



August 7, 2025

Q2 2025 Financial Results

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, 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") 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, operating income margin and net debt-to-EBITDA 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.

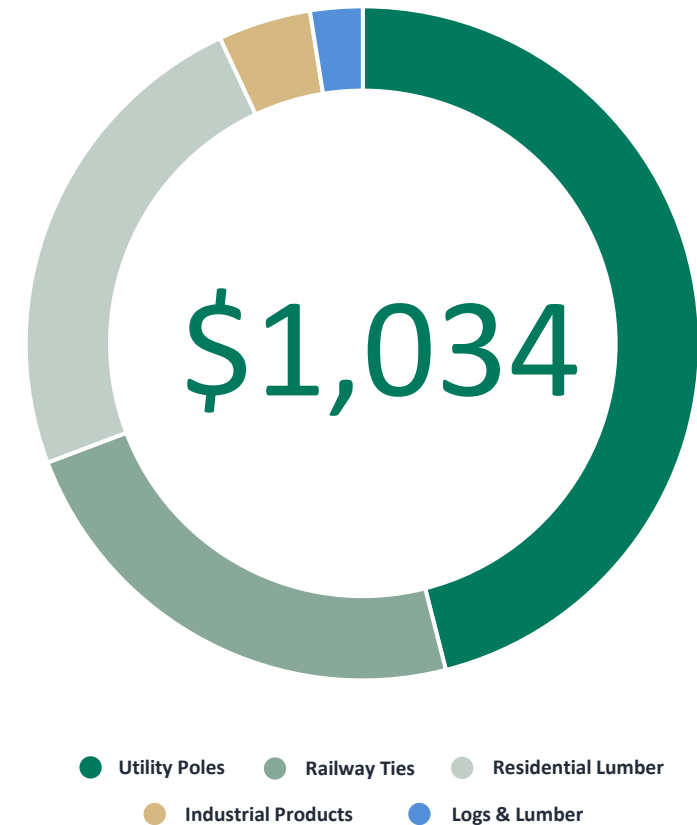
Please refer to the section "Non-GAAP and other financial measures" of the Company's latest MD&A, available at www.sedarplus.ca.

Q2 2025 HIGHLIGHTS

- Sales of \$1,034 million, down 1% from Q2 2024
- Operating income of \$155 million compared to \$168 million from Q2 2024
- Strong EBITDA⁽¹⁾ of \$189 million, or 18.3% margin⁽¹⁾
- Completed acquisition of a steel transmission structure manufacturer
- Available liquidity of almost \$700 million
- Updated revenue outlook for the year

SALES BY PRODUCT CATEGORY

(in millions of \$)



¹These 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.

Q2 PRODUCT CATEGORY OVERVIEW

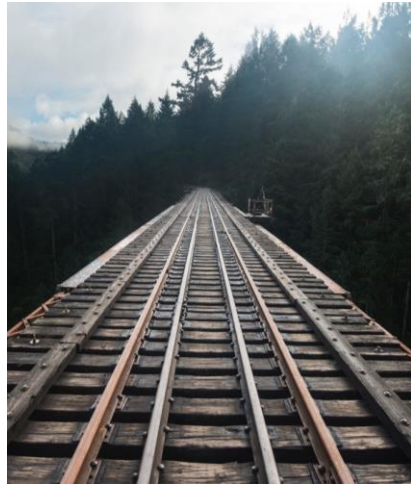
UTILITY POLES



46% of Sales

- Sales of **\$476** million
- Decrease in volumes, on an increasing trend since Q2 2024
- Includes contribution from Locweld acquisition

RAILWAY TIES



23% of Sales

- Sales of **\$240** million
- Lower sales attributable to a Class 1 railroad moving to in-house treating

INDUSTRIAL PRODUCTS



4% of Sales

- Sales of **\$46** million

RESIDENTIAL LUMBER



24% of Sales

- Sales of **\$246** million
- Higher pricing due to increase in market price of lumber compared to Q2 2024 offset by softer demand

LOGS & LUMBER



3% of Sales

- Sales of **\$26** million

UPDATED FINANCIAL OUTLOOK

(in millions of dollars, except percentages and ratios)	2023-2025 Objectives ⁽³⁾	2023-2025 Revised Objectives
Sales	approx. \$3,600	approx. \$3,500
EBITDA margin ⁽¹⁾	> 17%	> 17%
Return to Shareholders: cumulative	> \$500	> \$500
Net Debt-to-EBITDA ^{(1) (2)}	2.0x-2.5x	2.0x-2.5x

(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 this 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

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

(3) Refer to the 2024 Annual MD&A for further details.

Q2 2025

FINANCIAL PERFORMANCE

(in millions of Canadian dollars, except per share data and margins)	Q2-25	Q2-24	YTD Q2-25	YTD Q2-24
Sales	1,034	1,049	1,807	1,824
Gross Profit ⁽¹⁾	206	226	374	398
Gross Profit margin ⁽¹⁾	19.9%	21.5%	20.7%	21.8%
Operating income	155	168	298	292
Operating income margin ⁽¹⁾	15.0%	16.0%	16.5%	16.0%
EBITDA ⁽¹⁾	189	200	368	356
EBITDA Margin ⁽¹⁾	18.3%	19.1%	20.4%	19.5%
Net income	106	110	199	187
Earnings per share – basic and diluted	1.91	1.94	3.58	3.30

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DISCIPLINED CAPITAL ALLOCATION STRATEGY

\$417M

Returned to
Shareholders out of
\$500M committed

As at June 30, 2025

\$693M

Available Liquidity

As at June 30, 2025

2.4x

Net debt-to-EBITDA⁽¹⁾

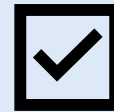
As at June 30, 2025

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



NCIB Program

- \$20M shares repurchased during the three-month period ended June 30, 2025



Return to Shareholders Commitment

- Returned \$417M out of the \$500M committed for 2023-2025
- Announced quarterly dividend of \$0.31 per share



Strategic Acquisition

- Completed acquisition of steel transmission structure manufacturer
- Provides additional platform to expand infrastructure offering

(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

POSITIVE FUTURE OUTLOOK

Well Positioned Going Forward:

- Progressive improvement in utility poles volumes
- Opportunities to deliver value-adding solutions to railway customers

Acquisitions Remain Cornerstone of Growth:

- Prioritizing opportunities that are accretive and are complementary to existing infrastructure portfolio





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