



INVESTOR FACT SHEET

**FOURTH QUARTER AND YEAR
ENDED DECEMBER 31, 2019**

FOURTH QUARTER AND 2019 HIGHLIGHTS

- 19th consecutive year of sales growth
- EBITDA for 2019 up 28.0% to \$312.9 million
- Net income increased 18.5% to \$163.1 million for the year
- Share repurchases of 1.8 million totaling \$70.6 million in 2019
- Solid financial position with a long-term debt to EBITDA ratio of 1.9x
- Quarterly cash dividend increased 7.1% to \$0.15 per share

Stella-Jones Inc. (TSX: SJ) is a leading producer and marketer of pressure treated wood products. The Company supplies North America's railroad operators with railway ties and timbers, and the continent's electrical utilities and telecommunication companies with utility poles. 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.

TSX: SJ (as at March 10, 2020)

Price: **\$32.31**

High: **\$48.08**

Low: **\$31.65**

(52 weeks ended March 10, 2020)

Number of Shares Outstanding:
67,466,709

A WORD FROM MANAGEMENT

We concluded 2019 on a positive note with growth in both sales and profitability for the quarter and the full year. Sales were up 1.6% in the fourth quarter and 2.1% for the year to \$2.2 billion, delivering the nineteenth consecutive year of growth. Higher sales drove improvement in EBITDA, which grew 28.0% to \$312.9 million, yielding an EBITDA margin of 14.4% for 2019. During the year, we continued to foster a balanced capital allocation approach focused on growth and returns. We deployed our solid liquidity to invest in our network, acquire a key residential lumber facility and return capital to shareholders. In line with this strategy, today we are pleased to announce a dividend increase for the sixteenth consecutive year. Our solid financial position provides us the flexibility to continue to pursue our growth strategy and deliver further value to shareholders.

Éric Vachon
President and CEO
March 11, 2020

FINANCIAL HIGHLIGHTS

(in millions of Canadian dollars, except per share data and margin)	Quarters ended December 31, (unaudited)		Years ended December 31, (audited)	
	2019	2018 ²	2019	2018 ²
Sales	439.9	432.8	2,169.0	2,123.9
EBITDA ¹	58.8	41.8	312.9	244.4
EBITDA margin ¹	13.4%	9.7%	14.4%	11.5%
Operating income ¹	41.4	31.8	242.3	206.3
Net income for the period	27.7	20.6	163.1	137.6
Per share – basic and diluted (\$)	0.41	0.30	2.37	1.98
Weighted average shares out. (basic, in '000s)	67,898	69,358	68,761	69,352

¹ 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 Management's Discussion and Analysis.

² Results for fiscal 2018 were not restated as permitted by IFRS 16.

RECENT EVENTS

March 11, 2020 – The Company confirmed that it has ceased taking active steps to produce Pentachlorophenol and intends to continue working with its customers to offer a variety of preservative solutions for utility pole wood treatment.

January 16, 2020 – The Company announced the appointment of Mr. Robert Coallier to its Board of Directors.

December 17, 2019 – The Company announced the appointment of Silvana Travaglini as Senior Vice-President and Chief Financial Officer, effective January 13, 2020.

November 26, 2019 – The Company announced the appointment of Mr. Douglas Muzyka to its Board of Directors.

5-YEAR FINANCIAL REVIEW

(in millions of Canadian dollars, except per share data and margins)	2019	2018 ²	2017 ²	2016 ²	2015 ²
Sales	2,169.0	2,123.9	1,886.1	1,838.4	1,559.3
EBITDA ¹	312.9	244.4	243.1	264.8	243.4
EBITDA margin ¹	14.4%	11.5%	12.9%	14.4%	15.6%
Operating income ¹	242.3	206.3	207.4	233.2	220.1
Operating margin ¹	11.2%	9.7%	11.0%	12.7%	14.1%
Net income	163.1	137.6	167.9	153.9	141.4
Per common share – diluted (\$)	2.37	1.98	2.42	2.22	2.04

¹ 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 Management's Discussion and Analysis.

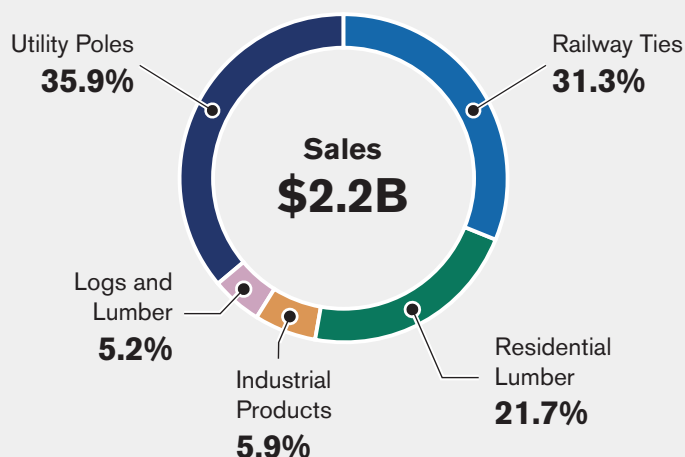
² Results for fiscal 2018 and prior years were not restated as permitted by IFRS 16.

OUTLOOK

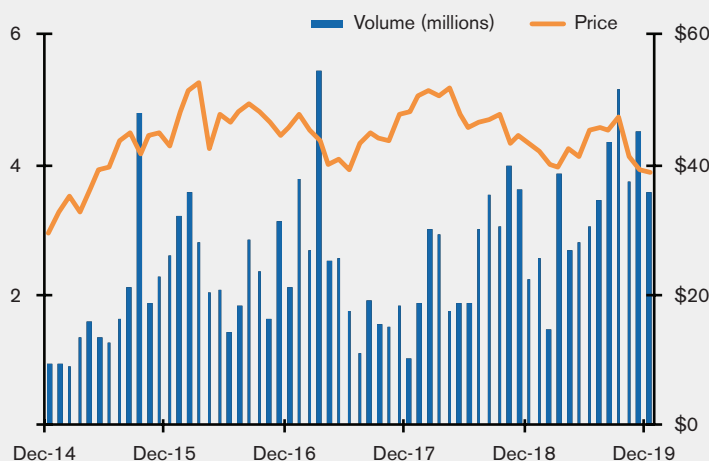
Based on the assumptions that current market and economic conditions stabilize and foreign exchange rates and raw material prices remain comparable to those of the prior year, the Company expects higher year-over-year overall sales, driven by increased market reach in the utility pole, railway tie and residential lumber product categories. Sales growth is expected to support an improvement in operating margins. As a result, notwithstanding any additional acquisitions, EBITDA in 2020 is forecasted to be in the range of \$320.0 to \$345.0 million, compared to \$312.9 million in 2019. For additional details per product category, please refer to the Company's Management's Discussion and Analysis.

This fact sheet is based on information available as at March 11, 2020 and may contain information and statements that are forward-looking in nature. Unless required to do so under applicable securities legislation, the Company 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. Please refer to the Management's Discussion and Analysis for further details.

PRODUCT CATEGORIES (in % of 2019 sales)



STOCK PERFORMANCE



3100 de la Côte-Vertu Blvd.
Suite 300
Saint-Laurent, Québec
H4R 2J8
Tel: 514 934-8666
www.stella-jones.com

INVESTOR RELATIONS

Silvana Travaglini, CPA, CA
Senior Vice-President and
Chief Financial Officer
Tel.: 514 940-8660
Email: stravaglini@stella-jones.com

ANALYST COVERAGE

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