

**STELLA
JONES**

Q1 2026 Financial Results

Presented by:

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Caution Regarding Forward-Looking Statements

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 contained in this presentation regarding 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 Management’s Discussion and Analysis of the Company 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 6, 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.

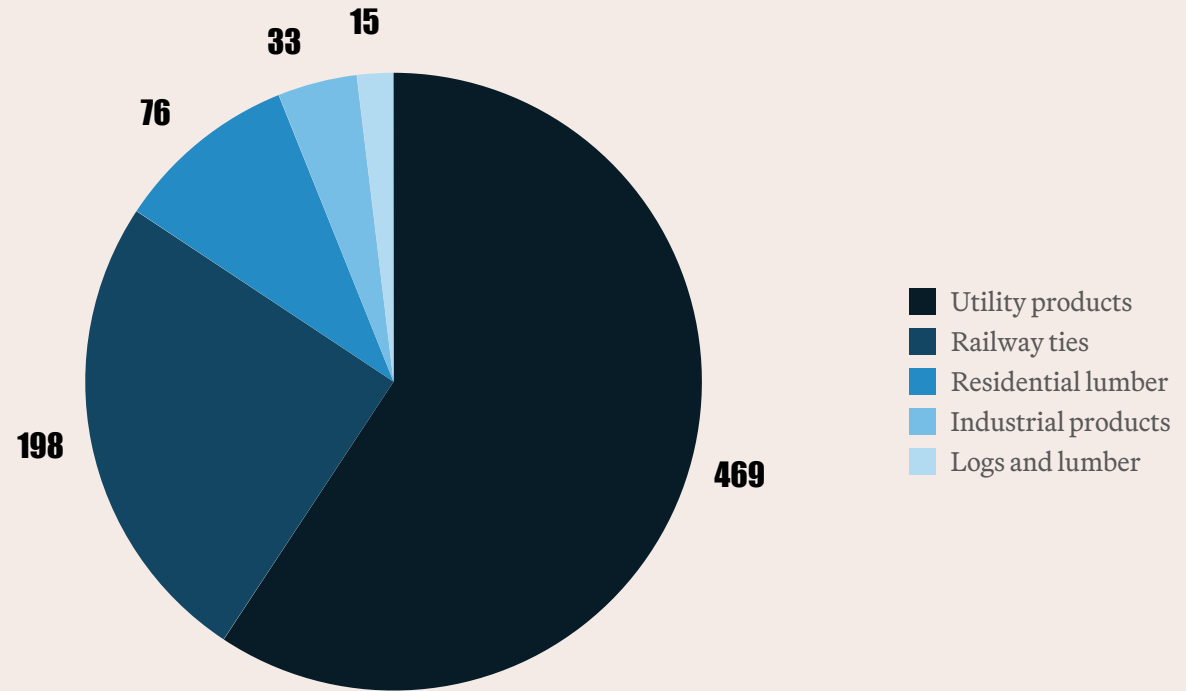
All figures are in Canadian dollars unless otherwise stated.

Adjusted EBITDA, Adjusted EBITDA margin, adjusted EPS – basic & diluted and net debt-to-adjusted EBITDA are non-GAAP financial measures and non-GAAP ratios and gross profit and gross profit margin are supplementary financial measures, all of which have no standardized meaning under GAAP. 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 supplementary financial measures should not be viewed as a substitute for the related financial information prepared in accordance with GAAP. Management considers these non-GAAP financial measures, non-GAAP ratios and supplementary 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. Please refer to the section “Non-GAAP and other financial measures” of the Company’s management discussion and analysis dated May 5, 2026 for the three-month periods ended March 31, 2026 and March 31, 2025 (which section is incorporated by reference herein), available at www.sedarplus.ca, for an explanation of the non-GAAP financial measures, non-GAAP ratios and supplementary financial measures used and presented by the Company in this Presentation and a reconciliation of such measures and ratios to the most directly comparable GAAP measures.

Q1 2026 Highlights

- Sales of \$791 million, up from \$773 million in Q1 2025
- Operating income of \$97 million compared to \$143 million in Q1 2025
- Adjusted EBITDA⁽¹⁾ of \$136 million, or 17.2% margin⁽¹⁾, compared to \$141 million in Q1 2025, or 18.2% margin
- Strong liquidity⁽²⁾ of \$646 million at quarter-end

Sales By Product Category
(In Millions of \$)



(1) This indicated term has no standardized meaning under GAAP and is 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 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.

(2) Sum of cash and cash equivalents and undrawn credit facilities net of outstanding letters of credit and certain guarantees.

Q1 2026 Product Category Overview

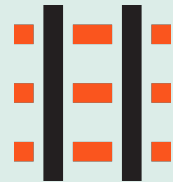
Utility Products*



59% of sales

- Sales of \$469M
- Volume growth sustained by purchasing momentum and a deliberately strengthened contract-based business.
- Spot pricing remained below Q1 2025 levels amid competition.

Railway Ties



25% of sales

- Sales of \$198M
- Class 1 volumes under pressure, commercial business growth maintained relatively stable sales and preserved margins.
- Network optimization project underway to optimize returns and reposition for stronger performance.

Residential Lumber



10% of sales

- Sales of \$76M
- Sales pulled back, impacted by industry-wide pricing pressure and lower underlying demand.
- National distribution network and value-added capabilities leveraged to sustain service levels and long-term profitability.

Industrial Products



4% of sales

- Sales of \$33M

Logs & Lumber



2% of sales

- Sales of \$15M

*Comprised of wood utility poles, crossarms and steel structures, namely steel lattice towers and steel transmission poles.

Q1-2026 Financial Highlights



| (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 |

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Disciplined Capital Allocation Strategy

Prudent capital allocation and investment-grade rating allows pursuit of growth opportunities while returning capital to shareholders.

Cash Flow Generation

- \$47 million in cash from operations:
 - Driven by working capital management.

Return to Shareholders

- Announced quarterly dividend of \$0.34 per share, 22nd consecutive year of dividend increase

\$646 million

Available Liquidity

As at March 31, 2026

2.6x

Net debt-to-adjusted
EBITDA¹

As at March 31, 2026

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Staying the Course

- Utility Products momentum sustained, driven by contract strength and continued double-digit volume growth for wood utility poles.
- Steel growth initiatives advancing on plan, reinforcing the Company's long-term diversification strategy.
- Railway Ties optimization underway, supporting a path to stronger returns.
- Confident in the Company's trajectory to deliver strong returns and long-term shareholder value.

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