

Russel Metals

COMPANY UPDATE - MARCH 2026



CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain statements contained in this presentation 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, our ability to pay dividends and the anticipated benefits from acquisitions, the timing to close the acquisition and there can be no assurance that the proposed acquisition will occur, or that it will occur on the exact terms contemplated in this presentation. 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.

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. 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" in our 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.

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 product prices; cyclicity 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.

NON-GAAP MEASURES

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:

Basic Earnings per Share before Stock-based Compensation - represents net earnings less stock-based compensation divided by average shares outstanding.

Cash from Working Capital - represents cash generated from changes in non-cash working capital.

EBIT or Operating Profits - represents net earnings before interest and income taxes.

EBITDA - represents net earnings before interest, income taxes, depreciation and amortization.

Free Cash Flow - represents cash from operating activities before changes in non-cash working capital less capital expenditures.

Gross Margin - represents revenues less cost of sales.

Gross Margin Percentage - represents gross margin divided by revenues.

Gross Margin per Ton - represents gross margin divided by tons shipped.

Inventory Turns - represent annualized cost of sales divided by ending inventory.

Invested Capital – net debt plus shareholders' equity.

Liquidity - represents cash on hand less bank indebtedness plus excess availability under our bank credit facility.

Net Debt – long-term debt less cash on hand.

Selling Price per Ton - represents revenues divided by tons shipped.

Stock-based Compensation - represents the mark-to-market of stock-based compensation.

Tons Shipped - represents revenue volumes in our standardized metal service center unit of measure, which is imperial tons.

Return on Invested Capital - represents EBIT divided by average invested capital (net debt plus shareholders' equity). For 2025, the ROIC calculation excluded the Kloeckner assets from the average invested capital, as the acquisition closed on December 31, 2025.

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I. OVERVIEW



2025 IN REVIEW

**CONTINUING IMPROVEMENT
IN TREND RESULTS**
Revenues up 9% in 2025 vs. 2024
Gross margins up 90 bps in 2025 vs.
2024
EBITDA margin and \$ up in 2025 vs.
2024 - EBITDA \$ up 13%

**DISCRETIONARY CAPEX
INVESTMENTS**
Total capex of \$74 mm in 2025
New investment opportunities being
advanced in W. Canada and related to
the Kloeckner operations

CAPITAL DEPLOYED
\$1.8 bl. at 12/31/25 vs. \$1.6 bl. at
12/31/24 and \$1.3 billion at 12/31/23

GENERATED STRONG ROIC
15% in each of 2024 and 2025
Three-year average of 18%

**GREW U.S., SPECIALTY &
VALUE-ADD % of TOTAL
REVENUES**
U.S. = 44% in 2025 vs. 30% in 2019 –
will be >50% upon Kloeckner
acquisition closing
Non-Ferrous = 11% in 2025 vs. 9% in
2024 and 8% in 2023

**RETURNED CAPITAL TO
SHAREHOLDERS**
Share buybacks: 2.1 mm shares
@\$41.06/share = \$86 mm (4% of
opening shares o/s) for 2025
Dividends: \$24 mm in Q4'25/\$96 mm
for 2025

**RETAINED BALANCE SHEET
FLEXIBILITY FOR FUTURE
OPPORTUNITIES**
Net debt/Invested capital = 10%
Liquidity of \$515 mm

BUSINESS HIGHLIGHTS

Compelling Market Position with Strong Supplier Relationships and Market Insight

- One of the largest metals distribution and processing companies in North America
- Well-established relationships with North American steel producers and one of the largest independent steel importers in North America
- Global supplier reach provides timely access to market information and outlook to proactively manage inventory

Diversified Products and Customer Base

- Operates in three segments, each with a distinct customer base and business cycle
- Customers across a wide variety of industries including machinery and equipment manufacturing, non-residential construction, shipbuilding and natural resources

Flexible Business Model Through Cycles to Minimize Risk

- Variable cost/compensation model and prudent inventory management drives counter cyclical cash flows in market downturns
- Russel Metals' metals service centers have consistently turned inventory at higher rates than the industry average

Repositioned Portfolio to Enhance Return on Capital/Reduce Cash Flow Volatility

- Repatriated underperforming capital; Reduced volatility; Enhanced average returns and margins
- Reinvested in value-added processing and commenced a facilities modernization initiative
- Completed seven acquisitions since 2019 (Samuel transaction in August/24, Tampa Bay in December/24 and Kloeckner transaction in December/25)

Implemented a Flexible and Balanced Approach to Returning Capital to Shareholders

- Over the past two years, Russel paid \$193 million of dividends and bought back \$216 million of shares

Strong Liquidity and Financial Position

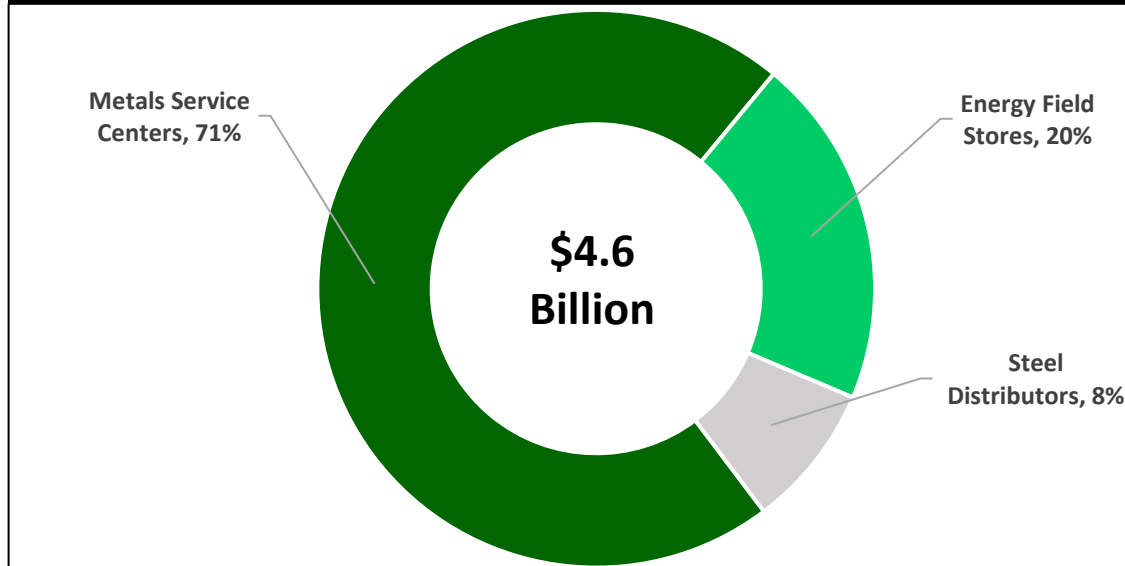
- As of Dec. 31/25:
 - Net Debt/Invested Capital 10%; Liquidity \$515 million
- Rated as investment grade by both S&P and DBRS

RUSSEL METALS AT-A-GLANCE

Overview

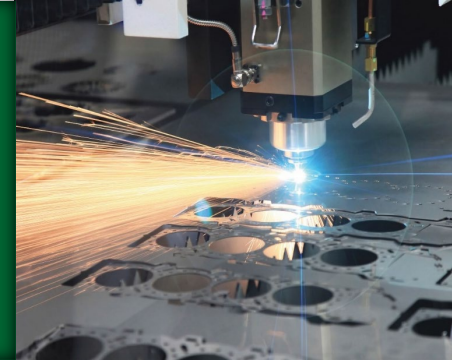
- Distribution of various industrial products across North America
- Three segments: Metal Service Centers, Energy Field Stores and Steel Distributors
- Founded in early 1900's
- Headquartered in Mississauga, Ontario, Canada
- Ticker: RUS.TO – 55.1 mm shares outstanding at 12/31/25

Revenue by Segment – 2025



Key Segments

Metals Service Centers



- Coast-to-coast in Canada
- Strong US presence in mid-west and south
- Extensive product line (carbon, stainless steel, aluminum, etc.) with a growing focus on value-added processing

Energy Field Stores



- Distribute highly engineered energy products (eg. valves, fittings, etc.)

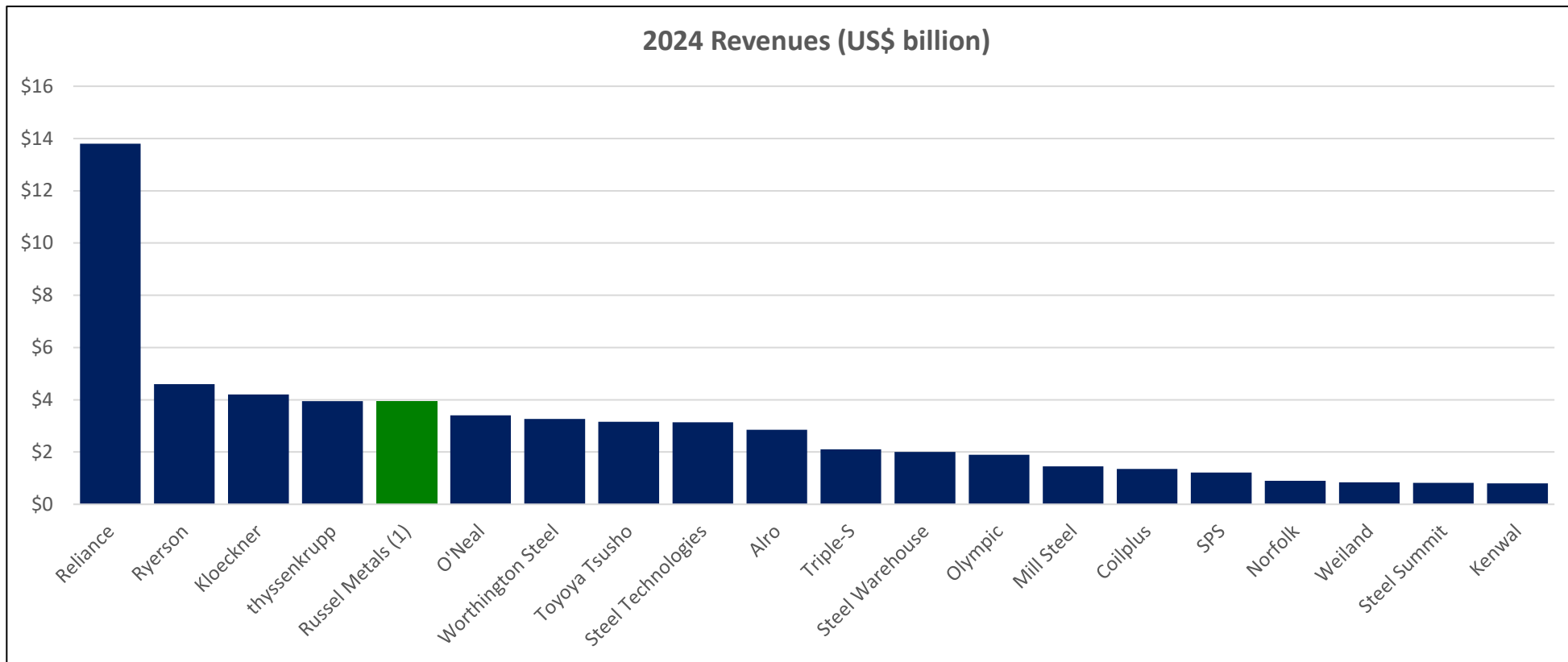
Steel Distributors



- Sell steel in larger volumes to steel service centers & large equipment manufacturers

MARKET POSITION

- Russel is one of the largest service center companies in North America
 - Leading market position in Canada
 - Strong market position in the US South and US Mid-West

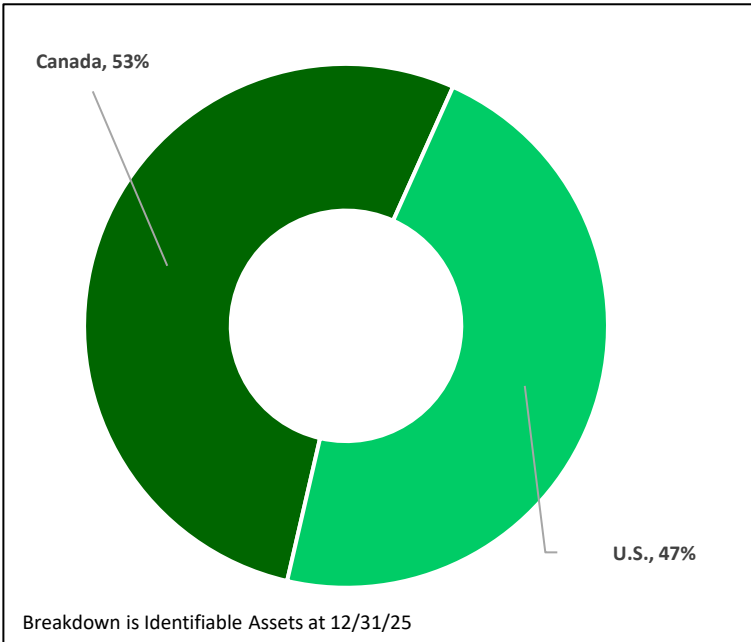


(1) Russel results are pro forma for the acquisitions of the Samuel assets, Tampa Bay Steel and the Kloeckner assets.

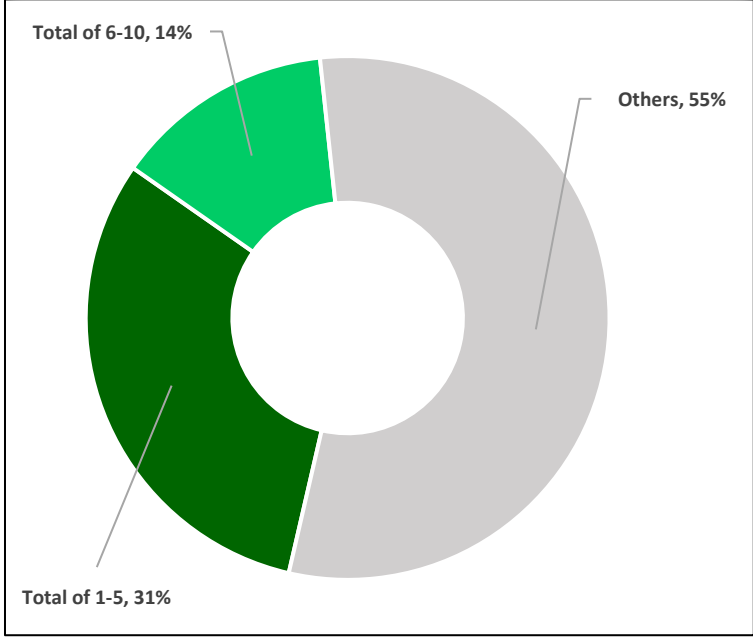
Source: Metal Center News, September 2025

DIVERSIFIED BUSINESS

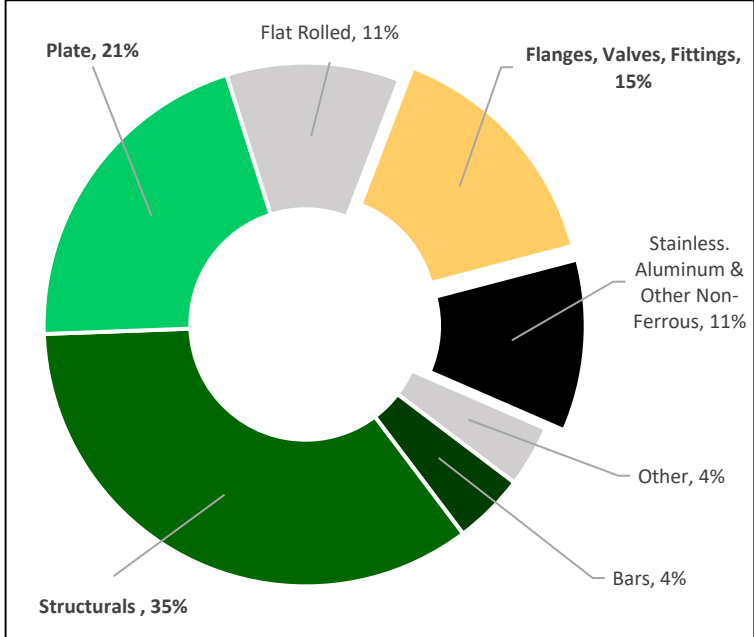
141 Branches/\$4.6 B of Revenue/\$2.5 B Assets



Suppliers



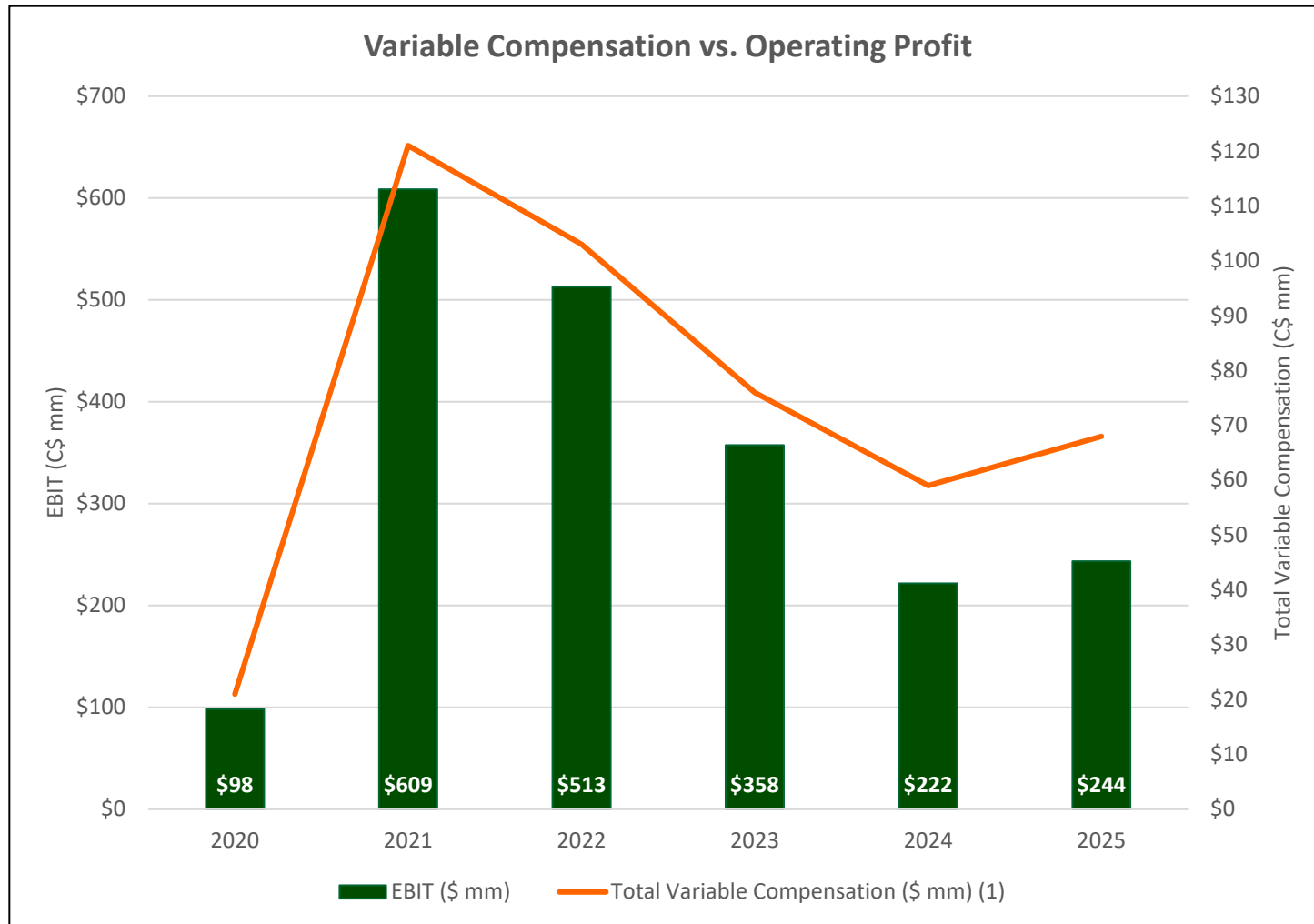
Product Mix



**Transactional Business Model:
Small Avg. Order Size/Large Number of
Transactions/Low Customer Concentration**

- Top 10 customers <10% of revenues
- Average ~3,600 MSC transactions/day
- Average MSC segment invoice ~\$3,600

INCENTIVE COMPENSATION TIED TO RETURN ON CAPITAL



- A large number of our employees participate in a profit-sharing program, with bonus pools tied to their local returns on net assets.
- This approach is a significant element of the pay-for-performance and decentralized culture at Russel.
- The variable incentive compensation moves up and down with operating results.

(1) Figures exclude mark-to-market adjustments for stock-based compensation.

BUSINESS TRANSFORMATION

Illustration of Historical Results

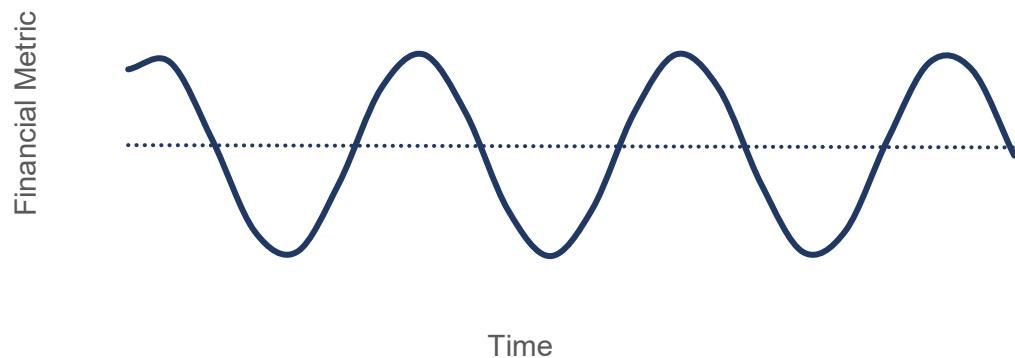
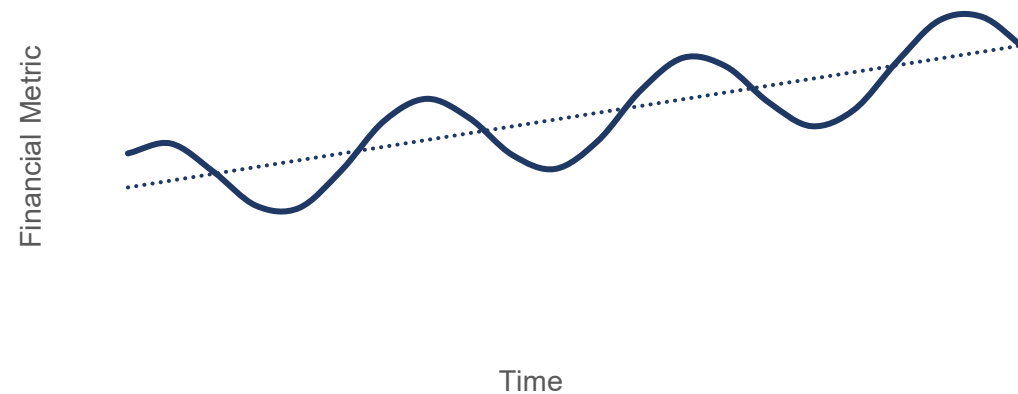


Illustration of Expected Impact from New Approach



Actions

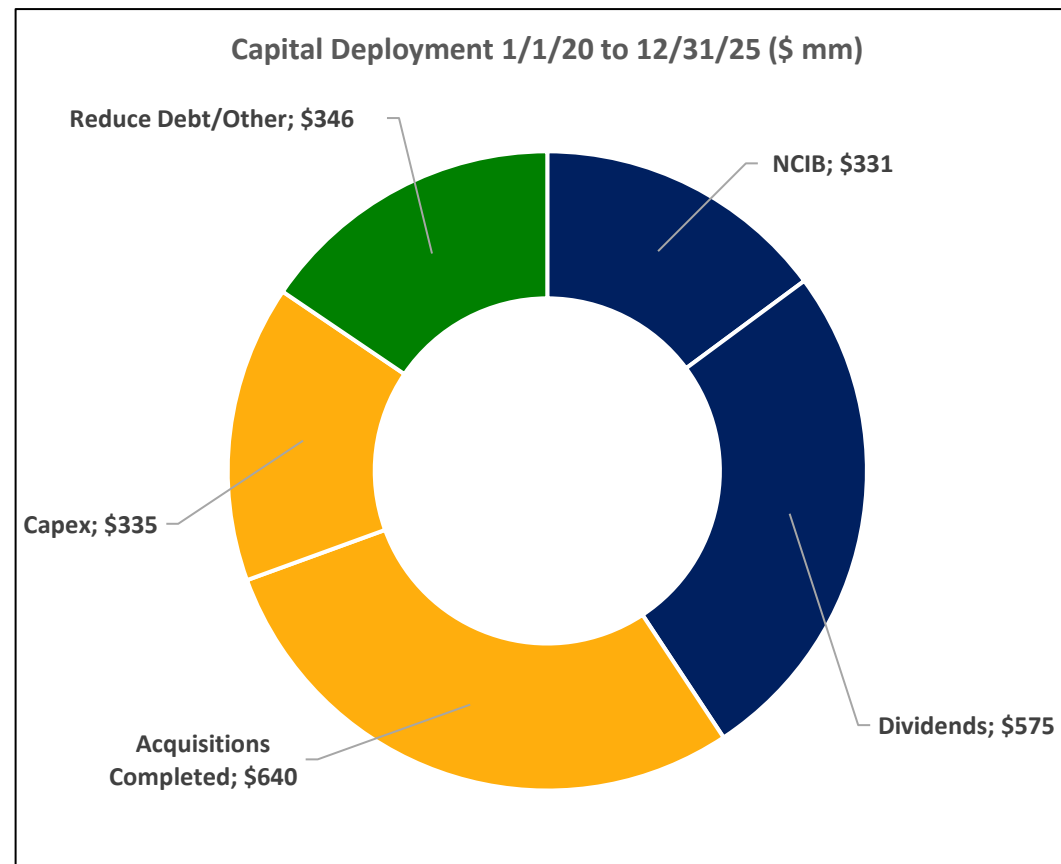
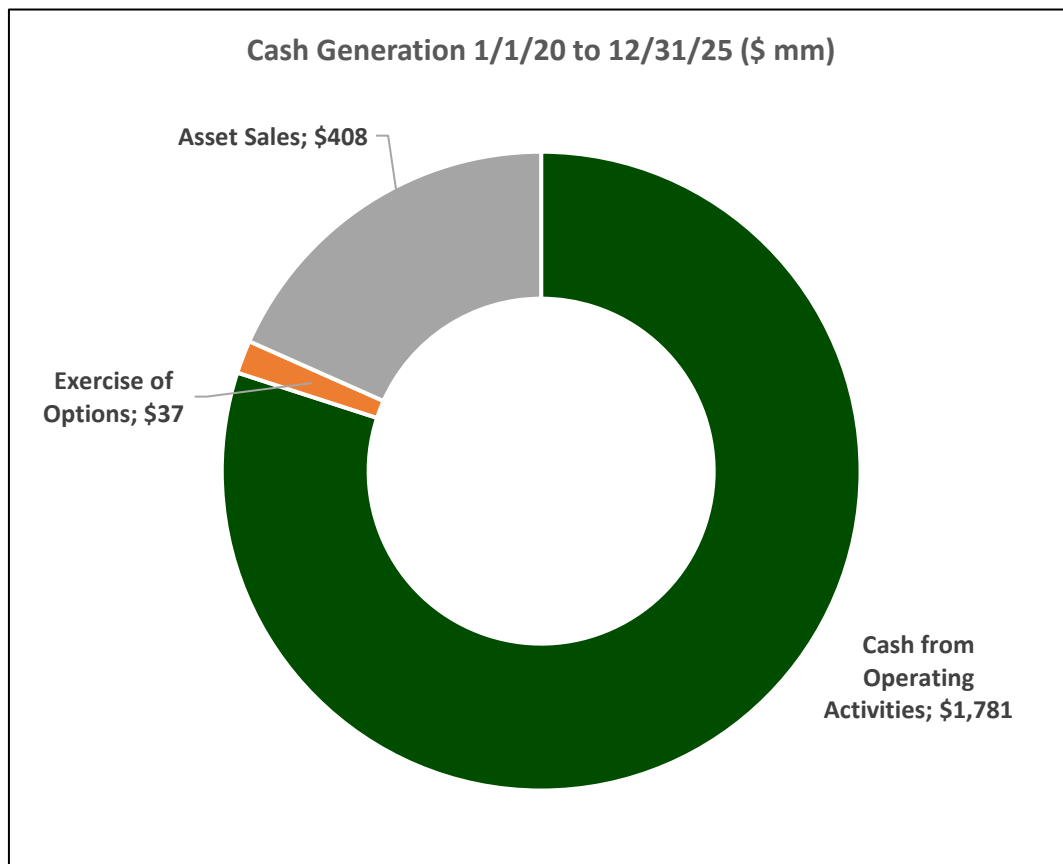
- Divested underperforming business units and repatriated underperforming capital
- Improvement in working capital management (better turns and reduced risk).
- Reinvested in value-added equipment, facility modernizations, and acquisitions.
- Strengthened the balance sheet

Impacts

- Raise the cycle floor and ceiling
- Reduce volatility
- Grow the business
- Reduce cost of capital

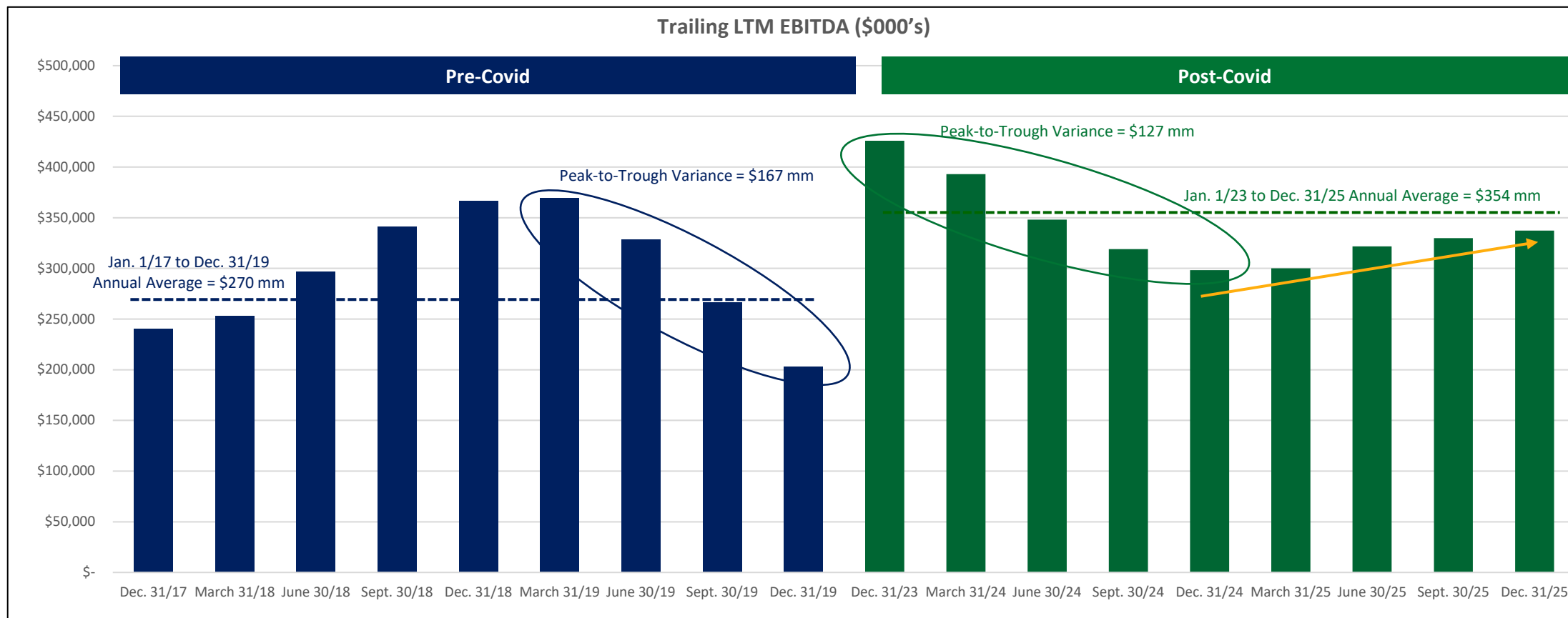
CAPITAL REALLOCATION EVOLUTION

- In the period of 2020-2025, we generated ~\$2.2 billion of cash and substantially changed our business and capital structure profile, with capital deployment including:
 - ~\$1 billion of capital reinvestment via acquisitions and internal capex
 - ~\$900 mm of capital returned to shareholders via NCIB and dividends



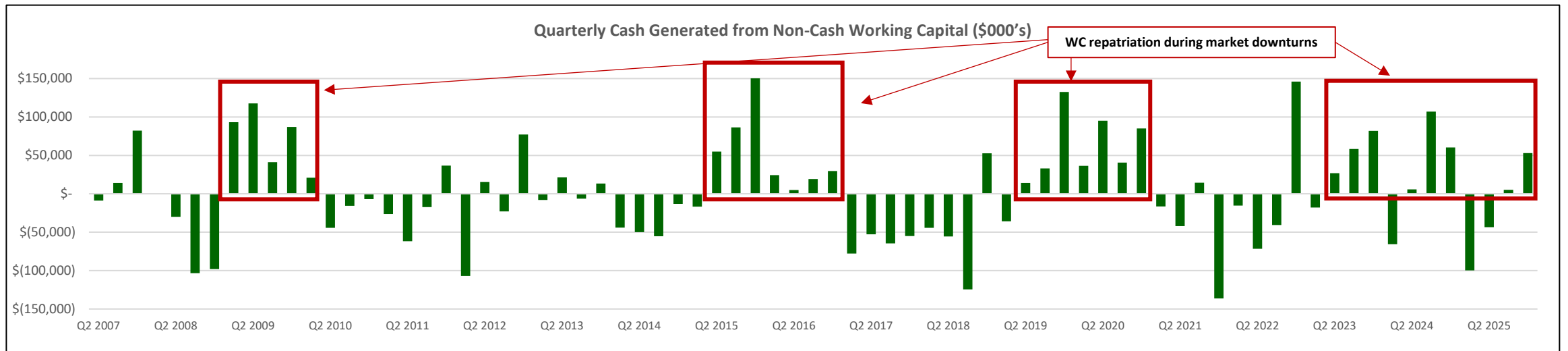
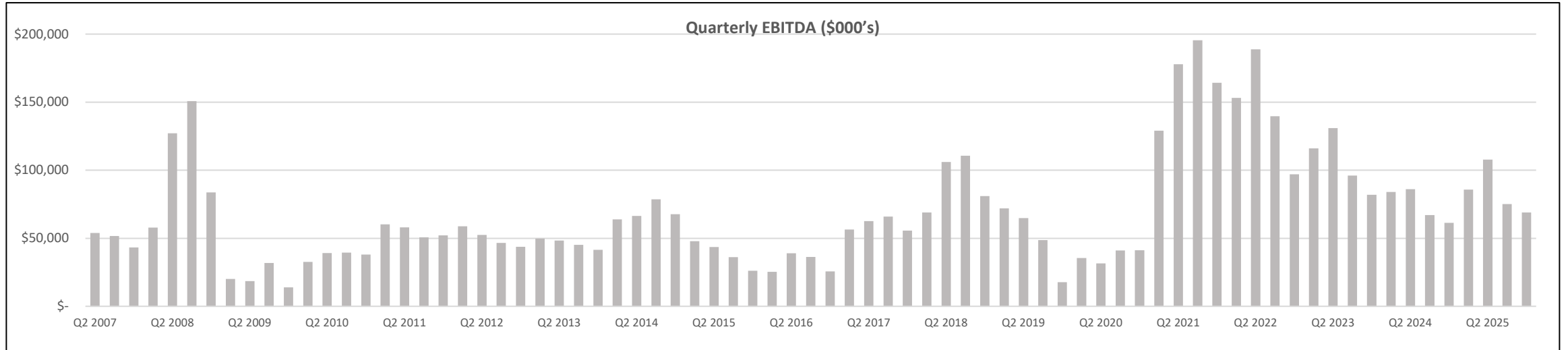
EBITDA THROUGH THE CYCLE

- Our quarterly results are impacted by short term swings from seasonality, steel price changes (including the lag effects of steel price changes on price realizations vs. CGS) and general economic conditions. An analysis of trailing 12-month periods below provides a better view of medium-term trends. Such trends have improved over the past few quarters.
- A comparison of the pre vs. post covid periods illustrate the lowering of our volatility and raising of the cycle floor/ceiling.



WORKING CAPITAL MANAGEMENT/COUNTER CYCLICAL FCF

- Working capital management is a long-term strategy due to the volatile nature of the markets in which we operate.



ESG FOCUS

Summary From Sustainability Report Updated April, 2025

Environmental

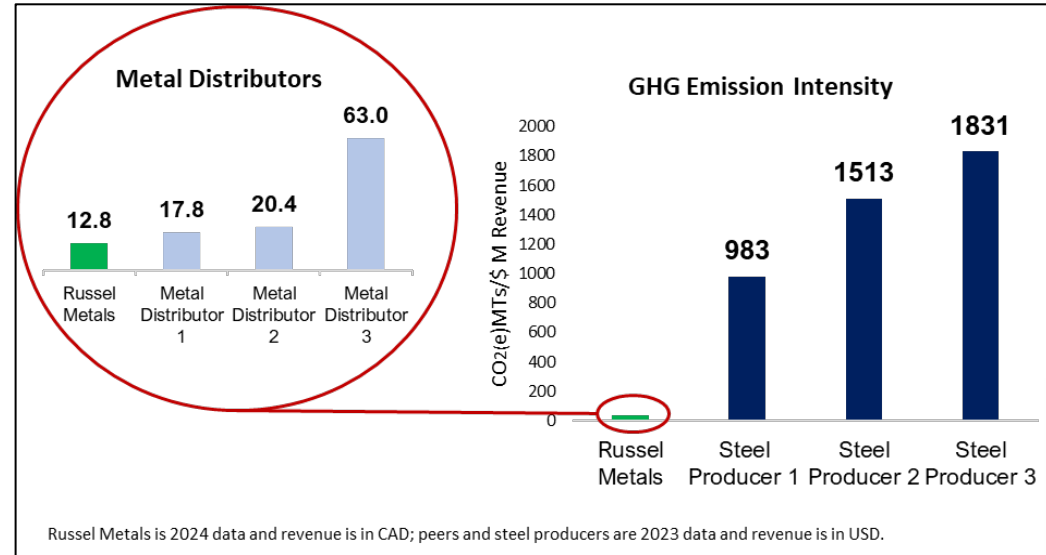
- Divested OCTG/Line Pipe business
- Low carbon emissions from operations

Social

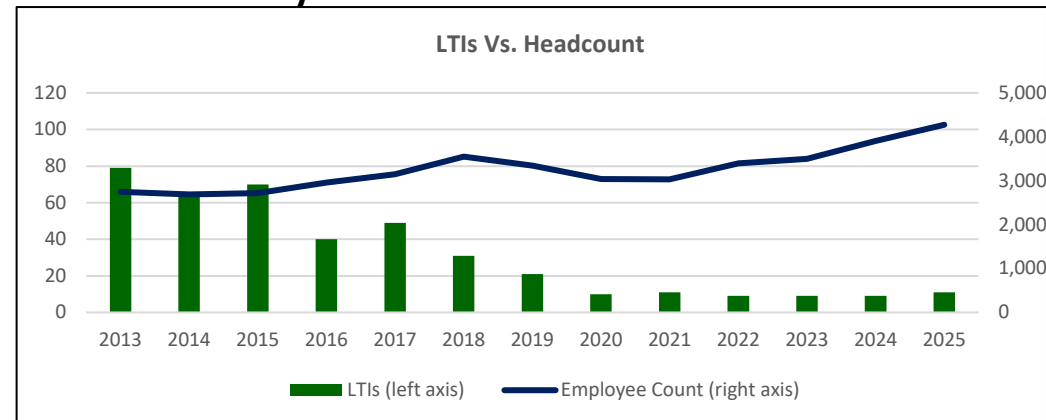
- Structured H&S Program “Mission Zero”
 - Dash cam roll out
 - Trailer fall prevention
 - Material handling/hand injury prevention
- Corporate charitable program
- Scholarship fund for children of employees
- Ethical, Privacy and Social Policies

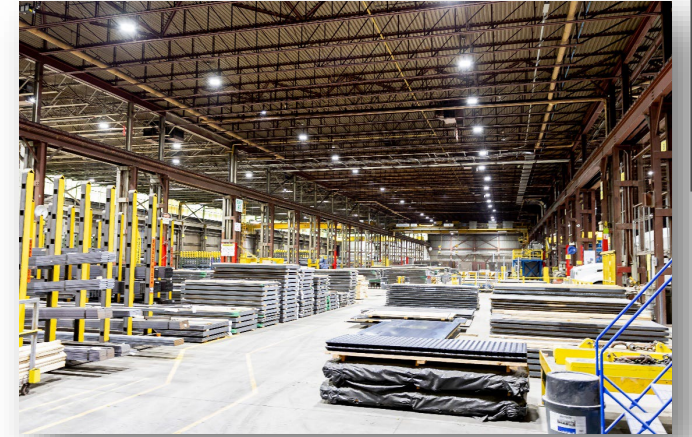
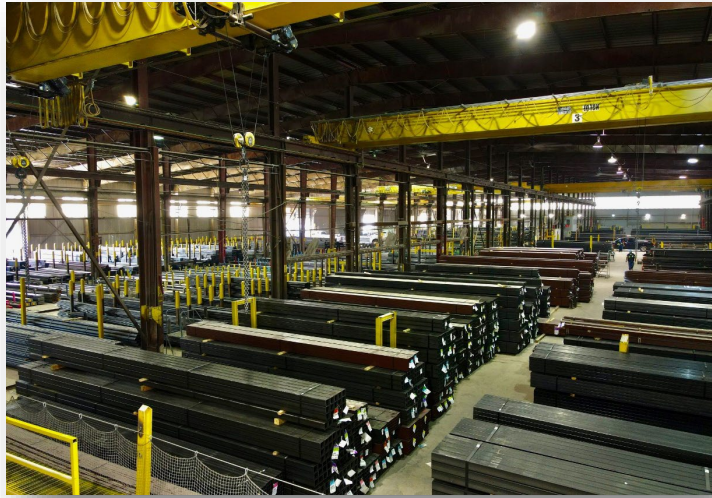
Governance

- Female Representation: 33% Board; 29% Corporate Executive
- Independent Board and Audit Committee
- Code of Business Conduct
- Independent Whistleblower program



Health and Safety Metrics:



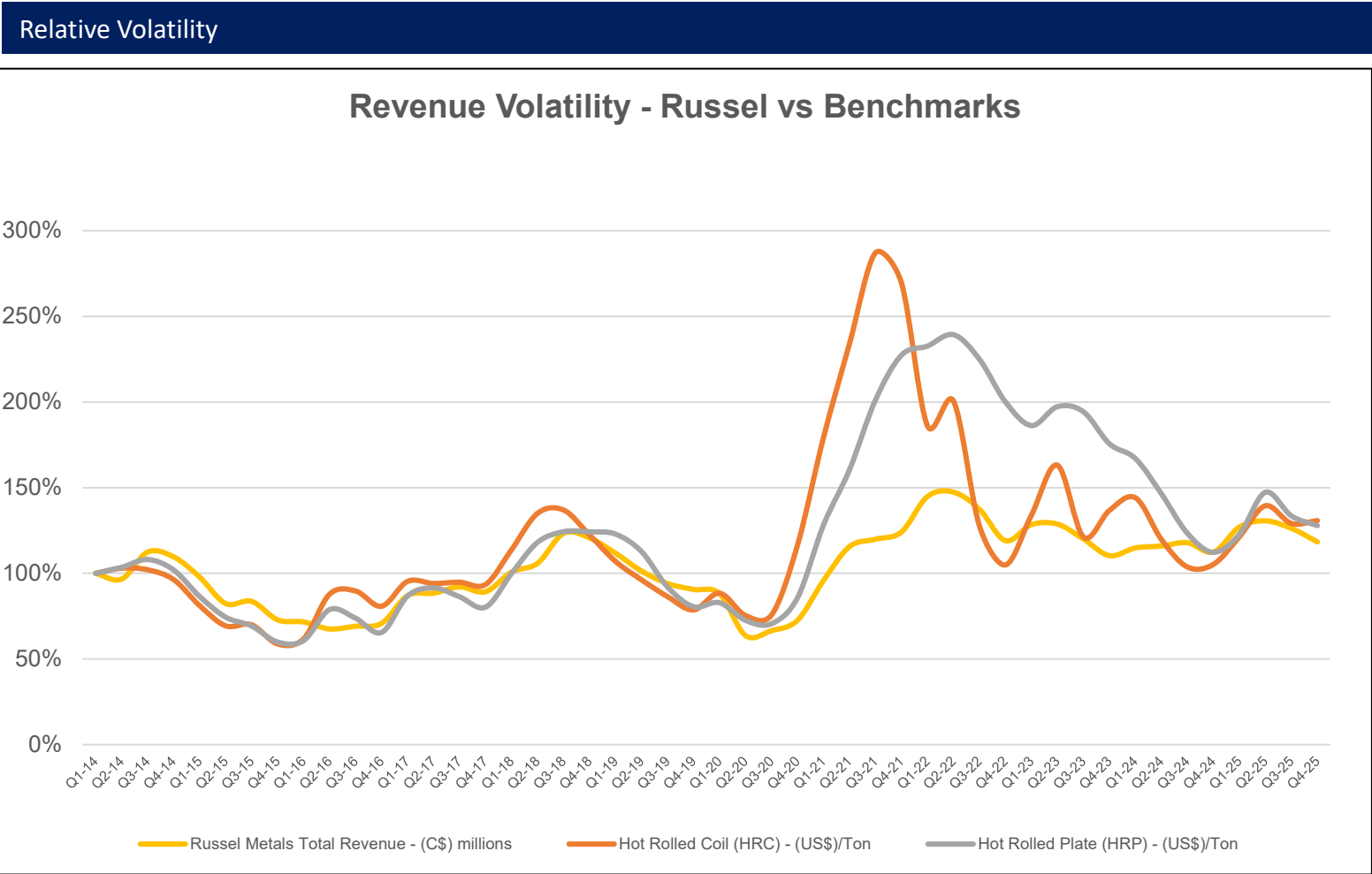


II. MARKET TRENDS



REVENUE VOLATILITY VS. INDEXES

- Russel Metals' revenue is less volatile than underlying steel prices due to the change in our business portfolio.



Absolute Volatility

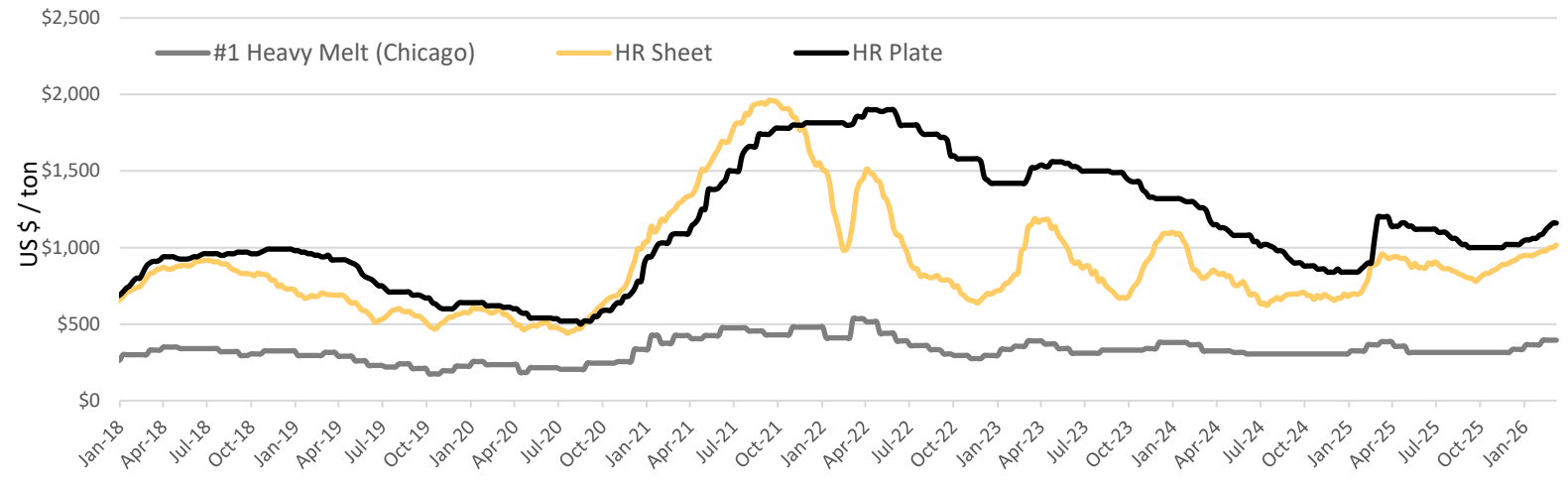
Coefficient of Variation (%)

Russel Metals Total Revenue - (C\$) millions	22%
Hot Rolled Coil (HRC) - (US\$)/Ton	40%
Hot Rolled Plate (HRP) - (US\$)/Ton	40%

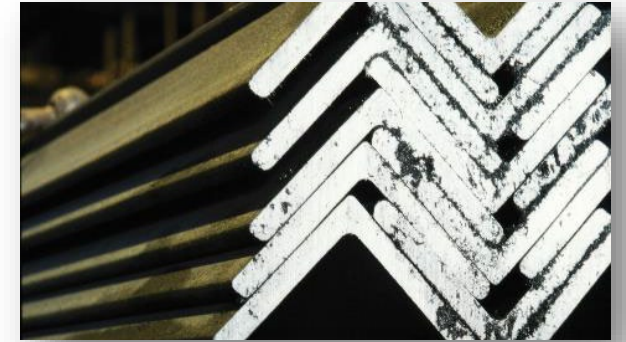
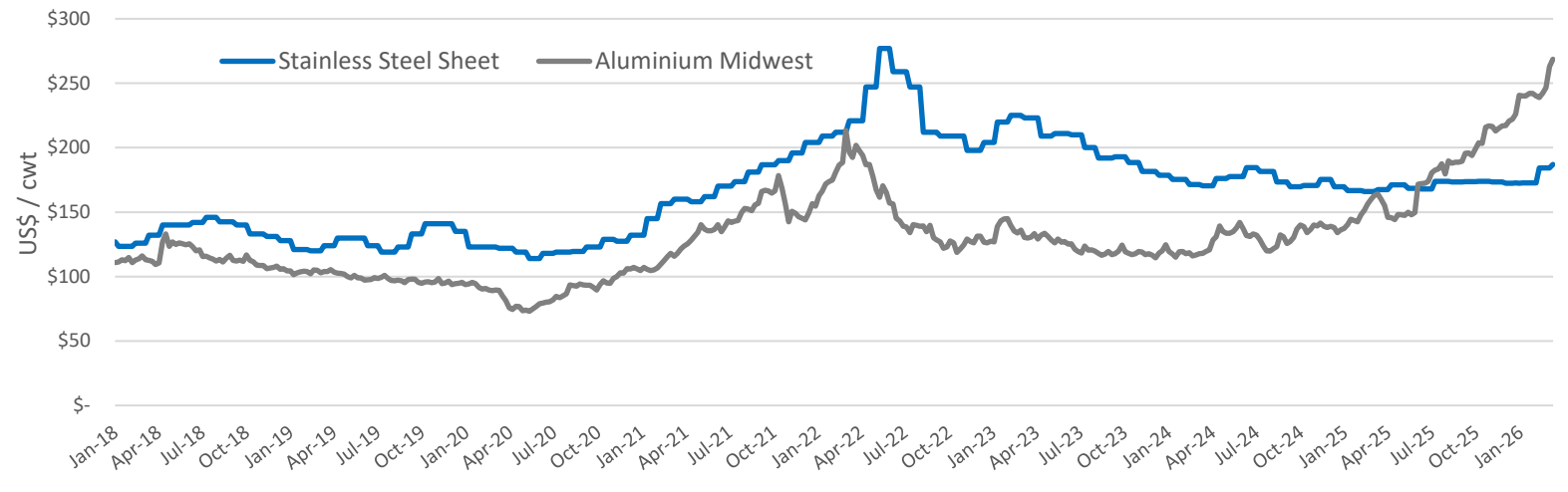


BUSINESS CONDITIONS: METAL PRICING TRENDS

Carbon Pricing



Specialty Metals Pricing



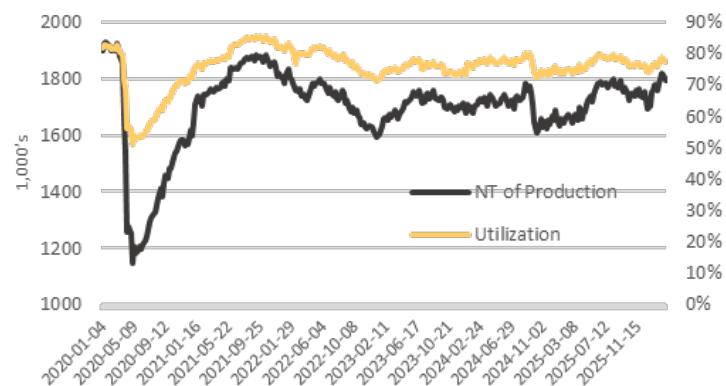
BUSINESS CONDITIONS: SUPPLY CHAIN DYNAMICS

Steel Mills/Imports:

- Capacity utilization has remained around 75%.
- Imports for 2025 were down in both Canada and the US.

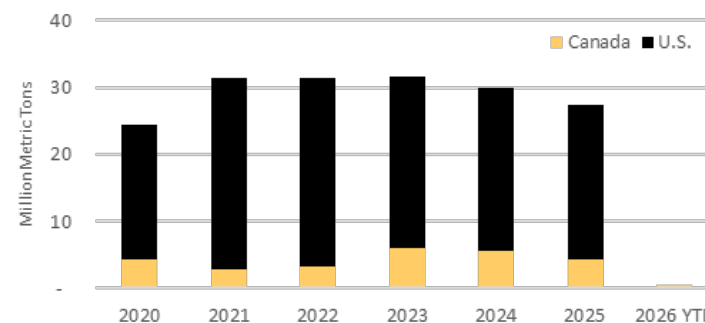
US Raw Steel Output & Utilization

Source: American Iron and Steel Institute



Steel Import Volumes

Source: Global Affairs Canada, US Census Bureau

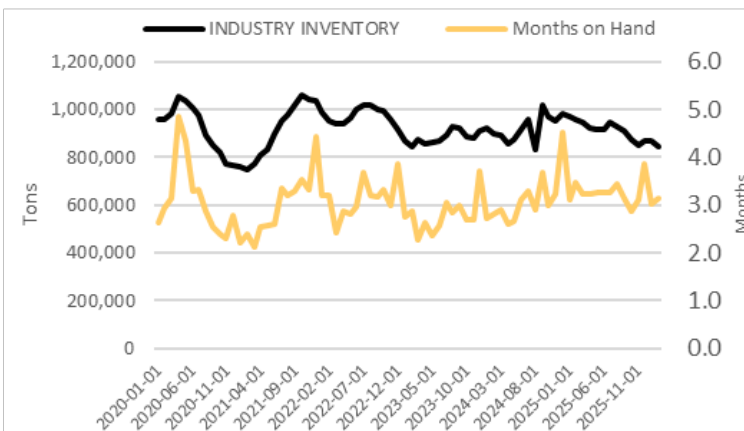


Service Centers:

- Supply chain inventories in both Canada and the US increased in typical year end patterns, but remain below the historical averages.

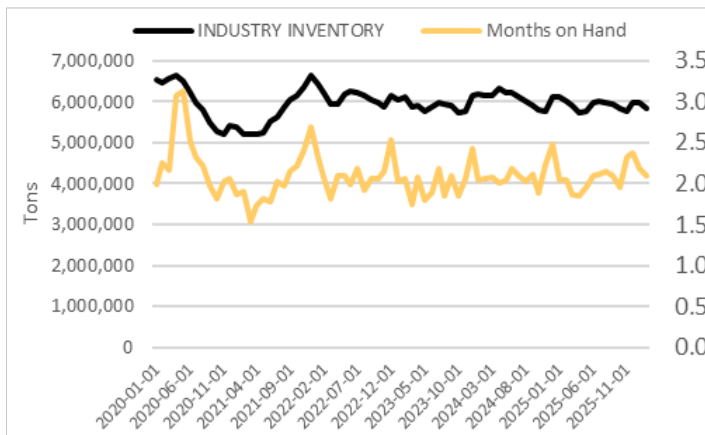
Carbon Steel: Inventory (Canada)

Source: Metals Service Center Institute (MSCI)



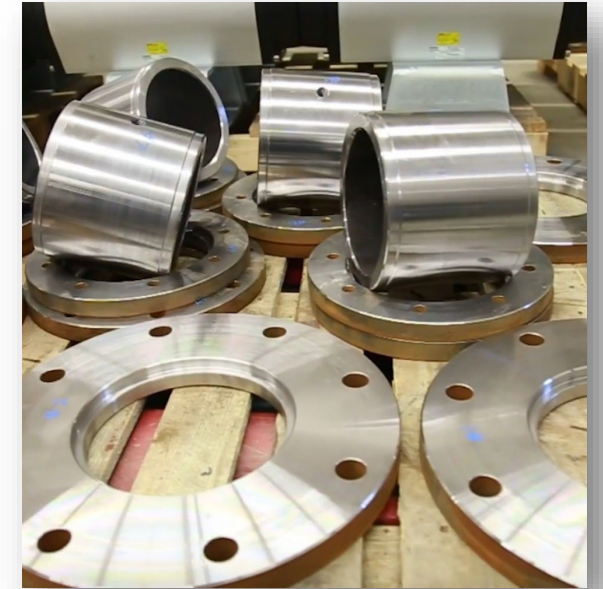
Carbon Steel: Inventory (us)

Source: Metals Service Center Institute (MSCI)





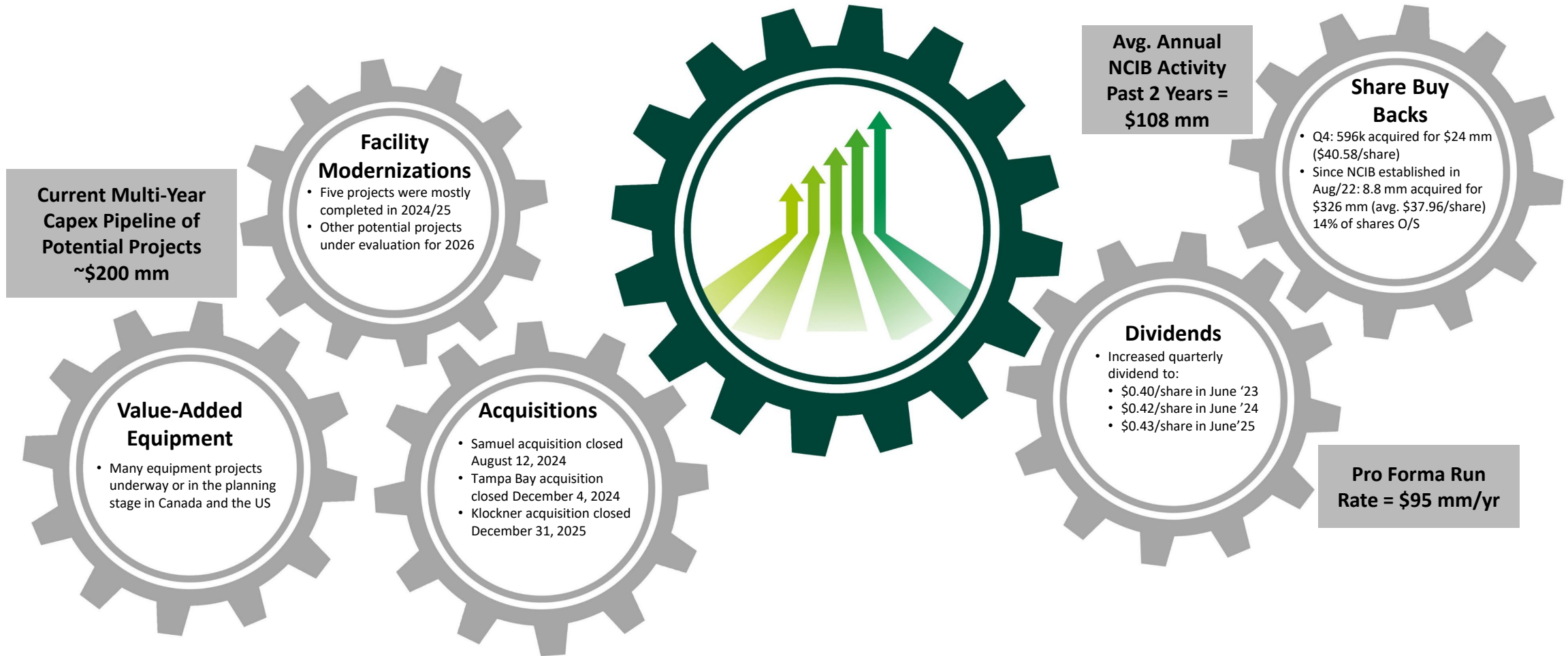
III. CAPITAL ALLOCATION PRIORITIES



CAPITAL ALLOCATION PRIORITIES

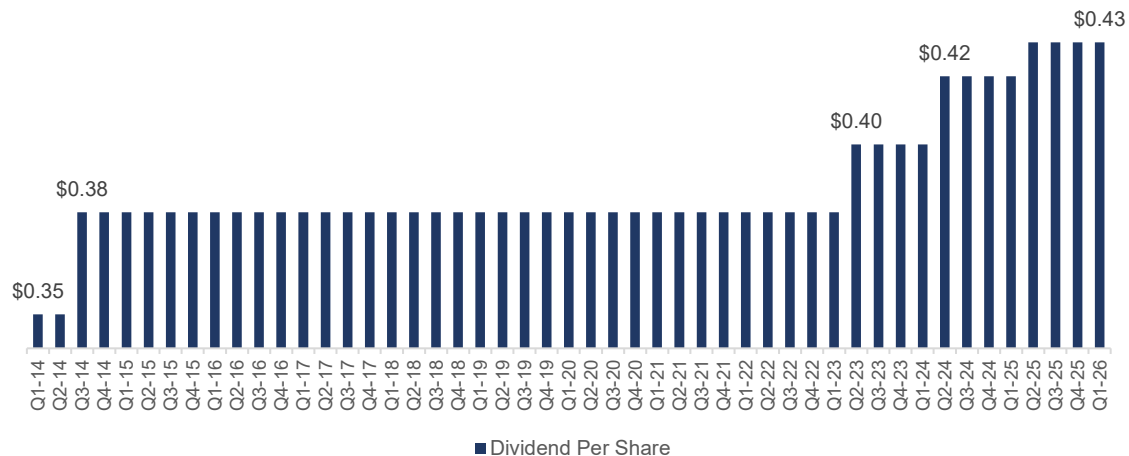
Increase capital deployment with a target of >15% return over a cycle

Flexible approach to returning capital to shareholders

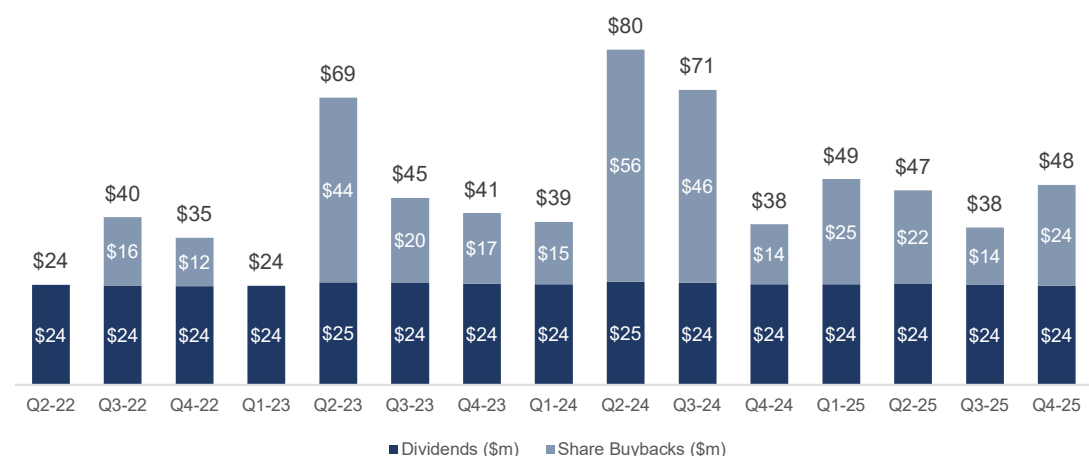


DIVIDEND AND SHARE BUY BACK SUMMARY

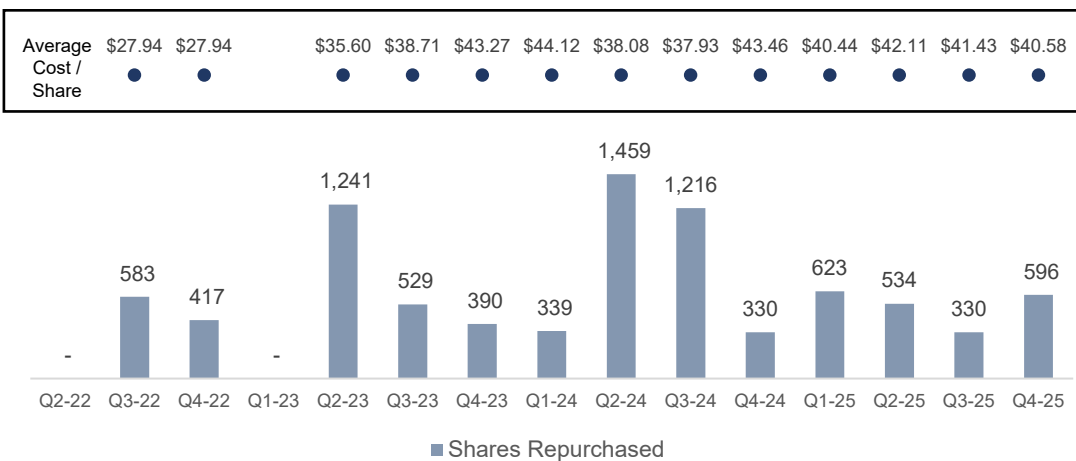
Historical (and Projected Q1'26) Quarterly Dividends



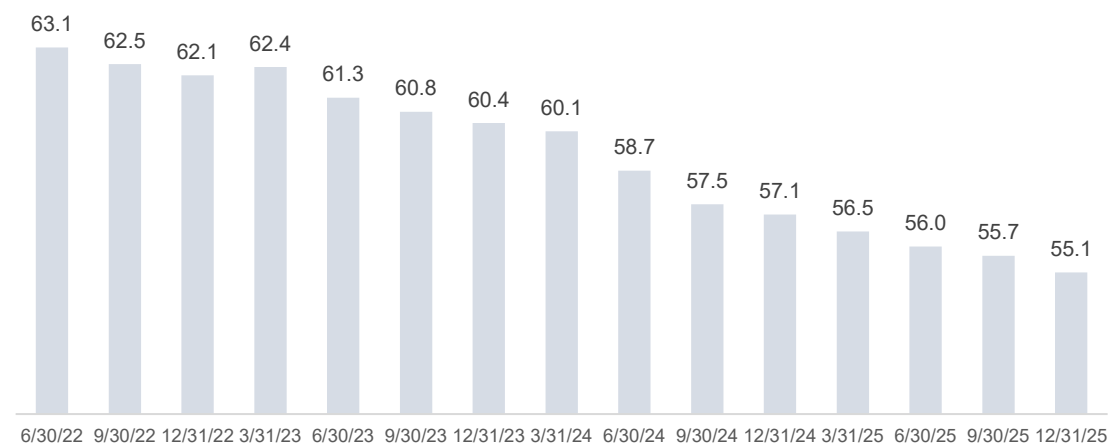
Return of Capital to Shareholders (millions)



Shares Repurchased (000's) & Avg Cost / Share



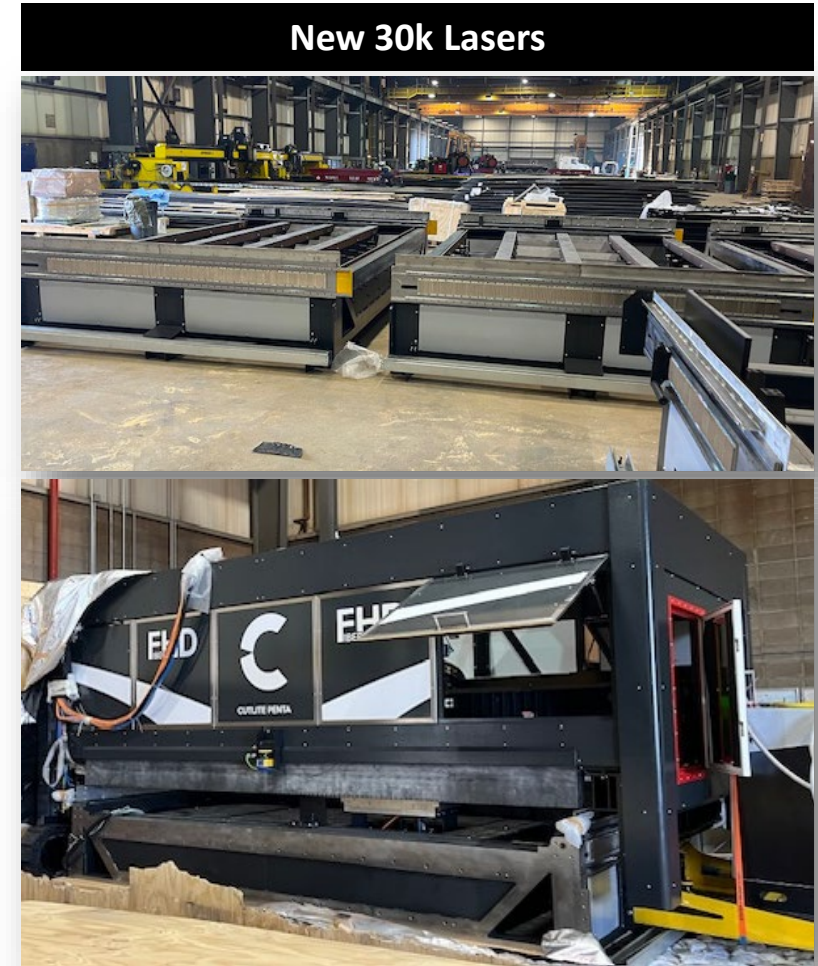
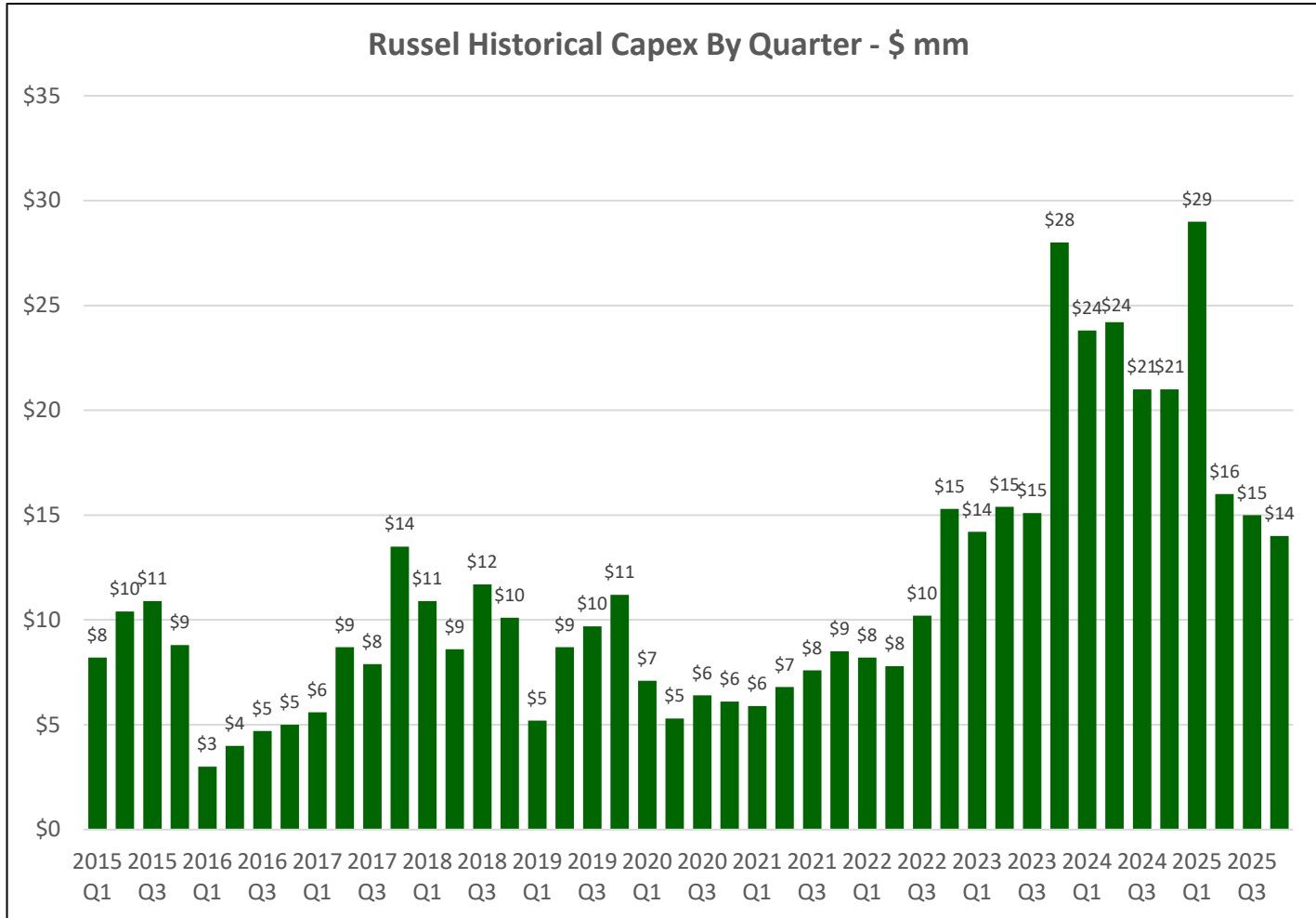
Basic Shares Outstanding (millions)



Note: Figures exclude the federal tax on share buy backs that came into effect on Jan. 1/24.

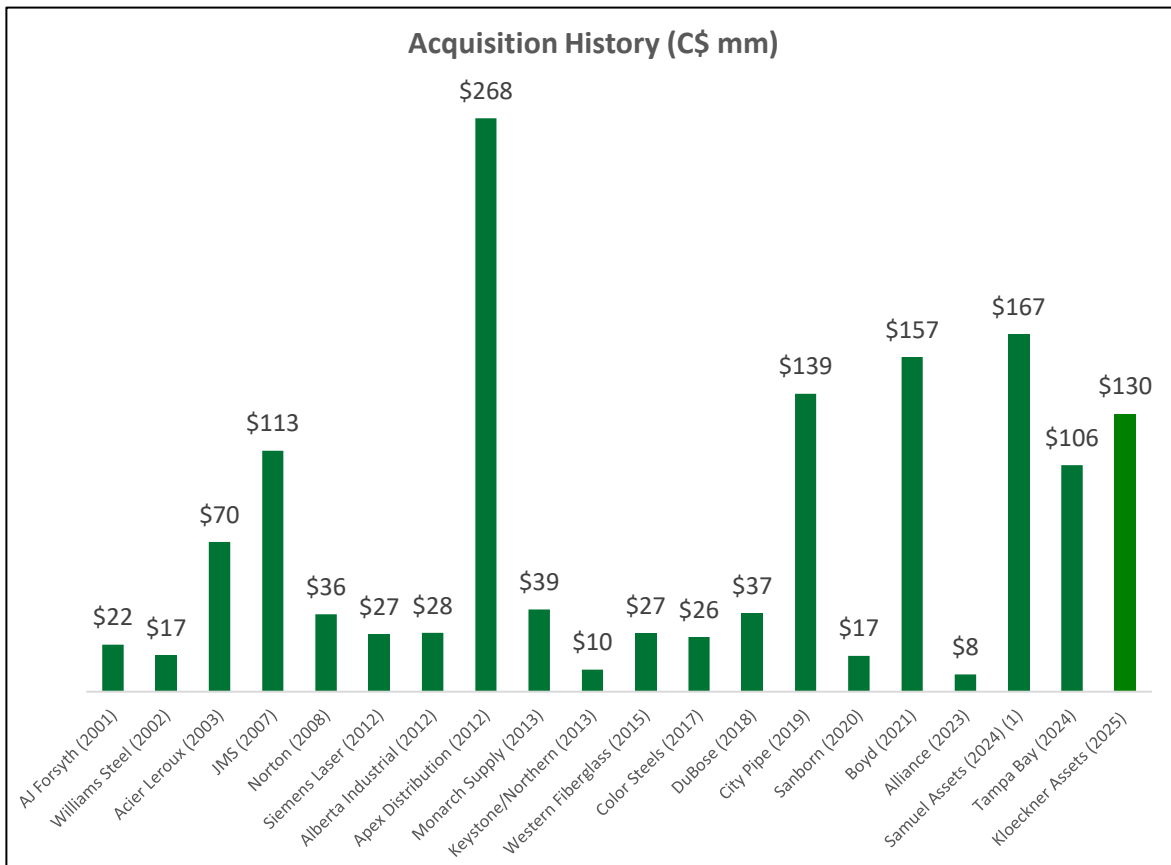
CAPEX PROGRAM

- The opportunities for value-added projects and facility modernizations are ongoing.

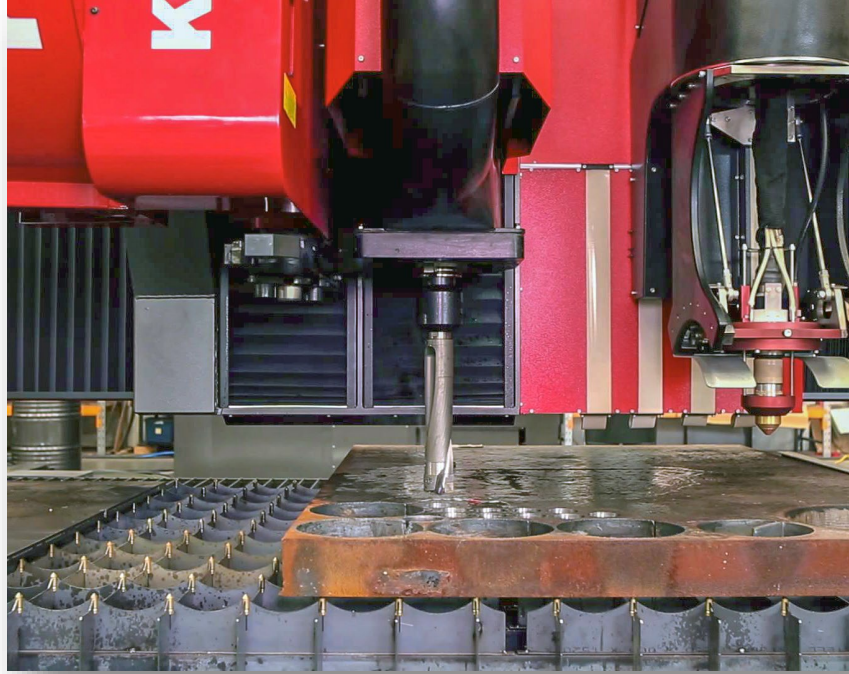


ACQUISITIONS

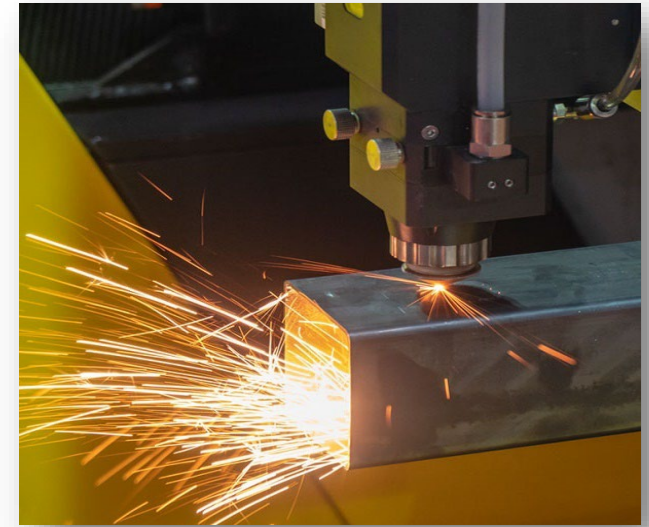
- We have completed several acquisitions over the past few years and continue to focus on tuck-in opportunities for our existing business units or standalone/complementary businesses.



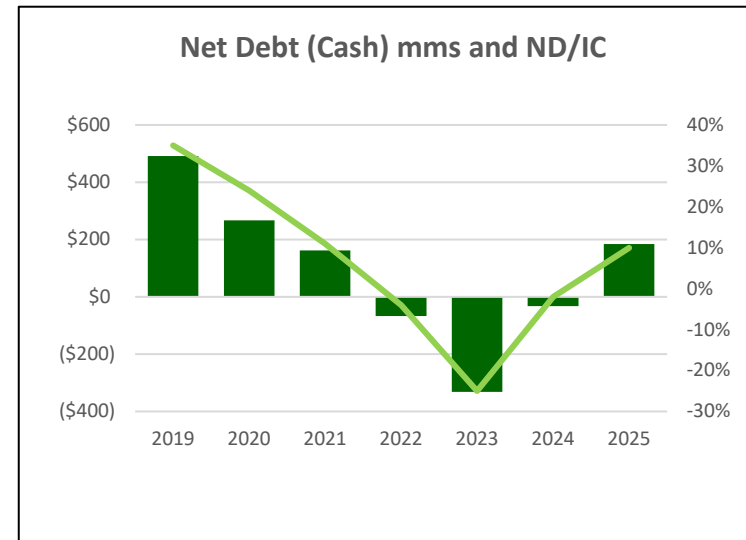
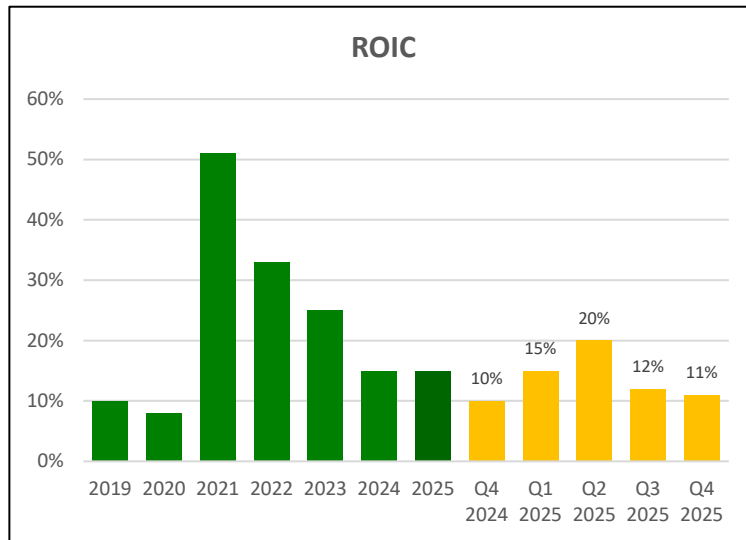
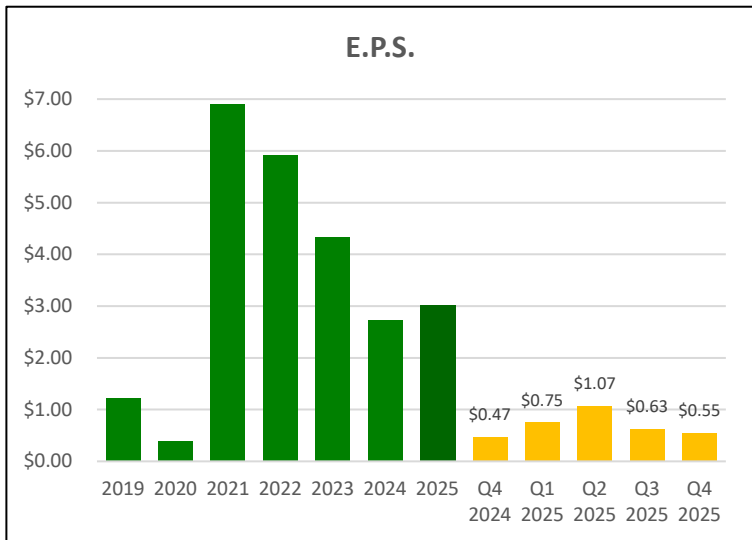
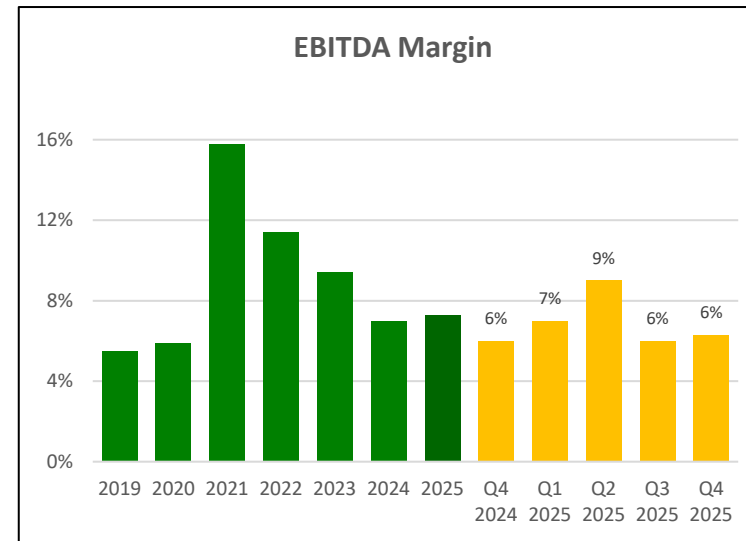
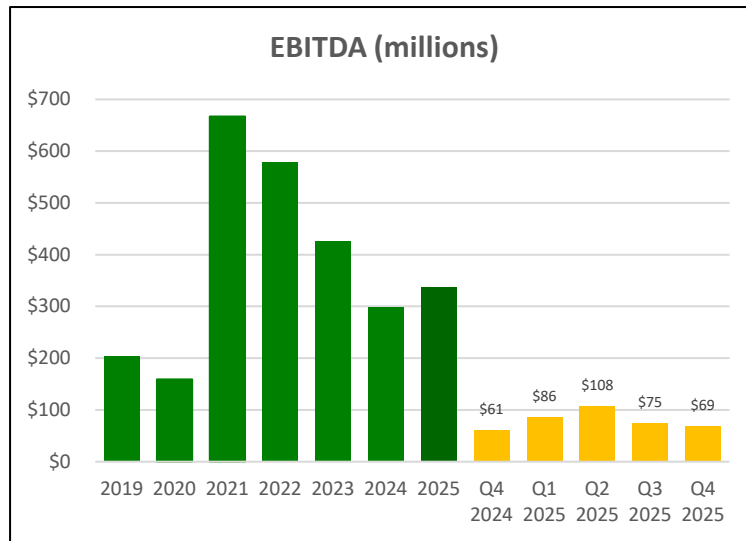
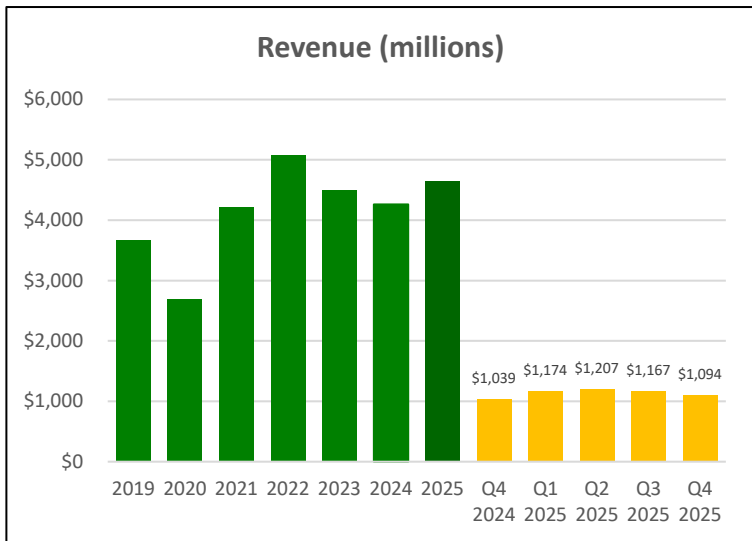
(1) Based on invested capital at Sept. 30/24 (all AP was excluded from the closing amount on Aug. 12/24, but was rebuilt to Sept. 30/24).



IV. FINANCIAL OVERVIEW



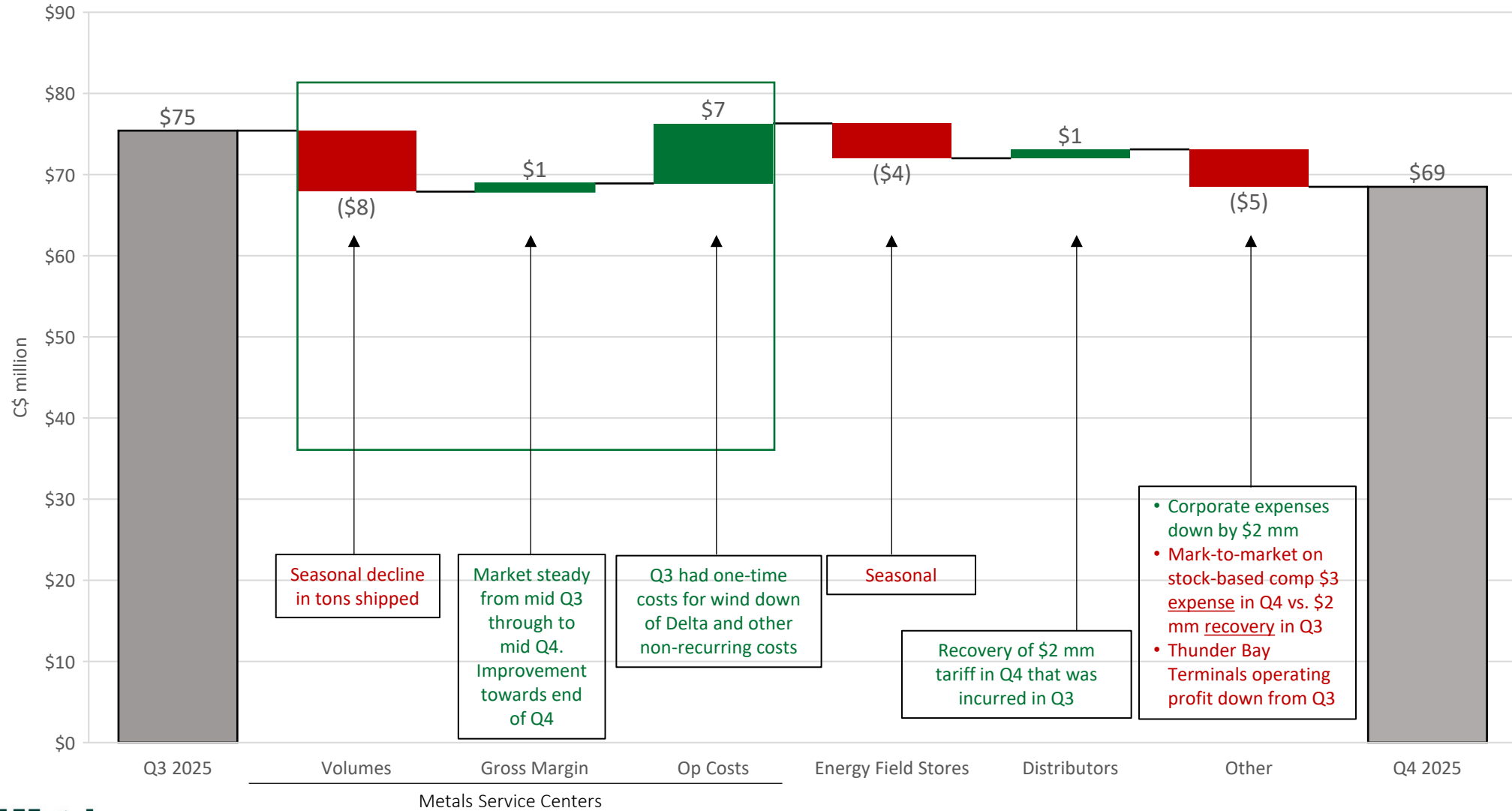
TREND RESULTS: ANNUAL AND QUARTERLY



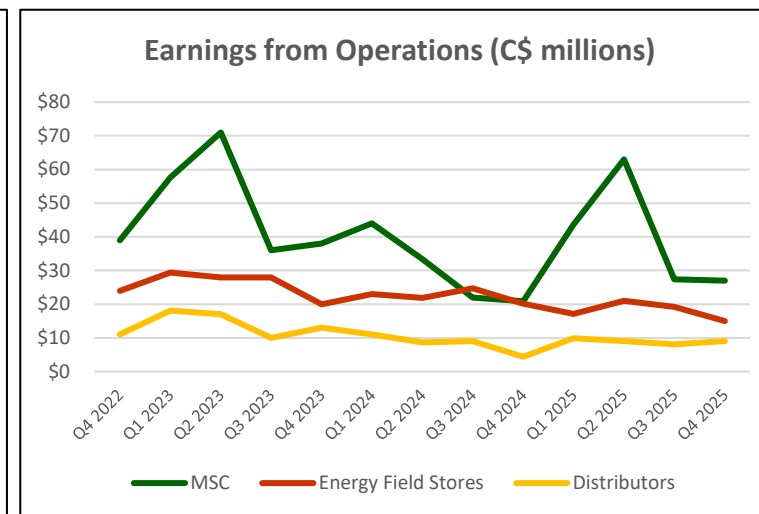
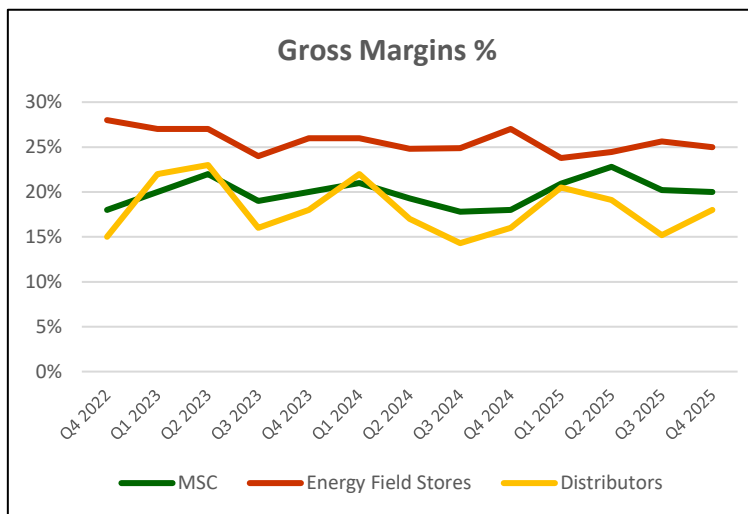
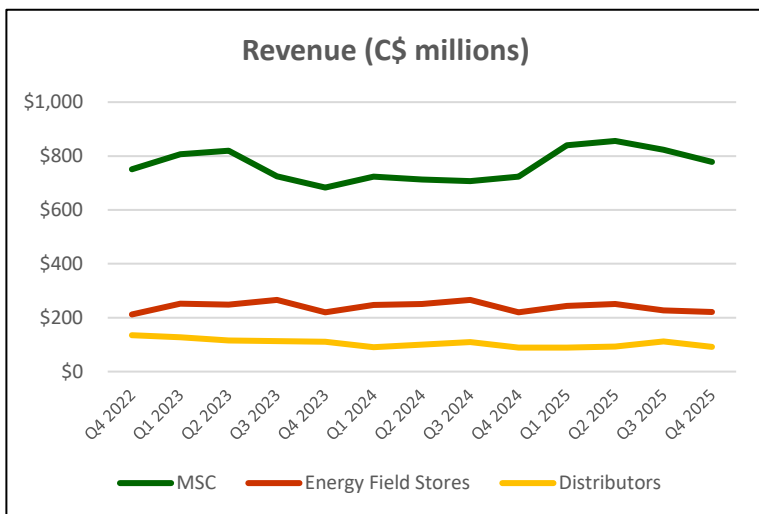
SUMMARY: FINANCIAL RESULTS

\$ mm, unless otherwise stated	Q4 2024	Q3 2025	Q4 2025	Q4 2025 Observations:
Income Statement:				
Revenues	\$1,039	\$1,167	\$1,094	<ul style="list-style-type: none"> Revenues were down 6% vs. Q3 but up 5% vs. Q4'24. Most metrics improved in Q4'25 vs. Q4'24 Consolidated gross margin and EBITDA margin were flat for Q4 vs. Q3. Steel prices pick-up late in Q4, but volumes were impacted by Q4 seasonality Q4 results impacted by: <ul style="list-style-type: none"> \$3 mm mark-to-market <u>expense</u> for stock-based comp (\$2 mm <u>recovery</u> in Q3) \$2 mm non-recurring operating losses in certain locations in W. Canada that are implementing operational changes \$1 mm of Kloeckner acquisition and system conversion costs \$2 mm tariff recovery in Q4 that was expensed in Q3 \$1 mm gain on sale of equipment
Gross Margin (\$ mm/%)	\$212 / 20%	\$246 / 21%	\$232 / 21%	
EBITDA (\$ mm/%)	\$61 / 6%	\$75 / 6%	\$69 / 6%	
EBIT (\$ mm/%)	\$40 / 4%	\$52 / 4%	\$45 / 4%	
Interest Expense	\$4	\$5	\$5	
Net Income	\$27	\$35	\$30	
EPS	\$0.47	\$0.63	\$0.55	
Cash Flow:				
Change in non-cash working capital	\$60	\$5	\$53	<ul style="list-style-type: none"> Cash generation from working capital The Kloeckner acquisition closed on Dec. 31/25. The purchase price was adjusted down to US\$95 mm due to refinement of the working capital balance at closing Q4 NCIB = 596k shares @\$40.58/share; Since Aug/22 = 8.6 mm shares for \$326 mm (\$37.96/share) Quarterly dividend of \$0.43/share paid in Q4; declared a dividend of \$0.43/share payable in March/26 Annual capex expected to average ~\$100 mm in 2026/27, with a substantial portion related to discretionary projects
Acquisitions	\$(106)	\$--	\$(130)	
Share buy backs	\$(15)	\$(14)	\$(25)	
Dividends	\$(24)	\$(24)	\$(24)	
Capex	\$(21)	\$(15)	\$(14)	
Balance Sheet:				
Net Debt (Cash)	\$(32)	\$87	\$184	<ul style="list-style-type: none"> Strengthening of the C\$ - Fx rate of \$1.37 at 12/31/25 vs. \$1.39 at 9/30/25. Book value of \$28.86/share
Shareholders' Equity	\$1,658	\$1,625	\$1,589	
Available Liquidity	\$580	\$600	\$515	

VARIANCE ANALYSIS: EBITDA Q3 2025 VS. Q4 2025



SEGMENT BREAKDOWN: OPERATING RESULTS



MSC:

- Q4 margins and EBIT were flat vs. Q3. More detail on the next page

Energy Field Stores:

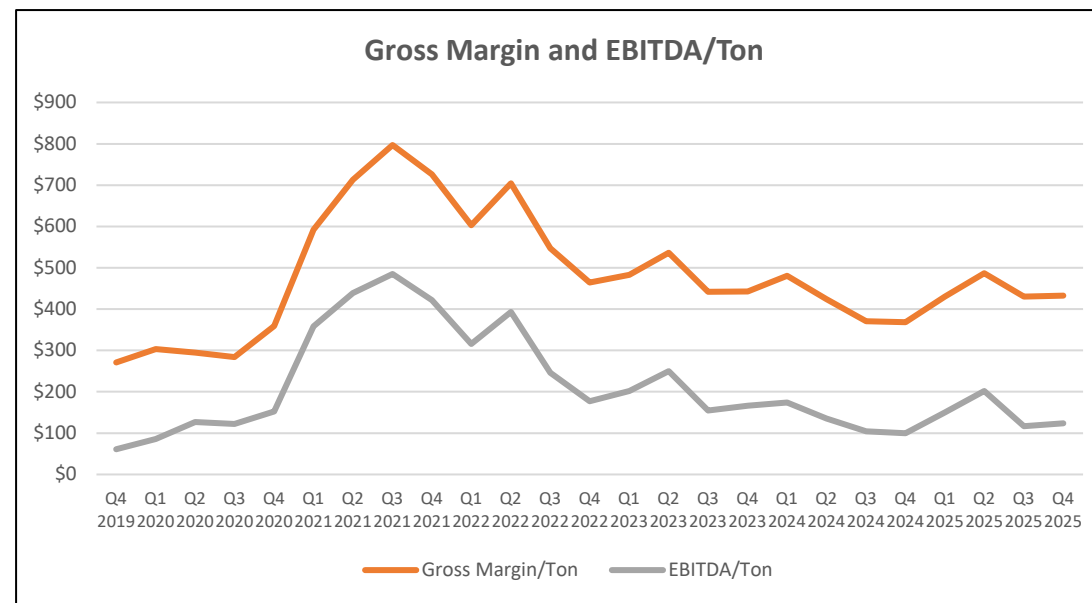
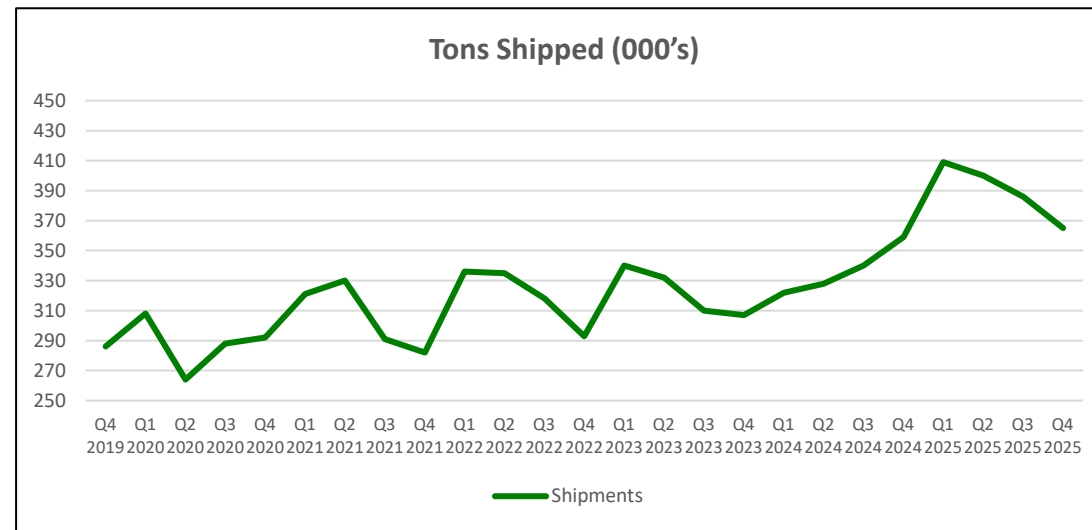
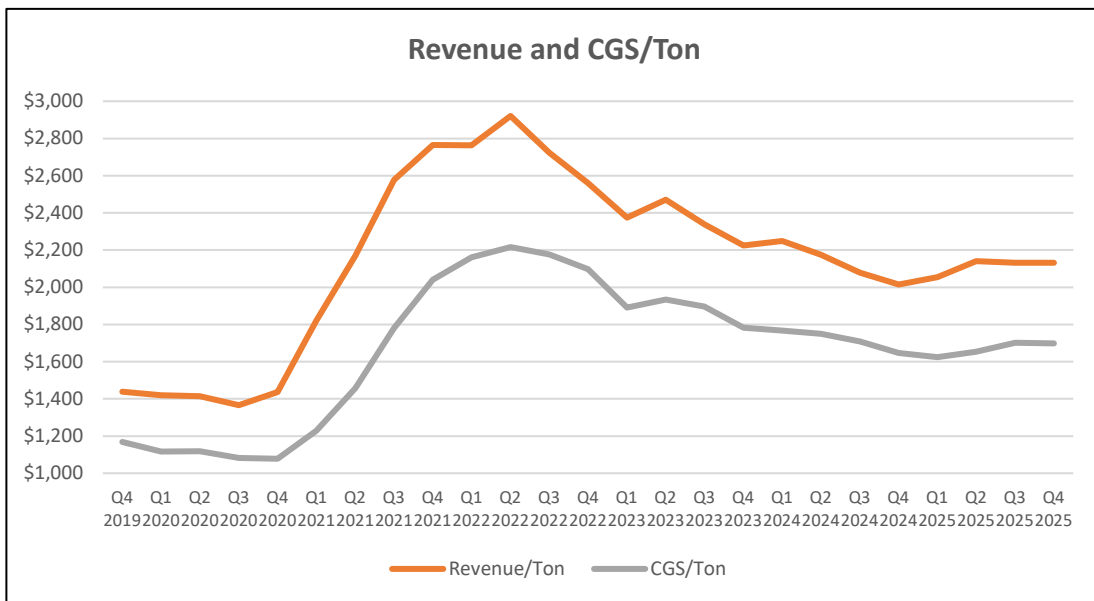
- Revenues and gross margins down slightly in Q4 vs. Q3. Some seasonal dynamics; gross margins were within the expected range.
- EBIT down vs. Q3

Distributors:

- Revenues down but gross margins were up (CGS were impacted by \$2 mm tariff expense in Q3 and recovery in Q4).
- Higher EBIT in Q4 vs. Q3

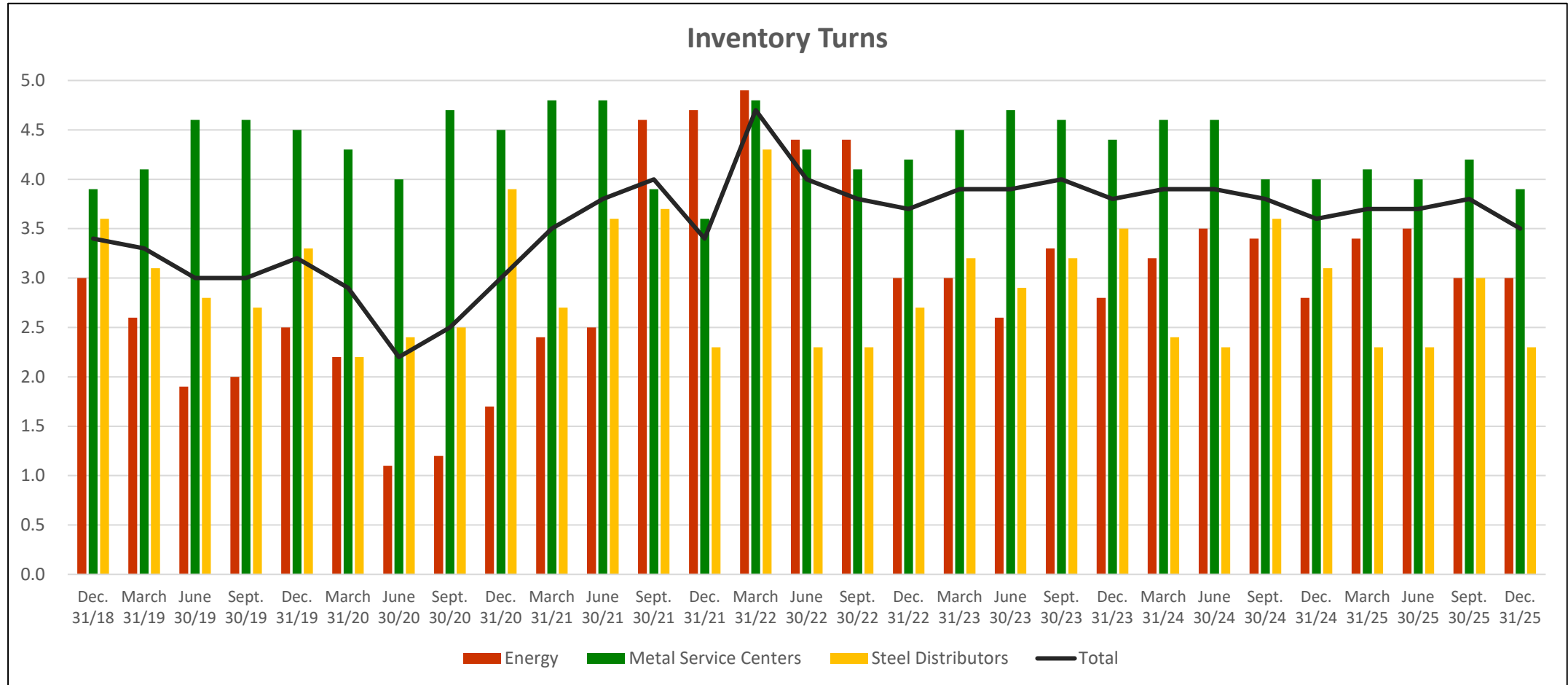
SERVICE CENTER RESULTS

- Q4 2025 tons were solid, despite the seasonal dynamics. Shipments were up 1% vs. Q4 2024
- Price realizations/CGS/gross margins were consistent in Q4 vs. Q3, with some pick-up towards the end of Q4.



INVENTORY TURNS

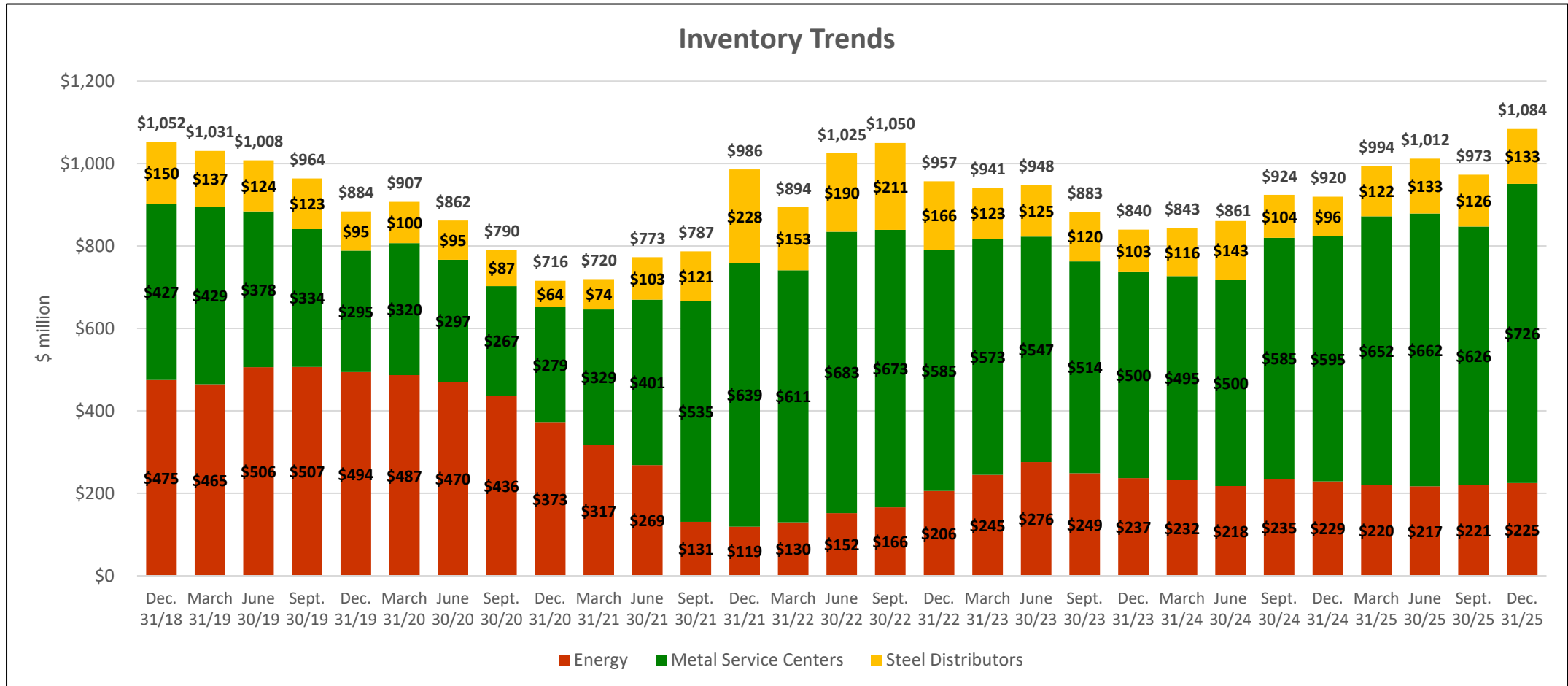
- Total inventory turns in Q4 were down vs. Q3 due to the typical seasonal dynamic.



For the quarter ended December 31, 2025, the inventory turns were calculated excluding the Kloeckner inventory as that acquisition closed on December 31, 2025.

WORKING CAPITAL MANAGEMENT: INVENTORY

- Total inventory was up vs. Q3 reflecting the impact of the Kloeckner acquisition, which included \$96 million of inventory.



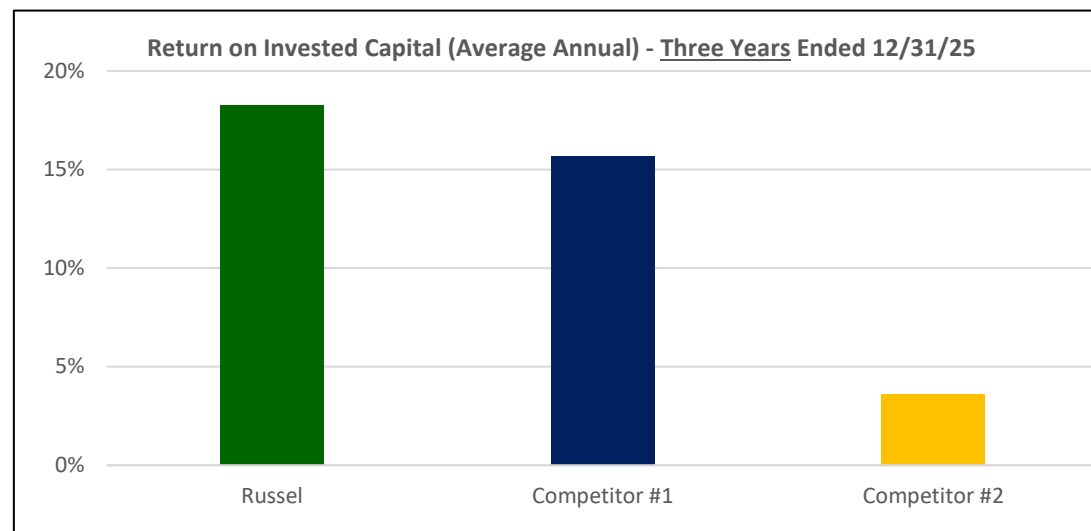
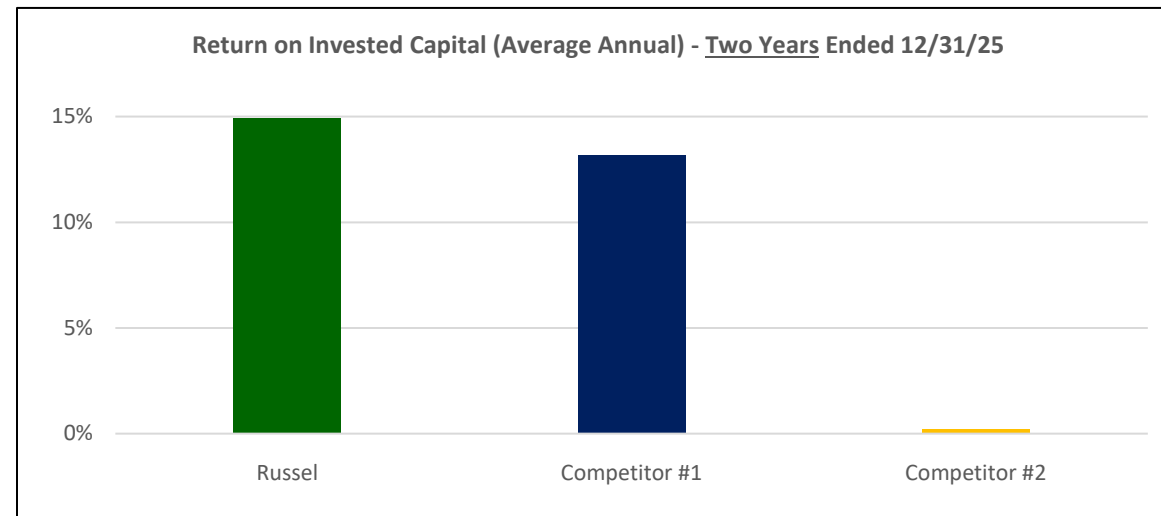
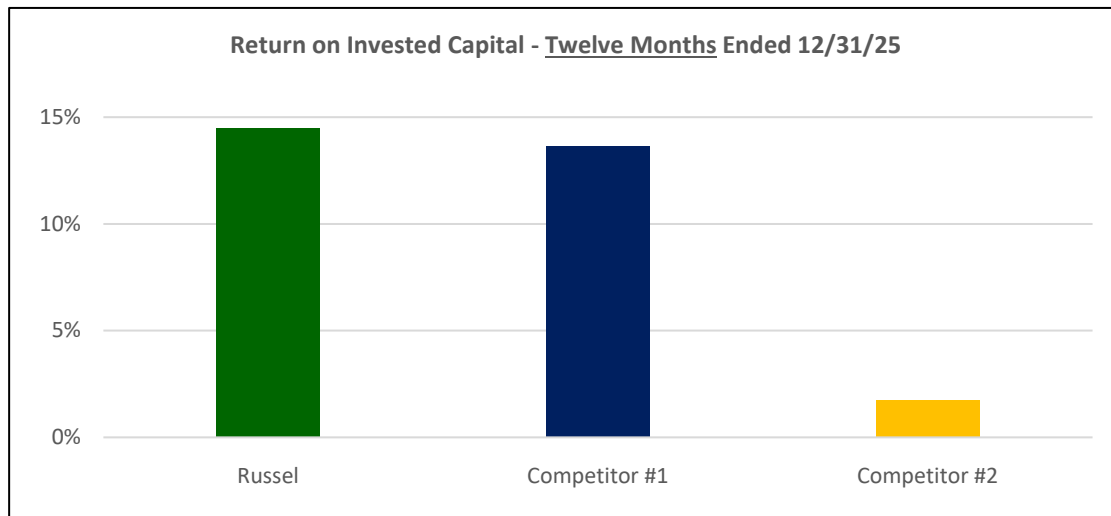
LIQUIDITY AND CAPITAL STRUCTURE SUMMARY

- Significant balance sheet flexibility – recently upgraded to investment grade (BBB-) by S&P.
- All debt is unsecured with no financial covenants on long term debt.

	9/30/25 (C\$ mm)	12/31/25 Pre- Kloeckner Transaction (C\$ mm)	12/31/25 Actual (C\$ mm)
(Cash)	\$(212)	\$(253)	\$(115)
Bank Lines (\$450 mm) - Maturity April 2029	--	--	--
4.423% Notes - Due 2030	\$298	\$298	\$298
Net Debt	\$87	\$45	\$184
Shareholders' Equity	\$1,625	\$1,589	\$1,589
Net Debt/ Invested Capital	5%	3%	10%
Liquidity	\$600	\$653	\$515

RELATIVE RETURN ON CAPITAL

- Russel's returns remain industry leading.



Note: Results for competitors are based on operating profit before LIFO adjustments and after restructuring costs.

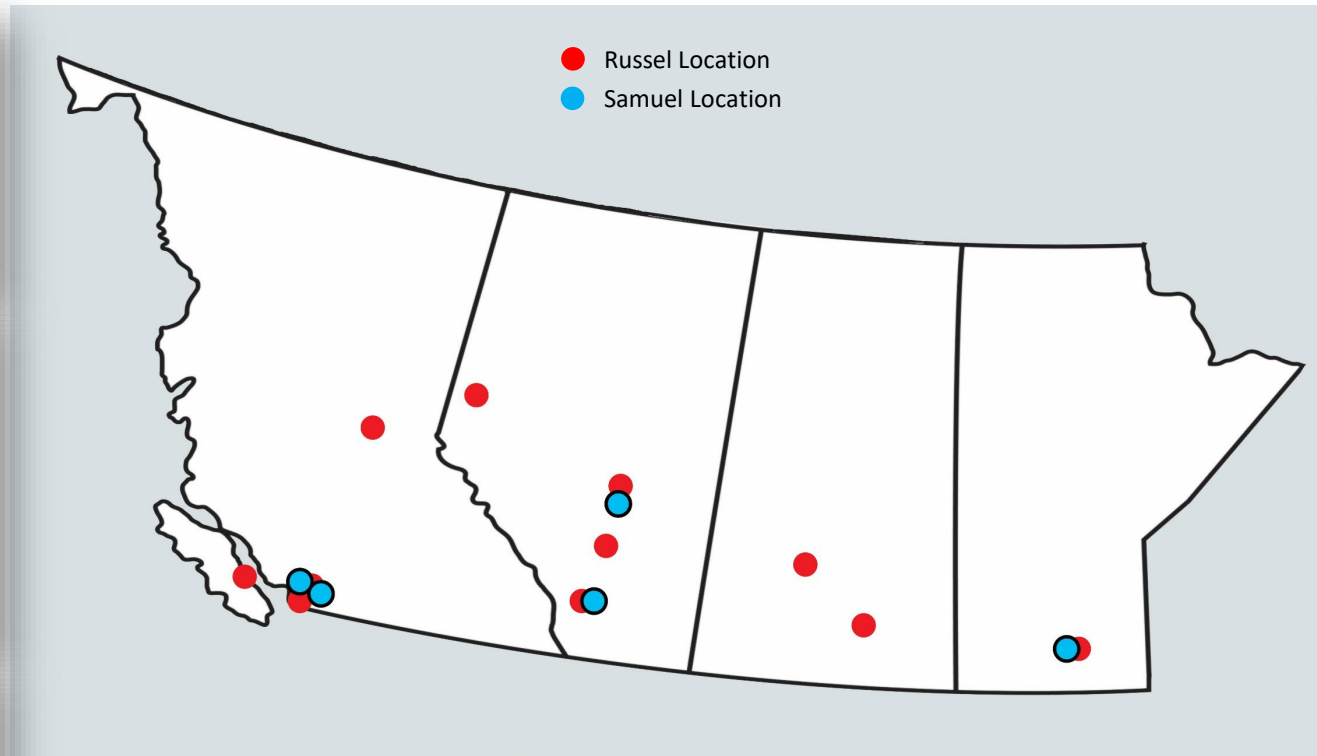
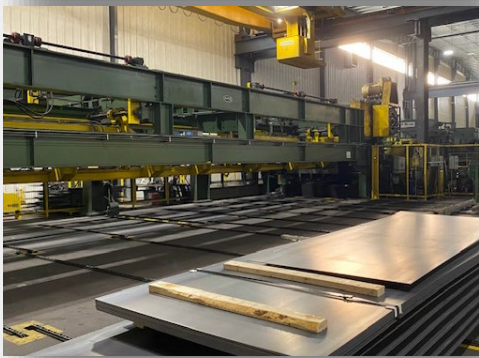


V. RECENT ACQUISITIONS



SAMUEL ACQUISITION: FIT IN W. CANADA

- The combined footprint in Western Canada created opportunities to reconfigure the equipment/locations, enhance operating efficiencies and reduce the combined capital.

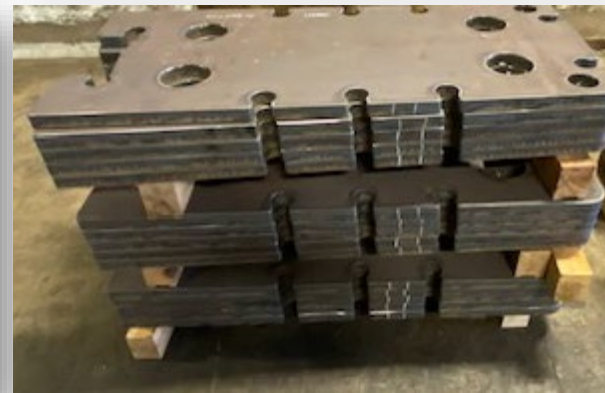
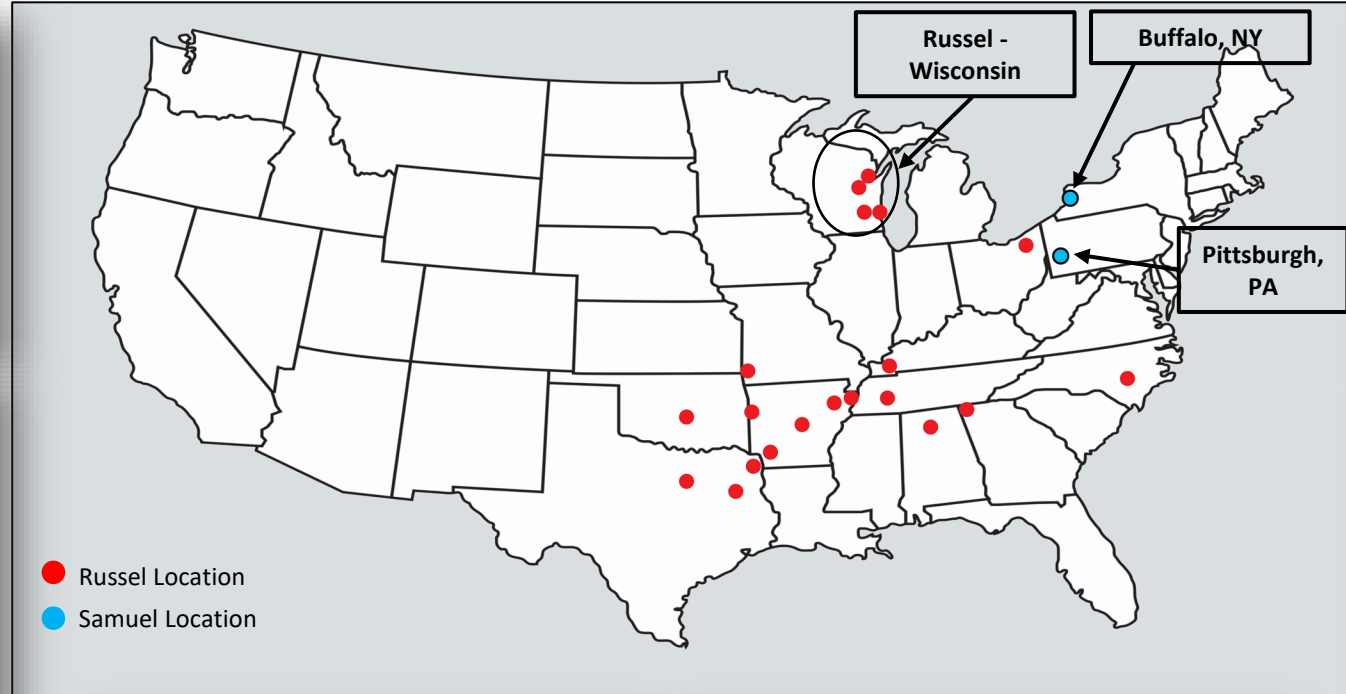
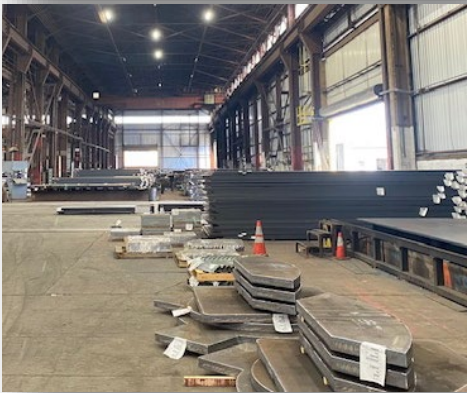


# of Locations	BC	Alberta	Sask.	Manitoba	Total
Russel	5	9	4	3	21
Samuels	2	2	0	1	5



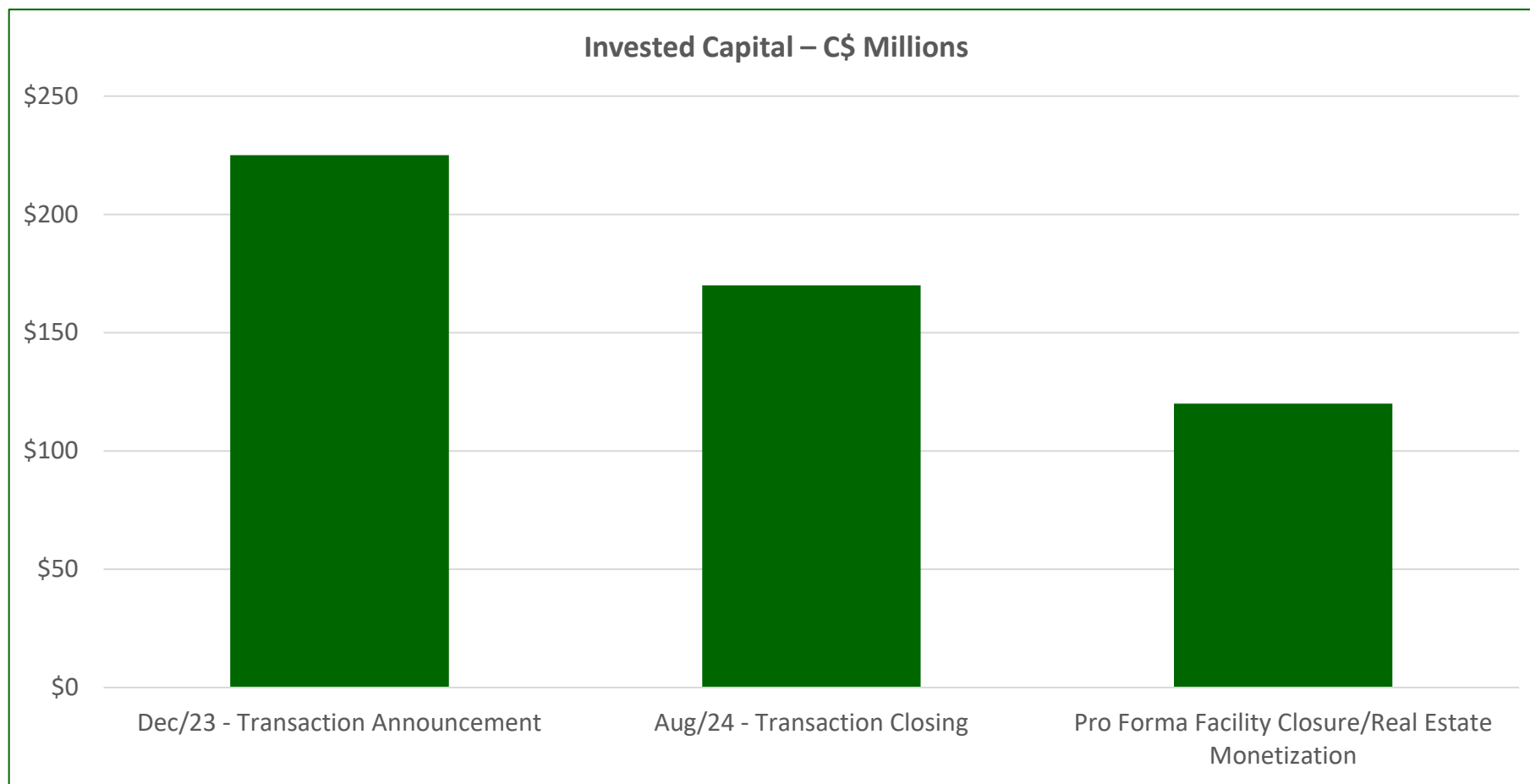
SAMUEL ACQUISITION: EXTENSION INTO US NORTHEAST

- Samuel's US NE operations extended Russel's geography and increased economies of scale in plate processing.



SAMUEL ACQUISITION: INVESTED CAPITAL UPDATE

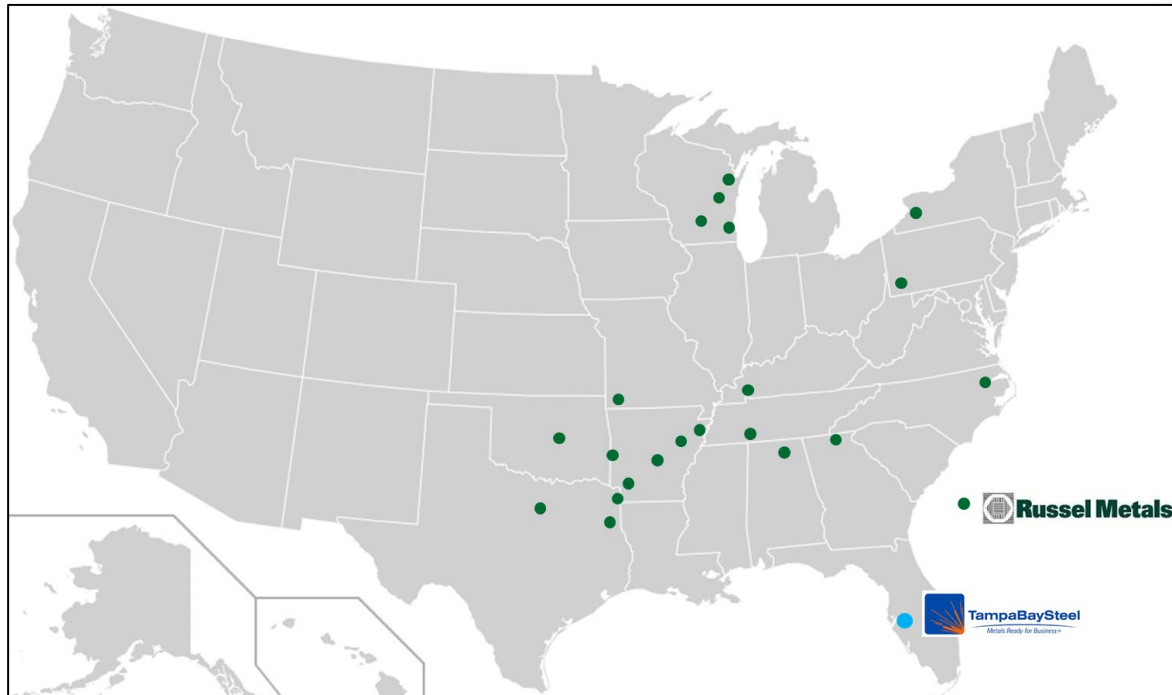
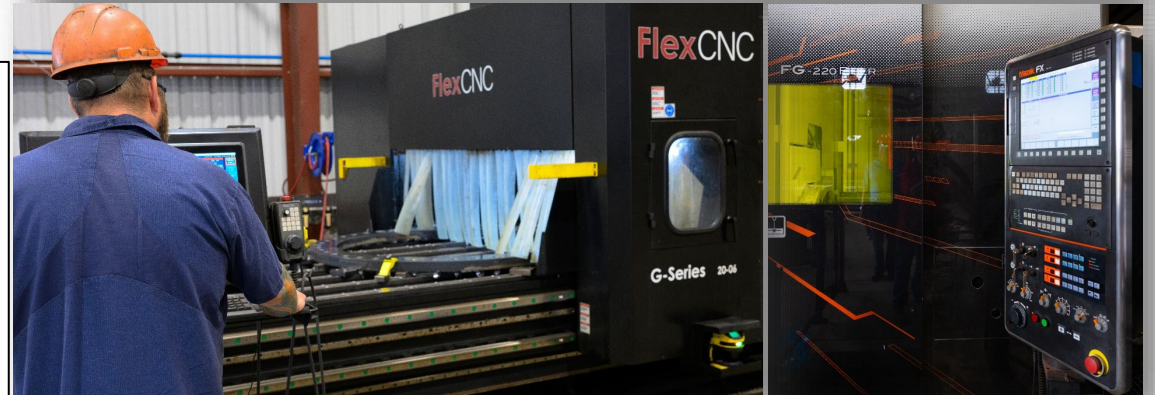
- At the time of the Samuel acquisition announcement, the purchase price approximated the book value. Since that time, we reduced the invested capital by ~\$100 mm⁽¹⁾ and substantially reduced the implied purchase price multiple.



(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.

TAMPA BAY STEEL ACQUISITION: SUMMARY

- Final purchase price of US\$75 mm.
 - Average sales and adjusted EBITDA of US\$115 mm and US\$13 mm, respectively, over the past five years
- Invested US\$20 mm in capex over past three years – significant value-added processing with capacity to grow.
- Product mix includes a substantial amount of non-ferrous.
- Experienced management team with an aligned culture.
- Provides a platform for further growth in the Florida market



KLOECKNER ASSET ACQUISITION: SUMMARY

- The Kloeckner Assets 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
- Purchase Price:
 - US\$51.5 million, plus the net book value of the working capital at closing (which was estimated at totalled US\$43.4 million at June 30/25) = US\$94.9 million, subject to final closing adjustments
 - Value underpinned by hard assets
- Historical financial results for the acquired Kloeckner operations:

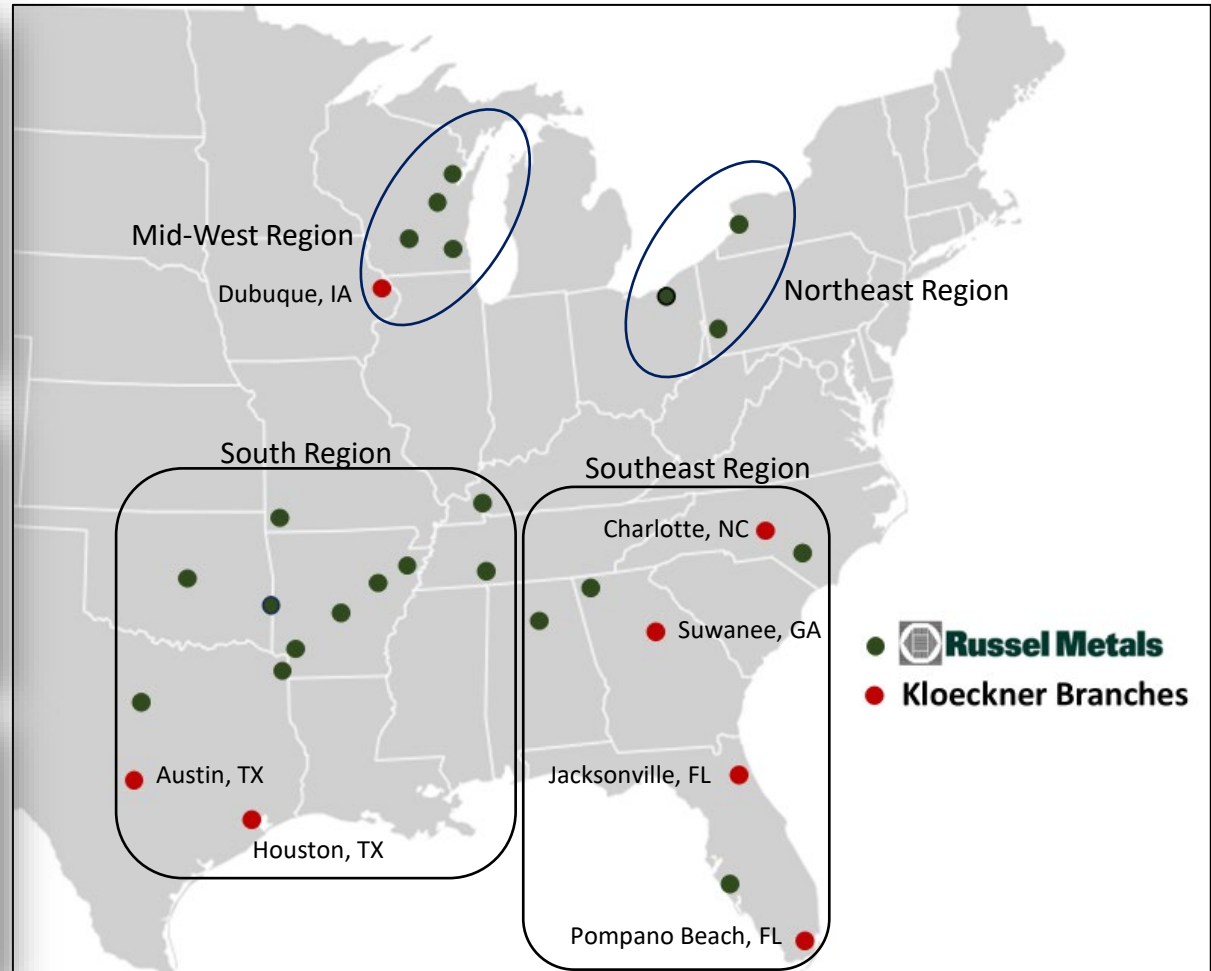
	Average Annual Between Jan. 1/23-June 30/25	Year Ended Dec. 31/25
Revenues	~US\$500 mm	US\$552 mm
Adjusted EBITDA ⁽¹⁾	~US\$20 mm	US\$31 mm

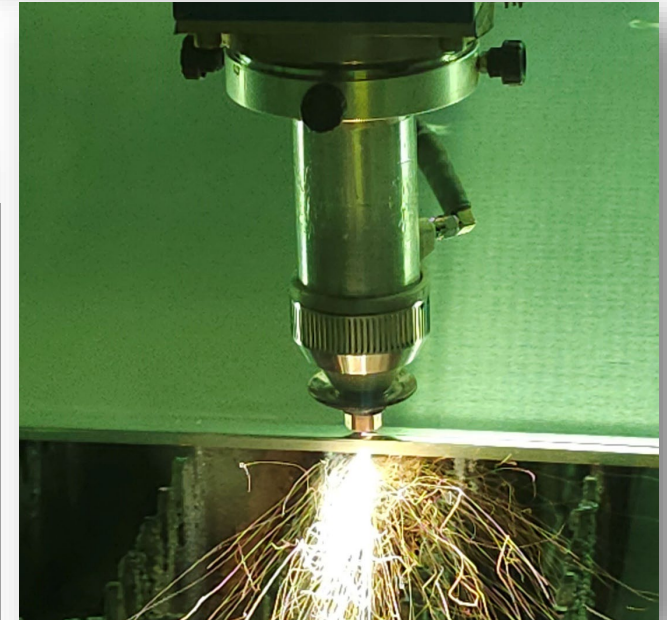
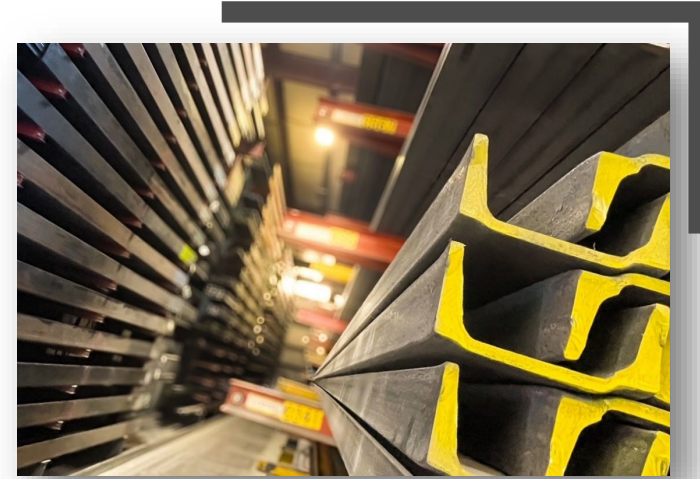
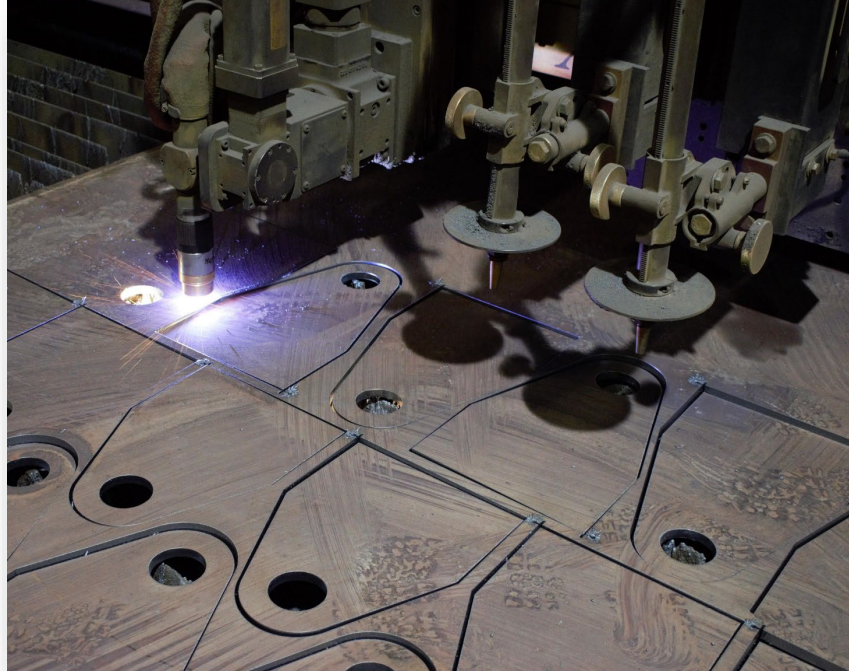
- Transaction Rationale:
 - Complementary locations relative to Russel's US service center operations
 - Opportunities to reinvest in the acquired locations and integrate with Russel's other locations in each region
 - Increases the relative proportion of Russel's US revenue base to >50% on a pro forma basis

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

KLOECKNER ASSET ACQUISITION: 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.





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