

RUSSEL METALS ANNOUNCES 2022 FIRST QUARTER RESULTS

FOR IMMEDIATE RELEASE

TORONTO, CANADA -- May 3, 2022 -- Russel Metals Inc. (RUS - TSX) announces financial results for three months ended March 31, 2022.

**Record Revenues of \$1,339 Million and EBITDA¹ of \$153 Million
Strong Capital Structure with Liquidity¹ of \$457 Million**

	Three Months Ended		
	Mar 31 2022	Dec 31 2021	Mar 31 2021
Revenues	\$ 1,339	\$ 1,147	\$ 885
EBITDA ¹	153	162	129
Net earnings	99	102	81
Earnings per share	1.56	1.62	1.29
Dividends paid per common share	0.38	0.38	0.38

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 International Financial Reporting 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, Adjusted EBITDA and Liquidity and are defined below. Refer to Non-GAAP Measures and Ratios and Adjusted Non-GAAP Measures on page 2 of our Management Discussion and Analysis.

EBIT - represents net earnings before interest and income taxes.

Adjusted EBIT - represents net earnings before asset impairment, interest and, income taxes.

EBITDA - represents net earnings before interest, income taxes, depreciation and amortization.

Adjusted EBITDA - we adjust our EBITDA to remove the impact of long-lived asset impairment, to calculate the Adjusted EBITDA.

Adjusted Net Earnings - we adjust our reported net earnings to remove long-lived asset impairment, net of income taxes, to calculate adjusted net earnings.

Adjusted Net Earnings Per Share - we adjust our reported net earnings to remove the impact of long-lived asset impairment, net of income taxes, to calculate the adjusted net earnings per share.

Liquidity - represents cash on hand less bank indebtedness plus excess availability under our bank credit facility.

The following table shows the reconciliation of net earnings in accordance with GAAP to Adjusted EBITDA for 2022 and 2021:

<i>(millions)</i>	Three Months Ended March 31	
	2022	2021
Net earnings	\$ 98.7	\$ 80.6
Provision for income taxes	31.9	27.5
Interest and finance expense	6.7	6.4
EBIT ¹	137.3	114.5
Depreciation and amortization	15.8	14.5
EBITDA ¹	\$ 153.1	\$ 129.0

¹ Defined in Non-GAAP Measures and Ratios

Our basic earnings per share of \$1.56 for the quarter ended March 31, 2022, was higher than the \$1.29 per share recorded in the first quarter of 2021 and lower than the \$1.62 reported in the fourth quarter of 2021. Revenues of \$1,339 million were a record and higher than the \$885 million experienced in the first quarter of 2021 and the \$1,147 million in the fourth quarter of 2021. Our gross margins were 21.7% for the first quarter of 2022, which were higher than historical averages but lower than the 28.8% in the same quarter of 2021 and 26.1% in the fourth quarter of 2021. Steel market conditions rebounded significantly late in the 2022 first quarter and resulted in both revenues and margins for the last month of the quarter being higher than the average for the quarter. Our Adjusted EBITDA, which equaled EBITDA, for the quarter was \$153 million compared to Adjusted EBITDA of \$129 million in the same quarter of 2021 and \$164 million in the fourth quarter of 2021.

Each of our business segments generated strong operating results in the first quarter of 2022. Metals service centers had a quarter-over-quarter increase in tons shipped of 13% on a same store basis and 19% after taking into account a full quarter contribution from the acquisition of Boyd Metals ("Boyd"). This was accomplished in spite of weather and COVID related challenges that impacted shipping activities in the early part of the quarter. The steel distributors segment benefited from supply chain disruptions that continued to affect steel availability and our business was able to serve strong customer demand. In our energy products segment, the improved prices and activity in both Canada and the U.S. allowed our business to generate higher quarter-over-quarter revenues as it benefited from the continued recovery of the energy industry.

Market Conditions

Steel prices moderated through the early part of the 2022 first quarter but rebounded significantly during March 2022, due to reduced inventory in the supply chain, further global supply chain disruptions caused by the Russian invasion of Ukraine and strong demand. In the energy sector, operating conditions continued to improve in conjunction with the increased activity in the oil and gas sector.

Liquidity and Capital Structure Improvements

During the 2022 first quarter, we generated \$43 million of cash from operating activities and ended the quarter with total available liquidity of \$457 million.

Business Optimization

On March 31, 2022, we divested Apex Western Fiberglass Inc. ("AWF"), which was a part of our energy segment, for cash consideration of \$10 million. There was no gain or loss on sale as cash proceeds equaled the net book value. We completed the sale to further refine our business portfolio and enhance our return on capital over the cycle, since AWF's returns did not meet our criteria.

Declaration of Quarterly Dividends

The Board of Directors approved a quarterly dividend of \$0.38 per common share payable June 15, 2022, to shareholders of record as of May 27, 2022. We will continue our practice of prudently reviewing our dividend and ensure that it is supported by a strong balance sheet and cash flows.

Outlook

Demand remains strong for our metals service centers segment. Over the past year, steel prices and our margin dollars have remained above historic levels, and we expect both to remain above historical levels over the near term. New projects in the oil and gas sector and a short spring breakup should result in gradually improving demand in our energy products segment over the near-to-medium term.

Investor Conference Call

The Company will be holding an Investor Conference Call on Wednesday, May 4, 2022, at 9:00 a.m. ET to review its 2022 first quarter results. 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.

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, Wednesday, May 18, 2022. You will be required to enter pass code 934317# 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 products 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 products operations 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: the volatility in metal prices; volatility in oil and natural gas prices; cyclicity of the metals industry; capital budgets in the energy industry; pandemics and epidemics; climate change; product claims; significant competition; sources of metals supply; manufacturers selling directly; material substitution; credit risk; currency exchange risk; restrictive debt covenants; asset impairments; the unexpected loss of key individuals; decentralized operating structure; future acquisitions; the failure of our key computer-based systems, labour interruptions; laws and governmental regulations; litigious environment; environmental liabilities; carbon emissions; health and safety laws and regulations; and common share risks.

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.sedar.com.

If you would like to **unsubscribe** from receiving Press Releases, you may do so by emailing info@russelmetals.com; or by calling our Investor Relations Line: 905-816-5178.

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CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

	Three Months Ended March 31	
	2022	2021
<i>(in millions of Canadian dollars, except per share data)</i>		
Revenues	\$ 1,338.6	\$ 885.4
Cost of materials	1,048.3	630.3
Employee expenses	101.0	84.6
Other operating expenses	58.0	56.0
Share of (earnings) from joint venture	(6.0)	-
Earnings before interest and provision for income taxes	137.3	114.5
Interest expense	6.7	6.4
Earnings before provision for income taxes	130.6	108.1
Provision for income taxes	31.9	27.5
Net earnings for the period	\$ 98.7	\$ 80.6
Basic earnings per common share	\$ 1.56	\$ 1.29
Diluted earnings per common share	\$ 1.56	\$ 1.29

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended March 31	
	2022	2021
<i>(in millions of Canadian dollars)</i>		
Net earnings for the period	\$ 98.7	\$ 80.6
Other comprehensive income		
Items that may be reclassified to earnings		
Unrealized foreign exchange losses on translation of foreign operations	(10.0)	(6.4)
Items that may not be reclassified to earnings		
Actuarial gains on pension and similar obligations, net of taxes	8.8	16.5
Other comprehensive (loss) income	(1.2)	10.1
Total comprehensive income	\$ 97.5	\$ 90.7

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	March 31 2022	December 31 2021
ASSETS		
Current		
Cash and cash equivalents	\$ 146.2	\$ 133.1
Accounts receivable	663.0	554.1
Inventories	894.0	986.0
Prepaid and other	30.9	30.3
Income taxes receivable	8.2	16.1
	1,742.3	1,719.6
Property, Plant and Equipment	299.6	302.4
Right-of-Use Assets	92.4	86.7
Investment in Joint Venture	43.6	37.6
Deferred Income Tax Assets	1.3	1.5
Pension and Benefits	41.2	29.5
Financial and Other Assets	4.9	5.0
Goodwill and Intangibles	128.4	132.2
	\$ 2,353.7	\$ 2,314.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 570.4	\$ 557.7
Short-term lease obligations	14.4	15.8
Income taxes payable	7.8	66.7
	592.6	640.2
Long-Term Debt	295.1	294.8
Pensions and Benefits	3.1	3.4
Deferred Income Tax Liabilities	22.6	19.6
Long-term Lease Obligations	99.3	93.7
Provisions and Other Non-Current Liabilities	18.8	14.5
	1,031.5	1,066.2
Shareholders' Equity		
Common shares	571.4	571.0
Retained earnings	658.7	575.2
Contributed surplus	12.1	12.1
Accumulated other comprehensive income	80.0	90.0
Total Shareholders' Equity	1,322.2	1,248.3
Total Liabilities and Shareholders' Equity	\$ 2,353.7	\$ 2,314.5

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Three Months Ended March 31	
	2022	2021
Operating activities		
Net earnings for the period	\$ 98.7	\$ 80.6
Depreciation and amortization	15.8	14.5
Provision for income taxes	31.9	27.5
Interest expense	6.7	6.4
Gain on disposal of property, plant and equipment	(0.2)	(0.2)
Share of (earnings) from joint venture	(6.0)	-
Share-based compensation	0.1	-
Difference between pension expense and amount funded	-	0.3
Debt accretion, amortization and other	0.3	0.3
Interest paid, including interest on lease obligations	(6.4)	(6.3)
Cash from operating activities before non-cash working capital	140.9	123.1
Changes in non-cash working capital items		
Accounts receivable	(115.0)	(127.7)
Inventories	81.3	(10.8)
Accounts payable and accrued liabilities	18.9	124.6
Other	(0.6)	(2.7)
Change in non-cash working capital	(15.4)	(16.6)
Income taxes paid, net	(82.9)	(10.5)
Cash from operating activities	42.6	96.0
Financing activities		
Issue of common shares	0.3	-
Dividends on common shares	(24.0)	(23.7)
Deferred financing	(0.1)	-
Lease obligations	(5.6)	(3.9)
Cash used in financing activities	(29.4)	(27.6)
Investing activities		
Purchase of property, plant and equipment	(8.2)	(5.9)
Proceeds on sale of property, plant and equipment	0.5	0.4
Sale of business	9.7	-
Cash from (used in) investing activities	2.0	(5.5)
Effect of exchange rates on cash and cash equivalents	(2.1)	3.1
Increase in cash and cash equivalents	13.1	66.0
Cash and cash equivalents, beginning of the period	133.1	26.3
Cash and cash equivalents, end of the period	\$ 146.2	\$ 92.3

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2022	\$ 571.0	\$ 575.2	\$ 12.1	\$ 90.0	\$ 1,248.3
Payment of dividends	-	(24.0)	-	-	(24.0)
Net earnings for the period	-	98.7	-	-	98.7
Other comprehensive loss for the period	-	-	-	(1.2)	(1.2)
Recognition of share-based compensation	-	-	0.1	-	0.1
Share options exercised	0.4	-	(0.1)	-	0.3
Transfer of net actuarial gains on defined benefit plans	-	8.8	-	(8.8)	-
Balance, March 31, 2022	\$ 571.4	\$ 658.7	\$ 12.1	\$ 80.0	\$ 1,322.2

<i>(in millions of Canadian dollars)</i>	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2021	\$ 546.2	\$ 212.5	\$ 15.7	\$ 90.3	\$ 864.7
Payment of dividends	-	(23.7)	-	-	(23.7)
Net earnings for the period	-	80.6	-	-	80.6
Other comprehensive income for the period	-	-	-	10.1	10.1
Transfer of net actuarial gains on defined benefit plans	-	16.5	-	(16.5)	-
Balance, March 31, 2021	\$ 546.2	\$ 285.9	\$ 15.7	\$ 83.9	\$ 931.7