

Russel Metals

COMPANY UPDATE - MAY 2025



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 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.

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 metal prices; cyclicalities of the metals 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 and liquidity 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; 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:

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. Adjusted EBITDA excludes non-cash asset impairments or non-recurring items.

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 over revenues.

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

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

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

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).

Net Debt – represents total short term and long-term debt less cash and cash equivalents.

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I. OVERVIEW



Q1 2025 IN REVIEW

GENERATED STRONG RESULTS

Record quarterly shipments

EBITDA of \$86 mm

Cash from Operating Activities before
non-cash working capital of \$82 mm

INCREASED CAPITAL INVESTMENTS

Record quarterly capex of \$29 mm --
tracking to ~\$100 mm for 2025 --
discretionary projects are ongoing

Ongoing initiatives related to the 2024
acquisitions of Samuel and Tampa Bay

GREW CAPITAL DEPLOYED

\$1.7 bl. at 3/31/25 vs. \$1.6 bl. at
12/31/24 and \$1.3 billion at 12/31/23

GENERATED STRONG ROIC

15%⁽¹⁾ in Q1 2025 vs. 10%⁽¹⁾ in Q4
2024 and 3-Year average of 24%.

GREW U.S., SPECIALTY & VALUE-ADD % of TOTAL REVENUES

U.S. = 44% vs. 39% in 2024 and 30% in
2019

Stainless/Aluminum = 11% in Q1'25 vs
9% in 2024

RETURNED CAPITAL TO SHAREHOLDERS

\$25 mm of share buybacks

\$24 mm of dividends

RETAINED BALANCE SHEET FLEXIBILITY FOR FUTURE OPPORTUNITIES

\$300 mm investment grade term debt
offering at 4.423%

Extended/amended bank agreement

Pro Forma Liquidity of \$605 mm⁽²⁾

(1) Based on the annualization of the quarter's results.

(2) Based on the proforma liquidity as of March 31, 2025, after the extension/amendment of the bank facility in April/25

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

- Monetized the OCTG/Line Pipe segment of the energy portfolio
 - Repatriated underperforming capital; Reduced volatility; Enhanced average returns and margins
- Reinvested in value-added processing and commenced a facilities modernization initiative
- Completed six acquisitions since 2019, including Samuel transaction in August/24 and Tampa Bay in December/24

Implemented a Flexible and Balanced Approach to Returning Capital to Shareholders

- Over the past two years, Russel paid \$194 million of dividends and bought back \$237 million of shares

Strong Liquidity and Financial Position

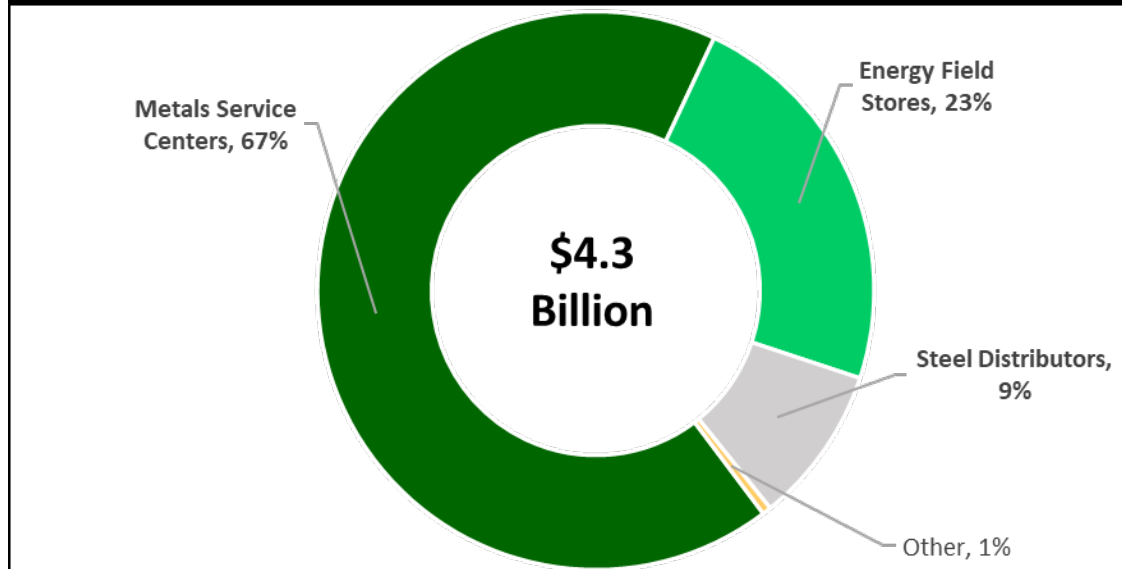
- As of March 31/25:
 - Net Debt/Invested Capital 4%; Liquidity \$605 million (pro forma for April/25 bank debt renewal)
- Completed the modernization of the debt structure
 - Issued \$300 mm of investment grade term debt at 4.423% interest rate in March/25

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 – 56.5 mm shares outstanding at 3/31/25

Revenue by Segment – 2024



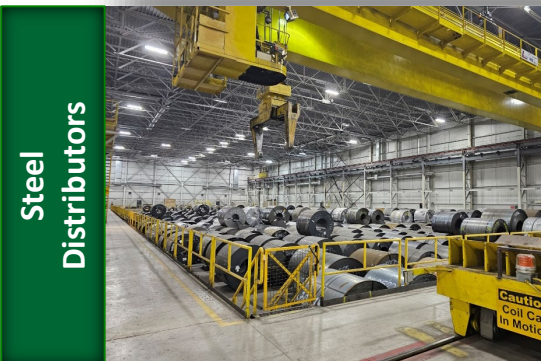
Key Segments



- 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



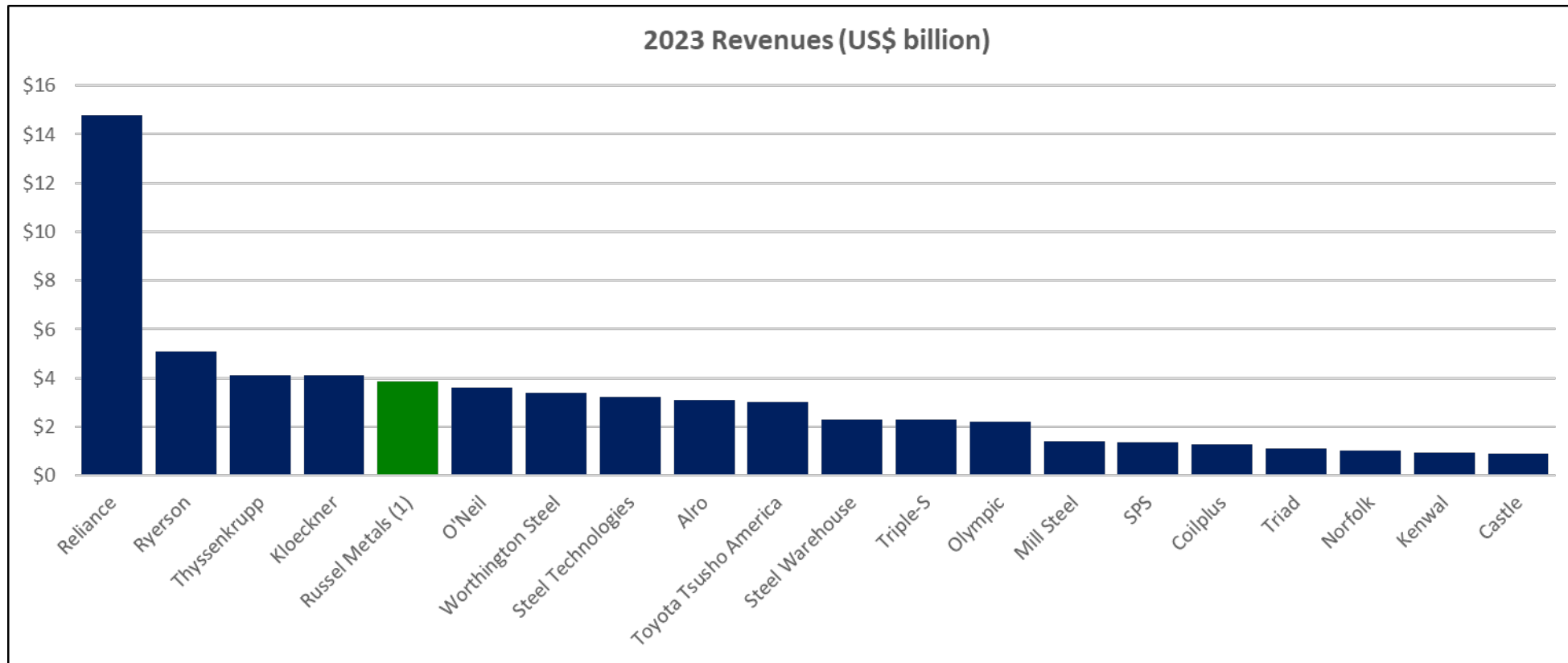
- Distribute highly engineered energy products (eg. valves, fittings, etc.)



- 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

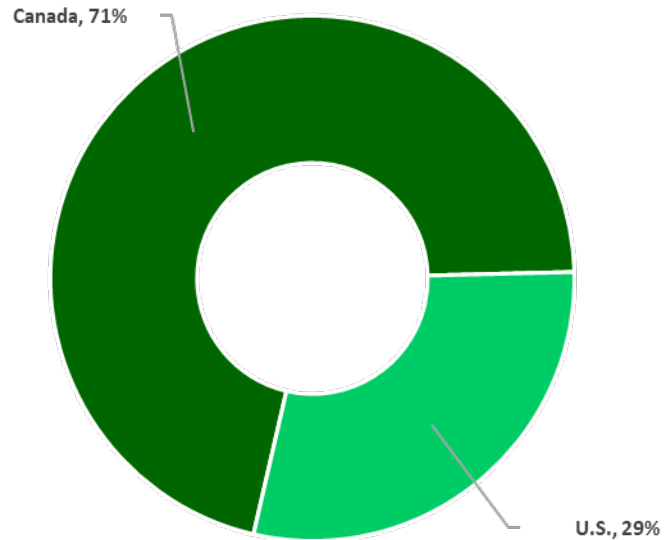


(1) Russel results are pro forma for the acquisitions of the Samuel assets and Tampa Bay Steel.

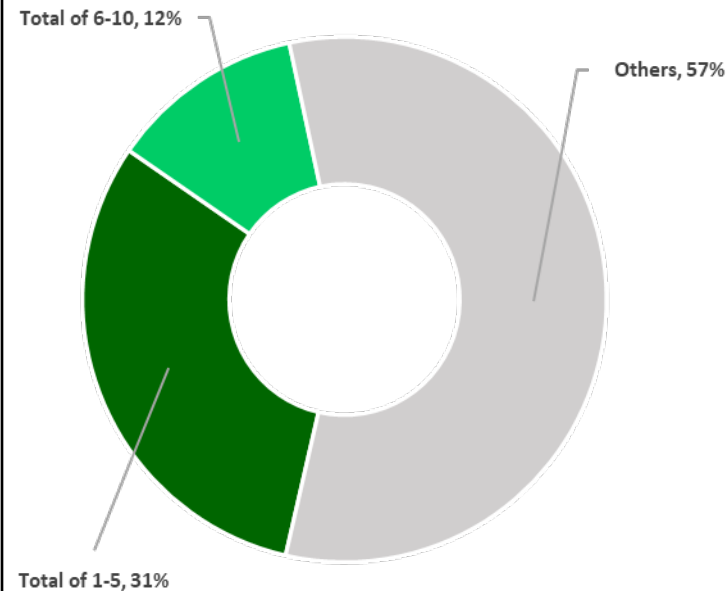
Source: Metal Center News, September 2024

DIVERSIFIED BUSINESS

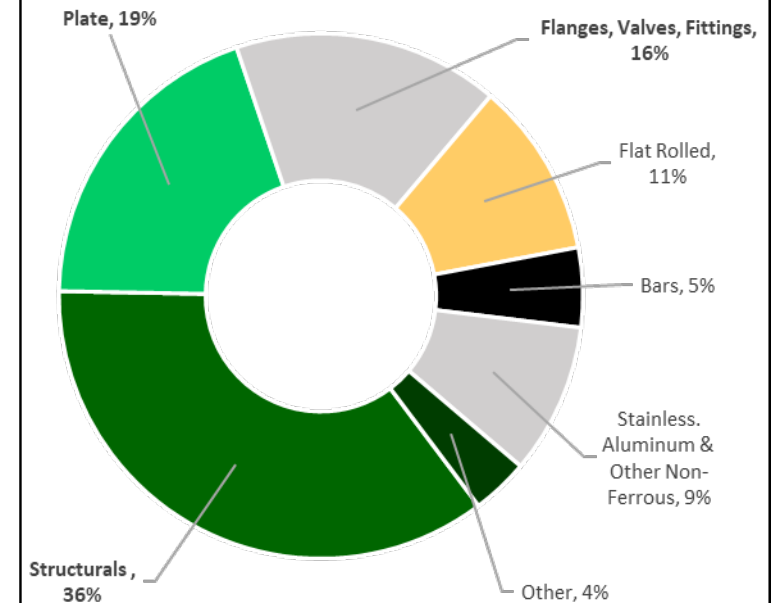
Locations – 140 Branches



Suppliers



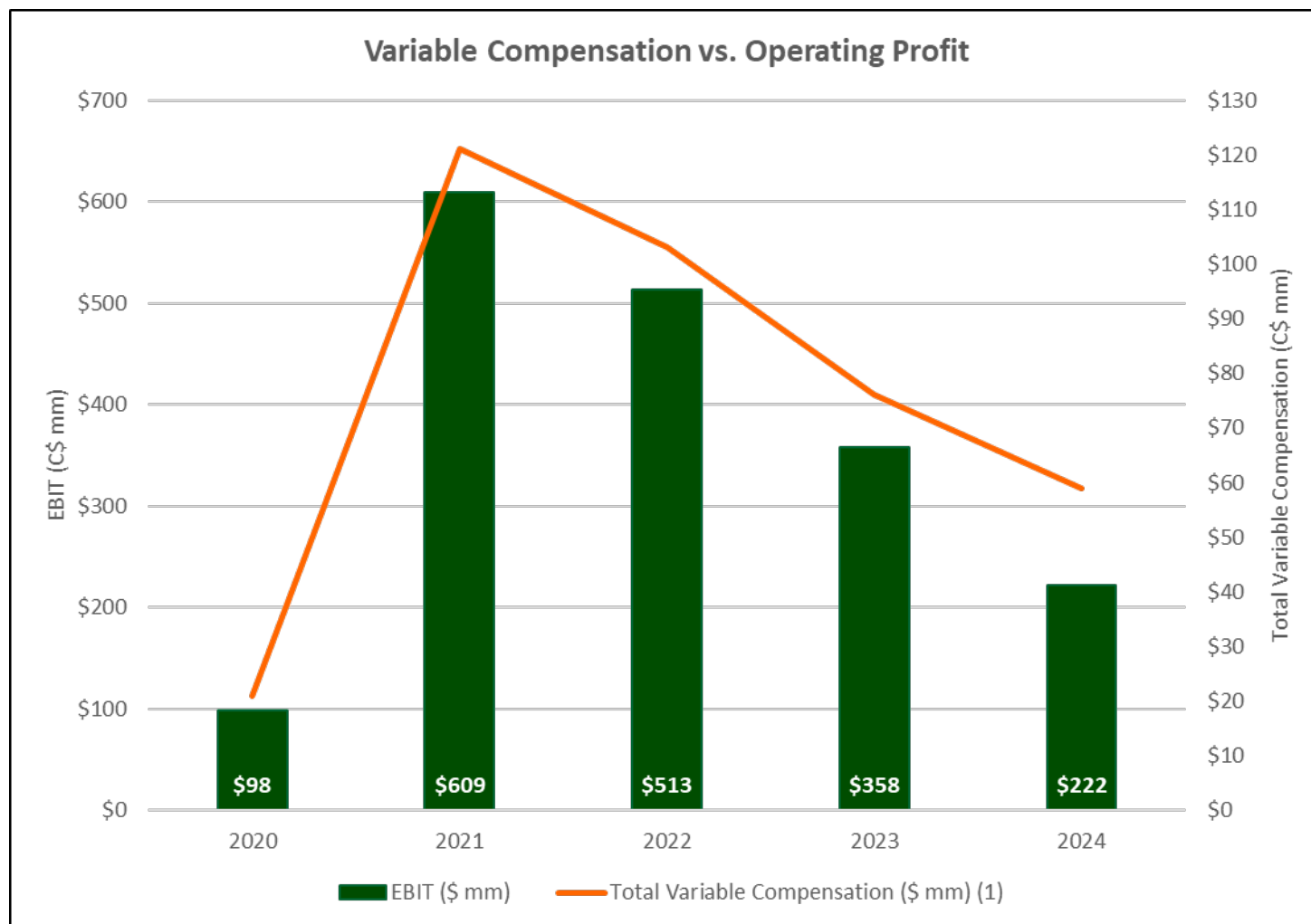
Product Mix



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

- ~45,000 customers; Top 10 customers <10% of revenues
- Average >3,300 MSC transactions/day
- Average MSC segment invoice <\$3,500

INCENTIVE COMPENSATION TIED TO RETURN ON CAPITAL



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

- 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.

BUSINESS TRANSFORMATION

Illustration of Historical Results

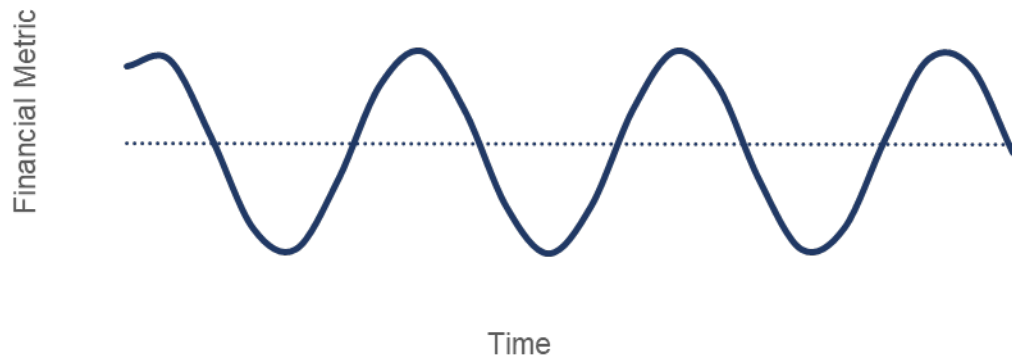
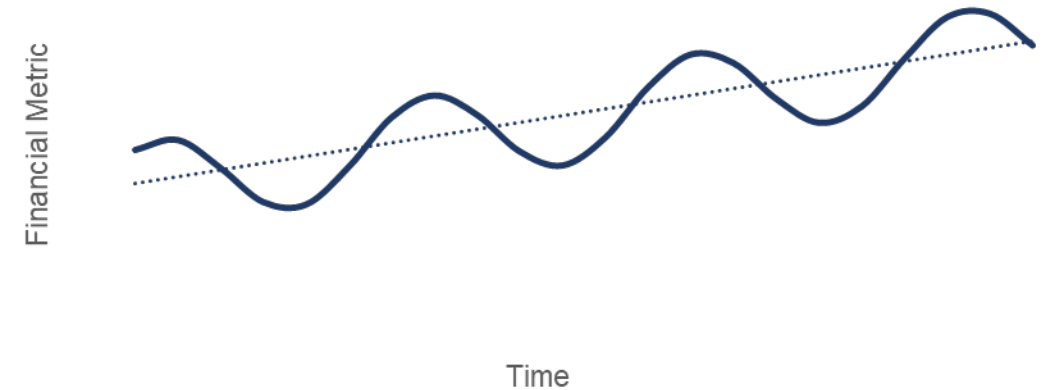


Illustration of Expected Impact from New Approach



Actions

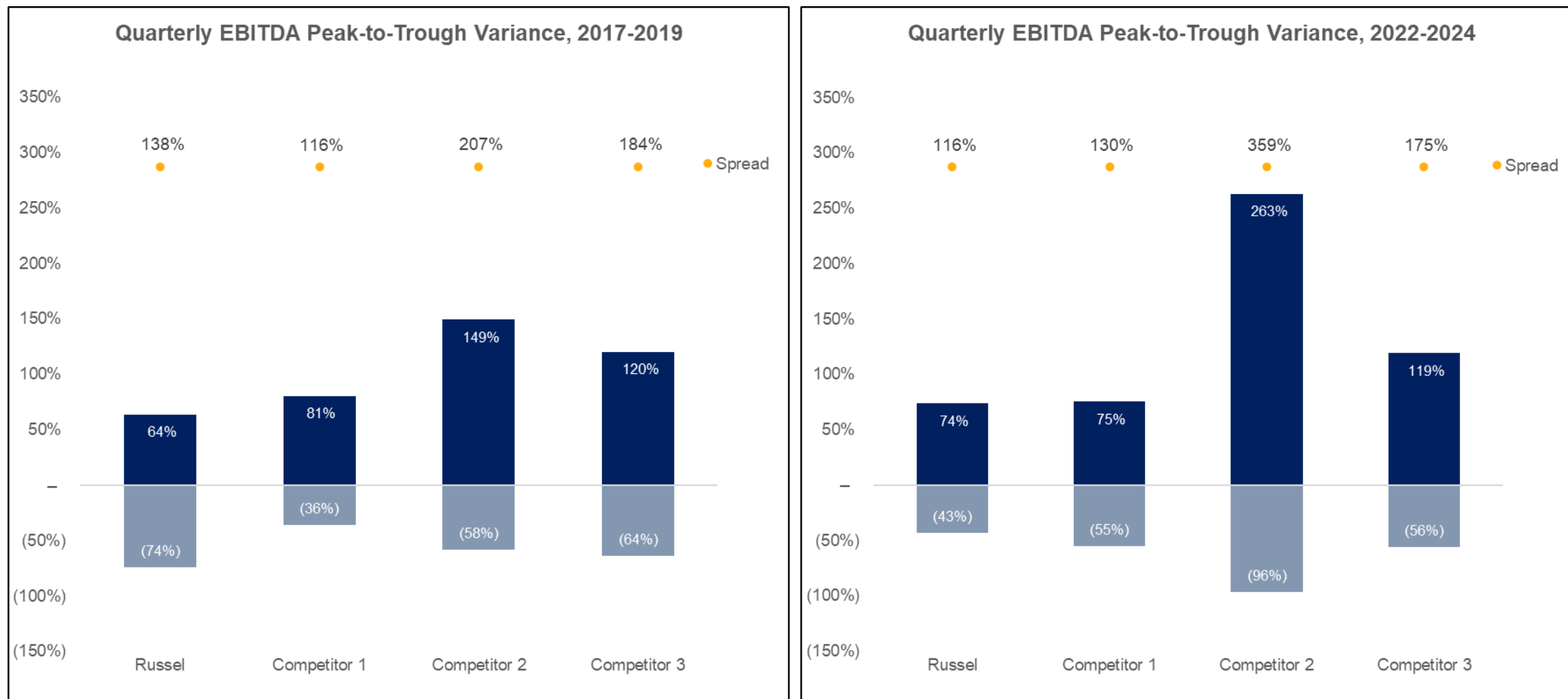
- Divested underperforming business units and repatriated \$400 mm of underperforming capital
- Improvement in working capital management (better turns and eliminated risk of OCTG/line pipe).
- Reinvested in value-added equipment, facility modernizations, and acquisitions (Sanborn, Boyd, Samuel, Tampa Bay)
- Strengthened the balance sheet

Impacts

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

IMPACT OF PORTFOLIO CHANGES

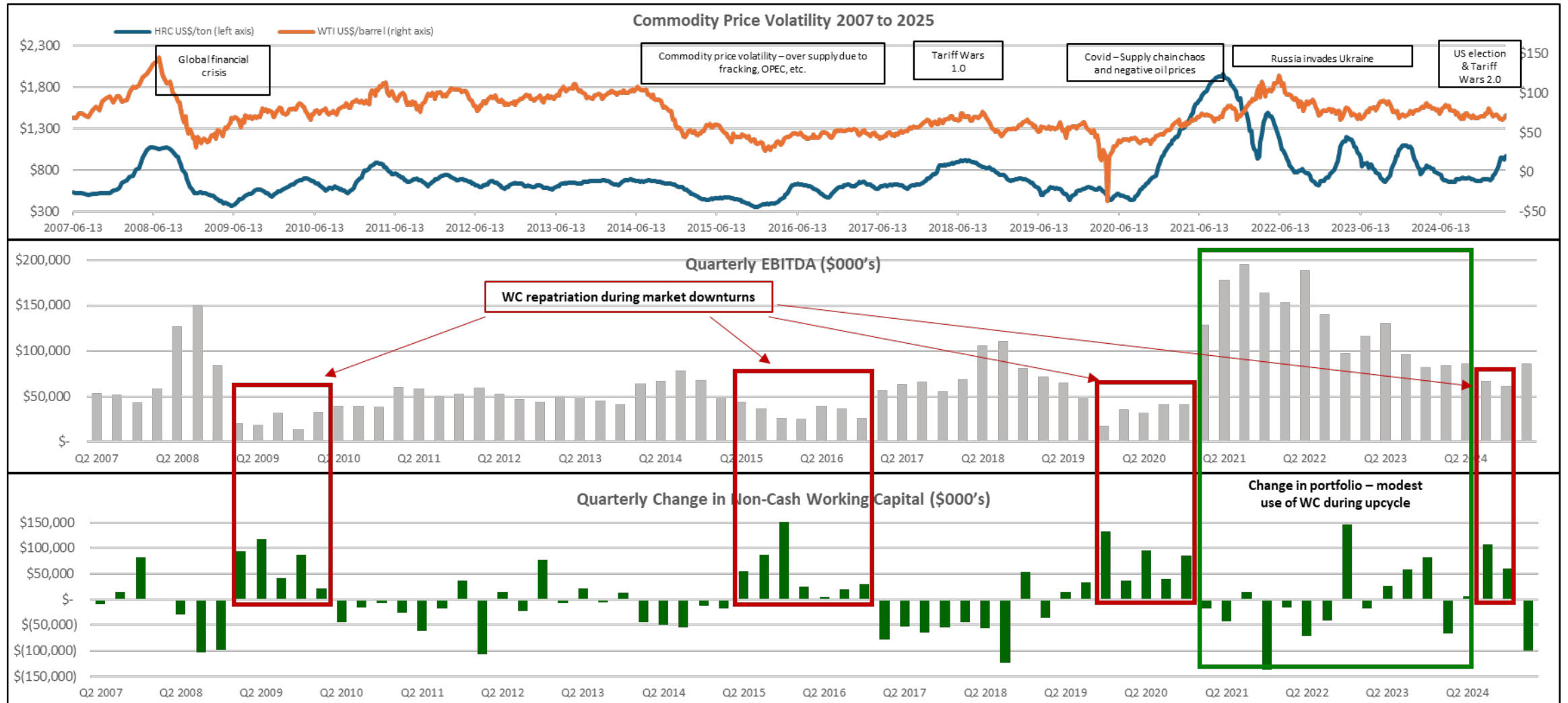
- The portfolio changes over the past few years significantly reduced our EBITDA variance between the peak and trough on both an absolute basis and relative to our peers.



Note: Results reflect the inclusion of non-recurring items (typically charges) and exclude LIFO income/expense (ie. FIFO based inventory methodology for those US companies that report both LIFO and FIFO). To calculate the peaks/trough/variances, the highest/lowest EBITDA within the lookback periods were compared to the average 3-year quarterly EBITDA of the lookback periods.

WORKING CAPITAL MANAGEMENT/COUNTER CYCLICALITY OF FCF

- Working capital management is a long-term strategy and results in countercyclical cash flows.



ESG FOCUS

Summary From Sustainability Report Updated April, 2025

Environmental

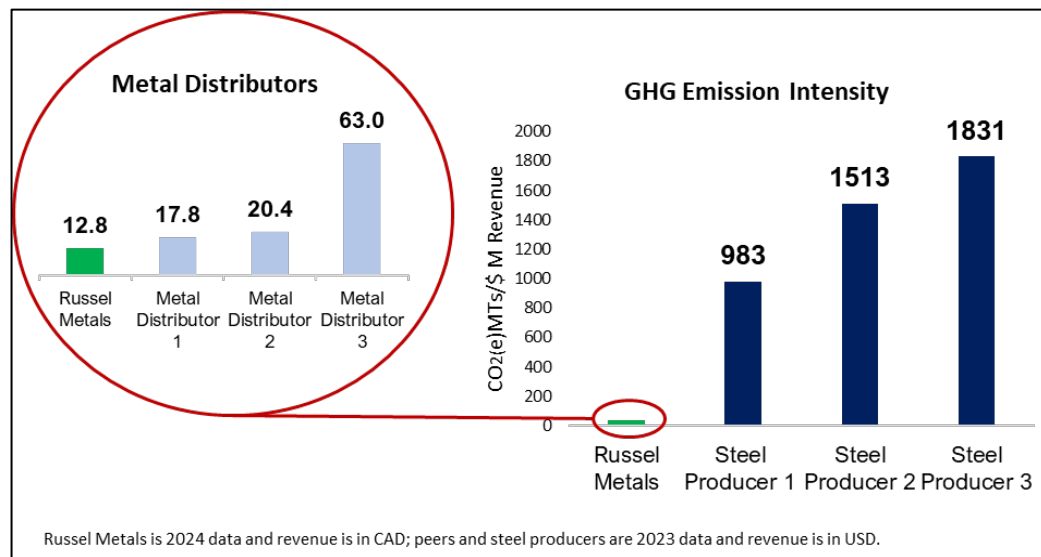
- Divested OCTG/Line Pipe business
- Low carbon emissions from operations
 - GHG emissions in 2023 were 54,619 tonnes CO₂(e). Over the past five years, our revenues grew by 63% vs. a 2% increase in GHG emissions.

Social

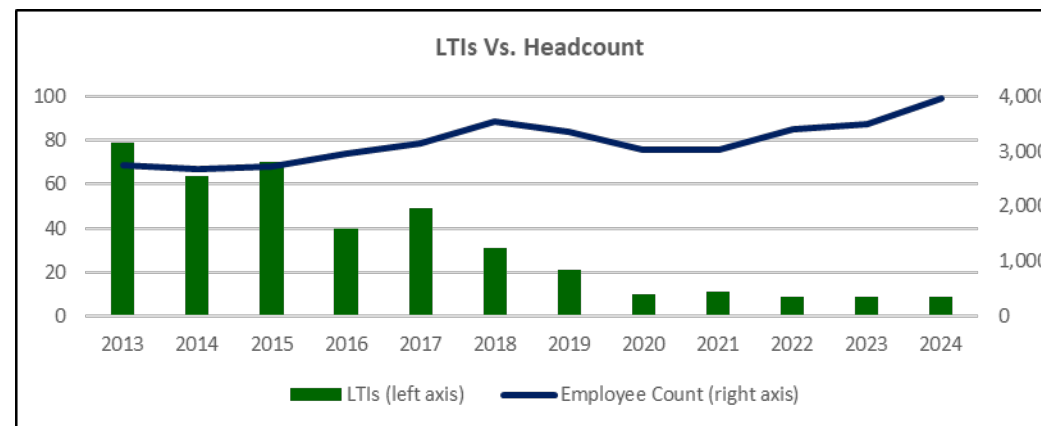
- Structured H&S Program “Mission Zero”
 - Dash cam roll out
 - Trailer fall prevention
 - Material handling/hand injury prevention
- Corporate charitable program, including matching of employee donations
- Scholarship fund for children of employees
- Ethical, Privacy and Social Policies

Governance

- Female Representation: 40% Board; 29% Corporate Executive
- Independent Board and Audit Committee
- Code of Business Conduct
- Independent Whistleblower program



Health and Safety Metrics (LTI's):



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.

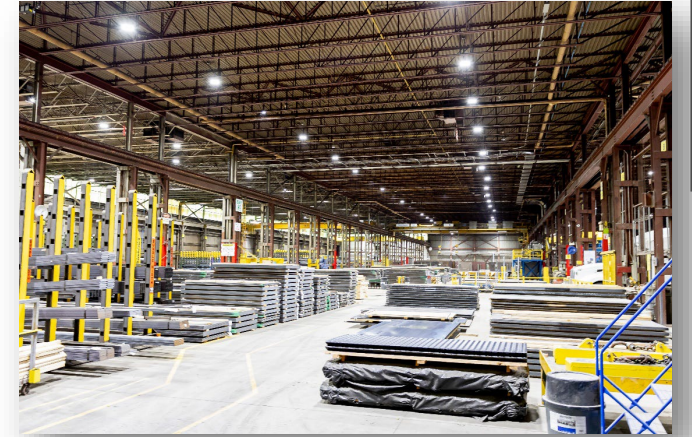
At the end of 2021, we commenced a corporate donation program and provided \$500,000 to a number of charities that support vulnerable people (www.russelmetals.com/en/corporate-giving).

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 find 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.



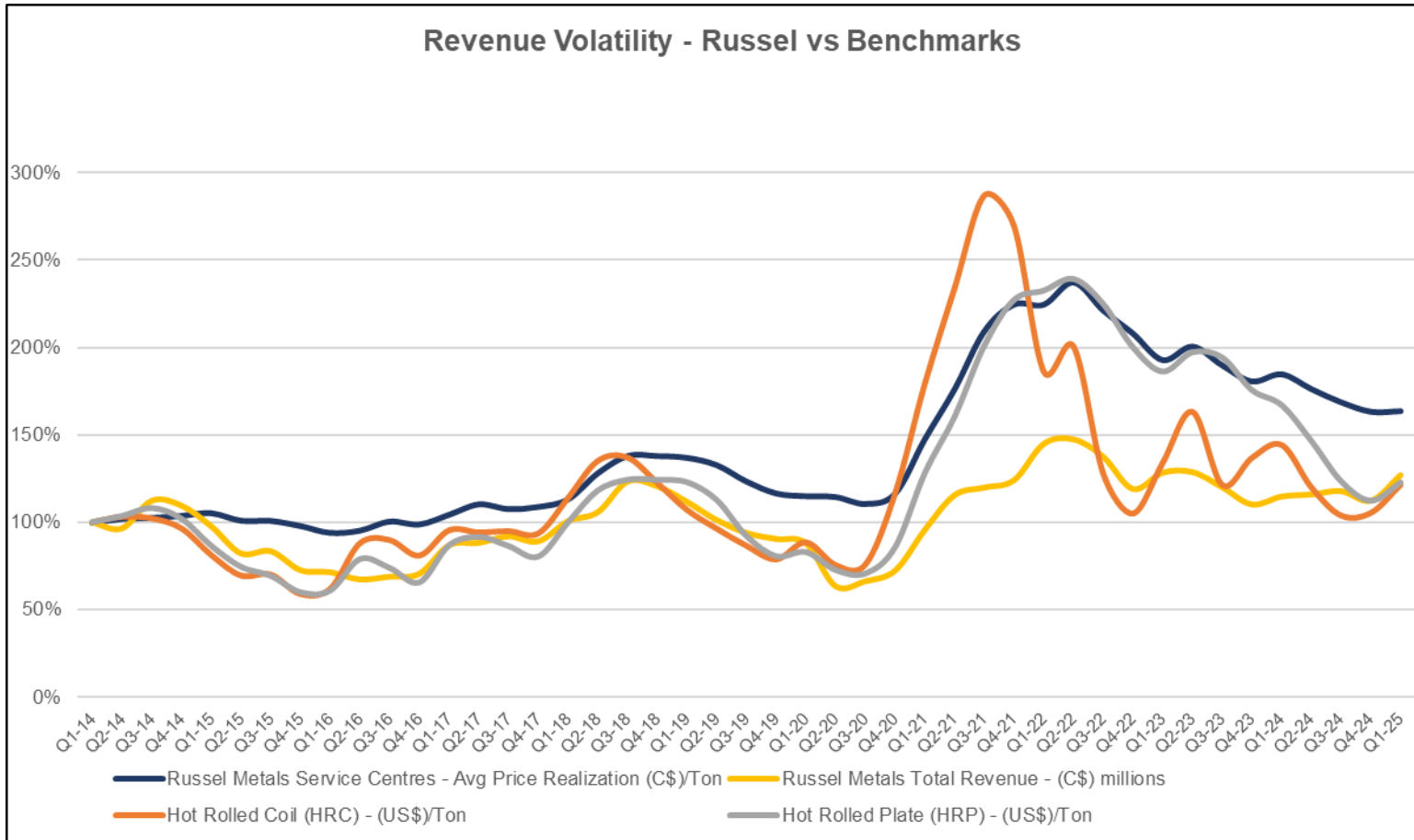
II. MARKET TRENDS



REVENUE VOLATILITY VS. INDEXES

- Russel Metals' revenue is less volatile than underlying steel prices.

Relative Volatility



Absolute Volatility

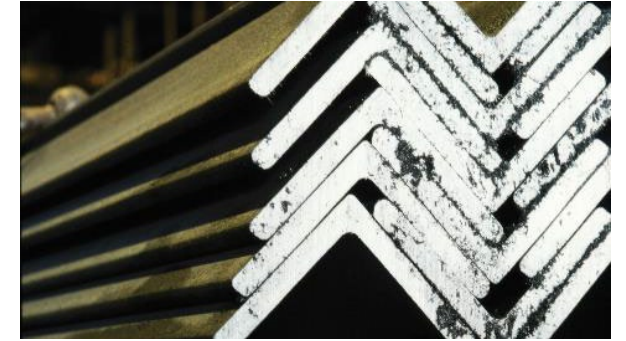
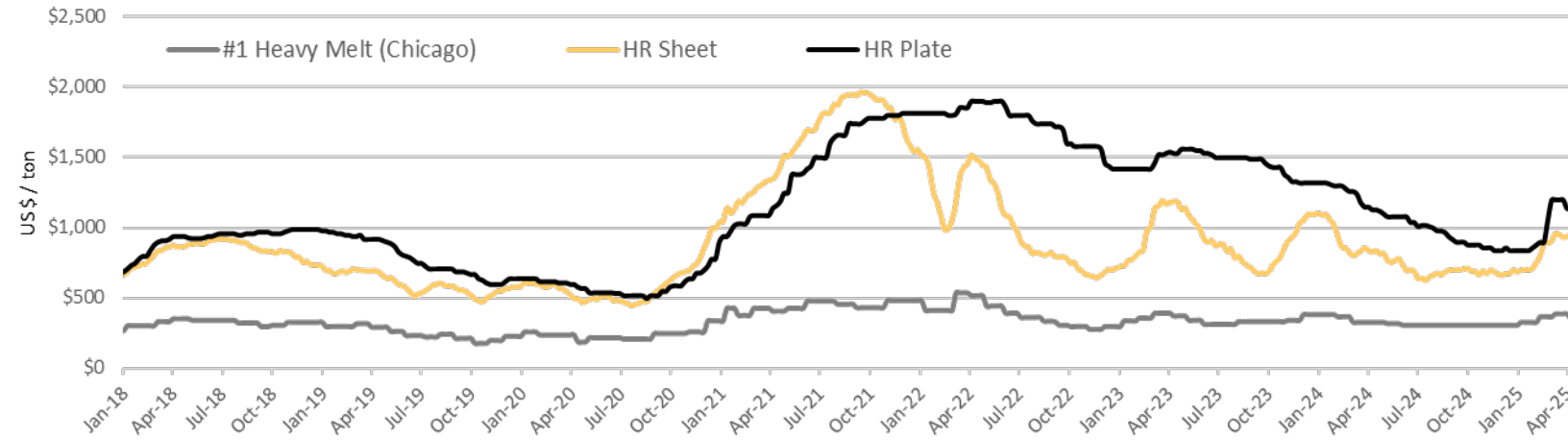
Coefficient of Variation (%)

Russel Metals Service Centres - Avg Price Realization (C\$/Ton)	30%
Russel Metals Total Revenue - (C\$) millions	23%
Hot Rolled Coil (HRC) - (US\$/Ton)	43%
Hot Rolled Plate (HRP) - (US\$/Ton)	44%

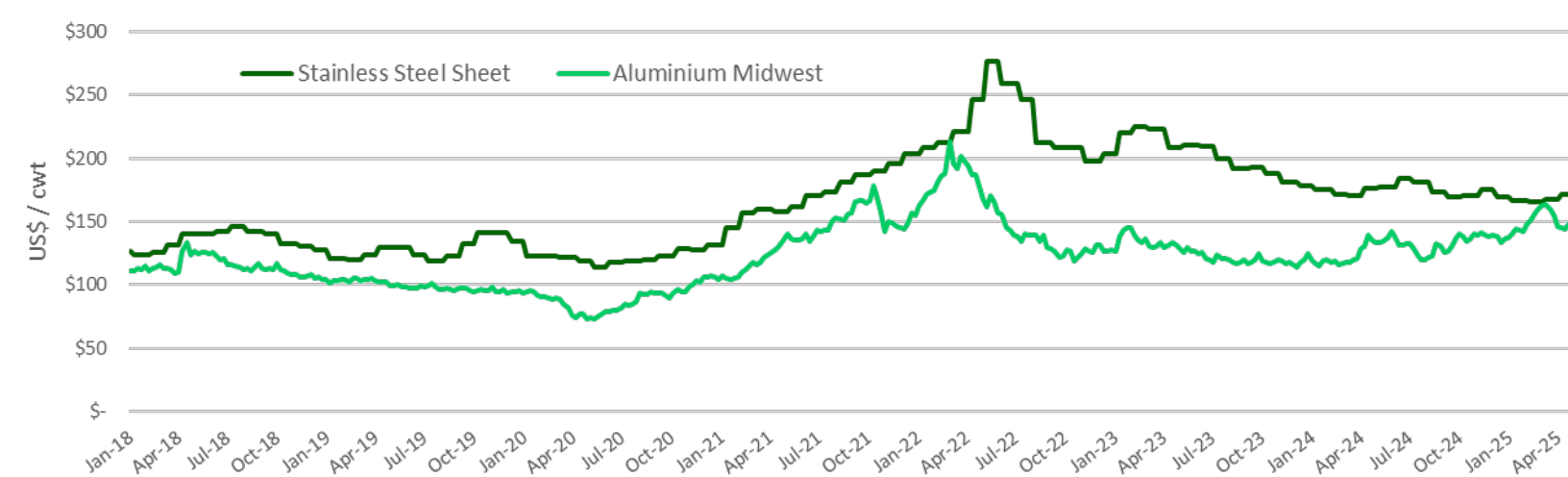


BUSINESS CONDITIONS: METAL PRICING TRENDS

Carbon Pricing



Specialty Metals Pricing



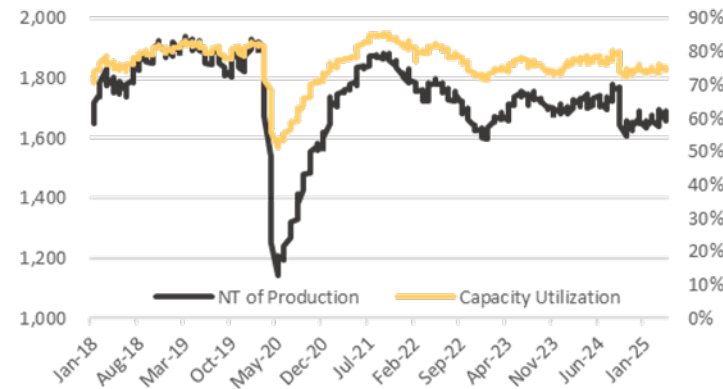
BUSINESS CONDITIONS: SUPPLY CHAIN DYNAMICS

Steel Mills/Imports:

- Capacity utilization has remained in the mid 70's.
- Imports are not a major factor and remain relatively consistent.

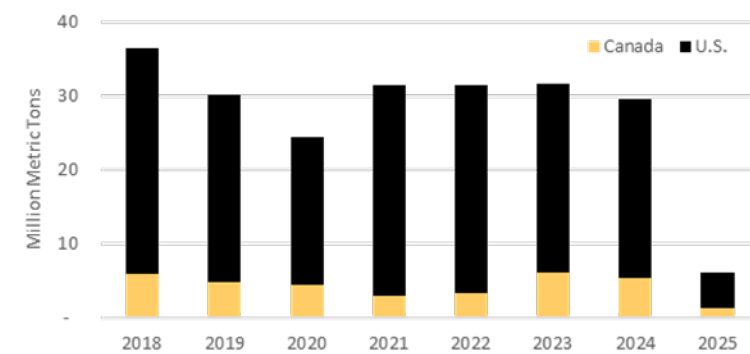
US Raw Steel Output & Utilization

Source: American Iron and Steel Institute



Steel Import Volumes

Source: Global Affairs Canada, US Census Bureau

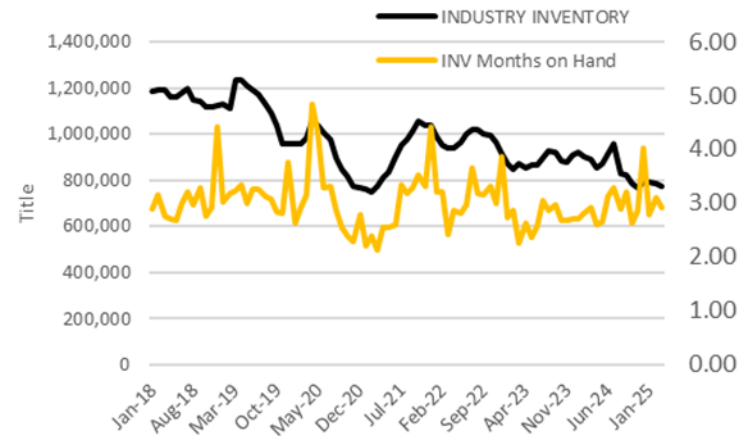


Service Centers:

- Supply chain tonnage remains modest.

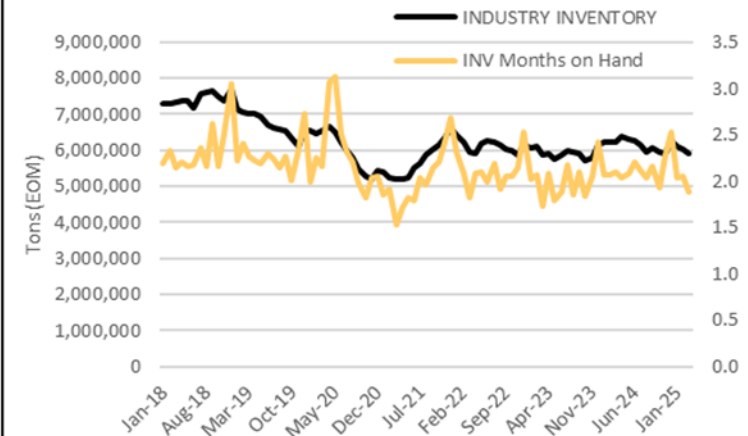
Carbon Steel: Inventory (Canada)

Source: Metals Service Center Institute (MSCI)



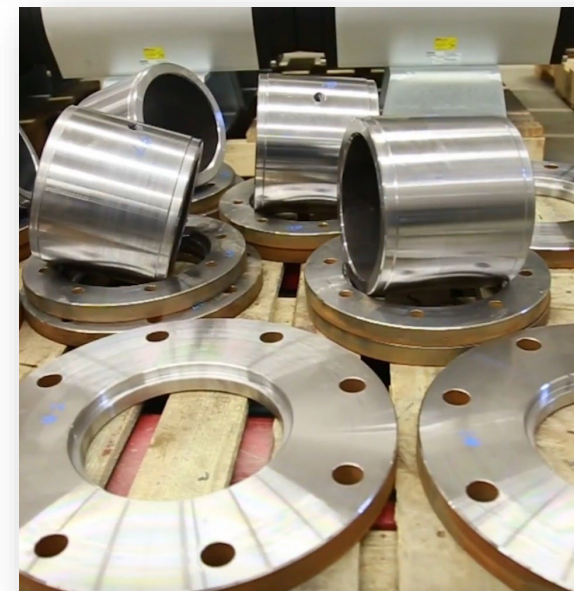
Carbon Steel: Inventory (US)

Source: Metals Service Center Institute (MSCI)





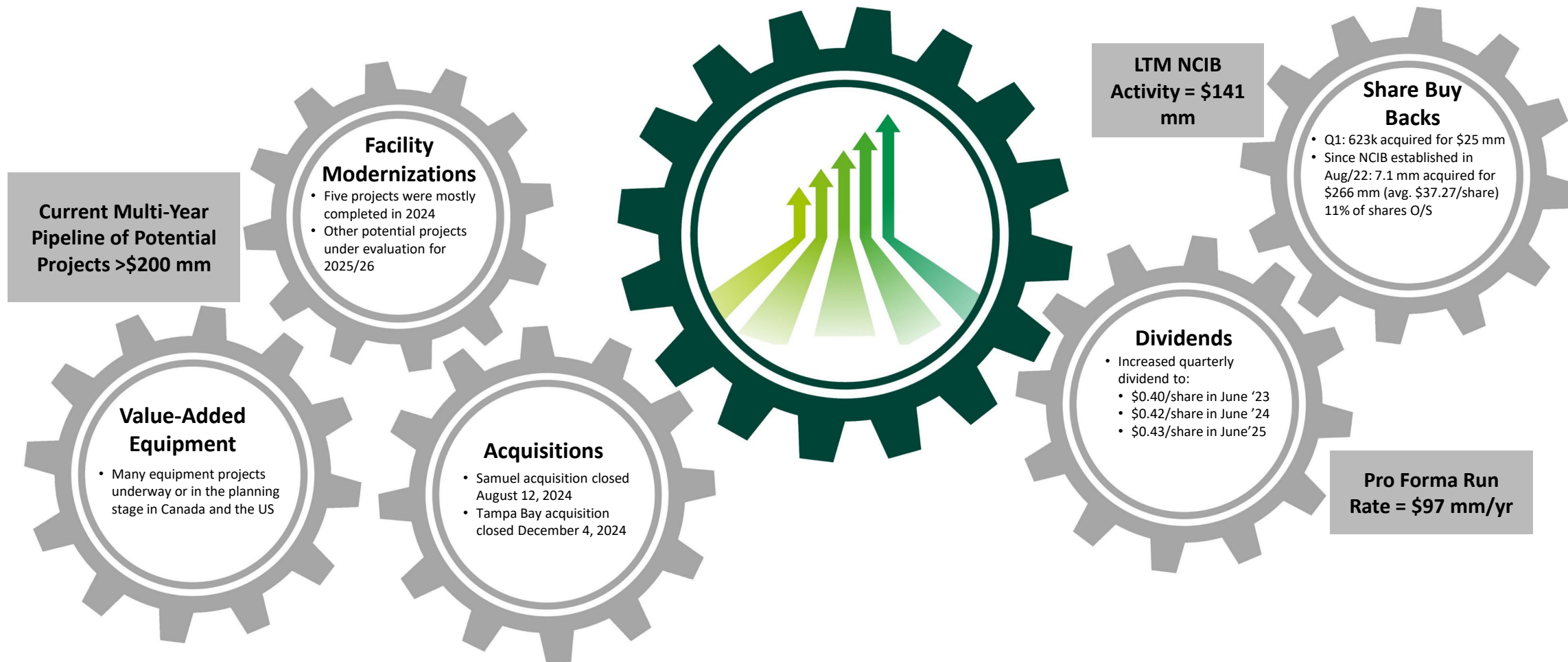
III. CAPITAL ALLOCATION PRIORITIES



CAPITAL ALLOCATION PRIORITIES

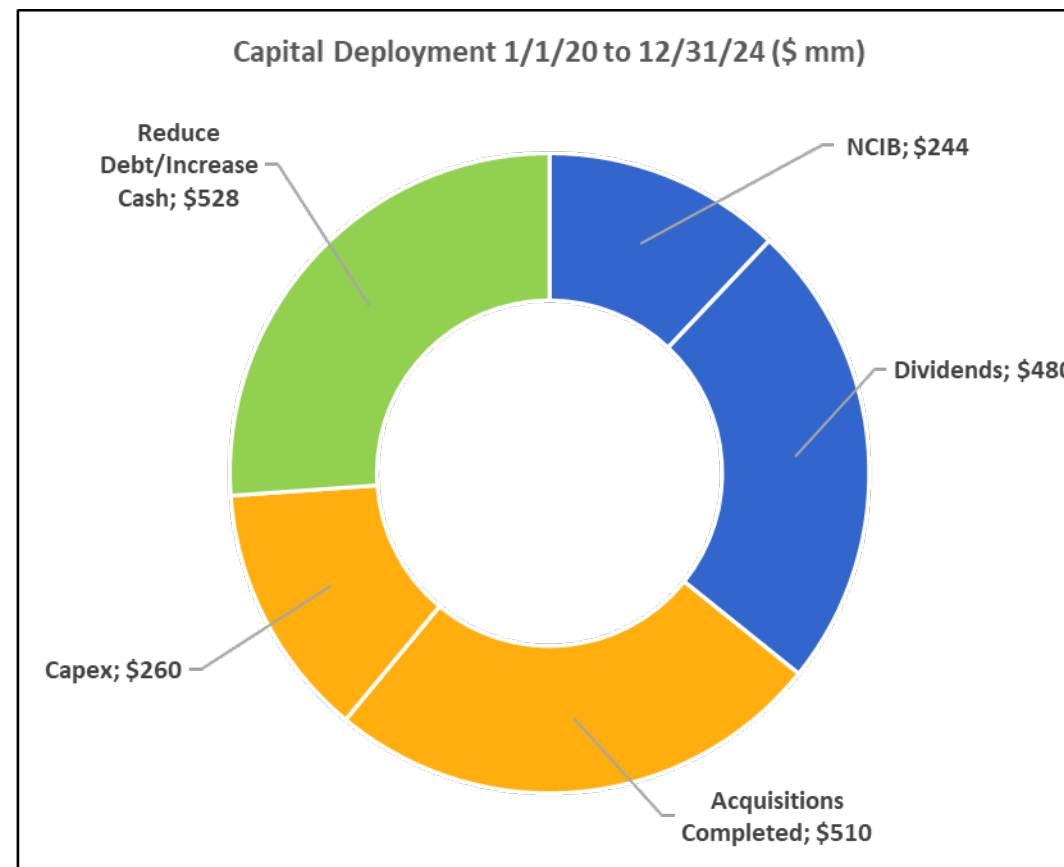
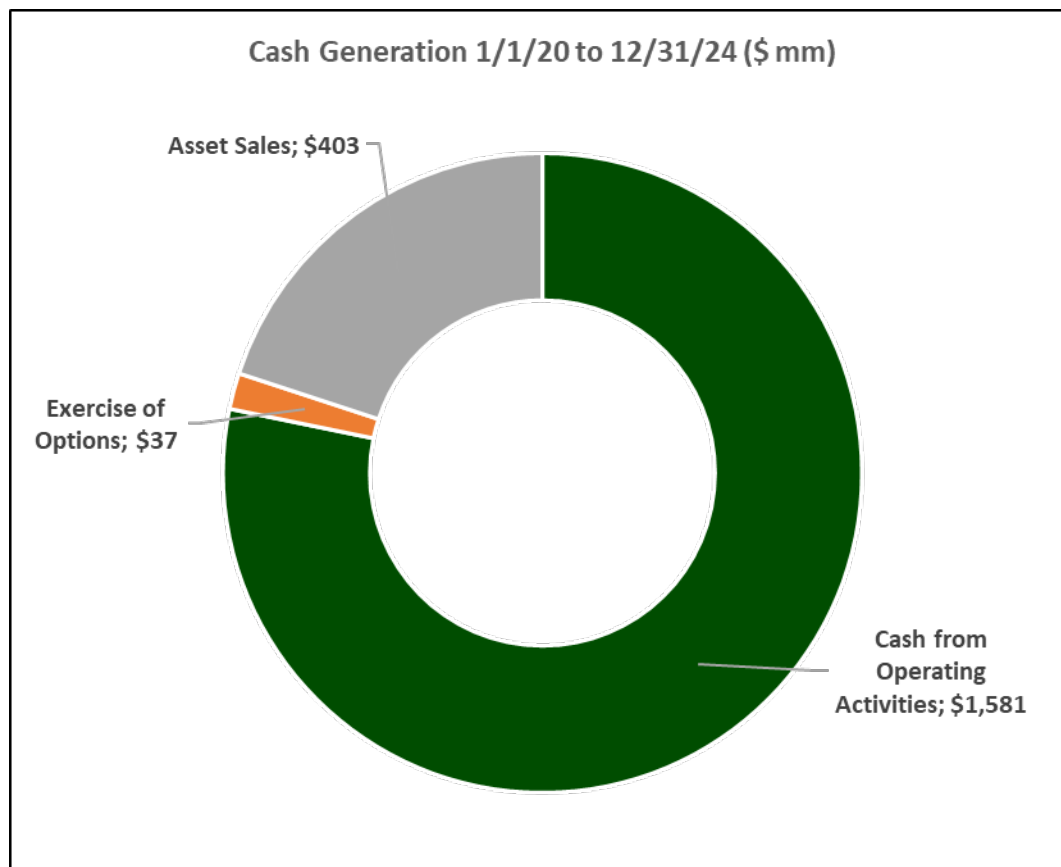
Increase capital deployment with a target of >15% return over a cycle

Flexible approach to returning capital to shareholders



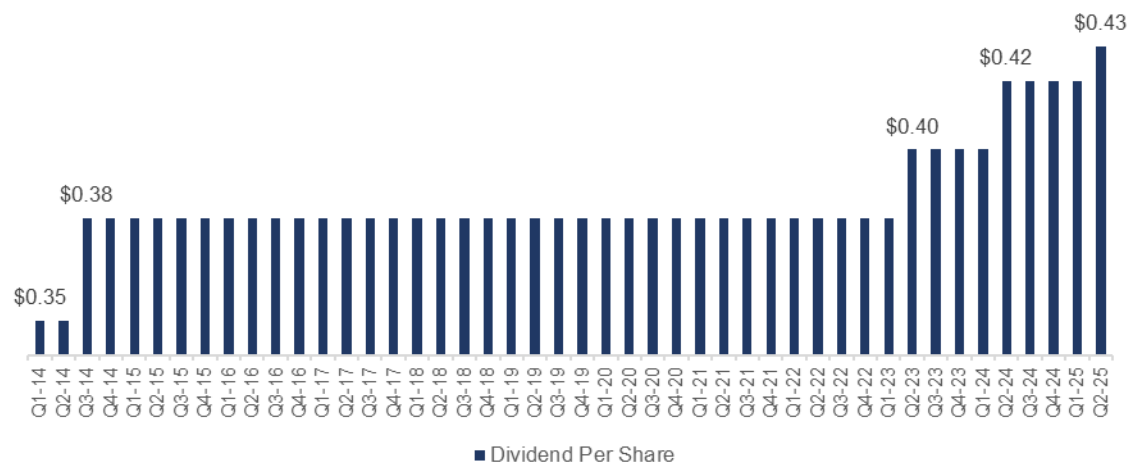
CAPITAL REALLOCATION EVOLUTION

- In the five-year period of 2020-2024, we generated >\$2 billion of cash and substantially changed our business and capital structure profile.

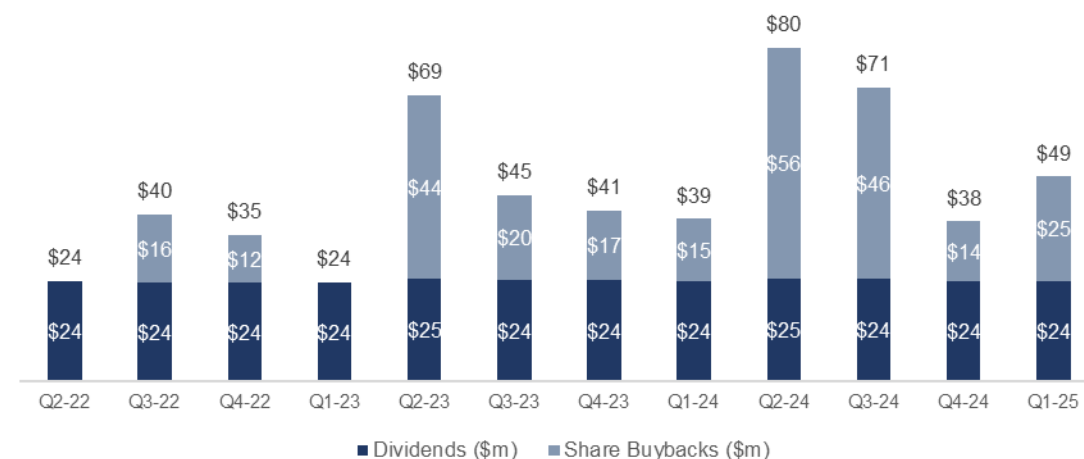


DIVIDEND AND SHARE BUY BACK SUMMARY

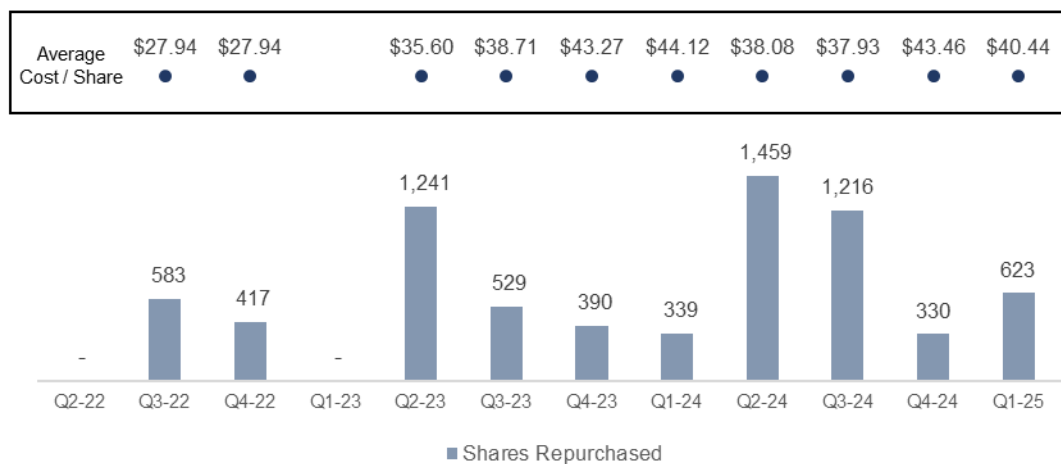
Historical (and Projected Q2'25) Quarterly Dividends



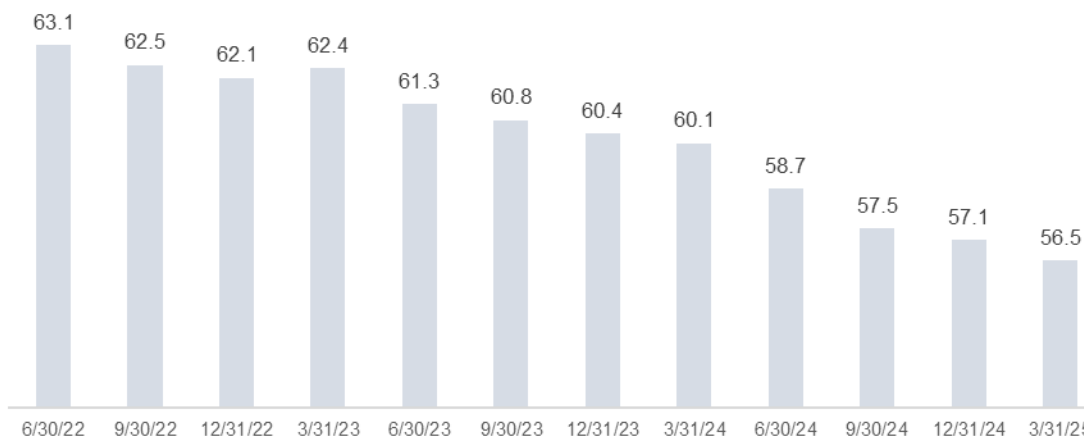
Return of Capital to Shareholders (millions)



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



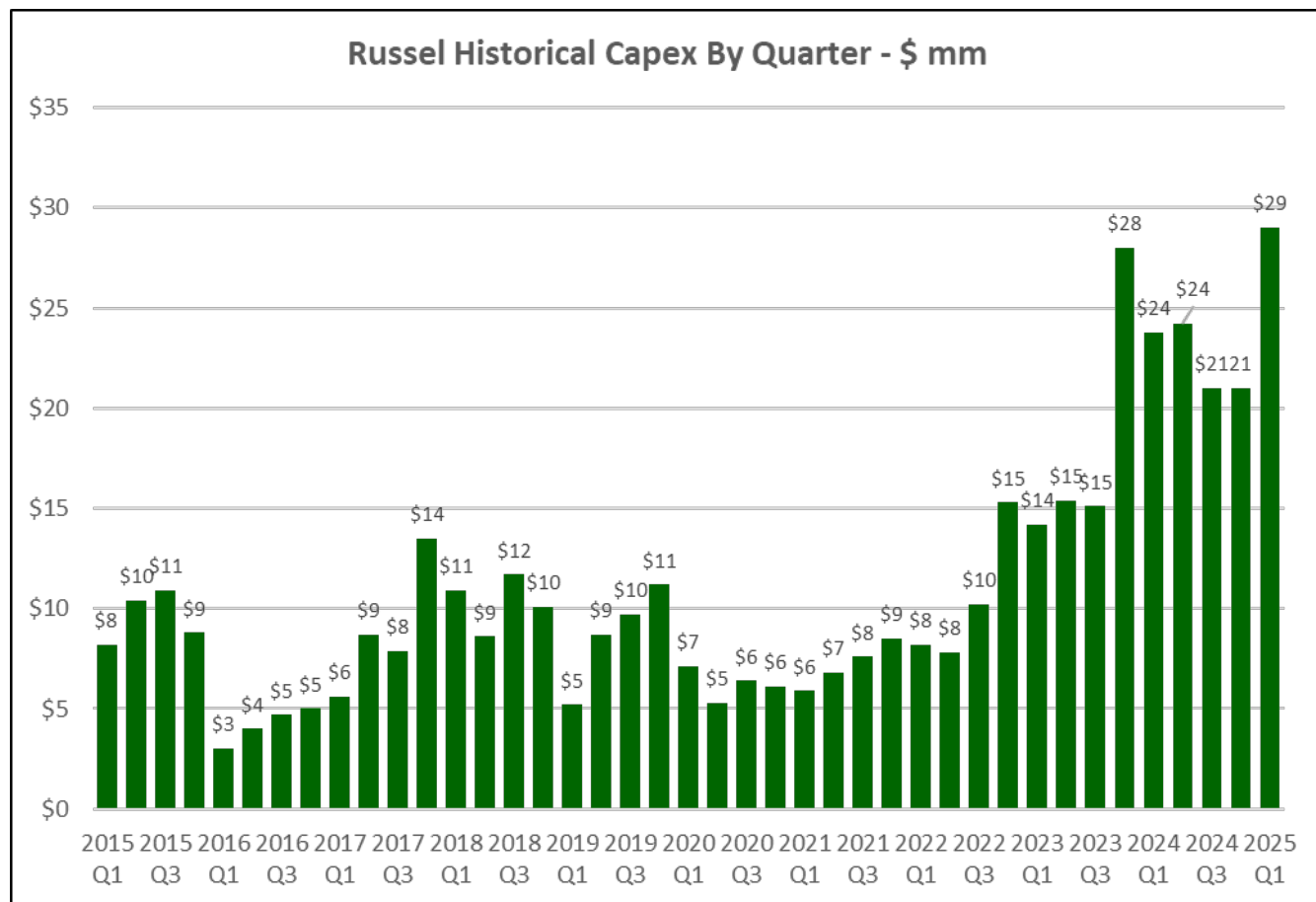
Basic Shares Outstanding (millions)



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.

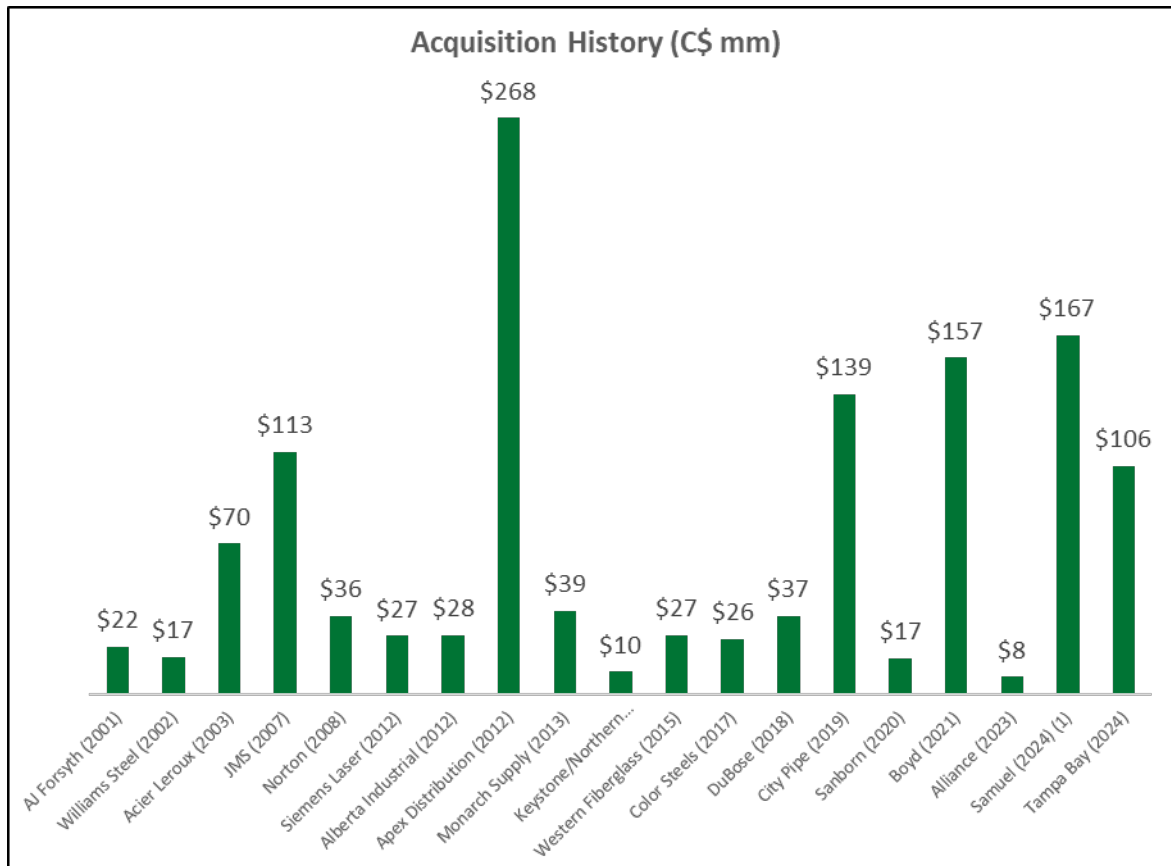


New 30k Lasers Being Installed

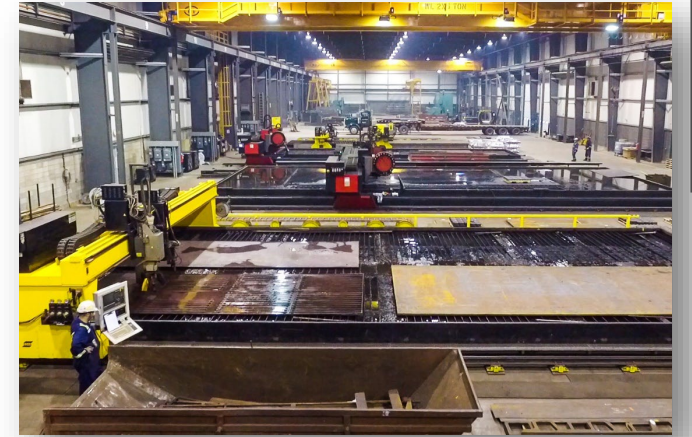
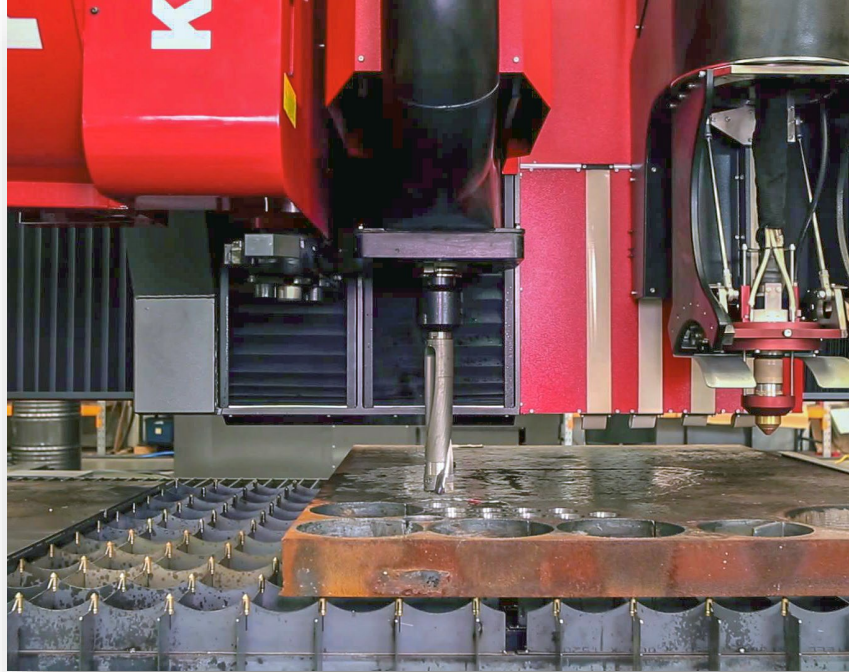


ACQUISITIONS

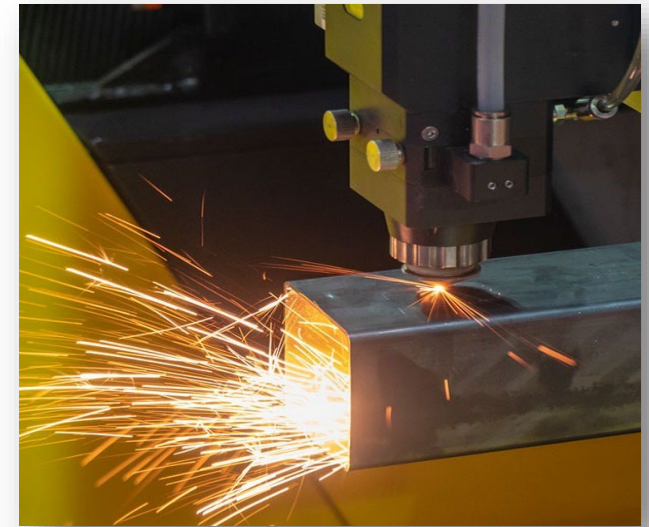
- We have completed several acquisitions over the past few years and continue to focus on tuck-in opportunities for our existing business units (e.g. Samuels, Alliance, Sanborn) or standalone/complementary businesses (e.g. Boyd, Tampa Bay).



(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).

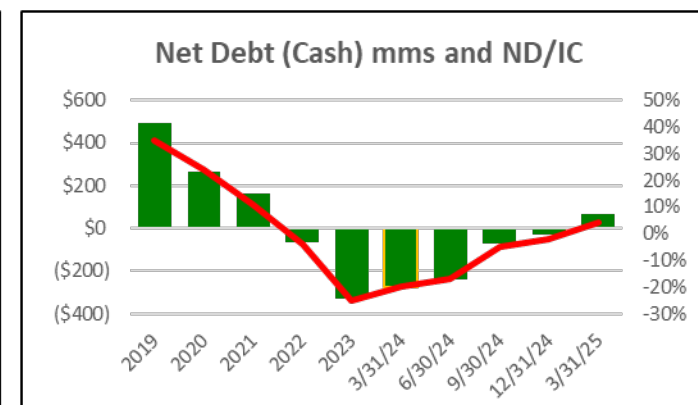
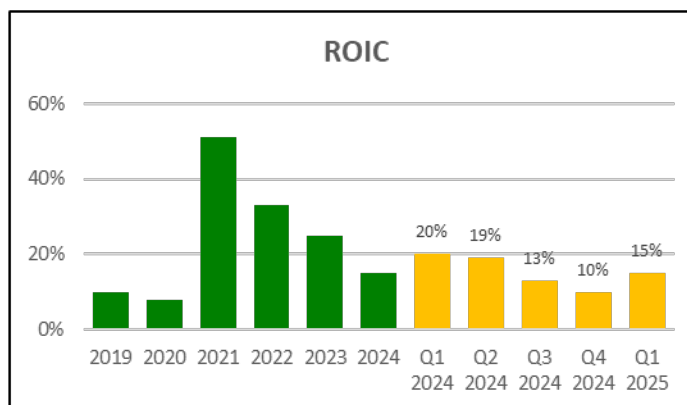
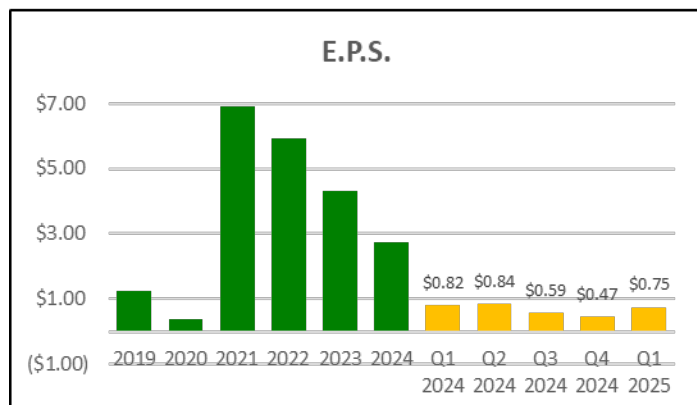
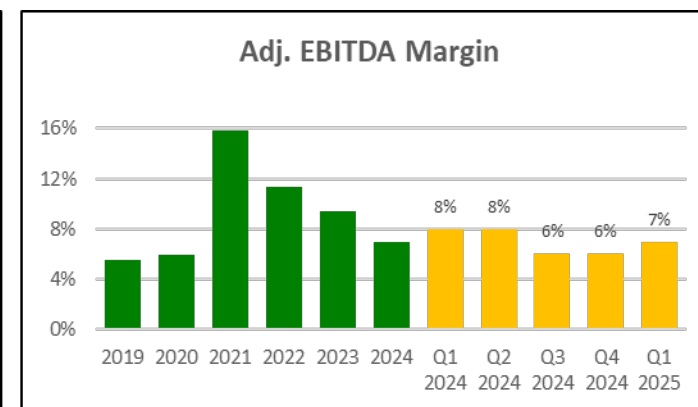
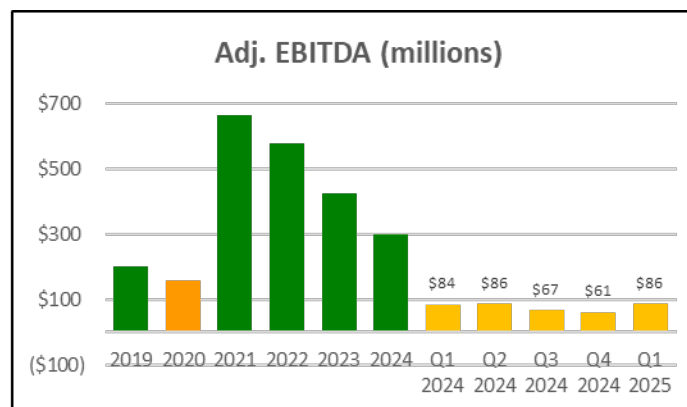
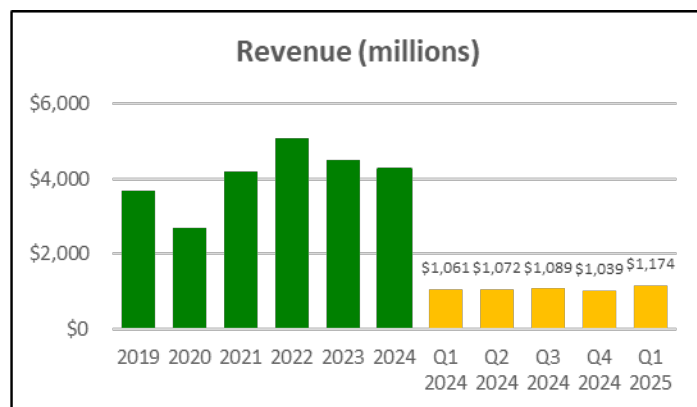


IV. FINANCIAL OVERVIEW



TREND OF RECENT RESULTS

- Revenues were up 13% vs. Q4; full quarter from Tampa Bay, positive steel prices and strong volumes
- Gross margin increased by 113 bps; EBITDA margin increased by 140 bps
- Recovery from Q4 trough for all key metrics
- Capital structure remains strong

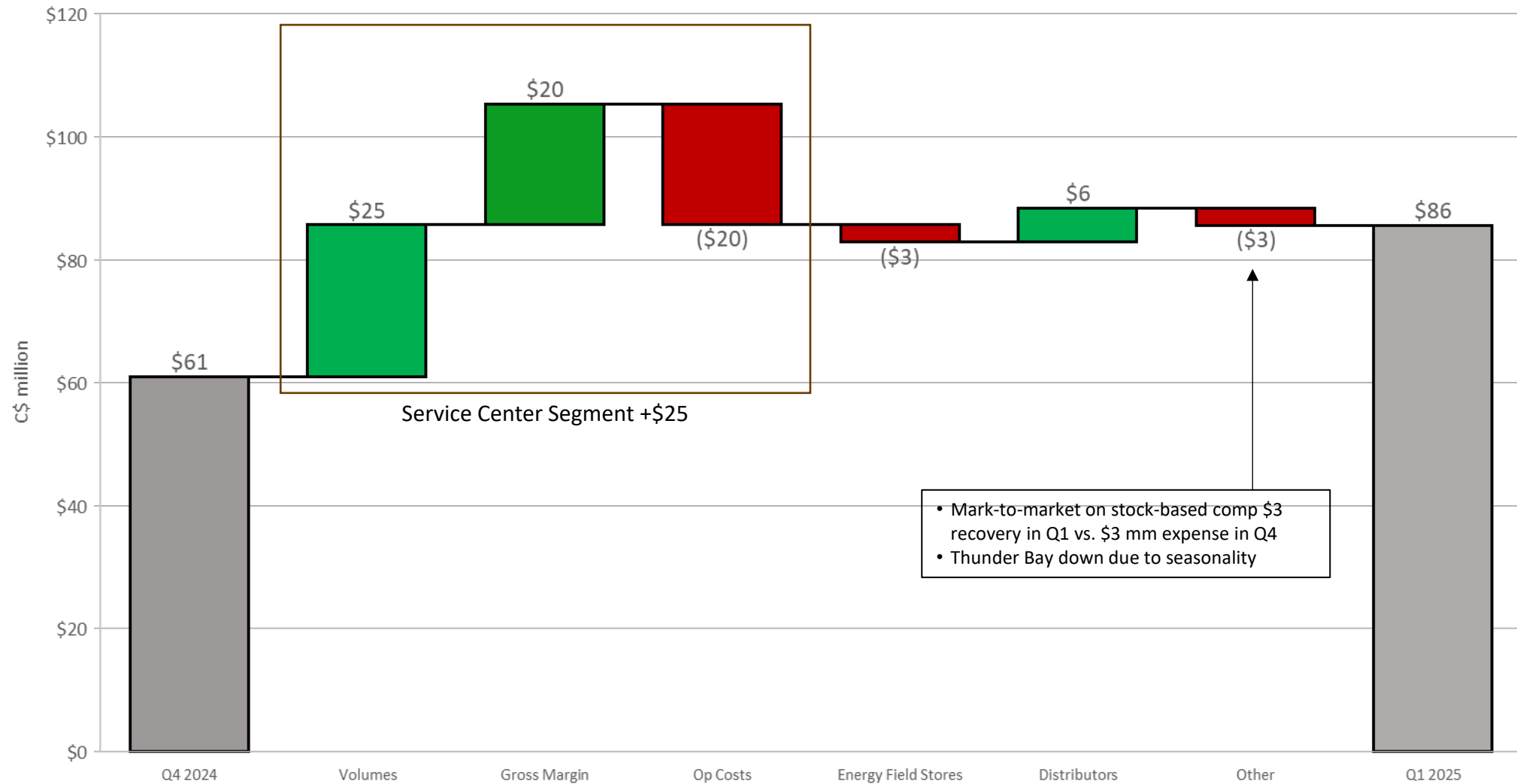


SUMMARY: FINANCIAL RESULTS

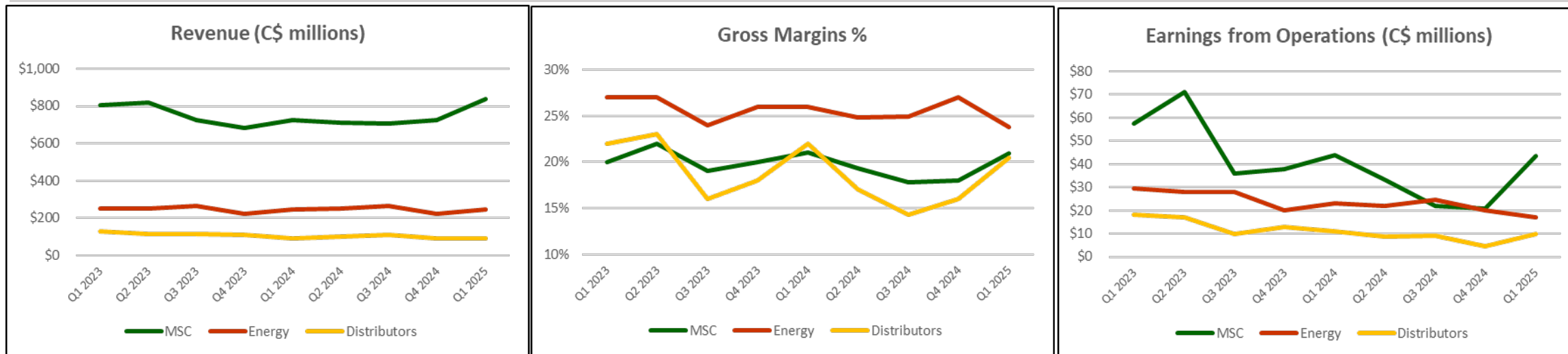
\$ mm, unless otherwise stated	Q1 2024	Q4 2024	Q1 2025	Q1 2025 Observations:
Income Statement:				
Revenues	\$1,061	\$1,039	\$1,174	<ul style="list-style-type: none"> Revenues were up 13% vs. Q4'24 and up 11% vs. Q1'24 due to the seasonal recovery in volumes, improved steel prices part way through the quarter and a full quarter of the Tampa Bay acquisition. Consolidated gross margin and EBITDA margin up vs. Q4. Higher D&A and Interest expense vs. 2024 average due to impacts from acquisitions Q1 results impacted by mark-to-market recovery for stock-based comp of \$3 mm vs. \$3 mm expense in Q4
Gross Margin (\$ mm/%)	\$238 / 22%	\$212 / 20%	\$252 / 22%	
EBITDA (\$ mm/%)	\$84 / 8%	\$61 / 6%	\$86 / 7%	
EBIT (\$ mm/%)	\$66 / 6%	\$40 / 4%	\$62 / 5%	
Interest Expense	\$0	\$4	\$5	
Net Income	\$50	\$27	\$43	
EPS	\$0.82	\$0.47	\$0.75	
Cash Flow:				
Change in non-cash working capital	\$(66)	\$60	\$(100)	<ul style="list-style-type: none"> Use of working capital due to increase in business activity Q1 NCIB = 623k shares for \$25 mm; Since Aug/22 = 7.1 mm shares for \$266 mm (\$37.27/share) Paid a quarterly dividend of \$0.42/share in Q1 Declared an increase in the dividend to \$0.43/share payable in June 2025 capex expected to be +/- \$100 mm, with a substantial portion related to discretionary projects
Acquisitions	---	\$(106)	---	
Share buy backs	\$(15)	\$(15)	\$(25)	
Dividends	\$(24)	\$(24)	\$(24)	
Capex	\$(24)	\$(21)	\$(29)	
Balance Sheet:				
Net Debt (Cash)	\$(277)	\$(32)	\$68	<ul style="list-style-type: none"> Fx rate of \$1.4389 at 12/31/24 vs. 1.4376 at 3/31/25. Book value of \$29.18/share (+\$0.15/share from 12/31/24 and +\$1.27 vs. 3/31/24)
Shareholders' Equity	\$1,677	\$1,658	\$1,649	
Available Liquidity	\$956	\$580	\$605 ⁽¹⁾	

(1) Pro forma for the bank extension and amendment that was completed in April 2025.

VARIANCE ANALYSIS: EBITDA Q4 2024 VS. Q1 2025



SEGMENT BREAKDOWN: OPERATING RESULTS



MSC:

- Q1 included a full quarter from Tampa Bay and also had the benefit of a strong market environment
- Prices, margins and EBIT were up significantly from Q4

Energy Field Stores:

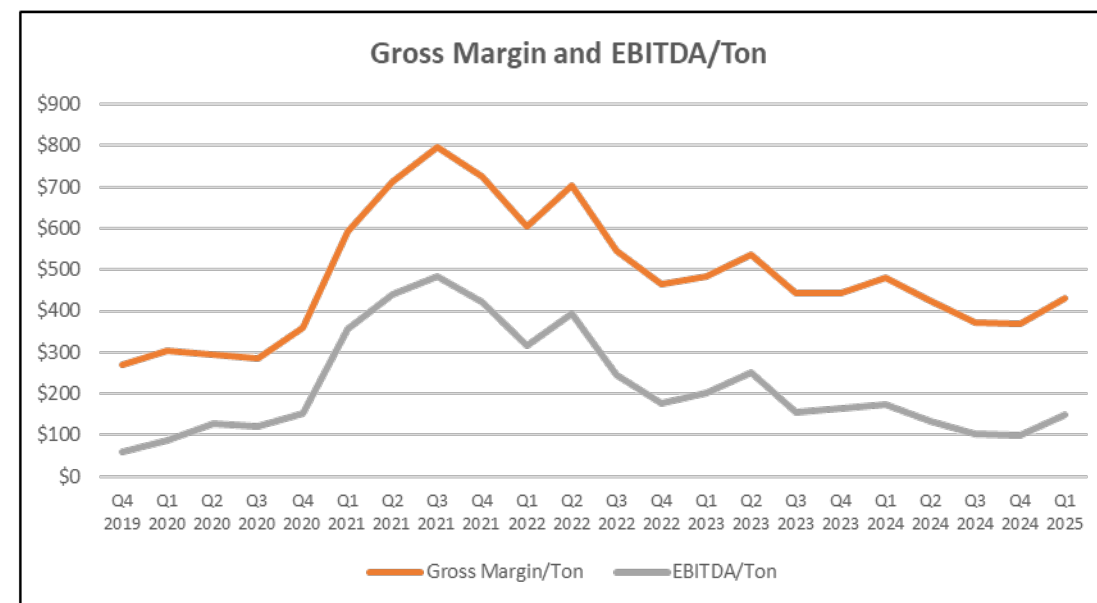
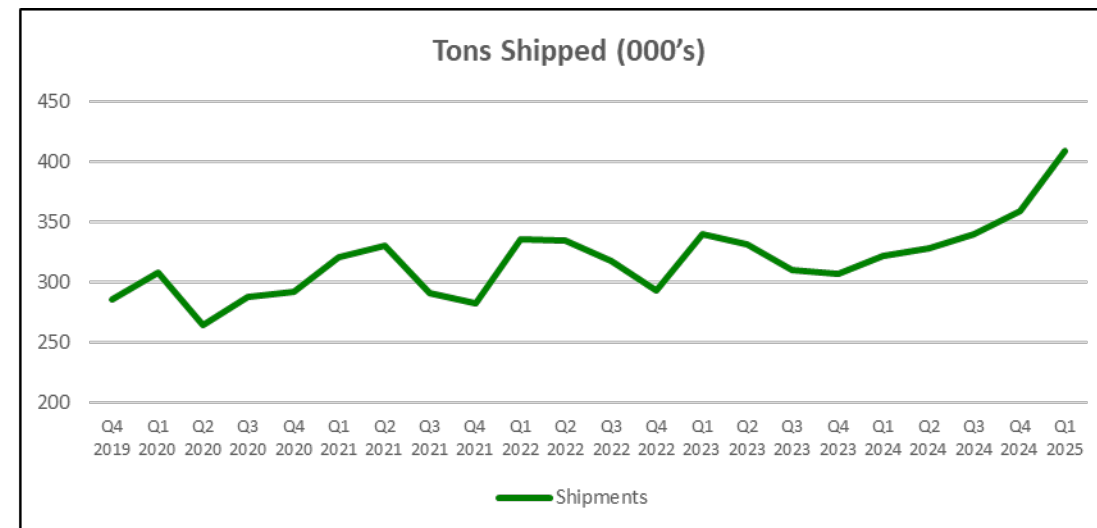
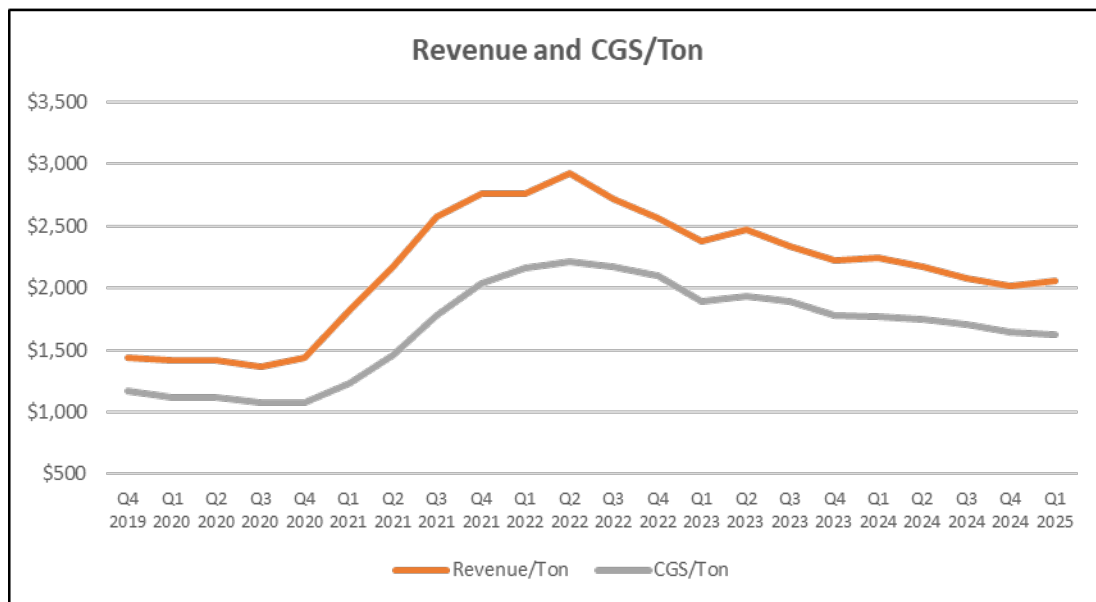
- Slow start to 2025, but it picked up in March
- Revenues were up; margins and EBIT was lower than in Q4

Distributors:

- Market conditions were good
- Flat revenues but strong margins and EBIT vs. Q4

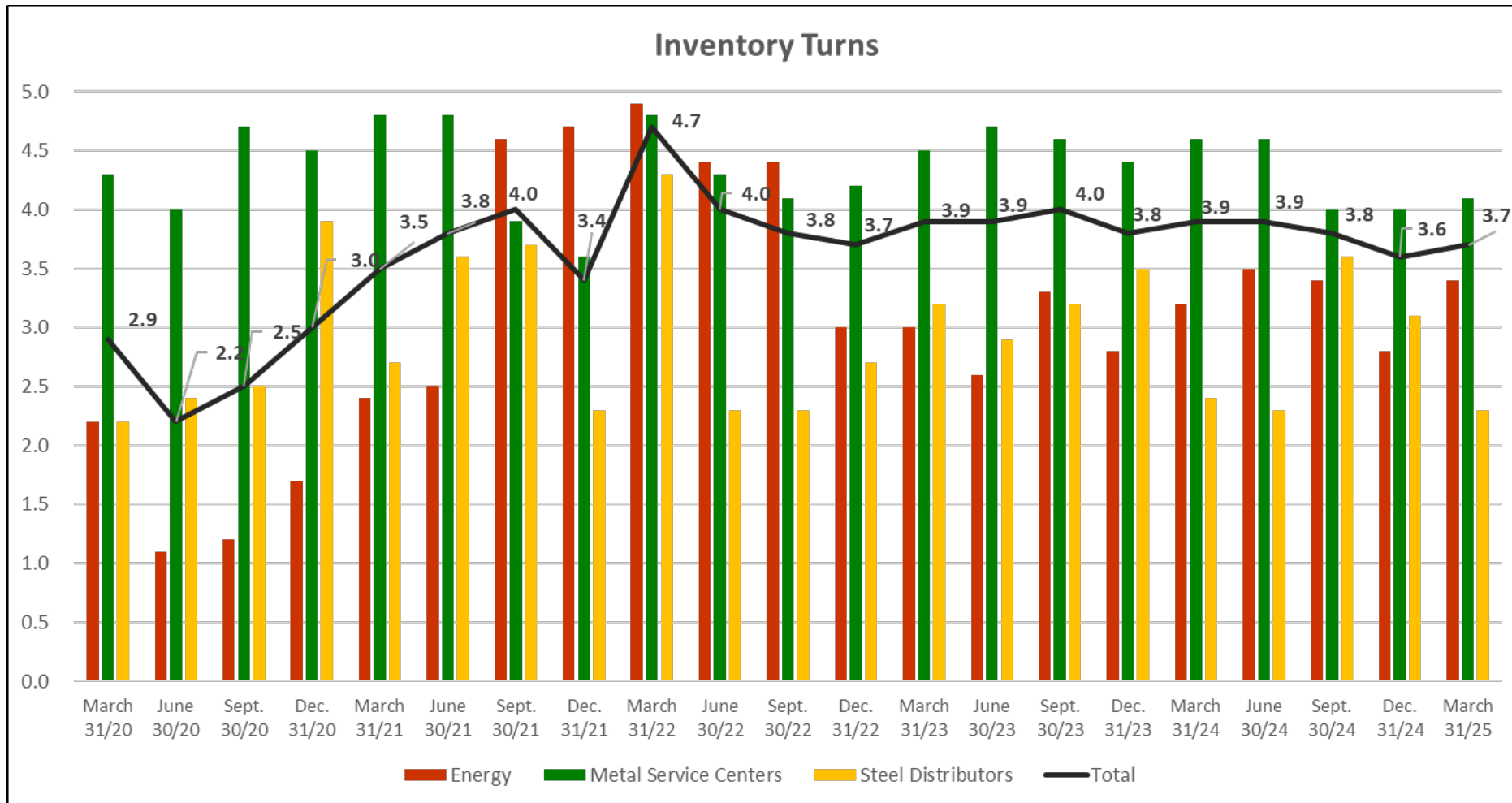
SERVICE CENTER RESULTS

- Q1 2024 tons were a quarterly record - up 14% vs. Q4; up 11% on a same store basis.
- Price realizations per ton up and CGS per ton down = increase in gross margin per ton to \$430 (up \$62/ton vs. Q4).



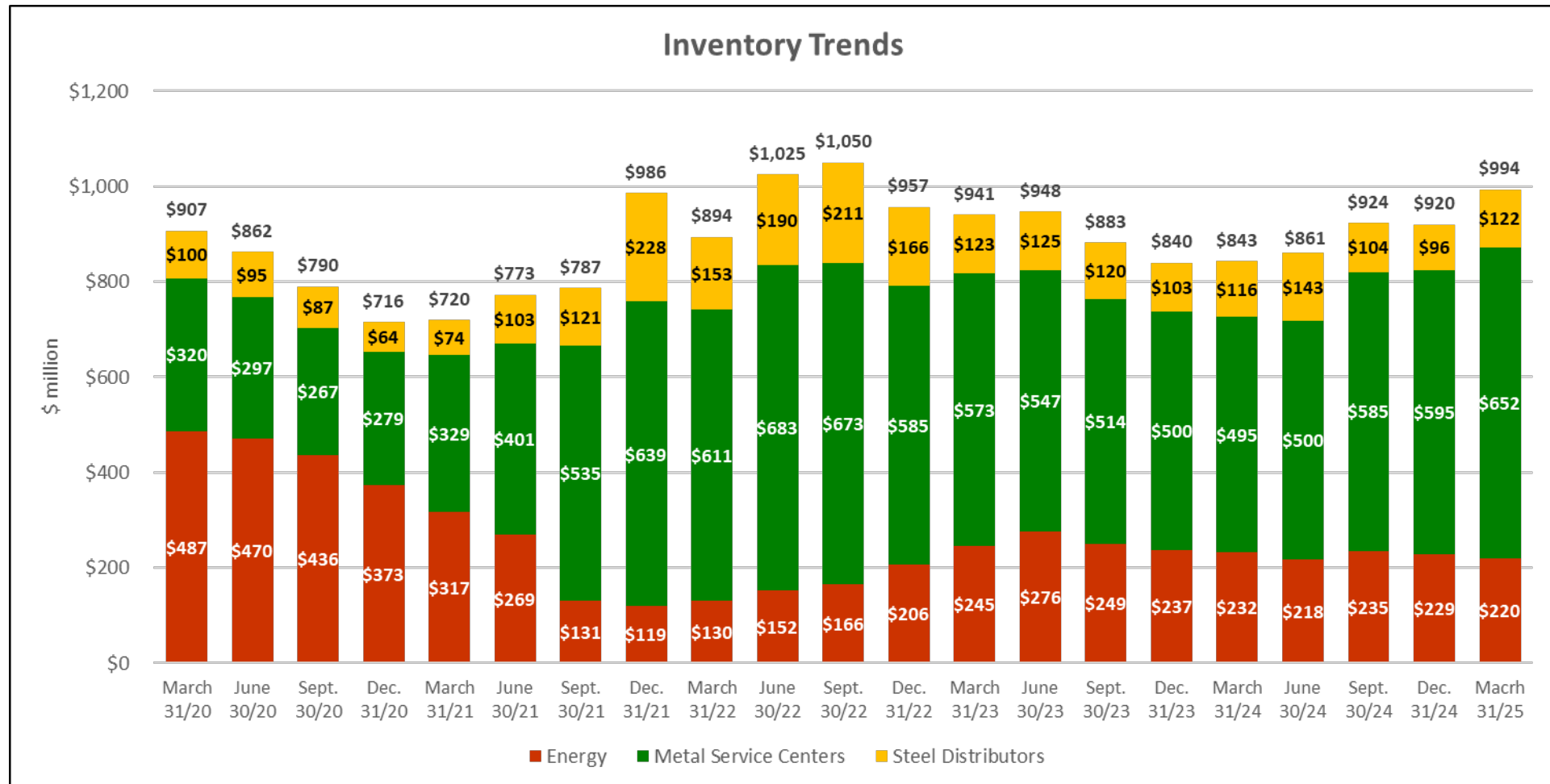
INVENTORY TURNS

- Total inventory turns in Q1 improved vs. Q4 and followed typical seasonal patterns.



WORKING CAPITAL MANAGEMENT: INVENTORY

- Total inventory was up vs. Q4 reflecting higher volumes due to the pickup in market activity.



LIQUIDITY AND CAPITAL STRUCTURE SUMMARY

- Significant balance sheet flexibility.
- Completed inaugural investment grade term debt financing and extended/amended credit facility.
- Grew book value per share.

	12/31/24 (C\$ mm)	3/31/25 (C\$ mm)
Cash	\$43	\$230
Bank Lines (\$450 mm) - Maturity April 2029 ⁽¹⁾	\$11	--
4.423% Notes - Due 2030	--	\$298
Total Debt	\$11	\$298
Net Debt/(Cash)	\$(32)	\$68
Shareholders' Equity	\$1,658	\$1,649
Liquidity ⁽¹⁾	\$580	\$605

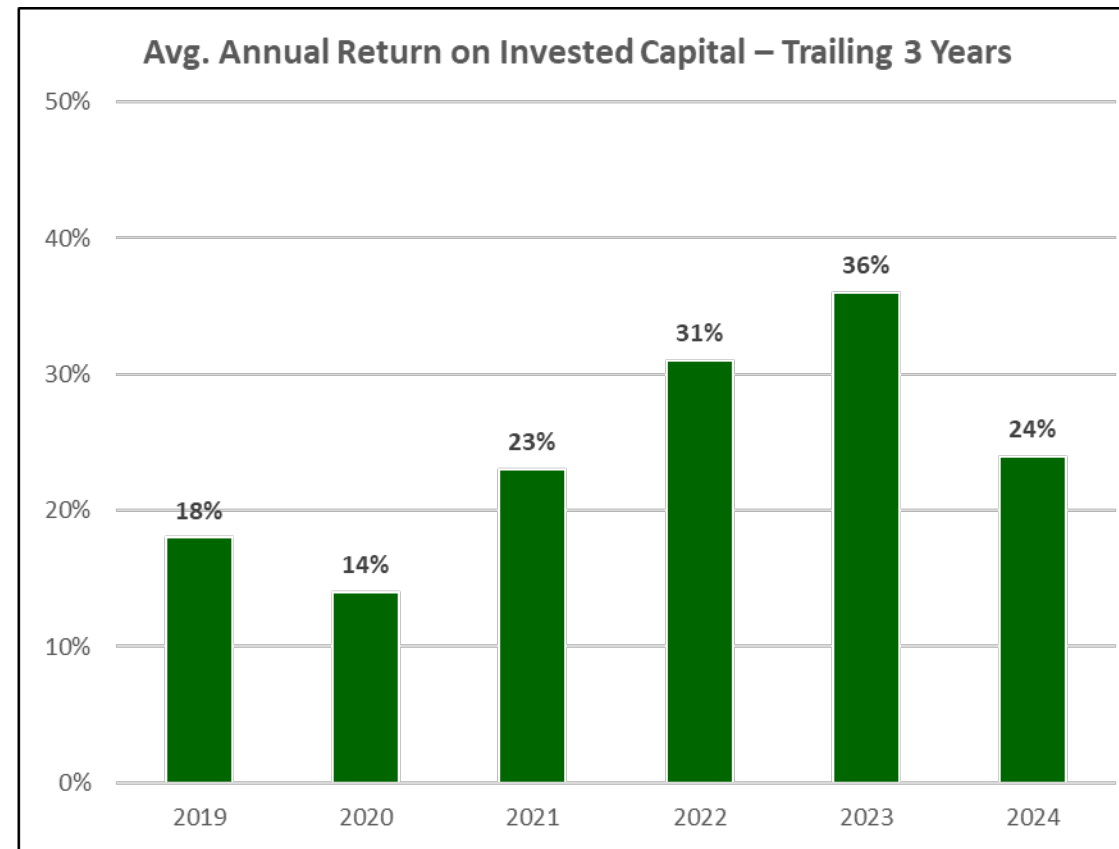
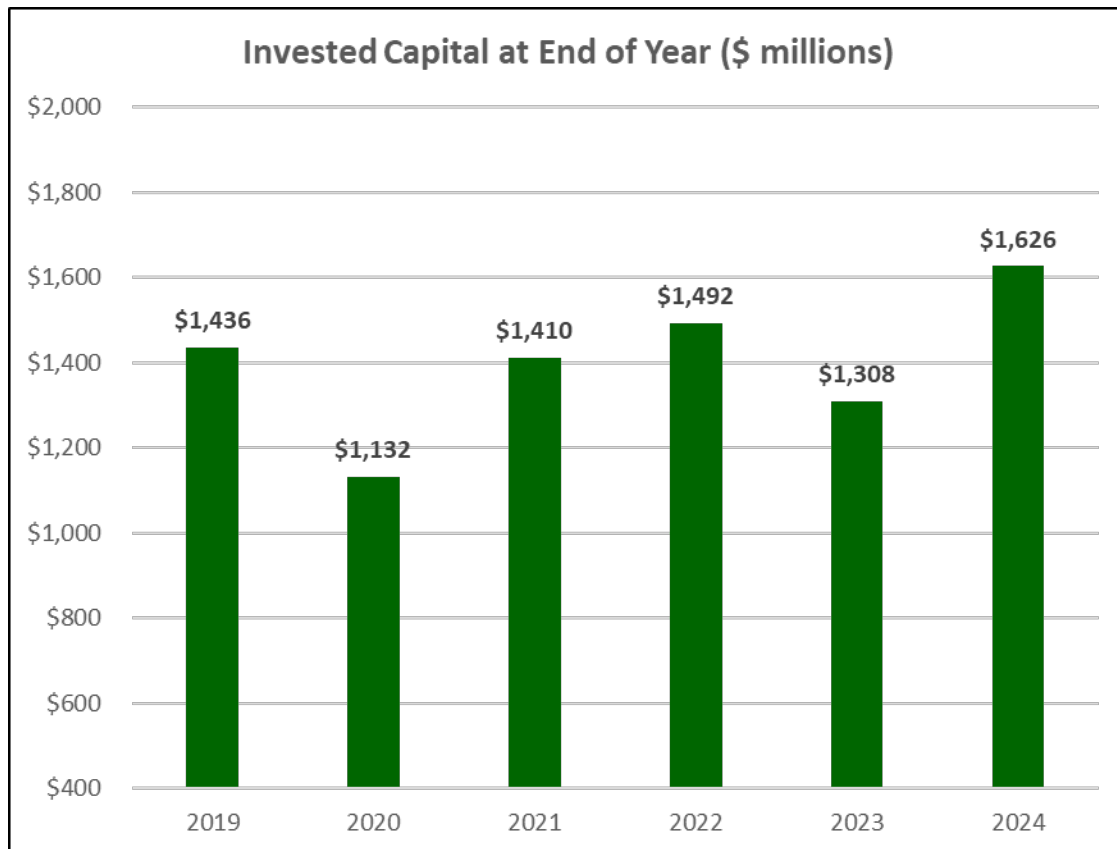
BV/Share = \$29.18

- +\$0.15 vs. 12/31/24
- +\$1.27 vs. 3/31/24

(1) Pro forma for the bank extension and amendment that was completed in April 2025.

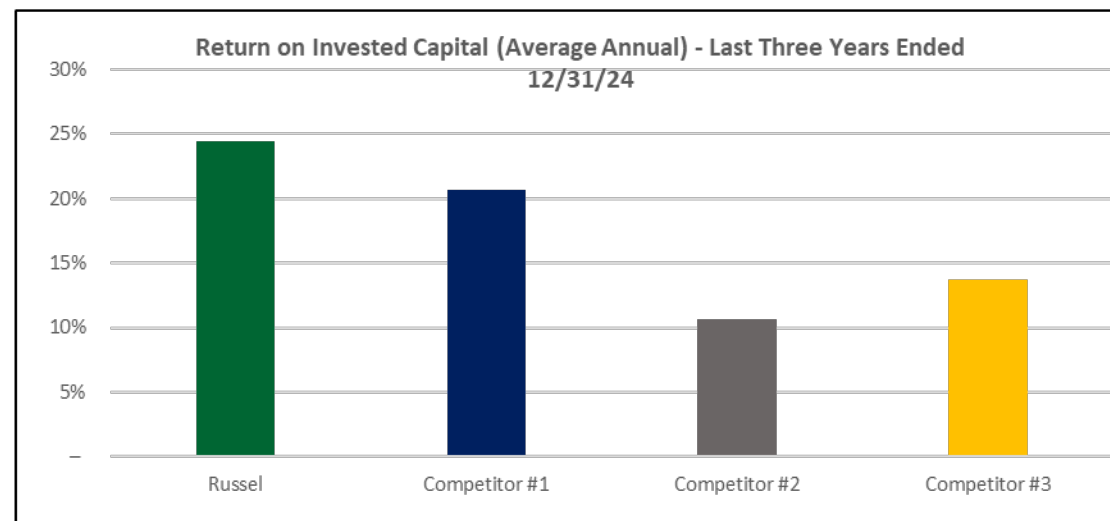
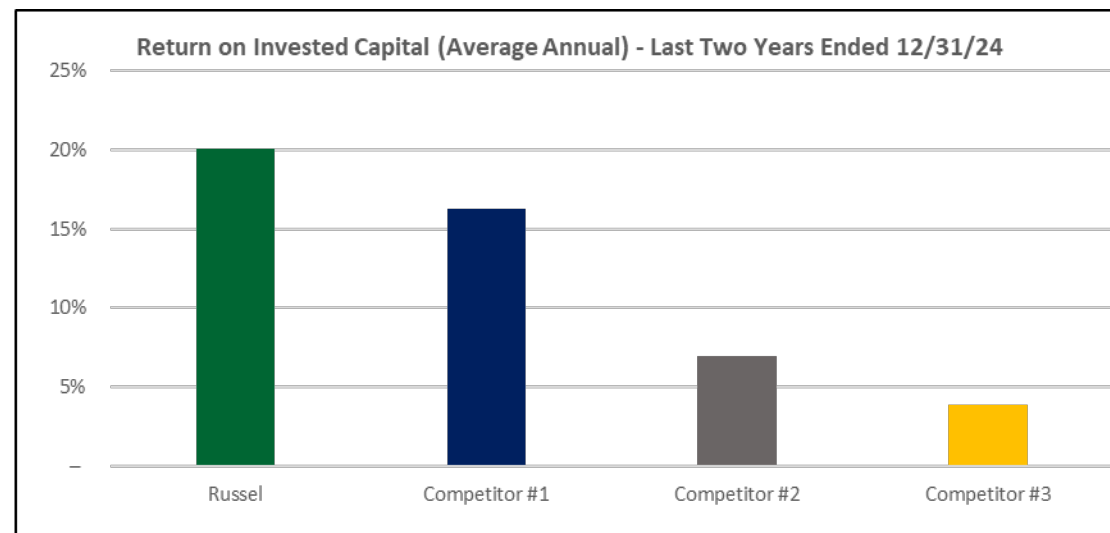
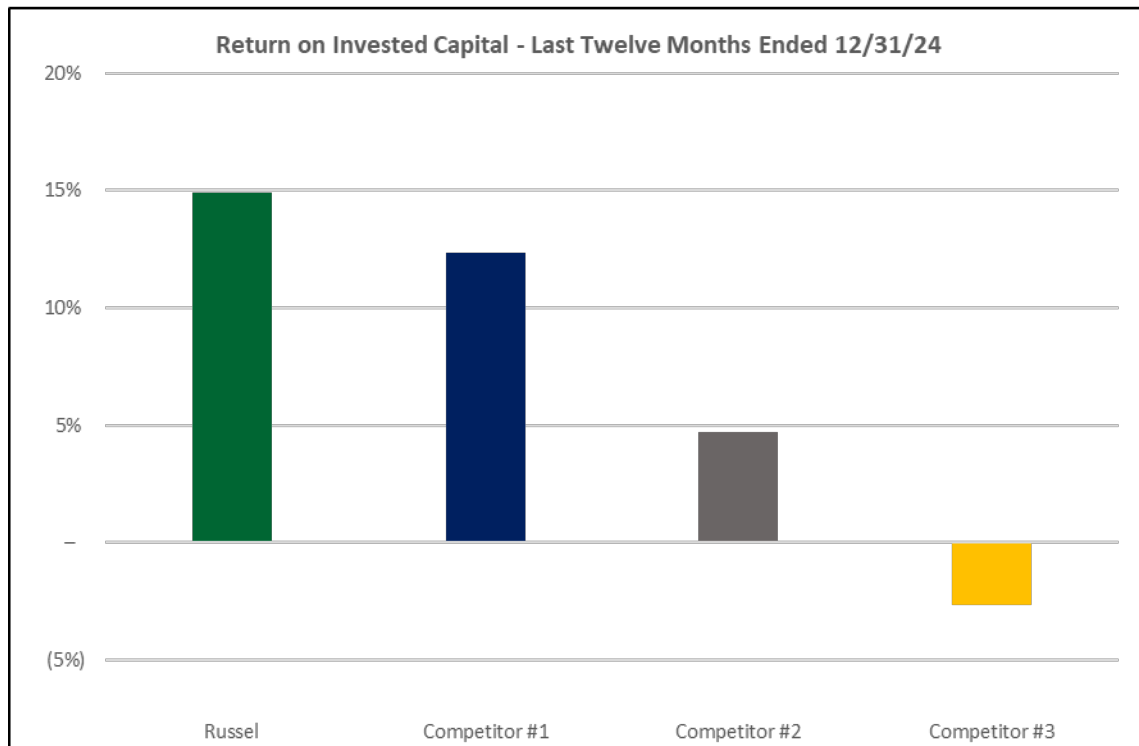
RETURN ON CAPITAL

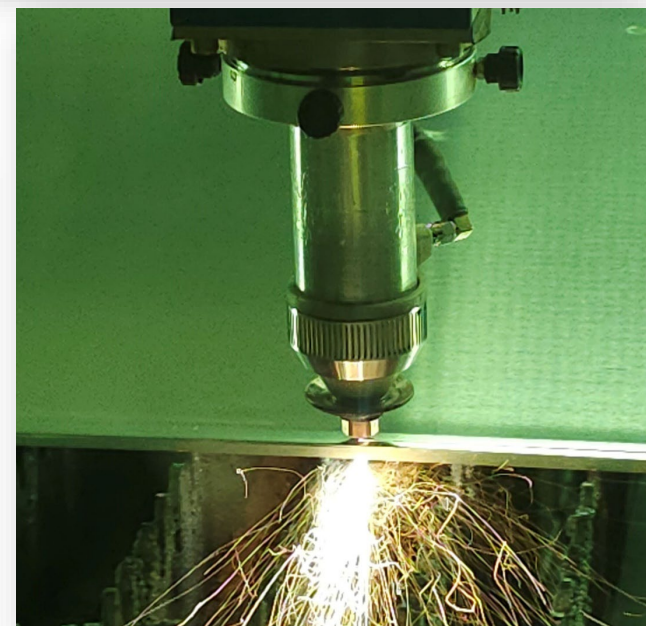
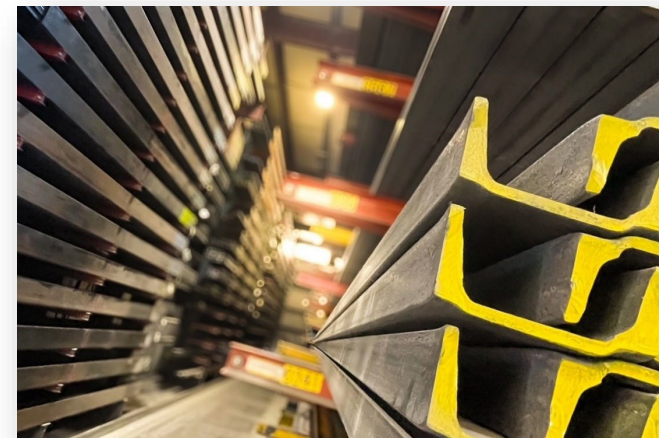
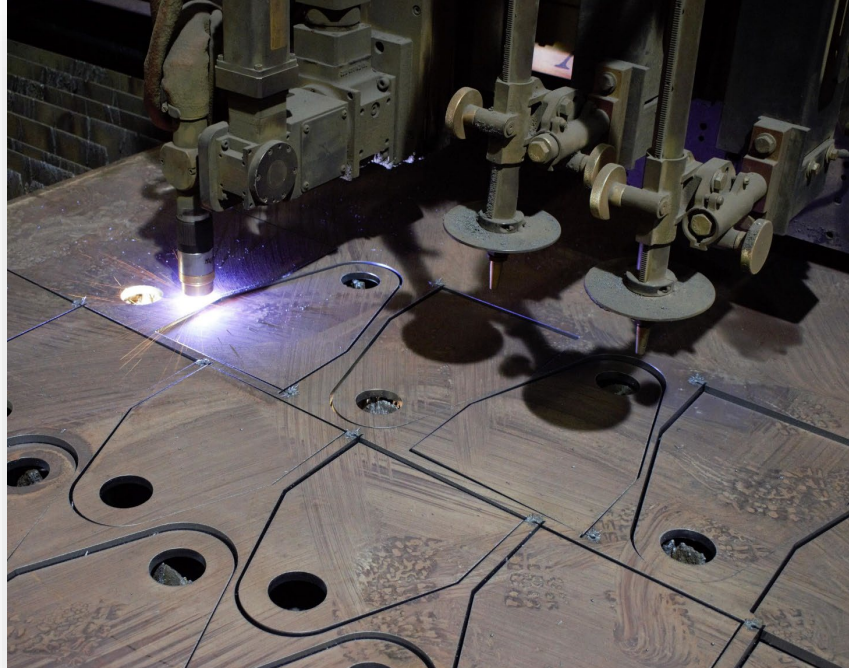
- Our total capital deployed grew in 2024 and our return on capital remained strong.



RELATIVE RETURN ON CAPITAL

- Russel's returns remain industry leading.





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