

FUTURE READY

Q2 2024 Financial Results



August 7, 2024

CAUTION REGARDING FORWARD-LOOKING INFORMATION & NON-GAAP 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, operational disruption, 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.

Organic growth, 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 and net debt-to-EBITDA 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 financial position, operating results and cash flows as they provide a supplemental measure of its performance. Management uses non-GAAP measures, non-GAAP financial ratios 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.

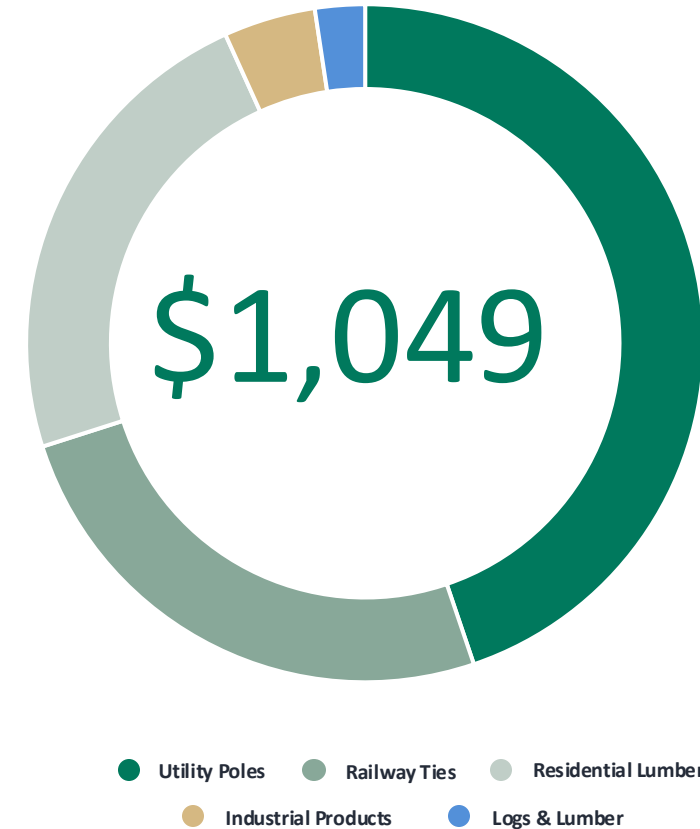
Please refer to the section "Non-GAAP and other financial measures" of the Company's latest MD&A available at www.sedarplus.ca.

STRONG Q2 2024 – EFFECTIVE EXECUTION OF GROWTH STRATEGY

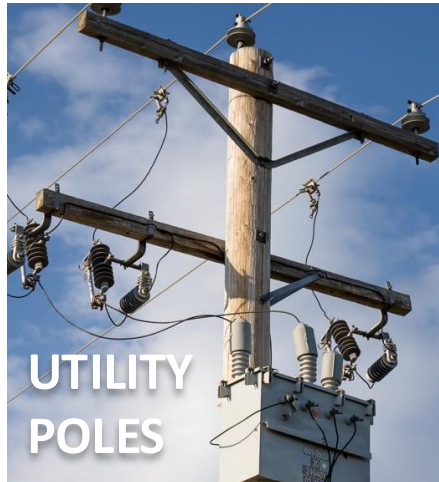
Highlights:

- Total sales of \$1,049 million, up 8% from Q2 2023 with volumes and pricing gains
- Operating income increased 13% to \$168 million, representing a margin¹ of 16.0%
- EBITDA¹ of \$200 million, up 14% from Q2 2023
- EBITDA margin¹ increased to 19.1% from 18.0% in Q2 2023
- Net income of \$110 million, or \$1.94 per share, up 13% from Q2 2023 Earnings Per Share

SALES BY PRODUCT CATEGORY
(in millions of \$)

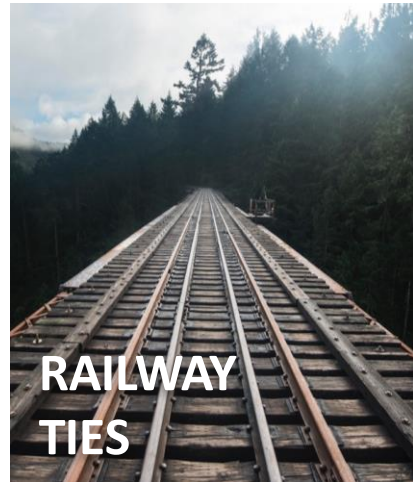


Q2 2024 PRODUCT CATEGORY OVERVIEW



45% of Sales

- Sales increased to **\$470** million
- Organic growth¹ of **16%**, driven by higher pricing and volumes



25% of Sales

- Sales increased to **\$265** million
- Increase driven by higher volumes for non-Class 1 customers



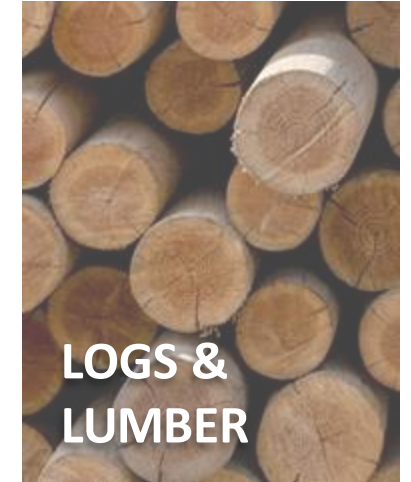
4% of Sales

- Sales of **\$46** million



23% of Sales

- Sales of **\$243** million, down from \$271 million in Q2 2023



3% of Sales

- Sales of **\$25** million

PRIORITIZING ESG

Climate Change & GHG Emissions

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

- ✔ Energy Efficiency
- ✔ Renewable Energy
- ✔ Innovation

Health & Safety

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

- ✔ Safety Systems
- ✔ Safety Communications
- ✔ Empowering Our People

Our People

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

- ✔ Enhancing Our Employee Experience
- ✔ Developing Our People and Promoting from Within
- ✔ A Workforce that is Reflective of Our Communities



Indigenous Peoples

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

- ✔ Cultural Awareness and Understanding
- ✔ Relationships
- ✔ Economic Benefits

Responsible Supply Chain

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

- ✔ Supplier Engagement
- ✔ Sustainable Forestry
- ✔ Promote Forest Education

ESG Risk Governance

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

- ✔ Strong Governance as Our Foundation
- ✔ Priority Risk Management
- ✔ Simplify Compliance

Q2 2024 FINANCIAL PERFORMANCE

<i>(in millions of Canadian dollars, except per share data and margins)</i>	Q2-24	Q2-23	YTD Q2-24	YTD Q2-23
Sales	1,049	972	1,824	1,682
Gross profit ¹	226	200	398	336
Gross profit margin ¹	21.5%	20.6%	21.8%	20.0%
Operating income	168	149	292	244
Operating income margin ¹	16.0%	15.3%	16.0%	14.5%
EBITDA ¹	200	175	356	295
EBITDA margin ¹	19.1%	18.0%	19.5%	17.5%
Net income	110	100	187	160
Earnings per share – basic and diluted	1.94	1.72	3.30	2.73

¹ 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, please refer to the section entitled “Non-GAAP and Other Financial Measures” of Stella-Jones’ 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.

Q2 2024 CASH FLOW AND CAPITAL ALLOCATION

Q2 2024 Liquidity Uses:

- Invest in network
- Repay long-term debt
- Return capital to shareholders: > \$260M returned out of \$500M committed

Declared quarterly dividend of \$0.28 per common share

Net debt-to-EBITDA¹ ratio of 2.5x



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WELL POSITIONED TO MEET OR EXCEED FINANCIAL OBJECTIVES

(in millions of Canadian dollars, except percentages and margins)	2023-2025 Objectives¹	Trailing 12 months Q2 2024
Sales	> \$3,600	\$3,461
EBITDA margin	16%	19.3%
Return to shareholder: cumulative	> \$500	\$262
Net Debt-to-EBITDA ²	2.0x-2.5x	2.5x

¹ Excludes acquisitions and assumes Canadian dollar will trade, on average, at approximately C\$1.30 per U.S. dollar, with sales in the U.S. representing approximately 70% of total sales.

² The Company may deviate from its leverage target to pursue acquisitions and other strategic opportunities, and/or fund its seasonal working capital requirements.

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