



**Raymond James 40<sup>th</sup> Annual Institutional Investors Conference** | March 2019

# 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, sales of non-strategic timberlands, 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; various lawsuits relating to matters arising out of our previously announced internal review and restatement of our consolidated financial statements; 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 delayed or weak recovery 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 ("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.

# Rayonier At A Glance



2.6 million acres



\$1.6 billion of timberlands acquired since 2011

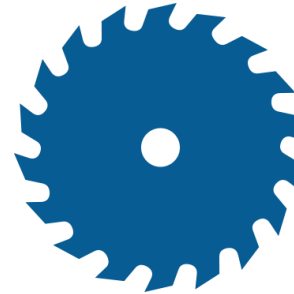


~350 employees

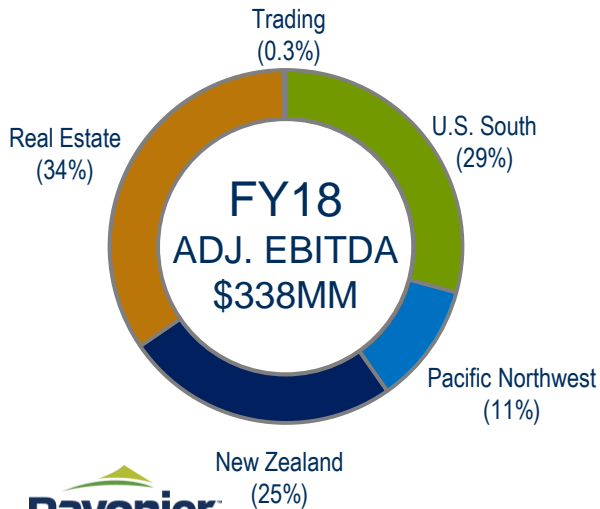
Value-added Real Estate Platform



Sustainable yield of ~10 million tons annually



Established in 1926



100% certified



SFI-00023



The mark of responsible forestry

## Mission:

Provide industry-leading financial returns to our shareholders while serving as a responsible steward of our lands



# Rayonier's Strategic Priorities

## MANAGE FOR LONG-TERM VALUE

- Design harvest strategy to achieve long-term, sustainable yield
- Balance biological growth, harvest cash flow and responsible stewardship

## ACQUIRE HIGH-QUALITY TIMBERLANDS

- Pursue acquisitions that improve portfolio quality and sustainable yield
- Maintain disciplined approach to acquisitions, minimize HBU speculation

## OPTIMIZE PORTFOLIO VALUE

- Opportunistically monetize lands where premium valuations can be achieved
- Pursue value creation activities on select properties to enhance long-term value

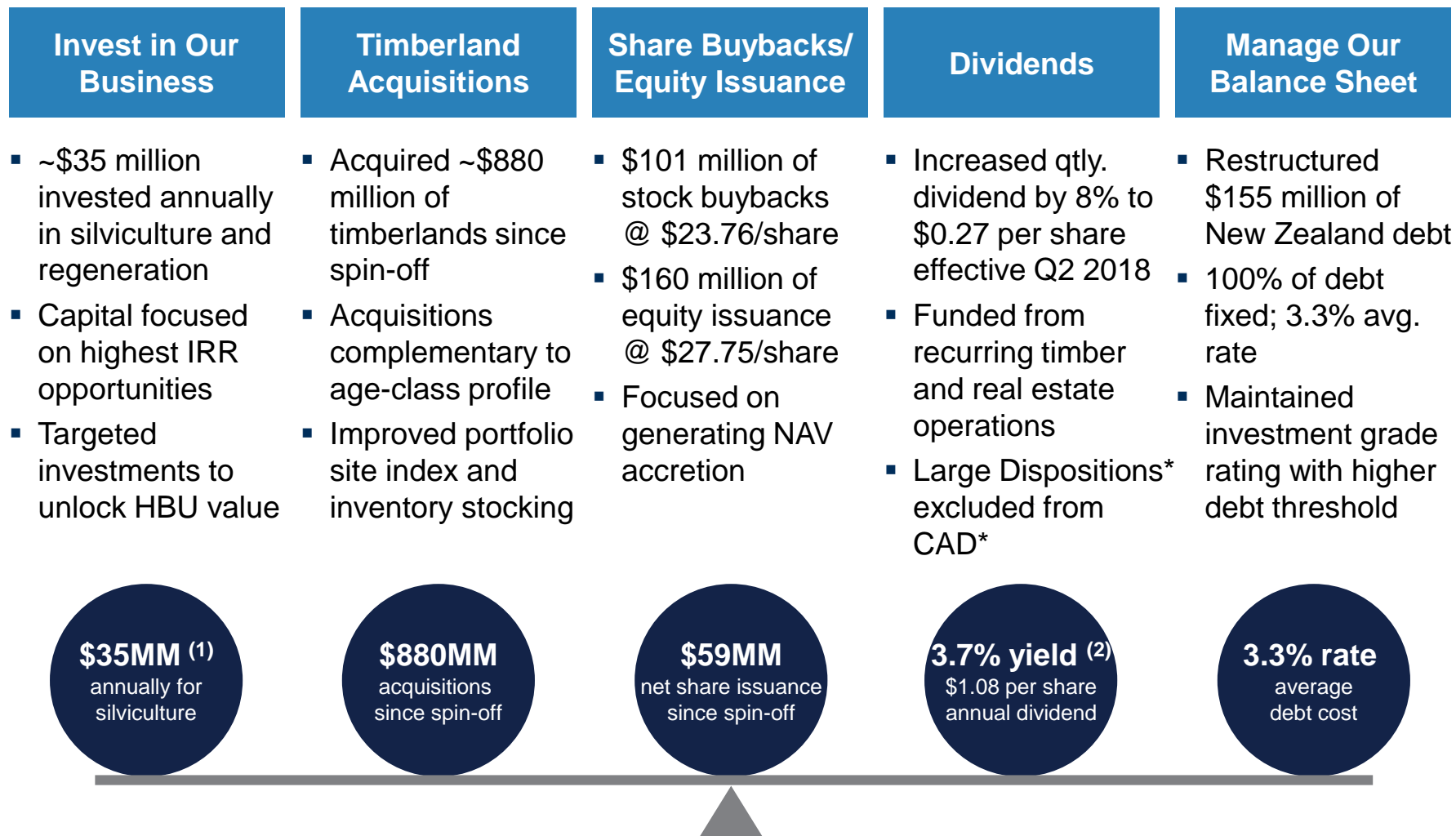
## FOCUS ON QUALITY OF EARNINGS

- Focus on harvest operations and rural land sales to support dividends
- De-emphasize sale of “non-strategic” timberlands to augment cash flow

## ENHANCE DISCLOSURE

- Establish Rayonier as industry leader in transparent disclosure
- Provide investors with meaningful information about timberland portfolio

# Nimble Approach to Capital Allocation



(1) Represents average annual investment in silviculture and replanting from 2015 – 2018.

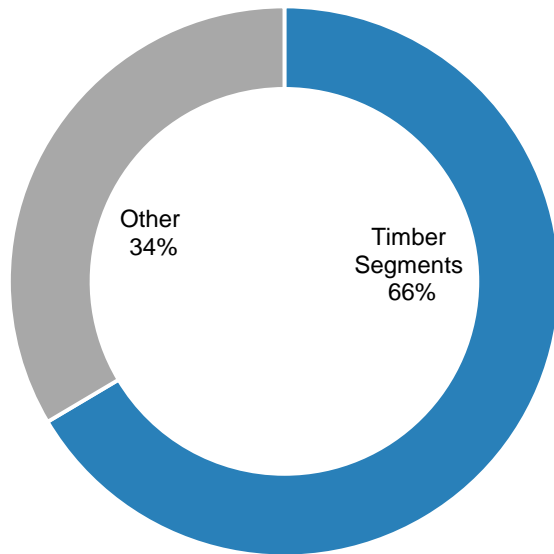
(2) Based on share price of \$29.47 as of 2/28/19 and annualized dividend of \$1.08 per share.

\* Non-GAAP measure or pro forma item (see Appendix for definitions and RYN reconciliations).

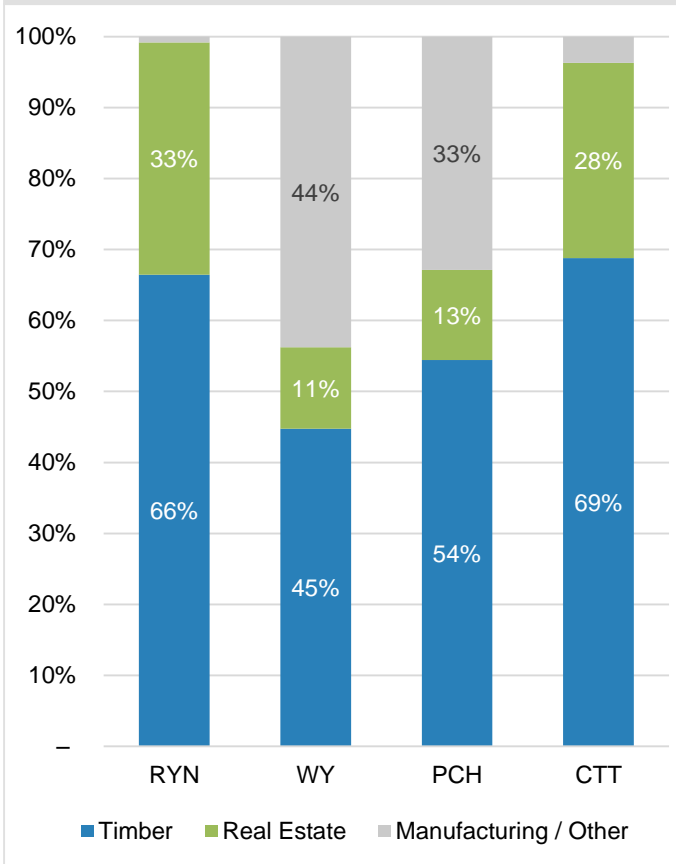
# Rayonier is the Leading “Pure Play” Timber REIT

## Rayonier

2016 – 2018 EBITDA\*  
Composition

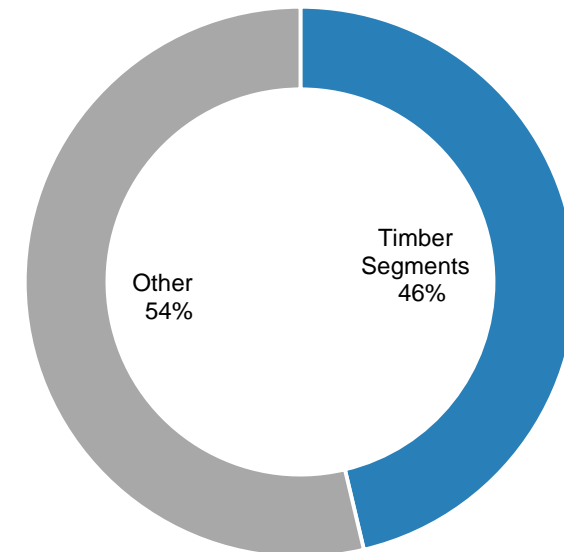


Peer Group EBITDA\* Composition  
(2016 – 2018)



## Peer Group

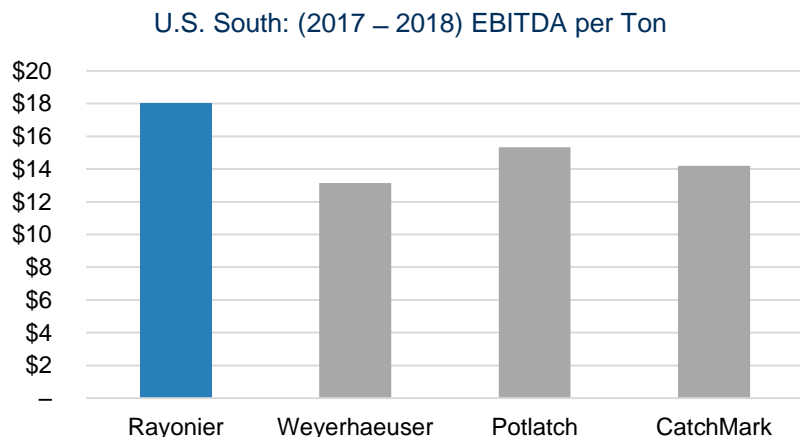
2016 – 2018 EBITDA\*  
Composition



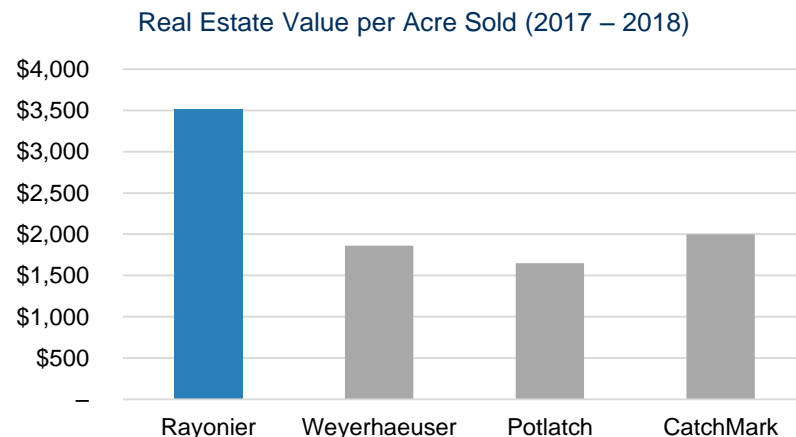
**Over the last three years, Rayonier has generated 66% of its EBITDA\* from timber operations (versus 46% for the peer group).**

# Rayonier Portfolio Highlights

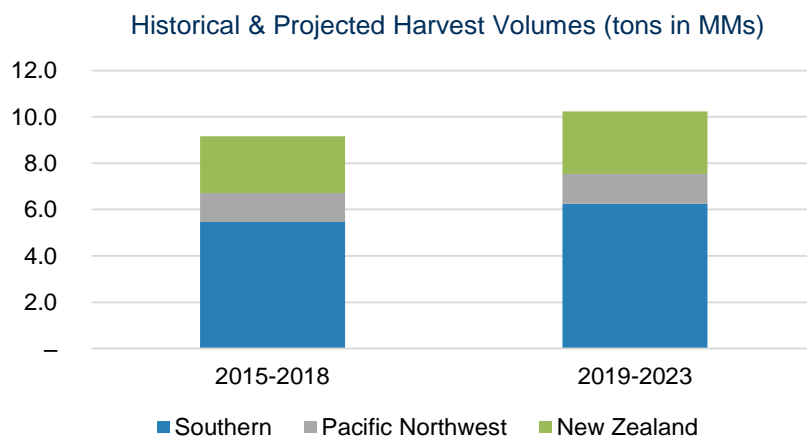
## Sector-Leading U.S. South EBITDA per Ton



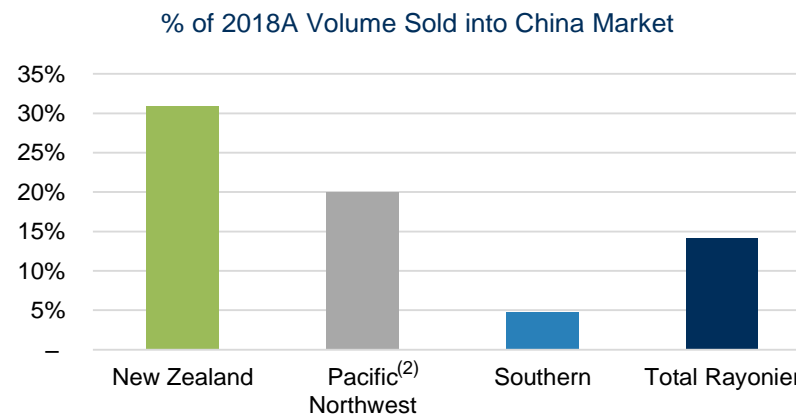
## Sector-Leading HBU Value Realizations



## Improving Harvest Profile (1)



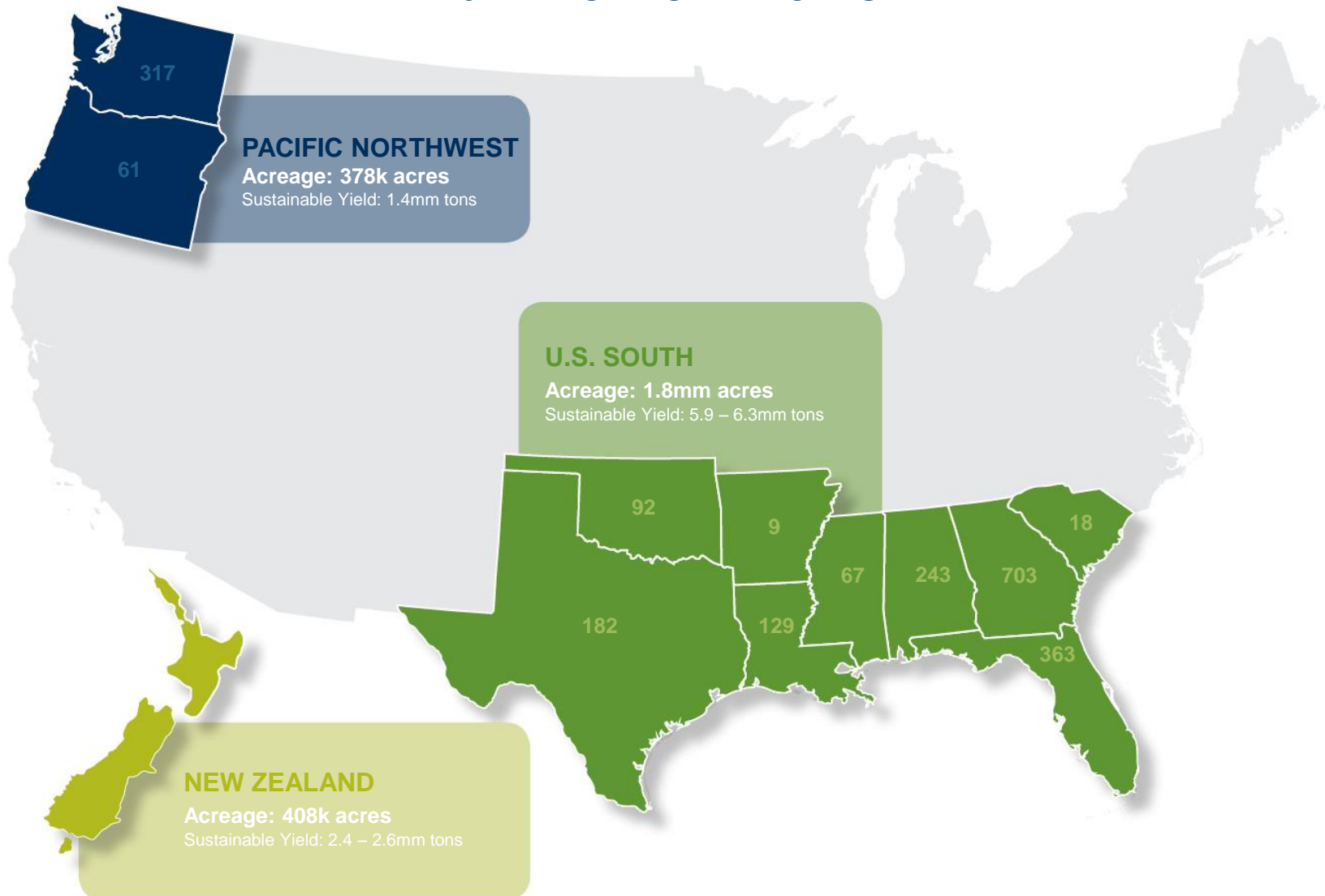
## Unique Exposure to China Export Market



(1) Based on Rayonier estimates; assumes current portfolio with no acquisitions or divestitures.  
 (2) Based on estimated export volume sold into China market.

# Highly Productive, Geographically Diversified Timberlands

2.6 MILLION TOTAL ACRES



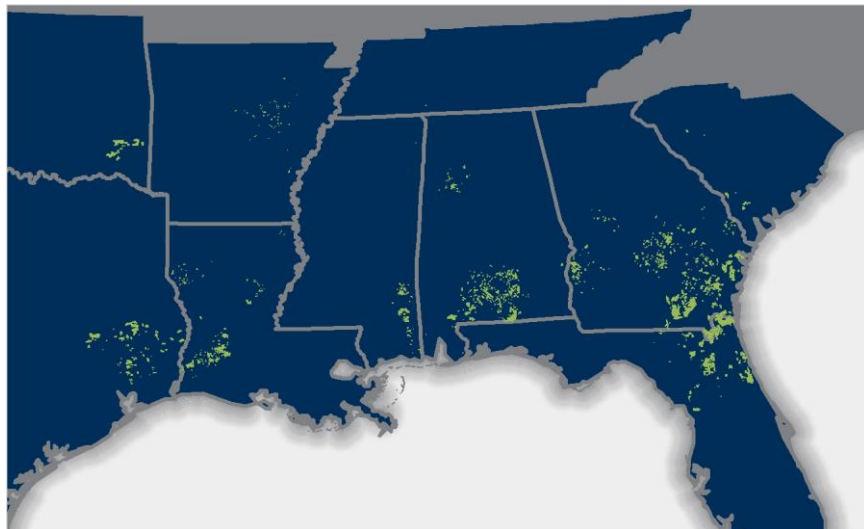
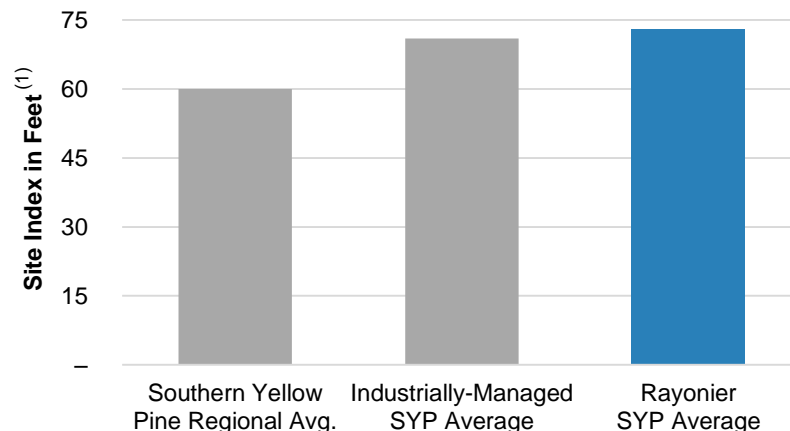


# Southern Timber – Portfolio Overview

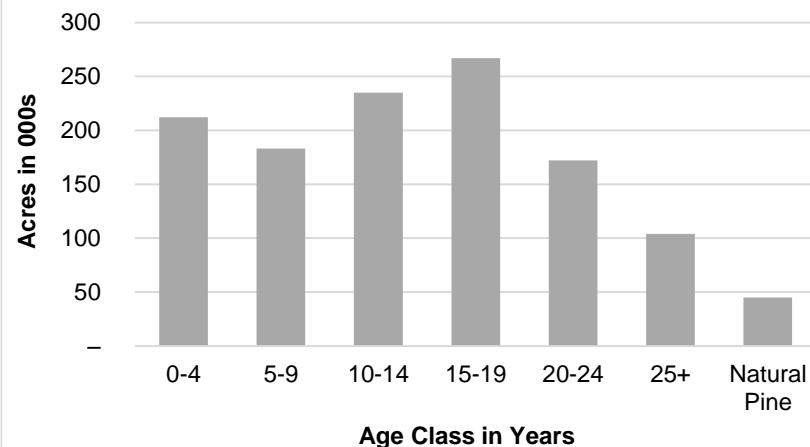
## Highlights / Location

- Acreage: 1.8 million acres
- Sustainable Yield: 5.9 – 6.3 million tons
- Planted / Plantable: 67%
- Average Site Index: 73 feet at age 25<sup>(1)</sup>
- 2018 EBITDA\*: \$102.8 million
- Sustainable Forestry Initiative Certification

## Strong Productivity Characteristics



## Balanced Age Class Profile<sup>(2)</sup>



(1) Site index reflects the average height of the dominant and codominant trees at a base age of 25 (U.S. South).

(2) Age class profile as of 12/31/18 per 2018 10-K.

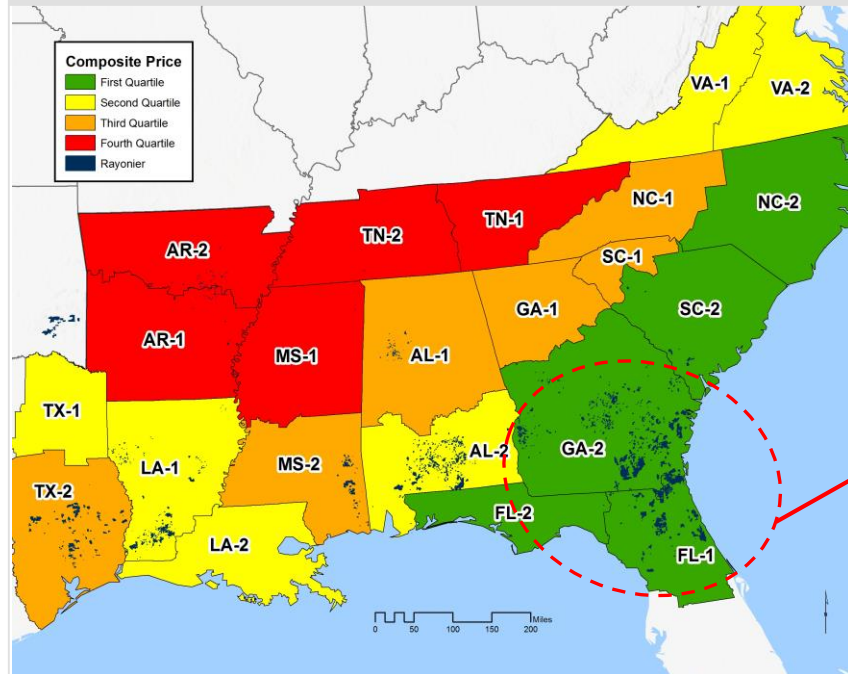
Source: U.S. Dept. of Agriculture, Society of American Foresters Journal of Forestry.

\* Non-GAAP measure (see Appendix for definitions and RYN reconciliations).

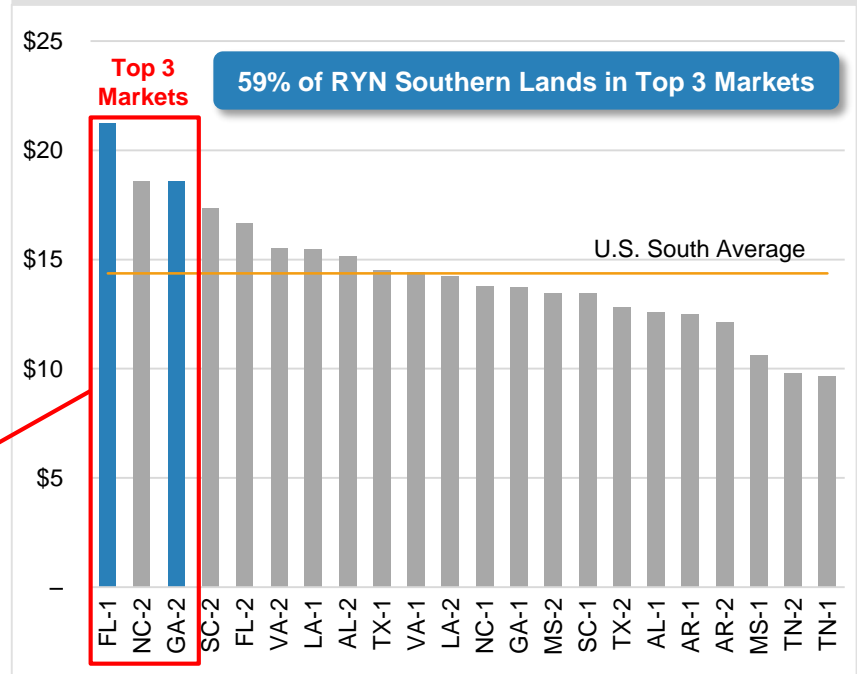
# RYN Concentrated in Strongest U.S. South Markets

- Supply / demand dynamics are highly localized, as logs generally travel less than 100 miles
- Timber consumption vs. inventory growth remains much more tensioned in Coastal Atlantic markets

TMS 2018 Composite Price Quartile Rankings



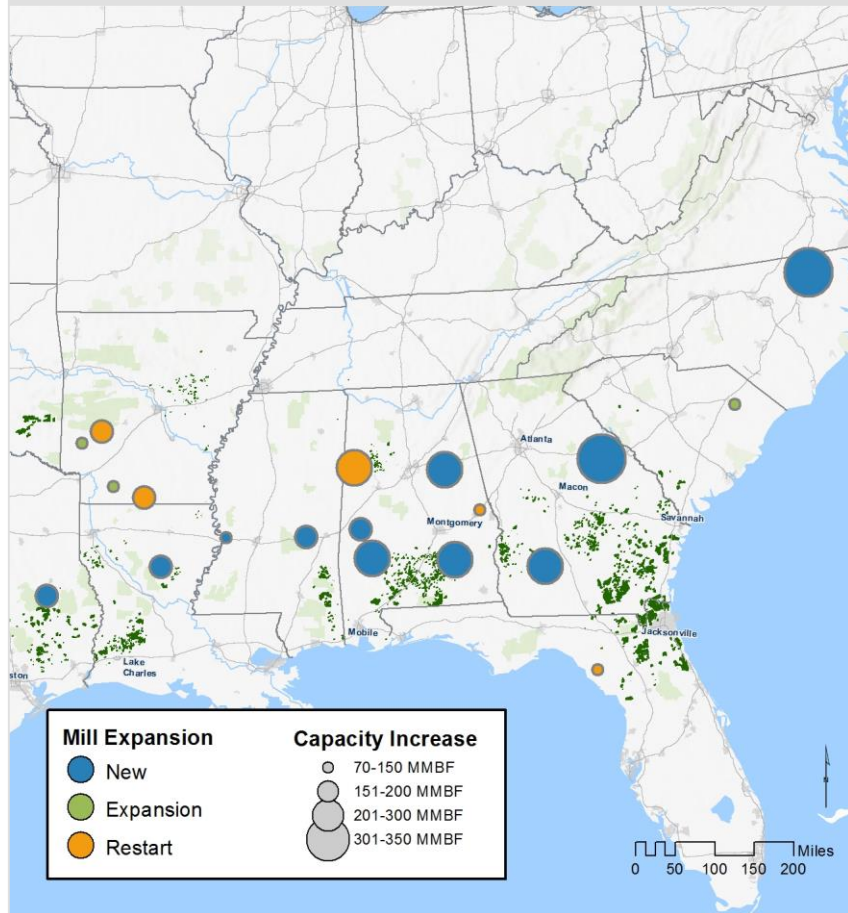
TMS 2018 Composite Price by Region



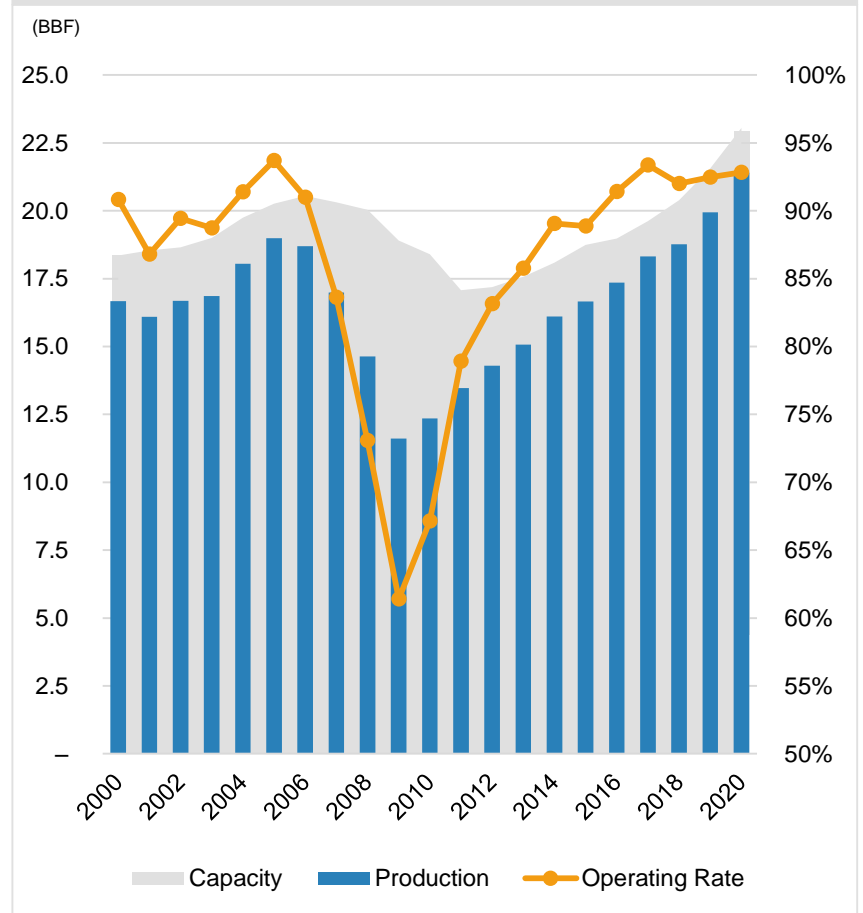
Approximately 59% of Rayonier's Southern timberlands are located in the top three markets (ranked by TimberMart-South composite stumpage pricing).

# Lumber Capacity in the U.S. South Continues to Expand

## Active Mill Expansion in the U.S. South



## Production Growth Supports Incremental Capacity



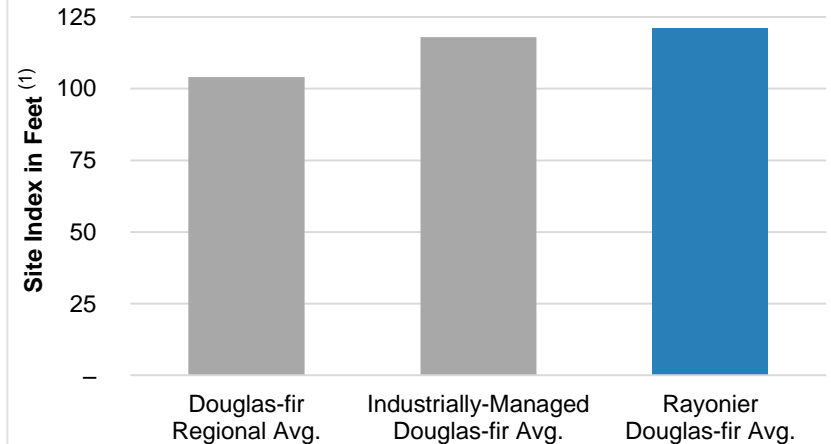
Lumber production and capacity in the U.S. South is expected to grow significantly over the next few years.

# Pacific Northwest Timber – Portfolio Overview

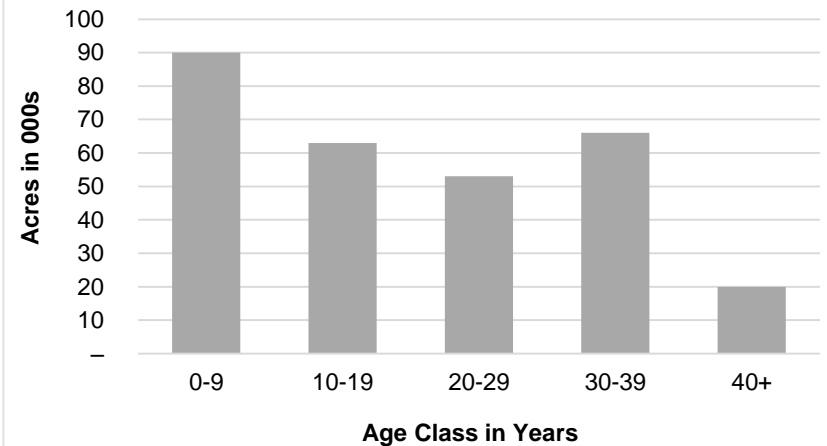
## Highlights / Location

- Acreage: 378,000 acres
- Sustainable Yield: 1.4 million tons
- Planted / Plantable: 77%
- Average Site Index: 109 feet at age 50<sup>(1)</sup>
- 2018 EBITDA\*: \$40.9 million
- Sustainable Forestry Initiative Certification

## Strong Productivity Characteristics



## Improving Age Class Profile<sup>(2)</sup>



(1) Site index reflects the average height of the dominant and codominant trees at a base age of 50 (Pacific Northwest).

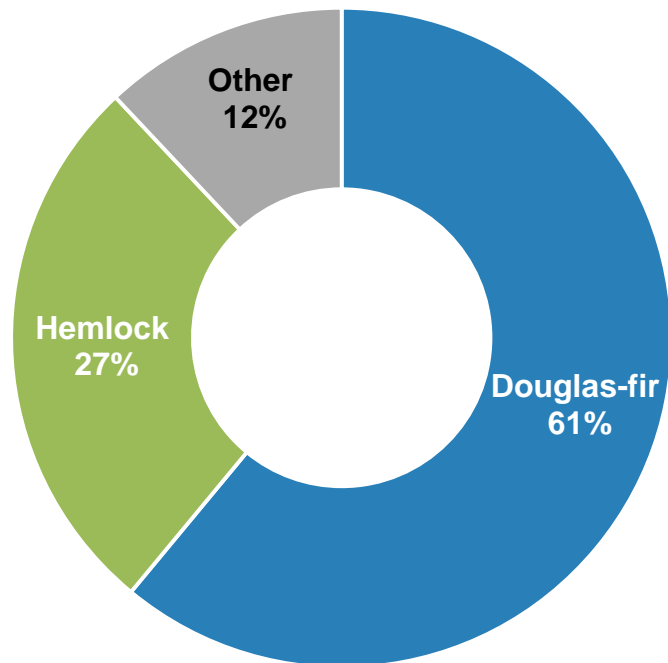
(2) Age class profile as of 12/31/18 per 2018 10-K.

Source: U.S. Dept. of Agriculture, Society of American Foresters Journal of Forestry.

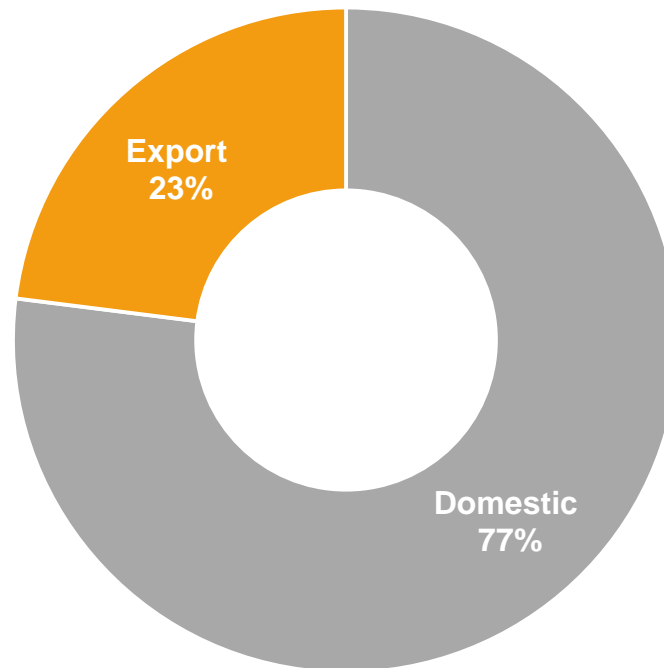
\* Non-GAAP measure (see Appendix for definitions and RYN reconciliations).

# Diverse Species and End Markets

Pacific Northwest Inventory by Species (2018)



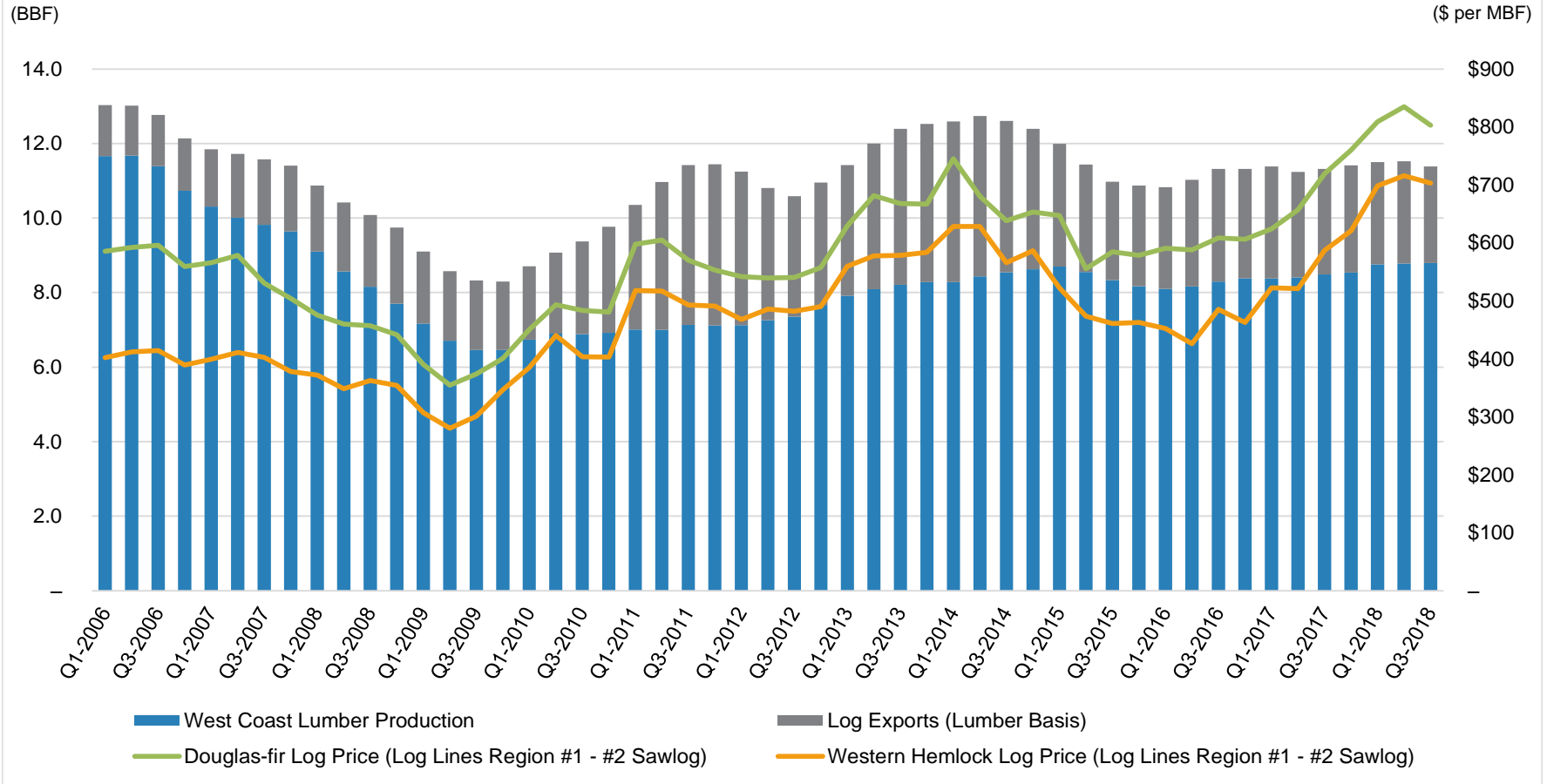
Volume by Destination (2018)



Rayonier's Pacific Northwest portfolio provides diversity of products and end-markets.

# Pacific Northwest Demand & Pricing Trends

## Pacific Northwest Log Demand & Pricing



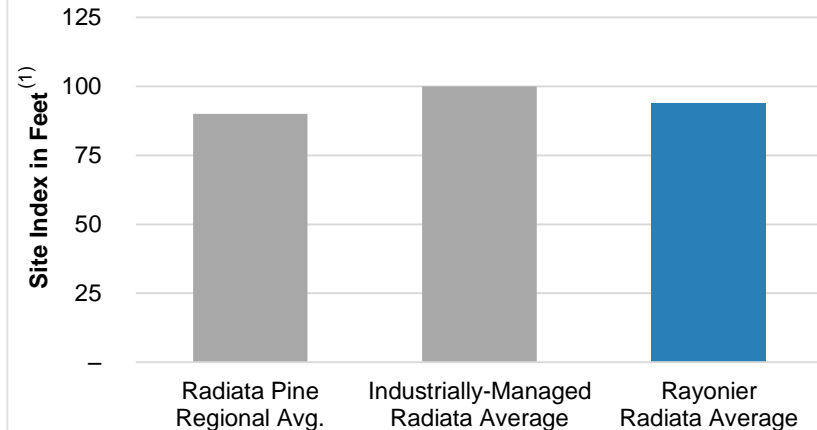
**Pacific Northwest pricing has been impacted recently by tariffs on exports to China.**

# New Zealand Timber – Portfolio Overview

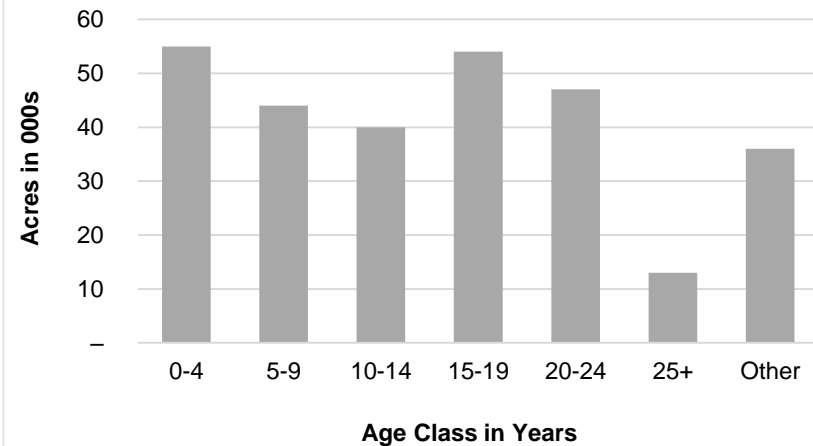
## Highlights / Location

- Acreage: 408,000 acres
- Sustainable Yield: 2.4 - 2.6 million tons
- Planted / Plantable: 71%
- Average Site Index: 94 feet at age 20<sup>(1)</sup>
- 2018 EBITDA\*: \$90.8 million
- Forest Stewardship Council Certification

## Strong Productivity Characteristics



## Balanced Age Class Profile (Radiata)<sup>(2)</sup>



(1) Site index reflects the average height of the dominant and codominant trees at a base age of 20 (New Zealand).

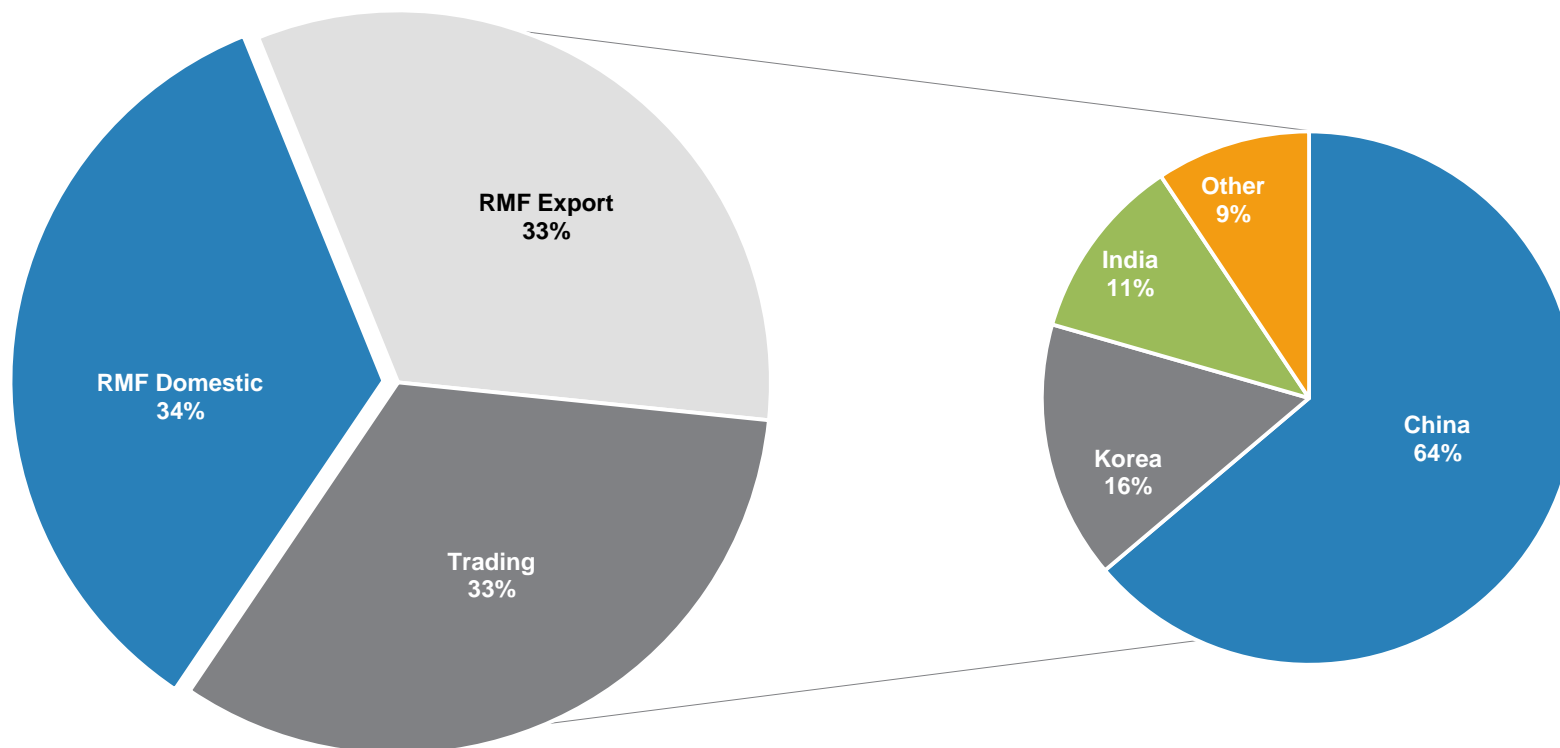
(2) Age class profile as of 12/31/18 per 2018 10-K.

Source: NZ Ministry for Primary Industries, New Zealand Journal of Forestry.

\* Non-GAAP measure (see Appendix for definitions and RYN reconciliations).

# Diversified Mix of Domestic & Export Markets






Volume by Market Destination (2018)




Over 60% of the New Zealand segment's volume (including Trading volume) is sold into export markets, with China being the largest source of demand.



# Real Estate Strategy: Optimize Value & Create Optionality

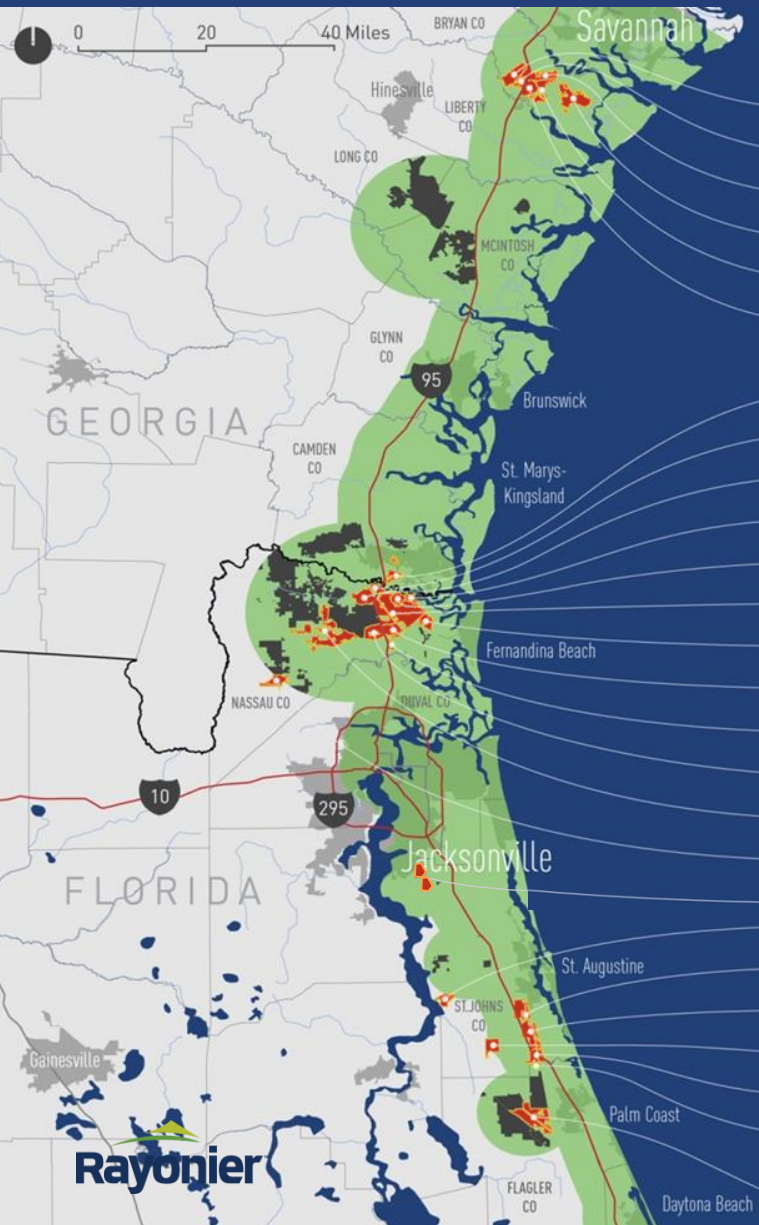
Timberlands		Real Estate		
 <p><b>Large Dispositions</b></p> <p>Strategic sales of timberland</p> <ul style="list-style-type: none"> <li>Opportunistic-only for capital allocation</li> <li>Upgrade portfolio</li> <li>Excluded from Adj. EBITDA and pro-forma financials</li> </ul> <p>Timberland value</p> <p>Opportunistic</p>	 <p><b>Non-Strategic / Timberlands</b></p> <p>Sale of non-strategic and timberland assets</p> <ul style="list-style-type: none"> <li>Timberland: capture a financial premium</li> <li>Non-Strategic: monetize and repurpose “dead-capital”</li> </ul> <p>Timberland premium</p> <p>Reduce reliance</p>	 <p><b>Rural Places + Properties</b></p> <p>Sale of rural properties</p> <ul style="list-style-type: none"> <li>Stable and recurring source of cash flows</li> <li>Build a pipeline of enhanced rural properties in higher potential markets</li> </ul> <p>HBU premium + ROI</p> <p>Grow moderately</p>	 <p><b>Unimproved Development</b></p> <p>Sale of properties with development rights</p> <ul style="list-style-type: none"> <li>Invest in securing development rights</li> <li>Build a pipeline of entitled properties in higher potential markets</li> </ul> <p>HBU premium + ROI</p> <p>Grow in select markets</p>	 <p><b>Improved Development</b></p> <p>Sale of developed land parcels</p> <ul style="list-style-type: none"> <li>Invest in infrastructure and amenities</li> <li>Enhance value and create optionality of adjacent RYN properties</li> </ul> <p>HBU premium + ROI + optionality</p> <p>Grow in <u>very</u> select markets</p>

<p><b>Land Resources</b></p> 	<p><b>Sale of access to use properties / extract resources</b></p> <ul style="list-style-type: none"> <li>Maximize and grow annual gross margin/ac</li> <li>Build diverse portfolio of cash flows</li> <li>Develop new business growth</li> </ul>	<p><b>Annual gross margin per acre</b></p>	<p>Grow moderately</p>
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# I-95 Coastal Corridor: Active Portfolio Management

as of 12/31/2018

- Rayonier planning areas
- Other Rayonier properties
- Active projects (Improved)
- Active projects (Unimproved)
- Under evaluation
- Optimize timberland value



## PLANNING NODES

BRYAN COUNTY – US 17

## BELFAST Commerce Park

BELFAST 1

KILKENNY

BELFAST 2

## RICHMOND HILL Mixed Use

ST MARYS / CAMDEN GA

EAST NASSAU NORTHERN

WEST NASSAU 3

ST MARYS BLUFF'S

## EAST NASSAU Residential / Hospitality

EAST NASSAU REMAINDER

## CHESTER RD.

## WILDLIGHT

EAST NASSAU SOUTHERN

WEST NASSAU 1

WEST NASSAU 2

CRAWFORD DIAMOND ★ sold

## NORTH ST. JOHNS

DEEP CREEK ★ sold

SOUTH ST. JOHNS 1 ★ sold

SOUTH ST. JOHNS 2 ★ sold

ST. JOHNS REMAINDER

SOUTH ST. JOHNS 3 ★ sold

SOUTH ST. JOHNS 4 ★ sold

NEOGA LAKES

Georgia Low County  
(Savannah, Richmond Hill, Bryan County)

Florida Low County  
(St. Mary's, Nassau County)

Recent transactions		
• Wildlight	64.4 ac	\$236,500/ac
• Belfast 1	8.8 ac	\$91,400/ac
• North St. Johns	599 ac	\$18,200/ac
• Crawford Diamond	1,805 ac	\$10,000/ac
• South St. Johns	10,965 ac	\$3,700/ac
• Deep Creek	1,994 ac	\$3,200/ac

# Appendix

# 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 income and expense, costs related to shareholder litigation 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.

**Cash Available for Distribution (CAD)** is defined as cash provided by operating activities adjusted for capital spending (excluding timberland acquisitions and spending on the Rayonier office building) and working capital and other balance sheet changes. CAD is a non-GAAP measure that management uses to measure 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, strategic acquisitions and real estate development investments. CAD is not necessarily indicative of the CAD that may be generated in future periods.

**Costs related to shareholder litigation** is defined as expenses incurred as a result of the shareholder derivative demands. See Note 10 – Contingencies of Item 8 – Financial Statements and Supplementary Data in the Company's most recent Annual Report on Form 10-K.. In addition, these costs include the costs associated with class action securities litigation brought against the Company in a case styled *In re Rayonier Inc. Securities Litigation*, filed in the United States District Court for the Middle District of Florida (Case No. 3:14-cv01395-RJC-JBT) and the Company's response to a subpoena it received from the SEC in November 2014. In July 2016, the Division of Enforcement of the SEC notified the Company that it had concluded its investigation into the Company. In October 2017, the court entered orders approving the settlement of the class action securities litigation and dismissing the case against all defendants with prejudice.

**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.

**EBITDA** by segment is calculated as operating income less depreciation, depletion, amortization and specific items that are not indicative of ongoing operating results. EBITDA by segment for Rayonier is equal to Adjusted EBITDA.

**Gain on foreign currency derivatives** is the gain resulting from the foreign exchange derivatives the Company used to mitigate the risk of fluctuations in foreign exchange rates while awaiting the capital contribution to the New Zealand JV.

# Reconciliation of Net Income to Adjusted EBITDA

(\$ in millions)	2018	2017	2016	2015	2014
Net income	\$117.3	\$161.5	\$217.8	\$43.9	\$97.8
Interest, net, continuing operations	29.7	32.2	33.0	34.7	49.7
Income tax expense (benefit), continuing operations	25.2	21.8	5.0	(0.9)	(9.6)
Depreciation, depletion and amortization	144.1	127.6	115.1	113.7	120.0
Non-cash cost of land and improved development	23.6	13.7	11.7	12.5	13.2
Non-operating (income) / expense	(2.2)	-	-	0.1	3.8
Costs related to shareholder litigation <sup>(1)</sup>	-	0.7	2.2	4.1	-
Gain on foreign currency derivatives <sup>(1)</sup>	-	-	(1.2)	-	-
Large Dispositions <sup>(1)</sup>	-	(67.0)	(143.9)	-	(21.4)
Internal review and restatement costs <sup>(1)</sup>	-	-	-	-	3.4
Net income from discontinued operations <sup>(1)</sup>	-	-	-	-	(43.4)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$337.7</b>	<b>\$290.5</b>	<b>\$239.7</b>	<b>\$208.1</b>	<b>\$213.5</b>

(1) Non-GAAP measure or pro forma item (see Appendix for definitions and reconciliations).

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

(\$ in millions)	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>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 real estate sold	-	-	-	23.6	-	-	23.6
Adjusted EBITDA <sup>(1)</sup>	\$102.8	\$40.9	\$90.8	\$123.4	\$1.0	(\$21.1)	\$337.7
<b>2017</b>							
Operating Income	\$42.2	\$1.1	\$57.6	\$130.9	\$4.6	(\$20.9)	\$215.5
Depreciation, depletion & amortization	49.4	32.0	27.5	17.9	-	0.8	127.6
Non-cash cost of land and real estate sold	-	-	-	13.7	-	-	13.7
Costs related to shareholder litigation <sup>(1)</sup>	-	-	-	-	-	0.7	0.7
Large Dispositions <sup>(1)</sup>	-	-	-	(67.0)	-	-	(67.0)
Adjusted EBITDA <sup>(1)</sup>	\$91.6	\$33.1	\$85.1	\$95.5	\$4.6	(\$19.4)	\$290.5
<b>2016</b>							
Operating Income	\$43.1	(\$4.0)	\$33.0	\$202.4	\$2.0	(\$20.8)	\$255.7
Depreciation, depletion & amortization	49.8	25.2	23.4	16.3	-	0.4	115.1
Non-cash cost of land and real estate sold	-	-	-	11.7	-	-	11.7
Costs related to shareholder litigation <sup>(1)</sup>	-	-	-	-	-	2.2	2.2
Gain on foreign currency derivatives <sup>(1)</sup>	-	-	-	-	-	(1.2)	(1.2)
Large Dispositions <sup>(1)</sup>	-	-	-	(143.9)	-	-	(143.9)
Adjusted EBITDA <sup>(1)</sup>	\$92.9	\$21.2	\$56.5	\$86.6	\$2.0	(\$19.4)	\$239.7
<b>2015</b>							
Operating Income	\$46.7	\$6.9	\$1.6	\$45.5	\$1.2	(\$24.1)	\$77.8
Depreciation, depletion & amortization	54.3	14.8	25.5	18.7	-	0.4	113.7
Non-cash cost of land and real estate sold	-	-	-	12.5	-	-	12.5
Costs related to shareholder litigation <sup>(1)</sup>	-	-	-	-	-	4.1	4.1
Adjusted EBITDA <sup>(1)</sup>	\$101.0	\$21.7	\$27.1	\$76.7	\$1.2	(\$19.6)	\$208.1

(1) Non-GAAP measure or pro forma item (see Appendix for definitions and reconciliations).

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

(\$ in millions)	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>2014</b>							
Operating Income	\$45.7	\$29.5	\$8.7	\$48.3	\$1.7	(\$35.6)	\$98.3
Depreciation, depletion & amortization	52.2	21.3	32.2	13.4	-	0.9	120.0
Non-cash cost of land and real estate sold	-	-	-	13.2	-	-	13.2
Large Dispositions <sup>(1)</sup>	-	-	-	(21.4)	-	-	(21.4)
Internal review and restatement costs <sup>(1)</sup>	-	-	-	-	-	3.4	3.4
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>\$97.9</b>	<b>\$50.8</b>	<b>\$40.9</b>	<b>\$53.5</b>	<b>\$1.7</b>	<b>(\$31.3)</b>	<b>\$213.5</b>

<sup>(1)</sup> Non-GAAP measure or pro forma item (see Appendix for definitions and reconciliations).