

COMPANY UPDATE

NOVEMBER 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) cyclicality 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 nine months ended September 30, 2022, under the heading “Risk Management and Risks Affecting Our Business” in our annual information form for the year ended December 31, 2021 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, 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

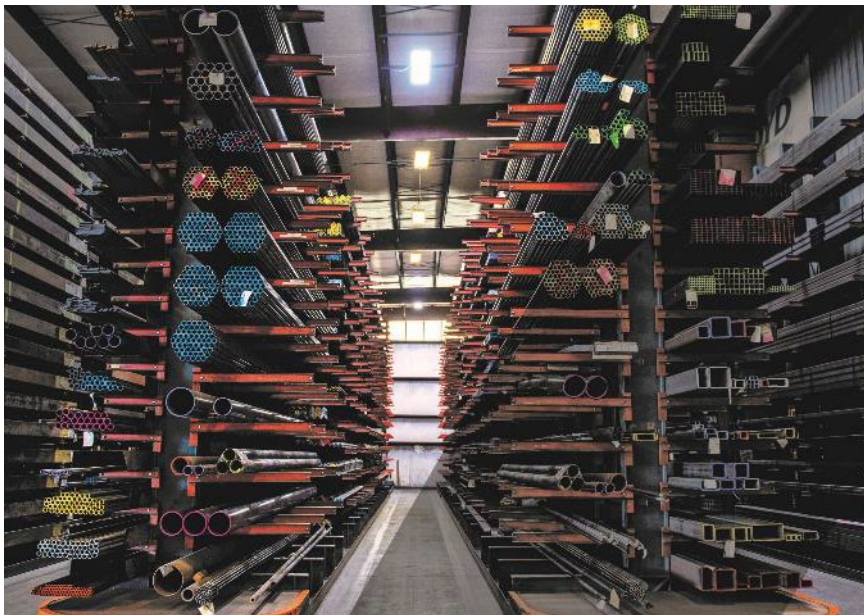
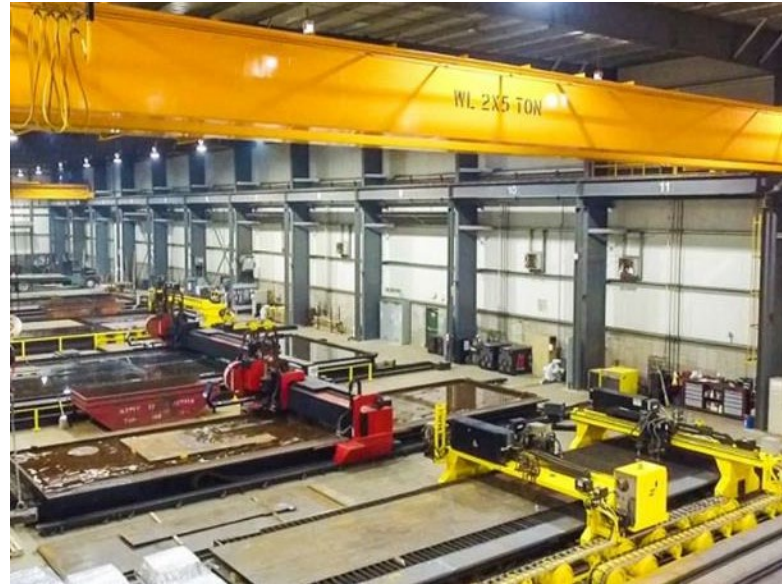
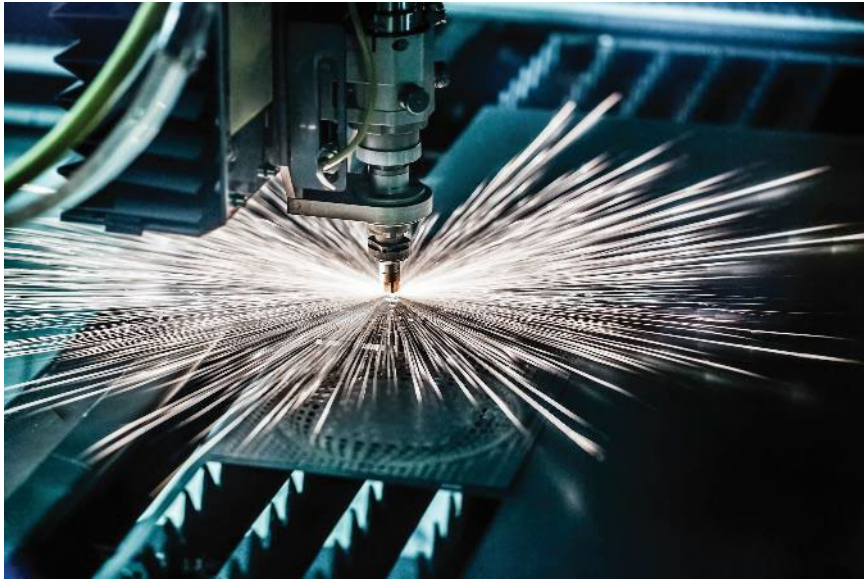
- Monetized the OCTG/Line Pipe segment of the energy portfolio
 - Repatriated ~\$300 million of capital; Reduced volatility; Enhanced average returns and margins
- Reinvested in value-added processing
- Completed three acquisitions over last three years

Strong Liquidity and Financial Position

- As of September 30/22:
 - Net Debt/Invested Capital: 6%
 - Net Debt/LTM EBITDA: 0.1x
 - Liquidity: \$541 million

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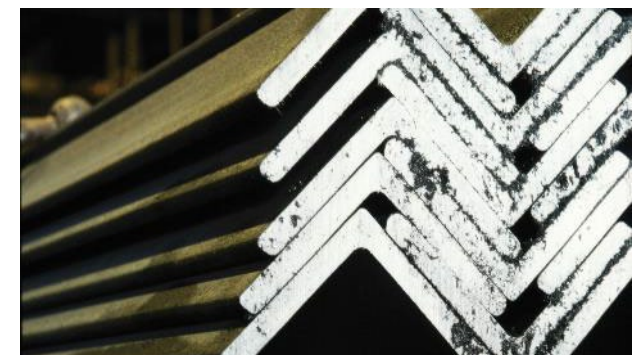
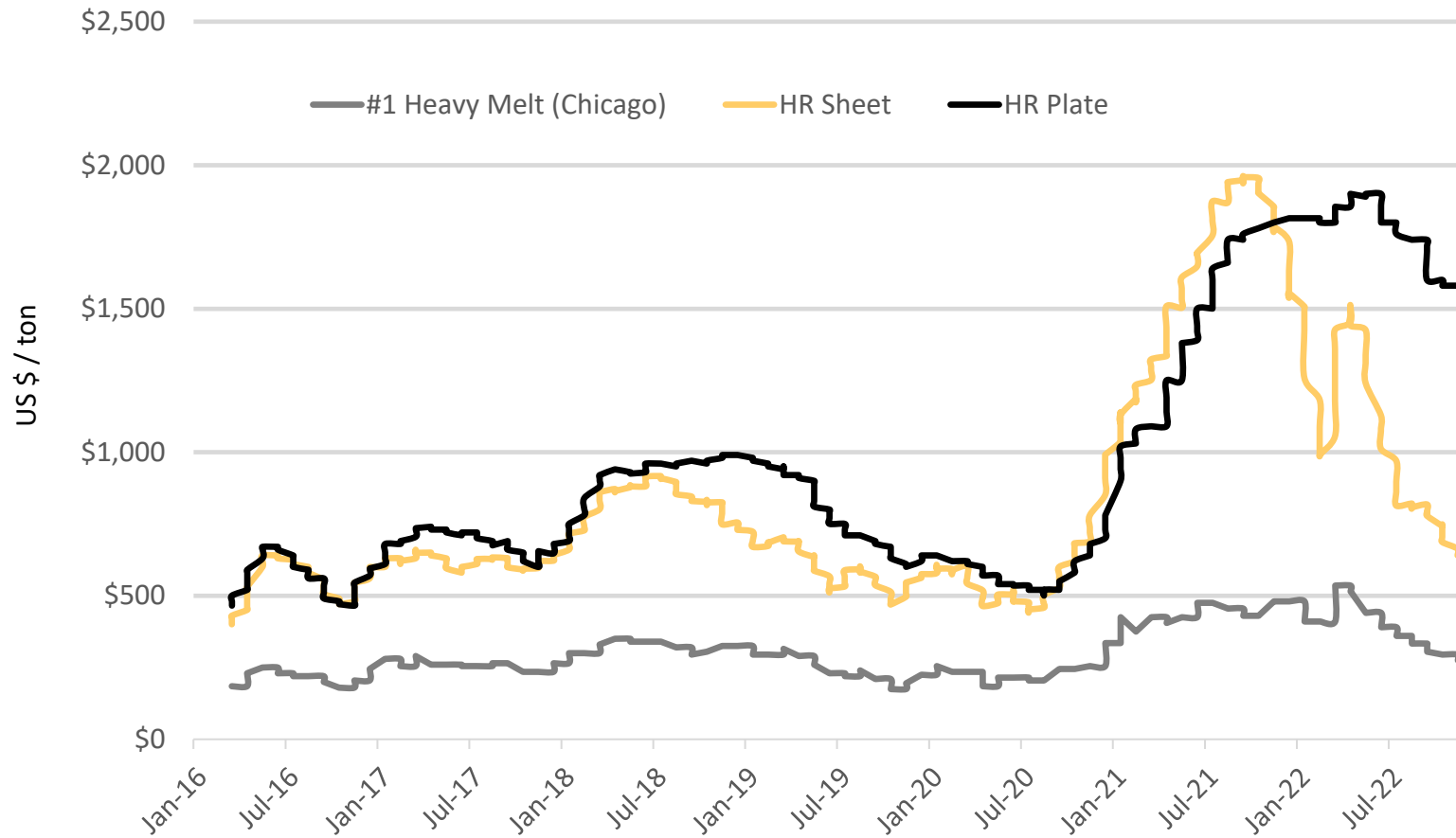


I. MARKET TRENDS

BUSINESS CONDITIONS – METAL PRICING TRENDS

Scrap vs Coil & Plate Pricing

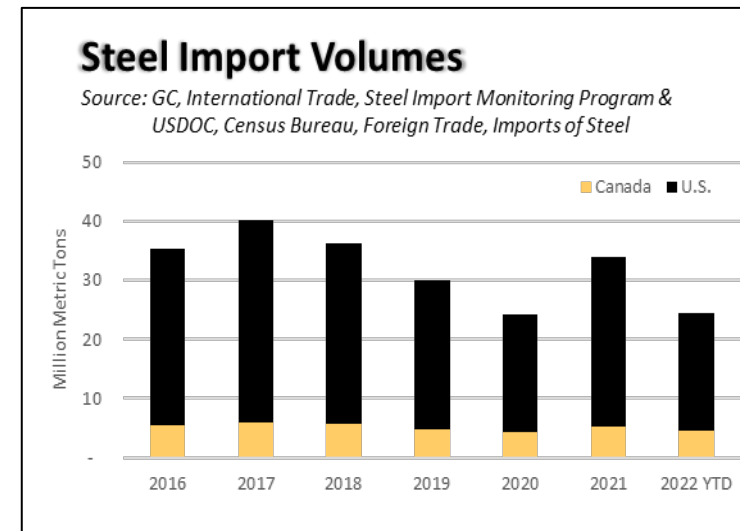
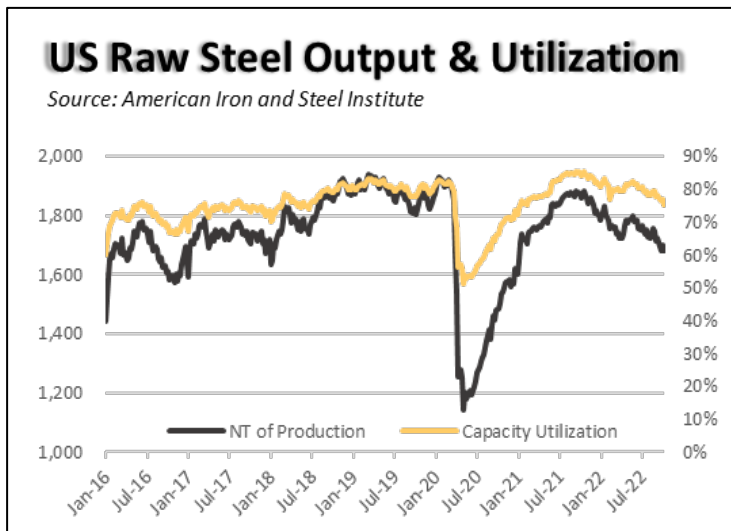
Source: American Metal Market (AMM)



BUSINESS CONDITIONS: SUPPLY CHAIN DYNAMICS

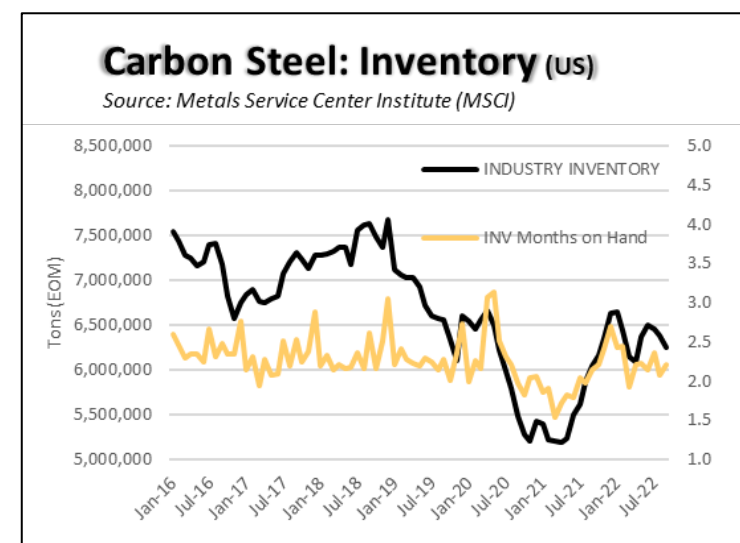
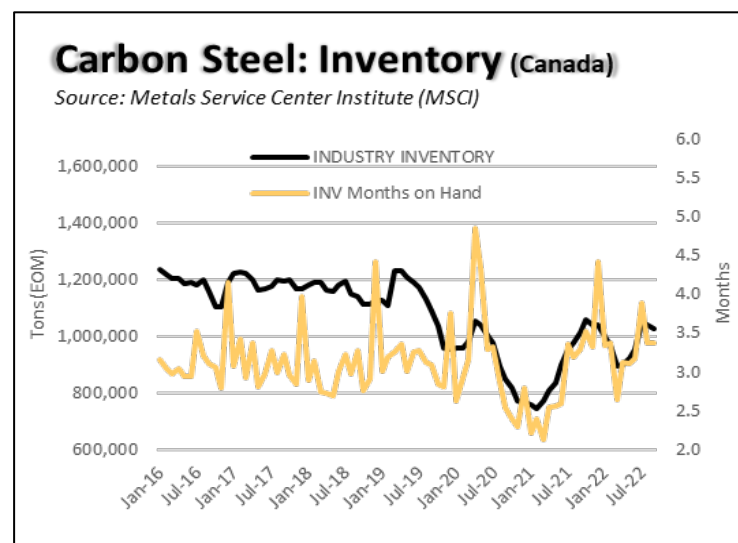
Steel Mills/Imports:

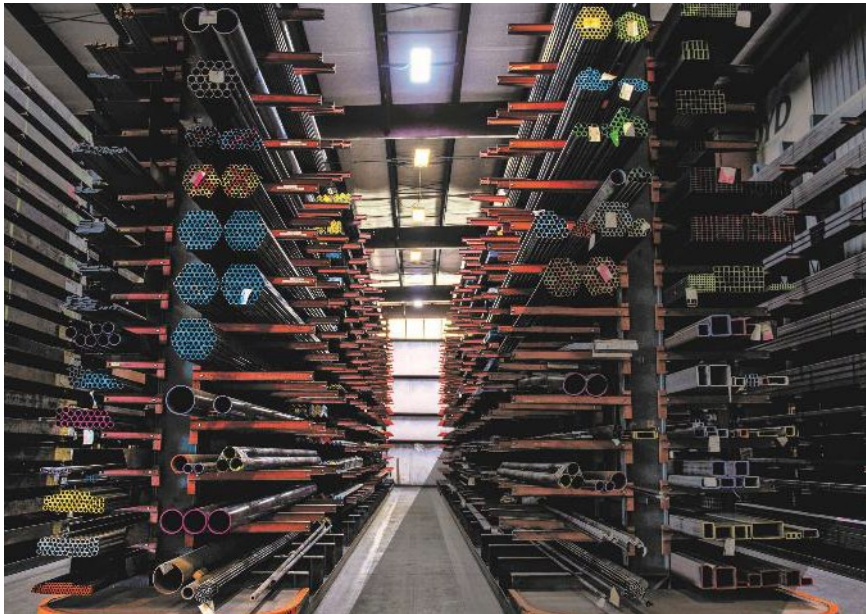
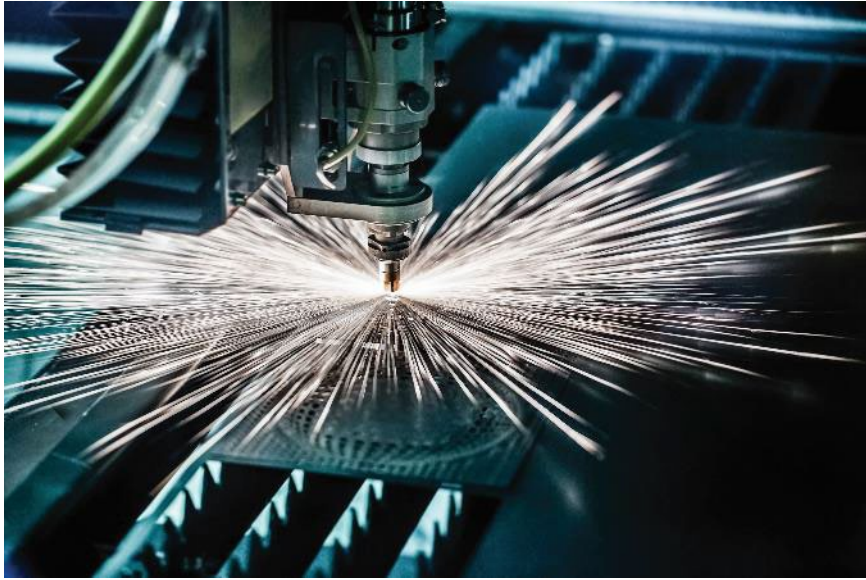
- Capacity utilization around 75%
- Imports are moving up, but remain below historical levels



Service Centers:

- Supply chain inventories have increased over the past several months and are now at normal levels





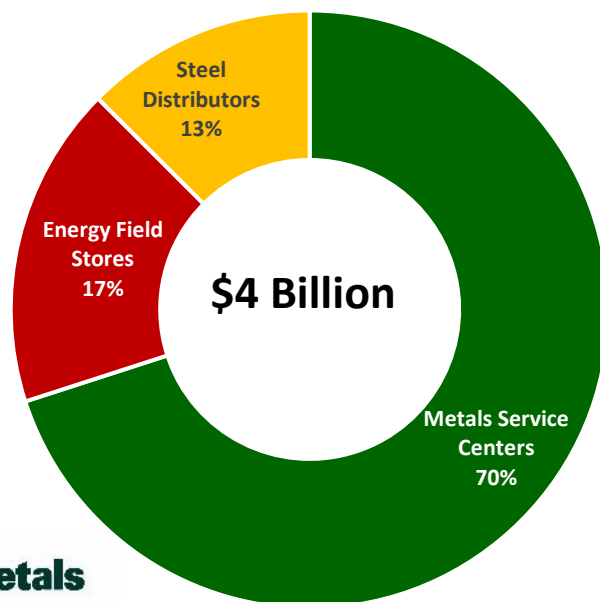
II. COMPANY OVERVIEW

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; 62 mm shares outstanding

Revenue by Segment (Nine Months Ended September 30, 2022)



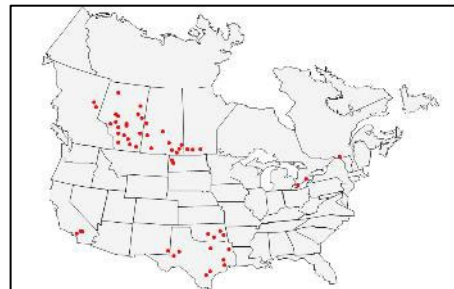
Key Segments

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.)
- In 2021, completed monetization of OCTG/Line Pipe businesses

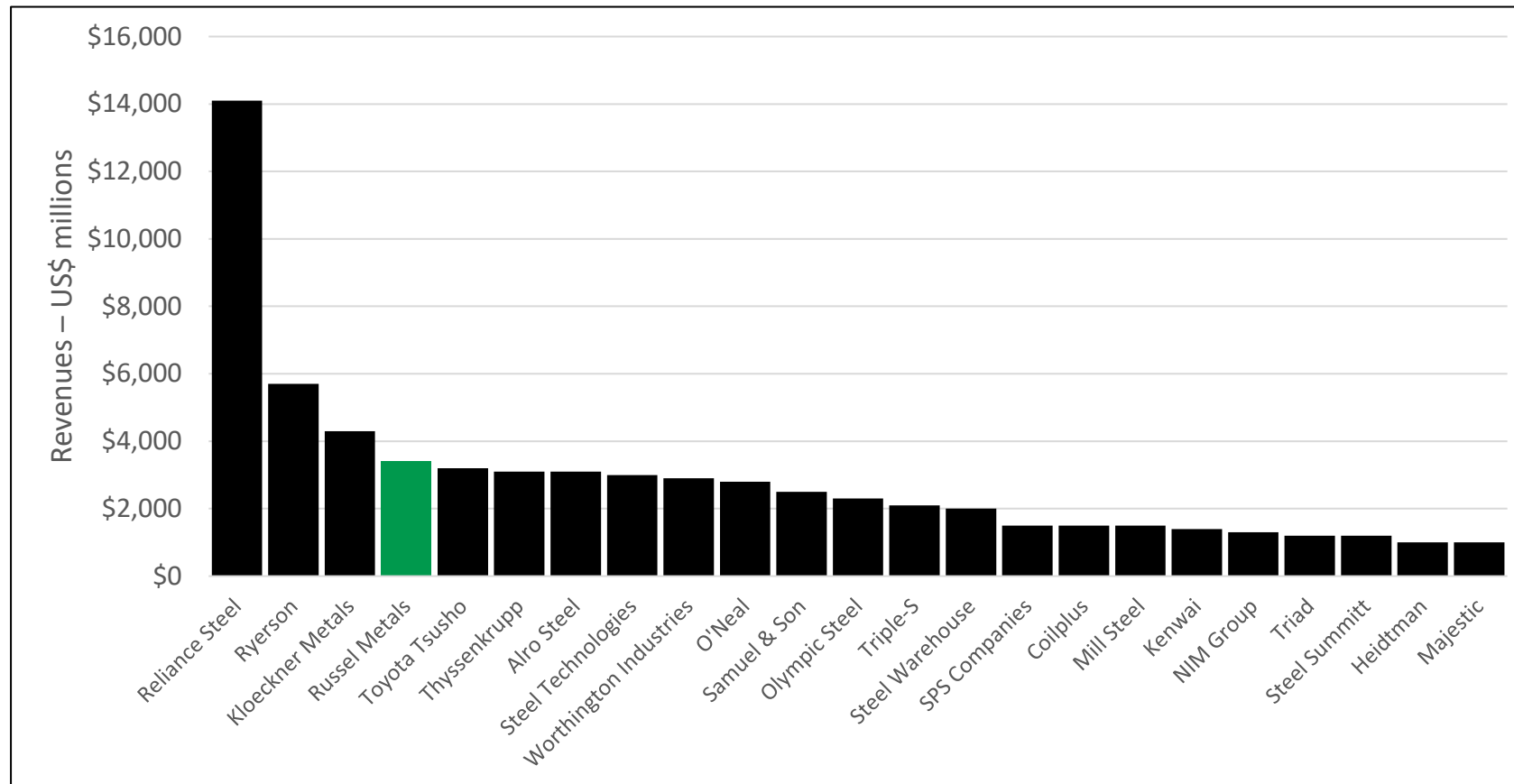
Steel Distributors



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

STRONG MARKET POSITION

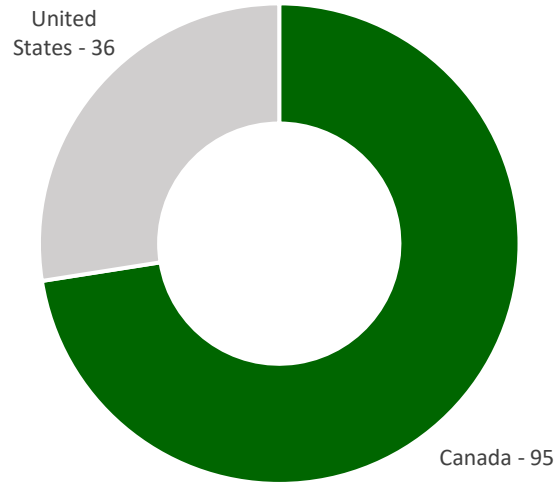
- Russel is one of the largest service center companies in North America
 - Leading market position in Canada
 - Strong market position in the US South and US Mid-West



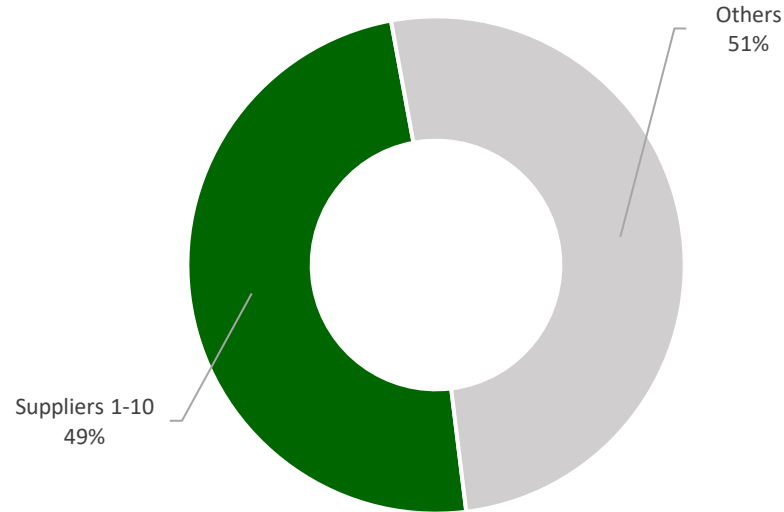
Source: Metal Center News, September 2022

DIVERSIFIED BUSINESS

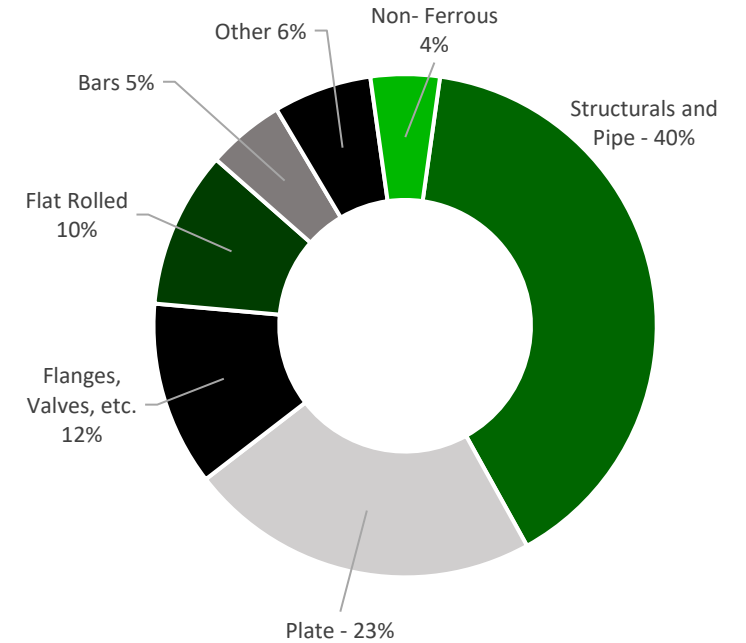
Geography - 131 Locations



Suppliers



Product Mix

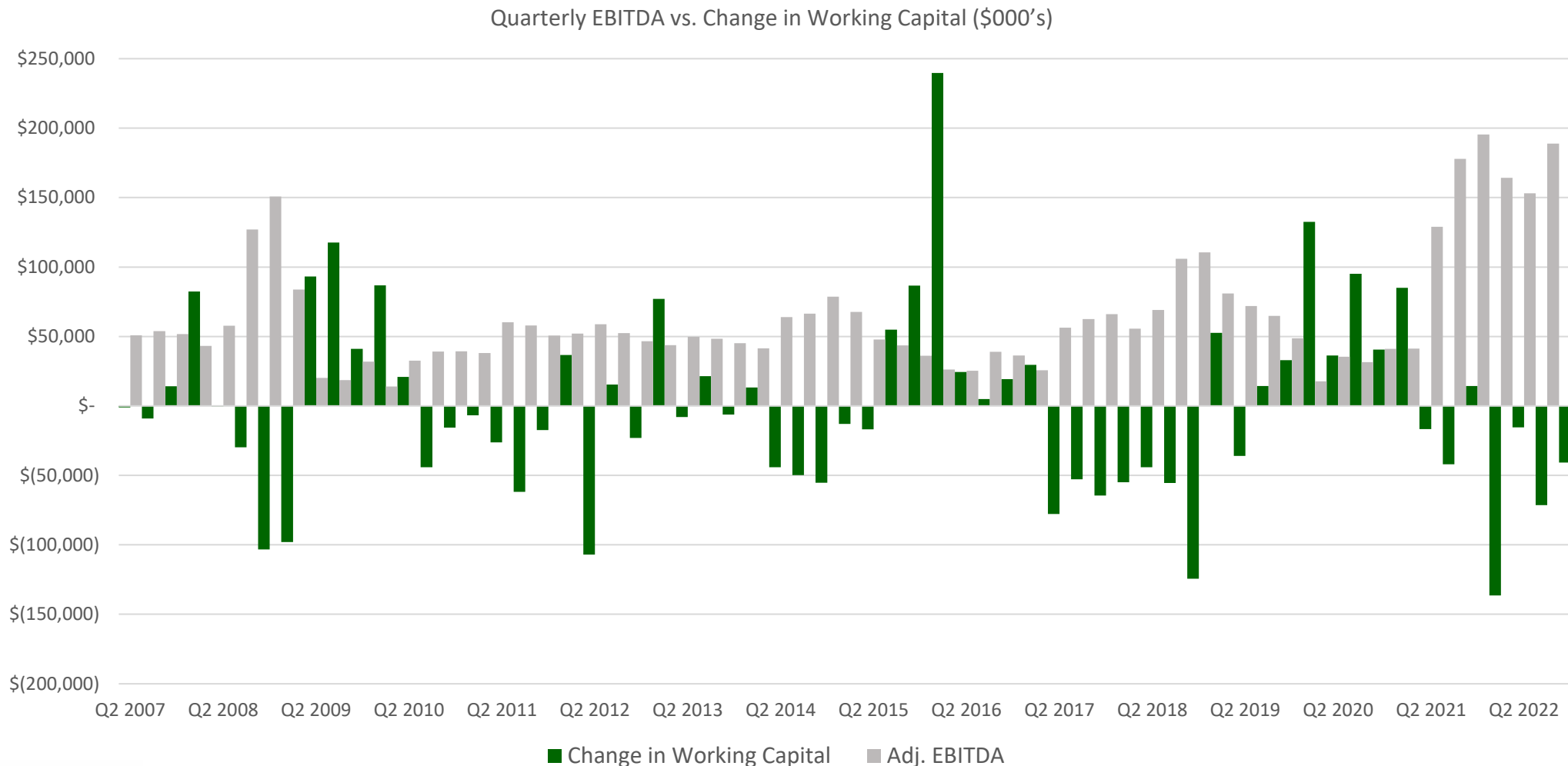


Customers

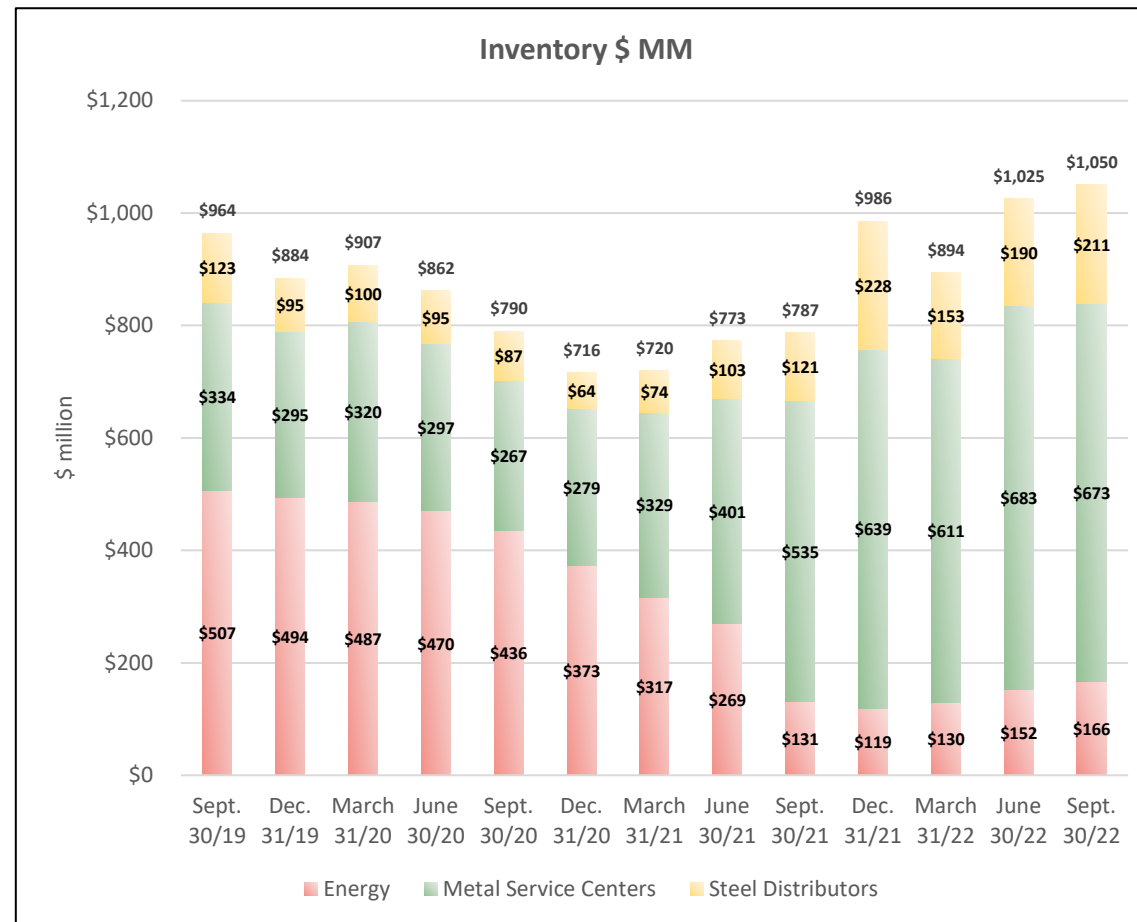
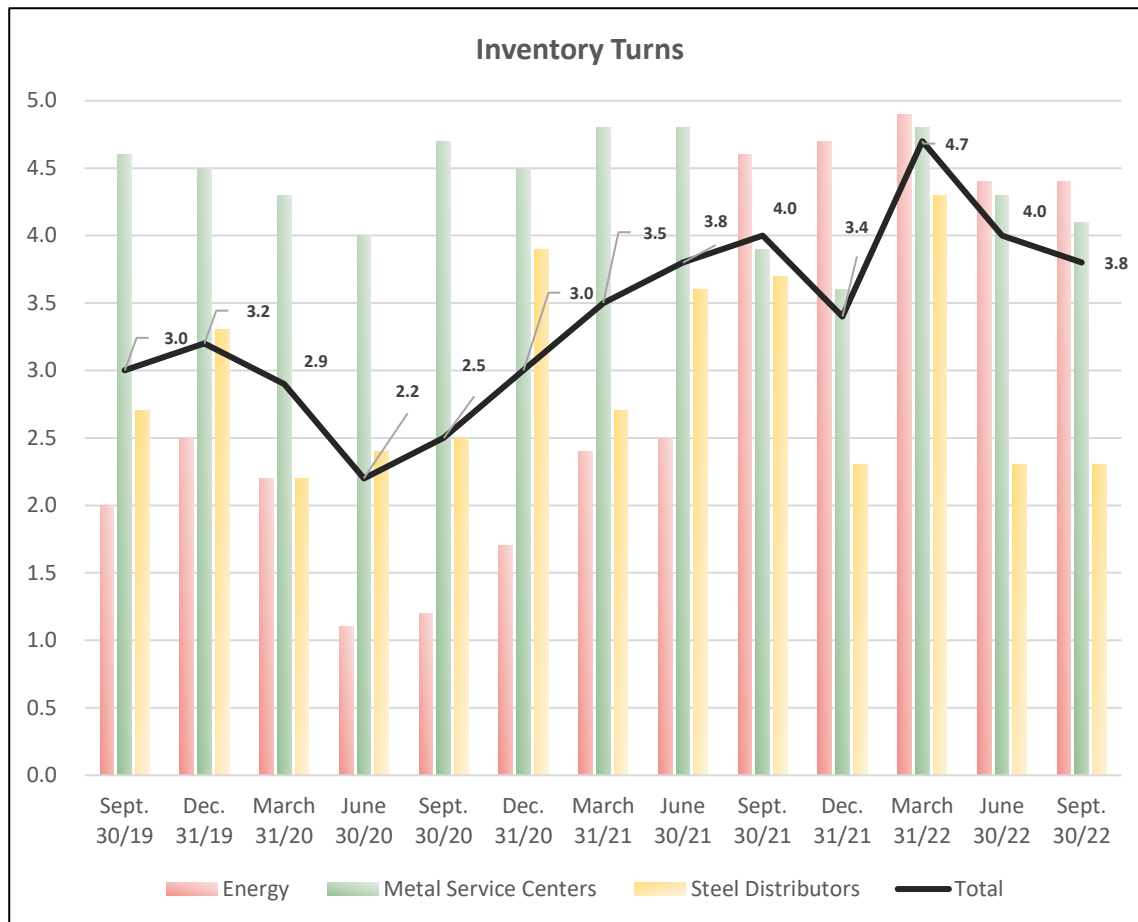
- >30,000 customers
- Average invoice < \$2,500
- Top 10 customers < 10% of revenues

COUNTERCYCLICAL CASH FLOWS

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

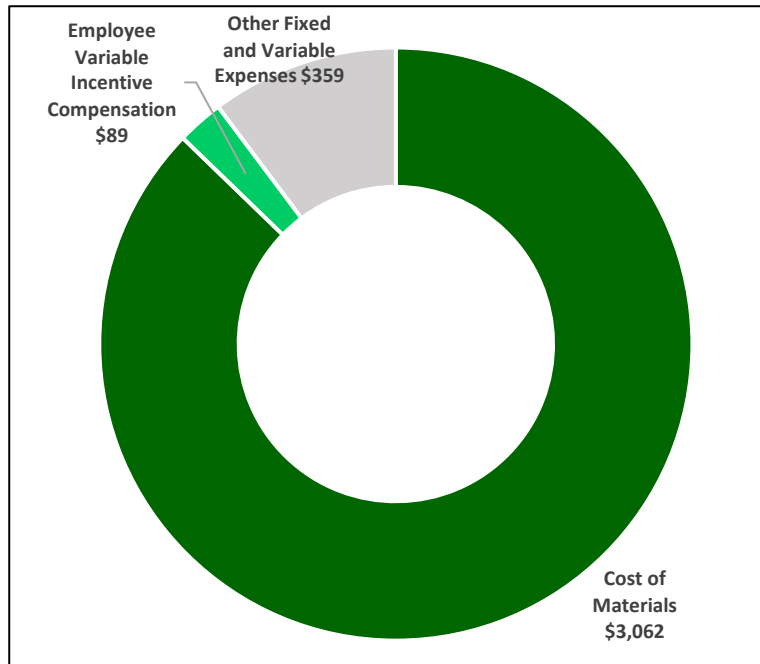


WORKING CAPITAL DISCIPLINE

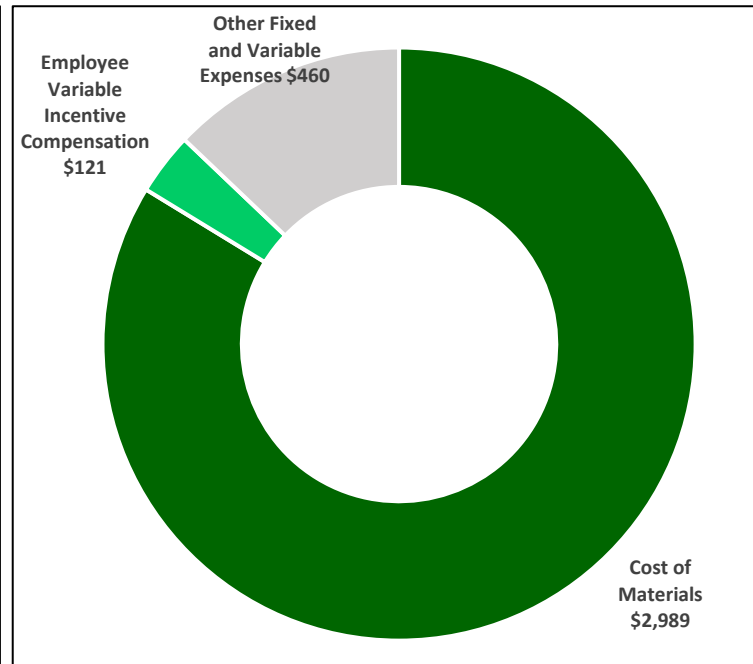


VARIABLE COST MODEL – BREAKDOWN OF CASH COSTS

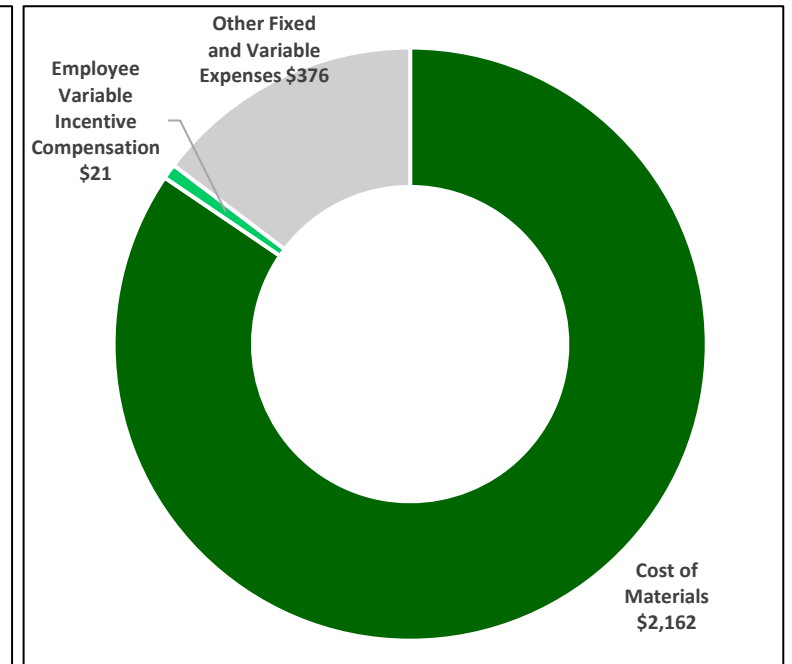
NINE MONTHS ENDED SEPT 30, 2022



YEAR ENDED DECEMBER 31, 2021



YEAR ENDED DECEMBER 31, 2020

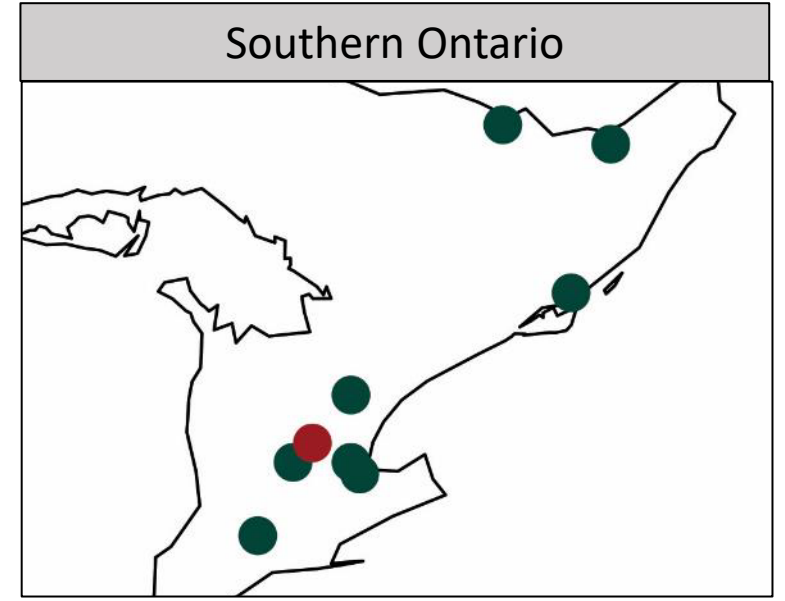
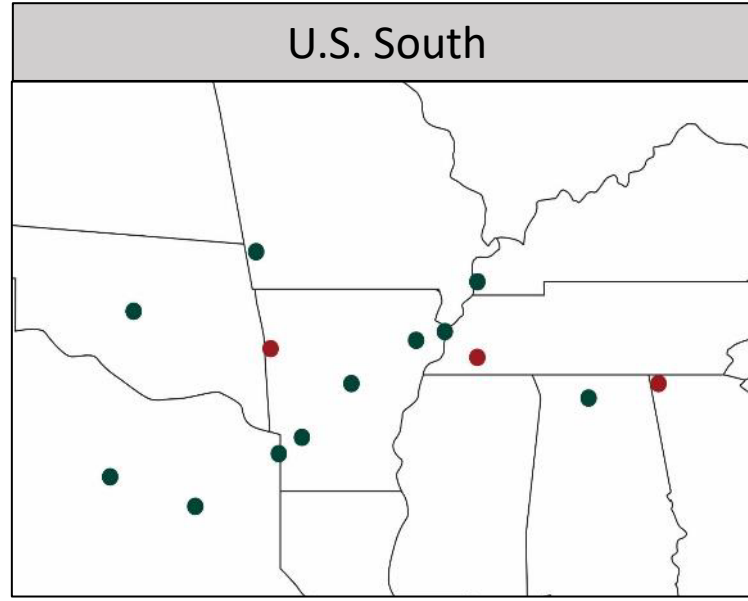
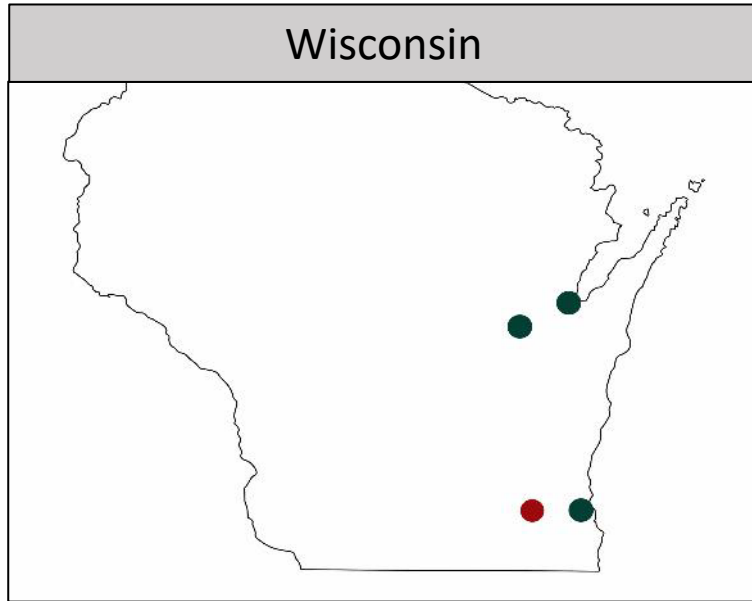


INVESTING IN VALUE-ADDED PROCESSING

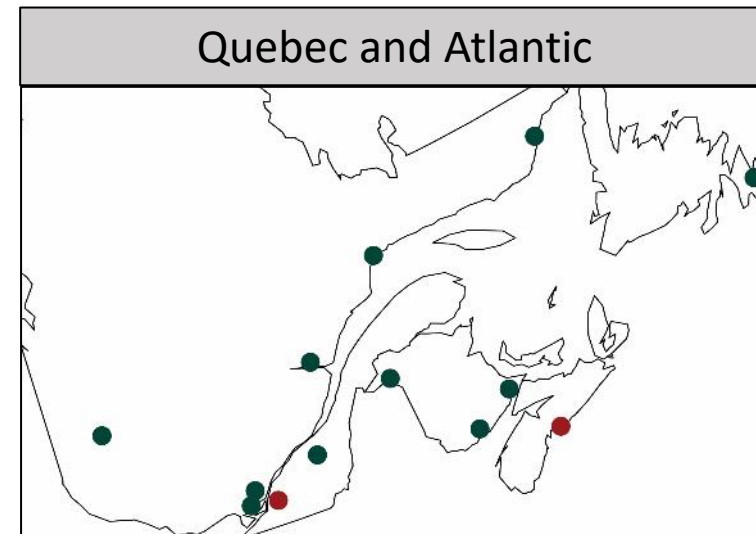
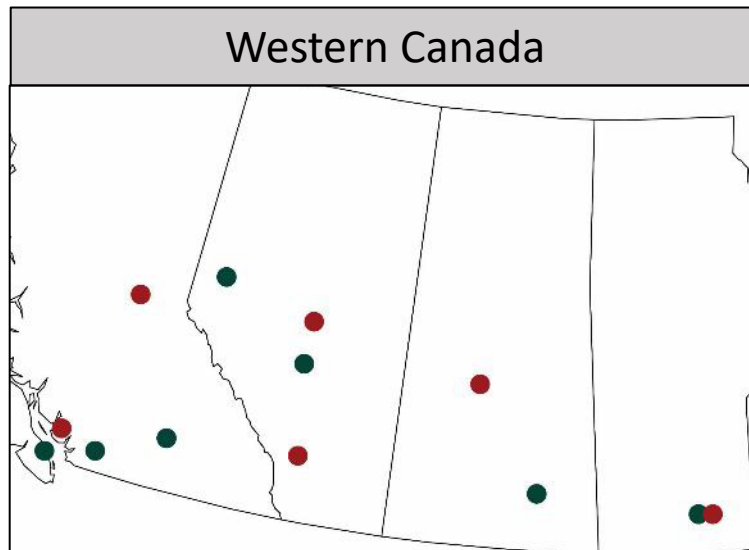
- Value-added processing investments over multi-years
- Typically have paybacks of <3 years



INVESTING IN VALUE-ADDED PROCESSING – HUB & SPOKE APPROACH



- Processing center
- Distribution center



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

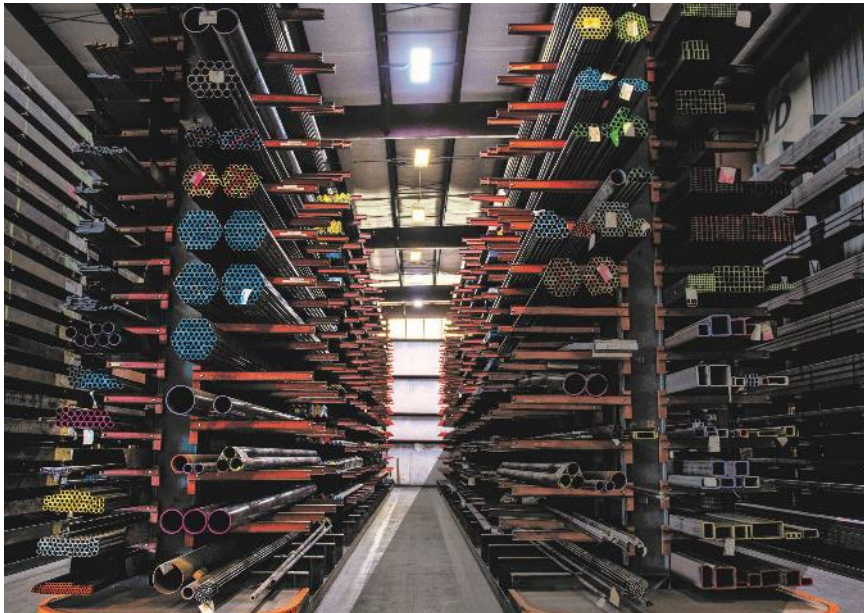
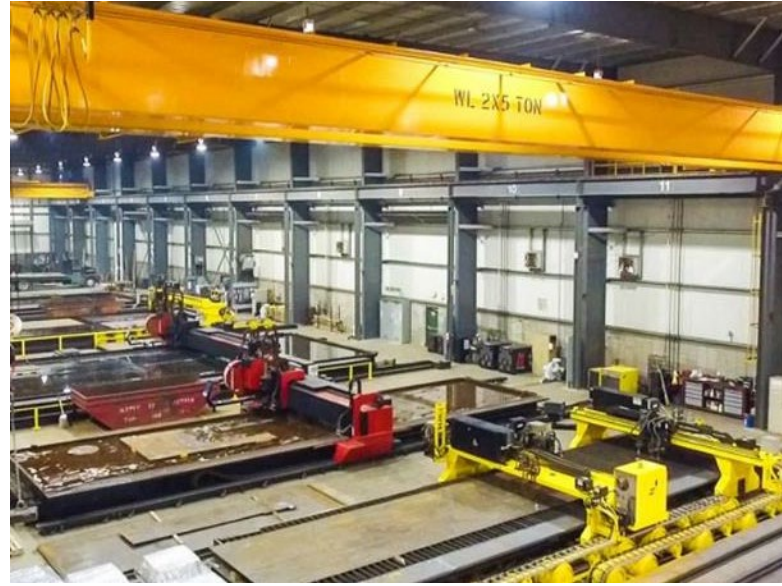
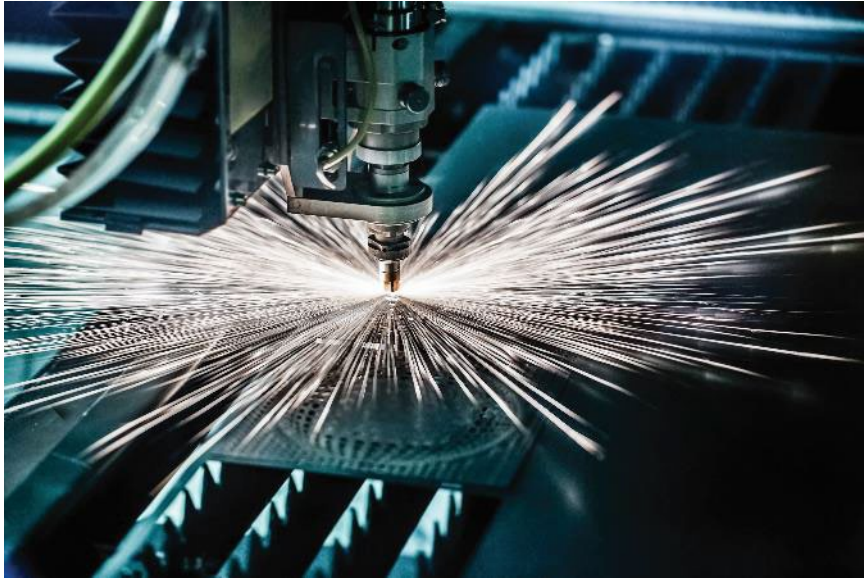
- Female/Visible Minority: 50% Board; 30% Corp. Mgt.
- Independent Board and Audit Committee
- Majority Voting
- Code of Business Conduct
- Independent Whistleblower program



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

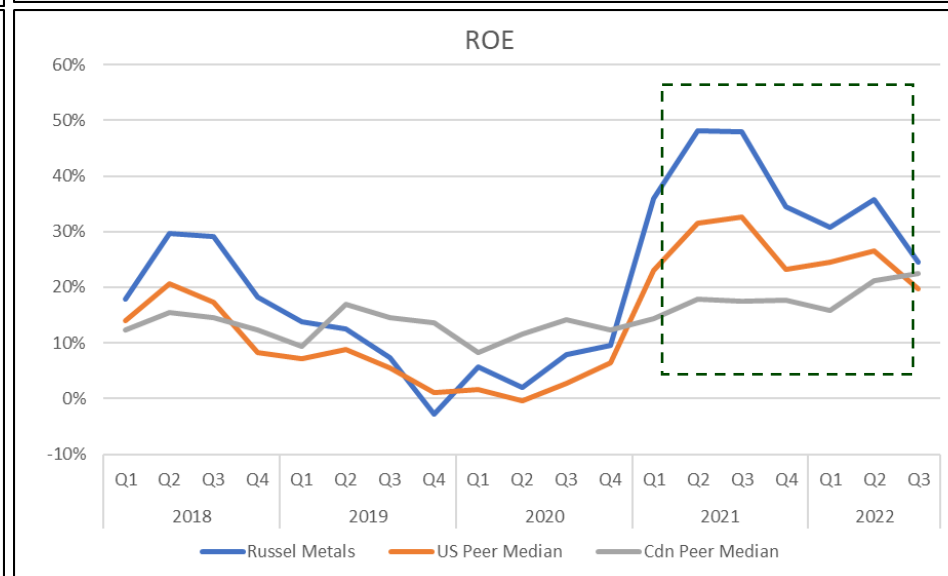
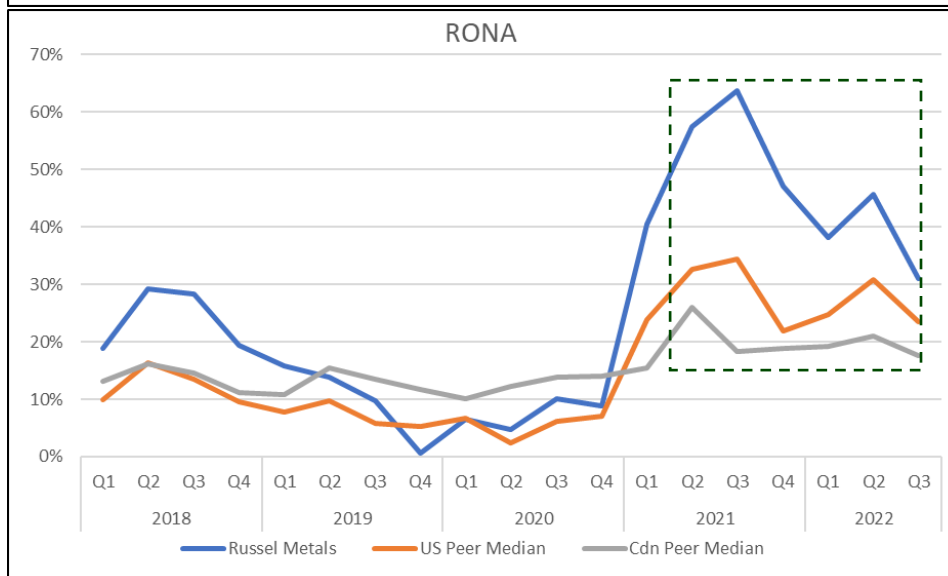
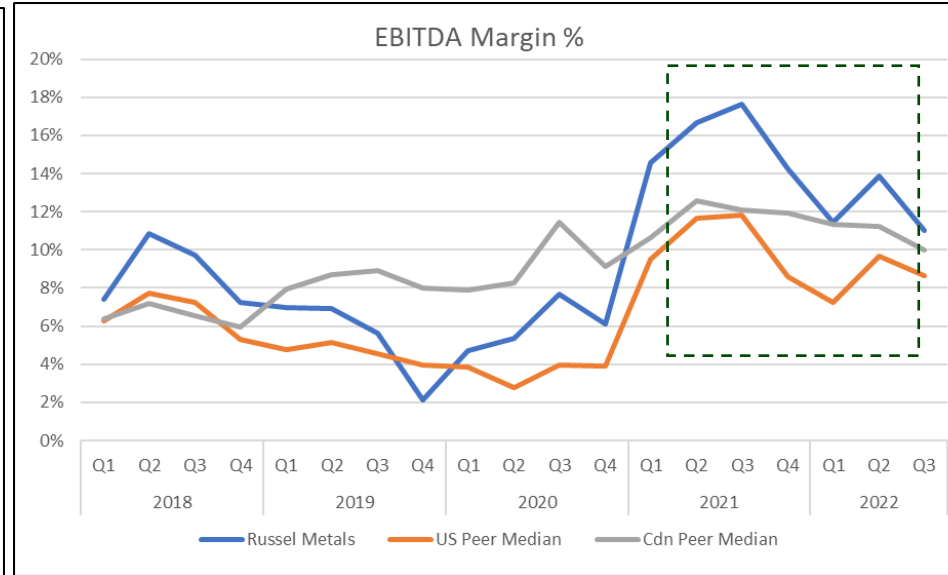
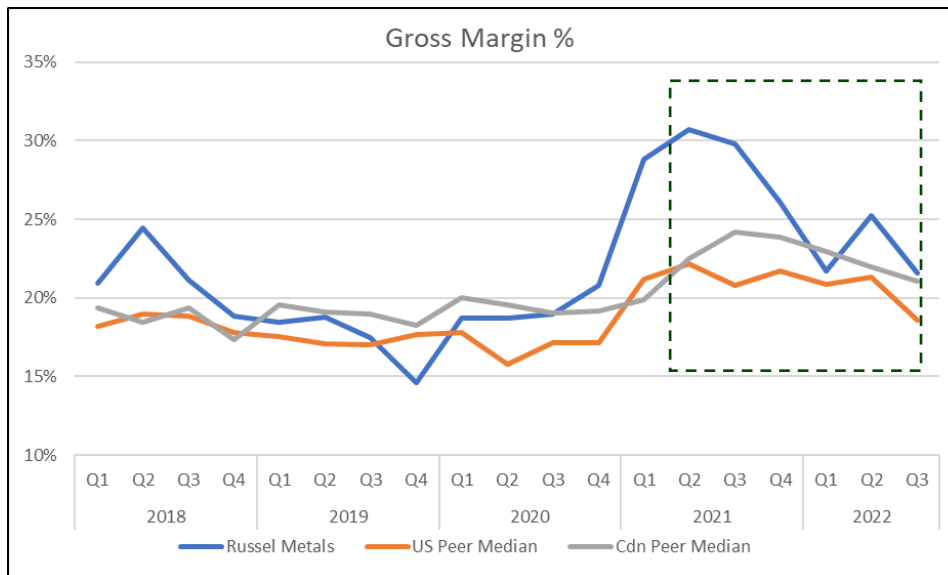
* See Russel Metals Annual Information Form for definitions and additional information



III. FINANCIAL OVERVIEW

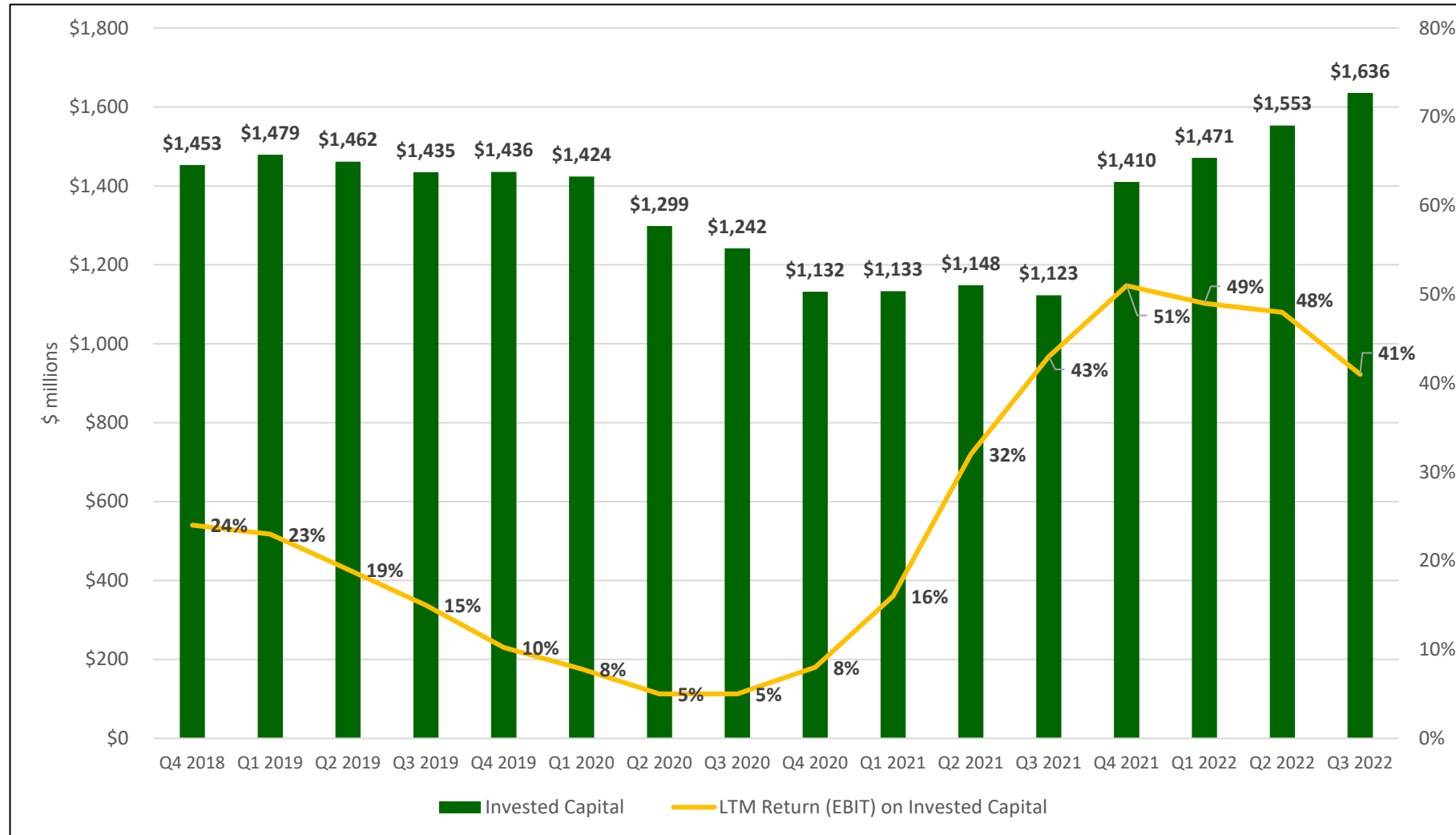
STRONG PERFORMANCE OVER A CYCLE

- Top quartile/decile performance over a cycle
- Very strong recent performance with portfolio changes



Note: US Peers include: DistributionNOW, MRC Global, Olympic Steel, Reliance Steel & Aluminum Co., Ryerson Holding Corp. & Worthington Ind.; Cdn Peers include: Doman Bldg. Mat., Finning, Hardwood Dist., Toromont Ind., & Wajax Corp.

RETURN ON INVESTED CAPITAL: HISTORICAL



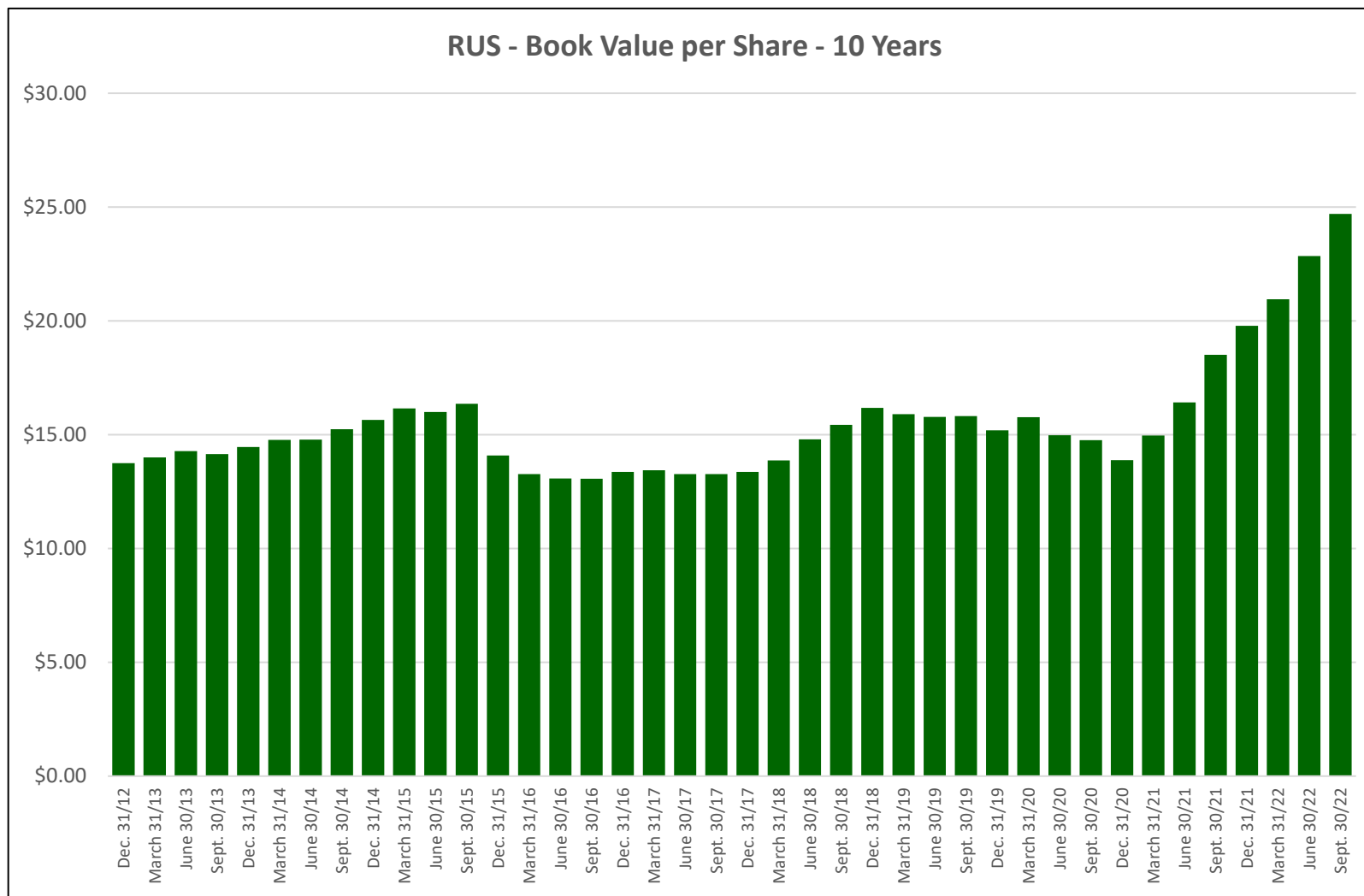
RETURN ON INVESTED CAPITAL: SENSITIVITY ANALYSIS

- The following illustrates the implied annual EBITDA under a range of invested capital and return scenarios.

		Invested Capital (C\$ mm)				
		\$1,400	\$1,500	\$1,600	\$1,700	\$1,800
ROIC	10%	\$204	\$214	\$224	\$234	\$244
	15%	\$274	\$289	\$304	\$319	\$334
	20%	\$344	\$364	\$384	\$404	\$424
	25%	\$414	\$439	\$464	\$489	\$514
	30%	\$484	\$514	\$544	\$574	\$604

Note: Assumes DD&A of \$64 million/year.

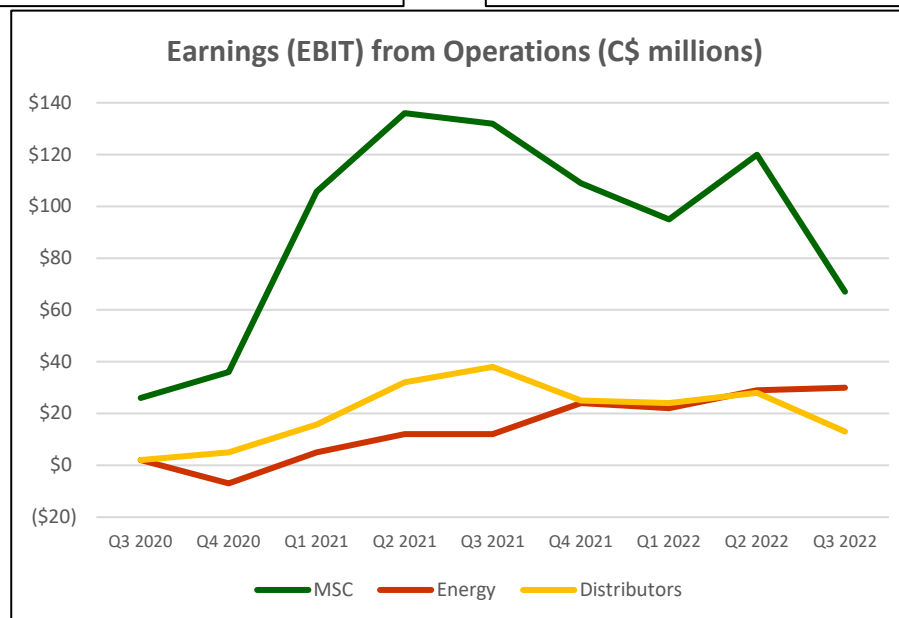
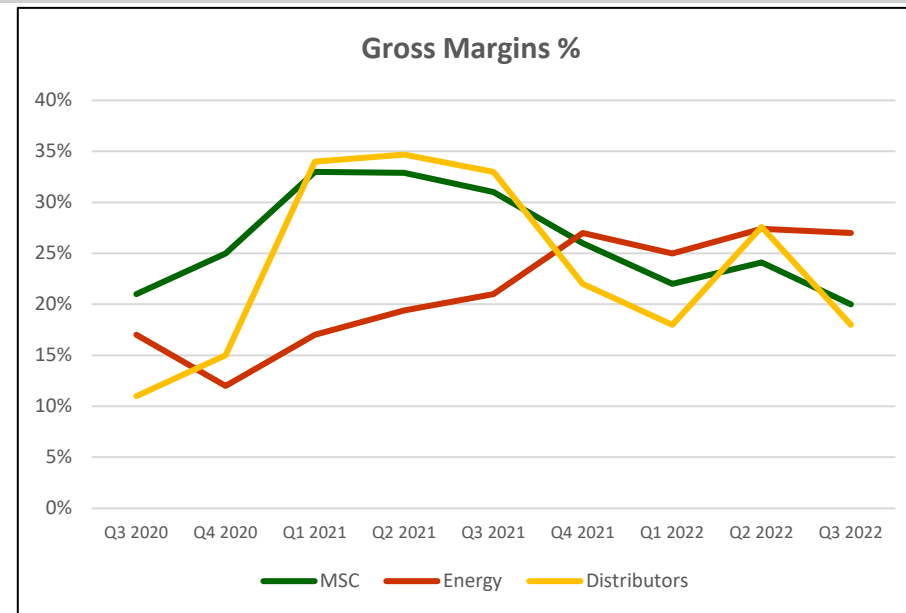
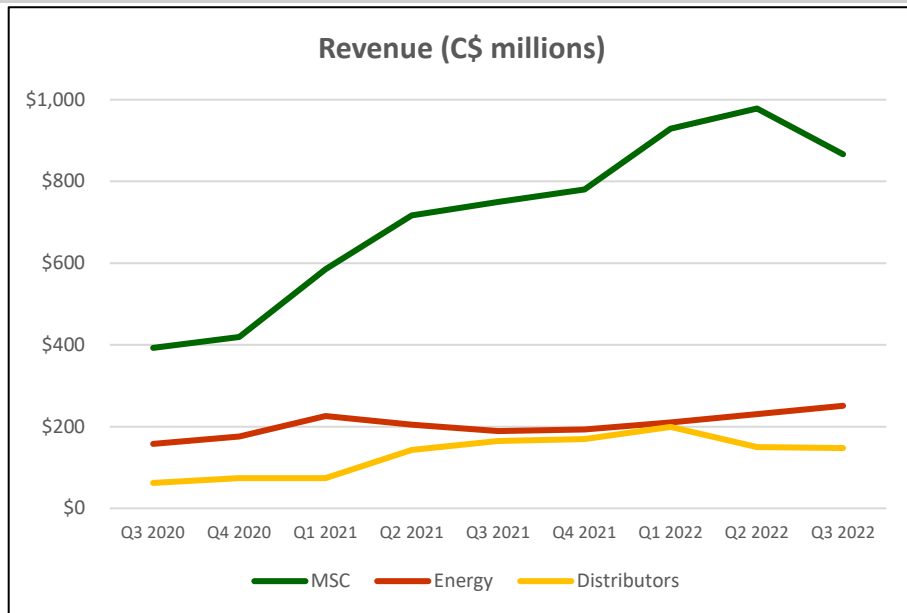
GROWING EQUITY BASE



Q3 2022 FINANCIAL RESULTS

\$ mm, unless otherwise stated	Q3 2021	Q2 2022	Q3 2022	Q3 2022 Observations:
Income Statement:				
Revenues	\$1,108	\$1,362	\$1,270	<ul style="list-style-type: none"> Revenues declined 7% from the record that was set in Q2, but up 15% from Q3 2021 Margins declined for service centers and distributors; consistent margins in energy field stores Q3 results impacted by: <ul style="list-style-type: none"> P/L pick-up from TriMark (\$15 mm = \$13 mm of earnings + \$2 mm of preferred dividends). Dividends of \$14 mm received in Q3 (\$12 mm of common/\$2 mm of preferred), and additional \$7 mm received in Q4 Mark-to-market of stock-based comp NIL vs. \$4 mm recovery in Q2 Inventory reserves increased by \$6 mm
Gross Margin (\$ mm/%)	\$330 / 29.8%	\$344 / 25.3%	\$274 / 21.5%	
EBITDA (\$ mm/%)	\$196 / 17.7%	\$189 / 13.9%	\$140 / 11.0%	
EBIT (\$ mm/%)	\$181 / 16.3%	\$173 / 12.7%	\$123 / 9.7%	
Interest Expense	\$6	\$7	\$7	
Net Income	\$132	\$124	\$91	
EPS	\$2.10	\$1.96	\$1.45	
Cash Flow:				
Change in non-cash working capital	\$(63)	\$(72)	\$(41)	<ul style="list-style-type: none"> Net increase in working capital: Increase in Inv (\$4 mm) and decrease in AP (\$42 mm) Capex is moving up with discretionary projects
Capex	\$(8)	\$(8)	\$(10)	
Balance Sheet:				
Net Debt	\$(42)	\$108	\$92	<ul style="list-style-type: none"> Total debt of \$296 mm offset by cash/investments of \$204 mm C\$ weakened and had an impact on Other Comprehensive Income. Fx at 6/30/22 (1.2886) vs. 9/30/22 (\$1.3707) Liquidity continued to remain strong Annuitized \$35 mm of DB pension plan assets/liabilities in October Share buy backs of 583k shares/\$16 mm closed in Q3 (additional 90k closed in October) Book value of \$24.70/share Dividend of \$0.38/share
Shareholders' Equity	\$1,165	\$1,444	\$1,544	
Available Liquidity	\$602	\$472	\$541	
Net Debt/Capitalization	<0%	7%	6%	

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)	6/30/22 (C\$ mm)	9/30/22 (C\$ mm)
Cash	\$133	\$146	\$187	\$204
Bank Lines - Maturity 2025	--	--	--	--
5.75% Notes - Due 2025	\$147	\$147	\$147	\$148
6% Notes - Due 2026	\$148	\$148	\$148	\$148
Total Debt	\$295	\$295	\$295	\$296
Shareholders Equity	\$1,248	\$1,322	\$1,444	\$1,544
Net Debt/Invested Capital	11%	10%	7%	6%
Net Debt/LTM EBITDA	0.2x	0.2x	0.2x	0.1x
Liquidity	\$495	\$457	\$472	\$541

SUMMARY PRIORITIES

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

Value-Added Equipment

Hub and spoke model for processing centers
Multiple new investment opportunities/year over multiple years
Target ~\$30 mm/year of discretionary investments

Facility Modernizations

Consolidate multi-site regions into modern operations with automated handling equipment
Repatriate the real estate value from certain existing locations
Target \$50-75 mm of investments over five years

Acquisitions

Completed three acquisitions over past three years
Focus on N. American operations that fit with existing business segments
Disciplined economic and operational criteria

Balanced approach to returning capital to shareholders

Dividends

Dividend of \$0.38/share/quarter = \$24 mm/quarter

Share Buy Backs

Filed for up to 5% of shares outstanding (3.2 mm shares) in August 2022
Acquired 673k shares in August/Sept/Oct = \$19 mm



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