



Stella-Jones

May 2025

Investor Presentation

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This presentation contains certain statements that are forward-looking, including comments with respect to the Company's objectives, strategies, targets and expectations. The reader is cautioned not to place undue reliance on these statements since a number of known and unknown risks and uncertainties may cause actual results to be materially different from those expressed or implied by such forward-looking statements. Such items include, among others: general political, economic and business conditions, evolution in customer demand for the Company's products and services, product selling prices, availability and cost of raw materials, climate change, failure to recruit and retain qualified workforce, information security breaches or other cyber-security threats, changes in foreign currency rates, the ability of the Company to raise capital, regulatory and environmental compliance and factors and assumptions referenced herein and in the Company's, most recent Annual Management's Discussion & Analysis ("MD&A") and Annual Information Form. Unless required to do so under applicable securities legislation, the Company's management does not assume any obligation to update or revise forward-looking statements to reflect new information, future events or other changes after the date hereof.

All figures are in Canadian dollars unless otherwise stated.

Gross profit, gross profit margin, operating income margin, earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA margin, net debt-to-EBITDA and return on average capital employed ("ROCE") are non-GAAP and other financial measures, which do not have a standardized meaning prescribed by IFRS and may therefore not be comparable to similar measures presented by other issuers.

The Company uses gross profit and gross profit margin to evaluate its ongoing operational performance. The Company believes EBITDA and EBITDA margin provide investors with useful information because they are common industry measures, used by investors and analysts to measure a company's ability to service debt and to meet other payment obligations, or as a common valuation measurement. These measures are also key metrics of the Company's operational and financial performance. The Company uses ROCE as a performance indicator to measure the efficiency of its invested capital and to evaluate senior management's performance. And the Company believes the net debt-to-EBITDA ratio is an indicator of the financial leverage of the Company.

Please refer to the section "Non-GAAP and other financial measures" of the Company's latest MD&A, available at www.sedarplus.ca

STELLA-JONES AT-A-GLANCE



\$3.97B*
Market Cap



SJ
TSX



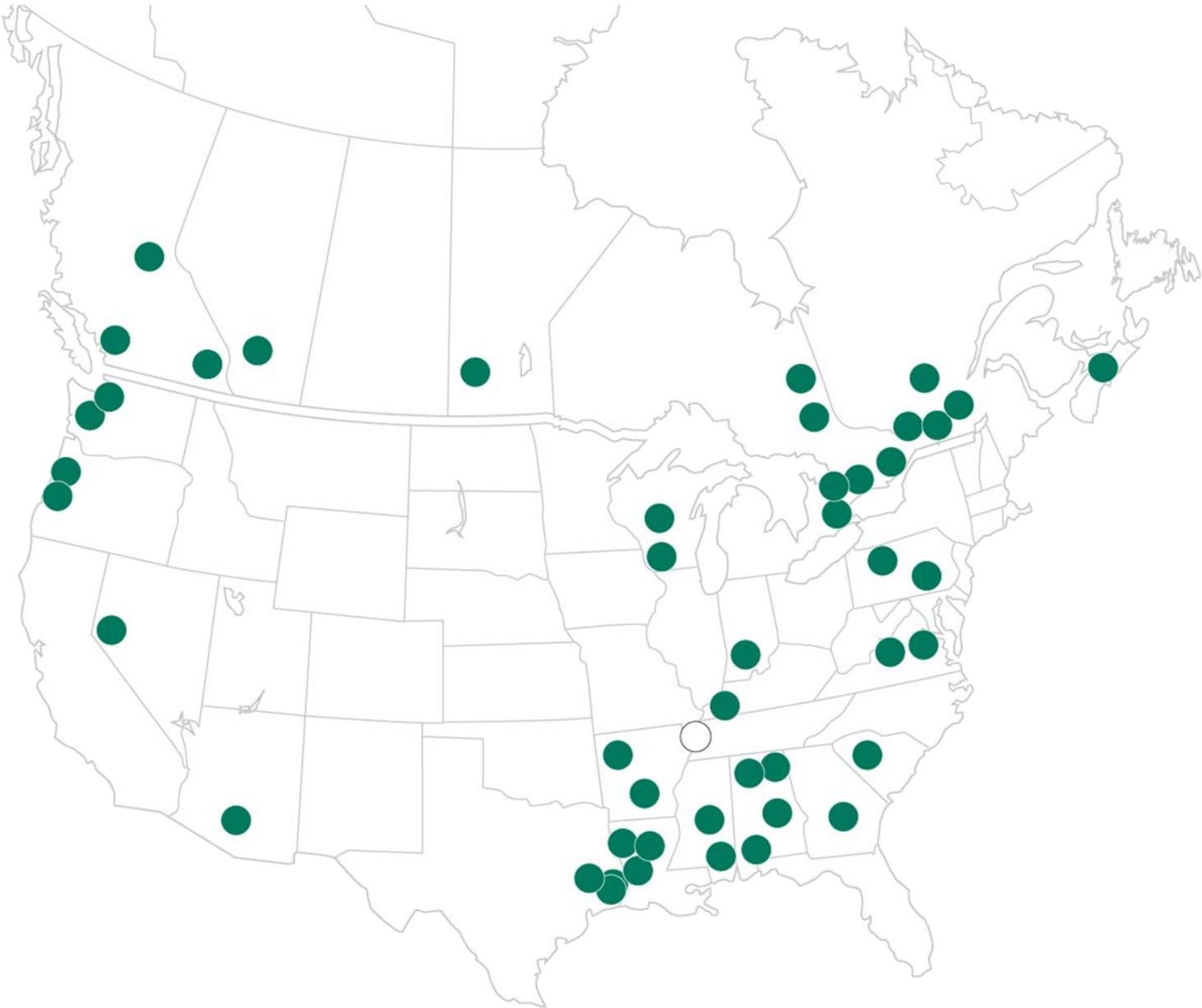
44
Wood Treating
Facilities 29 U.S.
and 15 Canada



~70%
Sales
in the U.S.



>3,000
Employees



*All \$ in this presentation are Canadian dollars, CAD
*All amounts are as of December 31, 2024

INVESTMENT HIGHLIGHTS



Leader in Infrastructure-Driven Markets

- Leading North American manufacturer of products focused on supporting infrastructure that are essential to the delivery of electrical distribution and transmission, and the operation and maintenance of railway transportation systems
- Demand for utility poles and railway ties driven mainly by replacement and maintenance
- Provides relative protection against volatility and inflation



Prudent Capital Allocation and Balance Sheet Management

- History of a disciplined approach to capital allocation, balancing growth investments and the return of capital to shareholders
- Focus on maintaining a prudent level of leverage with strong levels of available liquidity
- Long-term target is to maintain leverage within the range of 2.0x to 2.5x
 - May temporarily deviate from leverage target to pursue strategic acquisitions demonstrating a strong deleveraging profile



Favorable Tailwinds

- Strong multi-year demand in utility poles expected to be sustained by multiple factors:
 - Significant investments by electrical utility companies to ensure infrastructure will support North America's needs
- Consolidation in the North American rail industry provides large scale providers like Stella-Jones with a competitive advantage
- Railway ties expected to benefit from government infrastructure mandates



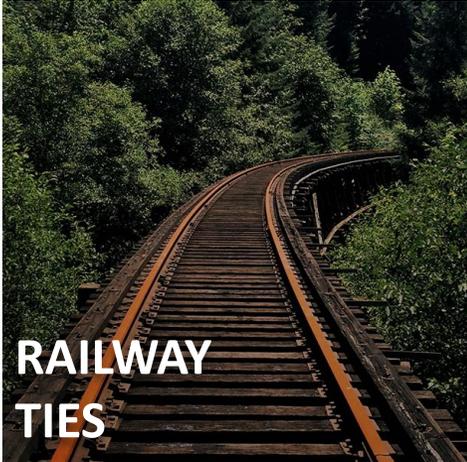
Track Record of Shareholder Value Creation

- Stella-Jones has an established track record of strong organic growth and completed more than 20 acquisitions in the past 20 years
- Sales increased for the 24th consecutive year in 2024 and dividend increased for the 20th consecutive year in 2024
- As at March 31, 2025 returned \$380 million to shareholders from 2023 to 2025

2024 PRODUCT CATEGORY OVERVIEW



49% of Sales



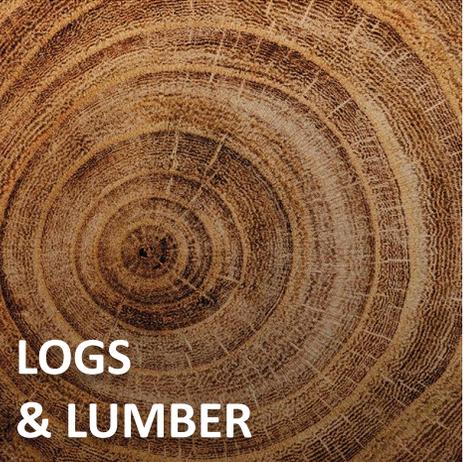
26% of Sales



4% of Sales



18% of Sales



3% of Sales

HISTORICAL MILESTONES

Completed more than 20 acquisitions in the past 20 years

Foundation



IPO



Tangent Rail Corporation:
Acquisition for Railway Ties



McFarland Cascade:
Acquisition for Utility Poles

Over \$1 billion in sales
4 for 1 stock split



RAM Forest Group & Ramfor Lumber:
Acquisition for Residential Lumber

Over \$2 billion in sales



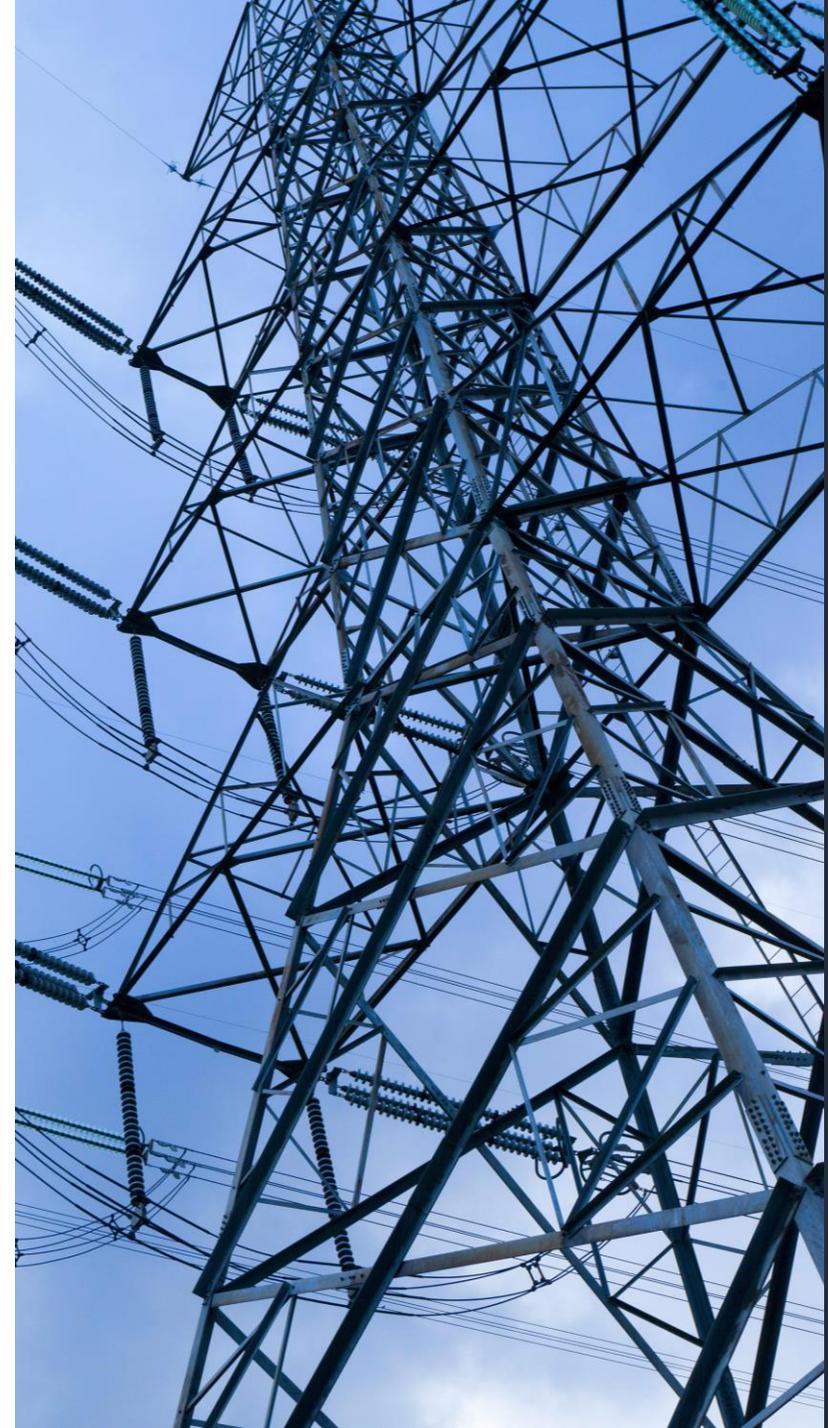
Cahaba:
Acquisition in Utility Poles

Over \$3 billion in sales



GROWING INTO STEEL WITH ACQUISITION OF LOCWELD

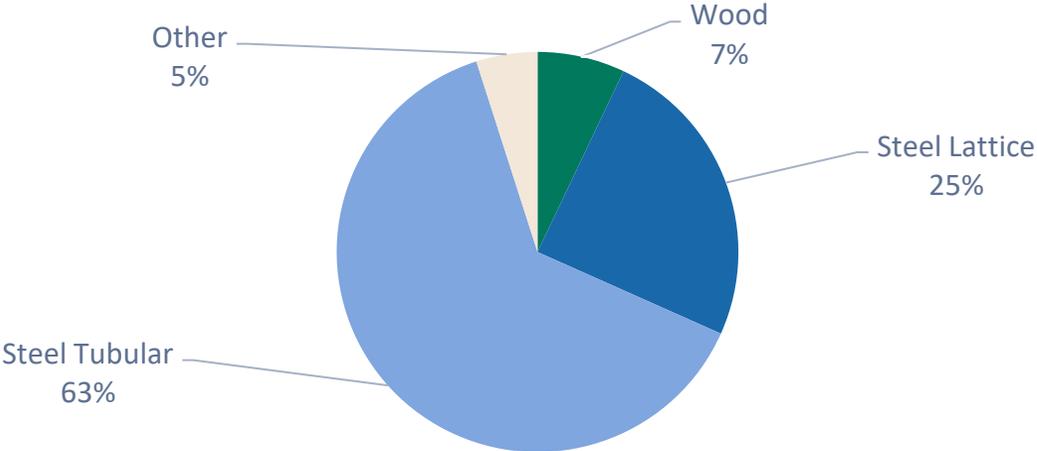
- Acquired Locweld in May 2025 for a consideration of \$58 million
- Locweld is a leading manufacturer of electrical transmission lattice towers and steel transmission poles
- Based in Candiac, Quebec, with over 75 years of experience and more than 220 employees
- Entry into the steel structures space to better support utility customers across North America
- Expect to invest \$15 million to increase output and enhance operational efficiencies
- Company delivering on strategy to enhance its infrastructure offering



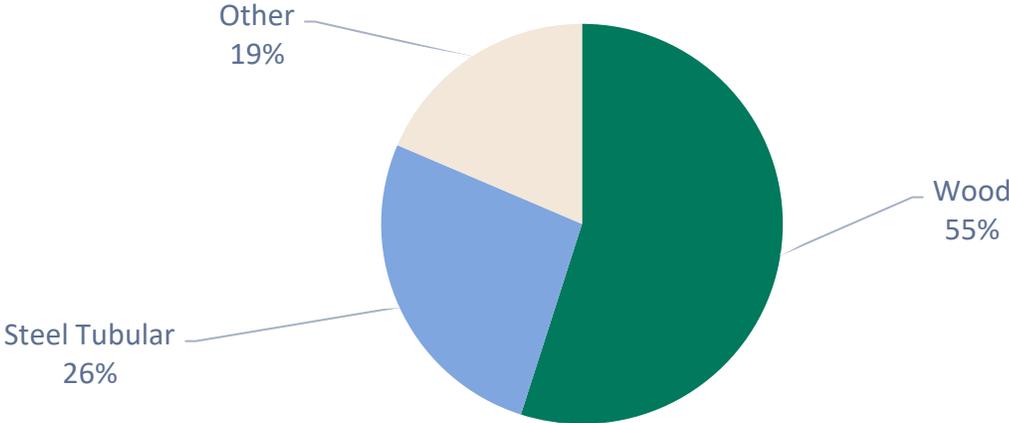
ADDRESSABLE NORTH AMERICAN TRANSMISSION AND DISTRIBUTION MARKET

Opportunity for Stella-Jones to capitalize on growing Transmission & Distribution market, underpinned by a combination of maintenance-driven demand and new projects.

TRANSMISSION ADDRESSABLE MARKET
\$5.7B PER YEAR



DISTRIBUTION ADDRESSABLE MARKET
\$5.3B PER YEAR



All figures in CAD
 Source: Major Consulting Practice

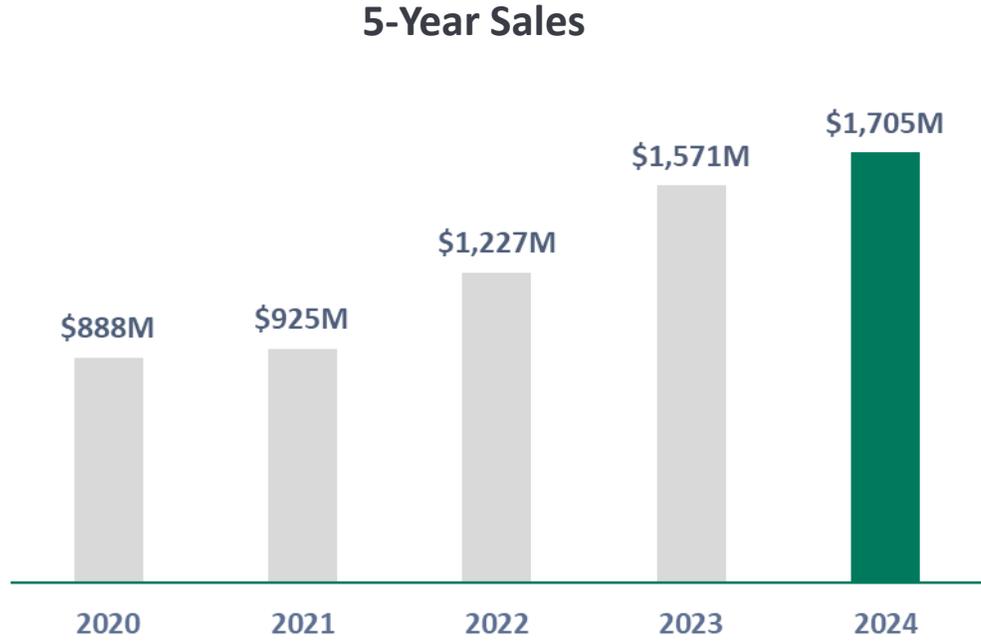
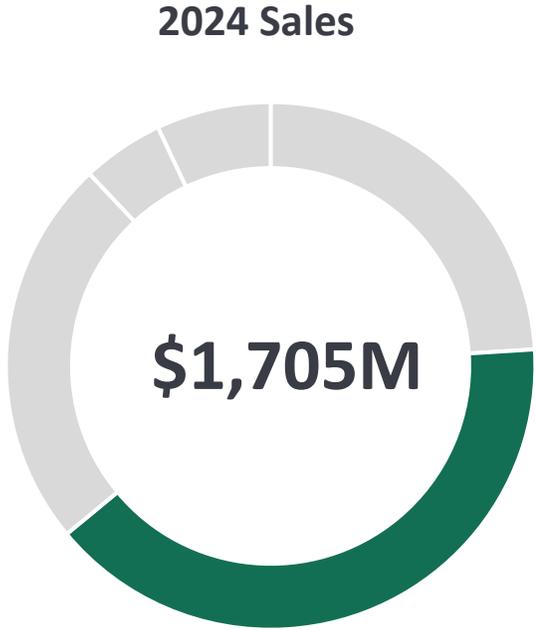


UTILITY POLES

UTILITY POLES: OVERVIEW

- Stella-Jones supplies major electrical utilities and telecommunication companies with wood utility poles across North America
- Extensive network of distribution facilities to quickly respond to un-forecasted demand
- Treated wood poles preferred because of their durability, cost effectiveness and safety features

49%
of Total Sales



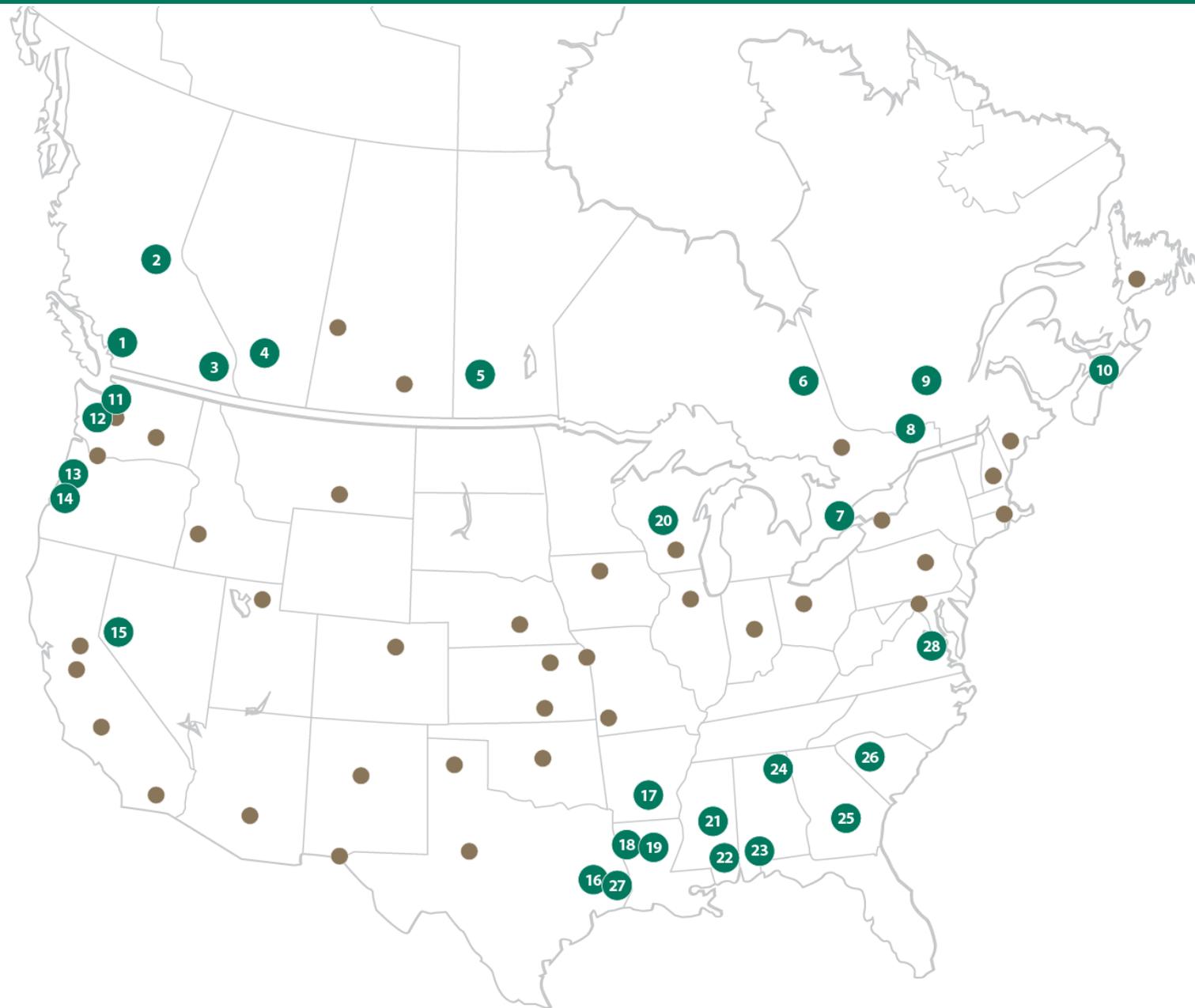
LARGE & DIVERSIFIED NORTH AMERICAN PRESENCE

- | | |
|-----------------------|-----------------------|
| 1 New Westminster, BC | 15 Silver Springs, NV |
| 2 Prince George, BC | 16 Lufkin, TX |
| 3 Galloway, BC | 17 Rison, AR |
| 4 Carseland, AB | 18 Converse, LA |
| 5 Neepawa, MB | 19 Pineville, LA |
| 6 Kirkland Lake, ON | 20 Cameron, WI |
| 7 Guelph, ON | 21 Scooba, MS |
| 8 Gatineau, QC | 22 Wiggins, MS |
| 9 Rivière-Rouge, QC | 23 Bay Minette, AL |
| 10 Truro, NS | 24 Brierfield, AL |
| 11 Arlington, WA | 25 Cordele, GA |
| 12 Tacoma, WA | 26 Whitmire, SC |
| 13 Sheridan, OR | 27 Jasper, TX |
| 14 Eugene, OR | 28 Warsaw, VA |

Product Category

- Pole Treating Facilities
- Finished Goods Yards

28 Treating Facilities
10 in Canada
18 in U.S.



COMPETITIVE STRENGTHS



Robust
Procurement Network
&
Consistent Access
to Wood Fibre

- Production facilities strategically located within all species resource areas
- Strong industry reputation and long-term relationships with timber owners and mills assures access to fibre needed



Expansive
Inventory

- Large inventories of treated and untreated wood to buffer supply interruptions and volatile utility pole demand



Manufacturing
Network

- Vast network across North America to convert untreated inventory into customer-specific products quickly and efficiently



Extensive
Transportation Network

- Expansive network of finished goods yards combined with large fleet of railcars, private fleet of trucks and many dedicated common carriers allows us to provide highly customized delivery service



Broad and Diversified
Customer Base

- Hundreds of customers throughout the U.S. and Canada purchasing a wide mix of species, preservatives and mix of sizes, including poles, piling and other industrial wood products

RAILWAY TIES

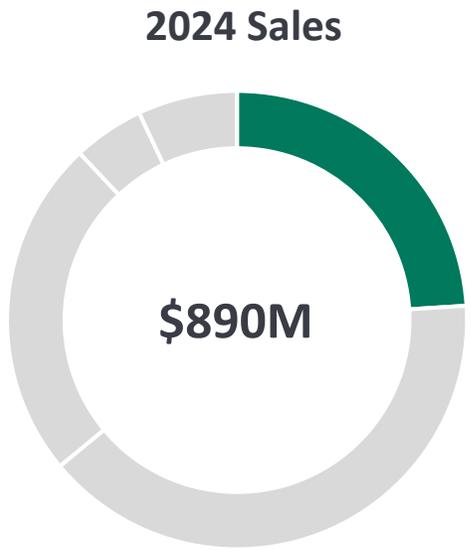
RAILWAY TIES: OVERVIEW

Industry leader in the manufacture and distribution of treated wood railway crossties, switch ties, bridge timbers, prefabricated bridges, crossing panels, and pre-plated products

Treating capacity, sources of supply and purchasing power to meet the needs of Class 1, Short Line railroads and commercial operators

Extensive supplier network of hardwood sawmills allows us to offer crossties and switch ties in a variety of sizes

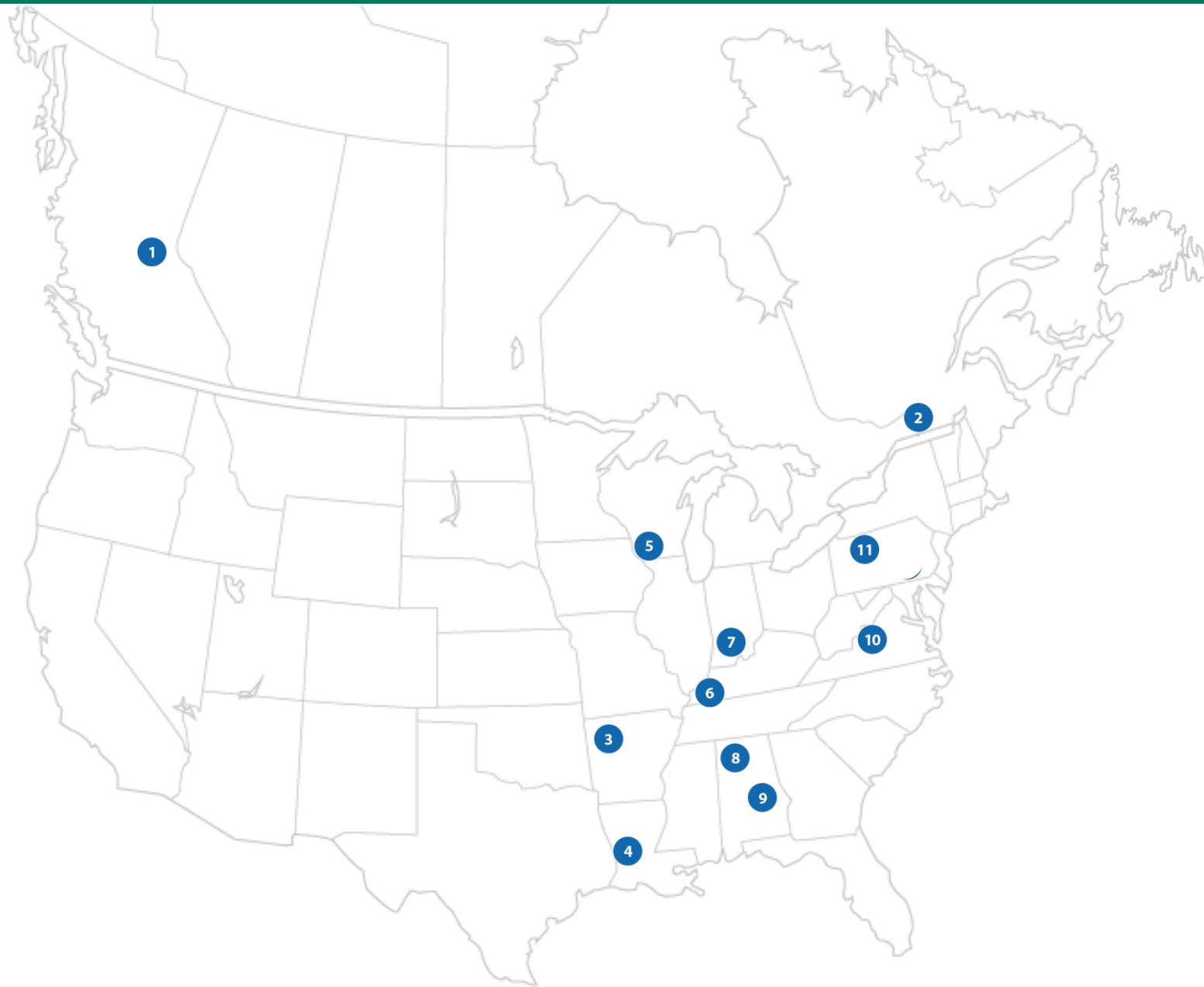
26%
of Total Sales



LARGE & DIVERSIFIED NORTH AMERICAN PRESENCE

1. Prince George, BC
2. Delson, QC
3. Russellville, AR
4. Alexandria, LA
5. Bangor, WI
6. Fulton, KY
7. Winslow, IN
8. Montevallo, AL
9. Clanton, AL
10. Goshen, VA
11. Dubois, PA

11 Treating Facilities
2 in Canada
9 in U.S.



COMPETITIVE STRENGTHS



Established Customer Relationships

- Long-term contracts with Class I carriers in North America
- Established strong relationships with Class I customers due to:
 - High-quality products
 - Responsiveness to customer requests
 - On-time delivery
- Able to quickly respond to emergency repairs



Extensive Manufacturing, Distribution & Procurement Networks

- Facilities strategically located across North America
- Extensive distribution network offers broad, economical coverage using truck, rail and maritime transport
- 11 of 12 facilities on-line with Class I Railroads
- Procurement network provides steady raw material inflow



Differentiated Product Offering

- Provides differentiated products:
 - Drill and fill dual-treated bridge ties
 - Automated pre-plate lines
 - Can treat with creosote, borate, copper naphthenate



Robust Inventory Levels

- Robust inventory levels to meet customer demand

~65%

Class 1 railroad customers

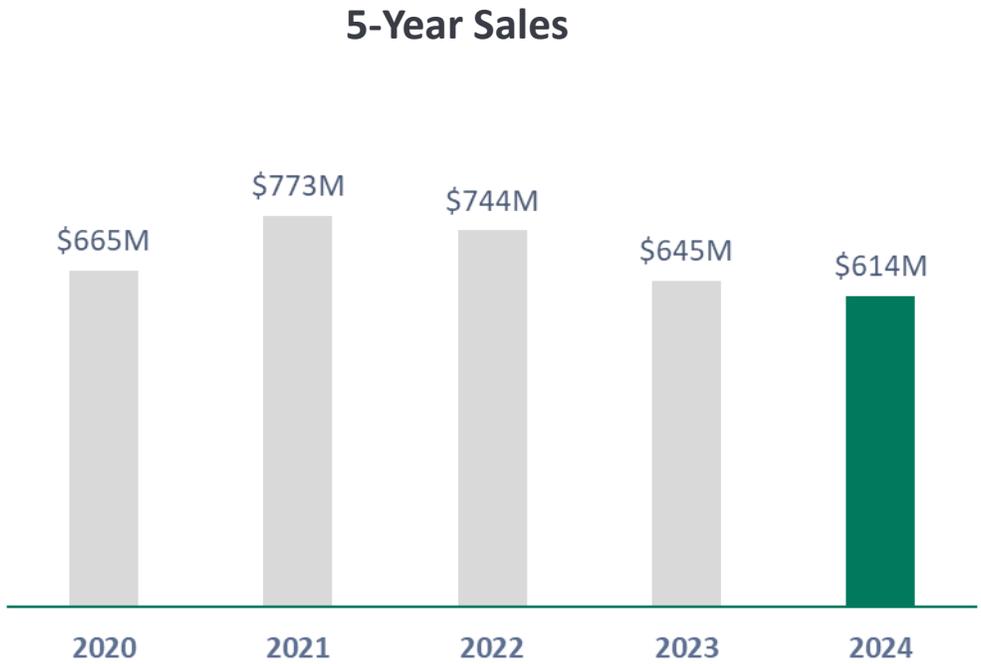
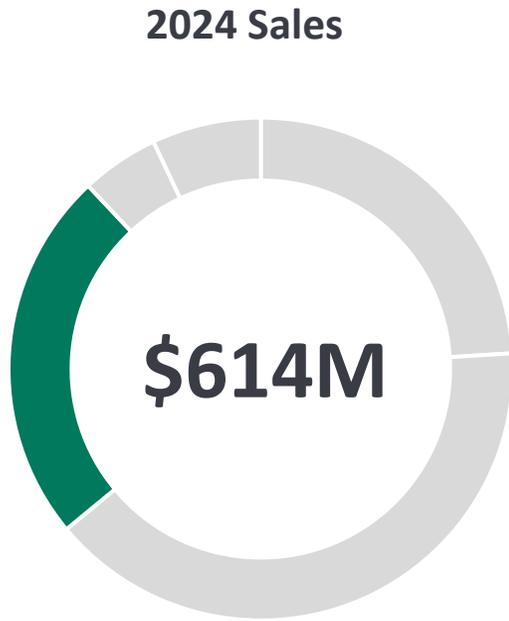
RESIDENTIAL LUMBER



RESIDENTIAL LUMBER: OVERVIEW

Stella-Jones manufactures and distributes premium grade residential treated lumber, composite decking products and accessories to Canadian and American retailers

18%
of Total Sales



PRODUCT CATEGORY OVERVIEW



Treated Lumber and Distribution Facilities: 6 in Canada and 2 in U.S.



Products: Treated Lumber and Wood Accessories, Composite Decking and Complementary Attachments



Customers: ~70% Big Box, ~30% Dealer Network



COMPETITIVE STRENGTHS



Premium-Quality Products

- Offers premium grade lumber to customers
- Lumber grade is enhanced by additional visual inspections, removing defects in the wood that the sawmill may have missed
- 76 % of lumber procured is from a certified source
- Stella-Jones also distributes complementary products in a wide array of dimensions and lengths



Always In-Stock

- Established relationships to ensure supply is in stock for customers



Speed to Market

- Dedicated logistics team
- Products generally shipped within 24-48 hours of order



Strong Procurement Team

- Unique interconnected relationships with sawmill vendor partners
- Measures taken to ensure continual supply, including sourcing premium lumber from Europe



Dedicated Distribution Centres with Exceptional Service and Support

- Team works to increase sales through merchandising suggestions
- Focused on quick customer response times and providing high customer service

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

OUR ESG STRATEGY

Climate Change & GHG Emissions

We commit to reducing our emissions intensity and maximizing the carbon sequestered in our products.

Health & Safety

We keep our people safe by reducing risks through a culture of teamwork, ownership, and continuous improvement.

Our People

We attract and retain talented people by offering a positive work experience through inspired leadership, competitive working conditions and career development opportunities.



Indigenous Peoples

We commit to building lasting and collaborative relationships with Indigenous Peoples where we operate.

Responsible Supply Chain

We partner with responsible local suppliers to ensure the long-term sustainability of our wood supply.

ESG Risk Governance

We empower our people to make informed and responsible decisions and deliver results through clear guidelines, disciplined processes and accountability.



 [Click to view our 2023 ESG Report](#)

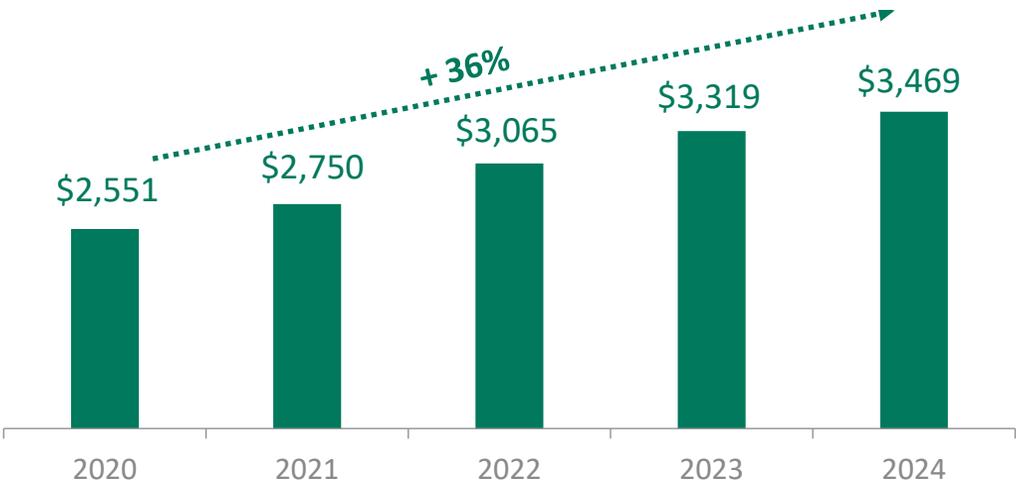
FINANCIAL OUTLOOK



TRACK RECORD OF SUSTAINABLE AND PROFITABLE GROWTH

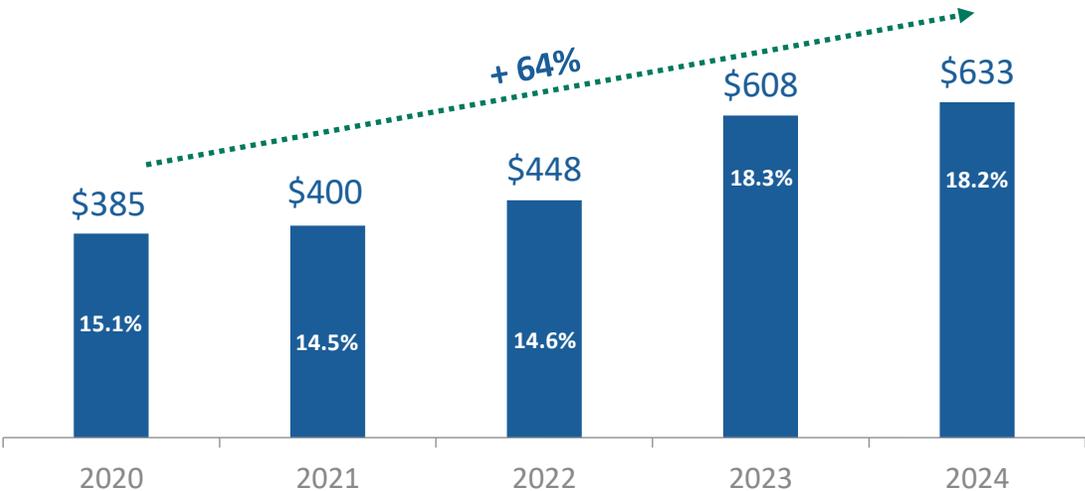
(in millions of dollars)

Sales



- Strong and steady maintenance-driven demand

EBITDA



- Sustained strong EBITDA in 2024
- Strong EBITDA margin above 18% for the last 2 years

2023-2025 FINANCIAL OBJECTIVES

(in millions of Canadian dollars, except percentages and ratios)

2023-2025 Objectives ⁽¹⁾

Sales	Approx. \$3,600 total
EBITDA Margin ⁽²⁾	> 17%
Return to Shareholder: cumulative	> \$500
Net Debt-to-EBITDA ^{(2) (3)}	2.0x-2.5x

(1) Refer to the 2024 annual MD&A for further details and assumptions used in preparing the 2023-2025 financial objectives.

(2) EBITDA margin and net debt-to-EBITDA are non-GAAP ratios. These indicated terms have no standardized meaning under GAAP and are not likely to be comparable to similar measures presented by other issuers. For more information on these financial measures, please refer to the section entitled "Non-GAAP and Other Financial Measures" of the Company's latest MD&A for an explanation of the non-GAAP and other financial measures used and presented by the Company and a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures.

(3) The Company may deviate from its leverage target to pursue acquisitions and other strategic opportunities, and/or fund its seasonal working capital requirements.

DISCIPLINED CAPITAL ALLOCATION

Net Leverage Target: 2.0x-2.5x



ACQUISITION CRITERIA

Acquisition opportunities to better serve utility and railroad customers

- Continued focus on wood treating
- Consideration given to complementary products or services
- Subject to strict evaluation criteria
 - Accretive to margins and returns
 - Steady revenues and free cash flow
 - Seasoned management team





APPENDIX

2024 – FINANCIAL HIGHLIGHTS

(in millions of Canadian dollars, except per share data and margins)	2024	2023
Sales	3,469	3,319
Operating income	503	499
Operating income margin ⁽¹⁾	14.5%	15.0%
EBITDA ⁽¹⁾	633	608
EBITDA Margin ⁽¹⁾	18.2%	18.3%
ROCE ⁽¹⁾	13.7%	15.8%
Net income	319	326
Earnings per share – basic and diluted	5.66	5.62
Weighted average shares outstanding (basic, in '000s)	56,403	57,963

(1) Please refer to the section “Non-GAAP and other financial measures” in the Company’s MD&A for the year ended December 31, 2024, for an explanation of the non-GAAP and other financial measures used and presented by Stella-Jones and a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures

MAINTAINING A STRONG FINANCIAL POSITION IN 2024

\$408M

2024 Operating Cashflow

\$802M

Available Liquidity

As at December 31, 2024

2.6x

Net debt-to-EBITDA⁽¹⁾

As at December 31, 2024



New NCIB
Program

- 2.5M shares authorized
- Reflects cash generative nature of business



Return to
Shareholders
Commitment

- Ongoing share repurchases
- 22% increase in dividend to \$1.12 per share in 2024
- Announced in Q1 an 11% increase in quarterly dividend to \$0.31 per share



Inaugural
\$400M, 7-Year
Senior Notes

- Reflects confidence in business fundamentals and future prospects
- Over \$800M of available liquidity as at December 31, 2024

(1) Please refer to the section “Non-GAAP and other financial measures” in the Company’s latest MD&A for an explanation of the non-GAAP and other financial measures used and presented by Stella-Jones and a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures

Q1 2025 FINANCIAL PERFORMANCE

(in millions of Canadian dollars, except per share data and margins)	Q1-25	Q1-24
Sales	773	775
Gross Profit ⁽¹⁾	168	172
Gross Profit margin ⁽¹⁾	21.7%	22.2%
Operating income	143	124
Operating income margin ⁽¹⁾	18.5%	16.0%
EBITDA ⁽¹⁾	179	156
EBITDA Margin ⁽¹⁾	23.2%	20.1%
Net income	93	77
Earnings per share – basic and diluted	1.67	1.36

(1) Please refer to the section “Non-GAAP and other financial measures” in Stella-Jones’ MD&A for the three-months ended March 31, 2025 for an explanation of the non-GAAP and other financial measures used and presented by Stella-Jones and a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures

DISCIPLINED CAPITAL ALLOCATION STRATEGY

\$380M

Returned to Shareholders out of \$500 M committed

As at March 31, 2025

\$691M

Available Liquidity

As at March 31, 2025

2.6x

Net debt-to-EBITDA⁽¹⁾

As at March 31, 2025

Investment-grade capital allocation strategy allows pursuit of growth opportunities while returning capital to shareholders.



NCIB Program

- \$15M shares repurchased



Return to Shareholders Commitment

- Returned \$380M out of the \$500M committed for 2023-2025 period
- Announced quarterly dividend of \$0.31 per share



Strategic Acquisition

- Definitive agreement to acquire Locweld for \$58M
- Expected capital expenditure program of ~ \$15M to increase output

(1) Please refer to the section “Non-GAAP and other financial measures” in the Company’s latest MD&A for an explanation of the non-GAAP and other financial measures used and presented by Stella-Jones and a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures

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