

Russel Metals Inc.

FINANCIAL HIGHLIGHTS

	-----Years ended----->				
	2014	2013	2012	2011	2010
OPERATING RESULTS (millions)					
Revenues	\$3,869.3	\$3,187.8	\$3,000.1	\$2,693.3	\$2,178.0
Net earnings	123.6	83.3	97.9 ⁽²⁾	118.3	57.3
EBIT	217.0	146.0	175.3 ⁽²⁾	197.5	110.8
Adjusted EBIT (Note)	226.9 ⁽¹⁾	151.2 ⁽¹⁾	175.3 ⁽²⁾	197.5	111.5 ⁽¹⁾
Adjusted EBIT as a % of revenue	5.9%	4.7%	5.8%	7.3%	5.1%
Adjusted EBITDA (Note)	261.7	184.8 ⁽¹⁾	200.8	221.0	136.8 ⁽¹⁾
EBITDA as a % of revenue	6.8%	5.8%	6.7%	8.2%	6.3%
Basic earnings per common share (\$)	\$2.01	\$1.37	\$1.63 ⁽²⁾	\$1.97	\$0.96
BALANCE SHEET INFORMATION (millions)					
Metals					
Accounts receivable	\$566.6	\$455.9	\$455.6	\$381.7	\$300.5
Inventories	930.8	766.3	764.0	645.6	544.1
Prepaid expenses and other assets	11.6	5.9	7.1	4.3	2.9
Accounts payable and accruals	(486.0)	(383.7)	(381.5)	(343.6)	(259.8)
Net working capital - Metals	1,023.0	844.4	845.2	688.0	587.7
Fixed assets	249.8	228.4	225.3	184.1	187.2
Goodwill and intangibles	214.3	218.7	192.1	24.7	24.9
Net assets employed in metals operations	1,487.1	1,291.5	1,262.6	896.8	799.8
Other operating assets	1.5	10.1	16.0	17.1	17.6
Net income tax assets (liabilities)	(23.4)	(11.3)	(8.2)	(12.0)	(11.5)
Pension and benefit assets (liabilities)	(26.1)	(23.1)	(38.7)	(33.3)	(17.2)
Other corporate assets and liabilities	(42.3)	(42.6)	(47.3)	(22.1)	(11.9)
Total net assets employed	\$1,396.8	\$1,224.6	\$1,184.4	\$846.5	\$776.8
CAPITALIZATION (millions)					
Bank indebtedness, net of (cash)	(\$29.2)	(\$116.2)	(\$100.8)	(\$270.7)	(\$323.7)
Long-term debt (incl. current portion)	461.0	458.4	455.8	297.8	319.7
Total interest bearing debt, net of (cash)	431.8	342.2	355.0	27.1	(4.0)
Market capitalization	1,597.4	1,913.1	1,662.2	1,346.8	1,373.5
Total firm value	\$2,029.2	\$2,255.3	\$2,017.2	\$1,373.9	\$1,369.5
OTHER INFORMATION (Notes)					
Shareholders' equity (millions)	\$965.0	\$882.4	\$829.4	\$819.4	\$772.8
Book value per share (\$)	\$15.65	\$14.48	\$13.78	\$13.64	\$12.88
Free cash flow (millions)	\$124.8	\$91.9	\$99.4	\$129.5	\$85.7
Capital expenditures (millions)	\$48.2	\$27.2	\$33.7	\$18.1	\$11.6
Depreciation and amortization (millions)	\$34.8	\$33.6	\$25.5	\$23.5	\$25.3
Earnings multiple	12.9	22.9	16.9	11.4	23.9
Firm value as a multiple of EBIT	8.9	14.9	11.5	7.0	12.3 ⁽¹⁾
Firm value as a multiple of EBITDA	7.8	12.2	10.0	6.2	10.0 ⁽¹⁾
Interest bearing debt/EBITDA	1.8	2.5	2.3	1.3	2.3 ⁽¹⁾
Debt as a % of capitalization	32%	34%	35%	27%	29%
Market capitalization as a % of book value	166%	217%	200%	164%	178%
Return on equity	13%	9%	12%	14%	7%
Return on capital employed	16%	12%	15%	23%	14% ⁽¹⁾
COMMON SHARE INFORMATION					
Ending outstanding common shares	61,674,228	60,946,393	60,204,636	60,071,698	59,978,173
Average outstanding common shares	61,321,767	60,780,520	60,128,534	60,043,222	59,717,629
Dividend yield	5.9%	4.5%	5.1%	5.4%	4.8%
Dividend per share	\$1.52	\$1.40	\$1.40	\$1.20	\$1.10
Dividends paid as a % of free cash flow	72%	93%	82%	53%	70%
Share price - High	\$37.63	\$31.62	\$28.97	\$27.75	\$23.94
Share price - Low	\$25.07	\$23.23	\$22.52	\$18.90	\$16.25
Share price - Ending	\$25.90	\$31.39	\$27.61	\$22.42	\$22.90

Notes:

(1) Adjusted EBIT and EBITDA excludes the asset impairment charge in 2014 of \$9.9 million, 2013 of \$5.2 million and the inventory reversal of \$1.9 million and plant closure costs of \$2.6 million in 2010.

(2) Restated due to adoption of IAS 19 (Amended 2011)

(3) This chart includes certain financial measures that are not prescribed by Canadian generally accepted accounting principles (GAAP) or have standardized meanings, and thus, may not be comparable to similar measures presented by other companies, for example EBIT and EBITDA and Other Information. Management believes that EBIT and EBITDA may be useful in assessing our operating performance and as an indicator of our ability to service or incur indebtedness, make capital expenditures and finance working capital requirements. EBIT and EBITDA should not be considered in isolation or as an alternative to cash from operating activities or other combined income or cash flow data. EBIT, EBITDA and a number of the ratios provided under Other Information are used by debt and equity analysts to compare our performance against other public companies. This terminology is defined on the inside back cover of our Annual Report. See financial statements for GAAP earnings.