



# INVESTOR PRESENTATION

*May 2020*

# Forward-Looking Statements

**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; business disruptions arising from public health crises and outbreaks of communicable diseases, including the recent outbreak of the virus known as the novel coronavirus; 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 Today

# Rayonier At A Glance

 **2.7 Million<sup>(1)</sup>**  
acres

**\$1.6 billion<sup>(2)</sup>** of  
acquisitions **since spin-off**

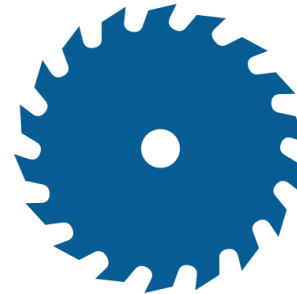


  
**~400<sup>(2)</sup>**  
employees

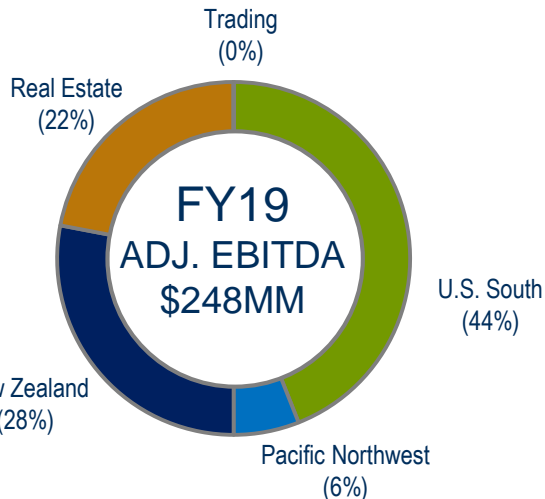
**Value-added  
Real Estate  
Platform**



Sustainable  
yield of  
**~11 million  
tons<sup>(1)</sup>**  
annually



Established  
in 1926



**Sustainable  
Certifications**



SFI-00023



The mark of  
responsible forestry



Promoting Sustainable  
Forest Management

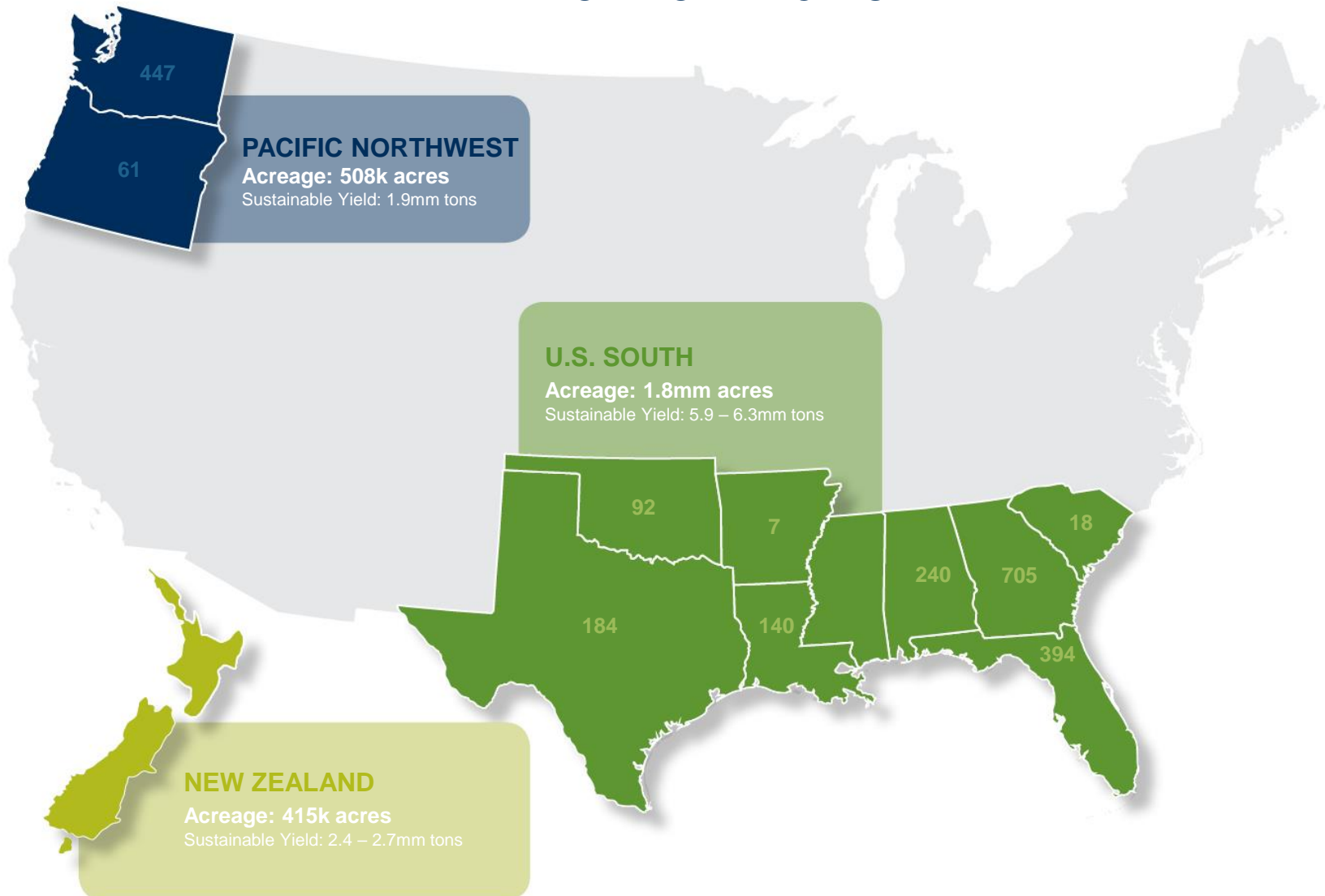
**Mission:**

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



# Highly Productive, Geographically Diversified Timberlands

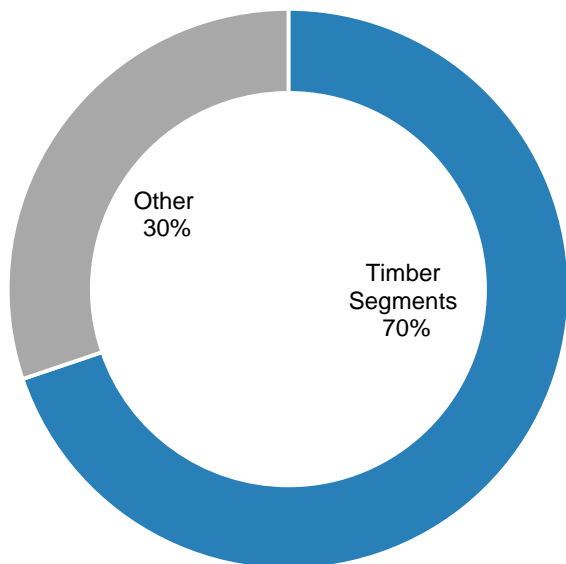
2.7 MILLION\* TOTAL ACRES



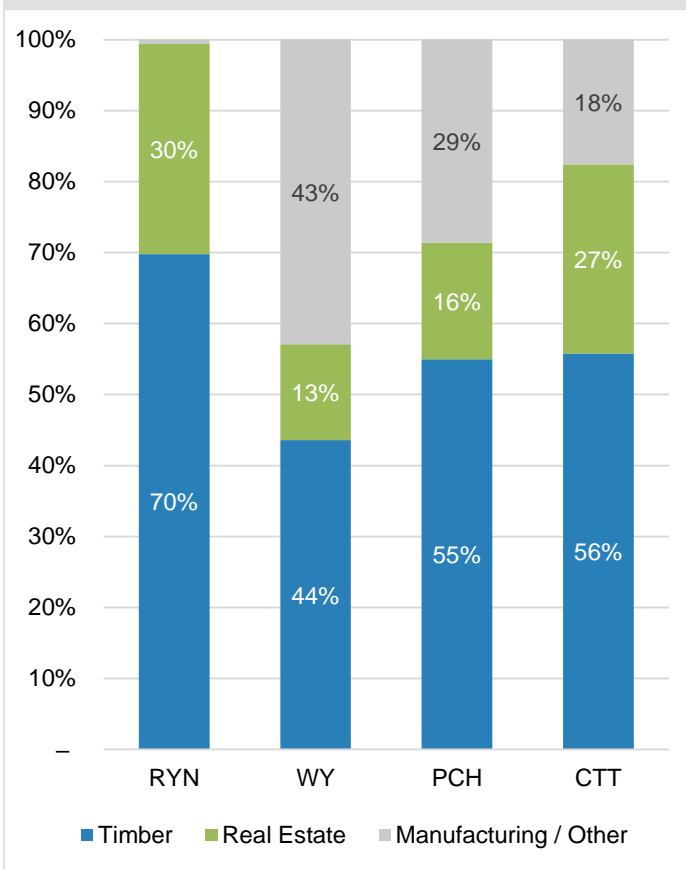
# Rayonier is the Leading “Pure Play” Timber REIT

## Rayonier

2017 – 2019 EBITDA\*  
Composition

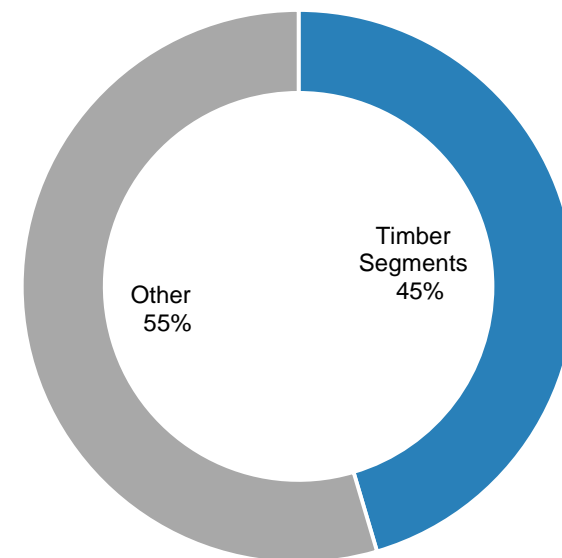


Peer Group EBITDA\* Composition  
(2017 – 2019)



## Peer Group

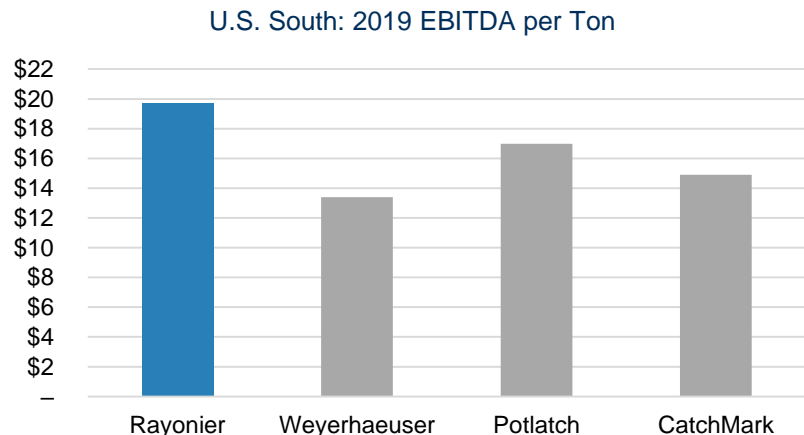
2017 – 2019 EBITDA\*  
Composition



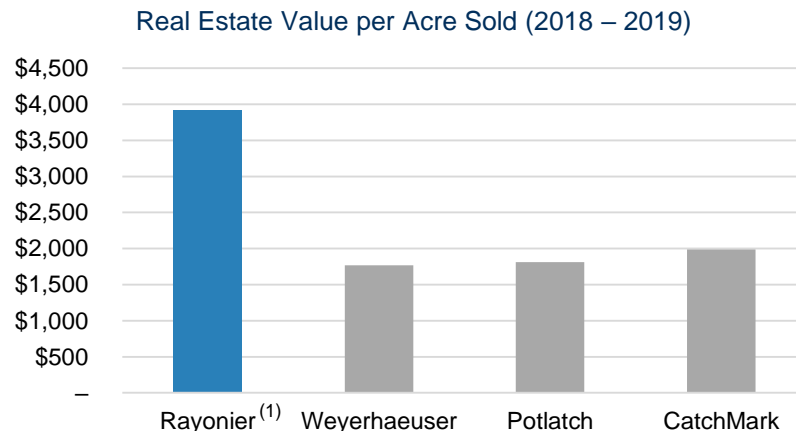
**Over the last three years, Rayonier has generated 70% of its EBITDA\* from timber operations (versus 45% for the peer group).**

# Rayonier Portfolio Highlights

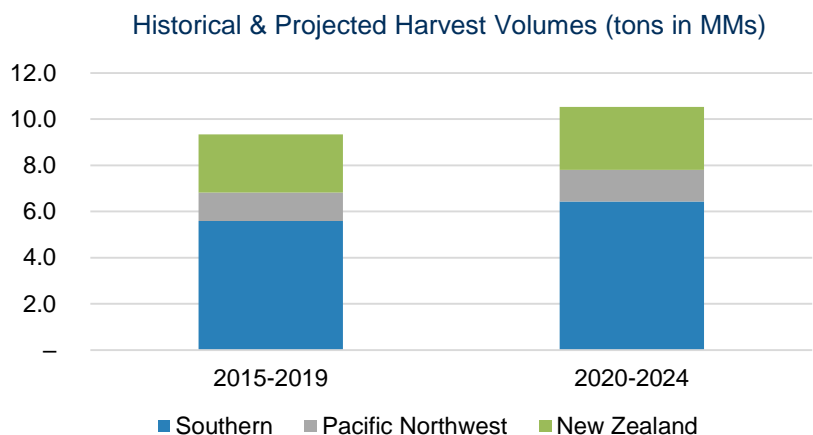
## Sector-Leading U.S. South EBITDA per Ton



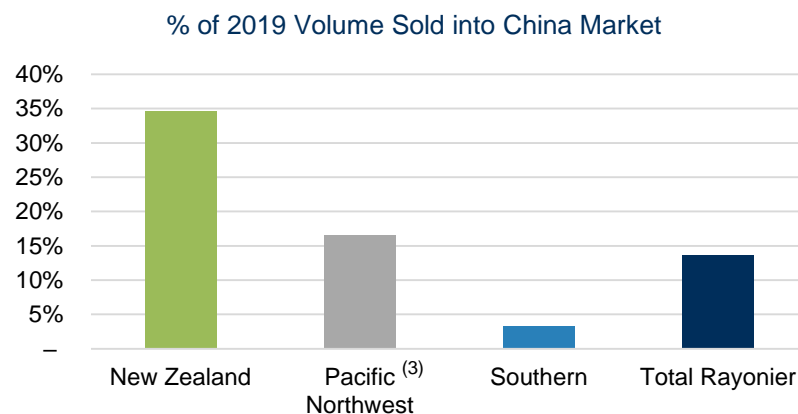
## Sector-Leading HBU Value Realizations



## 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; excludes Rayonier's acquisition of Pope Resources.
- (3) Based on estimated export volume sold into China market.

# 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

## BEST-IN-CLASS STEWARDSHIP & DISCLOSURE

- Develop and integrate robust ESG policies and best practices
- Establish Rayonier as industry leader in transparent disclosure



# Prudent Capital Structure & Financial Policy

## Credit Highlights & Ratio Targets

### Current Credit Ratings

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

### Credit Highlights

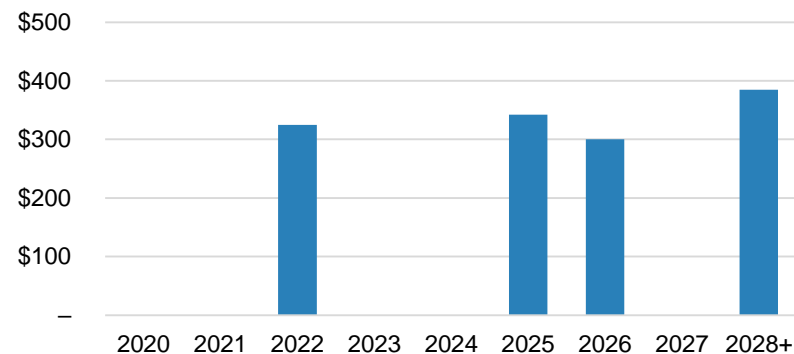
- Strong Adj. EBITDA\* margins
- High EBITDA-to-FCF conversion
- Significant asset coverage
- 3.2% weighted avg. cost of debt / 94% fixed

### 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

(\$ and shares in millions)	3/31/20	Pro Forma <sup>(1)</sup>
Total Debt	\$1,057.0	\$1,352.0
(-) Cash	(132.4)	(132.4)
Net Debt	\$924.6	\$1,219.6
<b><u>Credit / Valuation Data</u></b>		
2019 Adjusted EBITDA*	\$247.8	NA
Shares / Opco Units Outstanding	129.2	140.9
Enterprise Value <sup>(2)</sup>	\$3,966.8	\$4,537.3
<b><u>Credit Statistics</u></b>		
Net Debt / Adjusted EBITDA*	3.7x	NA
Net Debt / Enterprise Value <sup>(1)</sup>	23.3%	26.9%

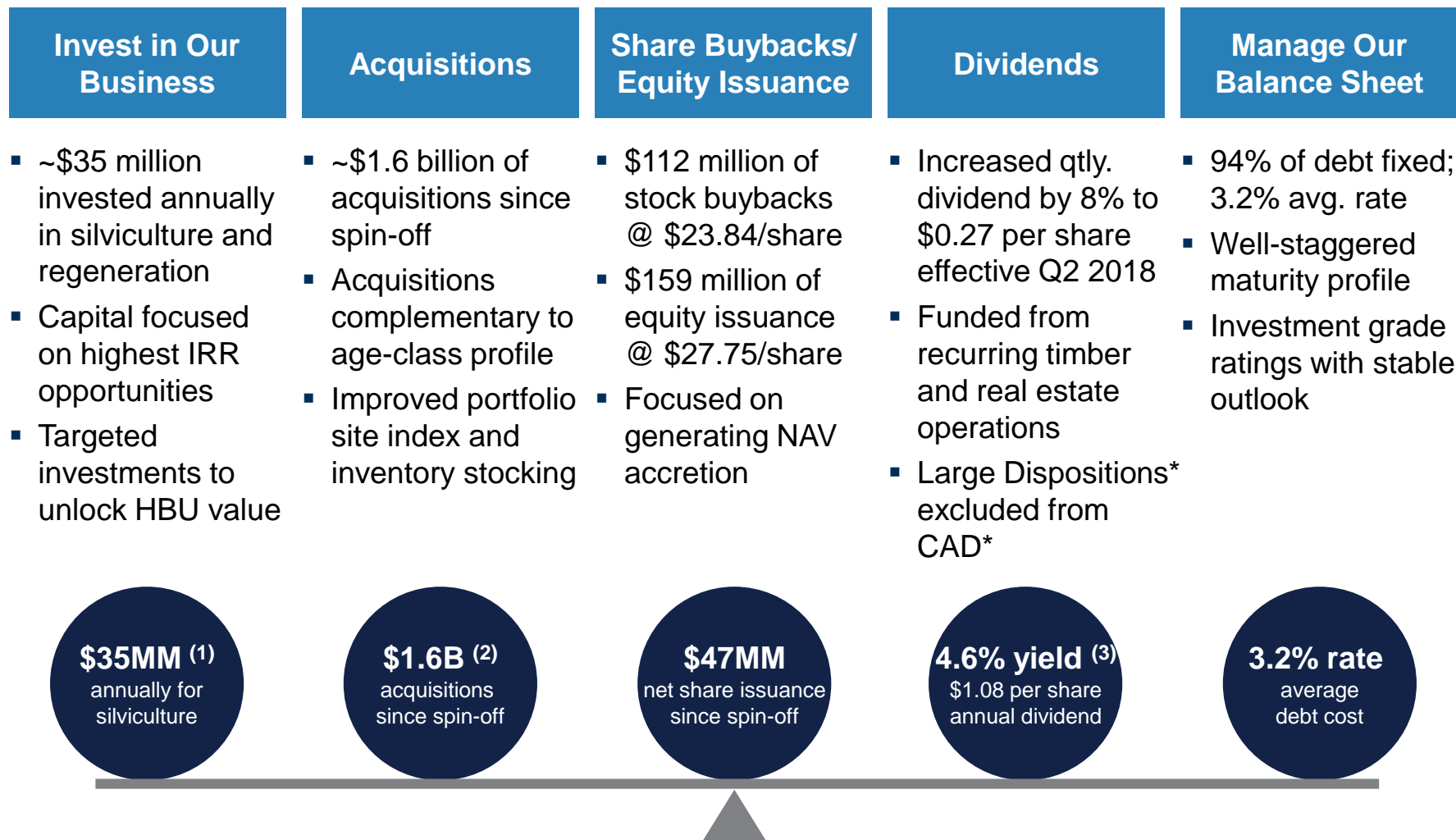


**Rayonier has a strong, investment grade credit profile with significant asset coverage.**



(1) Pro forma for new \$250 million incremental term loan and assumption of \$45 million of Pope debt; excludes impact of other cash changes.  
 (2) Enterprise Value based on market capitalization (including Opco units) plus net debt based on RYN share price of \$23.55 as of 3/31/2020.  
 (3) \* 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 – 2019.

(2) Includes total Pope Resources transaction value (equity consideration plus net debt) of \$552 million.

(3) Based on share price of \$23.55 as of 3/31/2020 and annualized dividend of \$1.08 per share.

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

# Rayonier Completed Acquisition of Pope Resources



## Strategic Benefits

- Significantly expands the scale of Rayonier's Pacific Northwest timberland portfolio
  - Adds 124k<sup>(1)</sup> acres of fee ownership
  - Increases PNW sustainable yield by 57 MMBF
- Significantly improves quality of Rayonier's Pacific Northwest portfolio
  - Increases proportion of Douglas-fir merchantable inventory from 60% to 68%
  - Increases proportion of ground-based logging, with significantly lower operating costs
  - Improves geographic and log market diversity
- Adds 17k "look-through"<sup>(2)</sup> acres from timber fund business
- Opportunity to leverage regional expertise in silvicultural practices, log marketing and logistics
- Enhances pipeline of value-added HBU and real estate development opportunities

## Financial Benefits

- Expected synergies of \$5 million<sup>(3)</sup> annually
  - Reduction of overhead expenses
  - Elimination of redundant public company costs
- Improves PNW cash flow per acre due to strong markets, favorable species mix and lower operating costs
- Expected five-year average annual financial impact:
  - Adjusted EBITDA\*: +\$38 million
  - CAD\*: +\$25 million
- Expected to be accretive to CAD\* / share in first full year<sup>(3)</sup>
- Limits incremental leverage with ~70% equity consideration
  - Opportunity to reduce debt through portfolio optimization / large dispositions
- UPREIT structure offers tax deferral option for Pope unitholders and facilitates future timberland acquisition opportunities for Rayonier

(1) Includes approx. 5,000 acres representing long-term timber deeds, timber reservations from prior land sales, and lands located within real estate project areas.

(2) "Look-through" represents pro-rata ownership of the funds.

(3) Excludes transaction costs and costs required to achieve synergies.

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

# Pope Resources Transaction Closing Details

## Preliminary Unitholder Vote / Election Results

### Pope Unitholder Voting Results

- 72.9% of units outstanding voted at the special meeting
- 98.9% of those units voting at the special meeting voted to approve the merger

### Preliminary Consideration Election Results

- 10.2% of units elected Rayonier stock
- 10.7% of units elected Opco units
- 79.1% of units elected cash (subject to proration)

### Preliminary Consideration Breakdown (w/ Proration)

- \$169.5 million of cash
  - Includes \$10 million consideration for GP interests
- 7.1 million Rayonier common shares
- 4.6 million Opco units

## Transaction Valuation / Financing Overview

(\$ in millions, except per share amounts)

### Pope Units Acquired (MMs)

Pope Units Outstanding @ 4/30/20	4.367
(-) Pope Units Owned by Rayonier	(0.114)
Net Units Acquired @ Closing	4.252

### Implied Price per Unit @ Closing

Rayonier Shares / Opco Units Issued per Pope Unit	2.751
Rayonier Closing Share Price on 5/7/20	\$24.01
Cash Consideration per Pope Unit	\$37.50
Implied Price per Pope Unit Acquired @ Closing	\$103.55

### Implied Transaction Valuation

Implied Total LP Consideration <sup>(1)</sup>	\$440.3
GP Consideration	10.0
Pope Net Debt @ 3/31/2020 <sup>(2)</sup>	101.8
Total Consideration + Net Debt	\$552.1

### Equity Financing

Total Number of Shares / Opco Units Issued (MMs)	11.7
Rayonier Closing Share Price on 5/7/20	\$24.01
Implied Value of Equity Financing	\$280.9

### Debt Financing

New Incremental Term Loan	\$250.0
Pope Resources Debt Assumed	45.0
Total Incremental Debt Financing	\$295.0

The previously announced Pope Resources acquisition closed on May 8, 2020.

# COVID-19 Update

## Key Impacts to Forest Products Markets

- Paper and packaging markets
  - Demand for tissue has been extraordinarily strong as consumers have stocked up on personal care products
  - Demand for packaging grades has been strong due to increased reliance on packaged foods and e-commerce amid the pandemic
  - Demand for printing and writing grades has declined significantly due to work-from-home policies and overall economic slowdown
- Lumber and construction markets
  - New home construction has stalled due to stay-at-home orders and overall economic slowdown
  - Full-year outlook for housing starts remains largely uncertain
    - March housing starts (1.22mm) declined 22% versus February (1.56mm) with further declines anticipated
  - R&R market has held up reasonably well, with increased focus on home improvement projects amid stay-at-home orders
  - Announced NA lumber capacity curtailments of 15 BBF (annualized basis), although some mills already re-starting

## Overview of Rayonier Impacts by Segment and Response

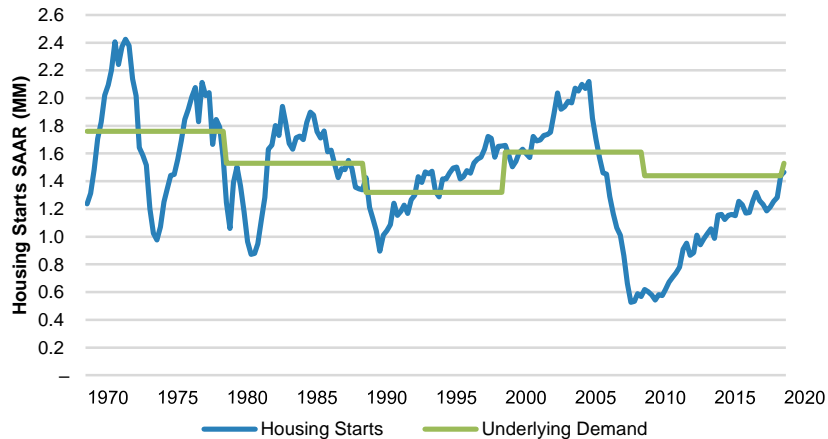
- *Corporate*: implemented a work-from-home policy for office employees and enhanced safety guidelines for field employees
- *Southern Timber*: pulpwood demand strong while sawtimber demand impacted by sawmill curtailments; pickup in China export market due to tariff waivers and supply reductions from other regions; reduced full-year volume guidance by ~550k tons (-9%)
- *Pacific Northwest*: sawtimber and pulpwood demand negatively impacted by mill curtailments, partially offset by pickup in China export market; reduced full-year volume guidance by ~100k tons (-7%)
- *New Zealand*: government implemented lockdown of all non-essential businesses (including forestry) for one month but began re-opening on April 28<sup>th</sup>; pent-up demand translating to improved pricing; reduced full-year volume guidance by ~450k tons (-17%)
- *Real Estate*: development activity expected to slow down significantly; rural transaction pipeline holding up reasonably well

**The U.S. forest products industry has been designated as a critical infrastructure industry by the Dept. of Homeland Security and has therefore continued to operate amid the COVID-19 pandemic.**

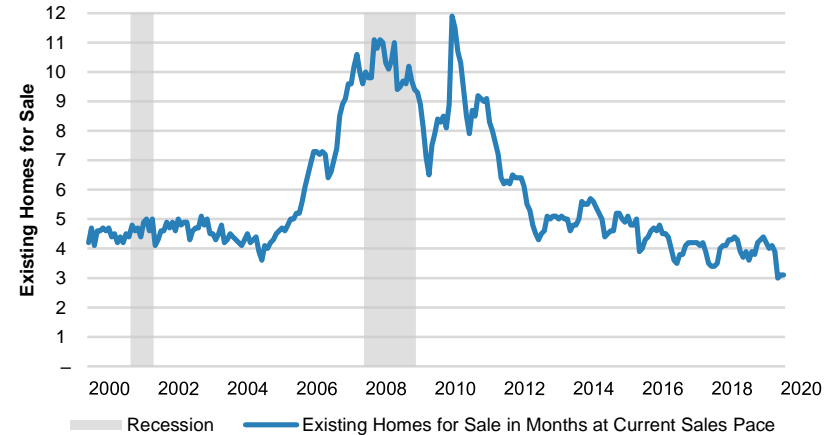
# Key Industry Trends

# Housing Indicators Were Strong Heading Into the Crisis

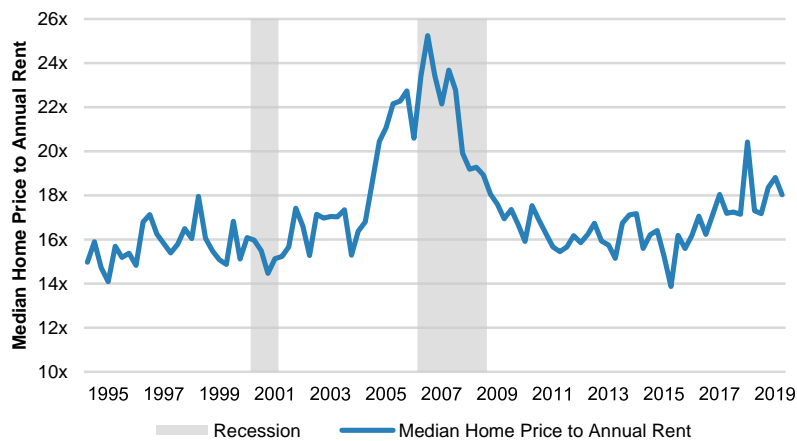
## Housing Sector is Underbuilt



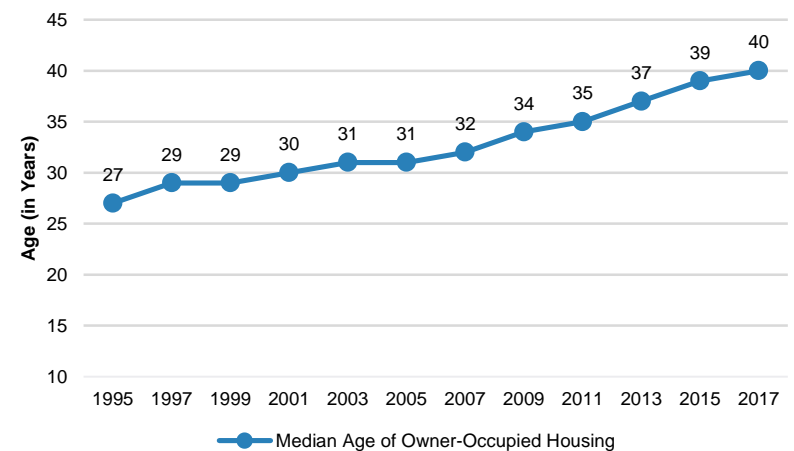
## Home Inventory Has Diminished



## Homeownership Economics Are Favorable

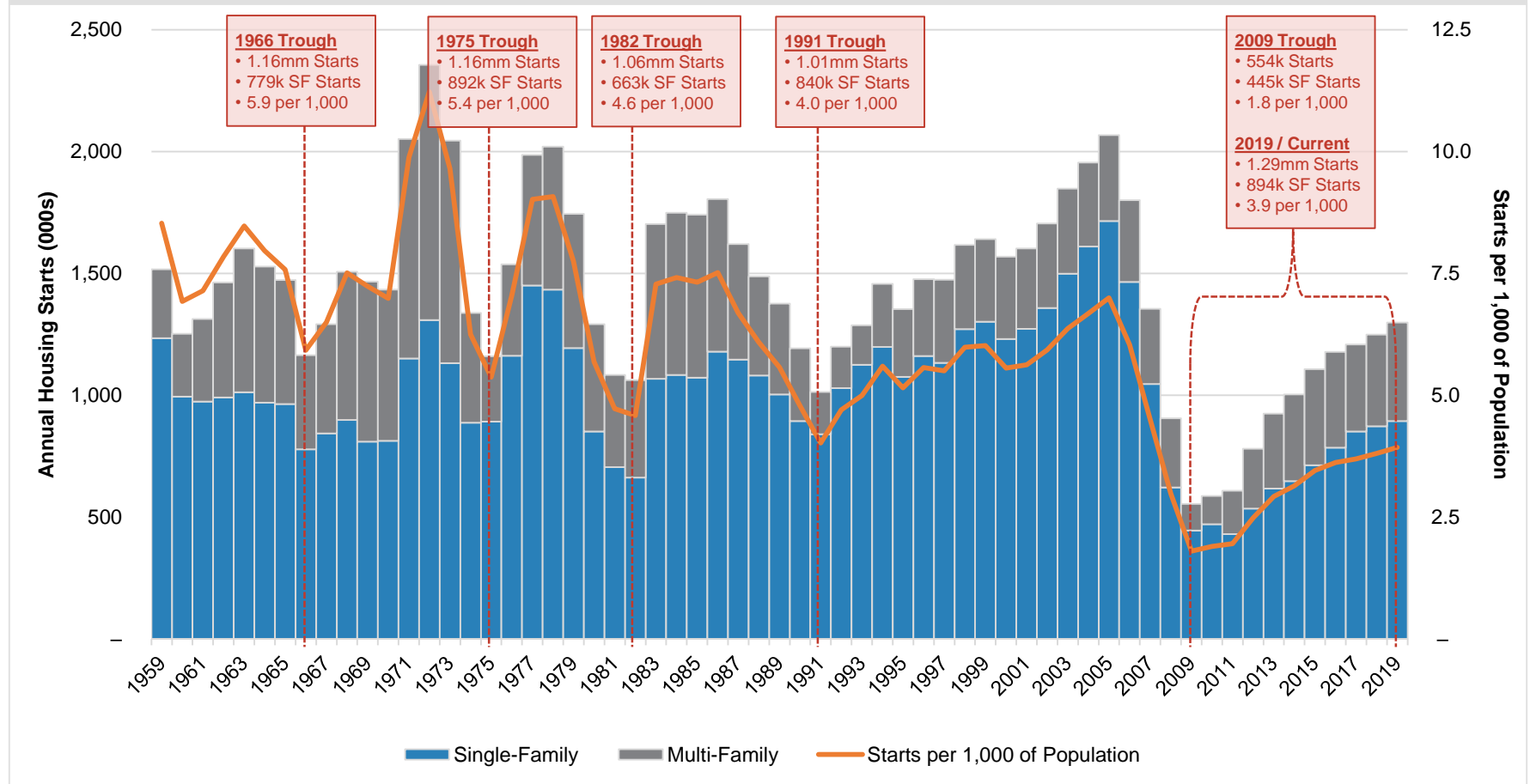


## U.S. Housing Stock has Aged Considerably



# Housing Starts Expected to Decline in 2020

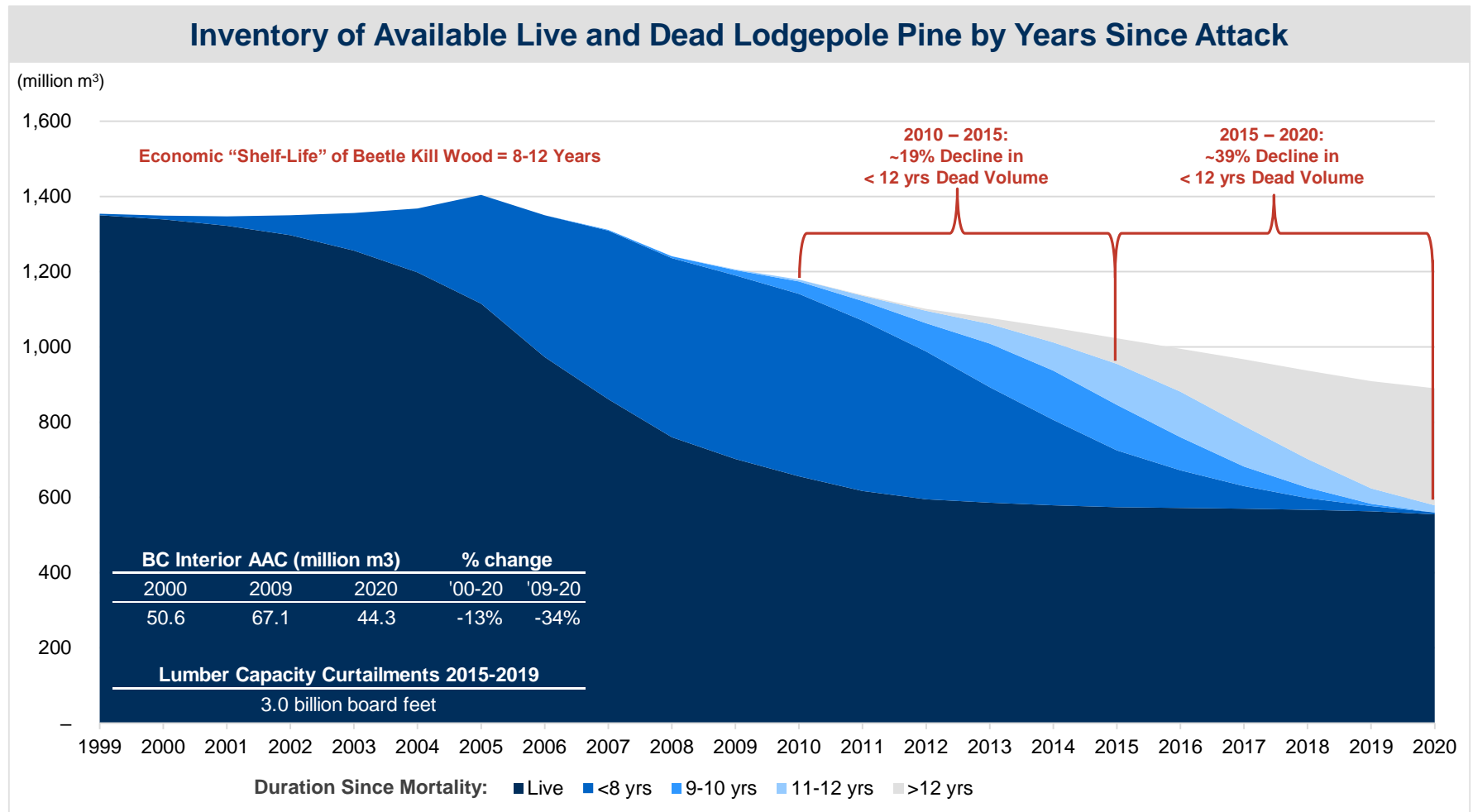
## Historical Annual Housing Starts



**Total U.S. housing starts have increased for 10 consecutive years but are expected to decline in 2020 due to the COVID-19 pandemic.**



# Availability of Viable B.C. Timber Has Declined Rapidly

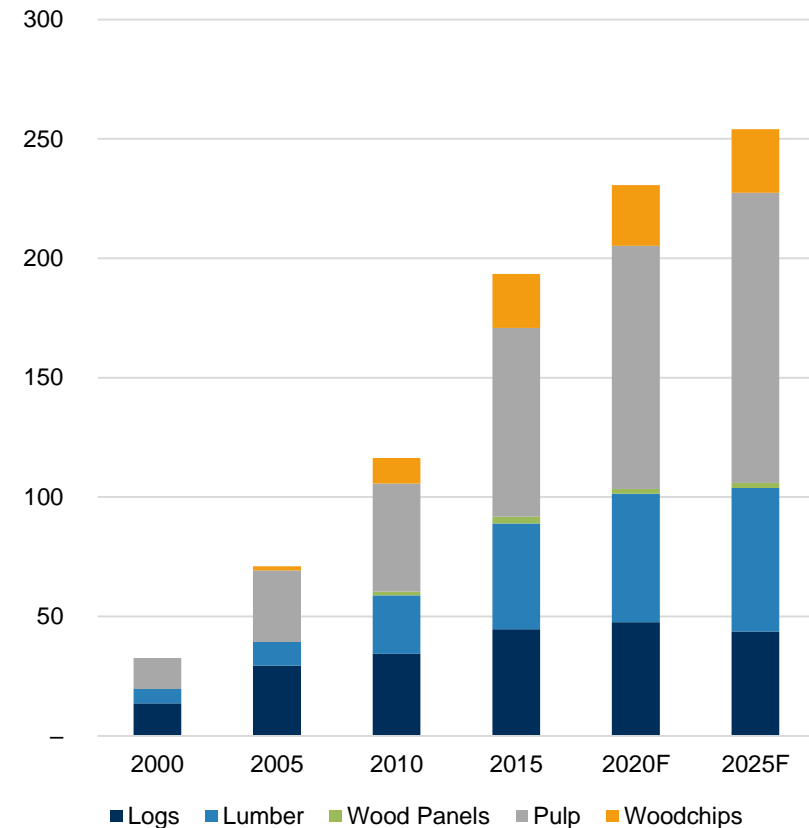


**The mountain pine beetle epidemic is expected to significantly constrain the availability of economically viable pine inventory in B.C. for many decades.**

# China's Large Timber Supply Deficit is Growing

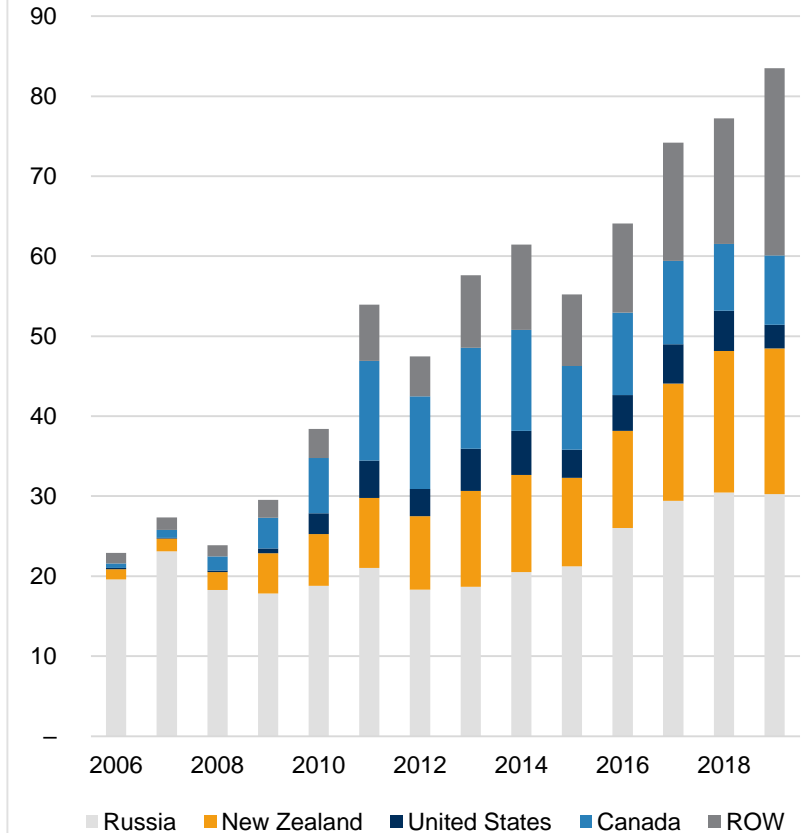
## China Total Timber Supply Deficit

(million m<sup>3</sup> RWE)



## China Softwood Log and Lumber Imports

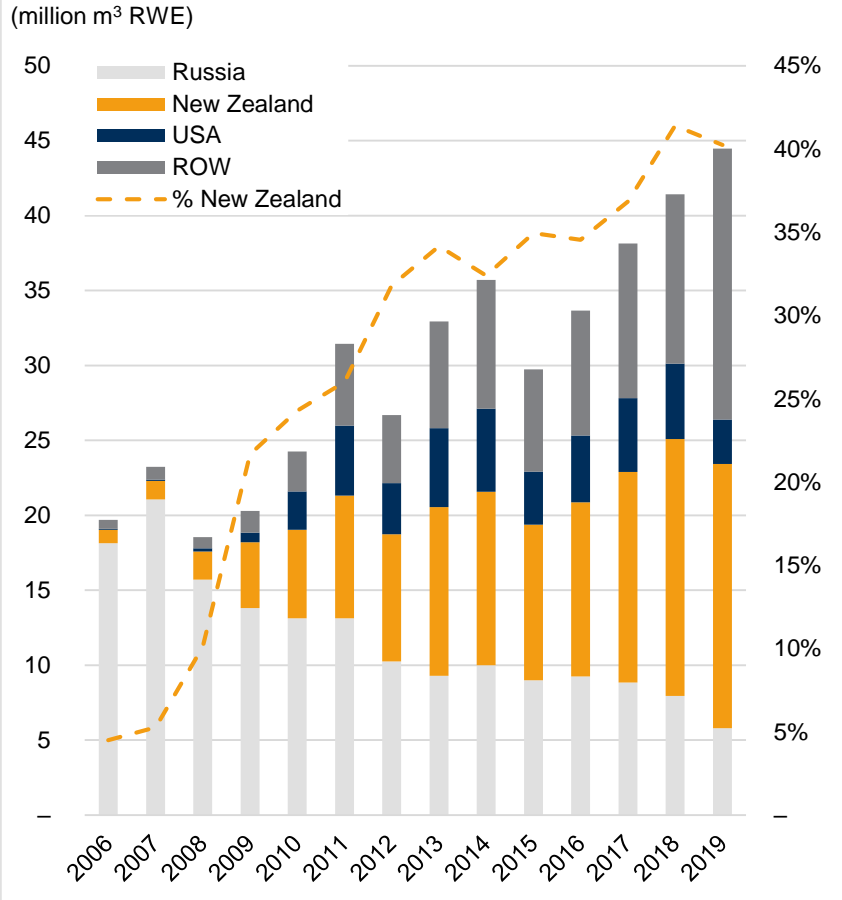
(million m<sup>3</sup> RWE)



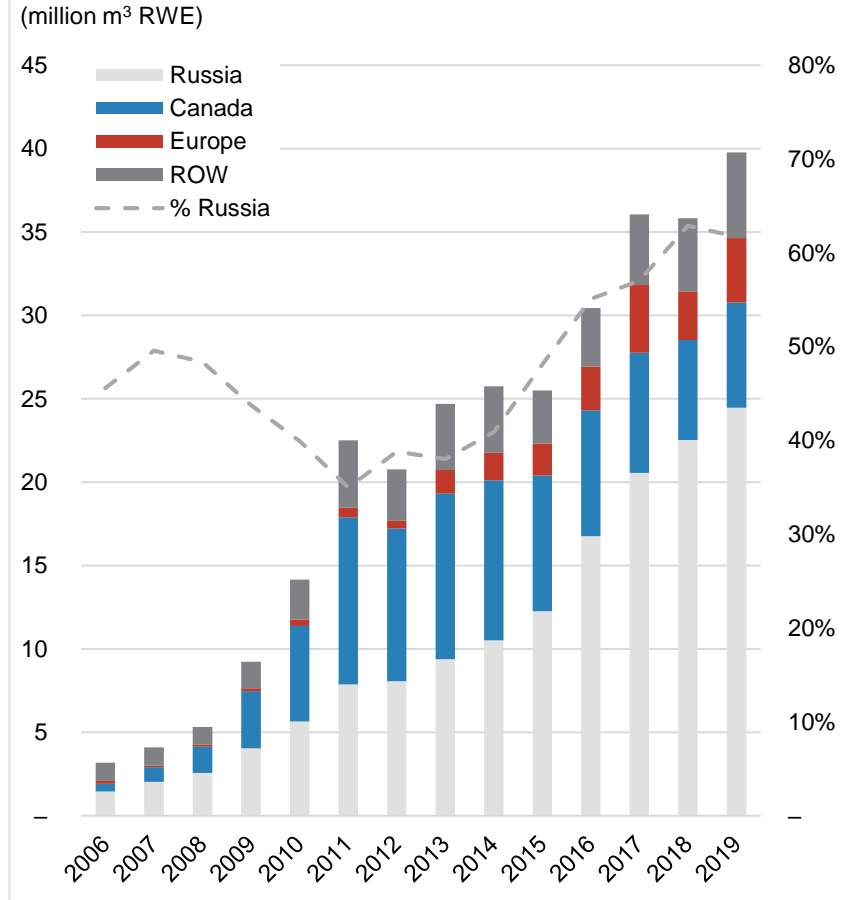
**Softwood log and lumber imports into China are expected to remain strong given its growing timber supply deficit.**

# Chinese Log & Lumber Imports Rely on NZ and Russia

## Chinese Log Import Volumes



## Chinese Lumber Import Volumes

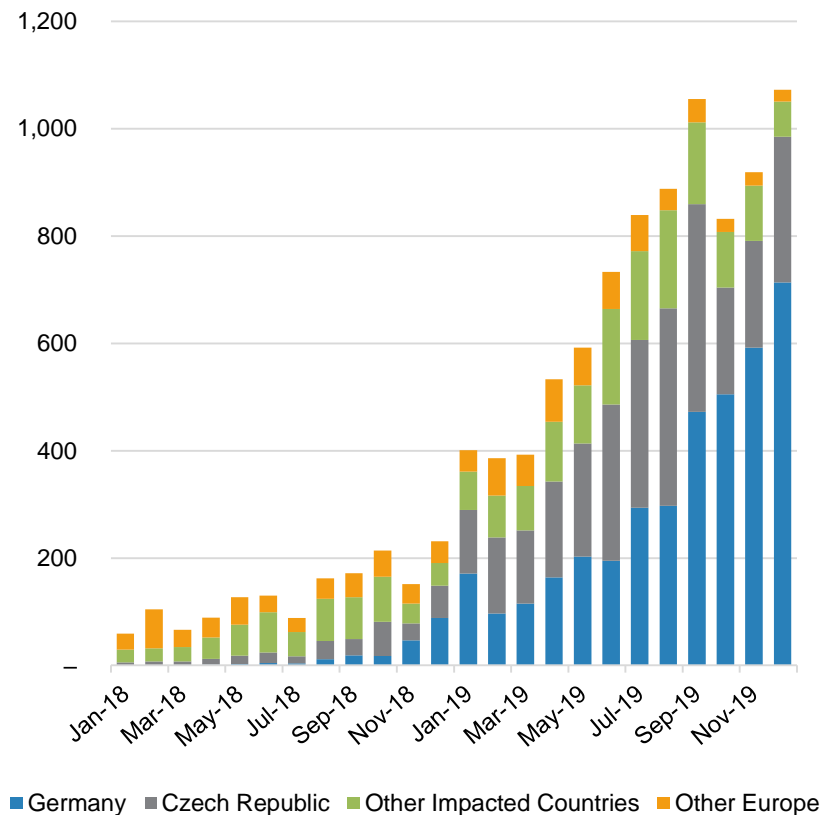


**New Zealand has captured a significant share of the growth in China's log import volume.**

# European Spruce Beetle Epidemic

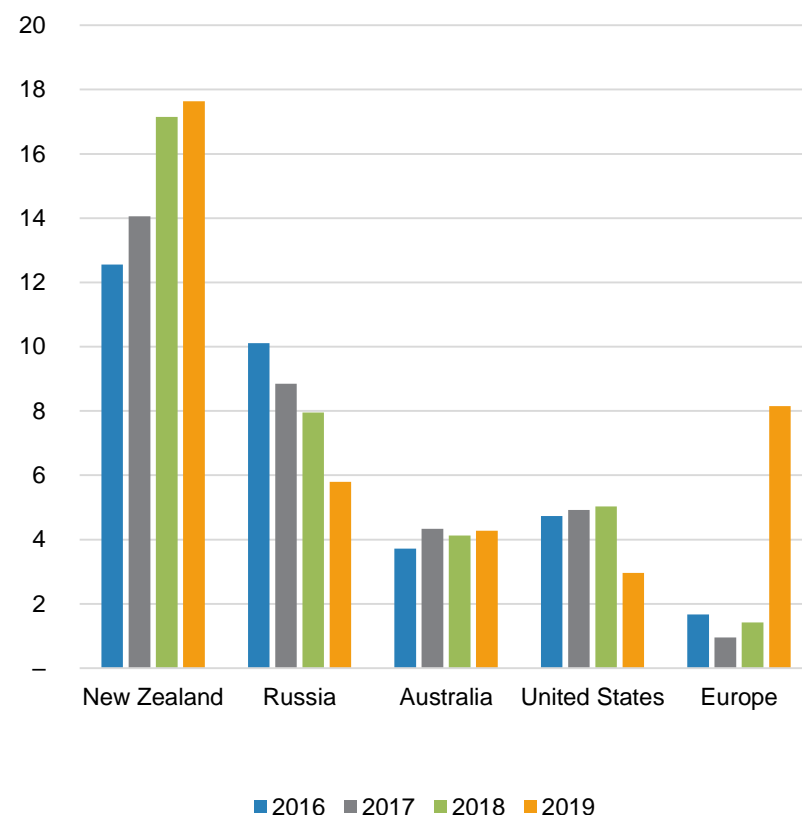
## China Softwood Log Imports from Europe

(thousand m<sup>3</sup>)



## China Softwood Log Imports by Major Source

(million m<sup>3</sup>)

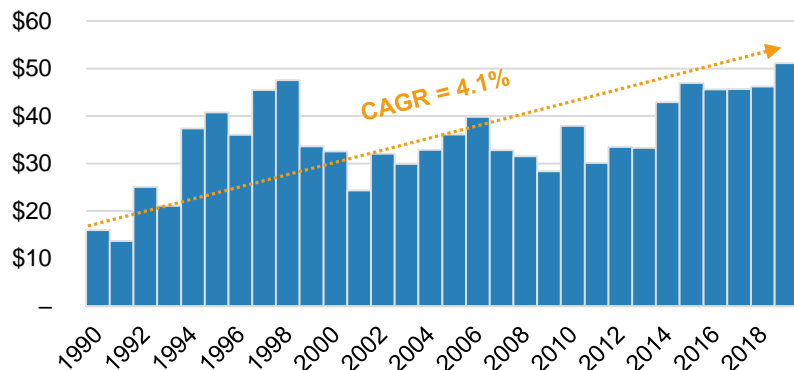


**European spruce beetle epidemic has driven increased competitive supply into China market.**

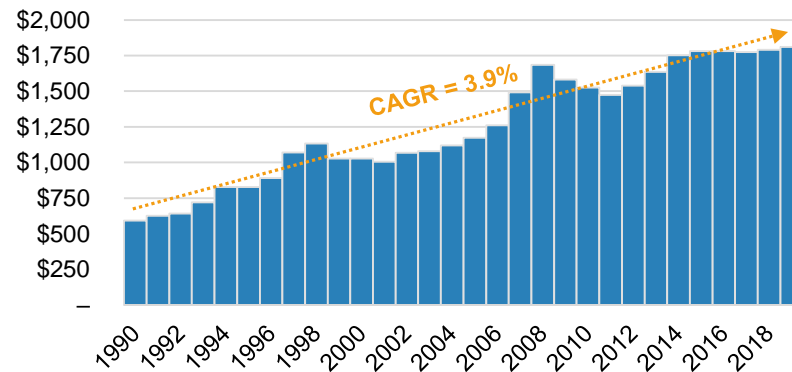
# Deconstructing Timberland Returns

# U.S. South Historical Valuation Snapshot

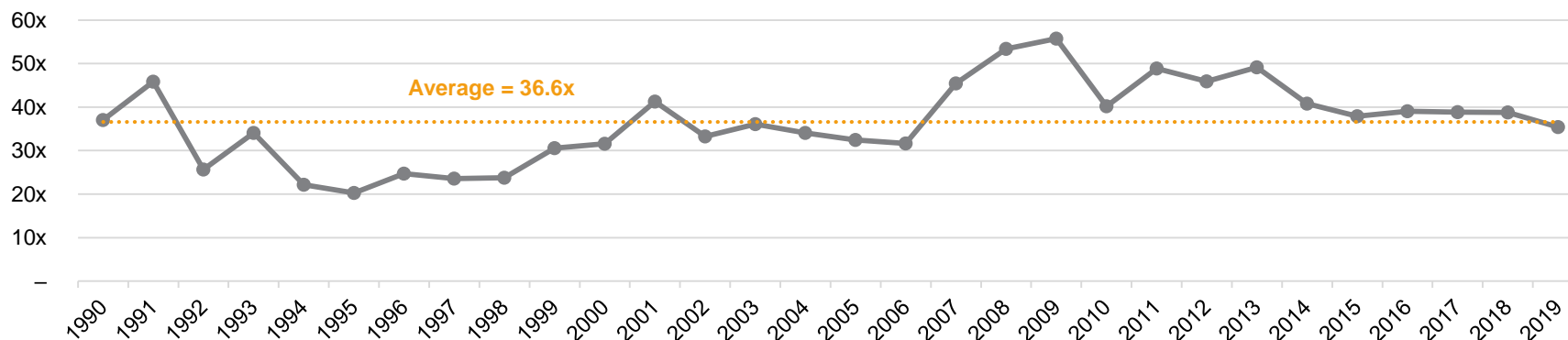
## U.S. South EBITDA per Acre (NCREIF)



## U.S. South Value per Acre (NCREIF)



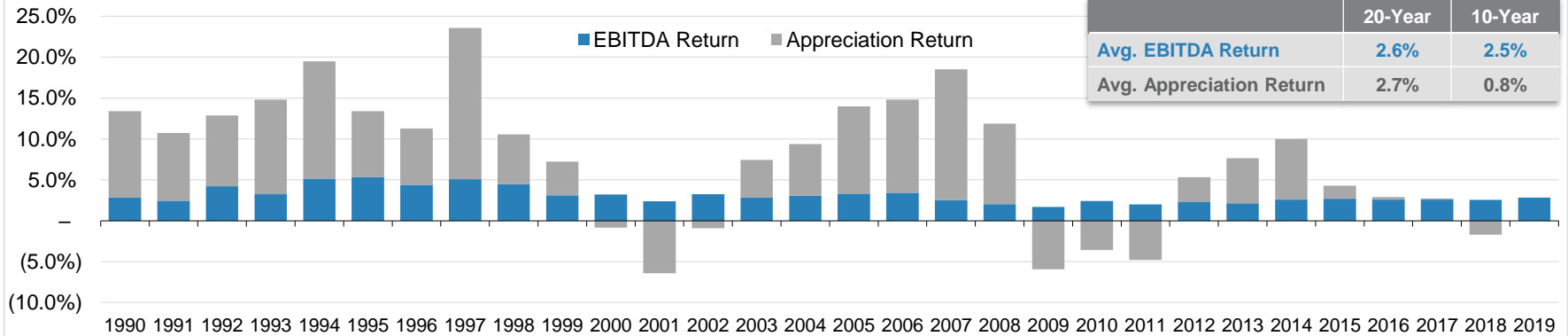
## U.S. South EBITDA Multiples (NCREIF)



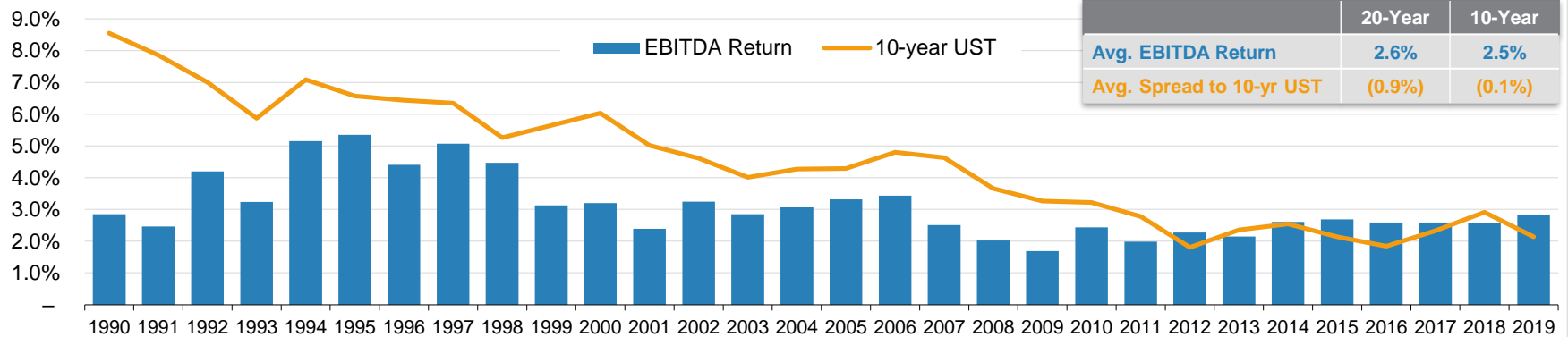
**U.S. South timberlands have traded at an average EBITDA multiple (excluding land sales) of ~37x over the last 30 years.**

# Historical Components of U.S. South Timberland Returns

## NCREIF South Historical Returns

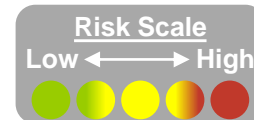


## NCREIF South Historical EBITDA Returns vs. 10-Year Treasury



**U.S. South timberlands have historically been bid to EBITDA cap rates in the range of 2.5% to 3.0%, which is generally in line with the average 10-year treasury yield over the last decade.**

# Components of Timberland Return – U.S. South

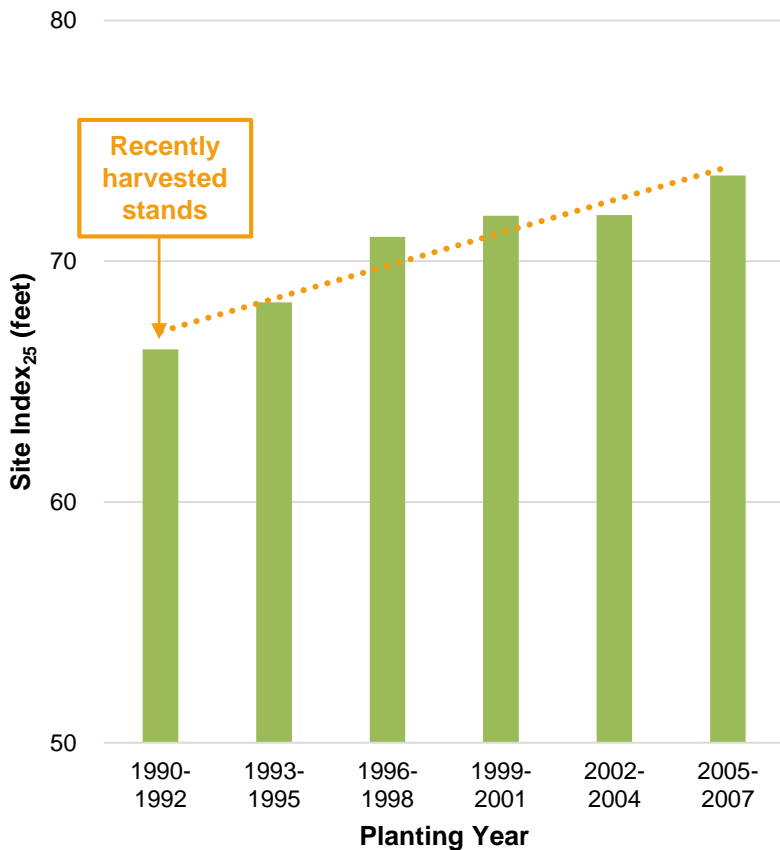


Return Component	Value Range	Risk to Achieve	Comments
<b>Cash Return Expectation</b>			
EBITDA Return	2.0% – 4.5%		EBITDA yield for Southern timber, including timber harvest and non-timber income
(–) Capex Investment	~(0.5%)		Average annual cost of replanting / silviculture; can vary based on site
Current Cash Flow Return	1.5% – 4.0%		Varies based on market quality, site index / productivity, stocking, etc.
<b>Other Components of Return</b>			
Productivity Gains	0.5% – 1.0%		Based on improved silviculture; higher gain potential on lower quality properties
HBU Uplift	0.0% – 1.0%		Requires market for rural property; proximity to population centers is key
Return to Trend Pricing	0.0% – 1.5%		Higher “return-to-trend” expectation is common in more depressed markets
Long-Term “Real” Price Growth	0.0% – 0.5%		Long-term expectation of real price increases above inflation
<b>Total Return Expectation</b>			
Typical “Real” Return Expectation	4.5% – 5.5%	Varies	Represents typical timberland real discount rate range
(+) Assumed Inflation	~2.0%		Based on long-term historical spread between treasuries and TIPS
“Nominal” Return Expectation	6.5% – 7.5%	Varies	Represents expected long-term, unlevered return on timberland investments

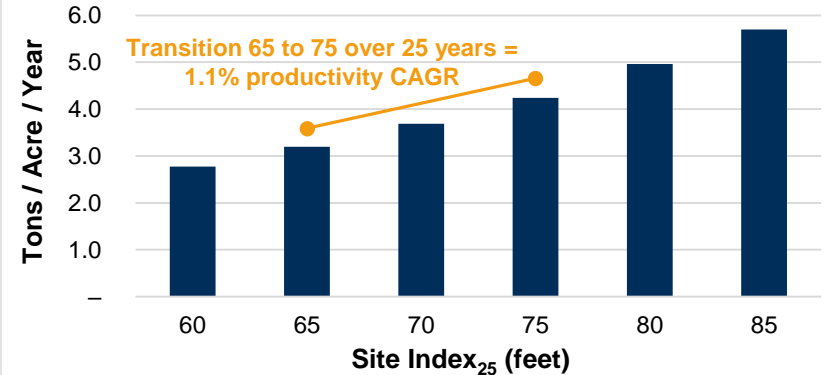


# Productivity is a Key Driver of Timberland Value

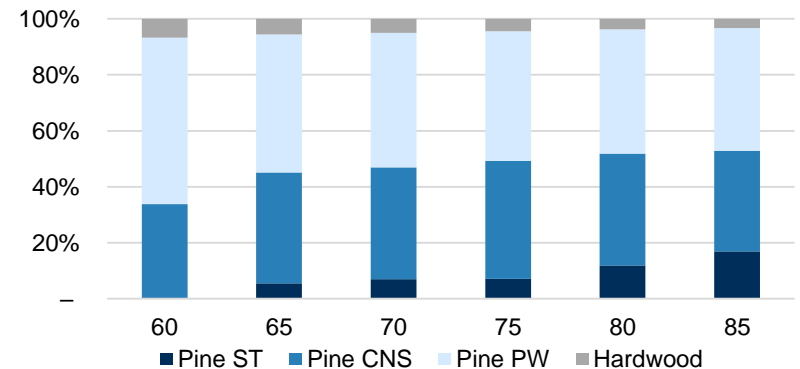
## Rayonier U.S. South Pine Site Index<sub>25</sub> (feet)



## Harvest Volume Increases with Site Index (2)



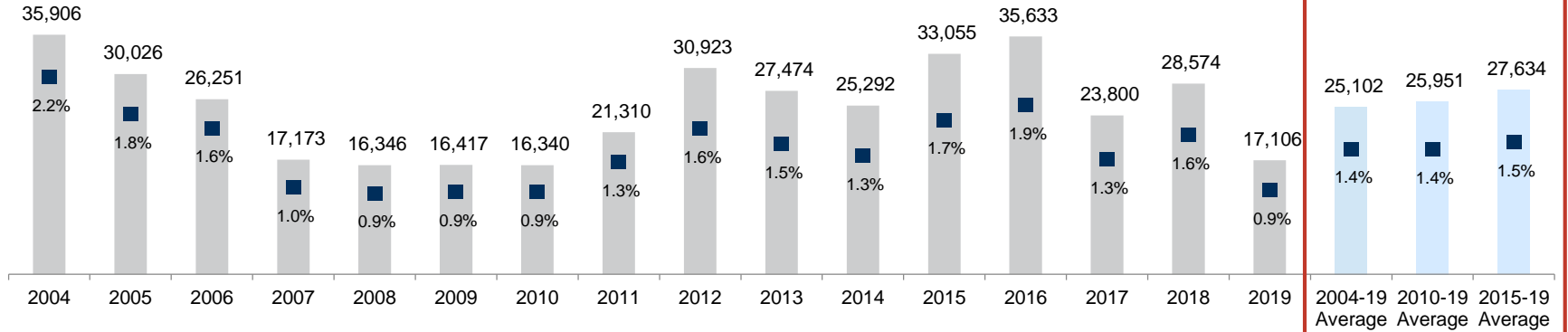
## Product Mix Improves with Site Index (2)



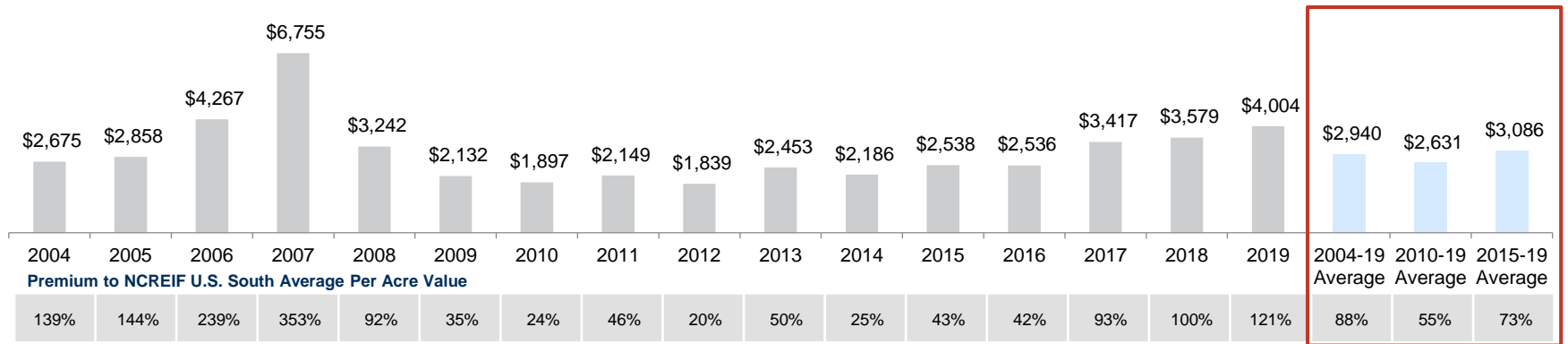
**Higher site index properties generate greater harvest yields and a more valuable product mix. Improving site index by 10 feet over a 25-year harvest rotation implies ~1% annual productivity gain.**

# Rayonier Historical Real Estate / HBU Summary

## Historical Acres Sold / % of Total Southern Acreage



## Historical HBU Value per Acre / Premium to NCREIF Index



Rayonier has generally sold 1.0% to 2.0% of its Southern land base annually at premiums in the range of ~50% above timberland value, with premiums improving more recently.

# Illustrative HBU Economics

## Example: 1 Million Acre U.S. South Portfolio

(\$ in 000s, excepts per acre values)

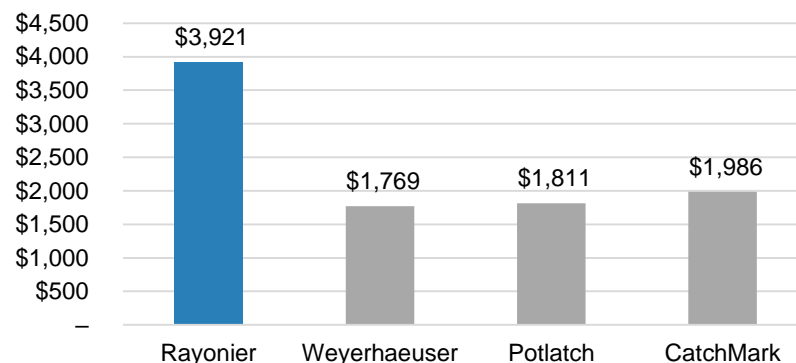
Sales Pace / Premium	1.0% / 50.0%	1.5% / 75.0%
<b>Illustrative Asset Profile</b>		
U.S. South Portfolio Acres (000s)	1,000	1,000
Timberland Value per Acre <sup>(1)</sup>	\$1,810	\$1,810
<b>Implied Total Asset Value</b>	<b>\$1,810,000</b>	<b>\$1,810,000</b>
<b>Implied HBU Inputs</b>		
# of Acres Sold Annually	10,000	15,000
Implied HBU Price per Acre	\$2,715	\$3,168
HBU Premium per Acre	\$905	\$1,358
<b>HBU Contribution to Return</b>		
HBU Sales Revenue	\$27,150	\$47,513
(-) Real Estate Overhead Costs <sup>(2)</sup>	(2,715)	(4,751)
<b>Implied Adjusted EBITDA</b>	<b>\$24,435</b>	<b>\$42,761</b>
(-) Acquire Replacement Timberlands <sup>(3)</sup>	(18,100)	(27,150)
<b>Residual Cash Flow</b>	<b>\$6,335</b>	<b>\$15,611</b>
<b>Residual Cash Flow / Total Asset Value</b>	<b>0.4%</b>	<b>0.9%</b>

## HBU Incremental Return Sensitivity Analysis

(% incremental return)

		Premium to Timberland Value				
		-	25%	50%	75%	100%
% of Acreage Sold	0.50%	(0.1%)	0.1%	0.2%	0.3%	0.4%
	0.75%	(0.1%)	0.1%	0.3%	0.4%	0.6%
	1.00%	(0.1%)	0.1%	0.4%	0.6%	0.8%
	1.25%	(0.1%)	0.2%	0.4%	0.7%	1.0%
	1.50%	(0.2%)	0.2%	0.5%	0.9%	1.2%

## Peer Group Real Estate Prices (2018 – 2019) <sup>(4)</sup>



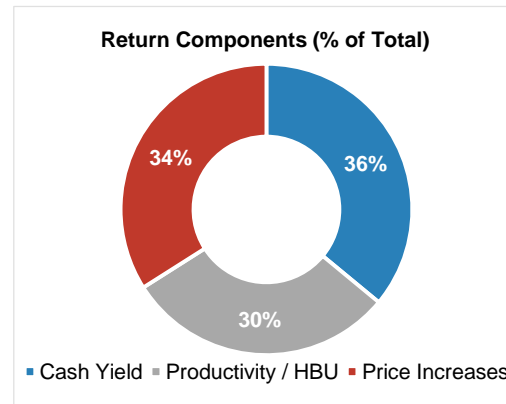
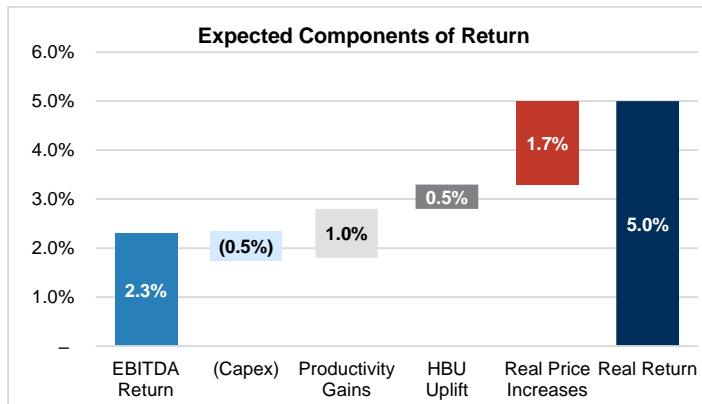
**A well-designed HBU program should be able to generate roughly 0.5% to 1.0% of incremental return relative to underlying timberland returns (depending on the quality of HBU product).**

- (1) Based on NCREIF U.S. South Timberland index average value per acre as of Q4 2019.
- (2) Assumes overhead costs of 10% of sales.
- (3) Assumes additional timberlands acquired to replace acreage sold as HBU.
- (4) Represents average Real Estate segment sales price per acre for 2018 – 2019.

# Deconstructing Timberland Returns – Illustrative Acquisitions

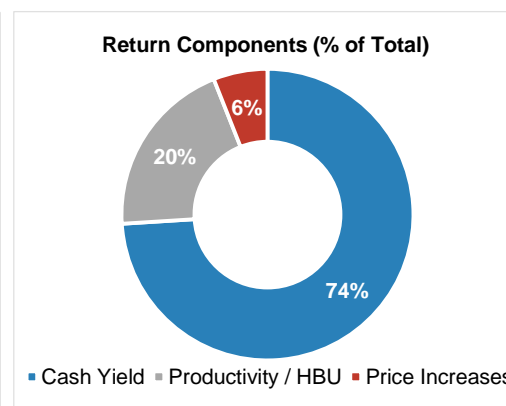
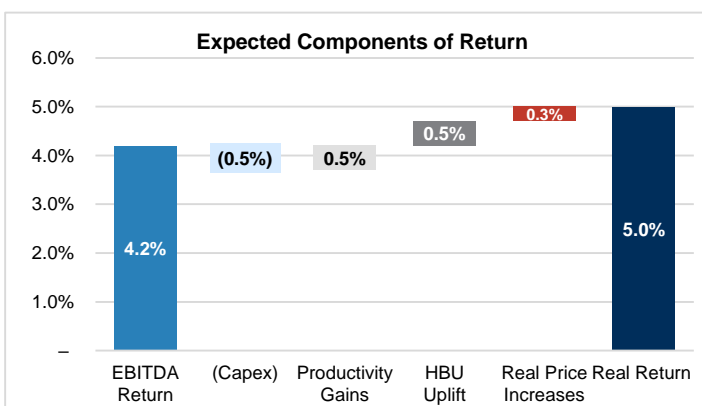
## Illustrative Acquisition Scenario A – Low Productivity Asset / Bottom Quartile Market

Assumed Portfolio Profile	
Location	MS-1
Composite Stumpage Price <sup>(1)</sup>	\$10.11
Site Index	65
Volume per Acre per Year <sup>(2)</sup>	3.2
Implied EBITDA per Acre <sup>(3)</sup>	\$32
<b>Assumed Value per Acre</b>	<b>\$1,500</b>



## Illustrative Acquisition Scenario B – High Productivity Asset / Top Quartile Market

Assumed Portfolio Profile	
Location	FL-1
Composite Stumpage Price <sup>(1)</sup>	\$20.48
Site Index	80
Volume per Acre per Year <sup>(2)</sup>	5.0
Implied EBITDA per Acre <sup>(3)</sup>	\$102
<b>Assumed Value per Acre</b>	<b>\$2,500</b>



- (1) Based on TimberMart-South 2019 regional average composite stumpage price assuming mix of 50% pulpwood, 30% chip-n-saw and 20% sawtimber.
- (2) Growth and yield predictions based on PMRC 1996 (Loblolly PMRC TR-1996-1 and Slash PMRC TR-1996-3) with FMRC Fastlob 3.0 Fertilizer response equations. Assumes mix of plantation / hardwood acreage and loblolly / slash species based on Rayonier portfolio averages.
- (3) Assumes non-timber income roughly offsets timber management costs for illustration purposes.

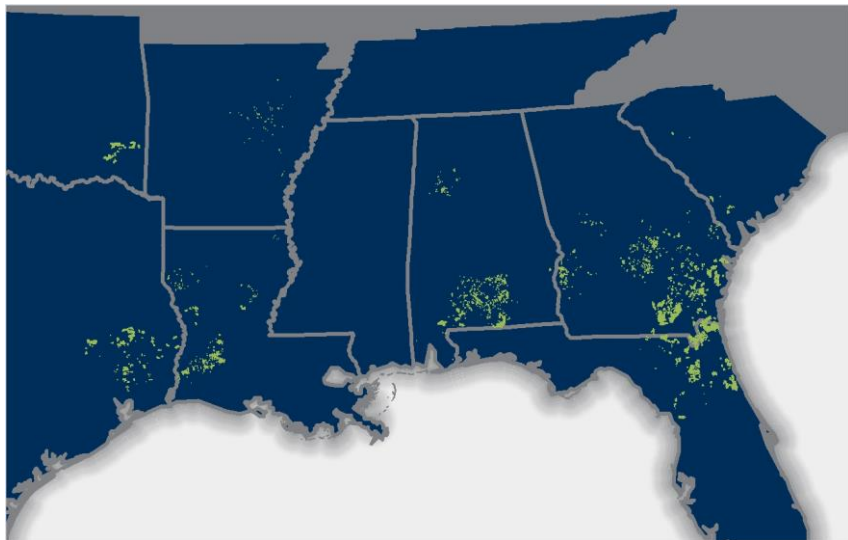
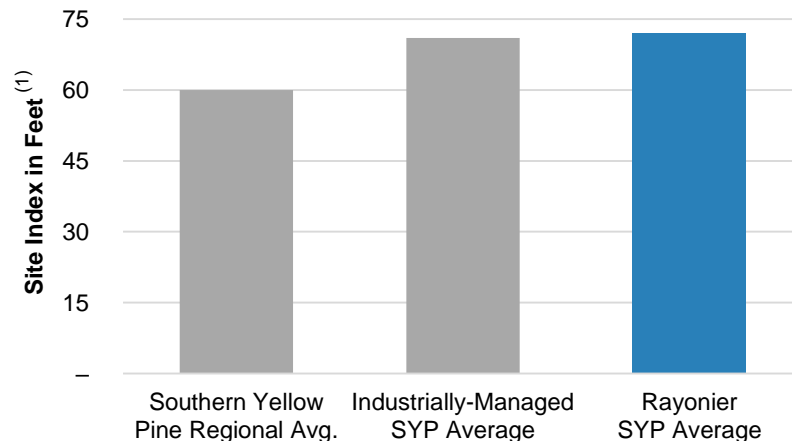
# Timber Segments Overview

# Southern Timber – Portfolio Overview

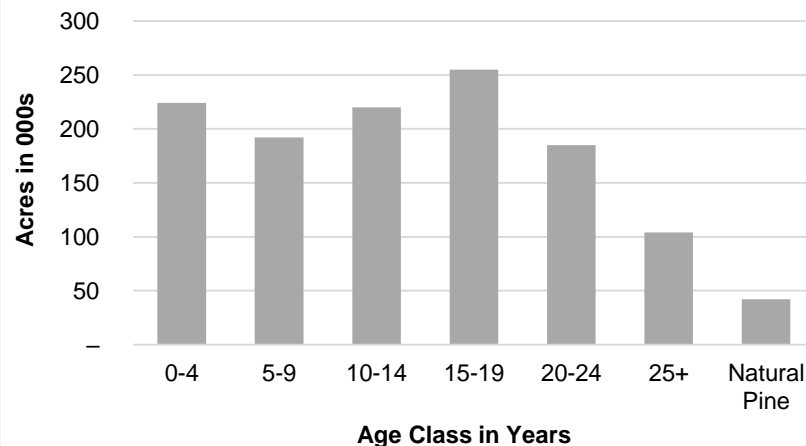
## Highlights / Location

- Acreage: 1.8 million acres
- Sustainable Yield: 5.9 – 6.3 million tons
- Planted / Plantable: 67%
- Average Site Index: 72 feet at age 25<sup>(1)</sup>
- 2019 EBITDA\*: \$119.7 million
- Sustainable Forestry Initiative Certification

## Strong Productivity Characteristics



## Balanced Age Class Profile (2)



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

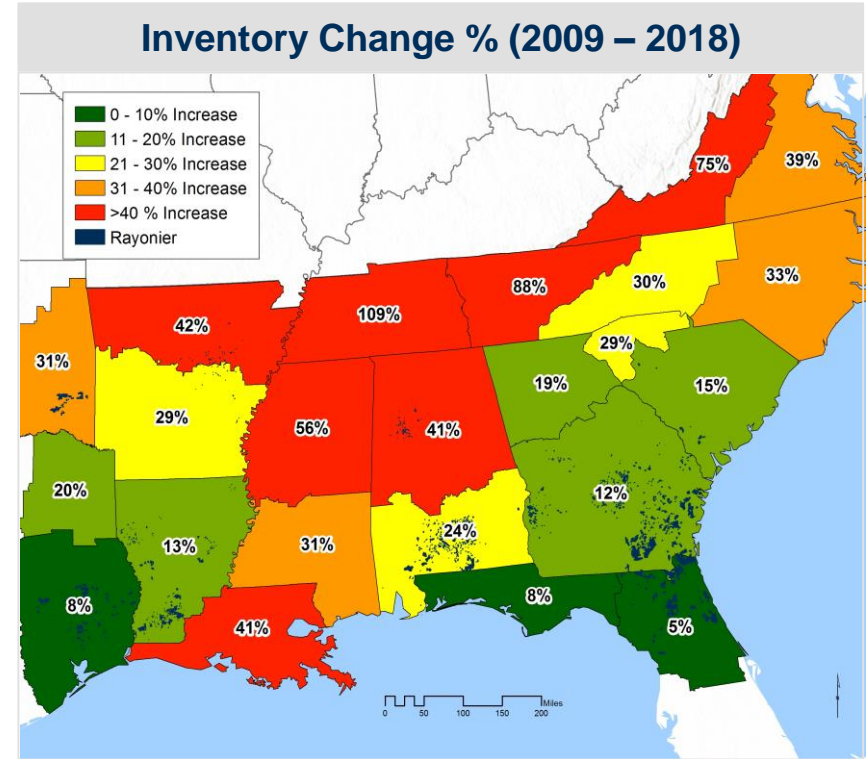
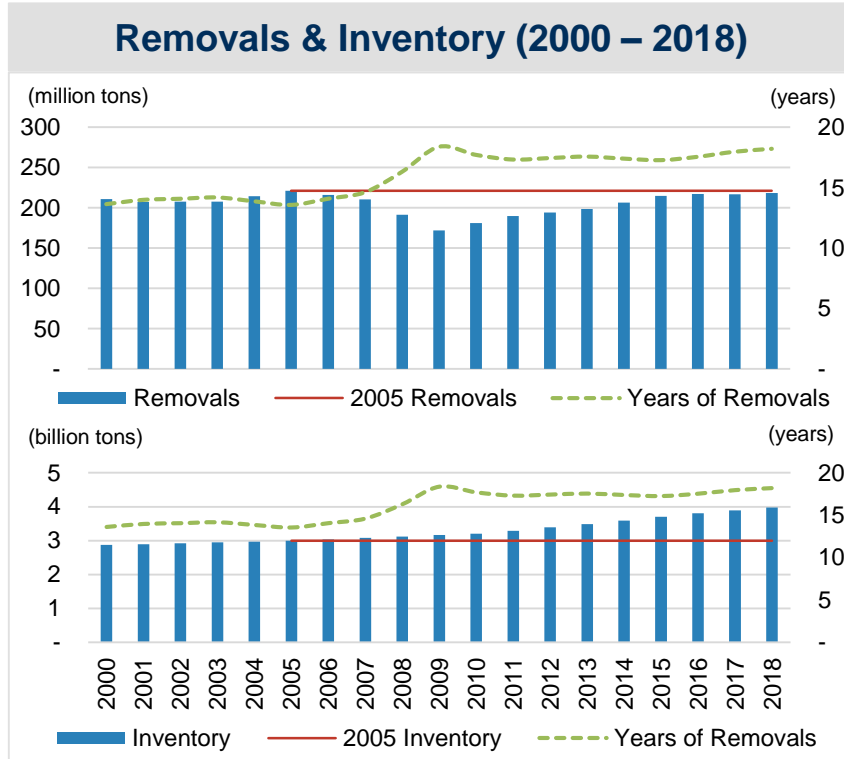
(2) Age class profile as of 09/30/19 per 2019 Form 10-K.

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

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

# U.S. South Softwood Inventory Build

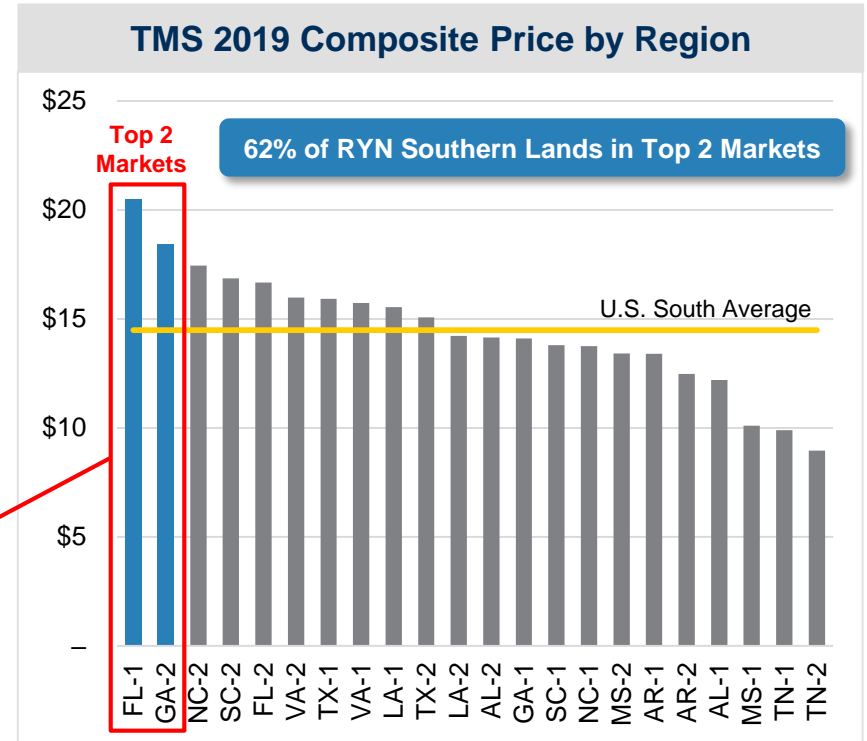
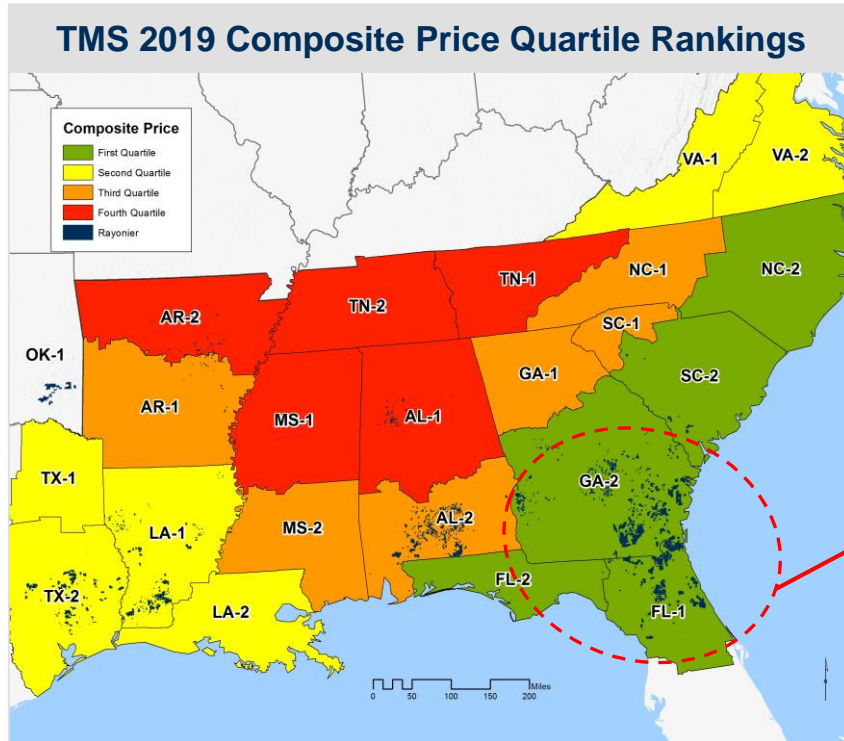
- Timber markets across the South have experienced differing levels of inventory and demand changes
- U.S. South removals are at pre-recession level; however, inventory has increased by over 1 billion tons
- Standing timber inventories have increased disproportionately in the Inland Gulf area



**Removals have recovered to pre-recession level; however, total U.S. South inventory has increased significantly. Weaker markets are experiencing disproportionate inventory build.**

# 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

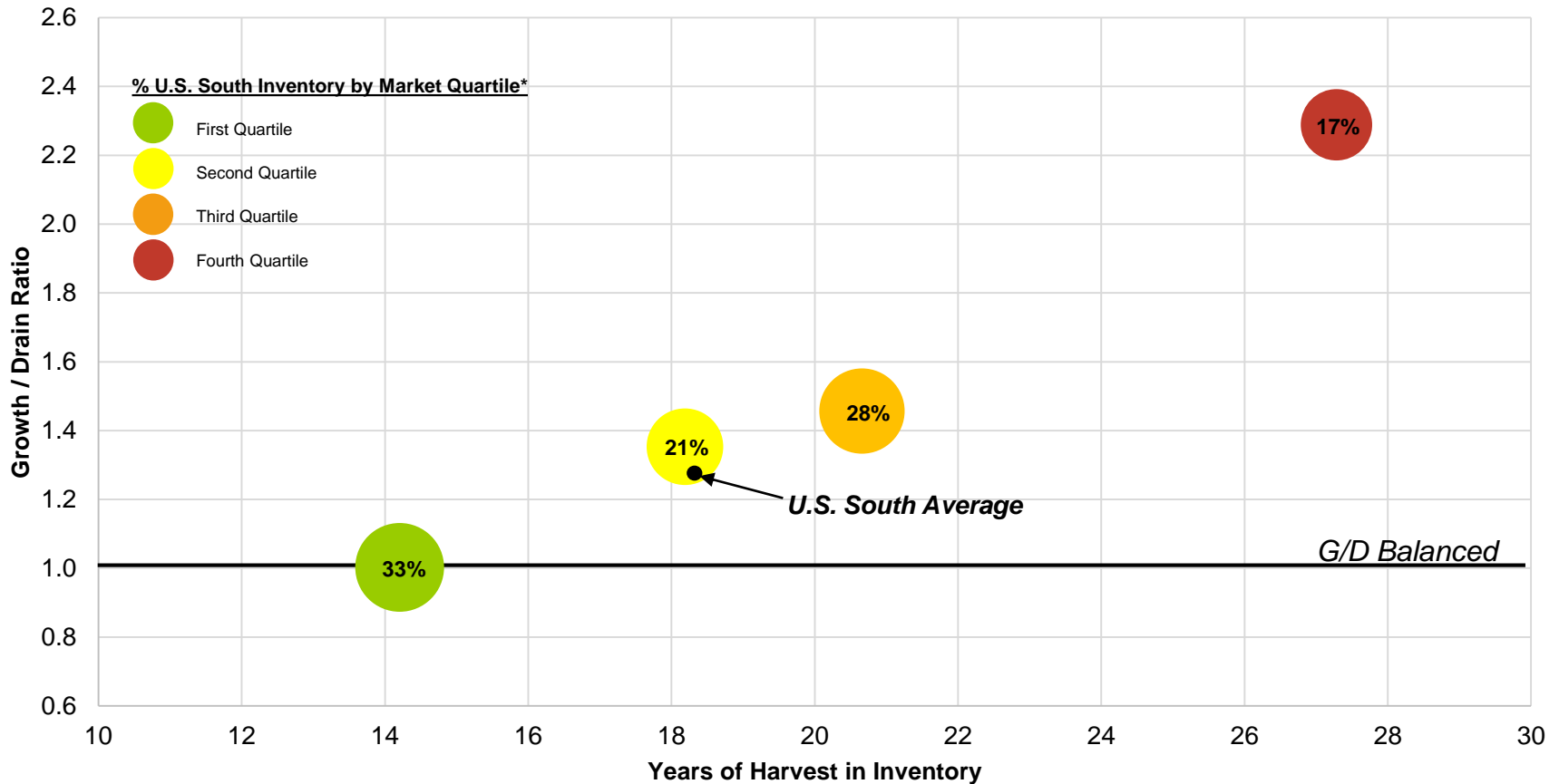


Approximately 62% of Rayonier's Southern timberlands are located in the top two markets (ranked by TimberMart-South composite stumpage pricing).



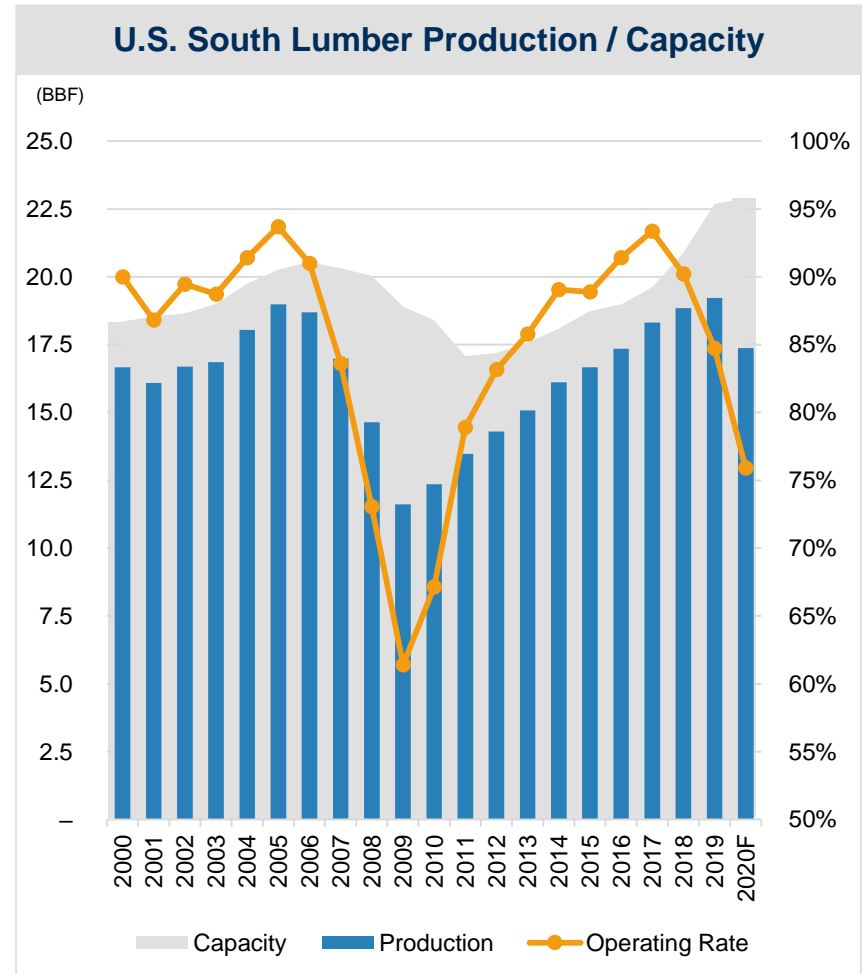
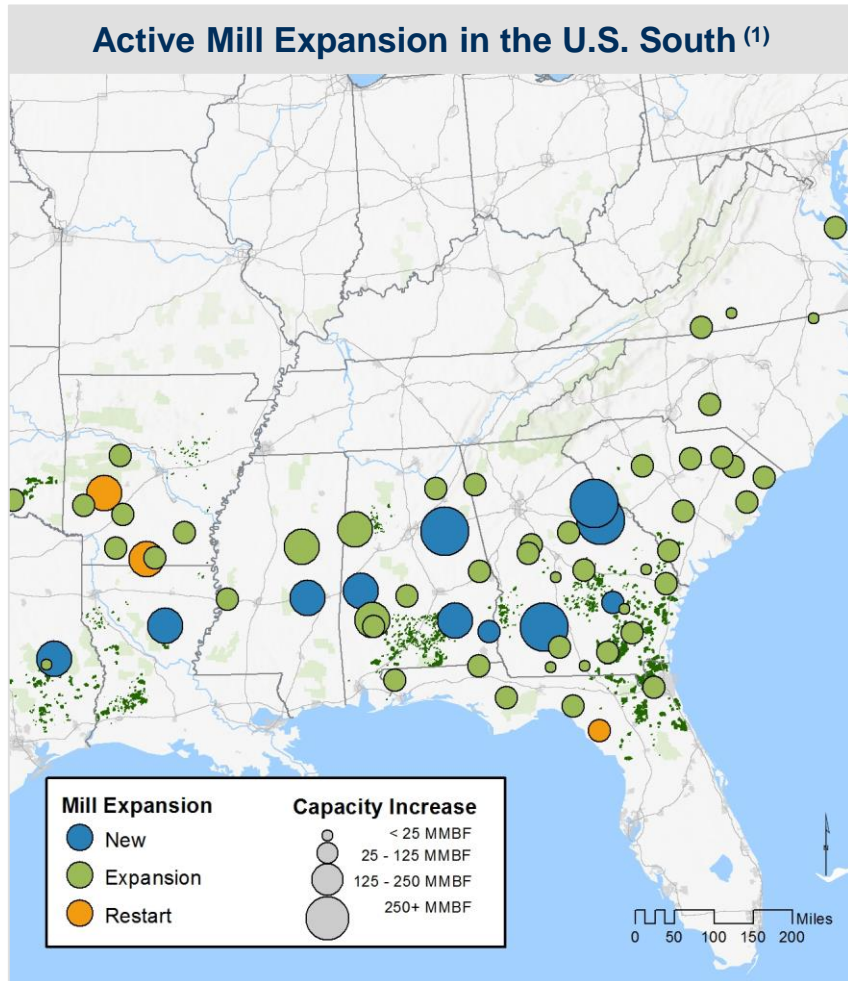
# U.S. South Market Quartiles Relative Position

## Current Inventory Status (Years of Harvest) and Inventory Trend (Growth / Drain)



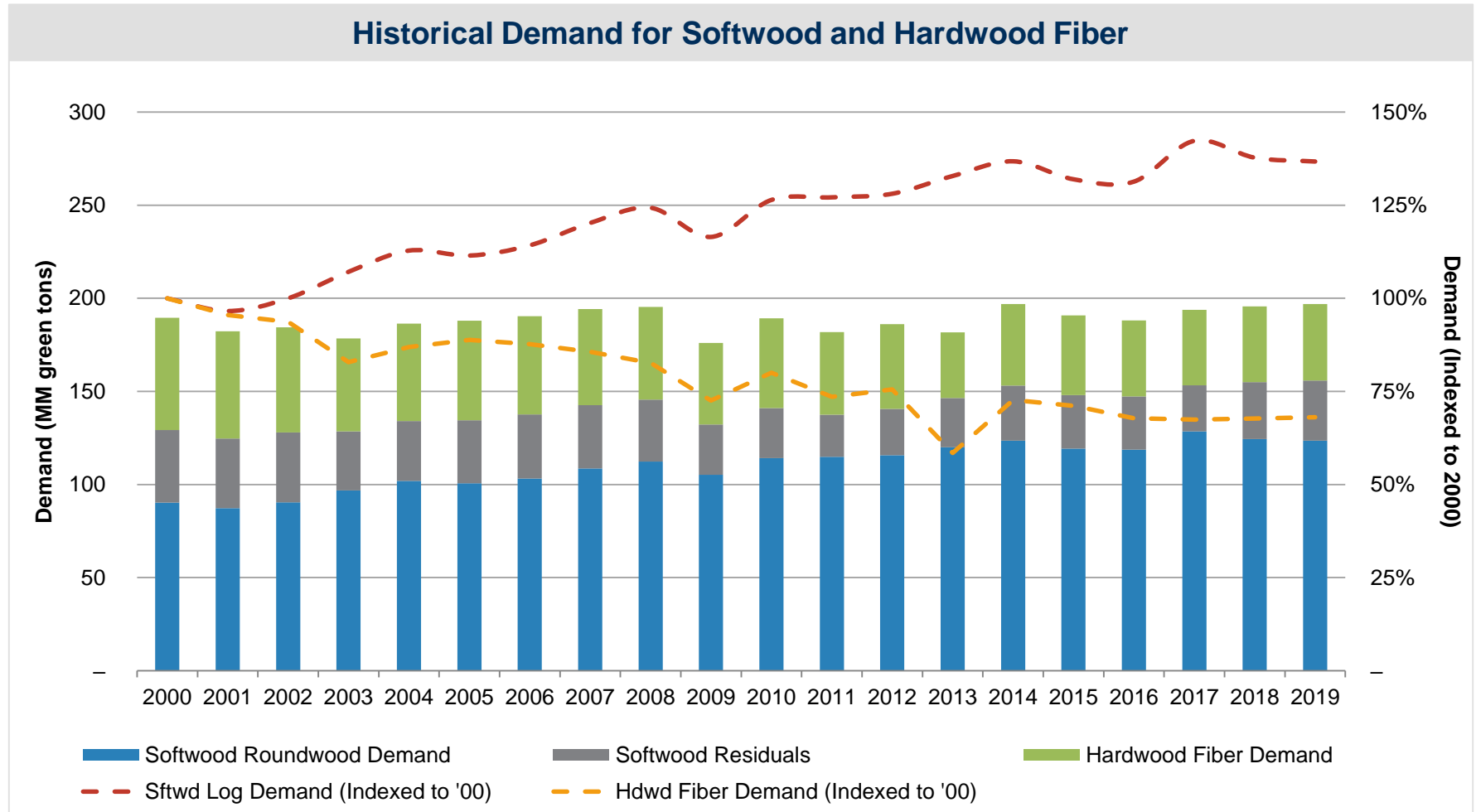
**Inventory build and growth / drain ratios differ significantly among U.S. South markets.**

# Lumber Capacity Expansion in U.S. South



**Lumber production and capacity in the U.S. South has grown significantly over the last several years.**

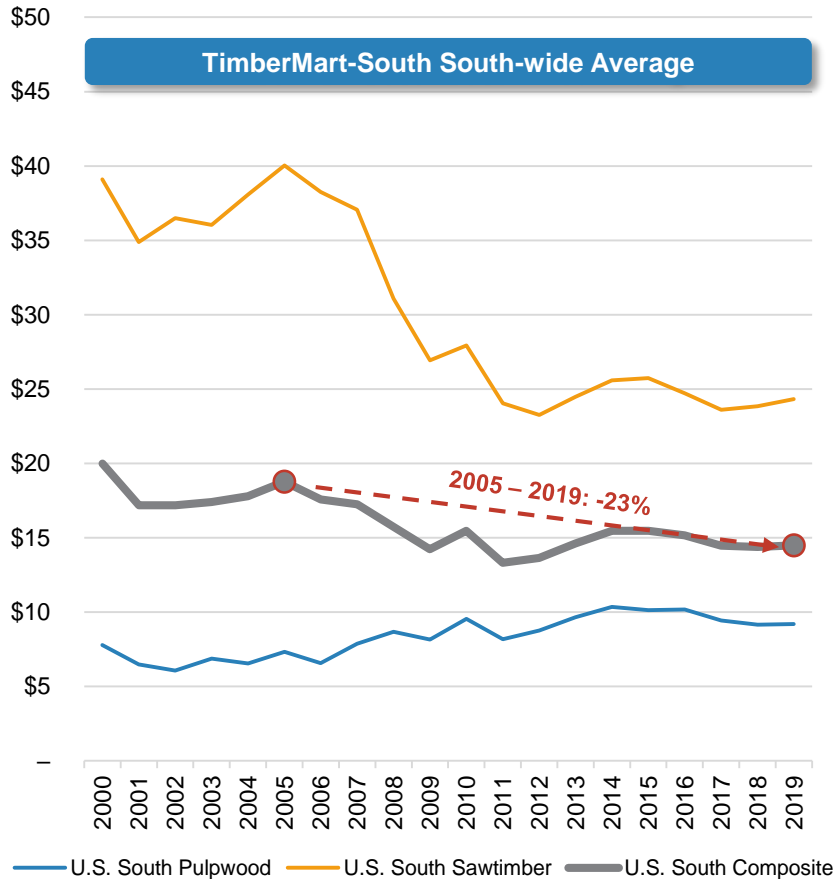
# Softwood Pulpwood Demand Growth Has Been Strong



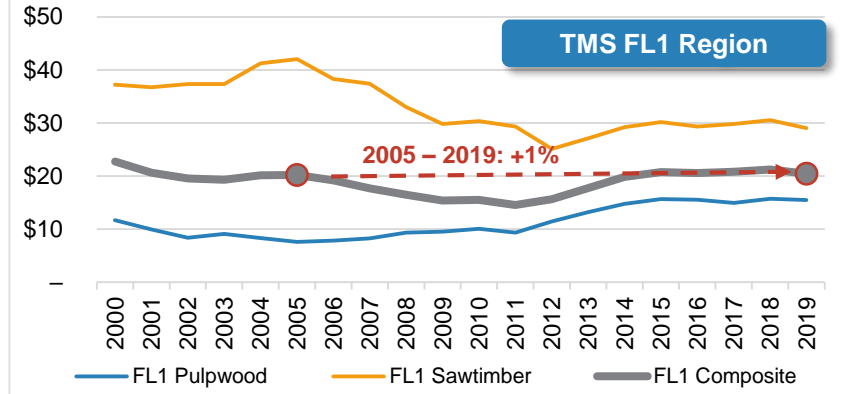
**U.S. South growth in demand for softwood pulpwood has remained strong and is poised to accelerate on expanding OSB capacity investments.**

# Pulpwood Supports Composite Prices in Strong Markets

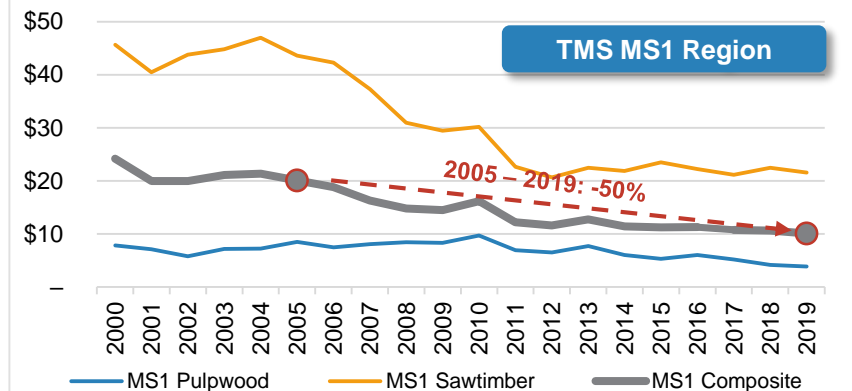
## U.S. South-wide Average Stumpage Pricing



## Strong Markets Support Composite Pricing



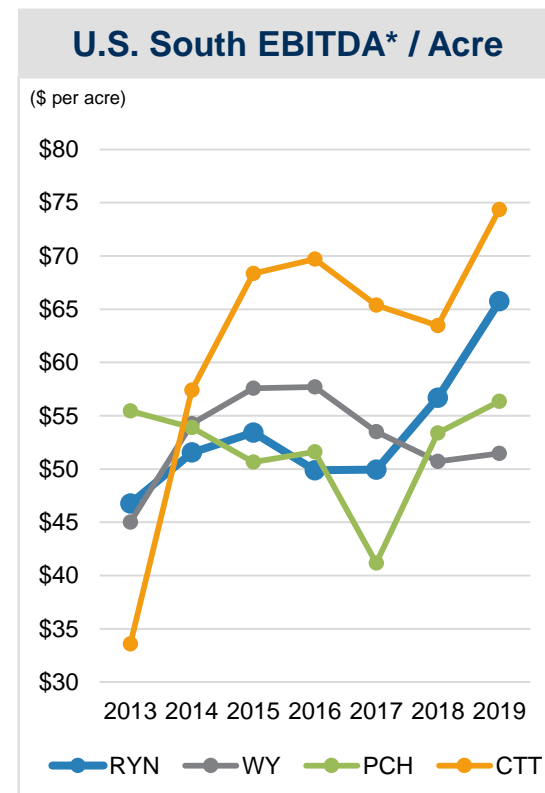
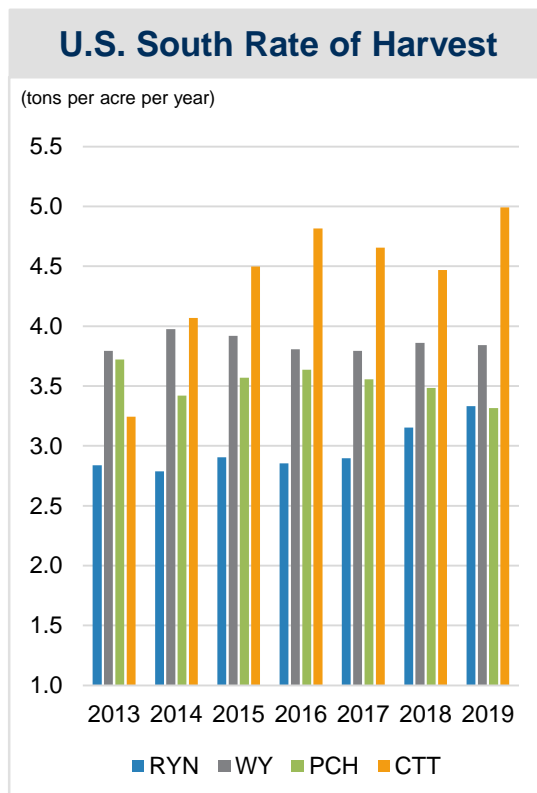
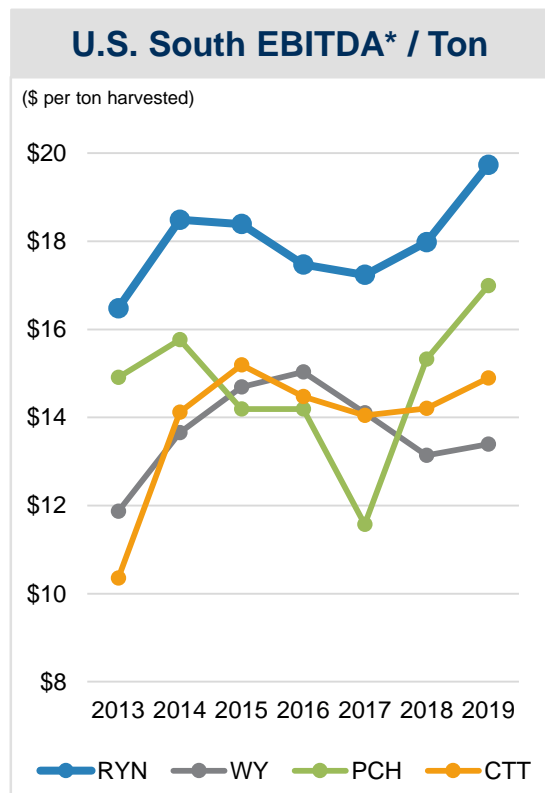
## Weaker Markets Hinder Composite Pricing



**As sawtimber pricing has eroded in the U.S. South, increased pulpwood pricing has offset the overall composite price decline in strong markets where Rayonier focuses its ownership.**

# U.S. South EBITDA\* Benchmarking

- EBITDA\* per ton best captures profitability per unit of sales
- EBITDA\* per acre can be misleading due to differential rates of harvest



**Rayonier's sector-leading EBITDA\* per Ton has increased 20% since 2013.**

Source: WY figures pro forma for PCL combination. CTT figures include Pacific Northwest. EBITDA, harvest volume and acreage data for all peers based on public filings. Per acre data calculated based on estimated average acres for each year (i.e., average of year-end and prior year-end acres), adjusted for major acquisitions/dispositions (i.e., pro-rated from date of transaction).

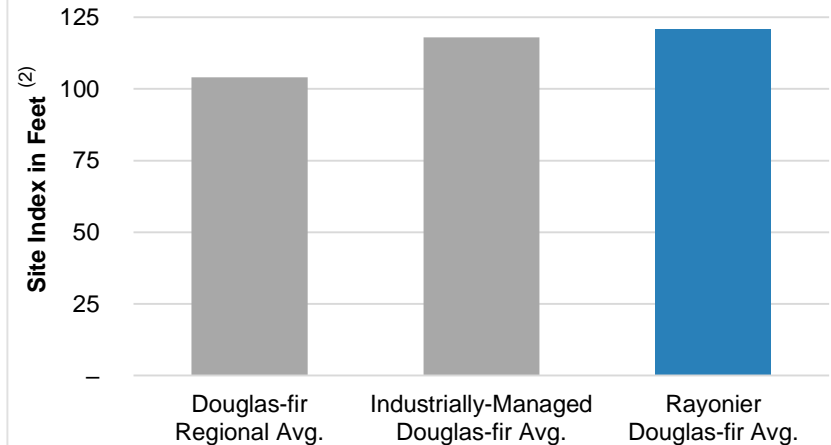
\* Non-GAAP measure or pro forma item (see Appendix for definitions and RYN reconciliations).

# Pacific Northwest Timber – Portfolio Overview

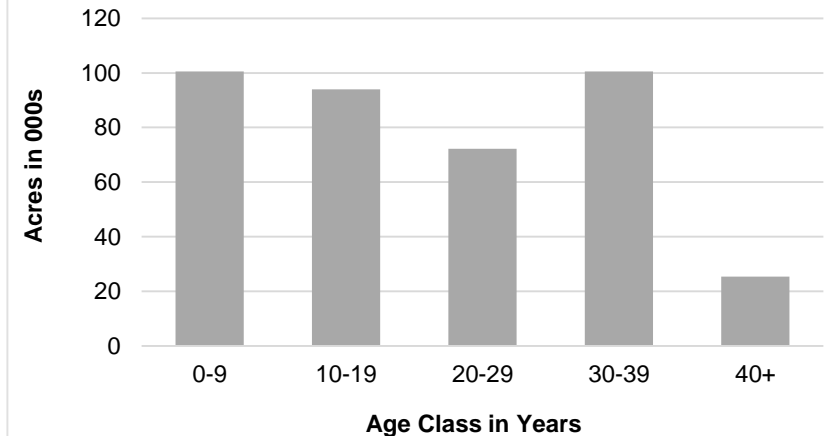
## Highlights / Location

- Acreage: 508,000 acres<sup>(1)</sup>
- Sustainable Yield: 1.9 million tons<sup>(1)</sup>
- Planted / Plantable: 79%<sup>(1)</sup>
- Average Site Index: 116 feet at age 50<sup>(2)</sup>
- 2019 EBITDA\*: \$16.7 million
- Sustainable Forestry Initiative Certification

## Strong Productivity Characteristics



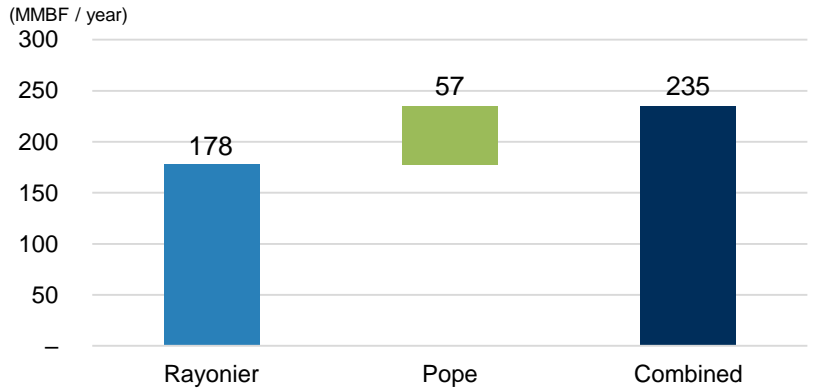
## Improving Age Class Profile<sup>(3)</sup>



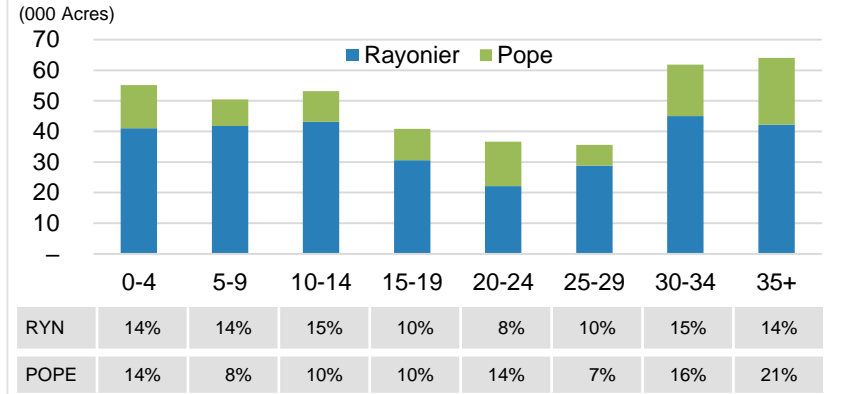
(1) As of 3/31/2020 pro forma for Pope Resources acquisition (excluding "look-through" acres in Timber Funds business).  
 (2) Site index reflects the average height of the dominant and codominant trees at a base age of 50 (Pacific Northwest); based on King 1966 site index equation for Douglas-fir and Wiley 1978 site index equation for Western Hemlock; excludes Pope Resources acquisition.  
 (3) Age class profile represents commercial forest acres as of 9/30/19 per 2019 Form 10-K pro forma for Pope Resources acquisition.  
 (4) Source: U.S. Dept. of Agriculture, Society of American Foresters Journal of Forestry.  
 \* Non-GAAP measure (see Appendix for definitions and RYN reconciliations).

# Pope Timberlands Significantly Enhance Rayonier Portfolio

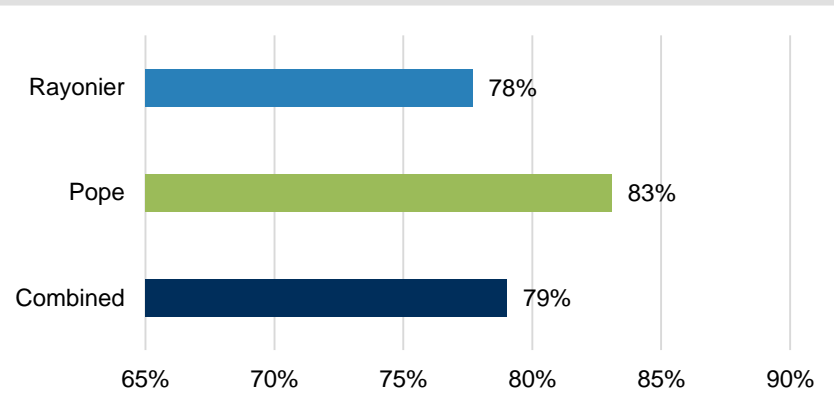
## Pro Forma Sustainable Yield (1)



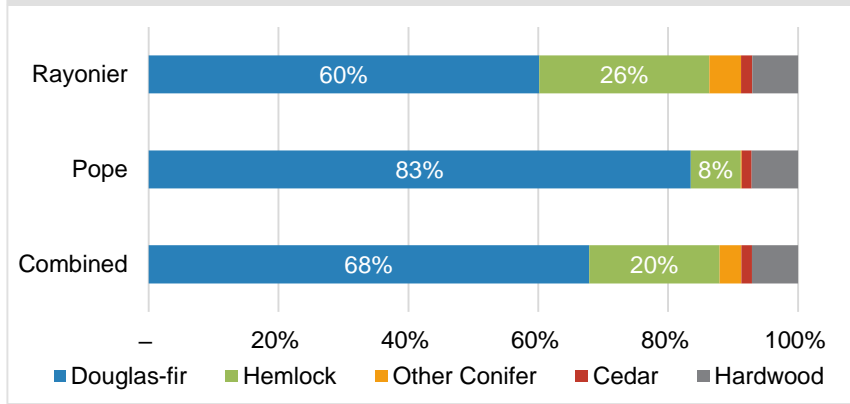
## Acres and % by Age-Class (2)



## % Productive Forest



## Merchantable Volume Species Mix (2)



**Pope Resources' partnership timberland complements Rayonier's existing age-class distribution and materially upgrades the quality of our Pacific Northwest portfolio.**

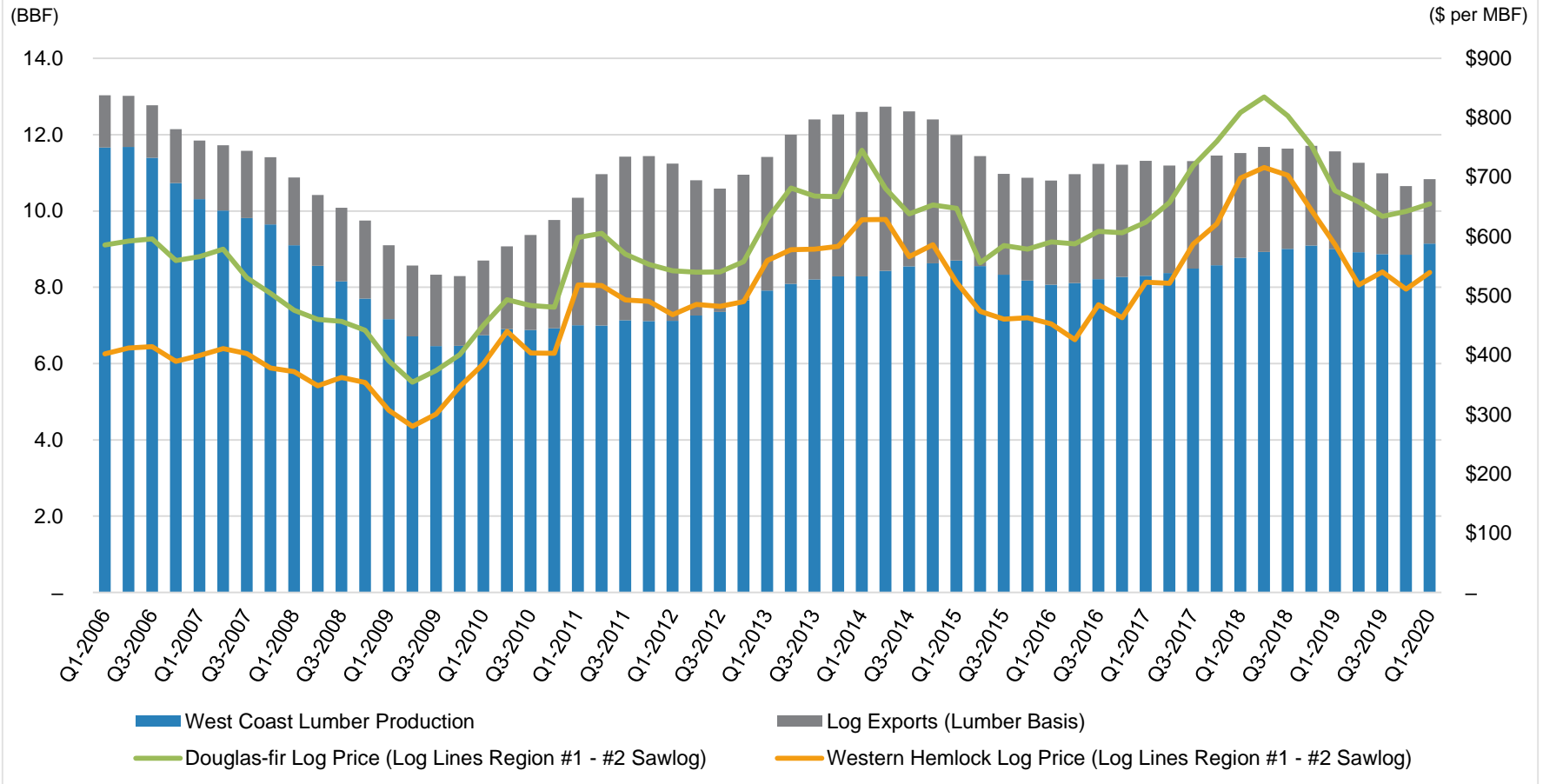


(1) See definition of sustainable yield in Rayonier's most recent Form 10-K.

(2) Rayonier age class and 35+ year old merchantable volume as of 09/30/19. Pope age class and 35+ year old merchantable volume represents partnership / fee timber only and is projected as of 12/31/19.

# Pacific Northwest Demand & Pricing Trends

## Pacific Northwest Log Demand & Pricing

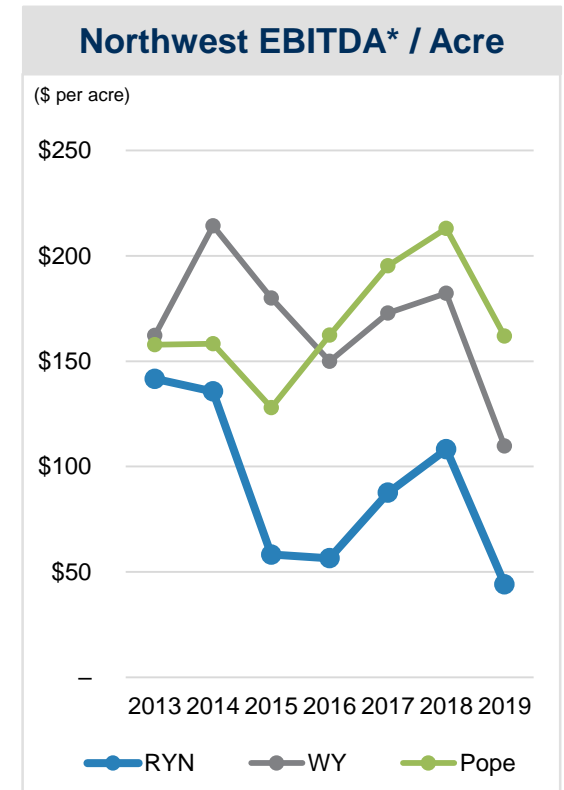
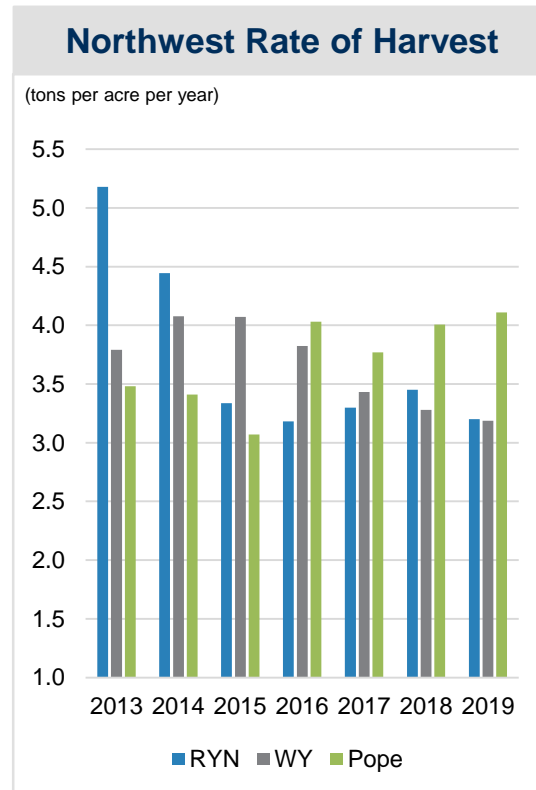
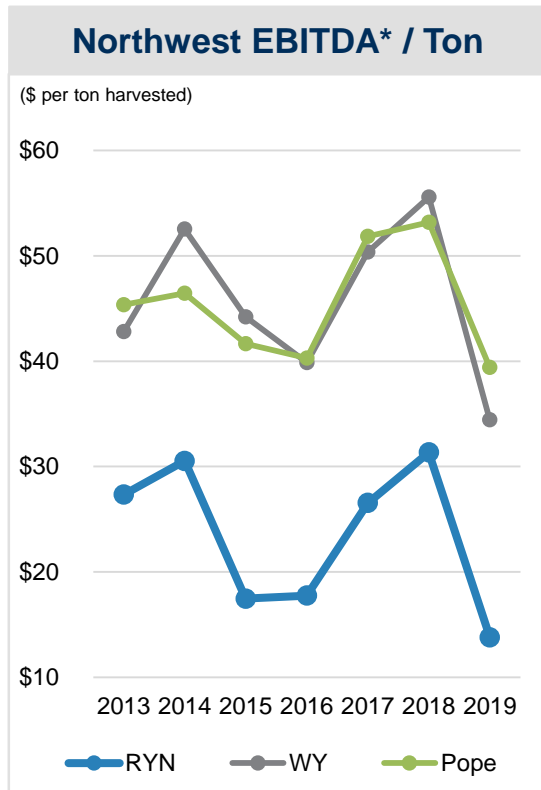


**Pacific Northwest pricing has been impacted by fluctuations in export demand.**



# Pacific Northwest EBITDA\* Benchmarking

- Following November 2014 announcements, Rayonier reduced its rate of harvest in the Northwest
- EBITDA\* per ton and EBITDA\* per acre both declined as a result of reduced harvest and, more recently, due to significant decline in pricing



**Rayonier's Pacific Northwest EBITDA\* per ton has historically been below the peer group due to its higher proportion of hemlock volume (vs. Doug-fir) and higher mix of cable logging.**



Source: WY EBITDA based on historical public filings, excludes PCL contribution in 2013 – 2015; Pope EBITDA based on historical public filings. Volume and acreage data for all peers based on historical public filings; assumes 8.0 tons per MBF for Pope.

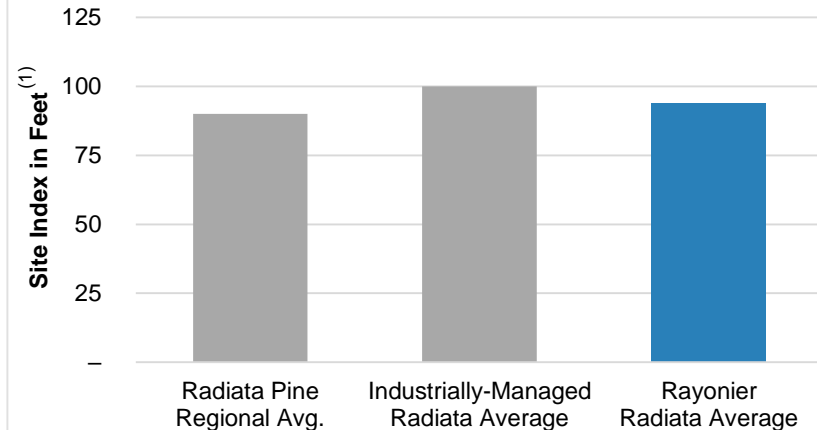
\* Non-GAAP measure or pro forma item (see Appendix for definitions and RYN reconciliations).

# New Zealand Timber – Portfolio Overview

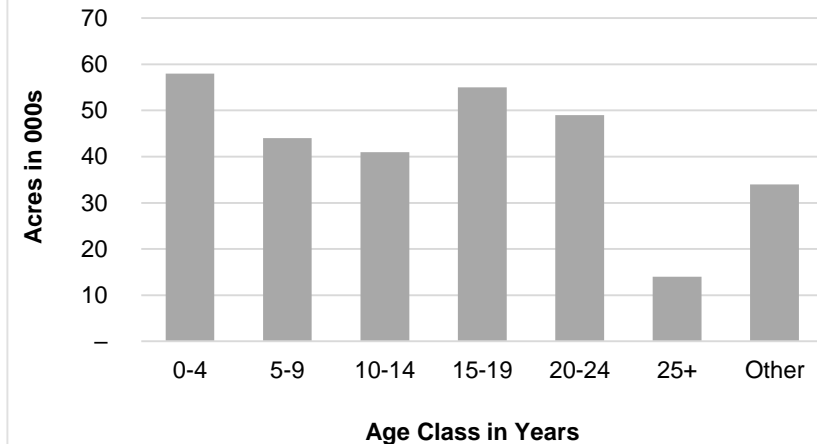
## Highlights / Location

- Acreage: 415,000 acres (295,000 productive acres)
- Sustainable Yield: 2.4 - 2.7 million tons
- Planted / Plantable: 71%
- Average Site Index: 94 feet at age 20<sup>(1)</sup>
- 2019 EBITDA\*: \$75.8 million
- FSC® and PEFC™ Certification
- Appraised value as of 12/31/19: NZ\$1,514 million (NZ\$5,138 / productive acre)<sup>(3)</sup>

## Strong Productivity Characteristics



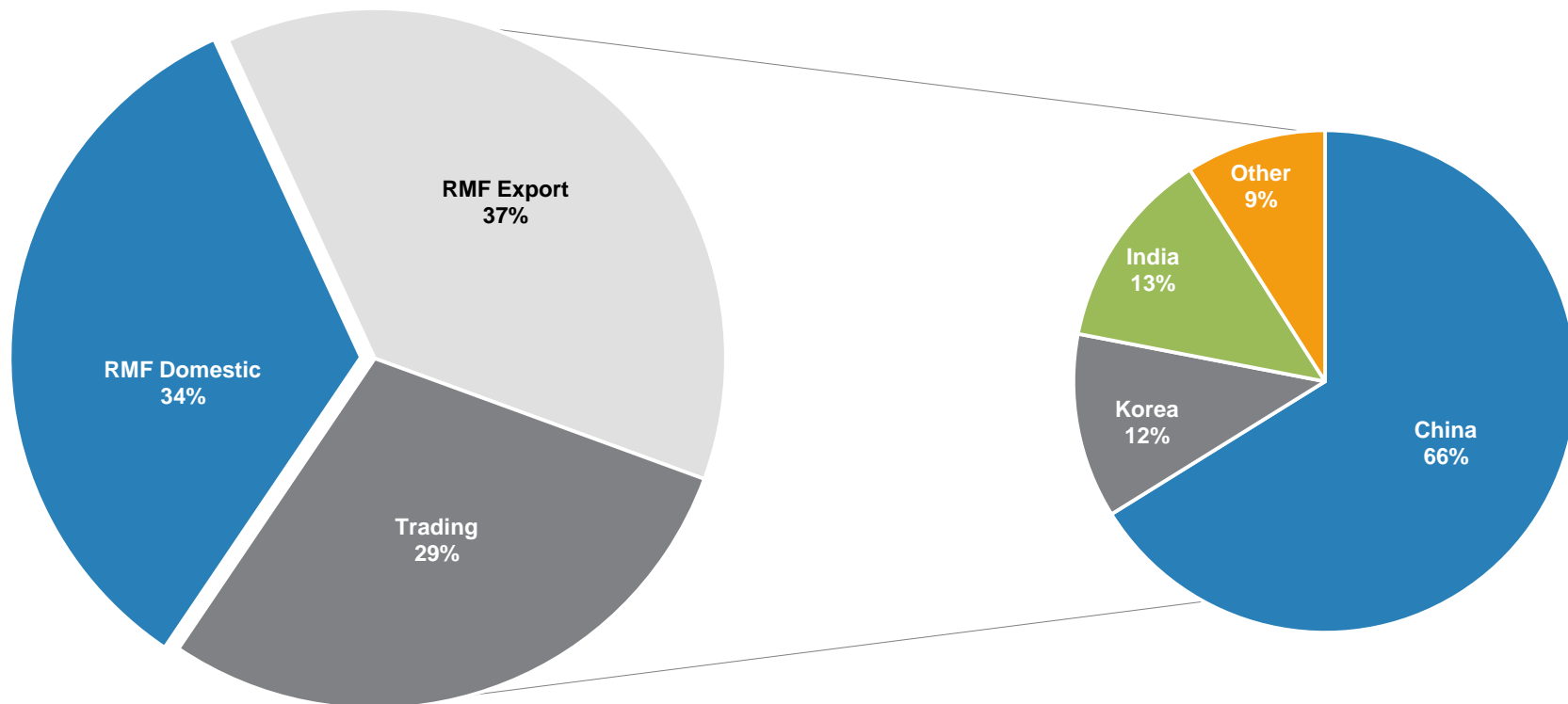
## Balanced Age Class Profile (Radiata)<sup>(2)</sup>



(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 12/31/19 per 2019 Form 10-K.  
 (3) Annual appraisals are obtained by Matariki Forestry Group for compliance with statutory financial reporting requirements.  
 Source: NZ Ministry for Primary Industries, New Zealand Journal of Forestry.  
 \* Non-GAAP measure (see Appendix for definitions and RYN reconciliations).

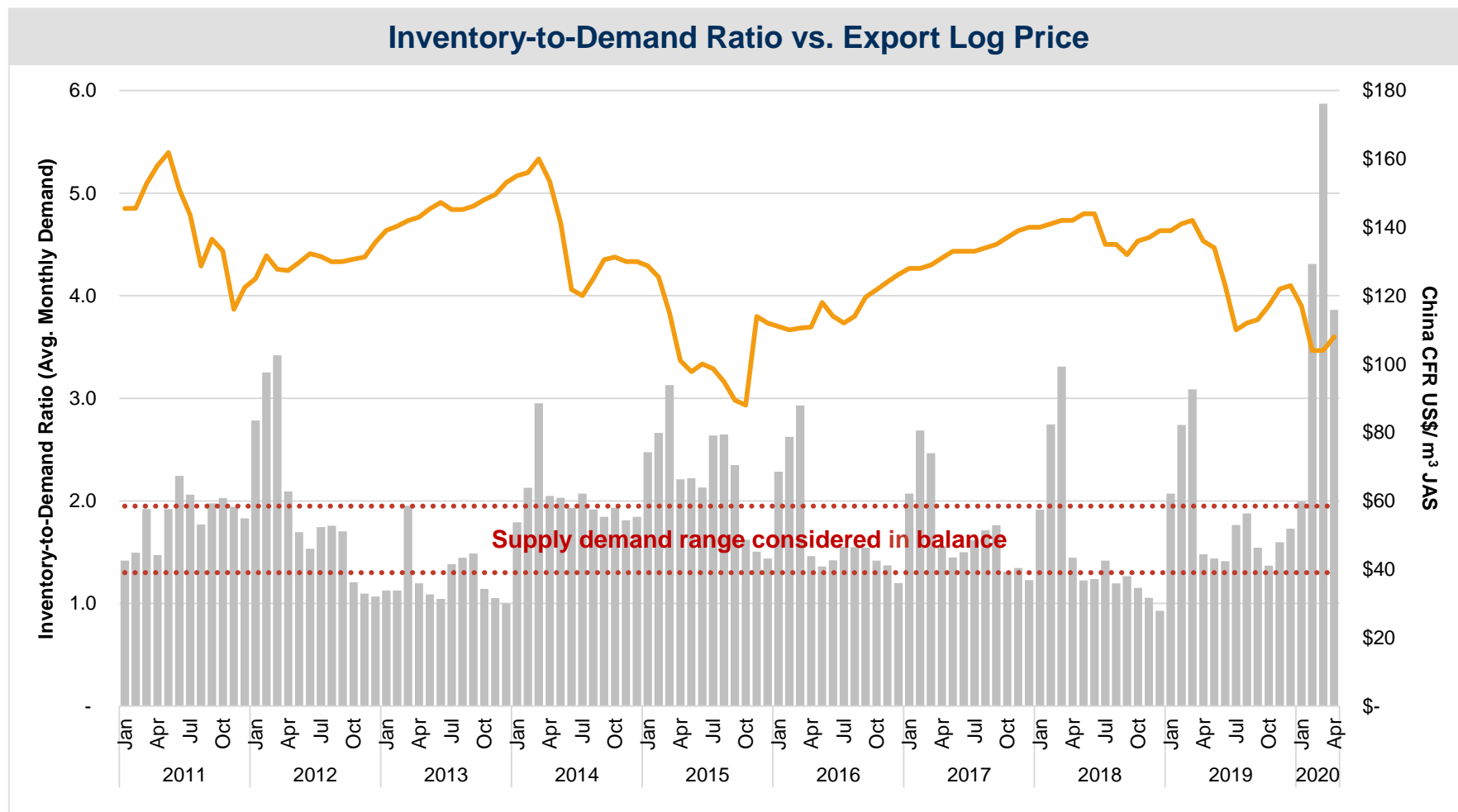
# Diversified Mix of Domestic & Export Markets

Volume by Market Destination (2019)



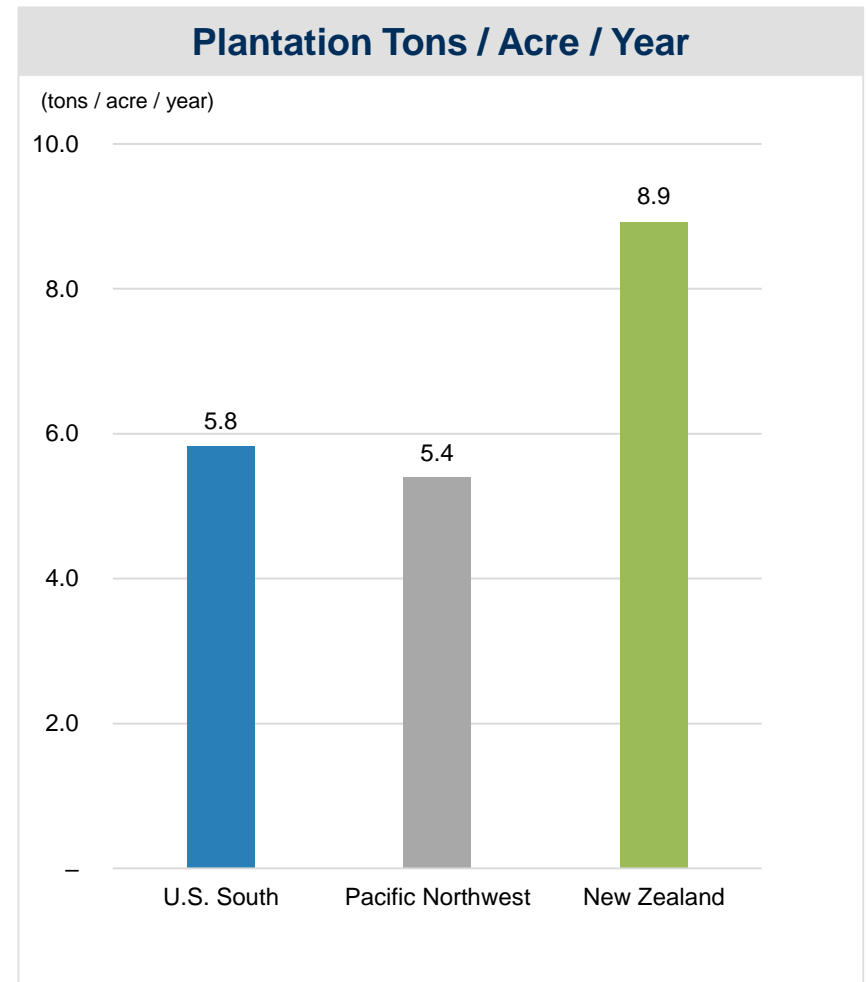
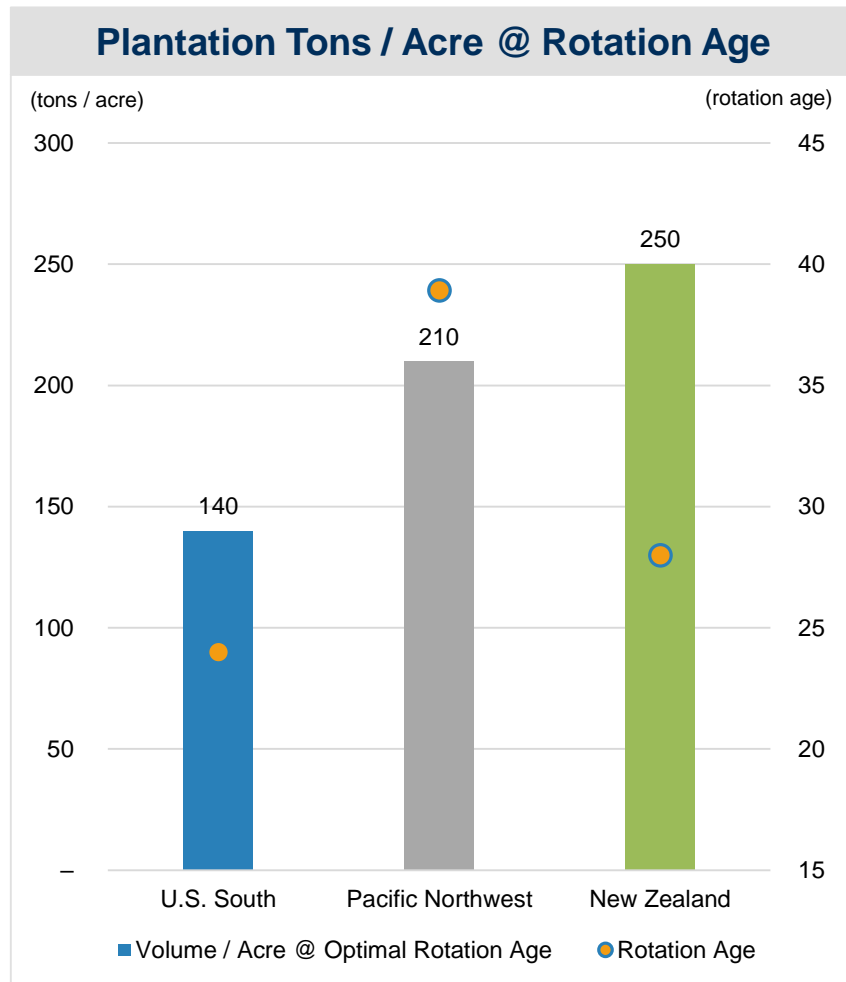
Over half of the New Zealand segment's volume (excluding Trading volume) is sold into export markets, with China being the largest source of demand.

# Inventory Levels Drive Near-Term Price Fluctuations



**Export supply / demand is generally considered in balance when the ratio of port inventory to average monthly demand is between 1.4 and 1.9 times. Inventory typically spikes around the Chinese New Year and has remained elevated recently due to the coronavirus outbreak.**






# New Zealand Productivity Strong Relative to U.S.




**In addition to providing market diversification, New Zealand offers superior softwood plantation productivity relative to the U.S.**

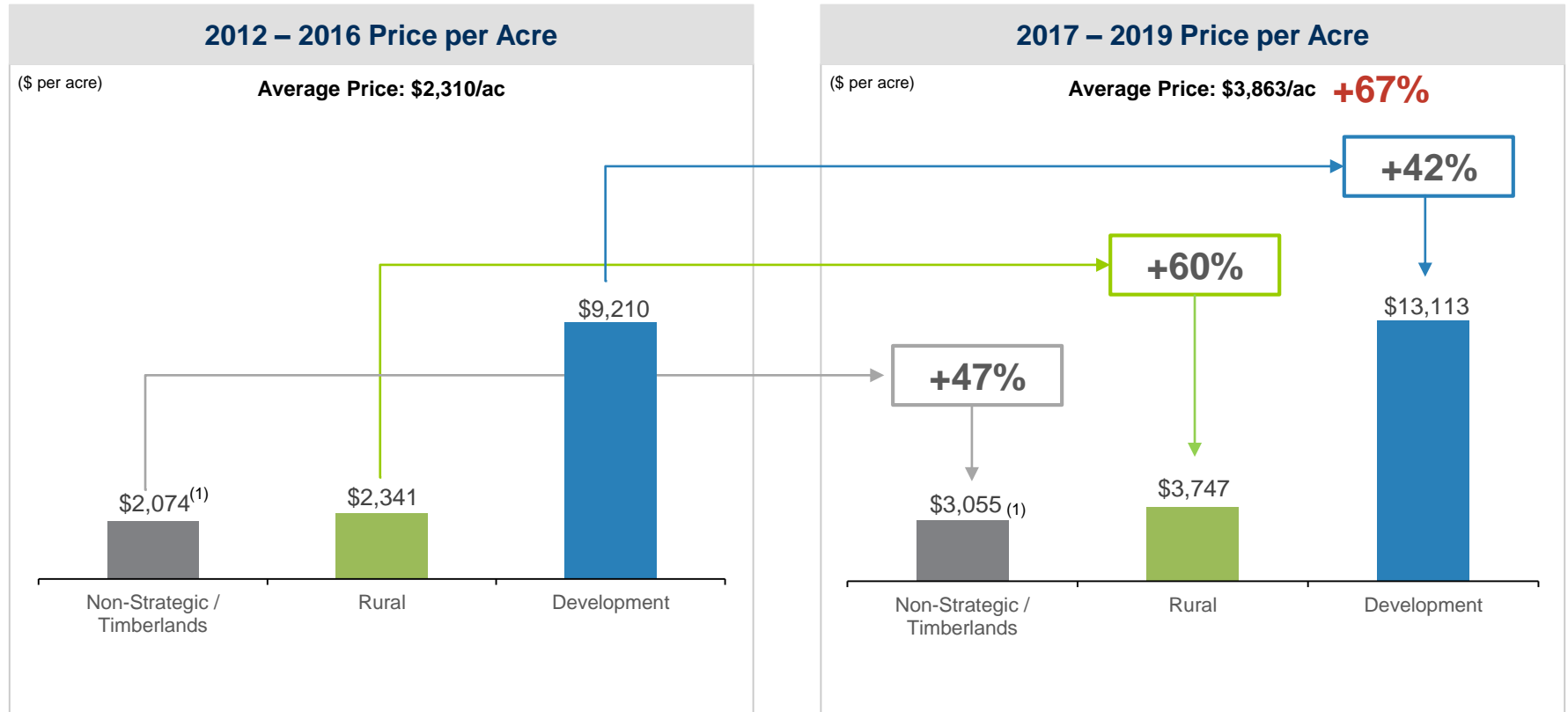
# Real Estate / HBU Strategy

# 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>
<b>Timberland value</b>	<b>Timberland premium</b>	<b>HBU premium + ROI</b>	<b>HBU premium + ROI</b>	<b>HBU premium + ROI + optionality</b>
Opportunistic	Reduce reliance	Grow moderately	Grow in select markets	Grow in <u>very</u> select markets

<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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# Strategic Focus on Maximizing HBU Premium



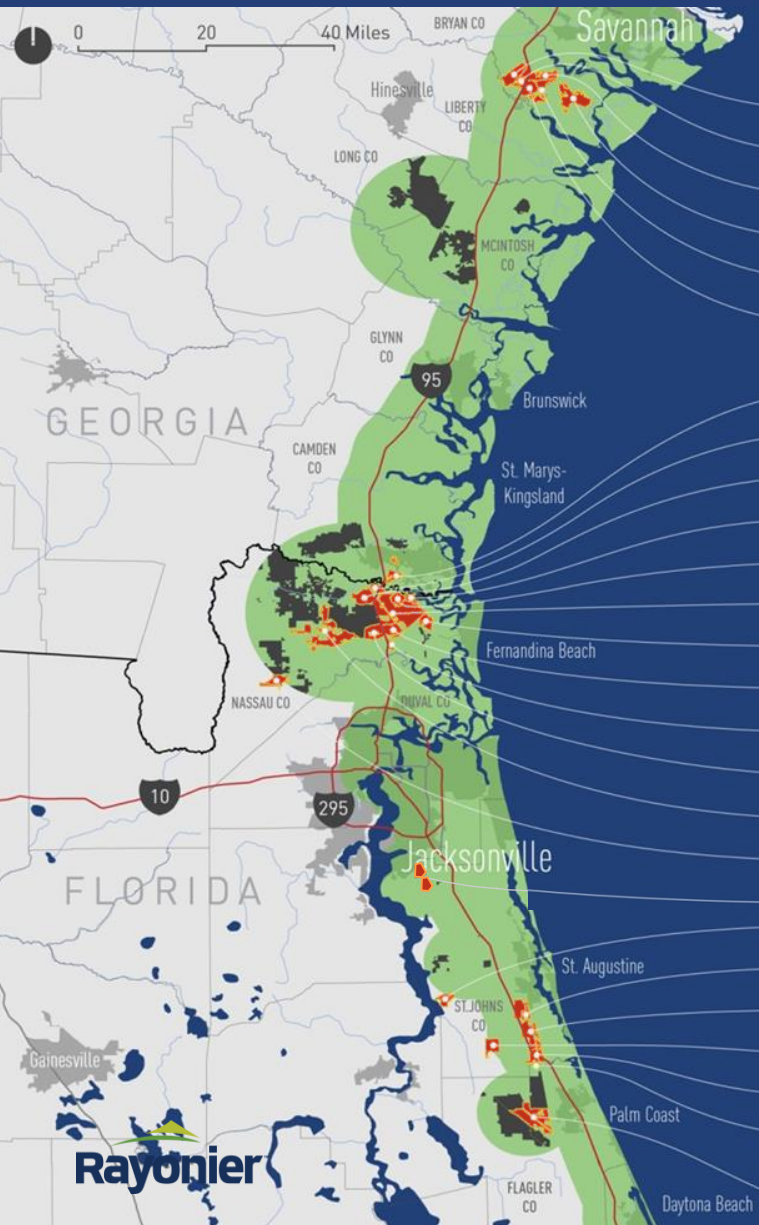
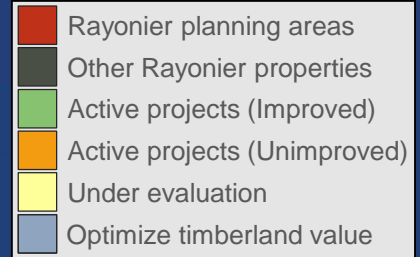
Rayonier has significantly improved its average HBU price realizations in recent years.



Note: Price per acre based on weighted average sales price over the periods shown.  
 (1) Acres sold and price per acre for NS / Timberlands only, excludes Large Dispositions.



# I-95 Coastal Corridor – Active Portfolio Management



## 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)

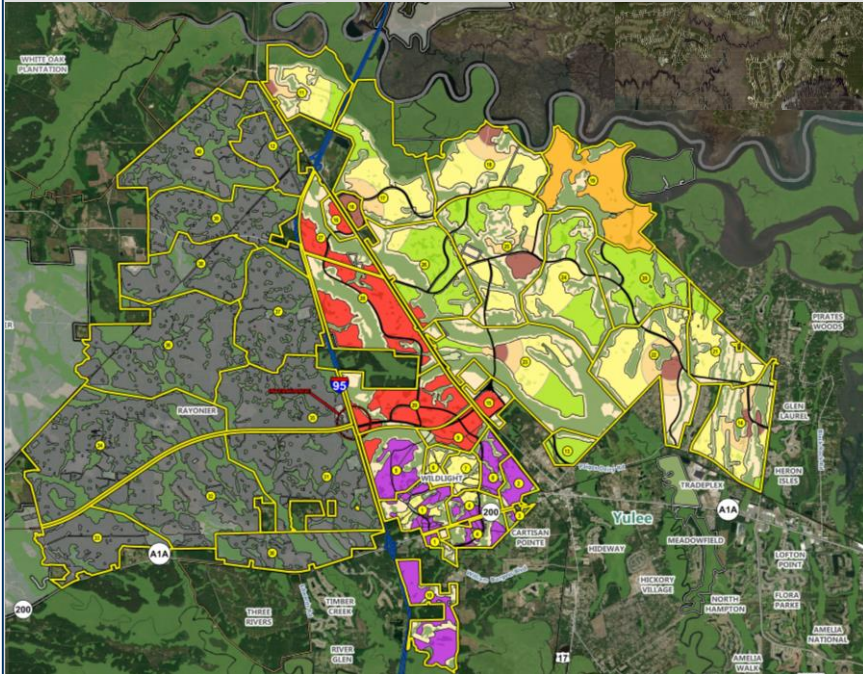
Florida Low County  
(St. Mary's, Nassau County)

Selected Transactions (2013 – 2019)

• Wildlight	91 ac	\$222,301/ac
• Richmond Hill	6.86 ac	\$145,773/ac
• Belfast 1	8.8 ac	\$91,429/ac
• Belfast Com. Ctr.	187 ac	\$35,244/ac
• North St. Johns	1,383 ac	\$18,323/ac
• Crawford Diamond	2,209 ac	\$10,000/ac
• South St. Johns	11,488 ac	\$3,644/ac
• Deep Creek	1,994 ac	\$3,200/ac

# Real Estate Development: Focused Strategy

## Florida HBU Portfolio



~24,000 acres north of Jacksonville, FL

## Georgia HBU Portfolio



~20,000 acres south of Savannah, GA

Rayonier has two unique HBU land portfolios located in close proximity to I-95 north of Jacksonville, FL and south of Savannah, GA, which provide long-term development opportunities.

# Overview of Wildlight Community Development

## WILDLIGHT

FLORIDA LOWCOUNTRY LIVING

- 261 net-acre Wildlight Village Center commenced development in March 2016
- Well positioned in a growing sub-market
- Rayonier owns ~25,000 acres in a 5-mile radius
- Land use entitlements in place to support future growth
- Total Sales Project-To-Date\*:
  - Commercial: \$16.4MM gross sales (78 gross ac) (76 net ac)
  - Residential: \$3.9MM gross sales (84 lots) (13 gross & net ac)
- Wildlight Elementary School & Rayonier HQ Office Building completed August 2017
- 6-lane A1A highway and new Interstate 95 interchange under construction completing end of 2020



**Our strategy is to target Northeast Florida market demand and catalyze value across our significant land holdings over time.**

# Wildlight Village Center – Catalytic Uses and Design



**Rayonier Office**



**Pool Amenity**



**The Lofts Apartments**



**UF Health YMCA**



**Wildlight Elementary School**



**Shopping & Dining**



**First Federal Bank**



**Marriott Branded Hotel**



**Catholic Pre-K Learning Center**



**Florida Public Utilities Office**



**Kindercare Childcare**



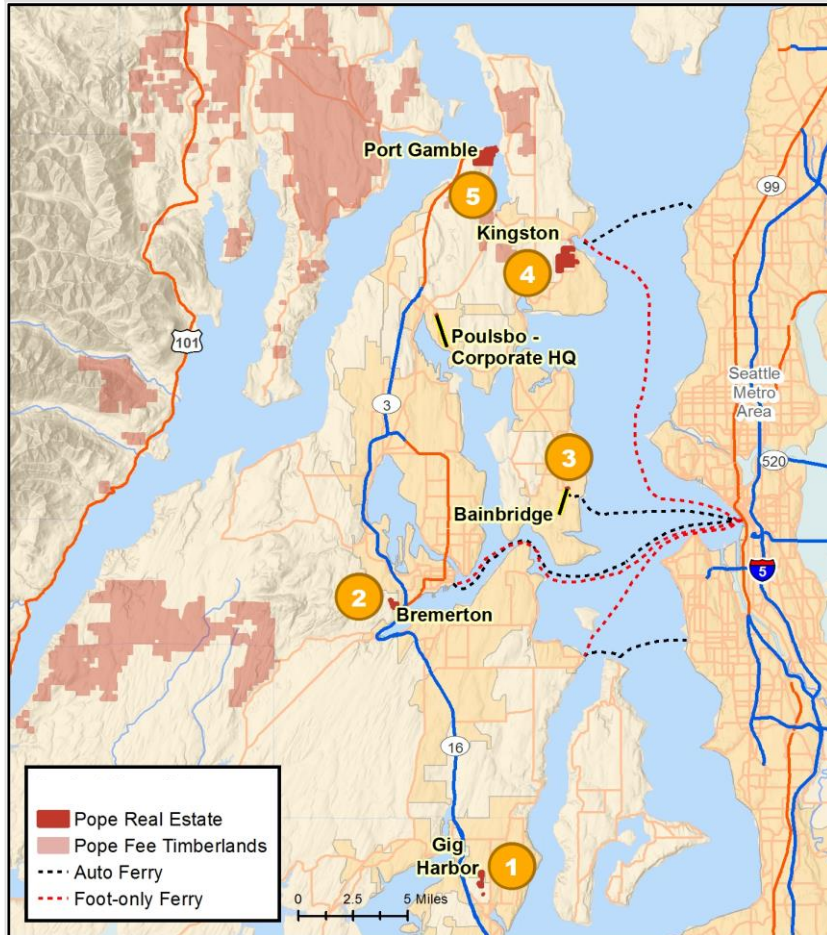
**Heartland Dental**



**UF Health Ambulatory**

# Overview of Pope Real Estate Development Business

## Pope Real Estate Portfolio Location Map



## Active and Planned Real Estate Projects

- 1 Gig Harbor – Successful mixed-use community in final stages of development; remaining parcel is an 18.5-acre commercial property.
- 2 Bremerton – approx. 8-acre business park.
- 3 Bainbridge – JV partner in multi-family apartment and townhome project.
- 4 Kingston – Planned 751-unit residential community in Kingston; anticipating 2021-22 launch.
- 5 Port Gamble – company-owned town and prior mill site; future plans for mixed-use development project.

Pope has 67k acres within a 2-hour drive of downtown Seattle, one of the fastest growing job and housing markets in the U.S. New foot-only ferry allows greater connectivity to Seattle, thereby increasing accessibility. Conservation easement and rural HBU opportunities provide upside with minimal incremental capital.

**Pope Resources' real estate portfolio is well-positioned to capitalize on Seattle's growing population, job and housing markets.**

# Appendix

# Definitions of Non-GAAP Measures & 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 derivative demands. 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.

**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.

**Costs related to the merger with Pope Resources** include legal, accounting and due diligence, consulting and other costs related to the previously announced definitive merger agreement with Pope Resources, which is expected to close on May 8, 2020.

**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 Debt

(\$ in millions)

<u>Q1 2020</u>	
Current maturities of long-term debt	\$0.0
Long-term debt, net of deferred financing costs	\$1,055.3
Deferred financing costs	1.7
<b>Total Debt</b>	<b>\$1,057.0</b>
Cash and cash equivalents	(132.4)
<b>Net Debt</b>	<b>\$924.6</b>



# Reconciliation of Net Income to Adjusted EBITDA

(\$ in millions)	Q1 2020	2019	2018	2017	2016	2015	2014	2013
Net income	\$26.4	\$67.7	\$117.3	\$161.5	\$217.8	\$43.9	\$97.8	\$373.8
Interest, net, continuing operations	8.1	29.1	29.7	32.2	33.0	34.7	49.7	38.5
Income tax expense (benefit), continuing operations	3.7	12.9	25.2	21.8	5.0	(0.9)	(9.6)	(35.7)
Depreciation, depletion and amortization	34.3	128.2	144.1	127.6	115.1	113.7	120.0	116.9
Non-cash cost of land and improved development	0.4	12.6	23.6	13.7	11.7	12.5	13.2	10.2
Non-operating (income) / expense	0.3	(2.7)	(2.2)	-	-	0.1	3.8	-
Costs related to Merger with Pope Resources <sup>(1)</sup>	2.5	-	-	-	-	-	-	-
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>	(28.7)	-	-	(67.0)	(143.9)	-	(21.4)	(25.7)
Internal review and restatement costs <sup>(1)</sup>	-	-	-	-	-	-	3.4	-
Net income from discontinued operations <sup>(1)</sup>	-	-	-	-	-	-	(43.4)	(267.9)
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>\$47.1</b>	<b>\$247.8</b>	<b>\$337.7</b>	<b>\$290.5</b>	<b>\$239.7</b>	<b>\$208.1</b>	<b>\$213.5</b>	<b>\$193.9</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)	Pacific					Corporate and Other	Total
	Southern Timber	Northwest Timber	New Zealand Timber	Real Estate	Trading		
<b>Q1 2020</b>							
Operating Income (loss)	\$15.1	(\$0.9)	\$5.4	\$26.8	-	(\$7.8)	\$38.6
Depreciation, depletion & amortization	18.2	10.7	4.8	0.4	-	0.3	\$34.4
Non-cash cost of land and real estate sold	-	-	-	0.4	-	-	\$0.4
Costs related to the Merger with Pope Resources <sup>(1)</sup>	-	-	-	-	-	2.5	\$2.5
Large Dispositions <sup>(1)</sup>	-	-	-	(28.7)	-	-	(\$28.7)
Adjusted EBITDA <sup>(1)</sup>	\$33.3	\$9.8	\$10.2	(\$1.1)	-	(\$5.0)	\$47.1
<b>2019</b>							
Operating Income (loss)	\$57.8	(\$12.4)	\$48.0	\$38.7	\$0.0	(\$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 real estate sold	-	-	-	12.6	-	-	12.6
Adjusted EBITDA <sup>(1)</sup>	\$119.7	\$16.7	\$75.8	\$59.5	\$0.0	(\$23.9)	\$247.8
<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

<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)	Pacific			Real Estate	Trading	Corporate and Other	Total
	Southern Timber	Northwest Timber	New Zealand Timber				
<b>2016</b>							
Operating Income (loss)	\$43.1	(\$4.0)	\$33.0	\$202.4	\$2.0	(\$20.8)	\$255.8
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
<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
<b>2013</b>							
Operating Income	\$37.8	\$32.7	\$10.6	\$55.9	\$1.8	(\$30.1)	\$108.7
Depreciation, depletion & amortization	49.4	21.4	27.7	17.4	-	1.0	116.9
Non-cash cost of land and real estate sold	-	-	-	10.2	-	-	10.2
Large Dispositions <sup>(1)</sup>	-	-	-	(25.7)	-	-	(25.7)
Gain on Consolidation of New Zealand JV <sup>(1)</sup>	-	-	-	-	-	(16.2)	(16.2)
Adjusted EBITDA <sup>(1)</sup>	\$87.2	\$54.1	\$38.3	\$57.8	\$1.8	(\$45.3)	\$193.9

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