

ACQUISITION OF ASSETS FROM SAMUEL, SON & CO., LIMITED

DECEMBER 4, 2023

FORWARD-LOOKING INFORMATION

Certain information contained in this presentation constitute forward-looking statements or information within the meaning of applicable securities laws relating to, among other things, the anticipated benefits of the transaction, the timing to close the transaction and there can be no assurance that the proposed transaction will occur, or that it will occur on the exact terms contemplated in this presentation. Forward-looking statements are often, but not always, identified by the use of words such as "expect", "may", "will", "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.

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 presentation should not be unduly relied upon. These statements speak only as of the date of this presentation and, except as required by law, we do not assume any obligation to update our forward-looking statements.

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This presentation includes certain financial measures that do not comply with International Financial Reporting Standards (IFRS or GAAP) or have standardized meanings, and thus, may not be comparable to similar measures presented by other issuers, for example Adjusted EBIT and Adjusted EBITDA and Other Information in the Financial Summary are Non-GAAP measures or ratios. Reference should be made to our MD&A for further discussion of Non-GAAP measures and ratios. Management believes that these Non-GAAP measures 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. EBITDA and Adjusted EBITDA should not be considered in isolation or as an alternative to cash from operating activities or other combined income or cash flow data prepared in accordance with IFRS. EBITDA, Adjusted EBITDA and a number of ratios are used by debt and equity analysts to compare our performance against other public companies.

DEFINITIONS:

EBITDA – Earnings before deduction of interest, provision for income taxes, depreciation and amortization

Adjusted EBITDA – Earnings before deduction of long-lived asset impairment, interest, provision for income taxes, depreciation and amortization

Net Debt to Invested Capital – Net debt divided by Invested Capital

Invested Capital – Net debt plus shareholders' equity

Net Debt – Total interest-bearing debt, net of cash on hand

ACQUISITION SUMMARY

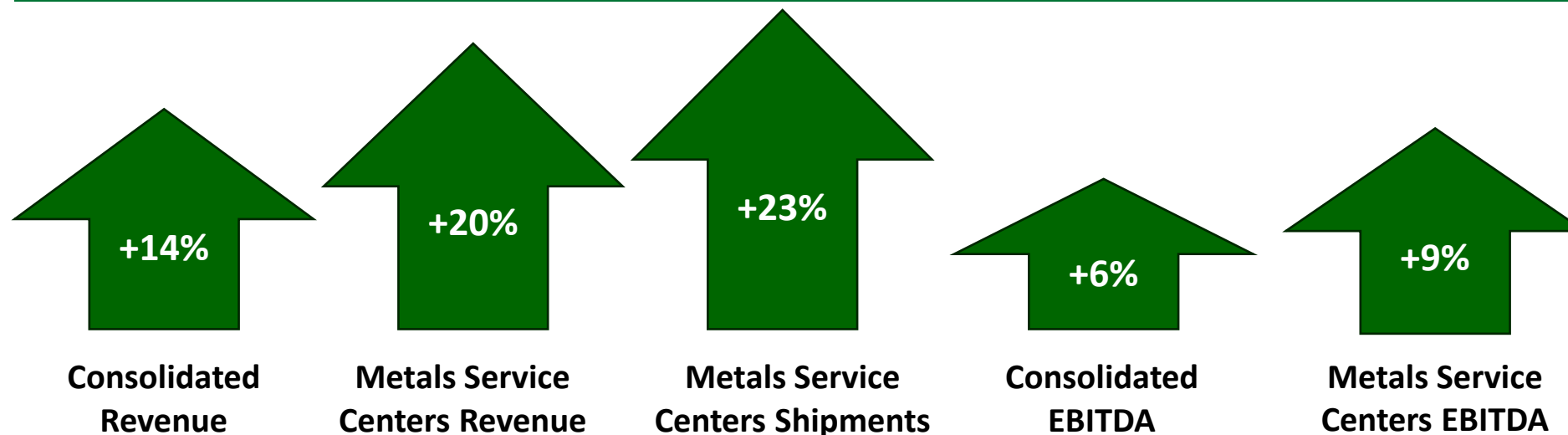
- The Samuel Assets to be Acquired:
 - Five locations in Western Canada and two locations in the US Northeast
 - Samuel to retain its Delta, BC location, and conduct an orderly shut-down. Russel to acquire the Delta inventory and equipment at net book value and relocate to other Russel operations
- Purchase Price:
 - Net book value of working capital at closing **plus** NBV of fixed assets (\$29 mm) **plus** \$10 million = \$225 mm¹
- Transaction Highlights:
 - Complementary locations relative to Russel's W. Canada operations
 - Balanced business mix with non-ferrous + processing
 - Opportunity to rationalize footprint and reduce invested capital
 - Extends geographic footprint into US Northeast
 - Good site infrastructure and quality of equipment - realizable value of equipment > net book value
 - Strong focus on safety
 - Subject to Competition Bureau clearance in Canada and other customary closing conditions
 - Closing expected in 1H'24
 - Financing from existing cash balance (\$569 mm at 9/30/23)

1. Based on Sept. 30/23 working capital.

KEY METRICS

- Summary financial results related to the Samuel Assets (pre-synergies):
 - 2022 Results:
 - Revenue \$704 mm
 - Adjusted EBITDA \$33 million
 - 2023 Results (9 months to Sept. 30/23):
 - Revenue \$457 million
 - Adjusted EBITDA \$19 million

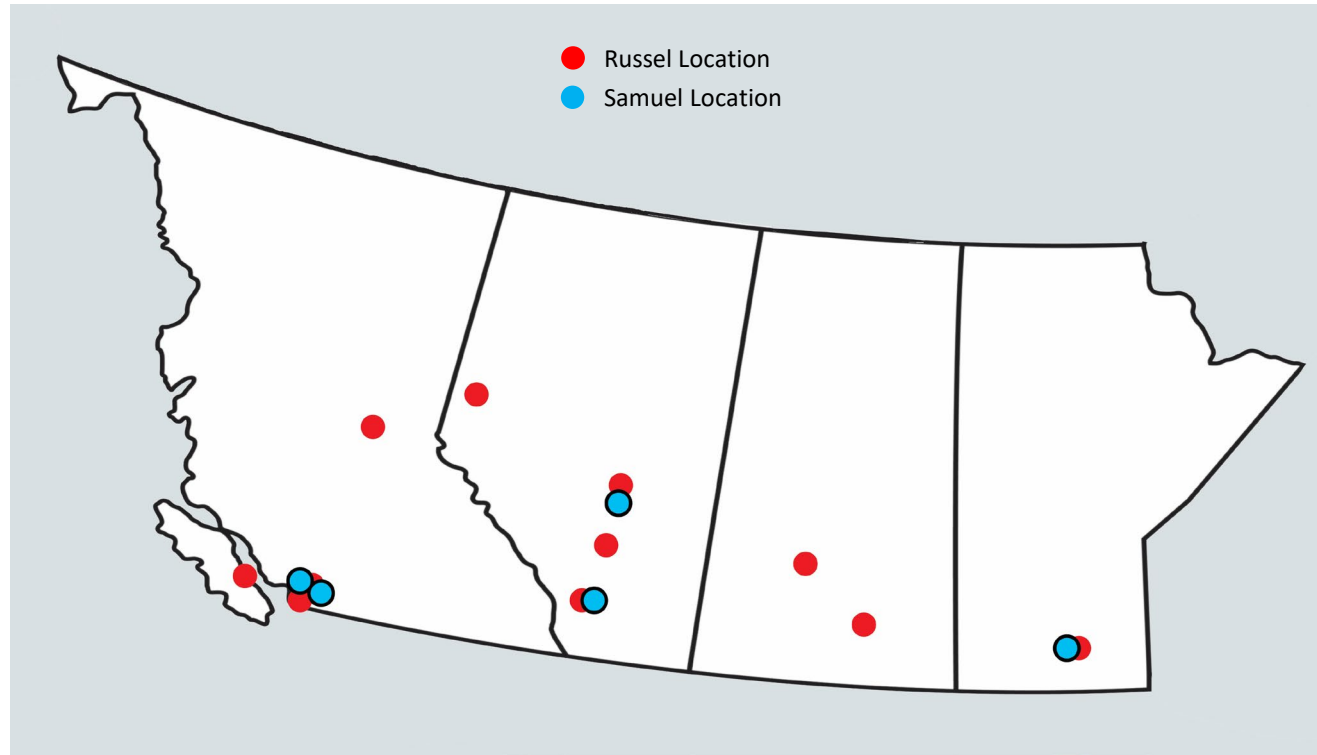
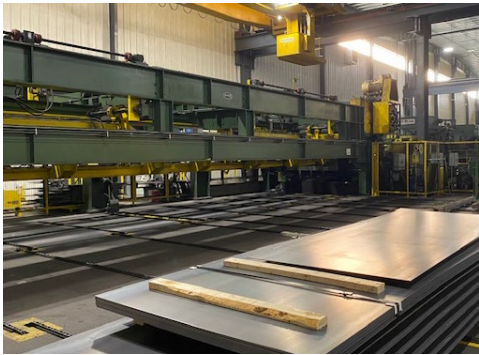
Pro Forma Impact¹ to Russel's Standalone 2022 Financial Results



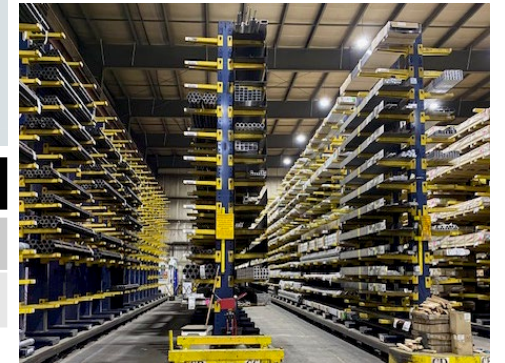
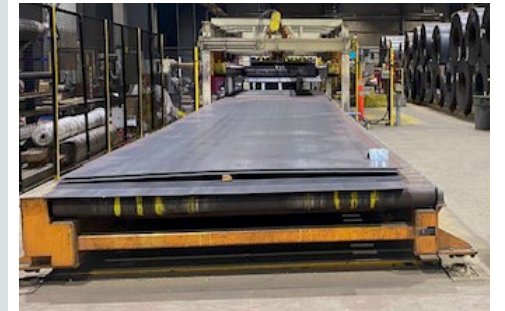
1. Excluding the impact from potential synergies.

COMPLEMENTARY GEOGRAPHIC FIT IN W. CANADA

- The combined footprint in Western Canada should create opportunities to reconfigure the equipment/locations, enhance operating efficiencies and reduce the combined capital.

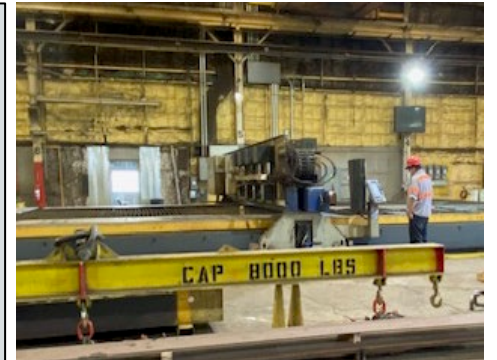
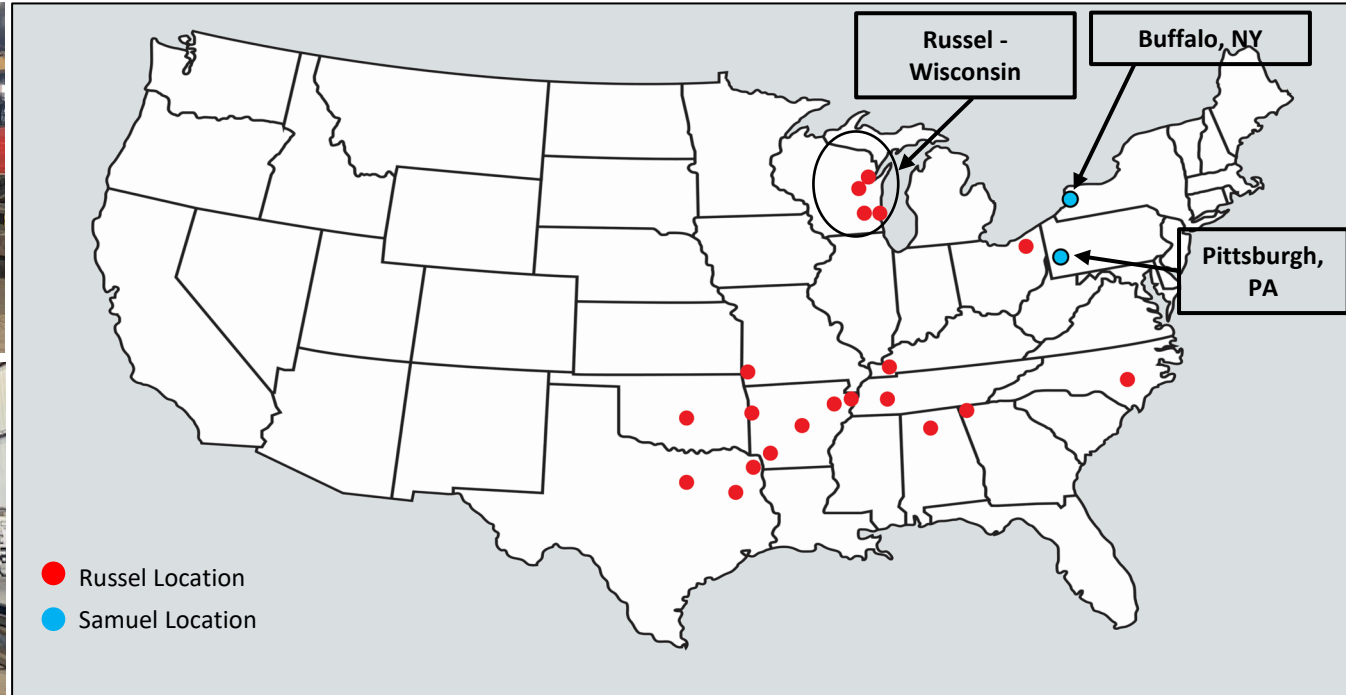
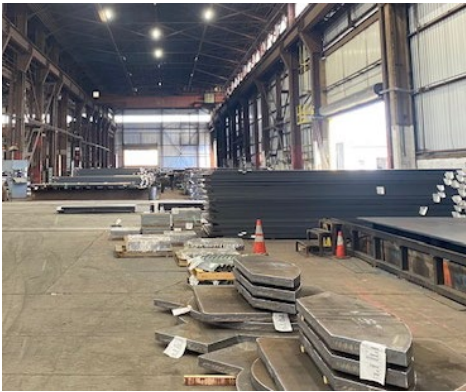


# of Locations	BC	Alberta	Sask.	Manitoba	Total
Russel	5	9	4	3	21
Samuels	2	2	0	1	5



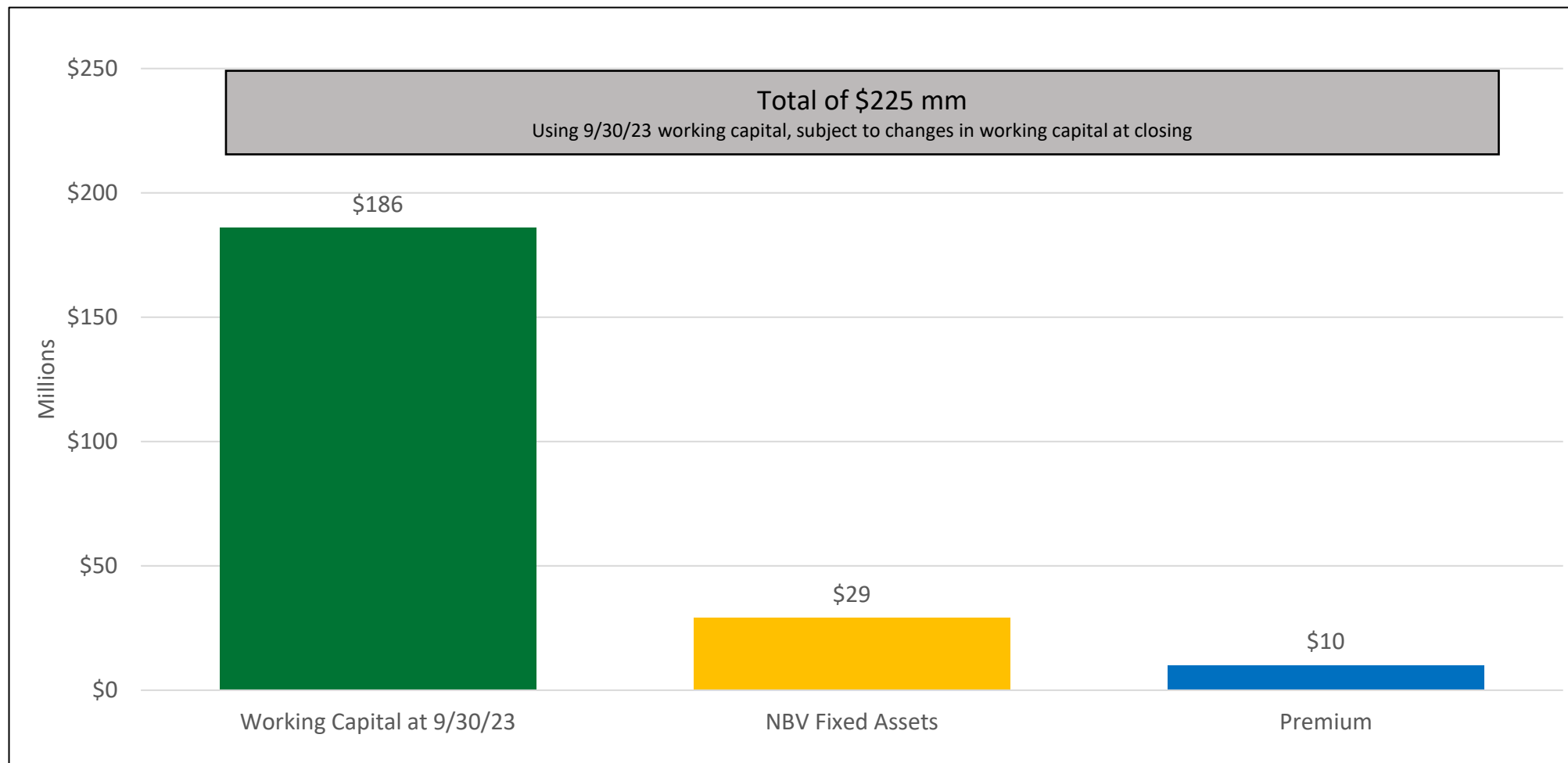
EXTENSION OF RUSSEL LOCATIONS INTO US NORTHEAST

- Samuel's US operations will provide an opportunity to extend Russel geography into the US Northeast and increase economies of scale in plate processing.



VALUE BREAKDOWN

- Over 80% of the purchase price is related to the working capital of the business.



ILLUSTRATIVE IMPLIED MULTIPLES

- Based on a range of EBITDA and invested capital scenarios, the following summarizes the implied purchase price multiples.

<i>Implied Purchase Price Multiple</i>		Annual EBITDA (\$mm)				
		\$27	\$30	\$33	\$36	\$39
Net Invested Capital (\$mm)	\$225	8.3x	7.5x	6.8x	6.3x	5.8x
	\$200	7.4x	6.7x	6.1x	5.6x	5.1x
	\$175	6.5x	5.8x	5.3x	4.9x	4.5x
	\$150	5.6x	5.0x	4.5x	4.2x	3.8x
	\$125	4.6x	4.2x	3.8x	3.5x	3.2x

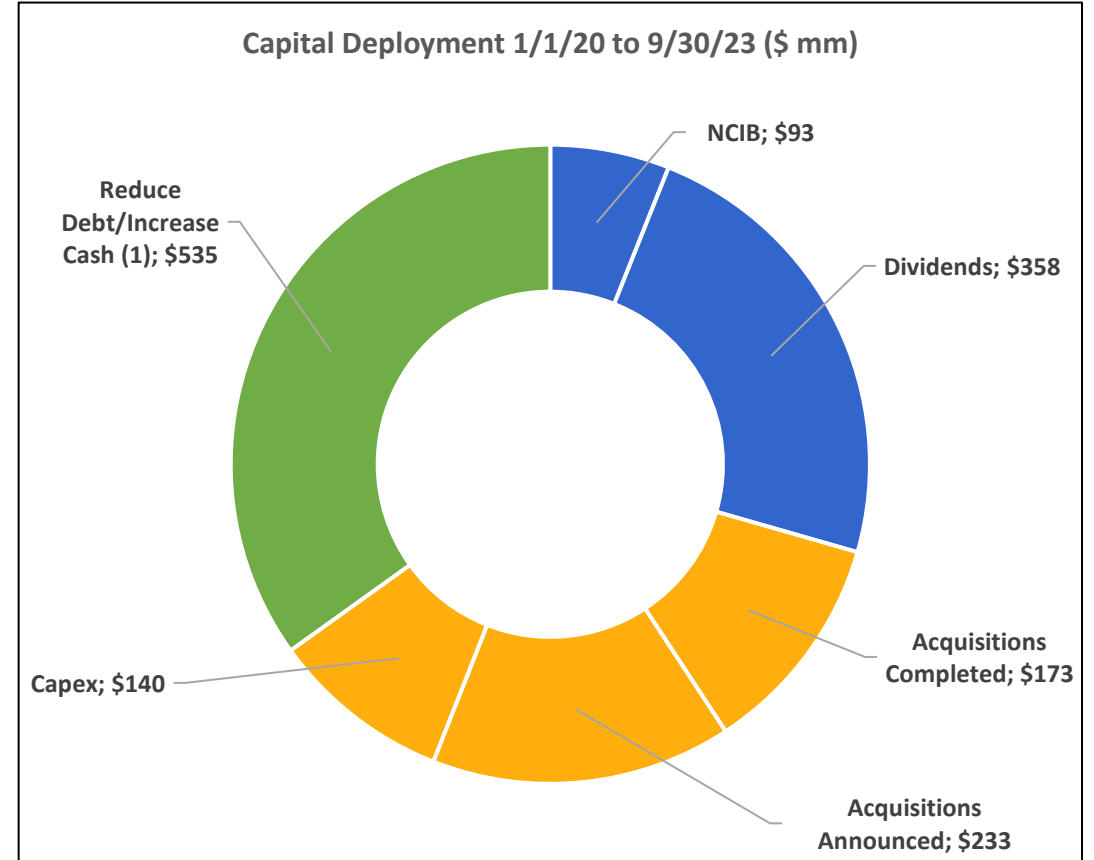
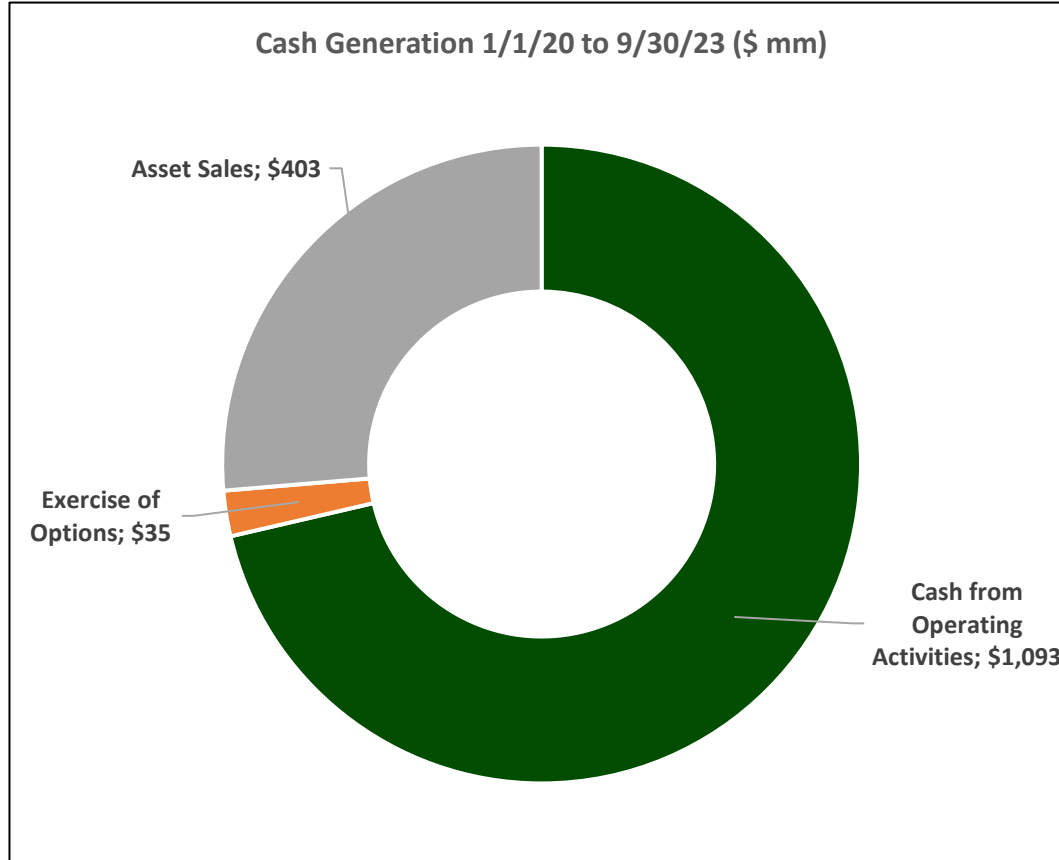
CAPITAL STRUCTURE SUMMARY

- Russel has significant financial capacity to complete the contemplated acquisition as well as pursue other capital deployment opportunities.

	9/30/23 (C\$ mm)
Cash	\$569
Bank Lines - Maturity 2025	--
5.75% Notes - Due 2025	\$149
6% Notes - Due 2026	\$148
Total Debt	\$297
Net Debt (Cash)	\$(272)
Shareholders' Equity	\$1,660
Net Debt/Invested Capital	<0%
Liquidity	\$965

CAPITAL ALLOCATION SUMMARY: 2020 - 2023

- Since the end of 2019, Russel has generated ~\$1.5 billion of cash and has substantially changed its capital structure and capital deployment approach.



(1) Pro forma for the impact of the post September 30, 2023 acquisition announcements.