

INVESTOR FACT SHEET



TSX: SJ (as at November 4, 2020)

Price: \$44.37

High: \$47.22

Low: \$23.34

(52 weeks ended November 4, 2020)

Number of Shares Outstanding:
66,846,581

Q3 ENDED SEPTEMBER 30, 2020

THIRD QUARTER HIGHLIGHTS

- Net income rose to \$79 million or \$1.17 per share
- EBITDA increased 38% to a new high of \$132 million, or a margin of 17.8%
- Annual 2020 EBITDA outlook increased to reflect strong quarterly performance
- 2019 Environmental Social Governance Report published by Company

Stella-Jones Inc. (TSX: SJ) is a leading producer and marketer of pressure-treated wood products. The Company supplies North America's electrical utilities and telecommunication companies with utility poles, and the continent's railroad operators with railway ties and timbers. Stella-Jones also manufactures and distributes residential lumber and accessories to retailers for outdoor applications, as well as industrial products for construction and marine applications. The Company's common shares are listed on the Toronto Stock Exchange.

A WORD FROM MANAGEMENT

I am extremely proud of the diligent work ethic and unwavering commitment that our employees have displayed during these rapidly changing and extremely challenging times. Supported by their contribution and the resiliency of our business, we delivered another record performance this quarter, with growth in sales, profitability and cash from operations. Benefiting from the continued strong demand across most of our product categories and the exceptional rise in market lumber prices, we realized sales growth of 18% and increased EBITDA by 38% to a quarterly best of \$132 million. This significant increase in profitability translated into cash from operations of \$148 million which was used to invest in our network, reduce our leverage and return cash to shareholders in the form of dividends and share repurchases. We ended the quarter in a very strong financial position with a net debt-to-EBITDA ratio of 1.4x and over \$300 million in available liquidity.

Following stronger than expected results this quarter, we have increased our annual 2020 EBITDA guidance. With ample financial flexibility and sustainable profitability, we are well positioned to continue to drive growth for our shareholders.

Éric Vachon

President and CEO

November 5, 2020

FINANCIAL HIGHLIGHTS

(in millions of Canadian dollars, except per share data and margin)

	Quarters ended September 30, (unaudited)		Nine months ended September 30, (unaudited)	
	2020	2019	2020	2019
Sales ¹	742	631	2,018	1,744
Gross Profit ²	147	110	361	288
EBITDA ²	132	96	315	254
EBITDA margin (%) ²	17.8%	15.2%	15.6%	14.6%
Operating income ²	113	78	259	201
Net income for the period	79	54	176	135
Per share – basic and diluted (\$)	1.17	0.78	2.60	1.96
Weighted average shares outstanding (basic, in '000s)	67,437	68,901	67,462	69,057

¹ Prior period figures have been adjusted to conform to the current period presentation.

² This is a non-IFRS financial measure which does not have a standardized meaning prescribed by IFRS and may therefore not be comparable to similar measures presented by other issuers. Please refer to the non-IFRS financial measures described in the Company's Management's Discussion and Analysis.

RECENT EVENT

November 4, 2020 – Stella-Jones published its 2019 Environmental, Social and Governance report which can be found in the investor relations section of the Company's website.

5-YEAR FINANCIAL REVIEW

(in millions of Canadian dollars, except per share data and margins)	Trail. 12 months	2019	2018 ³	2017 ³	2016 ³
Sales ¹	2,463	2,189	2,144	1,908	1,854
EBITDA ²	374	313	244	243	265
EBITDA margin ²	15.2%	14.3%	11.4%	12.7%	14.3%
Operating income ²	300	242	206	207	233
Operating margin ²	12.2%	11.1%	9.6%	10.9%	12.6%
Net Income for the Period	204	163	138	168	154
Per common share – diluted (\$)	3.01	2.37	1.98	2.42	2.22

¹ Figures have been adjusted to conform to the current period presentation.

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Please refer to the non-IFRS financial measures described in the Company's Management's Discussion and Analysis.

³ Results for fiscal 2018 and prior years were not restated as permitted by IFRS 16, Leases.

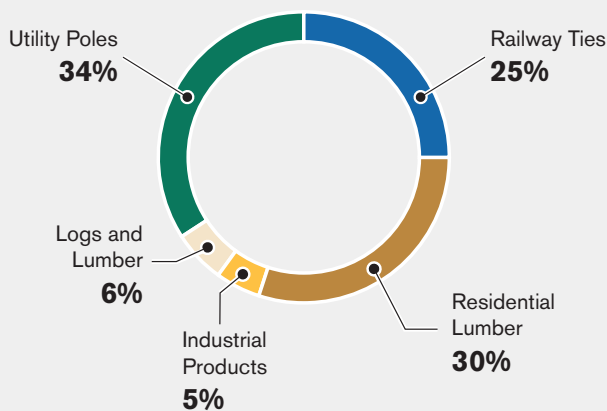
UPDATED OUTLOOK

The financial outlook provided in the Company's Management's Discussion and Analysis for the quarter ended June 30, 2020 with respect to annual EBITDA for 2020 is revised to reflect the stronger than expected third quarter sales growth in the residential lumber and utility poles product categories. The Company forecasts EBITDA for 2020 to be in the range of \$365 million to \$375 million and EBITDA margin to be higher compared to 2019.

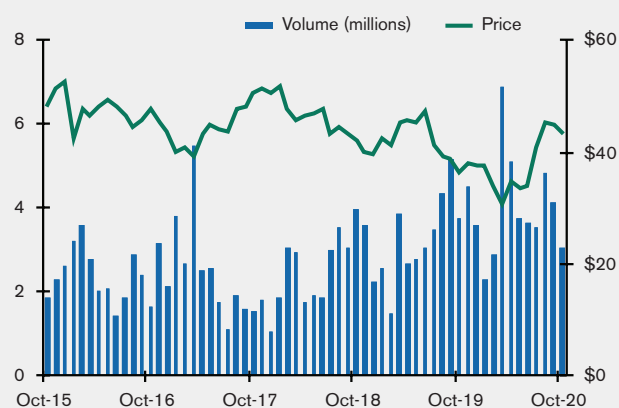
While the impact of the on-going COVID-19 pandemic on the demand for the Company's products remains uncertain, based on the Company's current expectations and assuming stable currencies, management is forecasting healthy sales for 2021. Utility poles sales are expected to increase in the mid to high-single digits, compared to 2020, while railway ties and industrial product sales are projected to be relatively comparable to those generated in 2020. The demand for new construction and outdoor renovation projects is expected to be strong in 2021, which should continue to benefit sales in the Company's residential lumber product category.

Please refer to the Company's Management's Discussion and Analysis for further details.

PRODUCT CATEGORIES (in % of Q3 2020 sales)



STOCK PERFORMANCE



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ANALYST COVERAGE

Jim Byrne	Acumen Capital Finance Partners Limited
Mona Nazir	Laurentian Bank Securities
Mark Neville	Scotiabank
Hamir Patel	CIBC World Markets
Benoit Poirier	Desjardins Capital Markets
Walter Spracklin	RBC Capital Markets
Maxim Sytchev	National Bank Financial Markets
Michael Tupholme	TD Securities