STELLA JONES

Q2 2026 Financial Results

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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 network to improve utilization and efficiency and support future growth and profitability, and the Company’s confidence in its earnings power and ability to achieve its stated objectives, 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 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.

All figures are in Canadian dollars unless otherwise stated.

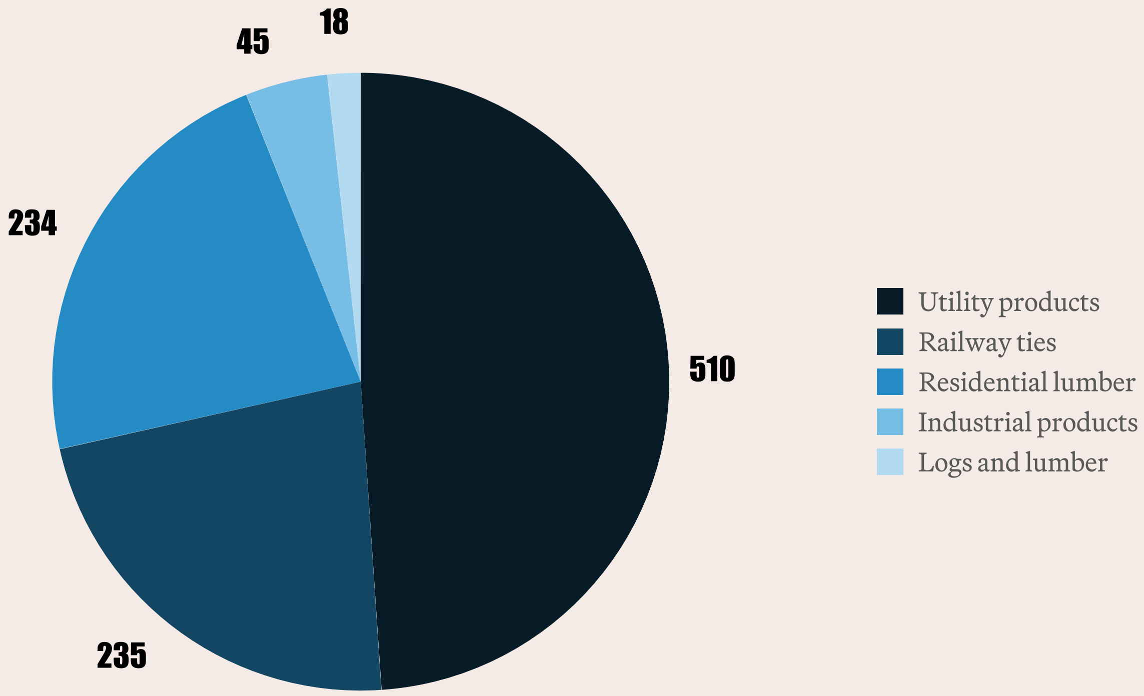
Adjusted EBITDA, Adjusted EBITDA margin, adjusted EPS – basic and net debt-to-adjusted EBITDA are non-GAAP financial measures and non-GAAP ratios and gross profit and gross profit margin are supplementary financial measures, all of which have no standardized meaning under GAAP. The Company’s method of 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 August 5, 2026 for the six-month periods ended June 30, 2026 and June 30, 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.

Q2 2026 Highlights

- 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

Sales By Product Category

(In Millions of $)



(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 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.

Q2 2026 Product Category Overview

Utility Products*

49% of sales

- Sales of $510M
- Demand remains strong; YTD volume growth on track with mid-single-digit outlook
- Pricing broadly stable; new industry capacity represents less than 1% of North American supply
- Network optimization under assessment to improve utilization, profitability and support future growth

Railway Ties

23% of sales

- Sales of $235M
- Class 1 volumes declining, partially offset by growth in the commercial segment
- Network optimization underway; consolidating facilities to improve efficiency and returns
- Active contract renewals in negotiation; supportive commercial funding backdrop through 2028

Residential Lumber

22% of sales

- Sales of $234M
- Softer quarter driven by lower lumber prices and adverse weather impacting volumes
- Pricing below prior-year levels, though early signs of improvement emerging

Industrial Products

4% of sales

- Sales of $45M

Logs & Lumber

2% of sales

- Sales of $18M

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

Financial Highlights

(in millions of Canadian dollars, except per share data and margins)	Q2-26	Q2-25	Q2 YTD 2026	Q2 YTD 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%
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
EPS – basic	$1.12	$1.91	$2.22	$3.58
Adjusted EPS – basic[1]	$1.59	$1.91	$2.71	$3.06
Cash flow from operating activities	192	224	239	208

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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

- $192 million in cash from operations in the quarter:
  - Supported by favorable working capital performance

$759 million

Available Liquidity

As at June 30, 2026

2.5x

Net debt-to-adjusted EBITDA[1]

As at June 30, 2026

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Key Takeaways

Demand & Growth
- Healthy demand across infrastructure markets
- Advancing growth avenues to support long-term strategy

Quarterly Margin Performance
- Near-term margin shortfall

Path to Improvement
- Margin performance expected to improve as early as H2 2026
- Optimization initiatives and pricing pass-through mechanisms

Outlook
- Strong long-term business fundamentals
- Reaffirm three-year guidance

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