



BUILD

March 2023



ING



ON



OUR



STRONG



FUNDAMENTALS



MENTALS

## INVESTOR PRESENTATION



# CAUTION REGARDING FORWARD-LOOKING INFORMATION & NON-GAAP AND OTHER FINANCIAL MEASURES

*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 and factors and assumptions referenced herein and in the Company's, most recent Annual 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.*

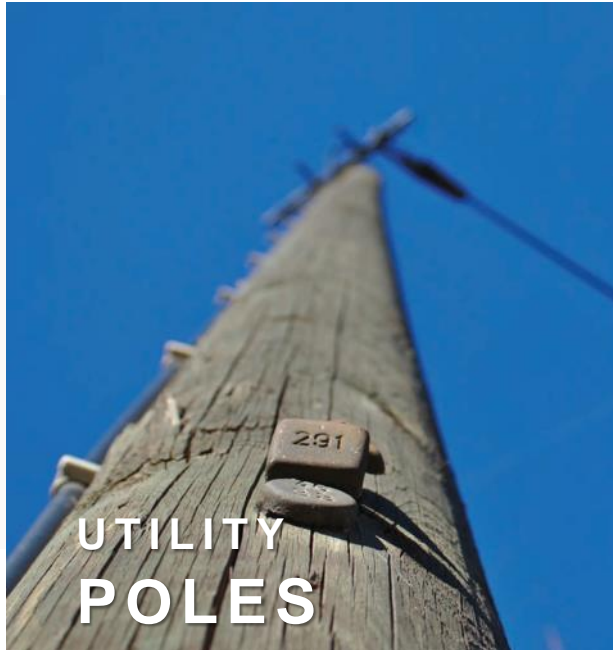
*All figures are in Canadian dollars unless otherwise stated.*

*Gross profit, gross profit margin, operating income before depreciation and amortization (herein referred to as earnings before interest, taxes, depreciation and amortization ["EBITDA"]), EBITDA margin, operating income margin, net debt-to-total capitalization and net debt-to-EBITDA, return on average capital employed, working capital are non-GAAP and other financial measures which do not have a standardized prescribed by IFRS may therefore not be comparable to similar measures presented by other issuers. Management considers these non-GAAP and other financial measures to be useful information to assist knowledgeable investors to understand the Company's operating results, financial position and cash flows as they provide a supplemental measure of its performance. Management uses non-GAAP and other financial measures in order to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets, to assess the Company's ability to meet future debt service, capital expenditure and working capital requirements, and to evaluate senior management's performance. Management uses net debt to calculate the Company's indebtedness level, future cash needs and financial leverage ratios.*

*Please refer to the section "Non-GAAP and other financial measures" of the Company's 2022 MD&A which were filed on March 8, 2023 respectively and are available at [www.sedar.com](http://www.sedar.com).*

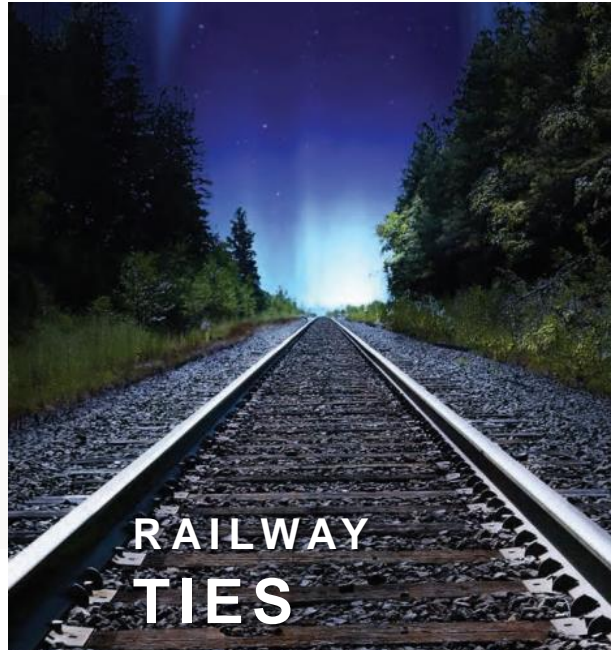


# ANCHORED IN OUR STRONG FUNDAMENTALS



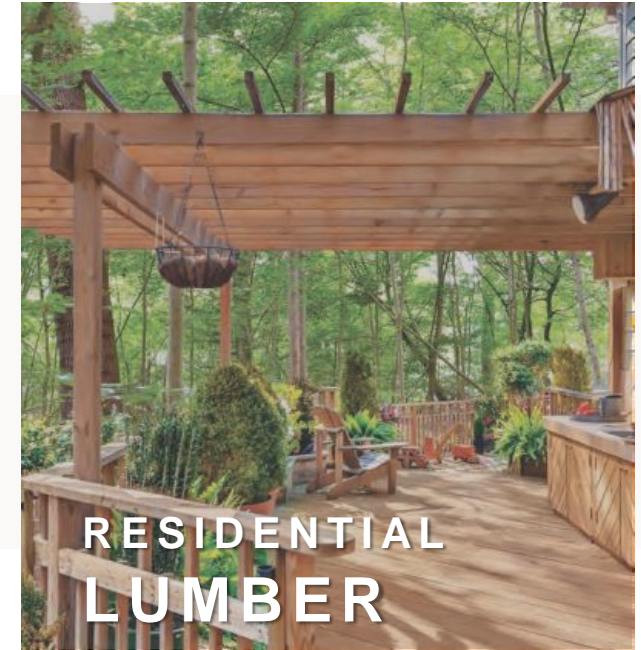
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Supplies the continent's major electrical utilities and telecommunication companies with wood utility poles



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Supplies North America's Class 1, short line and commercial railroad operators with railway ties and timbers

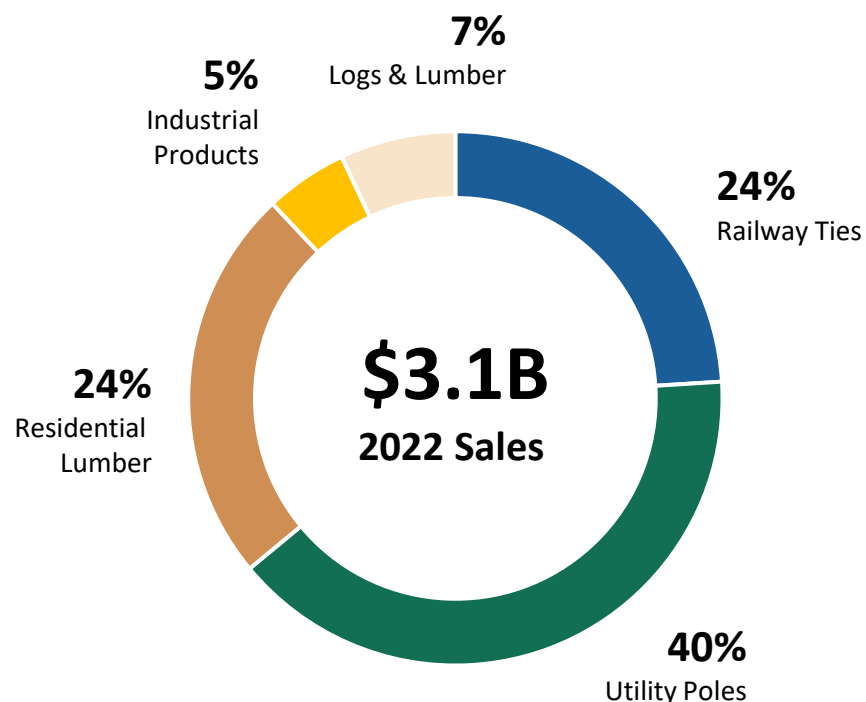


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Manufactures and distributes premium residential lumber and accessories to Canadian and American retailers for outdoor applications

# STELLA-JONES AT A GLANCE

The Leading North American Supplier Of Pressure-Treated Wood Products,  
with a Focus on Infrastructure-Related Products



**2,615<sup>(1)</sup>**  
Employees

**43<sup>(1)</sup>**  
Wood Treating Facilities  
28 U.S. and 15 Canada

**13<sup>(1)</sup>**  
Pole Peeling  
Facilities

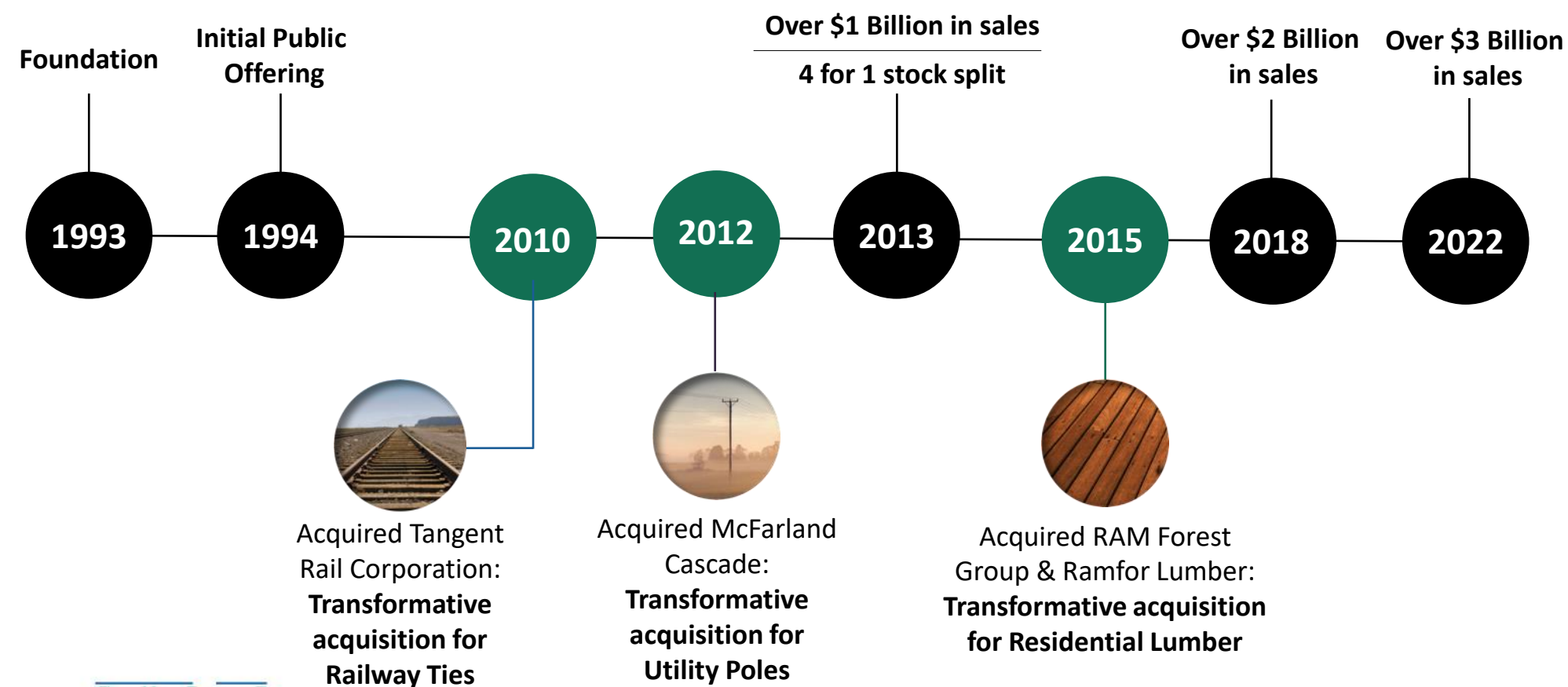
**69%<sup>(2)</sup>**  
Sales  
in the U.S.

**\$3.2B<sup>(3)</sup>**  
Market Cap

**SJ**  
TSX

# HISTORICAL MILESTONES

Completed more than 20 acquisitions in the past 20 years

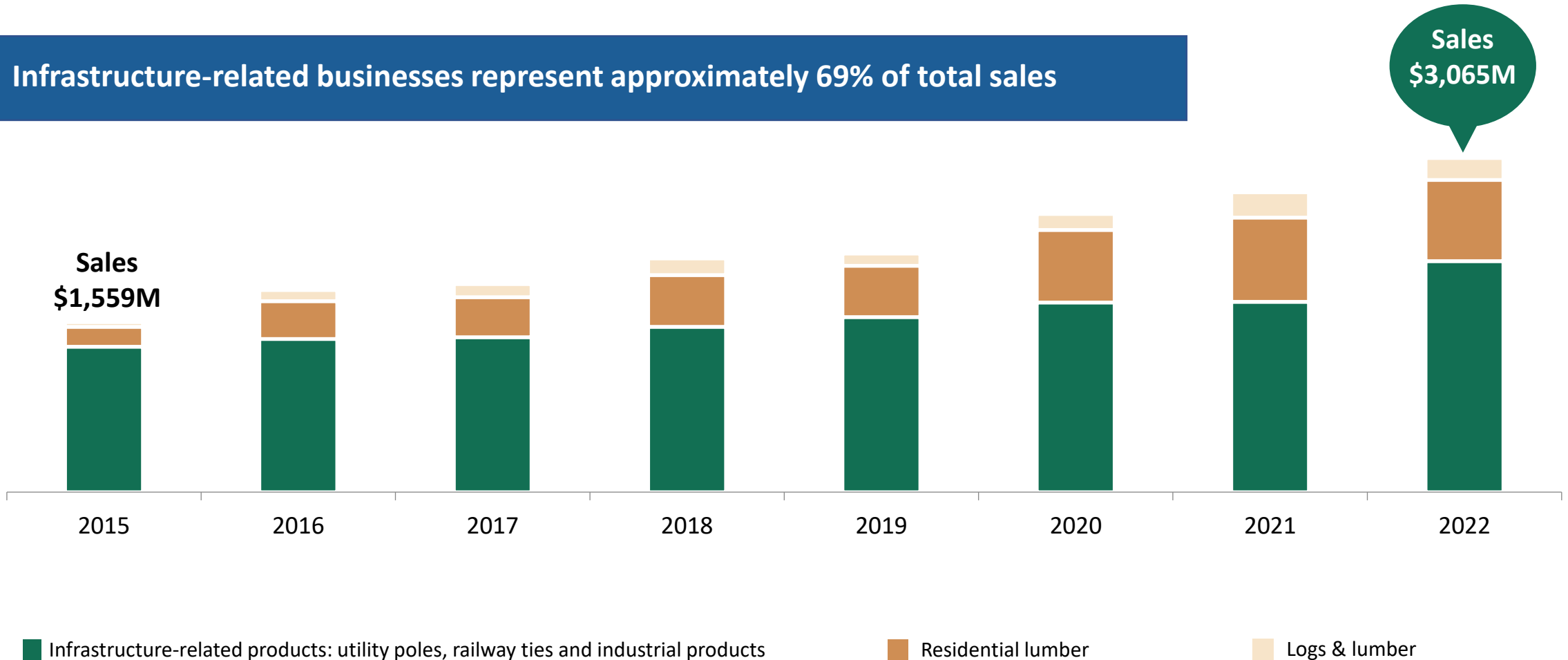


## ACQUISITION CONTRIBUTIONS

- Stronger industry player
- Expand North American network
- Broaden product line
- Greater customer service/flexibility/emergency response
- Ability to bid on larger projects
- Optimize efficiency of continental network
- Synergies
- Augmented supply capabilities

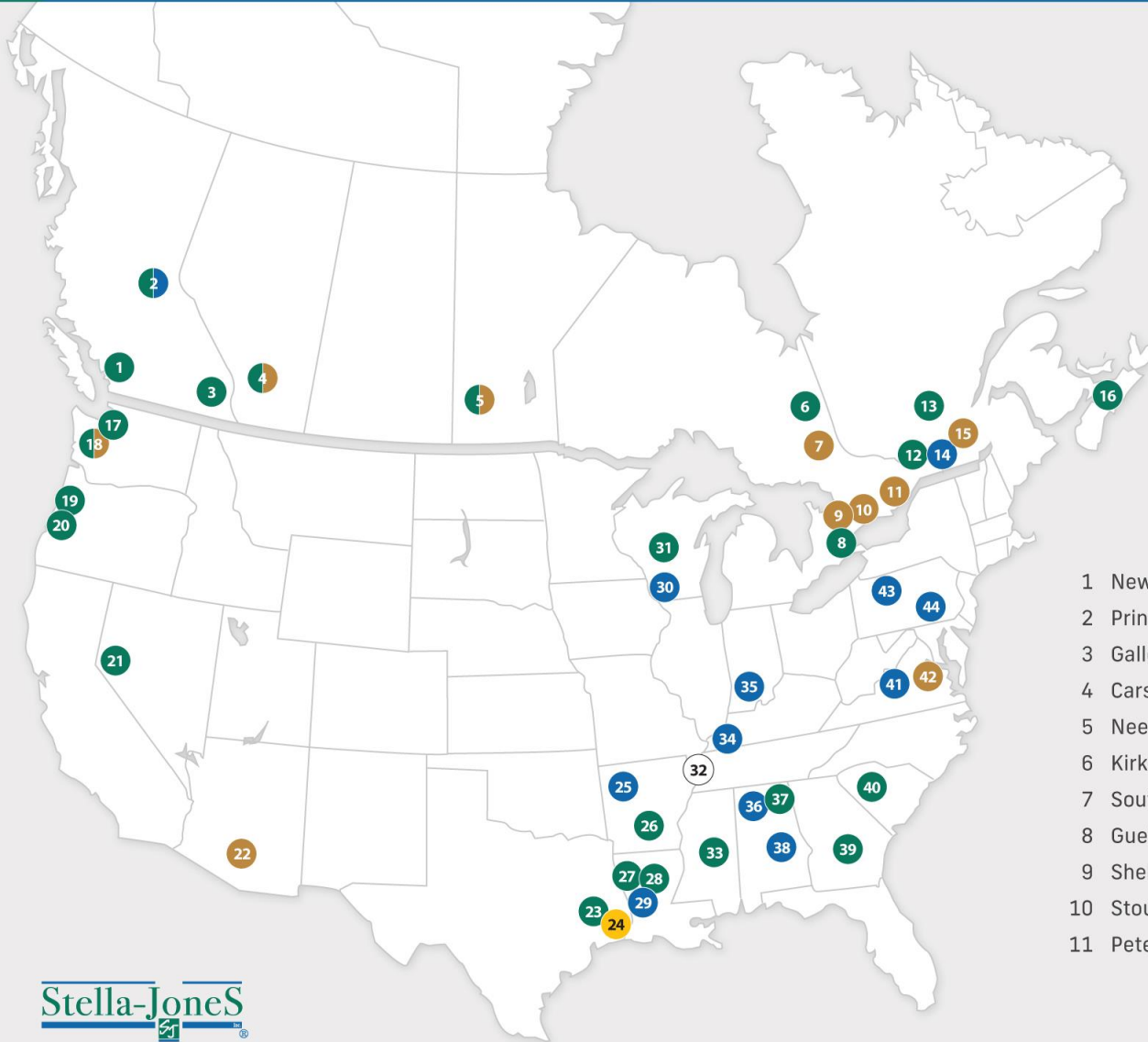
# INFRASTRUCTURE-RELATED BUSINESSES

Infrastructure-related businesses represent approximately 69% of total sales





# STELLA-JONES' CONTINENTAL NETWORK



## PRODUCT CATEGORY

- Utility Poles
- Railway Ties
- Residential Lumber
- Coal Tar Distillery
- 2022 Acquisition of Texas Electric Cooperatives, Inc.'s wood utility pole manufacturing business

- |                       |                       |                     |                       |
|-----------------------|-----------------------|---------------------|-----------------------|
| 1 New Westminster, BC | 12 Gatineau, QC       | 23 Lufkin, TX       | 34 Fulton, KY         |
| 2 Prince George, BC   | 13 Rivière-Rouge, QC  | 24 Jasper, TX       | 35 Winslow, IN        |
| 3 Galloway, BC        | 14 Delson, QC         | 25 Russellville, AR | 36 Montevallo, AL     |
| 4 Carseland, AB       | 15 Sorel-Tracy, QC    | 26 Rison, AR        | 37 Brierfield, AL     |
| 5 Neepawa, MB         | 16 Truro, NS          | 27 Converse, LA     | 38 Clanton, AL        |
| 6 Kirkland Lake, ON   | 17 Arlington, WA      | 28 Pineville, LA    | 39 Cordele, GA        |
| 7 South River, ON     | 18 Tacoma, WA         | 29 Alexandria, LA   | 40 Whitmire, SC       |
| 8 Guelph, ON          | 19 Sheridan, OR       | 30 Bangor, WI       | 41 Goshen, VA         |
| 9 Shelburne, ON       | 20 Eugene, OR         | 31 Cameron, WI      | 42 Warsaw, VA         |
| 10 Stouffville, ON    | 21 Silver Springs, NV | 32 Memphis, TN      | 43 Dubois, PA         |
| 11 Peterborough, ON   | 22 Eloy, AZ           | 33 Scooba, MS       | 44 McAlisterville, PA |

# COMPETITIVE STRENGTHS

## Resilient Business Model

- Businesses with steady demand
- Leadership position in product categories
- Decentralized structure with the ability to rapidly adjust to changing environments and customer requirements
- Extensive network to service customers
- Solid and sustained customer relationships
- Long-standing stable sources of wood and registration to produce the wood preservative, creosote
- Track record of delivering solid results

## Seasoned Management Team






- Extensive North American industry expertise
- Consistent record of successful acquisitions
- Entrenched culture of entrepreneurship balanced with environmentally sound and sustainable practices

## Solid Financial Position

- Strong cash flow and low debt level
- Financial capacity to stockpile and air-season green wood
- Financial strength and flexibility to support growth opportunities



# STRATEGY AND FUTURE GROWTH BY BUSINESS UNIT

	% of Sales*	Market	Growth Drivers	Trends	Growth Strategy
	<b>40%</b> Utility Poles	<ul style="list-style-type: none"> <li>Potential for further consolidation in the North American market</li> </ul>	<ul style="list-style-type: none"> <li>Replacement programs (life span of poles is typically 65 years)</li> <li>Additional infrastructure for telecommunication</li> </ul>	<ul style="list-style-type: none"> <li>Increasing average age of poles</li> <li>Growth of 5G networks, “fibre-to-home” and other investments related to electric vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Acquisitions</li> <li>Leveraging increase in replacement demand and telecommunication needs</li> <li>Expanding product offering</li> </ul>
	<b>24%</b> Railway Ties	<ul style="list-style-type: none"> <li>Market is fairly consolidated</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance requirements</li> <li>Economic stimulus programs</li> </ul>	<ul style="list-style-type: none"> <li>Stable Class 1 maintenance demand</li> <li>Strong non Class 1 market demand</li> </ul>	<ul style="list-style-type: none"> <li>Acquisitions</li> <li>Increased market reach</li> </ul>
	<b>24%</b> Residential Lumber	<ul style="list-style-type: none"> <li>Partially consolidated in Canada</li> </ul>	<ul style="list-style-type: none"> <li>Home renovation</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable growth for home improvement projects</li> </ul>	<ul style="list-style-type: none"> <li>Service big box stores</li> <li>Exploring opportunities within the dealer network</li> </ul>
	<b>5%</b> Industrial Products	<ul style="list-style-type: none"> <li>Niche business driven primarily by railway bridges and crossings, marine and foundation pilings, construction timber and special projects</li> </ul>			
	<b>7%</b> Logs and Lumber	<ul style="list-style-type: none"> <li>Business used to optimize procurement</li> </ul>			



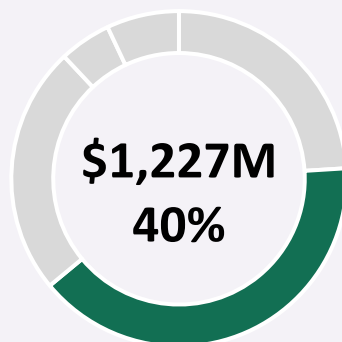
## OVERVIEW BY BUSINESS UNIT

# UTILITY POLES – OVERVIEW

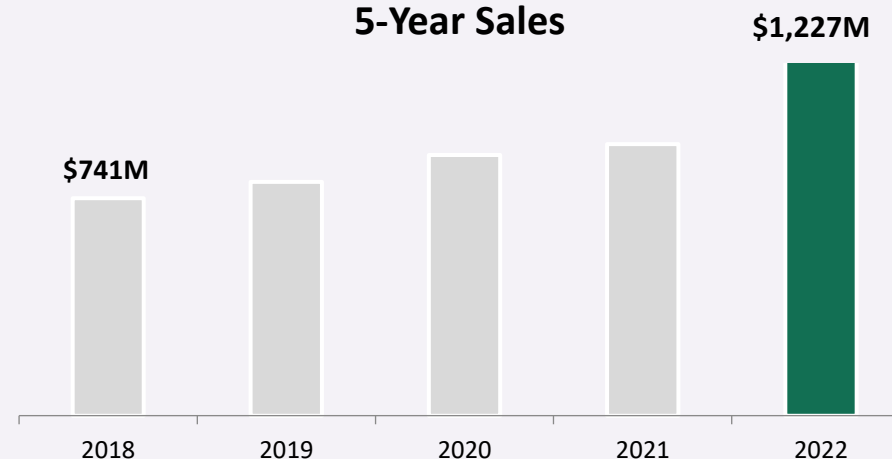
Leading North American supplier of wood utility poles, providing over one million pressure-treated wood poles per year to replace, upgrade and develop new electrical utility and telecommunications lines across Canada and the United States



2022 Sales



5-Year Sales



## 22 Facilities

- 7 in Canada
- 15 in U.S.

## Transformative Acquisition

- McFarland (2012)

# UTILITY POLES – OFFERING



## Competitive Advantages

**An extensive distribution network, continuous supply, emergency response and fire-resistant wrap**

## Customers

- Electrical utility companies
- Telecommunication companies

## Contracts

- Majority of business under multi-year agreements
- Varying 3 to 7 years (evergreen features)

## Product Category Size

- There are about 150MM poles in North America, of which 105MM are wood
- Wood offers the best value over alternative materials such as steel, composites and concrete

## Services

- Incising
- Radial Drilling
- Through Boring
- Framing

## Wood Species

- Western Red Cedar
- Douglas Fir
- Red Pine
- Southern Yellow Pine

## Preservatives

- Chromated Copper Arsenate (CCA)
- Creosote
- Copper Naphthenate (CuN)
- Dichloro-octyl-isothiazolinone (DCOI)
- Pentachlorophenol (Penta)

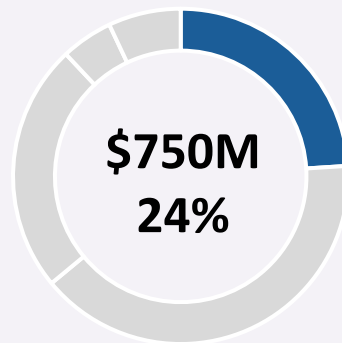


# RAILWAY TIES – OVERVIEW

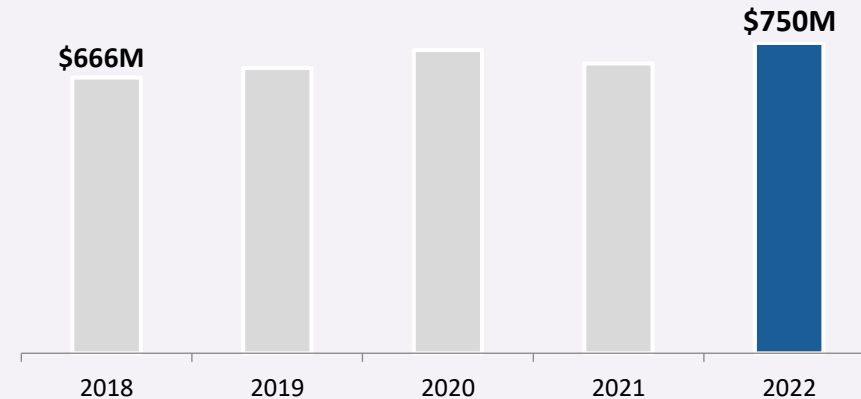
Industry leader in the development, upgrade and maintenance of North America's railroad infrastructure, with the capacity to supply the continent's demand for railway ties and timbers with over 10 million pressure-treated wooden cross ties per year



2022 Sales



5-Year Sales



## 12 Facilities

- 2 in Canada
- 10 in U.S.

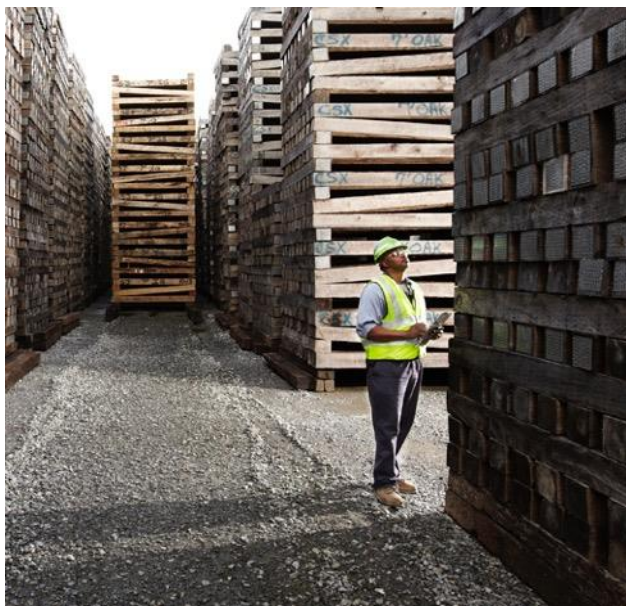
## ~850 Suppliers

- Hardwood sawmills

## Transformative Acquisition

- Tangent Rail (2010)

# RAILWAY TIES – OFFERING



## Competitive Advantages

**An extensive distribution network, steady supply and short delivery times**

## Customers

- ~65% Class 1 railroads
- ~35% short and regional rail lines & contractors

## Contracts

- Long-term contracts of up to 5 years with Class 1 railroads
- Short and regional rail lines and contractor orders are obtained primarily through spot market bids

## Product Category Size

- ~18 million railway tie purchases on an annualized basis in North America
- 90% of ties sold in North America are for maintenance and over 90% are wood

## Services

- Pre-Plating
- Pre-boring
- Crossing panels
- End-plating

## Wood Species

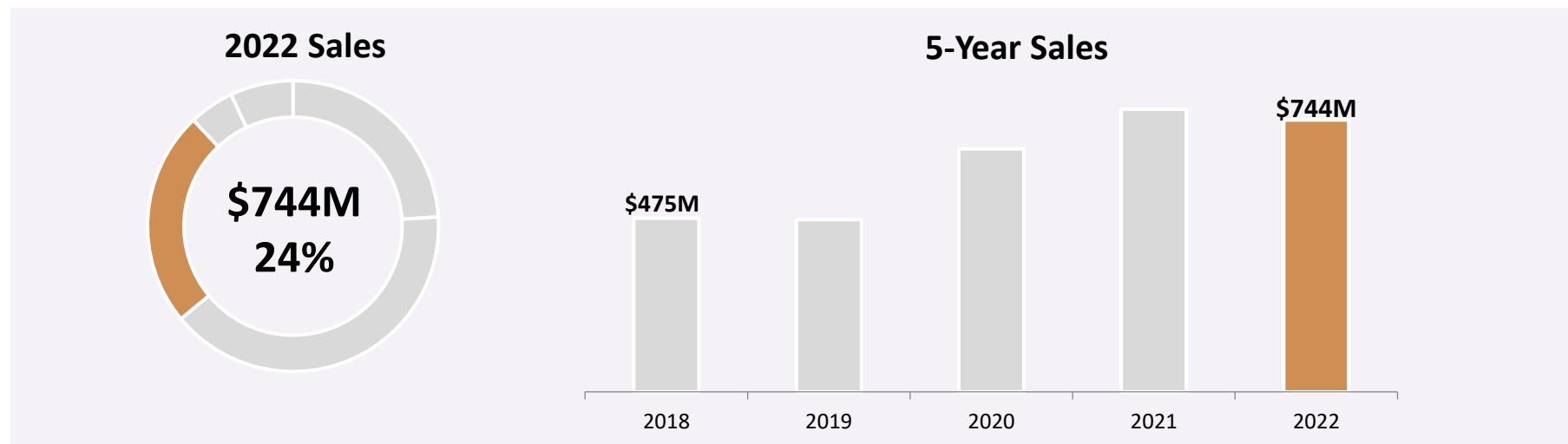
- Mixed Hardwood
- Oak

## Preservatives

- Creosote
- Borate
- Copper Naphthenate

# RESIDENTIAL LUMBER - OVERVIEW

Provides seamless, end-to-end service to key North American retailers, supplying hundreds of millions of board feet of treated residential lumber across Canada and the United States



## 8 Facilities

- 6 in Canada
- 2 in U.S.

## Transformative Acquisitions

- Ram Forest Group and Ramfor Lumber (2015)

# RESIDENTIAL LUMBER - OFFERING



## Competitive Advantages

**Solid supply, dedicated distribution centres and quick delivery times**

## Customers

- ~70% Big box retailers
- Dealer network

## Contracts

- Renewed annually

## Product Category Size

- Unique value-added offering of premium lumber products

### Services

- Lumber
- Distribution of complementary accessories

### Wood Species

- Hemlock
- Pine
- Spruce
- Fir

### Preservatives

- Micronized Copper Azole (Micropro)
- Alkaline Copper Quaternary (ACQ)
- Copper Azole (CA)

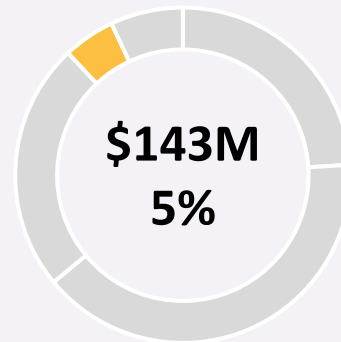


# INDUSTRIAL PRODUCTS – OVERVIEW

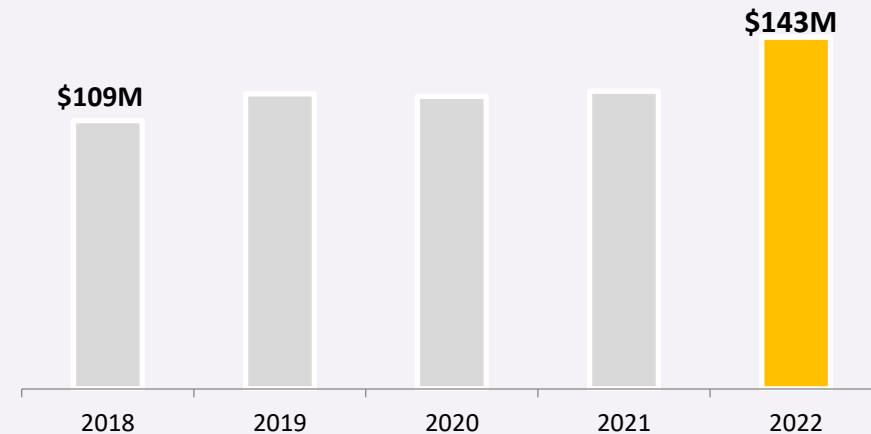
A leading supplier of pressure-treated wood products to the industrial, marine and civic sectors for outdoor applications, including wood for railway bridges and crossings, marine and foundation pilings and construction timbers, offered in a variety of select wood species and preservatives



2022 Sales

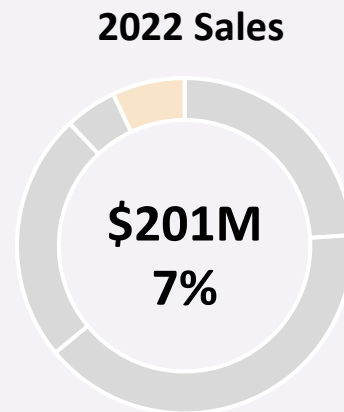


5-Year Sales



# LOGS AND LUMBER – OVERVIEW

Business used to optimize procurement and does not generate a margin





# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# PURSUING OUR BUSINESS ACTIVITIES RESPONSIBLY

We are committed to integrating ESG into our daily business decisions and strategies, which will make us a more resilient and agile business in the long-term. We keep with our vision to consistently improve our sustainability practices and be transparent about our performance, and focus on our four ESG pillars:

## OUR PEOPLE



## ENVIRONMENTAL COMMITMENT



## PRODUCT STEWARDSHIP



## GOVERNANCE PRINCIPLES



Our latest ESG report is available at [www.stella-jones.com/en-CA/investor-relations/environmental-social-governance](http://www.stella-jones.com/en-CA/investor-relations/environmental-social-governance)





# 2021 ESG HIGHLIGHTS



## PEOPLE

Safety, well being, and a collaborative and inclusive workforce

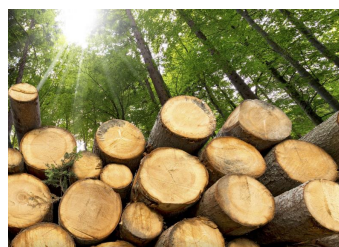
**40%**

Women on the Board of Directors, exceeding 30% gender diversity target

**SHIELD** rollout extends into Canada, our environment, health and safety management program

**Community engagement** added as a material topic following stakeholder feedback

**Streamlined HR processes**  
Planning and implementation of our HR Information System (HRIS)



## ENVIRONMENTAL COMMITMENT

Regulatory compliance and the effective management of water, energy, and emissions

**2°**

physical risk scenario analysis completed.

**Solar analysis for 10 sites** with full installation completed for the first site in Clanton, Alabama

**\$1.6M**

spent in voluntary land remediation programs

**GHG data**

reported from all wood treatment facilities



## PRODUCT STEWARDSHIP

Sustainable forest management, responsible manufacturing and product innovation initiatives

**2.52M**

Metric tonnes of CO2 sequestered by our wood products in 2021

**Supported safety upgrades at 3 sawmills** through small business loans and long-term supply commitments

**Sustainable procurement certification** maintained for residential lumber

**750K\***

trees planted in our managed forest tenures



## GOVERNANCE PRINCIPLES

Integrating ESG is central to our decision-making process.

**TCFD-aligned** disclosures added this year

**Indigenous Peoples** identified as a priority

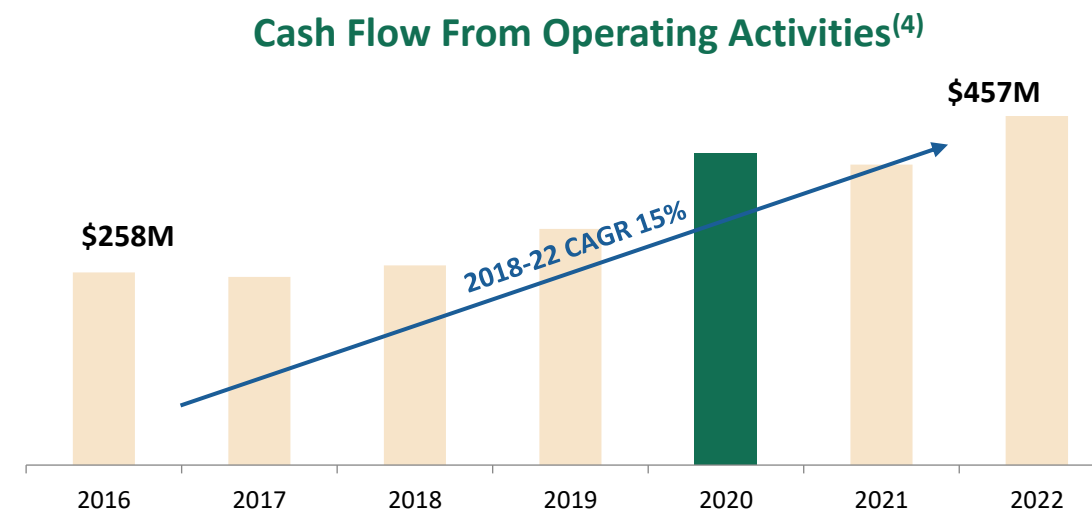
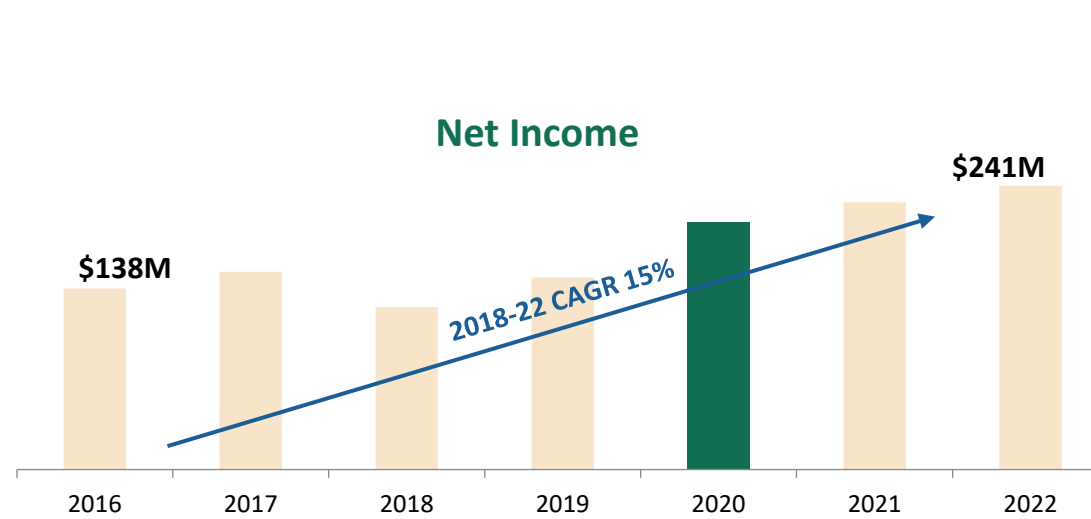
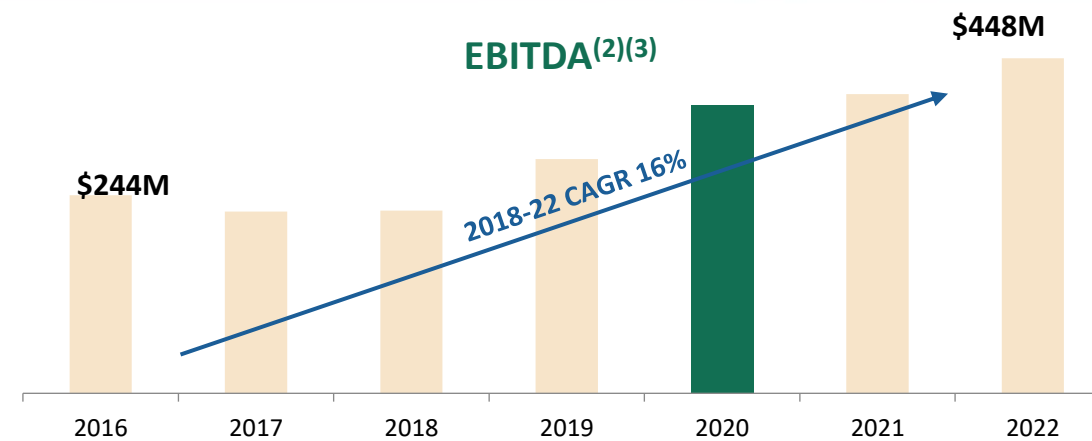
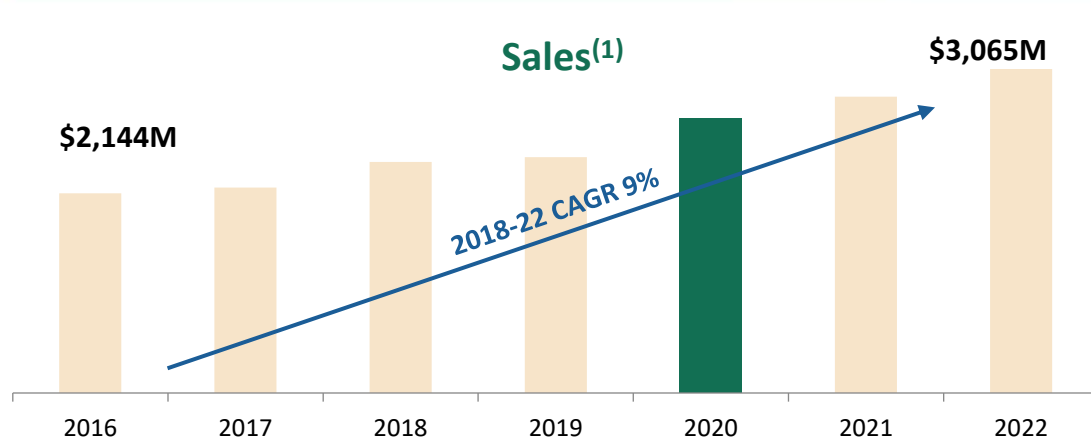
**Board skills matrix** and self-assessment completed

**Cyber security** maturity assessment completed



# FINANCIAL OVERVIEW

# TRACK RECORD OF PERFORMANCE



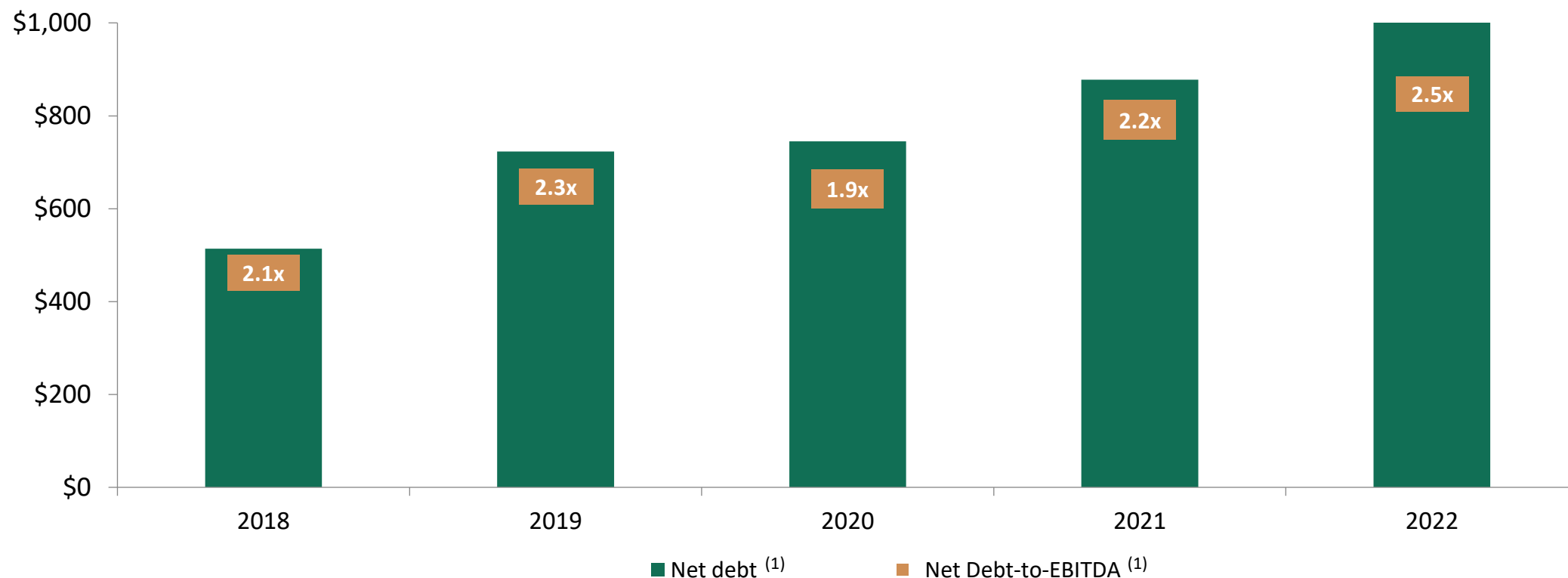
(1) 2018 - 2019 figures were adjusted to reclass freight revenue from COGS to Sales.

(2) Please refer to the section "Non-GAAP and other financial measures" in Stella-Jones' Management Discussion & Analysis which was filed March 8, 2023 and is available at [www.sedar.com](http://www.sedar.com), 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.

(3) EBITDA prior to 2019 was not restated as permitted by IFRS 16, *Leases*.

(4) Before changes in non-cash working capital components and interest and income taxes paid.

# MAINTAINING A SOLID FINANCIAL POSITION

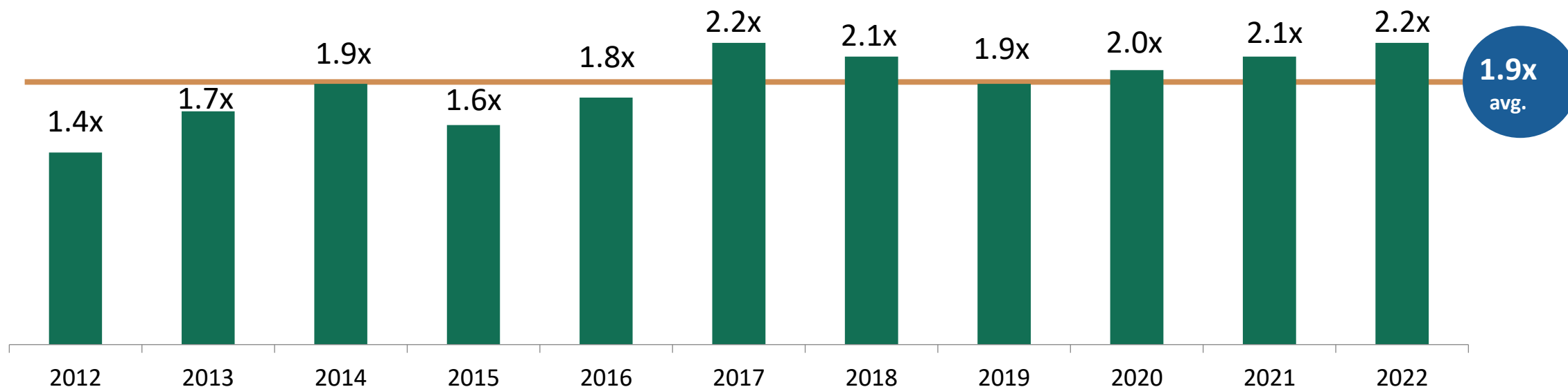


(1) Please refer to the section “Non-GAAP and other financial measures” in Stella-Jones’ Management Discussion & Analysis which was filed March 8, 2023 and is available at [www.sedar.com](http://www.sedar.com), for an explanation of the non-GAAP and other financial measures used and presented by Stella-Jones and a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures. Net debt-to-EBITDA calculations for 2018 period was not restated, as IFRS 16, *Leases* was adopted in 2019 without restating comparative periods.



# ANNUAL INVENTORY TURNOVER

Because of the long periods required to air-season wood, inventory turnover is relatively low.



# CAPITAL ALLOCATION PRIORITIES

1

## Capital Expenditures

Organic growth,  
innovation, productivity  
and asset maintenance  
**TARGET: \$50M-\$60M  
annually**

Expand capex to reflect  
growing demand of the  
infrastructure-related  
customer base  
**TARGET: additional  
\$90M-\$100M over  
2022-2024**

2

## Dividend

Durable dividend  
payout  
**TARGET: 20-30% of  
prior year's EPS**  
2022 payout: 23%

3

## Acquisitions

Pursue accretive  
transactions to  
enhance strategic  
positioning and drive  
earnings growth

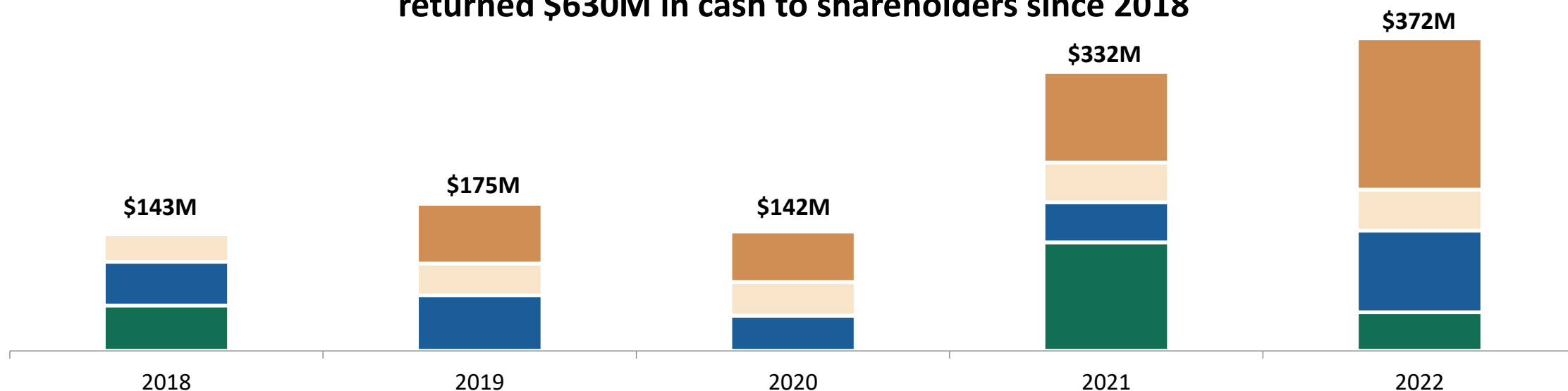
## Share Repurchase

Return excess free cash  
flow to shareholders  
through share  
repurchases

**Leverage Target: 2.0x-2.5x Net Debt-to-EBITDA**

# ALLOCATING CAPITAL FOR GROWTH & RETURNS

Stella-Jones has invested \$534M in growth investments and returned \$630M in cash to shareholders since 2018



## Growth Investments: \$534M

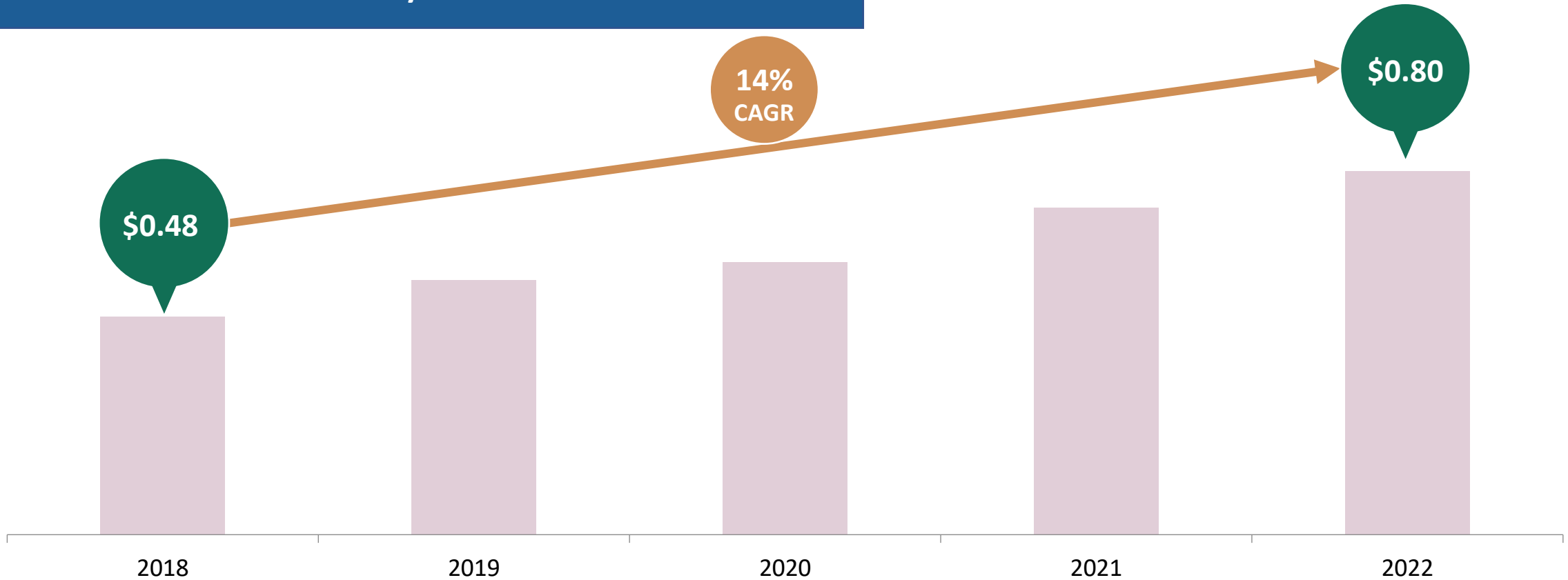
- Acquisitions: \$229M
- Capex: \$305M

## Cash returned to shareholders: \$630M

- Dividends: \$207M
  - 18 consecutive years of dividend increase
- Share repurchases (NCIB): \$423M
  - 10.4M shares

# INCREASING DIVIDENDS CONSISTENTLY

2022 marks the 18<sup>th</sup> consecutive year of dividend increase

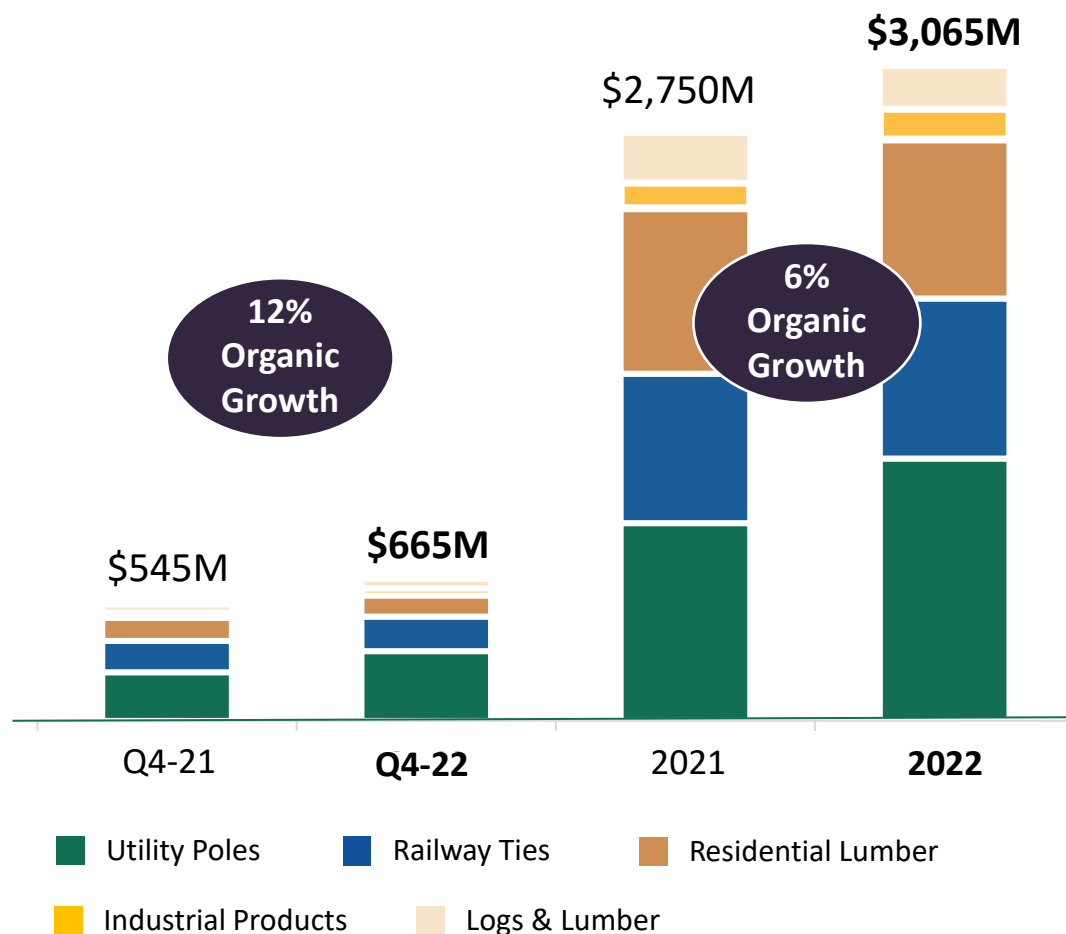






## **Q4-2022 & 2022 FINANCIAL RESULTS**

# Q4 & 2022 – SALES



SALES VARIANCE	Q4	YTD
2021 Sales (\$M)	545	2,750
Acquisitions	19	66
Currency variations	36	76
Organic growth	65	173
Pressure-treated wood	60	206
Logs and lumber	5	(33)
2022 Sales (\$M)	665	3,065

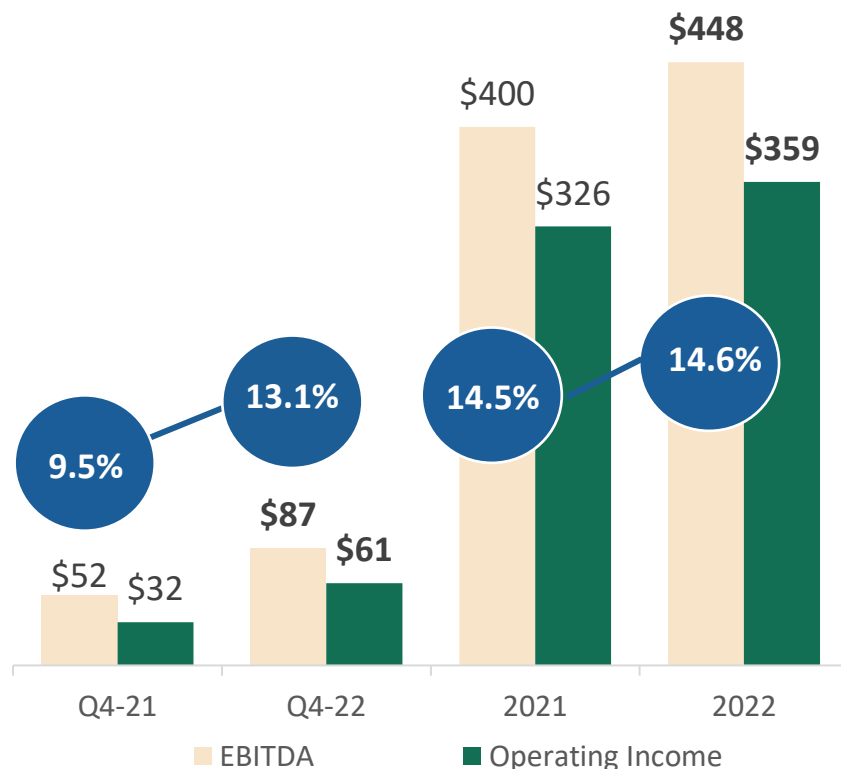
# 2022 – SALES VARIANCE

## Infrastructure-Related Businesses Organic Growth of 14%

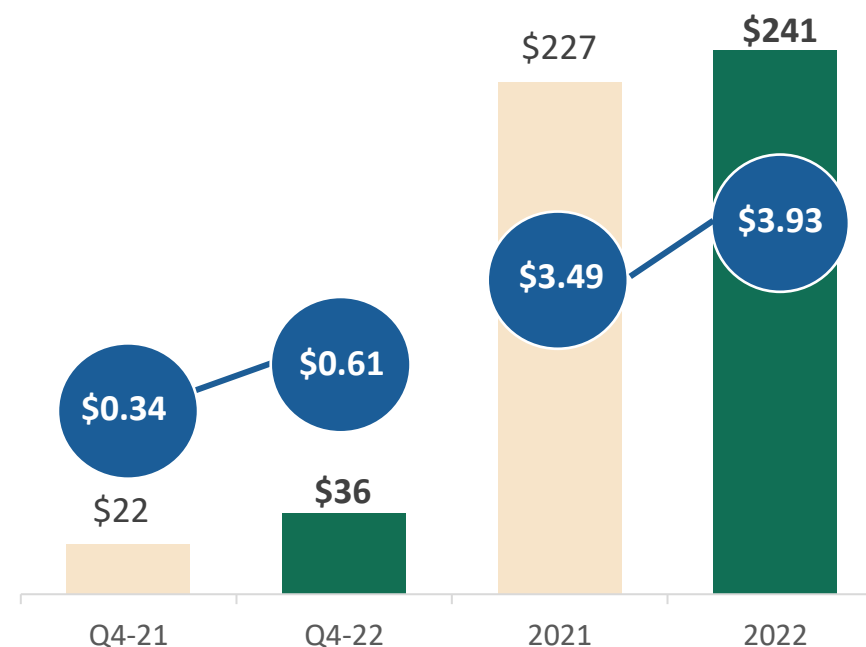
(in millions of dollars)	Utility Poles	Railway Ties	Residential Lumber	Industrial Products	TOTAL PRESSURE TREATED WOOD	Logs & Lumber	CONSOLIDATED SALES
2021	925	700	773	121	2,519	231	2,750
Acquisitions	66	-	-	-	66	-	66
FX impact	39	23	7	4	73	3	76
Organic growth	197	27	(36)	18	206	(33)	173
2022	1,227	750	744	143	2,864	201	3,065
Organic growth %	21%	4%	(5%)	15%	8%	(14%)	6%

# Q4 & 2022 – PROFITABILITY

## EBITDA<sup>(1)</sup> & Operating Income (in millions of \$)



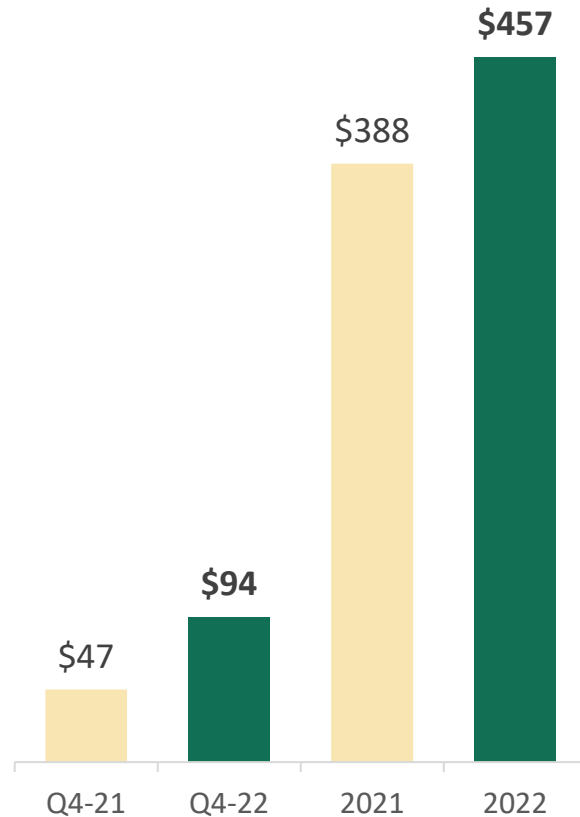
## Net Income & Earnings Per Share (“EPS”) (in millions of \$, except per share data)



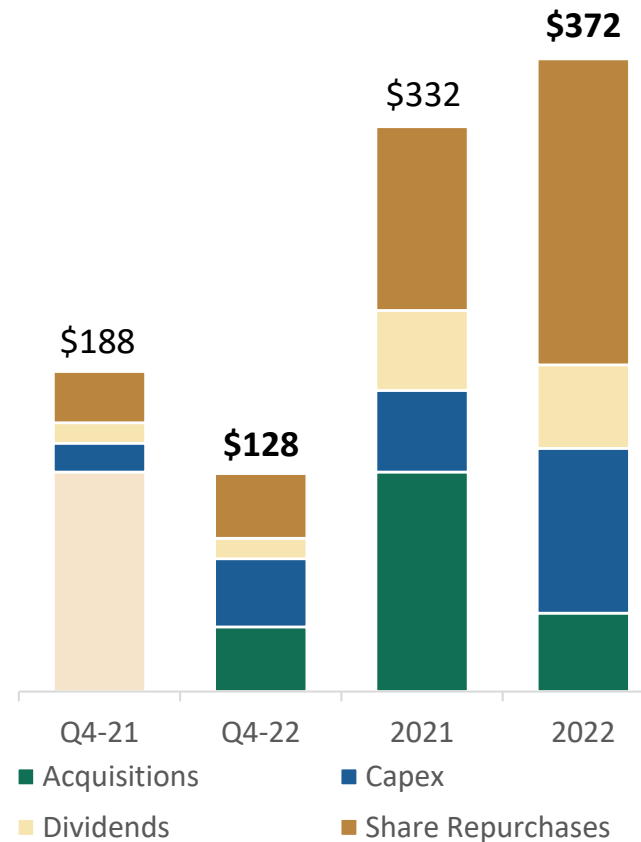


# Q4 & 2022 – CASH FLOW AND CAPITAL ALLOCATION

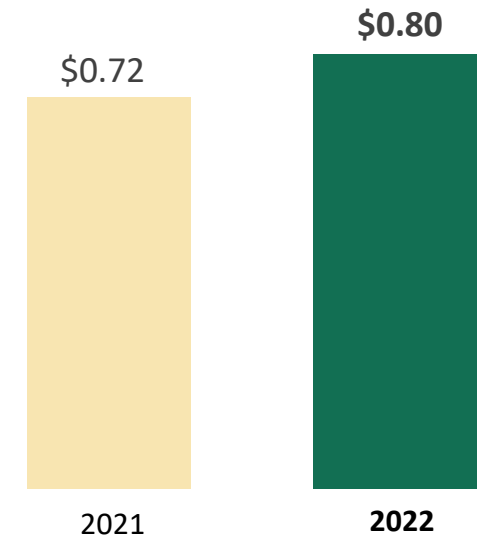
**CFO before certain items<sup>(1)</sup>**  
(in millions of \$)



**Capital Allocation**  
(in millions of \$)



**Dividends**  
(in \$ per share)





## 2022-2024 FINANCIAL OBJECTIVES

# 2022-2024 OBJECTIVES BY PRODUCT CATEGORIES



- Support customers with ample and timely supply of key infrastructure requirements
- Growth from replacement demand, internet infrastructure and to support growing electrical needs



- Strong procurement network provided a steady raw material inflow to meet customer needs despite market tightness
- Demand driven by sustained maintenance and replacement demand



- Navigated through the market price of lumber volatility
- Demand expected to normalize and represent between 20-25% of sales by 2024

**EBITDA margin of approximately 15% for the 2022-2024 period**



# INVESTING AND INNOVATING IN OUR NETWORK

## IMPROVEMENTS INCLUDE:

- **Capex Program Expanded** - Incremental \$90M to \$100M over 3 years to support the growing demand of its infrastructure-related customer base, in addition to the \$50 to \$60 million of annual capital expenditures
- **Equipment Upgrades Underway**, with three cylinder upgrades completed in New Westminster (B.C.), Alrington (WA), and Silver Springs (NV)
- **New Procurement Sites** – Continually being assessed
- **DCOI Preservative to Replace Penta** – Ongoing phased roll-out of plant conversions
- Continued integration of **Fire-Resistant Pole Wrap**





# 2022-2024 FINANCIAL OBJECTIVES: PROGRESS IN 2022

(in millions of dollars, except percentages)	2022-2024 Financial Objectives published March 9, 2022 <sup>(2)</sup>	2022	Result
Sales	\$2,700-\$3,000	\$3,065	✓
Infrastructure-Related Businesses	75-80% of sales	69%	↗
Residential Lumber	20-25% of sales	24%	✓
EBITDA margin <sup>(1)</sup>	≥ 15%	14.6%	↗
Utility Poles Growth Capex	\$90-\$100	\$33	↗
Return to Shareholders	\$500-\$600	\$230	↗
Net Debt-to-EBITDA <sup>(1)</sup>	2.0x-2.5x	2.5x	✓

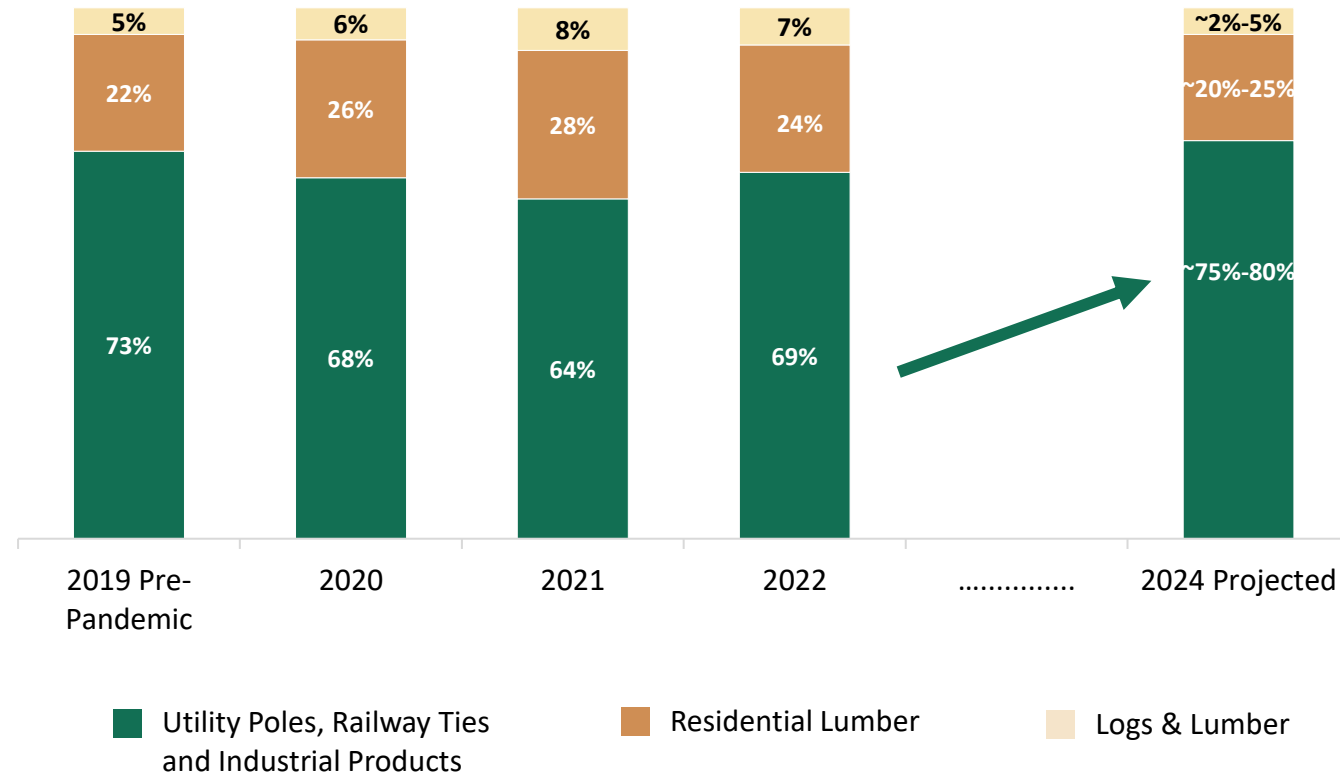
✓ Target range met

↗ Progressing toward target range

(1) Please refer to the section “Non-GAAP and other financial measures” in Stella-Jones’ Management Discussion & Analysis which was filed March 8, 2023 and is available at [www.sedar.com](http://www.sedar.com), 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.

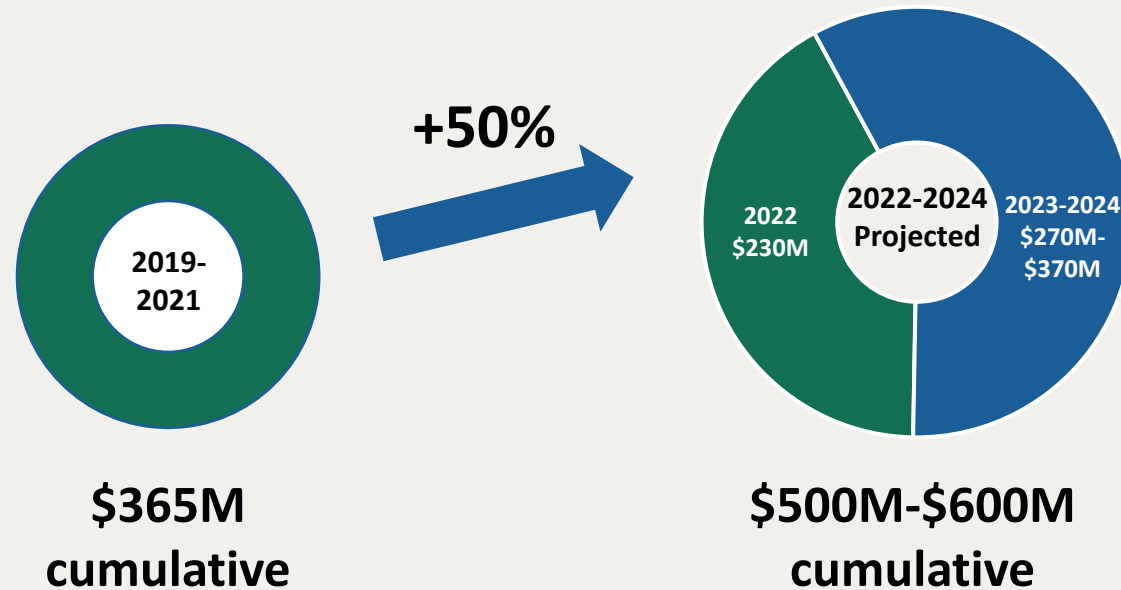
(2) Refer to the 2021 Annual Management Discussion & Analysis for further details and assumptions used in preparing the 2022-2024 financial objectives. The 2022-2024 financial objectives are fully qualified by the forward-looking statements described in this presentation.

# 2022-2024 OUTLOOK – EVOLVING PRODUCT SALES



*Please refer to the Company's 2021 Annual MD&A for a complete list of assumptions.*

# RETURNING CAPITAL TO SHAREHOLDERS



- The Company expects to return approximately \$500 to \$600 million to shareholders in the 2022-2024 period.
- \$230M returned in 2022.

*Please refer to the Company's 2021 Annual MD&A for a complete list of assumptions.*



# APPENDIX



# INCOME STATEMENT - FINANCIAL SUMMARY

	2022	2021	2020	2019	2018 <sup>(1)</sup>
Sales <sup>(2)</sup>	3,065	2,750	2,551	2,189	2,144
Gross Profit <sup>(3)</sup>	524	456	446	358	328
Gross Profit margin <sup>(3)</sup>	17.1%	16.6%	17.5%	16.4%	15.3%
EBITDA <sup>(3)</sup>	448	400	385	313	244
EBITDA margin <sup>(3)</sup>	14.6%	14.5%	15.1%	14.3%	11.4%
Operating income	359	326	309	242	206
Operating margin <sup>(3)</sup>	11.7%	11.9%	12.1%	11.1%	9.6%
Net income	241	227	210	163	138
EPS –diluted	3.93	3.49	3.12	2.37	1.98

(1) Comparative figures for 2018 were not restated as permitted by IFRS 16, Leases

(2) 2018 -2019 figures were adjusted to reclass freight revenue from COGS to sales.

(3) Please refer to the section “Non-GAAP and other financial measures” in Stella-Jones’ Management Discussion & Analysis which was filed March 8, 2023 and is available at [www.sedar.com](http://www.sedar.com), 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.

# FINANCIAL POSITION - FINANCIAL SUMMARY

	2022	2021	2020	2019	2018 <sup>(1)</sup>
Working capital <sup>(2)</sup>	1,324	1,146	1,101	1,010	909
Total assets	3,073	2,665	2,426	2,281	2,062
Long-term debt <sup>(4)</sup>	941	734	606	605	514
Lease liabilities <sup>(4)</sup>	167	144	139	118	-
Shareholders' equity	1,557	1,448	1,373	1,288	1,281
Net debt <sup>(5)</sup> to total capitalization <sup>(3)</sup>	0.42:1	0.38:1	0.35:1	0.36:1	0.29:1
Net debt <sup>(5)</sup> to EBITDA <sup>(3)</sup>	2.5	2.2	1.9	2.3	2.1
Return on avg. capital employed <sup>(3)(6)</sup>	13.4%	13.7%	13.7%	11.6%	11.3%

(1) Comparative figures for 2018 were not restated as permitted by IFRS 16, Leases.

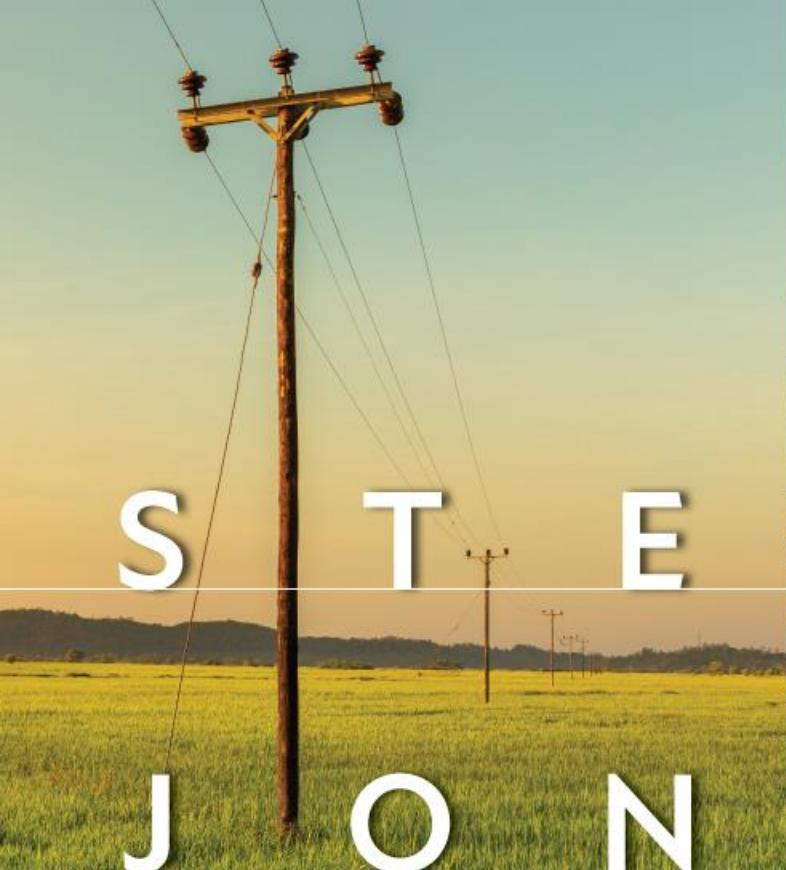
(2) Comparative figures have been adjusted to include the current portion of long-term debt, lease liabilities and provisions and other long-term liabilities.

(3) Please refer to the section "Non-GAAP and other financial measures" in Stella-Jones' Management Discussion & Analysis which was filed March 8, 2023 and is available at [www.sedar.com](http://www.sedar.com), 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.

(4) Including current portion.

(5) The definition of net debt includes lease liabilities. As IFRS 16, *Leases* was adopted in 2019 without restating comparative periods, the calculations of net debt-to-total capitalization and net-debt-to-EBITDA for 2018 were not restated.

(6) In 2022, the Company changed the composition of this ratio to better reflect its operating performance and the efficiency of its capital allocation process throughout the period. 2018 to 2021 ratios have been adjusted.



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