

Price: **\$72.67**

 High: **\$85.23**

 Low: **\$58.58**

(52 weeks ended May 7, 2024)

Number of Shares Outstanding:

**56,619,580** (May 7, 2024)

# INVESTOR FACT SHEET

## FIRST QUARTER HIGHLIGHTS

- Sales of \$775 million, up 9%, driven by organic sales growth in infrastructure product categories
- Record first quarter EBITDA up 30% to \$156 million, a margin of 20.1%
- Net income of \$77 million or \$1.36 per share, up 32% from Q1 2023 EPS

**Stella-Jones Inc. (TSX: SJ)** is a leading North American manufacturer of pressure-treated wood products, focused on supporting infrastructure that is essential to the delivery of electrical distribution and transmission, and the operation and maintenance of railway transportation systems. It supplies the continent's major electrical utilities and telecommunication companies with wood utility poles and North America's Class 1, short line and commercial railroad operators with railway ties and timbers. Infrastructure product categories also include industrial products. Additionally, the Company manufactures and distributes premium treated residential lumber and accessories. The Company's common shares are listed on the Toronto Stock Exchange.

## A WORD FROM MANAGEMENT

I am pleased with our performance in the first quarter, which marks a strong start to the year and builds upon the momentum we generated in 2023. Our Q1 performance reflects the ongoing robust fundamental market trends in our infrastructure product categories and an improvement over our solid fourth quarter results. Although we noted a softer pace of purchases by utilities in recent quarters, we are confident that incremental multi-year volume commitments secured from new and existing customers will be realized, highlighting the enduring growth potential of our business.

The sustained strength of our results is a testament to our focus on growing our infrastructure business and leveraging our unique competitive advantages. We are drawing on the strength of our customer relationships and expansive network to capitalize on growth opportunities and deliver on our strategic objectives.

Eric Vachon  
 President and Chief Executive Officer  
 May 8, 2024

## FINANCIAL HIGHLIGHTS

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

**Three months ended  
 March 31,  
 (Unaudited)**

	2024	2023
Sales	775	710
Gross profit <sup>(1)</sup>	172	136
Gross profit margin <sup>(1)</sup>	22.2%	19.2%
EBITDA <sup>(1)</sup>	156	120
EBITDA margin <sup>(1)</sup>	20.1%	16.9%
Operating income	124	95
Operating income margin <sup>(1)</sup>	16.0%	13.4%
Net income for the period	77	60
Earnings per share ("EPS") – basic and diluted	1.36	1.03
Weighted average shares outstanding (basic, in '000s)	56,786	58,801

<sup>(1)</sup> These are non-GAAP and other financial measures which do 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 section "Non-GAAP and other financial measures" in the Company's latest Management's Discussion and Analysis ("MD&A").

## RECENT EVENTS

May 7, 2024 — The Board of Directors declared a quarterly dividend of \$0.28 per common share, payable on June 21, 2024 to shareholders of record at the close of business on June 3, 2024. 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				
	Q1 2024	2023	2022	2021	2020
Sales	<b>3,384</b>	3,319	3,065	2,750	2,551
EBITDA <sup>(1)</sup>	<b>644</b>	608	448	400	385
EBITDA margin <sup>(1)</sup>	<b>19.0%</b>	18.3%	14.6%	14.5%	15.1%
Operating income	<b>528</b>	499	359	326	309
Operating income margin <sup>(1)</sup>	<b>15.6%</b>	15.0%	11.7%	11.9%	12.1%
Net income for the period	<b>343</b>	326	241	227	210
EPS – basic and diluted	<b>5.95</b>	5.62	3.93	3.49	3.12

<sup>(1)</sup> Refer to the section "Non-GAAP and other financial measures" in the Company's latest MD&A.

## 2023-2025 FINANCIAL OBJECTIVES

(in millions of dollars, except percentages and ratios)	2023-2025 Objectives <sup>(1)</sup>	Trailing 12-month Q1 2024
Sales	> \$3,600	\$3,384
EBITDA margin <sup>(2)</sup>	16%	19%
Return to Shareholders: cumulative	> \$500	\$226
Net Debt-to-EBITDA <sup>(2) (3)</sup>	2.0x-2.5x	2.7x

<sup>(1)</sup> Excludes acquisitions and assumes Canadian dollar will trade, on average, at approximately C\$1.30 per U.S. dollar, with sales in the U.S. representing approximately 70% of total sales.

<sup>(2)</sup> Refer to the section "Non-GAAP and other financial measures" in the Company's latest MD&A.

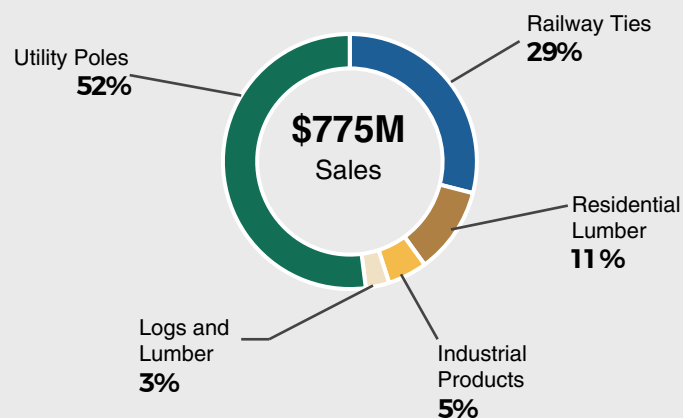
<sup>(3)</sup> The Company may deviate from its leverage target to pursue acquisitions and other strategic opportunities, and/or fund its seasonal working capital requirements.

### Key Highlights:

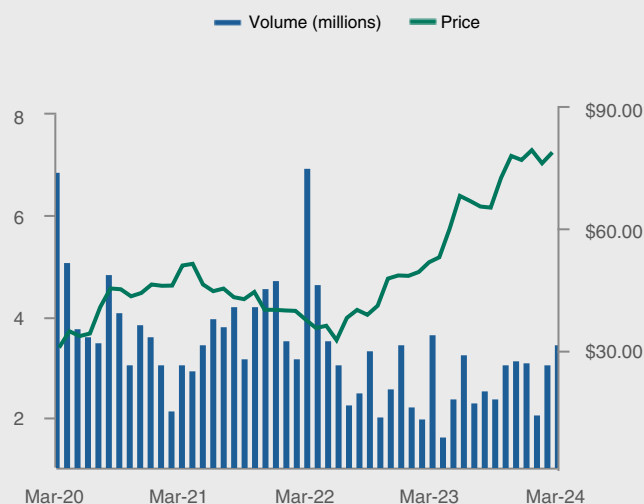
- Projected compound annual growth rate ("CAGR") for sales of 6% for the 2023-2025 period, driven by a 9% CAGR for the Company's infrastructure businesses, expected to account for 75%-80% of total sales:
  - Utility poles: 15% sales CAGR, supported by a growth capital expenditure program of \$115 million;
  - Railway ties: low single-digit annual sales growth;
- Residential lumber: annual sales target of \$600-\$650 million, representing less than 20% of total sales;
- EBITDA margin of 16% through 2025 driven by improvement in product mix.

Refer to the 2023 annual MD&A for further details and assumptions used in preparing the 2023-2025 financial objectives.

## PRODUCT CATEGORIES (in % of Q1 2024 sales)



## STOCK PERFORMANCE



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### INVESTOR RELATIONS

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### ANALYST COVERAGE

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
James McGarragle	RBC Capital Markets
Michael Tupholme	TD Securities