



Source: Stella-Jones Inc.

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STELLA-JONES GROWS INTO ELECTRICAL TRANSMISSION STEEL STRUCTURES WITH THE ACQUISITION OF LOCWELD

Company delivering on its strategy to expand infrastructure offering

Montreal, Quebec – May 7, 2025 - Stella-Jones Inc. (TSX: SJ) (“Stella-Jones” or “the Company”) announced today that it has entered into a definitive agreement to acquire Locweld Inc. (“Locweld”), a leading designer and manufacturer of lattice transmission towers and steel poles. The closing of the acquisition is expected to occur today.

Based in Candiac, Quebec, Locweld has established a strong reputation for its commitment to quality and service, with over 75 years of operations. Led by a seasoned management team, Locweld employs approximately 220 people and services customers in both Canada and the United States from its 220,000 square foot facility.

“This acquisition is a step-change that enables Stella-Jones to establish a presence in the approximately five-billion-dollar steel transmission structure market, complementing our current utility poles business and offering new growth opportunities,” said Eric Vachon, President and Chief Executive Officer of Stella-Jones. “We are executing on our strategy to broaden Stella-Jones’ infrastructure offering with an acquisition that capitalizes on our expansive sales and distribution network. With this strategic move, we are well positioned to better serve our customers and gain invaluable experience as we work to continually develop our reach,” he concluded.

“For almost 40 years, the Cyr family has been at the helm of Locweld, and we are excited to have identified a strategic buyer in Stella-Jones,” said Michael Cyr, Chief Executive Officer of Locweld. “This transaction will be mutually beneficial; Locweld will benefit from the breadth and strength of a larger organization that views the transmission structure industry as a keystone of its future growth, and our team will bring industry expertise and know-how to continue to deliver exceptional value to customers,” he added.

The consideration for the acquisition consists of a purchase price of \$58 million on a cash-free debt-free basis and subject to customary working capital adjustments. An additional performance-based consideration of up to seven million dollars may be paid contingent upon achieving specific financial and operational milestones. Stella-Jones also intends to invest in a capital expenditure program of approximately \$15 million to increase Locweld’s current output and optimize operational efficiencies. Michael Cyr, Chief Executive Officer of Locweld, will be moving on from his role, and key members of management will remain within the organization to support the business. Sales for Locweld’s year ended September 30, 2024 reached approximately \$55 million. The Company will finance the acquisition through its existing revolving credit facilities.

Stella-Jones does not expect to make any further announcement regarding the transaction.

ABOUT STELLA-JONES

Stella-Jones Inc. (TSX: SJ) is a leading North American manufacturer of products focused on supporting infrastructure that are essential to the delivery of electrical distribution and transmission, and the operation and maintenance of railway transportation systems. It supplies the continent's major electrical utilities companies with treated wood utility poles and North America's Class 1, short line and commercial railroad operators with treated wood railway ties and timbers. It also supports infrastructure with industrial products, namely timbers for railway bridges, crossings and construction, marine and foundation pilings, 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 Canadian customers through its national manufacturing and distribution network.

Except for historical information provided herein, this press release contains information and statements of a forward looking nature concerning the future performance of the Company and the acquisition described herein. These statements are based on suppositions, risks and uncertainties as well as on management's best possible evaluation of future events. 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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