RUSSEL METALS ANNOUNCES 2026 THIRD QUARTER RESULTS

FOR IMMEDIATE RELEASE

TORONTO, CANADA -- November 4, 2026 -- Russel Metals Inc. (RUS - TSX) announces financial results for three months ended September 30, 2026.

Record Quarterly Revenues, Adjusted EBITDA and Adjusted EPS
Revenues of $1.8 Billion, Adjusted EBITDA of $230 Million and Adjusted EPS of $2.67
Gross Margins Improved by 330 Basis Points in Q3'26 vs. Q2'26
Annualized Return on Capital of 35% in Q3'26 and 27% for Year-to-Date
Completed Sale of Color Steels Subsidiary
Strong Capital Structure - Liquidity of $418 Million

	Three Months Ended			Nine Months Ended	
	Sep 30 2026	Jun 30 2026	Sep 30 2025	Sep 30 2026	Sep 30 2025
Revenues	$ 1,819	$ 1,655	$ 1,167	$ 4,892	$ 3,548
EBITDA [1]	200	138	75	462	269
Adjusted EBITDA [1]	230	154	73	477	269
Net earnings	126	79	35	276	138
Adjusted net earnings [1]	146	90	33	281	139
Earnings per share	2.29	1.43	0.63	5.02	2.45
Adjusted earnings per share [1]	2.67	1.63	0.60	5.11	2.46

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 sale of Delta property - the gain on sale of a property related to our branch in Delta, British Columbia was a one-time event that 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.
- Gain on sale of Color Steels Inc. - the gain on sale of Color Steels Inc. ("Color Steels") was a one-time event that 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			Nine Months Ended	
($ millions)	Sep 30 2026	Jun 30 2026	Sep 30 2025	Sep 30 2026	Sep 30 2025
Net earnings	$ 125.5	$ 78.5	$ 35.0	$ 275.8	$ 138.4
Provision for income taxes	40.9	26.6	11.2	86.4	44.0
Interest (income) expense, net	6.8	6.9	5.4	20.7	16.0
EBIT [1]	173.2	112.0	51.6	382.9	198.4
Depreciation and amortization	26.7	26.4	23.4	79.1	70.1
EBITDA [1]	$ 199.9	$ 138.4	$ 75.0	$ 462.0	$ 268.5
Mark-to-market on stock-based compensation	37.3	15.3	(2.1)	57.4	0.5
Gain on sale of Delta property	-	-	-	(35.6)	-
Gain on sale of Color Steels	(7.1)	-	-	(7.1)	-
Adjusted EBITDA [1]	$ 230.1	$ 153.7	$ 72.9	$ 476.7	$ 269.0

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

	Three Months Ended			Nine Months Ended	
($ millions, except per share data)	Sep 30 2026	Jun 30 2026	Sep 30 2025	Sep 30 2026	Sep 30 2025
Net earnings	$ 125.5	$ 78.5	$ 35.0	$ 275.8	$ 138.4
Mark-to-market on stock-based compensation, net of tax	27.6	11.3	(1.6)	42.5	0.4
Gain on sale of Delta property, net of tax	-	-	-	(30.9)	-
Gain on sale of Color Steels, net of tax	(6.7)	-	-	(6.7)	-
Adjusted net earnings [1]	$ 146.4	$ 89.8	$ 33.4	$ 280.7	$ 138.8
Earnings per share	$ 2.29	$ 1.43	$ 0.63	$ 5.02	$ 2.45
Adjusted earnings per share [1]	$ 2.67	$ 1.63	$ 0.60	$ 5.11	$ 2.46

Our third quarter 2026 results reflected a continuation of improving trend line metrics and illustrated our earnings generation capabilities during the favourable market environment. In particular, we saw revenue and margin improvements, as we benefited from strong market conditions across a broad base of our operating units and geographic areas. We set new records for quarterly revenues, adjusted EBITDA and adjusted earnings per share.

- Revenues reached a record quarterly level of $1.8 billion in the third quarter of 2026, which represented a 10% increase over the second quarter of 2026 and a 56% increase over the third quarter of 2025.
- In the third quarter of 2026, we generated record quarterly EBITDA and adjusted EBITDA of $200 million and $230 million, respectively. For the last twelve months ended September 30, 2026, we generated EBITDA and adjusted EBITDA of $531 million and $548 million, respectively.
- Our average gross margin for the third quarter of 2026 was 25.9%, which represented an improvement over the 22.6% in the second quarter of 2026. The improvement reflected the continuation of favourable market conditions, the ongoing improvement in the relative margin profile for the branches acquired from Kloeckner Metals Corporation ("Kloeckner"), as well as an improvement in the relative margin profile of our Canadian service center operations.
- The metal service centers generated solid shipments for the third quarter of 2026. The third quarter tons shipped decreased 3% compared to the second quarter of 2026 due to normal seasonal factors, but increased 29% in total, or 7% on a same store basis, compared to the third quarter of 2025.

[1] Defined in Non-GAAP Measures and Ratios

- The former Kloeckner branches contributed revenues of $237 million and EBITDA of $33 million in the third quarter of 2026, which were increases compared to revenue of $213 million and EBITDA of $16 million in the second quarter of 2026. For the first nine months of 2026, the former Kloeckner branches contributed revenues of $633 million and EBITDA of $57 million, which represented 13% of our consolidated revenues and 12% of our consolidated adjusted EBITDA. Through the first nine months of 2026, the acquisition generated an annualized return on invested capital of 42%.
- In the third quarter of 2026, our U.S. operations represented 57% of our revenues compared to 54% in the second quarter of 2026 and 43% in the third 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 third quarter of 2026, we generated earnings per share of $2.29 and adjusted earnings per share of $2.67 which were higher than the $1.43 earnings per share and $1.63 adjusted earnings per share recorded in the second quarter of 2026. In the third quarter of 2026, we generated an annualized return on invested capital of 35%, compared to 24% in the second quarter of 2026. For the nine months ended September 30, 2026, we generated an annualized return on invested capital of 27%.

During our 2026 third quarter, we generated $182 million of cash from operating activities before non-cash working capital and used $204 million in non-cash working capital. We invested $26 million for capital expenditures to further our internal growth initiatives and returned $24 million of capital to our shareholders through a dividend.

Market Conditions

Market conditions in the third quarter were strong across most of our business units and regions. The price for U.S. plate and hot rolled coil averaged US$1,444 per ton and US$1,201 per ton, respectively, in the third quarter of 2026, which represented an increase of 12% for plate and 11% for hot rolled coil versus the second quarter of 2026. At September 30, 2026, the U.S. prices for plate and hot rolled coil were up 3% and 4%, respectively, as compared to the average prices for the third quarter of 2026.

Capital Investment Growth Initiatives

During the three months ended September 30, 2026, we invested $26 million in capital expenditures and for the nine months ended September 30, 2026, we invested $62 million in capital expenditures. We have an active pipeline of both facility modernization and value-added processing projects.

We are continuing to evaluate potential acquisition opportunities with the focus on expanding our metals service center platform in the U.S., with an emphasis on tuck-in situations over the near term.

As part of the continuing focus to refine our portfolio and optimize return on capital, we sold Color Steels, a wholly owned subsidiary of the Company. The transaction closed on September 30, 2026, which resulted in cash proceeds of $42 million and a pre-tax gain on sale of $7 million. Color Steels was included in the metal service centers operating segment.

Returning Capital to Shareholders

We have a flexible approach to returning capital to shareholders through: (i) our ongoing dividend; and (ii) opportunistic share buybacks.

In the third quarter of 2026, we paid a dividend of $24 million or $0.44 per share. We have declared our quarterly dividend of $0.44 per share payable on December 15, 2026, to shareholders of record at the close of business on November 26, 2026. In the third 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 $214 million and total available liquidity of $418 million.

Outlook

Over the first three quarters of 2026, metal prices increased as a result of favourable demand, limited international supply into North America, extended lead times from North American suppliers and inflationary impacts on energy and transportation costs. We expect these market dynamics to continue in the near term. We expect our fourth quarter service center daily shipments to remain at comparable levels to those experienced in the first three quarters of the year, but with fewer operating days in the fourth quarter as a result of holiday schedules in both Canada and the U.S.

Over the medium-term, we expect to continue 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 Thursday, November 5, 2026, at 9:00 a.m. ET to review its 2026 third quarter results. To join the conference call without operator assistance, you may register and enter your phone number at https://emportal.ink/4rjdisw. 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, Thursday, November 19, 2026. You will be required to enter pass code 91037# 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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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 (UNAUDITED)

(in millions of Canadian dollars, except per share data)	Three Months Ended September 30 2026	2025	Nine Months Ended September 30 2026	2025
Revenues	$ 1,819.1	$ 1,166.9	$ 4,892.4	$ 3,547.8
Cost of materials	1,348.0	920.7	3,743.7	2,767.7
Employee expenses	203.5	111.6	510.6	346.6
Other operating expenses	101.5	83.0	297.9	235.1
Gain on disposal of Delta assets held for sale	-	-	(35.6)	-
Gain on sale of Color Steels	(7.1)	-	(7.1)	-
Earnings before interest and provision for income taxes	173.2	51.6	382.9	198.4
Interest expense, net	6.8	5.4	20.7	16.0
Earnings before provision for income taxes	166.4	46.2	362.2	182.4
Provision for income taxes	40.9	11.2	86.4	44.0
Net earnings for the period	$ 125.5	$ 35.0	$ 275.8	$ 138.4
Basic earnings per common share	$ 2.29	$ 0.63	$ 5.02	$ 2.45
Diluted earnings per common share	$ 2.29	$ 0.63	$ 5.02	$ 2.45

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in millions of Canadian dollars)	Three Months Ended September 30 2026	2025	Nine Months Ended September 30 2026	2025
Net earnings for the period	$ 125.5	$ 35.0	$ 275.8	$ 138.4
Other comprehensive income (loss)				
Items that may be reclassified to earnings				
Unrealized foreign exchange gains (losses) on translation of foreign operations	0.1	21.9	43.3	(34.2)
Items that may not be reclassified to earnings				
Actuarial gains (losses) on pension and similar obligations, net of taxes	0.2	(0.3)	1.9	(3.1)
Other comprehensive income (loss)	0.3	21.6	45.2	(37.3)
Total comprehensive income	$ 125.8	$ 56.6	$ 321.0	$ 101.1

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(in millions of Canadian dollars)	September 30 2026	December 31 2025
ASSETS		
Current		
Cash and cash equivalents	$ 84.7	$ 114.6
Accounts receivable	917.5	554.2
Inventories	1,287.9	1,084.2
Prepaids and other	27.4	33.1
Income taxes receivable	-	6.2
Assets held for sale	-	4.9
	2,317.5	1,797.2
Property, Plant and Equipment	579.7	558.6
Right-of-Use Assets	141.8	155.2
Deferred Income Tax Assets	4.5	0.4
Pension and Benefits	36.2	37.0
Financial and Other Assets	5.0	5.1
Goodwill and Intangible Assets	115.8	131.1
Total Assets	$ 3,200.5	$ 2,684.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 780.6	$ 552.2
Short-term lease obligations	28.8	28.5
Income taxes payable	34.8	6.3
	844.2	587.0
Long-Term Debt	298.5	298.3
Pensions and Benefits	1.3	1.5
Deferred Income Tax Liabilities	13.3	25.8
Long-Term Lease Obligations	144.0	156.9
Provisions and Other Non-Current Liabilities	68.8	26.2
Total Liabilities	1,370.1	1,095.7
Shareholders' Equity		
Common shares	507.9	509.4
Retained earnings	1,119.4	919.7
Contributed surplus	9.9	9.9
Accumulated other comprehensive income	193.2	149.9
Total Shareholders' Equity	1,830.4	1,588.9
Total Liabilities and Shareholders' Equity	$ 3,200.5	$ 2,684.6

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

(in millions of Canadian dollars)	Three Months Ended September 30 2026	Three Months Ended September 30 2025	Nine Months Ended September 30 2026	Nine Months Ended September 30 2025
Operating Activities				
Net earnings for the period	$ 125.5	$ 35.0	$ 275.8	$ 138.4
Depreciation and amortization	26.7	23.4	79.1	70.1
Provision for income taxes	40.9	11.2	86.4	44.0
Interest expense, net	6.8	5.4	20.7	16.0
Gain on sale of property, plant and equipment	(1.7)	(0.3)	(2.9)	(0.8)
Gain on disposal of Delta assets held for sale	-	-	(35.6)	-
Gain on sale of Color Steels	(7.1)	-	(7.1)	-
Difference between pension expense and amount funded	1.1	1.0	2.9	2.4
Interest paid net, including interest on lease obligations	(10.2)	(5.3)	(24.0)	(12.4)
Cash from operating activities before non-cash working capital	182.0	70.4	395.3	257.7
Changes in Non-Cash Working Capital Items				
Accounts receivable	(99.4)	(18.1)	(364.7)	(101.4)
Inventories	(134.1)	45.8	(210.7)	(65.5)
Accounts payable and accrued liabilities	26.0	(26.8)	271.9	28.8
Other	3.8	4.4	5.7	0.2
Change in non-cash working capital	(203.7)	5.3	(297.8)	(137.9)
Income tax paid, net	(36.3)	(12.9)	(68.6)	(25.7)
Cash from operating activities	(58.0)	62.8	28.9	94.1
Financing Activities				
Issue of common shares	-	-	-	0.3
Repurchase of common shares	-	(14.0)	(7.5)	(62.6)
Dividends on common shares	(24.2)	(24.0)	(72.0)	(72.1)
Decrease in bank indebtedness	-	-	-	(13.4)
Issuance of long-term debt	-	-	-	300.0
Deferred financing costs	-	-	(0.4)	(1.9)
Lease obligations	(7.5)	(5.9)	(22.9)	(17.5)
Cash (used in) from financing activities	(31.7)	(43.9)	(102.8)	132.8
Investing Activities				
Purchase of property, plant and equipment	(25.8)	(15.0)	(61.6)	(60.0)
Proceeds on sale of property, plant and equipment	2.7	0.4	7.5	1.3
Proceeds on disposal of Delta assets held for sale	-	-	38.5	-
Proceeds on sale of Color Steels, net of cash	42.3	-	42.3	-
Cash from (used in) investing activities	19.2	(14.6)	26.7	(58.7)
Effect of exchange rates on cash and cash equivalents	1.2	12.8	17.3	(2.2)
(Decrease) increase in cash and cash equivalents	(69.3)	17.1	(29.9)	166.0
Cash and cash equivalents, beginning of the period	154.0	194.5	114.6	45.6
Cash and cash equivalents, end of the period	$ 84.7	$ 211.6	$ 84.7	$ 211.6

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	-	(72.0)	-	-	(72.0)
Net earnings for the period	-	275.8	-	-	275.8
Other comprehensive income for the period	-	-	-	45.2	45.2
Shares repurchased	(1.5)	(6.0)	-	-	(7.5)
Transfer of net actuarial gains on defined benefit plans	-	1.9	-	(1.9)	-
Balance, September 30, 2026	$ 507.9	$ 1,119.4	$ 9.9	$ 193.2	$ 1,830.4

(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	-	(72.1)	-	-	(72.1)
Net earnings for the period	-	138.4	-	-	138.4
Other comprehensive loss for the period	-	-	-	(37.3)	(37.3)
Share options exercised	0.4	-	(0.1)	-	0.3
Shares repurchased	(13.7)	(48.9)	-	-	(62.6)
Transfer of net actuarial losses on defined benefit plans	-	(3.1)	-	3.1	-
Balance, September 30, 2025	$ 514.8	$ 933.0	$ 9.9	$ 167.4	$ 1,625.1