

INVESTOR FACT SHEET

Third quarter ended September 30, 2017

Stella-Jones Inc. (TSX: SJ) is a leading producer and marketer of pressure treated wood products. The Company supplies North America's railroad operators with railway ties and timbers, and the continent's electrical utilities and telecommunication companies with utility poles. Stella-Jones also manufactures and distributes residential lumber and accessories to retailers for outdoor applications, as well as industrial products for construction and marine applications. The Company's common shares are listed on the Toronto Stock Exchange.

A CONSISTENT FORCE

A WORD FROM THE PRESIDENT

Stella-Jones' growing reach in the utility pole and residential lumber markets led to solid sales growth in these product categories during the third quarter, more than offsetting the effect of lower year-over-year pricing in the railway tie product category. Furthermore, a strong operating cash flow generation allowed us to significantly reduce our long-term debt and positions us for future expansion.

Sales reached \$517.6 million, up 1.0% from \$512.6 million last year. Acquisitions contributed sales of approximately \$2.1 million, while the conversion effect from fluctuations in the value of the Canadian dollar, Stella-Jones' reporting currency, versus the U.S. dollar, had a negative impact of \$9.9 million on the value of U.S. dollar denominated sales. Excluding these factors, sales increased by \$12.9 million, or 2.5%.

Operating income stood at \$63.1 million, or 12.2% of sales, compared with \$67.3 million, or 13.1% of sales in the third quarter of the previous year. The decrease as a percentage of sales essentially reflects lower selling prices for railway ties and a less favourable geographical mix in the utility pole category.

Net income for the third quarter of 2017 was \$42.0 million, or \$0.61 per diluted share, versus \$45.7 million, or \$0.66 per diluted share, in the third quarter of 2016.

Brian McManus
President and CEO
November 3, 2017

THIRD QUARTER HIGHLIGHTS

- Sales of \$517.6 million, up 1.0% from \$512.6 million a year ago
- Operating income of \$63.1 million, compared with \$67.3 million in the prior year
- Diluted EPS of \$0.61, compared with \$0.66 a year ago
- Cash flows from operating activities increased \$47.8 million compared to last year

FINANCIAL HIGHLIGHTS

(in millions of Canadian dollars, except per share data)

	Quarters ended Sept. 30, (unaudited)		Nine months ended Sept. 30, (unaudited)	
	2017	2016	2017	2016
Sales	517.6	512.6	1,508.8	1,496.6
Operating income	63.1	67.3	178.4	205.1
Net income for the period	42.0	45.7	116.8	135.4
Per share – basic and diluted (\$)	0.61	0.66	1.68	1.96
Weighted average shares out. (basic, in '000s)	69,330	69,255	69,319	69,200

RECENT EVENT

On November 2, 2017, the Board of Directors declared a quarterly dividend of \$0.11 per common share, payable on December 21, 2017 to shareholders of record at the close of business on December 4, 2017.

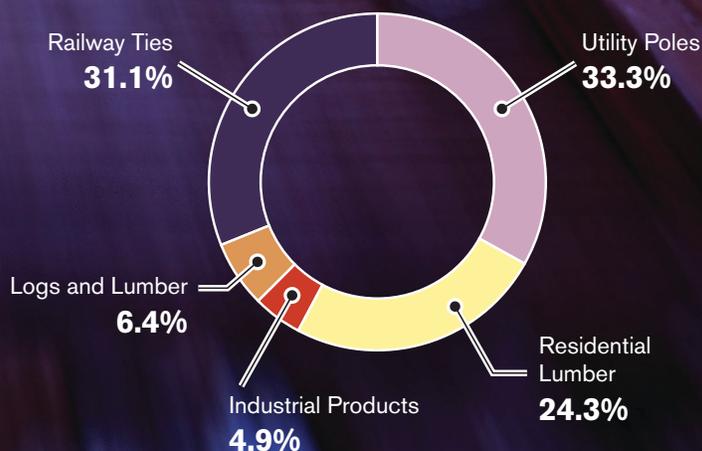
5-YEAR FINANCIAL REVIEW

(in millions of Canadian dollars, except per share data)	Trail. 12 months	2016	2015	2014	2013
Sales	1,850.5	1,838.4	1,559.3	1,249.5	1,011.3
Operating income	206.6	233.2	220.1	155.7	138.7
Operating margin	11.2%	12.7%	14.1%	12.5%	13.7%
Net income for the period	135.3	153.9	141.4	103.8	92.5
Per common share – diluted (\$)	1.96	2.22	2.04	1.50	1.34

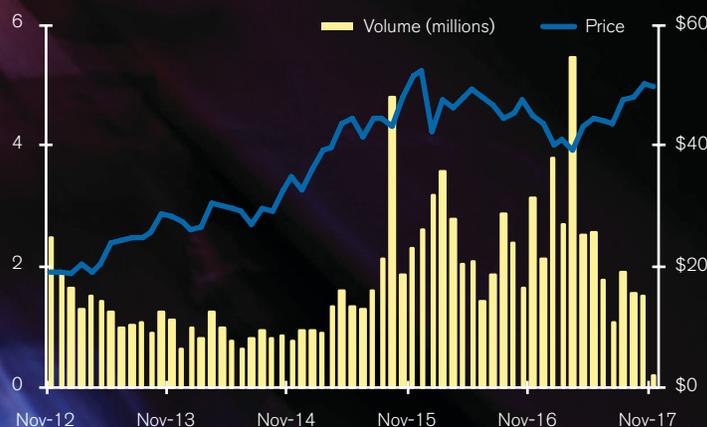
OUTLOOK

Based on current trends, Stella-Jones expects to conclude 2017 with slightly higher sales compared to the previous year. Looking ahead to 2018, conditions prevailing in the railway tie category should yield relatively stable sales. Meanwhile, normal maintenance patterns and improving demand for transmission poles should provide further momentum in the utility pole category. Stella-Jones also expects margins to slightly improve throughout 2018. The Company's focus remains on growing shareholder value by maximizing operating cash flow through ensuring efficient and cost-effective operations. Funds generated will be invested in working capital and its existing network, while maintaining an optimal dividend policy and examining expansion opportunities that offer strategic value in its main product categories.

PRODUCT CATEGORIES (in % of Q3 sales)



STOCK PERFORMANCE



Stella-Jones Inc.

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INVESTOR RELATIONS

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ANALYST COVERAGE

Leon Aghazarian
Justin Keywood
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Mark Neville
Benoît Poirier
Brian Pow
Walter Spracklin
Michael Tupholme

National Bank Financial
GMP Securities
Laurentian Bank Securities
Scotia Capital
Desjardins Securities
Acumen Capital Finance Partners Limited
RBC Capital Markets
TD Securities

STOCK INFORMATION

Toronto Stock Exchange Symbol: SJ
Price as of November 2, 2017: \$49.70
High/Low: \$51.19 - \$37.17
(52 weeks ended November 2, 2017)
Number of Shares Outstanding: 69,335,726
(November 2, 2017)