Doug Long:

So the guy who wanted to hug trees to talk twice, so I'm not sure about that. But no, while we're excited about the growth that we see in our land-based solutions and our real estate development businesses, our 97 years of managing forests and great timber markets will still be the underlying core of our business, as Mark mentioned. With the focus on decarbonization population growth and underbuilt housing, we believe there are strong long-term secular tailwinds upon which to also grow this business.

Speaking of growth, our foresters and research team are focused on adapting to changing climates and are utilizing advances in technology to organically grow our timber returns on each acre of our ownership. So let's take a deeper look into the high quality forests that attracted me to Rayonier. Our core timber business is well positioned to meet growing demand for renewable forest products with our high quality forests concentrated in the top three softwood growing regions in the world in the US South, Pacific Northwest, and New Zealand.

As Mark mentioned before, in the US South we have about 1.9 million acres and a sustainable yield of around 7 million tons. In that area, we grow southern yellow pine, typically loblolly and slash pine and longleaf pine. In the Pacific Northwest. We have about 420,000 acres, primarily of Doug fir and hemlock with a sustainable yield of around 1.35 million tons. In New Zealand with also 420,000 tons, we grow highly versatile radiata pine and Douglas fir, and on that same 420,000 tons, we grow almost twice as much as in the northwest of about 2.5, 2.6 million tons of annual harvest. That just shows how productive those New Zealand forests are because that's almost in half the time that we grow in Northwest operation.

All of our forests provide the full spectrum of traditional products, but there are some nuances to our segments. But the 60% pulpwood harvest, our Southern Timberlands are more leveraged to strong pulpwood markets in GDP related consumer consumption. Pacific Northwest we're more leveraged to housing through lumber with over 80% of our harvest being in saw timber. And in New Zealand to growing populations in the Indo-Pacific region through exports, over 60% of our harvest. The majority of our US and New Zealand forests are proximal to ports that allow us to meet both domestic and global demand.

As Mark said, there's value in being a pure play timber REIT that is upstream in the value chain where there is less volatility. If you look at the bottom-right chart and you take out those COVID run-up years, manufacturing has averaged single-digit EBITDA margins, with even some years being negative. Compare that to the timber chart on the left, which has enjoyed relatively stable and high-yielding EBITDA margins, averaging 34% over the past two decades.

While the species in geographic diversity require different management techniques, there are two things that are consistent across our portfolio. First, our commitment to sustainable forestry across all of our timberlands, and second, driving operational excellence for our market-driven precision forestry strategy. As you can see on the left, our forests in North America are SFI certified, we're FSC in New Zealand, and then PEFC was a European-based standard that's now become more international that's recognized by both of those.

And what does that mean when we talk about sustainable forest management and certification? Essentially, as we talked about before, as Dave mentioned around sustainable forests, it's having that cut that we're harvesting growth. And we're doing that meeting all of the water quality requirements, biodiversity, adapting for climate change. There's hundreds of different criteria we have to meet basically to match that, but the goal is to assure everyone that the forest products they're getting from that have been managed well and sustainably.

And if you look to the right, leveraging our in-house R&D team working with our experienced field foresters, we use millions of data points combined with local knowledge to focus on the silviculture regime that will maximize the net present value of each stand, as Mark discussed. And this is going to be based on soils, climates, genetics, and the markets, and many other factors.

In this chart on the right bottom, site index is a measure of the quality of a stand, and it's the average height of trees at a specific age. And what we have here is, you can see on this chart, typical in the US South land might be a site index of 65, so it's usually 65 feet tall at age 25. We have the opportunity through using those different techniques I mentioned to maximize the ability to grow carbon and fiber on those sites up to, say, 85, site index 85. And as you see there, that's significant growth on that left side of, call it, three tons per acre to six tons per acre of harvesting per year.

We also have the ability in that little yellow bar right there to change the quality of the grade, which grade is a percent of sawtimber. So we can change that and improve it. So essentially, through managing the land, you have the ability to improve your factory to make more capacity as well as make more profitable products, but this all must be done in the context of the cost and forecasted returns that you're looking at to maximize your net present value. Otherwise, you can spend the bank chasing that biological optimum on the right-hand side instead of the financial optimum. And in my course of my career, I've seen several companies learn this the hard way and they're no longer with us.

Well, each market will have unique localized factors. There are generally three central forces at play: US housing, the pulpwood markets and the strength of those, and export. Driving sawtimber pricing in particular is the pace of residential construction. As you can see on the graph on the left-hand side, there's a gap from 2006 to 2016 that was underbuilt, and that gap between that blue line and the little gray line shows right there, that's about 5 million houses. Actually, it's more than 5 million houses that were underbuilt that we need to have in the United States. So we really are looking for that opportunity and leverage to the opportunity.

Pulp demand is more closely tied to consumer spending and shopping habits such as e-commerce as well as the new users we've talked about for bioenergy. We've seen that post-COVID destocking correction, as you can see here on this middle chart, and the forecast is basically for improvements, and I think that's happening. What we've seen is in our local markets, and I'm encouraged that we've seen the first linerboard price increases in almost two years. So we really are starting to see that destocking and moving forward.

Last but not least, access to ports and export demand provides market tension in the US and is core to our New Zealand operations. While not to its peak, as you can see on the right-hand side

here, the China log imports are forecasted to improve over the next few years with New Zealand poised to meet that demand.

As Mark mentioned, timber made up 70% of our adjusted EBITDA last year with the US South making up the lion's share of that at 67%, followed by New Zealand, and Pacific Northwest. Next, I'm going to discuss some of those drivers that are unique to each of these segments.

Speaking of the US South, as a public investment, I don't believe you'll find a better allocation of forest properties with over 70% of our forest in the US South in top-quartile markets that are proximal to both ports and the domestic markets. If you look at the map and the chart, and these are made for foresters like me, actually I made this first map on the left 20 years ago, so they're not only made for foresters like me, they were made by me, and they're made to be like a traffic light. So very simple. Green is good and clear, red is a full stop, the amber in the middle is where you have take in multiple factors and you think about as you're approaching that light. Sometimes it's great, sometimes you just stop and think a little bit, like is there a cop sitting there watching you as you go through?

As you can see, the manufacturing capacity in the past decade has really moved in that bottom right-hand quadrant in Florida, Georgia, and Alabama where we have that bright green. They've moved to be closer to the urbanizing growth. Chris mentioned the 1,500 people a day moving into Florida. Georgia is also seeing significant growth, so we see a lot of that capacity moving in there, and they also have access to the ports to export. So with that, we've got highly tensioned markets in the Atlantic coastal region. And this portfolio didn't just happen by mistake. Brett will share with us in the future some intentional moves that we've made.

Two important key facts on this graph. First, I'll take you to the middle there on the bar chart, is that the average lumber production cost in North America are cheapest in the US South at $312. So this is significantly cheaper than when we look across. What that's led to, if you look now to the left, is an increase in capacity in the US South from 27% to 38% of North American lumber capacity is in the US South with a lot of that being in our operating area, and you can see that in that map I showed with those green areas being all good, all go. With the advantage they have in the transportation and the other things that we've seen there, we really are seeing significant capacity in this area.

One thing's also, if you can see between that light shading capacity and then those dark green bars, is that the capital investments have been made, but we have yet to see marketing conditions that have unleashed the full potential of these mills and the associated sawlog demand. So our largest timber segment has the cheapest lumber production in North America in excess capacity in one of the fastest-growing regions. For me, this is a winning recipe of success when the market's due to turn.

We have a well-diversified base harvest with 69% of our pulpwood in markets in container board and market pulp leveraged to growth, e-commerce, and growing trends of substitution for plastics, and 13% in OSB which is leveraged to that housing growth. Growing interest by these new bioenergy entrants are also adding further competition and we look forward to them in the future.

If you look on the right, we really are seeing positive momentum in the current markets. It appears that that post-COVID destocking is largely behind us, and as I showed in that earlier graph, we've seen that price increase start, and demand capacity has gone from roughly 80% to 90% in the box-board market in the fourth quarter. So a lot of growth in this area.

We've also seen rationalization to accommodate the recent recycle capacity additions that were added, and this is yielding those improved operating rates I mentioned. With strong public markets and the lowest lumber production costs, our top quartile markets continue to build on their strengths in the US South.

Now, let's talk a bit about the main market drivers in the Pacific Northwest. With over 80% of our Pacific Northwest harvest comprised of sawlogs, we are heavily leveraged to lumber and the underdeveloped housing market, which obviously hasn't benefited from these high interest rates, but we do believe the demand is coming. That said, if you take a look at this graph and you look in the green, you can see the lumber pricing. And over the past few years, you can see the potential upside with logs in blue following. These are very tensioned markets and very well-balanced. So as we see lumber price increases, we've seen a direct relationship with logs in these markets in the Pacific Northwest. Our top quartile southern markets have very similar price elasticity.

An important driver that doesn't show up in this graph to me is the recent 2 billion board feet of capacity reductions that have happened in British Columbia that have been announced through the last year or so. That should yield a more competitive advantage for our Washington sawmillers as the housing market improves.

Having started exports in the 1960s to Asia, Rayonier is one of the leading exporters to this region. As I mentioned before, over 6% of our New Zealand harvest is destined for export markets and they are primarily in China. I don't believe that China construction troubles are news to anyone in here, but what maybe you haven't heard and read in the headlines is the expanding markets in the rest of the Pacific. As you can see here in the light blue, we're seeing tremendous growth in both population and the economies in places like India, Malaysia, Indonesia, the Philippines, and these areas are growing rapidly. And what we've seen before as the GDP of a country grows, so does the demand for lumber and forest products. While individually these countries may not be as large as China, their combined potential is growing, with India leading the way with an expected five-times growth in log imports during the 2020s.

As you can see here on the right, that yellow dash line in particular, that is the percent of market share of China that New Zealand has captured over the last few years. It's now approaching 65%. As I shared with you before on the three market driver slides, we are seeing a forecast of return, while not to its height, back to increased demand from China. But also, China's going to have to compete with these new users that I've mentioned in this developing area, so this sets up New Zealand for good opportunities for the future.

In addition to log exports, the New Zealand government is in the process of implementing an industry transformation plan that will increase domestic and wood products manufacturing by 25%, roughly requiring an additional 3.5 million tons domestically. They're also encouraging the

use of wood products in construction like much of the rest of the world, so we expect demand to increase beyond that.

In New Zealand, there's something that's unique that's going on. Based on the planting in the past, they have a falling industry harvest, so there's an age class gap where the harvest is expected to fall in the medium term. Given our sustainable forestry management that I mentioned before, Rayonier's well-balanced and sustainable cut will be well-poised to help fill that gap both domestically and abroad. With these changes, New Zealand is positioning itself to meet the growing in the Pacific region demand for both logs and finished products.

Again, hopefully I was successful helping you understand why we have confidence in our core markets, and particularly in our core timber business which operates in some of the strongest markets, as we mentioned before, and globally. I'm excited about these long-term trends that I've mentioned for our traditional forest products as well as the new ones we're talking about before and bioenergy and other ways to decarbonize. With the underbuilt housing, the shift to e-commerce, substitution for plastics, and a growing global population, I think the outlook for our forest is very bright.

And to wrap up, I believe we have an excellent team of foresters supported by a top-notch R&D team, biometricians, and technical support staff that will allow us to organically grow our business on each and every acre.

With that, I'd like to bring up Rhett Rogers. Thank you.