RUSSEL METALS ANNOUNCES 2025 THIRD QUARTER RESULTS

FOR IMMEDIATE RELEASE

TORONTO, CANADA -- November 5, 2025 -- Russel Metals Inc. (RUS - TSX) announces financial results for three months ended September 30, 2025.

Revenues of $1.2 Billion; EBITDA of $75 Million; EPS of $0.63
$14 million of Share Buybacks and $24 million of Dividends
Strong Capital Structure with Liquidity of $600 Million
Year to Date Annualized Return on Capital of 16%

	Three Months Ended			Nine Months Ended	
	Sep 30 2025	Jun 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Revenues	$ 1,167	$ 1,207	$ 1,089	$ 3,548	$ 3,222
EBITDA [1]	75	108	67	269	237
Net income	35	60	35	138	134
Earnings per share	0.63	1.07	0.59	2.45	2.26

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.

The following table shows the reconciliation of net earnings in accordance with GAAP:

	Three Months Ended			Nine Months Ended	
($ millions, except per share data)	Sep 30 2025	Jun 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Net earnings	$ 35.0	$ 60.4	$ 34.5	$ 138.4	$ 134.1
Provision for income taxes	11.2	18.3	10.7	44.0	44.3
Interest (income) expense, net	5.4	5.9	2.4	16.0	3.7
EBIT [1]	51.6	84.6	47.6	198.4	182.1
Depreciation and amortization	23.4	23.2	19.8	70.1	55.1
EBITDA [1]	$ 75.0	$ 107.8	$ 67.4	$ 268.5	$ 237.2
Basic earnings per share	$ 0.63	$ 1.07	$ 0.59	$ 2.45	$ 2.26

[1] Defined in Non-GAAP Measures and Ratios

Our third quarter 2025 results reflected a continuing improvement of trend line metrics and we also recently announced two important strategic initiatives.

- Revenues were $1.2 billion in each of the first, second and third quarters of 2025, which represented a 10% increase over the comparable nine-month period in 2024.
- Our average gross margin for the first nine months of 2025 grew to 22.0% as compared to 21.0% in the first nine months of 2024.
- For the last twelve months ended September 30, 2025, our EBITDA was $330 million, which was the third consecutive quarter where we had an increase in the last twelve months results.
- The metal service centers generated solid shipments for the third quarter of 2025, even though it is typically a seasonally slower period. Our 2024 acquisitions resulted in a 21% increase in our shipments for the nine months ended September 30, 2025 as compared to the comparable period of 2024.
- In September, we announced a series of business improvement initiatives related to our Western Canadian operations, including the rationalization of locations in British Columbia and the related property sale. Once completed, we will have exceeded the upper end of our target capital reduction initiative from the 2024 acquisition of the Samuel branches.
- In early October, we announced an agreement to acquire seven service center locations from Kloeckner Metals Corporation ("Kloeckner") for approximately US$118.6 million, subject to closing working capital and other normal course adjustments. This acquisition is a complimentary fit with our existing U.S. locations, as they will tie into our footprint in key regions of Florida/Georgia, Texas, the Carolinas and Iowa/Wisconsin. Upon completion of this transaction, our average annual revenues will grow by approximately US$500 million and will expand the revenue contribution from our U.S. based businesses to over 50%.

In the third quarter of 2025, we generated $75 million in EBITDA, which was an increase from the $67 million generated in the third quarter of 2024 and a decrease from the $108 million generated in the second quarter of 2025. Our earnings per share of $0.63 for the three months ended September 30, 2025, was higher than the $0.59 per share recorded in the third quarter of 2024 but lower than the $1.07 per share reported in the second quarter of 2025. Our earnings per share for the nine months ended September 30, 2025, was $2.45 compared to $2.26 in the nine months ended September 30, 2024.

Our third quarter 2025 results were negatively impacted by a $4 million restructuring charge for the closure of our Delta (British Columbia) service center operation and a $2 million non-recurring expense by our Canadian steel distributor segment for tariffs applied against in-transit product from an overseas supplier. The tariff related to the Canadian government's introduction of new tariffs rules, which have since been modified. We have filed an appeal for a refund of these tariffs. Our results were positively impacted by an expense recovery of $2 million from the mark-to-market of stock-based compensation compared to an expense of $5 million in the 2025 second quarter and an expense of $5 million in the third quarter of 2024.

Revenues of $1.2 billion in the third and second quarter of 2025 were higher than the $1.1 billion generated in the third quarter of 2024. This improvement reflected full quarter contributions from our Samuel and Tampa Bay Steel acquisitions compared to the same period in 2024.

For the first nine months of 2025, we generated an annualized return on invested capital of 16%, which aligns with our target average cycle return of greater than 15%, and was similar to the 17% generated in the comparable period of 2024.

During our 2025 third quarter, we generated $70 million of cash from operating activities before non-cash working capital and generated $5 million from non-cash working capital. We invested $15 million for capital expenditures to further our internal growth initiatives and returned $38 million of capital to our shareholders through share repurchases and dividends.

Market Conditions

Market prices for our steel and aluminum products were positively impacted by the imposition of tariffs during the early part of 2025. Following a period of steel price moderation in the later part of the second quarter and early part of the third quarter, prices have since stabilized.

Capital Investment Growth Initiatives

On September 28, 2025, we announced that we had entered into an agreement with Kloeckner to purchase seven U.S. metals service centers for US$51.5 million plus the net book value of working capital on close. These metals service centers are located in Dubuque (Iowa), Charlotte (North Carolina), Suwanee (Georgia), Houston (Texas), Austin (Texas), Jacksonville (Florida) and Pompano Beach (Florida). The transaction is expected to close in either the 2025 fourth quarter or the 2026 first quarter.

During the three months ended September 30, 2025, we invested $15 million in capital expenditures and for the nine months ended September 30, 2025, we invested $60 million in capital expenditures. We have an active pipeline of both facility modernization and value-added processing projects. Most of the previously announced facility modernization projects were completed in the 2025 first quarter and additional projects are being further explored.

Business Improvement Initiatives in Western Canada

On September 17, 2025, we announced a series of initiatives relating to our Western Canadian metals service center operations that will rationalize excess capacity/redundant locations, reduce invested capital and gain operational efficiencies. These initiatives include the sale of two properties, Delta (British Columbia) and Saskatoon (Saskatchewan), for total cash proceeds of greater than $40 million and will result in gains on sale for each transaction upon their completions. These properties have been recorded as assets held for sale as we have entered into binding sale agreements for both properties. The Saskatoon location was redundant real estate because of the completion of our new Saskatoon location. The Delta location will be permanently closed, and we have recorded a restructuring provision of $4 million in the 2025 third quarter relating to this closure.

Returning Capital to Shareholders

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

In the 2025 third quarter, we paid dividends of $24 million or $0.43 per share. We have declared our quarterly dividend of $0.43 per share payable on December 15, 2025, to shareholders of record at the close of business on November 27, 2025.

In the third quarter of 2025, we repurchased 0.3 million shares at an average price per share of $41.43 for total consideration of $14 million (excluding the impact of the federal tax on share repurchases). For the nine months ended September 30, 2025, we repurchased 1.5 million shares at an average price per share of $41.26 for a total consideration of $61.4 million. In the period since the August 2022 normal course issuer bid was established, we have purchased approximately 8.0 million shares, which represents approximately 13% of our then outstanding shares, at an average price per share of $37.77 for total consideration of $302 million.

Liquidity and Capital Structure

At September 30, 2025, our total available liquidity was $600 million and after accounting for the pro forma impact of the Kloeckner acquisition, would be $435 million. On October 27, 2025, S&P Global upgraded our credit rating from BB+ to BBB-. As a result, we are now rated as an investment grade credit by both S&P Global and DBRS Morningstar.

Outlook

During the early part of 2025, steel prices substantially increased as a result of the tariffs imposed by the U.S. government. Future steel price changes may be impacted by further changes in such tariffs.

Our metal service center gross margins moderated in the third quarter as the lag effect of higher steel prices increased inventory cost and resulted in lower margins in the third quarter as compared to the second quarter of 2025. Margins stabilized over the last two months of the third quarter. The fourth quarter of 2025 margins are expected to be relatively consistent with margins that we realized towards the end of the third quarter, which was lower than the third quarter average margin. Our shipment levels experienced a seasonal reduction in the third quarter of 2025 as compared to the second quarter of 2025, due to normal holiday schedules in both Canada and the U.S. We expect the fourth quarter of 2025 to exhibit typical seasonal patterns with fewer operating days in the fourth quarter as compared to the third quarter.

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. In addition, we are positioned to gain market share through our ongoing investments in value-added equipment, facility modernizations and acquisitions. After the close of the Kloeckner acquisition, we will benefit from an increased presence in the U.S.

Our energy field stores are expected to continue to benefit from solid energy activity in the fourth quarter of 2025 and into 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 6, 2025, at 9:00 a.m. ET to review its 2025 third quarter results. 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 20, 2025. You will be required to enter pass code 30448# 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 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 September 30 2025	Three Months Ended September 30 2024	Nine Months Ended September 30 2025	Nine Months Ended September 30 2024
Revenues	$ 1,166.9	$ 1,089.4	$ 3,547.8	$ 3,222.0
Cost of materials	920.7	874.5	2,767.7	2,543.9
Employee expenses	111.6	105.7	346.6	294.6
Other operating expenses	83.0	61.6	235.1	201.4
Earnings before interest and provision for income taxes	51.6	47.6	198.4	182.1
Interest expense, net	5.4	2.4	16.0	3.7
Earnings before provision for income taxes	46.2	45.2	182.4	178.4
Provision for income taxes	11.2	10.7	44.0	44.3
Net earnings for the period	$ 35.0	$ 34.5	$ 138.4	$ 134.1
Basic earnings per common share	$ 0.63	$ 0.59	$ 2.45	$ 2.26
Diluted earnings per common share	$ 0.63	$ 0.59	$ 2.45	$ 2.26

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in millions of Canadian dollars)	Three Months Ended September 30 2025	Three Months Ended September 30 2024	Nine Months Ended September 30 2025	Nine Months Ended September 30 2024
Net earnings for the period	$ 35.0	$ 34.5	$ 138.4	$ 134.1
Other comprehensive (loss) income				
Items that may be reclassified to earnings				
Unrealized foreign exchange gains (losses) on translation of foreign operations	21.9	(13.5)	(34.2)	18.2
Items that may not be reclassified to earnings				
Actuarial (losses) gains on pension and similar obligations, net of taxes	(0.3)	(0.6)	(3.1)	3.3
Other comprehensive income (loss)	21.6	(14.1)	(37.3)	21.5
Total comprehensive income	$ 56.6	$ 20.4	$ 101.1	$ 155.6

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(in millions of Canadian dollars)	September 30 2025	December 31 2024
ASSETS		
Current		
Cash and cash equivalents	$ 211.6	$ 45.6
Accounts receivable	585.9	490.4
Inventories	972.5	919.8
Prepaids and other	28.8	29.0
Income taxes receivable	3.6	14.5
Assets held for sale	4.9	-
	1,807.3	1,499.3
Property, Plant and Equipment	494.1	492.4
Right-of-Use Assets	142.0	157.0
Deferred Income Tax Assets	0.5	0.8
Pension and Benefits	38.7	45.5
Financial and Other Assets	5.1	5.9
Goodwill and Intangible Assets	135.1	145.8
Total Assets	$ 2,622.8	$ 2,346.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	$ -	$ 13.4
Accounts payable and accrued liabilities	464.0	442.1
Short-term lease obligations	24.0	22.4
Income taxes payable	11.0	0.7
	499.0	478.6
Long-Term Debt	298.2	-
Pensions and Benefits	1.4	1.5
Deferred Income Tax Liabilities	21.0	25.8
Long-Term Lease Obligations	147.5	161.0
Provisions and Other Non-Current Liabilities	30.6	21.4
Total Liabilities	997.7	688.3
Shareholders' Equity		
Common shares	514.8	528.1
Retained earnings	933.0	918.7
Contributed surplus	9.9	10.0
Accumulated other comprehensive income	167.4	201.6
Total Shareholders' Equity	1,625.1	1,658.4
Total Liabilities and Shareholders' Equity	$ 2,622.8	$ 2,346.7

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

(in millions of Canadian dollars)	Three Months Ended September 30 2025	Three Months Ended September 30 2024	Nine Months Ended September 30 2025	Nine Months Ended September 30 2024
Operating Activities				
Net earnings for the period	$ 35.0	$ 34.5	$ 138.4	$ 134.1
Depreciation and amortization	23.4	19.8	70.1	55.1
Provision for income taxes	11.2	10.7	44.0	44.3
Interest expense, net	5.4	2.4	16.0	3.7
Gain on sale of property, plant and equipment	(0.3)	(0.2)	(0.8)	(0.6)
Difference between pension expense and amount funded	1.0	0.8	2.4	2.1
Interest paid net, including interest on lease obligations	(5.3)	(1.6)	(12.4)	(3.7)
Cash from operating activities before non-cash working capital	70.4	66.4	257.7	235.0
Changes in Non-Cash Working Capital Items				
Accounts receivable	(18.1)	(0.3)	(101.4)	(37.4)
Inventories	45.8	48.1	(65.5)	36.9
Accounts payable and accrued liabilities	(26.8)	56.8	28.8	46.2
Other	4.4	2.5	0.2	2.7
Change in non-cash working capital	5.3	107.1	(137.9)	48.4
Income tax paid, net	(12.9)	(10.8)	(25.7)	(49.6)
Cash from operating activities	62.8	162.7	94.1	233.8
Financing Activities				
Issue of common shares	-	-	0.3	1.6
Repurchase of common shares	(14.0)	(47.1)	(62.6)	(119.0)
Dividends on common shares	(24.0)	(24.5)	(72.1)	(73.6)
Decrease in bank indebtedness	-	-	(13.4)	-
Issuance (repayment) of long-term debt	-	-	300.0	(150.0)
Deferred financing costs	-	(1.8)	(1.9)	(1.8)
Lease obligations	(5.9)	(5.2)	(17.5)	(14.5)
Cash (used in) from financing activities	(43.9)	(78.6)	132.8	(357.3)
Investing Activities				
Purchase of property, plant and equipment	(15.0)	(21.0)	(60.0)	(69.0)
Proceeds on sale of property, plant and equipment	0.4	0.5	1.3	1.0
Purchase of business	-	(222.9)	-	(222.9)
Cash used in investing activities	(14.6)	(243.4)	(58.7)	(290.9)
Effect of exchange rates on cash and cash equivalents	12.8	(4.6)	(2.2)	7.5
Increase (decrease) in cash and cash equivalents	17.1	(163.9)	166.0	(406.9)
Cash and cash equivalents, beginning of the period	194.5	386.2	45.6	629.2
Cash and cash equivalents, end of the period	$ 211.6	$ 222.3	$ 211.6	$ 222.3

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, 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

(in millions of Canadian dollars)	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2024	$ 556.3	$ 954.6	$ 10.3	$ 118.7	$ 1,639.9
Payment of dividends	-	(73.6)	-	-	(73.6)
Net earnings for the period	-	134.1	-	-	134.1
Other comprehensive income for the period	-	-	-	21.5	21.5
Share options exercised	1.9	-	(0.3)	-	1.6
Shares repurchased	(27.5)	(91.5)	-	-	(119.0)
Transfer of net actuarial gains on defined benefit plans	-	3.3	-	(3.3)	-
Balance, September 30, 2024	$ 530.7	$ 926.9	$ 10.0	$ 136.9	$ 1,604.5