STELLA JONES

Q3 2026 Financial Results

Presented by:
Eric Vachon, President & CEO
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David Galison, Vice-President, Investor Relations

November 4, 2026

Cautionary 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 relating to the Company’s 2026-2028 financial objectives and its expectations relating to its adjusted EBITDA margin, the Company’s performance optimization program, including the network optimization initiatives, as well as the expected benefits (including the Company's target of generating up to $100 million in cumulative cost savings and incremental profitability over the next three years) and timing thereof, statements relating to the Company’s expansion of its steel structures business in North America, including its expansion project to double production capacity at its Candiac facility and the construction of a new manufacturing facility in Fayetteville, Tennessee, and timing thereof, statements relating to the Company’s pursuit of higher-margin railway ties business, including the renewal of key Class 1 customer contracts and volume growth expectations, statements relating to expected pricing levels for residential lumber, and statements regarding the Company’s capital allocation strategy, including dividends and its normal course issuer bid. The Company’s expectations relating to its performance optimization program, including its target to generate up to $100 million in cumulative cost savings and incremental profitability over the next three years, are based on a number of assumptions, including that the Company will be able to roll out and implement the program on the anticipated timeline and on budget and realize in full the anticipated benefits therefrom, that there will be no meaningful deterioration of the macroeconomic environment, as well as certain assumptions relating to sales volumes, product mix, pricing and customer demand over the period. 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 presentation reflects information available to the Company as of November 3, 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.

Executing Against Operational Priorities

Q3 Progress and Milestones

Improving operational efficiency across network

- **Launch of Stella-Jones Performance Optimization Program**
  - Expected to deliver up to $100M in cumulative cost savings and incremental profitability over the next three years combined, with expected run rate of ~$30M/year
  - Includes previously announced $20M-$27M annualized savings and incremental profitability from network optimization initiatives in railway ties and wood utility poles

Advancing contract renewals and long-term partnerships

- **Advancing Class 1 Contract Renewals**
  - Secured multi-year commitments and advancing other renewals with key customers
  - Discussions supporting crosstie business, positioning Stella-Jones to increase participation in higher-value products, such as bridge and switch timbers, pre-plated ties and treating services

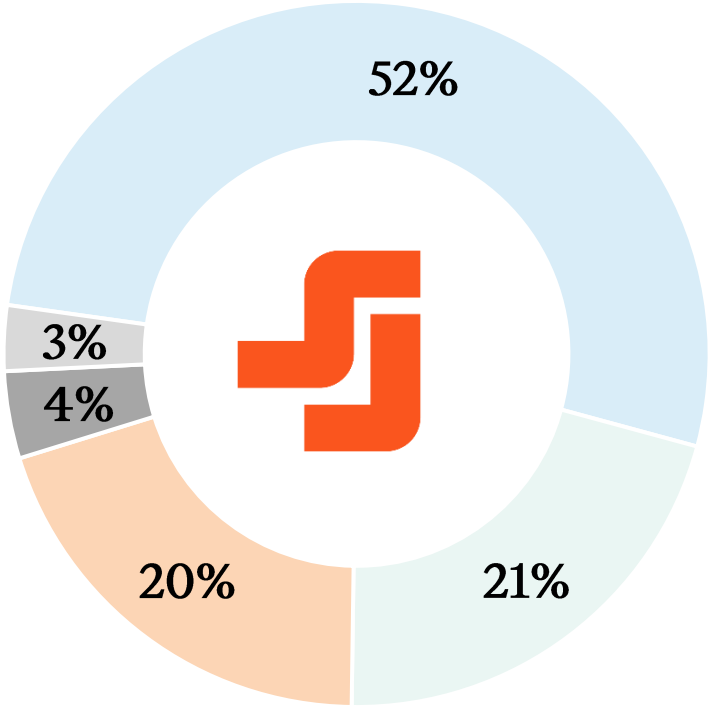
Scaling steel structures

- **In Steel Structures, continue to secure additional utility contracts that heavily commit our production schedule well into 2027 and 2028**
- **Candiac (QC)**
  - Continued capacity expansion to meet strong transmission demand
- **Fayetteville (TN):** Advanced from design & engineering into onsite structure preparation
  - Began onboarding leadership
  - Project on track for late 2027 commissioning, with phased ramp up to full production by end of 2028

Building a stronger, more profitable operating platform heading into 2027

Q3 2026 Highlights

Q3 2026 Revenue Breakdown



Utility Products[1]

<u>Wood utility poles</u>
- Sustained demand resilience despite broader economic backdrop
- Pricing: market conditions broadly stable across customer base

<u>Crossarms</u>
- Expanding our presence with established utility customers through a broader product offering

<u>Steel structures</u>
- Candiac: peak of plant overhaul reached in Q3, working through final stages of commissioning
- Strong customer demand for lattice transmission towers

Railway Ties

- Q3 market dynamics in line with trends seen earlier this year
- Lower Class 1 volumes offset by continued strength and healthy project activity in the commercial market, supported by U.S. government funding
- Product mix and efficiency initiatives driving margin improvement
- Continuous improvement initiatives continue to advance on schedule

Residential Lumber

- Q3 volume in line with prior year
- Rising market lumber costs in Q3
  - Subsequently implemented price increases later in the quarter
- Expect new pricing levels to hold well into 2027

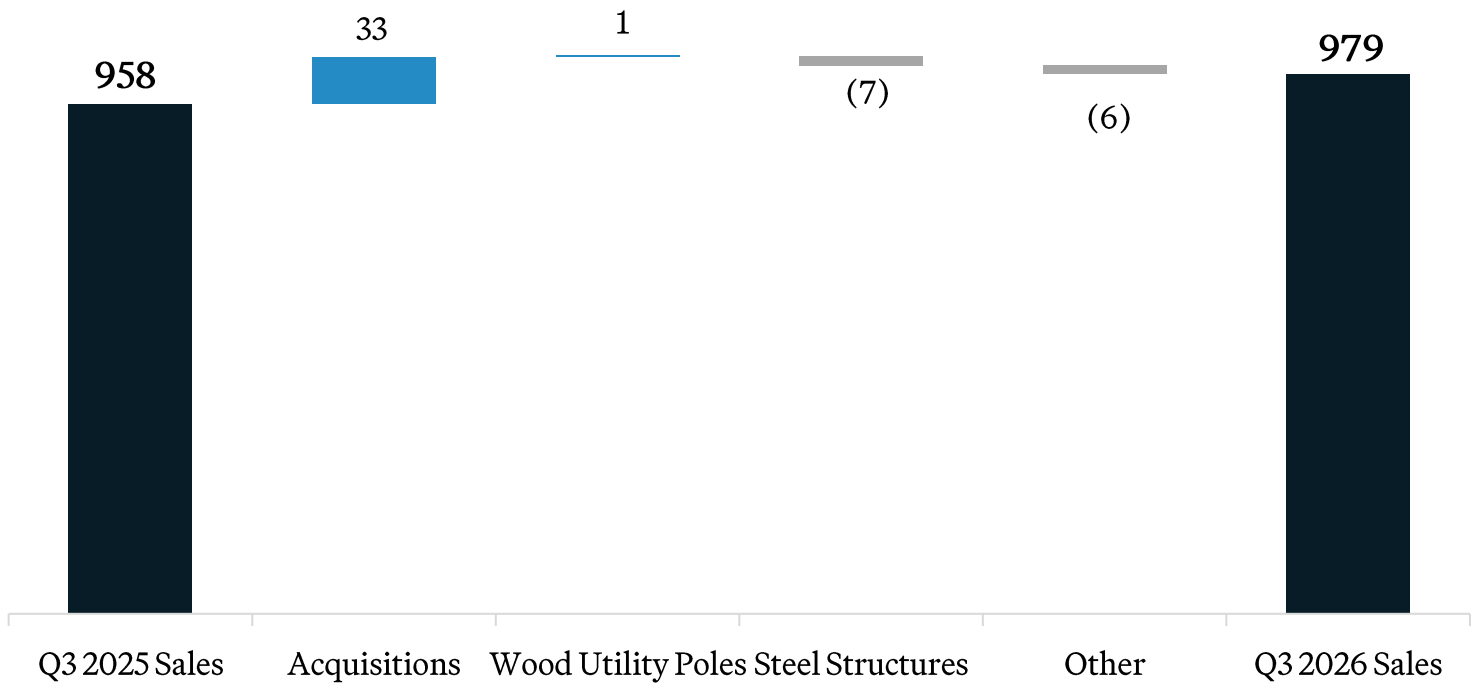
1. Comprised of wood utility poles, crossarms and steel structures, namely steel lattice towers and steel transmission poles.

Q3 2026 Sales Overview

Key Takeaways

- Q3 2026 Sales of $979M
- ↑ $21M y/y
- Led by crossarm acquisition and volume growth in wood utility poles
  - Brooks acquisition contributed $33 million in sales
- Partially offset by:
  - shift in wood utility pole product mix, and
  - temporary downtime related to the ramp-up of the Candiac capacity expansion project

Q3 Sales Year-Over-Year Change
(in C$ millions)



Disciplined Capital Allocation Strategy

Balance Sheet Strength

Proven Cash Flow Generation	**$158M** Cash flow from operations Q3 2026
Strong Liquidity[1]	**$836M** Available liquidity at Sept. 30, 2026
Investment Grade Rating	**BBB**
Prudent Leverage	**2.4x** Net debt-to-adjusted EBITDA[2] at Sept. 30, 2026

Enabling Shareholder Returns & Growth

- Accretive and Opportunistic M&A
- Organic Growth
- Dividends and Opportunistic Share Buybacks

A strategic approach to maximizing shareholder value

1. Sum of cash and cash equivalents and undrawn credit facilities net of outstanding letters of credit and certain guarantees.
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 for more information.

Key Takeaways

Demand & Growth

- Healthy demand across core infrastructure markets
- Advancing multiple avenues aimed at long-term growth

Streamlined Operating Platform

- Performance Optimization Program targeting up to $100M in cumulative cost savings and incremental profitability over 3 years combined
- Network optimization initiatives underway

Financial Strength and Flexibility

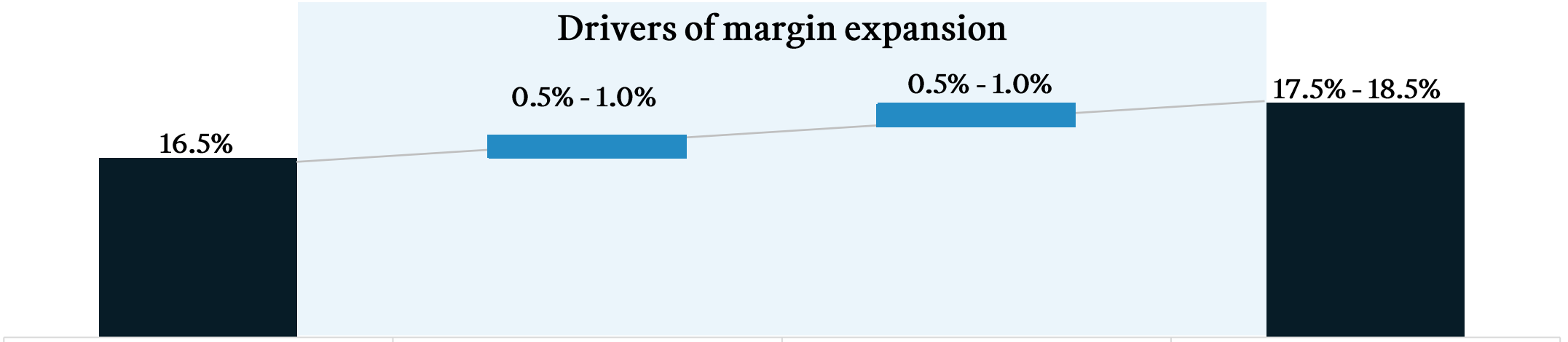
- Strong cash flow generation and ample liquidity supporting investment-grade balance sheet
- Ample liquidity to invest in growth and pursue disciplined M&A

Go-Forward Margin Expansion

- Pricing actions and optimization benefits expected to support margin improvement
- Stronger contribution from higher-value products and scaling Steel Structures

Performance Optimization Program focused on maximizing shareholder value

Adjusted EBITDA Margin[1] Roadmap



1. 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 for a reconciliation of this non-GAAP ratio with the most directly comparable GAAP measure.

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Appendix



Financial Highlights

(in millions of Canadian dollars, except per share data and margins)	Q3-26	Q3-25	Q3 YTD 2026	Q3 YTD 2025
Sales	979	958	2,812	2,765
Gross profit(1)	168	188	509	562
Gross profit margin(1)	17.2%	19.6%	18.1%	20.3%
Operating Income	82	135	274	433
Operating Income Margin(1)	8.4%	14.1%	9.7%	15.7%
Adjusted EBITDA(1)	159	171	462	501
Adjusted EBITDA margin(1)	16.2%	17.8%	16.4%	18.1%
Net income	51	88	172	287
EPS – basic	$0.93	$1.59	$3.15	$5.17
Adjusted EPS – basic(1)	$1.39	$1.59	$4.10	$4.65
Cash flow from operating activities	158	198	397	406

(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.

Non-GAAP and Other Financial Measures

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 November 3, 2026 for the nine-month periods ended September 30, 2026 and September 30, 2025 (which section is incorporated by reference herein), available at www.sedarplus.ca and on the Company's website at www.stella-jones.com, 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, except for LTM Adjusted EBITDA Margin for which a reconciliation is provided below:

EBITDA and EBITDA margin for the trailing twelve months as at September 30, 2026

Reconciliation of Operating Income to Adjusted EBITDA (C$ millions)	**Trailing twelve months ended September 30,**	
	2026	**2025**
Operating income	357	514
Depreciation and amortization	157	140
EBITDA	**514**	**654**
Impairment of assets and restructuring costs	70	–
Insurance settlement	–	38
Adjusted EBITDA	584	616
Adjusted EBITDA margin	16.5%	17.6%

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