

## **RUSSEL METALS TO ACQUIRE SEVEN SERVICE CENTERS IN WESTERN CANADA AND THE US NE FROM SAMUEL, SON & CO., LIMITED**

- **Estimated Purchase Price of \$225 Million (Includes \$186 Million of Working Capital)**
- **Five Locations in Western Canada and Two Locations in the US Northeast**
- **Complementary Geographic and Product Fit**
- **Increases Non-Ferrous Business and Extends Value-Added Processing Capabilities in Western Canada**
- **Extends Geographic Footprint into US Northeast**

### **FOR IMMEDIATE RELEASE**

TORONTO, CANADA – December 4, 2023 – Russel Metals Inc. (RUS – TSX) announces that it has entered into an agreement to acquire seven service center locations from Samuel, Son & Co., Limited (“Samuel”) for approximately \$225 million, subject to closing working capital and other normal course adjustments. The purchase price is based on the net book value of the working capital which was approximately \$186 million at September 30, 2023, plus the net book value of the related equipment and machinery for \$29 million plus an additional \$10 million.

Russel will acquire Samuel’s metals service centers in Winnipeg (Manitoba), Calgary (Alberta), Nisku (Alberta), Langley (BC), Surrey (BC), Buffalo (New York) and Pittsburgh (Pennsylvania). Samuel will retain its location in Delta (BC) and conduct an orderly shut-down of that facility. For the year ended December 31, 2022, the seven service centers that are part of the transaction generated revenues and adjusted EBITDA<sup>1</sup> of \$704 million and \$33 million, respectively. For the nine months ended September 30, 2023, the business generated revenues and adjusted EBITDA<sup>1</sup> of \$457 million and \$19 million, respectively.

John Reid, President and CEO of Russel Metals commented, "Over the past several years, we’ve reviewed a significant number of potential acquisition opportunities and are excited to announce this transaction, as our respective businesses are very complementary from both geographic and product mix perspectives. We look forward to having the approximately 340 Samuel employees join the Russel family.

In Western Canada, Samuel’s five locations will be a strong fit with our current footprint, including providing new opportunities to benefit from Samuel’s focus on non-ferrous products and Russel’s focus on value-added processing. In the US Northeast, the two locations will provide an eastern extension of our existing operations in the US Mid-West. In addition, we believe there will be opportunities to achieve operating efficiencies by more effectively managing the combined footprint, including enhanced inventory management, procurement, location integration/rationalization, and systems. These reorganization initiatives are expected to be implemented over a two-year period."

The transaction will be financed from our cash on hand, which totaled \$569 million on September 30, 2023. The transaction is subject to Canadian regulatory clearance as well as other customary closing conditions and is expected to close in the first or second quarter of 2024.

Additional supplemental financial information related to this announcement will be available in our investor conference call section on our website at [www.russelmetals.com](http://www.russelmetals.com).

### ***Investor Conference Call***

The Company will be holding an Investor Conference Call on Monday, December 4, 2023, at 9:00 a.m. ET to discuss the transaction. 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.

<sup>1</sup> Represents earnings before non-recurring items, interest, income taxes, depreciation and amortization.

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, Monday, December 18, 2023. You will be required to enter pass code 833981# to access the call.

### **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 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 press release. 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 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.*

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