STELLA JONES

Investor Fact Sheet

Q3 2026
ended September 30

TSX: SJ (as at November 2, 2026)

Price: $66.97
High: $100.19
Low: $64.26
(52 weeks ended November 2, 2026)

Number of Shares Outstanding:
54,581,214 (November 2, 2026)

Third Quarter Highlights

- Sales of $979 million, up from $958 million in Q3 2025
- Operating income of $82 million, down from $135 million in Q3 2025, driven by $32 million in asset impairment and restructuring costs, mainly related to network optimization initiatives
- Adjusted EBITDA[(1)] of $159 million, or 16.2% margin[(1)], compared to $171 million, or 17.8% margin in Q3 2025
- Strong cash flow generation of $158 million in the quarter and available liquidity[(2)] of $836 million at quarter-end
- Launch of Performance Optimization Program, inclusive of previously disclosed network optimizations, expected to deliver up to $100 million in cost savings over the next three years combined

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 customers continue to invest in essential infrastructure, as demonstrated by the continued growth in wood utility poles volumes. Notwithstanding this demand strength, third quarter results were impacted by higher fuel costs of approximately $10 million, and product mix. Against this backdrop, we remain focused on disciplined execution and the areas within our control. Building on the network optimization actions already underway, we are introducing a Performance Optimization Program to drive further efficiencies and support margin expansion. Through this program, we expect to deliver up to $100 million in cumulative cost savings and incremental profitability over the next three years, building progressively year by year as initiatives are implemented. We are also pursuing higher-margin railway ties business, including through the renewal of key Class 1 customer contracts, and expanding our Steel Structures footprint to serve strong North American transmission demand. Together, these actions are aimed at enhancing profitability, driving sustainable growth and further positioning Stella-Jones as a provider of critical infrastructure products.

While we expect 2026 adjusted EBITDA margin to remain below our targeted range of 17.5% to 18.5%, the actions we have taken over the course of the year, together with solid demand across our infrastructure end markets, position us well to return to this range for the three-year outlook period.

Eric Vachon
President and Chief Executive Officer
November 4, 2026

Financial Highlights (in millions of Canadian dollars, except ratios and per share data)	**Three-month periods ended September 30,**		**Nine-month periods ended September 30,**	
	2026	**2025**	**2026**	**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
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
Earnings per share ("EPS") – basic	0.93	1.59	3.15	5.17
Adjusted EPS – basic[(1)]	1.39	1.59	4.10	4.65

As at	**September 30, 2026**	**December 31, 2025**
Net debt-to-adjusted EBITDA[(1)]	2.4x	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" at the end of this document 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

November 3, 2026 — The Board of Directors declared a quarterly dividend of $0.34 per common share payable on December 18, 2026 to shareholders of record at the close of business on December 1, 2026. This dividend is designated to be an eligible dividend.

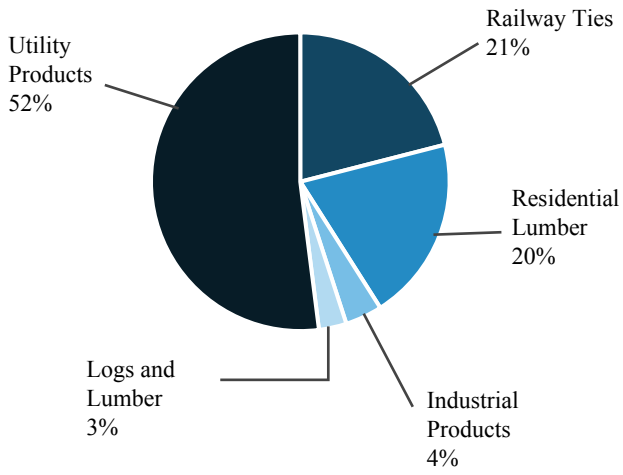
November 3, 2026 — The TSX accepted the Company's Notice of Intention to Make a NCIB to purchase for cancellation up to 1,500,000 common shares during the 12-month period from November 14, 2026 to November 13, 2027, representing approximately 2.7% of the common shares outstanding as of such date.

5-Year Financial Review

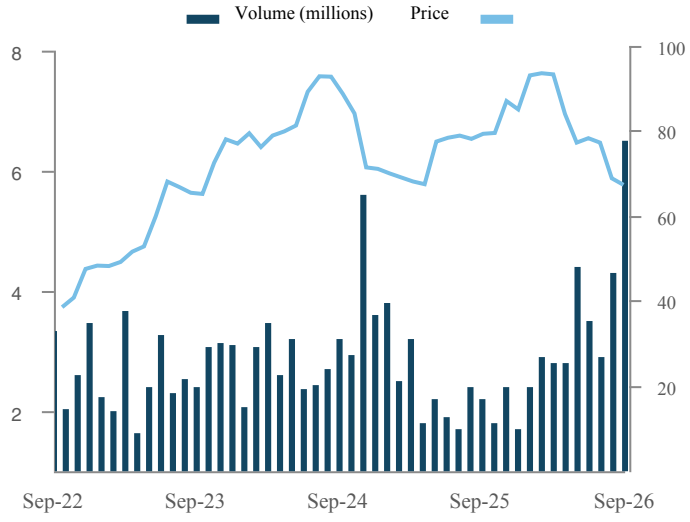
(in millions of Canadian dollars, except per share data and margins)	**Trailing 12-month Q3 2026**	**2025**	**2024**	**2023**	**2022**
Sales	**3,539**	3,492	3,469	3,319	3,065
Operating income	**357**	516	503	499	359
Adjusted EBITDA[(1)]	**584**	623	633	608	448
Adjusted EBITDA margin[(1)]	**16.5%**	17.8%	18.2%	18.3%	14.6%
Net income	**222**	337	319	326	241
EPS – basic	**4.06**	6.09	5.66	5.62	3.93
Adjusted EPS – basic[(1)]	**5.01**	5.56	5.66	5.62	3.93

[(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" at the end of this document 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.

Product Categories (in % of Q3 2026 sales)



Stock Performance



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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 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, 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, and statements regarding the Company's normal course issuer bid. 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. In particular, 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. 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 Sheet 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.

Non-GAAP and Other Financial Measures

Adjusted EBITDA, Adjusted EBITDA margin and 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, LTM Adjusted EBITDA Margin and Adjusted EPS - Basic 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

Adjusted EPS - Basic for the trailing twelve months as at September 30, 2026

Reconciliation of Net Income to Adjusted Net Income (C$ millions of dollars, except per share data)	**Trailing twelve months ended September 30,**	
	2026	**2025**
Net income	222	339
Impairment of assets and restructuring costs	64	—
Amortization of acquisition-related intangibles	6	—
Insurance settlement	—	(38)
Income taxes related to above items [(1)]	(18)	9
Adjusted net income	**274**	**310**
Adjusted EPS – basic	**$5.01**	**$5.58**

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