

RAYONIER INC
Form 10-Q
August 03, 2018
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2018

OR

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

For the transition period from _____ to _____
Commission File Number 1-6780
Incorporated in the State of North Carolina
I.R.S. Employer Identification No. 13-2607329
1 RAYONIER WAY
WILDLIGHT, FL 32097
(Principal Executive Office)
Telephone Number: (904) 357-9100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company Emerging growth company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

As of July 27, 2018, there were outstanding 129,459,659 Common Shares of the registrant.



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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

RAYONIER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME

(Unaudited)

(Dollars in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
SALES	\$245,906	\$200,964	\$449,101	\$395,455
Costs and Expenses				
Cost of sales	184,418	144,610	322,906	281,438
Selling and general expenses	11,502	10,246	20,504	19,836
Other operating income, net (Note 15)	(1,659)	(785)	(3,029)	(1,973)
	194,261	154,071	340,381	299,301
OPERATING INCOME	51,645	46,893	108,720	96,154
Interest expense	(8,102)	(8,631)	(16,155)	(17,046)
Interest and other miscellaneous income, net	2,905	4	3,525	522
INCOME BEFORE INCOME TAXES	46,448	38,266	96,090	79,630
Income tax expense (Note 8)	(7,110)	(7,493)	(14,047)	(13,774)
NET INCOME	39,338	30,773	82,043	65,856
Less: Net income attributable to noncontrolling interest	3,080	4,612	5,246	5,853
NET INCOME ATTRIBUTABLE TO RAYONIER INC.	36,258	26,161	76,797	60,003
OTHER COMPREHENSIVE (LOSS) INCOME				
Foreign currency translation adjustment, net of income tax expense of \$0, \$0, \$0 and \$0	(29,760)	21,484	(20,072)	23,916
Cash flow hedges, net of income tax (expense) benefit of (\$2,008), \$1,180, (\$1,640) and \$1,148	529	(1,988)	17,143	565
Amortization of pension and postretirement plans, net of income tax expense of \$0, \$0, \$0 and \$0	178	116	338	233
Total other comprehensive (loss) income	(29,053)	19,612	(2,591)	24,714
COMPREHENSIVE INCOME	10,285	50,385	79,452	90,570
Less: Comprehensive (loss) income attributable to noncontrolling interest	(5,011)	9,595	(528)	11,247
COMPREHENSIVE INCOME ATTRIBUTABLE TO RAYONIER INC.	\$15,296	\$40,790	\$79,980	\$79,323
EARNINGS PER COMMON SHARE (Note 11)				
Basic earnings per share attributable to Rayonier Inc.	\$0.28	\$0.20	\$0.60	\$0.48
Diluted earnings per share attributable to Rayonier Inc.	\$0.28	\$0.20	\$0.59	\$0.47
Dividends declared per share	\$0.27	\$0.25	\$0.52	\$0.50

See Notes to Consolidated Financial Statements.

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CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Dollars in thousands)

	June 30, 2018	December 31, 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$106,611	\$112,653
Accounts receivable, less allowance for doubtful accounts of \$23 and \$23	54,340	27,693
Inventory (<u>Note 16</u>)	19,125	24,141
Prepaid expenses	15,774	15,993
Other current assets	2,840	3,047
Total current assets	198,690	183,527