

COMPANY UPDATE

MAY 2022

FORWARD-LOOKING INFORMATION

Certain information contained in this presentation constitutes forward-looking information within the meaning of applicable securities laws. Forward-looking information relates to future events or 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 information is based on estimates and assumptions. While such estimates and assumptions are considered reasonable by us, they inherently involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in our forward-looking information, 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, which are important factors in our business and the metals distribution industry. Such risks and uncertainties include, but are not limited to: (i) volatility in metal prices; (ii) cyclicity of the metals industry; (iii) volatility in the energy industry; (iv) pandemics and epidemics; (v) climate change; (vi) product claims; (vii) significant competition; (viii) sources of metals supply and supply chain disruptions; (ix) manufacturers selling directly; (x) material substitution; (xi) credit risk; (xii) currency exchange risk; (xiii) restrictive debt covenants; (xiv) asset impairments; (xv) the unexpected loss of key individuals; (xvi) decentralized operating structure; (xvii) future acquisitions; (xviii) the failure of our key computer-based systems, (xix) cybersecurity, (xx) labour interruptions; (xxi) laws and governmental regulations; (xxii) litigious environment; (xxiii) environmental liabilities; (xxiv) carbon emissions; (xxv) health and safety laws and regulations; and (xxvi) common share risk.

The above list is not an exhaustive list of the factors that may affect any of Russel Metals’ forward-looking information. While we believe that the expectations reflected in our forward-looking information are reasonable, no assurance can be given that these expectations will prove to be correct, and the forward-looking information included in this presentation should not be unduly relied upon. Forward-looking information speaks 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 information. Our actual results could differ materially from those anticipated in our forward-looking information including as a result of the risk factors described above and elsewhere in this presentation, under the heading “Risk” in our management’s discussion and analysis of financial condition and results of operations for the three months ended March 31, 2022, under the heading “Risk Management and Risks Affecting Our Business” in our annual information form for the year ended December 31, 2020 and as otherwise disclosed in our filings with securities regulatory authorities which are available on SEDAR at www.sedar.com.

NON-GAAP MEASURES

This presentation includes certain financial measures that do not comply with International Financial Reporting Standards (IFRS or GAAP) or have standardized meanings, and thus, may not be comparable to similar measures presented by other issuers, for example Adjusted EBIT and Adjusted EBITDA and Other Information in the Financial Summary are Non-GAAP measures or ratios. Reference should be made to our MD&A for further discussion of Non-GAAP measures and ratios. Management believes that these Non-GAAP measures may be useful in assessing our operating performance and as an indicator of our ability to service or incur indebtedness, make capital expenditures and finance working capital requirements. EBIT, EBITDA, 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 prepared in accordance with IFRS. EBIT, EBITDA, Adjusted EBIT, Adjusted EBITDA and a number of ratios 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

Adjusted EBIT – Earnings before deduction of long-lived asset impairment, interest and provision for income taxes

Adjusted EBITDA – Earnings before deduction of long-lived asset impairment, 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 Adjusted EBITDA – Net debt divided by Adjusted EBITDA

Invested Capital – Net debt plus shareholders' equity

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

Return on Invested Capital – Adjusted EBIT divided by invested capital

Return on Equity – Adjusted EBIT divided by shareholders' equity

RONA – Return on Invested Capital is Adjusted EBIT divided by Invested Capital

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
- Over 30,000 end customers across a wide variety of industries including machinery and equipment manufacturing, 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

- Monetized the OCTG/Line Pipe segment of the energy portfolio
 - Repatriated ~\$300 million of capital; Reduced volatility; Enhanced average returns and margins
- Reinvested in value-added processing
- Completed two acquisitions

Strong Liquidity and Financial Position

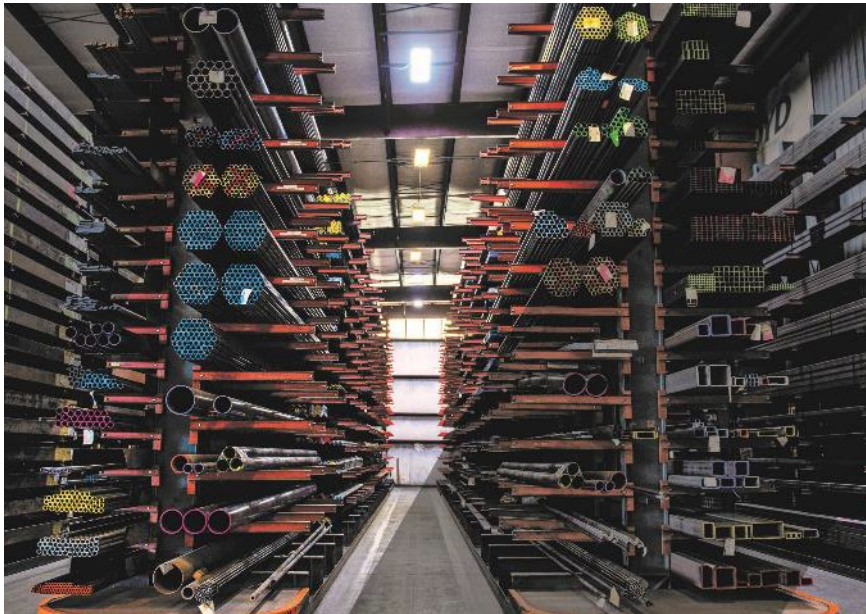
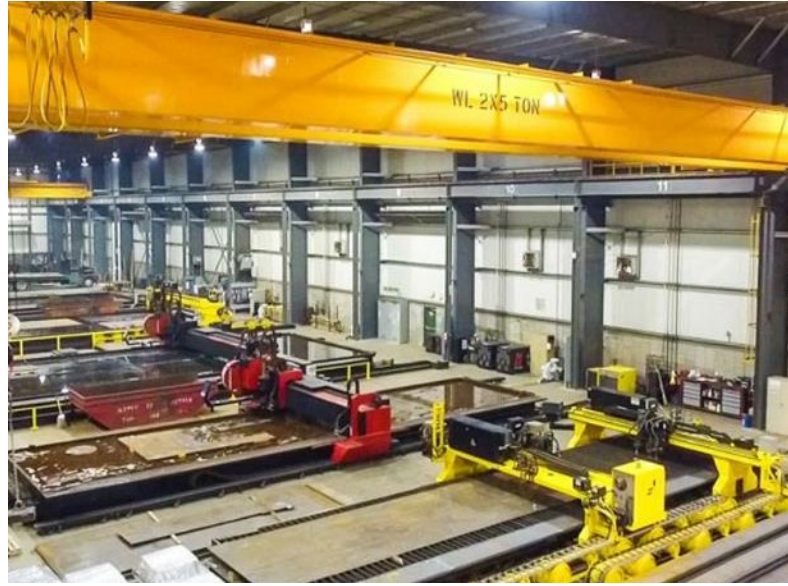
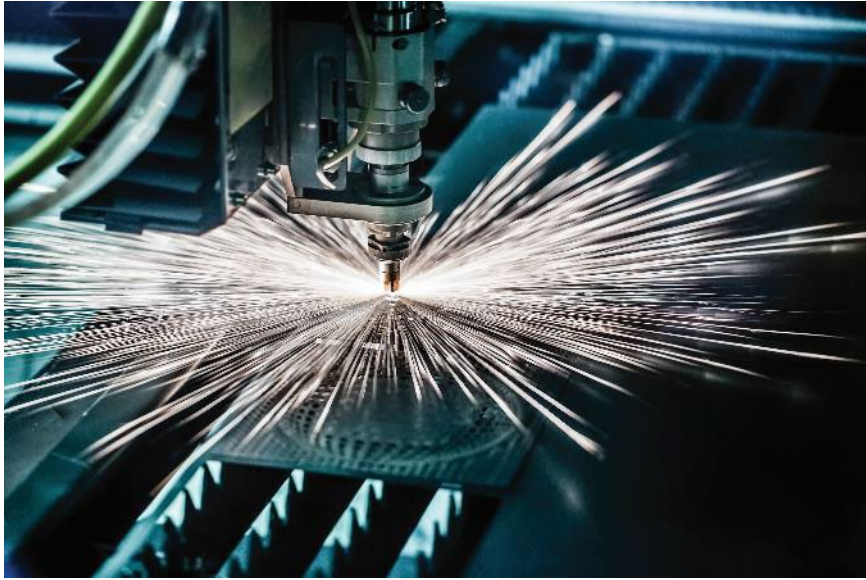
- As of March 31/22:
 - Net Debt/Invested Capital: 10%
 - Net Debt/2021 Adj. EBITDA: 0.2x
 - Liquidity: \$457 million

Experienced Management Team

- Average of ~30 years of industry experience

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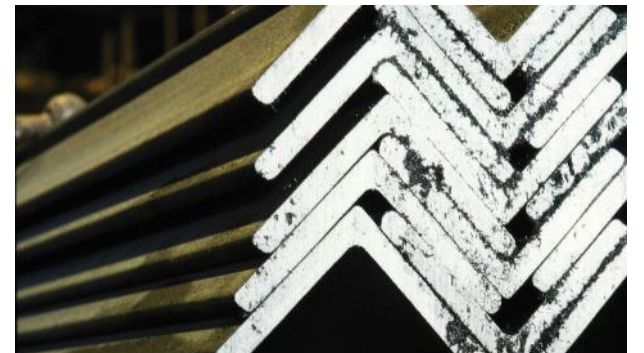
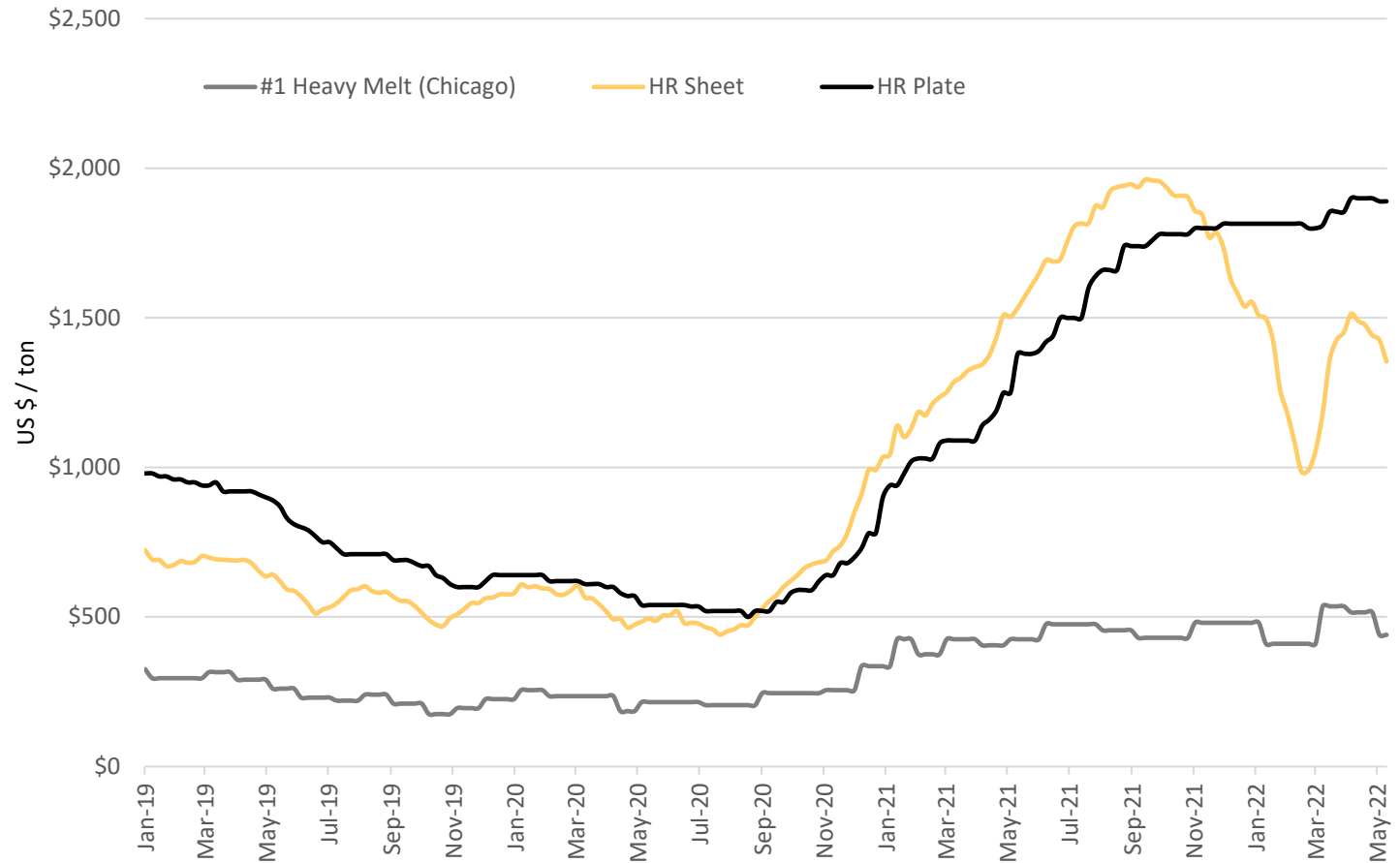


I. MARKET TRENDS

BUSINESS CONDITIONS – METAL PRICING TRENDS

Scrap vs Coil & Plate Pricing

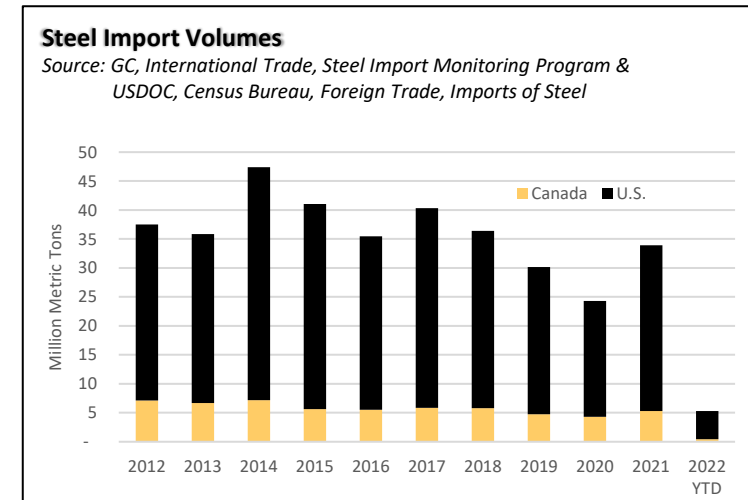
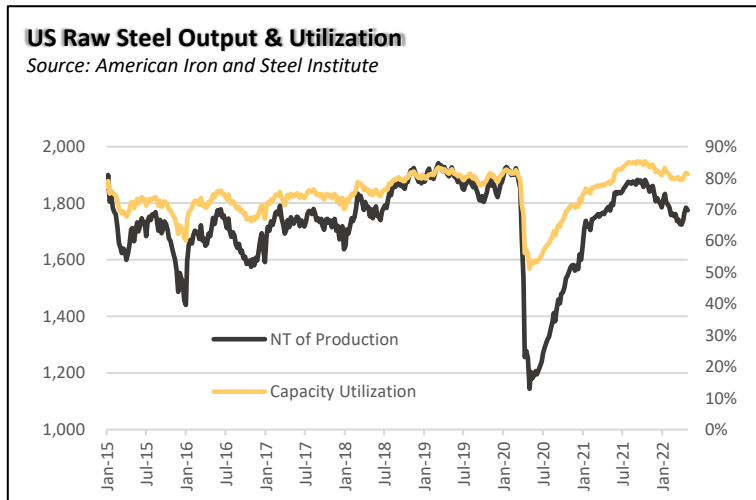
Source: American Metal Market (AMM)



BUSINESS CONDITIONS – SUPPLY CHAIN DYNAMICS

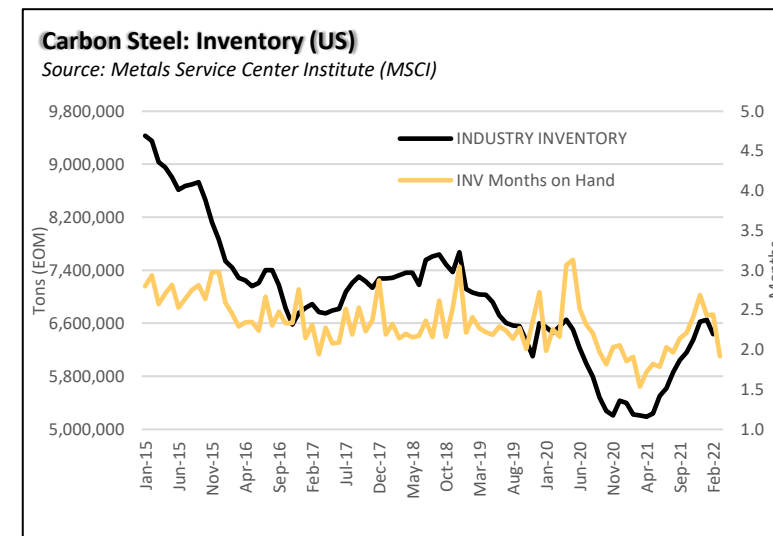
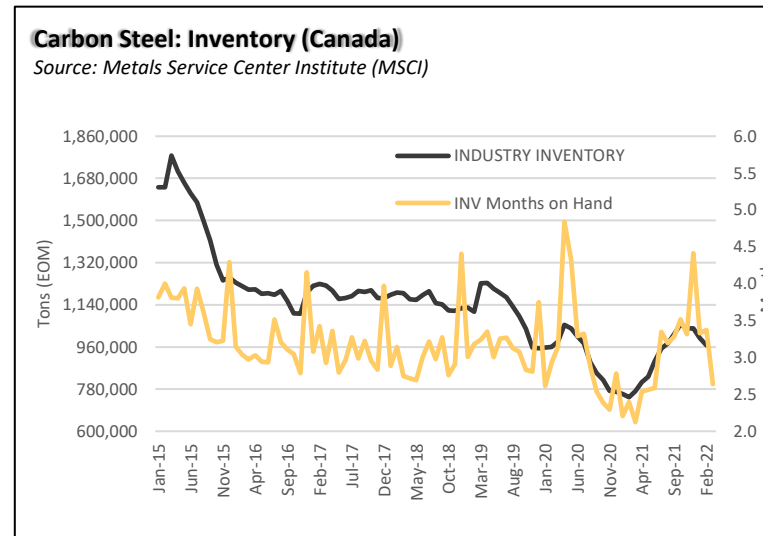
Steel Mills/Imports:

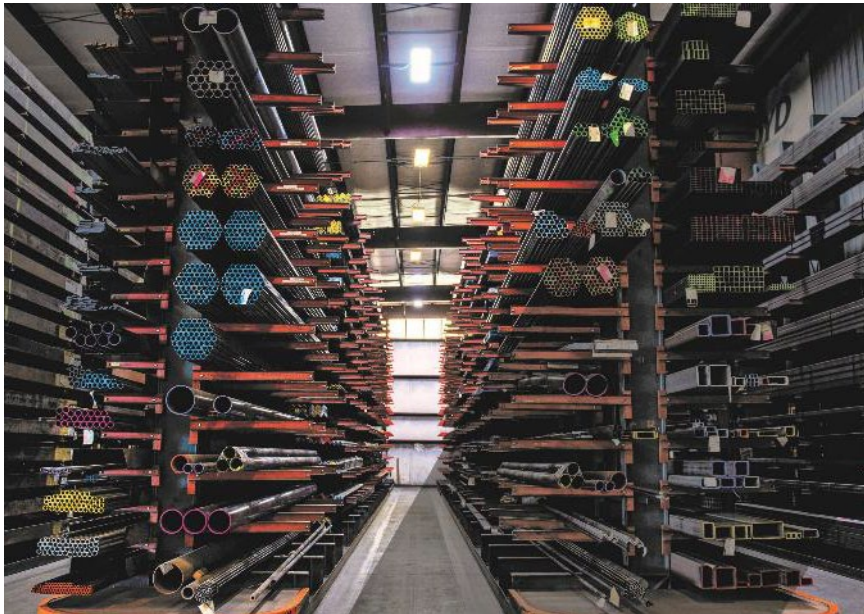
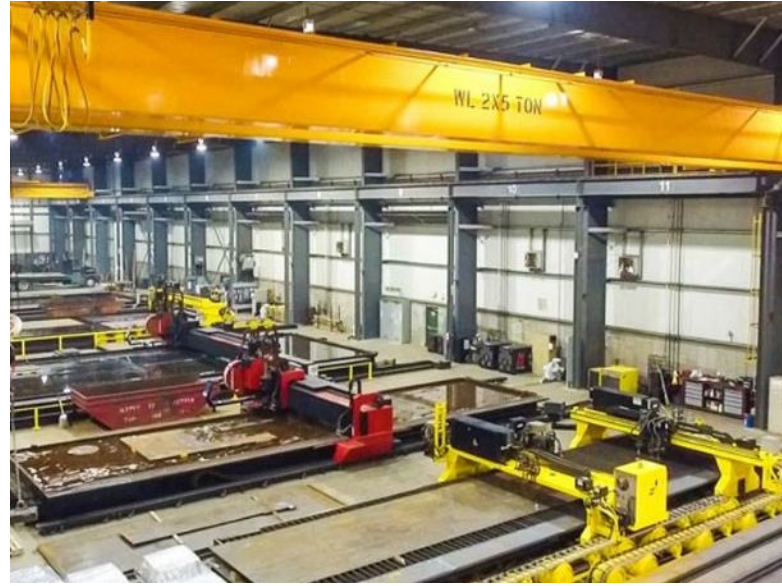
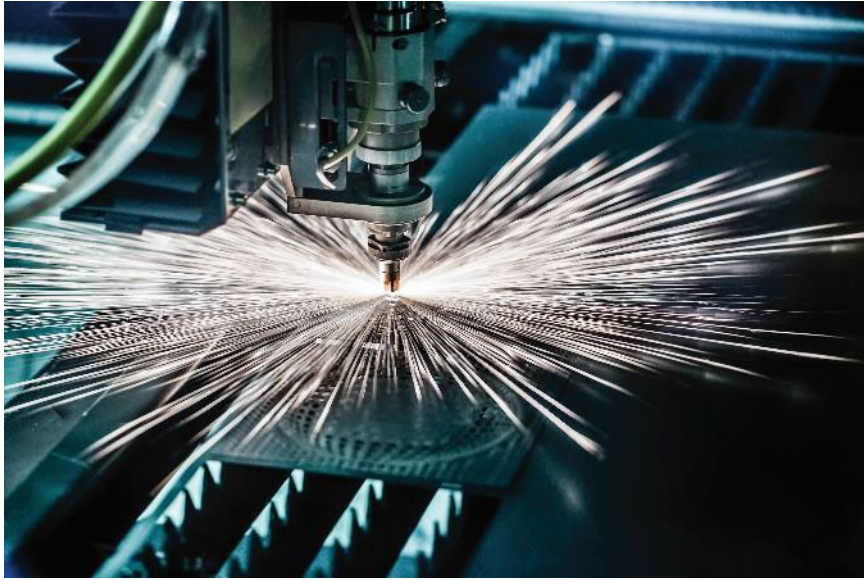
- Capacity utilization ~80%
- 2021 imports were up over 2019/20, but below earlier levels



Service Centers:

- Supply chain inventories are at/below normal levels





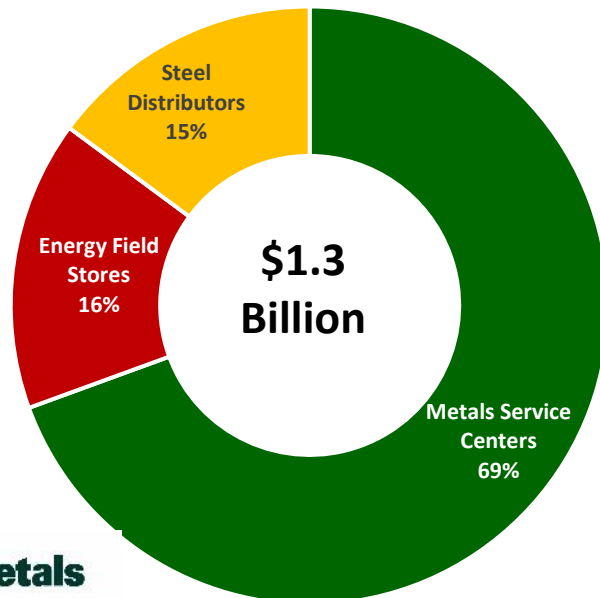
II. COMPANY OVERVIEW

RUSSEL METALS AT-A-GLANCE

Overview

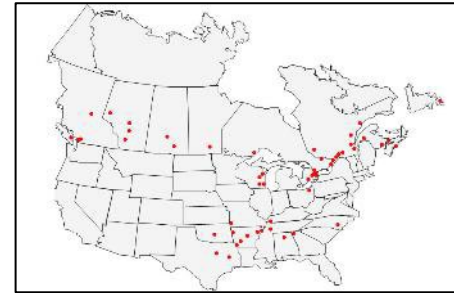
- Distribution of steel and other metal products across North America
- Three segments: Metal Service Centers, Energy Field Stores and Steel Distributors
- Founded in 1916
- Headquartered in Mississauga, Ontario, Canada
- Ticker: RUS.TO; 63.1 mm shares outstanding

Revenue by Segment (Quarter Ended March 31, 2022)



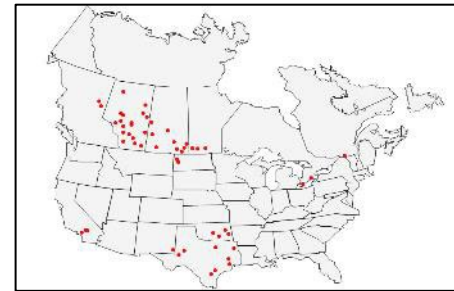
Key Segments

Metals Service Centers



- Coast-to-coast in Canada
- Strong US presence in mid-west and south
- Extensive product line with value-added focus

Energy Field Stores



- Distribute highly engineered energy products (eg. valves, fittings, etc.)
- Recently completed monetization of OCTG/Line Pipe businesses

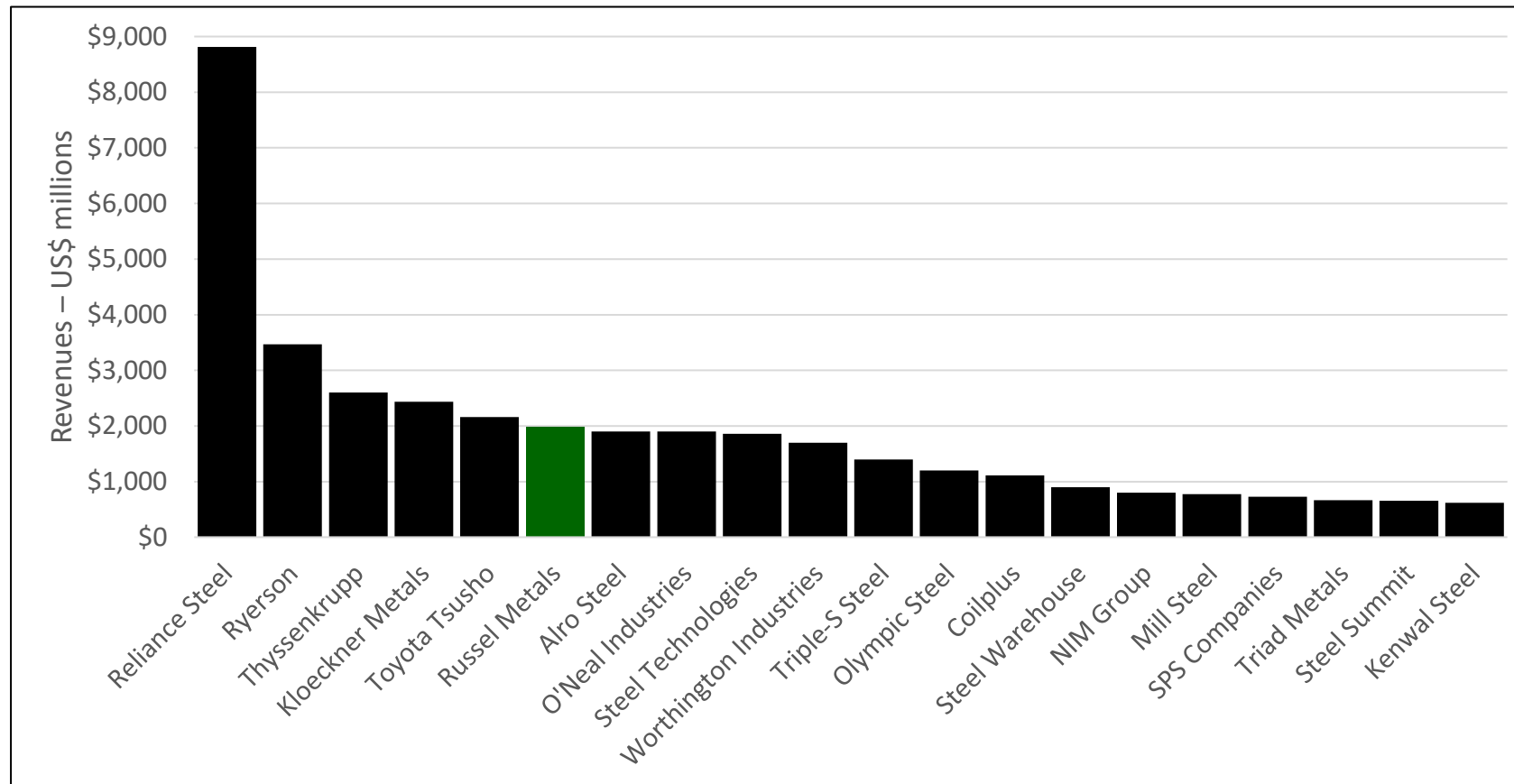
Steel Distributors



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

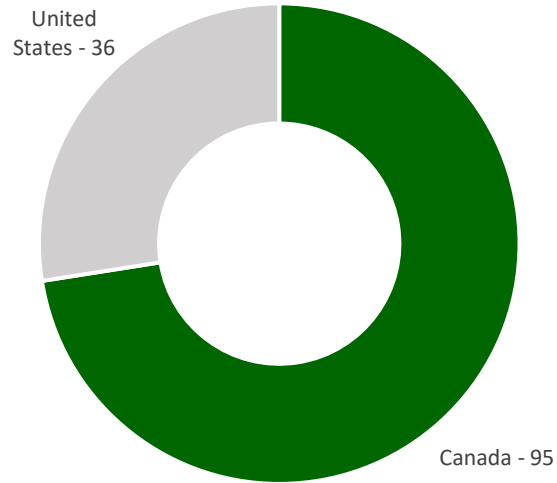
STRONG MARKET POSITION

- 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

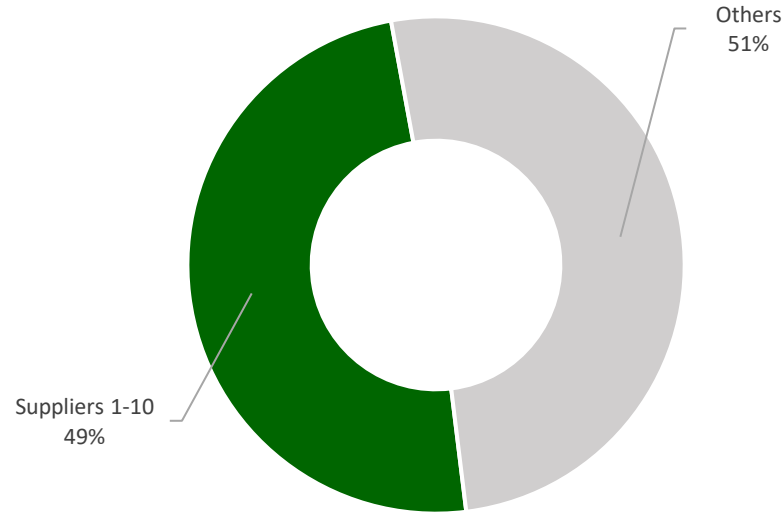


DIVERSIFIED BUSINESS

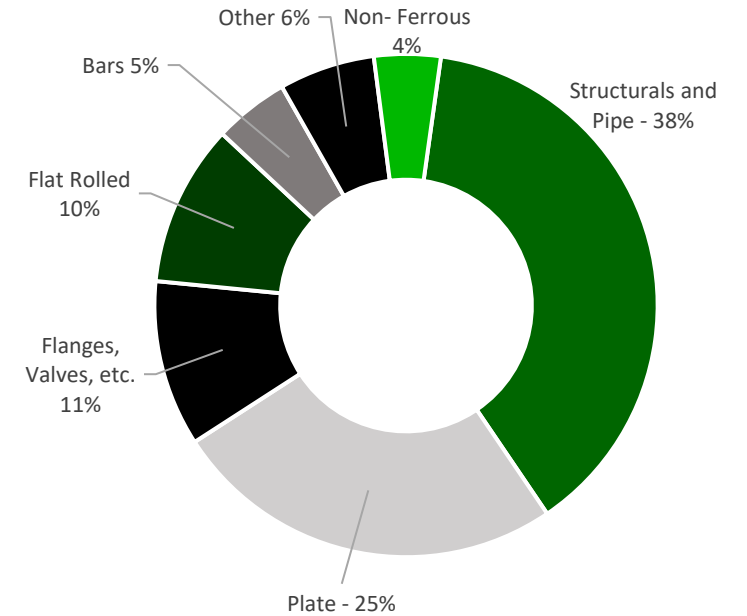
Geography - 131 Locations



Suppliers



Product Mix

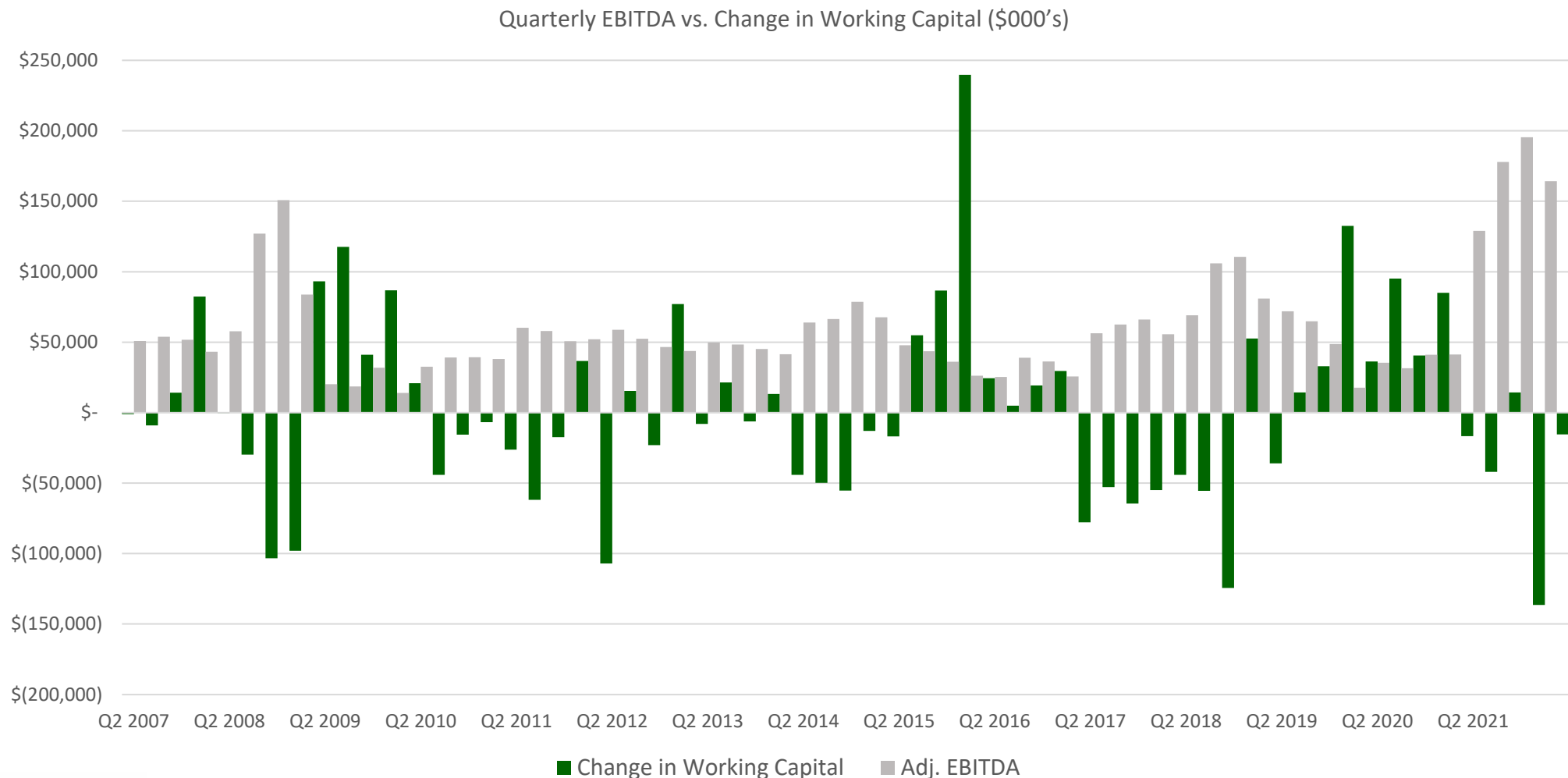


Customers

- >30,000 customers
- Average invoice < \$2,500
- Top 10 customers < 10% of revenues

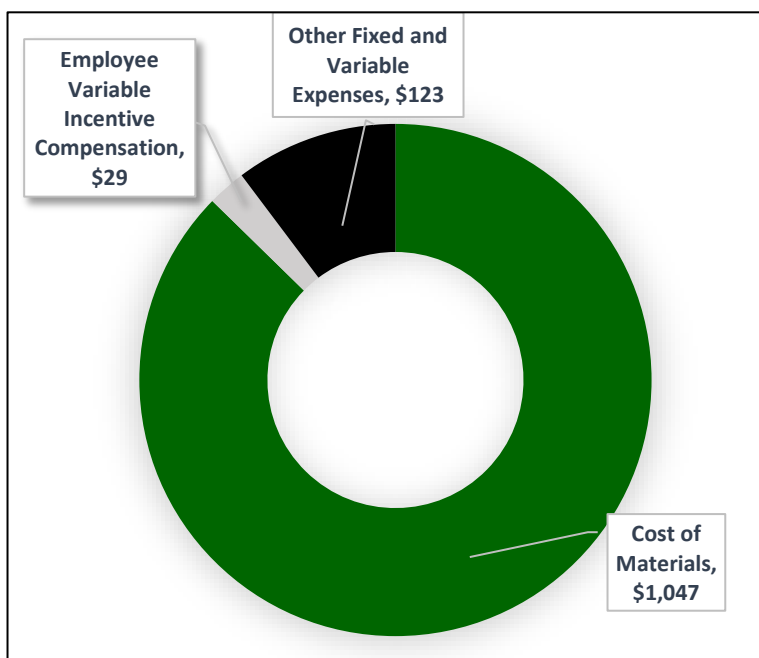
COUNTERCYCLICAL CASH FLOWS

- Strong EBITDA during upcycles; working capital repatriation during market downturns.

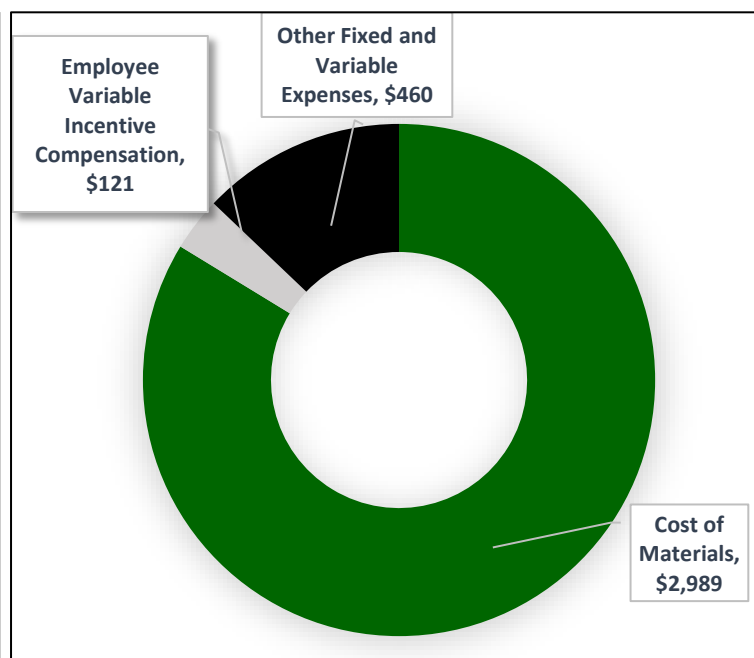


VARIABLE COST MODEL – BREAKDOWN OF CASH COSTS

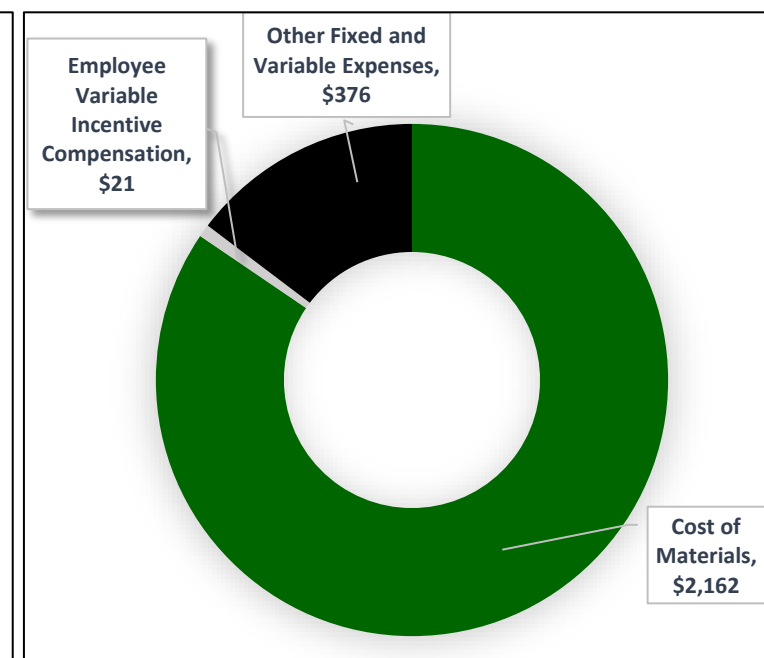
THREE MONTHS ENDED MARCH 31, 2022
\$1,199 Million



YEAR ENDED DECEMBER 31, 2021
\$3,570 Million



YEAR ENDED DECEMBER 31, 2020
\$2,559 Million



ESG FOCUSED

Environmental

- Divested OCTG/Line Pipe business
- Low carbon emissions from operations
 - GHG emissions in 2021 were 51,024 tonnes CO₂(e) – down 4% vs. 2020
 - Equates to 0.00001 tonnes/dollar of revenue
- Environment Management System

Social

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

Governance

- Female/Visible Minority: 50% Board; 30% Corp. Mgt.
- Independent Board and Audit Committee
- Majority Voting
- Code of Business Conduct
- Independent Whistleblower program



Health and Safety Metrics:

	2021	2018
Number of Employees	3,300	3,420
Number of Lost Time Accidents	10	31
Number of Lost Time Days	613	962
Frequency *	0.33	0.89
Severity *	19.93	27.73
Medical Aids *	111	208
First Aids *	110	244

* See Russel Metals Annual Information Form for definitions and additional information

Dollar for Dollar

Together We Can

CORPORATE GIVING PROGRAM

Our employees have a diversified and far-reaching passion for the communities where they live, and we operate. We share this passion and encourage all of our employees to participate in community-based initiatives and endeavors that have the greatest social impact in their local communities.

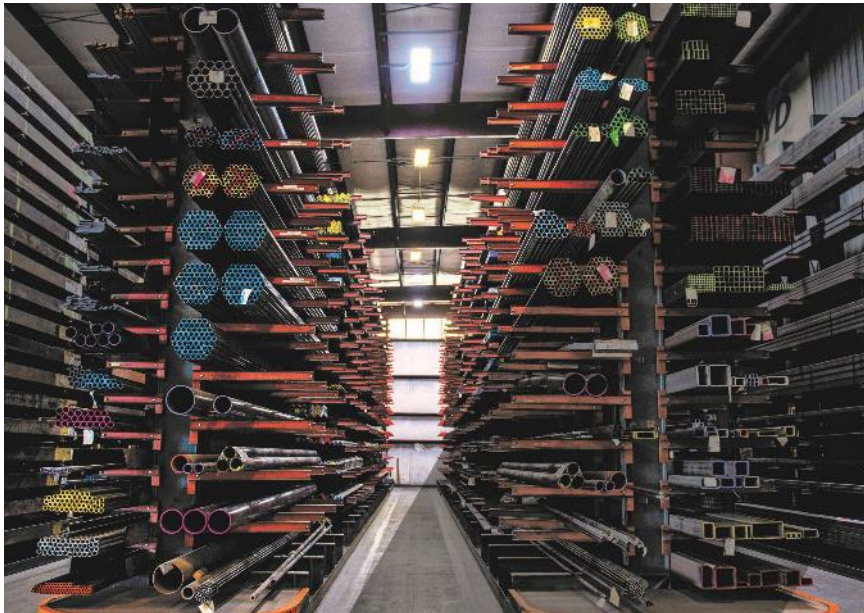
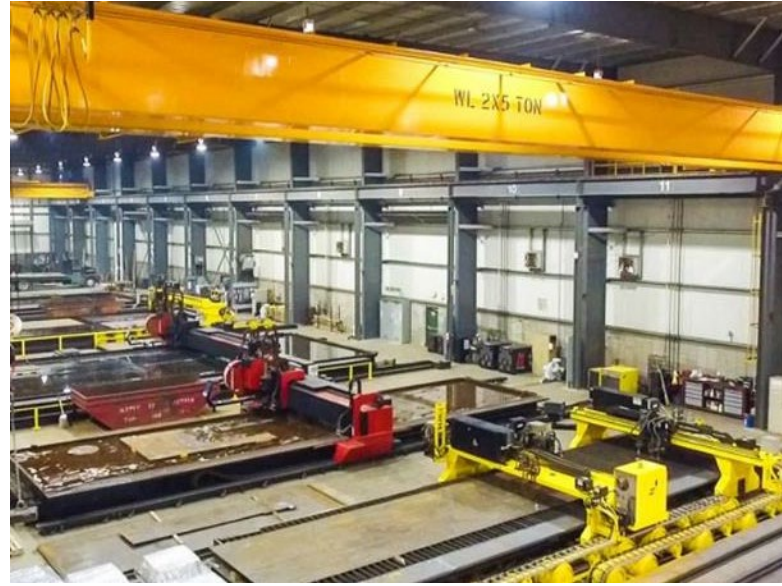
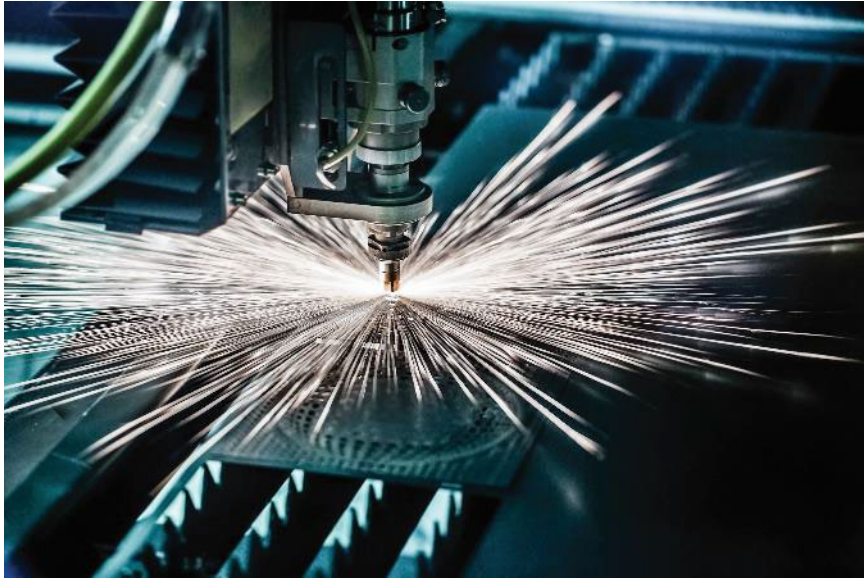
At the end of 2021, we commenced a corporate donation program and provided \$500,000 to a number of charities that support vulnerable people. (www.russelmetals.com/en/corporate-giving)

We would now like to add to our commitment by partnering with all of you through our charitable donation matching program to support the causes that matter the most to you.

- You will receive your username and login information from your Branch/Unit Manager. You can log into the Russel Metals Corporate Giving Program at <https://russelmetals.benevity.org/user/login>
- We have added \$10 to your personalized Giving Account. Log in to view your Giving Account and take advantage of our special launch promotion and feed a worthy cause.
- So, go ahead... together we will help the causes that mean the most to you and stay tuned for more exciting program news, campaigns and opportunities.

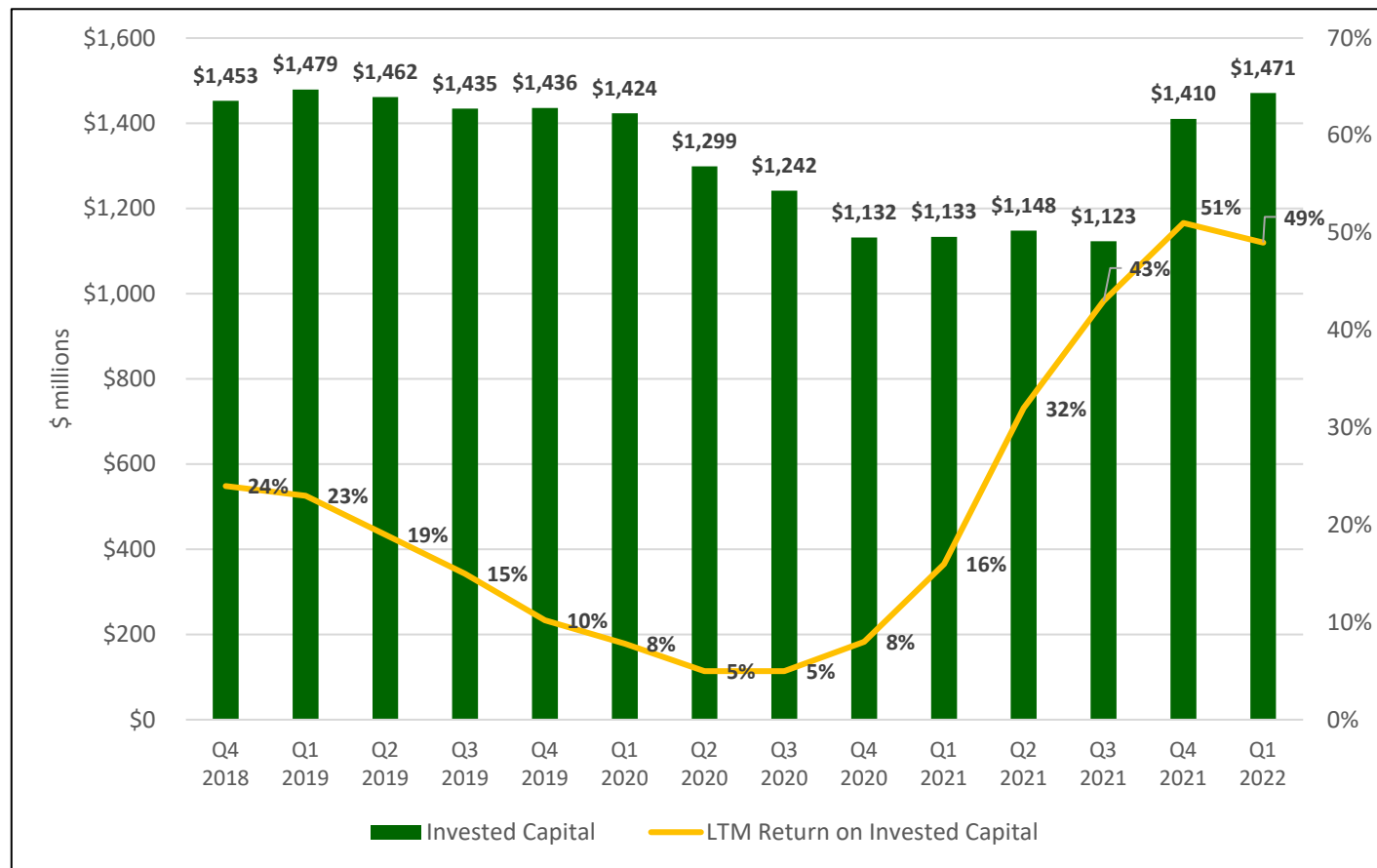
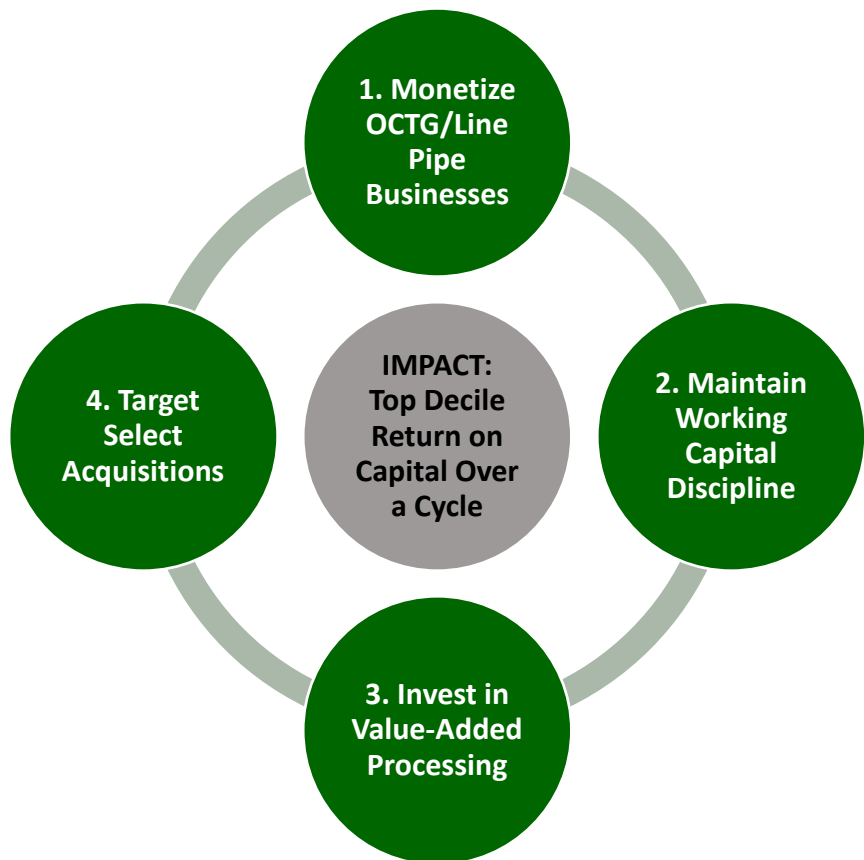
Russel Metals

You can reach out to our Corporate Giving Administration team at giving@russelmetals.com with any questions you may have.



III. STRATEGIC INITIATIVES

BUSINESS STRATEGY/RECENT INITIATIVES



1. MONETIZE NON-CORE OCTG/LINE PIPE BUSINESSES

Core Business

Field Stores



- Distribution of highly engineered products (eg. valves, fittings, flanges, etc.)
- High customer service
- Focus on repeat maintenance and repair work for existing energy assets
- Comparable gross margin profile to metals service centers

Non-Core Business

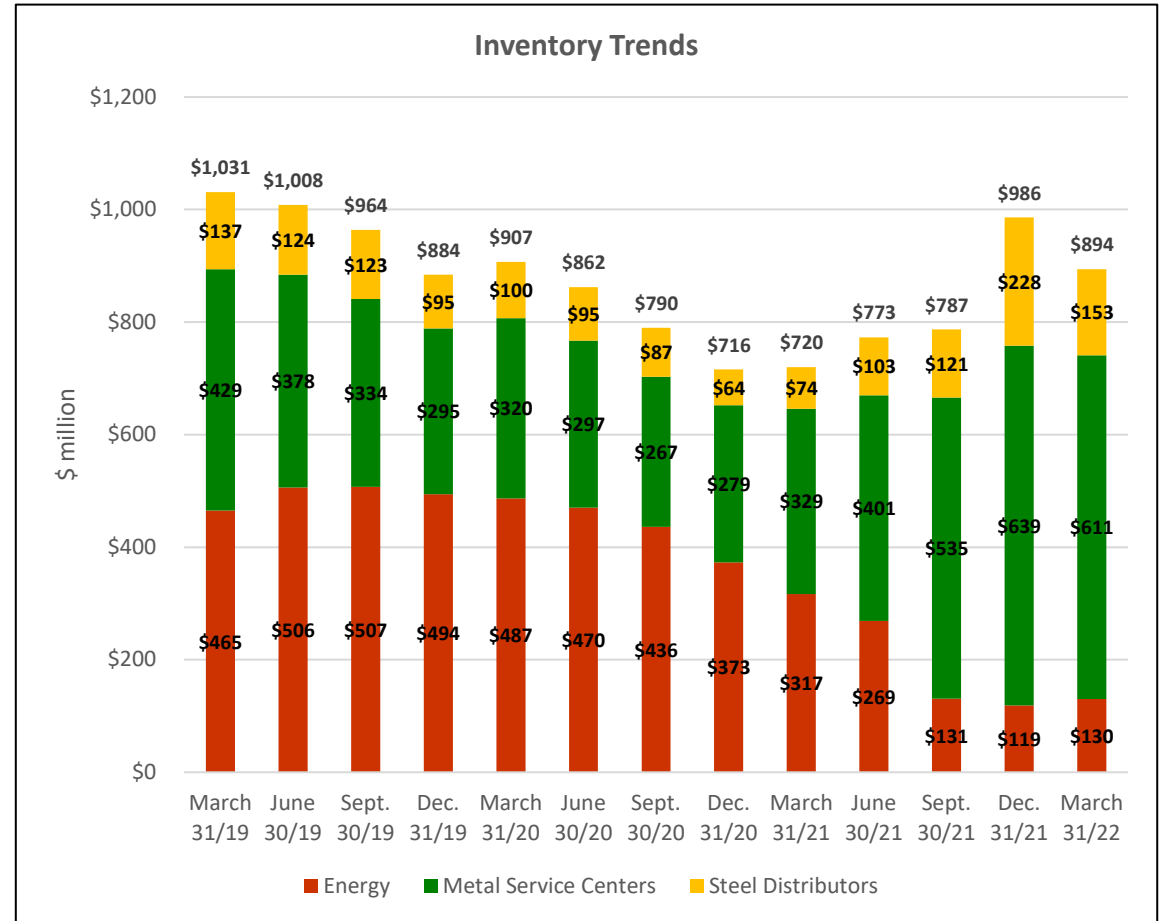
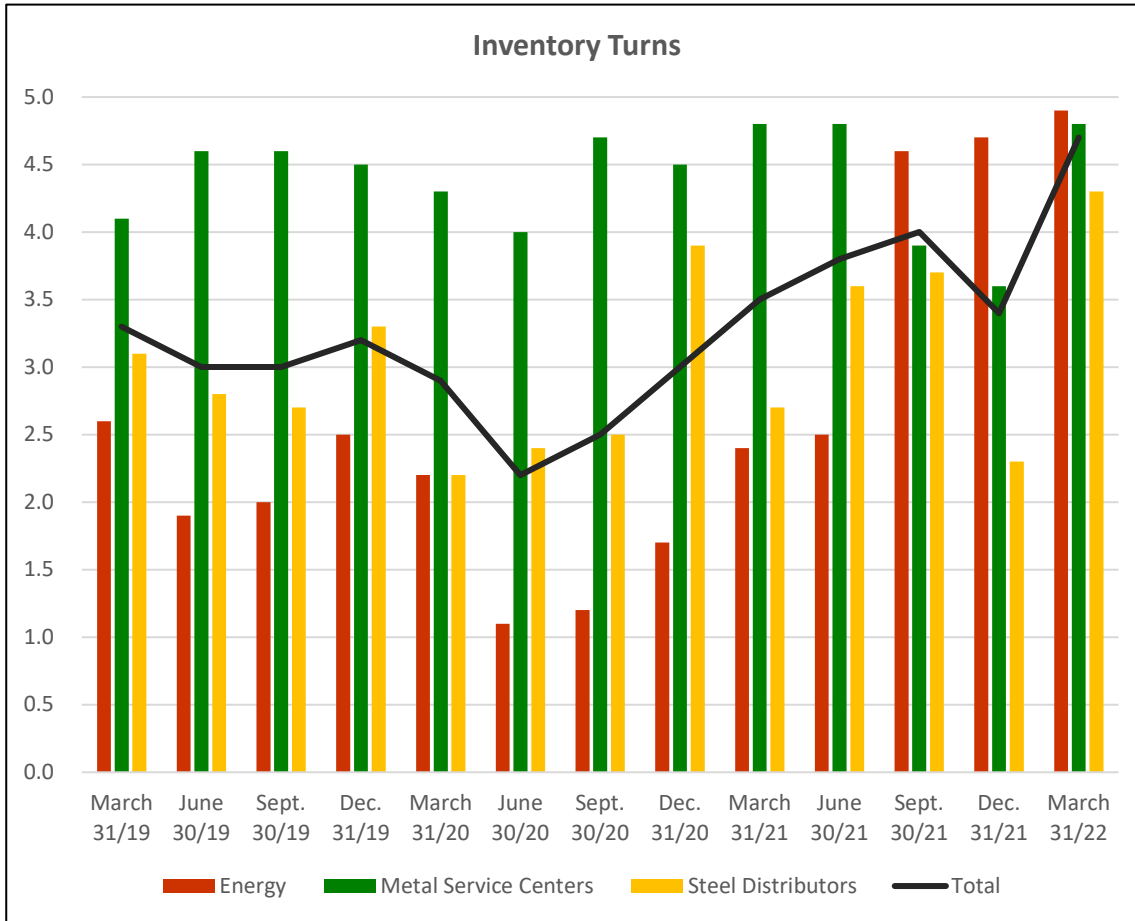
OCTG/Line Pipe Businesses



- Distribution of steel pipe and oil country tubular goods (eg. drill pipe and casings)
- Commodity business
- Business is tied to new drilling activity in Canada and US
- Higher volatility and lower gross margins than metals service centers

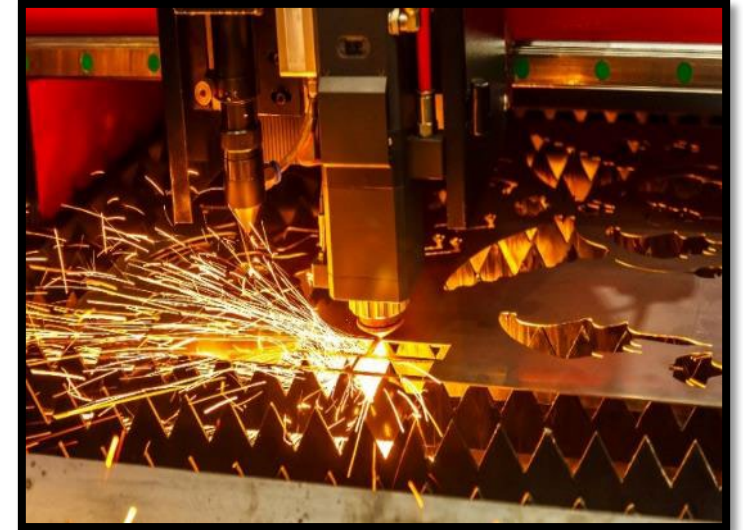
- Reduced exposure to Energy through monetization of OCTG/Line Pipe businesses
- Repatriated ~\$300 mm of capital
 - Canada: sale closed on July 6
 - US: liquidation is complete

2. WORKING CAPITAL DISCIPLINE

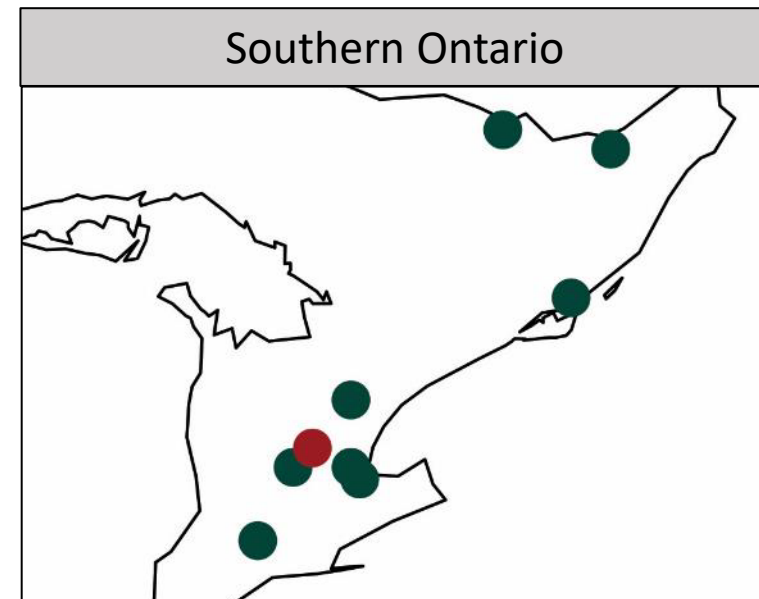
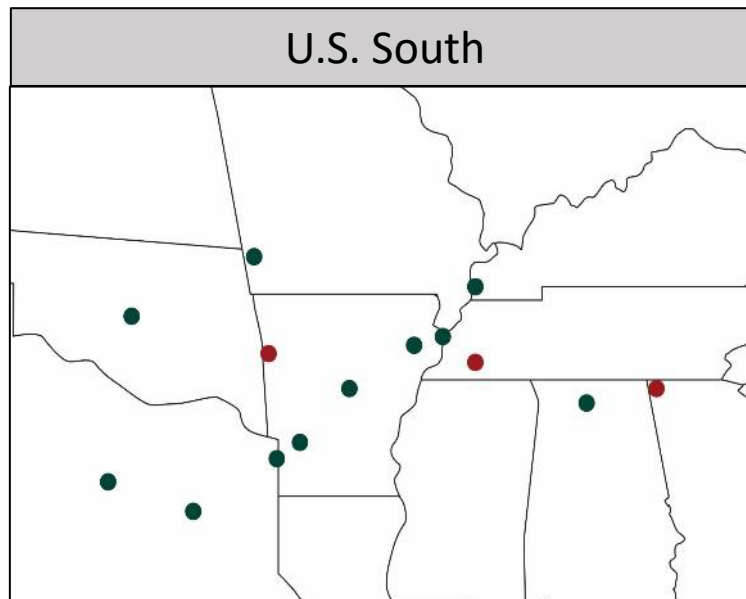
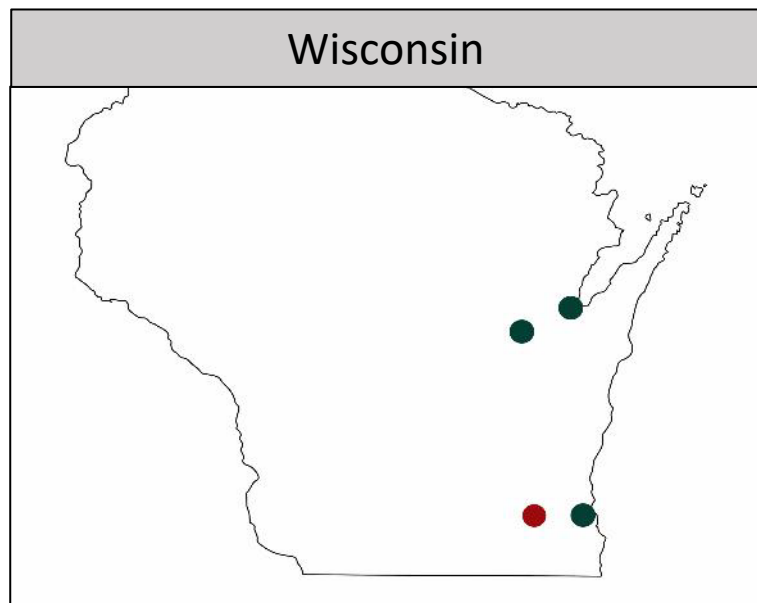


3. INVEST IN VALUE-ADDED PROCESSING

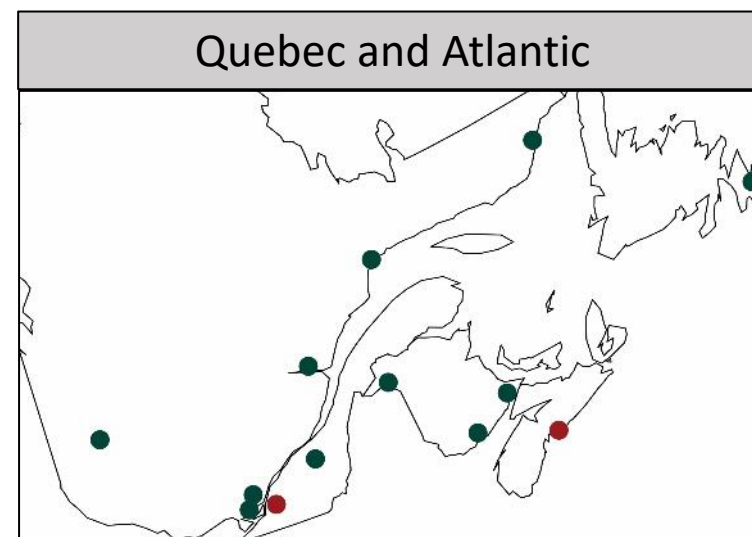
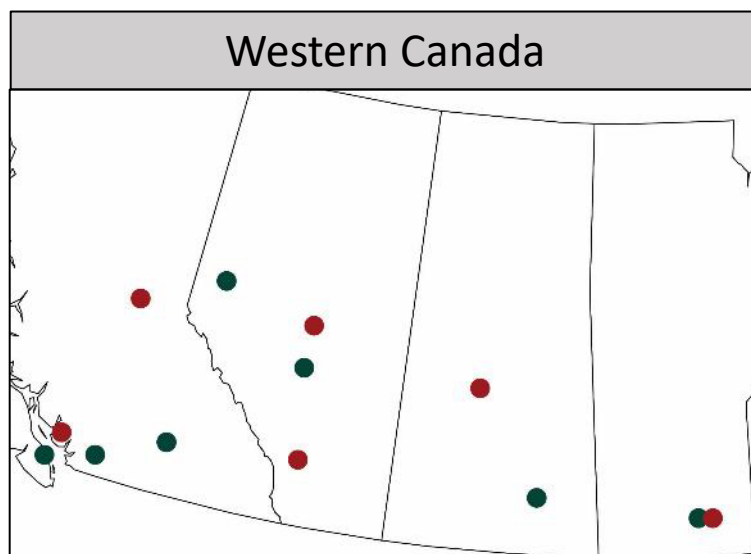
- Value-added processing investments over multi-years
- Typically have paybacks of <3 years



3. INVEST IN VALUE-ADDED PROCESSING – HUB & SPOKE APPROACH



- Processing center
- Distribution center



4. TARGET SELECT ACQUISITIONS: BOYD METALS TRANSACTION SUMMARY

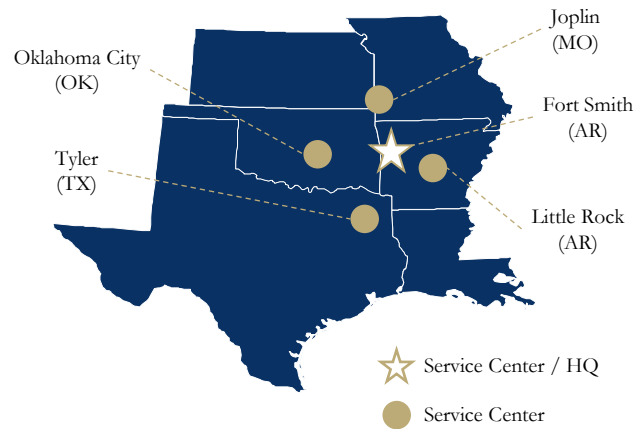
- US\$125 mm purchase price
 - Includes net working capital (C\$85 mm) and PP&E (C\$39 mm)
- Strong margins/comparable to Russel service centers in the region
 - LTM revenues and Adj. EBITDA of US\$244 mm and US\$39 mm
 - Accretive to earnings and attractive return through the cycle
- Closed on Nov. 30, 2021



4. TARGET SELECT ACQUISITIONS: BOYD METALS – BUSINESS OVERVIEW

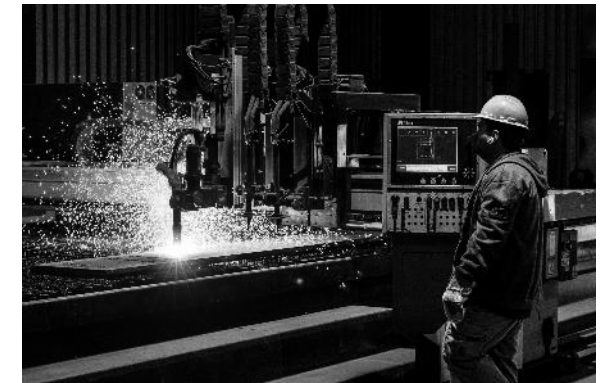
- Boyd operates five locations, with approximately 320,000 square feet of combined office, operations and warehouse space.

Facility Landscape

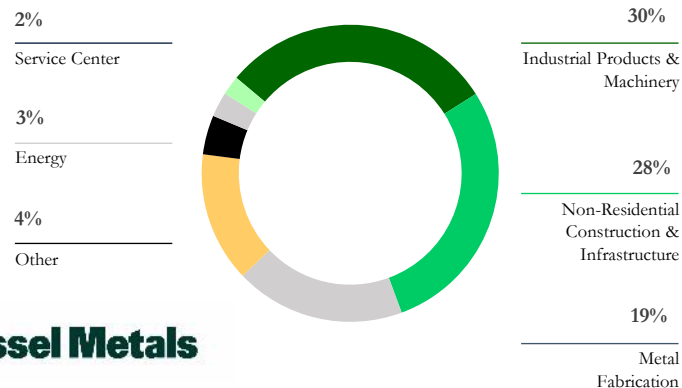


Value-Add Processing

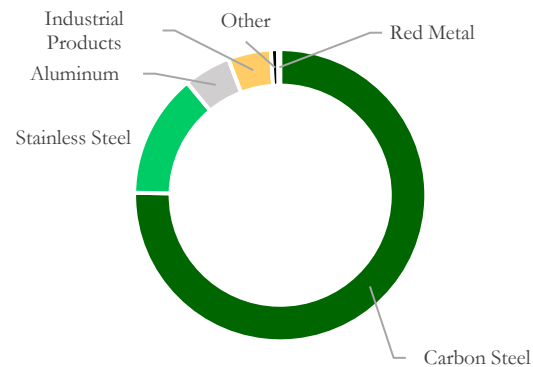
Processing Service	Fort Smith	OKC	Tyler	Joplin	Little Rock
Sawing	✓	✓	✓	✓	✓
Shearing	✓	✓	✓	✓	✓
Plasma Cutting	✓	✓	✓	✓	✓
Plate Cutting	✓	✓	✓	✓	✓
HiDef Plasma	✓	✓	✓	✓	✓
Laser Cutting	✓	✓		✓	
Press Brake		✓	✓	✓	

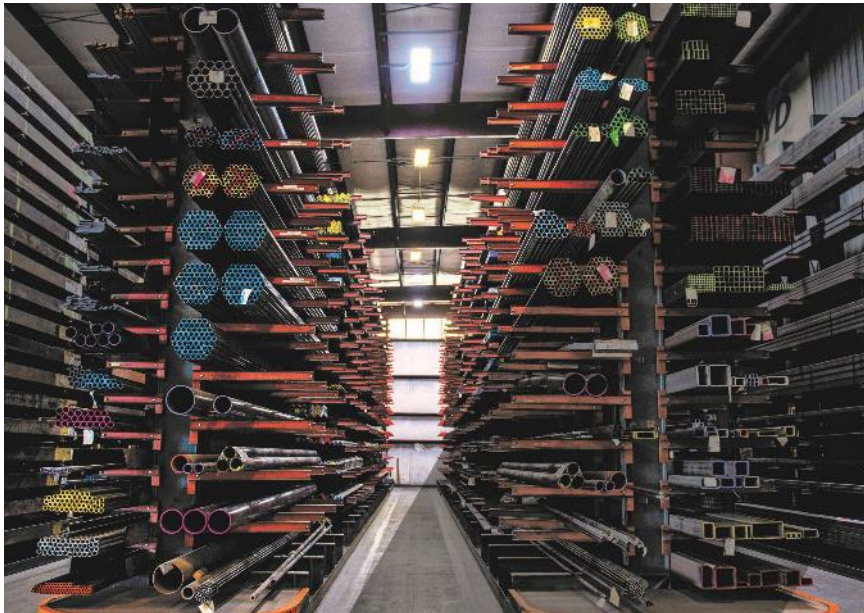
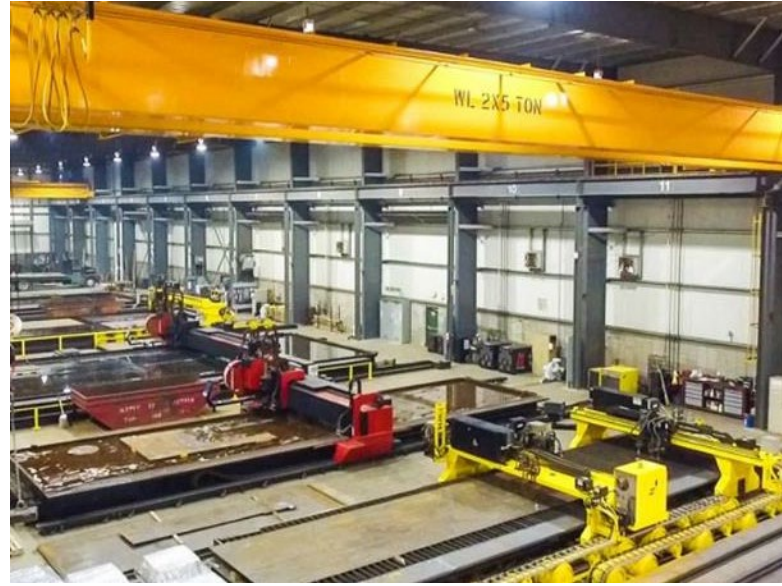
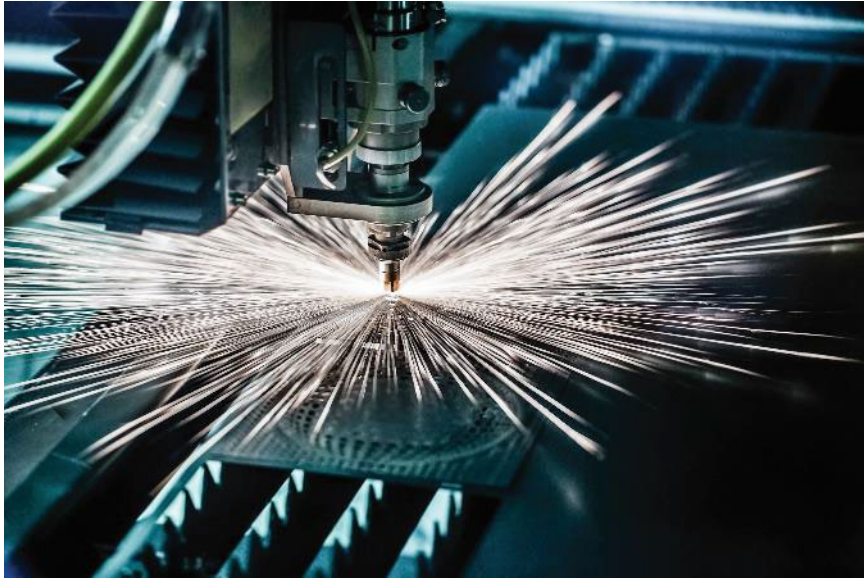


Revenue by End Market



Revenue by Product



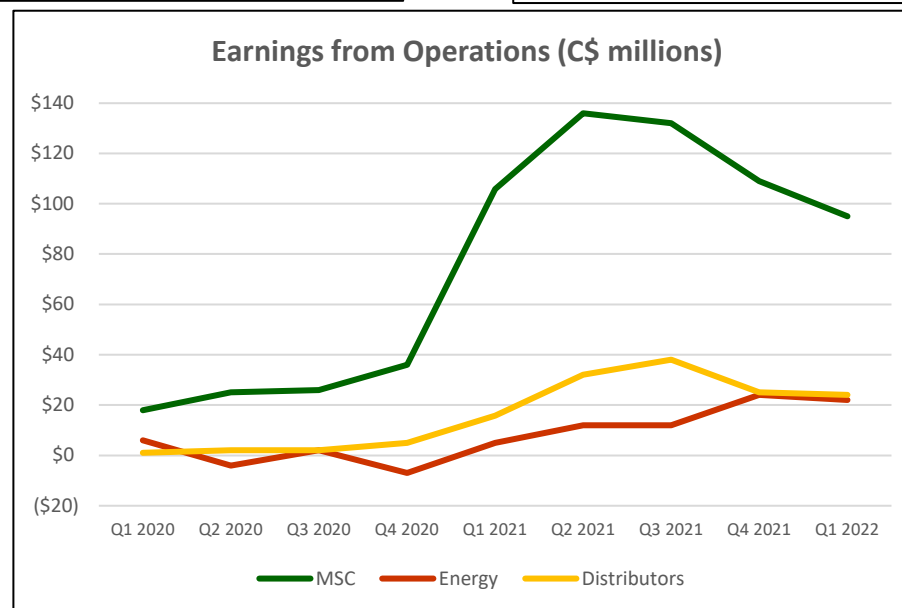
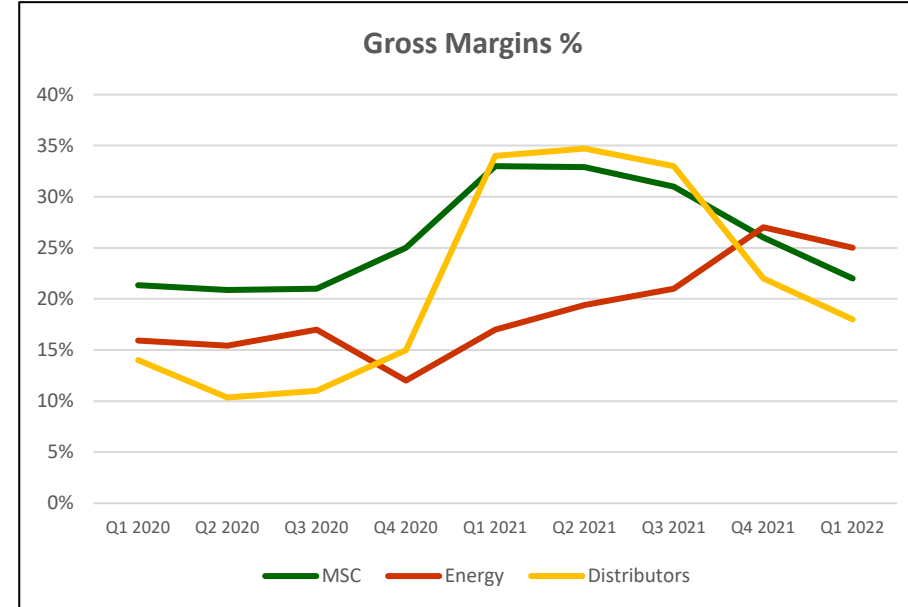
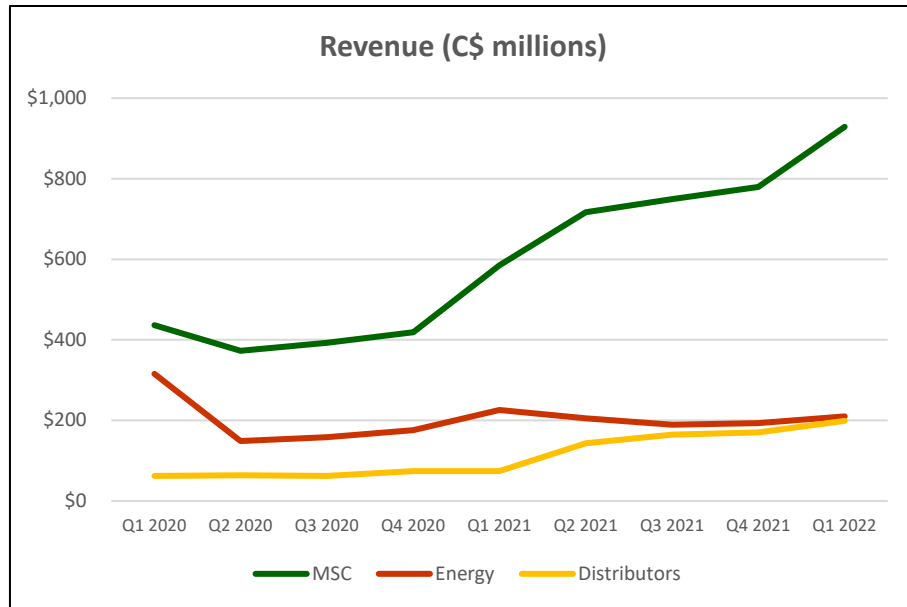


IV. FINANCIAL OVERVIEW

Q1 2022 - FINANCIAL RESULTS

\$ mm, unless otherwise stated	Q1 2021	Q4 2021 ⁽¹⁾	Q1 2022	Q1 2022 Observations:
Income Statement:				
Revenues	\$885	\$1,147	\$1,339	<ul style="list-style-type: none"> Record quarterly revenues Margin % moderated from the records set in late 2021, but margin \$ remained strong Q1 results impacted by: <ul style="list-style-type: none"> Full quarter of earning from Boyd Equity pick-up from TriMark (\$6 mm) Mark-to-market of stock-based comp NIL vs. \$3 mm expense in Q4
Gross Margin (\$ mm/%)	\$255 / 28.8%	\$299 / 26.1%	\$290 / 21.7%	
Adj. EBITDA (\$ mm/%)	\$129 / 14.6%	\$164 / 14.3%	\$153 / 11.4%	
Adj. EBIT (\$ mm/%)	\$114 / 12.9%	\$150 / 13.1%	\$137 / 10.3%	
Interest Expense	\$6	\$7	\$7	
Adj. Net Income	\$81	\$104	\$99	
Adj. EPS	\$1.29	\$1.65	\$1.56	
Cash Flow:				
Change in non-cash working capital	\$(17)	\$(136)	\$(15)	<ul style="list-style-type: none"> Net increase in working capital: Increase in AR (+\$115 mm) offset by decrease in Inventory (\$-81 mm) and increase in AP (+\$19 mm) By segment: Service Center up; Steel Distributors down; Energy comparable Taxes paid (-\$83 mm) Sale of Western Fiberglass (+\$10 mm) Capex moving up with value added projects
Sale/(Purchase) of business	--	\$(157)	\$10	
Capex	\$(6)	\$(9)	\$(8)	
Balance Sheet:				
Net Debt	\$202	\$162	\$149	<ul style="list-style-type: none"> Total debt of \$295 mm offset by cash/investments of \$146 mm C\$ strengthened and had an impact on Other Comprehensive Income. Fx at 12/31/21 (1.2678) vs. 3/31/22 (\$1.2496) Liquidity continued to remain strong Dividend of \$0.38/share
Shareholders' Equity	\$932	\$1,248	\$1,322	
Available Liquidity	\$444	\$495	\$457	
Net Debt/Capitalization	18%	11%	10%	

SEGMENT BREAKDOWN: OPERATING RESULTS



LIQUIDITY AND CAPITAL STRUCTURE SUMMARY

- Russel has significant liquidity and no debt maturities for several years.

	12/31/21 (C\$ mm)	3/31/22 (C\$ mm)
Cash	\$133	\$146
Bank Lines - Maturity 2025	--	--
5.75% Notes - Due 2025	\$147	\$147
6% Notes - Due 2026	\$148	\$148
Total Debt	\$295	\$295
Shareholders Equity	\$1,248	\$1,322
Net Debt/Invested Capital	11%	10%
Net Debt/LTM Adj. EBITDA	0.2x	0.2x
Liquidity	\$495	\$457



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