Source: **Stella-Jones Inc.**

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STELLA-JONES REPORTS RECORD SECOND QUARTER 2020 RESULTS

- **EBITDA increased 28% to a record $120 million**
- **Net income rose to $69 million or $1.02 per share**
- **Net debt to trailing 12-month EBITDA decreased to 1.9x**
- **Updated 2020 outlook to reflect strong quarterly performance**
- **Announced a Normal Course Issuer Bid**

Montreal, Quebec – August 5, 2020 - Stella-Jones Inc. (TSX: SJ) ("Stella-Jones" or the "Company") today announced financial results for its second quarter ended June 30, 2020.

"We are pleased with our financial performance, as each of our three core product categories continued to deliver improved results. Bolstered by exceptional demand for residential lumber, we realized double-digit sales growth of 15% and increased EBITDA by 28% to $120 million this quarter, surpassing the $100 million mark for the first time in a single quarter. We generated $146 million of cash from operations and reduced our leverage, further improving our financial strength and flexibility. Based on our strong quarterly performance and resilient business model, we have increased our annual 2020 EBITDA guidance and announced our intention to repurchase up to 3,000,000 of the Company's outstanding shares, under a Normal Course Issuer Bid," stated Éric Vachon, President and CEO of Stella-Jones.

"Critical to the integrity of the supply chain for utilities, railroads and the construction industry, Stella-Jones has continued to operate all of its North American facilities and support its customers during the varying stages of restrictions and re-openings implemented by authorities to address the COVID-19 pandemic. The Company continues to reinforce measures implemented to mitigate health risks to its employees, business partners and communities where it operates. I wish to thank each and every one of our 2,300 employees across North America for doing their part to successfully operate our business during these challenging times and contribute to a record performance this quarter," concluded Mr. Vachon.

Financial Highlights (in millions of Canadian dollars, except per share data and margin)	**Q2-20**	**Q2-19**	**YTD Q2-20**	**YTD Q2-19**
Sales(1)	768	667	1,276	1,113
Gross Profit(2)	131	108	214	178
EBITDA(2)	120	94	183	158
EBITDA margin (%)(2)	15.6%	14.1%	14.3%	14.2%
Operating income(2)	101	77	146	123
Net income for the period	69	52	97	81
Per share – basic and diluted ($)	1.02	0.76	1.43	1.18
Weighted average shares outstanding (basic, in '000s)	67,479	69,131	67,474	69,134

(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.

SECOND QUARTER RESULTS

Sales for the second quarter reached $768 million, up $101 million, or 15%, versus sales of $667 million for the corresponding period last year. Excluding the positive impact of the currency conversion of $15 million, pressure-treated wood sales rose $90 million, or 14%, driven by an over 30% increase in residential lumber demand, higher volumes for railway ties and improved sales prices for utility poles.

Pressure-treated wood products:

- **Utility poles (30% of Q2-20 sales)**: Utility pole sales rose to $230 million, up 9% from sales of $211 million in the corresponding period last year. Excluding the currency conversion effect, utility pole sales increased by $13 million, primarily driven by upward price adjustments in response to raw material cost increases.

- **Railway ties (29% of Q2-20 sales)**: Railway tie sales were $225 million, an increase of 13% compared to sales of $199 million in the same period last year. Excluding the currency conversion effect, railway tie sales increased $20 million, mainly due to the acceleration of the 2020 maintenance program for certain Class 1 customers and solid demand from non-Class 1 customers, which was supported by a healthy level of untreated ties inventory.

- **Residential lumber (34% of Q2-20 sales)**: Sales in the residential lumber category were greater than expected, rising to $257 million, up 32% from sales of $195 million in the corresponding period last year. The significant increase in sales is due to higher volumes, largely stemming from strong home improvement activity in the context of the COVID-19 pandemic.

- **Industrial products (4% of Q2-20 sales)**: Industrial product sales were $33 million, down 6% compared to sales of $35 million in the second quarter last year, primarily as a result of lower piling project activities.

Logs and lumber:

- **Logs and lumber (3% of Q2-20 sales)**: Sales in the logs and lumber product category were $23 million, down 15% compared to $27 million in the corresponding period last year. Sales declined given the limited market supply availability and resulting decrease in lumber trading activity.

Driven by the strong sales growth across the three core product categories, gross profit and operating income increased 21% and 31% to $131 million and $101 million, respectively, compared to the second quarter last year. EBITDA grew to $120 million, up 28%, compared to $94 million reported in the prior year period, reflecting an EBITDA margin of 15.6%. This increase is largely attributable to stronger pressure-treated wood demand and pricing improvements to offset higher costs.

Net income was $69 million, or $1.02 per diluted share, versus net income of $52 million, or $0.76 per share, last year.

SIX-MONTH RESULTS

Sales amounted to $1.28 billion, versus $1.11 billion for the corresponding period last year. Excluding the positive impact of the currency conversion of $18 million, pressure-treated wood sales increased by $146 million, or 14%. The improvement in sales led to an increase in gross profit, which grew 20% to $214 million, compared to the prior year period

Operating income was $146 million, or 11.4% of sales, compared with $123 million, or 11.1% of sales last year. EBITDA rose to $183 million, up 16%, compared to $158 million reported in the prior year period, reflecting an EBITDA margin of 14.3%. Net income totalled $97 million, or $1.43 per diluted share, versus $81 million, or $1.18 per diluted share last year.

STRONG LIQUIDITY AND CAPITAL RESOURCES

The Company generated cash from operations of $146 million in the second quarter of 2020. The Company deployed its liquidity to reduce debt, pay dividends and invest in property, plant and equipment. As at June 30, 2020, the Company's long-term debt stood at $636 million and the net debt to trailing 12-month EBITDA decreased to 1.9x.

As a result of the continued strength of the Company's balance sheet and resiliency of its business model, the Board of Directors has authorized the repurchase of up to 2,500,000 of the Company's Common Shares, representing approximately 3.7% of its outstanding Common Shares, under a Normal Course Issuer Bid.

QUARTERLY DIVIDEND

On August 4, 2020, the Board of Directors declared a quarterly dividend of $0.15 per share on the outstanding common shares of the Company, payable on September 18, 2020 to shareholders of record at the close of business on September 1, 2020. This dividend is designated to be an eligible dividend.

UPDATED OUTLOOK

The financial outlook provided in the Company's Management's Discussion and Analysis for the quarter ended March 31, 2020 with respect to annual EBITDA for 2020 is revised to reflect the strong quarterly performance, bolstered by the robust demand for residential lumber. The Company now expects EBITDA for 2020 to be in the range of $320 to $345 million, up $20 million from the previously disclosed guidance, and EBITDA margin to be comparable to 2019.

As part of its capital allocation approach, the Company intends to target a net debt-to-EBITDA ratio between 2.0x and 2.5x. While maintaining a healthy financial position, the targeted leverage should allow the Company to return capital to shareholders and take advantage of growth opportunities to further strengthen its position in the Company's core product categories, both organically and through acquisitions, and enhance shareholder value.

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

CONFERENCE CALL

Stella-Jones will hold a conference call to discuss these results on August 5, 2020, at 10:00 a.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 7173474. This recording will be available on Wednesday, August 5, 2020 as of 1:00 p.m. Eastern Daylight Time until 11:59 p.m. Eastern Daylight Time on Wednesday, August 12, 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 coronavirus pandemic), 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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Note to readers: Condensed interim unaudited consolidated financial statements for the second quarter ended June 30, 2020 as well as management's discussion and analysis are available on Stella-Jones' website at www.stella-jones.com.

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

NOTICE

The comparative figures for the three- and six-month periods ended June 30, 2019 have not been reviewed by the Company’s external auditors.

(Signed)

Silvana Travaglini
Senior Vice-President and Chief Financial Officer

Montréal, Québec
August 4, 2020

Stella-Jones Inc.

Condensed Interim Consolidated Financial Statements
(Unaudited)
June 30, 2020 and 2019

Stella-Jones Inc.
Interim Consolidated Statements of Financial Position
(Unaudited)

(expressed in millions of Canadian dollars)

	Note	As at June 30, 2020 $	As at December 31, 2019 $
Assets			
Current assets			
Accounts receivable		367	179
Inventories		985	971
Income taxes receivable		-	6
Other current assets		44	36
		1,396	1,192
Non-current assets			
Property, plant and equipment		588	568
Right-of-use assets		129	116
Intangible assets		117	115
Goodwill		298	285
Derivative financial instruments	4	-	1
Other non-current assets		2	4
		2,530	2,281
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities		186	136
Income taxes payable		25	1
Derivative financial instruments	4	6	2
Current portion of long-term debt		14	7
Current portion of lease liabilities		33	29
Current portion of provisions and other long-term liabilities		12	7
		276	182
Non-current liabilities			
Long-term debt		622	598
Lease liabilities		98	89
Deferred income taxes		105	101
Provisions and other long-term liabilities		10	12
Employee future benefits		15	11
Derivative financial instruments	4	2	-
		1,128	993
Shareholders' equity			
Capital stock	3	217	217
Retained earnings		1,043	968
Accumulated other comprehensive income		142	103
		1,402	1,288
		2,530	2,281
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 six-month periods ended June 30, 2020 and 2019

(expressed in millions of Canadian dollars)

			Accumulated other comprehensive income				
	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	-	97	-	-	-	-	97
Other comprehensive income (loss)	-	(2)	65	(23)	(3)	39	37
Comprehensive income (loss) for the period	-	95	65	(23)	(3)	39	134
Dividends on common shares	-	(20)	-	-	-	-	(20)
Balance – June 30, 2020	217	1,043	256	(112)	(2)	142	1,402

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 six-month periods ended June 30, 2020 and 2019

(expressed in millions of Canadian dollars)

			Accumulated other comprehensive income				
	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**	**Total shareholders' equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Balance – January 1, 2019	221	909	252	(107)	6	151	1,281
Comprehensive income (loss)							
Net income for the period	-	81	-	-	-	-	81
Other comprehensive income (loss)	-	(2)	(52)	16	(4)	(40)	(42)
Comprehensive income (loss) for the period	-	79	(52)	16	(4)	(40)	39
Dividends on common shares	-	(19)	-	-	-	-	(19)
Employee share purchase plans	1	-	-	-	-	-	1
Repurchase of common shares (note 3)	-	(5)	-	-	-	-	(5)
	1	(24)	-	-	-	-	(23)
Balance – June 30, 2019	222	964	200	(91)	2	111	1,297

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

Stella-Jones Inc.
Interim Consolidated Statements of Income
(Unaudited)

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

	Note	For the three-month periods ended June 2020 $	For the three-month periods ended June 2019 $	For the six-month periods ended June 2020 $	For the six-month periods ended June 2019 $
Sales	8	768	667	1,276	1,113
Expenses					
Cost of sales (including depreciation and amortization (3 months - $16 (2019 - $13) and 6 months - $31 (2019 - $28))	8	637	559	1,062	935
Selling and administrative (including depreciation and amortization (3 months - $3 (2019 - $4) and 6 months - $6 (2019 - $7))		30	30	61	58
Other losses (gains), net		-	1	7	(3)
		667	590	1,130	990
Operating income		101	77	146	123
Financial expenses		7	7	14	13
Income before income taxes		94	70	132	110
Provision for income taxes					
Current		21	12	33	20
Deferred		4	6	2	9
		25	18	35	29
Net income for the period		69	52	97	81
Basic and diluted earnings per common share	3	1.02	0.76	1.43	1.18

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

Stella-Jones Inc.
Interim Consolidated Statements of Comprehensive Income
(Unaudited)

(expressed in millions of Canadian dollars)

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2020 $	2019 $	2020 $	2019 $
Net income for the period	69	52	97	81
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	(49)	(27)	65	(52)
Change in gains (losses) on translation of long-term debt designated as hedges of net investment in foreign operations	10	8	(23)	16
Change in losses on fair value of derivatives designated as cash flow hedges	-	(3)	(4)	(5)
Income taxes on change in losses on fair value of derivatives designated as cash flow hedges	-	1	1	1
Items that will not subsequently be reclassified to net income				
Remeasurements of post-retirement benefit obligations	(3)	(1)	(3)	(3)
Income taxes on remeasurements of post-retirement benefit obligations	1	-	1	1
	(41)	(22)	37	(42)
Comprehensive income	28	30	134	39

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 six-month periods ended June 30, 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		97	82
Adjustments for			
Depreciation of property, plant and equipment		12	12
Amortization of intangible assets		7	8
Depreciation of right-of-use assets		18	15
Loss (gain) on derivative financial instruments		2	(4)
Financial expenses		14	13
Current income taxes expense		33	20
Deferred income taxes		2	9
Provisions and other long-term liabilities		5	(3)
Other		2	-
		192	152
Changes in non-cash working capital components			
Accounts receivable		(183)	(164)
Inventories		19	(34)
Accounts payable and accrued liabilities		45	26
Other current assets		(5)	-
		(124)	(172)
Interest paid		(13)	(13)
Income taxes paid		(2)	(18)
		53	(51)
Financing activities			
Net change in syndicated credit facilities		9	135
Increase in long-term debt		-	1
Repayment of long-term debt		(6)	(8)
Repayment of lease liabilities		(18)	(16)
Repayment of non-competes payable		(2)	(2)
Dividends on common shares		(20)	(19)
Repurchase of common shares	3	-	(6)
Proceeds from issuance of common shares		-	1
		(37)	86
Investing activities			
Additions of intangible assets		(4)	-
Purchase of property, plant and equipment		(13)	(36)
Proceeds from disposal of assets		1	1
		(16)	(35)
Net change in cash and cash equivalents during the period		-	-
Cash and cash equivalents – Beginning of period		-	-
Cash and cash equivalents – End of period		-	-

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

(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 August 4, 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.

(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 six-month periods ended June 30:

	2020	2019
Number of common shares outstanding – Beginning of period	67,466,709	69,267,732
Employee share purchase plans	21,526	16,271
Repurchase of common shares	-	(145,967)
Number of common shares outstanding – End of period	67,488,235	69,138,036

a) Capital stock consists of the following:

Authorized
An unlimited number of preferred shares issuable in series
An unlimited number of common shares

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

b) Earnings per share

The following table provides the reconciliation, as at June 30, between basic earnings per common share and diluted earnings per common share:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2020	**2019**	**2020**	**2019**
Net income applicable to common shares	$69	$52	$97	$81
Weighted average number of common shares outstanding*	67.5	69.1	67.5	69.1
Effect of dilutive stock options*	-	-	-	-
Weighted average number of diluted common shares outstanding*	67.5	69.1	67.5	69.1
Basic and diluted earnings per common share **	$1.02	$0.76	$1.43	$1.18

* Number of shares is presented in millions.

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

(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 June 30, 2020 $	As at December 31, 2019 $
Non-current assets		
Interest rate swap agreements	-	1
	-	1
Current Liabilities		
Derivative commodity contracts	6	2
	6	2
Non-current liabilities		
Interest rate swap agreements	2	-
	2	-

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 as of June 30, 2020 has a carrying value of $636 (December 31, 2019 – $605) and a fair value of $646 (December 31, 2019 – $611).

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

5 Seasonality

The Company's operations follow a seasonal pattern, with utility poles, railway ties and industrial products 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 six-month periods ended June 30 are as follows:

	2020	2019
	$	$
Canada	395	329
U.S.	881	784
	1,276	1,113

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

Sales by product for the six-month periods ended June 30 are as follows:

	2020	2019
	$	$
Utility poles	437	386
Railway ties	397	362
Residential lumber	328	252
Industrial products	62	60
Pressure-treated wood	1,224	1,060
Logs and lumber	52	53
	1,276	1,113

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

	As at June 30, 2020	As at December 31, 2019
	$	$
Property, plant and equipment		
Canada	150	149
U.S.	438	419
	588	568
Right-of-use assets		
Canada	18	17
U.S.	111	99
	129	116
Intangible assets		
Canada	32	31
U.S.	85	84
	117	115
Goodwill		
Canada	19	19
U.S.	279	266
	298	285

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

7 Subsequent event

a) On August 4, 2020, the Board of Directors declared a quarterly dividend of $0.15 per common share payable on September 18, 2020 to shareholders of record at the close of business on September 1, 2020.

b) On August 4, 2020, the Toronto Stock Exchange accepted Stella-Jones' Notice of Intention to Make a Normal Course Issuer Bid ("Notice"). Pursuant to the Notice, Stella-Jones may, during the twelve-month period commencing August 10, 2020 and ending August 9, 2021, purchase for cancellation, up to 2,500,000 Common Shares, representing approximately 3.7% of its outstanding Common Shares.

8 Reclassification of prior period presentation

Certain prior period figures have been adjusted to conform to the current period presentation. An adjustment has been made to the consolidated statements of income to recognize customer freight revenues on a gross basis when the Company is the principal with respect to freight services. These amounts have been previously presented on a net basis against freight expenses in cost of sales. This change in classification does not affect previously reported operating income and net income in the consolidated statements of income. For the six-month period ended June 30, 2019, freight revenue of $10 has been reclassified from cost of sales to sales ($5 for the three-month period). For the three-month period ended March 31, 2020, freight revenue of $5 has been reclassified from cost of sales to sales.