

INVESTOR FACT SHEET

SECOND QUARTER HIGHLIGHTS

- Sales increased 8% compared to prior year, to \$1,049 million
- Infrastructure products sales grew 17%, building upon an 18% growth in Q2 2023
- Operating income increased 13% to \$168 million, representing a margin⁽¹⁾ of 16.0%
- EBITDA⁽¹⁾ increased 14% to \$200 million, representing an EBITDA margin⁽¹⁾ of 19.1%
- Net income increased to \$110 million or \$1.94 per share, up 13% from Q2 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. It also supports infrastructure with 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

The Company recorded strong second quarter results, reflecting the effective execution of our growth strategy. With our infrastructure product categories representing almost 80% of sales in the first half of 2024, we are pleased with the growth of utility poles, railway ties and industrial products. Our investments continue to allow us to deliver a compelling offering and execute on our service promise to customers, while we focus on the sustained growth potential of product categories that support infrastructure.

Our demonstrated ability to create value through profitable growth is complemented by the responsible actions we undertake across our operations and value chain. On August 1st, we published our 2023 Environmental, Social and Governance report, which highlights our progress since the inauguration of our sustainability strategy last year. We continue to prioritize meaningful action for our people, our communities and our stakeholders and I am proud of our collective contribution to a more sustainable infrastructure across North America.

Eric Vachon
President and Chief Executive Officer
August 7, 2024

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,	
	2024	2023	2024	2023
Sales	1,049	972	1,824	1,682
Gross profit ⁽¹⁾	226	200	398	336
Gross profit margin ⁽¹⁾	21.5%	20.6%	21.8%	20.0%
Operating income	168	149	292	244
Operating income margin ⁽¹⁾	16.0%	15.3%	16.0%	14.5%
EBITDA ⁽¹⁾	200	175	356	295
EBITDA margin ⁽¹⁾	19.1%	18.0%	19.5%	17.5%
Net income for the period	110	100	187	160
Earnings per share ("EPS") – basic and diluted	1.94	1.72	3.30	2.73
Weighted average shares outstanding (basic, in '000s)	56,585	58,292	56,684	58,543
As at	June 30, 2024		December 31, 2023	
Net debt-to-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 latest Management's Discussion and Analysis ("MD&A") 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.

RECENT EVENTS

August 1, 2024 — The Company published its 2023 Environmental, Social and Governance report. It can be found on the Stella-Jones website at: www.stella-jones.com/en-CA/investor-relations/environmental-social-governance.

August 6, 2024 — The Board of Directors declared a quarterly dividend of \$0.28 per common share, payable on September 23, 2024 to shareholders of record at the close of business on September 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 months	2023	2022	2021	2020
Sales	3,461	3,319	3,065	2,750	2,551
Operating income	547	499	359	326	309
Operating income margin	15.8%	15.0%	11.7%	11.9%	12.1%
EBITDA	669	608	448	400	385
EBITDA margin	19.3%	18.3%	14.6%	14.5%	15.1%
Net income for the period	353	326	241	227	210
EPS – basic and diluted	6.19	5.62	3.93	3.49	3.12

2023-2025 FINANCIAL OBJECTIVES

(in millions of dollars, except percentages and ratios)	2023-2025 Objectives ⁽¹⁾	Trailing 12 months Q2 2024
Sales	> \$3,600	\$3,461
EBITDA margin	16%	19.3%
Return to Shareholders: cumulative	> \$500	\$262
Net Debt-to-EBITDA ⁽²⁾	2.0x-2.5x	2.5x

⁽¹⁾ 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.

⁽²⁾ The Company may deviate from its leverage target to pursue acquisitions and other strategic opportunities, and/or fund its seasonal working capital requirements.

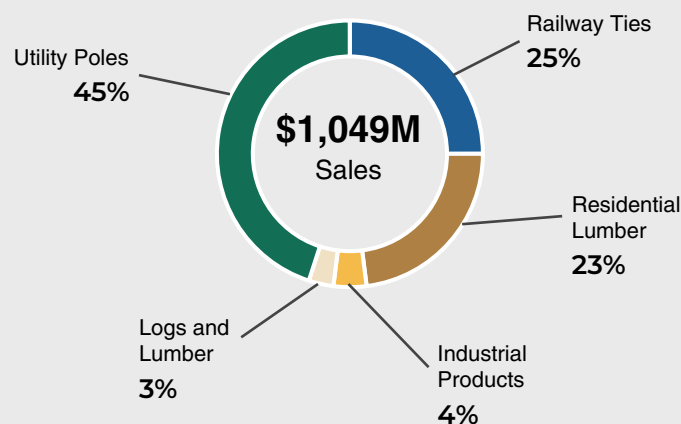
Key Highlights:

- 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 product categories, expected to account for 75-80% of total sales:
 - Utility poles: 15% sales CAGR, supported by a growth capital expenditure program of \$130 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.

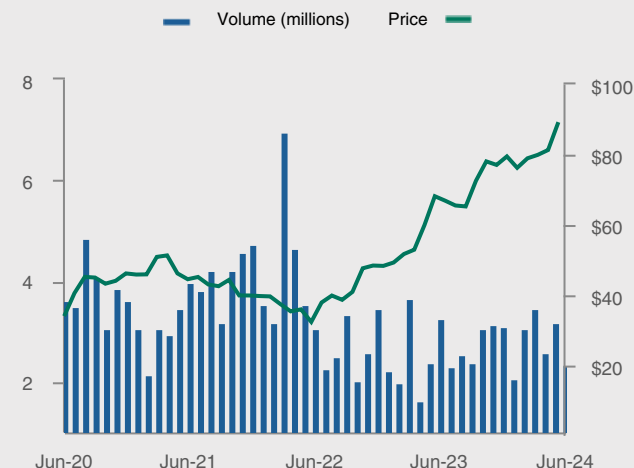
Based on the EBITDA margin realized in the first six months of the year, the Company expects to exceed the 16% annual margin target in 2024.

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

PRODUCT CATEGORIES (in % of Q2 2024 sales)



STOCK PERFORMANCE



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ANALYST COVERAGE

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Benoit Poirier	Desjardins Securities
Maxim Sytchev	National Bank Financial
Jonathan Goldman	Scotia Capital
James McGarragle	RBC Capital Markets
Michael Tupholme	TD Securities
Martin Pradier	Veritas Investment Research