STELLA JONES

Investor Fact Sheet

Q2 2026
ended June 30

TSX: SJ (as at August 4, 2026)

Price: $79.18
High: $100.19
Low: $71.28
(52 weeks ended August 4, 2026)

Number of Shares Outstanding:
54,567,627 (August 4, 2026)

Second Quarter 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

Stella-Jones Inc. 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. Additionally, the Company manufactures and distributes premium treated residential lumber and accessories.

A Word From Management

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. 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.

Eric Vachon
President and Chief Executive Officer
August 6, 2026

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" in the Company's Management's Discussion and Analysis ("MD&A") for the three-months ended June 30, 2026 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.

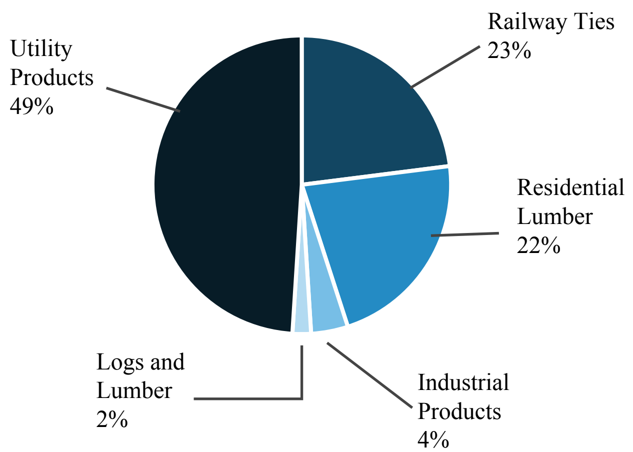
Recent Event

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.

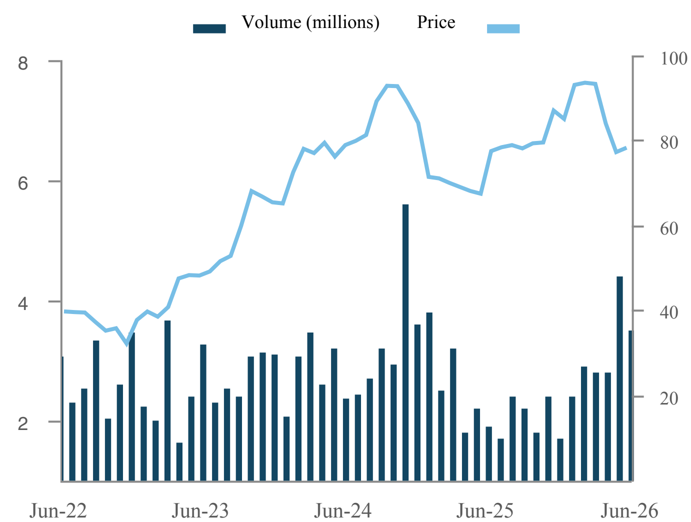
5-Year Financial Review

(in millions of Canadian dollars, except per share data and margins)	**Trailing 12- month Q2 2026**	**2025**	**2024**	**2023**	**2022**
Sales	**3,518**	3,492	3,469	3,319	3,065
Adjusted EBITDA	**596**	623	633	608	448
Adjusted EBITDA margin	**16.9%**	17.8%	18.2%	18.3%	14.6%
Net income	**259**	337	319	326	241
EPS – basic	**4.72**	6.09	5.66	5.62	3.93
Adjusted EPS – basic	**5.21**	5.56	5.66	5.62	3.93

Product Categories (in % of Q2 2026 sales)



Stock Performance



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Jim Byrne	Acumen Capital Finance Partners Limited
Hamir Patel	CIBC Capital Markets
Benoit Poirier	Desjardins Securities
Maxim Sytchev	National Bank Financial
Jonathan Goldman	Scotia Capital
Christian Reiter	Raymond James
James McGarragle	RBC Capital Markets
Michael Tupholme	TD Securities
Martin Pradier	Veritas Investment Research

Caution Regarding Forward-Looking Information

This Investor Fact Sheet 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 Investor Fact Sheets 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.