



INVESTOR FACT SHEET

Fourth quarter ended December 31, 2016

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

2016 marked the sixteenth consecutive year of sales and net income growth for Stella-Jones. These results reflect the efficiency of our operations and the benefits of our expansion strategy. Most significantly, they point to the Company's deeply rooted role as a principal North American provider of treated wood products in our main product categories.

Sales reached \$1.84 billion, up 17.9% from last year's sales of \$1.56 billion. Acquisitions contributed additional sales of \$156.8 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 positive impact of about \$53.1 million on the value of U.S. dollar denominated sales. Excluding these factors, sales increased approximately \$69.1 million, or 4.4%.

Operating income stood at \$233.2 million, or 12.7% of sales, compared with \$220.1 million, or 14.1% of sales, in 2015. The increase in absolute dollars essentially reflects higher business activity for the year and the contribution from acquisitions. As a percentage of sales, the decrease is mainly attributable to a higher proportion of low-margin logs and lumber sales, a less favourable product mix this year compared to 2015 and softness in selling prices for certain regions. These factors were partially offset by economies of scale generated by higher volumes in the residential lumber category.

Net income for 2016 increased 8.9% to \$153.9 million, or \$2.22 per diluted share, up from \$141.4 million, or \$2.04 per diluted share, in 2015.

Brian McManus
President and CEO
March 17, 2017

2016 HIGHLIGHTS

- Sales of \$1.84 billion in 2016, up 17.9% from \$1.56 billion in 2015
- 2016 operating income of \$233.2 million, a 6.0% increase from the previous year
- 8.9% increase in net income in 2016 to \$153.9 million, versus \$141.4 million in 2015
- 2016 diluted EPS of \$2.22, up from \$2.04 last year

FINANCIAL HIGHLIGHTS

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

	Quarters ended Dec. 31, (unaudited)		Years ended Dec. 31, (audited)	
	2016	2015	2016	2015
Sales	341.7	357.5	1,838.4	1,559.3
Operating income	28.2	48.3	233.2	220.1
Net income for the period	18.5	33.0	153.9	141.4
Per share – basic (\$)	0.27	0.48	2.22	2.05
Per share – diluted (\$)	0.27	0.48	2.22	2.04
Weighted average shares out. (basic, in '000s)	69,285	69,101	69,215	69,018

RECENT EVENTS

On March 16, 2017, the Board of Directors declared a quarterly dividend of \$0.11 per common share, representing an increase of 10.0% over the previous quarterly dividend. The dividend is payable on April 28, 2017 to shareholders of record at the close of business on April 3, 2017.

On December 21, 2016, the Company completed the acquisition of substantially all the operating assets employed in the businesses of Bois KMS (GMI) Ltée ("KMS") and Northern Pressure Treated Wood (N.P.T.W.) Ltd ("NPTW"). KMS and NPTW manufacture treated wood utility poles at their facilities located in Rivière-Rouge, Québec and Kirkland Lake, Ontario, respectively. The Company financed the acquisition through its committed revolving credit facility.

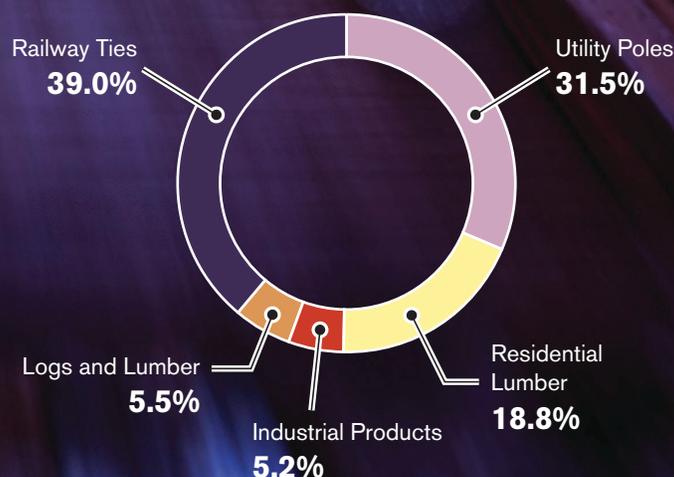
5-YEAR FINANCIAL REVIEW

(in millions of Canadian dollars, except per share data)	2016	2015	2014	2013	2012
Sales	1,838.4	1,559.3	1,249.5	1,011.3	732.4
Operating income	233.2	220.1	155.7	138.7	109.6
Operating margin	12.7%	14.1%	12.5%	13.7%	15.0%
Net income for the period	153.9	141.4	103.8	92.5	73.1
Per common share – diluted (\$)	2.22	2.04	1.50	1.34	1.13

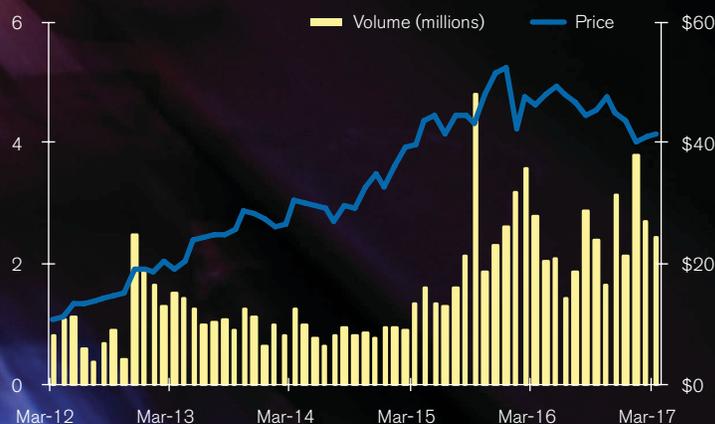
OUTLOOK

Based on current market conditions in its main product categories, Stella-Jones expects 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. Operating margins will be negatively impacted by product mix and softer pricing in certain regions. In the railway tie category, given strong demand in the first half of 2016, the Company anticipates lower year-over-year demand for 2017, while softer pricing will also reduce revenues. In the utility pole category, demand for regular maintenance projects should gradually return to normal patterns in the second half of 2017, but operating margins are also expected to decrease as a result of the geographical sales mix. As for the residential lumber category, the Company remains confident to further benefit from solid demand for new construction and outdoor renovation projects in the residential and commercial markets. Stella-Jones' immediate focus will be on the integration of its recent acquisitions as well as taking the necessary steps to adjust production levels, maximize operating efficiencies and minimize costs throughout the organization.

PRODUCT CATEGORIES (IN % OF 2016 SALES)



STOCK PERFORMANCE



Stella-Jones Inc.

www.stella-jones.com

3100 Côte-Vertu, Suite 300

Saint-Laurent, Québec H4R 2J8

Tel: (514) 934-8666

INVESTOR RELATIONS

Éric Vachon
Senior Vice-President and
Chief Financial Officer
Tel.: (514) 940-3903
Fax: (514) 934-5327
Email: evachon@stella-jones.com

ANALYST COVERAGE

Leon Aghazarian
Justin Keywood
Mona Nazir
Mark Neville
Sara O'Brien
Benoît Poirier
Brian Pow
Michael Tupholme

National Bank Financial
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 March 16, 2017: \$41.53
High/Low: \$51.55 - \$37.17
(52 weeks ended March 16, 2017)
Number of Shares Outstanding: 69,310,710
(March 16, 2017)