Press Release

Stella-Jones Announces Second Quarter Results

Utility Products Momentum Underscores Underlying Strength

- **Sales of $1,042 million, up from $1,034 million in Q2 2025**
- **Operating income of $95 million, down from $155 million in Q2 2025, reflecting charges of $32 million related to network optimization initiatives**
- **Adjusted EBITDA[(1)] of $167 million, or 16.0% margin[(1)], compared to $189 million, or 18.3% margin in Q2 2025**
- **Continued focus on operational efficiency and network optimization initiatives**
- **Strong cash flow generation of $192 million in the quarter and available liquidity[(2)] of $759 million at quarter-end**

Montreal, Quebec – August 6, 2026 - Stella-Jones Inc. (TSX: SJ) ("Stella-Jones" or the "Company") today announced financial results for its second quarter ended June 30, 2026.

"Our second quarter results reflected continued strength in Utility Products, supported by positive volume momentum in wood utility poles and a solid contribution from our Brooks acquisition," said Eric Vachon, President and Chief Executive Officer of Stella-Jones. "In Steel Structures, demand for lattice towers remains strong, the Candiac expansion remains on track, and the U.S. lattice tower greenfield project is progressing well, supporting our long-term growth plans. While underlying market fundamentals for Utility Products remained favourable, quarterly results were affected by near-term cost pressures that weighed on adjusted EBITDA margin. We expect margin performance to improve in the second half of the year as some of the higher costs moderate, although full-year adjusted EBITDA margin is expected to be below 17.5%. Looking ahead, the network optimization measures already announced, together with additional operational reviews and the recovery of certain cost increases through pricing mechanisms, are expected to support margin improvement and bring adjusted EBITDA margin back within the targeted range of 17.5% to 18.5% for the three-year outlook period."

Financial Highlights (in millions of Canadian dollars, except ratios and per share data)	**Three-month periods ended June 30,**		**Six-month periods ended June 30,**	
	2026	**2025**	**2026**	**2025**
Sales	1,042	1,034	1,833	1,807
Gross profit[(1)]	186	206	341	374
Gross profit margin[(1)]	17.9%	19.9%	18.6%	20.7%
Operating income	95	155	192	298
Adjusted EBITDA[(1)]	167	189	303	330
Adjusted EBITDA margin[(1)]	16.0%	18.3%	16.5%	18.3%
Net income	61	106	121	199
Earnings per share ("EPS") – basic	1.12	1.91	2.22	3.58
Adjusted EPS – basic[(1)]	1.59	1.91	2.71	3.06

As at	**June 30, 2026**	**December 31, 2025**
Net debt-to-adjusted EBITDA[(1)]	2.5x	2.6x

(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 press release 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.

Second Quarter Results

Sales for the second quarter of 2026 were $1,042 million, up eight million dollars, versus sales of $1,034 million for the second quarter of last year. Excluding the $29 million contribution from the acquisition of Brooks Manufacturing Co. ("Brooks"), pressure-treated wood sales decreased by $13 million, or 1%. This performance reflected higher wood utility poles sales, largely offset by the lower market price of lumber for residential lumber and lower volumes in railway ties, particularly impacted by the continued softer demand from Class 1 railroads. Logs and lumber sales declined by eight million dollars, or 31%, primarily due to a reduction in logs trading activity.

<u>Pressure-treated wood products</u>:

- **Utility products (49% of Q2-26 sales)**: Utility products sales increased to $510 million in the second quarter of 2026, compared to sales of $476 million in the corresponding period last year. Excluding $29 million contribution from the 2025 Brooks acquisition, utility products sales increased by five million dollars, or 1% versus the same period last year. Sales growth was driven by the continued solid volume performance of wood utility poles, supported by multi-year contract commitments. This increase was partially offset by project delays in certain regions due to unusual wet weather in the U.S. southeast, softer spot market pricing and lower steel structures sales. Beginning in the second quarter of 2026, the steel structure business, acquired in the second quarter of 2025, was included in organic growth. Steel structures sales in the quarter were lower, primarily reflecting the temporary impact of equipment changeovers during the quarter intended to double capacity by the third quarter of 2026.

- **Railway ties (23% of Q2-26 sales)**: Railway ties sales decreased by five million dollars to $235 million in the second quarter of 2026, compared to sales of $240 million in the same period last year. The decrease was primarily attributable to lower volumes from Class 1 railway customers, as broader industry dynamics, including reduced capital spending and continued competitive market conditions, weighed on demand. These lower Class 1 volumes were largely offset by continued healthy demand and strong project activity from non-Class 1 customers. Pricing was modestly lower, reflecting a less favourable sales mix, including a higher proportion of lower-priced treating service-only volumes.

- **Residential lumber (22% of Q2-26 sales)**: Residential lumber sales decreased by $12 million to $234 million in the second quarter of 2026, compared to sales of $246 million in the second quarter of 2025. The decrease primarily reflected lower lumber market prices and, to a lesser extent, lower sales volumes compared with the prior-year period, due to softer demand and unfavourable weather conditions.

- **Industrial products (4% of Q2-26 sales)**: Industrial products sales remained relatively stable at $45 million in the second quarter of 2026, compared to $46 million in the second quarter of 2025.

Logs and lumber:

- **Logs and lumber (2% of Q2-26 sales)**: Sales in the logs and lumber product category were $18 million in the second quarter of 2026, compared to $26 million in the corresponding period last year. The decrease in sales compared to the second quarter of 2025 was largely attributable to lower logs activity.

Gross profit was $186 million, or 17.9% of sales, in the second quarter of 2026, compared to $206 million, or 19.9%, in the corresponding period last year. The decrease in gross profit and gross profit margin primarily reflected an increase in site-specific costs, largely related to environmental management and control activities and maintenance work. Gross profit was also impacted by higher fuel costs, and operational inefficiencies at the Company's steel structures facility during its modernization project, with the overall impact compounded by a lag in recovering certain cost increases through pricing mechanisms. These factors were partially offset by the incremental earnings contributed by the Brooks acquisition and the solid volume growth in wood utility poles.

Operating income for the second quarter of 2026 was $95 million, compared to $155 million in the second quarter of 2025. This decrease was primarily driven by $32 million in impairment of assets and restructuring costs associated with the optimization of the railway ties network. On an adjusted basis, operating income(1) was $129 million versus $155 million, while adjusted EBITDA was $167 million, or 16.0% of sales, compared to $189 million, or 18.3% of sales, in the second quarter of 2025.

Net income for the second quarter of 2026 was $61 million, or $1.12 per share, versus net income of $106 million, or $1.91 per share, in the corresponding period of 2025. On an adjusted basis, net income(1) was $87 million, or $1.59 per share, compared to $106 million, or $1.91 per share, in the second quarter of 2025.

Six-Month Results

For the six months ended June 30, 2026, sales totaled $1,833 million, compared to $1,807 million for the same period last year. Excluding the contribution from the 2025 acquisitions of Brooks and Locweld Inc. of $71 million and the unfavourable currency conversion of $30 million, pressure-treated wood sales decreased by three million dollars. The decrease was largely explained by weaker pricing and volumes for residential lumber and a reduction in railway ties sales from Class 1 railroads. These factors were largely offset by a 7% increase in wood utility poles volumes, although the benefit of higher volumes was moderated by a less favourable product mix and softer spot market pricing. The decline in logs and lumber sales compared to the corresponding period last year was primarily driven by lower logs and lumber trading activity, and the impact of softer lumber market pricing.

For the first six months of 2026, gross profit amounted to $341 million, or 18.6% of sales, compared to $374 million, or 20.7%, in the same period last year. The lower gross profit and gross margin primarily reflected higher site-specific and fuel costs compounded by delays in recovering certain cost increases through pricing mechanisms. Gross profit was also impacted by a less favourable product mix and softer spot market pricing in wood utility poles, as well as the absence of the $10 million insurance recovery recognized in the prior-year period. These headwinds were partially offset by higher wood utility poles volumes and the incremental gross profit contribution from the 2025 acquisitions.

Operating income for the first half of the year was $192 million, versus $298 million for the same period last year. On an adjusted basis, operating income was $228 million, compared to $260 million last year, while adjusted EBITDA was $303 million, representing a margin of 16.5%, compared to $330 million, or a margin of 18.3% last year.

For the first six months of 2026, net income totaled $121 million, or $2.22 per share, compared to net income of $199 million, or $3.58 per share, in the same period last year. On an adjusted basis, net income was $148 million, or $2.71 per share, compared to $170 million, or $3.06 per share, in the first six months of 2025.

Liquidity and Capital Resources

During the quarter ended June 30, 2026, the Company used cash generated from operations of $192 million to fund capital expenditures, repay debt and return capital to shareholders through dividends. This included approximately seven million dollars incurred to date for the development of the new steel lattice manufacturing facility in Fayetteville, Tennessee, primarily related to equipment deposits.

As at June 30, 2026, the Company maintained a solid financial position with available liquidity of $759 million and a net debt-to-adjusted EBITDA of 2.5x.

Quarterly Dividend

On August 5, 2026, the Board of Directors declared a quarterly dividend of $0.34 per common share payable on September 18, 2026 to shareholders of record at the close of business on September 3, 2026. This dividend is designated to be an eligible dividend.

Publication of Sustainability Report

On June 16, 2026, the Company published its 2025 Sustainability Report. It can be found on the Stella-Jones website at: www.stella-jones.com/en-CA/investor-relations/environmental-social-governance.

Conference Call

Stella-Jones will hold a conference call to discuss these results on August 6, 2026, at 10:00 AM Eastern Daylight Time ("EDT"). Interested parties can join the call by dialing 1-800 990 2777 (Conference ID 42712). A live audio webcast of the conference call will be available on the Company's website, on the Investor relations section's home page or here: https://meetings.lumiconnect.com/400-979-105-922. This recording will be available on Thursday, August 6, 2026 as of 1:00 PM EDT until 11:59 PM EDT on Thursday, August 13, 2026.

About Stella-Jones

Stella-Jones Inc. (TSX: SJ) is a leading North American manufacturer of products focused on supporting infrastructure essential to the electrical distribution and transmission network, and the operation and maintenance of railway transportation systems. It supplies the continent's major electrical utility companies with treated wood poles and crossarms, steel lattice towers and steel transmission poles, as well as North America's Class 1, short line and commercial railroad operators with treated wood railway ties. It also supports infrastructure with industrial products, namely timbers for railway bridges, crossings and construction, marine and foundation pilings, and coal tar-based products. Additionally, the Company manufactures and distributes premium treated residential lumber and accessories to Canadian and American retailers for outdoor applications, with a significant portion of the business devoted to servicing Canadian customers through its national manufacturing and distribution network.

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Caution Regarding Forward-Looking Information

This press release 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 relating to the Company's 2026-2028 financial objectives and its expectations relating to its adjusted EBITDA margin, the Company's expected benefits of its optimization initiatives and operational reviews and the Company's ability to recover certain cost increases through pricing mechanisms. 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 (MD&A) 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 press release reflects information available to the Company as of August 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.

Note to readers: The condensed interim unaudited consolidated financial statements as well as management's discussion and analysis for the quarter ended June 30, 2026 are available on Stella-Jones' website at www.stella-jones.com.

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Stella-Jones Inc.

Condensed Interim Consolidated Statements of Income

(Unaudited)

(in millions of Canadian dollars, except earnings per common share)

	For the three-month periods ended June 30, 2026	2025	For the six-month periods ended June 30, 2026	2025
Sales	**1,042**	**1,034**	**1,833**	**1,807**
Expenses				
Cost of sales (including depreciation and amortization (3 months - $34 (2025 - $31) and 6 months - $68 (2025 - $63))	856	828	1,492	1,433
Selling and administrative (including depreciation and amortization (3 months - $6 (2025 - $3) and 6 months - $11 (2025 - $7))	57	55	119	105
Impairment of assets and restructuring costs	32	—	32	—
Gain on insurance settlement	—	—	—	(28)
Other losses (gains), net	2	(4)	(2)	(1)
	947	879	1,641	1,509
Operating income	**95**	**155**	**192**	**298**
Financial expenses	14	14	31	34
Income before income taxes	**81**	**141**	**161**	**264**
Income tax expense				
Current	24	25	51	53
Deferred	(4)	10	(11)	12
	20	35	40	65
Net income	**61**	**106**	**121**	**199**
Basic earnings per common share	**1.12**	**1.91**	**2.22**	**3.58**
Diluted earnings per common share	**1.12**	**1.91**	**2.21**	**3.58**

Stella-Jones Inc.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(in millions of Canadian dollars)

	As at June 30, 2026	As at December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	138	44
Accounts receivable	411	262
Inventories	1,552	1,653
Income taxes receivable	12	19
Other current assets	43	41
	2,156	2,019
Non-current assets		
Property, plant and equipment	1,140	1,116
Right-of-use assets	285	288
Intangible assets	236	243
Goodwill	449	434
Other non-current assets	23	17
	4,289	**4,117**
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	169	153
Income taxes payable	1	—
Deferred revenue	14	—
Current portion of long-term debt	139	37
Current portion of lease liabilities	67	63
Current portion of provisions and other long-term liabilities	21	20
	411	273
Non-current liabilities		
Long-term debt	1,207	1,302
Lease liabilities	233	240
Deferred income taxes	213	218
Provisions and other long-term liabilities	42	45
	2,106	2,078
Shareholders' equity		
Capital stock	189	187
Contributed surplus	6	5
Retained earnings	1,749	1,681
Accumulated other comprehensive income	239	166
	2,183	2,039
	4,289	**4,117**

Stella-Jones Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

(in millions of Canadian dollars)

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Cash flows from (used in)				
Operating activities				
Net income	61	106	121	199
Adjustments for				
Depreciation of property, plant and equipment	16	13	30	27
Depreciation of right-of-use assets	16	17	34	34
Amortization of intangible assets	8	4	15	9
Stock-based compensation	(14)	(5)	(5)	(2)
Financial expenses	14	14	31	34
Income tax expense	20	35	40	65
Impairment of assets	24	—	24	—
Gain on insurance settlement	—	—	—	(28)
Other	6	9	5	(8)
	151	193	295	330
Changes in non-cash working capital components				
Accounts receivable	(62)	(48)	(139)	(125)
Inventories	153	142	139	101
Other current assets	(8)	(7)	(9)	(4)
Accounts payable and accrued liabilities	4	—	15	(11)
Deferred revenue	(1)	—	14	—
	86	87	20	(39)
Interest paid	(9)	(9)	(32)	(34)
Income taxes paid	(36)	(47)	(44)	(49)
	192	**224**	**239**	**208**
Financing activities				
Net change in revolving credit facilities	(50)	(59)	—	78
Repayment of long-term debt	(8)	(59)	(17)	(95)
Repayment of lease liabilities	(17)	(16)	(34)	(33)
Dividends on common shares	(37)	(34)	(37)	(34)
Repurchase of common shares	—	(20)	(15)	(35)
	(112)	**(188)**	**(103)**	**(119)**
Investing activities				
Acquisition of other investments	—	—	(4)	—
Business combinations	(1)	(48)	(1)	(48)
Purchase of property, plant and equipment	(34)	(34)	(46)	(54)
Property insurance proceeds	—	26	2	26
Additions of intangible assets	(2)	(2)	(3)	(4)
Proceeds on disposal of assets	1	6	1	6
	(36)	**(52)**	**(51)**	**(74)**
Net change in cash and cash equivalents during the period	44	(16)	85	15
January 1, 2026 opening balance prior to restatement for amendments to IFRS 9	—	—	44	—
Adjustment on adoption for 2025 outstanding cheques on January 1, 2026	—	—	9	—
Cash and cash equivalents – Beginning of period	94	81	53	50
Cash and cash equivalents – End of period	**138**	**65**	**138**	**65**

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.

Organic sales growth and organic sales growth percentage

- Organic sales growth: Sales of a given period compared to sales of the comparative period, excluding the effect of acquisitions and foreign currency changes
- Organic sales growth percentage: Organic sales growth divided by sales for the corresponding period

The Company uses these non-GAAP measures to analyze the level of activity excluding the effect of acquisitions and the impact of foreign exchange fluctuations, in order to facilitate period-to-period comparisons. Management believes these measures are used by investors and analysts to evaluate the Company's performance.

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

Sales (in millions of dollars, except percentages)	Utility Products	Railway Ties	Residential Lumber	Industrial Products	**Total Pressure-Treated Wood**	Logs & Lumber	**Consolidated Sales**
Sales Q2 2025	**476**	**240**	**246**	**46**	**1,008**	**26**	**1,034**
Acquisition	29	—	—	—	**29**	—	**29**
Organic growth	5	(5)	(12)	(1)	**(13)**	(8)	**(21)**
Sales Q2 2026	**510**	**235**	**234**	**45**	**1,024**	**18**	**1,042**
Organic growth %	1%	(2%)	(5%)	(2%)	**(1%)**	(31%)	**(2%)**

Sales (in millions of dollars, except percentages)	Utility Products	Railway Ties	Residential Lumber	Industrial Products	**Total Pressure-Treated Wood**	Logs & Lumber	**Consolidated Sales**
Q2 YTD 2025	**895**	**448**	**334**	**85**	**1,762**	**45**	**1,807**
Acquisitions	71	—	—	—	**71**	—	**71**
FX impact	(18)	(8)	(2)	(2)	**(30)**	—	**(30)**
Organic sales growth	31	(7)	(22)	(5)	**(3)**	(12)	**(15)**
Q2 YTD 2026	**979**	**433**	**310**	**78**	**1,800**	**33**	**1,833**
Organic sales growth %	3%	(2%)	(7%)	(6%)	**—%**	(27%)	**(1%)**

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.

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, impairment of assets, restructuring costs including closure and other network optimization costs, 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, impairment of assets, restructuring costs including closure and other network optimization costs, 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 June 30,		Six-month periods ended June 30,	
	2026	**2025**	**2026**	**2025**
Operating income	95	155	192	298
Reconciling items:				
Insurance settlement				
Gain on insurance settlement	—	—	—	*(28)*
Business interruption insurance recovery	—	—	—	*(10)*
Impairment of assets and restructuring costs				
Impairment of assets	*24*	—	*24*	—
Closure and other network optimization costs	*8*	—	*8*	—
Amortization of acquisition-related intangibles	2	—	4	—
Adjusted operating income	**129**	**155**	**228**	**260**
Depreciation and amortization excluding the amortization of acquisition-related intangibles	38	34	75	70
Adjusted EBITDA	**167**	**189**	**303**	**330**

Adjusted net income and adjusted EPS - basic

- Adjusted net income: Net income excluding the following items, net of tax: gain on insurance settlement, business interruption insurance recovery, impairment of assets, restructuring costs including closure and other network optimization costs, 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

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 June 30,		Six-month periods ended June 30,	
	2026	**2025**	**2026**	**2025**
Net income	61	106	121	199
Reconciling items:				
Insurance settlement				
Gain on insurance settlement	—	—	—	*(28)*
Business interruption insurance recovery	—	—	—	*(10)*
Impairment of assets and restructuring costs				
Impairment of assets	*24*	—	*24*	—
Closure and other network optimization costs	*8*	—	*8*	—
Amortization of acquisition-related intangibles	2	—	4	—
Income taxes related to above items (1)	(8)	—	(9)	9
Adjusted net income	**87**	**106**	**148**	**170**
Adjusted EPS – basic	**$1.59**	**$1.91**	**$2.71**	**$3.06**

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

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 Trailing 12-month ("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)	As at June 30, 2026	As at December 31, 2025
Long-term debt, including current portion	1,346	1,339
Lease liabilities, including current portion	300	303
Cash and cash equivalents	(138)	(44)
Net debt	**1,508**	**1,598**
Adjusted EBITDA (TTM)	596	623
Net debt-to-adjusted EBITDA	**2.5x**	**2.6x**