

**STELLA
JONES**

2025 Investor Day



Safety Instructions





David Galison

Vice President, Investor Relations



Cautionary Statement

This presentation contains statements that are forward-looking in nature. The words “may”, “could”, “should”, “would”, “assumptions”, “plan”, “strategy”, “believe”, “anticipate”, “estimate”, “expect”, “intend”, “objective”, the use of the future and conditional tenses, and words and expressions of similar nature are intended to identify forward-looking statements. Forward-looking statements include, without limitation, the three-year financial targets (including sales, annual sales growth, EBITDA margin, earnings per share and return to shareholders), the maintenance capital expenditures, strategic growth opportunities, dividend payout, share repurchases, and the net debt-to-EBITDA ratio, which are provided for the purpose of assisting the reader in understanding the financial position, operating results and cash flows of Stella-Jones Inc. (“Stella-Jones” or the “Company”) and management’s current expectations and plans (and may not be appropriate for other purposes). Such statements are based upon a number of assumptions and involve known and unknown risks and uncertainties that may cause the actual results of the Company 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, regulatory and environmental compliance and factors and assumptions referenced herein and in the Company’s continuous disclosure filings. As a result, readers should not place undue reliance on forward-looking information. 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.

This presentation contains non-GAAP financial measures and non-GAAP ratios. Readers are advised to read this presentation in conjunction with the section entitled “Non-GAAP and Other Financial Measures” in the end of this presentation.



Eric Vachon

President and Chief Executive Officer



Welcome & Strategic Update

Eric Vachon, President & Chief Executive Officer

Infrastructure Overview

Utility Market Dynamics – Katherine Duff & Omar Saeed, Boston Consulting Group

Wood Utility Poles - Kevin Comerford, Senior Vice President, Utility Poles

Steel Structures - Pierre Lavoie, General Manager, Steel Structures

Railway Ties - Sylvain Couture, Vice President & General Manager, Railway Ties

Break

Optimization Technology, Sustainability & Financial Update

Optimization Technology Fireside Chat - Wesley Bourland, Senior Vice President & Chief Operating Officer

Sustainability Update - Rhiannah Carver, Senior Director, Project Management & Sustainability

Financial Overview - Silvana Travaglini, Senior Vice President & Chief Financial Officer

Concluding Remarks - Eric Vachon, President & Chief Executive Officer

Question Period

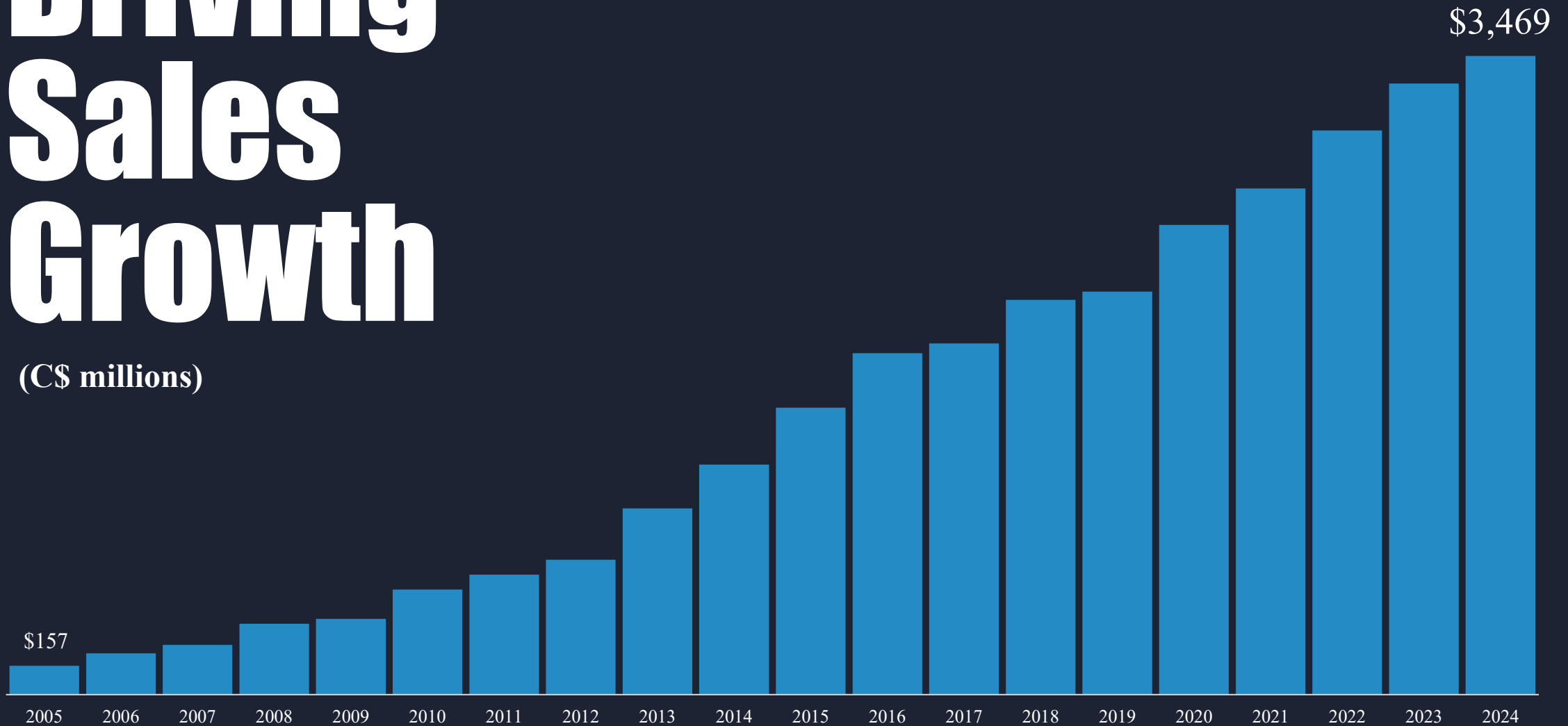
Today's Agenda

Land Acknowledgement



Driving Sales Growth

(C\$ millions)



An aerial photograph of a railway track winding through a dense forest. The scene is bathed in the warm, golden light of a sunset or sunrise, with long shadows and a hazy atmosphere. The tracks run diagonally from the top left towards the bottom right. The trees are mostly evergreens, with some deciduous trees showing autumnal colors. The overall mood is serene and atmospheric.

**STELLA
JONES**



**Stand tall,
reach wide.**

Laying the Foundation:

Strength

Stability

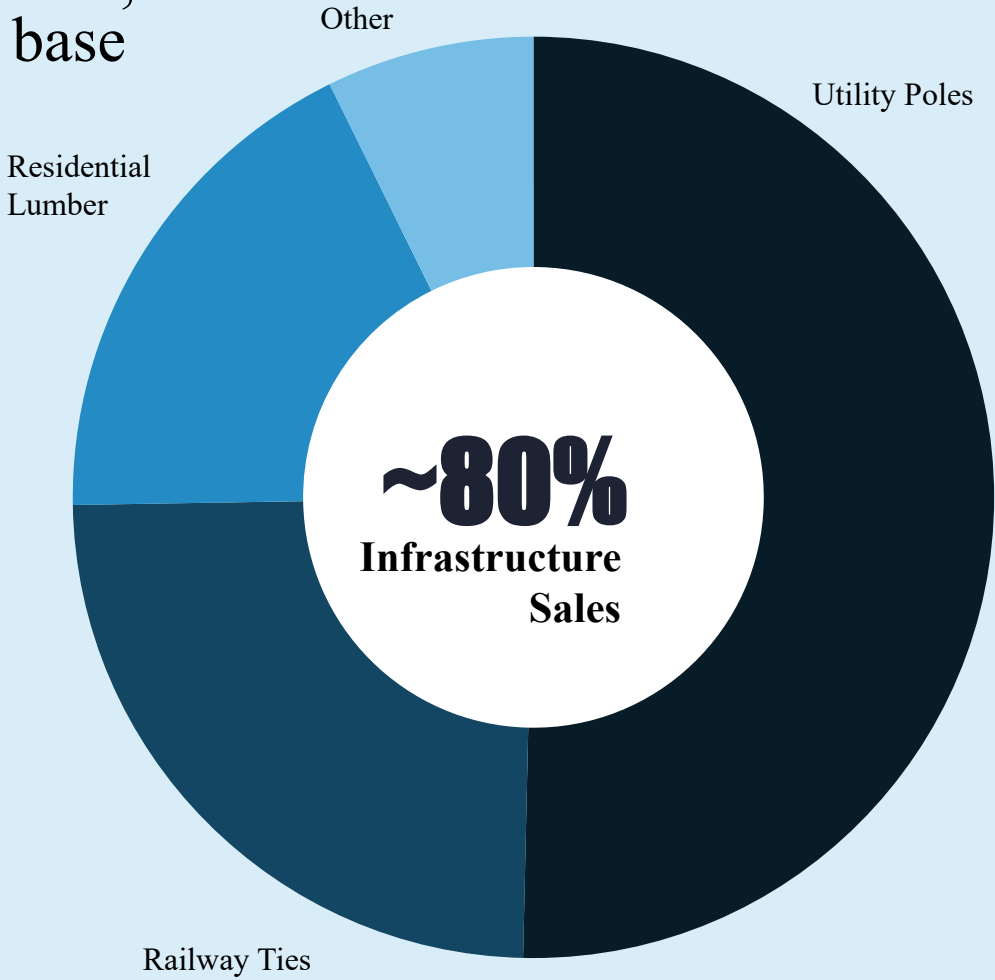
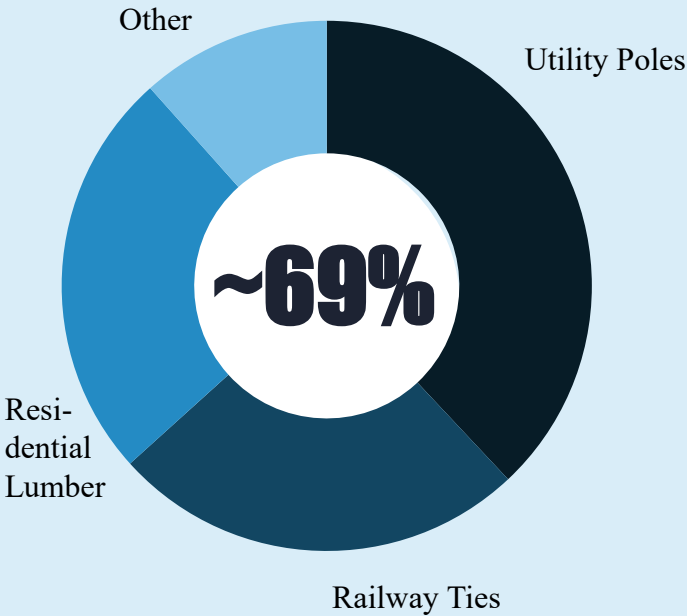
Breadth & Depth of Business

Our infrastructure-focused vision
is driving our strategic path forward.

Rooted in Infrastructure

High-value, strategically-located, strong cash generating asset base

3-Year Growth in Infrastructure Sales
(2022 vs. LTM Q3 2025)



- Utility Poles**
 - Replacing aging infrastructure, meet growing demand and increasing utility grid resiliency
- Railway Ties**
 - Continued strong position and market share



Broadening Our Reach & Strengthening Our Balance Sheet

(LTM Q3 2025 since 2022)



SALES GROWTH

14%



EBITDA^{(1) (2)} GROWTH

40%



**EARNINGS PER SHARE (EPS)⁽¹⁾
GROWTH**

45%



EBITDA MARGIN^{(1) (2)}

330[↑] basis points

On our way to return

\$500M

to shareholders

\$130M

growth capex

\$350M

in accretive
acquisitions

**Investment-grade
rating**

\$400M

bond offering

(1) Excluding a pre-tax insurance settlement gain of \$28M (\$21M net of tax)

(2) These indicated terms have no standardized meaning under GAAP and are not likely to be comparable to similar measures presented by other issuers. Please refer to “Non-GAAP and Other Financial Measures” at the end of this presentation

Why We Win!



We are the supplier of choice with a loyal customer base.

**Quality
Products**



**Timely
Delivery**

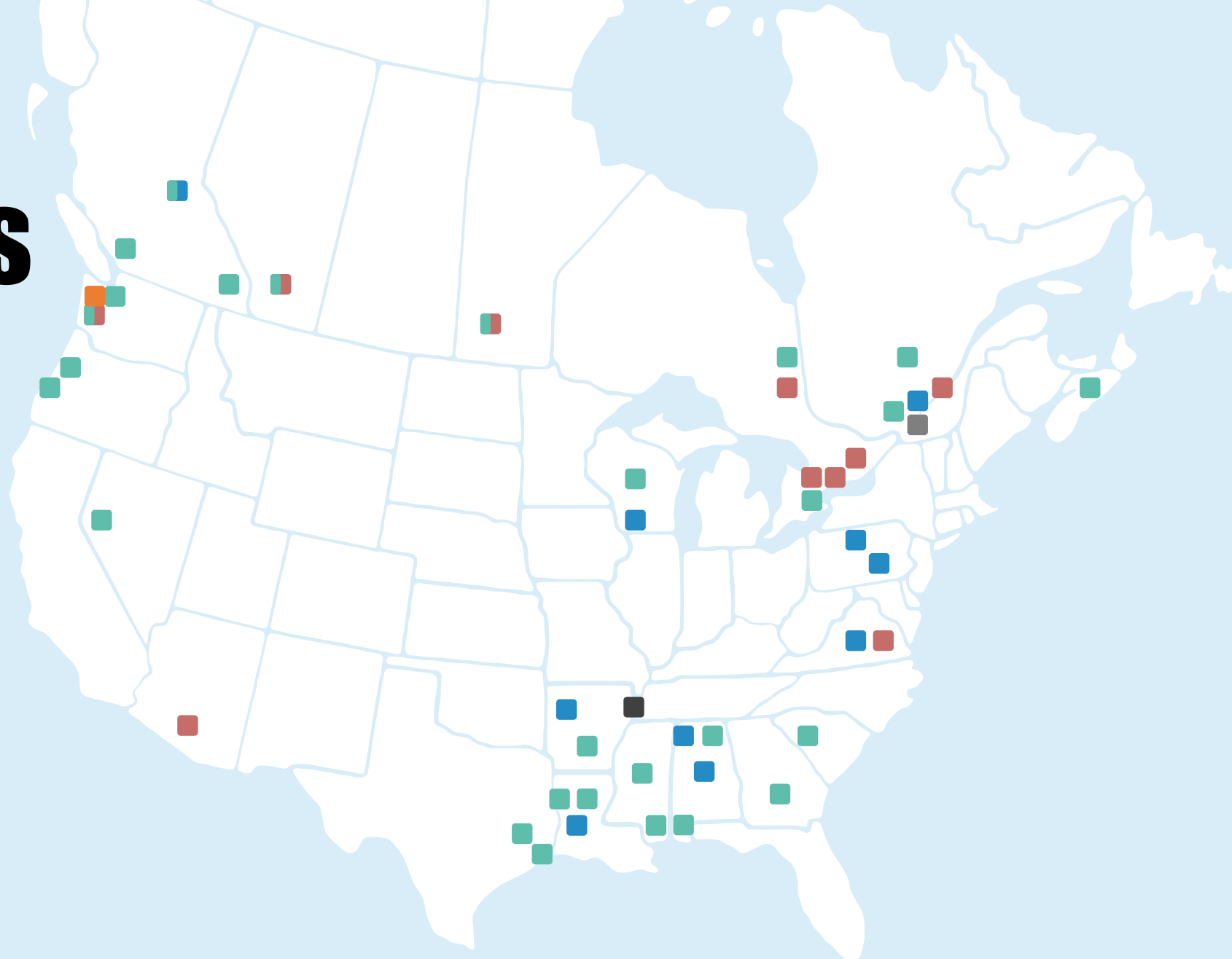


**Value-Added
Services**



Located in Key Markets

Treating and manufacturing facilities



We Intend to Keep Growing.

SALES Compound Annual Growth Rate
(CAGR) ⁽¹⁾

4-5%

EBITDA MARGIN ⁽²⁾

17.5 – 18.5%

EPS CAGR

↑10%+

(1) Excluding future acquisitions

(2) This is a non-gaap ratio that has no standardized meaning under GAAP and is not likely to be comparable to similar measures presented by other issuers. Please refer to “Non-GAAP and Other Financial Measures” at the end of this presentation

Future Ready.



**Refining core
functions**



**Reducing
operational
costs**



**Mitigating
safety risks**



Leveraging AI

Core to Our Growth: M&A Strategic Investments



**Be the supplier of choice
for our infrastructure
customers**

Supporting the Infrastructure that Connects our Communities.

Wood Utility Poles



\$3B Total Addressable Market (TAM)
U.S. & CANADA⁽¹⁾

**We are a leading
industry supplier.**

1) Major Consulting Practice, July 2025

Steel Structures



\$1.5B TAM
U.S. & CANADA⁽¹⁾

**An
Opportunity
to Seize.**





Doubling Capacity

Invested in
capex to reach
20,000
tons of capacity

~\$55M to
\$100M+
in annual sales

Tubular Steel



\$3.5B TAM
U.S. & CANADA⁽¹⁾

**An untapped
opportunity.**

M&A: Expanding Our Network



We are the supplier of choice with a loyal customer base.



Alternate Pole Materials

Pole Hardware

Alternate Crossarm Materials

Substation Structures

Inspection & Maintenance

Vegetation Maintenance

Confidently Expanding Our Offering & Entering Adjacent Markets



Steel Structures

LATTICE TOWERS & MONOPOLES



Structural Pole Fixtures

WOOD CROSSARMS & HARDWARE

BROOKS
MANUFACTURING CO.

Railway Ties

18-20M TIES TAM

U.S. & CANADA⁽¹⁾

**TIES YOU
CAN TRUST**

Assessing the Opportunities

Our Proven and Consistent Set of Criteria:

Accretive Investments to Expand
Our Current Portfolio



Strategic Value



**Market
Dynamics**



Operational Fit



**Sustainable,
Long-term,
Financial Returns**

Dedicated to a Strong Return
on Capital Employed





Stand tall, reach wide.

Leveraging scale, relationships, experience, and network to expand into higher value markets

Focused on the next phase of growth, both organic and M&A

We have the right team, driven to achieve the next phase of our journey



Kevin Comerford

Senior Vice-President, Utility Poles



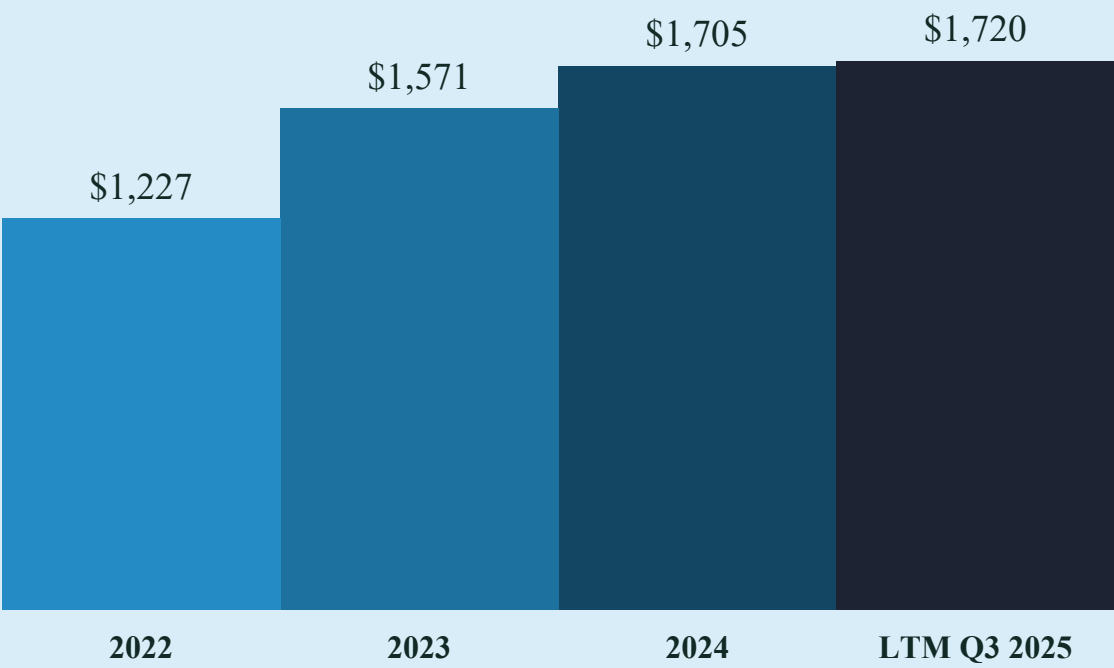
A Leading Supplier of Wood Poles in North America



Strong Sales Growth



Wood Utility Poles⁽¹⁾ Sales Growth
(C\$ millions)



12%
CAGR since 2022

(1) Excluding Locweld Inc. acquisition

Meeting the Demands of the North American Electricity System

~185 million

Total wood poles⁽¹⁾

3 million+

poles installed annually⁽¹⁾

Growth Drivers



DEFERRED MAINTENANCE

40-45%

of distribution assets
are near or beyond
their useful life⁽¹⁾

INCREASED USE & WEATHER EVENTS

- System Hardening & Resiliency
- Load Growth
- Reshoring of Manufacturing
- Renewables
- Electrification



With Increasing Demand, Poles Need to Bear More Weight

Poles need to be thicker, taller or both

1 class = 15%+
increase volume increase



Class 4



Class 3

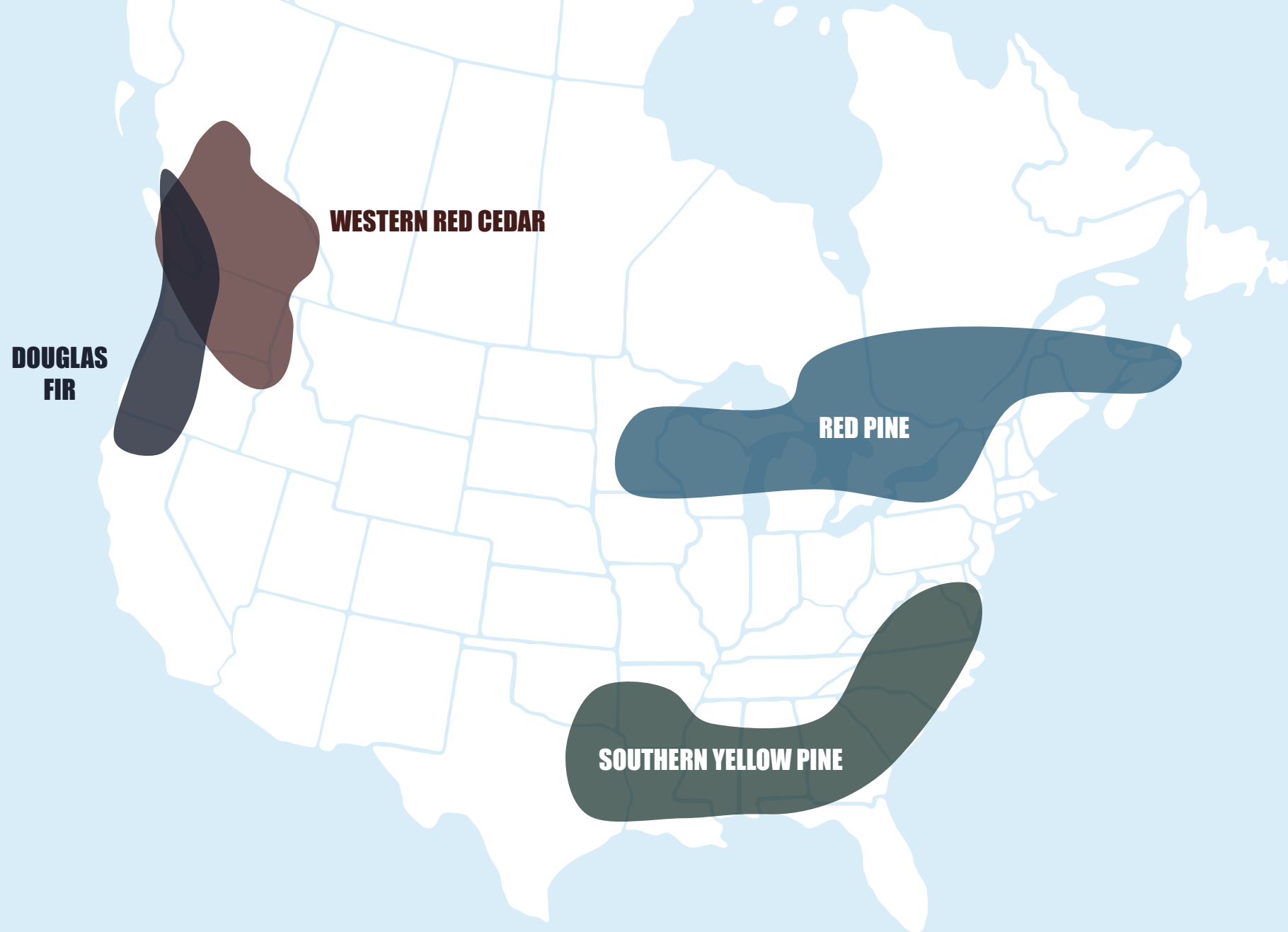


Class 3

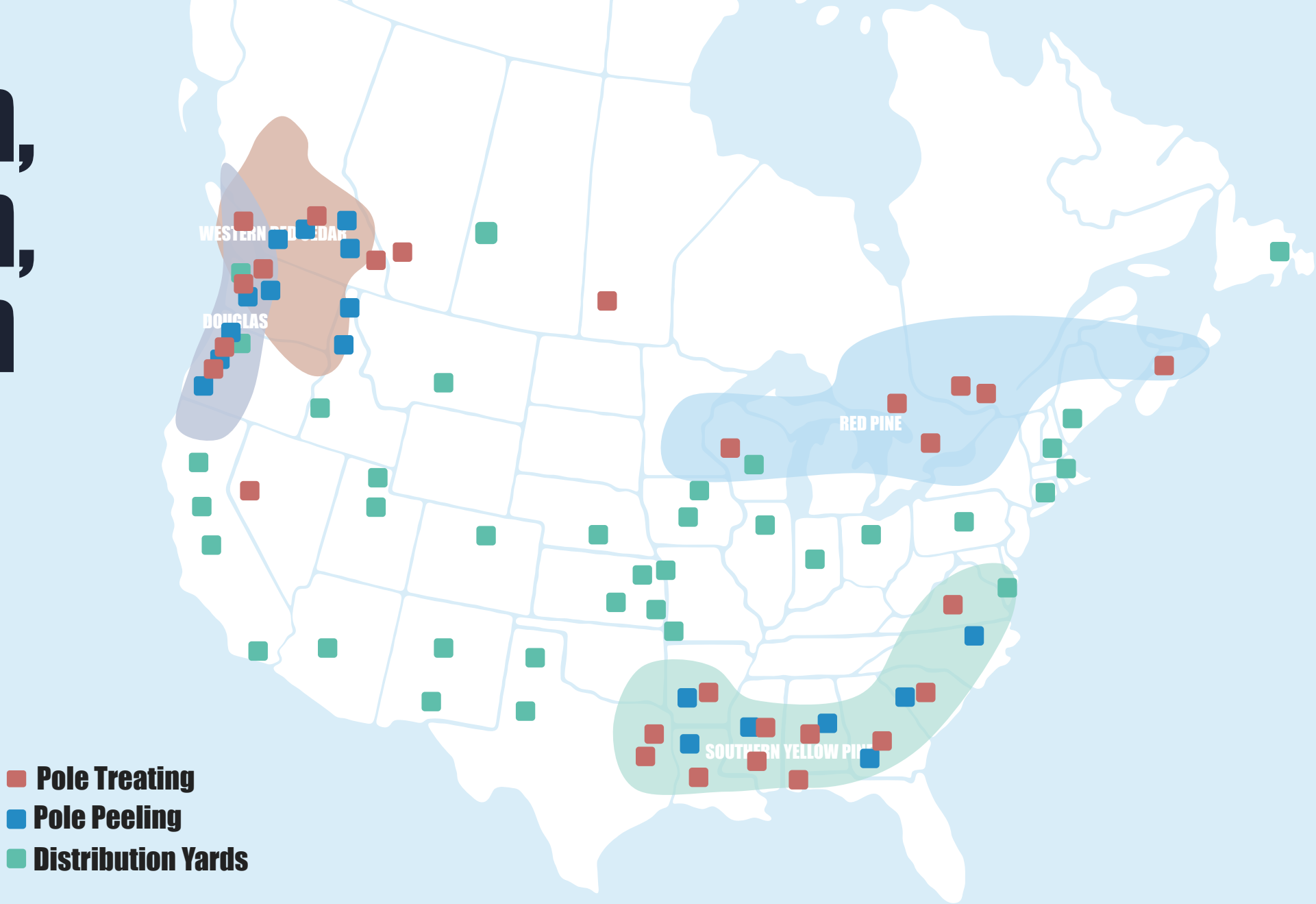
Class 3

5' = 15%+
length volume increase

Location, Location, Location



Location, Location, Location



Our Competitive Advantage



**EXTENSIVE
NETWORK &
UNMATCHED REACH**



**UNIQUE AGILITY &
LOGISTICS**



**DEEP & DURABLE
RELATIONSHIPS**



Investing in Reliable Supply & Quality



**INVESTING IN
CAPACITY
EXPANSION**



**PRIORITIZING LONG-
TERM CUSTOMERS**



**COMMITTED TO
SUPPLY**



**TRUSTED TO MEET
LONG-TERM
CONTRACTS**

Using Technology to Optimize our Business



Drive efficiency

Reduce input costs & minimize waste

Speed decision making & track key performance metrics

Focus on using technology to improve both the class and number of wood poles we get from the same volume of raw material.



Stand tall, reach wide.

**Exploring opportunities
adjacent to our core business**



Alternate Pole Materials



Pole Hardware

Alternate Crossarm Materials



Substation Structures

Inspection & Maintenance



Vegetation Maintenance

Acquiring a Long-Standing, Proven Supplier



Brooks Meets Our Strict Evaluation Criteria



Strategic Value

- Builds on our existing infrastructure offering



Markets Dynamics

- Maintenance driven with recurring demand



Operational Fit

- Geographic expansion potential



Financial

- ROCE > Cost of Capital
- Strong EBITDA¹ potential
- Recurring revenue

(1) This is a non-GAAP measure that has no standardized meaning under GAAP and is not likely to be comparable to similar measures presented by other issuers. Please refer to “Non-GAAP and Other Financial Measures” at the end of this presentation



Never Been Better Positioned For Growth.

| The Right Network

| The Right Customers

| The Right Opportunity

Pierre Lavoie

General Manager, Steel Structures





75+
years



Our Award-Winning Culture

Continuous Improvement



Sustainability



Health & Safety





**STELLA
JONES**

STEEL LATTICE A Leading Supplier

100,000+ steel lattice towers

**built to date, equivalent to over 32,000 KM
of transmission lines**

MONOPOLES Serving the Quebec & Ontario Markets

**We manufacture the largest
monopoles in Canada
(up to 252 feet high with a
base diameter of 13 feet)**

ROCKANCHOR

A strong offering to wood utility pole customers



STELLA
JONES



220,000 sq. ft.

8,000-10,000

tons of annual capacity

Capacity is set to double to

20,000 tons by mid-2026



CANDIAC, QC

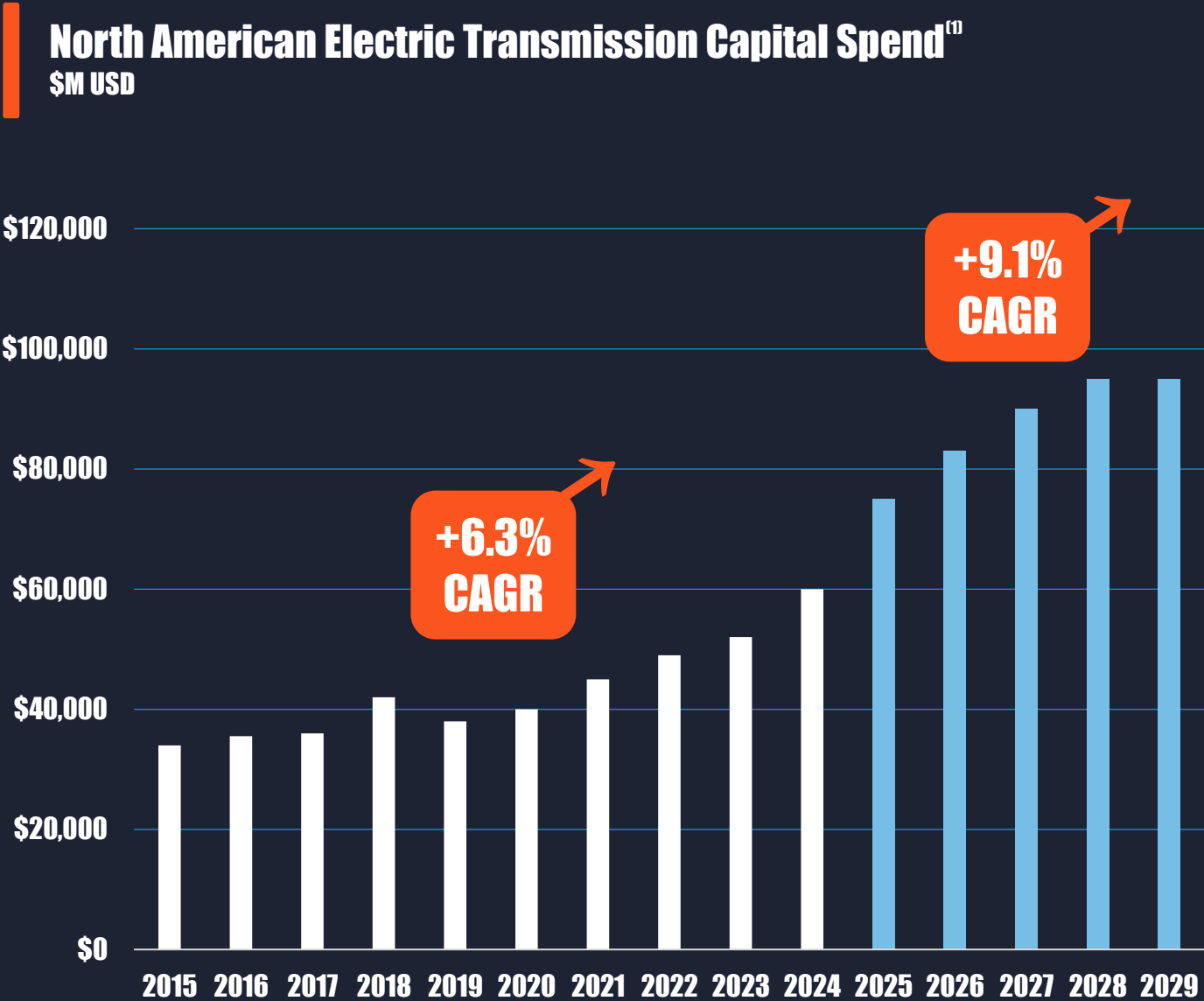


Industry Trends

North American Transmission CAPEX

9%

2023-2024



(1) Power Insights, August 2025

Investor-Owned Utilities ("IOU") in the U.S.⁽¹⁾



15%

**CAPEX CAGR
(2024-2029)**



\$275B USD

**Total IOU CAPEX Spend
(2024-2029)**



Total CAPEX (2024)

\$31B

Canadian Utilities



6%

**growth in CAPEX
2024-2029⁽¹⁾**



\$6B USD

**in transmission lines
in 2024⁽¹⁾**

Competitive Landscape





Growth and Market Opportunities

Steel Structures Market⁽¹⁾

\$5B



STEEL LATTICE
\$1.5B market¹

**Higher voltage
transmission**

**Lower up-front costs,
higher install and
maintenance costs**



MONOPOLES
\$3.5B market⁽¹⁾

**Higher production
costs, lower install and
maintenance costs**

**STELLA
JONES**

Our Competitive Strengths

Design, manufacturing, shipping, assembly

Precision, quality, service, delivery

The “local” option with
long-standing Tier 1 customers



Why We Win Together



Clear Alignment

We both value quality, service, health and safety, and continuous improvement



Access to Resources

Ready to grow more



Customers

Similar customer lists with cross-selling opportunities



Growing Together

Funding Our Next Phase of Growth



**New state-of-the-art
equipment**

**Investing in capacity
and technology**

60%
improvement in efficiency

20,000
tons of capacity



The Right Time

| The Right Resources

| The Right Investment

| The Right Opportunity



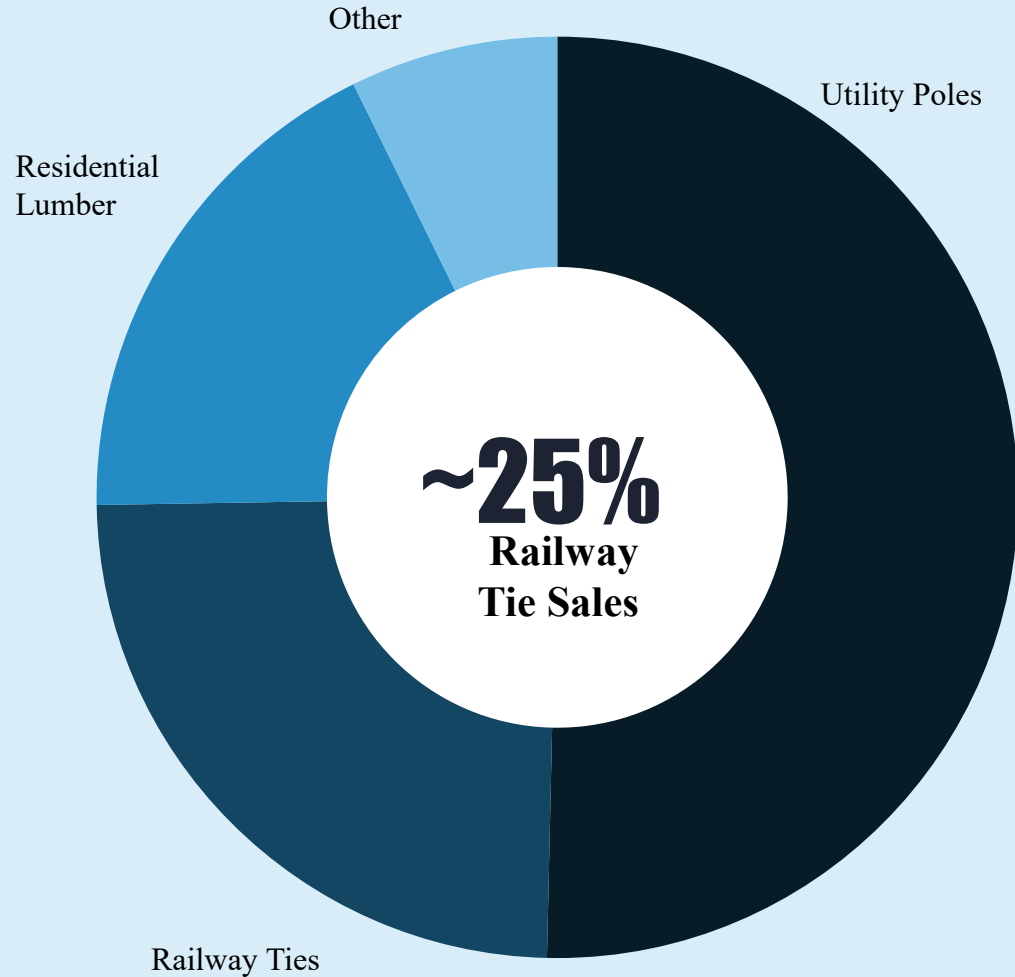
Sylvain Couture

**Vice President & General Manager
Railway Ties**



A Core Business

LTM Q3 2025 Sales by Product Category



**An Industry Leader
in the manufacture &
distribution of:**

- **Wood railway crossties**
- **Switch ties**
- **Bridge timbers**
- **Prefabricated bridges**
- **Crossing panels**
- **Pre-plated products**

A Broad Network, Delivering at Scale

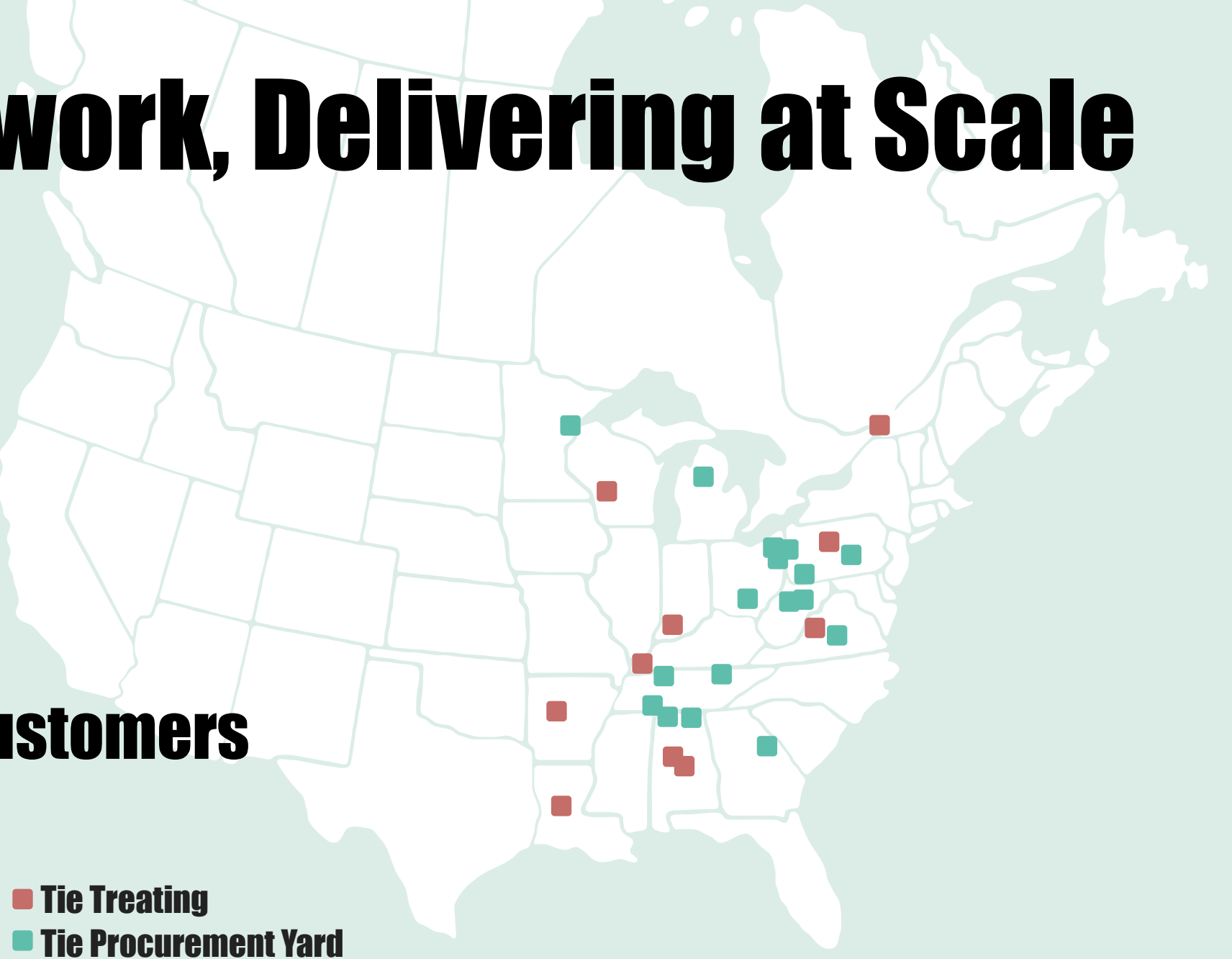
10 facilities

**dedicated to
railway ties**

Sourcing from

~600 sawmills

**Located near our customers
for optimal service**



■ Tie Treating
■ Tie Procurement Yard

Meeting the Demands of the North American Railways

~500 million⁽¹⁾

wood ties across North America

18-20 million⁽¹⁾

wood ties installed annually

90% replacement
10% new ties



STELLA
JONES

We have the capacity
to supply

10M+ ties

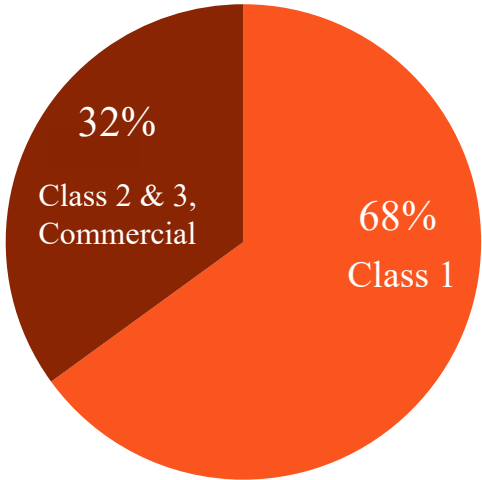
each year



Meeting Large-Scale Maintenance Needs



Share of North American Track Miles⁽¹⁾



~140,000⁽¹⁾
Track miles



(1) Association of American Railroads, 2020

North American Crosstie Competitive Dynamics

Class 1 Railway Market Characteristics

- Utilize multiple suppliers with no single sourcing
- Reliable suppliers
- Quality, long-lasting products
- Product availability key
- Rapid delivery on demand

We compete on
**quality,
availability &
service**



25

procurement specialists

~600

sawmills

Experience and expertise in balancing customer requirements with availability of supply



A green Sennebogen crane is shown in the process of loading a blue shipping container with railroad ties. The crane's arm, with the brand name 'SENNEBOGEN' visible, is extended over the container. The container has 'DME 30185' and other markings on its side. The background shows a cloudy sky and a large industrial building.

**Delivering millions of
ties 24/7, where and
when they are needed**

Maintenance Drives Steady, Modest Demand

12-month Rolling Crosstie Purchases⁽¹⁾ (annualized)
(thousands)



1.4%

average annual
industry growth

(1) BTA Purchases Report, July 2025

Multiple Opportunities to Grow



**Shipping larger volumes
to our customers**



**Acquiring organizations
with adjacent products
and/or services**

- **Alternate tie materials**



**Offering a broader range
of higher value solutions**

- **Bridges**
- **Turnouts**
- **Preservatives**
- **Automation**
- **Pre-plating**



Securing Greater Share of Routine Maintenance



Our Opportunity

- Identifying efficiencies
- Optimizing our footprint
- Investing in capital projects to enhance customer's business model
- Offering treated-services only
- Balancing value for customer with risk management



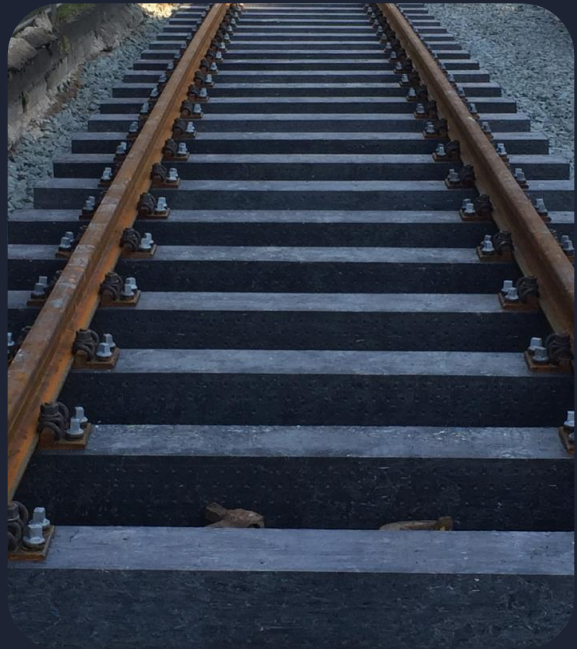
Always Innovating to Solve Customer Needs

Pre-plating ties

Wood treatment alternatives

End-of-life solutions

Growing Through Acquisition



Looking beyond wood & evaluating alternative materials

Modernizing our Operations for Continuous Improvement



**Driving
performance
through
efficiency**

- **Leverage lean manufacturing**
- **Optimized planning, collaboration and quality**
- **Implementing robotics & AI to power data-driven improvements**

Improved Yield and Safety

Remaining Top of Mind



**LEADING
OPERATIONAL
FOOTPRINT**



UNIQUE AGILITY



**REPUTATION
FOR QUALITY &
SERVICE**



**ADVOCACY &
INNOVATION**



Scale Reach Track Record Relationships

2025 Investor Day



Wesley Bourland

**Senior Vice-President and
Chief Operations Officer**





Wesley Bourland

Senior Vice-President and
Chief Operations Officer





Wesley Bourland

Senior Vice-President and
Chief Operations Officer





Wesley Bourland

Senior Vice-President and
Chief Operations Officer





Wesley Bourland

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Chief Operations Officer





Wesley Bourland

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Chief Operations Officer





Wesley Bourland

Senior Vice-President and
Chief Operations Officer





Wesley Bourland

Senior Vice-President and
Chief Operations Officer





Wesley Bourland

Senior Vice-President and
Chief Operations Officer





Rhiannah Carver

**Senior Director of Project Management &
Sustainability**



We Are On the Right Path



**CONSISTENT
STRATEGY**



**KEY TO
OUR BUSINESS**



**ROI POSITIVE
PROJECTS**



**RESILIENT,
SOCIALY-JUST,
& EQUITABLE**

Sustainability at Stella-Jones extends beyond a set of objectives

Our Three Areas of Focus



**Climate Change &
GHG Emissions**



Indigenous Peoples



ESG Risk Governance

Health and Safety

Our People

Responsible Supply Chain

Reducing GHG



Climate Change & GHG Targets

**32%
reduction**
by 2030 compared
to 2022

2.5MW

Installed solar capacity

5 ROI-positive Project Types:



**Renewable
Energy**



**Transport
Optimization**



**Energy
Efficiency &
Energy
Monitoring**



Biomass



Electrification

**Committed to reducing our emissions intensity and
maximizing the carbon sequestered in our products**



Partnering with Indigenous Peoples

Our Shared Strategy:

Protecting & growing our fibre volumes

- **LOI to 5 priority Bands**
- **1 MOU in process**
- **Fostering community, economic opportunity and sustainable forestry across Canada**

Investment in Lizzie Bay Logging

- **1/3 ownership stake alongside 3 Indigenous Bands**
- **Expected completion in Q4 2025⁽¹⁾**

Collaborative & Respectful Stewardship

(1) In final stages of negotiation



Continued Governance

A Solid Foundation of Risk Ownership

Monitoring Human Rights

**Clear expectations for suppliers
on fair labour and working conditions**

Assessing Biodiversity risks & Opportunities

**Analyzing water stress, critical
habitat, protected areas, forest loss
and habitat connectivity**

Embedding Our Findings, Ensuring Oversight



Stand Tall. Reach Wide.

Building trust and confidence by doing the right thing, today and for years to come.

Silvana Travaglini

Senior Vice-President & Chief Financial Officer



We Hold a Leading Position in Our Markets



**Strong Secular
Tailwinds**



**Recurring,
Maintenance-
Driven Demand**



**Highly Cash Flow
Generative**

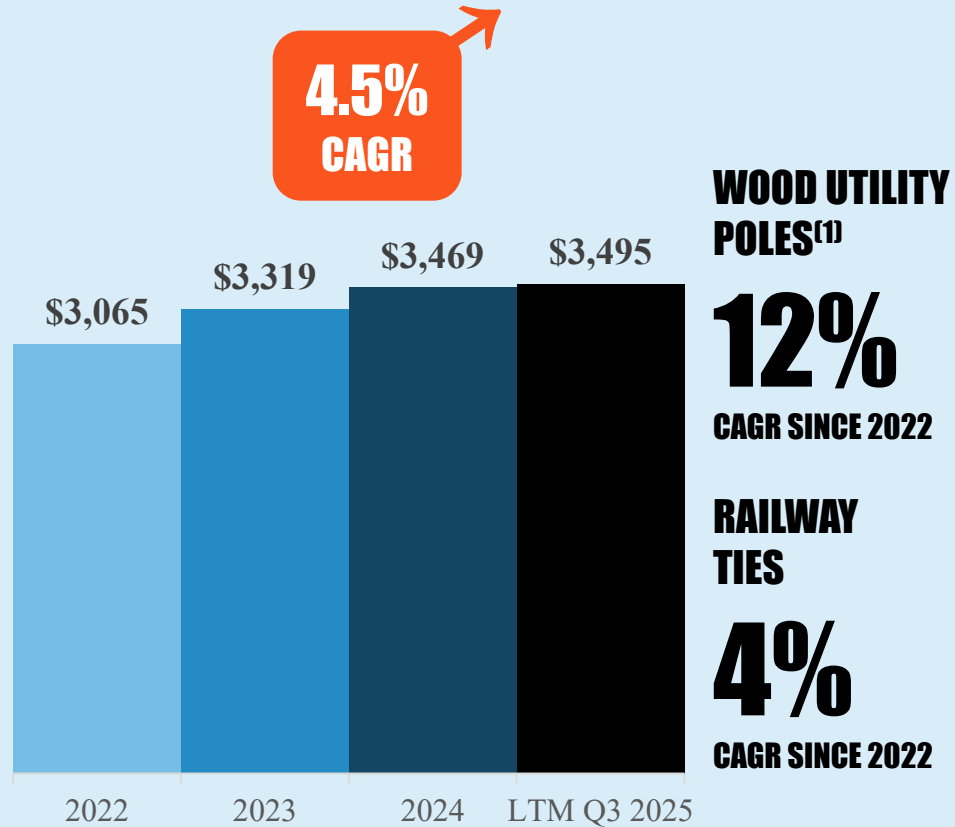


**Stable, Long-Term
Contracts**



Sales

(C\$ Millions)



Sales from infrastructure

↑ **80%**
(LTM Q3 2025)

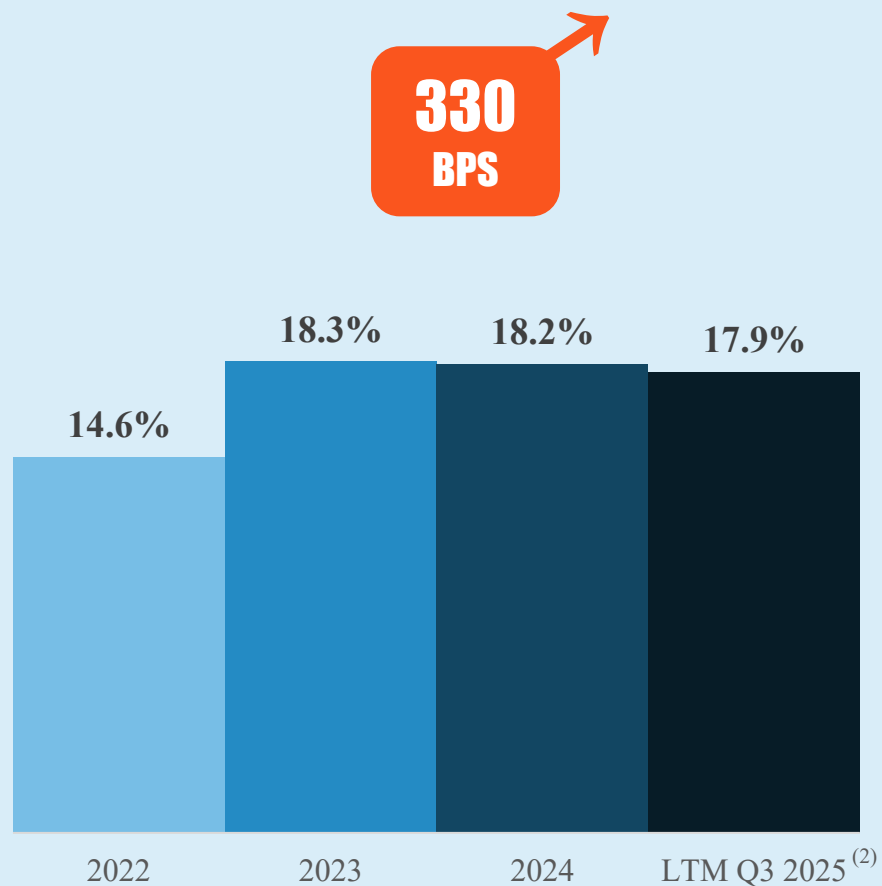
69%
(2022)

**On track to deliver
~\$3.5B in sales
in 2025**

**25 consecutive years
of top-line growth**

(1) Excluding Locweld Inc. acquisition

EBITDA Margin⁽¹⁾



**2025 EBITDA⁽¹⁾ CAGR
TARGET**

9% since 2022

**LTM Q3 2025
EBITDA⁽¹⁾ CAGR**

12% since 2022

Driven by:

- **Strength in higher margin utility poles**
- **Scale and efficiencies**

Delivered results:

- **Despite inflationary pressure, more competition, macro uncertainty**

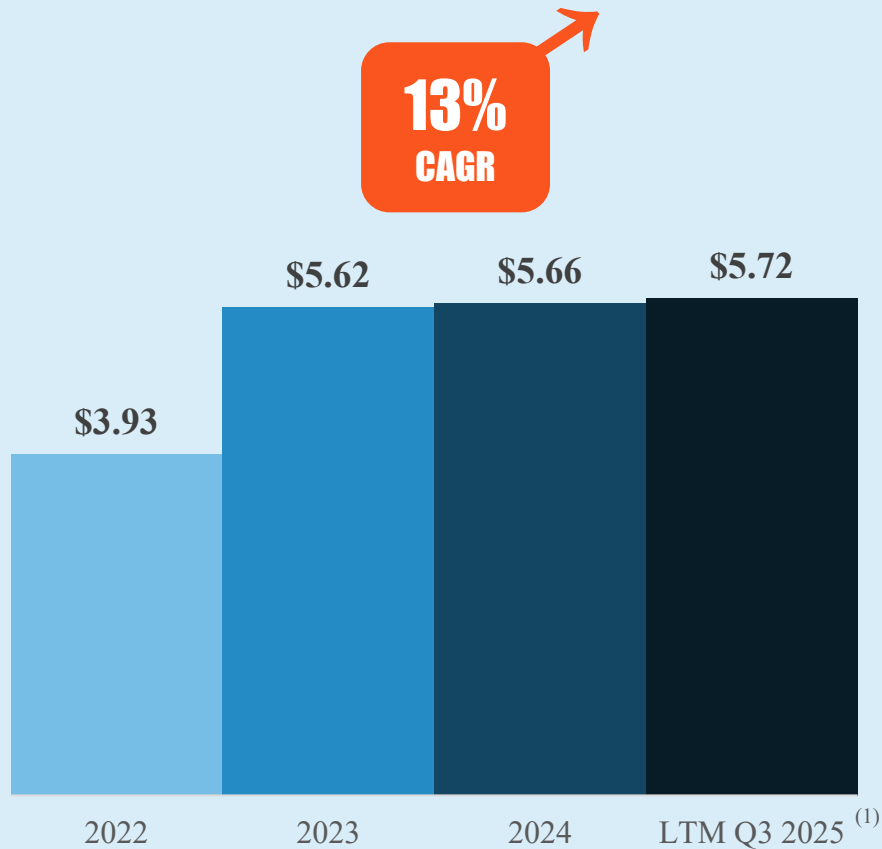
(1) This is a non-GAAP ratio that has no standardized meaning under GAAP and is not likely to be comparable to similar measures presented by other issuers. Please refer to “Non-GAAP and Other Financial Measures” at the end of this presentation

(2) Excluding a pre-tax insurance settlement gain of \$28M (\$21M net of tax)



EPS

(C\$ per Share)



**Earnings growth
outpaced
topline growth**

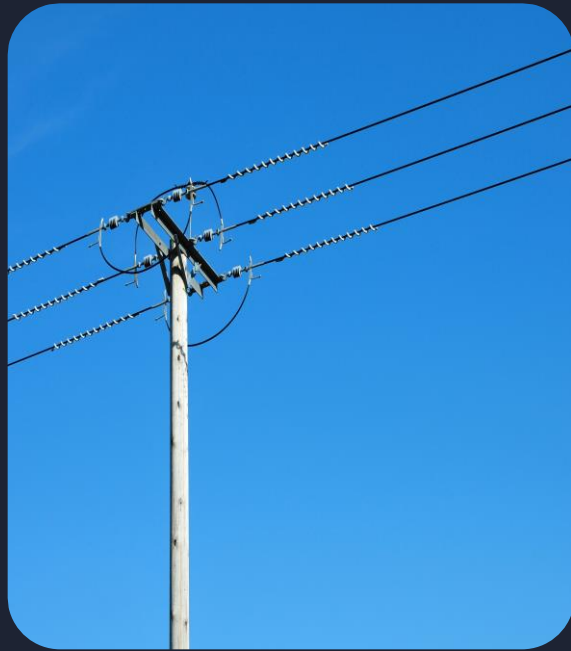
**EPS outpaced both
earnings and
topline**

Driven by:

- **Profitable growth**
- **Share buybacks**

(1) Excluding a pre-tax insurance settlement gain of \$28M (\$21M net of tax)

Meaningful Cash Flow Generation

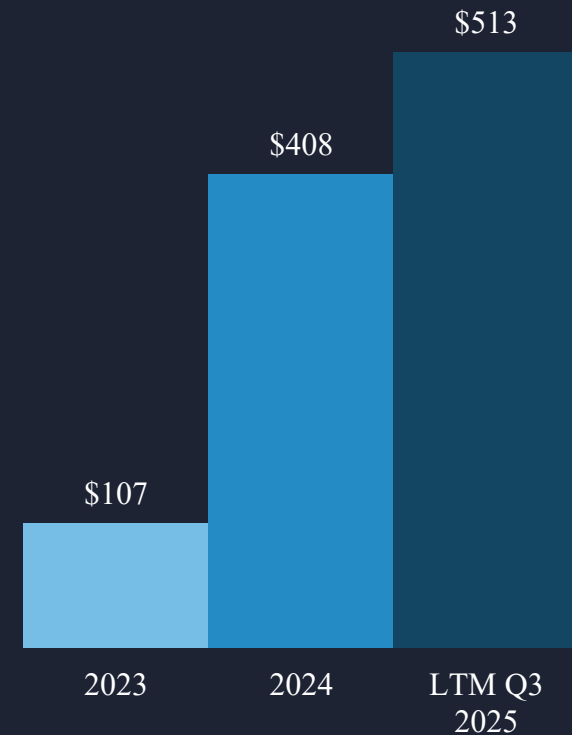


Free Cash Flow⁽¹⁾

~\$600M

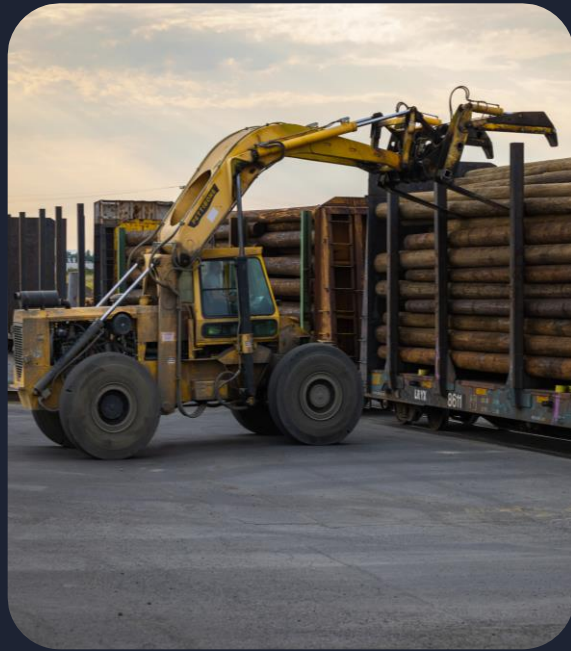
since 2023

**Cash Flows from
Operating Activities**
(C\$ Millions)



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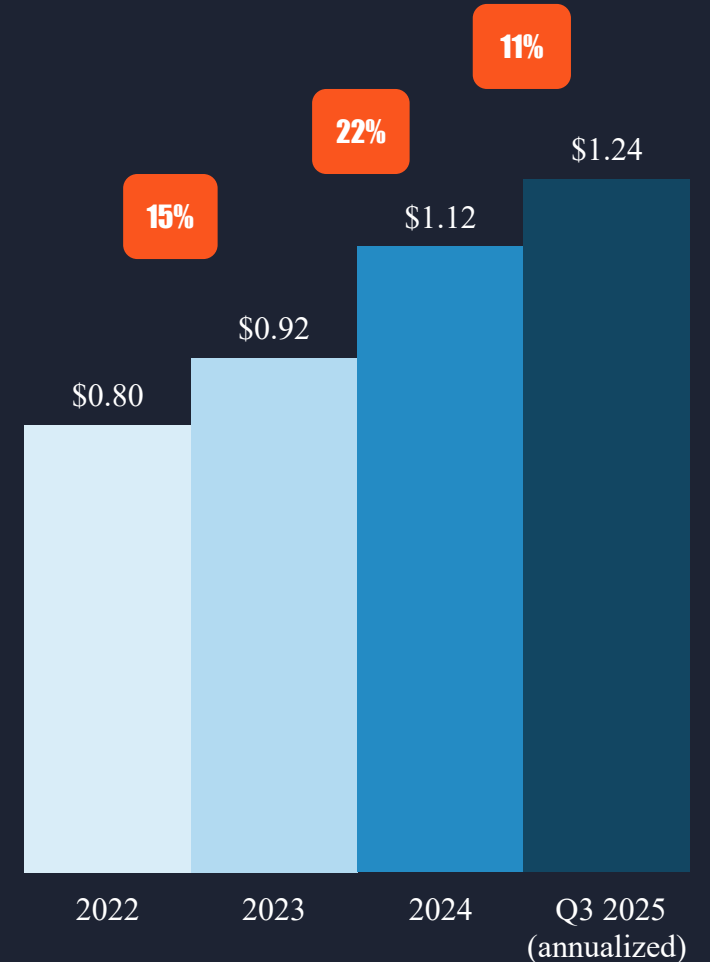
Returning Capital to Shareholders



\$300M+

Share Repurchase (2023-2025)

Annual Dividend Increases
(C\$ per Share)



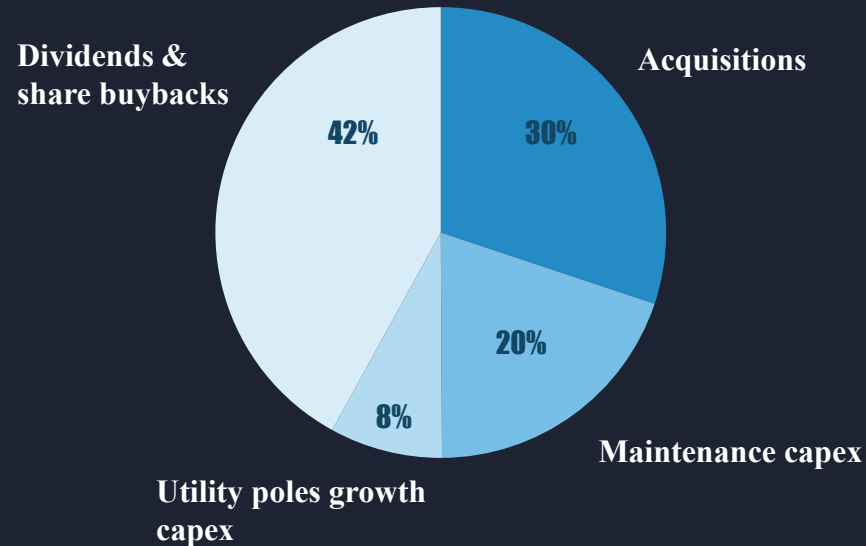
Disciplined Investments in our Business



**Investments
Since 2022 ⁽¹⁾**

\$350M
Acquisitions

\$325M
Capex



Capital Allocation (2023-2025) ⁽¹⁾

- **Maintained inventory**
- **Invested in facilities**
- **Expanded capacity**
- **Completed strategic acquisitions**

(1) 2025 period includes Brooks acquisition and dividends and share buybacks, subsequent to the end of Q3 2025

New Three-Year Objectives

Rolling 3-year objectives to dynamically reflect M&A activity

**Introduction
of New Targets**

TODAY

**Today's Target
End Date**

DEC 2028



**FEB 2027
Targets through 2029**



**Feb 2028
Targets through 2030**



FY 2029



FY 2030

New Three-Year Targets



Sales

4-5%

CAGR 2025-2028

Wood Utility Poles

**~50% of sales,
mid-single digit growth**

Locweld & Brooks

~\$225M of annual revenue

Railway Ties

Low-single digit growth

Residential Lumber

~\$600-650M annually

EBITDA MARGIN⁽¹⁾

17.5-18.5%

**Driven in part by operational
efficiency initiatives and
enhanced supply chain processes**

EPS

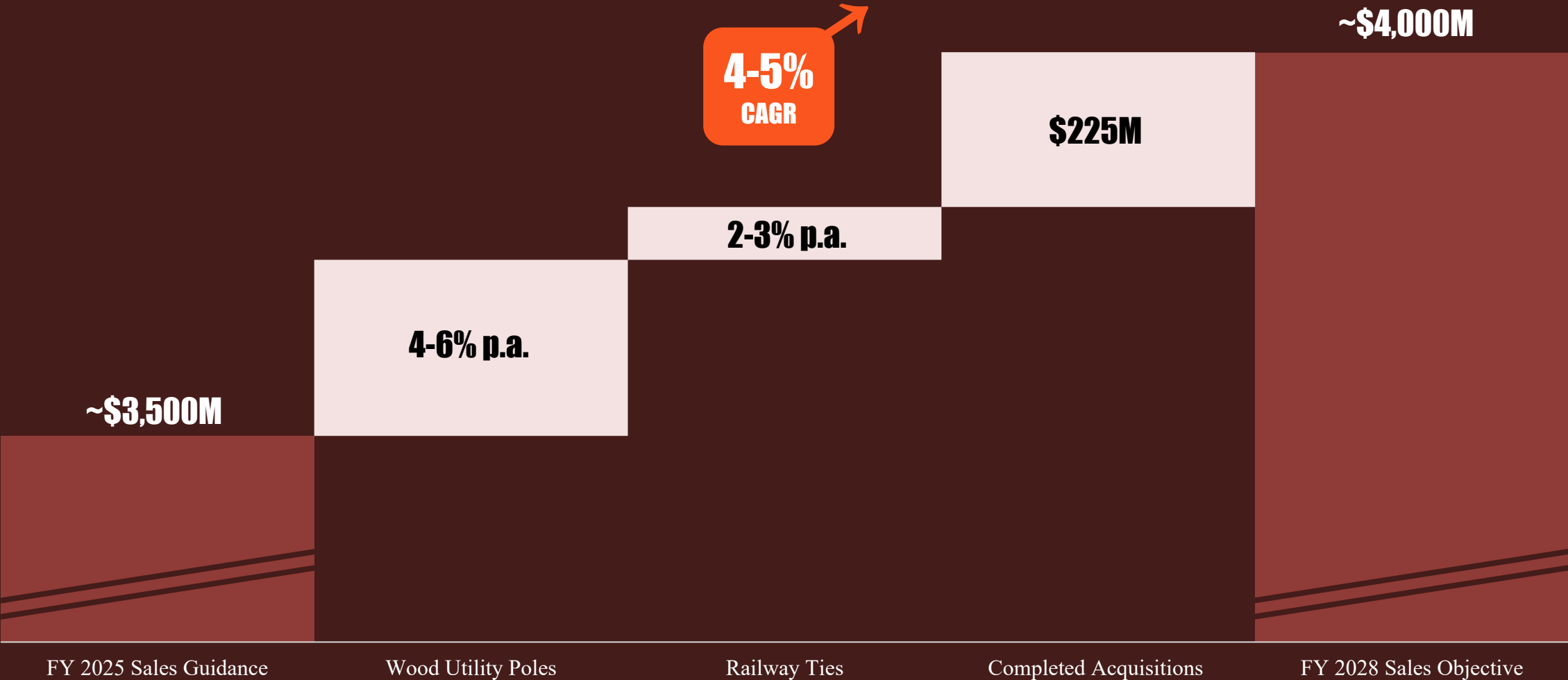
↑10%+

CAGR 2025-2028

**Supported by multiple
profitability levers and share
buyback activity**

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Core End Markets Driving Top Line Growth



Financial Flexibility to Capitalize on Growth Opportunities

| 50%

**EBITDA/Free Cash Flow
Conversion Rate⁽¹⁾**

(1) This is a non-GAAP ratio that has no standardized meaning under GAAP and is not likely to be comparable to similar measures presented by other issuers. Please refer to “Non-GAAP and Other Financial Measures” at the end of this presentation

Our Disciplined Capital Allocation Priorities



Maintenance Capex

Invest to maintain the network

- ~2.5% of sales
- \$85-\$95M of annual capital expenditures

Free Cash Flow⁽¹⁾

Strategic Growth Opportunities

Investing in growth capex
Expand infrastructure offering

Consistent Dividend

Target: 20%-30% of prior year EPS

Share Repurchases

Based on M&A activity & leverage

Target Leverage: 2x-2.5x Net debt/EBITDA⁽¹⁾

(1) This is a non-GAAP measure or ratio that has no standardized meaning under GAAP and is not likely to be comparable to similar measures presented by other issuers. Please refer to “Non-GAAP and Other Financial Measures” at the end of this presentation

Our Value Creation Priorities are Clear

We remain focused on driving long-term value for shareholders.



Question Session



**Stand tall,
reach wide.**



Appendix

Non-GAAP and Other Financial Measures

Earnings before interest, taxes, depreciation and amortization (“EBITDA”), EBITDA margin, net debt-to-EBITDA ratio and return on average capital employed (“ROCE”) are non-GAAP financial measures and non-GAAP ratios. Such measures are not prescribed by International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and may therefore not be comparable to similar measures presented by other issuers. Management considers these non-GAAP 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. 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 are used to evaluate senior management’s performance. The Company believes net debt-to-EBITDA ratio is an indicator of the financial leverage of the Company. The Company uses ROCE as a performance indicator to measure the efficiency of its invested capital and to evaluate senior management’s performance.

For EBITDA, EBITDA margin, net debt-to-EBITDA ratio and ROCE, please refer to the section “Non-GAAP and other financial measures” of the Company’s latest Management’s Discussion and Analysis, available at www.sedarplus.ca and on the Company’s website at www.stella-jones.com, for an explanation of the non-GAAP financial measures, non-GAAP ratios and other financial measures used and presented by the Company in this presentation and a reconciliation of non-GAAP financial measures and non-GAAP ratios to the most directly comparable GAAP measures. For free cash flow and EBITDA-to-FCF conversion, please see below:

Free Cash Flow (“FCF”) and EBITDA-to-FCF Conversion

Free cash flow is defined as cash flows from operating activities less lease payment in financing activities, maintenance capital expenditures, net of property insurance proceeds, and additions of intangible assets. EBITDA-to-FCF conversion is defined as free cash flow for the period divided by EBITDA for the period divided. The Company uses these measures as an indicator of the efficiency and liquidity of the Company’s business by measuring its cash available to settle outstanding debt and obligations, invest in growth opportunities and potentially return capital to shareholders by paying dividends or buying back common shares.

Non-GAAP and Other Financial Measures (Cont'd)

A reconciliation of the most directly comparable financial measure has been provided below:

Reconciliation of Cash Flows From Operating Activities to Free Cash Flow (C\$ millions)	Trailing twelve months ended September 30, 2025
Cash flows from operating activities	513
Less:	
Lease payment in financing activities	65
Maintenance capital expenditures	114
Property insurance proceeds	(26)
Additions of intangible assets	10
Free Cash Flow	350

Maintenance and Growth Capital Expenditures

The sum of maintenance capital expenditures and growth capital expenditures represents total purchases of property, plant and equipment. The Company uses maintenance capital expenditures and growth capital expenditures to calculate the investment needed to sustain the current level of economic activity and to calculate the investment needed to increase the current level of economic activity respectively.

Non-GAAP and Other Financial Measures (Cont'd)

EBITDA and EBITDA margin for the trailing twelve months as at September 30, 2025 (exclude the gain on insurance settlement)

EBITDA and EBITDA margin for the trailing twelve months as at September 30, 2025 exclude the gain on insurance settlement. These are non-GAAP financial measures and non-GAAP ratios. Such measures are not prescribed by the IFRS Accounting Standards and may therefore not be comparable to similar measures presented by other issuers. Management uses these non-GAAP measures in order to facilitate operating and financial performance comparisons from period to period. A reconciliation of the most directly comparable financial measure has been provided below:

Reconciliation of Operating Income to EBITDA Excluding the Gain on Insurance Settlement (C\$ millions)	Trailing twelve months ended September 30, 2025
Operating income	514
Depreciation and amortization	140
EBITDA	654
Gain on insurance settlement	28
EBITDA excluding the gain on insurance settlement	626