1	\$6.8	\$51.5	(\$0.1)	\$67.8	\$0.1	(\$30.6)	\$161.6
Depreciation, depletion & amortization	54.1	50.5	27.0	2.4	7.9	—	1.2	143.2
Non-cash cost of land and improved development	—	—	—	—	25.0	—	—	25.0
Adjusted EBITDA	\$120.2	\$57.3	\$78.5	\$2.3	\$100.7	\$0.1	(\$29.4)	\$329.8

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

(2) The year ended December 31, 2021 includes \$41.2 million of income from Fund II Timberland Dispositions.

