

**STELLA
JONES**

Investor Presentation



Cautionary Statement

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 plans to expand its steel lattice structure business in the U.S. with the construction of a new manufacturing facility (including the anticipated benefits from the project and expected timing for full commissioning of the project) and statements regarding the Company’s three-year targets (including its targeted annual sales, EBITDA margin and earnings per share growth), the Company’s capital allocation (including the EBITDA-to-free cash flow conversion, the maintenance capital expenditures, the strategic growth opportunities, the dividend payout and the share repurchases), and the net debt-to-EBITDA, 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’s 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” in the end of this presentation.

Stella-Jones at a Glance

\$3.5B Sales (TTM) ⁽¹⁾

4.0%
3-yr CAGR⁽²⁾
Sales

65% to 75%
Contractual or Committed
Sales

8.8%
3-yr CAGR
Adjusted EBITDA⁽³⁾

17.6%
Adjusted EBITDA margin⁽³⁾
(TTM)

9.4%
3-yr CAGR
Adjusted EPS⁽³⁾

79%
FCF conversion⁽³⁾
(TTM)



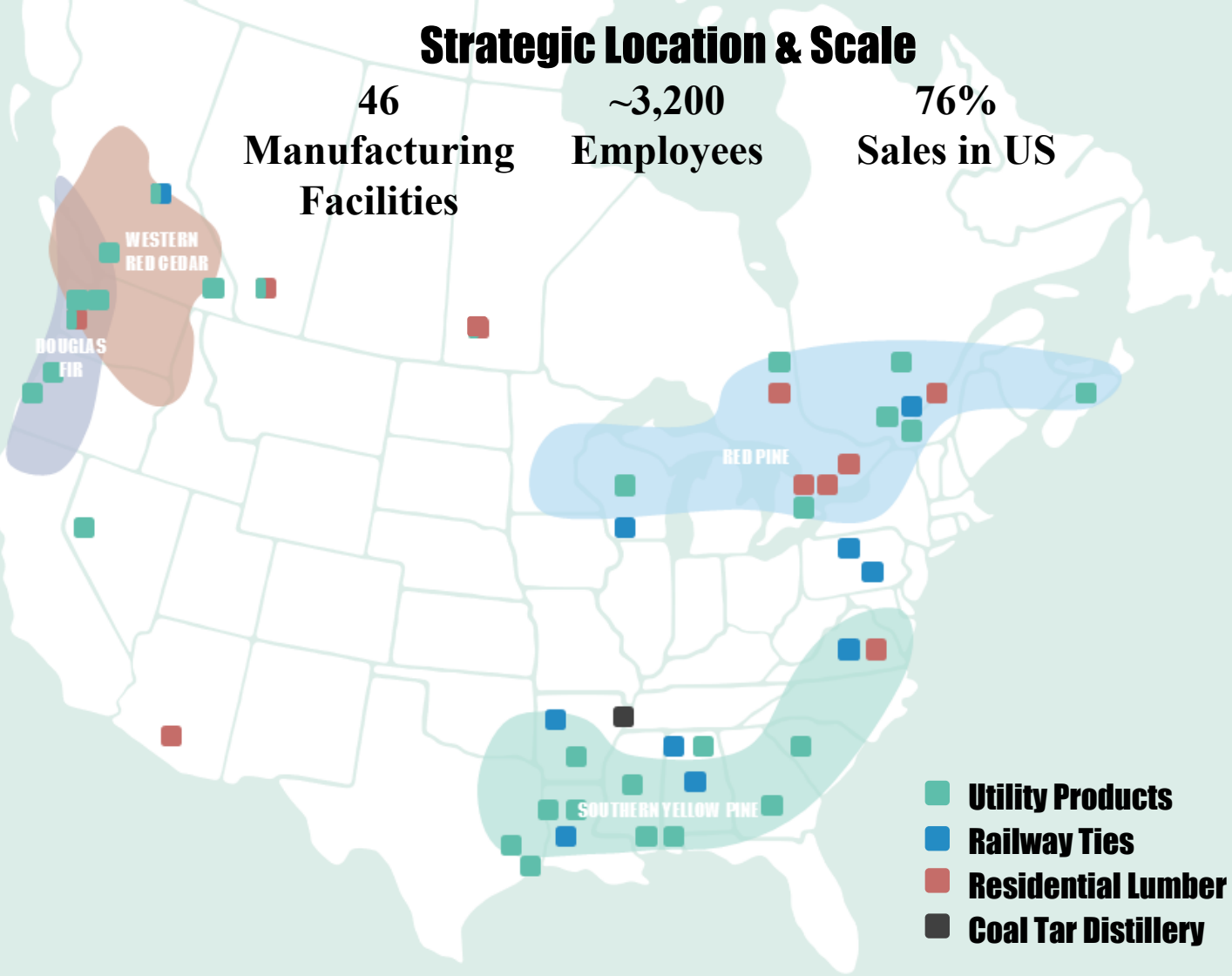
■ Utility products ■ Railway ties ■ Residential lumber ■ Industrial products
■ Logs and lumber

Strategic Location & Scale

46
Manufacturing
Facilities

~3,200
Employees

76%
Sales in US



(1) Trailing Twelve Months
(2) Compound Annual Growth Rate over 3 years (from Q1 2023 TTM to Q1 2026 TTM)
(3) This is a non-GAAP financial measure or non-GAAP ratio. Refer to “Non-GAAP and Other Financial Measures” at the end of this presentation.

Focused on Large, Attractive End Markets

Utility Products

- Treated wood utility poles and crossarms
- Steel lattice towers
- Steel transmission poles



Sales (TTM)
\$1,872M

Railway Ties

- Treated wood railway ties



Sales (TTM)
\$811M

Industrial Products

- Timbers for railway bridges, crossings and construction, marine and foundation pilings



Sales (TTM)
\$154M

Infrastructure Products

Residential Lumber

- Premium treated residential lumber and accessories for outdoor applications



Sales (TTM)
\$603M

Logs & Lumber

- Reselling logs harvested during procurement that are deemed unsuitable for use as a utility wood pole and excess lumber into local home-building markets

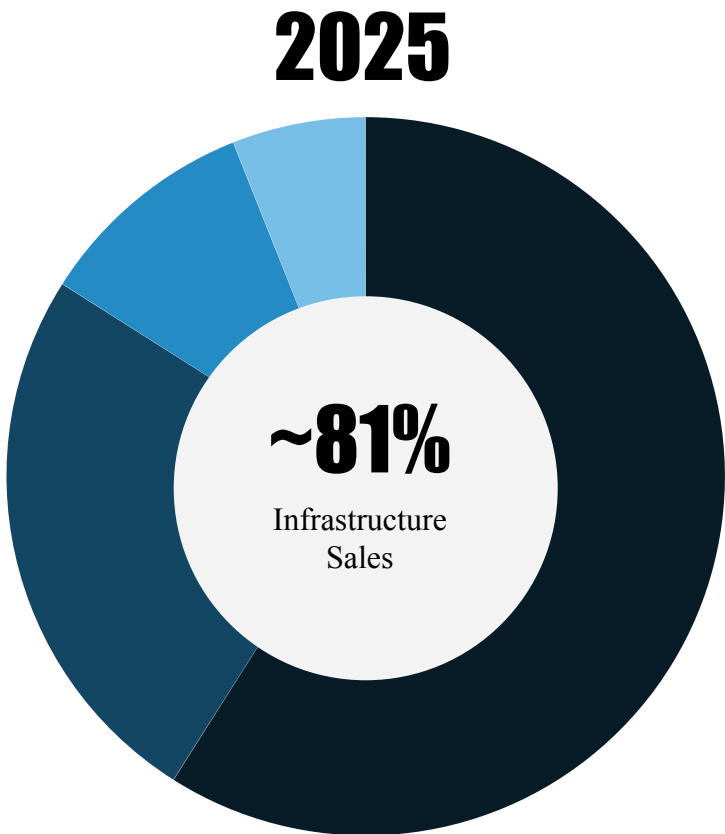
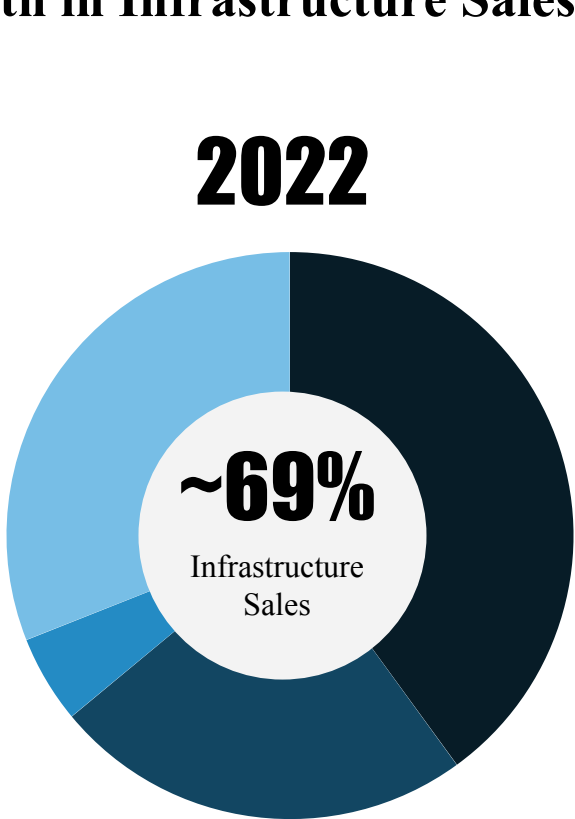


Sales (TTM)
\$70M

Rooted in Infrastructure

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

Growth in Infrastructure Sales



Utility Products

- Replacing aging infrastructure, meet growing demand and increasing utility grid resiliency

Railway Ties

- Continued strong position and market share

Supplier of Choice to Infrastructure Customers

Utility Products

- Leading North American supplier of products for electrical distribution and transmission markets
 - Wood utility poles
 - Distribution crossarms and transmission framing components
 - Steel lattice towers and steel transmission poles
 - Utility product accessories and value-added services
- Expansive inventory
- Reliable supply and quality
- Extensive and strategically located network
- Unique agility and logistics
- Broad and diversified customer base

Railway Ties

- Leading manufacturer of treated wood railway crossties, switch ties, bridge timbers, prefabricated bridges, crossing panels, and pre-plated products
- Broad and strategically located operations
- Extensive procurement capacity
- Robust inventory levels to meet customer demand
- Established customer relationships
- High-value solutions



Our Disciplined Capital Allocation Priorities



Maintenance Capex

Invest to maintain the network

- ~2.5% of sales annually

Free Cash Flow⁽¹⁾

Strategic Growth Opportunities

Investing in growth capex
Expand infrastructure offering

Consistent Dividend

Target: 20%-30% of prior year basic EPS

Share Repurchases

Based on M&A activity & leverage

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

(1) This is a non-GAAP financial measure or non-GAAP ratio. Refer to “Non-GAAP and Other Financial Measures” at the end of this presentation.



Strategic Approach to M&A

Our Proven and Consistent Set of Criteria:



Strategic Value

- Build on existing portfolio
- Leverage deep customer relationships
- Leverage extensive distribution network



Market Dynamics

- Favourable tailwinds
- Significant investments required to build and maintain infrastructure



Operational Fit

- Strong leadership teams
- Cultural alignment
- Cost and revenue synergies
- Operational enhancement opportunities



Financial Returns

- EPS accretion
- Strong margins
- Sustained FCF generation

Recent Accretive Investments



Acquired: November 2025

Price: ~US\$140 million

End Market Exposure

- Distribution Wood Crossarms
- Transmission Framing Components



Acquired: May 2025

Price: ~\$58 million

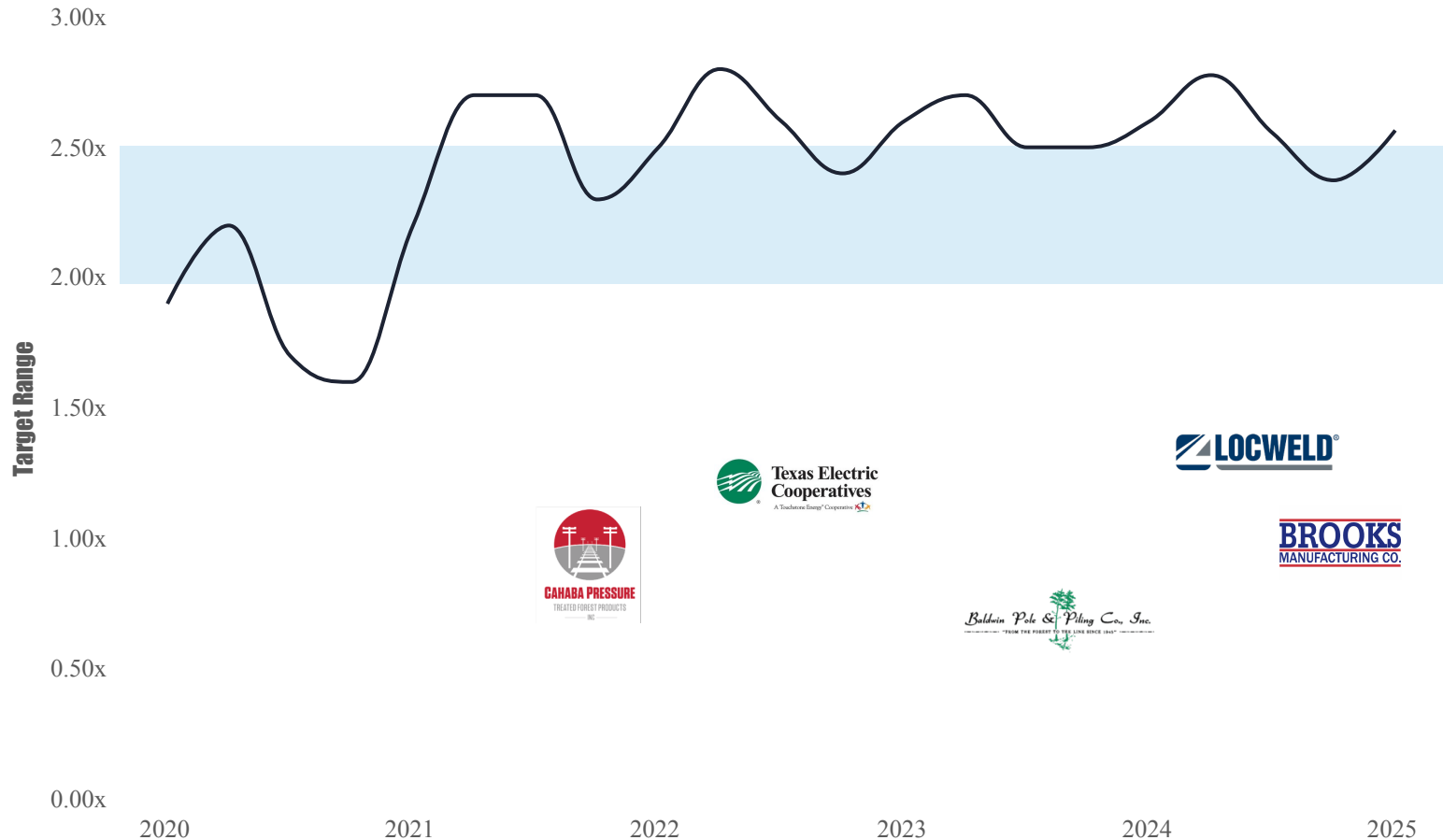
End Market Exposure

- Steel Lattice Towers
- Steel Transmission Poles

Dedicated to Achieving a Strong Return on Capital Employed

M&A Supported by Strong Balance Sheet

Net Debt-to- Adjusted EBITDA (1) Trend



Leverage Framework

- Willing to temporarily exceed for M&A or short term working capital investments
- Acquisition must meet Stella-Jones' strict acquisition criteria
- Demonstrated history of effective use of balance sheet

Balance Sheet

- \$646 million available liquidity⁽²⁾
- Leverage target 2.0 - 2.5x

(1) This is a non-GAAP financial measure or non-GAAP ratio. Refer to “Non-GAAP and Other Financial Measures” at the end of this presentation.

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

ROCE is Key to Driving Shareholder Value

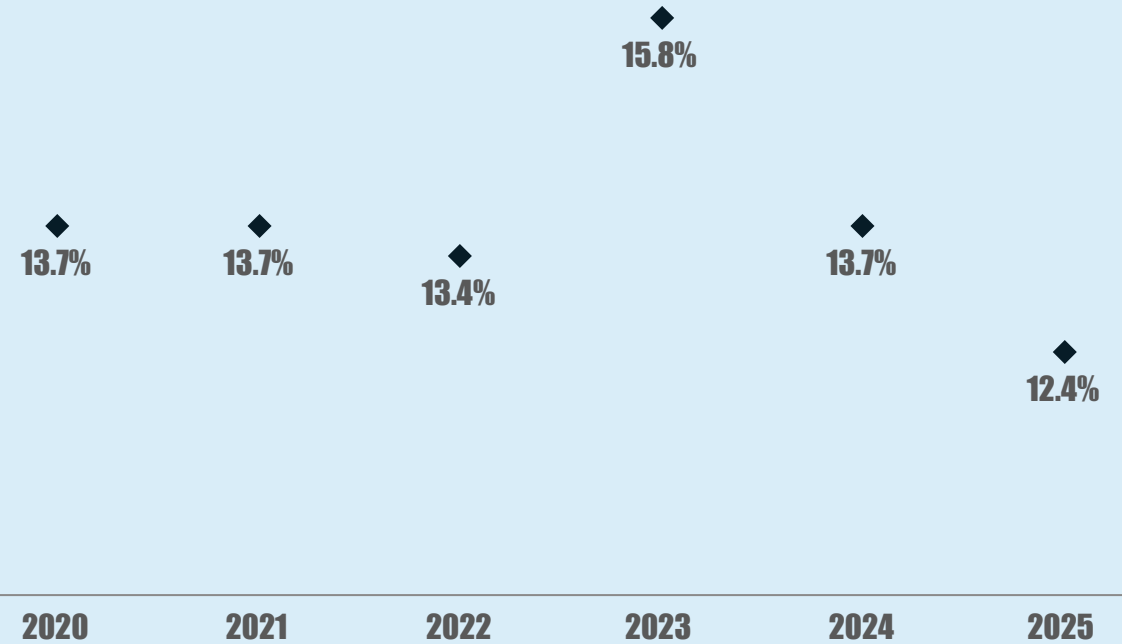
Adjusted Return on Average Capital Employed (Adjusted ROCE)⁽¹⁾ Attributes

- Directly tied to value creation strategy
- Key measure of efficiency of Stella-Jones' invested capital
- Utilized to evaluate Senior Management performance

Return on Adjusted Average Capital Employed (ROCE) Calculation

$$\text{Adjusted ROCE} = \frac{\text{Trailing 12-months Adjusted Operating Income}^{(1)}}{\text{Average Capital Employed}}$$

Profitable Growth has Driven Adjusted ROCE Performance



(1) This is a non-GAAP financial measure or non-GAAP ratio. Refer to “Non-GAAP and Other Financial Measures” at the end of this presentation.

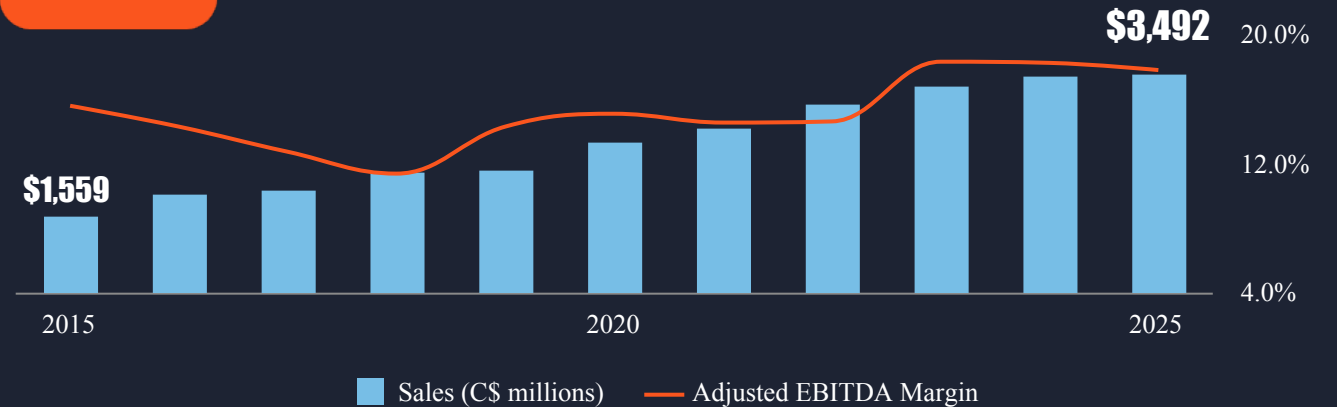
Delivering Strong Profitable Growth

Driven by:

- Strength in higher margin utility products
- Scale and efficiencies
- Share repurchases

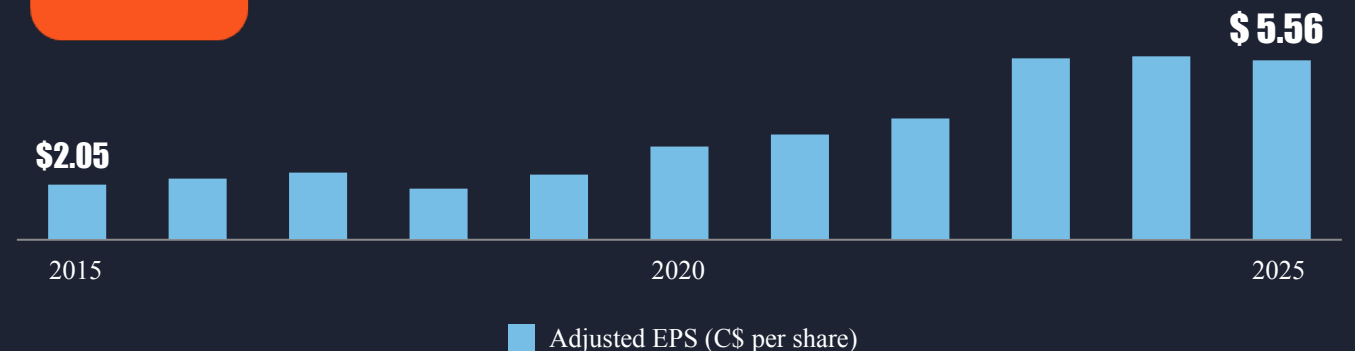
+8.4%
CAGR

Sales & Adjusted EBITDA Margin (1)



+10.5%
CAGR

Adjusted Earnings Per Share - Basic (1)



(1) This is a non-GAAP financial measure or non-GAAP ratio. Refer to “Non-GAAP and Other Financial Measures” at the end of this presentation



Meaningful Cash Flow Generation

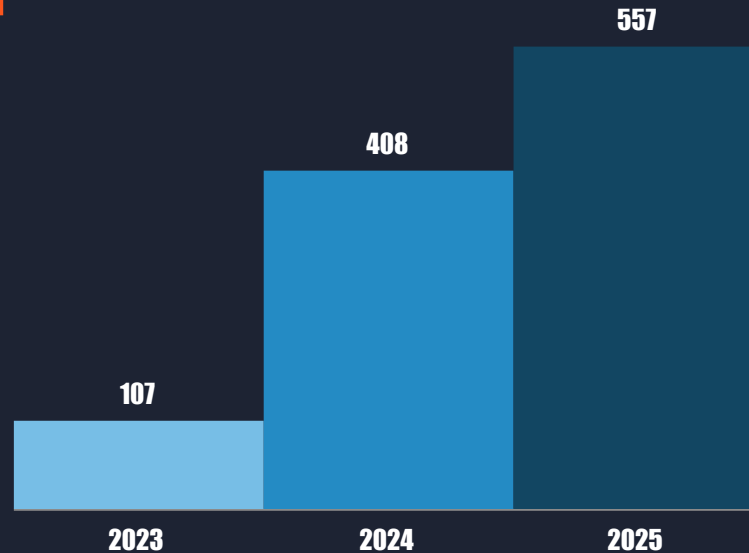
Free Cash Flow⁽¹⁾

>\$600M

since 2023

Cash Flows from
Operating Activities

(C\$Millions)



Financial Flexibility to Capitalize
on Growth Opportunities

50%

Target Adjusted EBITDA/
Free Cash Flow Conversion
Rate⁽¹⁾

(1) This is a non-GAAP financial measure or non-GAAP ratio. Refer to “Non-GAAP and Other Financial Measures” at the end of this presentation.

Three-Year Targets - 2026-2028



Sales

4-5%

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 - basic

↑10%+

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

(1) This is a non-GAAP financial measure or non-GAAP ratio. Refer to “Non-GAAP and Other Financial Measures” at the end of this presentation.

(2) 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).



Stand Tall, Reach Wide.

1

Infrastructure Focused

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

2

Strategically Located

Extensive and strategically located operations supported by diversity of supply and an expanding high-value product portfolio

3

Strong Cash Generation

Strong cash generation and prudent capital allocation to focus on the next phase of growth, both organic and M&A

4

Positioned for Continued Strong Performance

Long runway to grow organically and through acquisitions supported by favourable industry tailwinds



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 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.

Beginning in the first quarter of 2026, the Company has elected to make adjustments to the presentation of certain of its non-GAAP financial measures and non-GAAP ratios. As a result, operating income, operating income margin, EBITDA, EBITDA margin, net income, EPS (basic and diluted), return on average capital employed and net debt-to-EBITDA are now presented as adjusted operating income, adjusted operating income margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted EPS (basic and diluted), adjusted return on average capital employed (“Adjusted ROCE”) and net debt-to-adjusted EBITDA, respectively. Please refer to the next slides for the definition of each measure and a reconciliation to the most comparable GAAP measure. In the context of historical events such as the insurance settlement that occurred in 2025 and strategic opportunities and transactions, including acquisitions and restructuring initiatives that occurred or may occur in the future, management believes that such presentation will facilitate the evaluation of the Company’s core operational performance and enhance period-over-period comparability.

Non-GAAP and Other Financial Measures

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)	2025	2024	2023	2022	2021
Operating income	516	503	499	359	326
Reconciling items:					
Insurance settlement	(38)	—	—	—	—
<i>Gain on insurance settlement</i>	(28)	—	—	—	—
<i>Business interruption insurance recovery</i>	10	—	—	—	—
Amortization of acquisition-related intangibles	—	—	—	—	—
Adjusted operating income	478	503	499	359	326
Depreciation and amortization excluding the amortization of acquisition-related intangibles	145	130	109	89	74
Adjusted EBITDA	623	633	608	448	400

Non-GAAP and Other Financial Measures

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)	2025	2024	2023	2022	2021
Net income	337	319	326	241	227
Reconciling items:					
Insurance settlement	(38)	—	—	—	—
<i>Gain on insurance settlement</i>	(28)	—	—	—	—
<i>Business interruption insurance recovery</i>	10	—	—	—	—
Amortization of acquisition-related intangibles		—	—	—	—
Income taxes related to above items ⁽¹⁾	9	—	—	—	—
Adjusted net income	308	319	326	241	227
Adjusted EPS - basic and diluted	\$5.56	\$5.66	\$5.62	\$3.93	\$3.49

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

Non-GAAP and Other Financial Measures

Capital employed and adjusted return on average capital employed (“adjusted ROCE”)

- Capital employed: Total assets, excluding cash and cash equivalents, less current non-interest bearing liabilities
- Average capital employed: 12-month average of the capital employed balance at the beginning of the 12-month period and the quarter-end capital employed balances throughout the remainder of the 12-month period
- Adjusted ROCE: Trailing 12-month (“TTM”) adjusted operating income divided by the average capital employed

The Company uses the average capital employed to evaluate and monitor how much it is investing in its business and uses adjusted ROCE as a performance indicator to measure the efficiency of its invested capital.

The following table presents the reconciliation of above non-GAAP financial measures to their most comparable GAAP measures:

(in millions of dollars)	2025	2024	2023	2022	2021
Average total assets	4,122	3,940	3,407	2,885	2,579
Average cash and cash equivalents	(62)	(10)	—	—	—
Average current liabilities	(293)	(328)	(376)	(254)	(313)
Average current portion of lease liabilities	63	58	46	38	34
Average current portion of long-term debt	17	21	82	7	45
Average short-term debt	—	—	—	—	27
Average capital employed	3,847	3,681	3,159	2,676	2,372
Adjusted operating income (TTM)	478	503	499	359	326
Adjusted ROCE	12.4 %	13.7 %	15.8%	13.4%	13.7%

Non-GAAP and Other Financial Measures

Net debt and net debt-to-adjusted EBITDA

- Net debt: Sum of long-term debt and lease liabilities (including, in each case, the current portion) less cash and cash equivalents
- Net debt-to-adjusted EBITDA: Net debt divided by TTM adjusted EBITDA

The Company believes these non-GAAP measures are indicators of the financial leverage of the Company.

The following table presents the reconciliation of above non-GAAP financial measures to their most comparable GAAP measures:

(in millions of dollars)	2025	2024	2023	2022	2021
Long-term debt, including current portion	1,339	1,380	1,316	941	734
Lease liabilities, including current portion	303	323	294	167	144
Cash and cash equivalents	(44)	(50)	—	—	—
Net Debt	1,598	1,653	1,610	1,108	878
Adjusted EBITDA (TTM)	623	633	608	448	400
Net Debt-to-Adjusted EBITDA	2.6x	2.6x	2.6x	2.5x	2.2x

Non-GAAP and Other Financial Measures

Maintenance and Growth Capital Expenditures and Free Cash Flow (“FCF”)

- Maintenance and Growth Capital Expenditures: The sum of maintenance capital expenditures and growth capital expenditures represents total purchases of property, plant and equipment.
- Free cash flow: cash flows from operating activities less lease payment in financing activities, maintenance capital expenditures, net of property insurance proceeds, and additions of intangible assets
- Adjusted EBITDA to FCF conversion: FCF for the period divided by adjusted EBITDA for the period

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. In addition, the Company uses FCF and adjusted EBITDA-to-FCF conversion 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.

The following table presents the reconciliation of above non-GAAP financial measures to their most comparable GAAP measures:

(in millions of dollars)	2025	2024	2023	2022	2021
Cash flows from operating activities	557	408	107	255	251
Reconciling items:					
Lease payment in financing activities	(66)	(62)	(50)	(41)	(35)
Maintenance capital expenditures	(96)	(98)	(95)	(64)	(48)
Property insurance proceeds	28	10	—	—	—
Additions of intangible assets	(9)	(11)	(10)	(11)	(16)
Free Cash Flow	414	247	(48)	139	152

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