RUSSEL METALS ANNOUNCES 2026 SECOND QUARTER RESULTS

FOR IMMEDIATE RELEASE

TORONTO, CANADA -- August 6, 2026 -- Russel Metals Inc. (RUS - TSX) announces financial results for three months ended June 30, 2026.

Record Quarterly Revenues and Shipments
Revenues of $1.7 Billion and Adjusted EBITDA of $154 Million
Gross Margins Improved by 130 Basis Points in Q2'26 vs. Q1'26
Higher Revenues and EBITDA Contributions from Kloeckner Acquisition
Annualized Return on Capital of 24% in Q2'26 and 23% for Year-to-Date
Strong Capital Structure - Liquidity of $554 Million

	Three Months Ended			Six Months Ended	
	Jun 30 2026	Mar 31 2026	Jun 30 2025	Jun 30 2026	Jun 30 2025
Revenues	$ 1,655	$ 1,418	$ 1,207	$ 3,073	$ 2,381
EBITDA [1]	138	124	108	262	194
Adjusted EBITDA [1]	154	93	113	247	196
Net earnings	79	72	60	150	103
Adjusted net earnings [1]	90	45	64	134	105
Earnings per share	1.43	1.30	1.07	2.73	1.82
Adjusted earnings per share [1]	1.63	0.81	1.14	2.44	1.86

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 IFRS Accounting 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 and Liquidity and are defined below. Refer to Non-GAAP Measures and Ratios on page 2 of our Management Discussion and Analysis.

EBIT - represents net earnings before interest and income taxes.
EBITDA - represents net earnings before interest, income taxes, depreciation and amortization.
Liquidity - represents cash on hand less bank indebtedness plus excess availability under our bank credit facility.
Cash (for) from working capital - represents the change in non-cash working capital.

For adjusted EBITDA, adjusted net earnings and adjusted earnings per share, the following items have been excluded:

- Mark-to-market on stock-based compensation - the mark-to-market on stock-based compensation is a non-cash expense on a quarterly basis, it does not impact the ongoing operating decisions taken by management, and is excluded to facilitate period-to-period comparability of our operating performance.
- Gain on Delta property sale - the gain on sale of a property related to our branch in Delta, British Columbia was a one-time event, it does not impact the ongoing operating decisions taken by management and is excluded to facilitate period-to-period comparability of the Company's operating performance.

[1] Defined in Non-GAAP Measures and Ratios

A reconciliation of net earnings in accordance with GAAP to EBITDA and adjusted EBITDA, as well as a reconciliation of net earnings to adjusted net earnings and adjusted earnings per share can be found below.

Reconciliation of the Net Earnings to EBITDA and Adjusted EBITDA[1]

	Three Months Ended			Six Months Ended	
($ millions, except per share data)	Jun 30 2026	Mar 31 2026	Jun 30 2025	Jun 30 2026	Jun 30 2025
Net earnings	$ 78.5	$ 71.8	$ 60.4	$ 150.3	$ 103.4
Provision for income taxes	26.6	18.9	18.3	45.5	32.8
Interest (income) expense, net	6.9	7.0	5.9	13.9	10.6
EBIT [1]	112.0	97.7	84.6	209.7	146.8
Depreciation and amortization	26.4	26.0	23.2	52.4	46.7
EBITDA [1]	$ 138.4	$ 123.7	$ 107.8	$ 262.1	$ 193.5
Mark-to-market on stock-based compensation	15.3	4.8	5.2	20.1	2.6
Gain on Delta property sale	-	(35.6)	-	(35.6)	-
Adjusted EBITDA [1]	$ 153.7	$ 92.9	$ 113.0	$ 246.6	$ 196.1

Reconciliation of the Net Earnings to Adjusted Net Earnings[1]

	Three Months Ended			Six Months Ended	
($ millions, except per share data)	Jun 30 2026	Mar 31 2026	Jun 30 2025	Jun 30 2026	Jun 30 2025
Net earnings	$ 78.5	$ 71.8	$ 60.4	$ 150.3	$ 103.4
Mark-to-market on stock-based compensation, net of tax	11.3	3.6	3.8	14.9	1.9
Gain on Delta property sale, net of tax	-	(30.9)	-	(30.9)	-
Adjusted net earnings [1]	$ 89.8	$ 44.5	$ 64.2	$ 134.3	$ 105.3
Earnings per share	$ 1.43	$ 1.30	$ 1.07	$ 2.73	$ 1.82
Adjusted earnings per share [1]	$ 1.63	$ 0.81	$ 1.14	$ 2.44	$ 1.86

Our second quarter 2026 results reflect a continuation of improving trend line metrics and illustrates our earnings generation capabilities from our reconfigured business portfolio when combined with favourable market conditions.

- Revenues reached a record quarterly level of $1.7 billion in the second quarter of 2026, which represented a 17% increase over the first quarter of 2026 and a 37% increase over the second quarter of 2025.
- Our average gross margin percentage for the second quarter of 2026 was 22.6%, which was an improvement over the 21.3% in the first quarter of 2026. The improvement reflected the favourable market conditions and the beginning of improvements in the relative margin profile for the branches that were acquired from Kloeckner Metals Corporation ("Kloeckner").
- In the second quarter of 2026, our adjusted EBITDA was $154 million, which was a 65% increase over the first quarter of 2026 and a 36% increase over the second quarter of 2025.
- The metal service centers continued their strong recent momentum of shipments. The second quarter tons shipped was an all-time record, as tonnage increased by 6% compared to the first quarter of 2026 and increased 28% compared to the second quarter of 2025.
- The Kloeckner branches were acquired for total consideration of $128 million on December 31, 2025. Those branches contributed revenues of $213 million and EBITDA of $16 million in the second quarter of 2026, as compared to revenues of $183 million and EBITDA of $8 million in the first quarter of 2026. For the first six months of 2026, the former Kloeckner branches contributed 13% of our revenues and 10% of our adjusted EBITDA, which provided strong earnings accretion and an annualized return on capital of 31%.

[1] Defined in Non-GAAP Measures and Ratios

- In the second quarter of 2026, our U.S. operations represented 54% of our revenues and 61% of our segment operating profits, compared to 53% of revenues and 58% of our segment operating profits (excluding the impact from the gain on the Delta (British Columbia) property sale) in the first quarter of 2026 and 44% of revenues and 48% of our segment operating profits in the second quarter of 2025. We expect to continue this evolution of a U.S. weighted business mix, as that market continues to present incremental growth opportunities.

In the second quarter of 2026, we generated earnings per share of $1.43 and adjusted earnings per share of $1.63 which was higher than first quarter 2026 earnings per share of $1.30 and adjusted earnings per share of $0.81. In the quarter we generated an annualized return on capital of 24%, compared to 22% in the first quarter of 2026 and 20% in the second quarter of 2025.

During our 2026 second quarter, we generated $135 million of cash from operating activities before non-cash working capital, invested $18 million of capital expenditures to further our internal growth initiatives and returned $24 million of capital to our shareholders.

Market Conditions
Market conditions in the second quarter were strong across most of our business units and regions. The average price for U.S. plate and hot rolled coil averaged US$1,291 per ton and US$1,084 per ton, respectively, in the second quarter of 2026, which represented increases of 20% for plate and 11% for hot rolled coil versus the first quarter of 2026. At June 30, 2026, the U.S. prices for plate and hot rolled coil were up 5% and 6%, respectively, as compared to the average prices for the second quarter of 2026.

Capital Investment Growth Initiatives
During the three months ended June 30, 2026, we invested $18 million in capital expenditures and for the six months ended June 30, 2026, we invested $36 million in capital expenditures. We have an active pipeline of both facilities modernization and value-added processing projects.

We are continuing to evaluate additional acquisition opportunities with the focus on expanding our metals service center platform in the U.S.

As part of the continuing refinement of our portfolio, we disposed of redundant real estate related to our former branch in Delta (British Columbia) in the first quarter of 2026 for cash proceeds of $39 million, which resulted in a pre-tax gain of $36 million. In the second quarter of 2026, we disposed of redundant real estate related to our former branch in Tyler (Texas) for cash proceeds of $4 million, which resulted in a small pre-tax gain.

In July 2026, we entered into an agreement to sell Color Steels Inc. ("Color"), a wholly-owned subsidiary of the Company. Color generated $70 million of sales in 2025 and had a book value of approximately $35 million at June 30, 2026. Upon completion of the transaction, we expect to recognize a small gain on the sale. Color is included in the metal service centers operating segment. The transaction is expected to close in the second half of 2026.

Returning Capital to Shareholders
We have a flexible approach for returning capital to shareholders through: (i) our ongoing dividend; and (ii) opportunistic share buybacks. In the 2026 second quarter, we paid dividends of $24 million or $0.44 per share. We have declared our quarterly dividend of $0.44 per share payable on September 15, 2026, to shareholders of record at the close of business on August 28, 2026. In the second quarter of 2026, we were not active on our share buyback program. In the period since the normal course issuer bid was established in August 2022, we have purchased varying amounts each quarter, with the cumulative purchases being 8.7 million common shares, which represented 14% of our then shares outstanding, at an average price per share of $38.13 for total consideration of $333 million (excluding the impact of the federal tax on share repurchases).

Liquidity and Capital Structure
One of our key strategies is to maintain a strong capital structure in order to navigate through market cycles and be in a position to capitalize on opportunities. We ended the quarter with net debt of $144 million and total available liquidity of $554 million.

During the second quarter we extended the term of our $450 million credit facility to May 29, 2030.

Outlook

Over the first half of 2026, metal prices have increased as a result of favourable demand, limited international supply into North America and inflationary impacts on energy and transportation costs. We expect these market dynamics to continue over the near term and result in our service centers generating comparable margins in the third quarter as compared to the first half average. In addition, we expect our third quarter service center shipments to remain at levels near those experienced in the first half of the year as a result of steady activity across most of our geographic regions.

Over the medium-term, we expect to benefit from further rebuilding of the U.S. industrial manufacturing base, Canadian nation building projects, as well as infrastructure related investments in areas such as data centers and energy related projects. In addition, we continue to be positioned to gain market share through our ongoing investments in value-added equipment, facility modernizations and acquisitions.

Our energy field stores are expected to continue to benefit from solid energy activity in 2026. Our energy field store segment is also expected to continue to gain market share while maintaining a solid margin profile.

Investor Conference Call

The Company will be holding an Investor Conference Call on Friday, August 7, 2026, at 9:00 a.m. ET to review its 2026 second quarter results. To join the conference call without operator assistance, you may register and enter your phone number at https://emportal.ink/3SlXM1M. The dial-in telephone numbers for the call are 416-945-7677 (Toronto and International callers) and 1-888-699-1199 (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 289-819-1450 (Toronto and International callers) and 1-888-660-6345 (U.S. and Canada) until midnight, Friday, August 21, 2026. You will be required to enter pass code 97333# to access the call.

Additional supplemental financial information is available in our investor conference call package located on our website at https://www.russelmetals.com/en/documents/conference-calls.

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 field stores 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 field stores 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: volatility in metal prices; cyclicality of the metals industry; future acquisitions; facilities modernization; volatility in the energy industry; product claims; significant competition; sources of supply and supply chain disruptions; manufacturers selling directly; material substitution; failure of our key computer-based systems; cybersecurity; credit risk; currency exchange risk; restrictive debt covenants; goodwill or long-term asset impairments; the unexpected loss of key individuals; decentralized operating structure; labour interruptions; laws and governmental regulations; litigious environment; environmental liabilities; climate change; carbon emissions; health and safety laws and regulations; geopolitical risk and common share risk.

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.sedarplus.ca.

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CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

(in millions of Canadian dollars, except per share data)	Three Months Ended June 30 2026	2025	Six Months Ended June 30 2026	2025
Revenues	$ 1,655.0	$ 1,207.3	$ 3,073.3	$ 2,380.9
Cost of materials	1,280.1	925.8	2,395.7	1,847.0
Employee expenses	163.7	122.0	307.1	235.0
Other operating expenses	99.2	74.9	196.4	152.1
Gain on disposal of assets held for sale	-	-	(35.6)	-
Earnings before interest and provision for income taxes	112.0	84.6	209.7	146.8
Interest expense, net	6.9	5.9	13.9	10.6
Earnings before provision for income taxes	105.1	78.7	195.8	136.2
Provision for income taxes	26.6	18.3	45.5	32.8
Net earnings for the period	$ 78.5	$ 60.4	$ 150.3	$ 103.4
Basic earnings per common share	$ 1.43	$ 1.07	$ 2.73	$ 1.82
Diluted earnings per common share	$ 1.43	$ 1.07	$ 2.73	$ 1.82

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in millions of Canadian dollars)	Three Months Ended June 30 2026	2025	Six Months Ended June 30 2026	2025
Net earnings for the period	$ 78.5	$ 60.4	$ 150.3	$ 103.4
Other comprehensive income (loss)				
Items that may be reclassified to earnings				
Unrealized foreign exchange gains (losses) on translation of foreign operations	24.0	(55.2)	43.2	(56.1)
Items that may not be reclassified to earnings				
Actuarial (losses) gains on pension and similar obligations, net of taxes	2.5	(0.8)	1.7	(2.8)
Other comprehensive income (loss)	26.5	(56.0)	44.9	(58.9)
Total comprehensive income	$ 105.0	$ 4.4	$ 195.2	$ 44.5

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(in millions of Canadian dollars)	June 30 2026	December 31 2025
ASSETS		
Current		
Cash and cash equivalents	$ 154.0	$ 114.6
Accounts receivable	828.6	554.2
Inventories	1,175.2	1,084.2
Prepaids and other	31.2	33.1
Income taxes receivable	0.5	6.2
Assets held for sale	-	4.9
	2,189.5	1,797.2
Property, Plant and Equipment	574.0	558.6
Right-of-Use Assets	151.7	155.2
Deferred Income Tax Assets	0.4	0.4
Pension and Benefits	37.2	37.0
Financial and Other Assets	5.2	5.1
Goodwill and Intangible Assets	129.2	131.1
Total Assets	$ 3,087.2	$ 2,684.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 790.2	$ 552.2
Short-term lease obligations	30.4	28.5
Income taxes payable	19.5	6.3
	840.1	587.0
Long-Term Debt	298.4	298.3
Pensions and Benefits	1.4	1.5
Deferred Income Tax Liabilities	21.2	25.8
Long-Term Lease Obligations	153.2	156.9
Provisions and Other Non-Current Liabilities	44.1	26.2
Total Liabilities	1,358.4	1,095.7
Shareholders' Equity		
Common shares	507.9	509.4
Retained earnings	1,017.9	919.7
Contributed surplus	9.9	9.9
Accumulated other comprehensive income	193.1	149.9
Total Shareholders' Equity	1,728.8	1,588.9
Total Liabilities and Shareholders' Equity	$ 3,087.2	$ 2,684.6

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

	Three Months Ended June 30		Six Months Ended June 30	
(in millions of Canadian dollars)	2026	2025	2026	2025
Operating Activities				
Net earnings for the period	$ 78.5	$ 60.4	$ 150.3	$ 103.4
Depreciation and amortization	26.4	23.2	52.4	46.7
Provision for income taxes	26.6	18.3	45.5	32.8
Interest expense, net	6.9	5.9	13.9	10.6
Gain on sale of property, plant and equipment	(1.1)	(0.3)	(1.2)	(0.5)
Gain on disposal of assets held for sale	-	-	(35.6)	-
Difference between pension expense and amount funded	1.1	0.7	1.8	1.4
Interest paid net, including interest on lease obligations	(3.5)	(2.8)	(13.8)	(7.1)
Cash from operating activities before non-cash working capital	134.9	105.4	213.3	187.3
Changes in Non-Cash Working Capital Items				
Accounts receivable	(111.1)	16.6	(265.3)	(83.3)
Inventories	(95.5)	(36.8)	(76.6)	(111.3)
Accounts payable and accrued liabilities	155.2	(27.7)	245.9	55.6
Other	3.0	4.5	1.9	(4.2)
Change in non-cash working capital	(48.4)	(43.4)	(94.1)	(143.2)
Income tax paid, net	(22.5)	(14.1)	(32.3)	(12.8)
Cash from operating activities	64.0	47.9	86.9	31.3
Financing Activities				
Issue of common shares	-	-	-	0.3
Repurchase of common shares	(0.3)	(22.8)	(7.5)	(48.6)
Dividends on common shares	(24.1)	(24.2)	(47.8)	(48.1)
Decrease in bank indebtedness	-	-	-	(13.4)
Issuance of long-term debt	-	-	-	300.0
Deferred financing costs	(0.4)	0.1	(0.4)	(1.9)
Lease obligations	(7.5)	(5.7)	(15.4)	(11.6)
Cash (used in) from financing activities	(32.3)	(52.6)	(71.1)	176.7
Investing Activities				
Purchase of property, plant and equipment	(17.7)	(16.1)	(35.8)	(45.0)
Proceeds on sale of property, plant and equipment	4.4	0.4	4.8	0.9
Proceeds on disposal of assets held for sale	-	-	38.5	-
Cash from (used in) investing activities	(13.3)	(15.7)	7.5	(44.1)
Effect of exchange rates on cash and cash equivalents	7.5	(15.3)	16.1	(15.0)
Increase (decrease) in cash and cash equivalents	25.9	(35.7)	39.4	148.9
Cash and cash equivalents, beginning of the period	128.1	230.2	114.6	45.6
Cash and cash equivalents, end of the period	$ 154.0	$ 194.5	$ 154.0	$ 194.5

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(in millions of Canadian dollars)	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2026	$ 509.4	$ 919.7	$ 9.9	$ 149.9	$ 1,588.9
Payment of dividends	-	(47.8)	-	-	(47.8)
Net earnings for the period	-	150.3	-	-	150.3
Other comprehensive income for the period	-	-	-	44.9	44.9
Shares repurchased	(1.5)	(6.0)	-	-	(7.5)
Transfer of net actuarial losses on defined benefit plans	-	1.7	-	(1.7)	-
Balance, June 30, 2026	$ 507.9	$ 1,017.9	$ 9.9	$ 193.1	$ 1,728.8

(in millions of Canadian dollars)	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2025	$ 528.1	$ 918.7	$ 10.0	$ 201.6	$ 1,658.4
Payment of dividends	-	(48.1)	-	-	(48.1)
Net earnings for the period	-	103.4	-	-	103.4
Other comprehensive loss for the period	-	-	-	(58.9)	(58.9)
Share options exercised	0.4	-	(0.1)	-	0.3
Shares repurchased	(10.7)	(37.9)	-	-	(48.6)
Transfer of net actuarial losses on defined benefit plans	-	(2.8)	-	2.8	-
Balance, June 30, 2025	$ 517.8	$ 933.3	$ 9.9	$ 145.5	$ 1,606.5