

PROVEN RESILIENCY

INVESTOR PRESENTATION

May 2021

Stella-Jones[®]




FORWARD-LOOKING STATEMENTS

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 risks include, among others: general economic and business conditions (including the impact of the coronavirus [COVID-19] pandemic), evolution in customer demand for the Company's products and services, product selling prices, availability and cost of raw materials, 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.

AGENDA

OVERVIEW

COMPETITIVE STRENGTHS

STRATEGY AND FUTURE GROWTH

FINANCIAL TRENDS

CAPITAL ALLOCATION

OVERVIEW BY BUSINESS UNIT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

2020 FINANCIAL RESULTS

Q1-2021 FINANCIAL RESULTS

2021 OUTLOOK & PRIORITIES

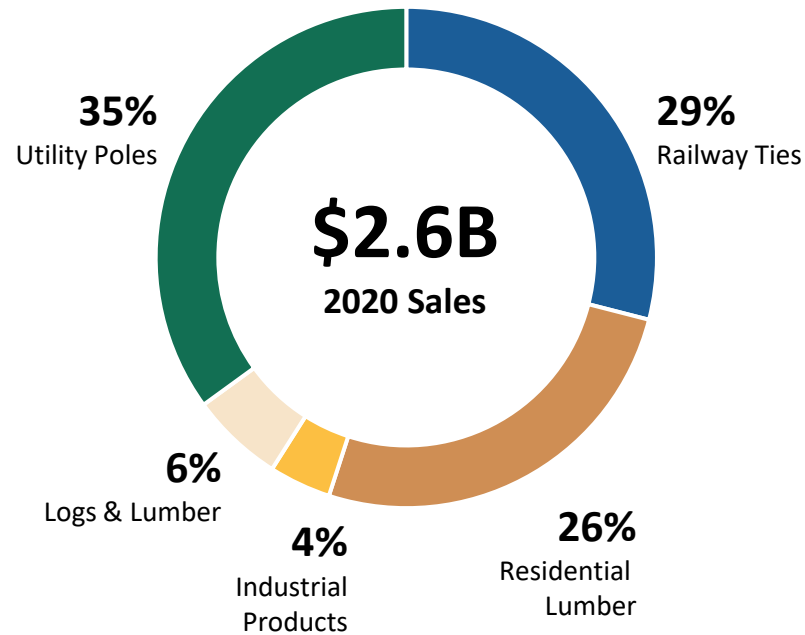
APPENDIX



OVERVIEW OF STELLA-JONES

STELLA-JONES AT A GLANCE

A Leading North American Supplier of Pressure-Treated Wood Products



2,250⁽¹⁾
Employees

40⁽¹⁾
Wood Treating Facilities
25 U.S. and 15 Canada

12⁽¹⁾
Pole Peeling
Facilities

68%⁽²⁾
Sales
in the U.S.

\$3.4B⁽³⁾
Market Cap

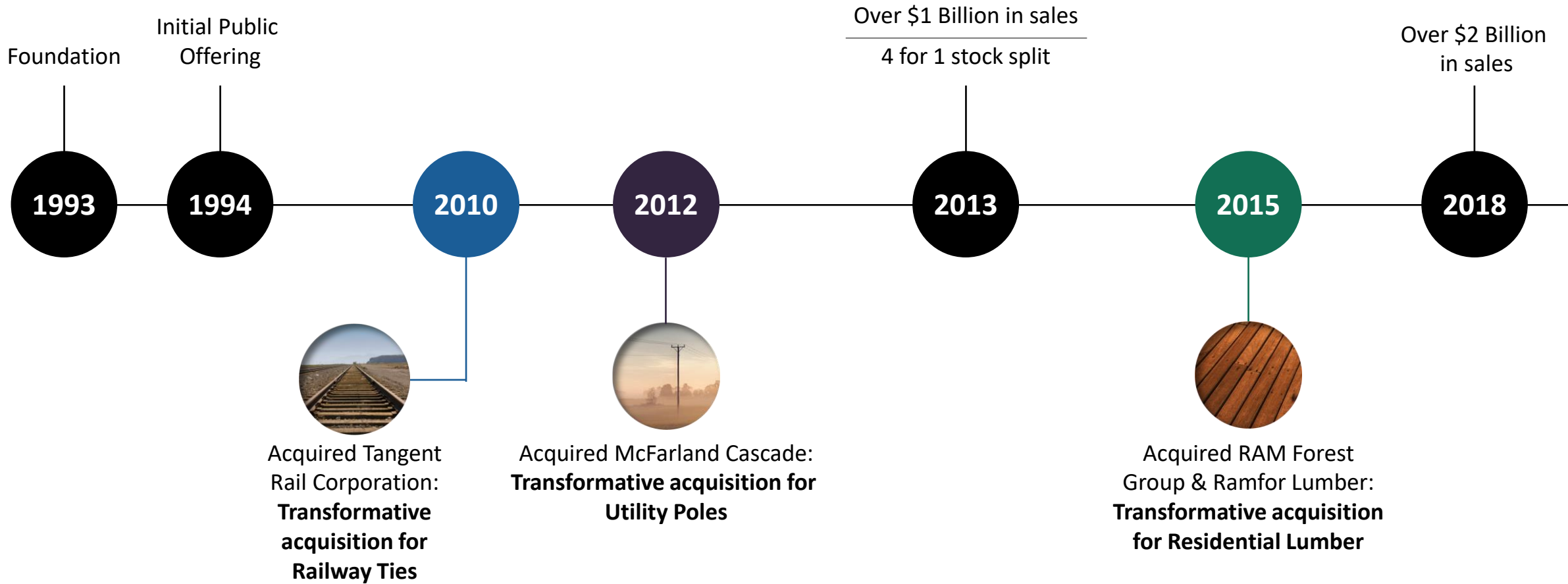
SJ
TSX

(1) As at December 31, 2020

(2) Based on 2020 results

(3) As at May 3, 2021

IMPORTANT MILESTONES



GROWING BY ACQUISITIONS

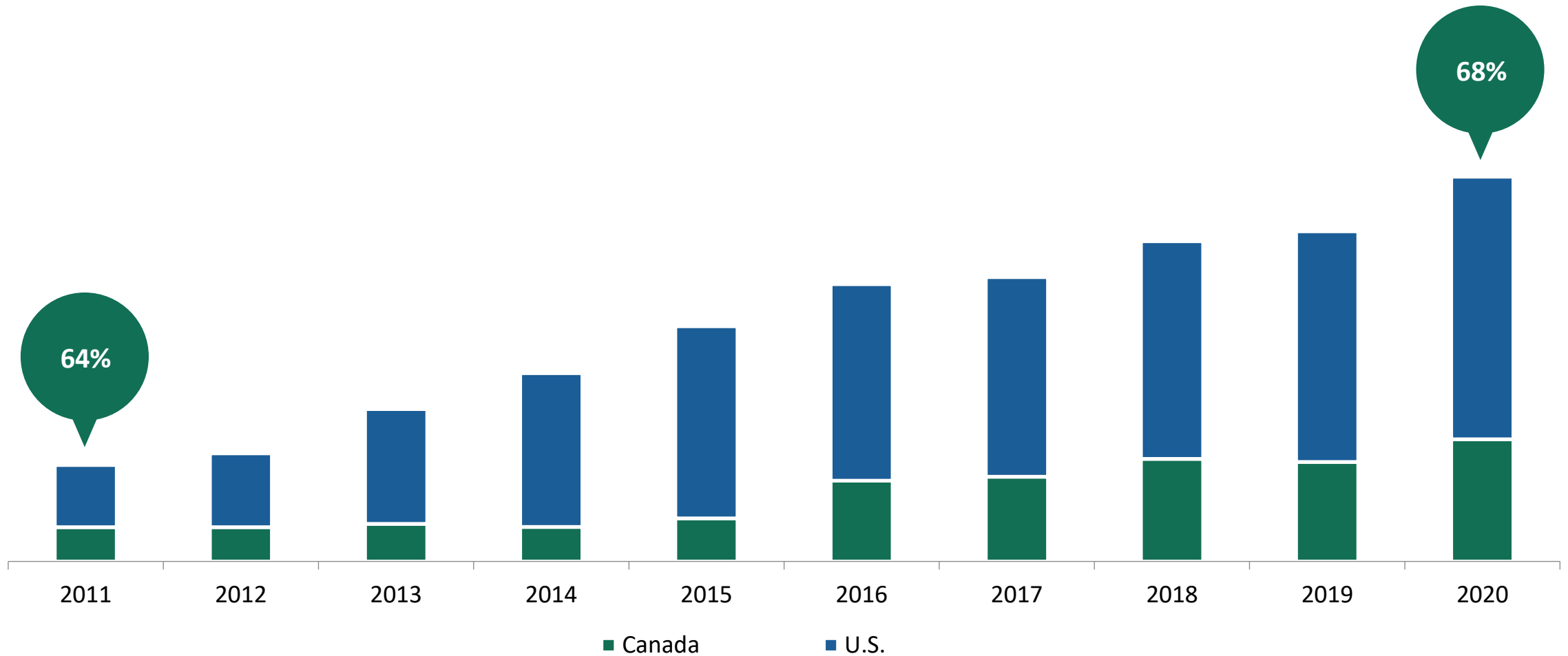
July 2003	Cambium Group Inc. (Canada)
August 2005	Webster Wood Preserving (U.S.)
July 2006	Bell Pole Company (Canada)
February 2007	Wood utility pole business of J.H. Baxter (U.S.)
April 2008	The Burke-Parsons-Bowlby Corporation (U.S.)
April 2010	Tangent Rail Corporation (U.S.)
December 2011	Thompson Industries (U.S.)
November 2012	McFarland Cascade Holdings (U.S.)
November 2013	The Pacific Wood Preserving Companies® (U.S.)
May 2014	Wood treating facilities of Boatright Railroad Products (U.S.)
September 2015	Treated Materials Co., Inc. (U.S.)
October 2015	Ram Forest Group Inc. and Ramfor Lumber Inc. (Canada)
December 2015	United Wood Treating Company, Inc. (U.S.)
June 2016	Lufkin Creosoting Co., Inc. and 440 Investments, LLC [“Kisatchie”] (U.S.)
December 2016	Bois KMS Ltée and Northern Pressure Treated Wood Ltd. (Canada)
December 2017	Wood Products Industries Inc. (Canada)
February 2018	Prairie Forest Products (Canada)
April 2018	Wood Preservers Incorporated (U.S.)
April 2019	Shelburne Wood Protection Ltd. (Canada)



Acquisition Contribution

- Stronger industry player
- Expand North American network
- Broaden product line
- Greater customer service/ flexibility/ emergency response
- Ability to bid on larger projects
- Synergies

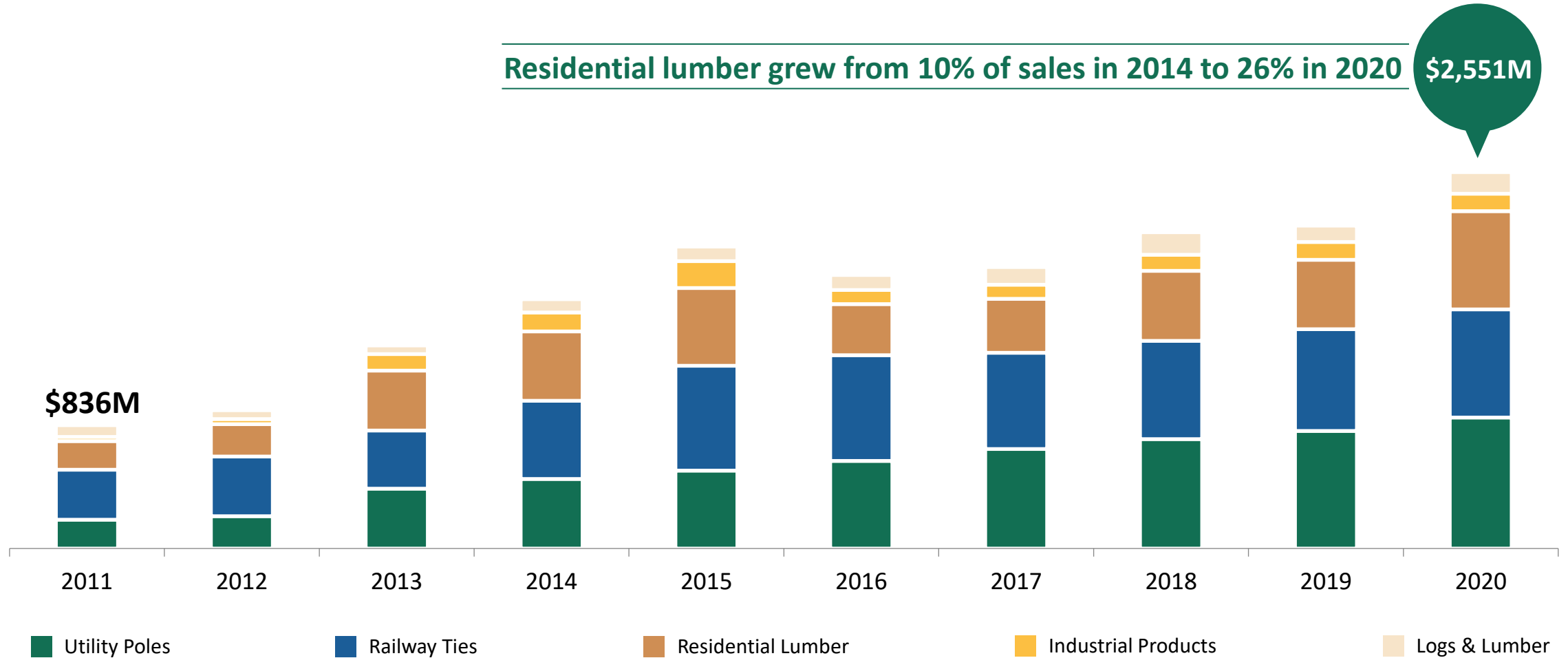
GROWING PROPORTION OF U.S. SALES



BUILDING A STRONG THIRD PILLAR

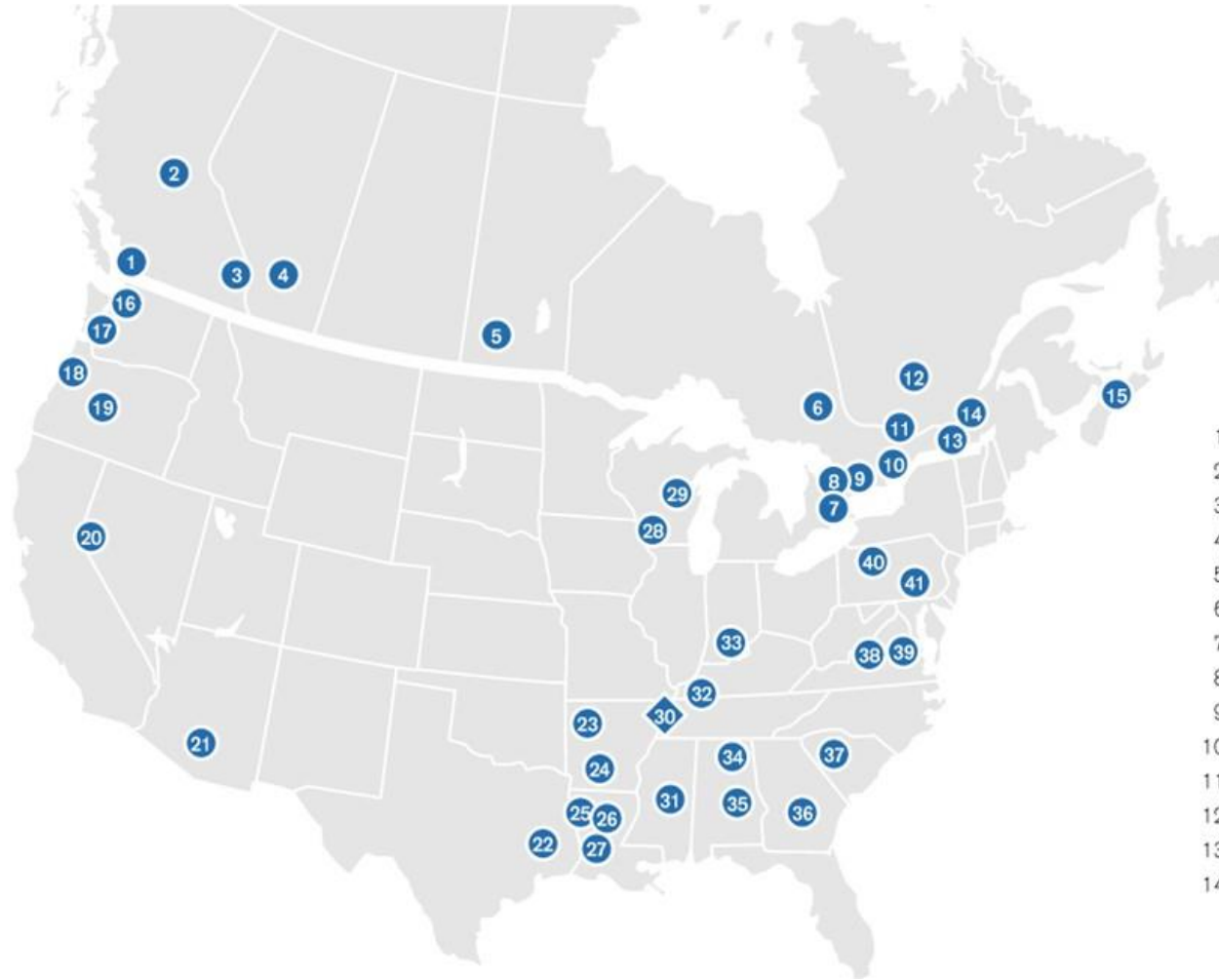
Residential lumber grew from 10% of sales in 2014 to 26% in 2020

\$2,551M



Note: 2016 - 2019 figures were adjusted to reclass some freight revenue from COGS to sales.

STELLA-JONES' CONTINENTAL NETWORK



- Treating Facilities
- ◆ Coal Tar Distillery

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



COMPETITIVE STRENGTHS

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 levels
- Financial capacity to stockpile and air-season green wood
- Financial strength and flexibility to support growth opportunities



STRATEGY AND FUTURE GROWTH

STRATEGY AND FUTURE GROWTH BY BUSINESS UNIT

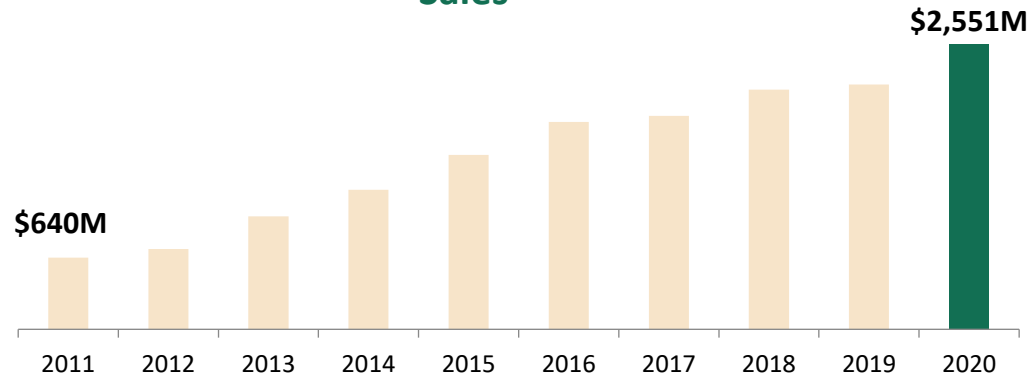
		Market	Growth Drivers	Trends	Growth Strategy
	35% Utility Pole Sales	<ul style="list-style-type: none"> Potential for further consolidation in the North American market 	<ul style="list-style-type: none"> Replacement programs Mid to high-single digit growth Additional infrastructure for telecommunication 	<ul style="list-style-type: none"> Increasing average age of poles Growth of 5G networks and “fibre-to-home” 	<ul style="list-style-type: none"> Acquisitions Leveraging increase in replacement demand and telecommunication needs Expanding product offering
	29% Railway Tie Sales	<ul style="list-style-type: none"> Market is fairly consolidated 	<ul style="list-style-type: none"> Maintenance requirements Economic stimulus programs Market reach gains GDP growth 	<ul style="list-style-type: none"> Stable Class 1 maintenance demand Non Class 1 market volatility Solid untreated railway ties availability 	<ul style="list-style-type: none"> Acquisitions Increased market reach
	26% Residential Lumber Sales	<ul style="list-style-type: none"> Partially consolidated in Canada 	<ul style="list-style-type: none"> Home renovation Dealer network 	<ul style="list-style-type: none"> Sustainable growth for home improvement projects Increased market reach in dealer network 	<ul style="list-style-type: none"> Expanding the dealer network Service big box stores
	4% Industrial Product Sales	<ul style="list-style-type: none"> Niche business driven primarily by railway bridges and crossings, marine and foundation pilings, construction timber and special projects 			
	6% Logs and Lumber Sales	<ul style="list-style-type: none"> Business used to optimize costs 			



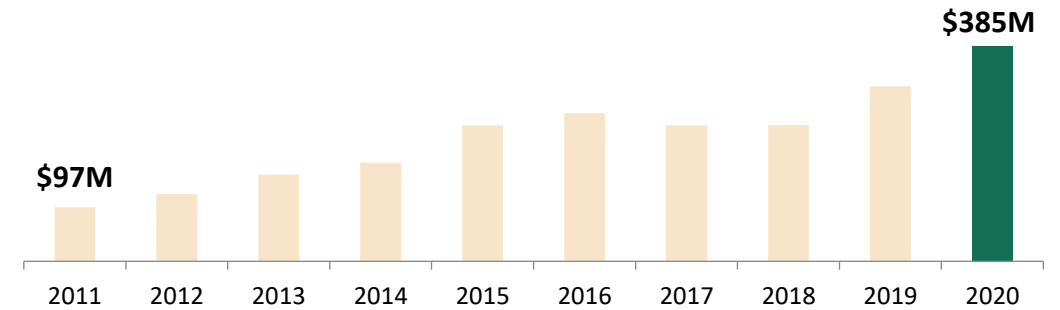
FINANCIAL TRENDS

TRACK RECORD OF PERFORMANCE

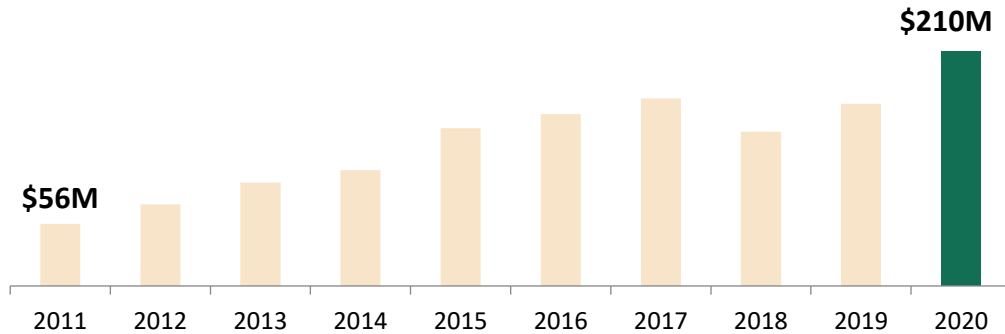
Sales⁽¹⁾



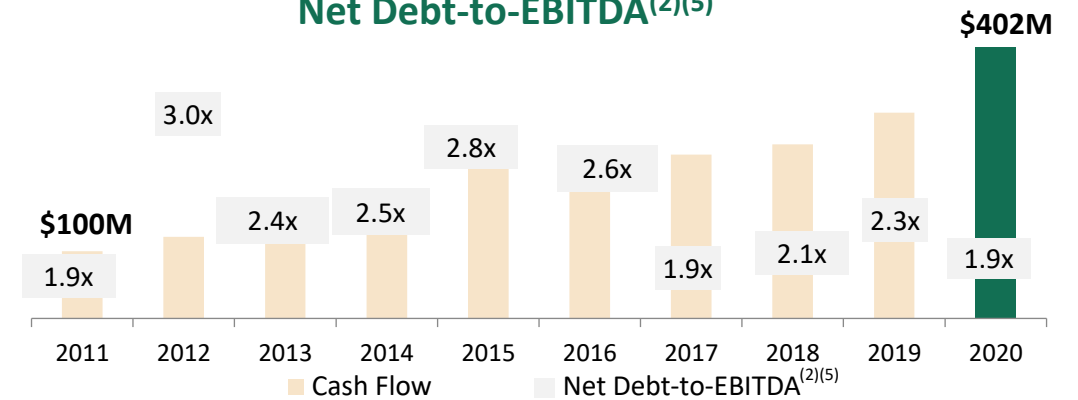
EBITDA⁽²⁾⁽³⁾



Net income



Cash Flow⁽²⁾⁽⁴⁾ & Net Debt-to-EBITDA⁽²⁾⁽⁵⁾



⁽¹⁾ 2016 - 2019 figures were adjusted to reclass freight revenue from COGS to Sales

⁽²⁾ This is a non-IFRS financial measure. Please refer to the Company's MD&A.

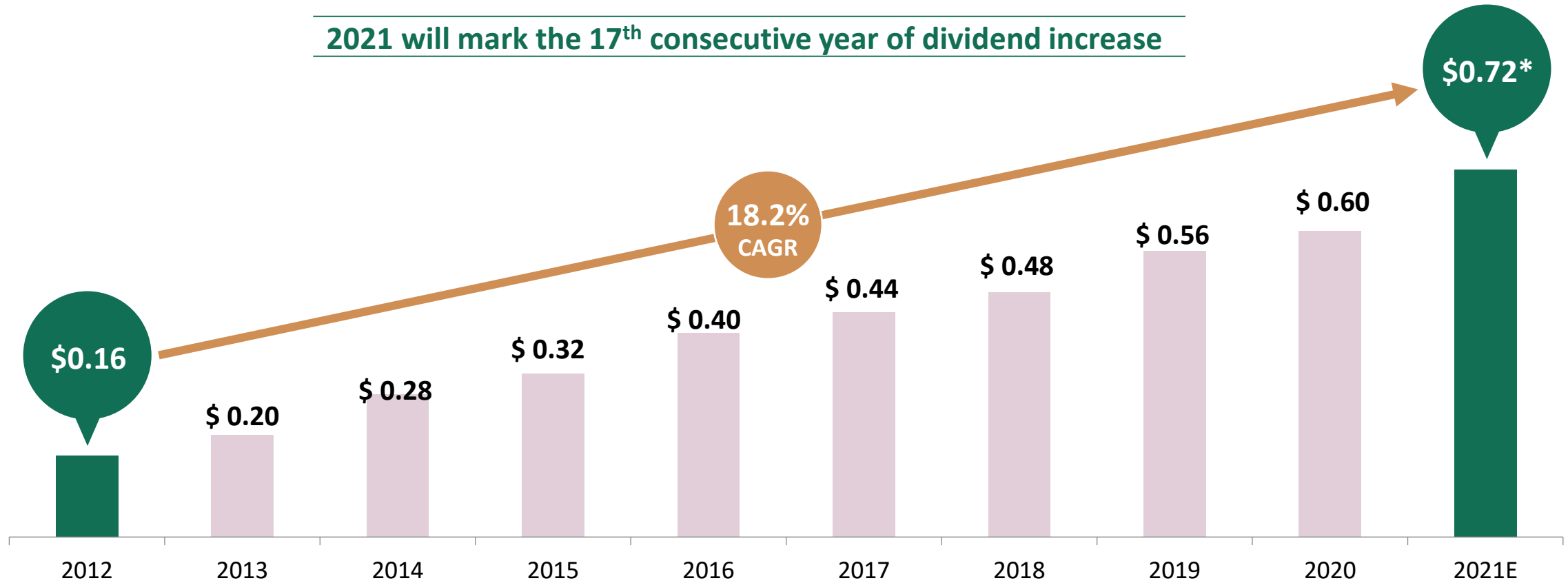
⁽³⁾ EBITDA prior to 2019 was not restated as permitted by IFRS 16, *Leases*.

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

⁽⁵⁾ The definition of net debt includes lease liabilities. Net debt-to-EBITDA calculations for 2011 to 2018 period were not restated, as IFRS 16, *Leases* was adopted in 2019 without restating comparative periods.

INCREASING DIVIDENDS CONSISTENTLY

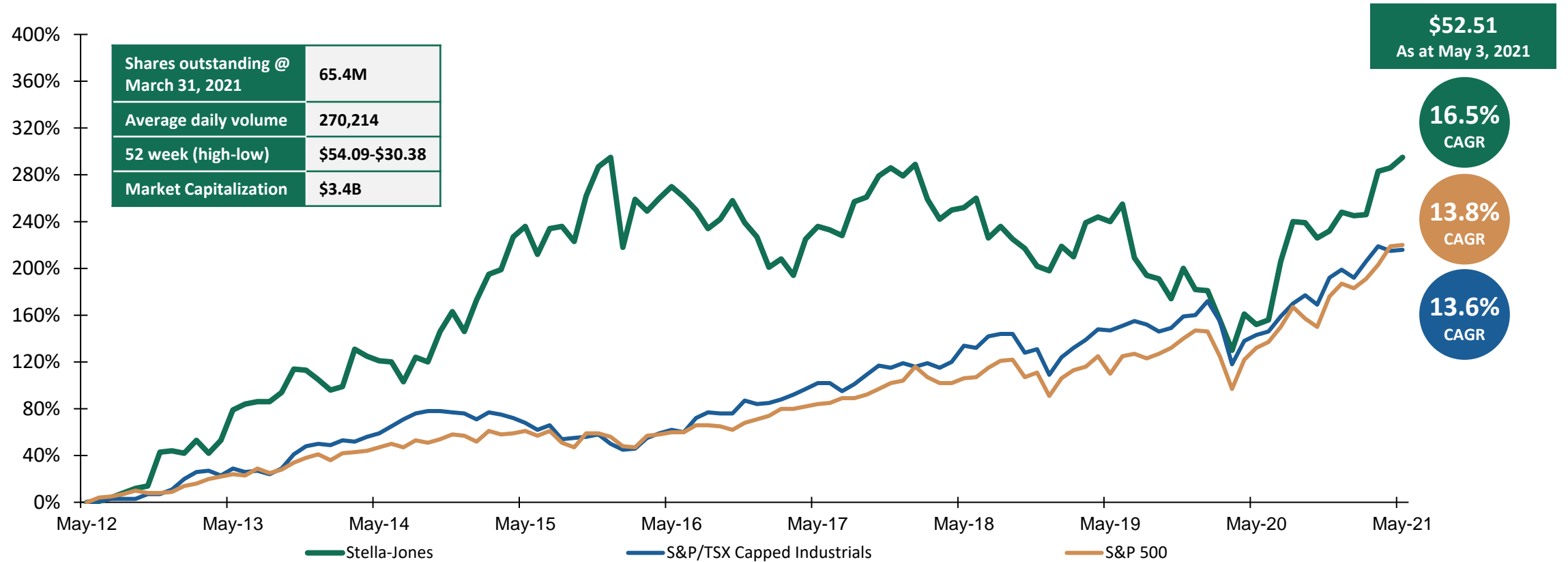
2021 will mark the 17th consecutive year of dividend increase



* Projected based on the latest quarterly dividend

INCREASING SHAREHOLDER VALUE

Relative Stock Price Performance



Sources: Yahoo Finance, Marketwatch and FactSet



CAPITAL ALLOCATION

CAPITAL ALLOCATION PRIORITIES

1

Capital Expenditures

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

2

Dividend

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

3

Acquisitions

Pursue accretive transactions to enhance strategic positioning and drive earnings growth

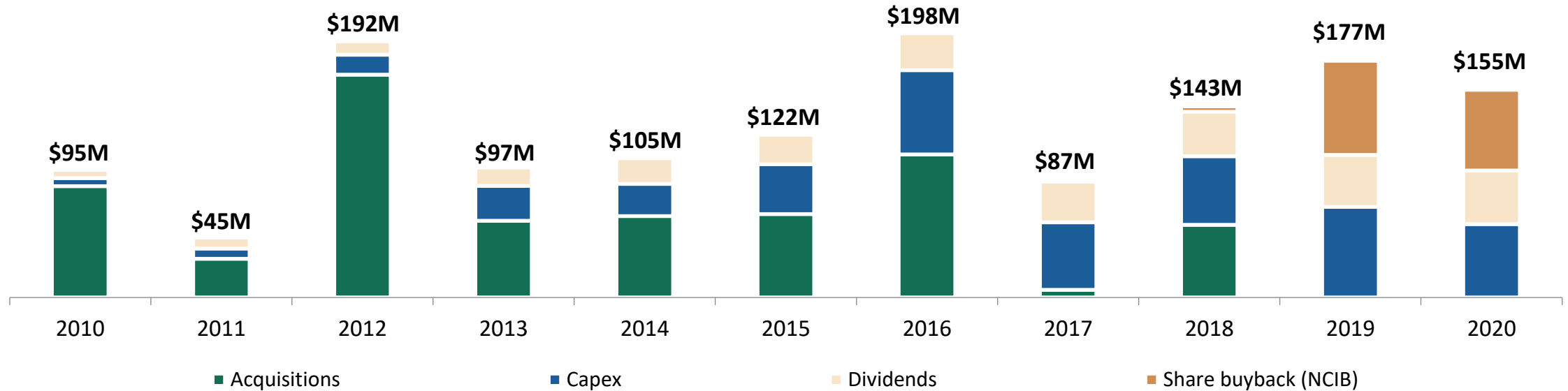
Share Repurchase

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 \$1,032M in growth investments and returned \$384M in cash to shareholders since 2010



Growth Investments: \$1,032M

- Acquisitions: \$628M
- Capex: \$404M

Cash returned to shareholders: \$384M

- Dividends: \$249M
 - CAGR 20%
 - 17 consecutive years of dividend increase
- Share repurchases: \$135M
 - 3.3M shares

MAINTAINING A SOLID FINANCIAL POSITION



⁽¹⁾ This is a non-IFRS financial measure. Please refer to the Company's MD&A. The definition of net debt includes lease liabilities. Net debt-to-EBITDA calculations for 2011 to 2018 period were not restated, as IFRS 16, *Leases* was adopted in 2019 without restating comparative periods.



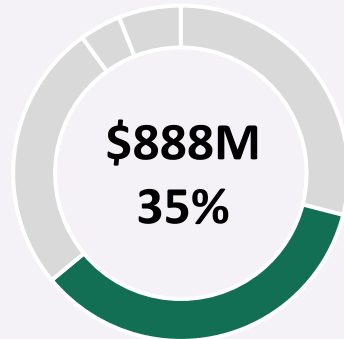
OVERVIEW BY BUSINESS UNIT

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

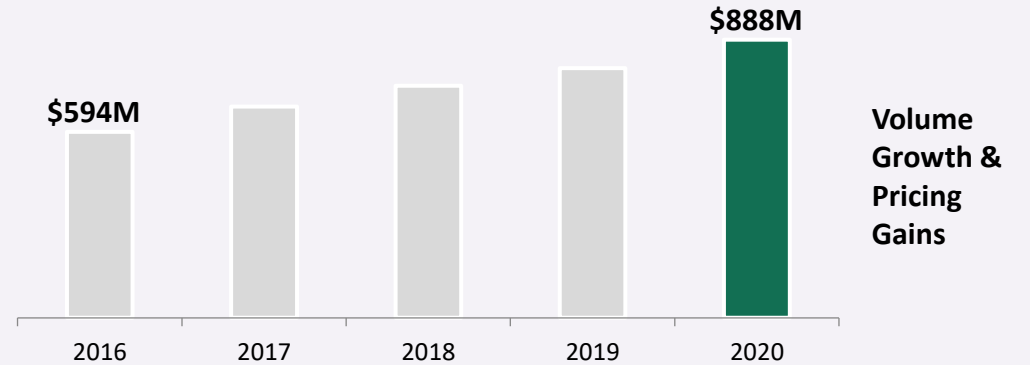


2020 Sales



Note: 2016 - 2019 figures were adjusted to reclass freight revenue from COGS to sales.

5-Year Sales



20 Facilities

- 7 in Canada
- 13 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)

Services

- Incising
- Radial Drilling
- Through Boring
- Framing
- Laminated Wood Pole Design

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)
- Pentachlorophenal (Penta)

UTILITY POLES – MARKET CONDITIONS

Growth in replacement demand from increasing average age of poles and additional infrastructure investments expected to support the expansion of 5G networks and deployment of “fibre-to-home” throughout many rural areas



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



Marketplace

- Potential for further consolidation in the North American market



Growth Drivers

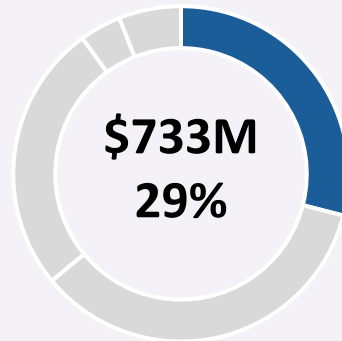
- Replacement programs (life span of poles is typically 65 years)
- Mid to high-single digit growth
- Additional infrastructure for telecommunication
- Acquisitions
- Expanding product offering

RAILWAY TIES – OVERVIEW

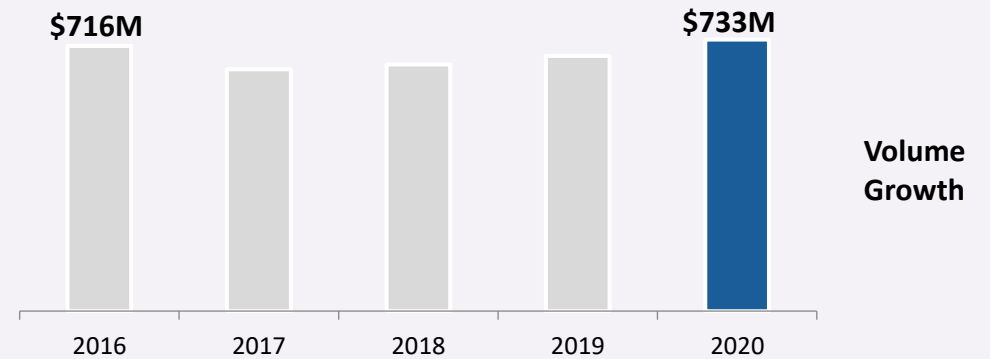
Industry leader in the development, upgrade and maintenance of North America’s railroad infrastructure, supplying the continent’s demand for railway ties and timbers with over 10 million pressure-treated wooden crossties per year



2020 Sales



5-Year Sales



Note: 2016 - 2019 figures were adjusted to reclass freight revenue from COGS to sales.

12 Facilities

- 2 in Canada
- 10 in U.S.

+1,200 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

Services

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

Wood Species

- Mixed Hardwood
- Oak

Preservatives

- Creosote
- Borate
- Copper Naphthenate

RAILWAY TIES – MARKET CONDITIONS

Solid untreated railway tie inventory availability



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



Marketplace

- Market is fairly consolidated

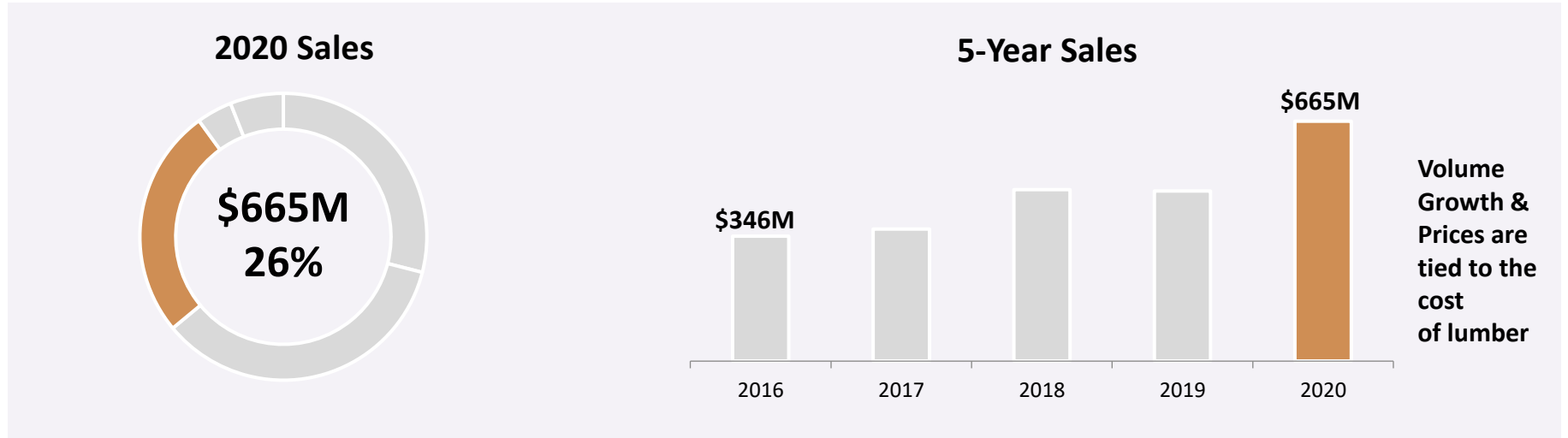


Growth Drivers

- Maintenance requirements
- Economic stimulus programs
- Acquisitions
- Market reach gains
- GDP growth

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

Low transportation costs, solid supply, quick delivery times and dedicated distribution centres

Customers

- ~70% Big box retailer
- Dealer network

Contracts

- Renewed annually

Services

- Lumber
- Distribution of complementary accessories

Wood Species

- Hemlock
- Pine
- Spruce
- Fir

Preservatives

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

RESIDENTIAL LUMBER – MARKET CONDITIONS

Continued demand for new construction and outdoor renovation projects in the North American residential and commercial markets



Product Category Size

- Difficult to access
- Limited pure plays



Marketplace

- Partially consolidated in Canada

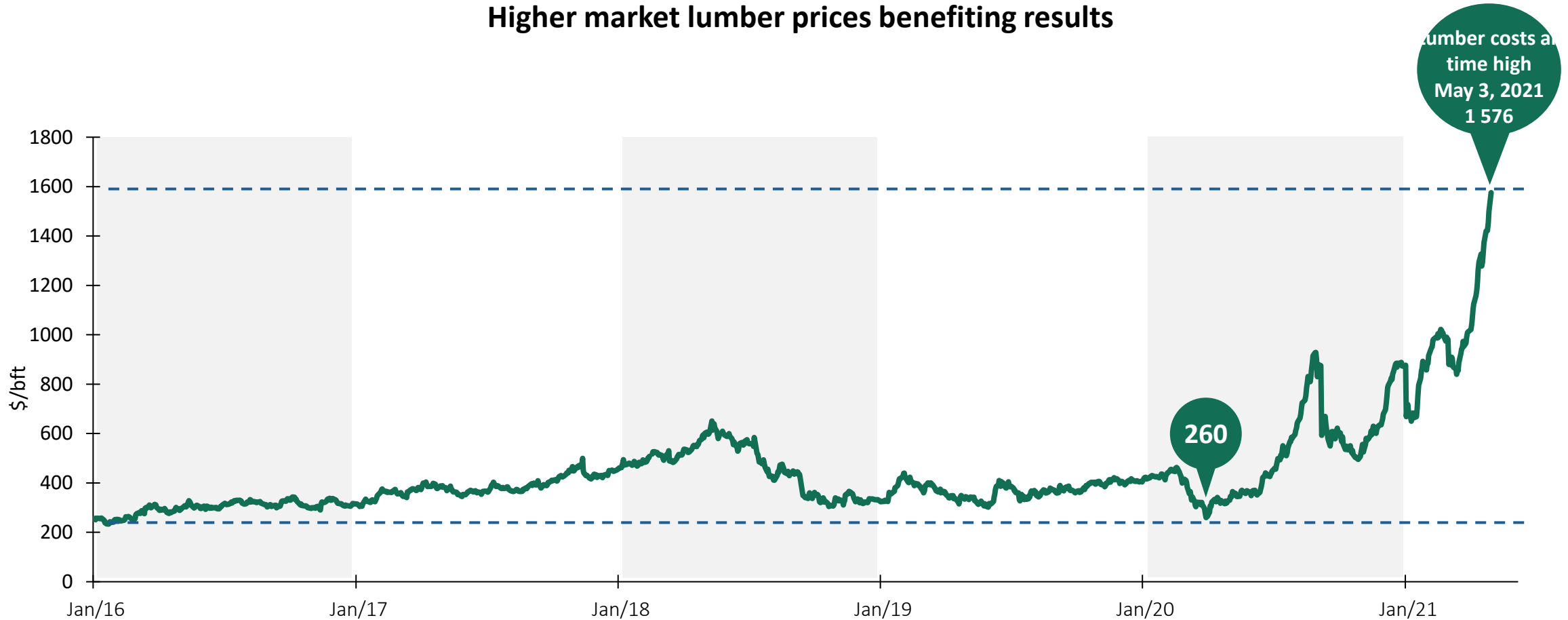


Growth Drivers

- Home renovation
- Expanding the dealer network
- Service big box stores

LUMBER COSTS – 5 YEAR EVOLUTION

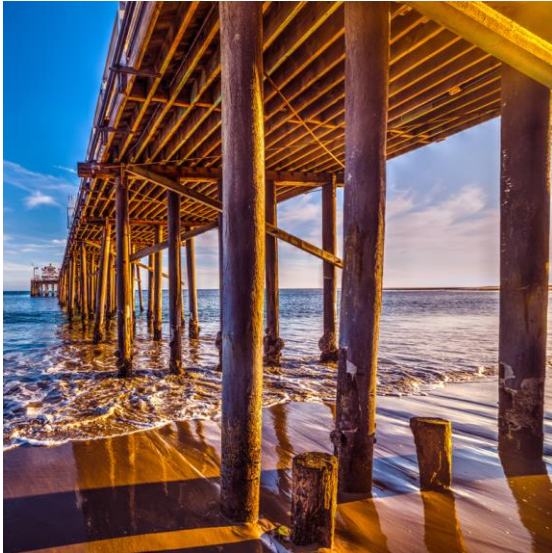
Higher market lumber prices benefiting results



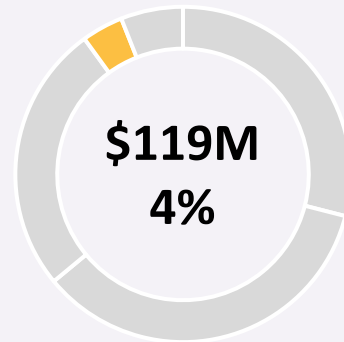
Source: Factset (LB00-USA - Random Length Lumber Continuous Contract (CME \$/bft))

INDUSTRIAL PRODUCTS – OVERVIEW

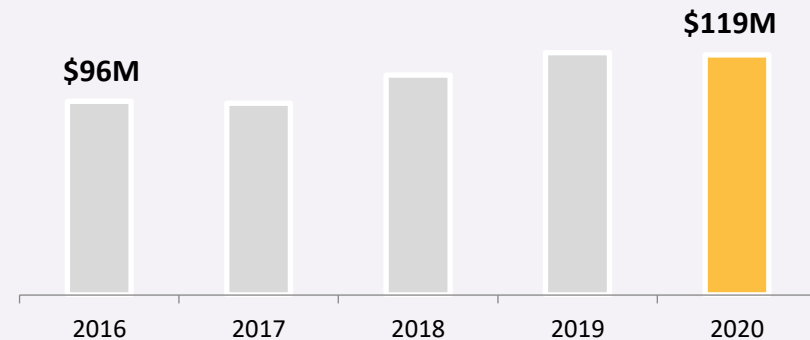
A leading supplier of pressure-treated wood products to the industrial, marine and civic sectors for outdoor applications, including wood for railway bridges and crossings, marine and foundation pilings, construction timbers and laminated poles, offered in a variety of select wood species and preservatives



2020 Sales

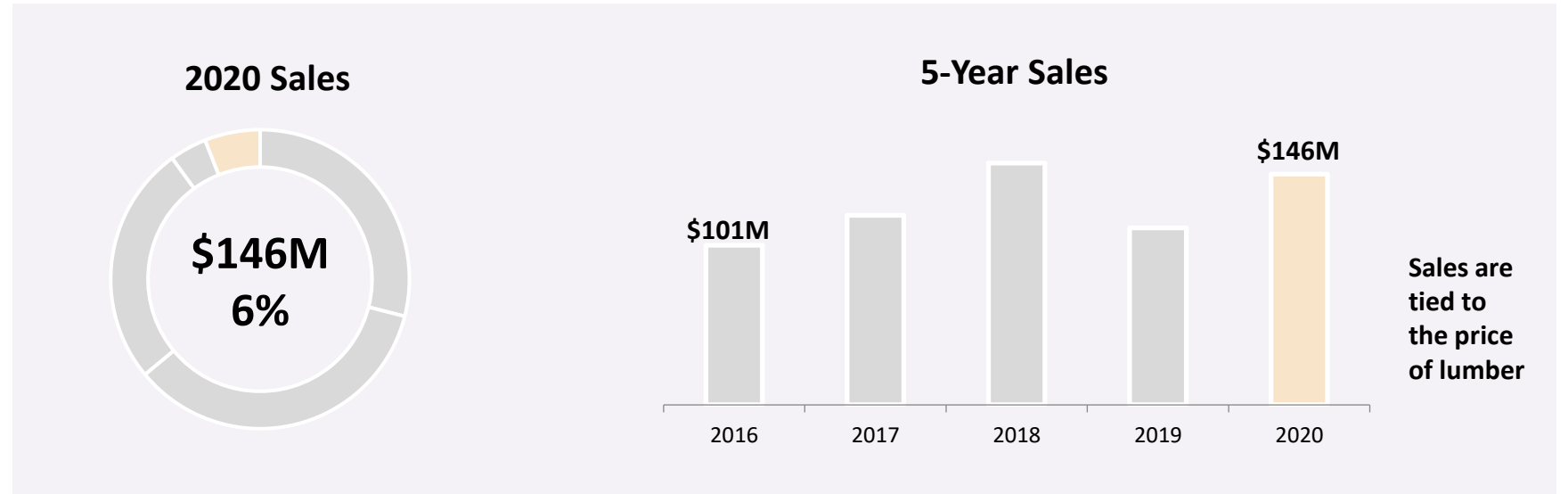


5-Year Sales



LOGS AND LUMBER – OVERVIEW

Business used to optimize procurement and does not generate a margin





ENVIRONMENTAL, SOCIAL AND GOVERNANCE

PURSuing OUR BUSINESS ACTIVITIES RESPONSIBLY



Our Latest ESG Report is Available at

www.stella-jones.com/en-CA/investor-relations/environmental-social-governance

- Committed to integrate ESG into our daily business decisions and strategies which will make us a more resilient and agile business in the long-term
- Keeping with our vision to consistently improve our sustainability practices and be transparent about our performance
- Focusing on four priorities
 - Product stewardship
 - People
 - Environmental performance
 - Governance principles

ESG 2019 HIGHLIGHTS



PRODUCT STEWARDSHIP

Sustainable forest management, responsible manufacturing and product innovation initiatives

90%	Railway tie suppliers from local communities	87%	Wood for residential lumber purchased from certified sources	135K	Hectares of sustainably managed forest in British Columbia
------------	--	------------	--	-------------	--

PEOPLE

Safety, well being, and a collaborative and inclusive workforce

16%	Women in the workforce	19%	Employee turnover rate	3.7	Days away, restricted or transferred rate
------------	------------------------	------------	------------------------	------------	---

ENVIRONMENTAL PERFORMANCE

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

124,949	Scope 1 & 2 GHG emissions (metric tons of CO ₂ e)	5.6	Energy intensity (in MWH/1,000 FT ³ of treated wood production)	3	Facilities using waterborne preservatives in water stressed areas (7.5% of all facilities)
----------------	--	------------	--	----------	--

GOVERNANCE PRINCIPLES

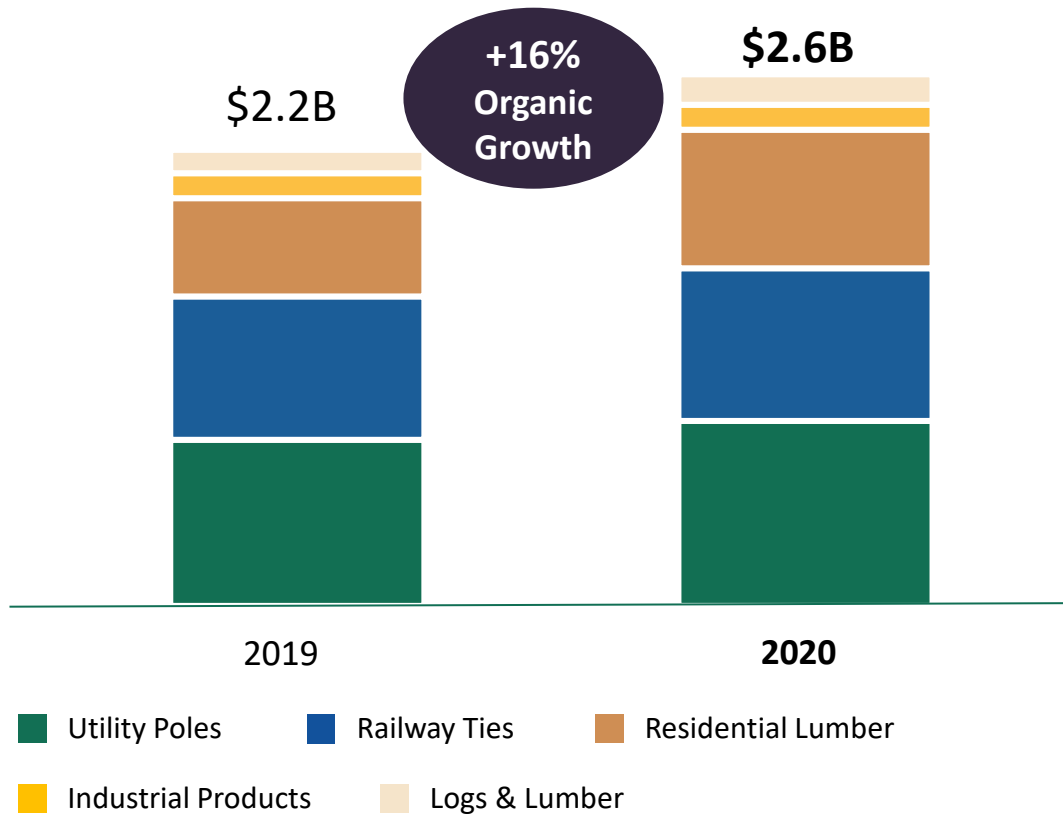
Integrating ESG is central to our decision-making process.

9 / 10	Board members independent from Management*	40%	Women Board Members *	4	Times per year the code of business conduct and ethics is shared with employees
---------------	--	------------	-----------------------	----------	---



2020 FINANCIAL RESULTS

2020 – 20th CONSECUTIVE YEAR OF SALES GROWTH



SALES VARIANCE

2019 Sales (M)	\$2,189
Currency variations	19
Organic growth	
Pressure-treated wood	309
Logs and lumber	34
2020 Sales (M)	\$2,551

Note: Comparative figures have been adjusted to conform to the current year's presentation.

2020 – SALES VARIANCE

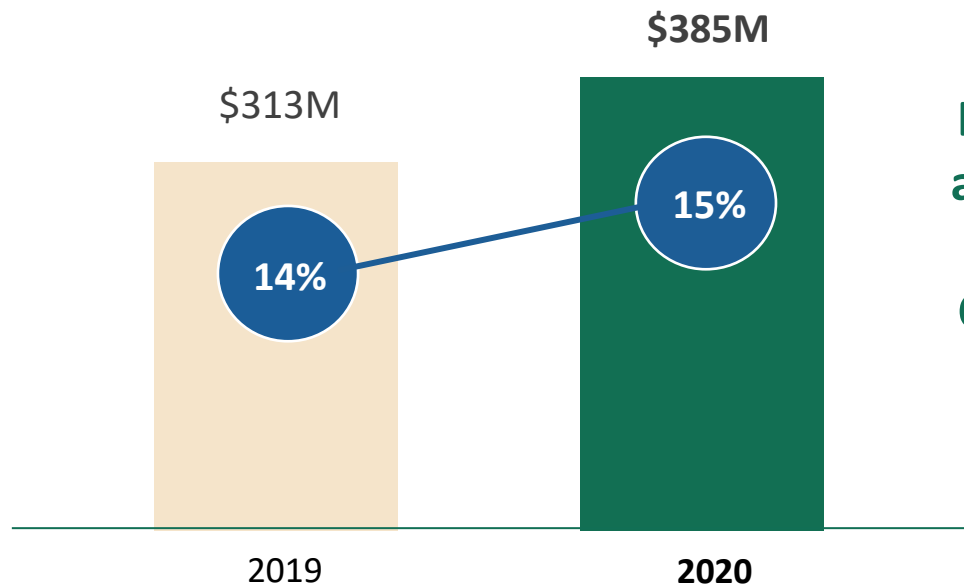
Pressure Treated Wood Organic Growth of 15%

(in millions of dollars)	Utility Poles	Railway Ties	Residential Lumber	Industrial Products	TOTAL PRESSURE TREATED WOOD	Logs & Lumber	CONSOLIDATED SALES
2019 Sales	797	689	471	120	2,077	112	2,189
FX impact	8	7	3	1	19	-	19
Organic growth	83	37	191	(2)	309	34	343
2020 Sales	888	733	665	119	2,405	146	2,551
<i>Organic growth %</i>	10%	5%	41%	(2%)	15%	30%	16%

⁽¹⁾ Prior period figures have been adjusted to conform to the current period presentation.

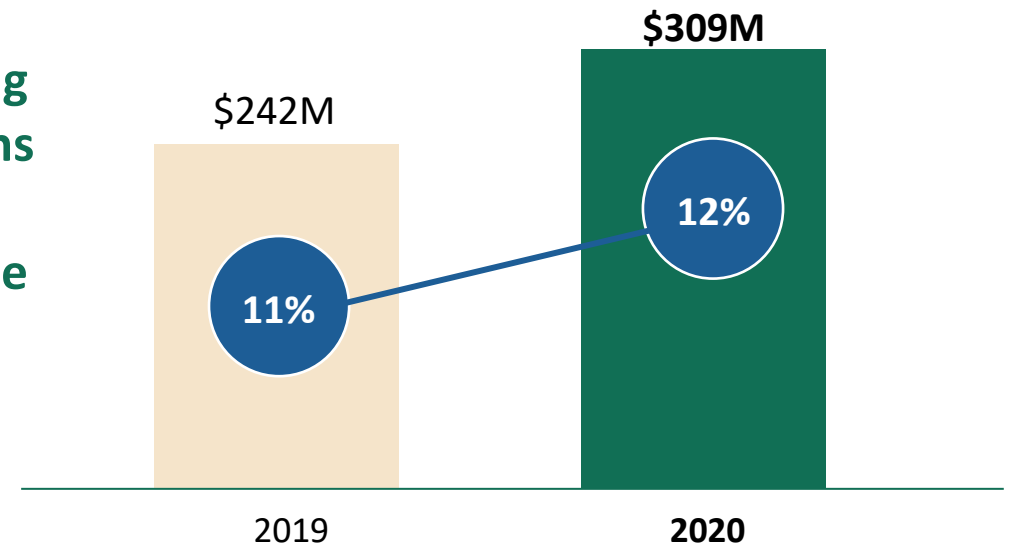
2020 – RECORD EBITDA⁽¹⁾

EBITDA⁽¹⁾



Driven by pricing and volume gains across the Company's three core product categories

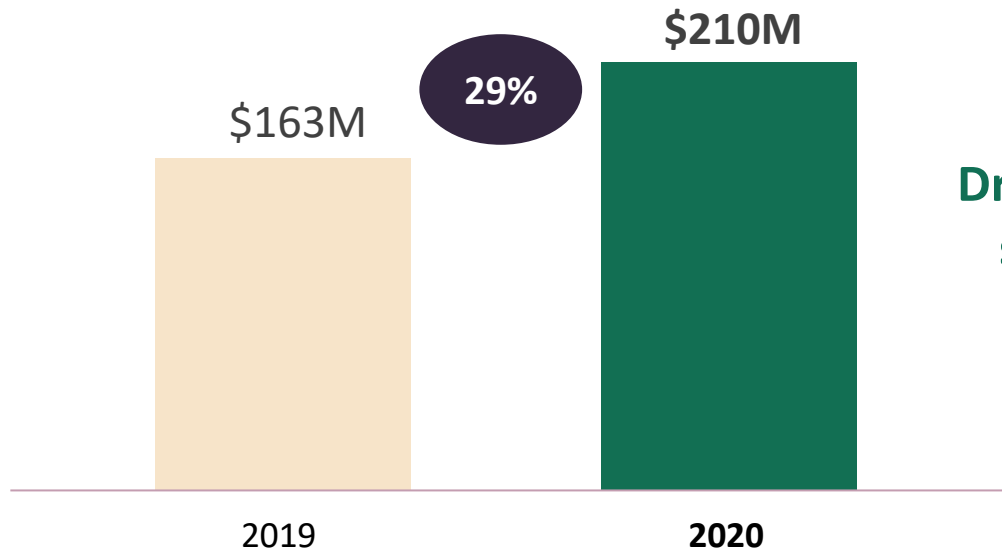
Operating Income



⁽¹⁾ This is a non-IFRS financial measure. Please refer to the Company's MD&A.

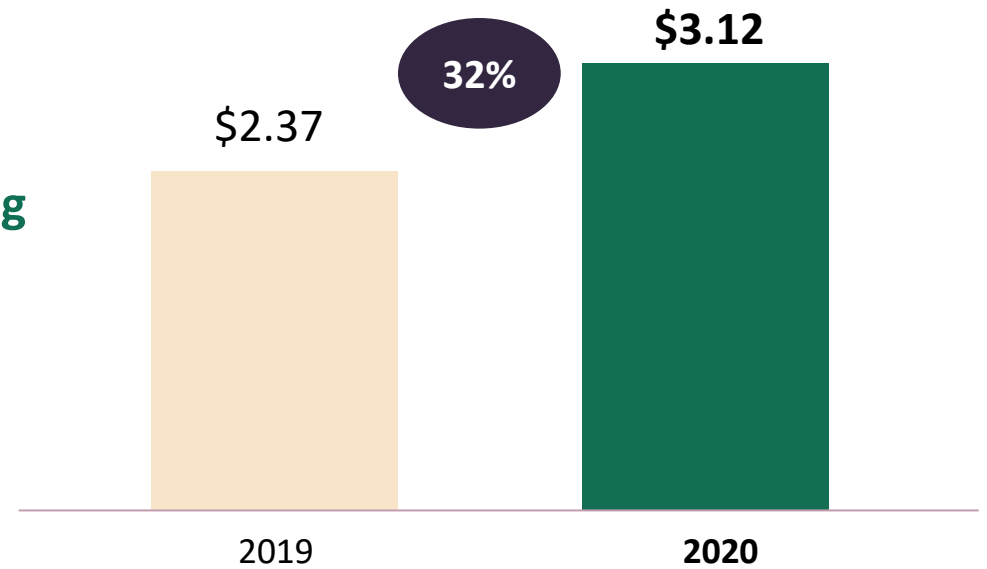
2020 – HIGHER NET INCOME & EPS

Net income



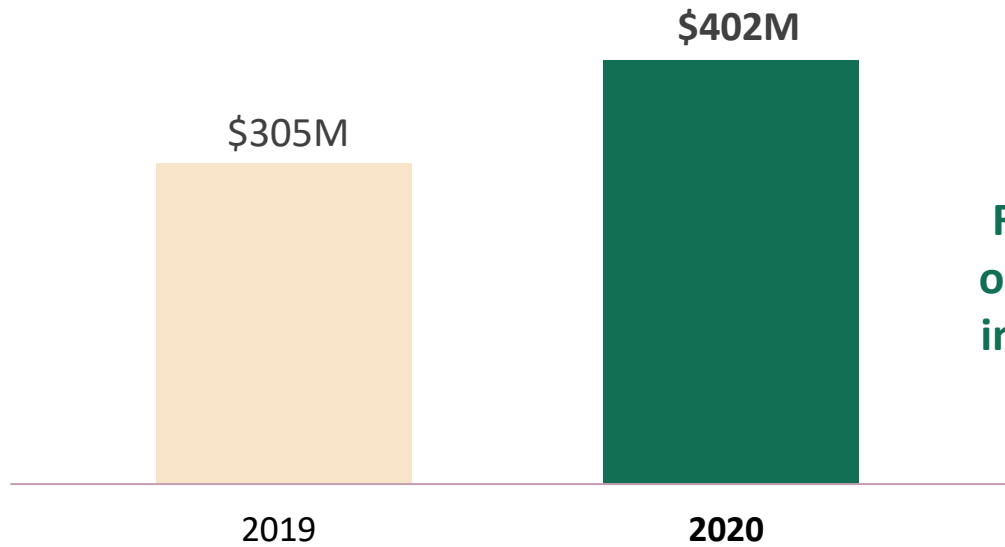
Driven by strong sales growth

EPS



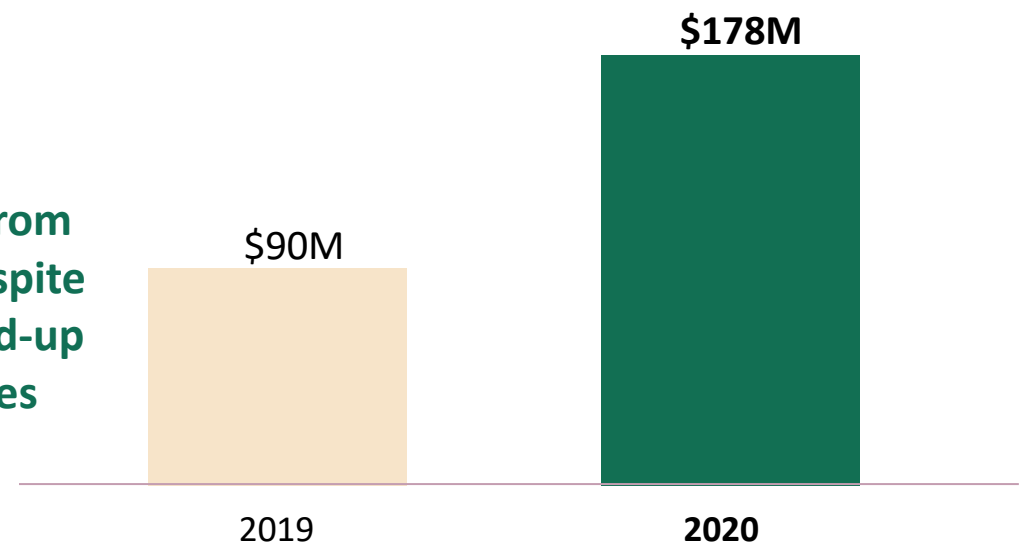
2020 - STRONG CASH FLOW GENERATION

Cash Flow before certain items⁽¹⁾⁽²⁾



Record cash from operations despite inventory build-up for 2021 sales growth

Cash Flow from Operating Activities

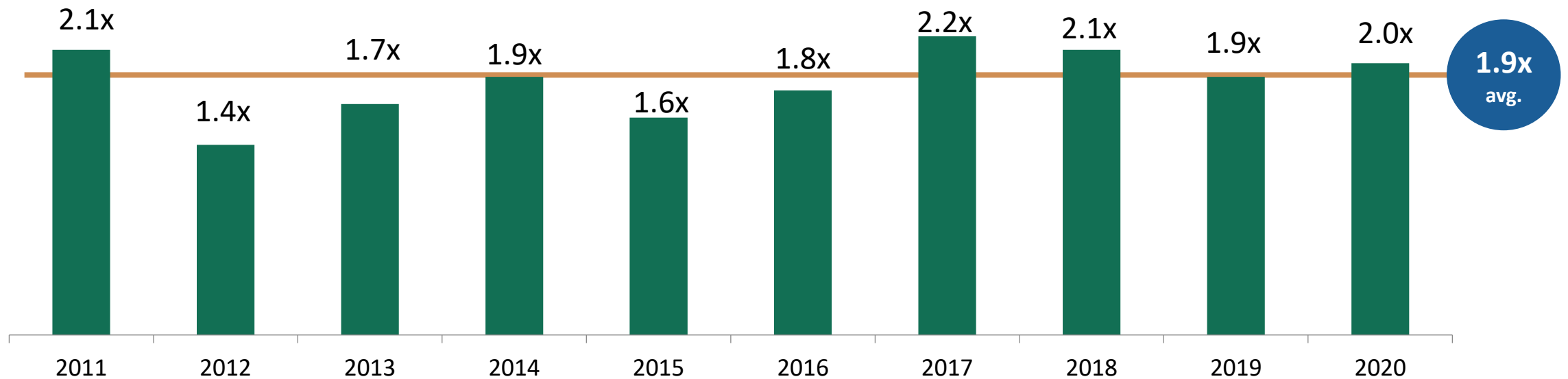


⁽¹⁾ This is a non-IFRS financial measure. Please refer to the Company's MD&A.

⁽²⁾ Before changes in non-cash working capital components and interest and income tax paid.

INVENTORY TURNOVER

Because of the long periods required to air-season wood, inventory turnover has historically been relatively low

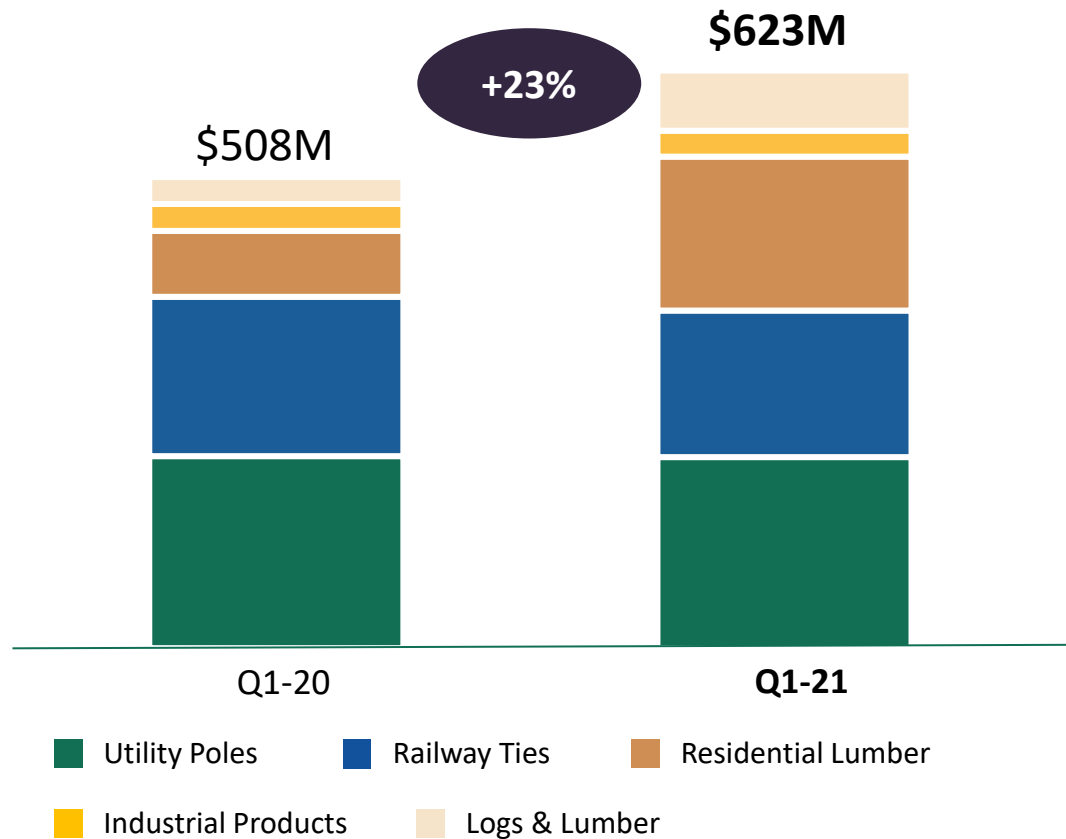




Q1-2021

FINANCIAL RESULTS

Q1-21 – SALES UP 23%



SALES VARIANCE

Q1-20 Sales (M)	\$508
Currency variations	(23)
Organic growth	
Pressure treated wood	102
Logs and lumber	36
Q1-21 Sales (M)	\$623

Note: Comparative figures have been adjusted to conform to the current year's presentation.

Q1-21 – SALES VARIANCE

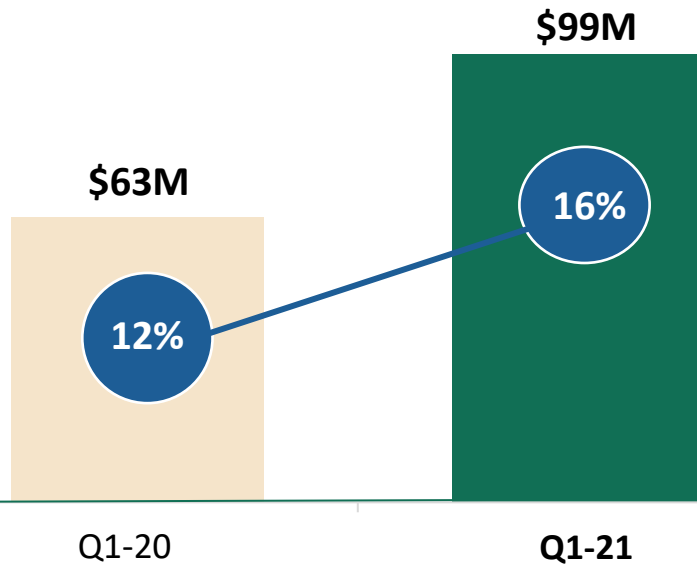
Pressure Treated Wood Organic Growth of 21%

(in millions of dollars)	Utility Poles	Railway Ties	Residential Lumber	Industrial Products	TOTAL PRESSURE TREATED WOOD	Logs & Lumber	CONSOLIDATED SALES
Q1-2020 Sales ⁽¹⁾	207	172	71	29	479	29	508
FX impact	(10)	(8)	(4)	(1)	(23)	-	(23)
Organic growth	9	(6)	99	-	102	36	138
Q1-2021 Sales	206	158	166	28	558	65	623
Organic growth %	4%	(3%)	139%	-%	21%	124%	27%

⁽¹⁾ Prior period figures have been adjusted to conform to the current period presentation.

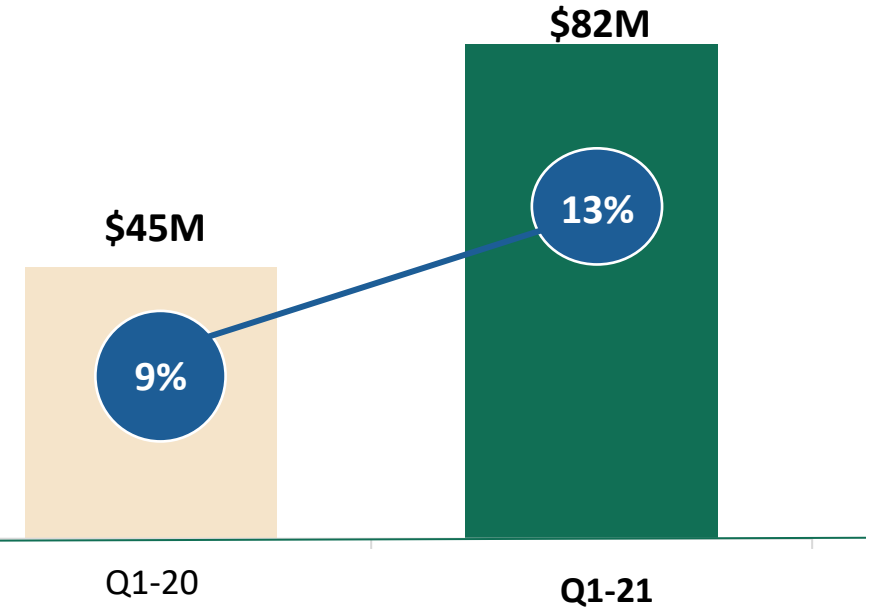
Q1-21 – INCREASING EBITDA⁽¹⁾ AND OPERATING INCOME

EBITDA⁽¹⁾



Driven by high market price of lumber, strong demand for residential lumber and operational efficiency gains

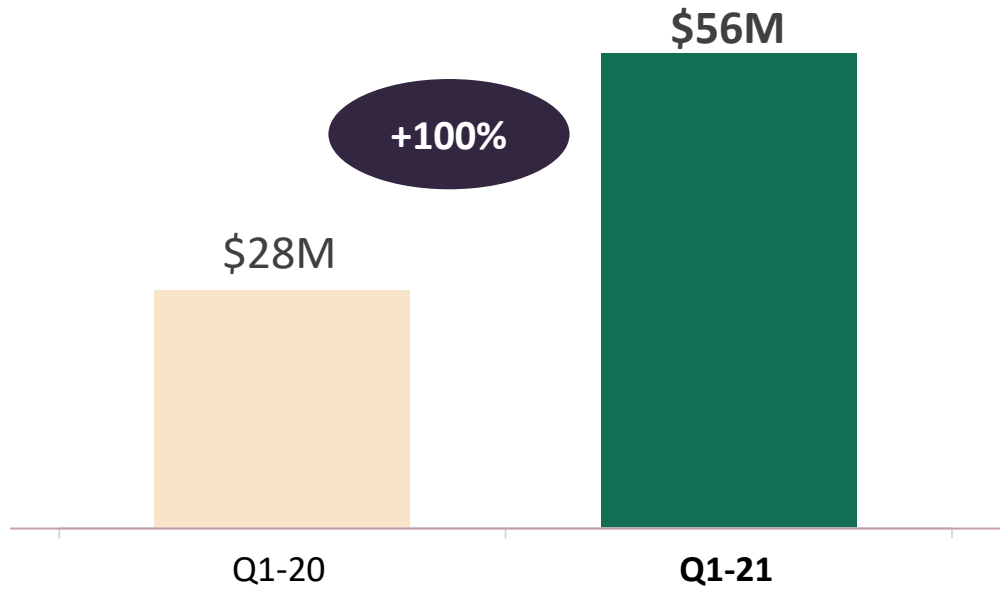
Operating income



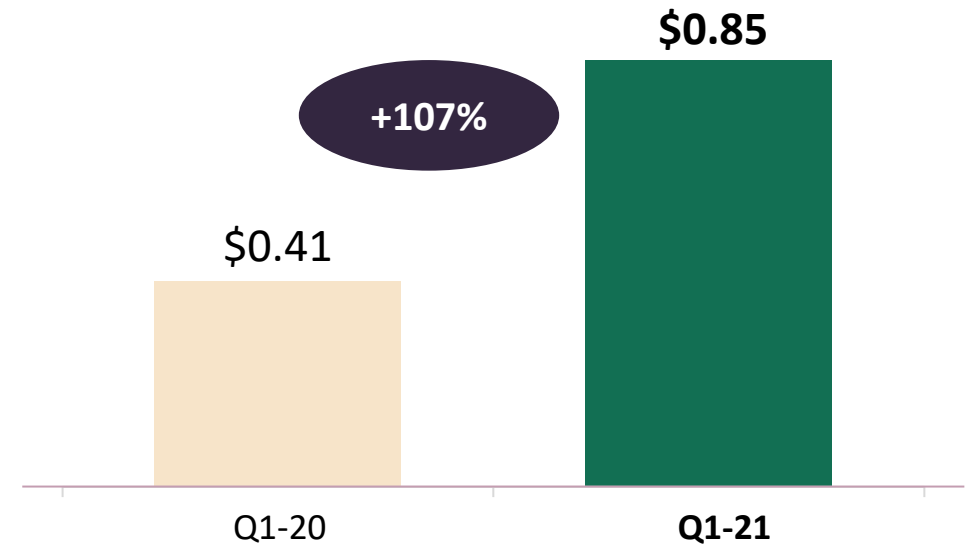
(1) This is a non-IFRS financial measure. Please refer to the Company's MD&A.

Q1-21 – INCREASING NET INCOME & EPS

Net income

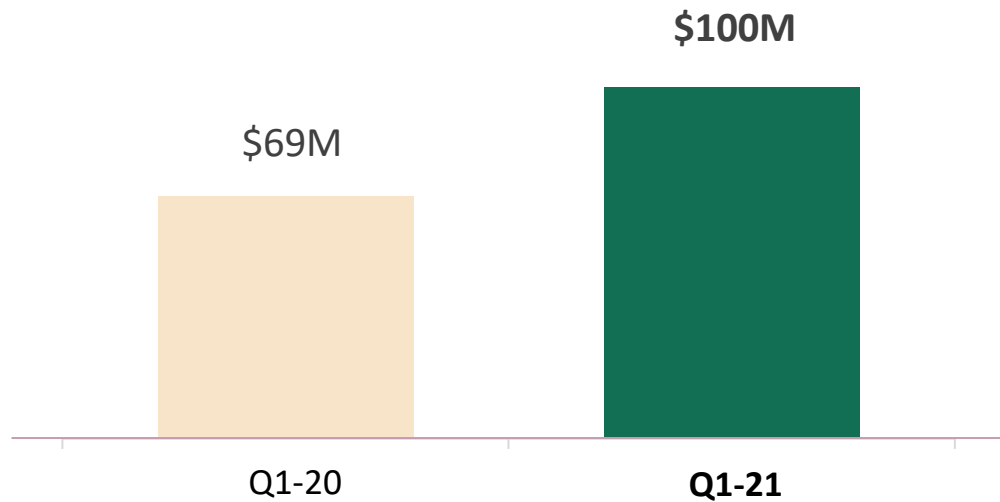


EPS

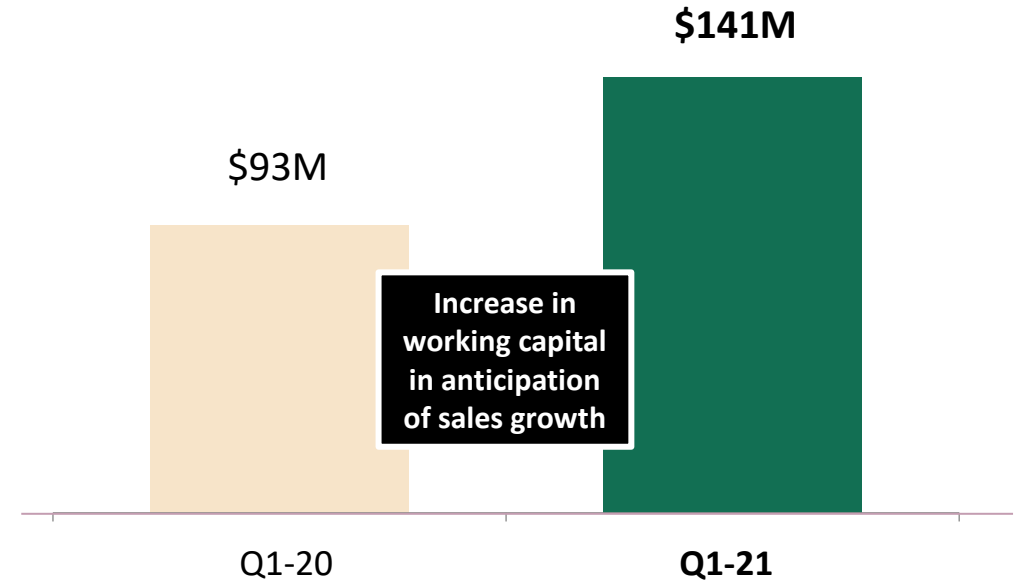


Q1-21 – LOWER CFO DUE TO INCREASED INVENTORY

Cash Flow before certain items⁽¹⁾⁽²⁾



Cash Flow *Used* in Operating Activities



⁽¹⁾ This is a non-IFRS financial measure. Please refer to the Company's MD&A.

⁽²⁾ Before changes in non-cash working capital components and interest and income taxes paid



2021 OUTLOOK & PRIORITIES

2021 OUTLOOK & PRIORITIES

2021 UPDATED GUIDANCE

- **EBITDA⁽¹⁾** guidance in the range of \$450 to \$480 million
- **Organic sales** growth ranging between 15% to low 20%
- **Utility poles** sales expected to increase in the mid to high-single digits
- **Railway ties** and **industrial product** sales to be relatively comparable to 2020
- **Residential lumber** sales expected to increase 45% to 65%

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

⁽¹⁾ This is a non-IFRS financial measure. Please refer to the Company's MD&A

2021 PRIORITIES

- Pursue acquisitions
- Continue to focus on innovation, improve our operating efficiencies and expand our capacity
- Sustain and improve profitability
- Enhance ESG practices and develop strategies to meet ESG goals



APPENDIX

INCOME STATEMENT - 5-YEAR FINANCIAL SUMMARY

	2020	2019	2018	2017	2016
Sales	2,551	2,189	2,144	1,908	1,854
Gross Profit ⁽¹⁾	446	358	328	315	334
Gross Profit margin ⁽¹⁾	17%	16%	15%	17%	18%
EBITDA ⁽¹⁾	385	313	244	243	265
EBITDA margin ⁽¹⁾	15%	14%	11%	13%	14%
Operating income	309	242	206	207	233
Operating margin ⁽¹⁾	12%	11%	10%	11%	13%
Net income	210	163	138	168	154
EPS - diluted	3.12	2.37	1.98	2.42	2.22

⁽¹⁾ This is a non-IFRS financial measure. Please refer to the Company's MD&A.

Note: 2016 -2019 figures were adjusted to reclass freight revenue from COGS to sales.

FINANCIAL POSITION - 5-YEAR FINANCIAL SUMMARY

	2020	2019	2018	2017	2016
Working capital	1,161	1,053	931	797	949
Total assets	2,246	2,281	2,062	1,786	1,961
Long-term debt ⁽¹⁾	606	605	514	456	694
Lease liabilities ⁽¹⁾	139	118	-	-	-
Shareholders' equity	1,373	1,288	1,281	1,116	1,026
Net debt ⁽²⁾ to total capitalization ⁽¹⁾	0.35:1	0.36:1	0.29:1	0.29:1	0.40:1
Net debt ⁽²⁾ to EBITDA ⁽¹⁾	1.9	2.3	2.1	1.9	2.6
Return on capital employed	14%	12%	11%	13%	12%

⁽¹⁾ Including the current portion

⁽²⁾ This is a non-IFRS financial measure. Please refer to the Company's MD&A.

NON-IFRS MEASURES

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, cash flow from operating activities before changes in non-cash working capital components and interest and income taxes paid, net debt-to-total capitalization and net debt-to-EBITDA are financial measures not prescribed by IFRS and are not likely to be comparable to similar measures presented by other issuers.

Management considers these non-IFRS measures to be useful information to assist knowledgeable investors to understand the Company’s operating results, financial condition and cash flows as they provide additional measures of its performance. Please refer to the Company’s MD&A for a reconciliation of net income to EBITDA.

ADOPTION OF IFRS 16, LEASES

- *On January 1, 2019, the Company retrospectively adopted IFRS 16, Leases.*
- *Comparatives for the 2018 reporting period have not been restated, as permitted*
- *The application of this new standard resulted in:*
 - *The addition of right-of-use assets and lease liabilities to the consolidated statements of financial position*
 - *Instead of lease expenses, right-of-use asset depreciation and financing costs will be recorded to the consolidated statement of income*



WWW.STELLA-JONES.COM