

Source: Stella-Jones Inc.

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Stella-Jones Signs Agreement to Purchase Wood Pole Manufacturing Business of Texas Electric Cooperatives, Inc.

Montreal, Quebec September 15, 2022- Stella-Jones Inc. (TSX: SJ) (“Stella-Jones” or the “Company”) today announced that it has entered into a definitive agreement to purchase substantially all of the assets employed in the wood utility pole manufacturing business of Texas Electric Cooperatives, Inc. (“TEC”) for a total purchase price of US\$28M plus inventories of approximately US\$4M.

TEC produces southern yellow pine utility poles using Creosote and CCA preservatives at its wood treating facility in Jasper, Texas. Wood pole sales for the year ended December 31, 2021, totaled US\$28 million. “This acquisition, which adds a 43rd manufacturing facility to our network, will enhance Stella-Jones’ offerings and expand our capacity to supply the growing needs of North America’s utility pole industry, while optimizing the overall efficiency of our continental network”, said Eric Vachon, President and CEO of Stella-Jones. “We look forward to welcoming the Jasper facility employees to our team of over 2,400 employees across North America.”

The transaction is scheduled to close prior to the end of 2022 and is subject to customary closing conditions. Stella-Jones intends to finance the transaction with its existing credit facilities.

ABOUT STELLA-JONES

Stella-Jones Inc. (TSX: SJ) is North America’s leading producer of pressure-treated wood products. It supplies all the continent’s major electrical utilities and telecommunication companies with wood utility poles and North America’s Class 1, short line and commercial railroad operators with railway ties and timbers. Stella-Jones also provides industrial products, which include wood for railway bridges and crossings, marine and foundation pilings, construction timbers and coal tar-based products. Additionally, the Company manufactures and distributes premium treated residential lumber and accessories to Canadian and American retailers for outdoor applications, with a significant portion of the business devoted to servicing the Canadian market through its national manufacturing and distribution network. The Company’s common shares are listed on the Toronto Stock Exchange.

Except for historical information provided herein, this press release contains information and statements of a forward-looking nature concerning the proposed acquisition described herein. These statements are based on suppositions, risks and uncertainties as well as on management’s best possible evaluation of future events. Such risks and uncertainties include, without excluding other considerations, the failure to satisfy closing conditions and the failure to complete or delay in completing the proposed acquisition for any other reason. As a result, readers are advised that actual results may differ from expected results and should not place undue reliance on forward-looking information.

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