

RUSSEL METALS ANNOUNCES 2021 ANNUAL & FOURTH QUARTER RESULTS
FOR IMMEDIATE RELEASE

TORONTO, CANADA -- February 10, 2022 -- Russel Metals Inc. (RUS - TSX) announces financial results for the fourth quarter and the year ended December 31, 2021.

**Annual Revenues of \$4.2 Billion and EBITDA¹ of \$664 Million
Strong Capital Structure with Liquidity¹ of \$495 Million
Business Transformation Over Past Year**

	Three Months Ended			Year Ended	
	Dec 31 2021	Dec 31 2020	Sep 30 2021	Dec 31 2021	Dec 31 2020
Revenues	\$ 1,147	\$ 671	\$ 1,108	\$ 4,209	\$ 2,688
EBITDA ¹	162	11	196	664	125
Adjusted EBITDA ¹	164	41	196	667	159
Net Income	102	(9)	132	432	25
Earnings per share	1.62	(0.14)	2.10	6.90	0.39
Dividends Paid per common share	0.38	0.38	0.38	1.52	1.52

All amounts are reported in millions of Canadian dollars except per share figures, which are in Canadian dollars.

Non-GAAP Measures and Ratios

We use a number of measures that are not prescribed by International Financial Reporting Standards ("IFRS" or "GAAP") and as such may not be comparable to similar measures presented by other companies. We believe these measures are commonly employed to measure performance in our industry and are used by analysts, investors, lenders and other interested parties to evaluate financial performance and our ability to incur and service debt to support our business activities. These non-GAAP measures include EBITDA, Adjusted EBITDA and Liquidity and are defined below. Refer to Non-GAAP Measures and Ratios and Adjusted Non-GAAP Measures on page 2 of our Management Discussion and Analysis.

EBIT - represents net earnings before interest and income taxes.

Adjusted EBIT - represents net earnings before asset impairment, interest and, income taxes.

EBITDA - represents net earnings before interest, income taxes, depreciation and amortization.

Adjusted EBITDA - we adjust our EBITDA to remove the impact of long-lived asset impairment, to calculate the Adjusted EBITDA.

Adjusted Net Earnings - we adjust our reported net earnings to remove long-lived asset impairment, net of income taxes, to calculate adjusted net earnings.

Adjusted Net Earnings Per Share - we adjust our reported net earnings to remove the impact of long-lived asset impairment, net of income taxes, to calculate the adjusted net earnings per share.

Liquidity - represents cash on hand less bank indebtedness plus excess availability under our bank credit facility.

The following table shows the reconciliation of net earnings in accordance with GAAP to Adjusted EBITDA for 2021 and 2020:

¹ Defined in Non-GAAP Measures and Ratios

<i>(millions)</i>	Three Months Ended December 31		Year Ended December 31	
	2021	2020	2021	2020
Net earnings	\$ 102.2	\$ (8.8)	\$ 432.2	\$ 24.5
Provision for income taxes	38.3	(3.8)	147.9	3.4
Interest, net	6.6	9.0	26.0	36.7
Asset impairment	2.6	30.1	2.6	33.8
Adjusted EBIT	149.7	26.5	608.7	98.4
Depreciation and amortization	14.6	14.6	57.9	60.6
Adjusted EBITDA	\$ 164.3	\$ 41.1	\$ 666.6	\$ 159.0

Our net earnings for the year ended December 31, 2021, were \$432 million or \$6.90 per share compared to net earnings of \$25 million or \$0.39 per share for 2020. Our adjusted net earnings for the year ended December 31, 2021 were \$434 million or \$6.93 per share. Revenues for the year ended December 31, 2021 were \$4.2 billion compared to \$2.7 billion in 2020. Adjusted EBITDA was \$667 million compared to \$159 million in 2020.

In the 2021 fourth quarter, our revenues, Adjusted EBITDA and adjusted earnings per share were \$1.1 billion, \$164 million and \$1.65 per share, respectively. Revenues during the quarter benefited from the continued strong steel price environment and good demand in the metals service centers and steel distributors segments, as well as an improvement in energy activity. The 2021 fourth quarter results also included contributions related to the Boyd Metals ("Boyd") acquisition on November 30, 2021. During the 2021 fourth quarter, EBITDA was negatively impacted by a non-cash asset impairment charge of \$3 million related to one of our energy businesses, a \$3 million mark-to-market expense for share-based compensation and a \$2 million charge for the acquisition accounting and transaction costs for the Boyd acquisition.

Market Conditions

Steel markets were very strong through most of 2021 as a result of favourable demand and constrained supply. Prices rose during the year and remained well above historical levels for the 2021 fourth quarter. Our metals service centers experienced an increase in selling price per ton of 62% for 2021 compared to 2020 and same store tons shipped increased 5% for 2021 compared to 2020. Similarly, our steel distributors segment experienced an increase in demand and selling prices. Overall conditions in the energy products segment recovered modestly throughout 2021 as a result of higher energy prices and capital spending.

Reallocation of Capital Investments

In 2021, we made a series of changes to our business portfolio with the objectives of: (i) enhancing our return on capital over a cycle; (ii) increasing our margins over a cycle; and (iii) reducing earnings volatility.

During 2021, we reduced the capital employed in our OCTG/line pipe segments by approximated \$300 million. This was achieved by the liquidation of our U.S. OCTG/line pipe businesses and the merger of our Canadian OCTG/line pipe operation with a Canadian subsidiary of Marubeni-Itochu to form TriMark Tubulars.

On November 30, 2021, we acquired a group of companies that operate as Boyd Metals. Boyd is a full line metals service center that operates in five locations in Fort Smith (Arkansas), Joplin (Missouri), Little Rock (Arkansas), Oklahoma City (Oklahoma) and Tyler (Texas). Boyd expands our metals service center presence in the Southern and Midwest U.S., complements our existing operations in the region, was immediately accretive to earnings and enhances our return on capital.

During 2021, we invested in a series of value-added processing equipment projects and we also developed business plans for further investments in 2022. These projects are designed to both grow our business platforms in the various regions and generate attractive financial returns.

Capital Structure Flexibility

Over the past twelve months, our financial profile was strengthened as we generated \$305 million of cash from operating activities. As a result, we ended the year with total liquidity of \$495 million. In December 2021, we amended our \$450 million credit facility to provide more favourable pricing and extend the maturity date to September 21, 2025. Our strong capital structure provides us with significant flexibility to further explore opportunities for capital reinvestment.

Outlook

Steel availability has improved and inventory in the supply chain has increased since the industry experienced extreme supply challenges in mid-2021. We expect this improvement in availability to continue in 2022, albeit with certain ongoing constraints due to COVID-related staffing and transportation issues. Demand is expected to continue to improve into 2022 as a result of a recovery in activity related to non-residential construction, infrastructure projects and general manufacturing. As a result, we expect a favourable supply and demand balance in 2022, although steel prices are expected to remain volatile. The energy sector activity is expected to continue to improve as a result of the recovery in oil and natural gas prices and higher capital spending programs by energy producers.

Investor Conference Call

The Company will be holding an Investor Conference Call on Friday, February 11, 2022 at 9:00 a.m. ET to review its 2021 fourth quarter results. The dial-in telephone numbers for the call are 416-764-8688 (Toronto and International callers) and 1-888-390-0546 (U.S. and Canada). Please dial in 10 minutes prior to the call to ensure that you get a line.

A replay of the call will be available at 416-764-8677 (Toronto and International callers) and 1-888-390-0541 (U.S. and Canada) until midnight, Friday, February 25, 2022. You will be required to enter pass code #016473 to access the call.

Additional supplemental financial information is available in our investor conference call package located on our website at www.russelmetals.com.

About Russel Metals Inc.

Russel Metals is one of the largest metals distribution companies in North America with a growing focus on value-added processing. It carries on business in three segments: metals service centers, energy products and steel distributors. Its network of metals service centers carries an extensive line of metal products in a wide range of sizes, shapes and specifications, including carbon hot rolled and cold finished steel, pipe and tubular products, stainless steel, aluminum and other non-ferrous specialty metals. Its energy products operations carry a specialized product line focused on the needs of energy industry customers. Its steel distributors operations act as master distributors selling steel in large volumes to other steel service centers and large equipment manufacturers mainly on an "as is" basis.

Cautionary Statement on Forward-Looking Information

Certain statements contained in this press release constitute forward-looking statements or information within the meaning of applicable securities laws, including statements as to our future capital expenditures, our outlook, the availability of future financing and our ability to pay dividends. Forward-looking statements relate to future events or our future performance. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by us, inherently involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including the factors described below.

We are subject to a number of risks and uncertainties which could have a material adverse effect on our future profitability and financial position, including the risks and uncertainties listed below, which are important factors in our business and the metals distribution industry. Such risks and uncertainties include, but are not limited to: the volatility in metal prices; volatility in oil and natural gas prices; cyclical nature of the metals industry; capital budgets in the energy industry; pandemics and epidemics; climate change; product claims; significant competition; sources of metals supply; manufacturers selling directly; material substitution; credit risk; currency exchange risk; restrictive debt covenants; asset impairments; the unexpected loss of key individuals; decentralized operating structure; future acquisitions; the failure of our key computer-based systems, labour interruptions; laws and governmental regulations; litigious environment; environmental liabilities; carbon emissions; health and safety laws and regulations; and common share risks.

While we believe that the expectations reflected in our forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct, and our forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release

and, except as required by law, we do not assume any obligation to update our forward-looking statements. Our actual results could differ materially from those anticipated in our forward-looking statements including as a result of the risk factors described above and under the heading "Risk" in our MD&A and under the heading "Risk Management and Risks Affecting Our Business" in our most recent Annual Information Form and as otherwise disclosed in our filings with securities regulatory authorities which are available on SEDAR at www.sedar.com.

If you would like to **unsubscribe** from receiving Press Releases, you may do so by emailing info@russelmetals.com; or by calling our Investor Relations Line: 905-816-5178.

For further information, contact:

Martin L. Juravsky
Executive Vice President and
Chief Financial Officer
Russel Metals Inc.
(905) 819-7361
E-mail: info@russelmetals.com
Website: www.russelmetals.com

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

<i>(in millions of Canadian dollars, except per share data)</i>	Three Months Ended December 31		Years Ended December 31	
	2021	2020	2021	2020
Revenues	\$ 1,146.8	\$ 670.6	\$ 4,208.5	\$ 2,688.3
Cost of materials	847.6	531.2	2,996.1	2,169.6
Employee expenses	95.4	60.3	376.0	231.3
Other operating expenses	57.4	52.6	233.8	189.0
Share of (earnings) from joint venture	(3.3)	-	(6.1)	-
Impairment of goodwill and long-lived assets	2.6	30.1	2.6	33.8
Earnings before interest and provision for income taxes	147.1	(3.6)	606.1	64.6
Interest expense	6.6	9.0	26.0	36.7
Earnings before provision for income taxes	140.5	(12.6)	580.1	27.9
Provision for income taxes	38.3	(3.8)	147.9	3.4
Net earnings for the period	\$ 102.2	\$ (8.8)	\$ 432.2	\$ 24.5
Basic earnings per common share	\$ 1.62	\$ (0.14)	\$ 6.90	\$ 0.39
Diluted earnings per common share	\$ 1.62	\$ (0.14)	\$ 6.89	\$ 0.39

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(in millions of Canadian dollars)</i>	Three Months Ended December 31		Years Ended December 31	
	2021	2020	2021	2020
Net earnings for the period	\$ 102.2	\$ (8.8)	\$ 432.2	\$ 24.5
Other comprehensive income (loss)				
Items that may be reclassified to earnings				
Unrealized foreign exchange losses on translation of foreign operations	(3.0)	(25.2)	(0.3)	(10.4)
Items that may not be reclassified to earnings				
Actuarial gains (losses) on pension and similar obligations net of taxes	4.0	2.8	25.9	(2.0)
Other comprehensive income (loss)	1.0	(22.4)	25.6	(12.4)
Total comprehensive income	\$ 103.2	\$ (31.2)	\$ 457.8	\$ 12.1

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(in millions of Canadian dollars)</i>	December 31 2021	December 31 2020
ASSETS		
Current		
Cash and cash equivalents	\$ 133.1	\$ 26.3
Accounts receivable	554.1	344.0
Inventories	986.0	716.4
Prepaid and other	30.3	13.6
Income taxes receivable	16.1	19.8
	1,719.6	1,120.1
Property, Plant and Equipment	302.4	269.5
Right-of-Use Assets	86.7	81.4
Investment in Joint Venture	37.6	-
Deferred Income Tax Assets	1.5	5.9
Pension and Benefits	29.5	5.1
Financial and Other Assets	5.0	4.7
Goodwill and Intangibles	132.2	109.6
	\$ 2,314.5	\$ 1,596.3
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 557.7	\$ 294.6
Short-term lease obligations	15.8	16.9
Income taxes payable	66.7	3.7
	640.2	315.2
Long-Term Debt	294.8	293.7
Pensions and Benefits	3.4	13.0
Deferred Income Tax Liabilities	19.6	9.5
Long-term Lease Obligations	93.7	88.8
Provisions and Other Non-Current Liabilities	14.5	11.4
	1,066.2	731.6
Shareholders' Equity		
Common shares	571.0	546.2
Retained earnings	575.2	212.5
Contributed surplus	12.1	15.7
Accumulated other comprehensive income	90.0	90.3
Total Shareholders' Equity	1,248.3	864.7
Total Liabilities and Shareholders' Equity	\$ 2,314.5	\$ 1,596.3

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

<i>(in millions of Canadian dollars)</i>	Three Months Ended December 31		Years Ended December 31	
	2021	2020	2021	2020
Operating activities				
Net earnings for the period	\$ 102.2	\$ (8.8)	\$ 432.2	\$ 24.5
Depreciation and amortization	14.6	14.6	57.9	60.6
Provision for (recovery of) income taxes	38.3	(3.8)	147.9	3.4
Interest expense	6.6	9.0	26.0	36.7
Impairment of goodwill and long-lived assets	2.6	30.1	2.6	33.8
Loss (gain) on sale of property, plant and equipment	0.2	(0.2)	0.5	(6.5)
Share of earnings from joint venture	(3.3)	-	(6.1)	-
Share-based compensation	-	-	0.2	0.3
Difference between pension expense and amount funded	0.4	0.3	1.0	0.3
Debt accretion, amortization and other	0.3	1.5	1.1	2.5
Interest paid, including interest on lease obligations	(6.1)	(11.8)	(24.8)	(36.4)
Cash from operating activities before non-cash working capital	155.8	30.9	638.5	119.2
Changes in non-cash working capital items				
Accounts receivable	45.3	(7.6)	(160.8)	114.8
Inventories	(144.0)	67.6	(337.6)	169.0
Accounts payable and accrued liabilities	(27.4)	27.2	253.9	(31.3)
Other	(10.3)	(2.1)	(13.3)	4.6
Change in non-cash working capital	(136.4)	85.1	(257.8)	257.1
Income tax paid, net	(26.4)	(9.9)	(76.2)	(5.3)
Cash from operating activities	(7.0)	106.1	304.5	371.0
Financing activities				
Decrease in bank indebtedness	-	-	-	(62.1)
Issue of common shares	3.7	2.0	21.0	2.2
Dividends on common shares	(24.0)	(23.6)	(95.4)	(94.5)
Issuance of long-term debt	-	146.4	-	146.4
Repayment of long-term debt	-	(300.0)	-	(300.0)
Deferred financing	(0.9)	(0.1)	(0.9)	(1.2)
Lease obligations	(6.5)	(3.8)	(18.2)	(17.9)
Cash used in financing activities	(27.7)	(179.1)	(93.5)	(327.1)
Investing activities				
Purchase of property, plant and equipment	(8.5)	(6.1)	(28.8)	(24.9)
Proceeds on sale of property, plant and equipment	0.2	9.5	1.1	14.4
Sale of business	-	-	77.1	-
Purchase of business	(156.6)	(16.8)	(156.6)	(16.8)
Cash used in investing activities	(164.9)	(13.4)	(107.2)	(27.3)
Effect of exchange rates on cash and cash equivalents	(4.1)	(8.8)	3.0	(6.3)
Increase in cash and cash equivalents	(203.7)	(95.2)	106.8	10.3
Cash and cash equivalents, beginning of the period	336.8	121.5	26.3	16.0
Cash and cash equivalents, end of the year	\$ 133.1	\$ 26.3	\$ 133.1	\$ 26.3

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<i>(in millions of Canadian dollars)</i>	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2021	\$ 546.2	\$ 212.5	\$ 15.7	\$ 90.3	\$ 864.7
Payment of dividends	-	(95.4)	-	-	(95.4)
Net earnings for the year	-	432.2	-	-	432.2
Other comprehensive income for the year	-	-	-	25.6	25.6
Recognition of share-based compensation	-	-	0.2	-	0.2
Share options exercised	24.8	-	(3.8)	-	21.0
Transfer of net actuarial gains on defined benefit plans	-	25.9	-	(25.9)	-
Balance, December 31, 2021	\$ 571.0	\$ 575.2	\$ 12.1	\$ 90.0	\$ 1,248.3

<i>(in millions of Canadian dollars)</i>	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2020	\$ 543.7	\$ 284.5	\$ 15.7	\$ 100.7	\$ 944.6
Payment of dividends	-	(94.5)	-	-	(94.5)
Net earnings for the year	-	24.5	-	-	24.5
Other comprehensive income for the year	-	-	-	(12.4)	(12.4)
Recognition of share-based compensation	-	-	0.3	-	0.3
Share options exercised	2.5	-	(0.3)	-	2.2
Transfer of net actuarial losses on defined benefit plans	-	(2.0)	-	2.0	-
Balance, December 31, 2020	\$ 546.2	\$ 212.5	\$ 15.7	\$ 90.3	\$ 864.7