

INFORMATION PACKAGE FOR INVESTOR CONFERENCE CALL

AUGUST 11, 2023

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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; cyclical nature of the metals industry; volatility in the energy industry; climate change; product claims; significant competition; sources of metals supply and supply chain disruptions; 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, cybersecurity, labour interruptions; laws and governmental regulations; litigious environment; environmental liabilities; carbon emissions; health and safety laws and regulations and common share risk.

NOTES

In this Information Package we use 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 EBIT and 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. EBIT and 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. EBIT and EBITDA and a number of the ratios provided under Other Information are used by debt and equity analysts to compare our performance against other public companies.

DEFINITIONS:

Book Value per Share – Shareholders' equity divided by common shares outstanding

EBIT – Earnings before deduction of interest and provision for income taxes

EBITDA – Earnings before deduction of interest, provision for income taxes, depreciation and amortization

Free Cash Flow – Cash from operating activities before change in non-cash working capital less capital expenditures

Net Debt to EBITDA – Net debt divided by EBITDA

Invested Capital – Net debt plus shareholders' equity

Net Debt – Total interest-bearing debt, net of cash on hand

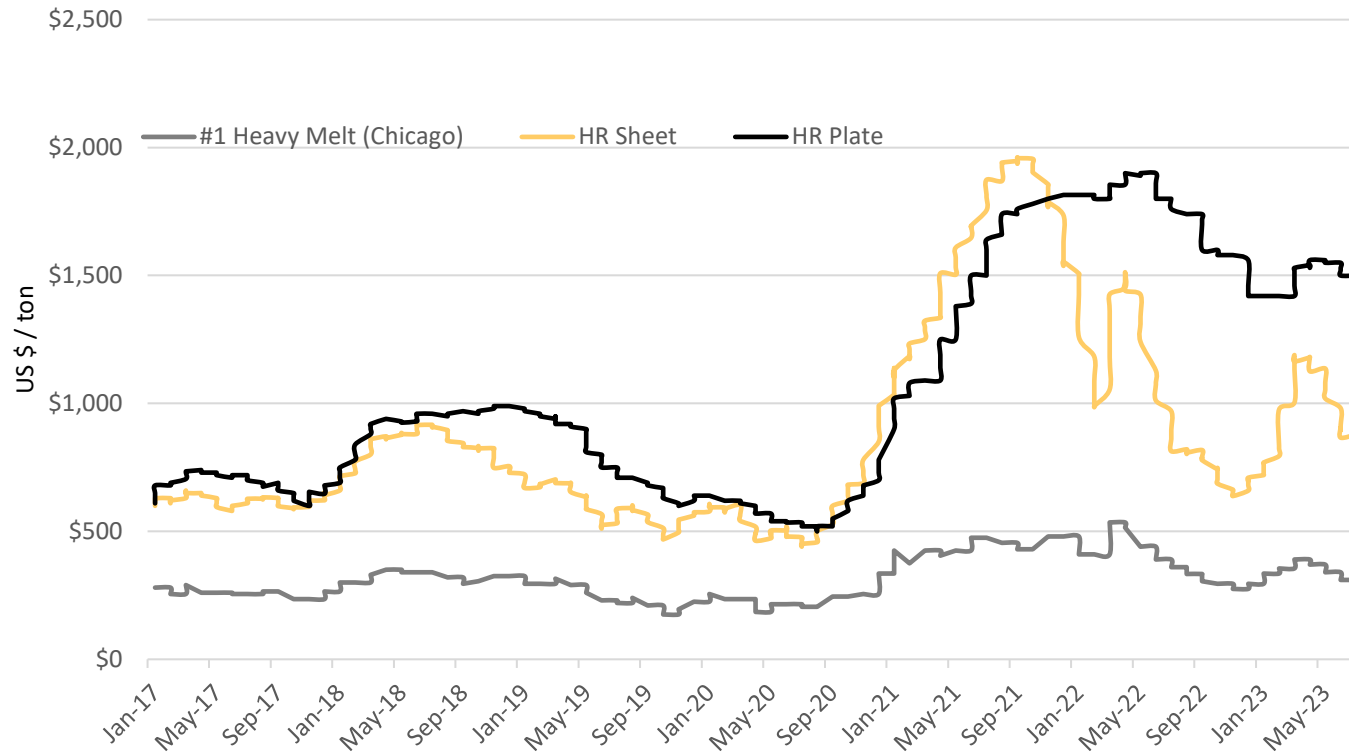
Return on Invested Capital – EBIT divided by Invested Capital

MARKET CONDITIONS

- Steel prices picked up in early Q2 and have declined towards the end of the quarter
- Supply chain inventories remain modest
- Demand is solid, but there will be some normal seasonal dynamics in Q3

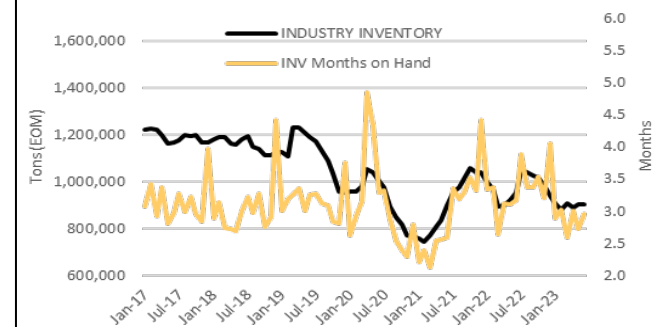
Scrap vs Coil & Plate Pricing

Source: American Metal Market (AMM)



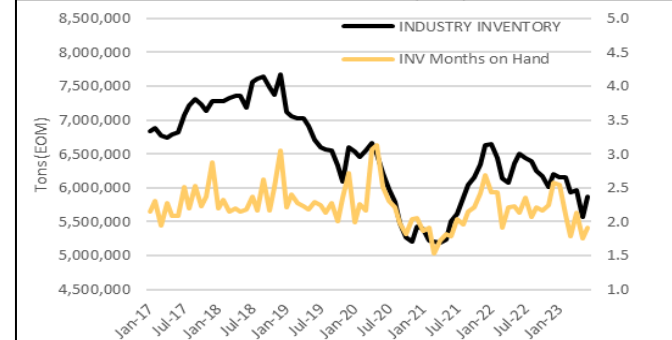
Carbon Steel: Inventory (Canada)

Source: Metals Service Center Institute (MSCI)



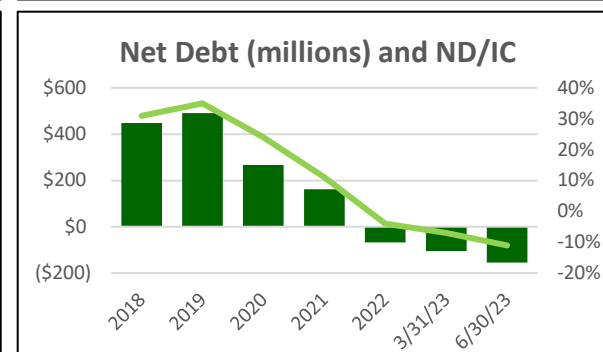
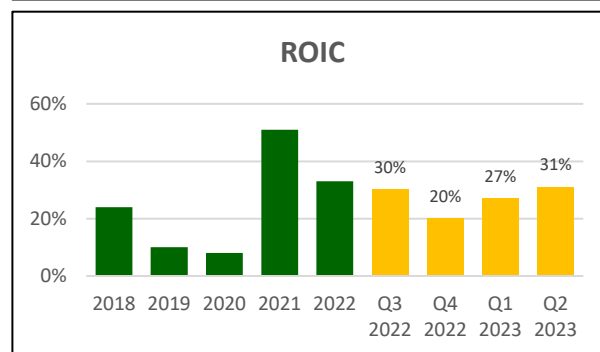
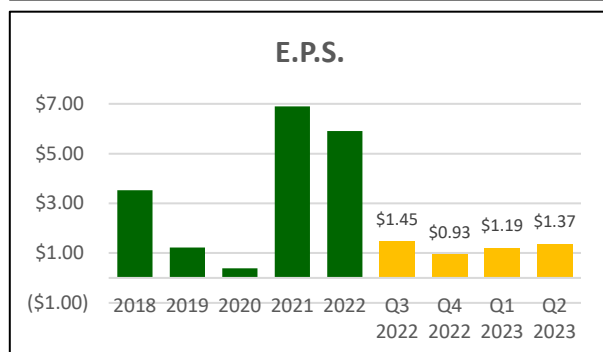
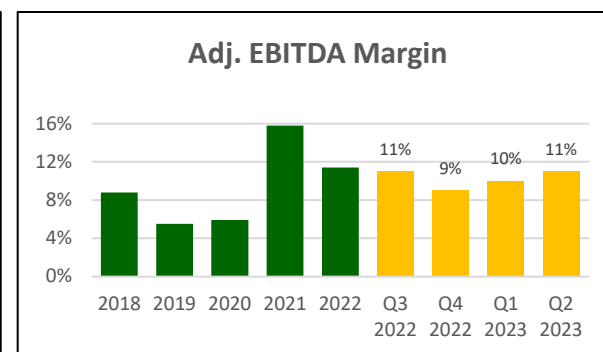
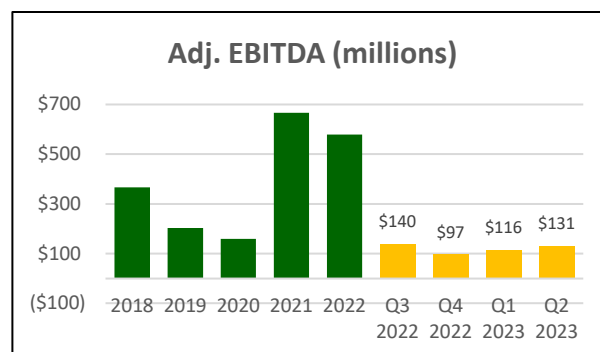
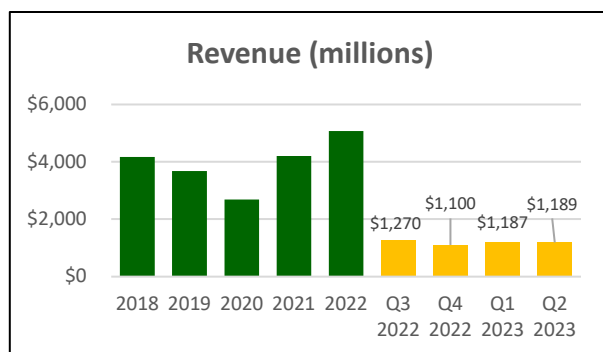
Carbon Steel: Inventory (US)

Source: Metals Service Center Institute (MSCI)



Q2 2023 AT A GLANCE

- Revenues were comparable with Q1
- Improvement in margins, earnings and returns
- Contributions were broad based across regions and business segments
- Our capital structure is strong, especially with the expected closing of the TriMark sale in Q3



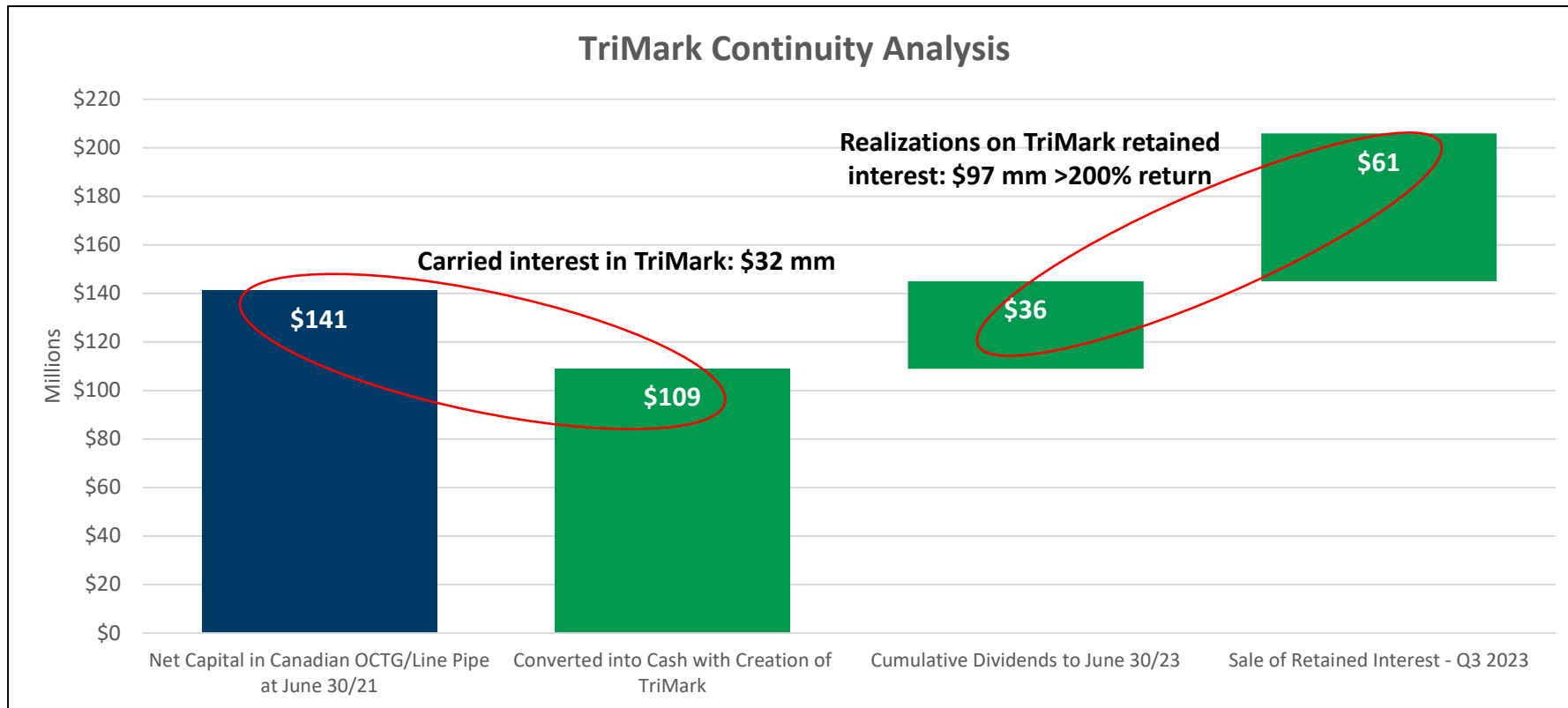
The quarterly figures are the results for each respective quarter annualized

SUMMARY: FINANCIAL RESULTS

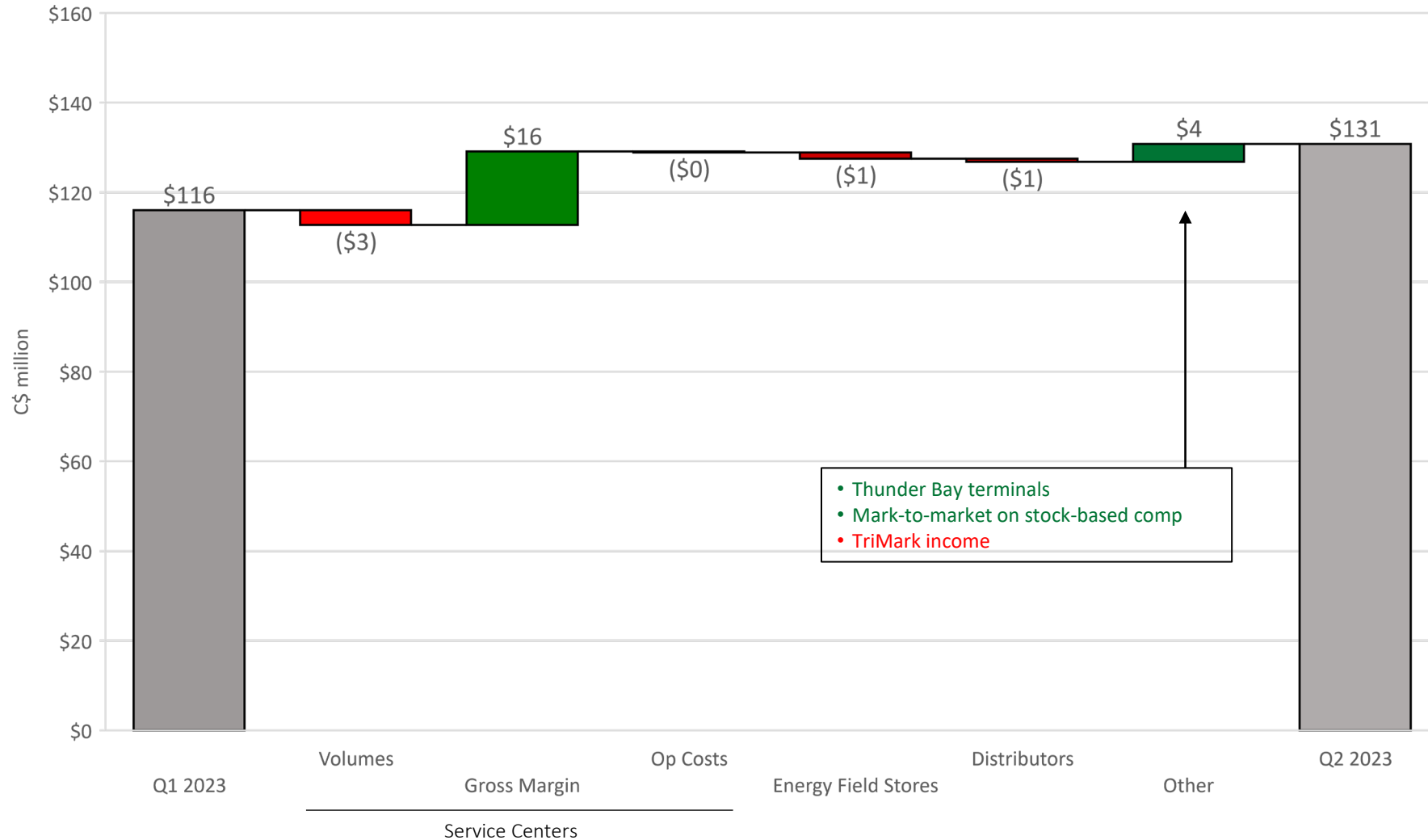
\$ mm, unless otherwise stated	Q2 2022	Q1 2023	Q2 2023	Q2 2023 Observations:
Income Statement:				
Revenues	\$1,362	\$1,187	\$1,189	<ul style="list-style-type: none"> • Revenues were comparable with Q1 • Overall margins improved, led by service centers and steel distributors. • Margins improved during the front part of Q2 but declined towards the end of Q2 • Q2 results impacted by: <ul style="list-style-type: none"> • P/L pick-up from TriMark (\$7 mm = \$6 mm of earnings + \$1 mm of preferred dividends). Dividends of \$10 mm received in Q2 2023. • Mark-to-market of stock-based comp \$2 vs. \$4 mm in Q1 • Inventory reserves decreased by \$3 mm
Gross Margin (\$ mm/%)	\$344 / 25%	\$260 / 22%	\$275 / 23%	
EBITDA (\$ mm/%)	\$189 / 14%	\$116 / 10%	\$131 / 11%	
EBIT (\$ mm/%)	\$173 / 13%	\$100 / 8%	\$115 / 10%	
Interest Expense	\$7	\$4	\$3	
Net Income	\$124	\$74	\$85	
EPS	\$1.96	\$1.19	\$1.37	
Cash Flow:				
Change in non-cash working capital	\$(72)	\$(18)	\$27	<ul style="list-style-type: none"> • Net decrease in working capital: Decrease in AR (\$18 mm) and increase in AP (\$17 mm) offset by small increase in Inv (\$14 mm) • Capex is moving up with discretionary projects. Target \$75 mm/yr over next few years
Capex	\$(8)	\$(14)	\$(16)	
Balance Sheet:				
Net Debt (Cash)	\$108	\$(105)	\$(154)	<ul style="list-style-type: none"> • Total debt of \$297 mm offset by cash/investments of \$450 mm • Liquidity continued to remain strong • C\$ strengthened from \$1.3533 at 3/31/23 to 1.3240 at 6/30/23 • Q2 share buybacks of 1,241k for \$44 mm • Book value of \$26.41/share • Dividend of \$0.40/share
Shareholders' Equity	\$1,444	\$1,617	\$1,619	
Available Liquidity	\$472	\$792	\$837	
Net Debt/Capitalization	7%	<0%	<0%	

TRIMARK INVESTMENT: CONTINUITY ANALYSIS

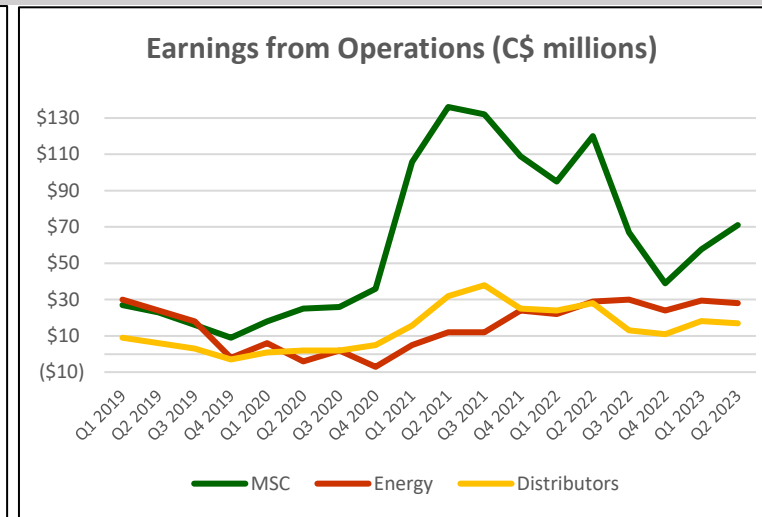
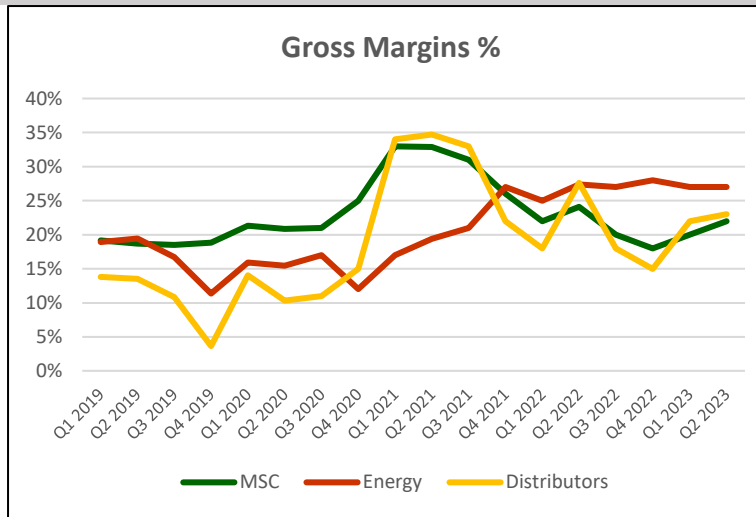
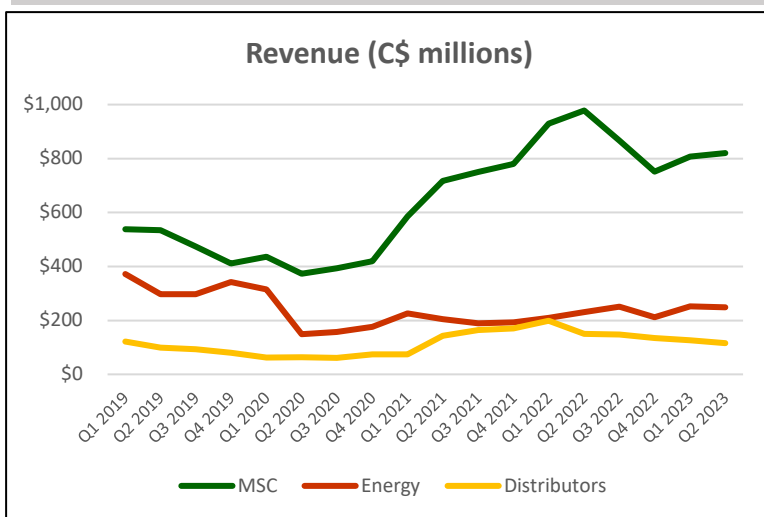
- TriMark declared/paid common and preferred dividends to Russel of \$10 mm in Q2. As of June 30, we are net cash positive (ie. \$36 mm of cumulative dividends vs. \$32 mm face value of the carried interest).
- The ~\$61 mm sale of the retained equity interest should close in Q3.
- Net impact will be a >200% return on our retained interest.
- Successfully repatriated ~\$375 mm from OCTG/Line pipe businesses at a profit.



VARIANCE ANALYSIS: EBITDA Q2 2023 VS. Q1 2023



SEGMENT BREAKDOWN: OPERATING RESULTS



MSC:

- Strong results with a pick-up in margins
- Prices increased early in Q2 and moderated down towards the end of the quarter
- Gross margin per ton and EBIT remain well above historical averages

Energy Field Stores:

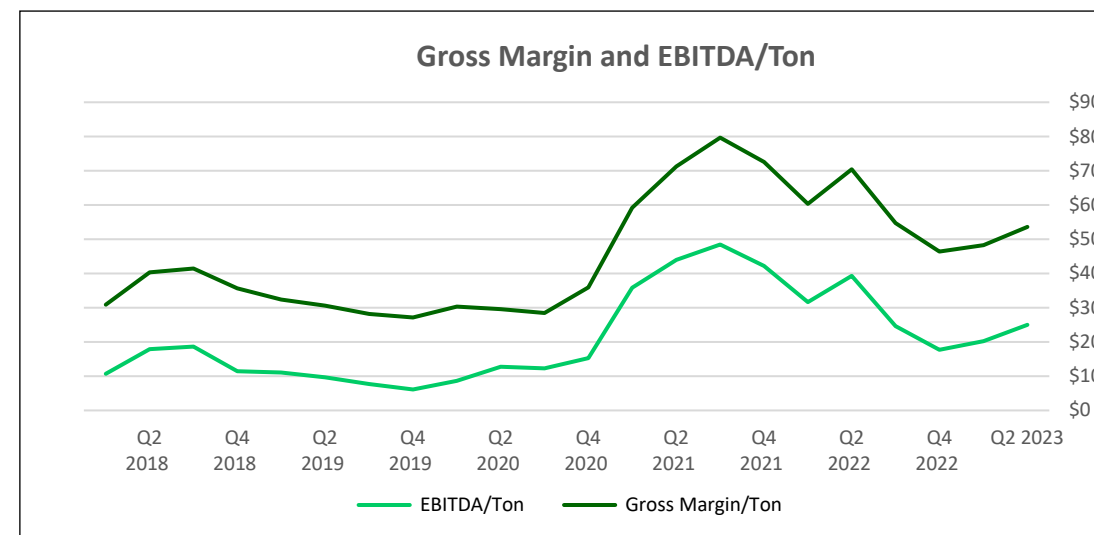
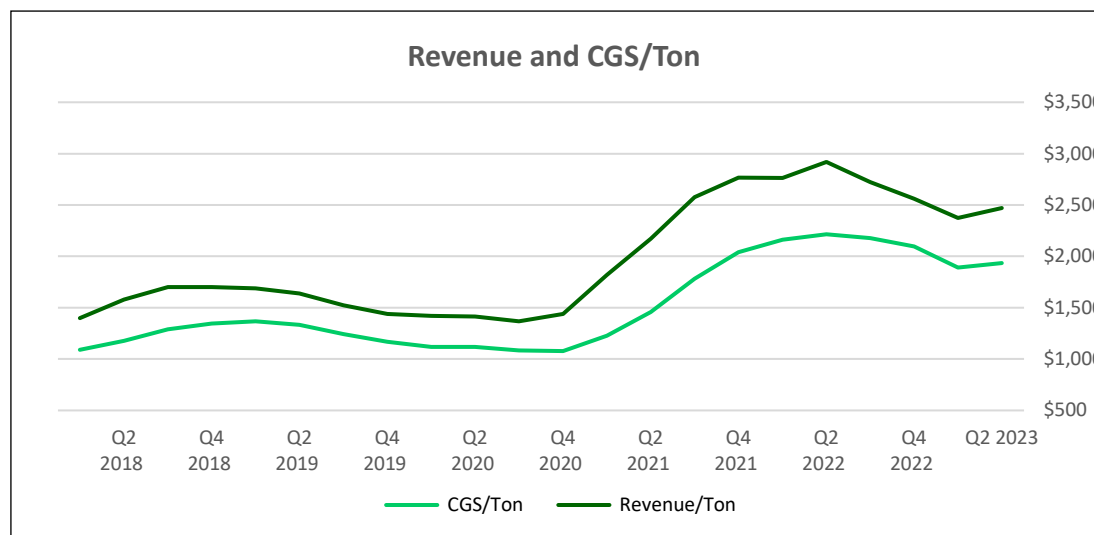
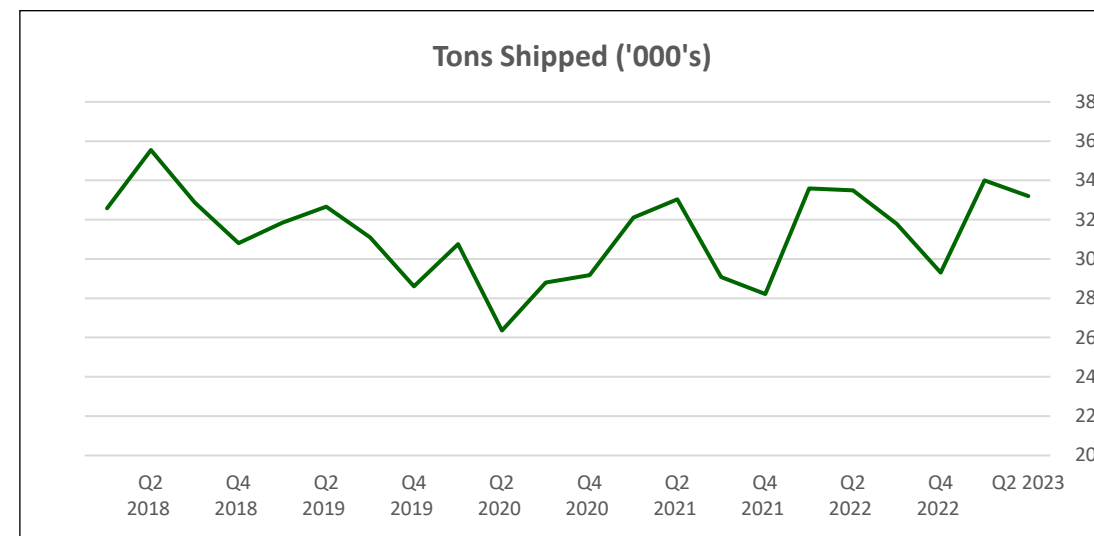
- Market conditions and sentiment continue to improve; spring break-up in Canada impacted Q2, but year-over-year revenues are up and margins remain strong

Distributors:

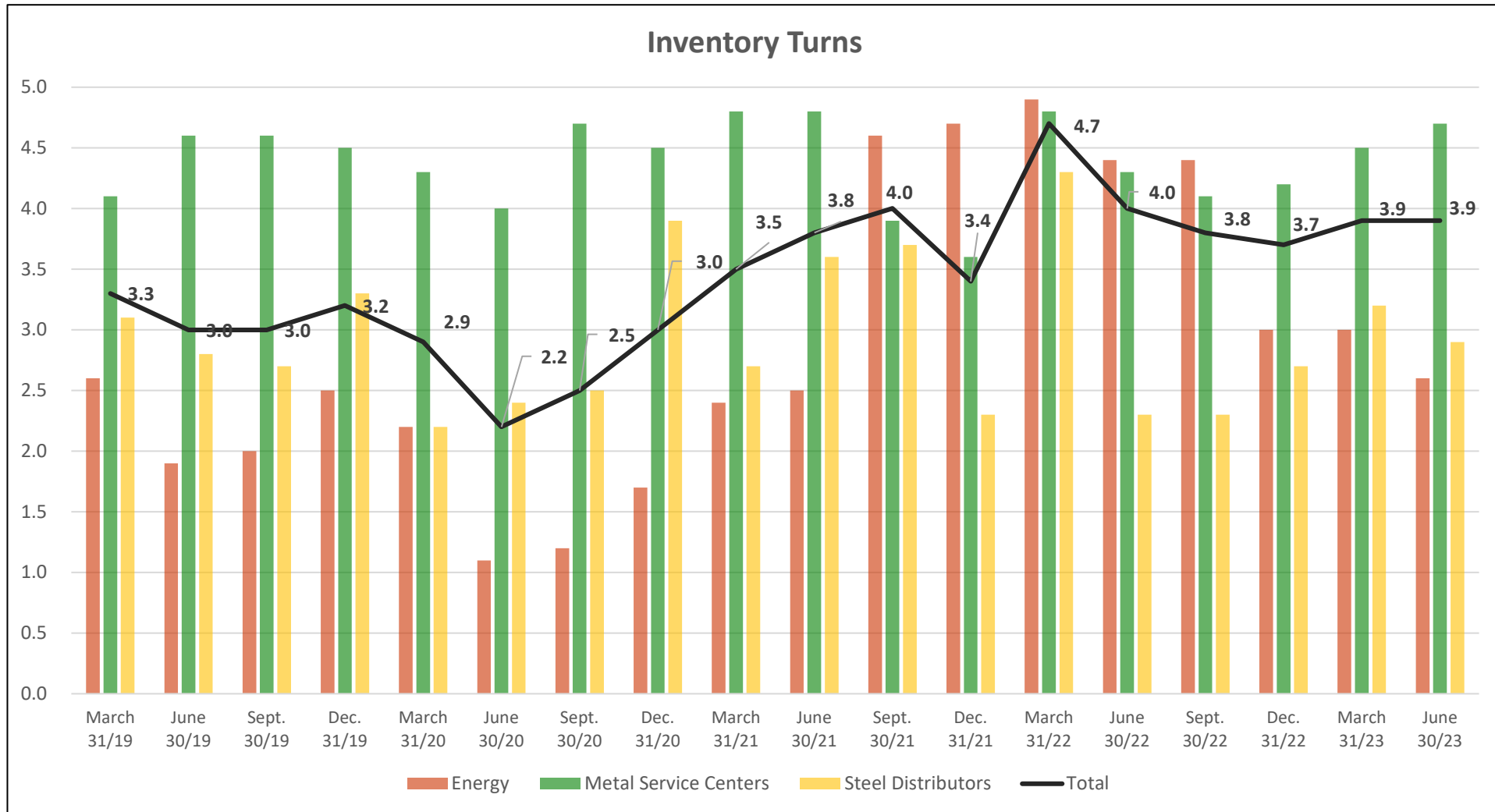
- Margins and operating profits remained solid with the steel price environment

SERVICE CENTER RESULTS

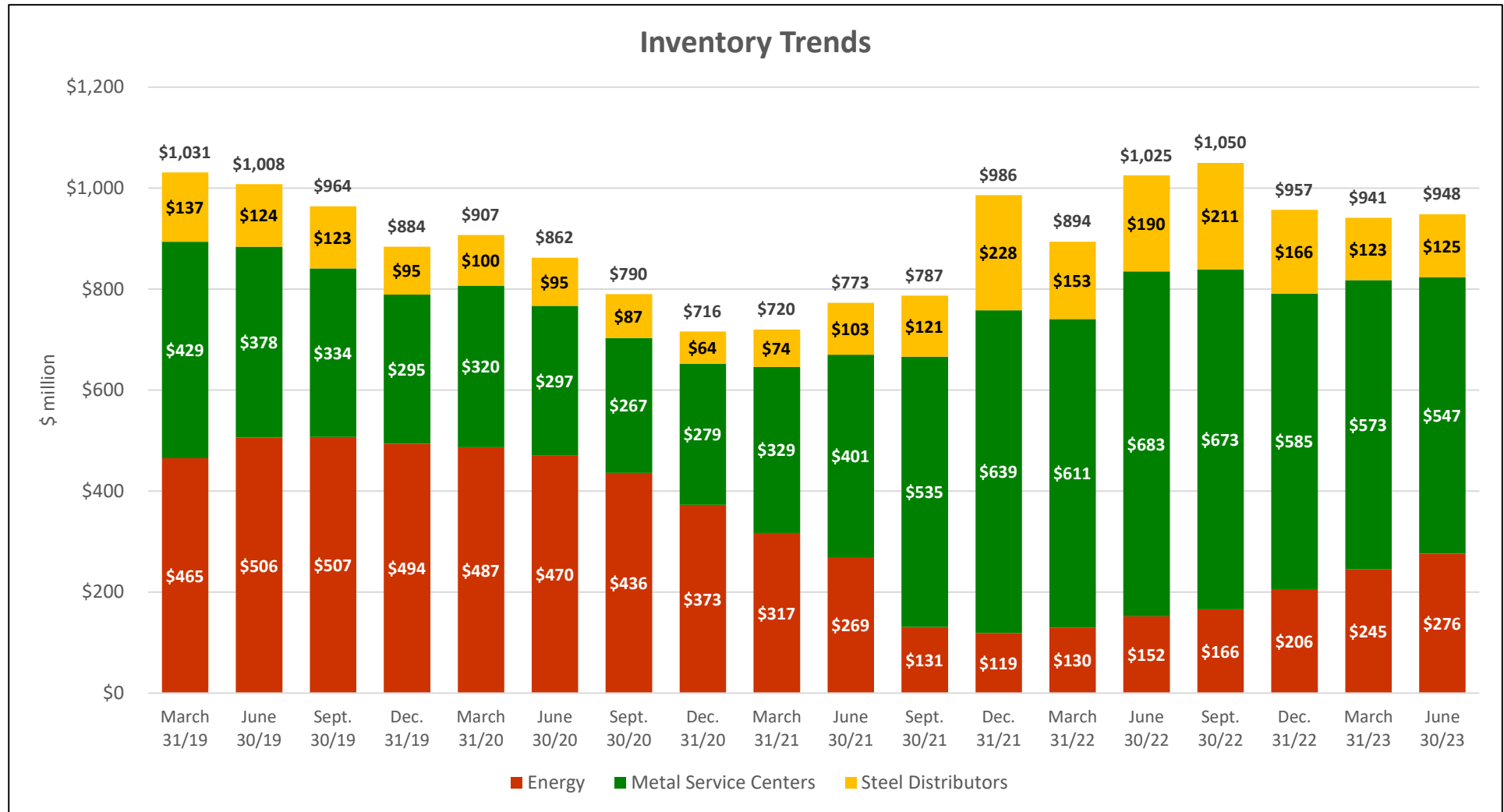
- Q2 2023 tons shipped were comparable vs. Q1 2023 and Q2 2022.
- Price realizations/ton increased (+\$96) more than the CGS/ton increase (+\$43/ton), resulting in higher margins in Q2 vs. Q1.
- Selling prices and margins showed some weakening towards the end of Q2.



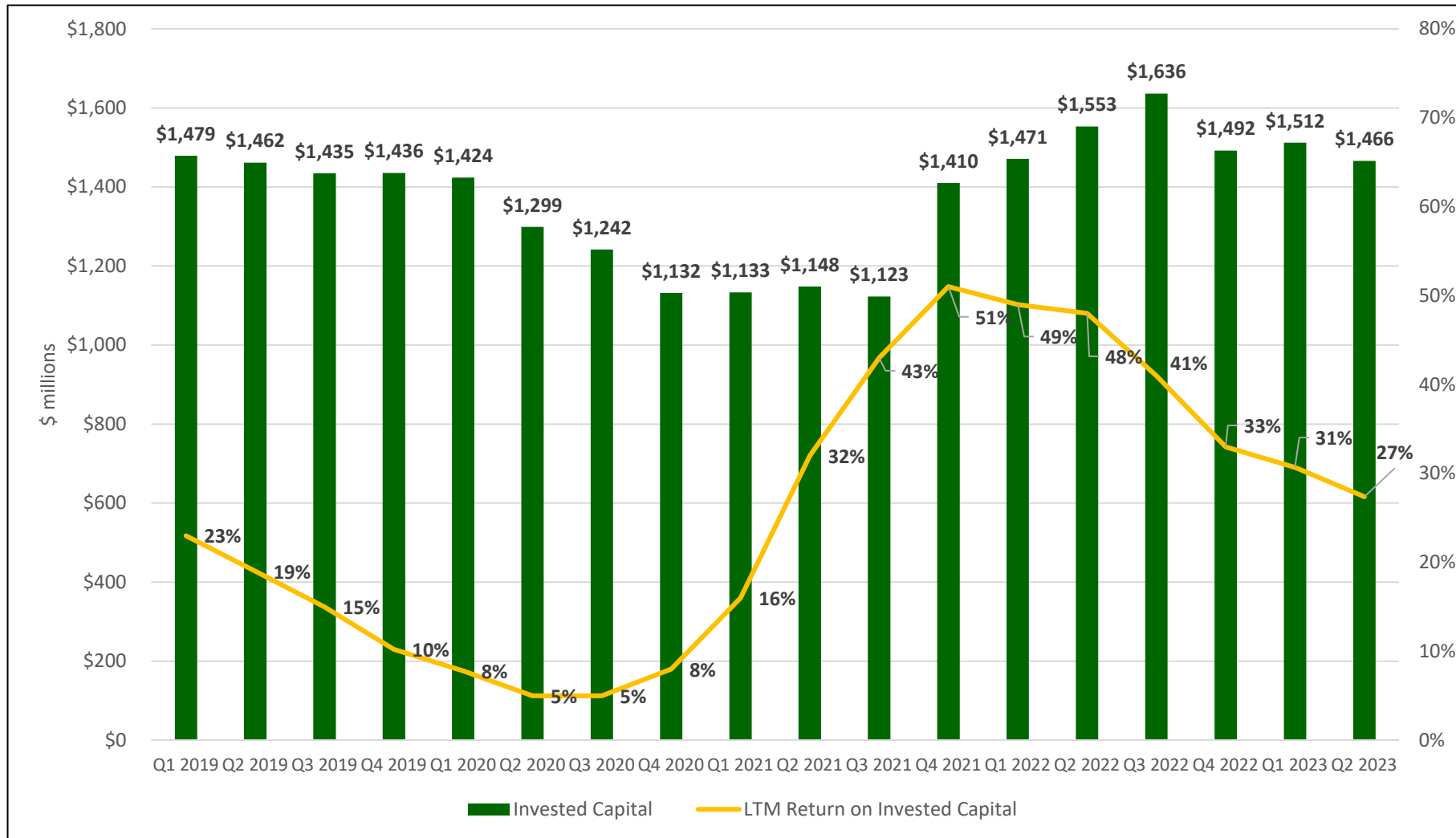
INVENTORY TURNS



PORTFOLIO REALIGNMENT: INVENTORY



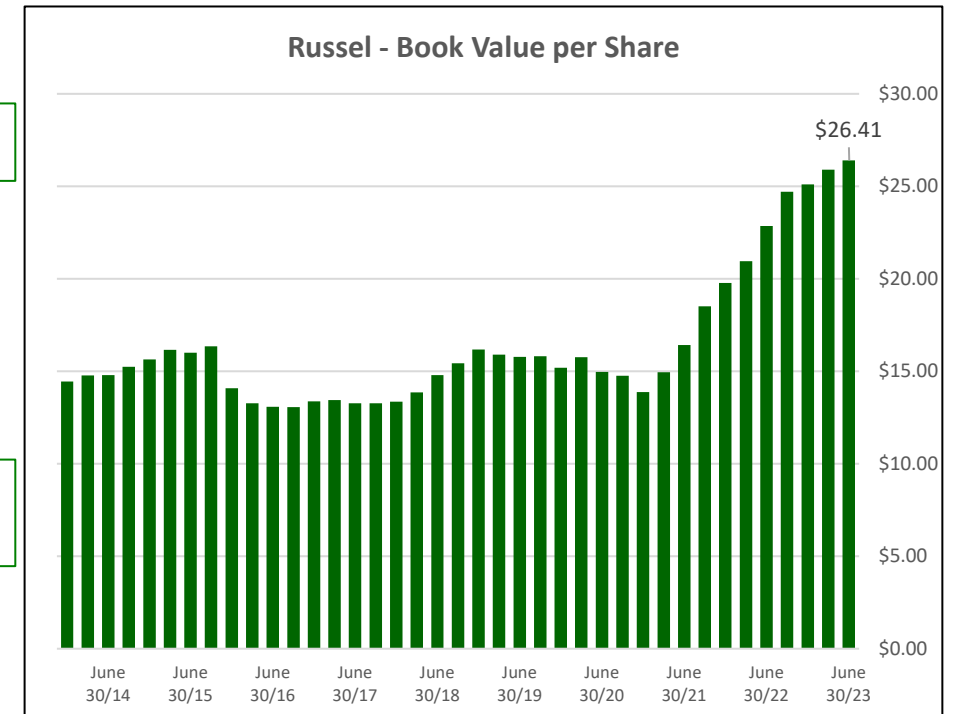
PORTFOLIO REALIGNMENT: RETURN ON CAPITAL



LIQUIDITY AND CAPITAL STRUCTURE SUMMARY

- The cash position and book value per share grew further in Q2.
- Proceeds from the sale of our TriMark investment are expected in Q3.

	6/30/22 (C\$ mm)	3/31/23 (C\$ mm)	6/30/23 (C\$ mm)	
Cash	\$187	\$401	\$450	3 Month Change +\$49 mm 12 Month Change +\$263 mm
Bank Lines - Maturity 2025	--	--	--	
5.75% Notes - Due 2025	\$147	\$148	\$149	
6% Notes - Due 2026	\$148	\$148	\$148	
Total Debt	\$295	\$296	\$297	
Shareholders Equity	\$1,444	\$1,617	\$1,619	BV/Share: 3 Month Change +\$0.51/share 12 Month Change +\$3.52/share
Net Debt/Invested Capital	7%	<0%	<0%	
Liquidity	\$472	\$792	\$837	



STRATEGIC INITIATIVES UPDATE

Increase capital deployment with a target of >15% return over a cycle

Value-Added Equipment

Over 30 equipment projects are underway in Canada and the US

Facility Modernizations

Multiple modernizations underway
Recently approved new projects for Green Bay, WI (US\$11 mm) and Texarkana, TX (US\$9 mm).

Acquisitions

Deal pipeline remains active
Acquiring Alliance Supply as a tuck-in to our Canadian energy field stores

Flexible approach to returning capital to shareholders

Dividends

Increased quarterly dividend from \$0.38 to \$0.40/share in May

Share Buy Backs

2.2 mm shares acquired to date under NCIB (average price of \$32.18/share)
Filing for a new NCIB for up to 6.1 mm shares

FINANCIAL HIGHLIGHTS

	Six Months Ended June 30		Years Ended December 31			
	2023	2022	2022	2021	2020	2019
OPERATING RESULTS (millions)						
Revenues	\$2,376.3	\$2,700.9	\$5,070.6	\$4,208.5	\$2,688.3	\$3,675.9
EBITDA ⁽¹⁾	247.8	341.9	578.9	664.0	125.2	203.0
Adjusted EBITDA ⁽¹⁾	247.8	341.9	578.9	666.6	159.0	203.0
Adjusted EBITDA as a % of revenue ⁽¹⁾	10.4%	12.7%	11.4%	15.8%	5.9%	5.5%
EBIT ⁽¹⁾	214.7	310.0	512.8	606.1	64.6	146.3
Adjusted EBIT ⁽¹⁾	214.7	310.0	512.8	608.7	98.4	146.3
Adjusted EBIT as a % of revenue ⁽¹⁾	9.0%	11.5%	10.1%	14.5%	3.7%	4.0%
Net earnings	158.9	222.7	371.9	432.2	24.5	76.6
Basic earnings per common share (\$)	\$2.56	\$3.53	\$5.91	\$6.90	\$0.39	\$1.23
BALANCE SHEET INFORMATION (millions)						
Accounts receivable	\$579.6	\$656.7	\$495.2	\$553.6	\$343.4	\$457.9
Inventories	948.4	1,025.1	956.5	986.0	716.4	883.6
Prepaid expenses and other assets	26.8	41.6	35.8	30.3	13.7	18.2
Accounts payable and accruals	(526.1)	(597.9)	(446.3)	(521.4)	(273.1)	(307.9)
Net working capital	1,028.7	1,125.5	1,041.2	1,048.5	800.4	1,051.8
Fixed assets	317.2	301.9	312.2	302.4	269.5	288.9
Right-of-use assets	99.7	93.5	101.7	86.7	81.4	90.10
Goodwill and intangibles	120.3	128.0	126.5	132.2	109.6	137.0
Lease obligations	(124.2)	(115.2)	(126.9)	(109.5)	(105.80)	(111.60)
Net assets employed in metals operations	1,441.7	1,533.7	1,454.7	1,460.3	1,155.1	1,456.2
Other operating assets	3.0	1.5	0.8	0.3	0.8	1.7
Net income tax assets (liabilities)	(19.9)	(22.6)	(5.7)	(68.7)	12.5	10.2
Pension and benefit assets (liabilities)	41.6	38.4	40.5	26.1	(7.9)	(5.0)
Other corporate assets (liabilities)	(0.9)	1.9	2.0	(8.0)	(28.4)	(27.5)
Total net assets employed	\$1,465.5	\$1,552.9	\$1,492.3	\$1,410.0	\$1,132.1	\$1,435.6
CAPITALIZATION (millions)						
Bank indebtedness, net of (cash)	(450.1)	\$(186.9)	\$(363.0)	\$(133.1)	\$(26.3)	\$46.2
Long-term debt (incl. current portion)	296.6	295.4	296.0	294.8	293.7	444.8
Total interest bearing debt, net of (cash)	(153.5)	108.5	(67.0)	161.7	267.4	491.0
Shareholders' equity	1,619.0	1,444.4	1,559.3	1,248.3	864.7	944.6
Invested Capital ⁽¹⁾	\$1,465.5	\$1,552.9	\$1,492.3	\$1,410.0	\$1,132.1	\$1,435.6
OTHER INFORMATION (Notes)						
Book value per share (\$) ⁽¹⁾	\$26.41	\$22.89	\$25.10	\$19.78	\$13.88	\$15.19
Free cash flow (millions) ⁽¹⁾	\$168.3	\$305.6	\$482.8	\$609.7	\$94.4	\$136.7
Capital expenditures (millions)	\$29.6	\$16.0	\$41.5	\$28.8	\$24.9	\$34.8
Depreciation and amortization (millions)	\$33.1	\$31.9	\$66.1	\$57.9	\$60.6	\$56.7
Net debt to invested capital ⁽¹⁾	(10%)	7%	(4%)	11%	24%	35%
Return on invested capital ⁽¹⁾	29%	41%	33%	51%	8%	10%
COMMON SHARE INFORMATION						
Ending outstanding common shares	61,307,326	63,112,220	62,112,220	63,100,220	62,295,441	62,173,430
Average outstanding common shares	62,128,420	63,108,638	62,891,611	62,667,618	62,191,208	62,132,030
Dividend declared per share	\$0.80	\$0.76	\$1.52	\$1.52	\$1.52	\$1.52
Share price - High	\$37.85	\$36.15	\$36.15	\$37.57	\$23.09	\$25.22
Share price - Low	\$28.63	\$24.65	\$23.80	\$22.33	\$10.97	\$18.47
Share price - Ending	\$36.70	\$26.02	\$28.78	\$33.63	\$22.73	\$22.17

⁽¹⁾ This chart includes certain financial measures that are not prescribed by International Financial Reporting Standards (GAAP) or have standardized meanings, and thus, may not be comparable to similar measures presented by other companies. Refer to page 2 of our MD&A for commentary and certain definitions of Non-GAAP Measures and Ratios and a reconciliation of certain Non-GAAP measures to GAAP measures. Adjusted EBIT and Adjusted EBITDA are adjusted to remove the impact of long-lived asset impairment. Management believes that measures like Adjusted EBIT and Adjusted EBITDA 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. Adjusted EBIT 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. Adjusted EBIT, Adjusted EBITDA and a number of the ratios provided under Other Information are used by debt and equity analysts to compare our performance against other public companies. See financial statements for GAAP measures.

CONSOLIDATED STATEMENTS OF EARNINGS ON AN ADJUSTED BASIS

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
(\$ millions)	2023	2023	2022	2022	2022	2022	2021	2021	2021	2021	2020	2020	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018	
Quarter ended:																							
Revenue	1,189.6	1,186.7	1,099.8	1,269.9	1,362.3	1,338.6	1,146.8	1,108.1	1,068.2	885.4	670.6	614.9	588.1	814.7	837.4	869.2	936.7	1,032.6	1,115.4	1,140.1	978.2	931.3	
Cost of goods sold	914.2	926.5	881.7	996.3	1,017.8	1,048.3	847.6	778.0	740.2	630.3	531.3	498.1	478.0	662.3	715.4	717.4	761.0	842.1	905.2	899.2	739.3	736.7	
Operating expenses	155.7	156.9	143.0	159.8	164.1	150.3	139.5	146.2	146.9	129.0	105.3	86.0	86.8	128.7	117.1	113.0	120.3	126.3	137.2	133.3	135.7	123.8	
Corp. Expenses and other	5.0	3.3	(4.3)	(9.6)	7.7	2.7	12.6	2.9	17.6	11.6	37.6	(1.4)	7.2	3.7	2.6	3.9	4.5	6.0	1.6	6.0	5.9	10.2	
Operating EBIT	114.7	100.0	79.4	123.4	172.7	137.3	147.1	181.0	163.5	114.5	(3.6)	32.2	16.1	20.0	2.3	34.9	50.9	58.2	71.4	101.6	97.3	60.6	
Depreciation & amortization	16.7	16.4	18.0	16.2	16.1	15.8	14.6	14.6	14.3	14.5	14.6	15.0	15.4	15.5	15.4	13.8	13.9	13.7	9.6	9.0	8.7	8.4	
Operating EBITDA	131.4	116.4	97.4	139.6	188.8	153.1	161.7	195.6	177.8	129.0	11.0	47.2	31.5	35.5	17.7	48.7	64.8	71.9	81.0	110.6	106.0	69.0	
Financing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on sale of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EBIT	114.7	100.0	79.4	123.4	172.7	137.3	147.1	181.0	163.5	114.5	(3.6)	32.2	16.1	20.0	2.3	34.9	50.9	58.2	71.4	101.6	97.3	60.6	
EBITDA	131.4	116.4	97.4	139.6	188.8	153.1	161.7	195.6	177.8	129.0	11.0	47.2	31.5	35.5	17.7	48.7	64.8	71.9	81.0	110.6	106.0	69.0	
Twelve months ended:																							
Revenue	4,746.0	4,918.7	5,070.6	5,117.6	4,955.8	4,661.7	4,208.5	3,732.3	3,239.1	2,759.0	2,688.3	2,855.1	3,109.4	3,458.0	3,675.9	3,953.9	4,224.8	4,266.3	4,165.0	3,874.7	3,585.5	3,423.8	
Cost of goods sold	3,718.7	3,822.3	3,944.1	3,910.0	3,691.7	3,414.1	2,996.1	2,679.8	2,399.9	2,137.7	2,169.7	2,353.8	2,573.1	2,856.1	3,035.9	3,225.7	3,407.5	3,385.8	3,280.4	3,037.5	2,819.3	2,728.3	
Operating expenses	609.8	620.9	613.7	627.1	626.0	618.7	606.3	597.1	532.6	462.1	453.9	430.7	463.0	493.8	493.7	512.8	535.2	552.0	553.7	530.8	503.9	476.4	
Operating EBIT	417.5	475.5	512.8	580.5	638.1	628.9	606.1	455.4	306.6	159.2	64.7	70.6	73.3	108.1	146.3	215.4	282.1	328.5	330.9	306.4	262.3	219.1	
Gain on sale of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EBIT	417.5	475.5	512.8	580.5	638.1	628.9	606.1	455.4	306.6	159.2	64.7	70.6	73.3	108.1	146.3	215.4	282.1	328.5	330.9	306.4	262.3	219.1	
Depreciation & amortization	67.3	66.7	66.1	62.7	61.1	59.3	58.0	58.4	59.5	60.5	61.3	60.1	58.6	56.8	51.0	46.2	41.0	35.7	34.8	34.3	34.1	34.1	
EBITDA	484.8	542.2	578.9	643.2	699.2	688.2	664.1	513.4	365.0	218.7	125.2	131.9	133.4	166.7	203.1	266.4	328.3	369.5	366.6	341.2	296.6	253.2	