

**Russel Metals**

**ACQUISITION OF ASSETS FROM  
KLOECKNER METALS CORPORATION**

**SEPTEMBER 29, 2025**



# 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.

# NON-GAAP MEASURES

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 the seller's corporate allocations/charges (that would not be recurring under Russel), 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

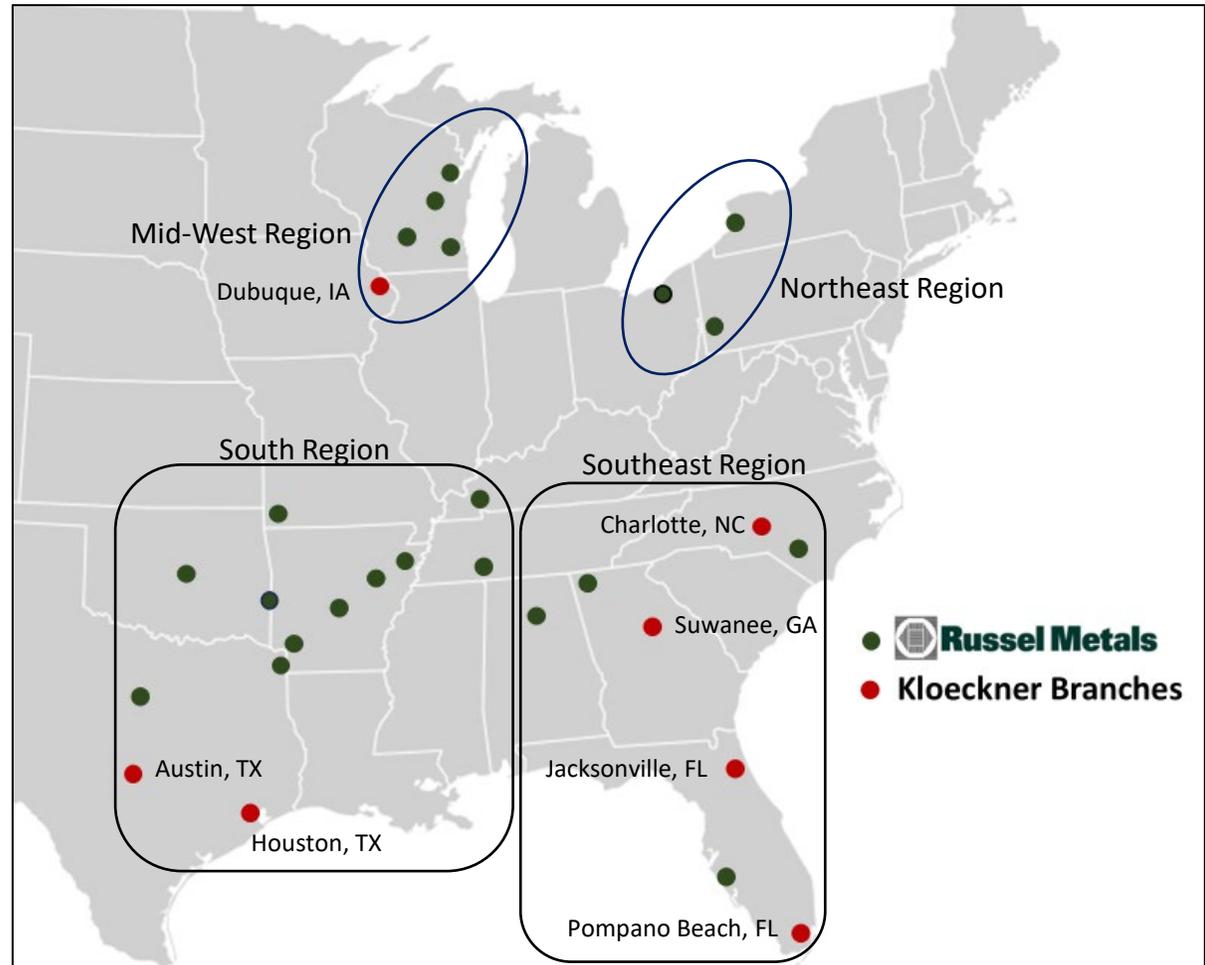
# ACQUISITION SUMMARY

- The Kloeckner Assets to be Acquired:
  - Seven locations in the US (2 in Florida; 2 in Texas; 1 in Georgia; 1 in North Carolina; and 1 in Iowa)
  - Assets include the net working capital, buildings, real estate and equipment for those locations – all properties will be owned by Russel
- Purchase Price:
  - US\$51.5 million, plus the net book value of the working capital at closing (which totalled US\$67.1 million at June 30/25) = US\$118.6 million, subject to closing adjustments
  - Value underpinned by hard assets
- Historical financials for the Kloeckner operations (average annual results for the period from January 1, 2023 to June 30, 2025):
  - Revenue ~US\$500 million
  - Adjusted EBITDA<sup>(1)</sup> ~US\$20 million
- Transaction Rationale:
  - Complementary locations relative to Russel’s US service center operations
  - Opportunities to reinvest in the acquired locations and integrate with Russel’s other locations in each region
  - Increases the relative proportion of Russel’s US revenue base to >50% on a pro forma basis
- Subject to customary closing conditions (no regulatory approval is required)
  - Closing expected in late 2025 or early 2026
  - Financing from existing availability (e.g. liquidity of \$566 million at 6/30/25)

(1) Represents earnings before the seller’s corporate allocations/charges (that would not be recurring under Russel), interest, income taxes, depreciation and amortization.

# EXPANSION OF US FOOTPRINT

- Our geographic coverage will be enhanced across key industrial hubs in the US.
- The combined footprint should create opportunities to reinvest in the Kloeckner branches and improve operating performance.



# CAPITAL STRUCTURE SUMMARY

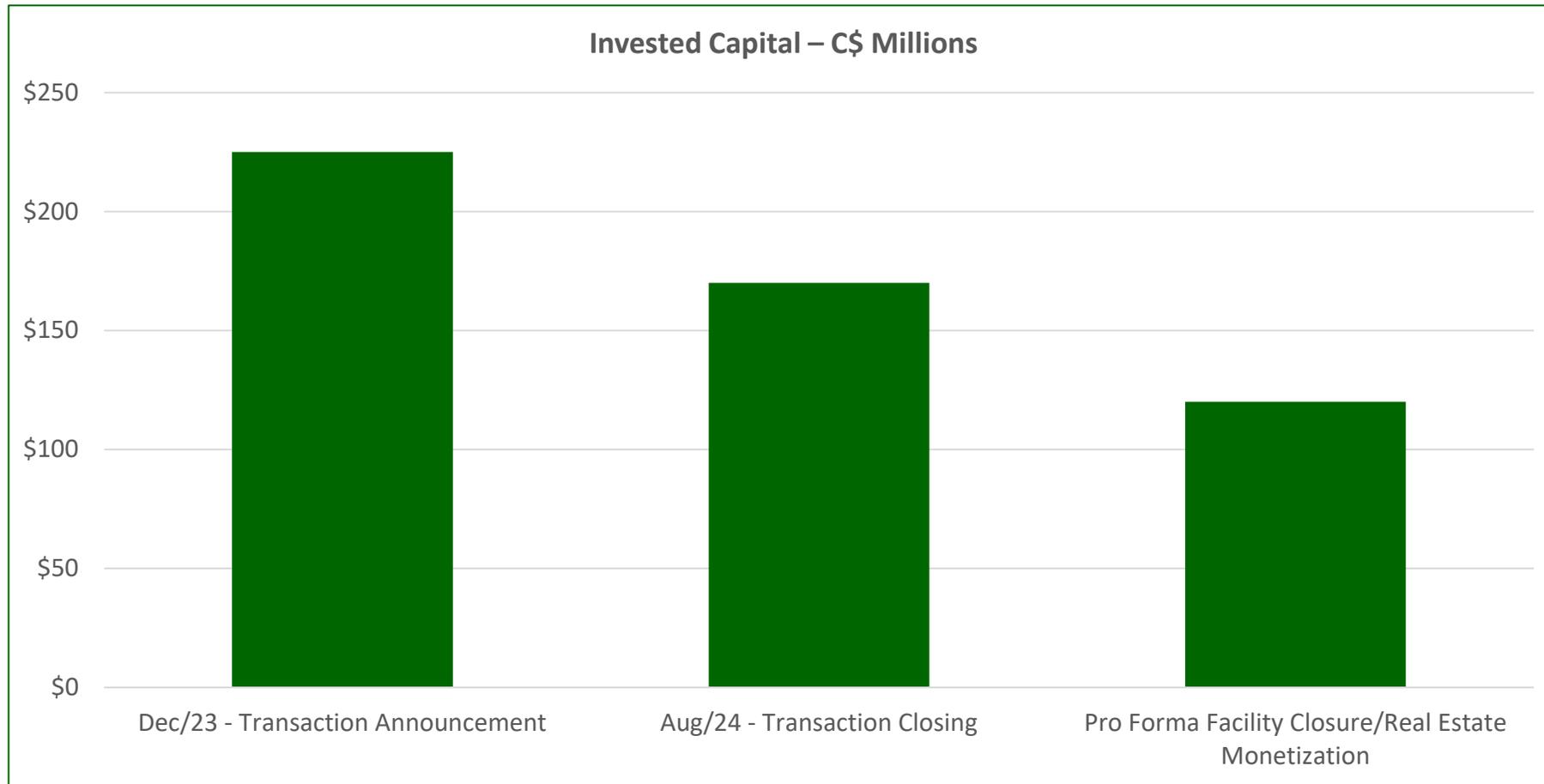
- Russel has significant financial capacity to complete the contemplated acquisition as well as pursue other capital deployment opportunities.

	<b>6/30/25 Actual (C\$ mm)</b>	<b>6/30/25 Pro Forma Kloeckner Asset Acquisition <sup>(1)</sup> (C\$ mm)</b>
(Cash)	\$(194)	\$(32)
Bank Lines - Maturity 2029	--	--
4.423% Notes Due 2030	\$298	\$298
Net Debt	\$104	\$266
Shareholders' Equity	\$1,607	\$1,607
Net Debt/Invested Capital	6%	14%
Liquidity	\$566	\$404

(1) Assumes acquisition price of US\$118.6 mm converted into C\$ at June 30/25 fx rate of \$1.3643.

# SAMUEL ACQUISITION: INVESTED CAPITAL UPDATE

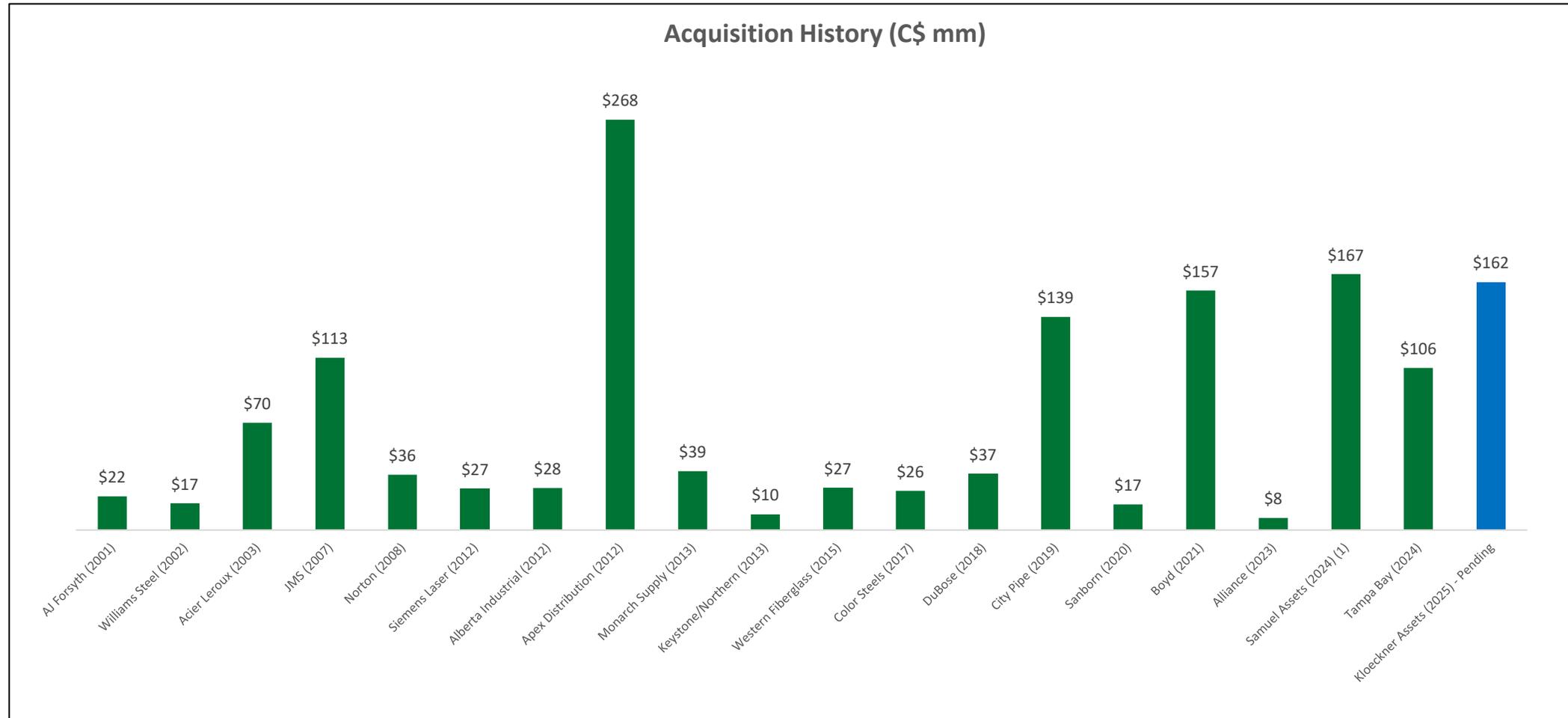
- At the time of the Samuel acquisition announcement, the purchase price approximated the book value. Since that time, we reduced the invested capital by ~\$100 mm<sup>(1)</sup> and substantially reduced the implied purchase price multiple.



(1) Pro forma for the Delta facility closure and real estate monetization that was announced in September, 2025 and is expected to close in Q2'26.

# HISTORICAL ACQUISITION SUMMARY

- The announced Kloeckner asset transaction is a continuation of Russel's opportunistic approach to acquisitions.



(1) Based on invested capital at Sept. 30/24 (all AP was excluded from the closing amount on Aug. 12/24, but was rebuilt to Sept. 30/24).