



COMPANY UPDATE

AUGUST 2020

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain statements made on this conference call 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 our 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 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.

Our actual results could differ materially from those anticipated in our forward-looking statements including as a result of the risk factors described below, in our MD&A and in our Annual Information Form.

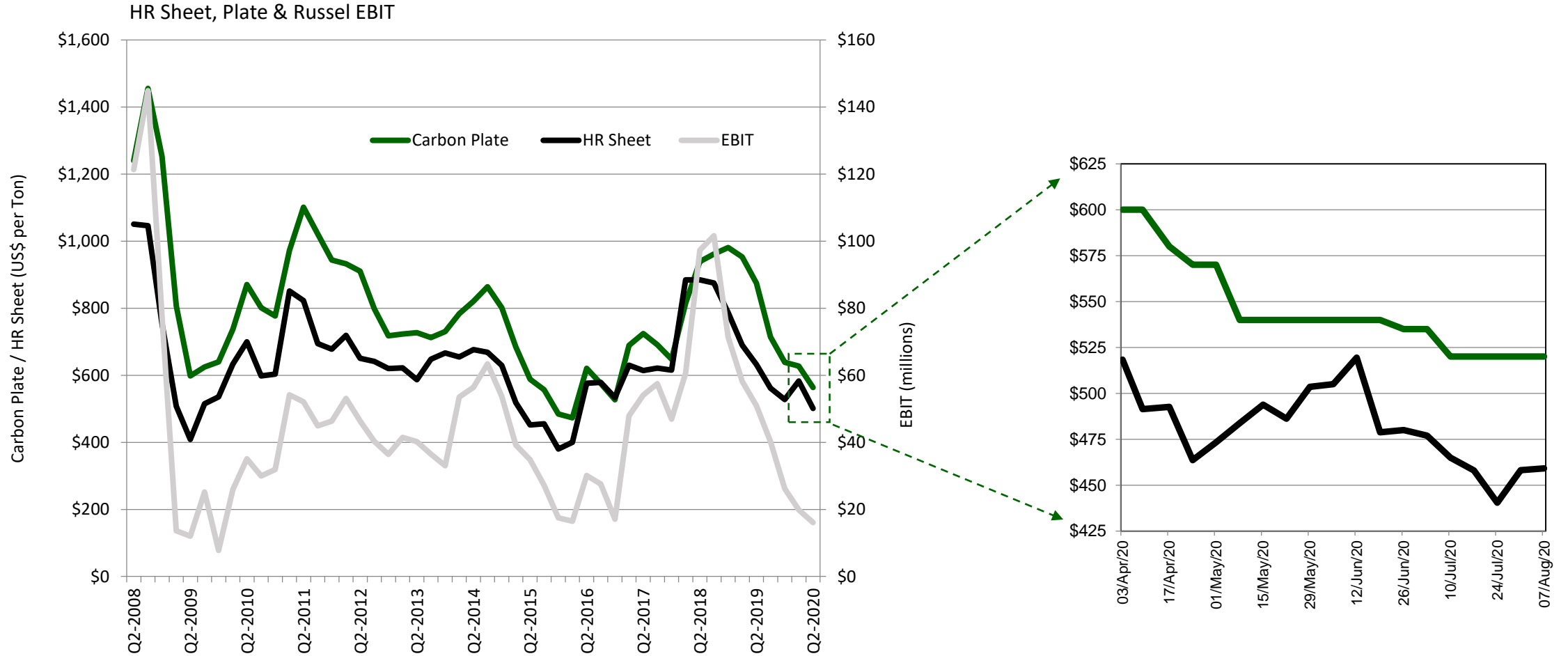
While we believe that the expectations reflected in our forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct, and our forward-looking statements included in this call should not be unduly relied upon. These statements speak only as of the date of this call and, except as required by law, we do not assume any obligation to update our forward-looking statements.

Risk Factors - 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; 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 risk.



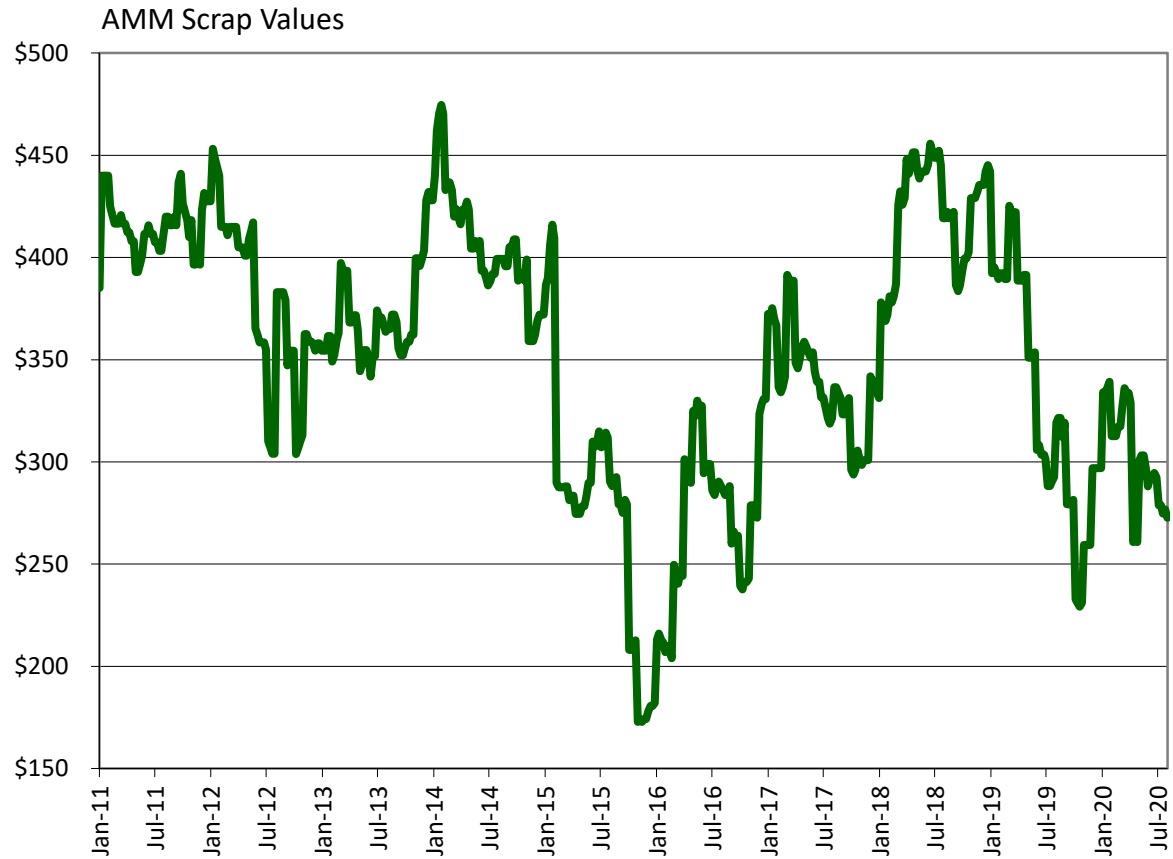
MARKET TRENDS

STEEL PRICES VS. RUSSEL EBIT

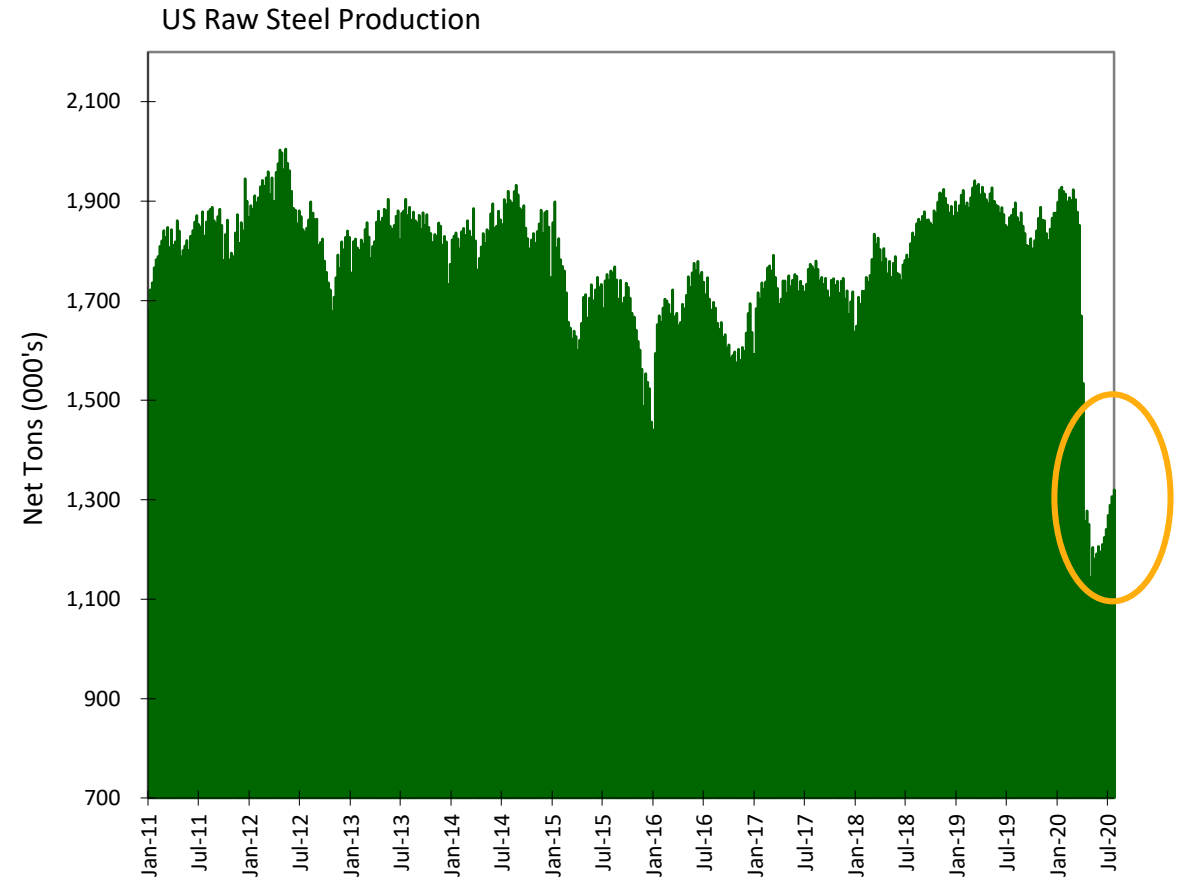


Adjusted EBIT Q3-19 and Q4-19
Source: American Metal Market

SCRAP AND STEEL PRODUCTION

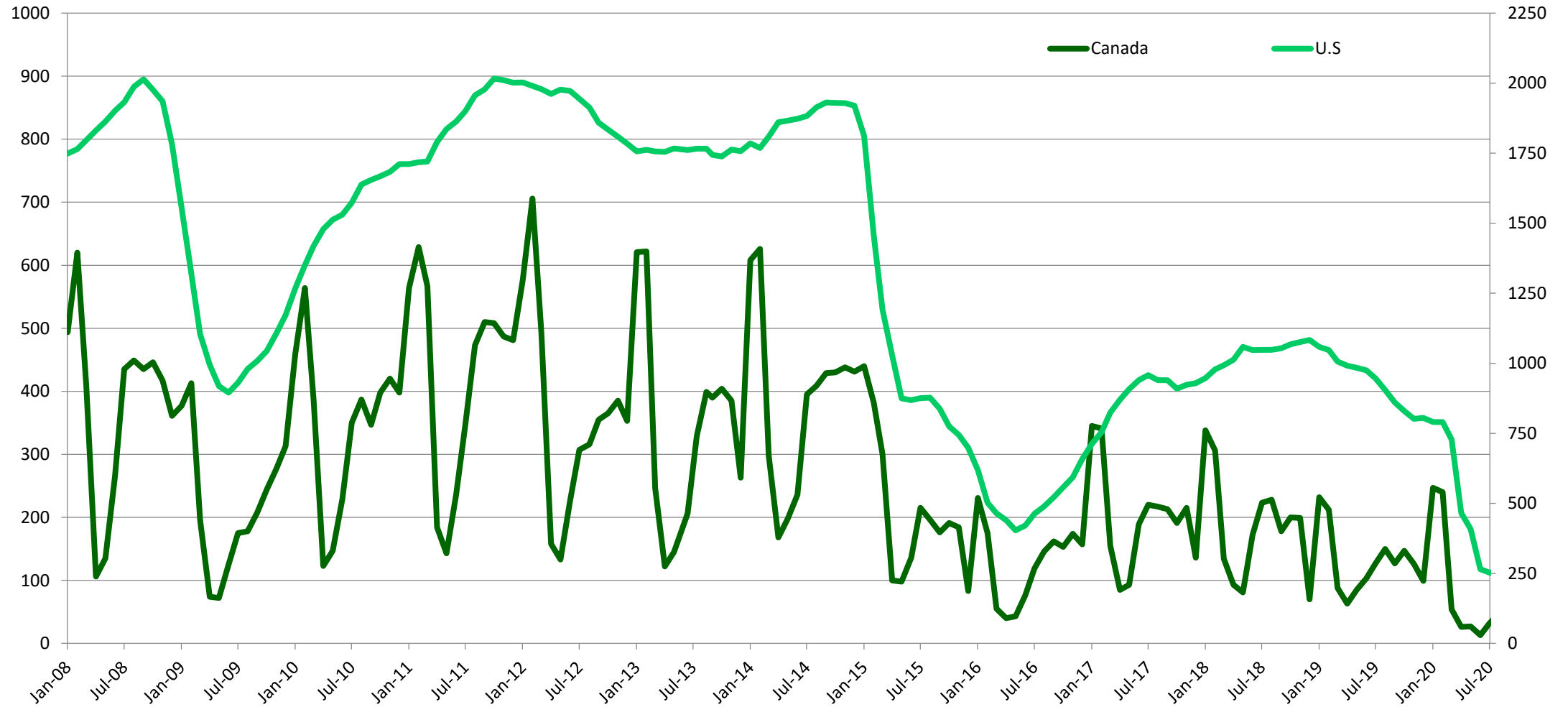


Source: American Metal Market



Source: American Metal Market

NORTH AMERICAN RIG COUNTS





COMPANY OVERVIEW

SUMMARY OBSERVATIONS

Proactively approached the COVID-19 challenges:

- Implemented the appropriate protocols for the health and safety of our employees, customers and suppliers
- Deemed an essential service, but customer demand declined in late Q1/early Q2
- Adjusted operating schedules, staffing and inventories on order

The flexible business model is working:

- Value-added processing – high return projects
- Variable cost structure – compensation adjusts with market conditions
- Countercyclical cash flows – working capital reduction
- Diversified across N. America – economies are coming back at various stages

Strong capital structure:

- Net debt to invested capital of 28%
- Liquidity of \$478 million

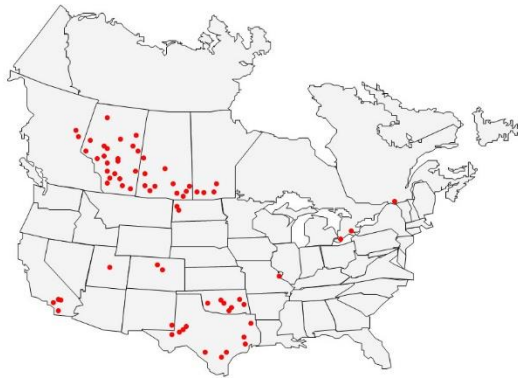
BUSINESS OVERVIEW

We are one of the largest metals distribution and processing companies in North America.

Metals Service Centers



Energy Products



Steel Distributors



SERVICE CENTER/ DISTRIBUTION COMPETITORS

Ranked by Revenue

(in billions)

	2019	2018
Reliance Steel & Aluminum Co.	\$ 11.0	\$ 11.5
Ryerson Inc.	4.5	4.4
MRC Global	3.7	4.2
Russel Metals Inc. *	3.7	4.2
Samuel, Son & Co. *		4.0
Worthington Steel Co.	3.8	3.6
Klockner (North America)	2.2	3.2
NOW Inc.	2.9	3.1
ThyssenKrupp Materials NA, Inc.	2.5	3.0
O'Neal Steel Inc.		2.7
Steel Technologies LLC		2.6
Alro Steel Corp.		2.0
Olympic Steel Inc.	1.6	1.7

* Noted in Canadian Funds

Source: Metals Center News or public data

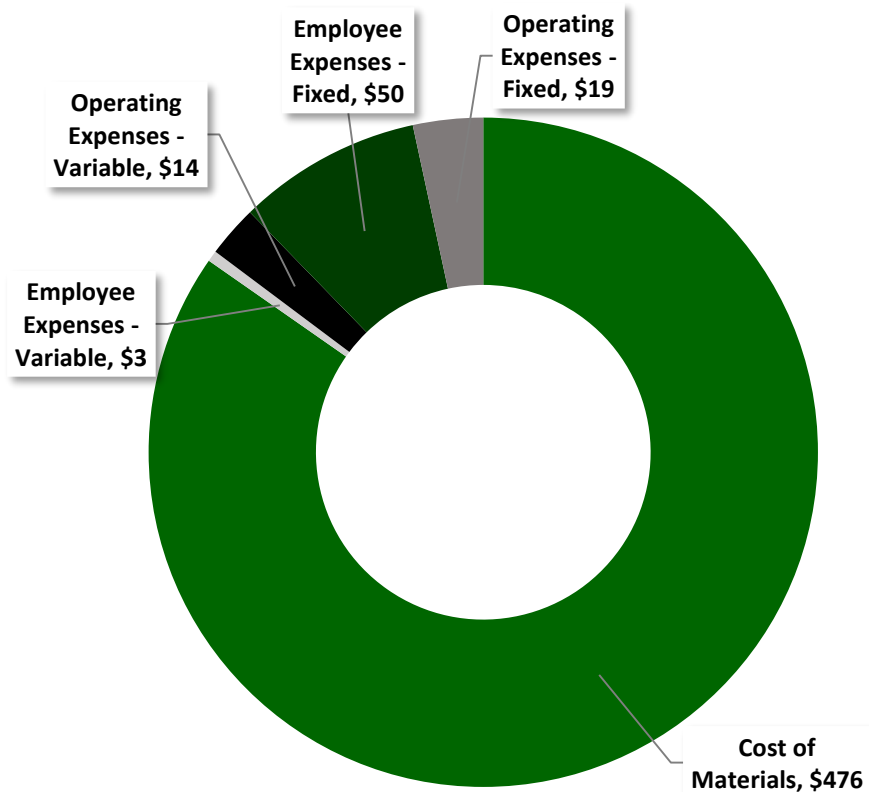
2019 information for private companies not available at this time

VALUE-ADDED PROCESSING

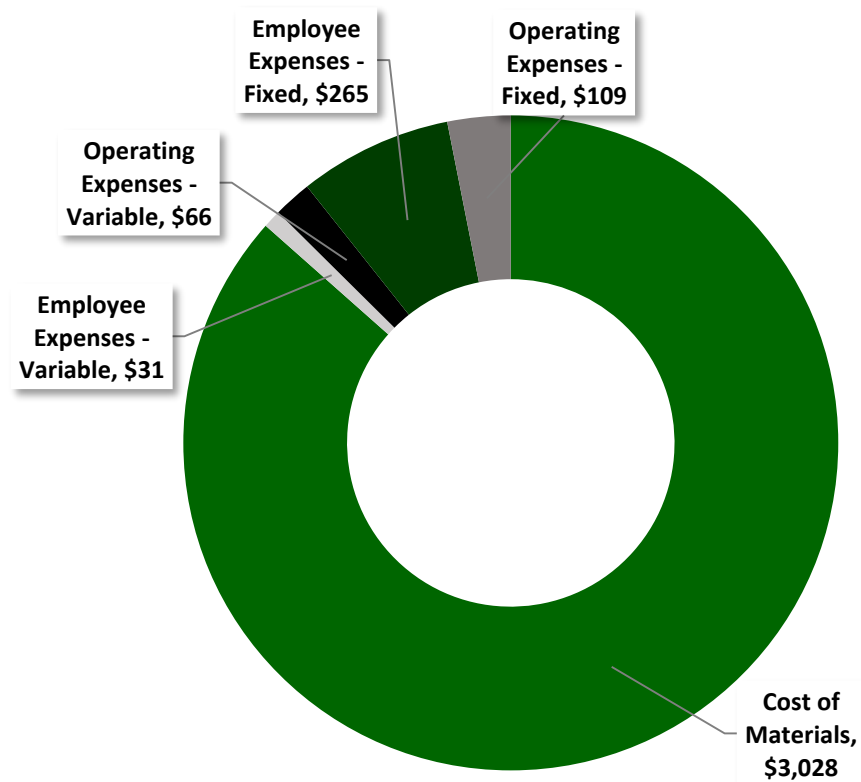


VARIABLE COST MODEL – BREAKDOWN OF CASH COSTS

THREE MONTHS ENDED JUNE 30, 2020
\$562 Million



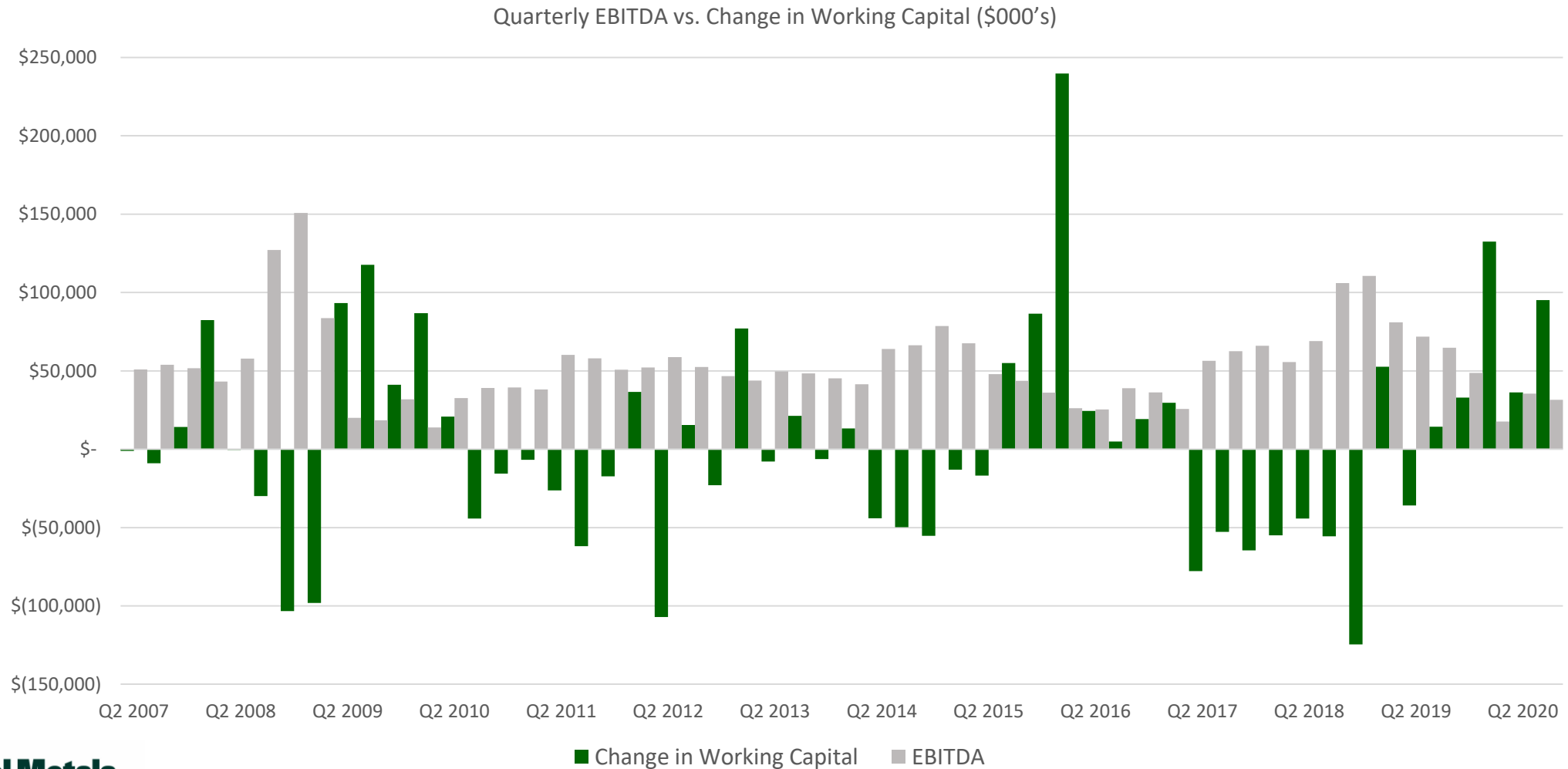
YEAR ENDED DECEMBER 31, 2019
\$3,499 Million



RECENT HEADCOUNT REDUCTION OF ~15%

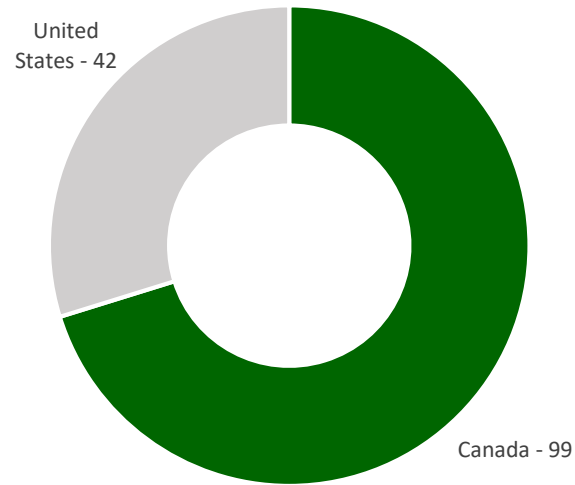
COUNTERCYCLICAL CASH FLOWS

EBITDA positive throughout the cycles; working capital repatriation during market downturns.

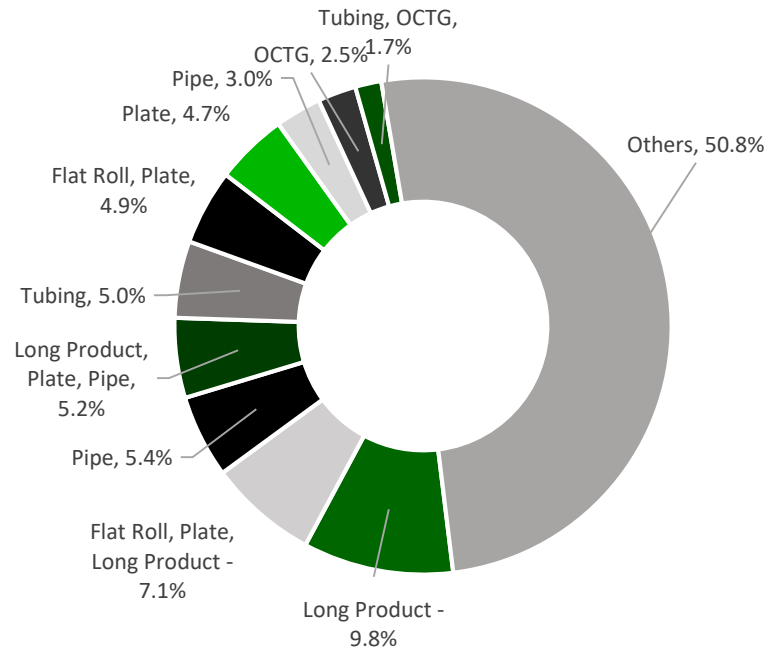


DIVERSIFIED BUSINESS

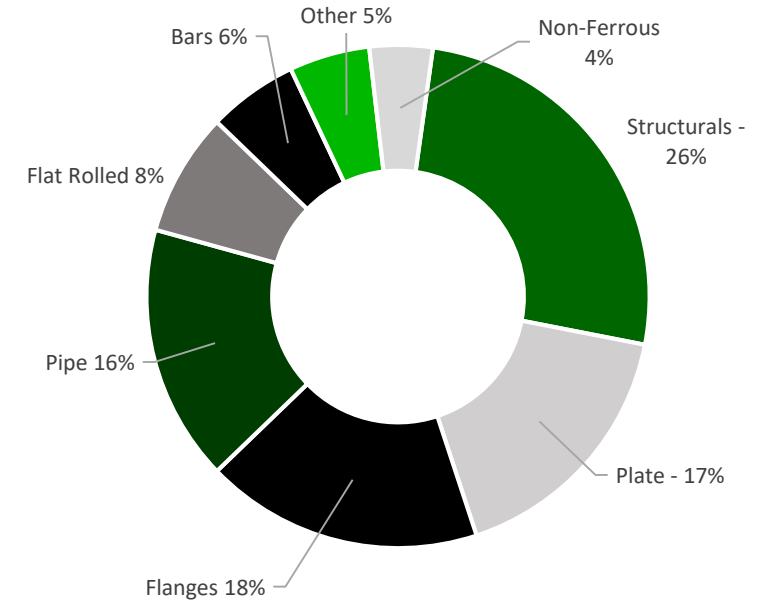
Geography - 141 Locations



Suppliers



Product Mix



Customers

- 33,000 customers
- Average invoice < \$2,500
- Top 10 customers < 10% of 2020 revenues

ESG FOCUSED

Environmental

- Environment Management System
- Low carbon emissions from operations
- Our GHG emissions in 2019 were approximately 56,346 CO₂(e) company wide which represents an emission intensity of 0.00001533 tonnes CO₂(e) per dollar of revenue

Governance

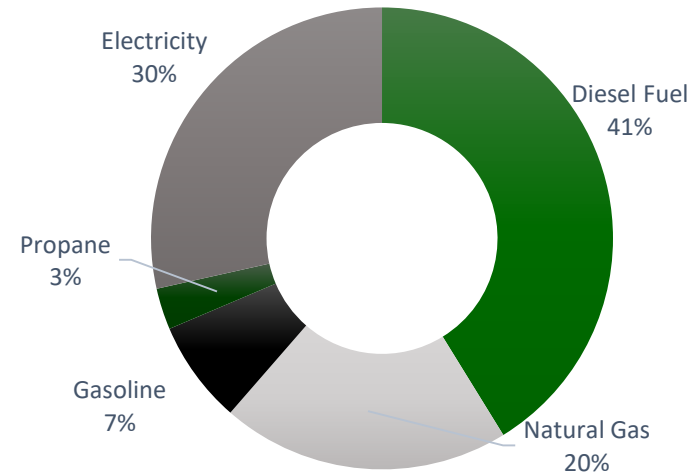
- Independent Board and Audit Committee
- Majority Voting
- Code of Business Conduct
- Independent Whistleblower program
- Female: 22% Board; 38% Senior Corporate Management

Social

- Structured H&S Program
- Ethical, Privacy and Social Policies
- Community Involvement
- Scholarship fund for children of employees

Note: Disclosure updated on Russel’s website when data is available

Aggregate Emissions Sources:



Health and Safety Metrics:

	2019	2018	2017
Number of Employees	3,400	3,420	3,150
Number of Lost Time Accidents	21	31	49
Number of Lost Time Days	592	962	1,250
Frequency *	0.61	0.89	1.42
Severity *	17.40	27.73	37.02
Medical Aids *	163	208	170
First Aids *	236	244	160

* See Russel Metals Annual Information Form for definitions and additional information

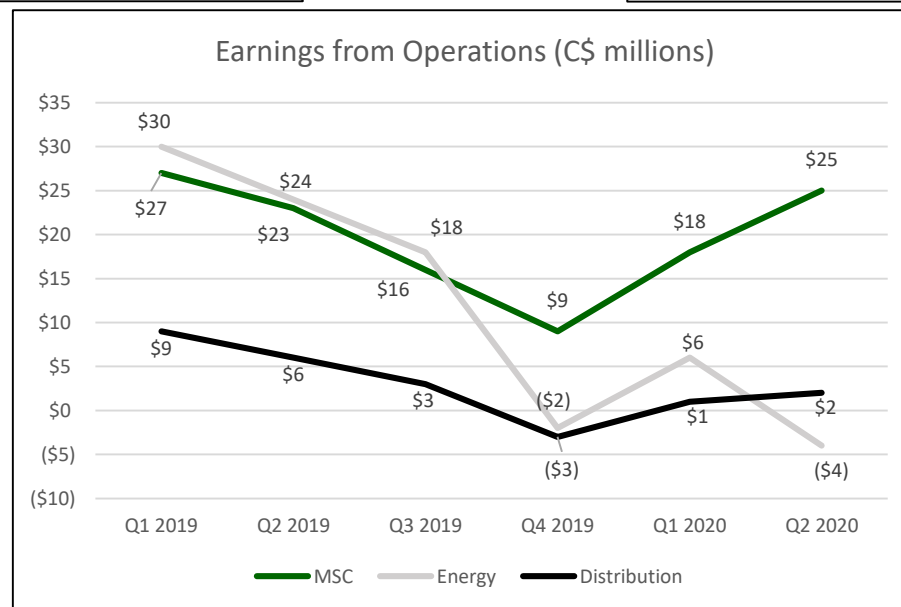
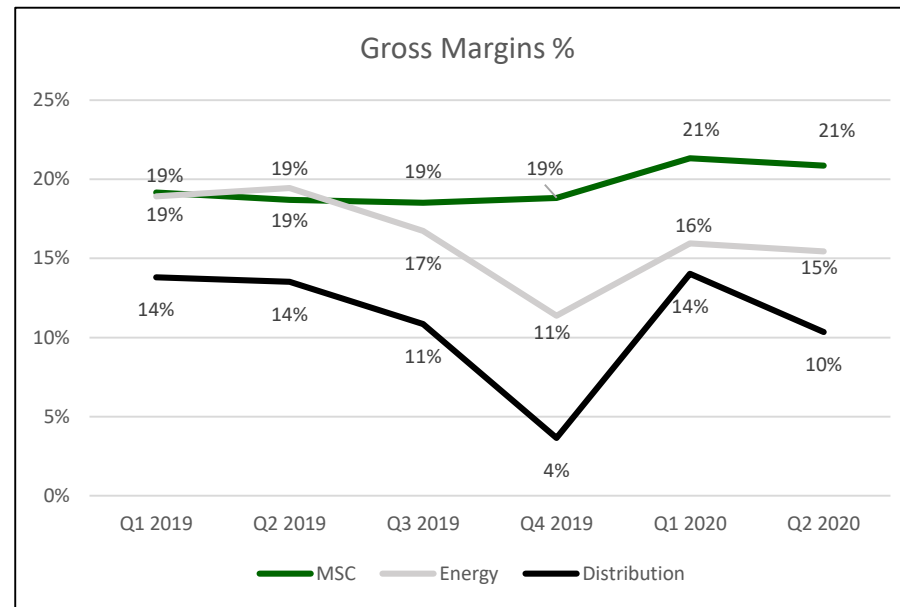
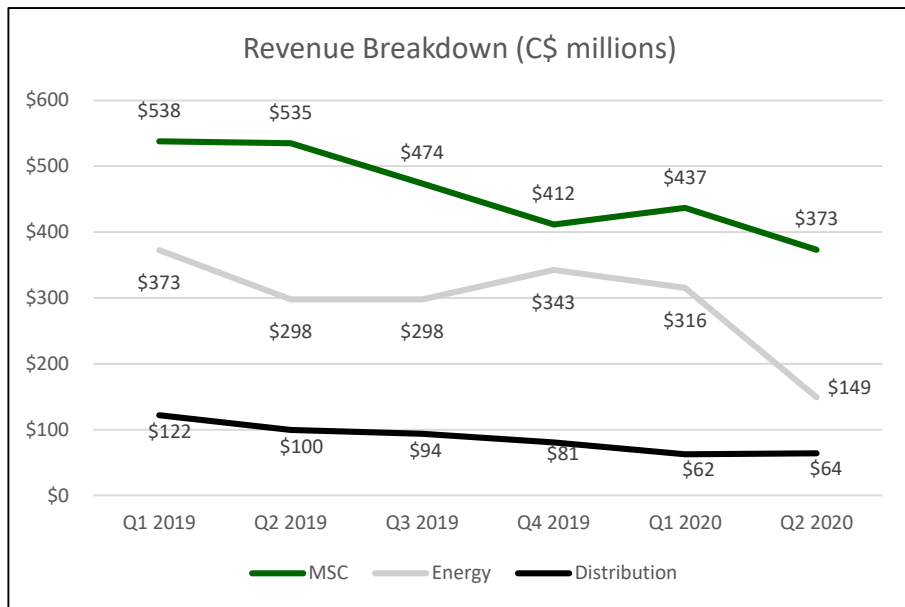


FINANCIAL OVERVIEW

FINANCIAL HIGHLIGHTS

\$million, unless otherwise stated	Q2 2019	Q1 2020	Q2 2020	Q2 2020 Observations:
Income Statement:				
Revenues	\$937	\$815	\$588	<ul style="list-style-type: none"> Gross margin % holding steady, but lower total \$ Significant reduction in operating expenses Stock-based comp: \$3 million expense in Q2 vs. \$4 million recovery in Q1 Inventory reserve increased by \$5 million Declared dividend of \$0.38/share
Gross Margin (\$million/ %)	\$176 / 18.8%	\$152 / 18.7%	\$110 / 18.7%	
EBITDA (\$million/ %)	\$65 / 6.9%	\$36 / 4.4%	\$32 / 5.4%	
EBIT (\$million/ %)	\$51 / 5.4%	\$20 / 2.4%	\$16 / 2.7%	
Net Income	\$31	\$11	\$5	
EPS	\$0.50	\$0.17	\$0.07	
Cash Flow:				
Changes in non-cash working capital	\$14	\$36	\$95	<ul style="list-style-type: none"> Significant cash generation from WC (AR: +\$151 million; Inventory: +\$34 million; AP: -\$94 million) Capex of \$5 million is below depreciation
Capex	\$(9)	\$(7)	\$(5)	
Balance Sheet:				
Net Debt	\$482	\$443	\$368	<ul style="list-style-type: none"> Term debt of \$445 million offset by net cash/investments of \$77 million Fx at March 31 (\$1.4187) vs. June 30 (\$1.3628) impacted Other Comprehensive Income Liquidity is strong
Shareholders' Equity	\$980	\$980	\$931	
Available Liquidity	\$445	\$393	\$478	
Net Debt/Capitalization	33%	31%	28%	

SEGMENT BREAKDOWN: OPERATING RESULTS



BALANCE SHEET AT JUNE 30, 2020

(millions)

ASSETS EMPLOYED

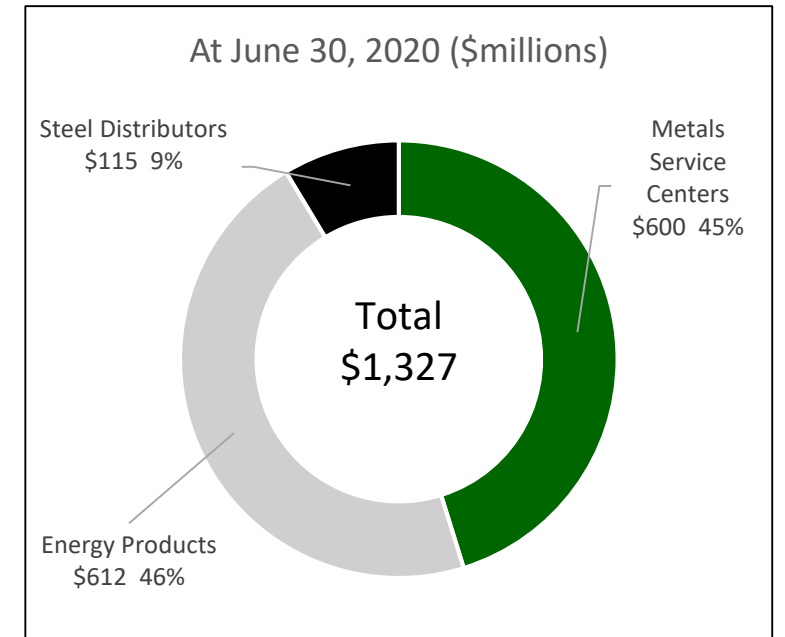
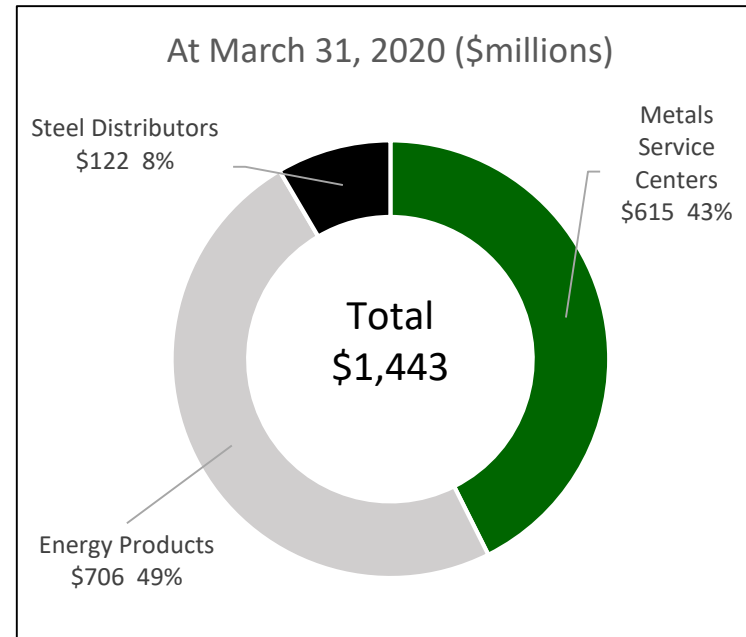
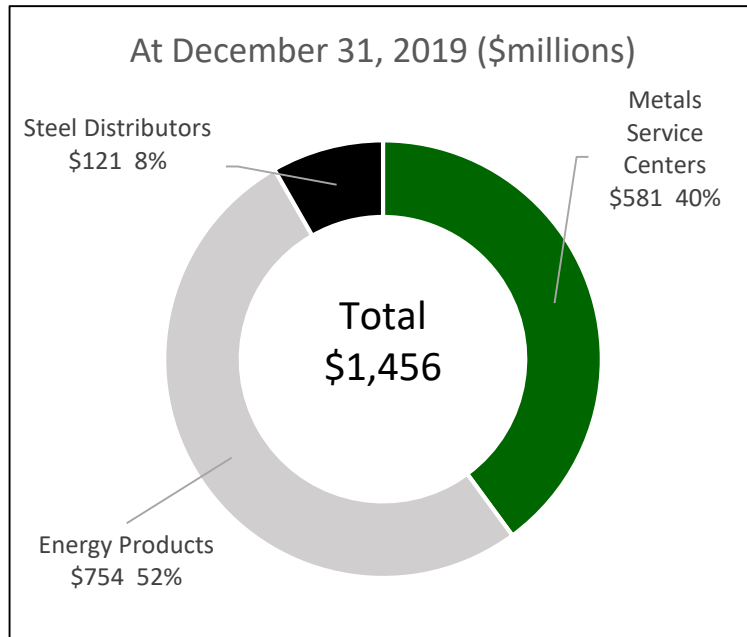
Cash	\$	89
Accounts Receivable		320
Inventories		862
Property, Plant and Equipment		286
Goodwill/Intangibles		136
Other		132
		<u>132</u>
	\$	<u>1,825</u>

FINANCED BY

Bank Indebtedness	\$	11
Trade Creditors		345
Long-term Debt		445
Lease Obligations and Other		93
Shareholders Equity		931
		<u>931</u>
	\$	<u>1,825</u>

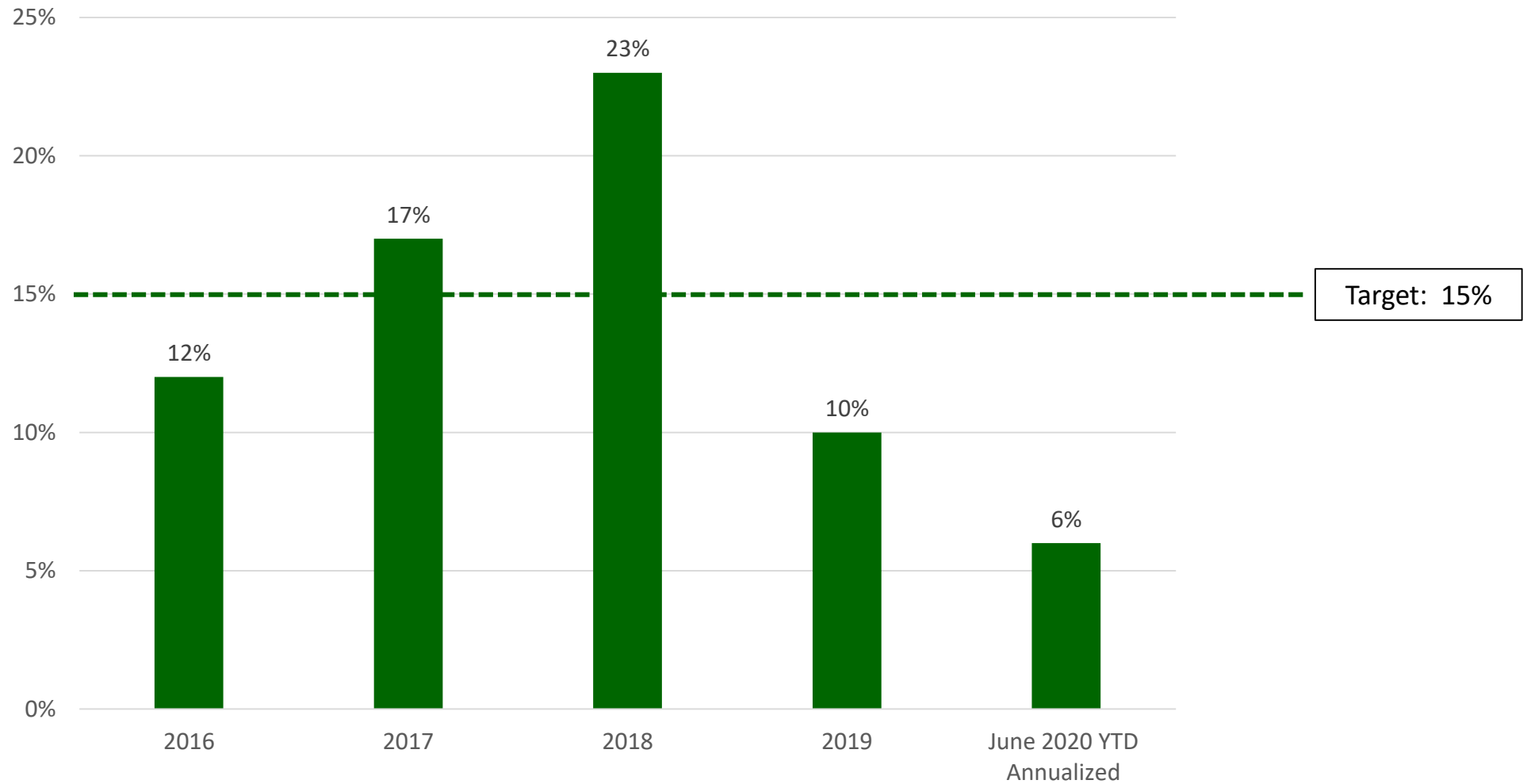
- Net Debt/Invested Capital: 28%
- Net Debt/LTM EBITDA: 2.8x
- Liquidity: \$478 million
- Long Term Debt Maturities: 2022 & 2026
- Net Working Capital: \$837 million

SEGMENT BREAKDOWN: NET IDENTIFIABLE ASSETS⁽¹⁾



(1) Includes total current and non-current identifiable assets less liabilities included in segments.

RETURN ON NET ASSETS OVER THE CYCLE





SUMMARY

SUMMARY

Leading Market Position

- Strong supplier relationships and unique market insight
- Low customer concentration, multiple business segments with diversified customer base
- Superior service and product availability
- Strong value-added processing

Flexible Business Model

- Variable cost/compensation model
- Counter cyclical cash flow from working capital

Disciplined Deployment of Capital

- Prudent inventory management
- High return discretionary investments
- Successful acquisition history
- Declared dividend of \$0.38 per share payable September 15, 2020

Strong Balance Sheet

- Liquidity of \$478 million at June 30, 2020

Experienced Management Team