

FUTURE READY

Q4 and Year-End 2024 Financial Results



February 27, 2025

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, 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, regulatory and environmental compliance and factors and assumptions referenced herein and in the Company's most recent Annual Management's Discussion and Analysis ("MD&A"). 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.

Operating income before depreciation and amortization (herein referred to as earnings before interest, taxes, depreciation and amortization ["EBITDA"]), EBITDA margin, operating income margin, net debt-to-EBITDA and return on average capital employed are non-GAAP and other financial measures which do not have a standardized prescribed by International Financial Reporting Standards as issued by the International Accounting Standards Board 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, 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.

2024 HIGHLIGHTS AND ACHIEVEMENTS

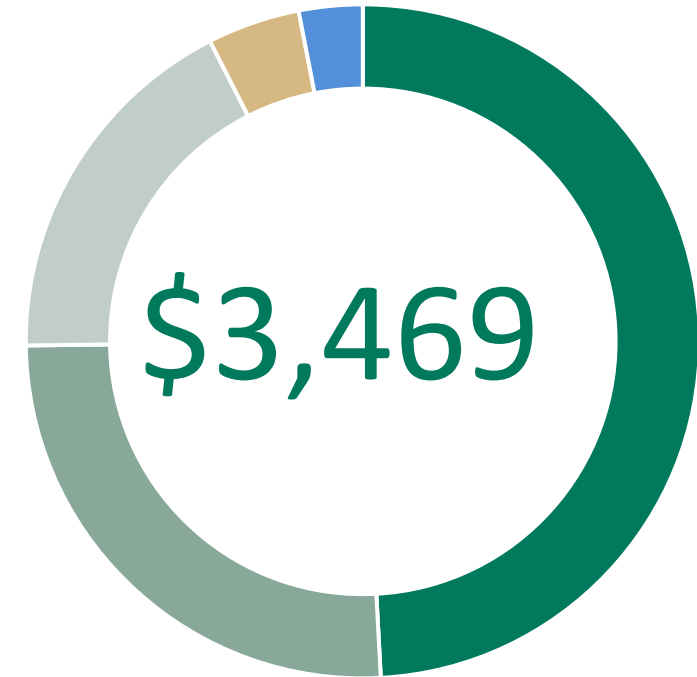
Highlights:

- Total sales of \$3,469 million, up 5% from 2023
- 8% infrastructure sales growth
- Operating income of \$503 million
- EBITDA⁽¹⁾ of \$633 million, or 18.2% margin⁽¹⁾ from \$608 million in 2023
- Strong operating cashflow of \$408 million

⁽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 on these financial measures, please refer to the section entitled "Non-GAAP and Other Financial Measures" of the Company's latest Management's Discussion and Analysis ("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.

SALES BY PRODUCT CATEGORY

(in millions of \$)



Utility Poles Railway Ties Residential Lumber
Industrial Products Logs & Lumber

A FOCUS ON SUSTAINABILITY



Solar panel installation in Cameron, Wisconsin



PRODUCT CATEGORY OVERVIEW

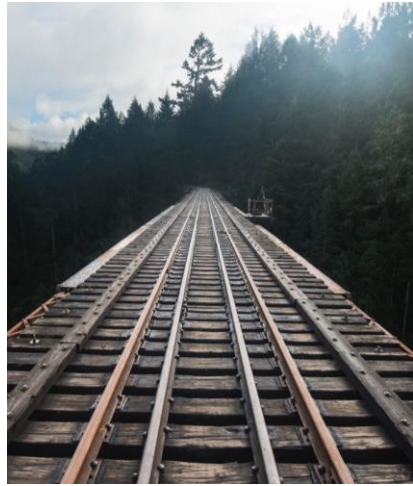
UTILITY POLES



49% of Sales

- Sales of **\$1,705** million
- Expected growth in line with industry's projected capex spending

RAILWAY TIES



26% of Sales

- Sales of **\$890** million
- Expected to continue to deliver at least low single-digit growth

INDUSTRIAL PRODUCTS



4% of Sales

- Sales of **\$154** million

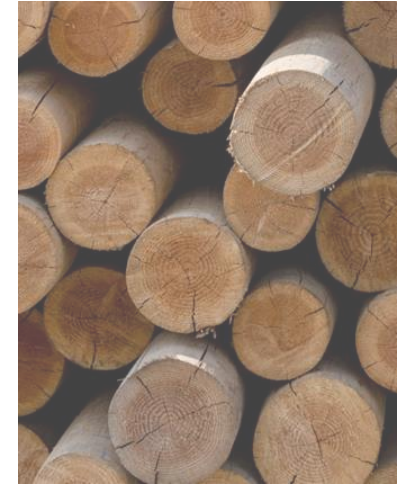
RESIDENTIAL LUMBER



18% of Sales

- Sales of **\$614** million
- Expected sales within \$600-\$650 million target

LOGS & LUMBER



3% of Sales

- Sales of **\$106** million

Q4 2024 AND YEAR-END FINANCIAL PERFORMANCE

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

| | Q4-24 | Q4-23 | FY 24 | FY 23 |
|---|--------------|-------|--------------|-------|
| Sales | 730 | 688 | 3,469 | 3,319 |
| Operating income | 81 | 89 | 503 | 499 |
| Operating income margin ⁽¹⁾ | 11.1% | 12.9% | 14.5% | 15.0% |
| EBITDA ⁽¹⁾ | 115 | 120 | 633 | 608 |
| EBITDA margin ⁽¹⁾ | 15.8% | 17.4% | 18.2% | 18.3% |
| Return on average capital employed ⁽¹⁾ | 13.7% | 15.8% | 13.7% | 15.8% |
| Net income | 52 | 56 | 319 | 326 |
| Earnings per share – basic and diluted | 0.93 | 0.98 | 5.66 | 5.62 |

(1) Please refer to the section “Non-GAAP and other financial measures” in the Company’s latest MD&A 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

DISCIPLINED CAPITAL ALLOCATION STRATEGY

\$408M

2024 Operating Cashflow

\$348M

2023-2024
Return of Capital to
Shareholders

2.6x

Net debt-to-EBITDA⁽¹⁾
As at December 31, 2024

Investment-grade capital allocation strategy allows pursuit of growth opportunities while returning capital to shareholders.



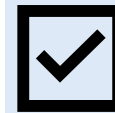
New NCIB Program

- 2.5M shares authorized
- Reflects cash generative nature of business



Return to Shareholders Commitment

- Returned \$348M of the \$500M committed for 2023-2025
- Announced 11% increase in quarterly dividend to \$0.31 per share



Inaugural \$400M, 7-Year Senior Notes

- Reflects confidence in business fundamentals and future prospects
- Over \$800M of available liquidity as at December 31, 2024

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POSITIVE OUTLOOK

Well Positioned for 2025:

- Optimized operating model to maximize efficiencies
- Strong demand drivers for **Utility Poles** product category
- Poised to leverage competitive advantages for **Railway Ties** product category
- Value-based service model expected to drive **Residential Lumber** growth

Acquisitions Remain Cornerstone of Growth:

- Prioritizing opportunities that widen industry and product reach



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