



# **NAREIT REITWEEK: 2019 INVESTOR CONFERENCE**

**JUNE 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



\$1.7 billion of  
timberlands acquired **since 2011**

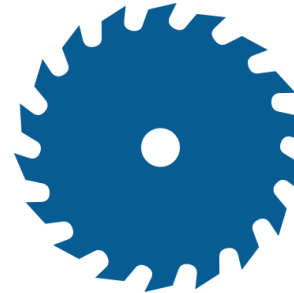


~350  
employees

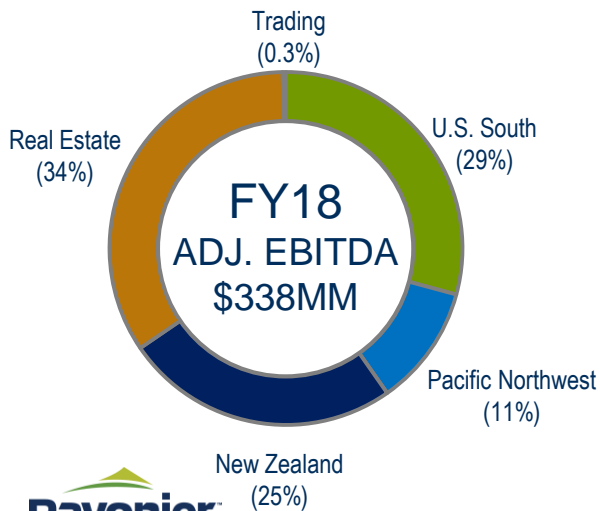
Value-added  
Real Estate  
Platform



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

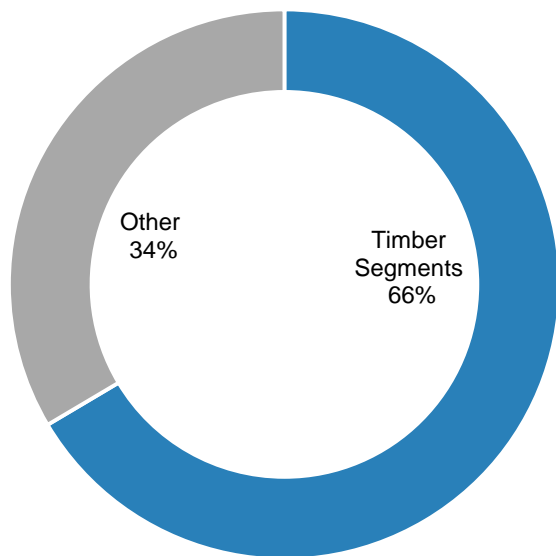
## ENHANCE DISCLOSURE

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

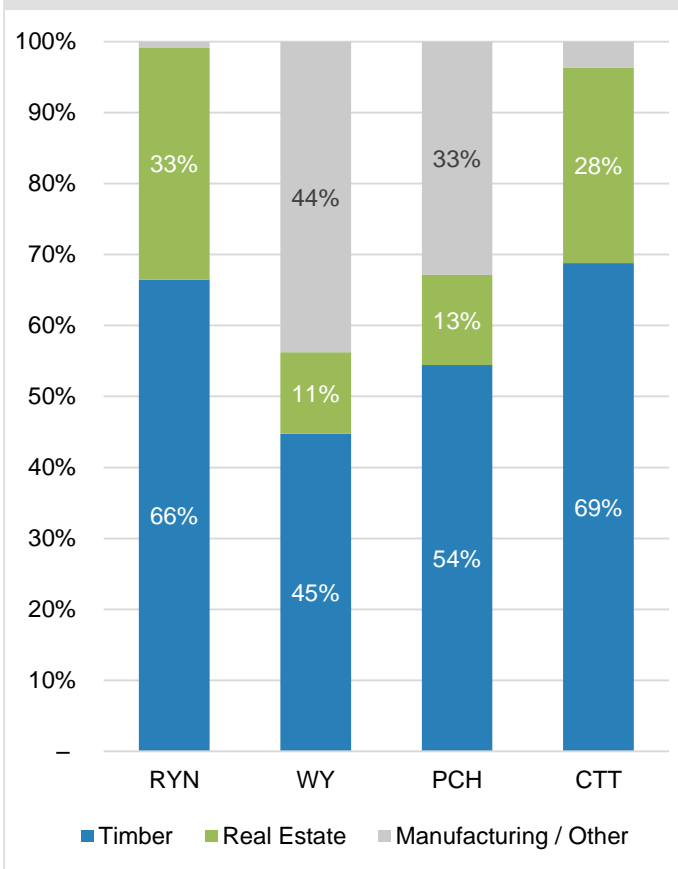
# Rayonier is the Leading “Pure Play” Timber REIT

## Rayonier

2016 – 2018 EBITDA\*  
Composition

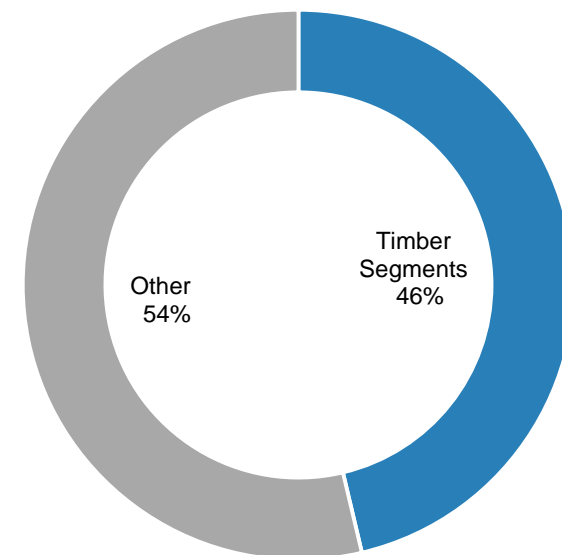


Peer Group EBITDA\* Composition  
(2016 – 2018)



## Peer Group

2016 – 2018 EBITDA\*  
Composition

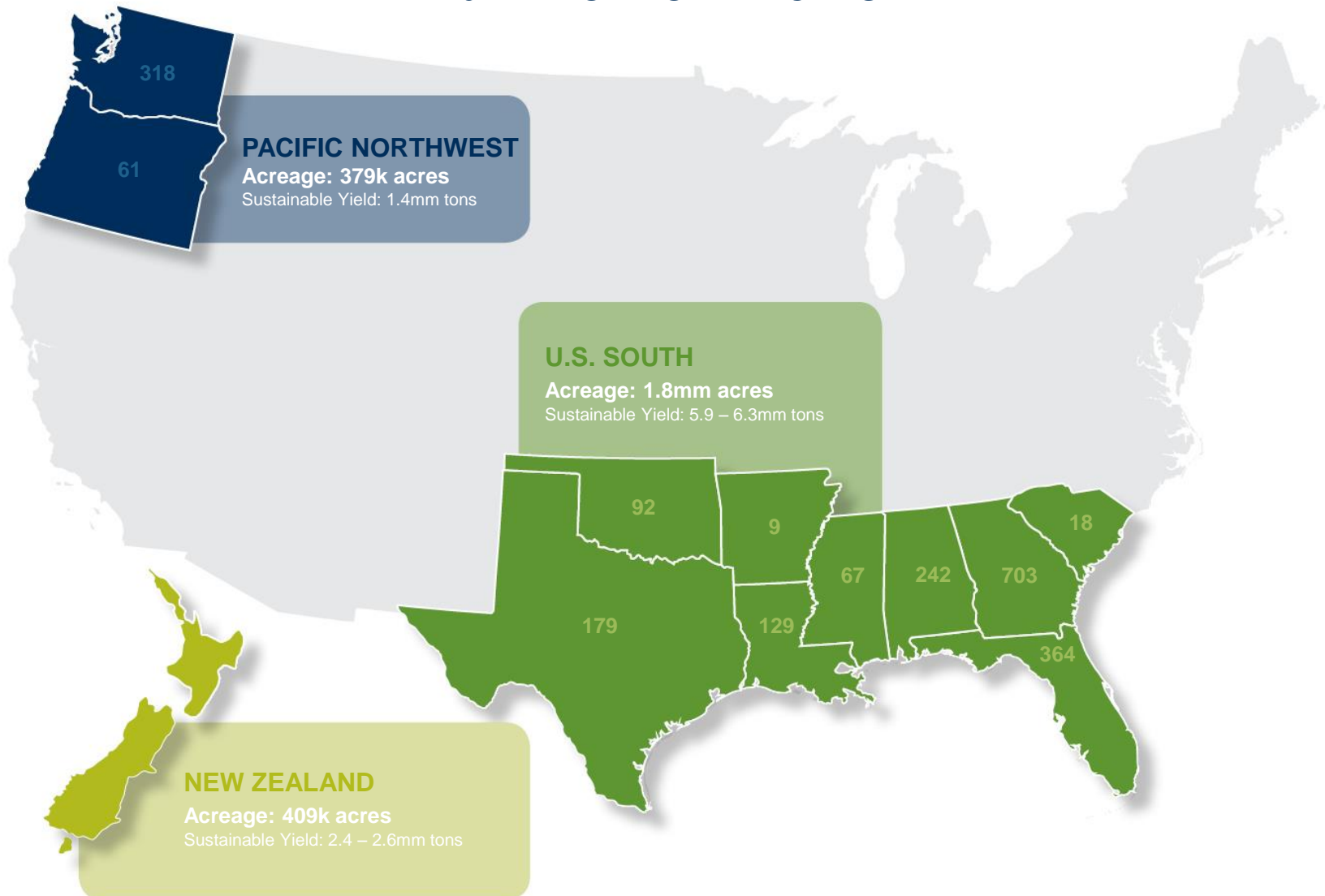


**Over the last three years, Rayonier has generated 66% of its EBITDA\* from timber operations (versus 46% for the peer group).**



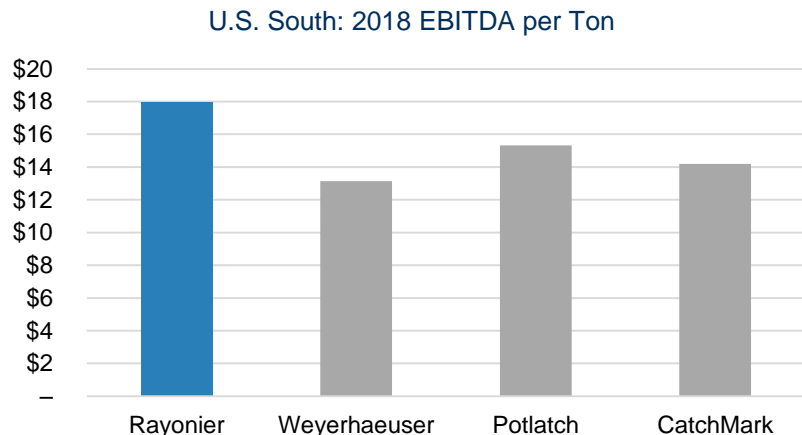
# Highly Productive, Geographically Diversified Timberlands

2.6 MILLION TOTAL ACRES

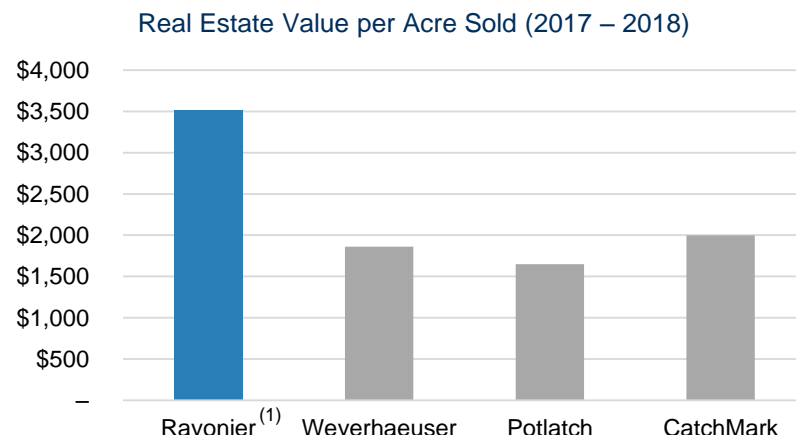


# Rayonier Portfolio Highlights

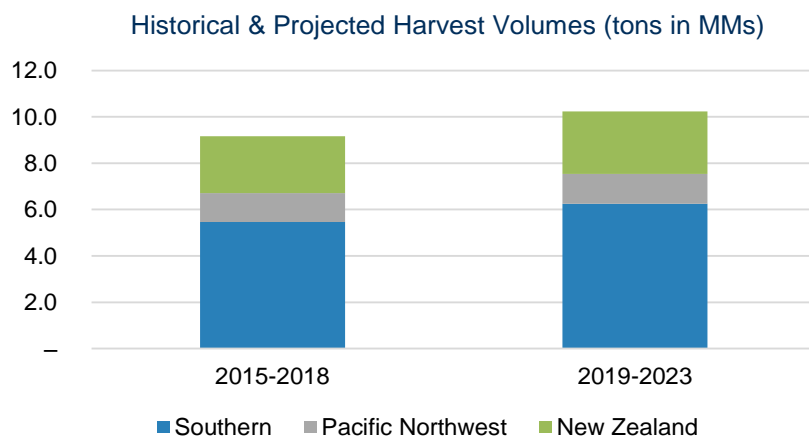
## Sector-Leading U.S. South EBITDA per Ton



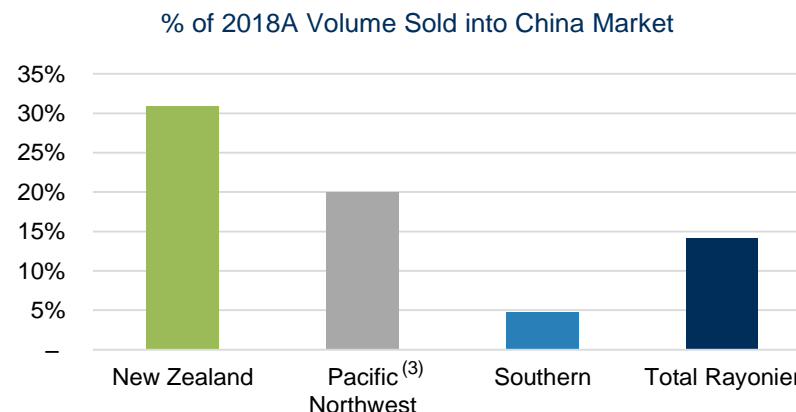
## Sector-Leading HBU Value Realizations



## Improving Harvest Profile<sup>(2)</sup>



## Unique Exposure to China Export Market



- (1) Excludes Large Dispositions and Improved Development.
- (2) Based on Rayonier estimates; assumes current portfolio with no acquisitions or divestitures.
- (3) Based on estimated export volume sold into China market.

# Prudent Capital Structure & Financial Policy

## Credit Highlights & Ratio Targets

### Current Credit Ratings

- S&P: BBB- / Stable
- Moody's: Baa3 / Stable

### Credit Highlights

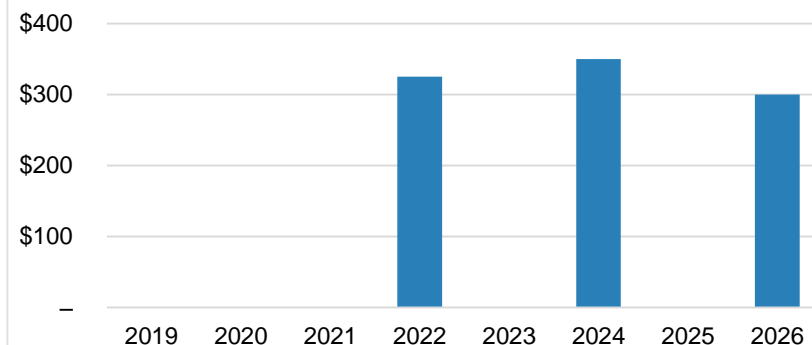
- Strong Adj. EBITDA\* margins
- High EBITDA-to-FCF conversion
- Significant asset coverage
- 3.3% weighted avg. cost of debt / 100% fixed

### Credit Ratio Targets

- Committed to maintaining an investment grade credit profile
- Target credit metrics include:
  - Net Debt / Adj. EBITDA\*: ~4.5x
  - Net Debt / Asset Value: < 30%

## Capitalization & Maturity Profile

(\$ in millions)	3/31/2019
Total Debt	\$975.0
(-) Cash <sup>(1)</sup>	(154.6)
Net Debt	\$820.4
<b>Credit Data</b>	
2018 Adjusted EBITDA*	\$337.7
2018 Interest Expense	\$32.1
<b>Credit Statistics</b>	
Net Debt / Adjusted EBITDA*	2.4x
Adj. EBITDA* / Interest Expense	10.5x
Net Debt / Enterprise Value <sup>(2)</sup>	17%



**Rayonier has a strong, investment grade credit profile with significant asset coverage.**



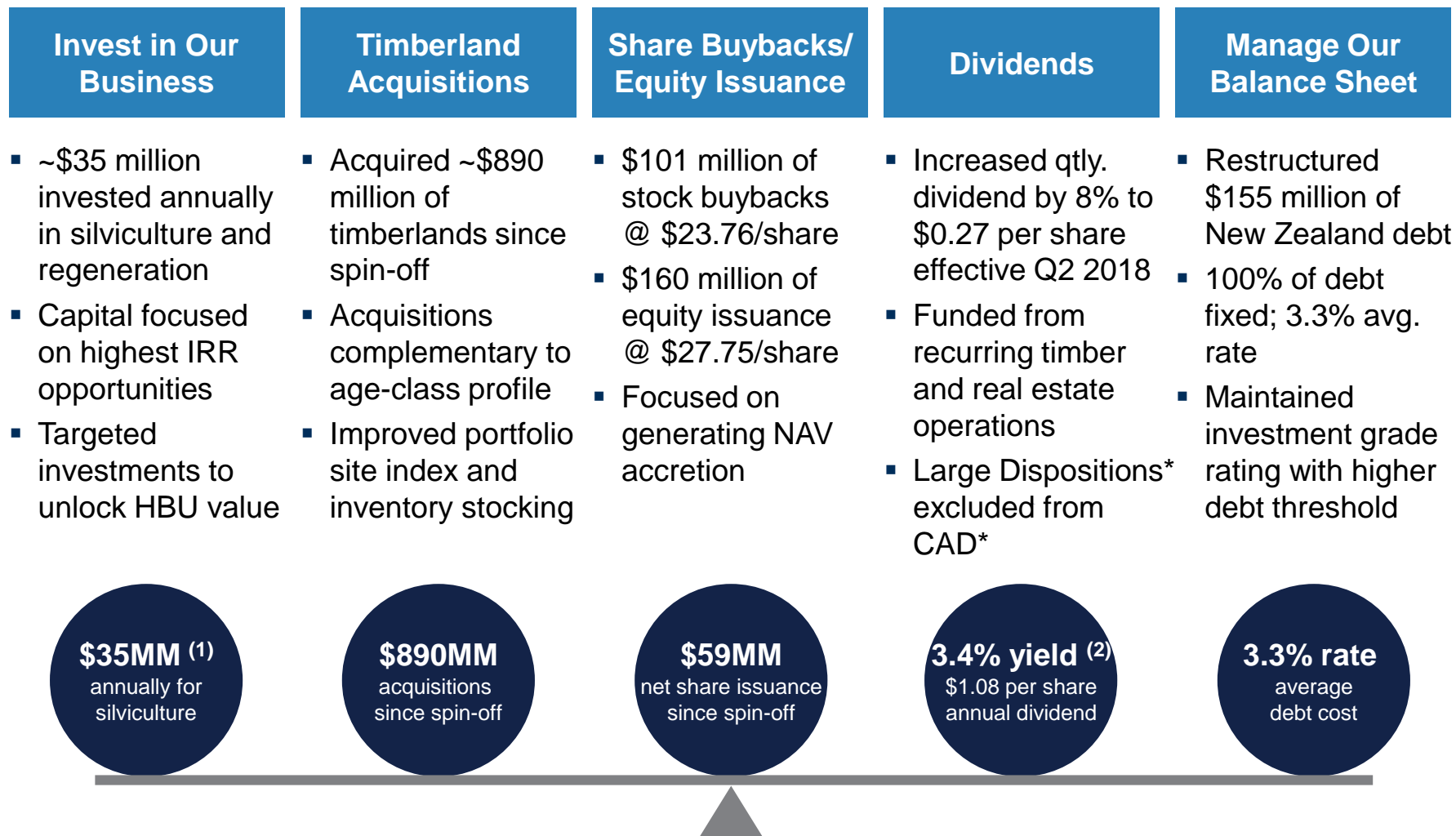
(1) Excludes \$9.3 million of restricted cash held by LKE intermediaries as of 3/31/19.

(2) Enterprise value based on market capitalization plus net debt as of 3/31/19.

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



# Nimble Approach to Capital Allocation



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

(2) Based on share price of \$31.52 as of 3/29/19 and annualized dividend of \$1.08 per share.

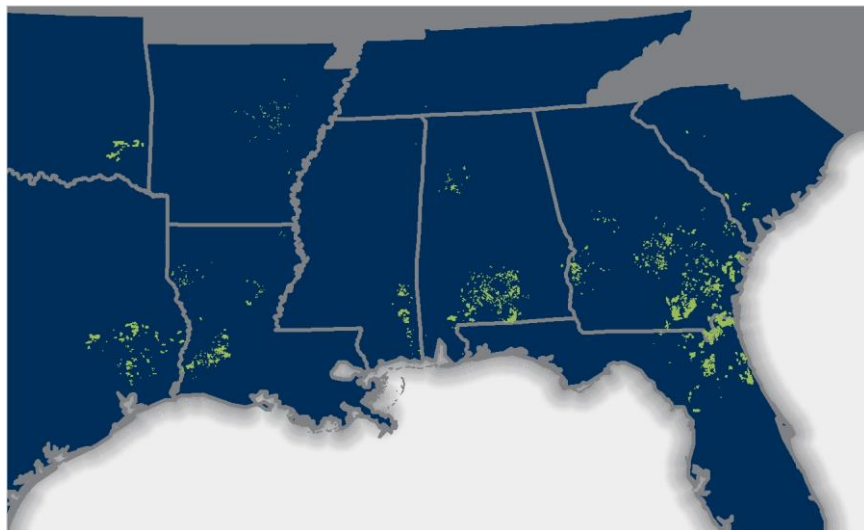
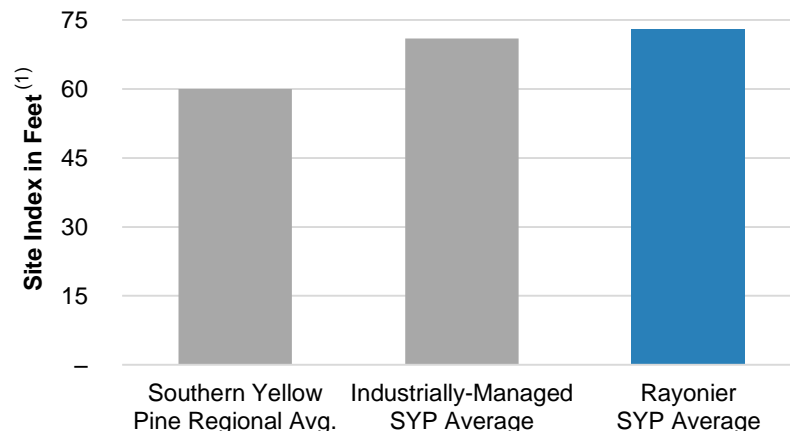
\* Non-GAAP measure or pro forma item (see Appendix for definitions and RYN reconciliations).

# Southern Timber – Portfolio Overview

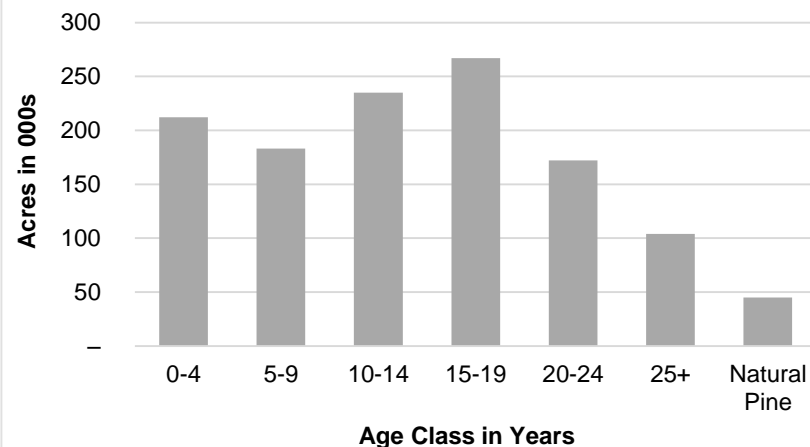
## Highlights / Location

- 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.

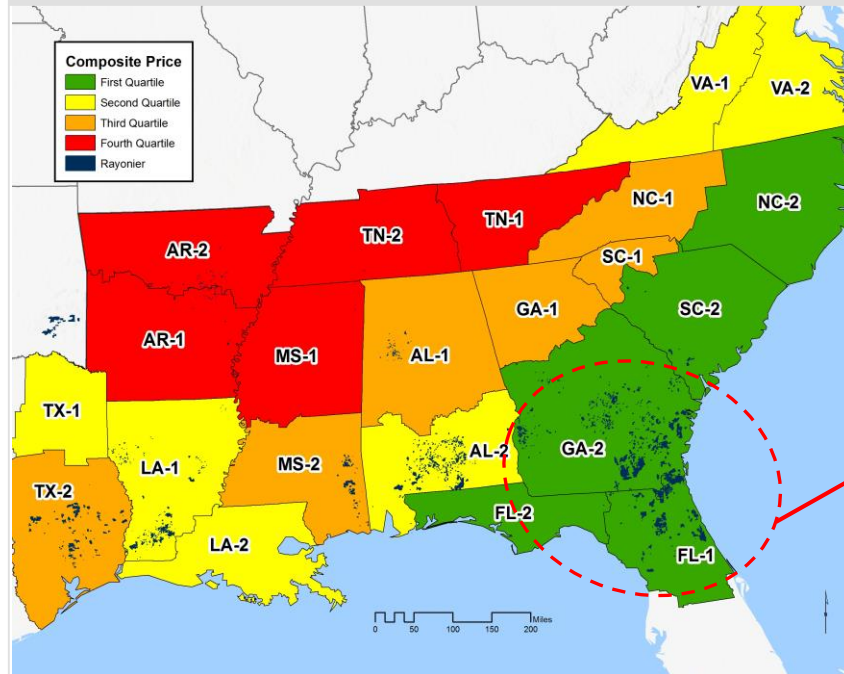
Source: U.S. Dept. of Agriculture, Society of American Foresters Journal of Forestry.

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

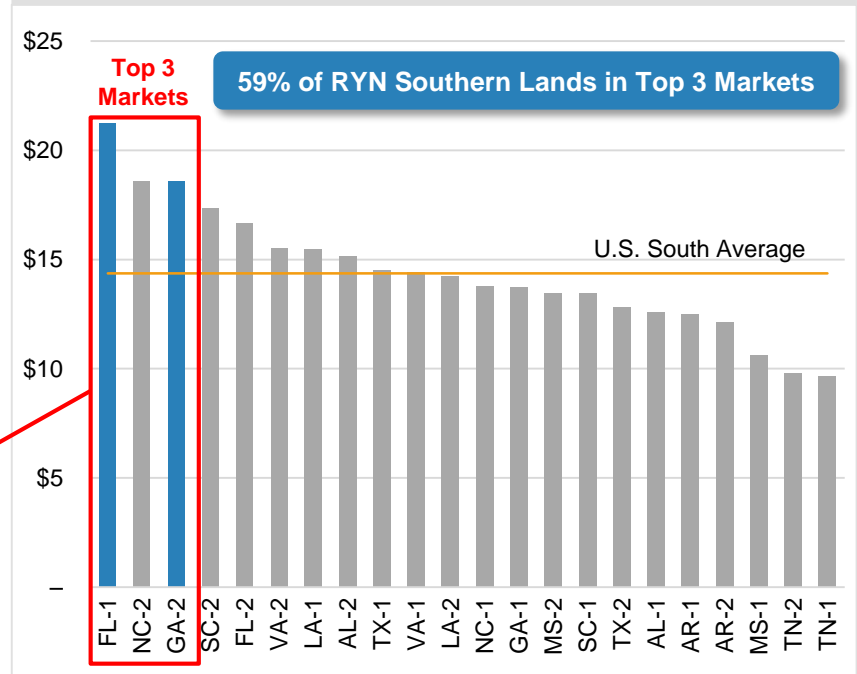
# RYN Concentrated in Strongest U.S. South Markets

- 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



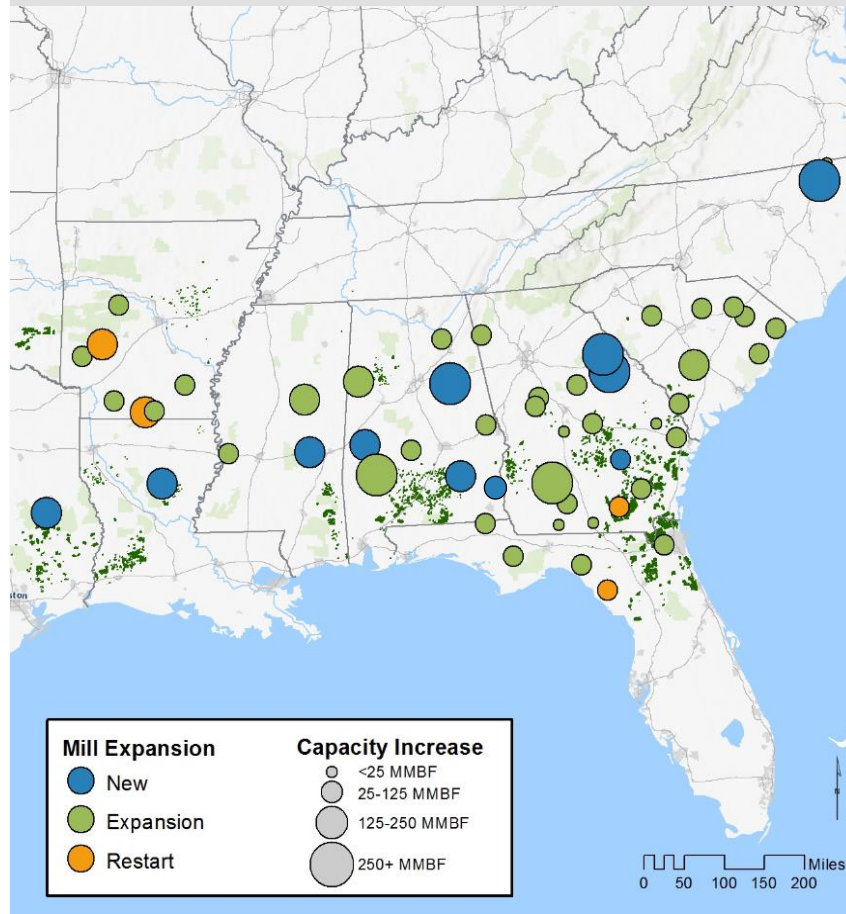
TMS 2018 Composite Price by Region



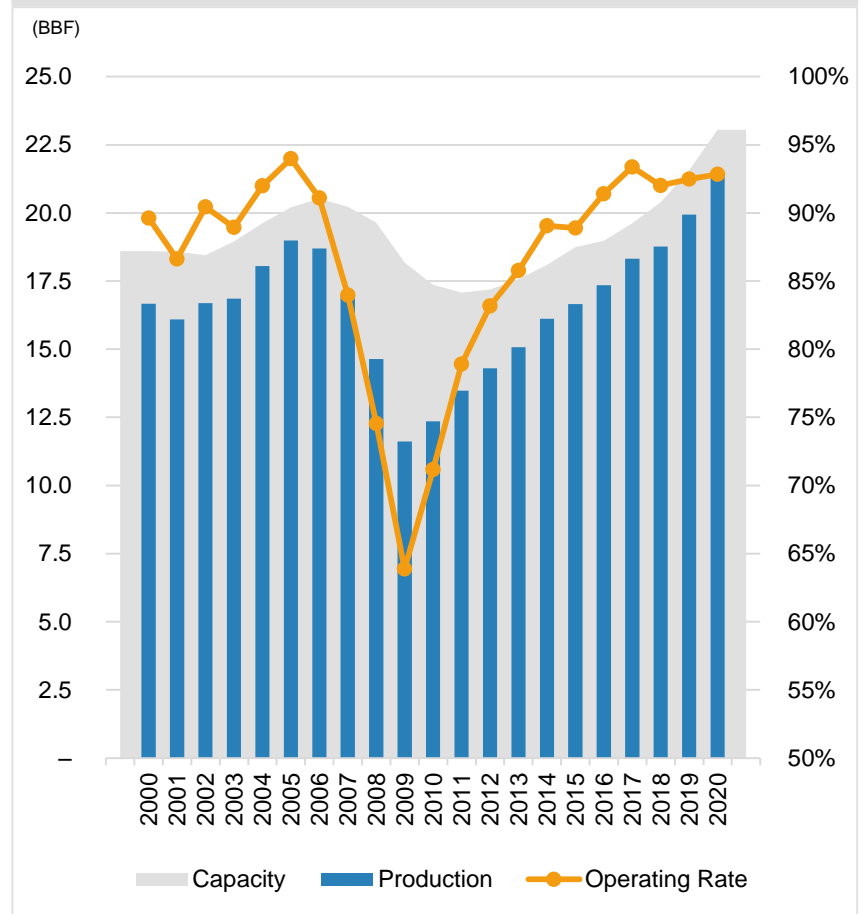
Approximately 59% of Rayonier's Southern timberlands are located in the top three markets (ranked by TimberMart-South composite stumpage pricing).

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

Active Mill Expansion in the U.S. South (1)



Production Growth Supports Incremental Capacity



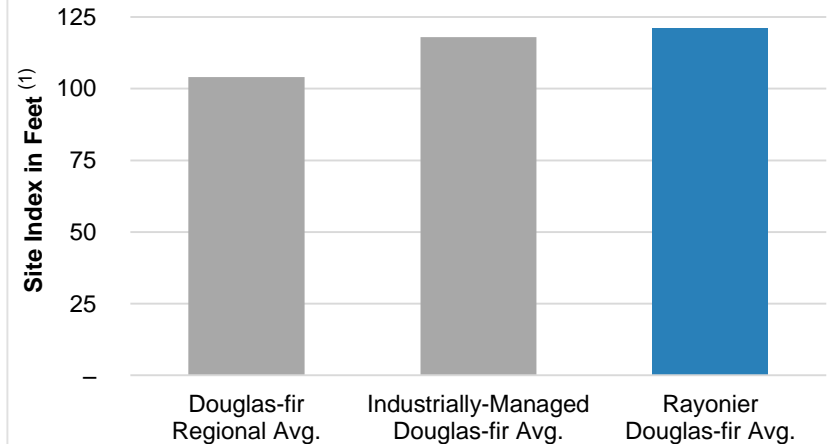
Lumber production and capacity in the U.S. South is expected to grow significantly over the next few years.

# Pacific Northwest Timber – Portfolio Overview

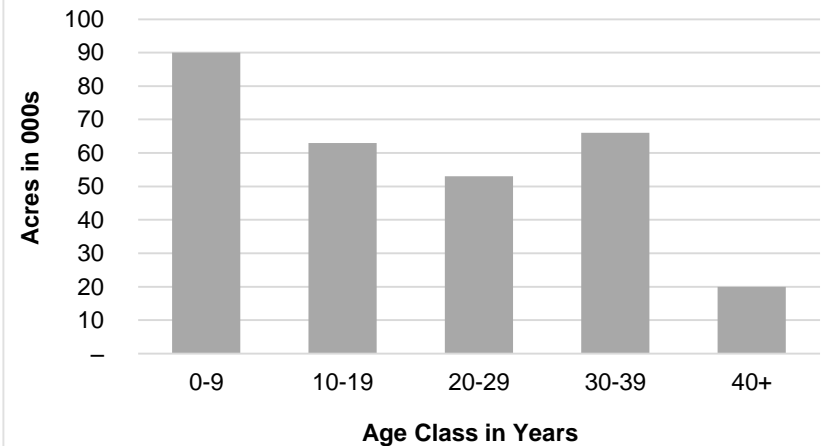
## Highlights / Location

- Acreage: 379,000 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).

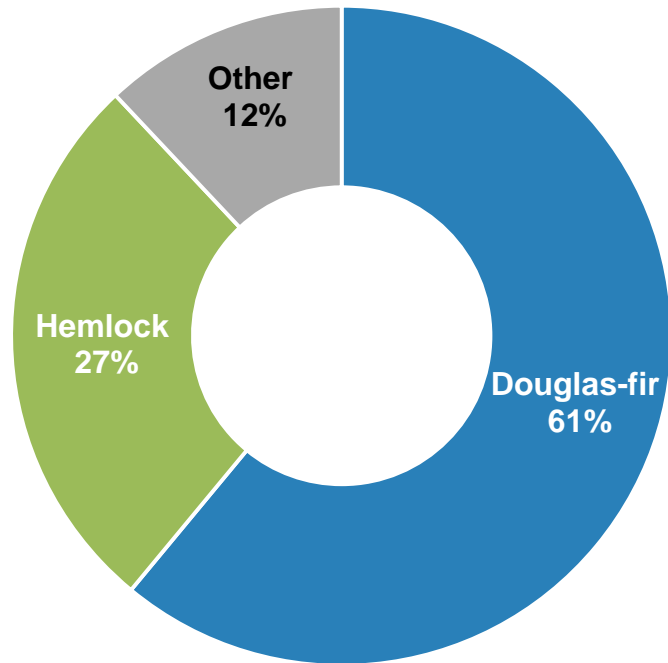
(2) Age class profile as of 9/30/18 per 2018 10-K.

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

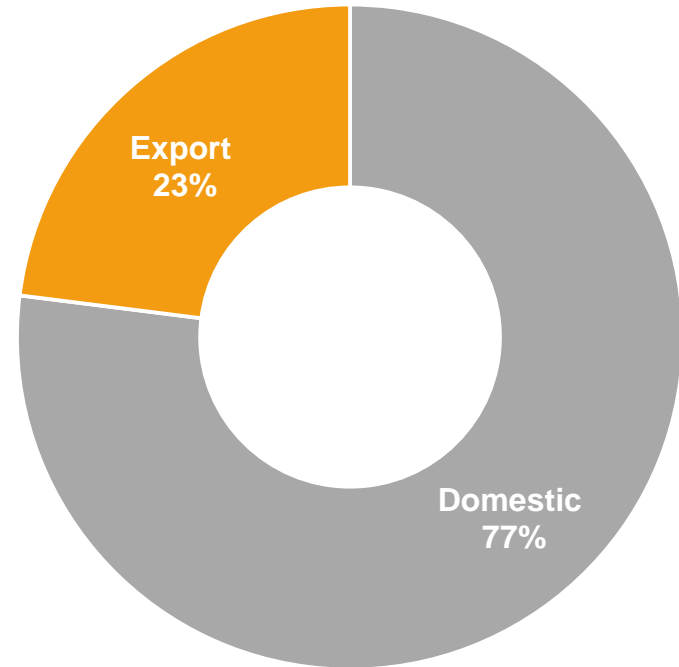
\* Non-GAAP measure (see Appendix for definitions and RYN reconciliations).

# Diverse Species & End Markets

Pacific Northwest Inventory by Species (2018)



Volume by Destination (2018)

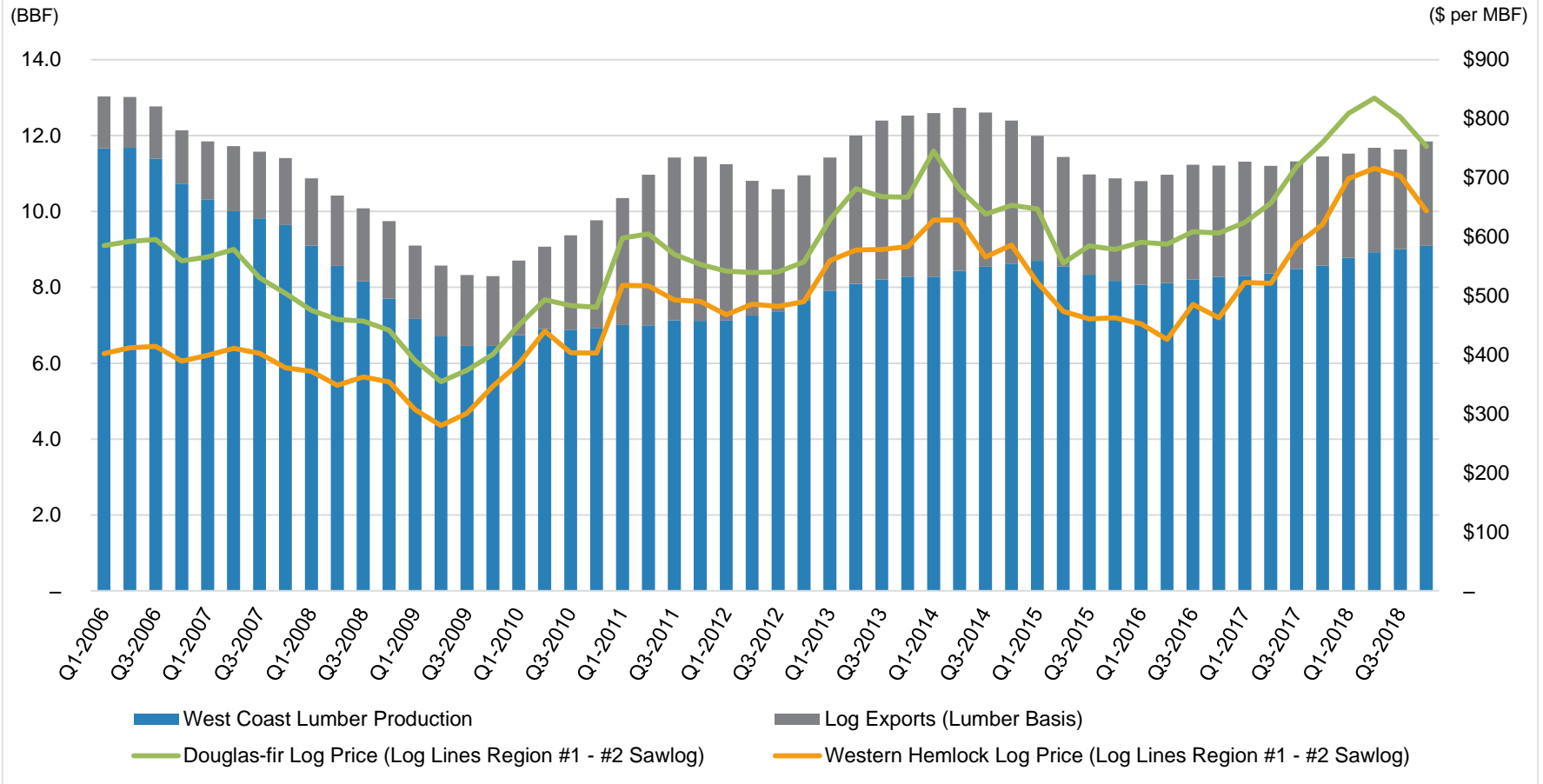


Rayonier's Pacific Northwest portfolio provides diversity of products and end-markets.



# Pacific Northwest Demand & Pricing Trends

## Pacific Northwest Log Demand & Pricing



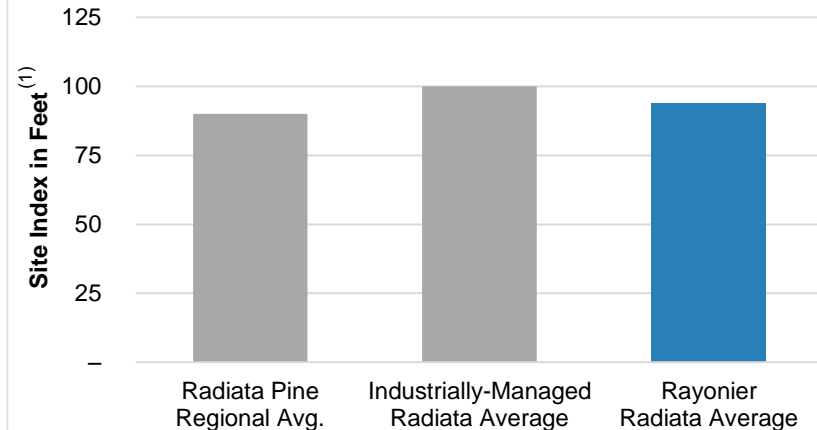
**Pacific Northwest pricing has been impacted recently by tariffs on exports to China.**

# New Zealand Timber – Portfolio Overview

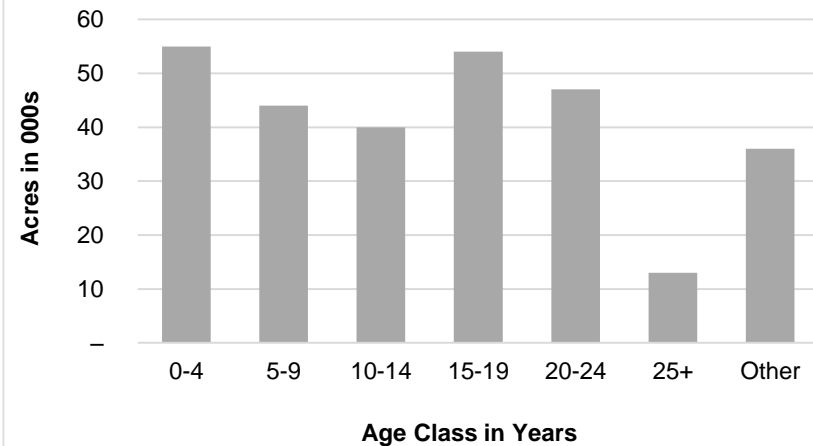
## Highlights / Location

- Acreage: 409,000 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).

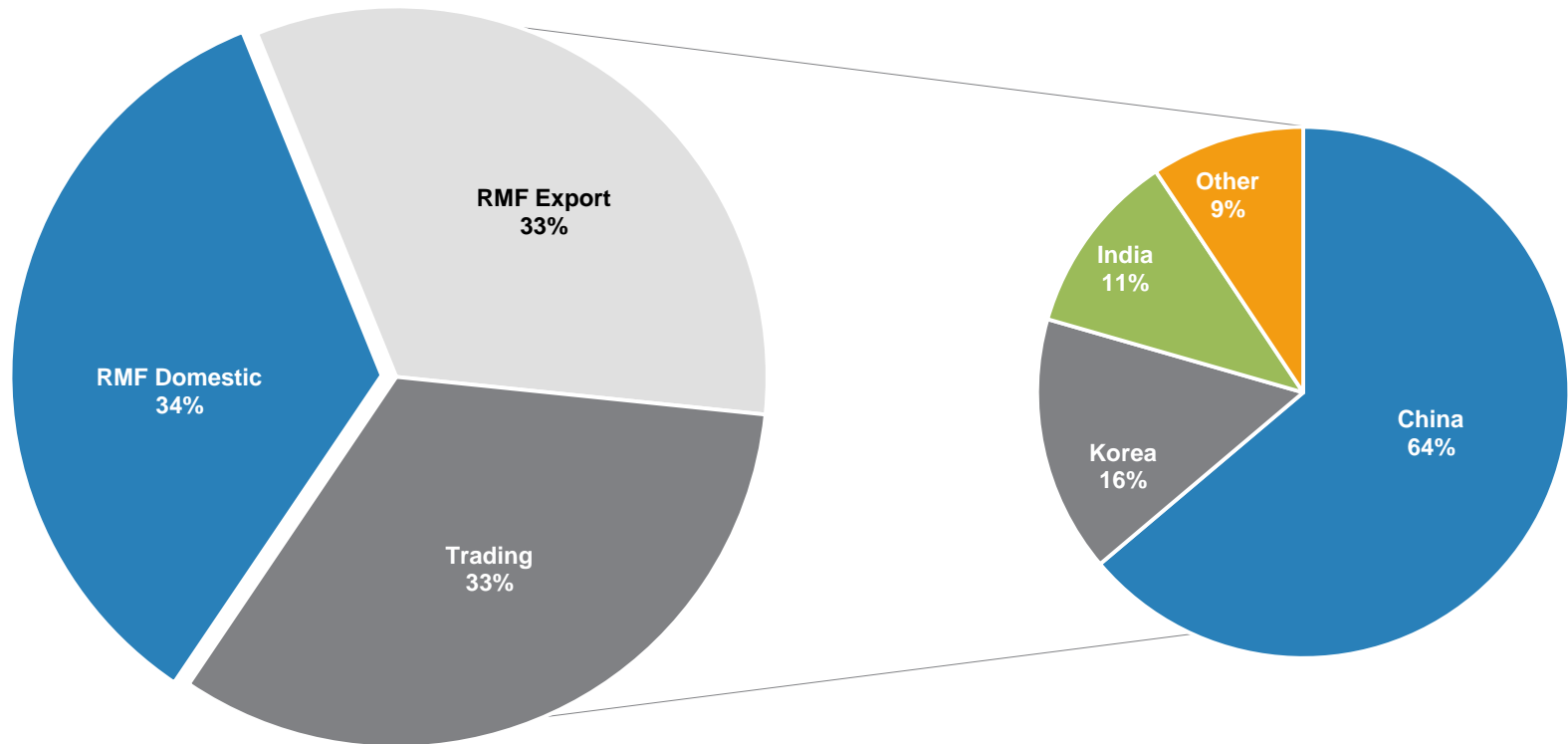
(2) Age class profile as of 12/31/18 per 2018 10-K.

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.

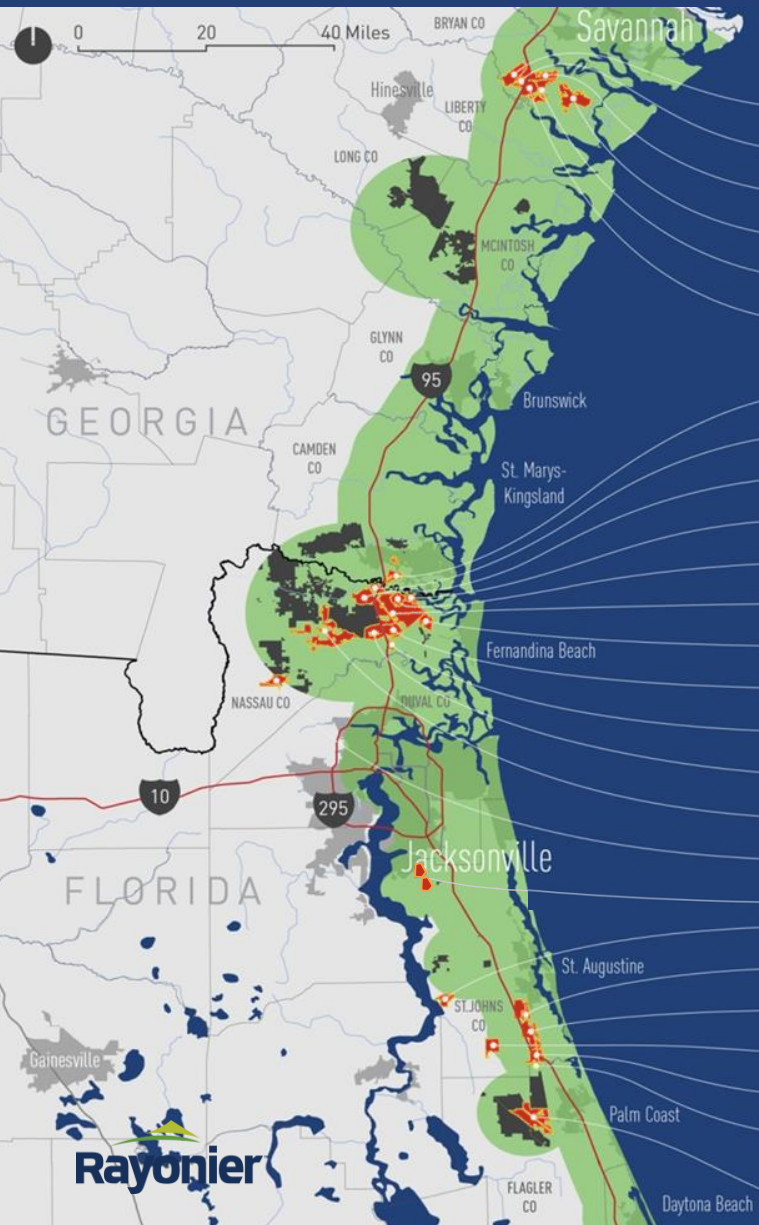
# Real Estate Strategy: Optimize Value & Create Optionality

Timberlands		Real Estate		
 <p><b>Large Dispositions</b></p>	 <p><b>Non-Strategic / Timberlands</b></p>	 <p><b>Rural Places + Properties</b></p>	 <p><b>Unimproved Development</b></p>	 <p><b>Improved Development</b></p>
<p><b>Strategic sales of timberland</b></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><b>Sale of non-strategic and timberland assets</b></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><b>Sale of rural properties</b></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><b>Sale of properties with development rights</b></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><b>Sale of developed land parcels</b></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><b>Timberland value</b></p>	<p><b>Timberland premium</b></p>	<p><b>HBU premium + ROI</b></p>	<p><b>HBU premium + ROI</b></p>	<p><b>HBU premium + ROI + optionality</b></p>
<p>Opportunistic</p>	<p>Reduce reliance</p>	<p>Grow moderately</p>	<p>Grow in select markets</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>
------------------------------	--	--	--	------------------------

# I-95 Coastal Corridor: Active Portfolio Management

as of 3/31/2019



- 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	68.5 ac	\$227,346/ac
• Richmond Hill	6.86 ac	\$145,773/ac
• Belfast 1	8.8 ac	\$91,429/ac
• Belfast Com. Ctr.	140 ac	\$34,371/ac
• North St. Johns	599 ac	\$18,219/ac
• Crawford Diamond	1,805 ac	\$10,000/ac
• South St. Johns	11,211 ac	\$3,644/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, the gain on foreign currency derivatives, Large Dispositions, internal review and restatement costs and discontinued operations. 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.

**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.

**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 litigation, shareholder derivative demands and Rayonier's response on an SEC subpoena. See Note 10 – Contingencies of Item 8 – Financial Statements and Supplementary Data and page 29 in the Company's most recent Annual Report on Form 10-K.

**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 subsidiary.

**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.

# Reconciliation of Net Income to Adjusted EBITDA

(\$ in millions)	Q1 2019	2018	2017	2016	2015	2014
Net income	\$27.8	\$117.3	\$161.5	\$217.8	\$43.9	\$97.8
Interest, net, continuing operations	6.7	29.7	32.2	33.0	34.7	49.7
Income tax expense (benefit), continuing operations	4.3	25.2	21.8	5.0	(0.9)	(9.6)
Depreciation, depletion and amortization	36.5	144.1	127.6	115.1	113.7	120.0
Non-cash cost of land and improved development	4.0	23.6	13.7	11.7	12.5	13.2
Non-operating (income) / expense	(0.3)	(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>\$79.0</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 Net Debt

(\$ in millions)

<b>Q1 2019</b>	
Long-term debt, net of deferred financing costs	\$972.7
Deferred financing costs	2.3
<b>Total Debt</b>	<b>\$975.0</b>
Cash and cash equivalents	(154.6)
<b>Net Debt</b>	<b>\$815.8</b>

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

(\$ in millions)	Pacific					Corporate and Other	Total
	Southern Timber	Northwest Timber	New Zealand Timber	Real Estate	Trading		
<b>Q1 2019</b>							
Operating Income	\$21.5	(\$3.7)	\$15.7	\$10.0	\$0.5	(\$5.5)	\$38.5
Depreciation, depletion & amortization	19.7	6.8	6.3	3.3	-	0.3	36.5
Non-cash cost of land and real estate sold	-	-	-	4.0	-	-	4.0
Adjusted EBITDA <sup>(1)</sup>	\$41.2	\$3.1	\$22.0	\$17.4	\$0.5	(\$5.2)	\$79.0
<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

<sup>(1)</sup> 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>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
<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
Adjusted EBITDA <sup>(1)</sup>	\$97.9	\$50.8	\$40.9	\$53.5	\$1.7	(\$31.3)	\$213.5

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