

COMPANY UPDATE

NOVEMBER 2021

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 oil and natural gas prices; (iv) capital budgets in the energy industry; (v) pandemics and epidemics; (vi) climate change; (vii) product claims; (viii) significant competition; (ix) sources of metals supply; (x) manufacturers selling directly; (xi) material substitution; (xii) credit risk; (xiii) currency exchange risk; (xiv) restrictive debt covenants; (xv) asset impairments; (xvi) the unexpected loss of key individuals; (xvii) decentralized operating structure; (xviii) future acquisitions; (ixx) the failure of our key computer-based systems, (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 nine months ended September 30, 2021, 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 a number of measures that are not prescribed by GAAP and as such may not be comparable to similar measures presented by other companies. We believe these measures are commonly employed to measure performance in our industry and are used by analysts, investors, lenders and other interested parties to evaluate financial performance and our ability to incur and service debt to support our business activities. These measures include EBITDA which represents earnings before interest, income taxes, depreciation and amortization; and free cash flow which represents cash from operating activities before changes in working capital less capital expenditures. We believe that EBITDA and free cash flow 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. The items excluded in determining EBITDA and free cash flow are significant in assessing operating results and liquidity. EBITDA and free cash flow should not be considered in isolation or as an alternative to net income, cash flows generated by operating, investing or financing activities, or other financial statement data presented in accordance with GAAP and investors are cautioned not to place undue reliance on ratios or percentages calculated using non-GAAP measures.

OTHER DEFINITIONS:

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

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 working capital less capital expenditures

Interest Bearing Debt to Adjusted EBITDA – Total interest bearing 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

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
- Approximately 31,000 end customers across a wide variety of industries including machinery and equipment manufacturing, construction, shipbuilding and natural resources with our largest customer accounting for less than 2% of total revenue in 2020 (top 10 customers < 10%)

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 Over the Past 15 Months

- Downsized 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 and targeted acquisitions

Strong Liquidity and Financial Position

- As of Sept. 30/21:
 - Total Debt of \$295 mm less Cash of \$337 mm
 - Net Debt/Invested Capital: <0%
 - \$602 million of liquidity

Experienced Management Team

- Average of ~30 years of industry experience

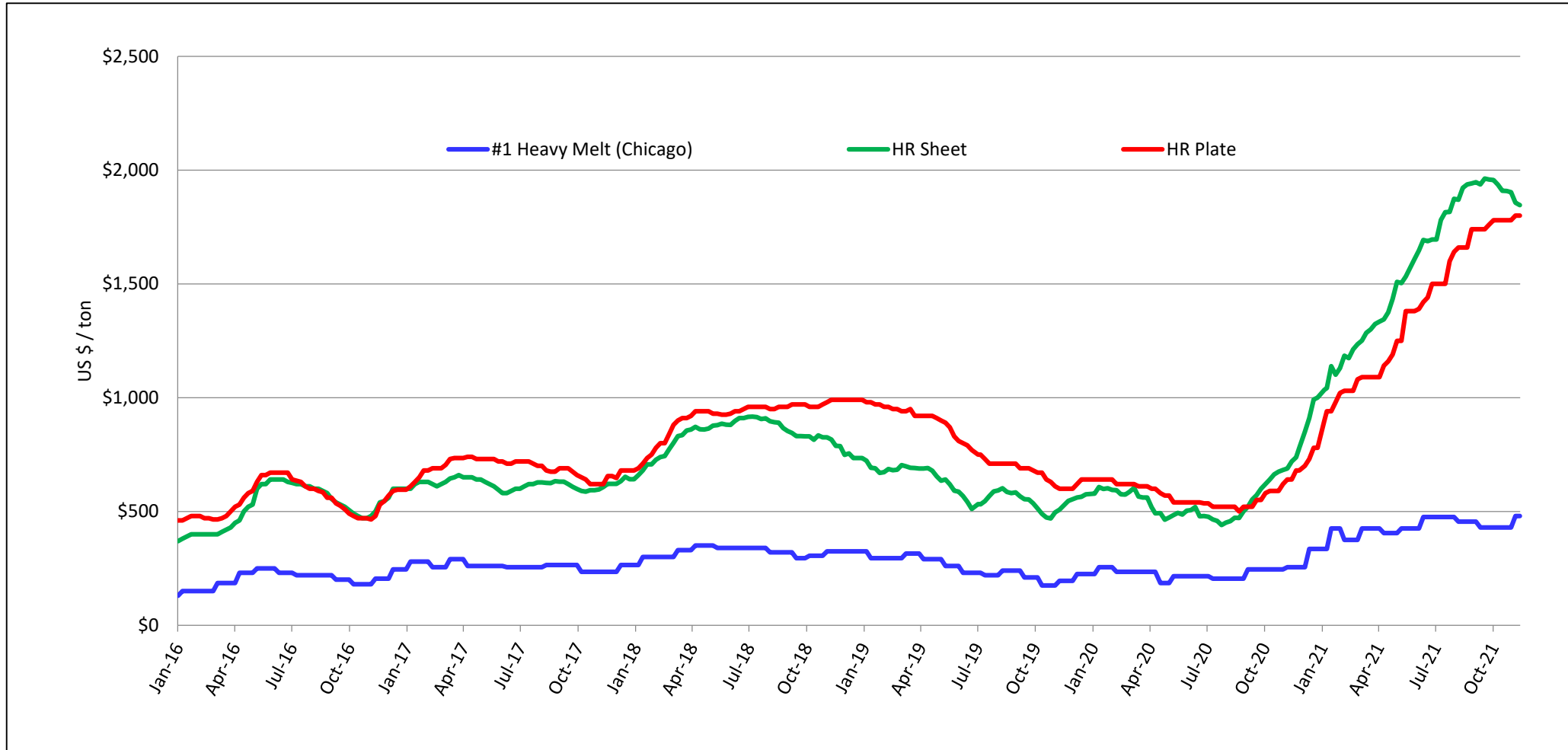
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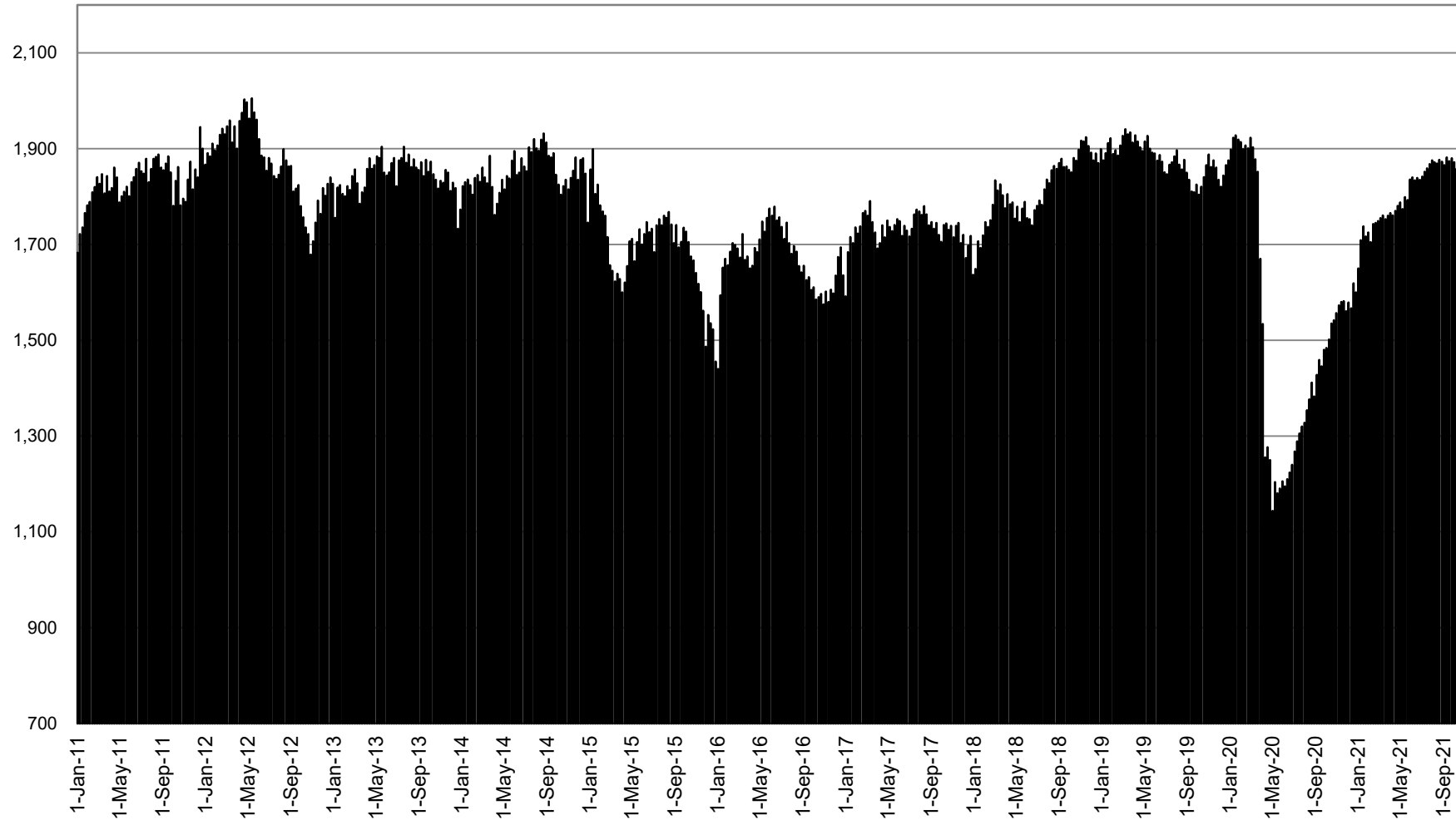
I. MARKET TRENDS

BUSINESS CONDITIONS – MACRO PRICE TRENDS



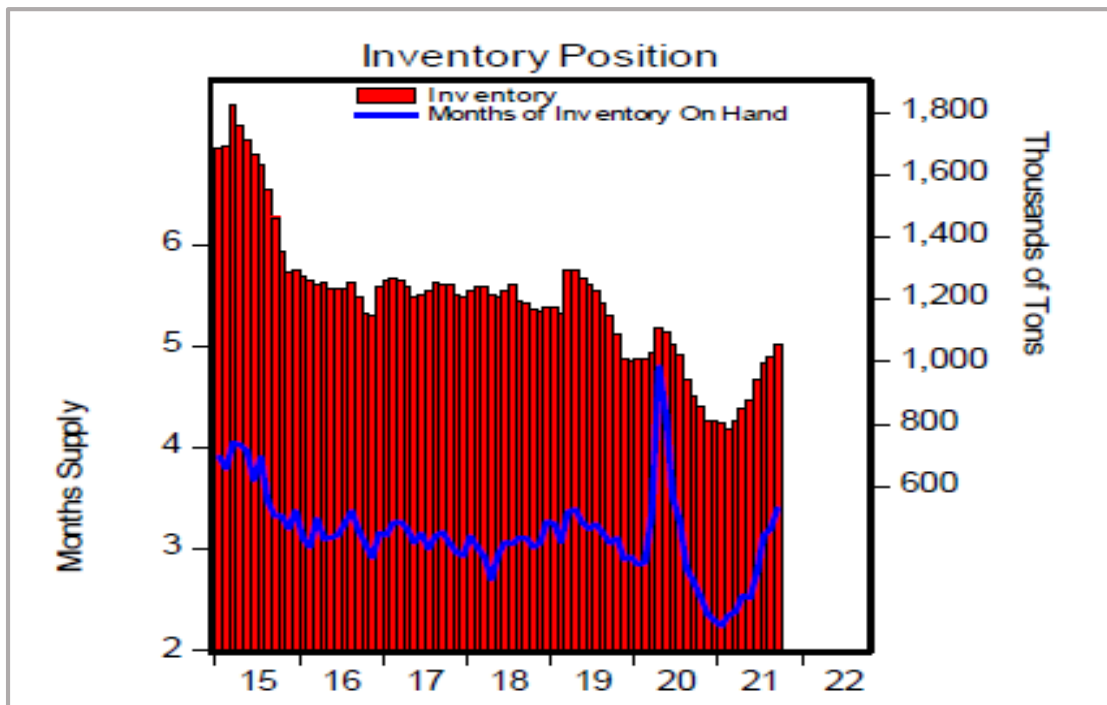
STEEL PRODUCTION

US Raw Steel Production (2011 - 2021)

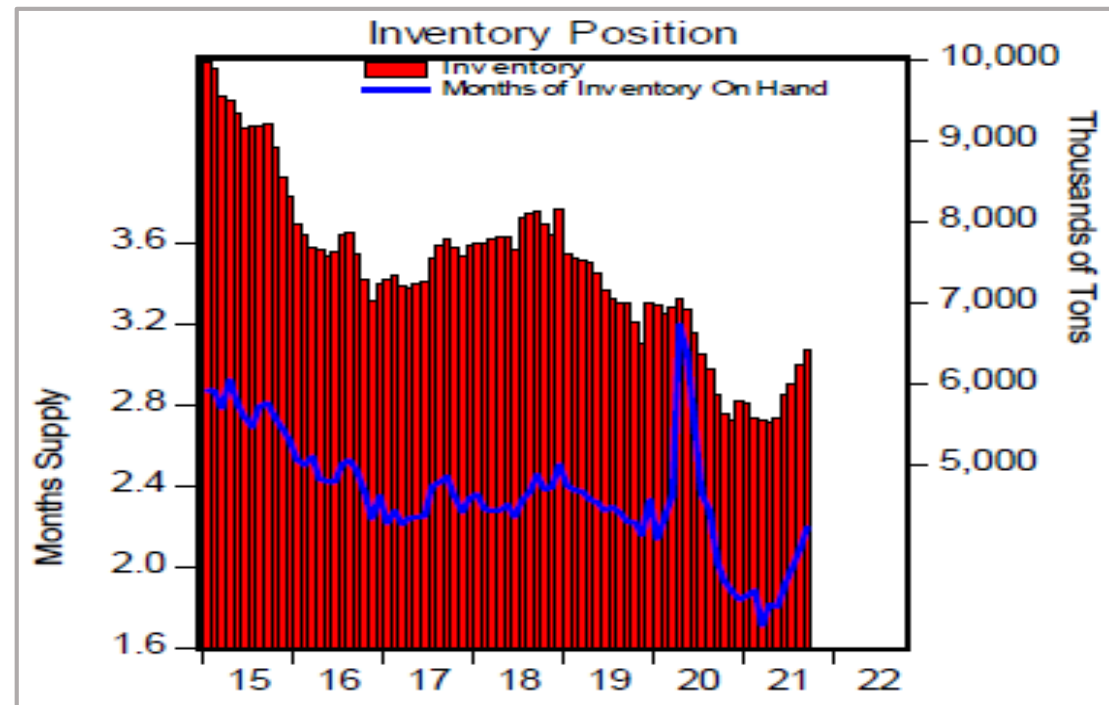


Source: American Iron and Steel Institute

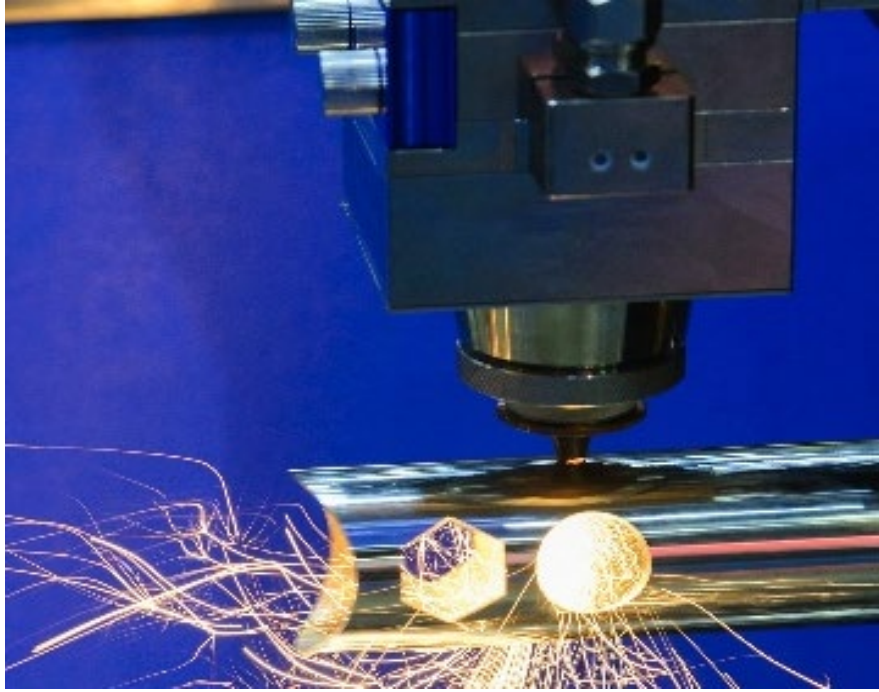
SERVICE CENTER BUSINESS CONDITIONS



Source: Metals Service Center Institute



Source: Metals Service Center Institute



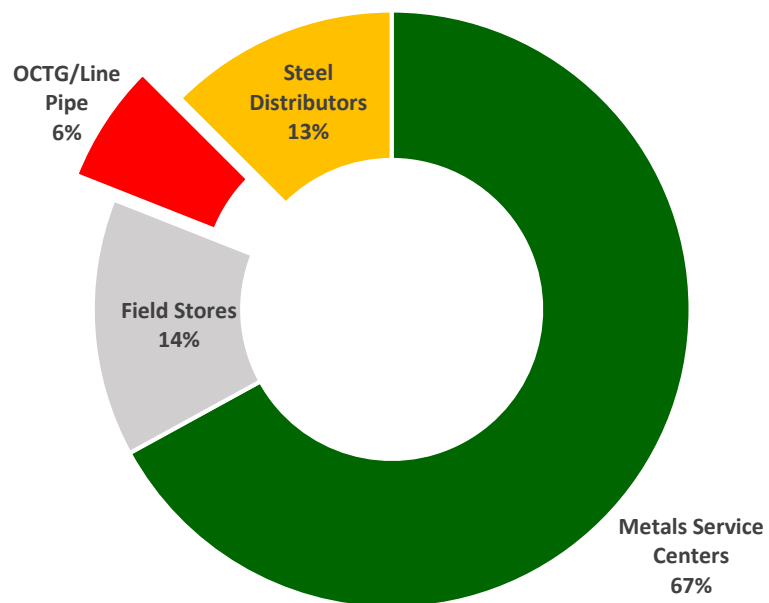
II. COMPANY OVERVIEW

RUSSEL METALS AT-A-GLANCE

Overview

- Distribution of steel and other metal products across North America
- Three segments: Metal service centers, Energy products and Steel distributors
- Founded in 1916
- Headquartered in Mississauga, Ontario, Canada
- Ticker: RUS.TO; 62.975 mm shares outstanding

Revenue by Segment (YTD Sept 30, 2021)



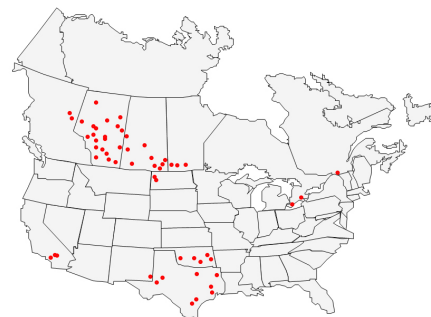
Key Segments

Metals Service Centers



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

Energy Products



- Field Stores that distribute highly engineered products (eg. valves, fittings, etc.)
- Recently completed monetization of OCTG/Line Pipe businesses

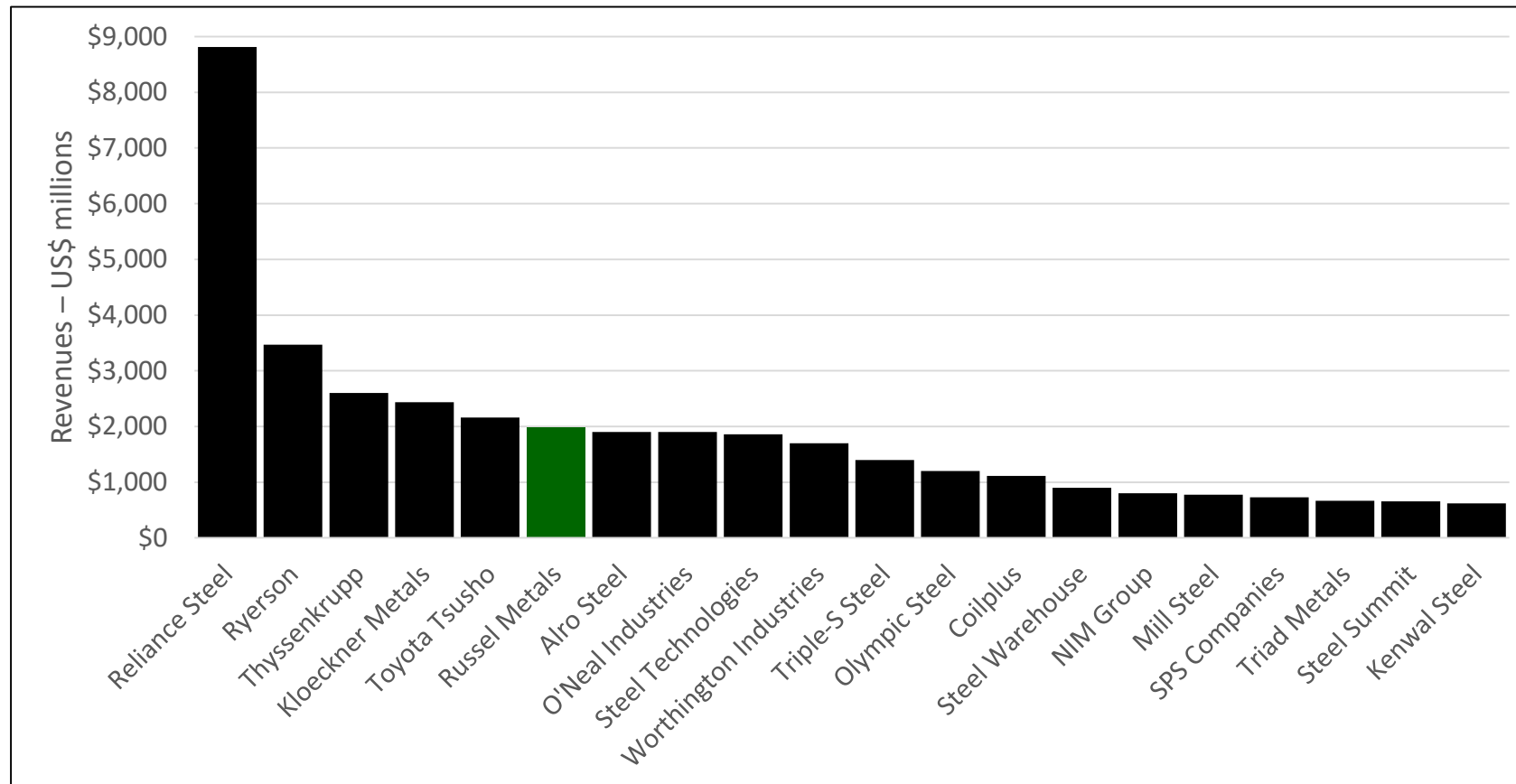
Steel Distributors



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

STRONG MARKET POSITION

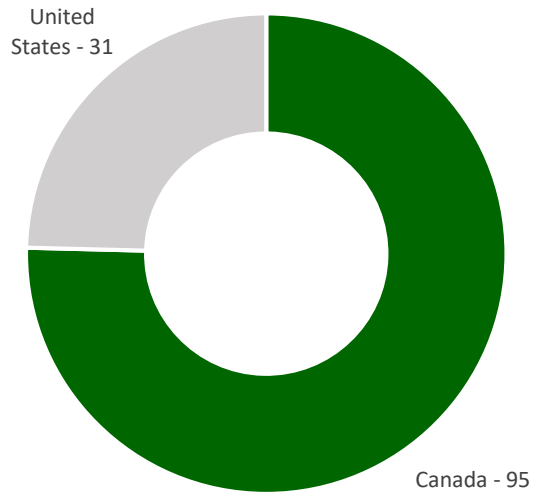
- Russel is one of the largest service center companies in North America
 - Leading market position in Canada
 - Strong market position in the US South and US Mid-West



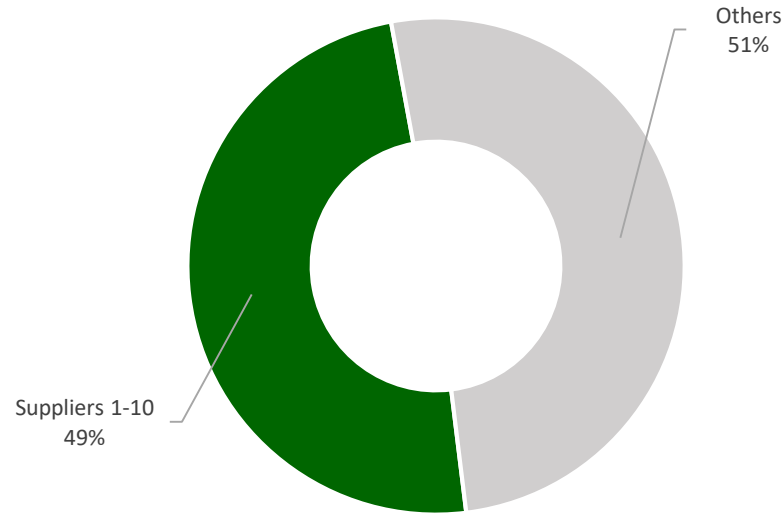
Source: Metal Center News, September 2021

DIVERSIFIED BUSINESS

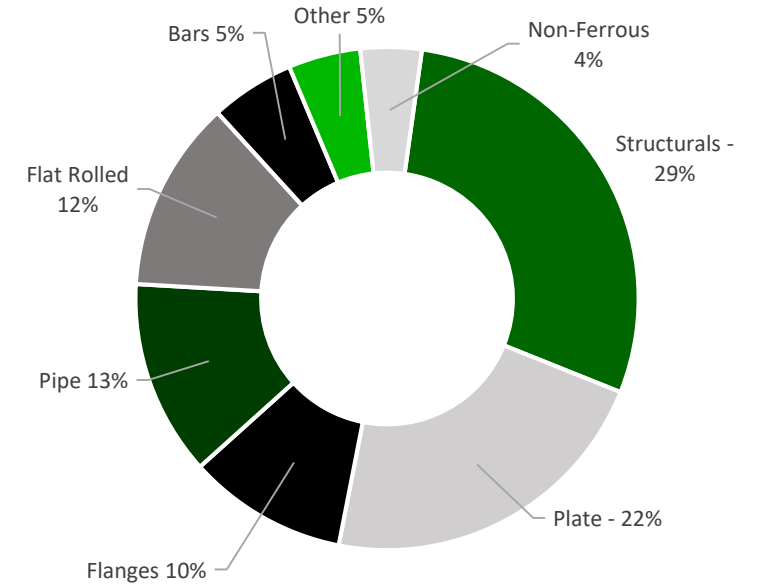
Geography - 126 Locations



Suppliers



Product Mix

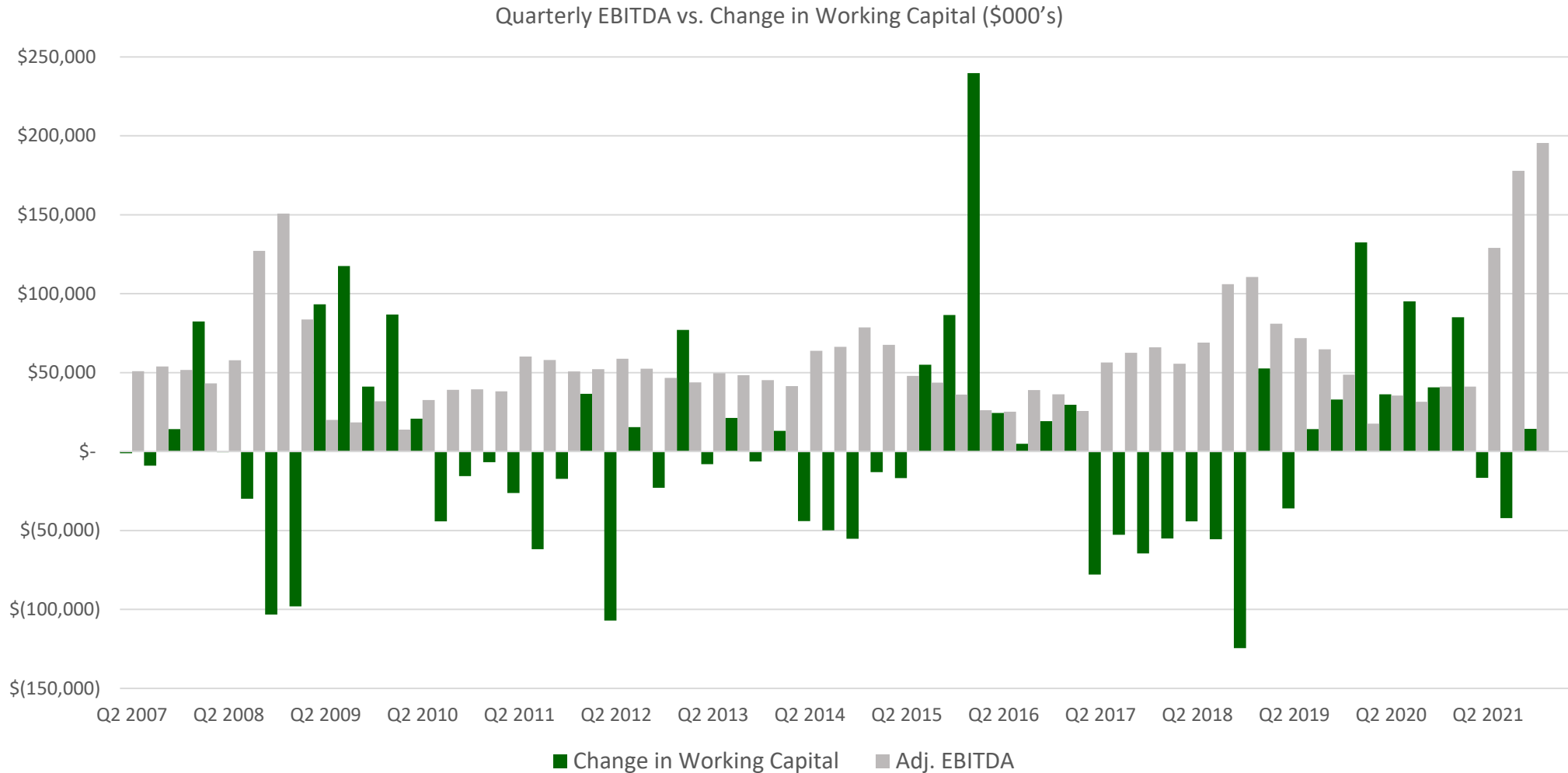


Customers

- ~30,000 customers
- Average invoice < \$2,500
- Top 10 customers < 10% of 2020 FY revenues

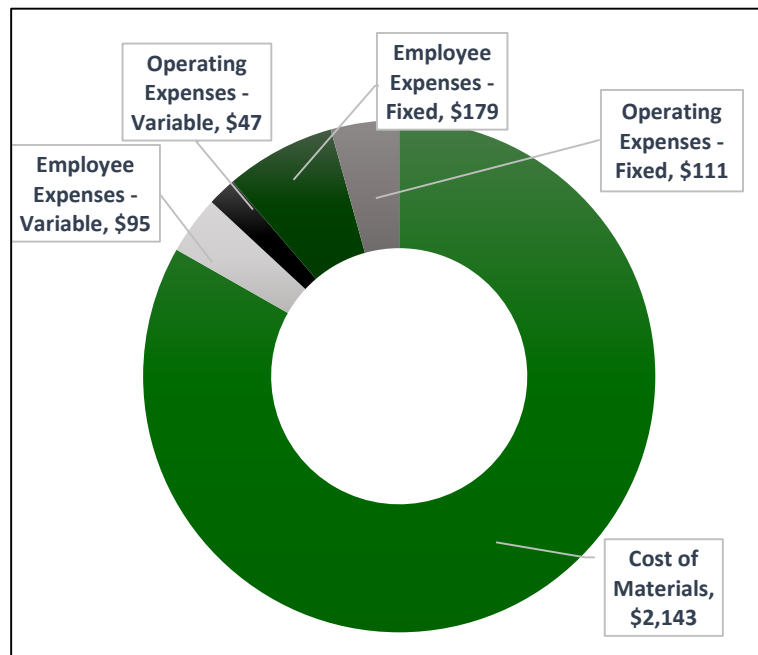
COUNTERCYCLICAL CASH FLOWS

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

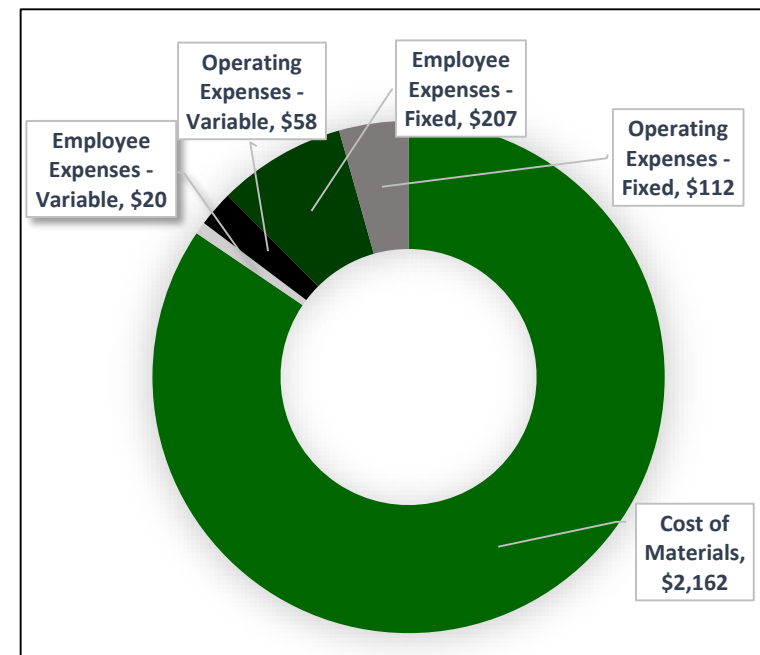


VARIABLE COST MODEL – BREAKDOWN OF CASH COSTS

9 MONTHS ENDED SEPTEMBER 30, 2021
\$2,575 Million



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



ESG FOCUSED

Environmental

- Divested OCTG/Line Pipe business
- Environment Management System
- Low carbon emissions from operations
- GHG emissions in 2020 were 53,345 CO₂(e) - emission intensity of 0.00002 tonnes CO₂(e) per dollar of revenue

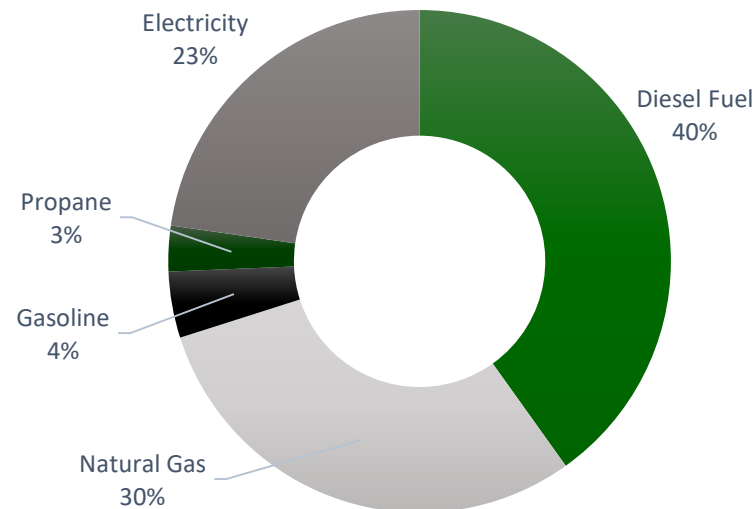
Governance

- Independent Board and Audit Committee
- Majority Voting
- Code of Business Conduct
- Independent Whistleblower program
- Female/Visible Minority: 45% Board; 38% Corporate Management

Social

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

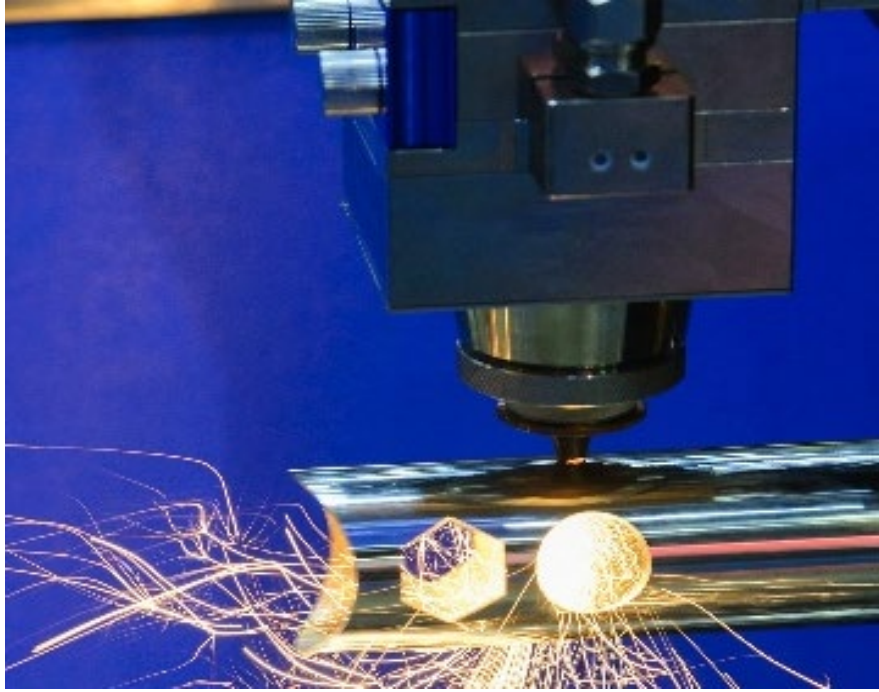
Aggregate Emissions Sources:



Health and Safety Metrics:

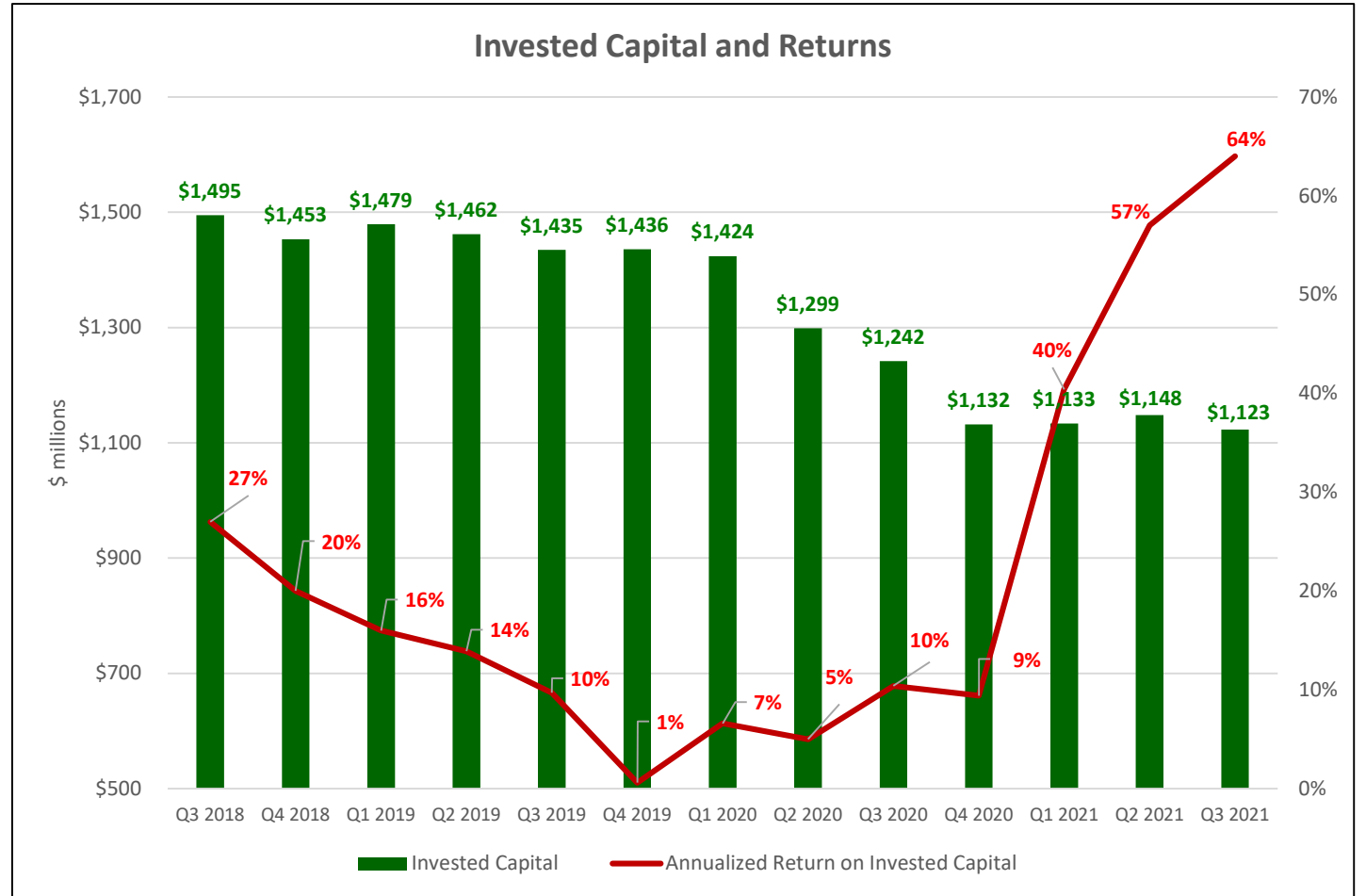
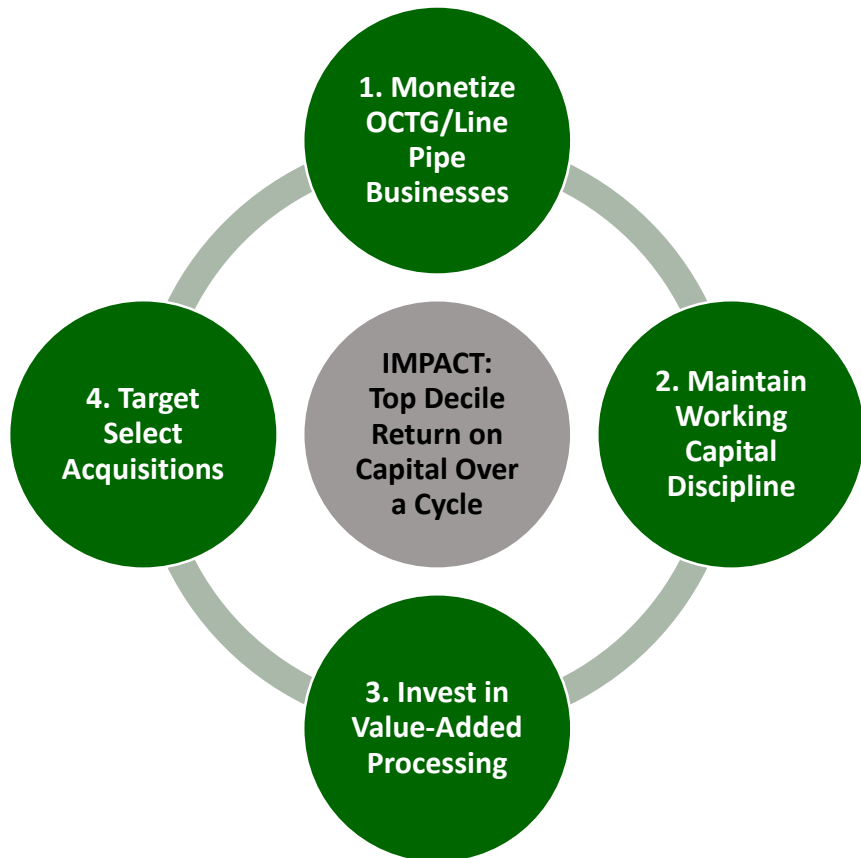
	2020	2019	2018
Number of Employees	3,010	3,400	3,420
Number of Lost Time Accidents	9	21	31
Number of Lost Time Days	345	592	962
Frequency *	0.29	0.61	0.89
Severity *	11.18	17.40	27.73
Medical Aids *	94	163	208
First Aids *	131	236	244

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



III. BUSINESS STRATEGY/RECENT 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

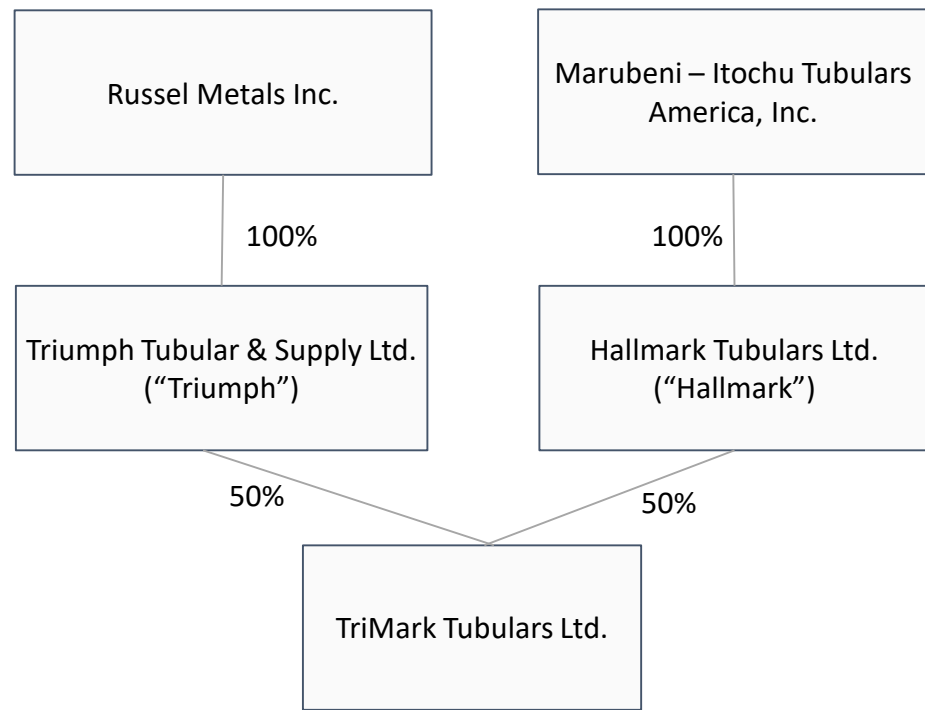


- Distribution of steel pipe and oil country tubular goods (eg. drill pipe and casings)
- Commodity business
- Business is tied to new drilling activity in Canada and US
- Higher volatility and lower gross margins than metals service centers

- Reduced exposure to Energy through monetization of OCTG/Line Pipe businesses
- Repatriated ~\$300 mm of capital since June/20
 - Canada: sale closed on July 6
 - US: liquidation is virtually complete

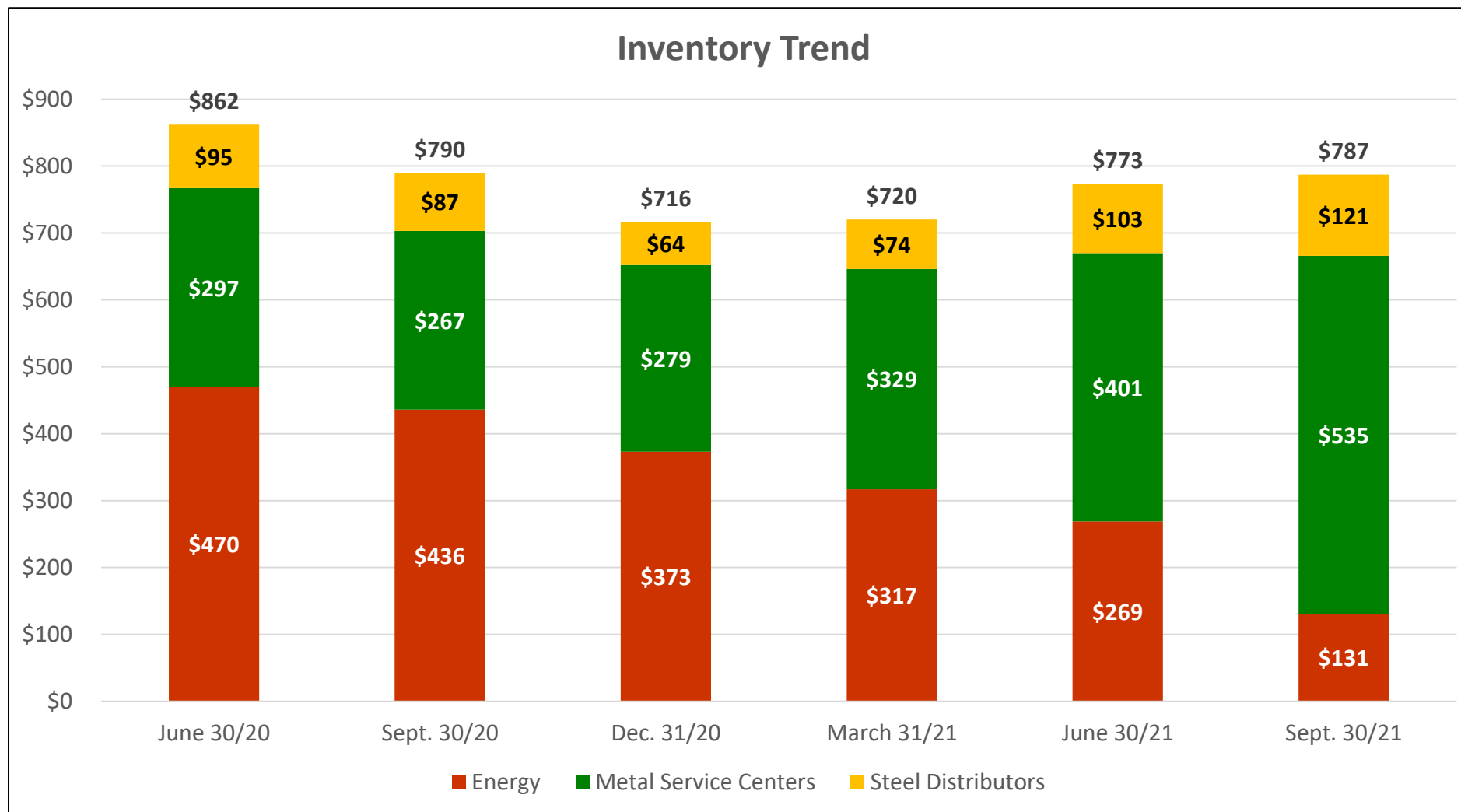
1. CANADIAN OCTG/LINE PIPE SALE

- On July 6, 2021 Russel closed the transaction involving its Canadian OCTG/Line Pipe business
- Sale of Russel’s business (“Triumph”) and the comparable business from Marubeni-Itochu (“Hallmark”) into a new company (“TriMark”)
 - Russel realized most of its contributed value in cash, but also retained a 50% equity interest in the JV



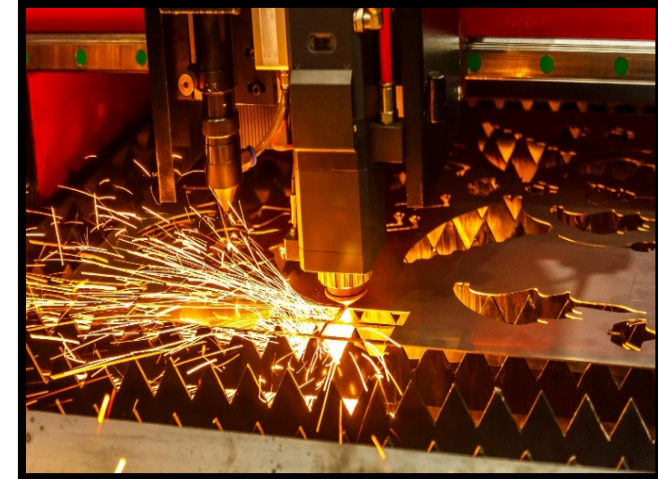
- Russel contributions:
 - Net assets (mostly inventory less AP) - \$109 mm
 - Retain AR (\$32 mm)
 - \$141 mm of capital
- Russel received:
 - Cash \$77 mm from TriMark + monetization of retained AR
 - Near term cash realization equates to \$109 mm
 - Preferred shares in TriMark - \$32 mm (7% dividend)
 - 50% of common shares in TriMark
- Triumph’s standalone historical results - low margins/returns:
 - 2020: Revenue \$117 mm/EBIT \$5 mm
 - 3 Year Avg: Revenues \$267 mm/EBIT \$10 mm

2. WORKING CAPITAL DISCIPLINE

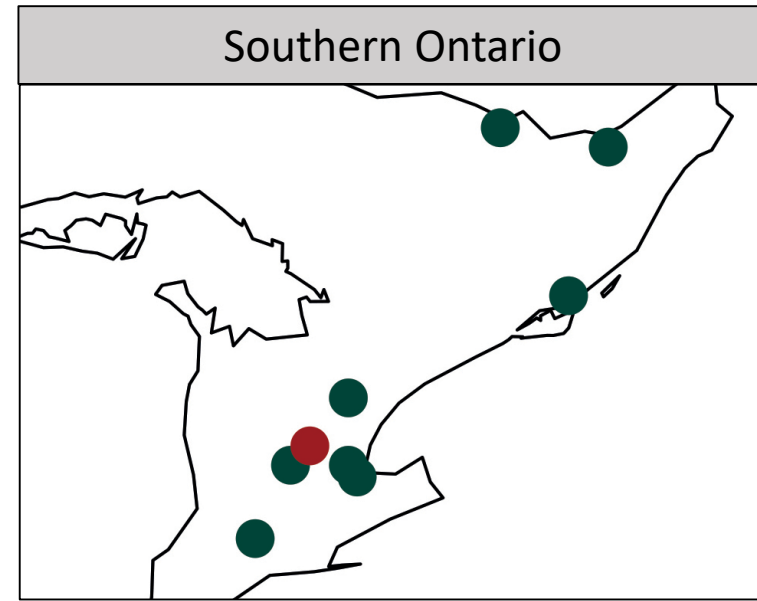
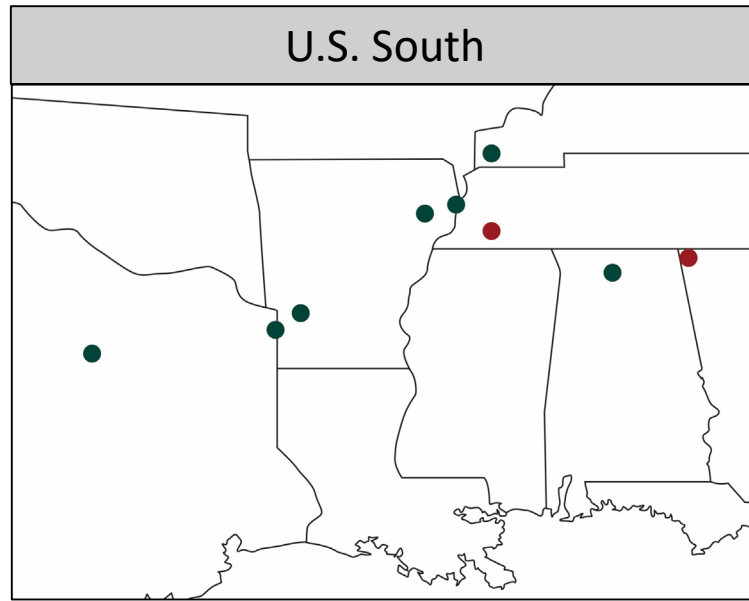
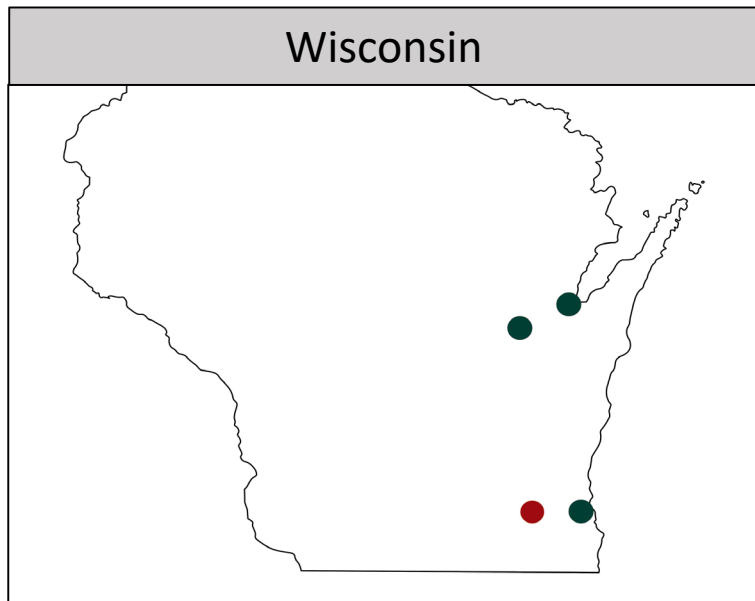


3. INVEST IN VALUE-ADDED PROCESSING

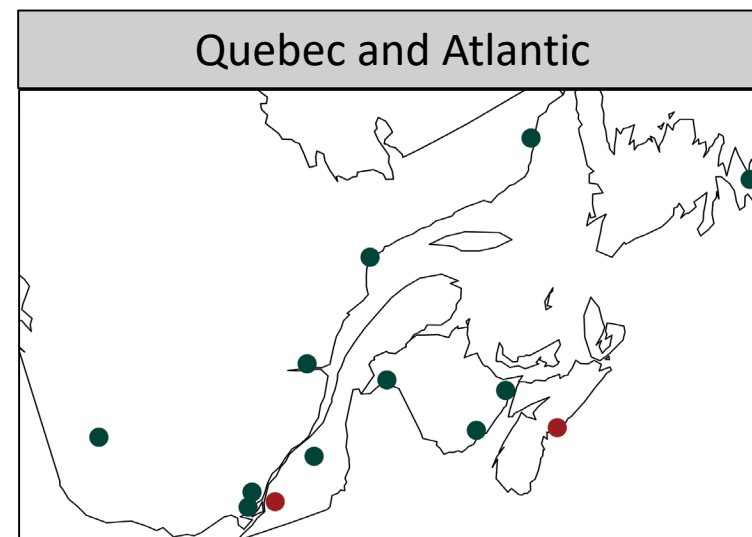
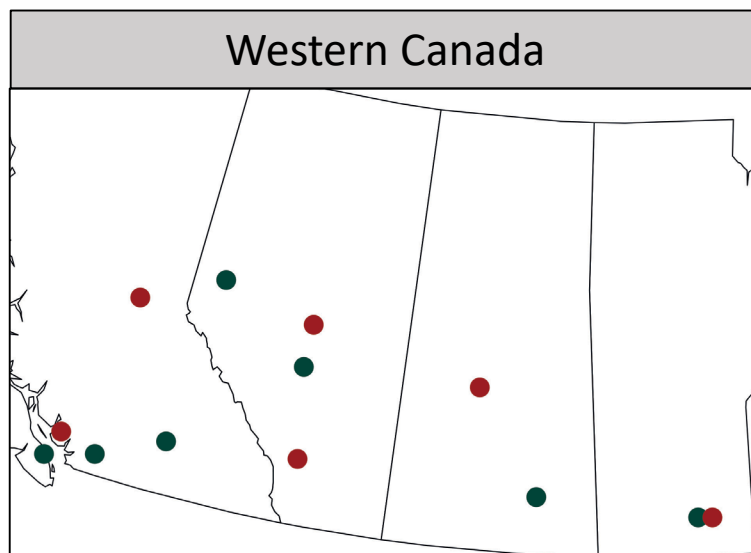
- Value-added processing investments of ~\$12-15 million/year over multi-years
- Typically have paybacks of <3 years



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



- Processing center
- Distribution center



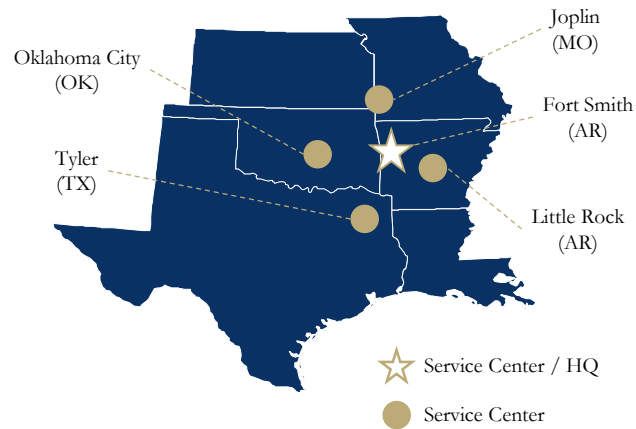
4. TARGET SELECT ACQUISITIONS: BOYD METALS TRANSACTION SUMMARY

- US\$110 mm purchase price, subject to final adjustments
 - Includes net working capital, land, buildings, equipment and other related assets
- 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
- Financed with cash on hand/existing credit facilities
 - Redeploying the capital realized from OCTG/Line Pipe monetization
- Closing expected in Q4 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

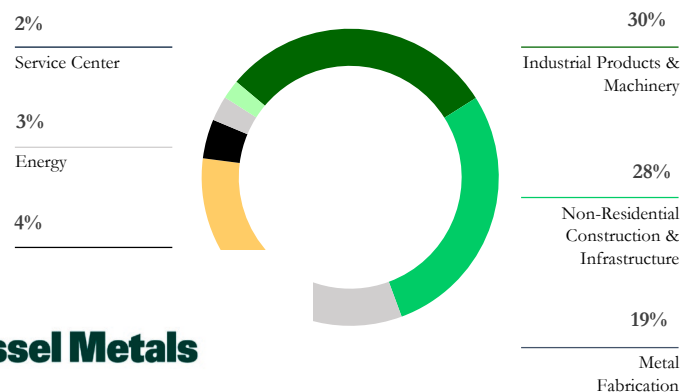


Value-Add Processing

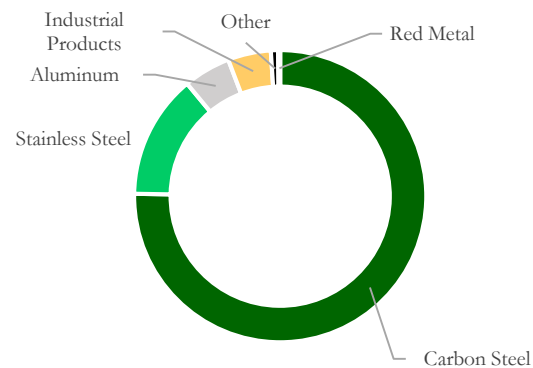
Processing Service	Fort Smith	OKC	Tyler	Joplin	Little Rock
Sawing	✓	✓	✓	✓	✓
Shearing	✓	✓	✓	✓	✓
Plasma Cutting	✓	✓	✓	✓	✓
Plate Cutting	✓	✓	✓	✓	✓
HiDef Plasma	✓	✓	✓	✓	✓
Laser Cutting	✓	✓		✓	
Press Brake		✓	✓	✓	



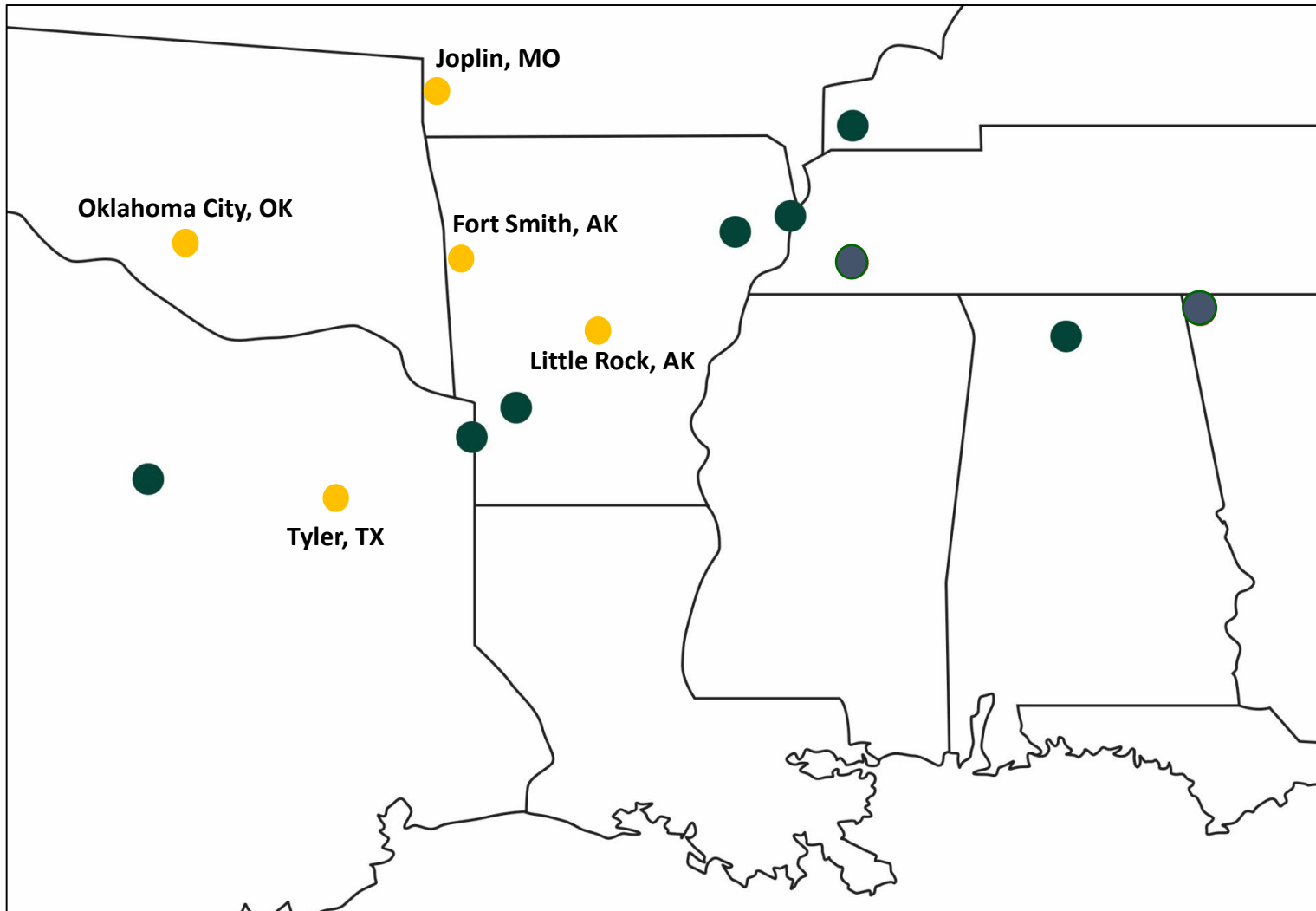
Revenue by End Market



Revenue by Product



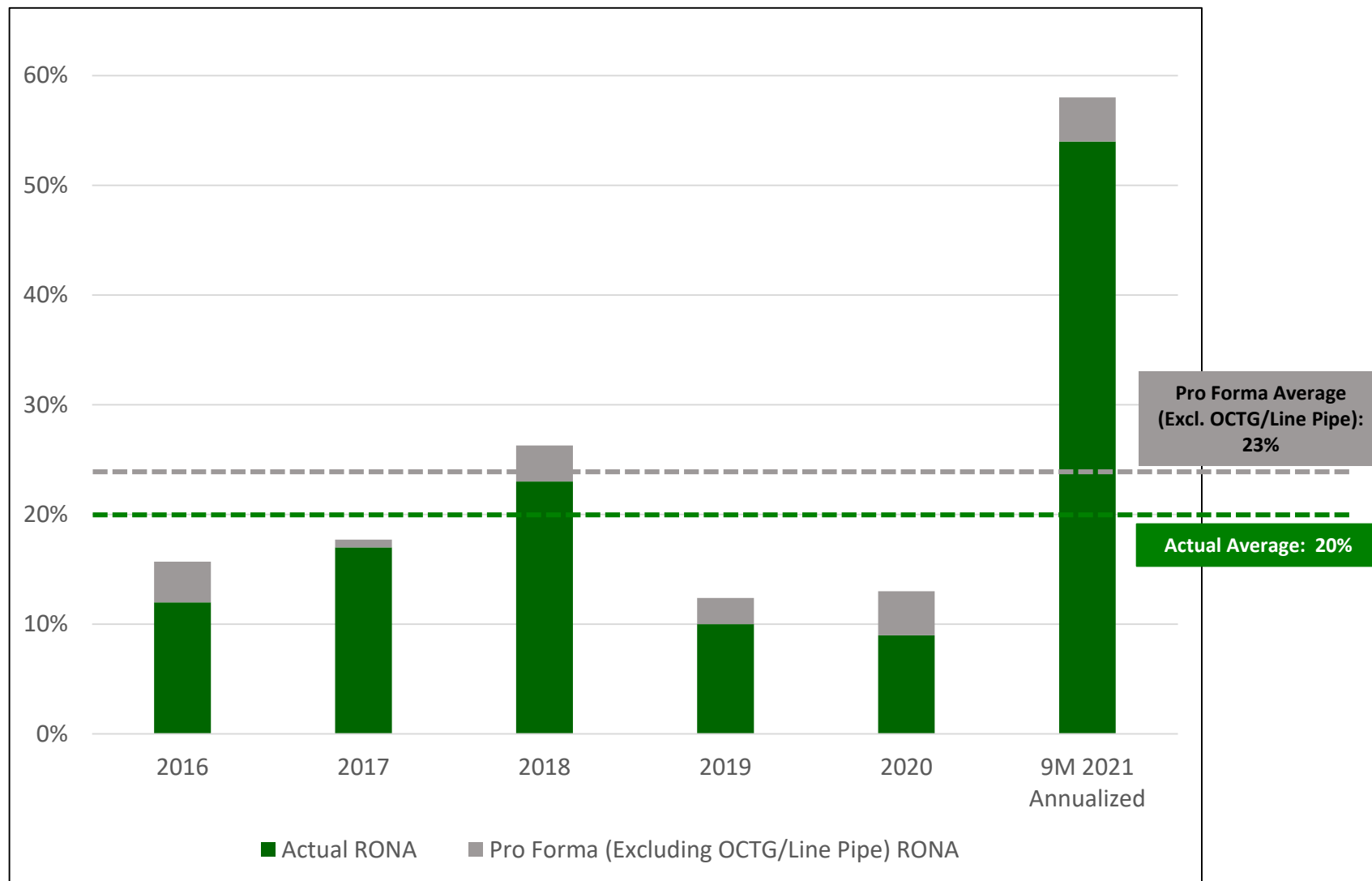
4. TARGET SELECT ACQUISITIONS: BOYD METALS – LOCATIONS

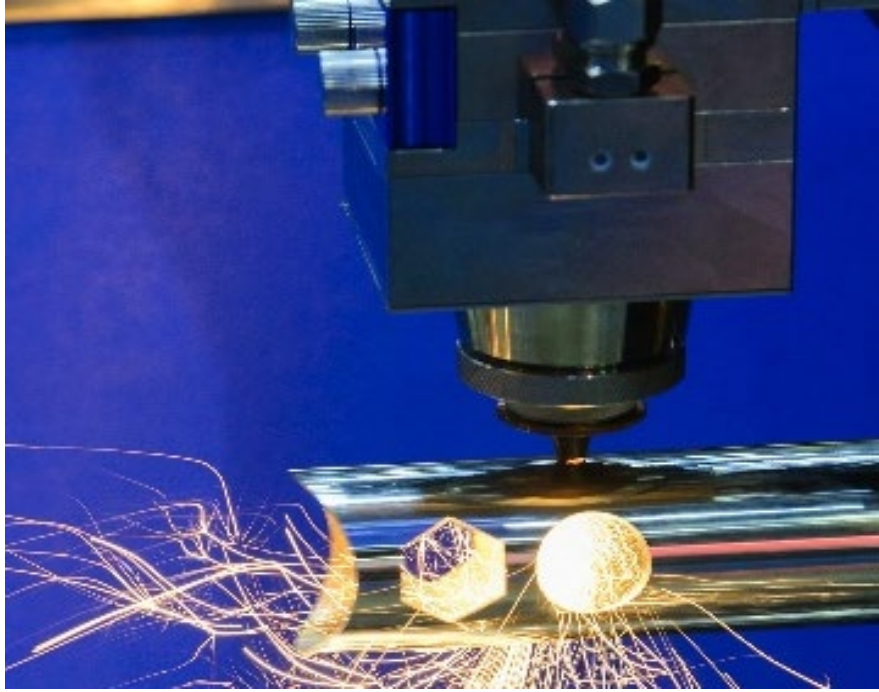


- Complementary locations
- Cultural alignment
- Strong management team
- Opportunities to share inventories, toll processing on equipment, procurement, best practices, etc.

IMPACT: RETURN (EBIT) ON NET ASSETS OVER THE CYCLE

- Russel has generated an average RONA of 20% over the cycle
- Russel's historical RONA would have averaged ~3%/year higher without the OCTG/Line pipe business



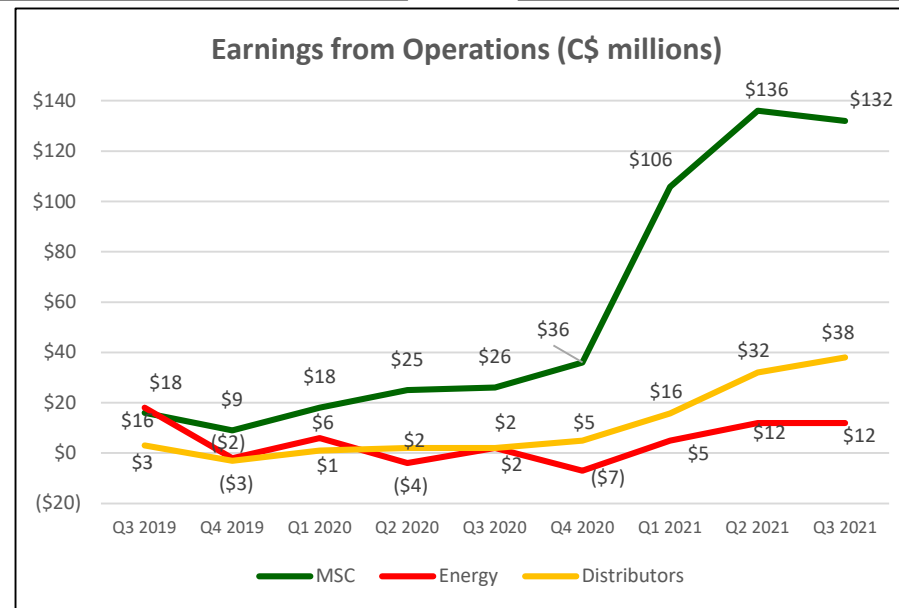
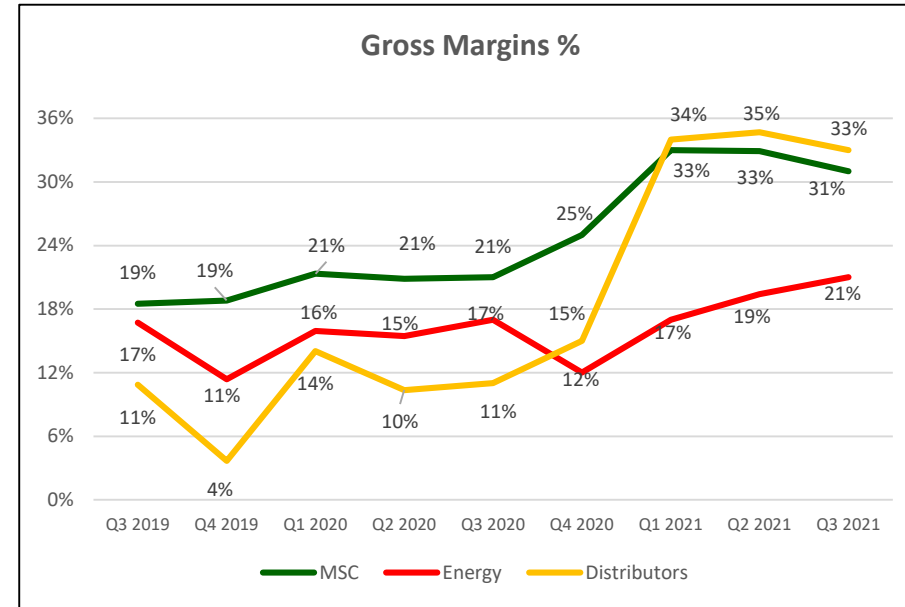
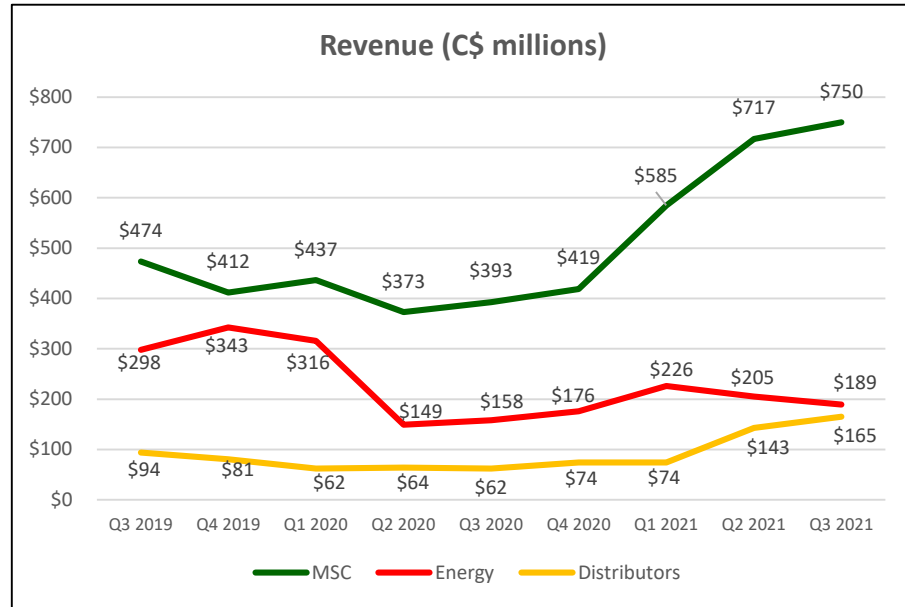


IV. FINANCIAL OVERVIEW

FINANCIAL SUMMARY

\$ mm, unless otherwise stated	Q3 2020	Q2 2021	Q3 2021	Q3 2021 Observations:
Income Statement:				
Revenues	\$615	\$1,068	\$1,108	
Gross Margin (\$ mm/%)	\$117 / 19%	\$328 / 31%	\$330 / 30%	<ul style="list-style-type: none"> The strong market conditions of Q2 sustained into Q3 Q3 was another record for EBITDA, EBIT and EPS Q3 EBITDA/EBIT benefited from: <ul style="list-style-type: none"> Equity pick-up from TriMark (\$3 mm) Mark-to-market of stock-based comp expense reversal (\$3 mm) vs. \$8 mm expense in Q2
EBITDA (\$ mm/%)	\$47 / 8%	\$178 / 17%	\$196 / 18%	
EBIT (\$ mm/%)	\$32 / 5%	\$164 / 15%	\$181 / 16%	
Interest Expense	\$9	\$7	\$6	
Net Income	\$18	\$118	\$132	
EPS	\$0.29	\$1.88	\$2.10	
Cash Flow:				
Change in non-cash working capital	\$41	\$(42)	\$(63)	<ul style="list-style-type: none"> Service Center/Distributors working capital up; Energy working capital down Net reduction in working capital deployed: Increases in Inventory (\$126 mm) and AR (\$17 mm) offset by increase in AP (\$79 mm) and sale of Cdn. OCTG/Line Pipe business (\$77 mm) Capex is modest, but should pick up in 2022
Sale of business	--	--	\$77	
Capex	\$(6)	\$(7)	\$(8)	
Balance Sheet:				
Net Debt/(Cash)	\$324	\$119	\$(42)	<ul style="list-style-type: none"> Total debt of \$295 mm offset by cash/investments of \$337 mm C\$ weakened and impacted Other Comprehensive Income. Fx at 6/30/21 (1.2394) vs. 9/30/21 (\$1.2741) Liquidity continued to remain strong Dividend of \$0.38/share
Shareholders' Equity	\$918	\$1,029	\$1,165	
Available Liquidity	\$521	\$514	\$602	
Net Debt/Capitalization	26%	10%	<0%	

SEGMENT BREAKDOWN: OPERATING RESULTS



LIQUIDITY AND CAPITAL STRUCTURE SUMMARY

- Russel has over \$600 mm of liquidity and no debt maturities for several years.

	12/31/20 (C\$ mm)	6/30/21 (C\$ mm)	9/30/21 (C\$ mm)
Cash	\$26	\$175	\$337
Bank Lines - Maturity 2023	--	--	--
5.75% Notes - Due 2025	\$147	\$147	\$147
6% Notes - Due 2026	\$147	\$147	\$148
Total Debt	\$294	\$294	\$295
Shareholders Equity	\$865	\$1,029	\$1,165
Net Debt/Invested Capital	24%	10%	<0%
Net Debt/LTM Adj. EBITDA	1.7x	0.3x	<0x
Liquidity	\$406	\$514	\$602



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