

Safety Instructions



**STELLA
JONES**

Annual Meeting of Shareholders

May 6, 2026



Caution Regarding Forward-Looking Information

For the purpose of this presentation, Stella-Jones Inc. is referred to as “Stella-Jones” or the “Company” and includes its wholly-owned subsidiaries. This presentation contains forward-looking information within the meaning of applicable securities laws (“forward-looking statements”). 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, among others, statements about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments, including the statements regarding the Company’s 2026-2028 financial objectives (including sales, annual sales growth, EBITDA margin and earnings per share growth), the Company’s capital allocation strategy (including the dividend payout), the Company’s targeted initiatives to optimize its production network, including within its Railway Ties business, and to enhance efficiency and support future growth and the Company’s plans to expand its steel lattice structure business in the U.S. with the construction of a new manufacturing facility, and are provided for the purpose of assisting the reader in understanding the Company’s financial position, operating results and cash flows and management’s current expectations and plans (and may not be appropriate for other purposes). Such statements are based upon a number of estimates and assumptions and are made by the Company in light of the experience of management and their perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such risks and uncertainties may relate to, among other things, the Company’s dependence on major customers, the availability and cost of raw materials, operational disruption, climate change, reliance on key personnel, information technology, cybersecurity and data protection incidents, global economic conditions, geopolitical uncertainty, the Company’s acquisition strategy, the Company’s future plant expansion, the Company’s ability to raise capital, environmental compliance and litigation, and factors and assumptions referenced herein and in the Company’s continuous disclosure filings. These and other risks and uncertainties related to the business of the Company are described in greater detail in the section entitled “Risks and Uncertainties” of the Company’s management discussion and analysis for the year ended December 31, 2025. Many of these risks are beyond the Company’s ability to control or predict. Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the date they are made. This presentation reflects information available to the Company as of May 5, 2026. 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” at the end of this presentation.

Introduction

Katherine A. Lehman
Chair of the Board of Directors

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Senior Management



Eric Vachon, CPA

President & Chief Executive Officer



Silvana Travaglini, CPA

Senior Vice-President
& Chief Financial Officer



James P. Kenner

Senior Vice-President,
Chief Legal Officer & Corporate
Secretary

Non-Executive Directors



Michelle Banik



Robert Coallier



Sean Donnelly



Anne E. Giardini



Karen Laflamme



Renée Laflamme



Katherine A. Lehman



Simon Pelletier



Douglas Muzyka

Opening Remarks

Katherine A. Lehman
Chair of the Board of Directors

2025 Key Highlights

Disciplined execution | Strong foundation | Ambitious next phase of growth

- 2025: A pivotal year of continuity, decisive action & meaningful progress
- 25th consecutive year of sales growth
- 21st consecutive year of dividend growth



Enhancing our Governance



Sustainability Milestones

- Inaugural Climate Report issued in 2025
- Progress toward 32% reduction in Scope 1 & 2 GHG emissions by 2030



Shareholder Engagement

- Proactive, ongoing dialogue with existing & prospective investors
- Structured outreach & transparent communication



Compensation & Accountability

- Share ownership guidelines reinforce long-term thinking
- Compensation framework aligned with shareholder interests



Board Evolution

- Welcomed new Board members:
 - Renée Laflamme (AI & digital transformation)
 - Sean Donnelly (steel manufacturing, utilities & EHS)

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Election of the Directors



Michelle Banik



Robert Coallier



Sean Donnelly



Anne E. Giardini



Karen Laflamme



Renée Laflamme



Katherine A. Lehman



Simon Pelletier



Douglas Muzyka



Eric Vachon

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Strategic Update

Eric Vachon,
President & Chief Executive Officer

A Year of Decisive Action & Achievement

- Sales: **~\$3.5B** | **25th** consecutive year of top-line growth
- Adjusted EBITDA⁽¹⁾: **\$623M** | Margin close to **18%**
- Operating cash flow: **\$550M+**
- **\$506M** returned to shareholders over 2023–2025 — exceeding our commitment
- **3,200+** employees across Canada and the United States



(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.

STELLA
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A Vision Realized. A Foundation Strengthened.

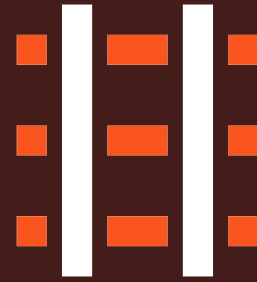


Our Core Businesses - Performing with Strength



Utility Products (52% of sales)

- Demand acceleration in H2 2025, momentum into Q1 2026
- Benefiting from contract-based business model, strong customer relationships and aging infrastructure



Railway Ties (24% of sales)

- Navigating evolving industry landscape and competitive pressures
- Focus: network optimization & realigning high-value offerings



Residential Lumber (18% of sales)

- Stable performance in a challenging market environment
- Resilience through value-added model, national distribution and leading service

Innovation, Safety & Sustainability



- Completed Deployment of **ERP**
 - Enables data-driven decision-making enterprise-wide
- **AI training program** launched for employees
- 3rd consecutive year of **declining safety incidents**
- **Lizzie Bay Logging investment** — First Nations partnership in B.C.

Looking Ahead

2026-2028 Financial Objectives⁽¹⁾

SALES

4-5%

Wood Utility Poles
~50% of sales,
mid-single digit growth

CAGR 2025-2028

Locweld & Brooks
~\$225M of annual revenue

Railway Ties
Low-single digit growth

Residential Lumber
~\$600-650M annually

EBITDA MARGIN⁽²⁾

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**

(1) Beginning in Q1 2026, EBITDA margin and EPS (basic and diluted) are now presented as adjusted EBITDA margin and adjusted EPS (basic and diluted). These changes do not alter the underlying objectives, which remain 17.5–18.5% for adjusted EBITDA margin and > 10% CAGR for adjusted EPS (basic and diluted).

(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

Financial Update

Silvana Travaglini,
Senior Vice-President
& Chief Financial Officer

2025 Financial Highlights



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

	2025	2024
Sales	3,492	3,469
Gross Profit⁽¹⁾	705	724
Gross Profit Margin⁽¹⁾	20.2%	20.9%
Adjusted EBITDA⁽¹⁾	623	633
Adjusted EBITDA Margin⁽¹⁾	17.8%	18.2%
Net Income	337	319
Earnings per Share (“EPS”) – Basic & Diluted	\$6.09	\$5.66
Adjusted EPS – Basic & Diluted⁽¹⁾	\$5.56	\$5.66

(1) 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.

Our Disciplined Capital Allocation Priorities

Strategic Growth Opportunities

Approx. \$260 million to acquire Locweld and Brooks

Return to Shareholders

Surpassed commitment to return \$500 million to shareholders for the 2023-2025 period.

Consistent Dividend

Q1 2026 dividend: \$0.34/share | +10% increase

Q1 2026 Financial Results



(in millions of Canadian dollars, except per share data and margins)	Q1-26	Q1-25
Sales	791	773
Gross profit⁽¹⁾	155	168
Gross profit margin⁽¹⁾	19.6%	21.7%
Adjusted EBITDA⁽¹⁾	136	141
Adjusted EBITDA margin⁽¹⁾	17.2%	18.2%
Net income	60	93
Cash flow from operating activities	47	(16)
Earnings per Share (“EPS”) – basic & diluted	\$1.10	\$1.67
Adjusted EPS – basic and diluted⁽¹⁾	\$1.12	\$1.15

(1) 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.

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The Backbone of Solid Infrastructures.

Question Period

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Investor Relations

David Galison
Vice-President, Investor Relations
dgalison@stella-jones.com

Media

Stephanie Corrente
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Appendix

Non-GAAP and Other Financial Measures

This section includes information required by National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure in respect of “specified financial measures” (as defined therein).

The below-described non-GAAP financial measures and non-GAAP ratios, as well as the other financial measures (namely gross profit and gross profit margin, which are presented as supplementary financial measures) have no standardized meaning under GAAP and are not likely to be comparable to similar measures presented by other issuers. The Company’s method of calculating these measures may differ from the methods used by others, and, accordingly, the definition of these measures may not be comparable to similar measures presented by other issuers. In addition, non-GAAP financial measures, non-GAAP ratios and other financial measures should not be viewed as a substitute for the related financial information prepared in accordance with GAAP. Management considers the below-described non-GAAP and specified financial measures to be useful information to assist knowledgeable investors to understand the Company’s financial position, operating results and cash flows as they provide a supplemental measure of its performance.

Gross profit and gross profit margin

- Gross profit: Sales less cost of sales
- Gross profit margin: Gross profit divided by sales for the corresponding period

The Company uses these supplementary financial measures to evaluate its ongoing operational performance.

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

Adjusted operating income, adjusted operating income margin, adjusted EBITDA and adjusted EBITDA margin

- Adjusted operating income: Operating income excluding gain on insurance settlement, business interruption insurance recovery, restructuring costs, impairment of assets, as well as acquisition costs, integration costs and the amortization of intangibles related to material acquisitions
- Adjusted operating income margin: Adjusted operating income divided by sales for the corresponding period
- Adjusted EBITDA: Operating income excluding gain on insurance settlement, business interruption insurance recovery, restructuring costs, impairment of assets, as well as acquisition costs and integration costs related to material acquisitions, and depreciation of property, plant and equipment, depreciation of right-of-use assets, and amortization of intangible assets including intangibles related to material acquisitions
- Adjusted EBITDA margin: Adjusted EBITDA divided by sales for the corresponding period

The Company uses these non-GAAP measures to evaluate the operational and financial performance. In addition, the Company believes adjusted EBITDA and adjusted 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 meet other payment obligations, or as a common valuation measurement. The following table presents the reconciliation of above non-GAAP financial measures to their most comparable GAAP measures:

(in millions of dollars)	Three-month periods ended March 31,		Year ended
	2026	2025	December 31, 2025
Operating income	97	143	516
Reconciling items:			
Insurance settlement	—	(38)	(38)
<i>Gain on insurance settlement</i>	—	(28)	(28)
<i>Business interruption insurance recovery</i>	—	(10)	10
Amortization of acquisition-related intangibles	2	—	—
Adjusted operating income	99	105	478
Depreciation and amortization excluding the amortization of acquisition-related intangibles	37	36	145
Adjusted EBITDA	136	141	623

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

Adjusted net income and adjusted EPS - basic and diluted

- Adjusted net income: Net income excluding the following items, net of tax: gain on insurance settlement, business interruption insurance recovery, restructuring costs, impairment of assets, as well as acquisition costs, integration costs and the amortization of intangibles related to material business combinations
- Adjusted EPS - basic: Adjusted net income for the period attributable to the common shareholders of the Company divided by the weighted average number of common shares outstanding during the period
- Adjusted EPS - diluted: Adjusted net income for the period attributable to the common shareholders of the Company divided by the weighted average number of common shares outstanding during the period, adjusted for the effects of all dilutive potential common shares

The Company uses these non-GAAP measures to evaluate its ongoing operational performance. The following table presents the reconciliation of above non-GAAP financial measures to their most comparable GAAP measures:

(in millions of dollars, except per share data)	Three-month periods ended March 31,		Year ended
	2026	2025	December 31, 2025
Net income	60	93	337
Reconciling items:			
Insurance settlement	—	(38)	(38)
<i>Gain on insurance settlement</i>	—	(28)	(28)
<i>Business interruption insurance recovery</i>	—	(10)	10
Amortization of acquisition-related intangibles	2	—	
Income taxes related to above items ⁽¹⁾	(1)	9	9
Adjusted net income	61	64	308
Adjusted EPS - basic & diluted	\$1.12	\$1.15	\$5.56

⁽¹⁾ Calculated using the effective tax rate of the period