



RUSSEL METALS ANNOUNCES 2026 FIRST QUARTER RESULTS

FOR IMMEDIATE RELEASE

TORONTO, CANADA -- May 5, 2026 -- Russel Metals Inc. (RUS - TSX) announces financial results for three months ended March 31, 2026.

Record Quarterly Revenues and Shipments
Revenues of \$1.4 Billion and EBITDA of \$124 Million
Solid Contributions from Kloeckner Asset Acquisition
Completed the Sale of Redundant Real Estate - Proceeds of \$39 million
Declared an Increase in the Quarterly Dividend - \$0.44/Share Payable in June 2026
Strong Capital Structure - Liquidity of \$500 Million

	Three Months Ended		
	Mar 31 2026	Dec 31 2025	Mar 31 2025
Revenues	\$ 1,418	\$ 1,094	\$ 1,174
EBITDA ¹	124	69	86
Net Income	72	30	43
Earnings per share	1.30	0.55	0.75

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 2026	Dec 31 2025	Mar 31 2025
<i>(\$ millions, except per share data)</i>			
Net earnings	\$ 71.8	\$ 30.4	\$ 43.0
Provision for income taxes	18.9	9.7	14.5
Interest (income) expense, net	7.0	5.1	4.7
EBIT ¹	97.7	45.2	62.2
Depreciation and amortization	26.0	23.4	23.5
EBITDA ¹	\$ 123.7	\$ 68.6	\$ 85.7
Basic earnings per share	\$ 1.30	\$ 0.55	\$ 0.75

¹ Defined in Non-GAAP Measures and Ratios

Our first quarter 2026 results reflected a continuation of improving trend line metrics as a result of favourable market conditions and the realization of benefits from our strategic initiatives.

- Revenues reached a record quarterly level of \$1.4 billion in the first quarter of 2026, which represented a 21% increase over the first quarter of 2025 and a 30% increase over the fourth quarter of 2025.
- We completed the sale of a property related to our branch in Delta (BC) for cash proceeds of \$39 million, which resulted in a pre-tax gain of \$36 million. In addition, we relocated and repurposed a series of equipment that had been at the Delta branch to our other operations. This initiative was part of the plan to streamline our Western Canadian footprint and reduce redundant capital that evolved from the 2024 acquisition of the Samuel branches. With the completion of the property sale, we have exceeded the upper end of our capital reduction target of \$100 million. In addition to the capital reduction benefit, the sale of the Delta (BC) property illustrates that certain of our real estate holdings have market values in excess of their book values. As such, we will continue to explore selected opportunities to identify and crystallize potential value.
- Our average gross margin percentage for the first quarter of 2026 was 21.3%, which was a slight improvement over the fourth quarter of 2025, despite the lower margin profile from the assets that were acquired from Kloeckner Metals Corporation ("Kloeckner") on December 31, 2025. On a same store basis, the average gross margin percentage for our metal service centers segment increased by 111 basis points in the first quarter of 2026 versus the fourth quarter of 2025.
- In the first quarter of 2026, our EBITDA was \$124 million, which was a 44% increase over the first quarter of 2025, and an 80% increase over the fourth quarter of 2025. After excluding the \$36 million non-recurring gain on sale of the Delta (BC) property and the mark-to-market on stock-based compensation our comparable EBITDA is as follows:

<i>(\$ millions)</i>	Mar 31 2026	Dec 31 2025	Mar 31 2025
EBITDA	\$ 124	\$ 69	\$ 86
Gain on sale	(36)	-	-
Mark-to-market expense/(recovery) on stock-based compensation	5	3	(3)
	<u>\$ 93</u>	<u>\$ 72</u>	<u>\$ 83</u>

- The metal service centers segment had record shipments in the first quarter of 2026 despite severe weather conditions across most of eastern Canada and the U.S. in late January. The first quarter 2026 tons shipped increased by 32% over the fourth quarter of 2025, and 18% compared to the first quarter of 2025 primarily as a result of the Kloeckner acquisition. On a same store basis, shipments in the first quarter of 2026 were up 9% versus the fourth quarter of 2025.
- In the first quarter of 2026, our U.S. operations represented 53% of our revenues and 58% of our segment operating profits (excluding the impact from the gain on the Delta (BC) property) versus 44% of revenues and 45% of operating profits in 2025 and 39% of revenues and 36% of operating profits in 2024. This shift is the result of a series of targeted U.S. growth initiatives.

In the first quarter of 2026, we generated earnings per share of \$1.30, which was higher than the \$0.55 per share reported in the fourth quarter of 2025 and the \$0.75 per share recorded in the first quarter of 2025. In the quarter, we generated an annualized return on capital of 22%, which was higher than the 15% generated in the first quarter of 2025 and the 11% generated in the fourth quarter of 2025.

During our 2026 first quarter, we generated \$78 million of cash from operating activities before non-cash working capital, invested \$18 million of capital expenditures to further our internal growth initiatives and returned \$31 million of capital to our shareholders through share repurchases and dividends.

Market Conditions

Market conditions in the first quarter of 2026 were generally favourable, with demand being solid across most of our operating regions in combination with the benefits from steel price increases over the past several months. In the first quarter of 2026, U.S. prices for plate and hot rolled coil averaged US\$1,073 per ton and US\$984 per ton, respectively, which represented increases of 8% for plate and 15% for hot rolled coil versus the fourth quarter of 2025 averages. In addition, the U.S. prices for plate and hot rolled coil increased through the first quarter of 2026, with the March 31, 2026 prices being 8% higher for plate and 5% higher for hot rolled coil than the first quarter of 2026 averages.

Capital Investment Growth Initiatives

On December 31, 2025, we closed the acquisition of seven branches in the U.S. from Kloeckner. In April 2026, we finalized the adjusted purchase price at US\$94 million, which resulted in a payment back to us of US\$8 million. During the first quarter of 2026, the former Kloeckner branches contributed \$183 million of revenue and \$8 million of EBITDA to our results. In addition, we are working through a number of initiatives to integrate the acquired Kloeckner branches into our U.S. footprint, including pursuing opportunities for targeted capital investments.

In the first quarter of 2026, we invested \$18 million in capital expenditures, which was an increase from the levels of the past three quarters as we advanced a series of discretionary projects. We continue to have an active pipeline of such projects that are expected to be completed in the later part of 2026 and into 2027.

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 first quarter of 2026, we paid \$24 million of dividends and repurchased \$7 million of our shares (excluding the impact of the federal tax on share repurchases).

In the 2026 first quarter, we paid dividends of \$24 million or \$0.43 per share. On May 5, 2026, we declared an increase in our quarterly dividend to \$0.44 per share payable on June 15, 2026, to shareholders of record at the close of business on May 28, 2026. This increase is the fourth consecutive year with a dividend increase and represents a 16% cumulative increase versus the dividend level in the first quarter of 2023.

In the first quarter of 2026, we purchased 0.15 million common shares at an average price per share of \$47.42 for a total of \$7 million. In the period since the normal course issuer bid was established in August 2022, we have purchased 8.7 million common shares, which represents over 14% of our then shares outstanding, at an average price per share of \$38.13 for total consideration of \$333 million (excluding the impact of the federal tax on share repurchases).

Liquidity and Capital Structure

One of our key strategies is to maintain a strong capital structure in order to navigate through market cycles and be in a position to capitalize on opportunities. In March 2026, DBRS Morningstar reaffirmed our investment grade credit rating of BBB (low) with a stable trend, which is consistent with the S&P Global credit rating of BBB-. We ended the quarter with net debt of \$170 million and total available liquidity of \$500 million.

Outlook

During the past several years, various tariff measures were imposed on steel and aluminum by the U.S. government and countered by other countries, including Canada. Future steel prices and certain of our customers may be impacted by further changes in such tariffs.

Over the past several months, steel and aluminum prices have increased as a result of solid demand, ongoing tariffs that have limited international supply into North America and inflationary impacts on energy and transportation costs. We expect the recent steel price levels to continue over the near term. As a result, we expect our service center average margins to improve slightly in the second quarter as compared to the first quarter average. In addition, we expect our second quarter service center shipments to remain at levels near those experienced in the first quarter as a result of steady activity across most of our geographic regions.

Over the medium-term, we expect to benefit from further rebuilding of the U.S. industrial manufacturing base, Canadian nation building projects, as well as infrastructure related investments in areas such as data centers. In addition, we are positioned to gain market share through our ongoing investments in value-added equipment, facility modernizations and acquisitions.

Our energy field stores are expected to continue to benefit from solid energy activity in 2026. Our energy field store segment is also expected to continue to gain market share while maintaining a solid margin profile.

Investor Conference Call

The Company will be holding an Investor Conference Call on Wednesday, May 6, 2026, at 9:00 a.m. ET to review its 2026 first quarter results. To join the conference call without operator assistance, you may register and enter your phone number at <https://empportal.ink/4IUNj8t>. 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 20, 2026. You will be required to enter pass code 88037# to access the call.

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

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 product prices; cyclical nature of the industry; future acquisitions; product claims; significant competition; sources of supply and supply chain disruptions; manufacturers selling directly; material substitution; failure of our key computer-based systems; cybersecurity; credit risk; currency exchange risk; restrictive debt covenants; the unexpected loss of key individuals; decentralized operating structure; labour interruptions; laws and governmental regulations; litigious environment; environmental liabilities; climate change; carbon emissions; health and safety laws and regulations; geopolitical risk 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.

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CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

	Three Months Ended March 31	
	2026	2025
<i>(in millions of Canadian dollars, except per share data)</i>		
Revenues	\$ 1,418.3	\$ 1,173.6
Cost of materials	1,115.6	921.2
Employee expenses	143.4	113.0
Other operating expenses	97.2	77.2
Gain on disposal of assets held for sale	(35.6)	-
Earnings before interest and provision for income taxes	97.7	62.2
Interest expense, net	7.0	4.7
Earnings before provision for income taxes	90.7	57.5
Provision for income taxes	18.9	14.5
Net earnings for the period	\$ 71.8	\$ 43.0
Basic earnings per common share	\$ 1.30	\$ 0.75
Diluted earnings per common share	\$ 1.30	\$ 0.75

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended March 31	
	2026	2025
<i>(in millions of Canadian dollars)</i>		
Net earnings for the period	\$ 71.8	\$ 43.0
Other comprehensive income (loss)		
Items that may be reclassified to earnings		
Unrealized foreign exchange gains (losses) on translation of foreign operations	19.2	(0.9)
Items that may not be reclassified to earnings		
Actuarial (losses) gains on pension and similar obligations, net of taxes	(0.8)	(2.0)
Other comprehensive income (loss)	18.4	(2.9)
Total comprehensive income	\$ 90.2	\$ 40.1

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	March 31 2026	December 31 2025
ASSETS		
Current		
Cash and cash equivalents	\$ 128.1	\$ 114.6
Accounts receivable	712.1	554.2
Inventories	1,071.3	1,084.2
Prepays and other	34.2	33.1
Income taxes receivable	1.9	6.2
Assets held for sale	-	4.9
	1,947.6	1,797.2
Property, Plant and Equipment	569.6	558.6
Right-of-Use Assets	156.8	155.2
Deferred Income Tax Assets	0.4	0.4
Pension and Benefits	34.9	37.0
Financial and Other Assets	4.9	5.1
Goodwill and Intangible Assets	130.1	131.1
Total Assets	\$ 2,844.3	\$ 2,684.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 637.6	\$ 552.2
Short-term lease obligations	29.7	28.5
Income taxes payable	14.5	6.3
	681.8	587.0
Long-Term Debt	298.3	298.3
Pensions and Benefits	1.4	1.5
Deferred Income Tax Liabilities	22.3	25.8
Long-term Lease Obligations	158.2	156.9
Provisions and Other Non-Current Liabilities	34.1	26.2
Total Liabilities	1,196.1	1,095.7
Shareholders' Equity		
Common shares	508.0	509.4
Retained earnings	961.2	919.7
Contributed surplus	9.9	9.9
Accumulated other comprehensive income	169.1	149.9
Total Shareholders' Equity	1,648.2	1,588.9
Total Liabilities and Shareholders' Equity	\$ 2,844.3	\$ 2,684.6

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Three Months Ended March 31	
	2026	2025
Operating Activities		
Net earnings for the period	\$ 71.8	\$ 43.0
Depreciation and amortization	26.0	23.5
Provision for income taxes	18.9	14.5
Interest expense, net	7.0	4.7
Gain on sale of property, plant and equipment	(0.1)	(0.2)
Gain on disposal of assets held for sale	(35.6)	-
Difference between pension expense and amount funded	0.7	0.7
Interest paid net, including interest on lease obligations	(10.3)	(4.3)
Cash from operating activities before non-cash working capital	78.4	81.9
Changes in Non-Cash Working Capital Items		
Accounts receivable	(154.2)	(99.9)
Inventories	18.9	(74.5)
Accounts payable and accrued liabilities	90.7	83.3
Other	(1.1)	(8.7)
Change in non-cash working capital	(45.7)	(99.8)
Income tax received (paid), net	(9.8)	1.3
Cash from (used in) operating activities	22.9	(16.6)
Financing Activities		
Issue of common shares	-	0.3
Repurchase of common shares	(7.2)	(25.8)
Dividends on common shares	(23.7)	(23.9)
Decrease in bank indebtedness	-	(13.4)
Issuance of long-term debt	-	300.0
Deferred financing costs	-	(2.0)
Lease obligations	(7.9)	(5.9)
Cash (used in) from financing activities	(38.8)	229.3
Investing Activities		
Purchase of property, plant and equipment	(18.1)	(28.9)
Proceeds on sale of property, plant and equipment	0.4	0.5
Proceeds on disposal of assets held for sale	38.5	-
Cash from (used in) investing activities	20.8	(28.4)
Effect of exchange rates on cash and cash equivalents	8.6	0.3
Increase in cash and cash equivalents	13.5	184.6
Cash and cash equivalents, beginning of the period	114.6	45.6
Cash and cash equivalents, end of the period	\$ 128.1	\$ 230.2

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, 2026	\$ 509.4	\$ 919.7	\$ 9.9	\$ 149.9	\$ 1,588.9
Payment of dividends	-	(23.7)	-	-	(23.7)
Net earnings for the period	-	71.8	-	-	71.8
Other comprehensive income for the period	-	-	-	18.4	18.4
Shares repurchased	(1.4)	(5.8)	-	-	(7.2)
Transfer of net actuarial losses on defined benefit plans	-	(0.8)	-	0.8	-
Balance, March 31, 2026	\$ 508.0	\$ 961.2	\$ 9.9	\$ 169.1	\$ 1,648.2

<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