



RUSSEL METALS ANNOUNCES 2025 FIRST QUARTER RESULTS

FOR IMMEDIATE RELEASE

TORONTO, CANADA -- May 6, 2025 -- Russel Metals Inc. (RUS - TSX) announces financial results for three months ended March 31, 2025.

Revenues of \$1.2 Billion and EBITDA of \$86 Million
Record Quarterly Shipments – Up 14% from Q4 2024 and 29% from Q1 2024
Balanced Approach to Returning Capital to Shareholders – \$25 million of Share Buybacks
and \$24 million of Dividends
Quarterly Dividend Increase of 2.4% – Cumulative 13.2% Increase since 2023
Issued \$300 Million 4.423% Senior Unsecured Notes and Amended Credit Facility
Strong Capital Structure with Pro Forma Liquidity of \$605 Million

	Three Months Ended		
	Mar 31 2025	Dec 31 2024	Mar 31 2024
Revenues	\$ 1,174	\$ 1,039	\$ 1,061
EBITDA ¹	86	61	84
Net Income	43	27	50
Earnings per share	0.75	0.47	0.82

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 to:

	Three Months Ended		
	Mar 31 2025	Dec 31 2024	Mar 31 2024
<i>(\$ millions, except per share data)</i>			
Net earnings	\$ 43.0	\$ 26.9	\$ 49.7
Provision for income taxes	14.5	8.8	16.7
Interest (income) expense, net	4.7	4.0	(0.1)
EBIT ¹	62.2	39.7	66.3
Depreciation and amortization	23.5	21.6	17.7
EBITDA ¹	\$ 85.7	\$ 61.3	\$ 84.0
Basic earnings per share	\$ 0.75	\$ 0.47	\$ 0.82

¹ Defined in Non-GAAP Measures and Ratios

Our first quarter 2025 results reflected a seasonal improvement in demand, particularly for our metals service centers and steel distributors segments, and strong sequential increases in gross margin, EBITDA and net earnings. In addition, we delivered on a number of important milestones:

- Our metals service centers segment generated the highest tonnage sales in our history. This record reflected the favourable market conditions, a full quarter contribution from last year's acquisitions and organic market share gains.
- We invested a record amount in capital expenditures during the quarter, as we continued with our internal investments in value-added equipment and facility modernizations. This involved the completion of a series of prior projects along with the initiation of new projects.
- We continued to expand our U.S. platform on both relative and absolute terms, as 44% of our first quarter 2025 revenues were generated in the U.S., as compared to 39% in 2024 and 30% in 2019.
- We advanced the multi-year migration of our debt structure, as we completed an inaugural \$300 million term debt issuance into the investment grade debt market in late March and we extended/amended our bank credit agreement in late April. The term debt financing reflects the lowest cost that we have ever achieved and further strengthened our capital structure.

Revenues of \$1.2 billion in the first quarter of 2025 were higher than the \$1.1 billion generated in the first quarter of 2024 and the \$1.0 billion in the fourth quarter of 2024. This improvement reflected the seasonal rebound in business activity, higher steel prices and a full quarter from both the Tampa Bay and Samuel acquisitions.

Our average gross margin grew sequentially to 21.5% in the first quarter of 2025 as compared to 20.4% in the fourth quarter of 2024 due to the increase in steel prices through the first quarter of 2025.

In the first quarter of 2025, we generated \$86 million in EBITDA, which was an increase from \$61 million in the fourth quarter of 2024 and \$84 million in the first quarter of 2024. Our earnings per share of \$0.75 for the quarter ended March 31, 2025, was higher than the \$0.47 per share reported in the fourth quarter of 2024 and lower than the \$0.82 per share recorded in the first quarter of 2024. In the quarter, we generated an annualized return on capital of 15%, which was a sequential increase from the 10% generated in the fourth quarter of 2024.

During our 2025 first quarter, we generated \$82 million of cash from operating activities before non-cash working capital, invested \$29 million of capital expenditures to further our internal growth initiatives and returned \$49 million of capital to our shareholders through share repurchases and dividends.

Market Conditions

Market conditions in the first quarter of 2025 were impacted by the imposition of 25% tariffs on steel and aluminum that came into effect on March 12, 2025. These tariffs led to a significant increase in metal prices. At March 31, 2025, the price for steel plate and sheet increased by 43% and 37%, respectively, as compared to the price at December 31, 2024. At March 31, 2025, the aluminum mid-west price was up 14% compared to the price at December 31, 2024.

Capital Investment Growth Initiatives

In the first quarter of 2025, we invested \$29 million in capital expenditures, including the completion of our previously announced facilities modernizations. We continue to have an active pipeline of discretionary projects that are expected to be advanced over the coming years.

We remain focused on realizing the benefits from our most recent acquisitions, including a number of initiatives to integrate the acquired Samuel branches and realize synergies related to metals procurement for the Tampa Bay operation. In addition, we are continuing to evaluate additional acquisition opportunities with the focus on expanding our metals service center platform in the U.S.

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 first quarter, we paid dividends of \$24 million or \$0.42 per share and repurchased \$25 million of our shares (excluding the impact of the federal tax on share repurchases).

We have declared a 2.4% increase in our quarterly dividend to \$0.43 per share payable on June 16, 2025, to shareholders of record at the close of business on May 29, 2025. This increase is the third consecutive annual increase in our dividend over the past three years. On a cumulative basis, we raised the dividend by 13.2% since May 2023.

In the first quarter of 2025, we purchased and cancelled 0.6 million common shares at an average price per share of \$40.44. In the period since the normal course issuer bid was established in August 2022, we have purchased 7.1 million common shares, which represents over 11% of our shares outstanding, at an average price per share of \$37.27 for total consideration of \$266 million (excluding the impact of the federal tax on share repurchases).

Liquidity and Capital Structure

On March 28, 2025, we completed an inaugural offering of investment grade term debt, with \$300 million of 4.423% senior unsecured notes due March 28, 2030. We ended the quarter with total available liquidity of \$755 million.

On April 29, 2025, we amended and extended our credit facility to remove the springing lien feature, cancel the \$150 million sidecar facility that was set to expire in 2026 and extend the maturity of the main facilities to 2029. After the removal of the sidecar facility, our total available liquidity, on a pro-forma basis at March 31, 2025, was \$605 million.

Outlook

During the first quarter of 2025, steel pricing increased substantially as a result of the tariffs imposed by the U.S. government. Prices appear to have stabilized over the past month, but future steel price changes will be impacted by further changes in such tariffs.

Our recent shipment levels have benefited from some element of customer buying in anticipation of the imposed tariffs, a strong seasonal recovery and market share gains. Our near-term activity could be impacted by international trade policies and North American industrial activity. Over the medium-term, we expect to benefit from further rebuilding of the U.S. industrial manufacturing base. In addition, we are positioned to gain market share through our ongoing investments in value-added equipment, facility modernizations and through acquisitions.

Our energy field stores are expected to continue to benefit from solid energy activity in 2025. Our energy field store segment is also expected to continue to gain market share while maintaining a solid margin profile.

Supplemental Information

The following table provides segment information including revenues, gross margins and earnings before interest and income taxes. The corporate expenses included are not allocated to specific operating segments. Gross margins as a percentage of revenues for the operating segments are also shown below. The table shows the segments as they are reported to management and are consistent with the segment reporting in our condensed consolidated financial statements.

<i>(in millions, except percentages)</i>	Three Months Ended		
	Mar 31 2025	Dec 31 2024	Mar 31 2024
Segment Revenues			
Metals service centers	\$ 840.0	\$ 723.0	\$ 723.6
Energy field stores	244.2	220.3	247.1
Steel distributors	88.9	89.2	90.1
Other	0.5	6.7	0.3
Total	\$ 1,173.6	\$ 1,039.2	\$ 1,061.1
Segment Gross Margins ¹			
Metals service centers	\$ 175.6	\$ 131.5	\$ 154.8
Energy field stores	58.1	59.8	63.4
Steel distributors	18.2	13.8	19.4
Other	0.5	6.7	0.3
Total operations	\$ 252.4	\$ 211.8	\$ 237.9
Segment Operating Profits and EBIT ¹			
Metals service centers	\$ 43.7	\$ 20.9	\$ 43.8
Energy field stores	17.1	20.2	22.7
Steel distributors	9.9	4.4	10.5
Corporate expenses	(6.3)	(9.8)	(8.9)
Other	(2.2)	4.0	(1.8)
Earnings before interest and income taxes	\$ 62.2	\$ 39.7	\$ 66.3
Segment Gross Margin as a % of Revenues ¹			
Metals service centers	20.9%	18.2%	21.4%
Energy field stores	23.8%	27.1%	25.7%
Steel distributors	20.5%	15.5%	21.6%
Total operations	21.5%	20.4%	22.4%
Segment Operating Profit and EBIT as a % of Revenues ¹			
Metals service centers	5.2%	2.9%	6.1%
Energy field stores	7.0%	9.2%	9.2%
Steel distributors	11.1%	4.9%	11.7%
Total operations	5.3%	3.8%	6.2%
Additional Information on Metals Service Centers			
Tons shipped (<i>thousands of imperial tons</i>)	409	359	318
Gross margin per ton (\$)	\$ 176	\$ 132	\$ 155

Investor Conference Call

The Company will be holding an Investor Conference Call on Wednesday, May 7, 2025, at 9:00 a.m. ET to review its 2025 first quarter results. To join the conference call without operator assistance, you may register and enter your phone number at <https://emportal.ink/4c8rsoZ>. 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, Wednesday, May 21, 2025. You will be required to enter pass code 34885# to access the call.

Additional supplemental financial information is available in our investor conference call package located on our website at www.russelmetals.com.

¹ Defined in Non-GAAP Measures and Ratios

About Russel Metals Inc.

Russel Metals is one of the largest metals distribution companies in North America. 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 MD&A 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; cyclicity of the metals industry; volatility in oil and natural gas prices; capital budgets in the energy industry; 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, geopolitical 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 MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A 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" later in this 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.

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	
	2025	2024
<i>(in millions of Canadian dollars, except per share data)</i>		
Revenues	\$ 1,173.6	\$ 1,061.1
Cost of materials	921.2	823.2
Employee expenses	113.0	99.8
Other operating expenses	77.2	71.8
Earnings before interest and provision for income taxes	62.2	66.3
Interest expense (income), net	4.7	(0.1)
Earnings before provision for income taxes	57.5	66.4
Provision for income taxes	14.5	16.7
Net earnings for the period	\$ 43.0	\$ 49.7
Basic earnings per common share	\$ 0.75	\$ 0.82
Diluted earnings per common share	\$ 0.75	\$ 0.82

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended March 31	
	2025	2024
<i>(in millions of Canadian dollars)</i>		
Net earnings for the period	\$ 43.0	\$ 49.7
Other comprehensive (loss) income		
Items that may be reclassified to earnings		
Unrealized foreign exchange (losses) gains on translation of foreign operations	(0.9)	22.2
Items that may not be reclassified to earnings		
Actuarial (losses) gains on pension and similar obligations, net of taxes	(2.0)	3.6
Other comprehensive (loss) income	(2.9)	25.8
Total comprehensive income	\$ 40.1	\$ 75.5

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	March 31 2025	December 31 2024
ASSETS		
Current		
Cash and cash equivalents	\$ 230.2	\$ 45.6
Accounts receivable	590.3	490.4
Inventories	994.0	919.8
Prepays and other	37.7	29.0
Income taxes receivable	1.8	14.5
	1,854.0	1,499.3
Property, Plant and Equipment	506.6	492.4
Right-of-Use Assets	155.3	157.0
Deferred Income Tax Assets	1.0	0.8
Pension and Benefits	42.1	45.5
Financial and Other Assets	5.8	5.9
Goodwill and Intangible Assets	143.1	145.8
Total Assets	\$ 2,707.9	\$ 2,346.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	\$ -	\$ 13.4
Accounts payable and accrued liabilities	522.6	442.1
Short-term lease obligations	23.5	22.4
Income taxes payable	4.5	0.7
	550.6	478.6
Long-Term Debt	298.0	-
Pensions and Benefits	1.5	1.5
Deferred Income Tax Liabilities	24.6	25.8
Long-term Lease Obligations	159.5	161.0
Provisions and Other Non-Current Liabilities	24.6	21.4
Total Liabilities	1,058.8	688.3
Shareholders' Equity		
Common shares	522.7	528.1
Retained earnings	915.8	918.7
Contributed surplus	9.9	10.0
Accumulated other comprehensive income	200.7	201.6
Total Shareholders' Equity	1,649.1	1,658.4
Total Liabilities and Shareholders' Equity	\$ 2,707.9	\$ 2,346.7

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Three Months Ended March 31	
	2025	2024
Operating Activities		
Net earnings for the period	\$ 43.0	\$ 49.7
Depreciation and amortization	23.5	17.7
Provision for income taxes	14.5	16.7
Interest expense (income), net	4.7	(0.1)
Gain on sale of property, plant and equipment	(0.2)	(0.2)
Difference between pension expense and amount funded	0.7	0.7
Interest (paid) received net, including interest on lease obligations	(4.3)	0.4
Cash from operating activities before non-cash working capital	81.9	84.9
Changes in Non-Cash Working Capital Items		
Accounts receivable	(99.9)	(50.4)
Inventories	(74.5)	4.6
Accounts payable and accrued liabilities	83.3	(19.7)
Other	(8.7)	(0.3)
Change in non-cash working capital	(99.8)	(65.8)
Income tax paid, net	1.3	(16.9)
Cash (used in) from operating activities	(16.6)	2.2
Financing Activities		
Issue of common shares	0.3	0.8
Repurchase of common shares	(25.8)	(14.9)
Dividends on common shares	(23.9)	(24.1)
Decrease in bank indebtedness	(13.4)	-
Issuance of long-term debt	300.0	-
Deferred financing costs	(2.0)	-
Lease obligations	(5.9)	(4.7)
Cash from (used in) financing activities	229.3	(42.9)
Investing Activities		
Purchase of property, plant and equipment	(28.9)	(23.8)
Proceeds on sale of property, plant and equipment	0.5	0.2
Cash used in investing activities	(28.4)	(23.6)
Effect of exchange rates on cash and cash equivalents	0.3	9.6
Increase (decrease) in cash and cash equivalents	184.6	(54.7)
Cash and cash equivalents, beginning of the period	45.6	629.2
Cash and cash equivalents, end of the period	\$ 230.2	\$ 574.5

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, 2025	\$ 528.1	\$ 918.7	\$ 10.0	\$ 201.6	\$ 1,658.4
Payment of dividends	-	(23.9)	-	-	(23.9)
Net earnings for the period	-	43.0	-	-	43.0
Other comprehensive loss for the period	-	-	-	(2.9)	(2.9)
Share options exercised	0.4	-	(0.1)	-	0.3
Shares repurchased	(5.8)	(20.0)	-	-	(25.8)
Transfer of net actuarial losses on defined benefit plans	-	(2.0)	-	2.0	-
Balance, March 31, 2025	\$ 522.7	\$ 915.8	\$ 9.9	\$ 200.7	\$ 1,649.1

<i>(in millions of Canadian dollars)</i>	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	-	(24.1)	-	-	(24.1)
Net earnings for the period	-	49.7	-	-	49.7
Other comprehensive income for the period	-	-	-	25.8	25.8
Share options exercised	0.8	-	(0.1)	-	0.7
Shares repurchased	(3.1)	(11.8)	-	-	(14.9)
Transfer of net actuarial gains on defined benefit plans	-	3.6	-	(3.6)	-
Balance, March 31, 2024	\$ 554.0	\$ 972.0	\$ 10.2	\$ 140.9	\$ 1,677.1