

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

September 26, 2019



COMMISSION FILE NUMBER 1-6780

RAYONIER INC.

**Incorporated in the State of North Carolina
I.R.S. Employer Identification Number 13-2607329**

**1 Rayonier Way
Wildlight, Florida 32097
(Principal Executive Office)
Telephone Number: (904) 357-9100**

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Exchange</u>
COMMON SHARES, NO PAR VALUE	RYN	New York Stock Exchange

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

	Emerging growth company	<input type="checkbox"/>
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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.	<input type="checkbox"/>
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RAYONIER INC.
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ITEM 7.01	Regulation FD and Disclosure
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On September 26, 2019 Rayonier Inc. (the “Company”) posted presentation materials on the Investor Relations section of the Company’s website at <http://phx.corporate-ir.net/phoenix.zhtml?c=91500&p=irol-irhome>. Members of the Company’s management may use all or portions of these materials from time to time during the fiscal year ending December 31, 2019 in meetings with or when making presentations to the investment community, current or potential stakeholders and others. The presentation materials are furnished herewith as Exhibit 99.1 and are incorporated herein by reference.

By furnishing this Current Report on Form 8-K and the presentation materials incorporated herein, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD. The information contained in the investor presentation is summary information that it is intended to be considered solely in the context of the Company’s Securities and Exchange Commission (“SEC”) filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as management believes is warranted. Any such updating may be made through the furnishing or filing of other reports or documents with the SEC, through press releases or through other public disclosure.

The information presented in Item 7.01 of this Current Report on Form 8-K and Exhibit 99.1 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, unless the Company specifically states that the information is to be considered “filed” under the Exchange Act or specifically incorporates it by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act.

ITEM 9.01	Financial Statements and Exhibits
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(d)	Exhibits.
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Exhibit No.	Exhibit Description
99.1	Investor Presentation, dated September 2019.
101	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

	RAYONIER INC. (Registrant)
BY:	/s/ APRIL TICE
	April Tice
	Vice President, Financial Services and Corporate Controller

September 26, 2019.



U.S. SOUTH TIMBERLAND TOUR AND TEACH-IN SESSION

SEPTEMBER 2019



Safe Harbor Statement

Forward-Looking Statements - Certain statements in this presentation regarding anticipated financial outcomes including Rayonier's earnings guidance, business and market conditions, outlook, expected dividend rate, Rayonier's business strategies, including expected harvest schedules, timberland acquisitions, of non-strategic timberlands, the anticipated benefits of Rayonier's business strategies, and other similar statements relating to Rayonier's future developments or financial or operational performance or results, are "forward-looking statements" made pursuant to the safe harbor provisions of the 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," "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 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 products and real estate offerings; entry of new competitors into our markets; changes in global economic conditions and world events; fluctuations in demand for 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; 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 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 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 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 law 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 the discussion included in other reports that we subsequently file with the Securities and Exchange Commission ("SEC"). Forward-looking statements are only as accurate as the data on which they are based, and the Company undertakes no duty to update its forward-looking statements except as required by law. You are advised, however, to read 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.





Agenda

- 11:30 am ● Introduction / Timberland Economics
- 11:40 am ● Market Intelligence Teach-In
- 12:40 pm ● Lunch
- 1:25 pm ● Portfolio Management Teach-In
- 2:40 pm ● Real Estate Update
- 3:45 pm ● U.S. South Timberland Tour
- 5:15 pm ● Formal Session Adjourn

Introduction / Timberland Economics



Components of Timberland Return – U.S. South



Return Component	Value Range	Risk to Achieve	Comments
Cash Return Expectation			
EBITDA Return	2.0% – 4.5%		EBITDA yield for Southern timber, including timber harvest and non-timber income
(-) Capex Investment	(0.5%)		Average annualized cost of replanting / silviculture
Current Cash Flow Return	1.5% – 4.0%		Varies based on market quality, site index, productivity, stocking, etc.
Other Components of Return			
Productivity Gains	0.5% – 1.0%		Based on improved silviculture; higher growth 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	0.5% – 1.5%		Higher "return-to-trend" expectation is common in more depressed markets
Long-Term "Real" Price Growth	0.0% – 1.0%		Long-term expectation of real price increases above inflation
Total Return Expectation			
Typical "Real" Return Expectation	5.0% – 6.0%	Varies	Represents typical timberland real discount rate range
(+) Assumed Inflation	~2.0%		Based on approximate historical spread between treasuries and TIPS
"Nominal" Return Expectation	7.0% – 8.0%	Varies	Represents expected long-term, unlevered return on timberland investments



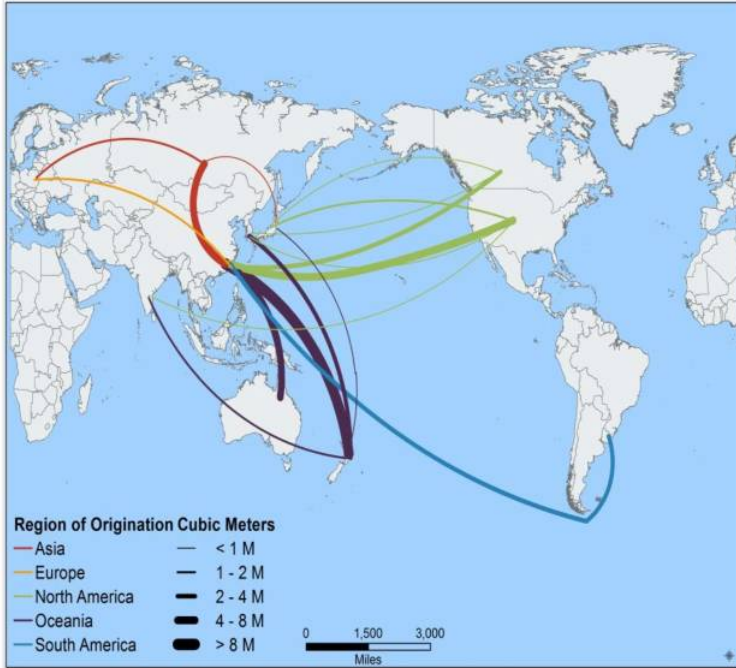
Market Intelligence Teach-In



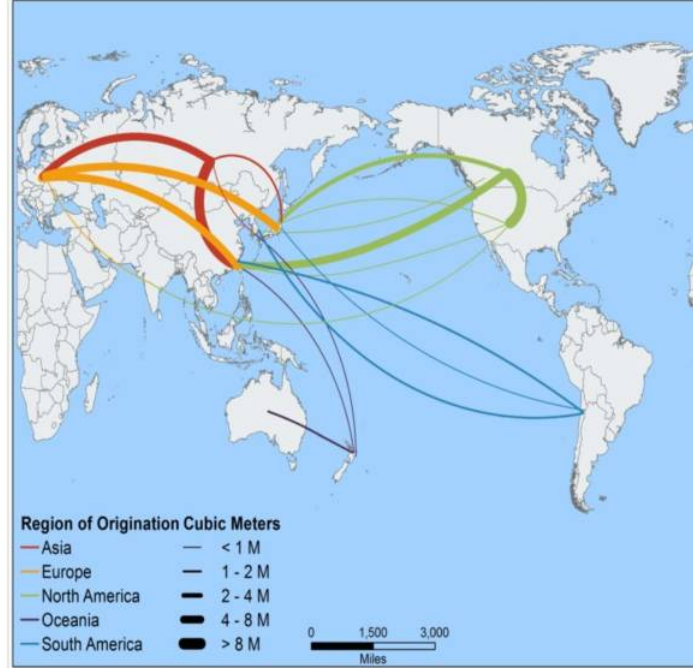
Globalization of Wood Trade: Softwood Logs and Lumber

- China is the largest importer of softwood logs and lumber
 - Log volume to China: New Zealand (42%), Russia (19%), and the United States (13%)
 - Lumber volume to China: Russia (62%), Canada (17%), and Europe (12%)

2018 Global Trade in Softwood Logs



2018 Global Trade in Softwood Lumber (RWE)



Source: RISI, Global Trade Atlas, Rayonier Analysis.

* Round-wood equivalent (RWE) volume is a measure of the volume of logs used in the manufacture of wood-based products.

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Globalization of Wood Trade: Pulp and Woodchips

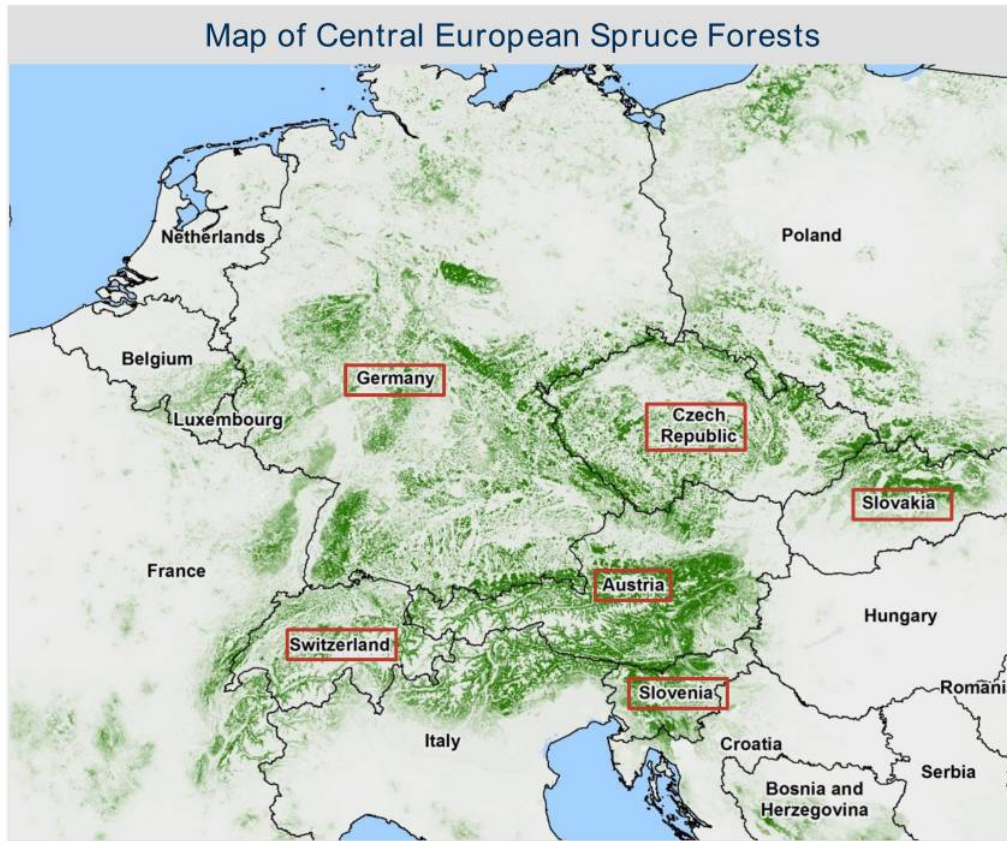
- China is the largest importer of pulp and woodchips
 - China recently surpassed Japan as the top woodchip consumer
 - Hardwood pulp exports are driven by Brazil while Canada is the largest softwood pulp exporter
 - Eucalyptus and Acacia chip exports from Vietnam, Australia and Latin America dwarf trade in softwood chips from northern latitudes



Source: RISI, Global Trade Atlas, Rayonier Analysis.

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Current Issue: European Spruce Beetle Epidemic



- Spruce inventory (2018E)
 - ~2.89 billion m³
 - ~41% of growing stock inventory
 - 2018 damage total: ~67mm m³
 - 2019 damage in some areas estimated to be 40x 2018 impact
- Salvage volumes have flooded the market and depressed log prices across Central Europe
- British Columbia MPB Parallel
 - Lodge pole pine inventory ~1.1 billion m³
 - Peak damage recorded in 2008 at ~140mm m³
 - Total damage expected to be ~731 mm m³
 - MPB kill occurred primarily over seven years

Central Europe has experienced wind and ice storms coupled with drought and mild winters that have all contributed to record spruce beetle outbreaks in the region.



Source: British Columbia: Ministry of Forest, Lands and Natural Resource Operations, TimberIndustryNews.com, Reuters, Destatis, Statistics Austria, Federal Statistical Office Switzerland, Czech Statistical Office, Timber-Online 2019, Slovenia Forest Service, Rayonier Analysis.

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Current Issue: Epidemic Driving Europe Exports to China



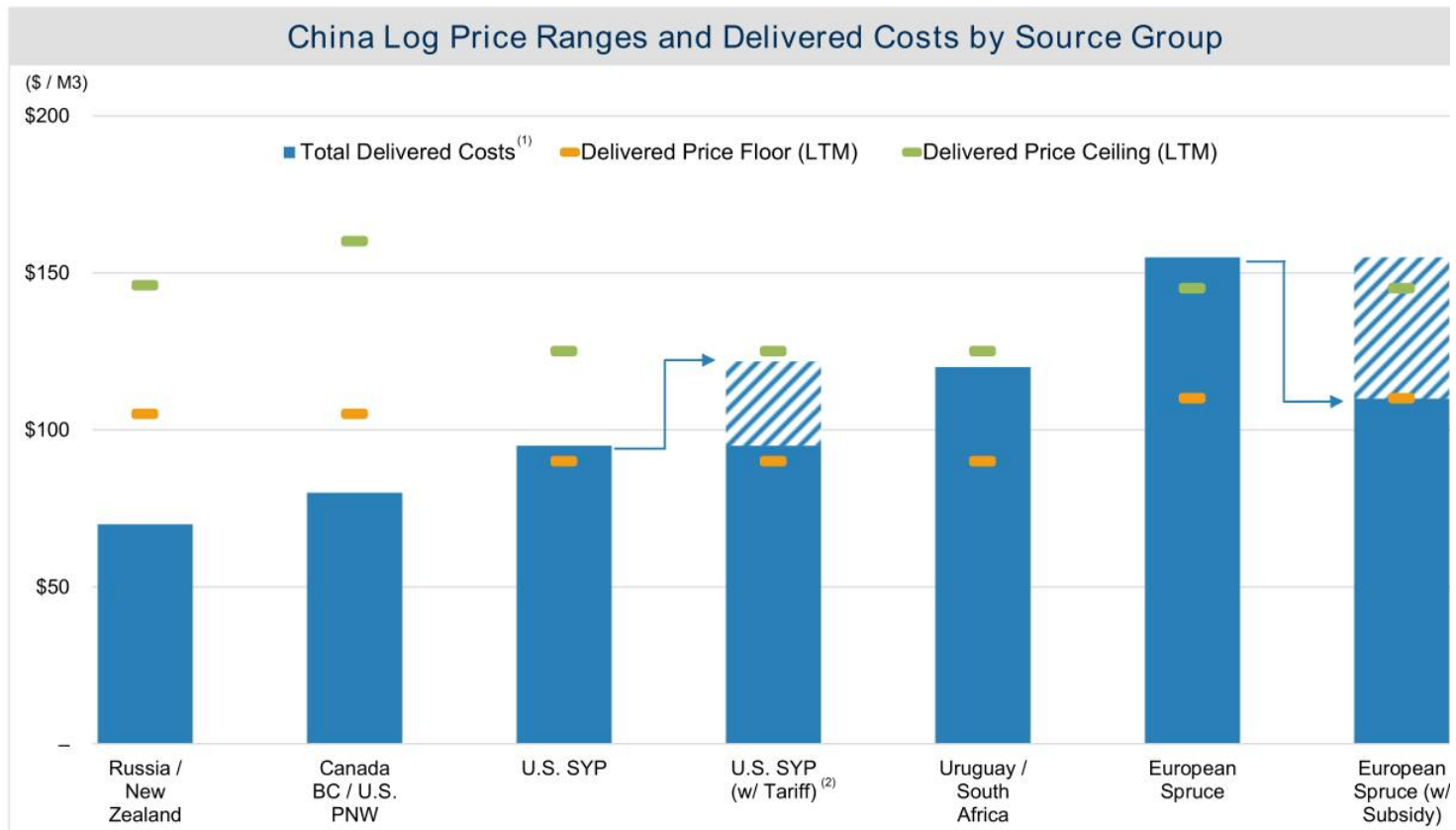
Subsidized salvage harvests have depressed market prices and driven increased exports to China. Ukraine has shifted lumber exports from Europe to China.



Source: RISI, Rayonier Analysis.

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Current Issue: China Log Sourcing Competitive Landscap



Chinese log demand has created diverse supply chains pulling competitive volume from around the globe.

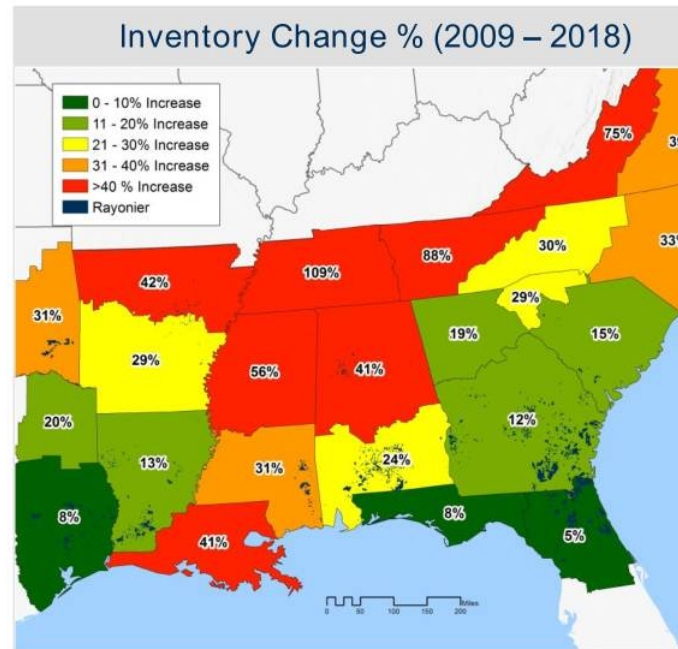
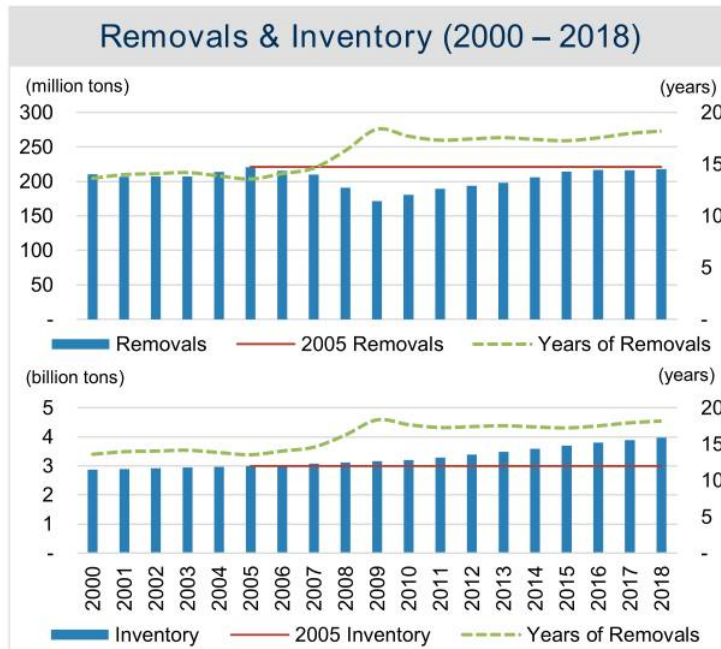


Source: Forest Economic Advisors, China Bulletin, Rayonier Analysis.
 (1) Represents estimated average delivered costs by region / source group.
 (2) U.S. SYP (w/ Tariff) assumes incremental tariff cost based on 25% of midpoint of LTM floor and ceiling delivered prices.

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Current Issue: U.S. South Softwood Inventory Build

- Timber markets across the South have experienced differing levels of inventory and demand change
- US South removals are at pre-recession level; however, inventory has increased by over 1 billion to
- 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.

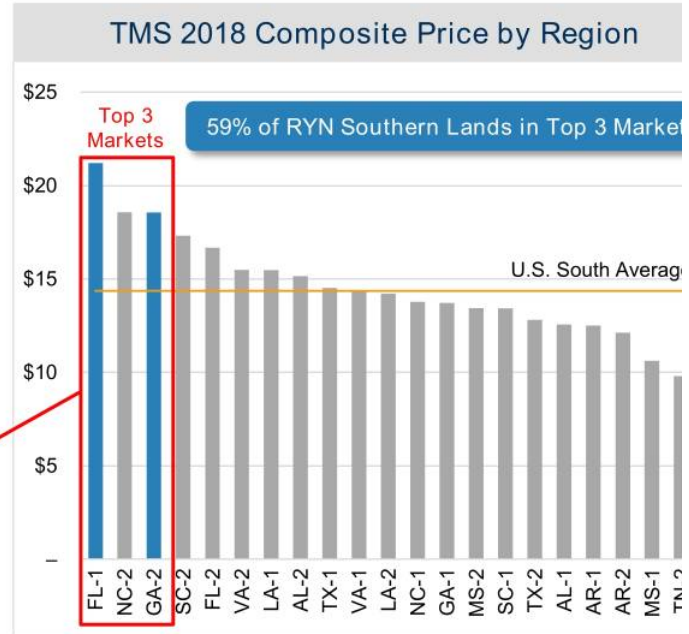


Source: USDA FIA, Rayonier Analysis.

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Current Issue: Atlantic Region Strongest in U.S. South

- Local supply / demand dynamics are driving a hierarchy of timber price performance, as logs generally travel less than 100 miles
- Disparities in local market pricing has increased, and this trend is expected to continue



Rayonier has benefited from ~ 59% of its Southern timberlands being located in the top three markets (ranked by TimberMart-South composite stumpage pricing).

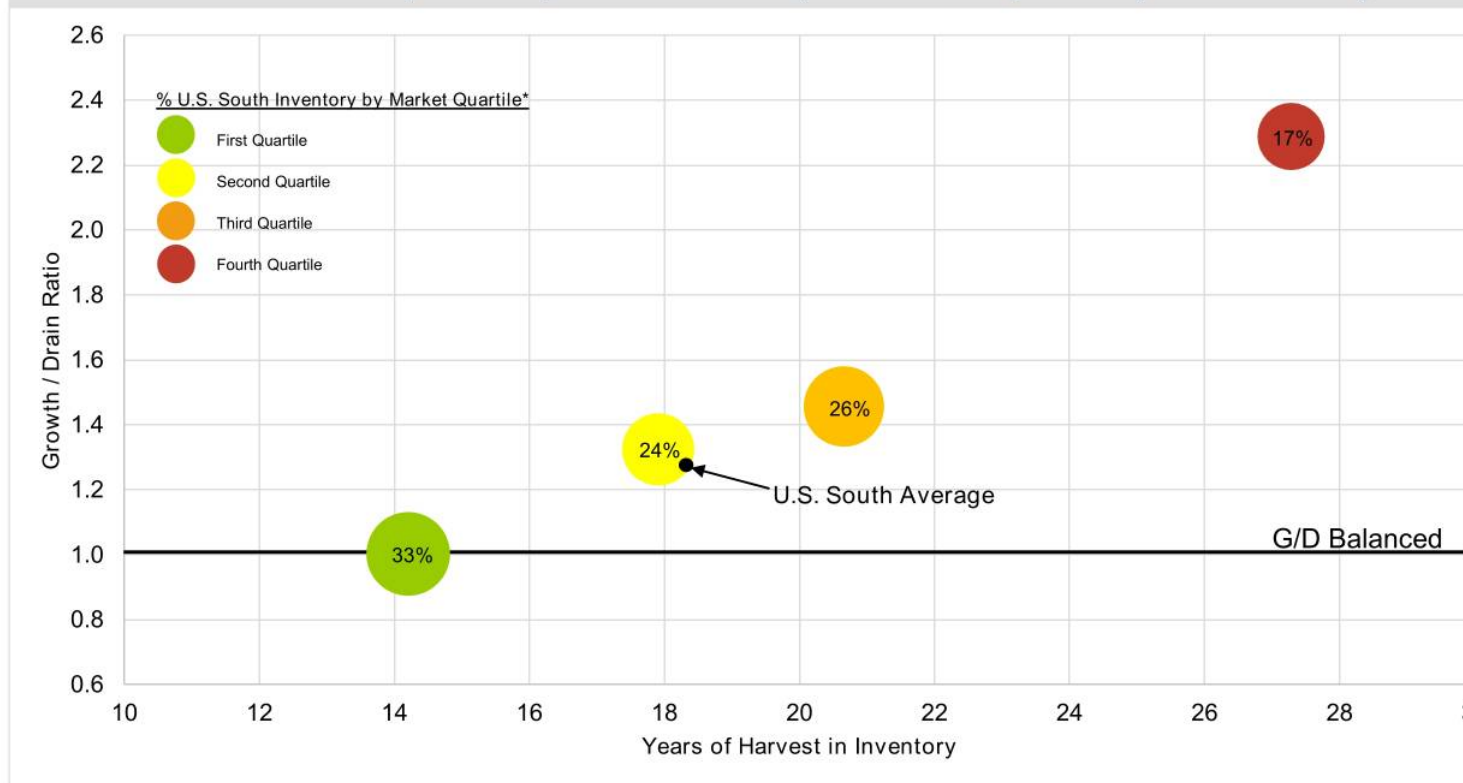


Source: TimberMart-South.
 Note: Composite pricing assumes mix of 50% pulpwood, 30% chip-n-saw and 20% sawtimber.

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Current Issue: 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.



Source: FIA, Rayonier Analysis.

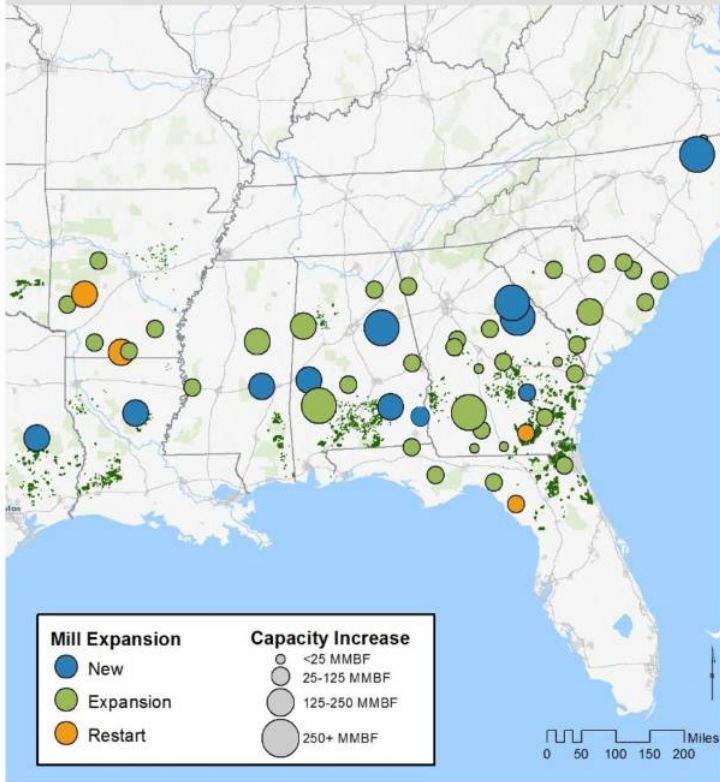
* Percentages / bubble sizes represent relative proportion of total pine growing stock at year-end 2018.

Note: Market quartiles are grouped as displayed in the prior price chart. Southeast OK is included in the third quartile grouping but is not covered by a TMS reporting zone.

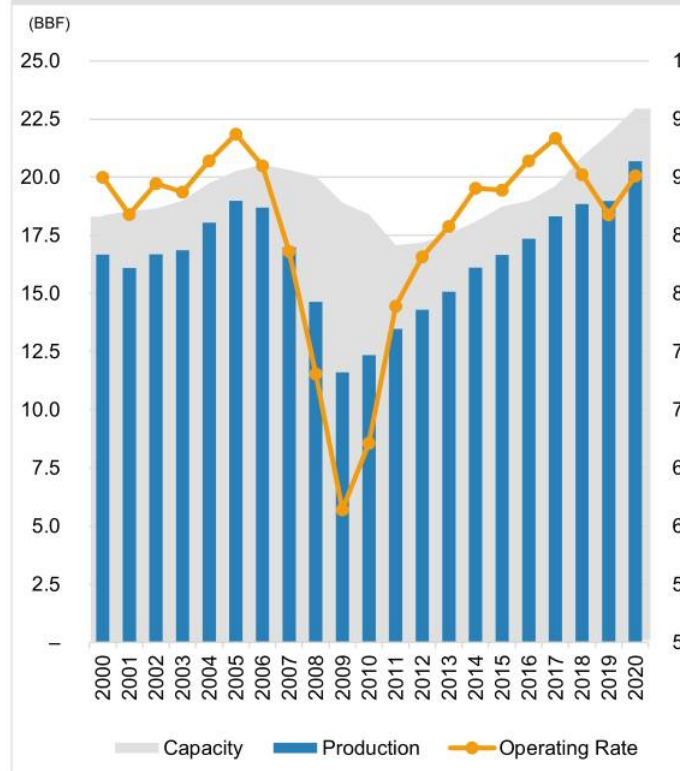
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Current Issue: U.S. South Lumber Capacity Additions

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



Production Growth Supports Incremental Capacity



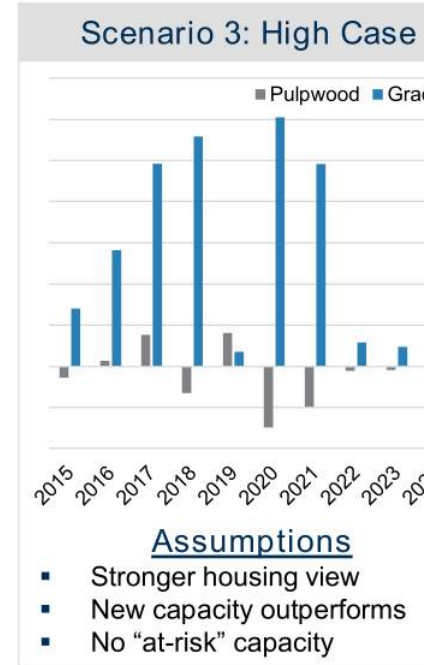
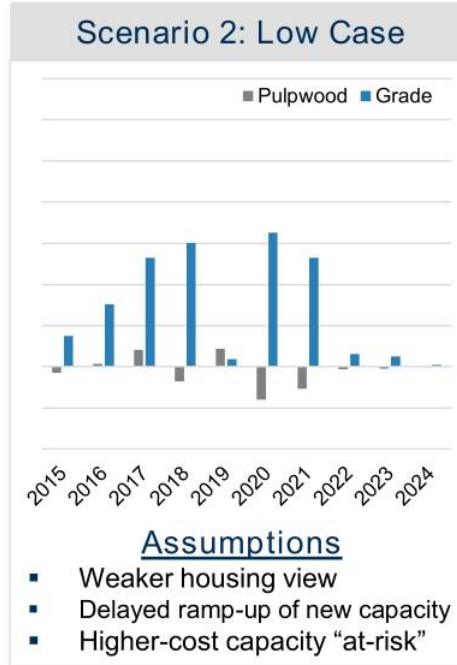
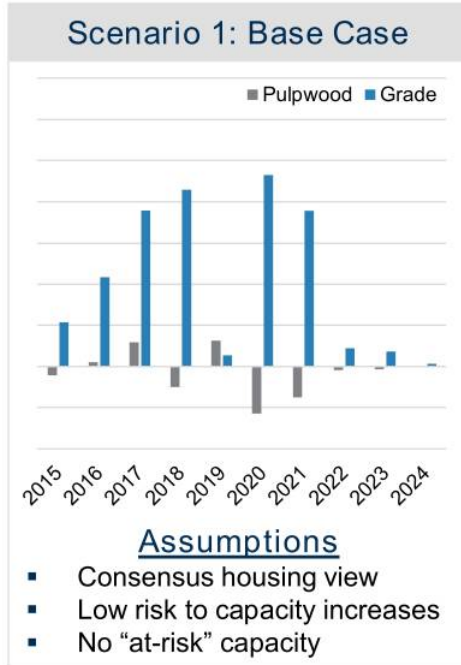
Lumber production and capacity in the U.S. South is expected to grow significantly over the next few years.



⁽¹⁾ Reflects mill capacity expansion announced since 2017.
Source: Forisk Consulting, Forest Economic Advisors, Rayonier Analysis.

Illustrative Market Case Study: Demand Scenarios

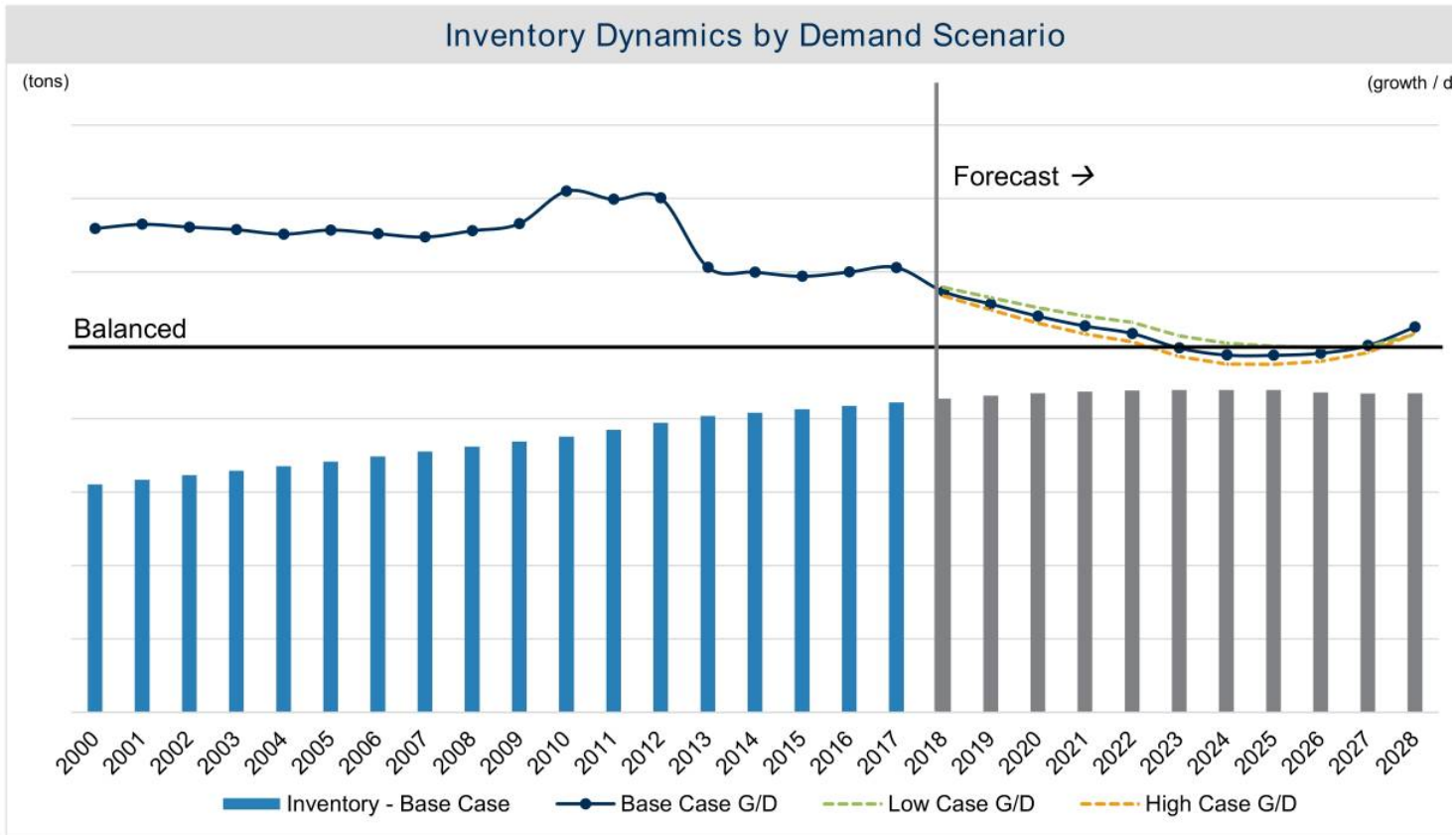
- Rayonier conducts detailed analysis of supply / demand in formulating market-specific price forecast:
 - Price forecasts are critical to informing RYN's internal view of NAV and for capital allocation decision-making
- The charts below illustrate hypothetical market demand scenarios that would drive RYN's internal price forecast



Understanding local market demand drivers is critical to informing Rayonier's price forecasting.



Illustrative Market Case Study: Inventory and Growth / Drain



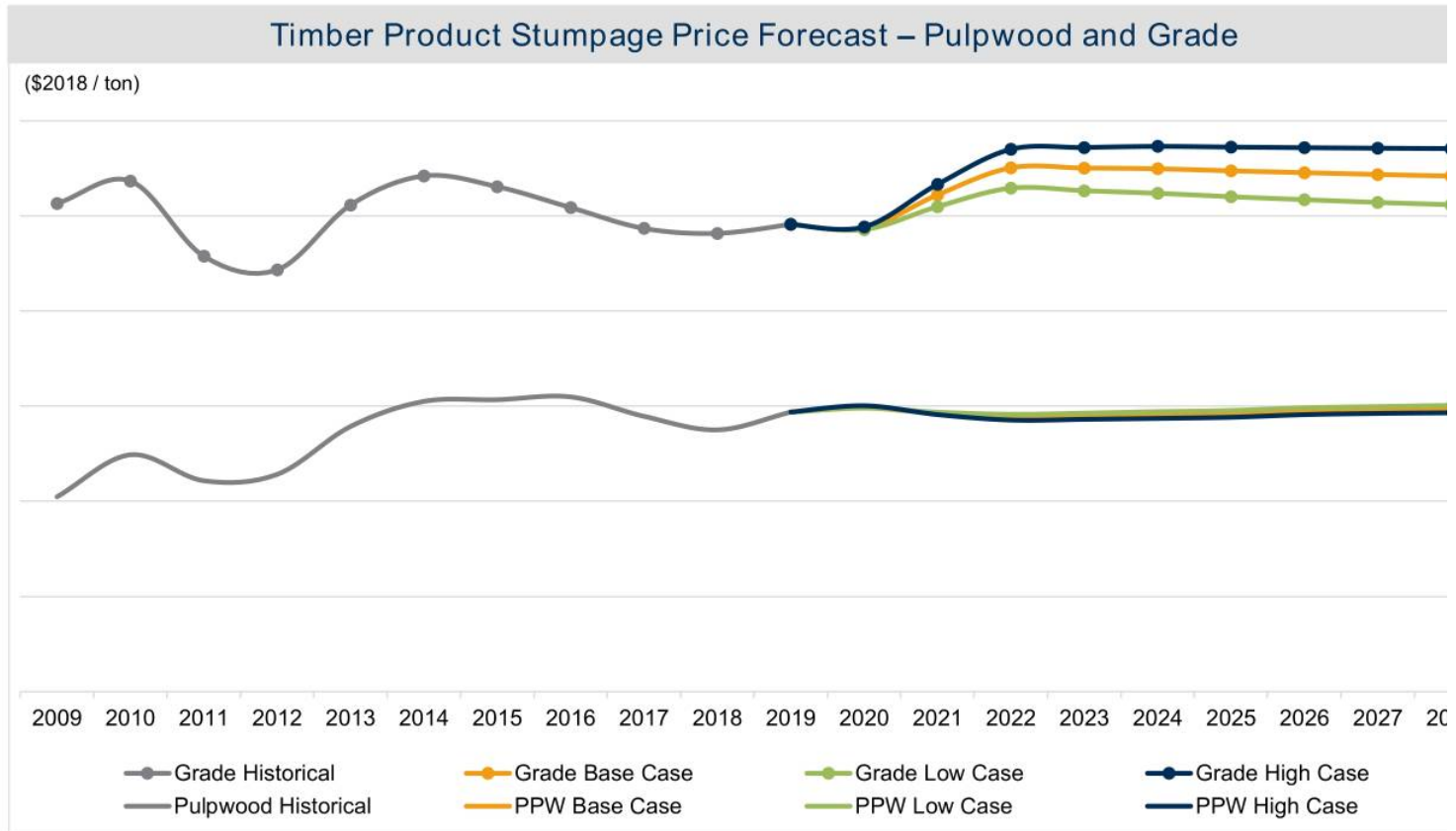
Projected demand can then be used to forecast growth / drain and inventory trends.



Source: USDA FIA data, Rayonier Analysis.

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Illustrative Market Study: Price Expectations by Scenario



Price expectations are developed by demand scenario to understand the significance and longevity of impacts to the market across an array of conditions.



Source: University of Georgia's TimberMart-South, Rayonier Analysis.

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Portfolio Management Teach-In



Creating Value Through Active Portfolio Management

Identify key drivers of value

Position assets in best market locations

Identify mispriced assets

Improve through addition and subtraction

Generate NAV accretion and industry leading financial returns

We actively manage our portfolio of properties to improve asset quality, grow long-term cash flow and generate NAV accretion, accomplished through both addition and subtraction.

Key Tenets of Active Portfolio Management Process

Leverage Institutional Knowledge

- Tap into the institutional knowledge of subject matter experts
- Share knowledge freely
- Debate merits of each transaction

Target Negotiations in Top Markets

- Identify properties located in strong markets with favorable price tens
- Actively pursue negotiated transactions
- Being an active buyer and seller strengthens relationships

Underwrite with a Disciplined Process

- Calibrate biological growth projections to match operational reality
- Underwrite with operationally reasonable cost and revenue projection
- Minimize HBU speculation

Employ Rigorous Financial Analysis

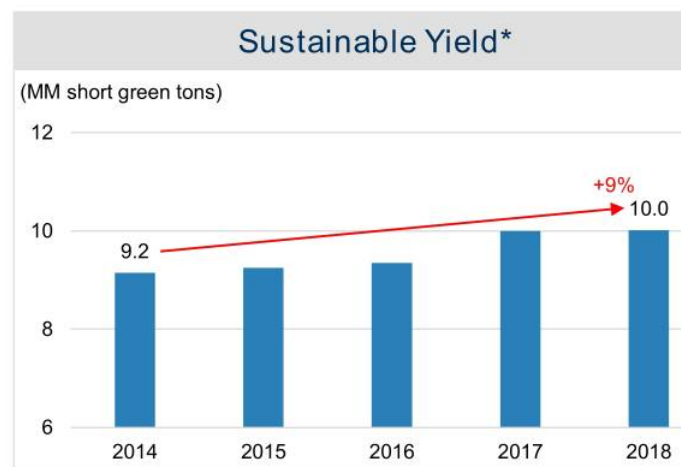
- Triangulate value by using multiple valuation approaches
- Employ a transparent review process to challenge each assumption
- Assess the tradeoffs between near-term cash flow vs. long-term retur

Continuously Improve

- Never satisfied with portfolio – always looking to improve through bot addition and subtraction
- Never satisfied with processes – constantly looking for ways to impro underwriting process

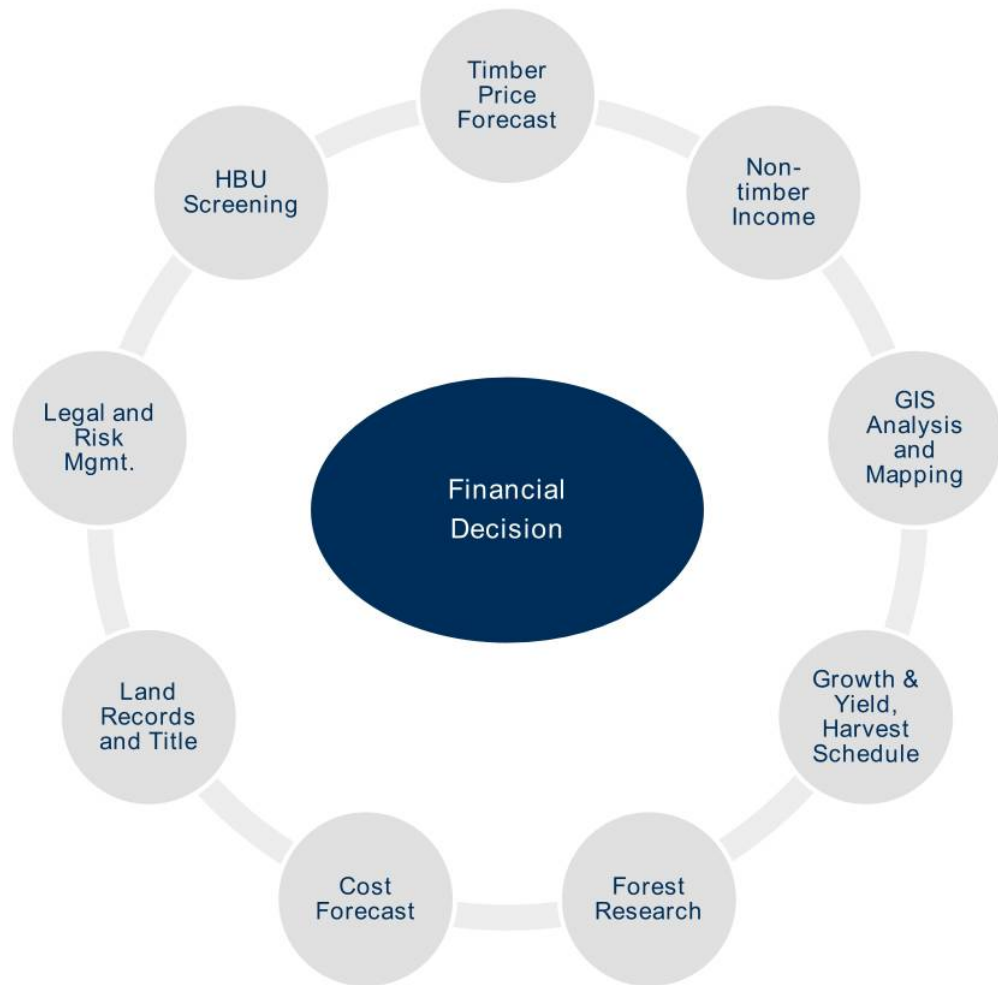
Active Portfolio Management Improves Sustainable Yield

- Rayonier has acquired a total of 363k acres and sold 340k acres since 2014
- During the same period, acreage under management decreased by 132k, primarily as a result of expiring long-term timber leases
- Through active portfolio management, sustainable yield has increased by approximately 9% since 2014

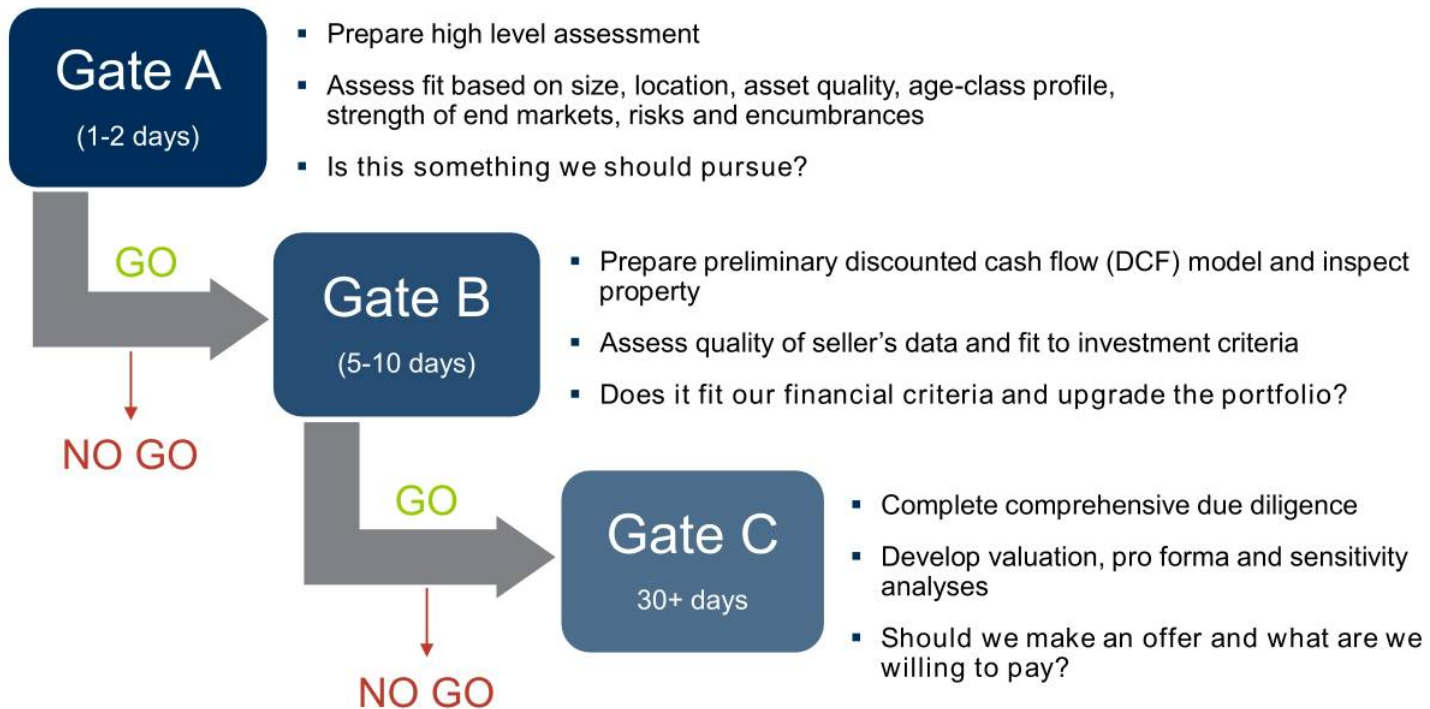


* See definition in RYN's Form 10-K.

Leveraging Cross-Disciplinary Team to Improve Decision

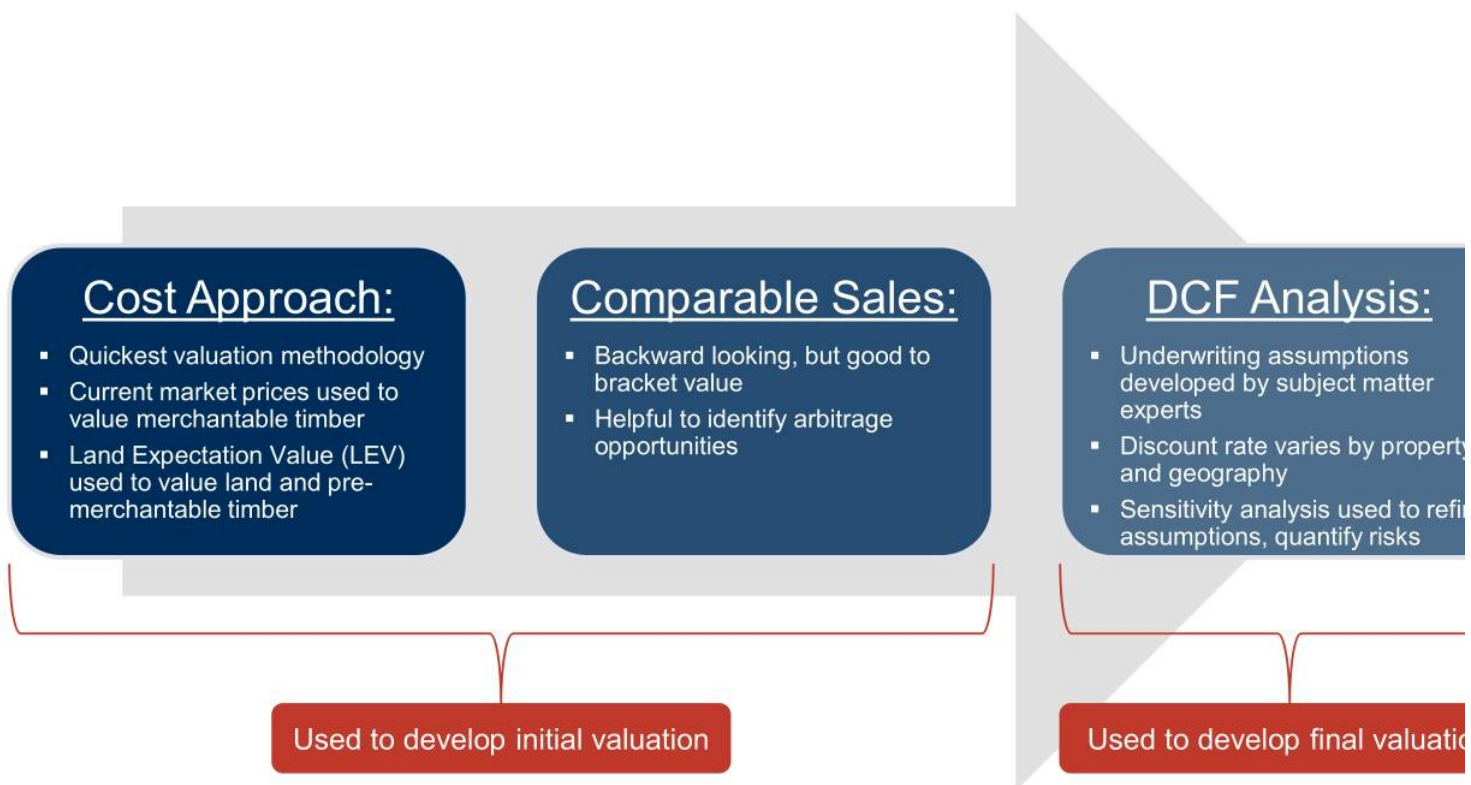


Staged Gating Process Streamlines Decision Making



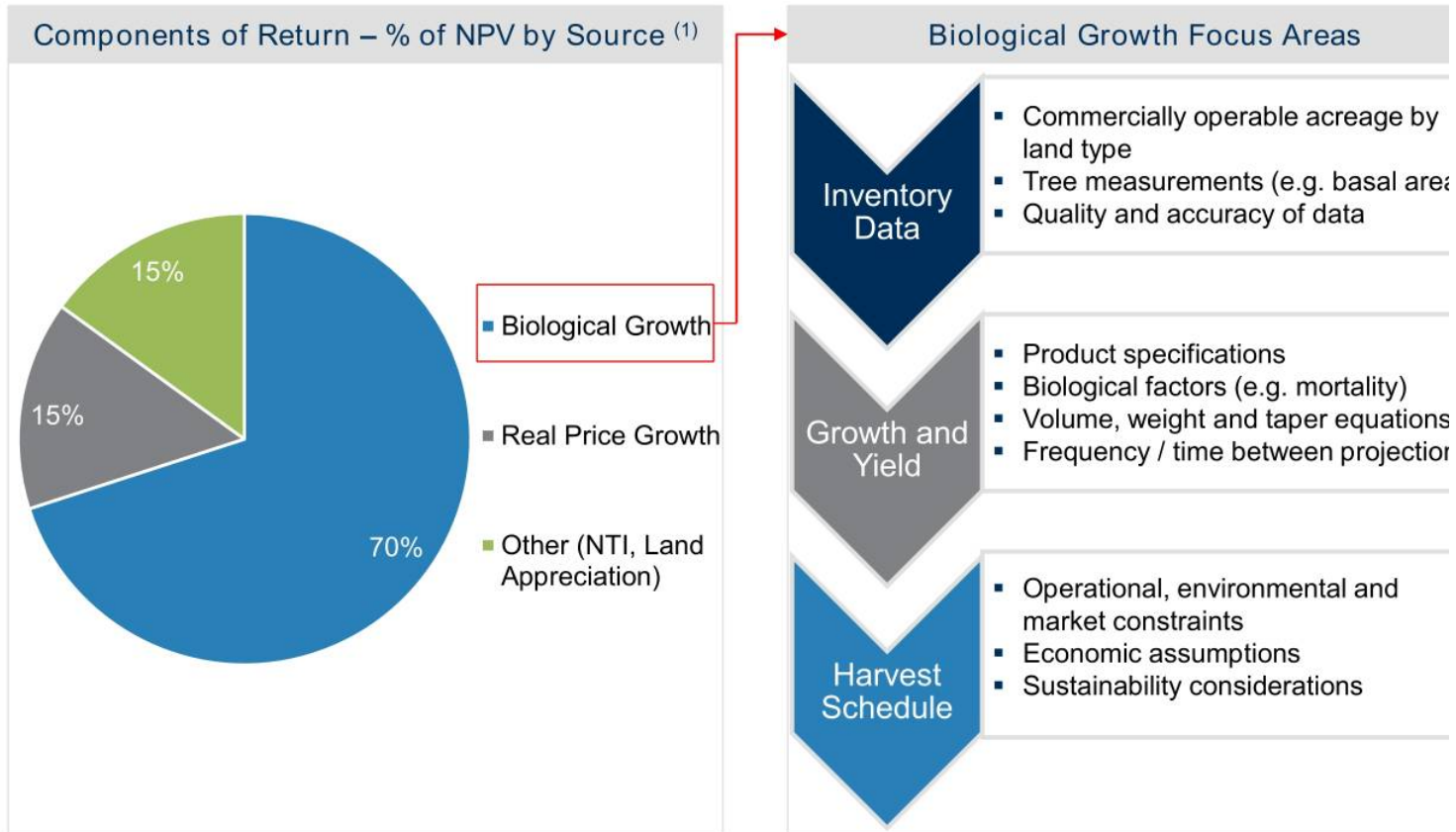
Staged gating process gets company focused on right opportunities, ensures alignment, reduces due diligence expenses and provides for a transparent process to evaluate acquisitions.

Portfolio Management Valuation Framework



Rayonier employs a rigorous, multi-faceted valuation analysis in arriving at its bid / ask values for timberland acquisitions / dispositions.

Importance of Biological Growth in Timberland Returns



Accurate inventory data and robust growth and yield processes are critical to forecasting biological growth, which is generally the largest driver of timberland returns.



(1) Illustrative example based on RYN timberland underwriting assumptions for transactions in Coastal Atlantic area of U.S. South.

Forest Analytics for Timberland Underwriting



Overview of Rayonier's Forest Analytics Team

Forestry Geographic Information Systems (GIS)

- Utilize state-of-the-art GIS technology (ESRI) to perform mapping and spatial analysis
- Sophisticated enterprise land management system (Trimble)
- Systems are integrated across platforms and business units
- Mobile access to maps and imagery provides technology on-site for field staff

Forest Inventory

- Advanced analytic platforms for data analysis and review (SAS, R)
- Proprietary scripts and packages to evaluate biological realism of forest inventory data
- Dedicated staff at each field office provides inventory data collection support

Growth and Yield, Harvest Scheduling

- Leverage applied research to improve modeling accuracy
- Consult with academic resources for specialized research
- Proprietary growth models developed for major U.S. softwood species, publicly available models for other regions
- Harvest schedule optimization (Remsoft's Woodstock, a leader in forest planning software)

Rayonier's Forest Analytics Team has the knowledge, experience and tools to evaluate current inventory and predict future growth potential with the precision required to reduce underwriting risk



Predicting Biological Growth – Key Challenges

Forestry GIS Data

- Spatial data integrity
- Gross vs. net forested area
- Accuracy of forest condition data
- Land records and title issues

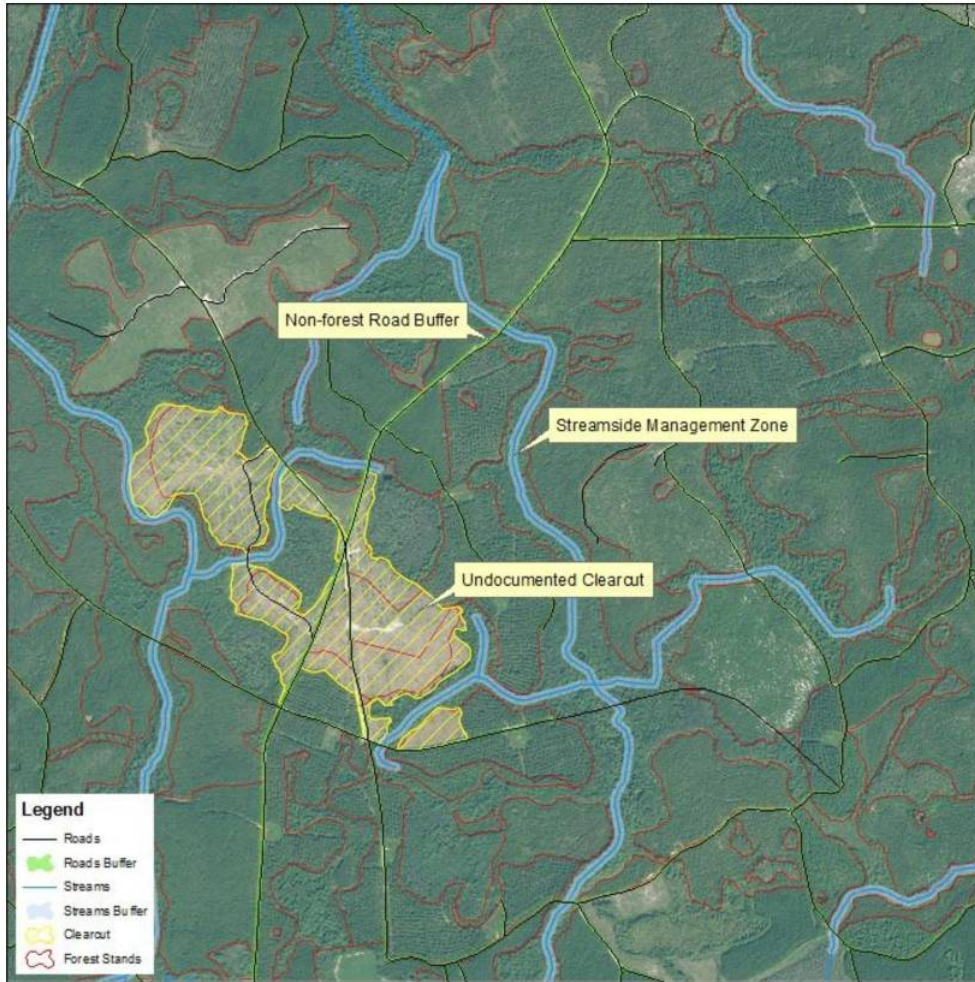
Forest Inventory

- Lack of industry standards and transparency with supplied data
- Adoption of untested methods and technologies
- Minimal investment in forest inventory data by some timberland owners

Biological Growth

- Little research on operational accuracy of models
- Growth models not adjusted to reality
- Application of models by untrained individuals

GIS Analysis is Critical in Identifying Data Discrepancies



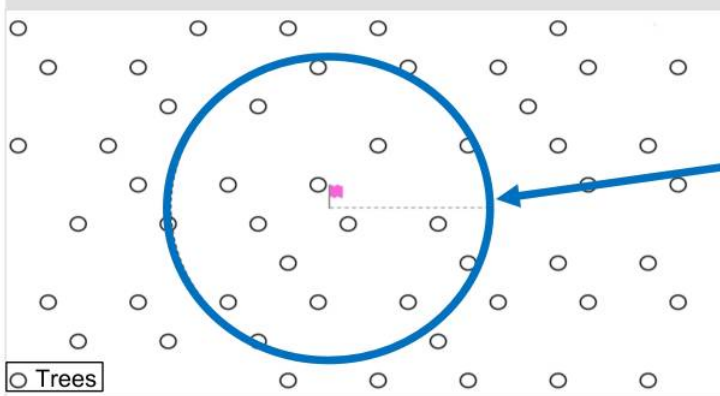
- GIS is primary source to determine total area for an acquisition or disposition
- GIS analysis is also used to calculate commercially operable harvest area
- Imagery analysis allows evaluation of stand typing and treatment accuracy
- Slope and terrain analysis assist with estimating operational costs
- GIS is used to identify environmentally sensitive areas requiring special management
- Mapping and digital data creation improves efficiency of field due diligence

Inventory Validation is Essential to Mitigate Risk

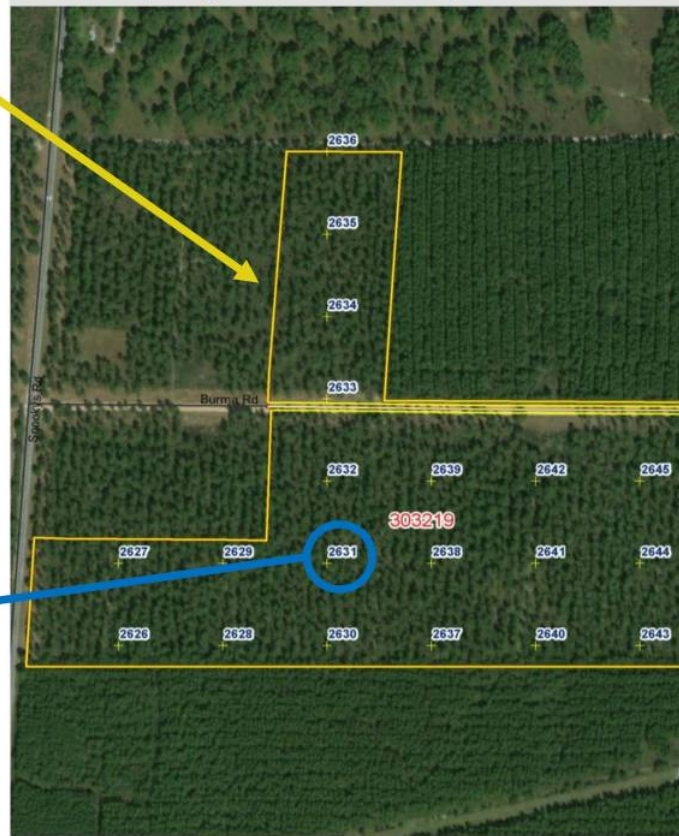
Stand Level Tabular Data Example

Stand#	Plantability	Age	Acres	TPA ⁽¹⁾	BA ⁽²⁾	Tons/Ac
303219	Plantable	21	64.9	190	114.2	107.8
303220	Plantable	27	100.6	79	73.4	102.6
303221	Plantable	70	6.5	37	55.3	63.2
303222	Non-plantable	57	19.1	143	72.6	58.4
303223	Plantable	22	5.2	77	63.2	48.2
303224	Plantable	17	107.5	584	121.3	65.2
303225	Plantable	22	157.7	400	100.1	60.8
303226	Plantable	12	6.9	393	86.9	62.1

Data Collection and Tree Measurement



Sampling to Estimate Population Totals



Validating the accuracy of seller provided forest inventory is critical to accurately estimating growth and yield projections, which drive the long-term cash flow forecast.



(1) TPA represents the number of trees per acre
 (2) BA represents the basal area per acre, measured in square feet, and is defined as the total cross-sectional area of all stems at breast height

Mobilizing Resources to Validate Inventory for Acquisitions

Acquisition Case Study A

- Sampled 20% of merchantable acres over two weeks using internal resources
- Results confirmed overall accuracy of seller's reported volume and site index ⁽¹⁾
- Forest analytics team incorporated sample results, prepared data for migration and loaded into our system prior to closing

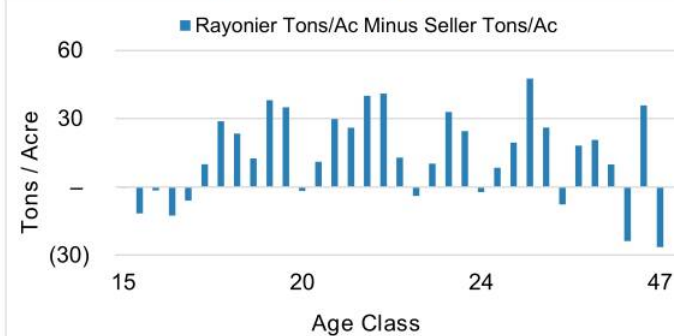
Acquisition Case Study B

- Sampled 30% of merchantable acres over five days using internal resources
- Discovered significant volume upside
 - Allowed us to value more merchantable timber
 - Increased confidence in our inventory assumptions

Case Study A – Site Index Difference



Case Study B – Tons per Acre Difference



The inventory validation process builds confidence in the data and may identify potential upside/downside relative to **seller's** data.

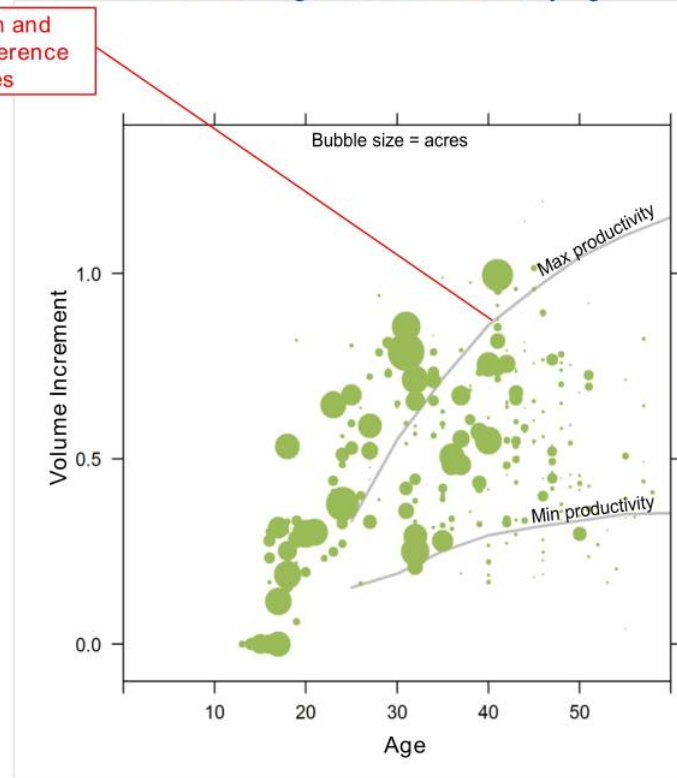
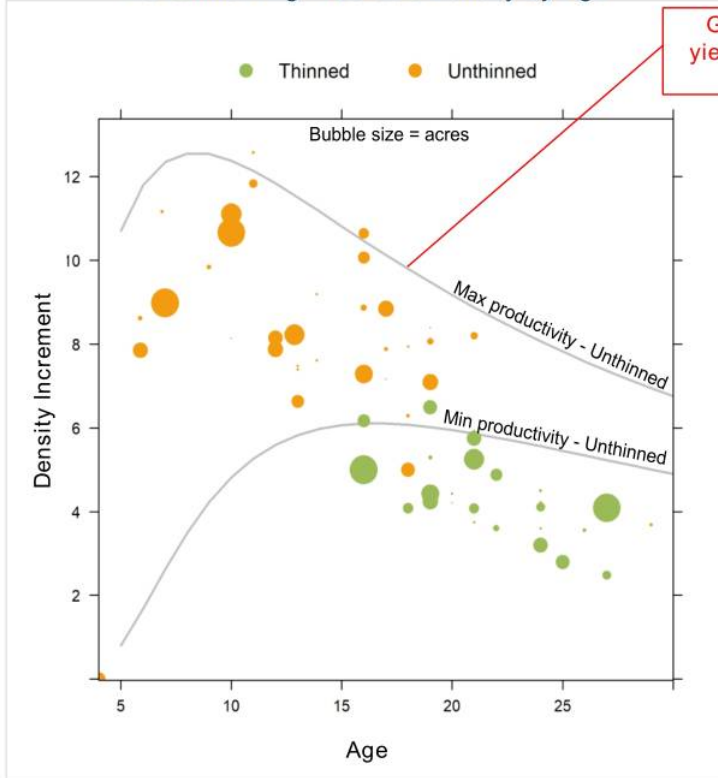


(1) Site index for this example is defined as the estimated tree height (in feet) at age 25.

Applying Tests of Biological Realism to Data

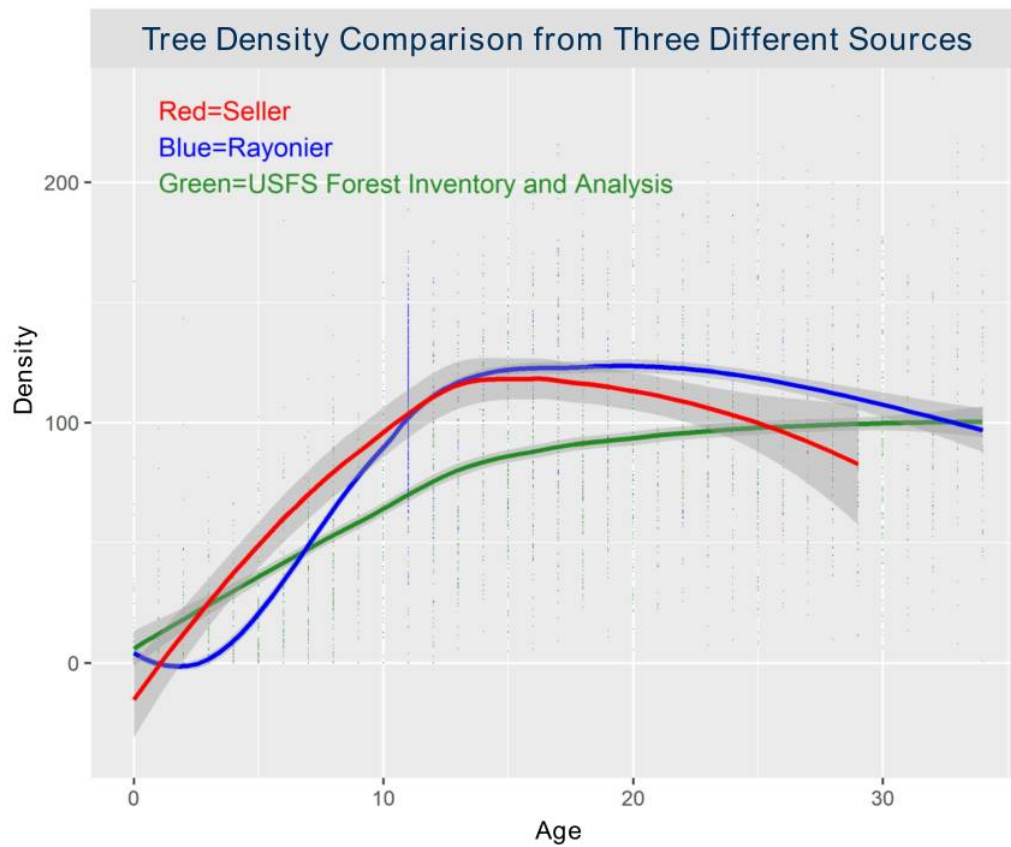
Acquisition Case Study C:
Benchmarking Predicted Density by Age

Acquisition Case Study D:
Benchmarking Predicted Volume by Age



Benchmarking third party data against expected norms is critical to assessing the reliability of inventory data as well as identifying focus areas for further validation.

Benchmarking Against Local Observations



Comparing seller's data to nearby Rayonier data and other sources can identify evidence of understated or overstated inventory.

Process for Simulating Forest Growth and Yield

Data Preparation

- Fill in gaps in forest measurement data

Forest Growth

- Project tree size over time using a system of statistical equations
- Equations are developed in-house using public and proprietary data

Volume and Weight

- Estimate the shape of trees from base to tree tip
- Apply assumptions about tree weight

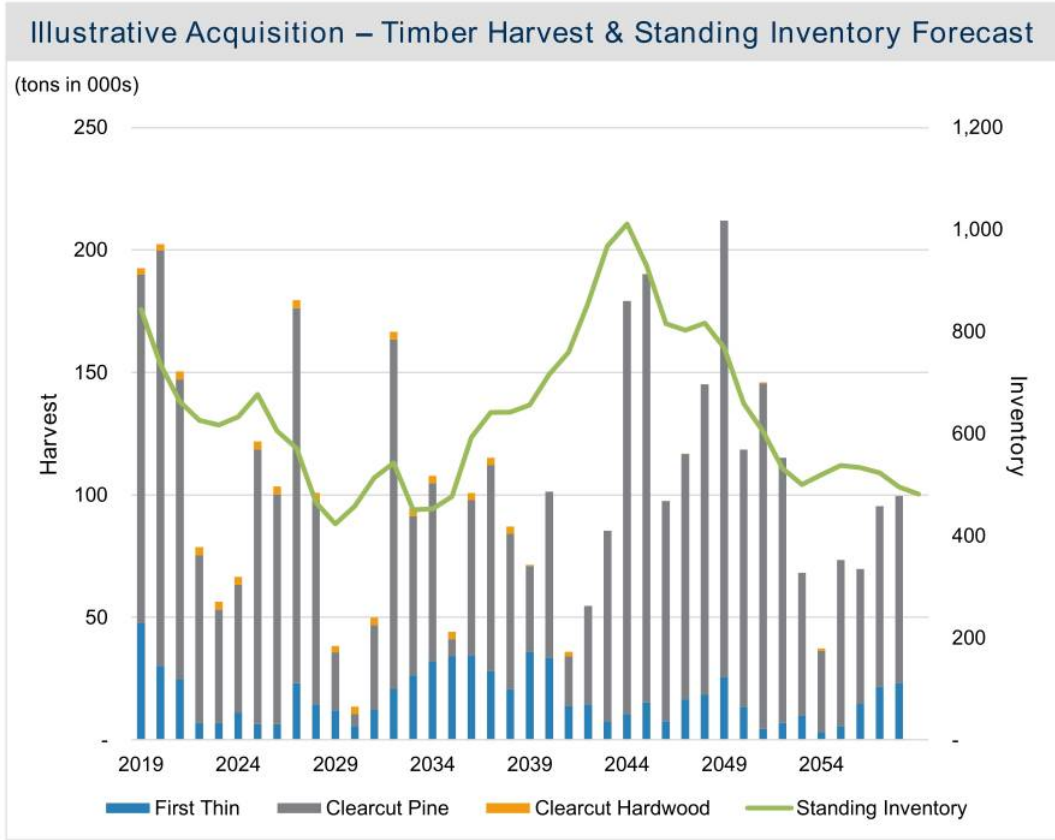
Logging Algorithm

- A series of rules applied to mimic operational logging
- The final result is an estimate of merchantable log volume or weight

Reconciliation

- Collect operational realizations of stand yield
- Reconcile estimated stand yield against realized yield

Illustrative Final Harvest Schedule



- Harvest scheduling integrates inventory and growth / yield
- Objective – optimize harvest to maximize present value based on operational and environmental constraints
- Consider long-term sustainability of revenue and standing inventory
- Underwriting process also includes review of projections by field staff to identify operational issues

Intensive forest inventory and growth / yield analyses ultimately inform the creation of a long-term harvest forecast, which is a critical input in modeling long-term cash flows.



Creating Value Through Active Portfolio Management



Key Objectives of Active Portfolio Management Process

Improve the Portfolio

- Target acquisitions that upgrade and complement existing portfolio
- Ability to enhance returns through intensive silviculture and genetics

Grow Scale in Target Market Areas

- Comprehensive analysis used to guide target investment regions
- Balance benefits of scale with diversification

Capitalize on Market Inefficiencies

- Use proprietary knowledge to our competitive advantage
- Concentrate efforts on opportunities with highest likelihood of success

Account for Risk

- Risk premiums calibrated to regions and sub-regions
- Discount rate adjusted for source of return and relative risk

Assess Alternative Capital Allocation Priorities

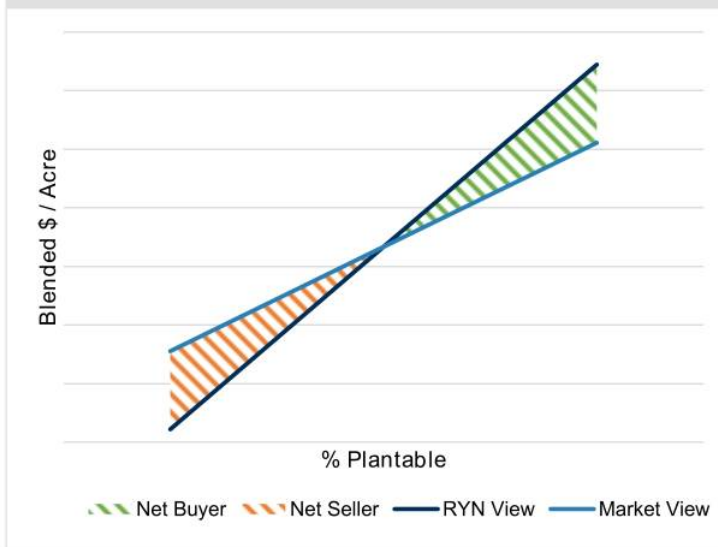
- Maintain internal opinion of NAV using current market info
- Continuously evaluate IRR on acquisitions relative to share buybacks

Leveraging Internal Expertise to Determine Intrinsic Value

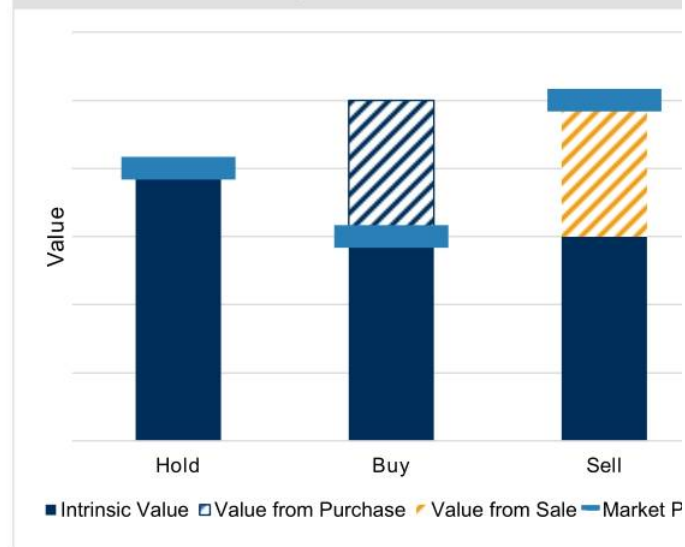
Land Expectation Value (LEV)

- LEV is the net present value (NPV) of a perpetual series of rotations for a stand starting with unplanted, bare ground
- RYN maintains LEV models by region, species, and site index to inform our view on the value of land and pre-merchantable timber
- RYN will transact when there is a disconnect between intrinsic and market values

Plantable vs. Non-Plantable Impact on LEV



Value-Creating Transaction Scenarios

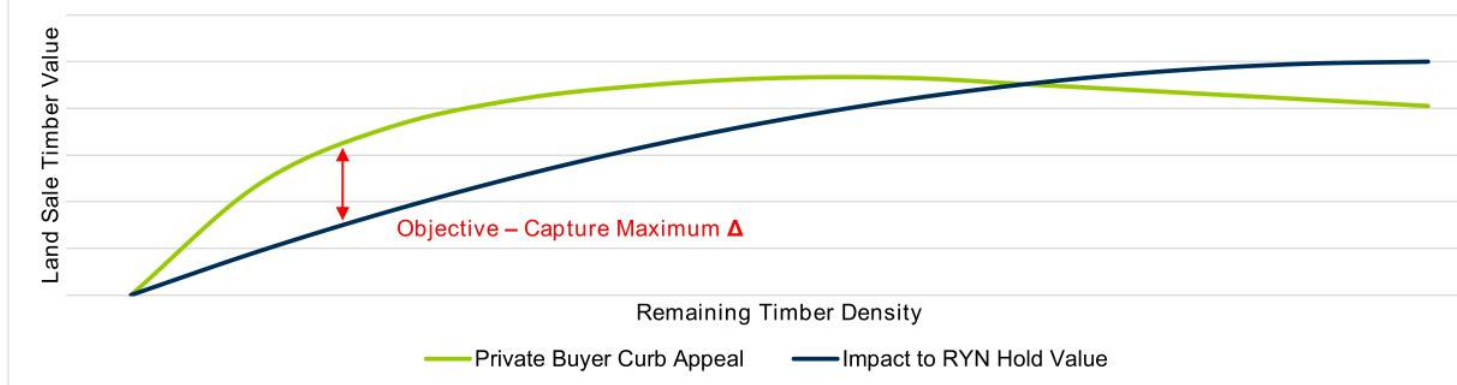


Extracting Maximum Value on Land Sales

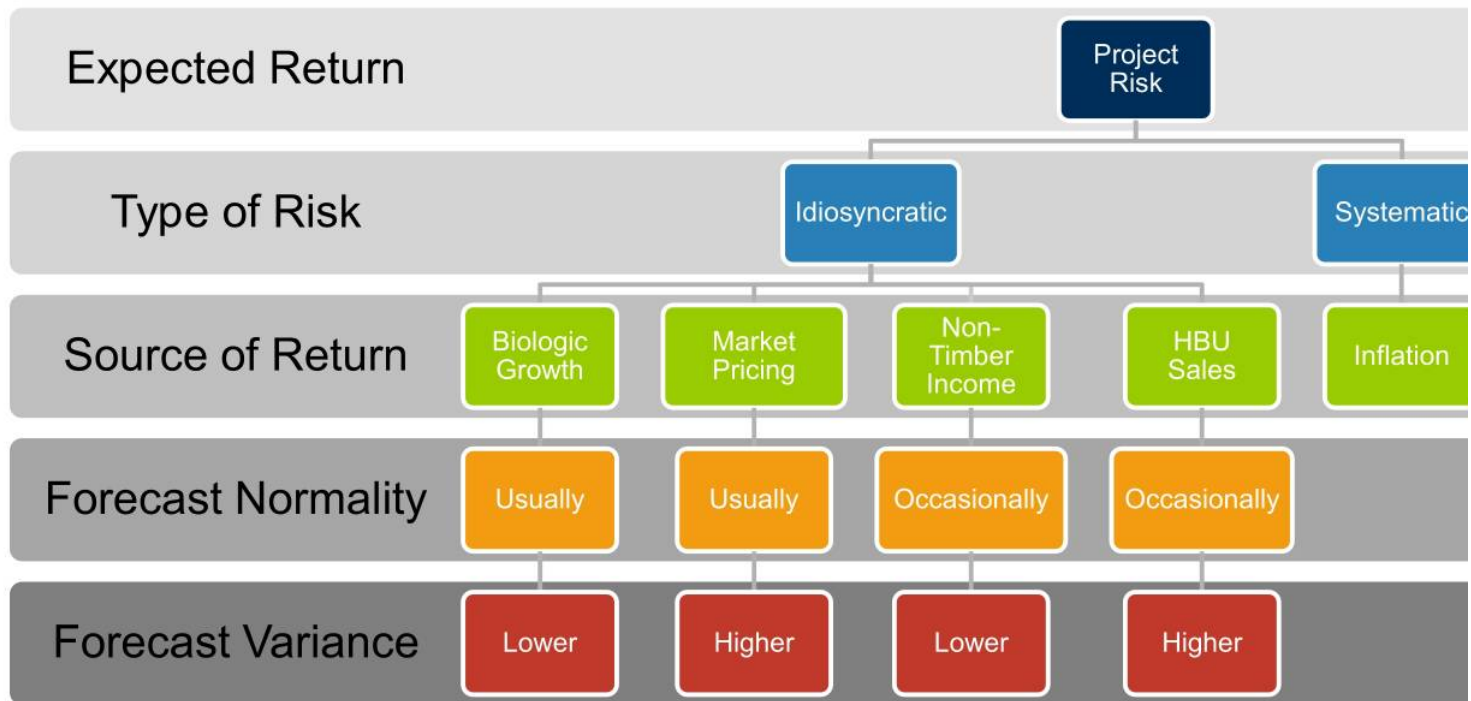
Consumption Utility Considerations

- When selling land to private individuals, value is often placed on things not considered in traditional industrial timberland management
- Example – retail purchasers often prefer limited stocking:
 - A few trees makes a big improvement aesthetically over bare land
 - The high stocking density of a typical commercial plantation is too cumbersome to navigate
- Rayonier opportunity – monetize some timber value before sale to optimize aesthetics

Removing Timber Volume Ahead of Land Sales



Accounting For Risk In Underwriting



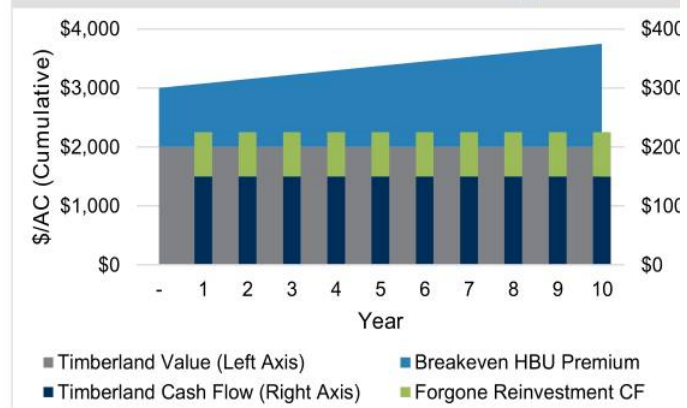
Timberland investing has various risks to consider, which we approach through extensive testing of assumptions and robust scenario sensitivity evaluation.

Reinvesting Premiums from Land Sales Creates Long-Term Value

Sell / Hold Value Analysis ⁽¹⁾

Year	Timberland Value (EOY)	HBU Premium	Break-Even Market Value	Timberland Return	Reinvestment Return	Forgone Return
0	2,000	1,000	3,000	-	-	-
1	2,000	1,075	3,075	150	225	75
2	2,000	1,150	3,150	150	225	75
3	2,000	1,225	3,225	150	225	75
4	2,000	1,300	3,300	150	225	75
5	2,000	1,375	3,375	150	225	75
6	2,000	1,450	3,450	150	225	75
7	2,000	1,525	3,525	150	225	75
8	2,000	1,600	3,600	150	225	75
9	2,000	1,675	3,675	150	225	75
10	2,000	1,750	3,750	150	225	75

Break-Even Price Continues Appreciating



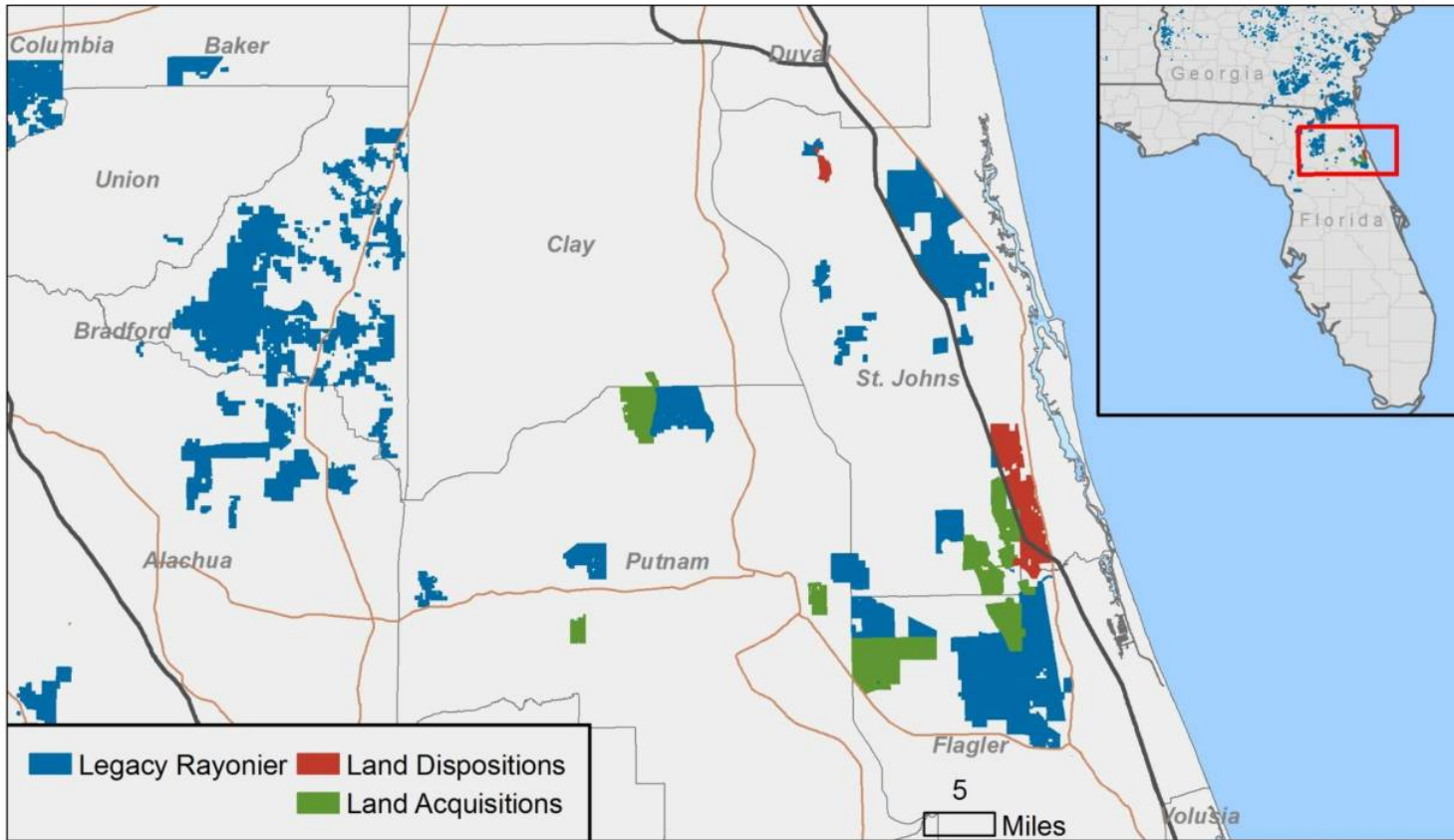
Value Maximization Considerations

- When evaluating HBU sale opportunities, it's important to keep in mind the opportunity cost of the market price above timberland value
 - Timberland generates regular cash flows, but HBU premiums are typically only realized through a sale
- If we defer a sale, we have effectively just "bought" that premium, and should only do so if we believe it will appreciate faster than our cost of capital on real estate investment



(1) Assumes \$2,000/acre timberland value, beginning HBU premium of \$1,000/acre, and 7.5% return on timberland. For illustration purposes, assumes timberland returns are fully realized through cash flows and ignores compounding (both simplifying assumptions).

Case Study: North Florida Portfolio Repositioning









In the past two years, Rayonier has sold ~12.0k acres for \$55.3 million and purchased ~30.8k acres for \$51.1 million in Northeast Florida.



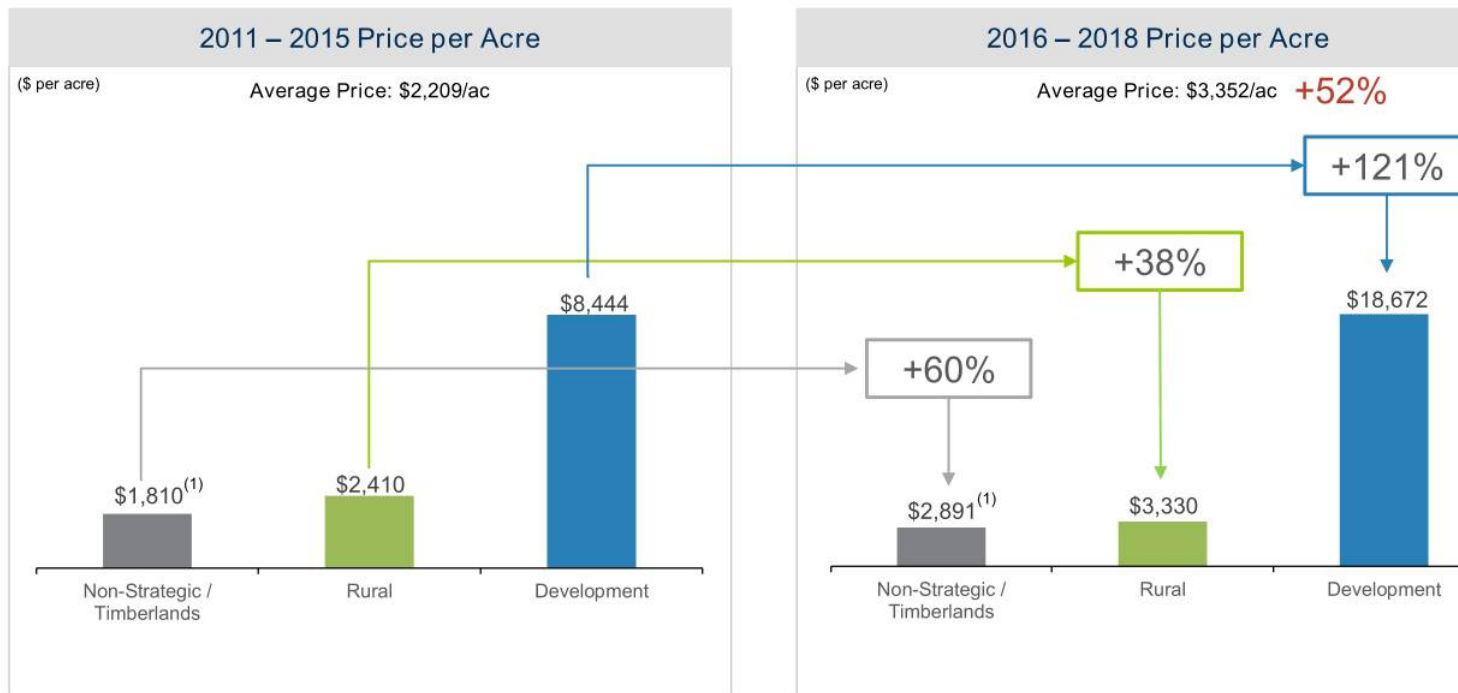
Real Estate Update



Real Estate Strategy: Optimize Value & Create Optionality

Timberlands		Real Estate		
 <p>Large Dispositions</p> <p>Strategic sales of timberland</p>	 <p>Non-Strategic / Timberlands</p> <p>Sale of non-strategic and timberland assets</p>	 <p>Rural Places + Properties</p> <p>Sale of rural properties</p>	 <p>Unimproved Development</p> <p>Sale of properties with development rights</p>	 <p>Improved Development</p> <p>Sale of developed land parcels</p>
<ul style="list-style-type: none"> Opportunistic-only for capital allocation Upgrade portfolio Excluded from Adj. EBITDA and pro-forma financials 	<ul style="list-style-type: none"> Timberland: capture a financial premium Non-Strategic: monetize and repurpose "dead capital" 	<ul style="list-style-type: none"> Stable and recurring source of cash flows Build a pipeline of enhanced rural properties in higher potential markets 	<ul style="list-style-type: none"> Invest in securing development rights Build a pipeline of entitled properties in higher potential markets 	<ul style="list-style-type: none"> Invest in infrastructure and amenities Enhance value and create optionality on adjacent RYN properties
Timberland value	Timberland premium	HBU premium + ROI	HBU premium + ROI	HBU premium + F + optionality
Opportunistic	Reduce reliance	Grow moderately	Grow in select markets	Grow in <u>very</u> select markets
<p>Land Resources</p>  <p>Sale of access to use properties / extract resources</p>	<ul style="list-style-type: none"> Maximize and grow annual gross margin/ac Build diverse portfolio of cash flows Develop new business growth 		Annual gross margin per acre	Grow moderately

Strategic Focus on Maximizing HBU Premium



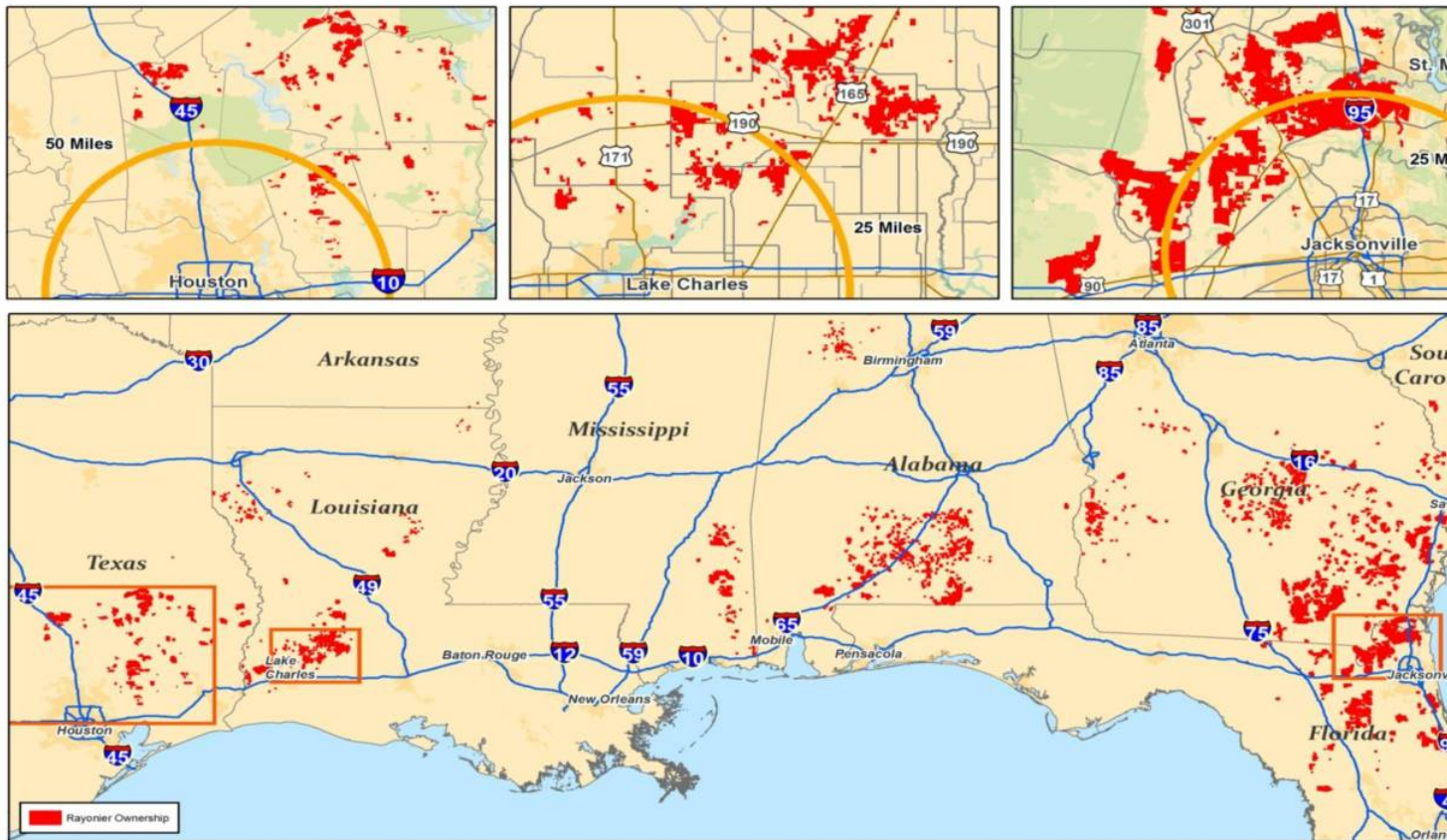
Rayonier has significantly improved its average HBU price realizations in recent years.



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.

Investor Tour and Teach-In Session | September 2019

Strong Pipeline of Rural Market Opportunities



Rural HBU sale opportunities are concentrated in three primary markets: East Texas, Southwest Louisiana and Northeast Florida.



Rural HBU: Who are the Customers, What are the Products

lower ← Investment / Premium → higher

Recreational and Investment

- Play on your investment
- Weekend getaway
- Potential to build 2nd home
- 20 – 100 acres



Estate Lots to Mini-Farms

- First-time homeowners to retirees
- Want a place to live with privacy and freedom to enjoy outdoors
- 5 – 20 acres



Rural Communities

- Sell direct to homeowner or to builders
- Customers typically want less land to maintain
- 1 – 3 acres

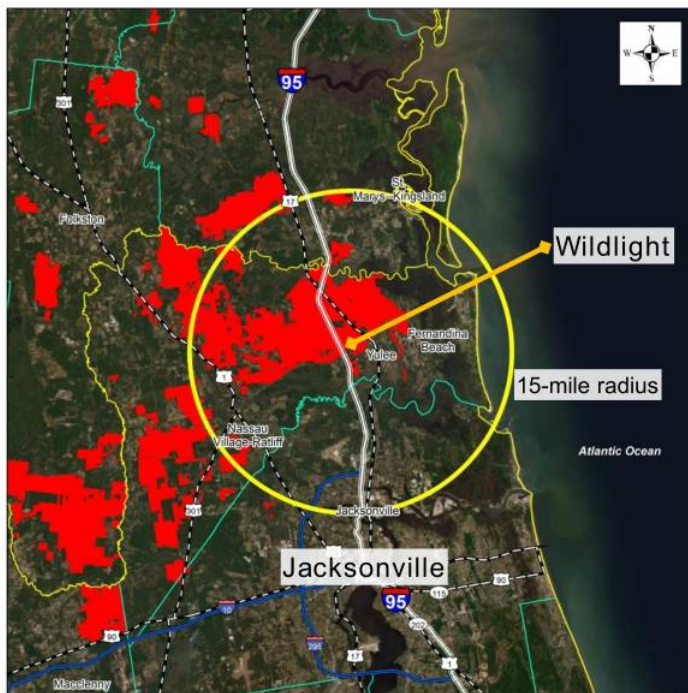


Real Estate Development: The Bigger Picture

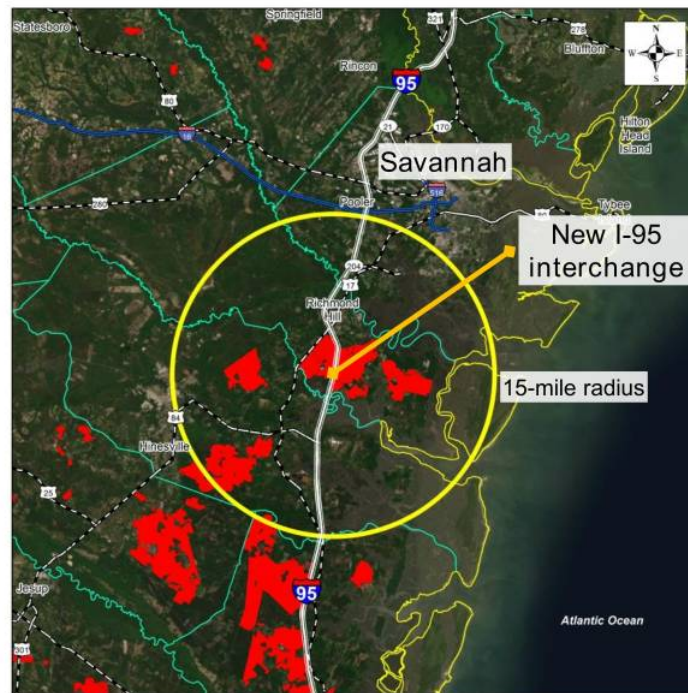
- RYN has significant landholdings along the Interstate 95 Corridor in Florida and Georgia
- Higher quality assets & markets for all RYN businesses: Forestry, Land Resources, Real Estate
- Two significant population centers:
 - Savannah, Georgia – MSA pop. ~350K
 - Jacksonville, Florida – MSA pop. ~1.5MM
- Market momentum growing in the direction of RYN landholdings
- Significant catalytic infrastructure projects underway
- New I-95 interchange under construction at Belfast Keller Road in Richmond Hill, GA
 - Avg Daily Trips – 55,700; completion timing 2H 2020 (Source: GA Dept of Transportation)
- I-95 interchange improvement under construction at SR 200 / Wildlight, FL
 - Avg Daily Trips – 55,000; completion timing 2H 2020 (Source: FL Dept of Transportation)



Real Estate Development: Core Opportunities



 RYN Landholdings

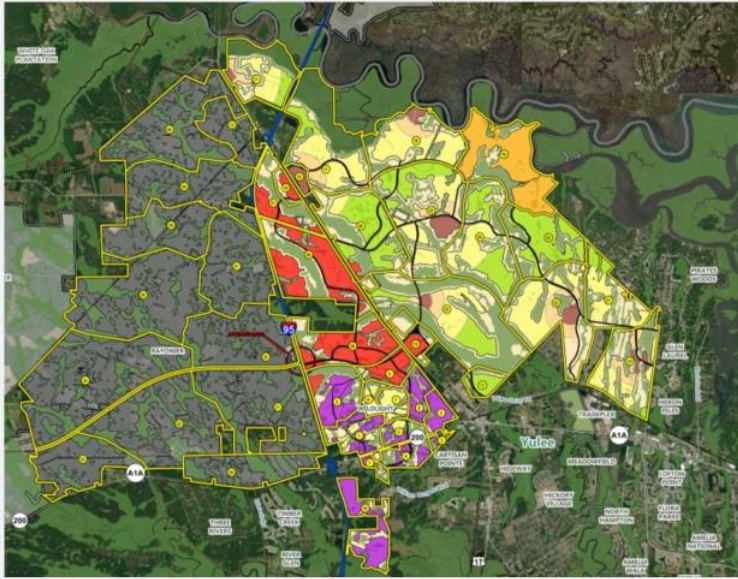


Rayonier has significant landholdings along the I-95 Corridor in Florida and Georgia proximate to the fast-growing Savannah, Georgia and Jacksonville, Florida metro areas.



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

Strategy

- Manage two unique “One Rayonier” HBU land portfolios to optimize long-term value
- Align and execute all Rayonier value creation strategies simultaneously: Forestry, Land Resources, Real Estate
- Promote investment in public infrastructure
- Invest capital and execute projects to catalyze value
- Transition timberland to more valuable uses over time
- Overall goals:
 - Create pipeline of HBU premium opportunities
 - Long-term asset value appreciation



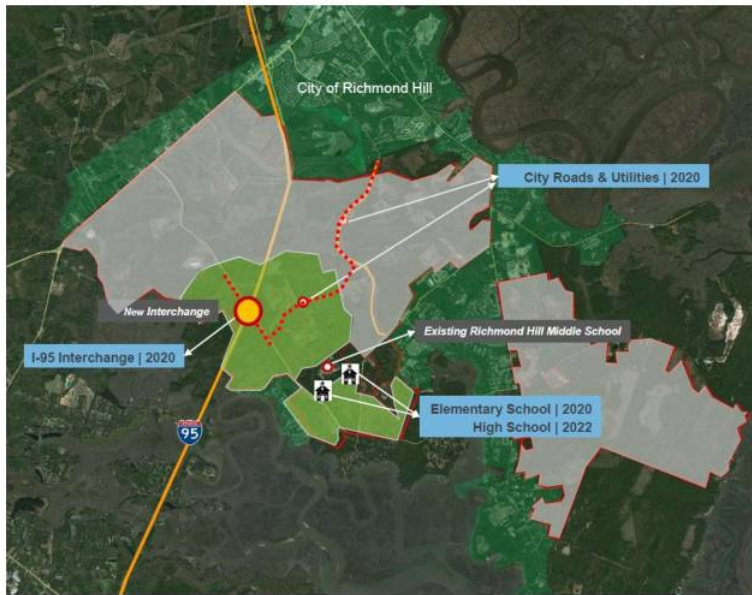
Significant Progress in Recent Years

2016

2019



Richmond Hill, Georgia – Status Update



Focus Area
~3,200 acres

Remaining
~16,800 acres



~\$180 million of catalytic public infrastructure projects are currently underway.



Richmond Hill, Georgia – Multiple End-Use Opportunities

Shifting Strategy from Public Infrastructure to Real Estate Opportunities



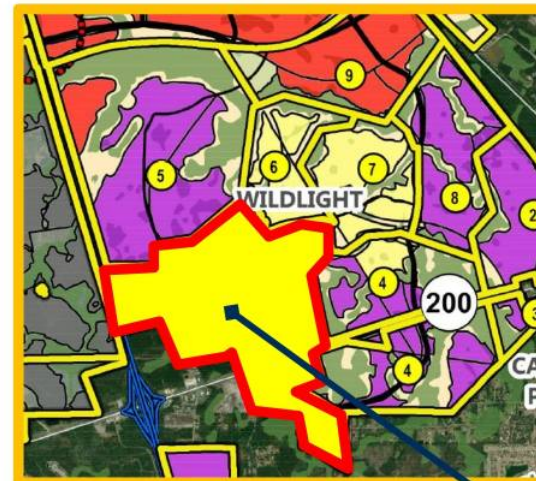
Five Development Pods Targeting Different Market Opportunities

ID #	Targeted Land Use	Est. Acres
15A	Interstate Commercial	30
16	Belfast Commerce Park	18
1	Primary Residential	20
7	Active Adult Residential	25
17	Neighborhood Commercial	40
	Total	70

Wildlight, Florida – Strategic Context

- Objective: Execute a catalytic, mixed-use community development project within significant RYN landholding
 - ~20 miles north of downtown Jacksonville just one-half mile east of the interchange of Interstate 95 and A1A / SR 200
 - ~13 miles from the Jacksonville International Airport and ~13 miles from Amelia Island beaches
- Wildlight Village Center
 - ~560 gross, ~261 net acres
 - Catalytic mix of uses including schools, healthcare, fitness, shopping & dining
 - Create a highly desirable address recognized in the Northeast Florida marketplace; distinctive design and architecture
 - 8-10 year estimated build-out
- Catalyze value of significant landholdings, including:
 - ~2,300 acres remaining in the Wildlight master plan
 - ~25,000 acres within a 5-mile radius

Wildlight ~2,900 acres



FL HBU Portfolio ~24,000 acres

- Wildlight Catalyst P
- 261 net a
- Wildlight Village Ce
- Under Developm



Wildlight, Florida – Status Update

- ~261 net acre Wildlight Village Center commenced development Spring 2016
- Capital investment to date: ~\$30.8MM*
- Sales to date: ~\$15.7MM*
 - Commercial: ~\$11.9MM (~55 acres)
 - Residential: ~\$3.9MM (84 lots)
- Wildlight Elementary School & Rayonier HQ Office Building completed Aug 2017
- 9 commercial projects currently complete or under construction, 4 additional in design & permitting
- We estimate there will be over 350 homes and apartments completed by year-end 2020
- Estimated value of capital invested by others >\$300MM



Wildlight Village Center
"the catalyst"

High-level strategic direction: finish the catalyst and bring new opportunities forward.

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



UF Health Ambulatory



Kindercare Childcare



Heartland Dental

