

PLAN IN *ACTION*

Safety Briefing



May 6, 2023



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Annual General Meeting of Shareholders



May 10, 2023



Management



Eric Vachon, CPA

President & Chief Executive Officer



Silvana Travaglini, CPA

Senior Vice-President
& Chief Financial Officer



Marla Eichenbaum

Vice-President, General Counsel
& Secretary

Non-Executive Directors



Robert Coallier
Corporate Director



Anne E. Giardini
Corporate Director



Rhodri J. Harries
Executive Vice-President and
Chief Financial and Administration Officer,
Gildan Activewear



Karen Laflamme
Corporate Director



Katherine A. Lehman
Chair of the Board,
Stella-Jones Inc.
Partner,
Palladium Heritage



James A. Manzi, Jr.
Corporate Director



Douglas Muzyka
Corporate Director



Sara O'Brien
Portfolio Manager,
Canadian Equities,
Caisse de dépôt et placement
du Québec (CDPQ)



Simon Pelletier
President and CEO,
H-E Parts International

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 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 and operating income margin are non-GAAP and other financial measures which do not have a standardized prescribed by IFRS and 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, and to assess the Company's ability to meet future debt service, capital expenditure and working capital requirements.

Please refer to the section "Non-GAAP and other financial measures" of the Company's MD&A for year-ended December 31, 2022 available at www.sedar.com.

Katherine A. Lehman
Chair of the Board



Enhancing our Sound Corporate Governance

Highlights:

- More detailed presentation of proficiency levels and needed skillsets amongst current directors to help determine gaps to be filled by future board nominees
- Added a new and highly skilled Board member in 2022 providing for six new independent Board members (of nine total) in the last five years
- Expanded commitments to cyber and data security by implementing staff wide compulsory cybersecurity training
- Appointed new Senior Vice-President and Chief People Officer
- Continued integration of ESG into all facets of operations



Agenda

- 1 Chair, Secretary and Scrutineers**
 - 2 Notice of Meeting**
 - 3 Scrutineer's Report**
 - 4 Voting**
 - 5 Minutes of Previous Meeting**
 - 6 Annual Report & Independent Auditor's Report**
 - 7 Election of Directors**
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- Appointment of Auditors
- Advisory Vote on the Corporation's Approach to Executive Compensation
- Close of Voting and Report on Results
- Termination of the Formal Portion of the Meeting
- Management Presentations
- Question Period

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 - 11 Termination of Formal Portion of the Meeting**
 - 12 Management Presentations**
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- Question Period

Eric Vachon, CPA

President and
Chief Executive Officer

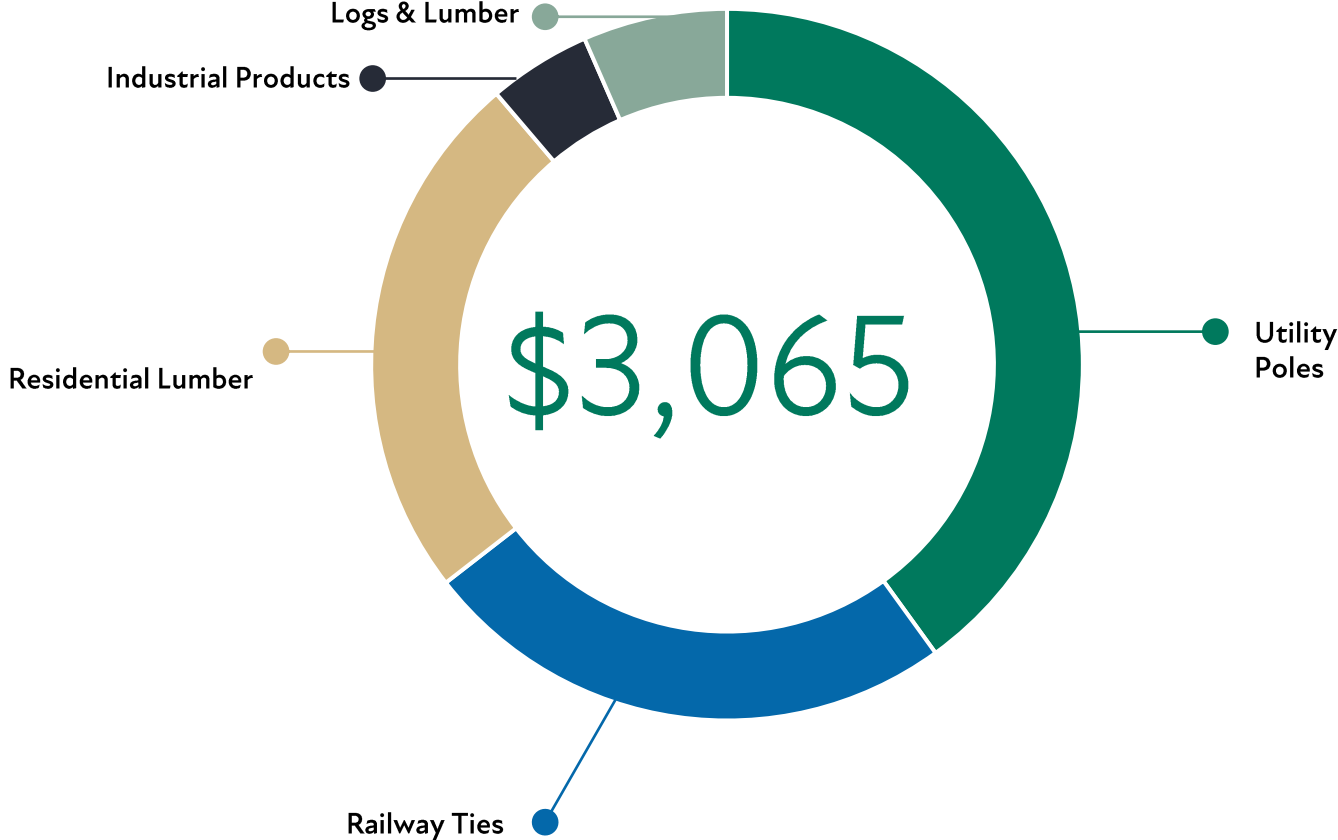


Strong 2022 Operating and Financial Results

2022 Highlights:

- Total sales increased for the 22nd consecutive year to over \$3 billion
- Generated EBITDA of \$448 million, highest recorded in corporate history
- Returned \$230 million of capital to shareholders
- Raised quarterly dividend for the 19th consecutive year to \$0.23 per share In March 2023

SALES BY PRODUCT CATEGORY
(in millions of \$)



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Stella-JoneS
SJ



Resilient Business Model Enables Consistent Results

- Long-standing procurement relationships helped secure fibre
- Contractual sales agreement structure provides ability to pass through cost increases
- Expansive North American presence maximizes synergies and leverages economies of scale



Product Category

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

Stella-Jones Continues to Meet Growing Demand

Product Category Overview



40% of Sales

- Sales increased to **\$1.2 billion**
- **21%** organic growth



24% of Sales

- Sales increased to **\$750 million**
- Increase driven by higher sales prices



5% of Sales

- Sales increased to **\$143 million**
- Increase driven by higher demand for pilings, timbers and bridges



24% of Sales

- Sales of **\$744 million**
- Category continued to benefit from above-normalized pricing levels



7% of Sales

- Sales of **\$201 million**

Growth By Acquisitions

Cahaba – Completed Q4 2021

- Largest wood treating facility in North America
- First full year of contribution following Q4 2021 acquisition
- Strong 2022 performance

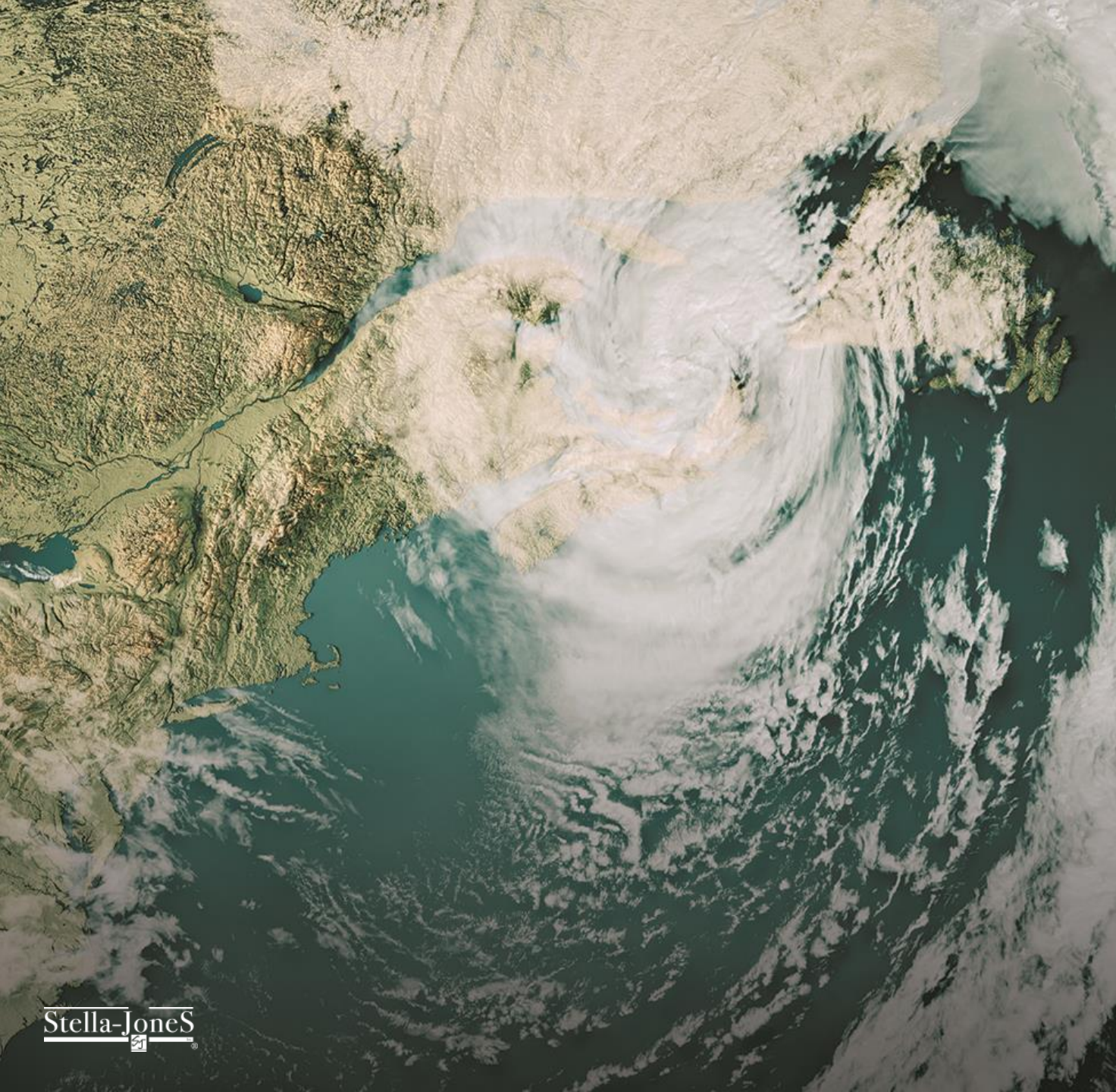
Texas Electric Cooperatives (TEC) – Completed Q4 2022

- Represents 43rd wood treating facility to network
- Expands capacity to supply utility pole demand
- Strategically located in Texas, the second largest economic region in the United States

IndusTREE Pole and Piling – February 2023

- Specializes in procuring, peeling and drying Southern Yellow Pine Poles
- Complementary to existing pole peeling network





Responsible and Sustained Growth

Prioritizing ESG



People

Safety, well being, and a collaborative and inclusive workforce



Environmental Commitment

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



Product Stewardship

Sustainable forest management, responsible manufacturing and product innovation initiatives



Governance Principles

Integrating ESG is central to our decision-making process

Silvana Travaglini, CPA

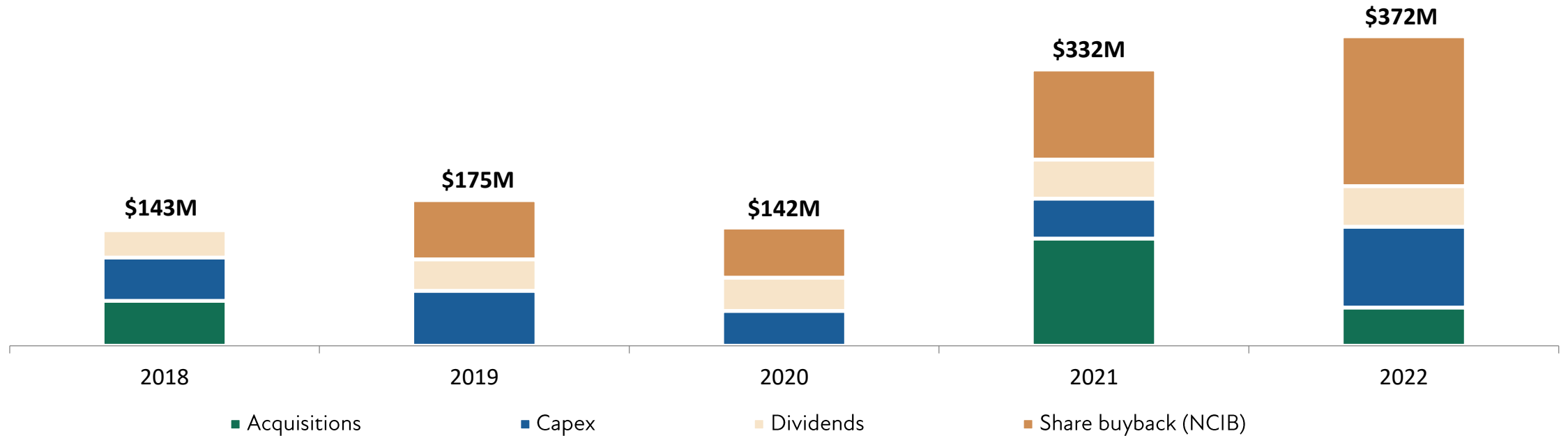
Senior Vice-President
and Chief Financial Officer



2022 – Financial Highlights

<i>(in millions of Canadian dollars, except per share data and margins)</i>	2022	2021	Variation (\$)	Variation (%)
Sales	3,065	2,750	315	11%
Gross Profit ⁽¹⁾	524	456	68	15%
Gross Profit margin ⁽¹⁾	17.1%	16.6%	n/a	50 bps
EBITDA ⁽¹⁾	448	400	48	12%
EBITDA Margin ⁽¹⁾	14.6%	14.5%	n/a	10 bps
Operating income	359	326	33	10%
Operating income margin ⁽¹⁾	11.7%	11.9%	n/a	(20 bps)
Net income	241	227	14	6%
Earnings per share – basic and diluted	3.93	3.49	0.44	13%
Weighted average shares outstanding (basic, in ‘000s)	61,421	65,002	(3,581)	(6%)

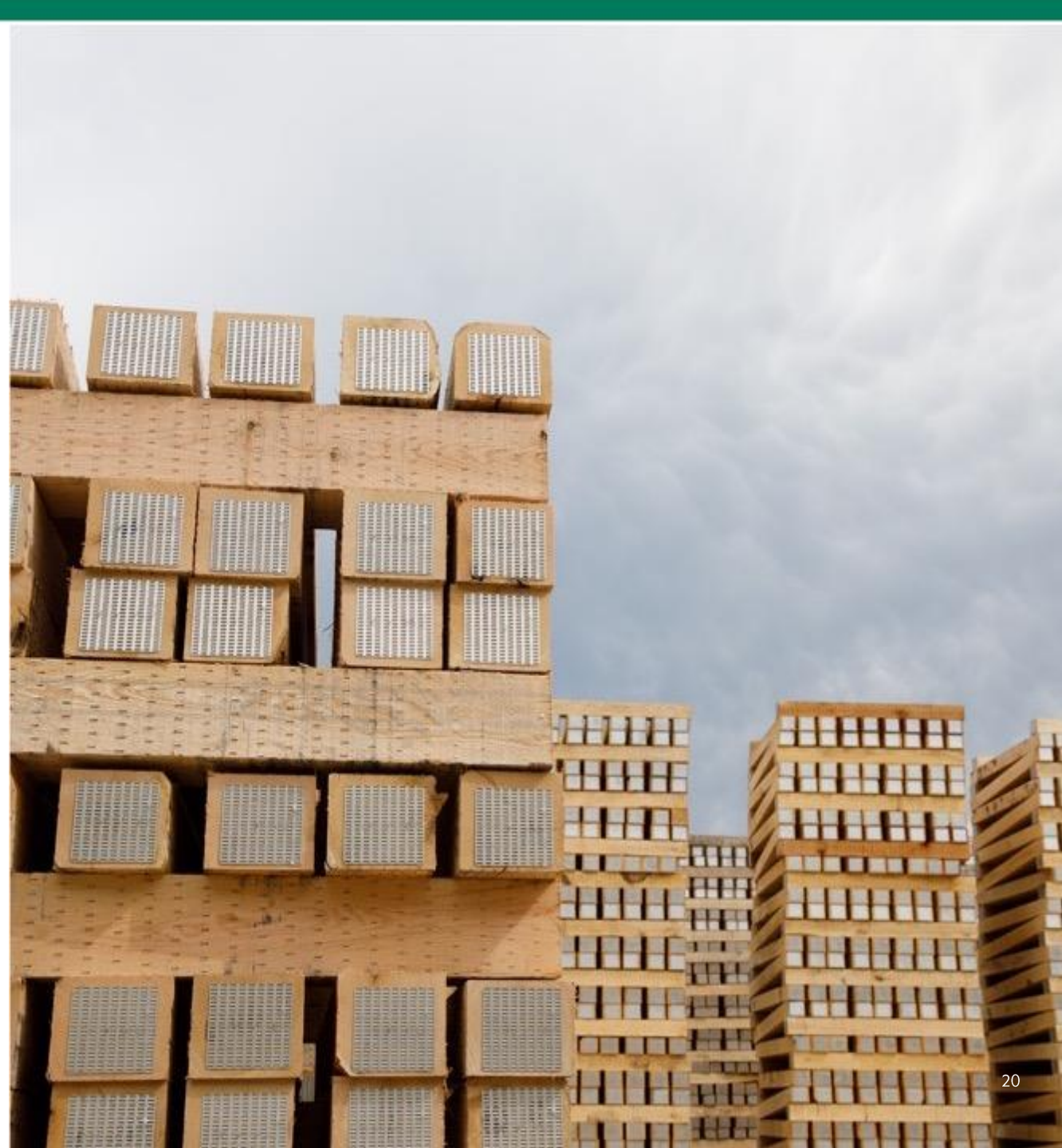
Strong Cash Flow and Disciplined Capital Allocation



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

Maintaining a Solid Financial Position

- Strong financial position provides strength and flexibility to support growth opportunities
- Available liquidity of ~\$260 million as at December 31, 2022
- Increased amount available on credit facilities by an additional US\$200 million



Q1 2023 - Financial Highlights

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

	Q1-23	Q1-22	Variation (\$)	Variation (%)
Sales	710	651	59	9
Gross Profit ⁽¹⁾	136	100	36	36
Gross Profit margin ⁽¹⁾	19.2%	15.4%	n/a	380 bps
EBITDA ⁽¹⁾	120	88	32	36
EBITDA Margin ⁽¹⁾	16.9%	13.5%	n/a	340 bps
Operating income	95	67	28	42
Operating income margin ⁽¹⁾	13.4%	10.3%	n/a	310 bps
Net income	60	46	14	30
Earnings per share – basic and diluted	1.03	0.73	0.30	41

(1) Please refer to the section “Non-GAAP and other financial measures” in Stella-Jones’ Management Discussion & Analysis for the three-month period ended March 31, 2023 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

Cash Flow and Capital Allocation

Q1 2023 Liquidity Uses:

- Support seasonal increase in working capital requirements
- Invest to maintain operating asset quality
- Expand pole production capacity
- Acquiring assets of IndusTREE
- Returning capital to shareholders

Normal Course Issuer Bid Highlights:

- Repurchased ~600,000 shares for ~\$30 million
- >1 million shares repurchased since November 2022
- ~4.5 million fewer average shares outstanding as at Q1 2023 compared to prior period

Declared Quarterly Dividend of \$0.23 per common Share



Eric Vachon, CPA

President and
Chief Executive Officer



Growth Catalysts

Utility Poles

Significant investment to support North America's future needs, including:

- Regular maintenance
- Facilitating increased broadband network
- Building newer and stronger lines to support heavier loads
- Withstanding unforeseen weather events

Railway Ties

- 90% of North American rail infrastructure build on wooden cross ties

Accretive Acquisitions

- Focused on opportunities that allow for expanded product offering to infrastructure customers



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THANK YOU FOR JOINING US!



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