



Source: Stella-Jones Inc.

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STELLA-JONES REPORTS FIRST QUARTER 2020 RESULTS

Annual and Special Meeting of Shareholders to be held later this morning

- Sales increased 14% to a first quarter record of \$503 million
- Gross profit grew by 19% from last year
- EBITDA remained stable at \$63 million, negatively impacted by a \$7 million mark-to-market loss on diesel derivative financial instruments
- Updated 2020 outlook to reflect the uncertain impact of the COVID-19 pandemic

Montreal, Quebec – May 7, 2020 - Stella-Jones Inc. (TSX: SJ) (“Stella-Jones” or the “Company”) today announced financial results for its first quarter ended March 31, 2020.

“We had a solid start to the year with sales up a robust 14%. Sales growth for our pressure-treated wood products was supported by stronger demand for utility poles and residential lumber, and improved pricing for utility poles and railway ties. While higher sales led to a 19% increase in gross profit, EBITDA was unfavourably impacted by the mark-to-market variation in diesel derivative commodity contracts. As a result, EBITDA remained stable compared to the same period last year,” stated Éric Vachon, President and CEO of Stella-Jones.

“While Stella-Jones’ operations and products are considered critical to the integrity of the supply chains for North American utilities, railroads and the construction industry, we anticipate headwinds from the COVID-19 pandemic and have therefore updated our 2020 outlook. We remain focused on managing our business prudently while applying rigorous hygiene practices and physical distancing policies throughout the organization. We are confident that our resilient business model and seasoned management team, combined with a solid balance sheet and ample financial flexibility position us well to weather the current crisis and continue to drive growth,” concluded Mr. Vachon.

Financial Highlights (in millions of Canadian dollars, except per share data and margin)	Q1-20	Q1-19
Sales	503	441
Gross Profit ⁽¹⁾	83	70
EBITDA ⁽¹⁾	63	64
EBITDA margin (%) ⁽¹⁾	12.5%	14.5%
Operating income ⁽¹⁾	45	46
Net income for the period	28	29
Per share – basic and diluted (\$)	0.41	0.43
Weighted average shares outstanding (basic, in ‘000s)	67,469	69,136

(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.

FIRST QUARTER RESULTS

Sales for the first quarter reached a record \$503 million, up \$62 million, or 14%, versus sales of \$441 million last year. Pressure-treated wood sales rose by \$59 million while sales for logs and lumber increased by \$3 million. The increase in pressure-treated wood sales, excluding the positive impact of the currency conversion of \$3 million, was \$56 million, or 13%, and was driven by higher demand and improved sales prices for utility poles, increased volumes for residential lumber and industrial products and higher sales prices for railway ties.

Pressure-treated wood products:

- **Utility poles (40% of Q1-20 sales):** Utility pole sales rose to \$202 million, up 18% from sales of \$171 million in the corresponding period last year. Excluding the currency conversion effect, utility pole sales increased by \$29 million, primarily driven by continued growth in replacement demand and improved pricing.
- **Railway ties (34% of Q1-20 sales):** Railway tie sales were \$172 million, an increase of 6% compared to sales of \$162 million in the same period last year. Excluding the currency conversion, railway tie sales increased \$9 million, mainly due to higher sales prices. Volume remained stable as higher shipments to Class 1 customers were offset by lower volume to non-Class 1 customers, largely related to the timing of projects.
- **Residential lumber (14% of Q1-20 sales):** Sales in the residential lumber category totalled \$71 million, up 25% from sales of \$57 million last year. This increase is primarily attributable to increased demand, both in Canada and the U.S.
- **Industrial products (6% of Q1-20 sales):** Industrial product sales increased to \$29 million, up 16% compared to sales of \$25 million in the first quarter last year, primarily as a result of stronger railway bridge sales.

Logs and lumber:

- **Logs and lumber (6% of Q1-20 sales):** Sales in the logs and lumber product category were \$29 million, compared with \$26 million last year. Sales increased mainly due to higher lumber market prices in North America for most of the first quarter compared to the same period last year, while volumes remained relatively unchanged.

Led by strong sales growth, gross profit increased 19% to \$83 million, compared to gross profit of \$70 million in the first quarter last year. Despite the improvement in gross profit, operating income and EBITDA remained relatively unchanged compared to the same period last year at \$45 million and \$63 million, respectively, given a \$7 million mark-to-market loss recorded in the quarter for diesel derivative commodity contracts. Adjusting for the mark-to-market impact of diesel derivative contracts, EBITDA for the three-month periods ending March 31, 2020 and 2019 were \$70 million and \$60 million, representing EBITDA margins of 13.9% and 13.6%, respectively.

Net income was \$28 million, or \$0.41 per diluted share, versus net income of \$29 million, or \$0.43 per share, last year.

LIQUIDITY AND CAPITAL RESOURCES

The Company generated cash from operations, before the effect of working capital changes and interest and taxes paid, of \$69 million in the first quarter of 2020. Combined with additional borrowings of \$108 million under its syndicated credit facilities, the Company used its liquidity to support seasonally higher working capital

requirements and continued to invest in capital expenditures. As at March 31, 2020, the Company's long-term debt stood at \$766 million and the long-term debt to trailing 12-month EBITDA was seasonally higher at 2.5x.

QUARTERLY DIVIDEND

On May 6, 2020, the Board of Directors declared a quarterly dividend of \$0.15 per common share payable on June 26, 2020 to shareholders of record at the close of business on June 5, 2020. This dividend is designated to be an eligible dividend.

UPDATED 2020 OUTLOOK

Management believes that the resiliency of the Company's utility pole, railway tie and residential lumber product categories as well as its solid balance sheet and liquidity, places it in a favourable position to navigate through the current challenging environment.

Given, however, the uncertain impact of the COVID-19 pandemic and the weaker economic conditions in North America on the demand for the Company's core product categories, the Company has updated its 2020 outlook. It now expects EBITDA for 2020 to be in the range of \$300 to \$325 million, down \$20 million from the previously disclosed range and EBITDA margin to be lower versus 2019. The Company's guidance is revised to reflect either no improvement or a slight decline in sales volume for utility pole, railway tie and industrial product categories and weaker demand for residential lumber compared to 2019. Please refer to the Company's Management's Discussion and Analysis for details regarding assumptions.

CONFERENCE CALL

Stella-Jones will hold a conference call to discuss these results on May 7, 2020, at 1:30 p.m. Eastern Daylight Time. Interested parties can join the call by dialing 1-647-788-4922 (Toronto or overseas) or 1-877-223-4471 (elsewhere in North America). Parties unable to call in at this time may access a recording by calling 1-800-585-8367 and entering the passcode 7383225. This recording will be available on Thursday, May 7, 2020 as of 4:30 p.m Eastern Daylight Time until 11:59 p.m Eastern Daylight Time on Thursday, May 14, 2020.

NON-IFRS FINANCIAL MEASURES

EBITDA (operating income before depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets), gross profit, operating income and EBITDA margin are financial measures not prescribed by IFRS and are not likely to be comparable to similar measures presented by other issuers. Management considers these non-IFRS measures to be useful information to assist knowledgeable investors understand the Company's operating results, financial condition and cash flows as they provide an additional measure about its performance. Please refer to the non-IFRS financial measures described in the Management's Discussion and Analysis.

ABOUT STELLA-JONES

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.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of the Company. These statements are based on suppositions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, general economic and business conditions (including the impact of the global outbreak of the novel coronavirus), evolution in customer demand for the Company's products and services, product selling prices, availability and cost of raw materials, changes in foreign currency rates, and the ability of the Company to raise capital. As a result, readers are advised that actual results may differ from expected results. 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.

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HEAD OFFICE 3100 de la Côte-Vertu Blvd., Suite 300 Saint-Laurent, Québec H4R 2J8 Tel.: (514) 934-8666 Fax: (514) 934-5327	EXCHANGE LISTINGS The Toronto Stock Exchange Stock Symbol: SJ TRANSFER AGENT AND REGISTRAR Computershare Investor Services Inc.	INVESTOR RELATIONS Silvana Travaglini Senior Vice-President and Chief Financial Officer Tel.: (514) 940-8660 Fax: (514) 934-5327 stravaglini@stella-jones.com
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NOTICE

The condensed interim unaudited consolidated financial statements of Stella-Jones Inc. for the first quarter ended March 31, 2020 have not been reviewed by the Company's external auditors.

(Signed)

Silvana Travaglini
Senior Vice-President and Chief Financial Officer

Montréal, Québec
May 6, 2020

Stella-Jones Inc.

Condensed Interim Consolidated Financial Statements
(Unaudited)
March 31, 2020 and 2019

Stella-Jones Inc.

Interim Consolidated Statements of Financial Position (Unaudited)

(expressed in millions of Canadian dollars)

	Note	As at March 31, 2020 \$	As at December 31, 2019 \$
Assets			
Current assets			
Accounts receivable		289	179
Inventories		1,121	971
Income taxes receivable		3	6
Other current assets		40	36
		<u>1,453</u>	<u>1,192</u>
Non-current assets			
Property, plant and equipment		605	568
Right-of-use assets		128	116
Intangible assets		120	115
Goodwill		309	285
Derivative financial instruments	4	-	1
Other non-current assets		2	4
		<u>2,617</u>	<u>2,281</u>
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities		180	136
Income taxes payable		9	1
Derivative financial instruments	4	8	2
Current portion of long-term debt		6	7
Current portion of lease liabilities		33	29
Current portion of provisions and other long-term liabilities		13	7
		<u>249</u>	<u>182</u>
Non-current liabilities			
Long-term debt		760	598
Lease liabilities		97	89
Deferred income taxes		106	101
Provisions and other long-term liabilities		7	12
Employee future benefits		11	11
Derivative financial instruments	4	3	-
		<u>1,233</u>	<u>993</u>
Shareholders' equity			
Capital stock	3	217	217
Retained earnings		986	968
Accumulated other comprehensive income		181	103
		<u>1,384</u>	<u>1,288</u>
		<u>2,617</u>	<u>2,281</u>
Subsequent event	7		

The accompanying notes are an integral part of these interim consolidated financial statements.

Stella-Jones Inc.

Interim Consolidated Statements of Change in Shareholders' Equity

(Unaudited)

For the three-month periods ended March 31, 2020 and 2019

(expressed in millions of Canadian dollars)

	<u>Accumulated other comprehensive income</u>						
	Capital stock	Retained earnings	Foreign currency translation adjustment	Translation of long-term debts designated as net investment hedges	Unrealized gains (losses) on cash flow hedges	Total	Total shareholders' equity
	\$	\$	\$	\$	\$	\$	\$
Balance – January 1, 2020	217	968	191	(89)	1	103	1,288
Comprehensive income (loss)							
Net income for the period	-	28	-	-	-	-	28
Other comprehensive income (loss)	-	-	114	(33)	(3)	78	78
Comprehensive income (loss) for the period	-	28	114	(33)	(3)	78	106
Dividends on common shares	-	(10)	-	-	-	-	(10)
	-	(10)	-	-	-	-	(10)
Balance – March 31, 2020	217	986	305	(122)	(2)	181	1,384

The accompanying notes are an integral part of these interim consolidated financial statements.

Stella-Jones Inc.

Interim Consolidated Statements of Change in Shareholders' Equity...continued

(Unaudited)

For the three-month periods ended March 31, 2020 and 2019

(expressed in millions of Canadian dollars)

	<u>Accumulated other comprehensive income</u>						Total shareholders' equity
	Capital stock	Retained earnings	Foreign currency translation adjustment	Translation of long-term debts designated as net investment hedges	Unrealized gains on cash flow hedges	Total	
	\$	\$	\$	\$	\$	\$	\$
Balance – January 1, 2019	221	909	252	(107)	6	151	1,281
Comprehensive income (loss)							
Net income for the period	-	29	-	-	-	-	29
Other comprehensive income (loss)	-	(1)	(25)	8	(2)	(19)	(20)
Comprehensive income (loss) for the period	-	28	(25)	8	(2)	(19)	9
Dividends on common shares	-	(9)	-	-	-	-	(9)
Repurchase of common shares (note 3)	-	(4)	-	-	-	-	(4)
	-	(13)	-	-	-	-	(13)
Balance – March 31, 2019	221	924	227	(99)	4	132	1,277

The accompanying notes are an integral part of these interim consolidated financial statements.

Stella-Jones Inc.

Interim Consolidated Statements of Income

(Unaudited)

For the three-month periods ended March 31, 2020 and 2019

(expressed in millions of Canadian dollars, except earnings per common share)

	Note	2020 \$	2019 \$
Sales		<u>503</u>	<u>441</u>
Expenses			
Cost of sales (including depreciation and amortization of \$15 (2019 - \$15))		420	371
Selling and administrative (including depreciation and amortization of \$3 (2019 - \$3))		31	28
Other losses (gains), net		<u>7</u>	<u>(4)</u>
		<u>458</u>	<u>395</u>
Operating income		<u>45</u>	<u>46</u>
Financial expenses		<u>7</u>	<u>6</u>
Income before income taxes		<u>38</u>	<u>40</u>
Provision for (recovery of) income taxes			
Current		11	8
Deferred		<u>(1)</u>	<u>3</u>
		<u>10</u>	<u>11</u>
Net income for the period		<u>28</u>	<u>29</u>
Basic and diluted earnings per common share	3	<u>0.41</u>	<u>0.43</u>

The accompanying notes are an integral part of these interim consolidated financial statements.

Stella-Jones Inc.

Interim Consolidated Statements of Comprehensive Income

(Unaudited)

For the three-month periods ended March 31, 2020 and 2019

(expressed in millions of Canadian dollars)

	2020	2019
	\$	\$
Net income for the period	<u>28</u>	<u>29</u>
Other comprehensive income (loss)		
Items that may subsequently be reclassified to net income		
Net change in gains (losses) on translation of financial statements of foreign operations	114	(25)
Change in gains (losses) on translation of long-term debt designated as hedges of net investment in foreign operations	(33)	8
Change in losses on fair value of derivatives designated as cash flow hedges	(4)	(2)
Income taxes on change in losses on fair value of derivatives designated as cash flow hedges	1	-
Items that will not subsequently be reclassified to net income		
Remeasurements of post-retirement benefit obligations	<u>-</u>	<u>(1)</u>
	<u>78</u>	<u>(20)</u>
Comprehensive income	<u>106</u>	<u>9</u>

The accompanying notes are an integral part of these interim consolidated financial statements.

Stella-Jones Inc.
Interim Consolidated Statements of Cash Flows
(Unaudited)
For the three-month periods ended March 31, 2020 and 2019

(expressed in millions of Canadian dollars)

	Note	2020 \$	2019 \$
Cash flows provided by (used in)			
Operating activities			
Net income for the period		28	29
Adjustments for			
Depreciation of property, plant and equipment		6	6
Amortization of intangible assets		3	4
Depreciation of right-of-use assets		9	8
Loss (gain) on derivative financial instruments		6	(5)
Financial expenses		7	6
Current income taxes expense		11	8
Deferred income taxes		(1)	3
Provisions and other long-term liabilities		-	1
		<u>69</u>	<u>60</u>
Changes in non-cash working capital components			
Accounts receivable		(94)	(60)
Inventories		(86)	(78)
Accounts payable and accrued liabilities		27	15
Other current assets		-	1
		<u>(153)</u>	<u>(122)</u>
Interest paid		(8)	(7)
Income taxes paid		(1)	(7)
		<u>(93)</u>	<u>(76)</u>
Financing activities			
Net change in syndicated credit facilities		108	98
Repayment of long-term debt		(1)	-
Repayment of lease liabilities		(8)	(8)
Repurchase of common shares	3	-	(6)
		<u>99</u>	<u>84</u>
Investing activities			
Addition of intangible assets		(1)	-
Purchase of property, plant and equipment		(5)	(8)
		<u>(6)</u>	<u>(8)</u>
Net change in cash and cash equivalents during the period		<u>-</u>	<u>-</u>
Cash and cash equivalents – Beginning of period		<u>-</u>	<u>-</u>
Cash and cash equivalents – End of period		<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these interim consolidated financial statements.

Stella-Jones Inc.

Notes to Interim Consolidated Financial Statements

(Unaudited)

March 31, 2020 and 2019

(amounts expressed in millions of Canadian dollars, except as otherwise indicated)

1 Description of the business

Stella-Jones Inc. (with its subsidiaries, either individually or collectively, referred to as the “Company”) 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. The Company also manufactures and distributes residential lumber and accessories to retailers for outdoor applications, as well as industrial products which include marine and foundation pilings, construction timbers, wood for bridges and coal tar based products. The Company has treating and pole peeling facilities across Canada and the United States and sells its products primarily in these two countries. The Company’s headquarters are located at 3100 de la Côte-Vertu Blvd., in Saint-Laurent, Quebec, Canada. The Company is incorporated under the *Canada Business Corporations Act*, and its common shares are listed on the Toronto Stock Exchange (“TSX”) under the stock symbol SJ.

2 Significant accounting policies

Basis of presentation

The Company’s condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) and Chartered Professional Accountants Canada Handbook Part I - Accounting, applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

These condensed interim consolidated financial statements were approved by the Board of Directors on May 6, 2020.

The same accounting policies, methods of computation and presentation have been followed in the preparation of these condensed interim consolidated financial statements as were applied in the annual consolidated financial statements for the year ended December 31, 2019.

These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS.

Stella-Jones Inc.

Notes to Interim Consolidated Financial Statements

(Unaudited)

March 31, 2020 and 2019

(amounts expressed in millions of Canadian dollars, except as otherwise indicated)

Principles of consolidation

The condensed interim consolidated financial statements include the accounts of Stella-Jones Inc. and its controlled subsidiaries. Intercompany transactions and balances between these companies have been eliminated. All consolidated subsidiaries are wholly owned. The significant subsidiaries are as follows:

Subsidiary	Parent	Country of incorporation
Stella-Jones U.S. Holding Corporation	Stella-Jones Inc.	United States
Stella-Jones Corporation	Stella-Jones U.S. Holding Corporation	United States
Cascade Pole and Lumber Company	Stella-Jones Corporation	United States
McFarland Cascade Pole & Lumber Company	Stella-Jones Corporation	United States
Kisatchie Midnight Express, L.L.C.	Stella-Jones Corporation	United States

3 Capital stock

The following table provides the number of common shares outstanding for the three-month periods ended March 31:

	2020	2019
Number of common shares outstanding – Beginning of period	67,466,709	69,267,732
Employee share purchase plans	9,807	7,372
Repurchase of common shares	-	(145,967)
Number of common shares outstanding – End of period	<u>67,476,516</u>	<u>69,129,137</u>

a) Capital stock consists of the following:

Authorized

An unlimited number of preferred shares issuable in series

An unlimited number of common shares

Stella-Jones Inc.

Notes to Interim Consolidated Financial Statements

(Unaudited)

March 31, 2020 and 2019

(amounts expressed in millions of Canadian dollars, except as otherwise indicated)

b) Earnings per share

The following table provides the reconciliation, as at March 31, between basic earnings per common share and diluted earnings per common share:

	2020	2019
Net income applicable to common shares	<u>\$28</u>	<u>\$29</u>
Weighted average number of common shares outstanding*	67.5	69.1
Effect of dilutive stock options*	<u>-</u>	<u>-</u>
Weighted average number of diluted common shares outstanding*	<u>67.5</u>	<u>69.1</u>
Basic and diluted earnings per common share **	<u>\$0.41</u>	<u>\$0.43</u>

* Number of shares is presented in millions.

** Basic and diluted earnings per common share are presented in dollars per share.

c) Normal Course Issuer Bid

During the first quarter of 2019, the total number of common shares repurchased for cancellation under the Normal Course Issuer Bid initiated for a twelve-month period starting December 20, 2018 amounted to 104,305 common shares, for a total cash consideration of \$4. In 2018, 41,662 common shares were repurchased but were settled and cancelled in 2019 for a cash consideration of \$2.

Stella-Jones Inc.

Notes to Interim Consolidated Financial Statements

(Unaudited)

March 31, 2020 and 2019

(amounts expressed in millions of Canadian dollars, except as otherwise indicated)

4 Fair value measurement and financial instruments

The following table provides information about assets and liabilities measured at fair value in the statement of financial position:

	As at March 31, 2020	As at December 31, 2019
	\$	\$
Non-current assets		
Interest rate swap agreements	-	1
	-	1
Current Liabilities		
Derivative commodity contracts	8	2
	8	2
Non-current liabilities		
Interest rate swap agreements	3	-
	3	-

The fair value of these financial instruments has been estimated using the discounted future cash flow method and has been classified as Level 2 in the fair value hierarchy as per IFRS 7, *Financial Instruments: Disclosures*, as it is based mainly on observable market data, namely government bond yields and interest rates. A description of each level of the hierarchy is as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for these assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial instruments which are not measured at fair value on the statement of financial position are represented by cash, restricted cash and cash equivalents, accounts receivable, accounts payable and long-term debt. The fair values of cash equivalents, accounts receivable and accounts payable approximate their carrying values due to their short term nature. The long-term debt has a carrying value of \$766 (December 31, 2019 – \$605) and a fair value of \$753 (December 31, 2019 – \$611).

Stella-Jones Inc.

Notes to Interim Consolidated Financial Statements

(Unaudited)

March 31, 2020 and 2019

(amounts expressed in millions of Canadian dollars, except as otherwise indicated)

5 Seasonality

The Company's operations follow a seasonal pattern, with utility pole, railway tie and industrial product shipments strongest in the second and third quarters to provide industrial end-users with product for their summer maintenance projects. Residential lumber sales follow the same seasonal pattern. Inventory levels of utility poles, railway ties and residential lumber are typically highest in the first quarter in advance of the summer shipping season.

6 Segment information

The Company operates within two business segments which are the production and sale of pressure-treated wood and the procurement and sales of logs and lumber.

The pressure-treated wood segment includes utility poles, railway ties, residential lumber and industrial products.

The logs and lumber segment comprises of the sales of logs harvested in the course of the Company's procurement process that are determined to be unsuitable for use as utility poles. Also included in this segment is the sale of excess lumber to local home-building markets. Assets and net income related to the logs and lumber segment are nominal.

Operating plants are located in six Canadian provinces and nineteen American states. The Company also operates a large distribution network across North America.

Sales attributed to countries based on location of customer for the three-month periods ended March 31 are as follows:

	2020	2019
	\$	\$
Canada	118	102
U.S.	385	339
	<hr/>	<hr/>
	503	441
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Stella-Jones Inc.

Notes to Interim Consolidated Financial Statements

(Unaudited)

March 31, 2020 and 2019

(amounts expressed in millions of Canadian dollars, except as otherwise indicated)

Sales by product for the three-month periods ended March 31 are as follows:

	2020	2019
	\$	\$
Utility poles	202	171
Railway ties	172	162
Residential lumber	71	57
Industrial products	29	25
Pressure-treated wood	474	415
Logs and lumber	29	26
	<u>503</u>	<u>441</u>

Property, plant and equipment, intangible assets, goodwill and right-of-use assets attributed to the countries based on location are as follows:

	As at	As at
	March 31, 2020	December 31, 2019
Property, plant and equipment		
	\$	\$
Canada	149	149
U.S.	456	419
	<u>605</u>	<u>568</u>
Intangible assets		
	\$	\$
Canada	31	31
U.S.	89	84
	<u>120</u>	<u>115</u>

Stella-Jones Inc.

Notes to Interim Consolidated Financial Statements

(Unaudited)

March 31, 2020 and 2019

(amounts expressed in millions of Canadian dollars, except as otherwise indicated)

Goodwill

	\$	\$
Canada	19	19
U.S.	290	266
	<u>309</u>	<u>285</u>

Right-of-use assets

	\$	\$
Canada	17	17
U.S.	111	99
	<u>128</u>	<u>116</u>

7 Subsequent event

On May 6, 2020, the Board of Directors declared a quarterly dividend of \$0.15 per common share payable on June 26, 2020 to shareholders of record at the close of business on June 5, 2020.