

INVESTOR FACT SHEET

First quarter ended March 31, 2017

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.

A CONSISTENT FORCE

A WORD FROM THE PRESIDENT

As anticipated, results for the first quarter of 2017 reflected both lower sales volume and weaker pricing in the railway tie category. Utility poles showed improved performance, reflecting sales synergies directly related to Stella-Jones' expansion in the southeastern United States over the past two years. During the quarter, our new treating facility in Cameron, Wisconsin became fully operational, providing us with additional capacity to service the utility pole market.

Sales reached \$396.9 million, versus \$421.0 million last year. Acquisitions contributed sales of approximately \$22.8 million, while the conversion effect from fluctuations in the value of the Canadian dollar, Stella-Jones' reporting currency, versus the U.S. dollar, had a negative impact of \$11.3 million on the value of U.S. dollar denominated sales. Excluding these factors, sales decreased approximately \$35.5 million, or 8.4%.

Operating income stood at \$40.8 million, or 10.3% of sales, compared with \$54.6 million, or 13.0% of sales in the first quarter of the previous year. The decrease in absolute dollars essentially reflects lower business activity and the effect of currency translation, partially offset by the contribution from acquisitions. The decrease as a percentage of sales reflects lower business activity, weaker pricing for railway ties and a less favourable geographical mix in the utility pole category.

Net income for the first quarter of 2017 was \$25.9 million, or \$0.37 per diluted share, down from \$35.0 million, or \$0.51 per diluted share, in the first quarter of 2016.

Brian McManus
President and CEO
May 4, 2017

FIRST QUARTER HIGHLIGHTS

- Sales of \$396.9 million, versus \$421.0 million a year ago
- Operating income of \$40.8 million, compared with \$54.6 million in the prior year
- Net income of \$25.9 million, versus \$35.0 million last year
- Diluted EPS of \$0.37, compared with \$0.51 a year ago

FINANCIAL HIGHLIGHTS

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

	Quarters ended March 31, (unaudited)	
	2017	2016
Sales	396.9	421.0
Operating income	40.8	54.6
Net income for the period	25.9	35.0
Per share – basic and diluted (\$)	0.37	0.51
Weighted average shares out. (basic, in '000s)	69,306	69,138

RECENT EVENT

On May 3, 2017, the Board of Directors declared a quarterly dividend of \$0.11 per common share, payable on June 27, 2017 to shareholders of record at the close of business on June 5, 2017.

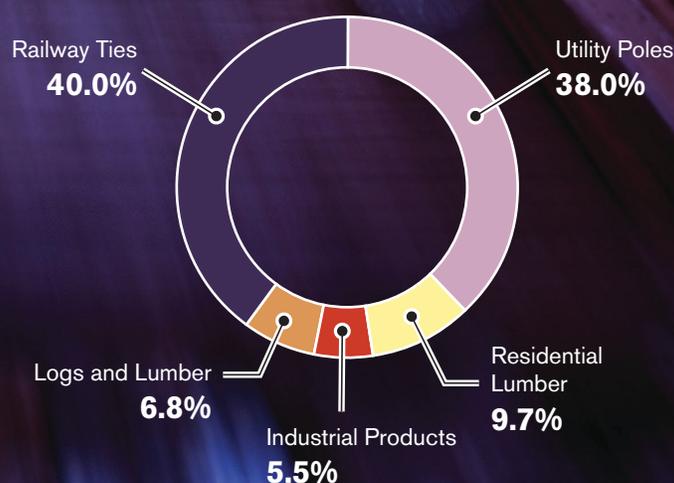
5-YEAR FINANCIAL REVIEW

(in millions of Canadian dollars, except per share data)	Trail. 12 months	2016	2015	2014	2013
Sales	1,814.3	1,838.4	1,559.3	1,249.5	1,011.3
Operating income	219.5	233.2	220.1	155.7	138.7
Operating margin	12.1%	12.7%	14.1%	12.5%	13.7%
Net income for the period	144.8	153.9	141.4	103.8	92.5
Per common share – diluted (\$)	2.09	2.22	2.04	1.50	1.34

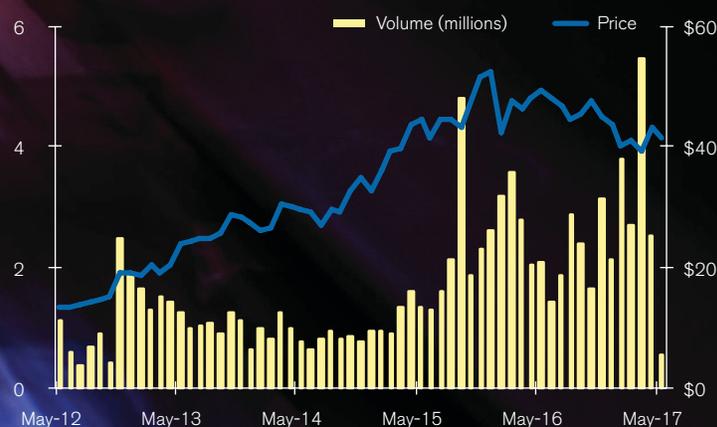
OUTLOOK

Given first-quarter results, Stella-Jones continues to expect sales to be weaker in the first half of 2017 when compared to 2016, with an expected year-over-year increase in the second half of the year. Over the short term, operating margins will remain affected by lower railway tie selling prices and a less favourable geographical sales mix for utility poles. The Company is taking the necessary steps to adjust production levels, maximize operating efficiencies and minimize costs throughout the organization. The Company will also continue to study any expansion opportunity that offers strategic value in its main product categories. This strategy has helped Stella-Jones become a consistent force in its industry, while steadily enhancing shareholder value.

PRODUCT CATEGORIES (in % of Q1 sales)



STOCK PERFORMANCE



Stella-Jones Inc.

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INVESTOR RELATIONS

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ANALYST COVERAGE

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GMP Securities
Laurentian Bank Securities
Scotia Capital
RBC Capital Markets
Desjardins Securities
Acumen Capital Finance Partners Limited
TD Securities

STOCK INFORMATION

Toronto Stock Exchange Symbol: SJ
Price as of May 3, 2017: \$41.70
High/Low: \$50.00 - \$37.17
(52 weeks ended May 3, 2017)
Number of Shares Outstanding: 69,321,243
(May 3, 2017)