April Tice:

Good morning. I'm April Tice, Chief Accounting Officer and incoming CFO. For those of you I've not met before, I thought I'd give you some background. I started Rayonier almost 14 years ago and before that I was with Deloitte & Touche. And Rayonier was my main client, which means for nearly six years I had a front row seat into how Rayonier operated and to the employees that work there. And I can tell you I was impressed. I was so impressed that I actively pursued to join their team. And over the years I've been a part of many meaningful transactions including Rayonier's transformation into a pure play timber REIT. But it will be in my new role as CFO that I'm excited to partner with Mark and provide complimentary skills that will grow our initiatives going forward.

Okay. With the background, I'll dive right into our prudent financial management. So we started our morning with Dave talking about our solid foundation and how that is going to allow us to build. We're going to leverage our success as a pure play timber REIT by delivering land-based solutions and creating real estate development opportunities. Our balance sheet supports our foundation and we're going to continue to optimize it by executing our asset disposition plan and paying down our debt. And with our strength and our foundation is with our nimble and opportunistic approach to capital allocation. And it is with that mindset and this very skilled team that you heard from today that we can maximize shareholder value.

So let's talk about our foundation. How did we build it? Well, just like it says on the wall, we did it by growing renewable forest products or as I like to say, timber. And we complimented that with real estate. Now I recognize that capturing HBU premiums does create some variability, but the two of them really do work together to create stable and reliable sources of income that have been very successful in generating value over time. The EBITDA that is generated from our core operations has had a high conversion rate to free cash flow, and that has given us the flexibility to invest in our business, return capital to shareholders or manage our balance sheet.

We take a strategic approach to optimizing our balance sheet and managing our leverage. On three occasions over the last eight years, we have taken on additional debt in order to facilitate a major acquisition and each time we have brought that leverage down either through organic cash flow or recycling capital through large dispositions. Our most recent example of this was in 2022 with the acquisition that Rhett just spoke about in the US South. With that acquisition, we took on an additional $250 million of debt, which brought our net debt to adjusted EBITDA up to almost five times. Since then, we've taken steps to bring that back down. Rhett also mentioned that we paid down $150 million of our only variable rate debt and that brought our net debt to adjusted EBITDA to 3.9 times as of year-end. By executing our shareholder value initiative plan, we expect to bring that down even further.

So we have a track record of strategically managing our balance sheet and S&P’s and Moody's has recognized that, but investment grade ratings and we're committed to maintaining that. We also have ongoing access to the farm credit system, and if you're not familiar with the farm credit system, it is basically a financial cooperative that is tailored to the agricultural industry, but timberland's is included. So this provides us with competitive rates, favorable terms, and annual cash distributions known as patronage, all of which results in debt costs roughly a hundred basis points lower than traditional lending. And as we stated in November, we established enhanced

credit ratio targets and we're focusing on net debt to adjusted EBITDA of less than or equal to three times and net debt to asset value of less than or 20%.

These targets will strengthen our balance sheet and prepare us to allocate capital where it most enhances shareholder value, especially in an elevated interest rate environment, an environment that we are very well positioned for. In 2021, before rates started to decline, we locked in our debt cost with interest rate swaps resulting in our current weighted average cost of debt of 2.8%.

We have a well stacked maturity profile and as debt and swaps come due, we expect to be able to repay that debt and by doing so, maintain this very low cost of borrowing. And when it comes to capital allocation, flexibility is the key. We adjust our priorities based on the opportunities that become available and that means we invest in our growth either through advancing civil culture or pursuing acquisitions. We return capital to shareholders through dividends and share buybacks. And lastly, we manage our balance sheet with a priority of reaching our enhanced credit ratio targets.

So we've talked about our strong foundation built on stable and reliable EBITDA returns. We strategically manage our balance sheet and reduce leverage in line with our targets and we remain flexible in our capital allocation. All of this is to propel us to the main objective, which is maximizing shareholder value. And as Rhett detailed, we saw a disconnect and we still do between the private and public timberland markets. And in conjunction with a higher interest rate environment, we pivoted to a disposition and de-leveraging plan.

And so as we laid out in November, we are targeting $1 billion of total dispositions and we'll use the proceeds to retire debt and return meaningful capital back to shareholders. So 10 years ago, Dave challenged us with delivering best in class disclosures and I see an opportunity to bring that to our new growth initiatives. This will allow shareholders to gauge our progress against these targets and also hold us accountable. We will provide detailed breakdown of our land-based solutions, including contributions currently in non-timber income in our timber segment, and we'll also provide more insight into our Wildlight and Heartwood projects providing new financial metrics as well as qualitative disclosures.

So as newly appointed CFO, I am building on an already strong financial foundation, but I do have three priorities. And the first one we just talked about, we're going to maintain and build an open and transparent disclosure incorporating land-based solutions and real estate development projects. Secondly, is enhancing our finance platforms for both our core business and our growth opportunities. We are data-driven and enhancing these platforms will not only allow us to provide the right data to shareholders, but for our internal customers as well.

And lastly, I'm committed to maintaining a top finance talent and my expertise lies in financials, but I have a history of motivating teams and developing talent and I will continue to do that as CFO. And so to sum up, we have a skilled team who's building our strong foundation by delivering land-based solutions and creating real estate development opportunities. And we are strategically managing our balance sheet, which will position us to be flexible with capital allocation. With all these priorities in place, we move forward, but always remembering our top priority, which is maximizing shareholder value. I thank you for your time today and indulging me in my introduction and my little tech problem. Right now, I'll pass it over to Mark. Thank you.