



MORE THAN  
*trees*

**Q4 2019 Financial Supplement**  
February 2020



# Safe Harbor Statement

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

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

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

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

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## Section 1



# Financial and Segment Information

# Financial Highlights

(\$ in millions, except per share data)

Profitability	Q4 2019	Q3 2019	Q4 2018
Sales	\$178.8	\$156.4	\$166.1
Operating Income	26.1	11.0	15.0
Net Income (Loss) Attributable to Rayonier Inc.	16.0	(0.4)	2.0
Adjusted EBITDA <sup>(1)</sup>	65.0	43.2	49.9
Diluted Earnings Per Share:			
Net Income Attributable to Rayonier Inc.	0.12	—	0.02
Average Diluted Shares (millions)	129.4	129.3	129.7

Capital Resources & Liquidity	Year Ended December 31,	
	2019	2018
Cash provided by Operating Activities	\$214.3	\$310.1
Cash used for Investing Activities	(219.4)	(132.9)
Cash used for Financing Activities	(79.6)	(193.7)
Cash Available for Distribution (CAD) <sup>(1)</sup>	149.4	240.1

	12/31/2019	12/31/2018
Debt <sup>(2)</sup>	\$1,057.0	\$975.0
Cash <sup>(3)</sup>	68.7	148.4
Net Debt	988.3	826.6
Net Debt / Enterprise Value <sup>(4)</sup>	19%	19%

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

(2) Debt as of December 31, 2019 includes \$82.0 million of short-term borrowings in addition to \$975.0 million of long-term borrowings, gross of \$1.9 million of deferred financing costs.

(3) Excludes \$0.8 million and \$7.5 million of restricted cash held by LKE intermediaries as of December 31, 2019 and December 31, 2018, respectively.

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

# Variance Analysis – Q4 2018 to Q4 2019

## Operating Income (Loss) (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>Q4-18 Operating Income (Loss)</b>	\$7.2	(\$4.1)	\$12.6	\$4.6	\$0.3	(\$5.6)	\$15.0
Volume	1.9	(0.3)	1.0	17.0	—	—	19.6
Price <sup>(1)</sup>	(0.4)	1.5	(6.8)	(28.1)	—	—	(33.8)
Cost	0.3	1.1	(0.4)	1.8	(0.6)	(0.9)	1.3
Non-timber income <sup>(2)</sup>	2.7	—	2.3	—	—	—	5.0
Foreign exchange <sup>(3)</sup>	—	—	0.7	—	—	—	0.7
Depreciation, depletion & amortization	0.3	0.5	—	0.5	—	—	1.3
Non-cash cost of land and improved development	—	—	—	16.9	—	—	16.9
<b>Q4-19 Operating Income (Loss)</b>	<b>\$12.0</b>	<b>(\$1.3)</b>	<b>\$9.4</b>	<b>\$12.7</b>	<b>(\$0.3)</b>	<b>(\$6.5)</b>	<b>\$26.1</b>

## Adjusted EBITDA<sup>(4)</sup> (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>Q4-18 Adjusted EBITDA</b>	\$21.2	\$2.0	\$19.3	\$12.4	\$0.3	(\$5.3)	\$49.9
Volume	4.5	4.1	1.3	32.3	—	—	42.2
Price <sup>(1)</sup>	(0.4)	1.5	(6.8)	(28.1)	—	—	(33.8)
Cost	0.3	1.1	(0.4)	1.8	(0.6)	(0.9)	1.3
Non-timber income <sup>(2)</sup>	2.7	—	2.3	—	—	—	5.0
Foreign exchange <sup>(3)</sup>	—	—	0.4	—	—	—	0.4
<b>Q4-19 Adjusted EBITDA</b>	<b>\$28.3</b>	<b>\$8.7</b>	<b>\$16.1</b>	<b>\$18.4</b>	<b>(\$0.3)</b>	<b>(\$6.2)</b>	<b>\$65.0</b>

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

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

(3) Net of currency hedging impact.

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

# Variance Analysis – 2018 to 2019

## Operating Income (Loss) (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>2018 Operating Income</b>	\$44.2	\$8.1	\$62.8	\$76.2	\$1.0	(\$22.3)	\$170.1
Volume	3.1	(1.5)	1.7	(44.2)	—	—	(40.9)
Price <sup>(1)</sup>	0.7	(20.2)	(17.1)	3.7	—	—	(32.9)
Cost	0.5	0.6	(1.2)	(1.1)	(1.0)	(1.1)	(3.3)
Non-timber income <sup>(2)</sup>	9.1	(0.7)	3.2	—	—	—	11.6
Foreign exchange <sup>(3)</sup>	—	—	(0.9)	—	—	—	(0.9)
Depreciation, depletion & amortization	0.2	1.3	(0.5)	3.9	—	—	4.9
Non-cash cost of land and improved development	—	—	—	(0.3)	—	—	(0.3)
Other <sup>(4)</sup>	—	—	—	0.5	—	(1.7)	(1.3)
<b>2019 Operating Income (Loss)</b>	<b>\$57.8</b>	<b>(\$12.4)</b>	<b>\$48.0</b>	<b>\$38.7</b>	<b>—</b>	<b>(\$25.1)</b>	<b>\$107.0</b>

## Adjusted EBITDA<sup>(5)</sup> (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>2018 Adjusted EBITDA</b>	\$102.8	\$40.9	\$90.8	\$123.4	\$1.0	(\$21.1)	\$337.7
Volume	6.6	(3.9)	2.2	(67.0)	—	—	(62.1)
Price <sup>(1)</sup>	0.7	(20.2)	(17.1)	3.7	—	—	(32.9)
Cost	0.5	0.6	(1.2)	(1.1)	(1.0)	(1.1)	(3.3)
Non-timber income <sup>(2)</sup>	9.1	(0.7)	3.2	—	—	—	11.6
Foreign exchange <sup>(3)</sup>	—	—	(2.1)	—	—	—	(2.1)
Other <sup>(4)</sup>	—	—	—	0.5	—	(1.7)	(1.2)
<b>2019 Adjusted EBITDA</b>	<b>\$119.7</b>	<b>\$16.7</b>	<b>\$75.8</b>	<b>\$59.5</b>	<b>—</b>	<b>(\$23.9)</b>	<b>\$247.8</b>

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

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

(3) Net of currency hedging impact.

(4) Real Estate includes \$0.5 million of marketing fees and deferred revenue adjustments related to Improved Development sales. Corporate and Other includes legal expenses of \$1.1 million and the sale of unused Internet Protocol addresses of \$0.6 million in the prior year period.

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



# Liquidity Measures – Cash Available for Distribution

(\$ in millions, except per share data)	Year Ended December 31,	
	2019	2018
<b>Cash Provided by Operating Activities</b>	<b>\$214.3</b>	<b>\$310.1</b>
Working capital and other balance sheet changes	(0.9)	(7.7)
Capital expenditures <sup>(1)</sup>	(64.0)	(62.3)
<b>Cash Available for Distribution<sup>(2)</sup></b>	<b>\$149.4</b>	<b>\$240.1</b>
<b>Net Income</b>	<b>\$67.7</b>	<b>\$117.3</b>
Interest, net and miscellaneous income	29.1	29.7
Income tax expense	12.9	25.2
Depreciation, depletion and amortization	128.2	144.1
Non-cash cost of land and improved development	12.6	23.6
Non-operating income	(2.7)	(2.2)
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>\$247.8</b>	<b>\$337.7</b>
Cash interest paid <sup>(3)</sup>	(32.8)	(33.1)
Cash taxes paid	(1.7)	(2.2)
Capital expenditures <sup>(1)</sup>	(64.0)	(62.3)
<b>Cash Available for Distribution<sup>(2)</sup></b>	<b>\$149.4</b>	<b>\$240.1</b>
Cash Available for Distribution <sup>(2)</sup>	149.4	240.1
Real estate development investments	(6.8)	(9.5)
<b>Cash Available for Distribution after real estate development investments</b>	<b>\$142.6</b>	<b>\$230.6</b>
Shares outstanding at period end	129,331,069	129,488,675
<b>CAD per Share</b>	<b>\$1.15</b>	<b>\$1.85</b>
<b>Dividends per Share</b>	<b>\$1.08</b>	<b>\$1.06</b>

(1) Capital expenditures exclude timberland acquisitions of \$142.3 million and \$57.6 million during the twelve months ended December 31, 2019 and December 31, 2018, respectively.

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

(3) Cash interest paid is presented net of patronage refunds received of \$4.0 million and \$4.1 million for the twelve months ended December 31, 2019 and December 31, 2018, respectively.





# Southern Timber Overview

	2018					2019				
	Q1	Q2	Q3	Q4	FY 2018	Q1	Q2	Q3	Q4	FY 2019
<b>Sales Volume (Tons in 000s)</b>										
Pine Pulpwood	943	905	828	768	3,444	1,122	755	829	934	3,640
Pine Sawtimber	580	503	427	524	2,034	744	462	369	616	2,191
<b>Total Pine Volume</b>	<b>1,523</b>	<b>1,408</b>	<b>1,255</b>	<b>1,292</b>	<b>5,478</b>	<b>1,865</b>	<b>1,217</b>	<b>1,198</b>	<b>1,550</b>	<b>5,831</b>
Hardwood	45	82	75	38	240	70	57	82	26	235
<b>Total Volume</b>	<b>1,568</b>	<b>1,490</b>	<b>1,330</b>	<b>1,330</b>	<b>5,718</b>	<b>1,935</b>	<b>1,274</b>	<b>1,280</b>	<b>1,576</b>	<b>6,066</b>
% Delivered Sales	23%	29%	34%	35%	30%	27%	40%	37%	33%	33%
% Stumpage Sales	77%	71%	66%	65%	70%	73%	60%	63%	67%	67%
<b>Net Stumpage Pricing (\$ per ton)<sup>(1)</sup></b>										
Pine Pulpwood	\$17.11	\$16.05	\$16.74	\$14.82	\$16.20	\$17.94	\$17.16	\$15.53	\$14.82	\$16.42
Pine Sawtimber	26.31	26.23	25.55	24.03	25.59	26.38	25.82	23.16	23.25	24.86
<b>Weighted Average Pine</b>	<b>\$20.61</b>	<b>\$19.69</b>	<b>\$19.74</b>	<b>\$18.55</b>	<b>\$19.69</b>	<b>\$21.31</b>	<b>\$20.45</b>	<b>\$17.88</b>	<b>\$18.17</b>	<b>\$19.59</b>
Hardwood	10.49	12.12	13.34	12.62	12.27	13.80	16.86	20.47	14.33	16.93
<b>Weighted Average Total</b>	<b>\$20.32</b>	<b>\$19.27</b>	<b>\$19.36</b>	<b>\$18.37</b>	<b>\$19.37</b>	<b>\$21.03</b>	<b>\$20.29</b>	<b>\$18.05</b>	<b>\$18.10</b>	<b>\$19.49</b>
<b>Summary Financial Data (\$ in MM\$)</b>										
Timber Sales	\$38.1	\$37.3	\$34.8	\$33.6	\$143.9	\$51.0	\$37.0	\$33.0	\$38.1	\$159.2
(-) Cut, Haul & Freight	(6.3)	(8.6)	(9.1)	(9.2)	(33.1)	(10.3)	(11.1)	(9.9)	(9.6)	(41.0)
<b>Net Stumpage Sales</b>	<b>\$31.9</b>	<b>\$28.7</b>	<b>\$25.7</b>	<b>\$24.4</b>	<b>\$110.8</b>	<b>\$40.7</b>	<b>\$25.9</b>	<b>\$23.1</b>	<b>\$28.5</b>	<b>\$118.2</b>
Non-Timber Sales	5.4	10.8	4.9	5.1	26.1	9.8	9.2	8.3	7.7	35.0
<b>Total Sales</b>	<b>\$43.6</b>	<b>\$48.0</b>	<b>\$39.7</b>	<b>\$38.7</b>	<b>\$170.0</b>	<b>\$60.8</b>	<b>\$46.2</b>	<b>\$41.3</b>	<b>\$45.8</b>	<b>\$194.1</b>
Operating Income	\$12.2	\$15.7	\$9.2	\$7.2	\$44.2	\$21.5	\$14.7	\$9.5	\$12.0	\$57.8
(+) DD&A	16.0	14.9	13.7	14.0	58.6	19.7	12.9	13.0	16.3	61.9
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>\$28.2</b>	<b>\$30.6</b>	<b>\$22.9</b>	<b>\$21.2</b>	<b>\$102.8</b>	<b>\$41.2</b>	<b>\$27.6</b>	<b>\$22.5</b>	<b>\$28.3</b>	<b>\$119.7</b>
<b>Other Data</b>										
Period End Acres (in 000s)	1,811	1,808	1,812	1,807	1,807	1,803	1,808	1,825	1,836	1,836

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

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

# Pacific Northwest Timber Overview

	2018					2019				
	Q1	Q2	Q3	Q4	FY 2018	Q1	Q2	Q3	Q4	FY 2019
<b>Sales Volume (Tons in 000s)</b>										
Pulpwood	75	94	73	57	299	62	54	56	83	254
Sawtimber	304	281	237	185	1,007	220	197	205	334	956
<b>Total Volume</b>	<b>379</b>	<b>374</b>	<b>310</b>	<b>242</b>	<b>1,305</b>	<b>283</b>	<b>250</b>	<b>261</b>	<b>417</b>	<b>1,211</b>
<b>Northwest Sales Volume (Converted to MBF)</b>										
Pulpwood	7,170	8,859	6,878	5,400	28,307	5,933	5,076	5,277	7,823	24,109
Sawtimber	38,810	37,414	32,194	24,377	132,795	28,945	26,603	28,039	43,130	126,717
<b>Total Volume</b>	<b>45,980</b>	<b>46,273</b>	<b>39,072</b>	<b>29,777</b>	<b>161,102</b>	<b>34,878</b>	<b>31,679</b>	<b>33,316</b>	<b>50,952</b>	<b>150,826</b>
% Delivered Sales	79%	81%	90%	100%	86%	100%	100%	100%	82%	94%
% Sawtimber Sales	80%	75%	77%	76%	77%	78%	79%	79%	80%	79%
<b>Delivered Log Pricing (\$ per ton)</b>										
Pulpwood	\$44.52	\$49.76	\$48.93	\$47.36	\$47.82	\$45.15	\$42.26	\$37.87	\$39.24	\$41.09
Sawtimber	95.45	103.38	102.74	81.14	96.24	78.47	78.35	78.26	78.51	78.41
<b>Weighted Average Log Price</b>	<b>\$84.35</b>	<b>\$88.45</b>	<b>\$89.37</b>	<b>\$73.17</b>	<b>\$84.29</b>	<b>\$71.11</b>	<b>\$70.61</b>	<b>\$69.64</b>	<b>\$70.04</b>	<b>\$70.34</b>
<b>Summary Financial Data (\$ in MMs)</b>										
Timber Sales	\$30.5	\$31.3	\$27.1	\$17.7	\$106.5	\$20.1	\$17.7	\$18.2	\$26.8	\$82.7
(-) Cut & Haul	(11.4)	(11.6)	(11.5)	(10.5)	(44.9)	(12.0)	(10.5)	(10.6)	(12.8)	(45.9)
<b>Net Stumpage Sales</b>	<b>\$19.1</b>	<b>\$19.6</b>	<b>\$15.6</b>	<b>\$7.2</b>	<b>\$61.5</b>	<b>\$8.1</b>	<b>\$7.2</b>	<b>\$7.6</b>	<b>\$14.0</b>	<b>\$36.8</b>
Non-Timber Sales	0.9	0.9	0.8	0.8	3.4	0.4	0.9	0.6	0.8	2.7
<b>Total Sales</b>	<b>\$31.4</b>	<b>\$32.2</b>	<b>\$27.8</b>	<b>\$18.4</b>	<b>\$109.8</b>	<b>\$20.5</b>	<b>\$18.6</b>	<b>\$18.8</b>	<b>\$27.6</b>	<b>\$85.4</b>
Operating Income (Loss)	\$4.7	\$5.6	\$1.9	(\$4.1)	\$8.1	(\$3.7)	(\$3.8)	(\$3.6)	(\$1.3)	(\$12.4)
(+) DD&A	9.5	9.4	7.8	6.1	32.8	6.8	6.0	6.3	10.0	29.2
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$14.2</b>	<b>\$15.0</b>	<b>\$9.7</b>	<b>\$2.0</b>	<b>\$40.9</b>	<b>\$3.1</b>	<b>\$2.2</b>	<b>\$2.7</b>	<b>\$8.7</b>	<b>\$16.7</b>
<b>Other Data</b>										
Period-End Acres (in 000s)	378	378	378	378	378	379	379	379	379	379
Northwest Sawtimber (\$ per MBF) <sup>(2)</sup>	\$764	\$770	\$741	\$617	\$725	\$609	\$587	\$575	\$574	\$587
Estimated Percentage of Export Volume	21%	27%	23%	23%	23%	16%	26%	18%	9%	17%

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

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

# New Zealand Timber Overview

	2018					2019				
	Q1	Q2	Q3	Q4	FY 2018	Q1	Q2	Q3	Q4	FY 2019
<b>Sales Volume (Tons in 000s)</b>										
Domestic Pulpwood (Delivered)	113	141	136	117	507	113	125	132	120	490
Domestic Sawtimber (Delivered)	185	235	243	201	864	195	204	235	169	803
Export Pulpwood (Delivered)	17	22	21	35	94	41	37	34	37	148
Export Sawtimber (Delivered)	244	340	323	302	1,210	255	318	354	362	1,290
<b>Total Volume</b>	<b>558</b>	<b>738</b>	<b>724</b>	<b>655</b>	<b>2,675</b>	<b>604</b>	<b>684</b>	<b>754</b>	<b>688</b>	<b>2,731</b>
<b>Delivered Log Pricing (\$ per ton)</b>										
Domestic Pulpwood	\$35.99	\$38.28	\$37.54	\$35.83	\$37.00	\$39.23	\$39.10	\$38.47	\$34.91	\$37.93
Domestic Sawtimber	87.02	86.21	80.74	79.54	83.29	83.42	82.66	75.29	69.13	77.85
Export Sawtimber	117.70	120.80	114.54	114.89	117.03	116.24	111.81	95.51	102.69	105.65
<b>Weighted Average Log Price</b>	<b>\$90.62</b>	<b>\$93.46</b>	<b>\$88.35</b>	<b>\$89.19</b>	<b>\$90.44</b>	<b>\$90.49</b>	<b>\$89.16</b>	<b>\$78.68</b>	<b>\$81.98</b>	<b>\$84.75</b>
<b>Summary Financial Data (\$ in MMs)</b>										
Timber Sales	\$50.6	\$69.0	\$63.9	\$58.4	\$241.9	\$54.6	\$61.0	\$59.3	\$56.4	\$231.4
(-) Cut & Haul	(18.3)	(24.6)	(22.2)	(20.8)	(85.9)	(20.2)	(22.9)	(23.2)	(21.8)	(88.1)
(-) Port / Freight Costs	(8.6)	(14.5)	(13.7)	(12.8)	(49.5)	(9.7)	(12.6)	(13.6)	(15.1)	(51.0)
<b>Net Stumpage Sales</b>	<b>\$23.6</b>	<b>\$30.0</b>	<b>\$28.1</b>	<b>\$24.8</b>	<b>\$106.5</b>	<b>\$24.7</b>	<b>\$25.5</b>	<b>\$22.6</b>	<b>\$19.5</b>	<b>\$92.3</b>
Non-Timber Sales/Carbon Credits	2.4	0.6	2.3	1.7	7.1	2.5	1.1	2.7	4.2	10.5
<b>Total Sales</b>	<b>\$53.0</b>	<b>\$69.7</b>	<b>\$66.3</b>	<b>\$60.1</b>	<b>\$249.0</b>	<b>\$57.1</b>	<b>\$62.1</b>	<b>\$62.0</b>	<b>\$60.6</b>	<b>\$241.9</b>
Operating Income	\$16.0	\$17.8	\$16.4	\$12.6	\$62.8	\$15.7	\$12.8	\$10.1	\$9.4	\$48.0
(+) DD&A	5.7	8.0	7.5	6.7	28.0	6.3	7.2	7.6	6.7	27.8
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$21.7</b>	<b>\$25.8</b>	<b>\$24.0</b>	<b>\$19.3</b>	<b>\$90.8</b>	<b>\$22.0</b>	<b>\$20.0</b>	<b>\$17.7</b>	<b>\$16.1</b>	<b>\$75.8</b>
<b>Other Data</b>										
NZ\$/US\$ Exchange Rate (Period-average rate)	0.7236	0.7104	0.6755	0.6644	0.6935	0.6831	0.6659	0.6554	0.6361	0.6615
Net Plantable Period-End Acres (in 000s)	293	294	290	289	289	291	292	295	295	295
Export Sawtimber (\$ / JAS m <sup>3</sup> )	\$136.85	\$140.46	\$133.18	\$133.59	\$136.07	\$135.15	\$130.00	\$111.05	\$119.40	\$122.84
Domestic Sawtimber (NZ\$ / tonne)	\$132.03	\$133.60	\$131.48	\$131.69	\$132.22	\$134.33	\$136.55	\$126.36	\$119.54	\$129.46

# Real Estate Overview

	2018					2019				
	Q1	Q2	Q3	Q4	FY 2018	Q1	Q2	Q3	Q4	FY 2019
<b>Gross Sales (\$ in MM)</b>										
Improved Development <sup>(1)</sup>	\$1.1	\$1.3	\$1.3	\$4.5	\$8.4	\$0.3	\$0.2	\$4.5	\$0.9	\$5.9
Unimproved Development	7.4	—	1.2	—	8.6	1.0	14.4	—	4.0	19.5
Rural	1.7	4.8	4.5	11.7	22.7	12.7	6.8	3.8	6.5	29.9
Non-strategic / Timberlands	25.8	43.7	29.2	0.2	98.9	6.9	1.1	0.4	10.6	19.1
Other <sup>(2)</sup>	—	—	—	—	—	0.1	—	0.5	—	0.5
<b>Total Sales</b>	<b>\$36.1</b>	<b>\$49.9</b>	<b>\$36.2</b>	<b>\$16.5</b>	<b>\$138.6</b>	<b>\$21.0</b>	<b>\$22.5</b>	<b>\$9.2</b>	<b>\$22.1</b>	<b>\$74.9</b>
<b>Acres Sold</b>										
Improved Development <sup>(1)</sup>	4.1	4.1	5.2	30.7	44.1	1.2	0.9	21.7	20.7	44.4
Unimproved Development	625	—	126	—	751	7	784	—	405	1,196
Rural	415	1,071	1,420	2,102	5,008	3,338	1,717	1,121	1,480	7,656
Non-strategic / Timberlands	7,181	14,729	5,785	116	27,811	2,333	763	202	4,957	8,254
<b>Total Acres Sold</b>	<b>8,225</b>	<b>15,804</b>	<b>7,336</b>	<b>2,249</b>	<b>33,614</b>	<b>5,679</b>	<b>3,265</b>	<b>1,345</b>	<b>6,862</b>	<b>17,151</b>
<b>Gross Price per Acre (\$ per acre)</b>										
Improved Development <sup>(1)</sup>	\$280,691	\$317,008	\$260,721	\$147,883	\$189,154	\$291,880	\$198,276	\$207,325	\$42,250	\$132,412
Unimproved Development	11,922	—	9,325	—	11,486	145,773	18,402	—	10,000	16,290
Rural	3,977	4,509	3,161	5,575	4,530	3,794	3,959	3,425	4,424	3,899
Non-strategic / Timberlands	3,599	2,966	5,039	3,381	3,555	2,972	1,472	2,117	2,148	2,318
<b>Weighted Avg. (Total)</b>	<b>\$4,387</b>	<b>\$3,153</b>	<b>\$4,929</b>	<b>\$7,406</b>	<b>\$4,121</b>	<b>\$3,687</b>	<b>\$6,899</b>	<b>\$6,513</b>	<b>\$3,223</b>	<b>\$4,335</b>
Weighted Avg. (Adjusted) <sup>(3)</sup>	\$4,250	\$3,071	\$4,749	\$5,460	\$3,878	\$3,628	\$6,848	\$3,225	\$3,105	\$4,002
Operating Income	\$28.1	\$18.9	\$24.7	\$4.6	\$76.2	\$10.0	\$15.5	\$0.4	\$12.7	\$38.7
(+) Depreciation, depletion and amortization	3.1	13.7	5.5	1.3	23.6	3.3	1.2	0.7	3.0	8.2
(+) Non-cash cost of land and improved development	1.6	13.3	2.1	6.5	23.6	4.0	1.6	4.3	2.6	12.6
<b>Adjusted EBITDA<sup>(4)</sup></b>	<b>\$32.7</b>	<b>\$45.9</b>	<b>\$32.3</b>	<b>\$12.4</b>	<b>\$123.4</b>	<b>\$17.4</b>	<b>\$18.3</b>	<b>\$5.4</b>	<b>\$18.4</b>	<b>\$59.5</b>

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

(2) Includes marketing fees and deferred revenue adjustments related to Improved Development sales.

(3) Excludes Improved Development.

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



# Capital Expenditures By Segment

(\$ in millions)	Three Months Ended		Year Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b>Southern Timber</b>				
Reforestation, Silviculture & Other Capital Expenditures	\$6.5	\$6.3	\$18.8	\$20.0
Property taxes	1.8	1.5	7.1	6.6
Lease payments	2.2	2.0	4.4	4.6
Allocated overhead	1.2	1.2	4.3	4.2
<b>Subtotal Southern Timber</b>	<b>\$11.6</b>	<b>\$11.1</b>	<b>\$34.6</b>	<b>\$35.4</b>
<b>Pacific Northwest Timber</b>				
Reforestation, Silviculture & Other Capital Expenditures	1.7	0.9	7.4	6.2
Property taxes	0.1	0.3	0.7	0.8
Allocated overhead	0.8	0.6	3.1	2.4
<b>Subtotal Pacific Northwest Timber</b>	<b>\$2.6</b>	<b>\$1.7</b>	<b>\$11.2</b>	<b>\$9.3</b>
<b>New Zealand Timber</b>				
Reforestation, Silviculture & Other Capital Expenditures	2.2	2.6	9.4	9.7
Property taxes	0.2	0.2	0.6	0.7
Lease payments	1.5	1.7	4.7	4.1
Allocated overhead	0.6	0.7	2.6	2.8
<b>Subtotal New Zealand Timber</b>	<b>\$4.5</b>	<b>\$5.3</b>	<b>\$17.4</b>	<b>\$17.3</b>
<b>Total Timber Segments Capital Expenditures</b>	<b>\$18.7</b>	<b>\$18.1</b>	<b>\$63.2</b>	<b>\$62.0</b>
<b>Real Estate</b>	—	0.1	0.2	0.3
<b>Corporate</b>	—	—	0.6	—
<b>Total Capital Expenditures</b>	<b>\$18.7</b>	<b>\$18.2</b>	<b>\$64.0</b>	<b>\$62.3</b>
<b>Timberland Acquisitions</b>				
Southern Timber	56.7	18.6	98.9	45.9
Pacific Northwest Timber	3.7	—	7.3	—
New Zealand Timber	—	—	36.0	11.7
<b>Subtotal Timberland Acquisitions</b>	<b>\$60.4</b>	<b>\$18.6</b>	<b>\$142.3</b>	<b>\$57.6</b>
<b>Real Estate Development Investments<sup>(1)</sup></b>	<b>\$3.5</b>	<b>\$2.6</b>	<b>\$6.8</b>	<b>\$9.5</b>

(1) The year ended December 31, 2019 includes \$3.7 million of reimbursements from community development bonds.

# 2020 Financial Guidance

(\$ in millions)	2019	Guidance		
<b>Timber Volumes (tons in millions)</b>				
Southern Timber	6.1	6.3	-	6.5
Pacific Northwest Timber	1.2	1.4	-	1.5
New Zealand Timber	2.7	2.6	-	2.7
<b>Total</b>	<b>10.0</b>	<b>10.3</b>	<b>-</b>	<b>10.7</b>
<b>Segment Adjusted EBITDA<sup>(1)</sup></b>				
Southern Timber	\$119.7	\$115.0	-	\$120.0
Pacific Northwest Timber	16.7	21.0	-	25.0
New Zealand Timber	75.8	53.0	-	59.0
Real Estate	59.5	80.0	-	90.0
Trading	—	—	-	—
Corporate and Other	(23.9)	(24.0)	-	(24.0)
<b>Total</b>	<b>\$247.8</b>	<b>\$245.0</b>	<b>-</b>	<b>\$270.0</b>
<b>Segment DD&amp;A</b>				
Southern Timber	\$61.9	\$62.5	-	\$64.5
Pacific Northwest Timber	29.2	31.5	-	33.5
New Zealand Timber	27.8	26.0	-	27.5
Real Estate	8.2	10.0	-	12.0
Trading	—	—	-	—
Corporate and Other	1.2	1.5	-	1.5
<b>Total</b>	<b>\$128.2</b>	<b>\$131.5</b>	<b>-</b>	<b>\$139.0</b>
Non-cash cost of land and improved development	\$12.6	\$24.0	-	\$28.0
<b>Segment Operating Income</b>				
Southern Timber	\$57.8	\$52.5	-	\$55.5
Pacific Northwest Timber	(12.4)	(10.5)	-	(8.5)
New Zealand Timber	48.0	27.0	-	31.5
Real Estate	38.7	46.0	-	50.0
Trading	—	—	-	—
Corporate and Other	(25.1)	(25.5)	-	(25.5)
<b>Total</b>	<b>\$107.0</b>	<b>\$89.5</b>	<b>-</b>	<b>\$103.0</b>
Capital Expenditures	\$64.0	\$65.0	-	\$69.0
Diluted Earnings Per Share	\$0.46	\$0.36	-	\$0.44



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

## Section 2



## Supplemental Information



# Definitions of Non-GAAP Measures

**Adjusted EBITDA** is defined as earnings before interest, taxes, depreciation, depletion, amortization, the non-cash cost of land and improved development, non-operating income and expense 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 removes the impact of specific items that management believes do not directly reflect the core business operations on an ongoing basis.

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

**Cash Available for Distribution (CAD)** is defined as cash provided by operating activities adjusted for capital spending (excluding timberland acquisitions and real estate development investments) 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 the New Zealand minority shareholder, 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.

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

(\$ in millions)

Three Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>December 31, 2019</b>							
Operating income (loss)	\$12.0	(\$1.3)	\$9.4	\$12.7	(\$0.3)	(\$6.5)	\$26.1
Depreciation, depletion & amortization	16.3	10.0	6.7	3.0	—	0.3	36.3
Non-cash cost of land and improved development	—	—	—	2.6	—	—	2.6
<b>Adjusted EBITDA</b>	<b>\$28.3</b>	<b>\$8.7</b>	<b>\$16.1</b>	<b>\$18.4</b>	<b>(\$0.3)</b>	<b>(\$6.2)</b>	<b>\$65.0</b>
<b>September 30, 2019</b>							
Operating income (loss)	\$9.5	(\$3.6)	\$10.1	\$0.4	—	(\$5.4)	\$11.0
Depreciation, depletion & amortization	13.0	6.3	7.6	0.7	—	0.3	27.8
Non-cash cost of land and improved development	—	—	—	4.3	—	—	4.3
<b>Adjusted EBITDA</b>	<b>\$22.5</b>	<b>\$2.7</b>	<b>\$17.7</b>	<b>\$5.4</b>	<b>—</b>	<b>(\$5.1)</b>	<b>\$43.2</b>
<b>December 31, 2018</b>							
Operating income (loss)	\$7.2	(\$4.1)	\$12.6	\$4.6	\$0.3	(\$5.6)	\$15.0
Depreciation, depletion & amortization	14.0	6.1	6.7	1.3	—	0.3	28.4
Non-cash cost of land and improved development	—	—	—	6.5	—	—	6.5
<b>Adjusted EBITDA</b>	<b>\$21.2</b>	<b>\$2.0</b>	<b>\$19.3</b>	<b>\$12.4</b>	<b>\$0.3</b>	<b>(\$5.3)</b>	<b>\$49.9</b>

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

(\$ in millions)

Year Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>December 31, 2019</b>							
Operating income (loss)	\$57.8	(\$12.4)	\$48.0	\$38.7	—	(\$25.1)	\$107.0
Depreciation, depletion & amortization	61.9	29.2	27.8	8.2	—	1.2	128.2
Non-cash cost of land and improved development	—	—	—	12.6	—	—	12.6
<b>Adjusted EBITDA</b>	<b>\$119.7</b>	<b>\$16.7</b>	<b>\$75.8</b>	<b>\$59.5</b>	<b>—</b>	<b>(\$23.9)</b>	<b>\$247.8</b>
<b>December 31, 2018</b>							
Operating income	\$44.2	\$8.1	\$62.8	\$76.2	\$1.0	(\$22.3)	\$170.1
Depreciation, depletion & amortization	58.6	32.8	28.0	23.6	—	1.2	144.1
Non-cash cost of land and improved development	—	—	—	23.6	—	—	23.6
<b>Adjusted EBITDA</b>	<b>\$102.8</b>	<b>\$40.9</b>	<b>\$90.8</b>	<b>\$123.4</b>	<b>\$1.0</b>	<b>(\$21.1)</b>	<b>\$337.7</b>