

**PLAN IN
ACTION**

Investor Presentation

March 2024
(Financial Outlook Updated November 2024)



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, 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 Management's Discussion & Analysis ("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 margin, earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA margin and net debt-to-EBITDA are non-GAAP and other financial measures, which do not have a standardized meaning prescribed by IFRS and may therefore not be comparable to similar measures presented by other issuers.

The Company uses gross profit and gross profit margin to evaluate its ongoing operational performance. The Company believes EBITDA and EBITDA margin provide investors with useful information because they are common industry measures, used by investors and analysts to measure a company's ability to service debt and to meet other payment obligations, or as a common valuation measurement. These measures are also key metrics of the Company's operational and financial performance. And the Company believes the net debt-to-EBITDA ratio is an indicator of the financial leverage of the Company.

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

Stella-Jones At-A-Glance



\$4.39B*
Market Cap



SJ
TSX



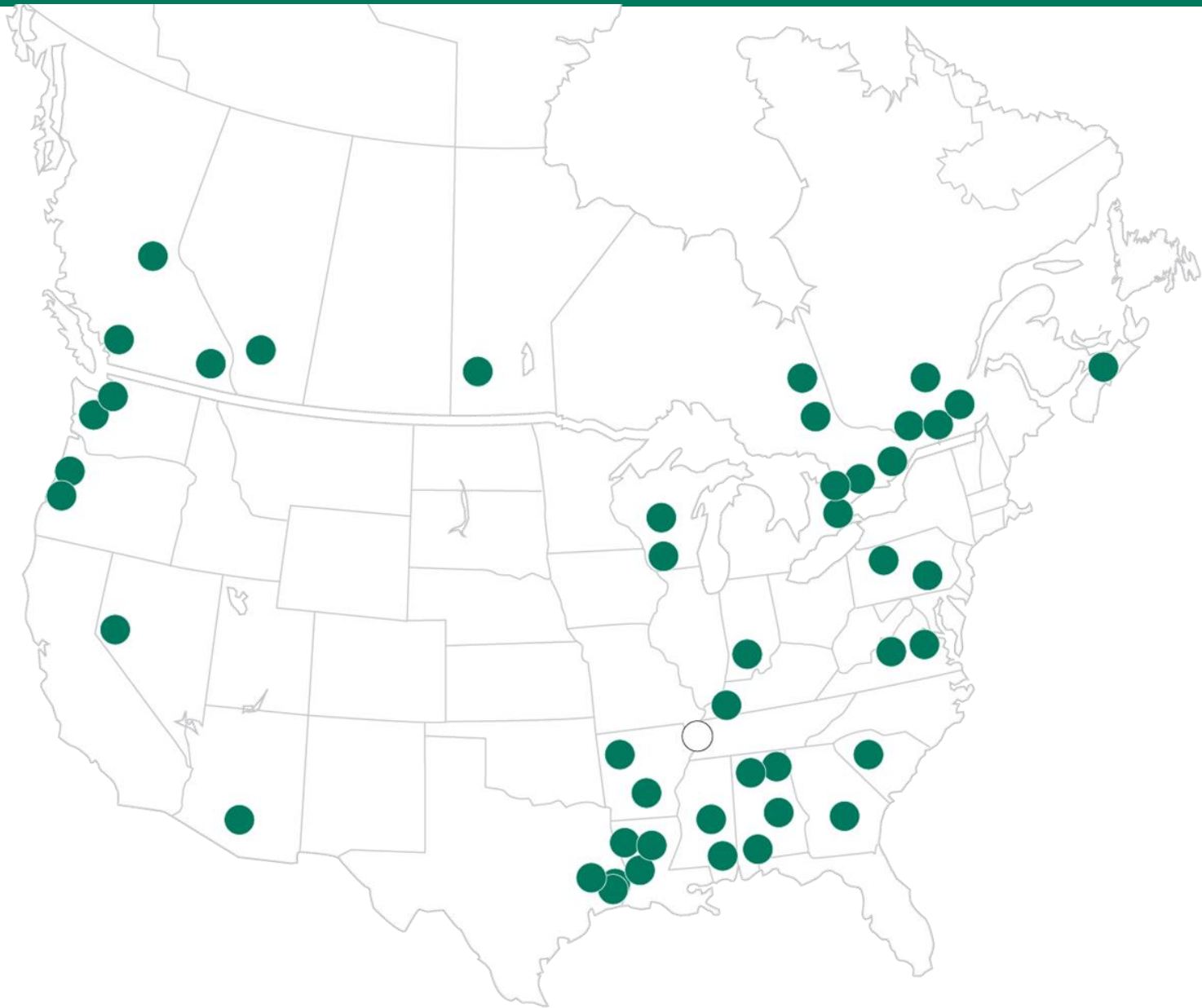
45
Wood Treating
Facilities 29 U.S.
and 16 Canada



~70%
Sales
in the U.S.



>2,900
Employees



*All \$ in this presentation are Canadian dollars, CAD
*All amounts are as of December 31, 2023

Product Category Overview



UTILITY
POLES

47% of Sales



RAILWAY
TIES

25% of Sales



INDUSTRIAL
PRODUCTS

5% of Sales



RESIDENTIAL
LUMBER

19% of Sales

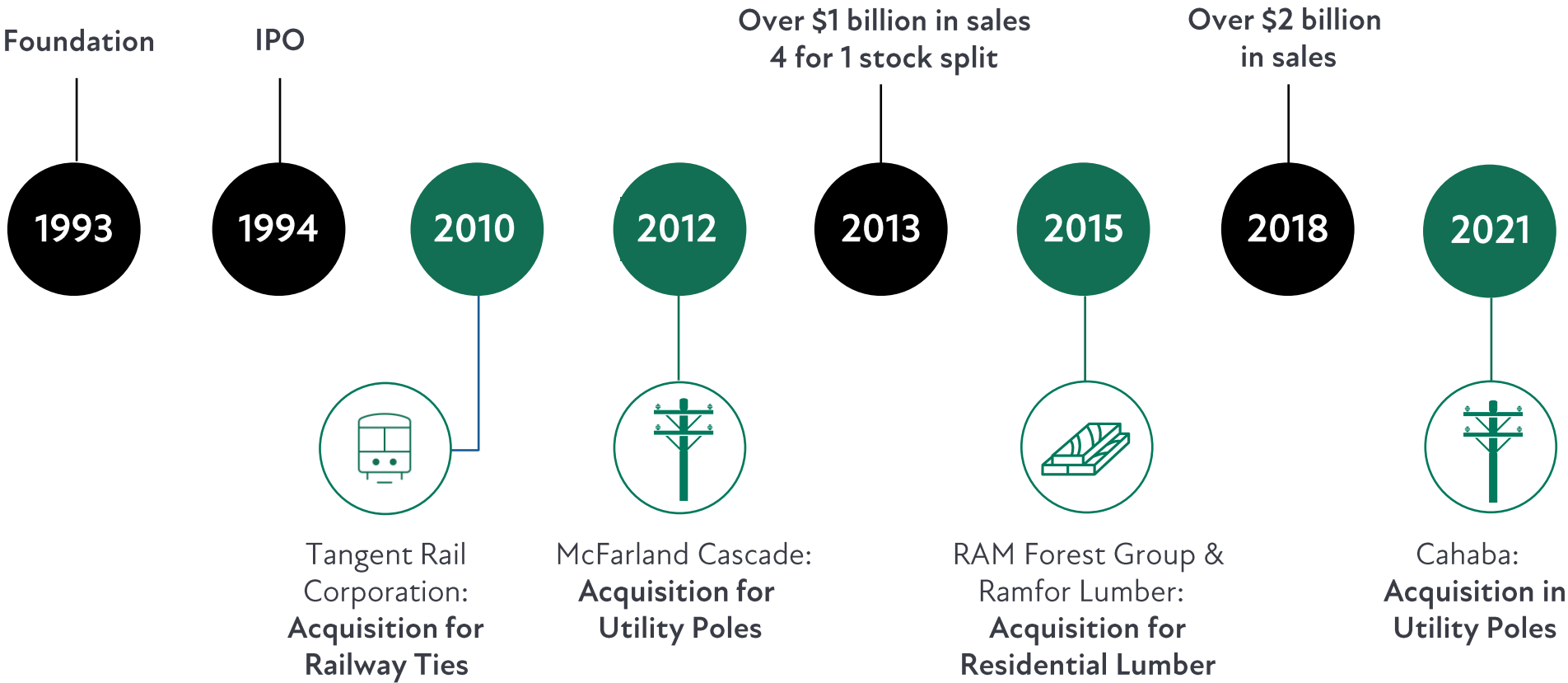


LOGS
& LUMBER

4% of Sales

Historical Milestones

Completed more than 20 acquisitions in the past 20 years



Our Mission

To be the performance leader in the industries in which we operate, and a model corporate citizen, exercising environmental responsibility and integrity.

Investment Highlights



Leader in Infrastructure-Driven Markets

- Leading North American manufacturer of treated wood infrastructure products: utility poles and railway ties
- Infrastructure products play an important role in the continental transportation and electrical/telecommunication infrastructure
- Demand for utility poles and railway ties driven mainly by replacement and maintenance
- Provides relative protection against volatility and inflation



Prudent Capital Allocation and Balance Sheet Management

- History of a disciplined approach to capital allocation, balancing growth investments and the return of capital to shareholders
- Focus on maintaining a prudent level of leverage with strong levels of available liquidity
- Long-term target is to maintain leverage within the range of 2.0x to 2.5x
- May temporarily deviate from leverage target to pursue strategic acquisition demonstrating a strong deleveraging profile



Favorable Tailwinds

- Strong demand in utility poles expected to be sustained by multiple factors:
 - Significant investments by electrical utility companies to ensure infrastructure will support North America's needs
- Consolidation in the North American rail industry provides large scale providers like Stella-Jones with a competitive advantage
- Railway ties expected to benefit from government infrastructure mandates

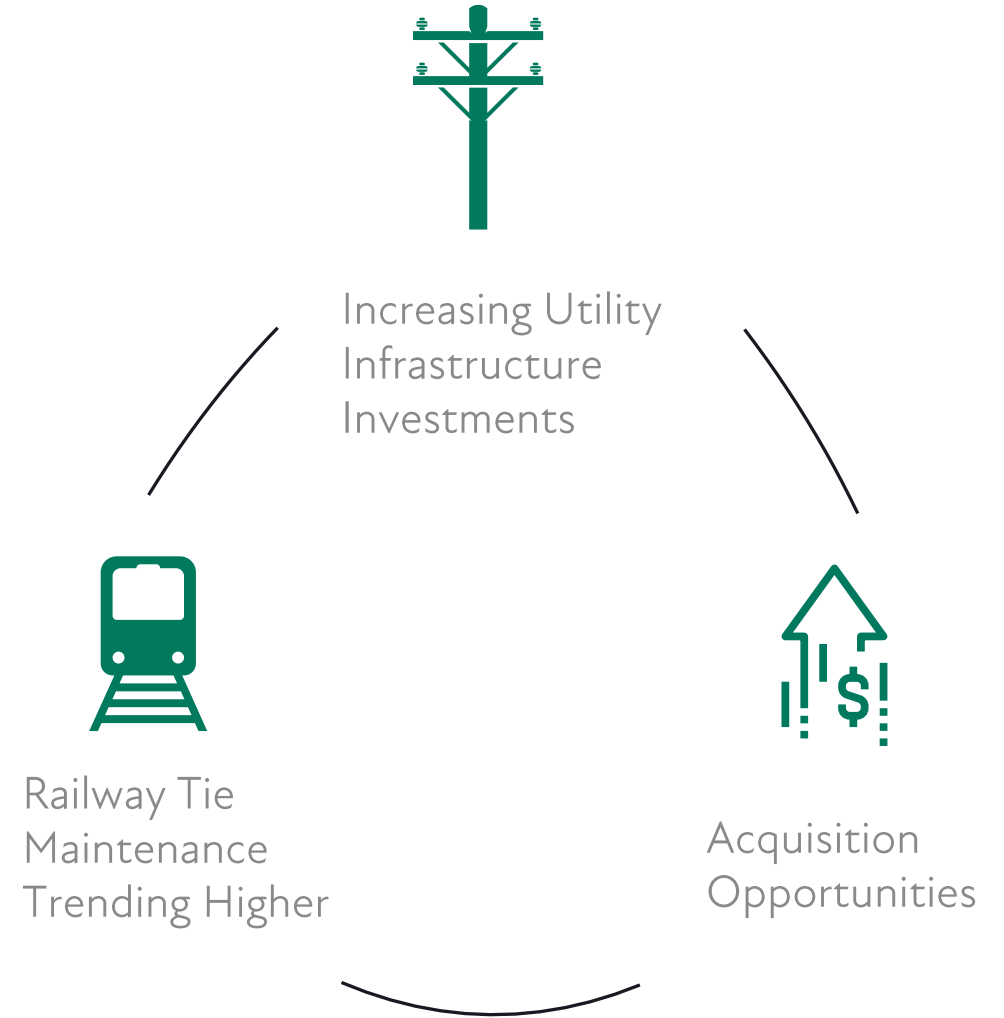


Track Record of Shareholder Value Creation

- Stella-Jones has an established track record of strong organic growth and completed more than 20 acquisitions in the past 20 years
- Sales increased for the 23rd consecutive year in 2023 and dividend increased for the 20th consecutive year in 2023
- Returned \$579 million to shareholders from 2021 to 2023

Growth Catalysts

- Significant investments by utility companies to ensure infrastructure will support North America's future needs
- Well positioned to support North American rail infrastructure
- Acquisition opportunities to better serve customers in areas of procurement and logistics



Acquisition Criteria

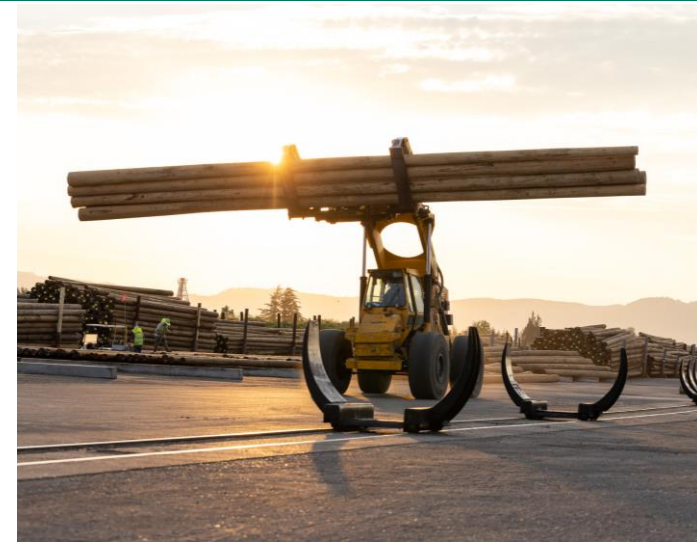
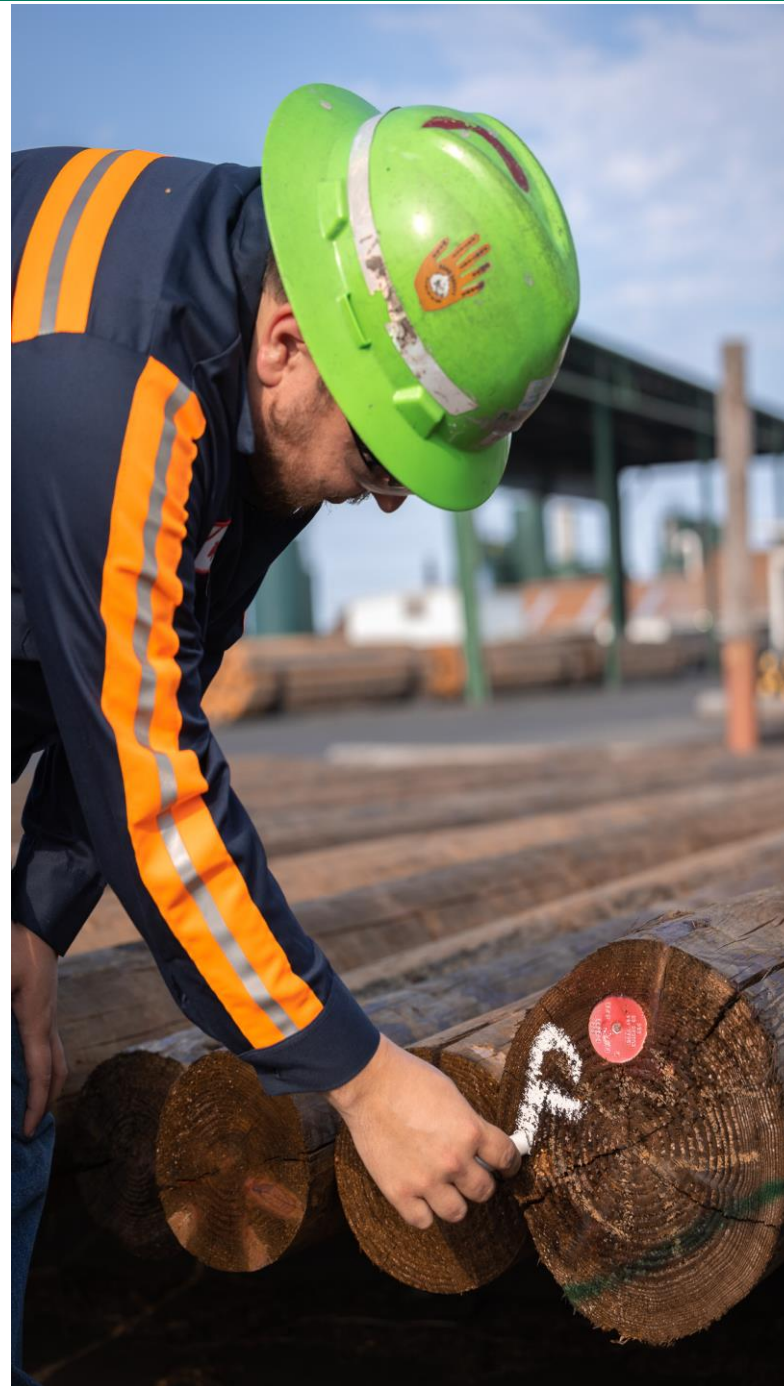
Acquisition opportunities to better serve railroad and utility customers

- Continued focus on wood treating
- Consideration given to complementary products or services
- Subject to strict evaluation criteria
 - Accretive to margins and returns
 - Steady revenues and free cash flow
 - Seasoned management team



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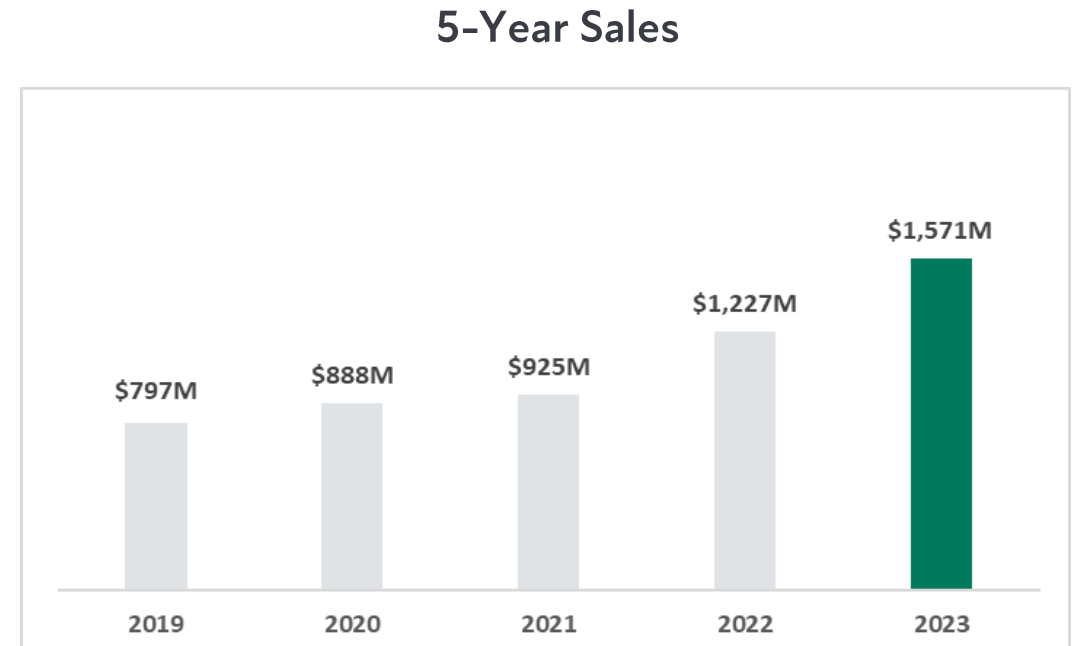
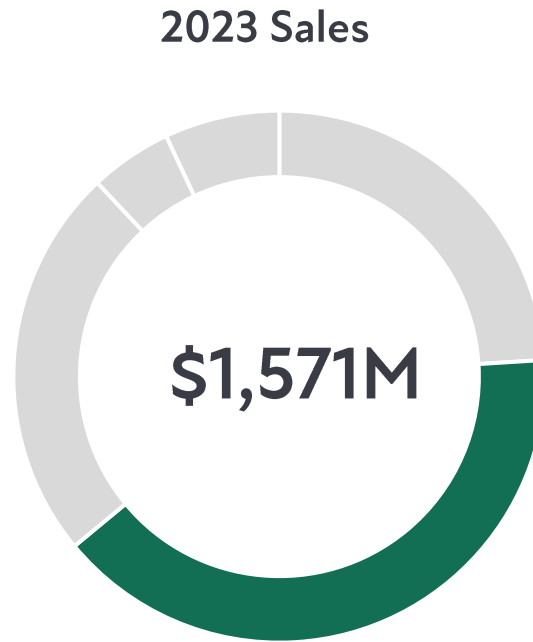
Utility Poles



Utility Poles: Overview

- Stella-Jones supplies major electrical utilities and telecommunication companies with wood utility poles across North America
- Extensive network of distribution facilities to quickly respond to un-forecasted demand
- Treated wood poles preferred because of their durability, cost effectiveness and safety features

47%
of Total Sales



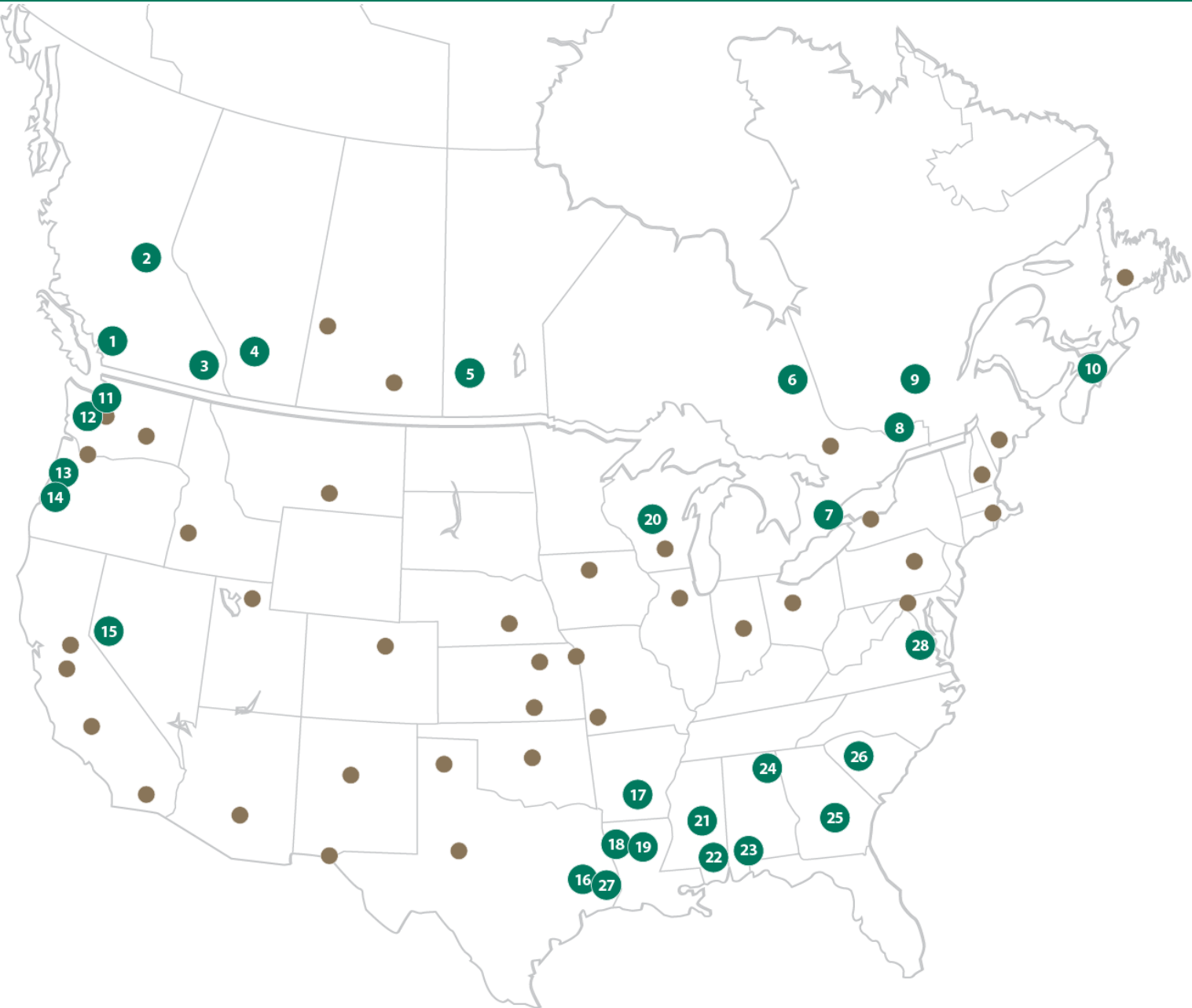
Large & Diversified North American Presence

- | | | | |
|----|---------------------|----|--------------------|
| 1 | New Westminster, BC | 15 | Silver Springs, NV |
| 2 | Prince George, BC | 16 | Lufkin, TX |
| 3 | Galloway, BC | 17 | Rison, AR |
| 4 | Carseland, AB | 18 | Converse, LA |
| 5 | Neepawa, MB | 19 | Pineville, LA |
| 6 | Kirkland Lake, ON | 20 | Cameron, WI |
| 7 | Guelph, ON | 21 | Scooba, MS |
| 8 | Gatineau, QC | 22 | Wiggins, MS |
| 9 | Rivière-Rouge, QC | 23 | Bay Minette, AL |
| 10 | Truro, NS | 24 | Brierfield, AL |
| 11 | Arlington, WA | 25 | Cordele, GA |
| 12 | Tacoma, WA | 26 | Whitmire, SC |
| 13 | Sheridan, OR | 27 | Jasper, TX |
| 14 | Eugene, OR | 28 | Warsaw, VA |

Product Category

- Pole Treating Facilities
- Finished Goods Yards

28 Treating Facilities
10 in Canada
18 in U.S.



Competitive Strengths



Robust
Procurement Network
&
Consistent Access
to Wood Fibre

- Production facilities strategically located close to various wood species resource areas
- Strong industry reputation and long-term relationships with wood suppliers assures access to wood fibre needed



Expansive
Inventory

- Large inventories of treated and untreated wood to buffer unplanned utility pole demand



Manufacturing
Network

- Vast network across North America to convert untreated inventory into customer-specific products quickly and efficiently



Extensive
Transportation Network

- Broad, economical and timely custom delivery service with large lease railcar and truck fleet from network of finished goods yards



Broad and Diversified
Customer Base

- Over 1,000 customers across North America focused on electrical utility and telecommunications companies

Growth Drivers



Utility Pole Maintenance

- Most significant growth driver
- Utilities have not undergone significant capital investments for pole maintenance for approximately 70 years
- With average age of poles increasing, utilities to prioritize investments in distribution network



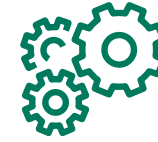
Fire-Resistant Wrap Utility Poles

- Roll-out of utility poles with intumescent fire-resistant wrap in 2019
- Started in California due to fires specific to that region
- Mesh material improves fire resistance, protects infrastructure



Broadband Expansion

- Accelerated need for broadband access and expansion in rural locations
- Government subsidies to augment investments in delivering high speed internet



Renewable Generation/Transmission Wheeling

- New power generation sources needed as alternatives to traditional fossil fuels
- New facilities can be further away from existing transmission lines, requiring longer hook-ups
- Studies indicate robust demand for another 10-20 years

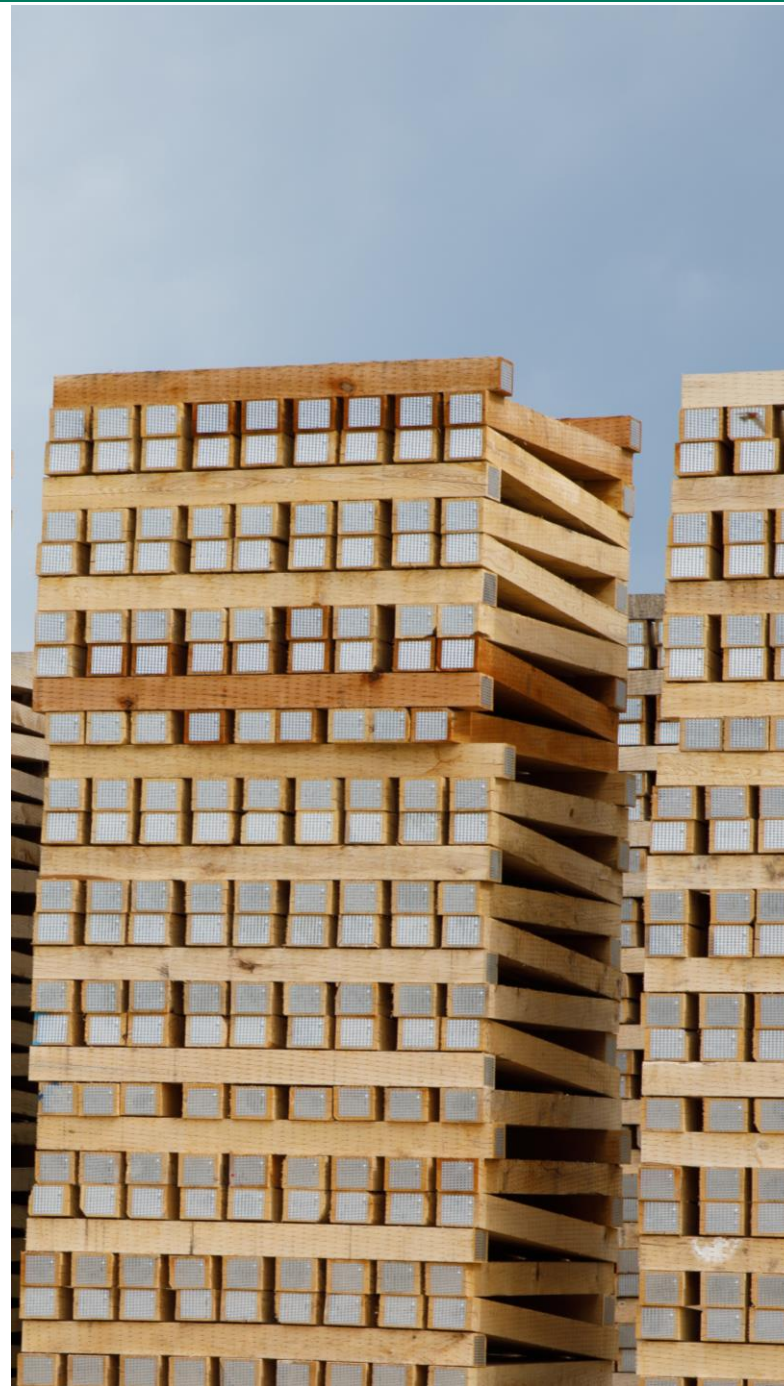


Electric Vehicle Expansion

- Governments in the U.S. and Canada continue to institute EV mandates
- Existing distribution system is not adequate to handle the volume of electricity required for EVs
- Larger and newer poles required at the residential level to facilitate demand

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Railway Ties



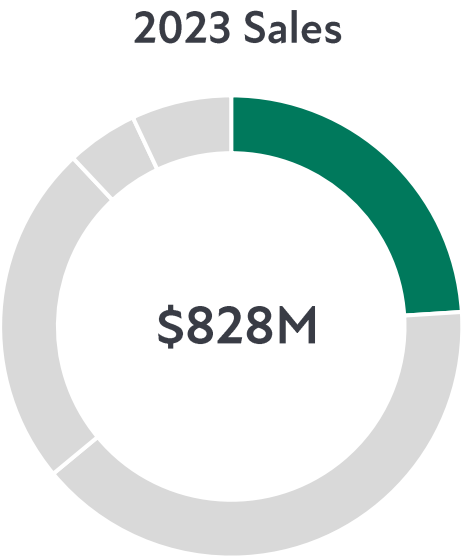
Railway Ties: Overview

Industry leader in the manufacture and distribution of wood railway crossties, switch ties, bridge timbers, prefabricated bridges, crossing panels, and pre-plated products

Treating capacity, sources of supply and purchasing power to meet the needs of Class 1, Short Line railroads and commercial operators

Extensive supplier network of hardwood sawmills allows us to offer crossties and switch ties in a variety of sizes

25%
of Total Sales



Competitive Strengths



Established Customer Relationships

- Long-term contracts with Class I carriers in North America
- Established strong relationships with Class I customers due to:
 - High-quality products
 - Responsiveness to customer requests
 - On-time delivery
- Able to quickly respond to emergency repairs



Extensive Manufacturing, Distribution & Procurement Networks

- Facilities strategically located across North America
- Extensive distribution network offers broad, economical coverage using truck, rail and maritime transport
- 11 of 12 facilities on-line with Class I Railroads
- Procurement network provides steady raw material inflow



Differentiated Product Offering

- Provides differentiated products:
 - Drill and fill dual-treated bridge ties
 - Automated pre-plate lines
 - Conversion of cylinders from creosote to copper naphthenate



Robust Inventory Levels

- Robust inventory levels to meet customer demand

~65%

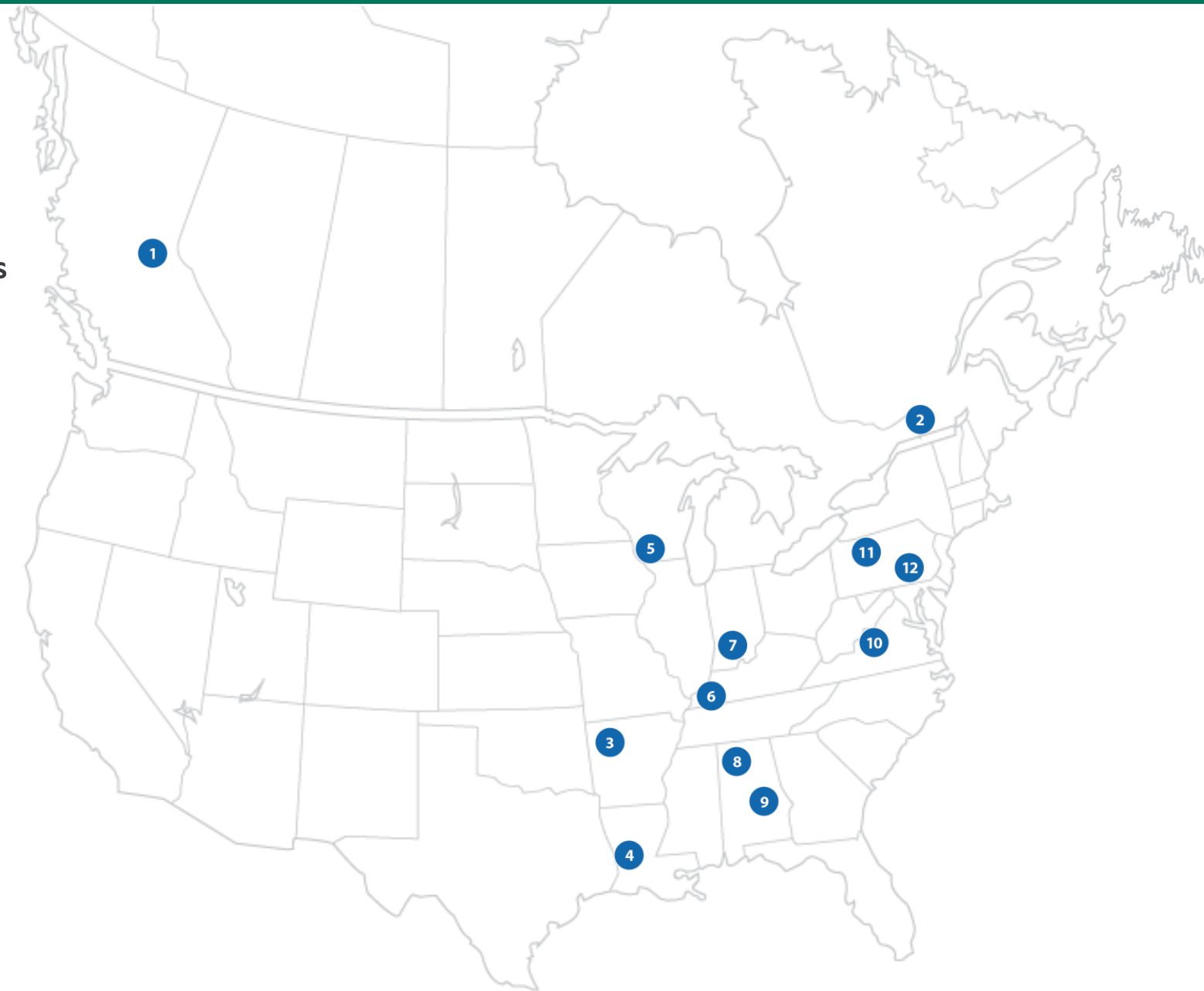
Class 1 railroad customers

Large & Diversified North American Presence

1. Prince George, BC
2. Delson, QC
3. Russellville, AR
4. Alexandria, LA
5. Bangor, WI
6. Fulton, KY
7. Winslow, IN
8. Montevallo, AL
9. Clanton, AL
10. Goshen, VA
11. Dubois, PA
12. McAlisterville, PA

12 Treating Facilities

2 in Canada
10 in U.S.



Growth Drivers



Increased Volumes

- Relationships with Class 1 Railroads
- Procurement Network
- Capacity Availability
- Positioned to benefit from U.S. Infrastructure Bill



Favourable Pricing Dynamics

- Building on strong relationships with Class I railways
- Opportunity to expand business with commercial customers



Product Innovation and Expansion

- Differentiated product offering:
 - Drill and Fill Dual Treated Bridge Tie Process
 - Automated Pre-Plate Lines
 - Dual Treatment Capabilities
 - Bridge and Fabrication Locations

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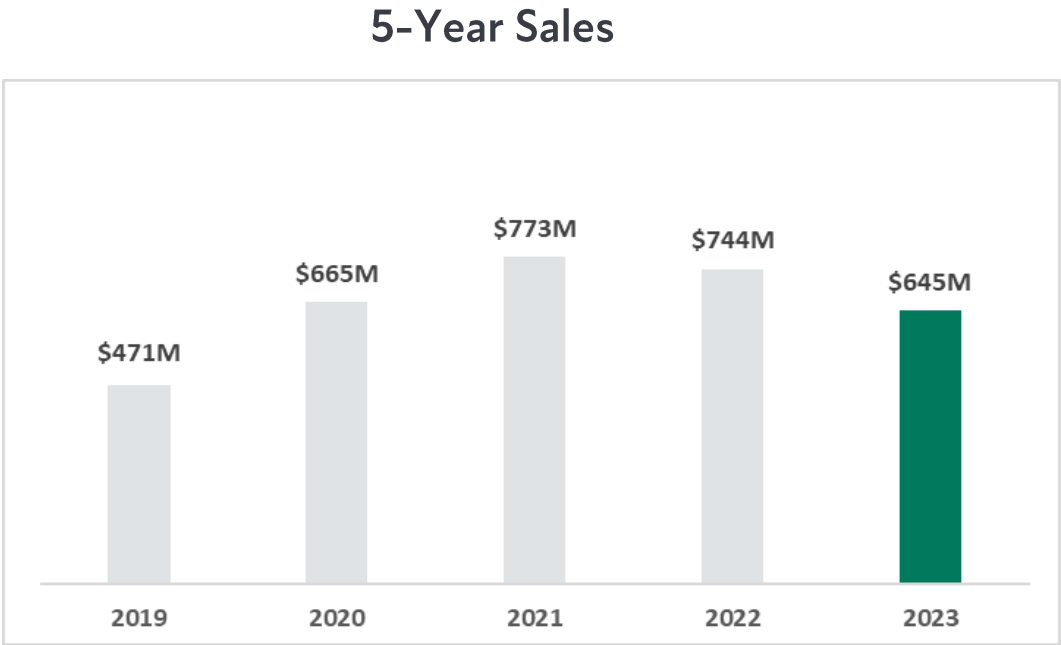
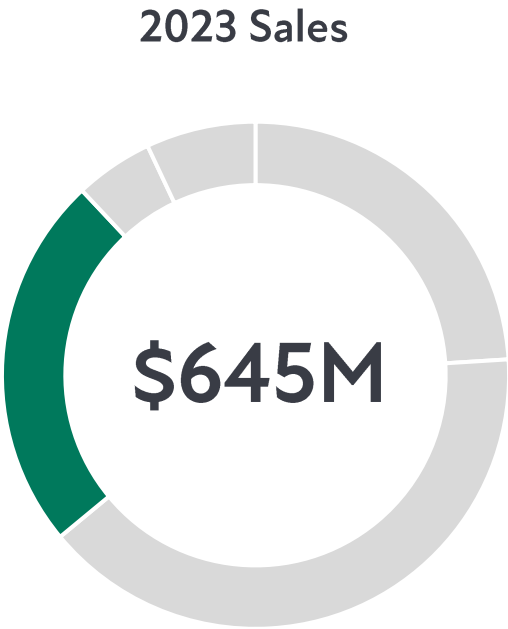
Residential Lumber



Residential Lumber: Overview

Stella-Jones manufactures and distributes premium grade residential treated lumber, composite decking products and accessories to Canadian and American retailers

19%
of Total Sales



Product Category Overview



Treated Lumber and Distribution
Facilities: 6 in Canada and 2 in US



Products: Treated Lumber and
Wood Accessories, Composite Decking
and Complementary Attachments



Customers: ~70% Big Box,
~30% Dealer Network



Competitive Strengths



Premium-Quality Products

- Offers premium grade lumber to customers
- Lumber grade is enhanced by additional visual inspections, removing defects in the wood that the sawmill may have missed
- 80% of lumber procured is from a certified source
- Stella-Jones also distributes complementary products in a wide array of dimensions and lengths



Always In-Stock

- Established relationships to ensure supply is in stock for customers



Speed to Market

- Dedicated logistics team
- Products generally shipped within 24-48 hours of order



Strong Procurement Team

- Unique interconnected relationships with sawmill vendor partners
- Measures taken to ensure continual supply, including sourcing premium lumber from Europe



Dedicated Distribution Centres with Exceptional Service and Support

- Team works to increase sales through merchandising suggestions
- Focused on quick customer response times and providing high customer service

Growth Drivers



Product Expansion Through Retail Partners

- Premium product
 - Growth in premium lumber treated program and complementary products
- Well-established distribution base
 - Growth through strong retail customer partners
 - Offer in-store merchandising
 - Consistent stock supply
 - Provide category management and product placement



Sourcing and Procurement Opportunities

- Strong supplier relationships
- Expanded supply network outside of North America
 - Purchase premium grade lumber directly from Europe

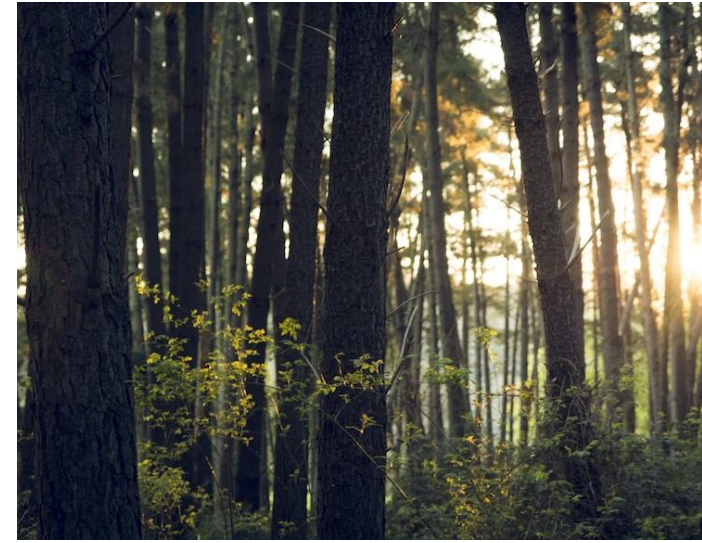


Favourable Macro Trends

- Home renovation driving sales, including the addition of outdoor living spaces
- Tailwinds from new home construction in rural communities with yard space
- Aging homes to support demand for lumber

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ESG



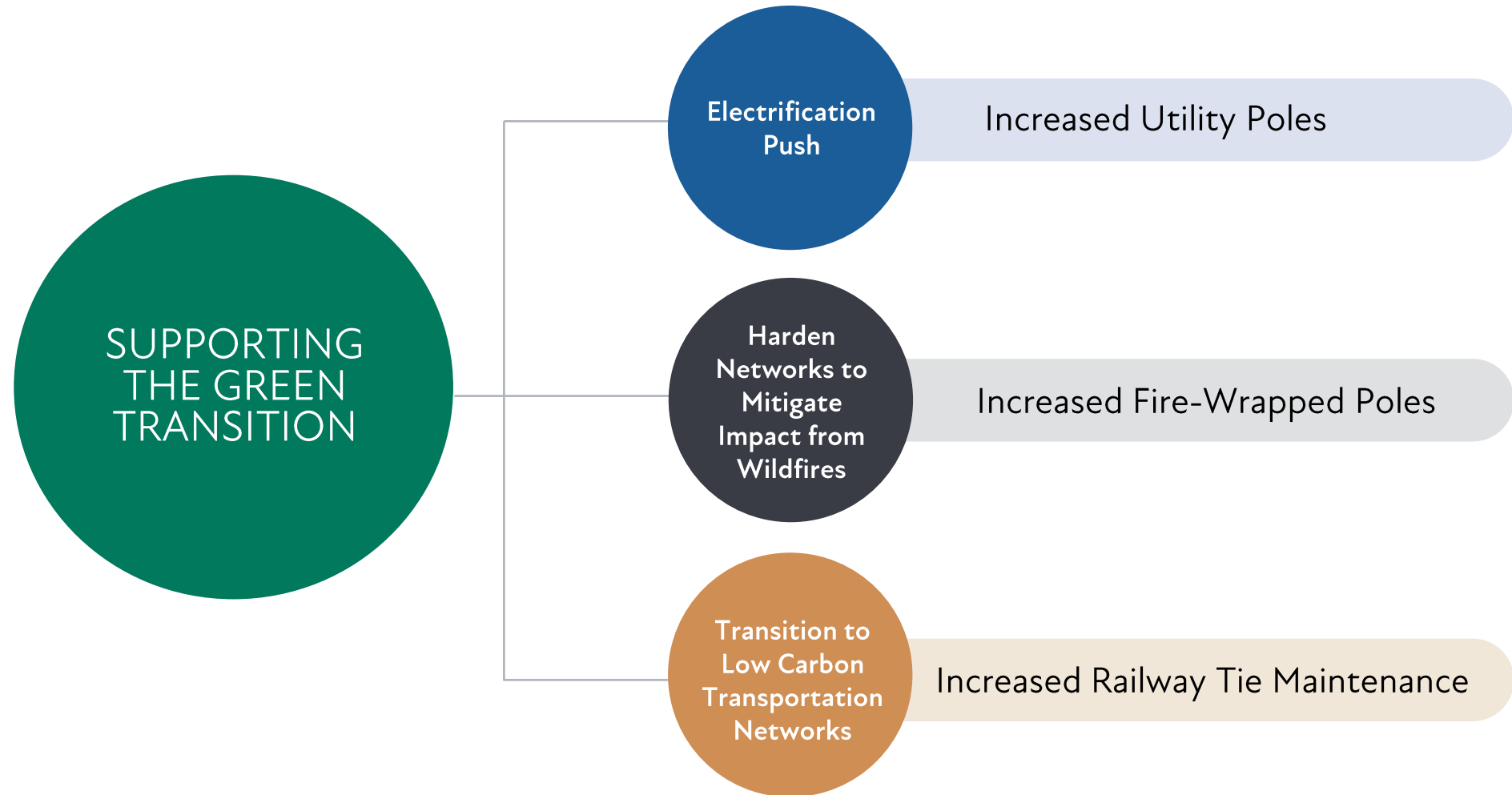
Sustainability at Stella-Jones

Our products store
significantly more carbon

than emitted over their lifetime and
can be an effective solution to mitigate
climate change

Sustainability at Stella-Jones

How Stella-Jones is positioned to support the low carbon economy of tomorrow



Our ESG Strategy



Climate Change & GHG Emissions

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

Health & Safety

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

Our People

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



Indigenous Peoples

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

Responsible Supply Chain

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

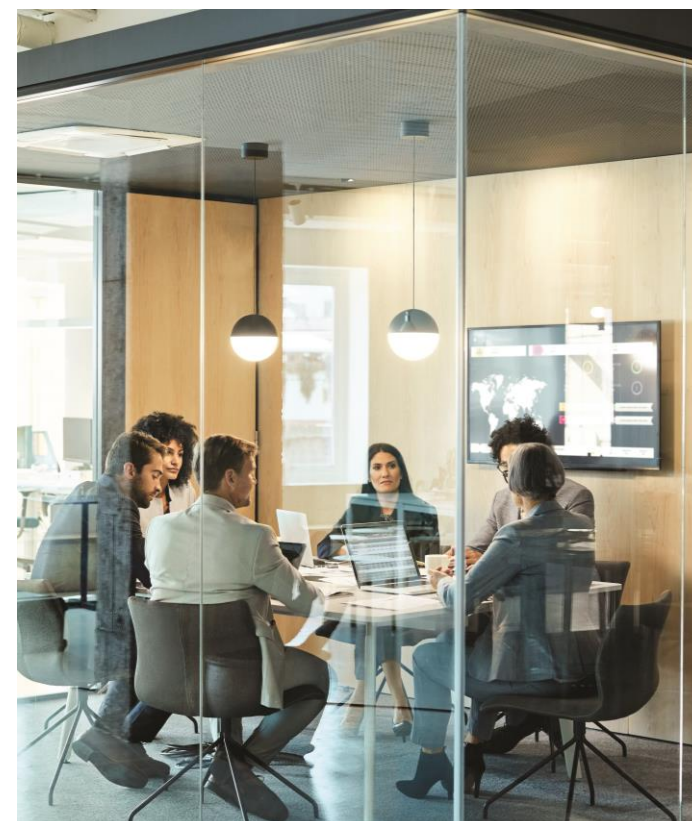
ESG Risk Governance

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



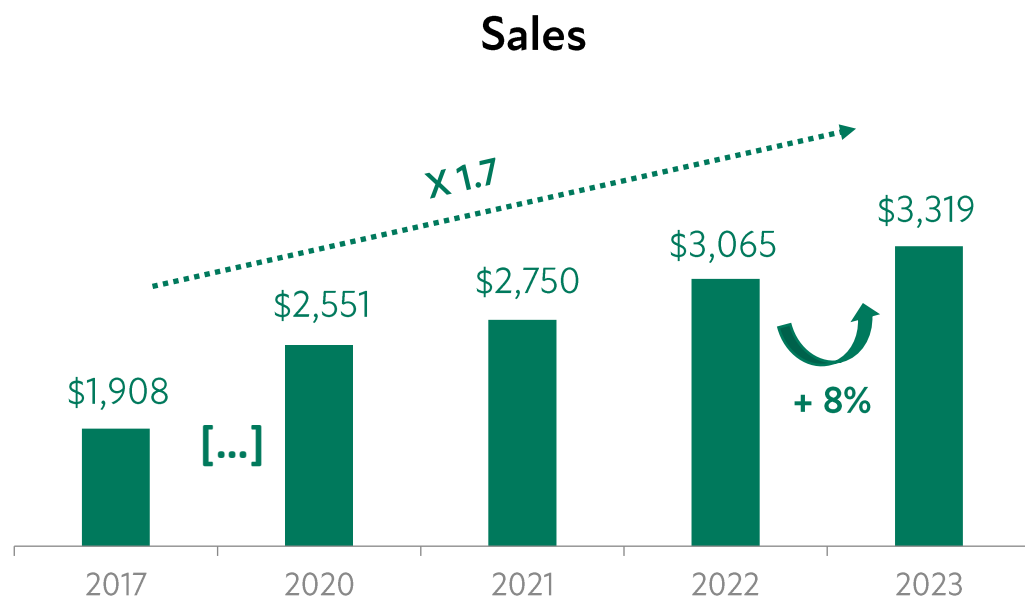
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Financial Outlook

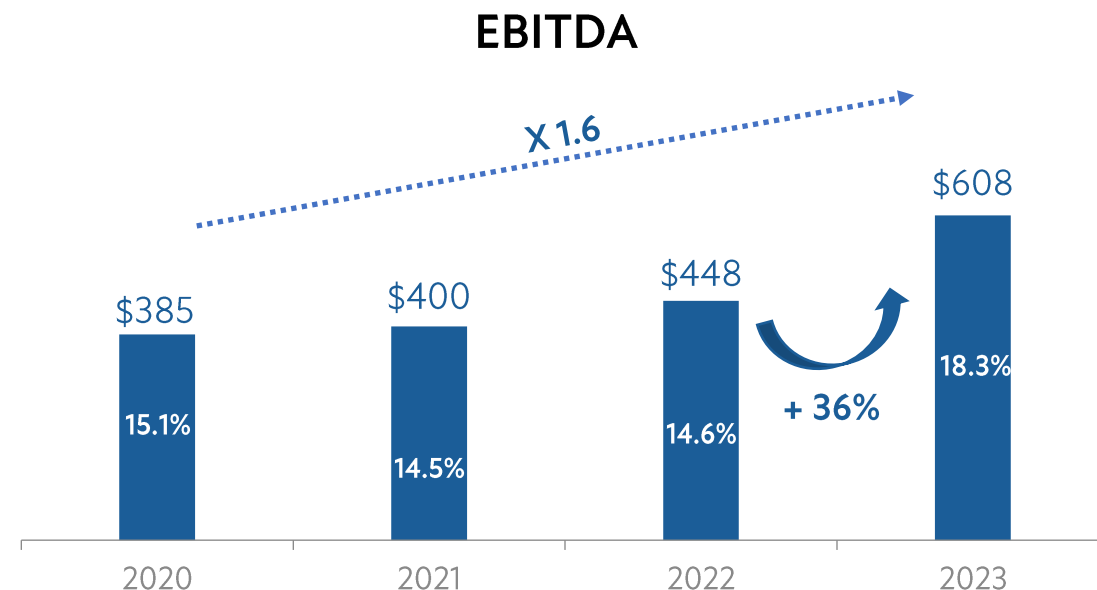


Track Record of Sustainable and Profitable Growth

(in millions of dollars)



- Strong and steady maintenance-driven demand



- Record increase in EBITDA in 2023
- EBITDA margin benefited from the strong organic sales growth and a better product mix

Updated 2023-2025 Financial Guidance

(in millions of Canadian dollars, except percentages and ratios)

2023-2025 Objectives

	May 2023 ⁽¹⁾	Updated November 2024 ⁽⁴⁾
Sales	> \$3,600 organic	Approx. \$3,600 total
EBITDA Margin ⁽²⁾	16%	> 17%
Return to Shareholder: cumulative	> \$500	> \$500
Net Debt-to-EBITDA ^{(2) (3)}	2.0x-2.5x	2.0x-2.5x

(1) Refer to the 2023 annual MD&A for further details and assumptions used in preparing the 2023-2025 financial objectives presented in May 2023

(2) EBITDA margin and net debt-to-EBITDA are non-GAAP ratios. 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 on these financial measures, please refer to the section entitled “Non-GAAP and Other Financial Measures” of the Company’s latest 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.

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

(4) The projections do not include the impact of potential future acquisitions and assume that foreign currency exchange rates remain generally consistent with current levels.

Updated Sales Growth Forecast

Utility Poles

Expected growth in line with industry's projected capex spending

Railway Ties

Annual organic sales growth
Low single digit range

Residential Lumber

Expected annual sales given industry-leading status
\$600-\$650M

Total sales: Approx. \$3.6B sales by 2025

Disciplined Capital Allocation

Net Leverage Target: 2.0x-2.5x





Appendix

2023 – Financial Highlights

<i>(in millions of Canadian dollars, except per share data and margins)</i>	2023	2022	Variation (\$)	Variation (%)
Sales	3,319	3,065	254	8%
Gross Profit	688	524	164	31%
Gross Profit margin	20.7%	17.1%	n/a	360 bps
EBITDA	608	448	160	36%
EBITDA Margin	18.3%	14.6%	n/a	370 bps
Operating income	499	359	140	39%
Operating income margin	15.0%	11.7%	n/a	330 bps
Net income	326	241	85	35%
Earnings per share – basic and diluted	5.62	3.93	1.69	43%
Weighted average shares outstanding (basic, in '000s)	57,963	61,421	(3,458)	(6%)

2023 Cash Flow and Capital Allocation

Liquidity Uses:

- Maintained and upgraded assets and invest in network
- Expanded and secured production capacity
- Three utility-pole related acquisitions
- Returned \$195 million to shareholders in 2023
- Renewed NCIB through November 2024

Increased dividend for the 20th consecutive year - declared quarterly dividend of \$0.28 per common share



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