

COMPANY UPDATE

SEPTEMBER 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 June 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, 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

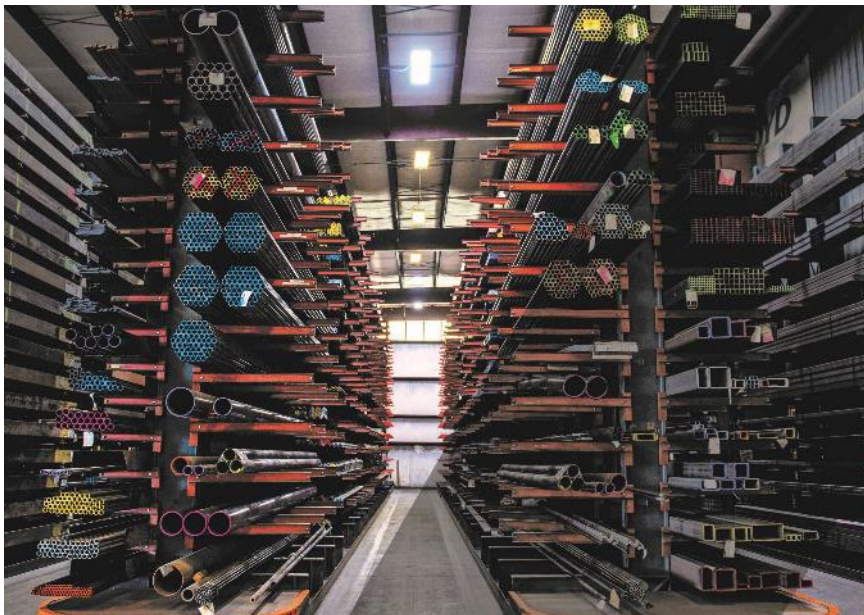
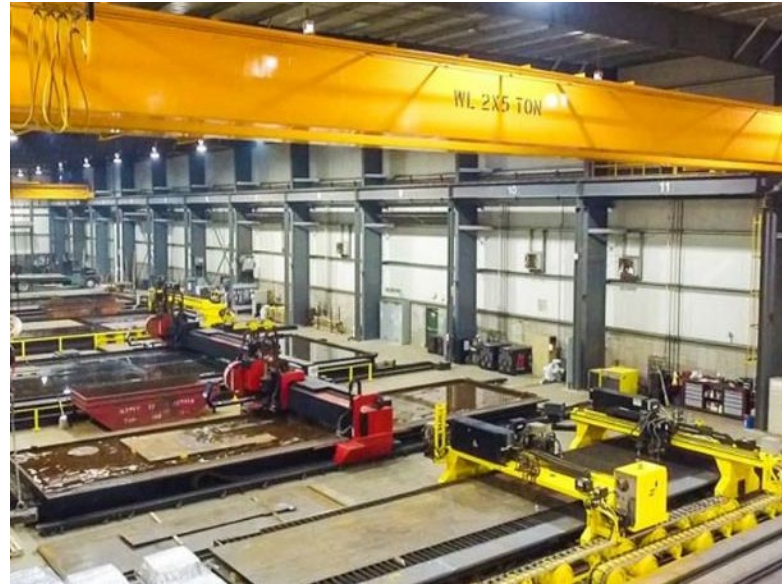
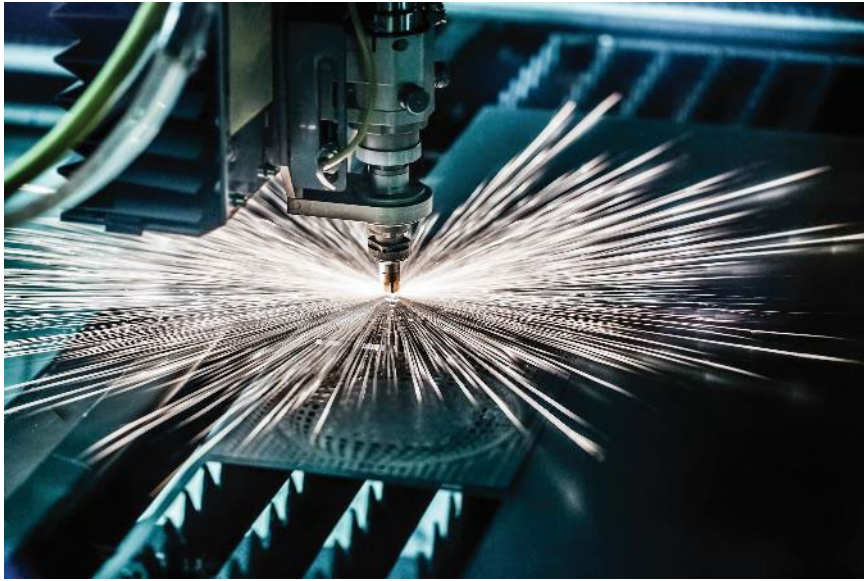
- Monetized the OCTG/Line Pipe segment of the energy portfolio
 - Repatriated ~\$300 million of capital; Reduced volatility; Enhanced average returns and margins
- Reinvested in value-added processing
- Completed two acquisitions since 2020

Strong Liquidity and Financial Position

- As of June 30/22:
 - Net Debt/Invested Capital: 7%
 - Net Debt/LTM EBITDA: 0.2x
 - Liquidity: \$472 million

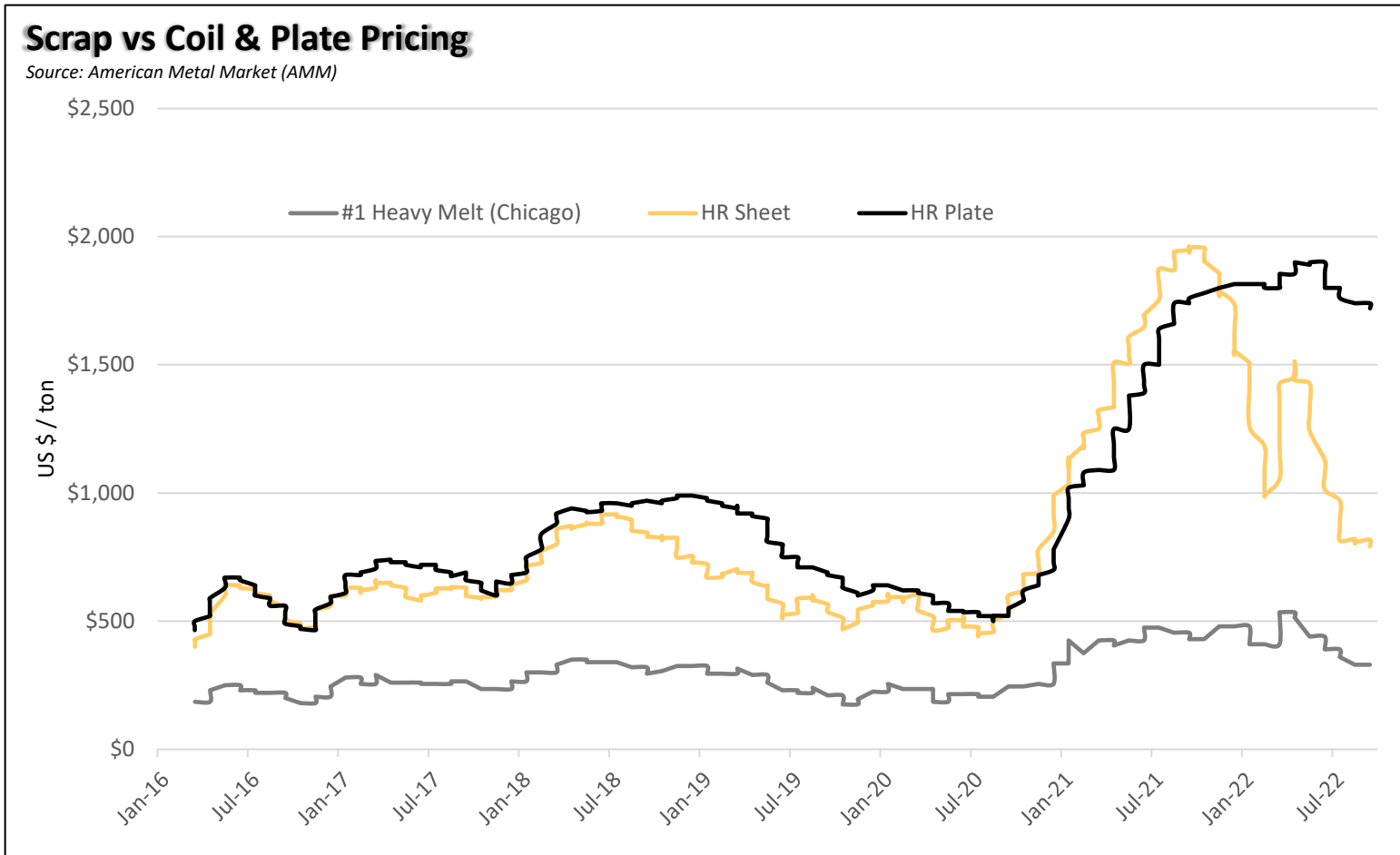
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I. MARKET TRENDS

BUSINESS CONDITIONS – METAL PRICING TRENDS



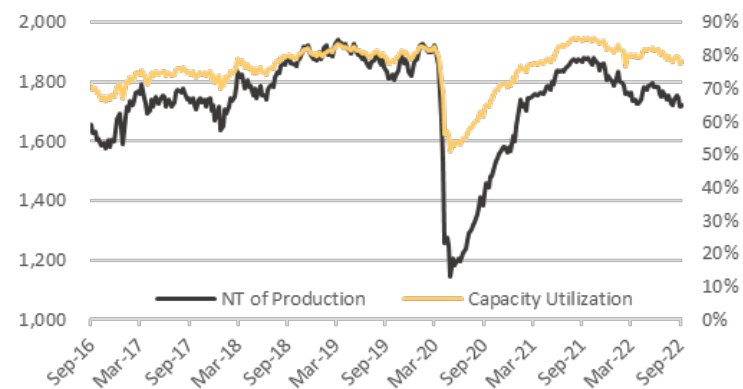
BUSINESS CONDITIONS: SUPPLY CHAIN DYNAMICS

Steel Mills/Imports:

- Capacity utilization just below 80%
- Imports are moving up

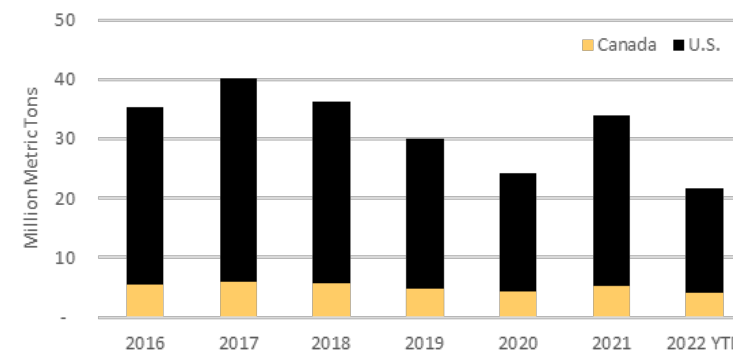
US Raw Steel Output & Utilization

Source: American Iron and Steel Institute



Steel Import Volumes

Source: GC, International Trade, Steel Import Monitoring Program & USDOC, Census Bureau, Foreign Trade, Imports of Steel

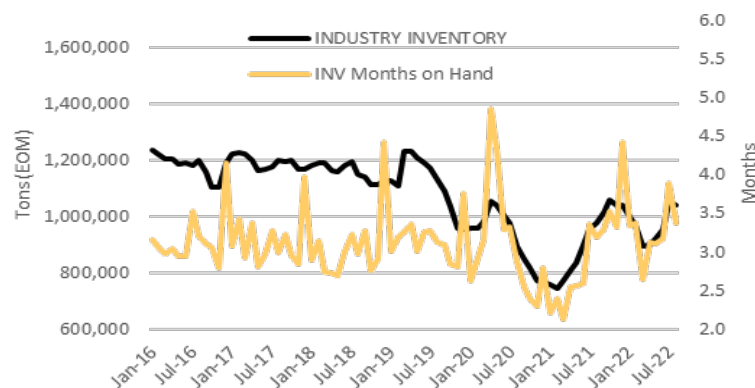


Service Centers:

- Supply chain inventories increased over the past several months, but have recently come back down

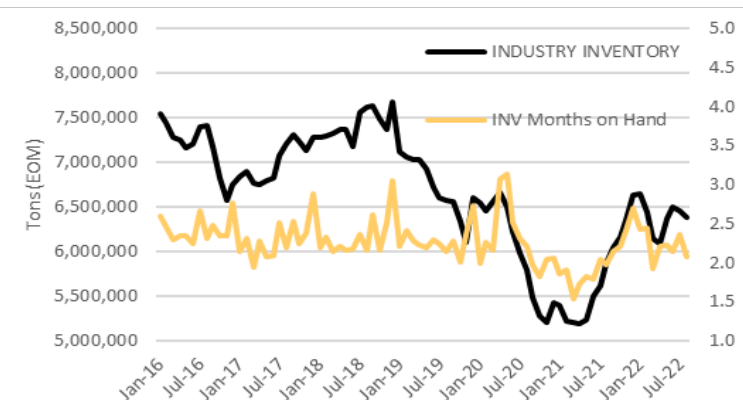
Carbon Steel: Inventory (Canada)

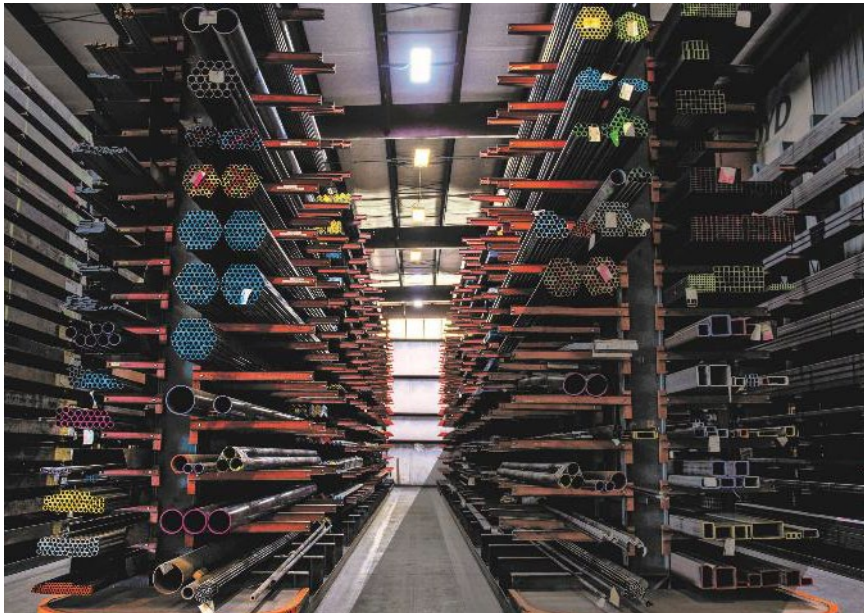
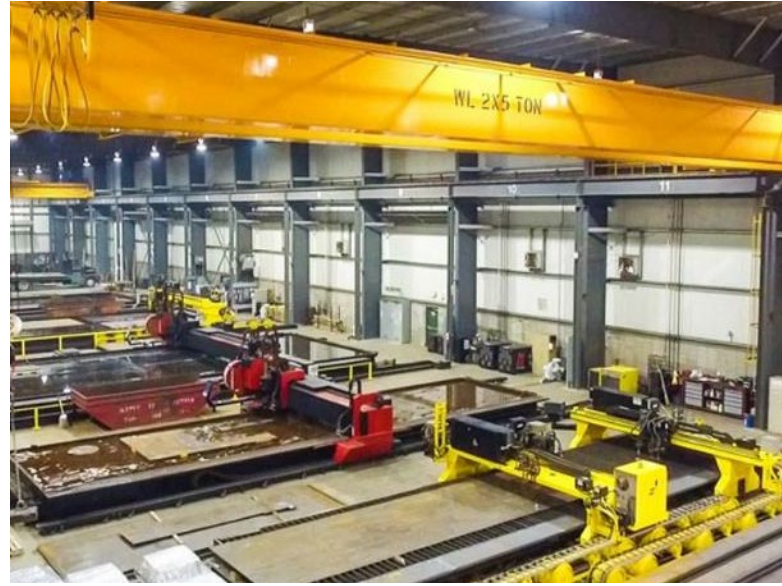
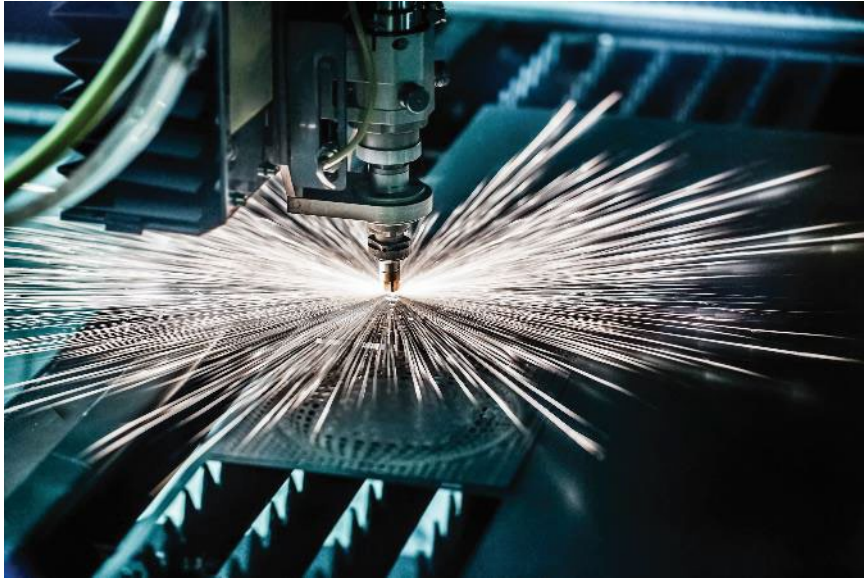
Source: Metals Service Center Institute (MSCI)



Carbon Steel: Inventory (us)

Source: Metals Service Center Institute (MSCI)





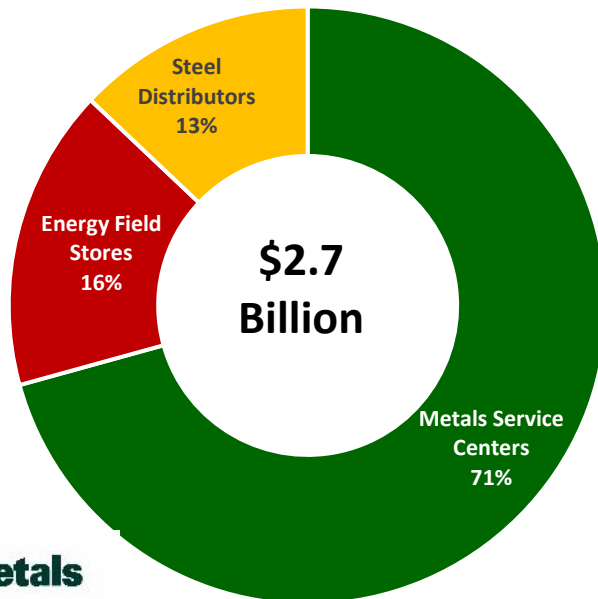
II. COMPANY OVERVIEW

RUSSEL METALS AT-A-GLANCE

Overview

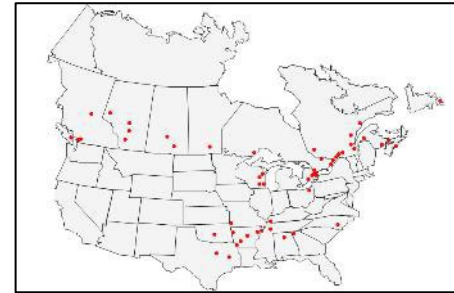
- Distribution of steel and other metal products across North America
- Three segments: Metal Service Centers, Energy Field Stores and Steel Distributors
- Founded in 1916
- Headquartered in Mississauga, Ontario, Canada
- Ticker: RUS.TO; 63 mm shares outstanding

Revenue by Segment (Six Months Ended June 30, 2022)



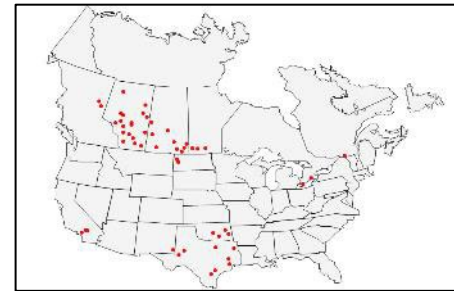
Key Segments

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

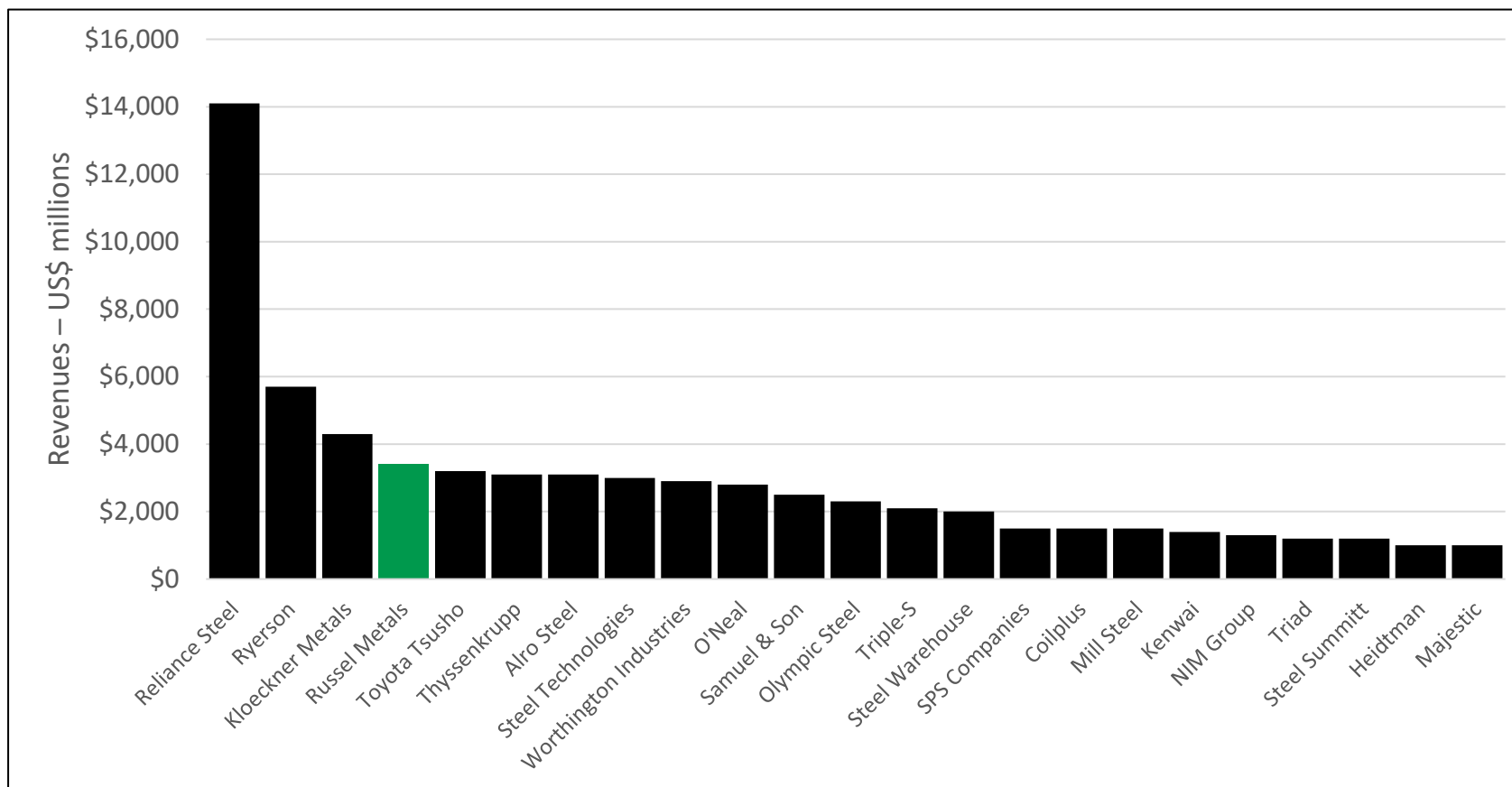
Steel Distributors



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

STRONG MARKET POSITION

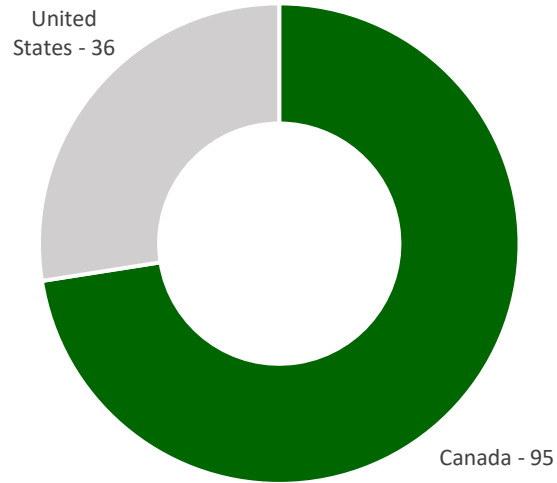
- Russel is one of the largest service center companies in North America
 - Leading market position in Canada
 - Strong market position in the US South and US Mid-West



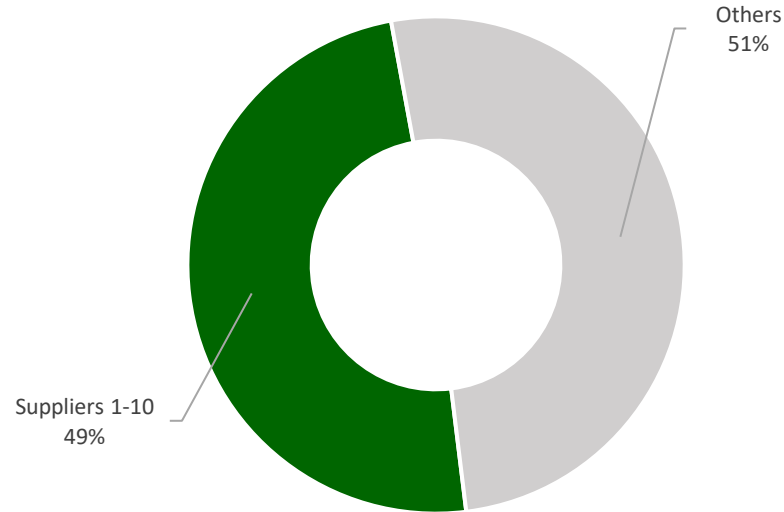
Source: Metal Center News, September 2022

DIVERSIFIED BUSINESS

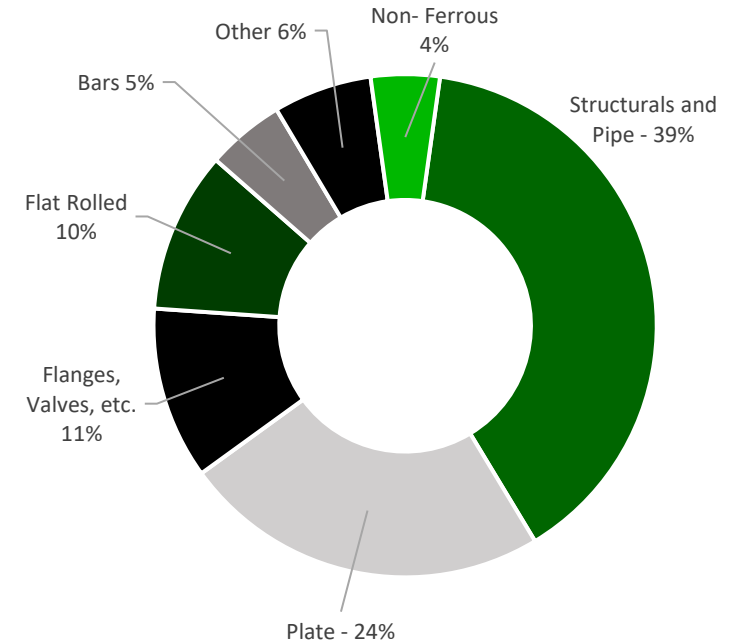
Geography - 131 Locations



Suppliers



Product Mix

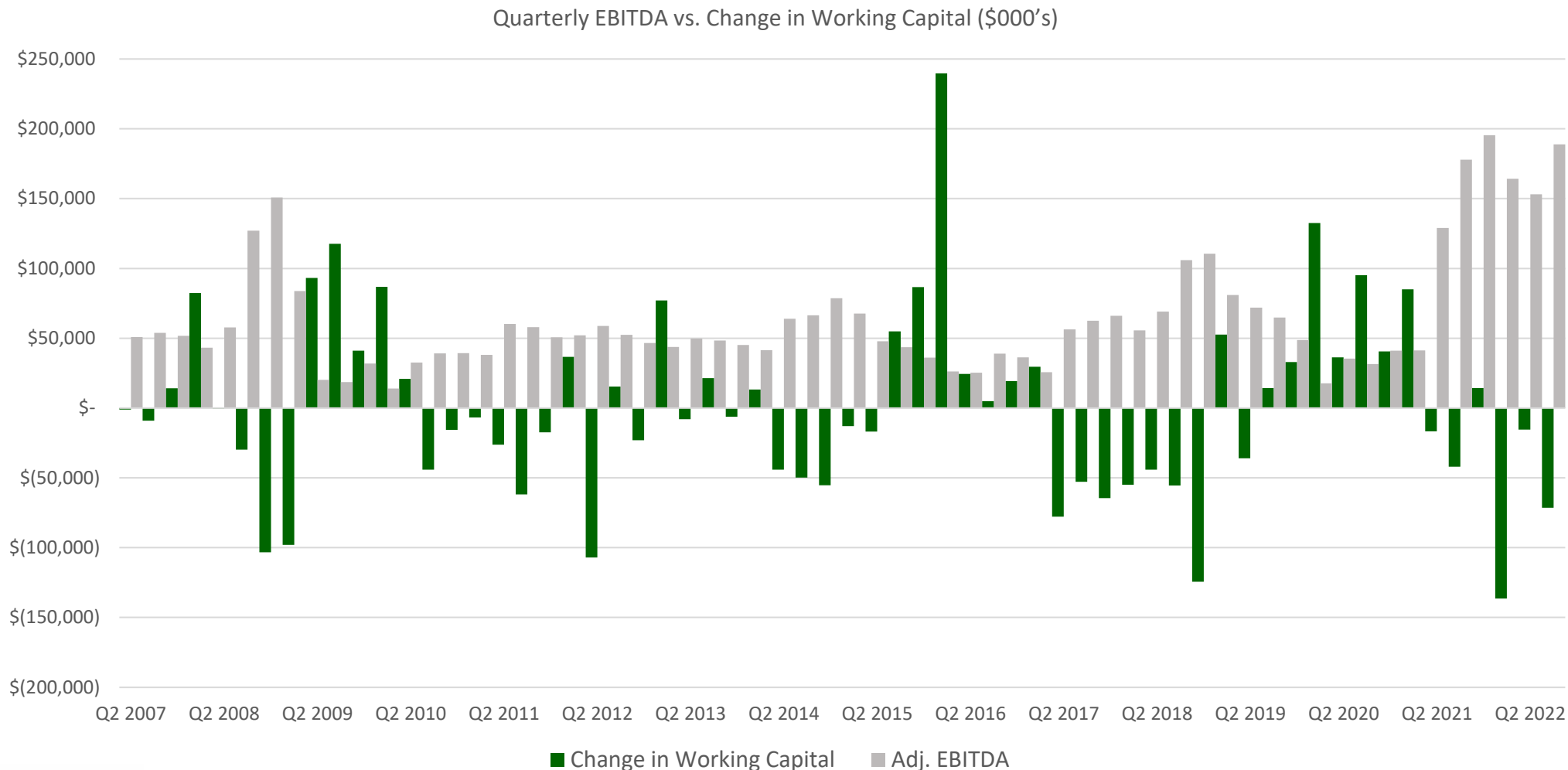


Customers

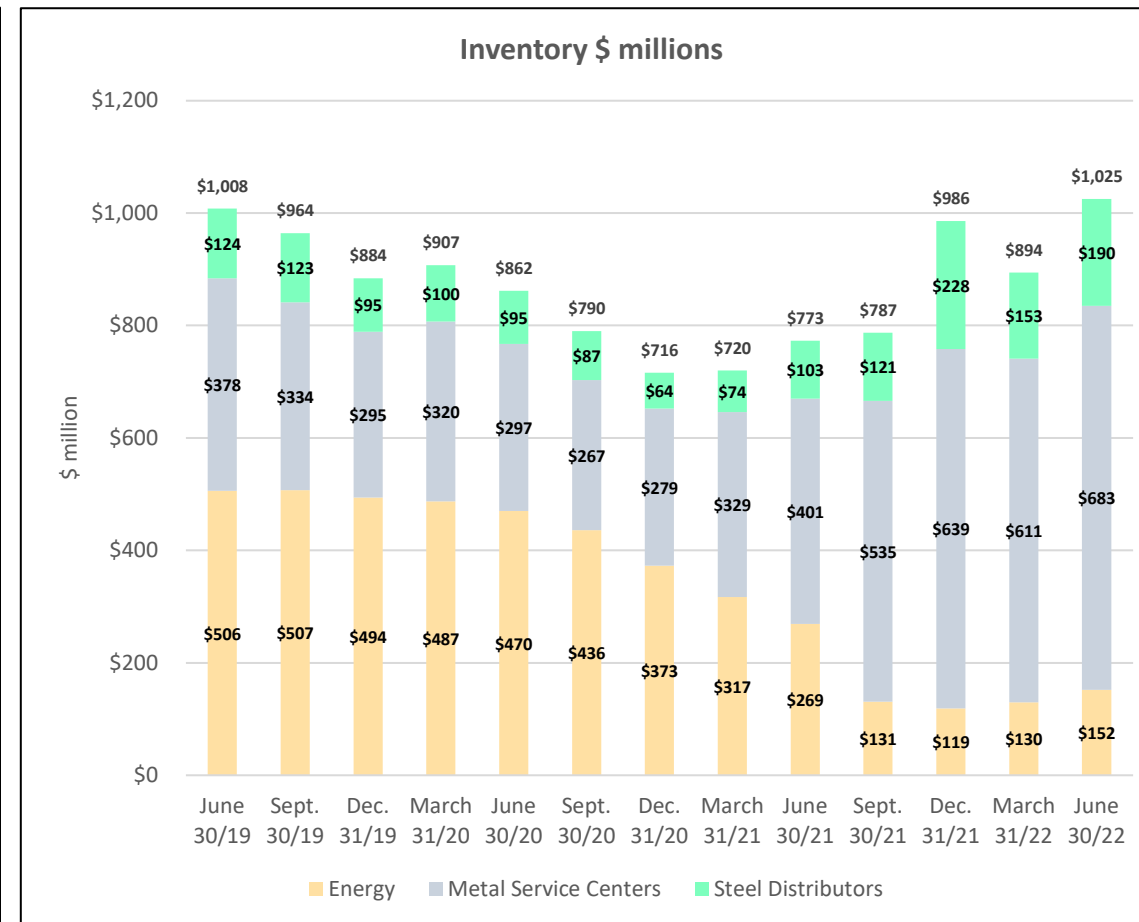
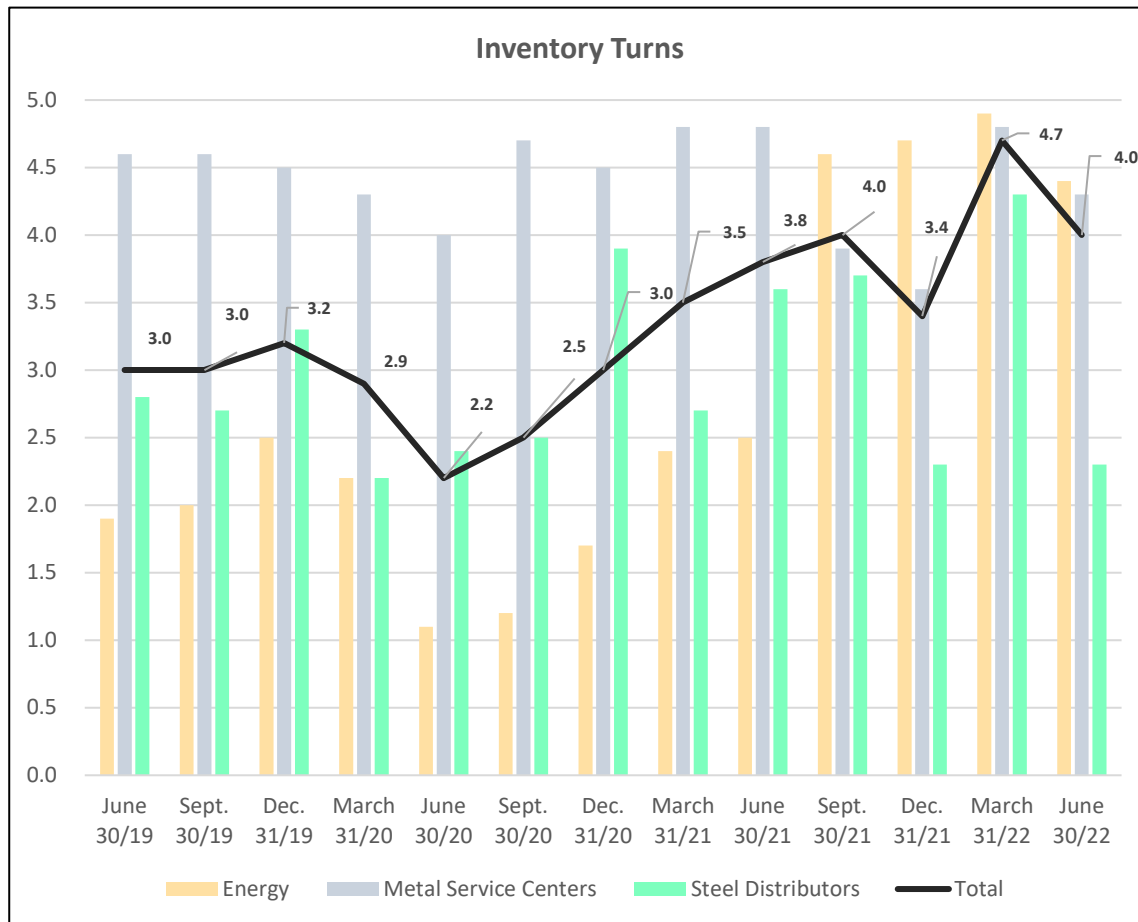
- >30,000 customers
- Average invoice < \$2,500
- Top 10 customers < 10% of revenues

COUNTERCYCLICAL CASH FLOWS

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



WORKING CAPITAL DISCIPLINE

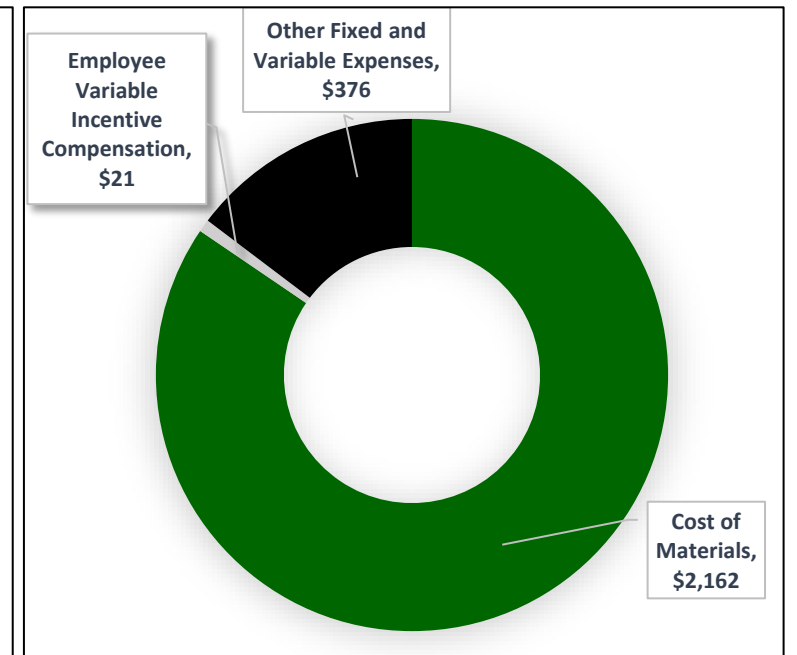
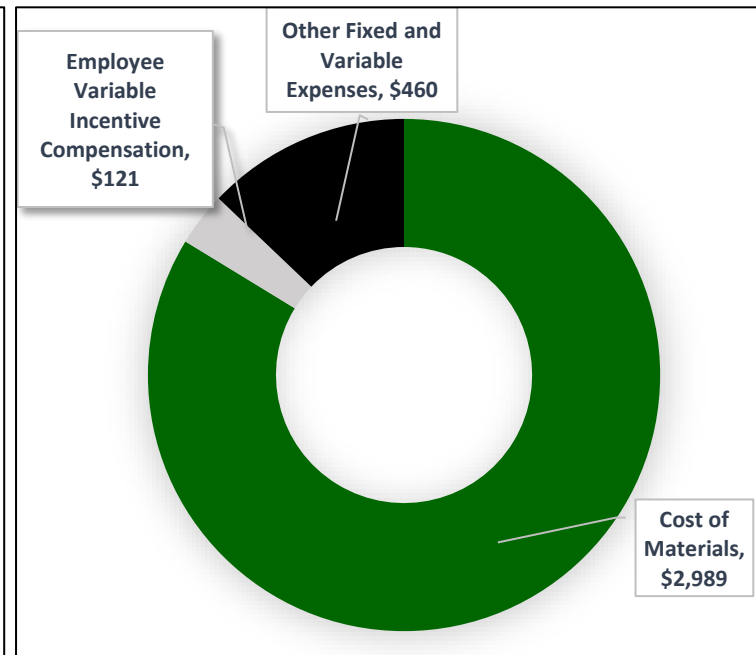
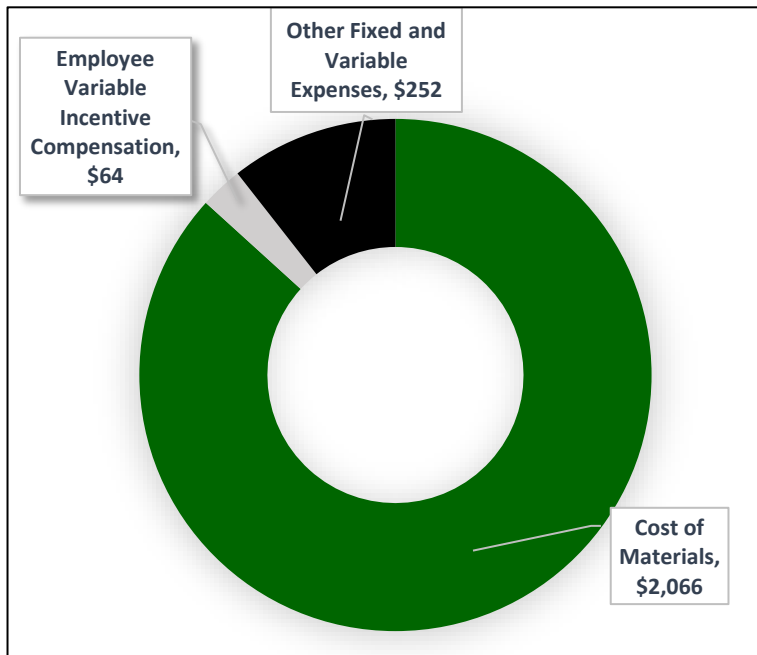


VARIABLE COST MODEL – BREAKDOWN OF CASH COSTS

SIX MONTHS ENDED JUNE 30, 2022
\$2,382 Million

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

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

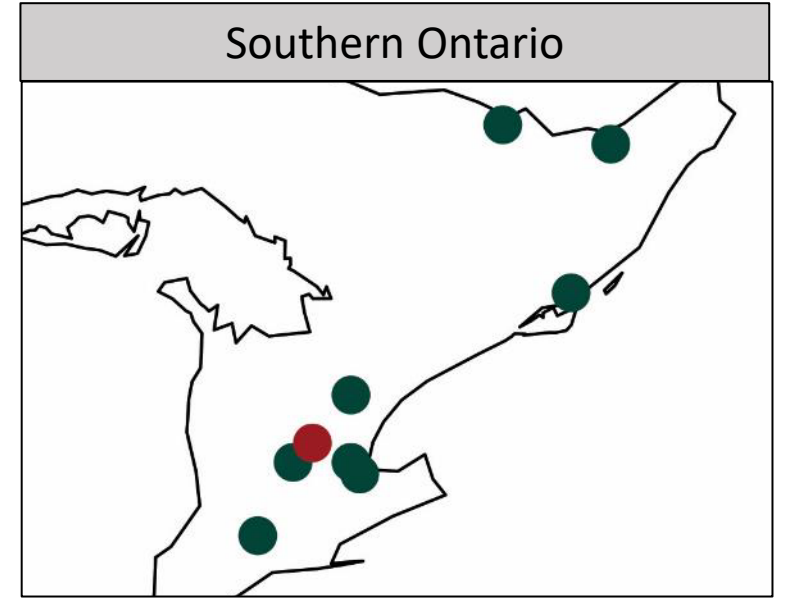
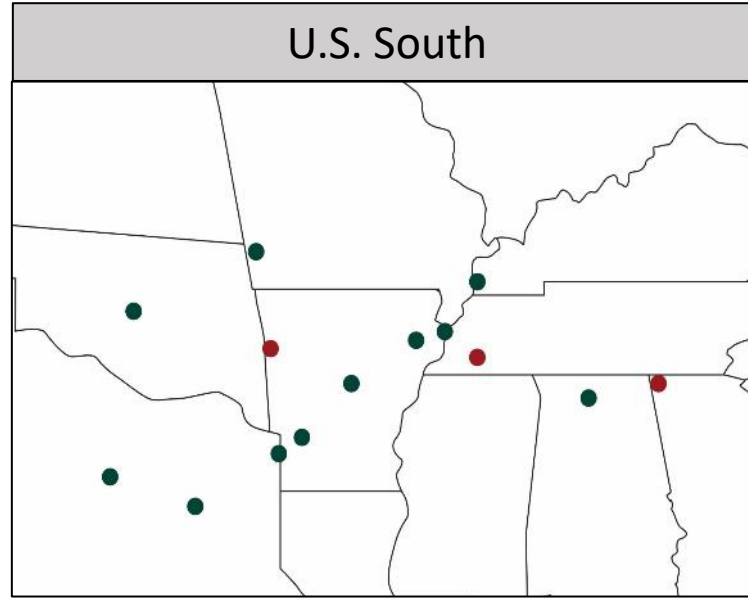
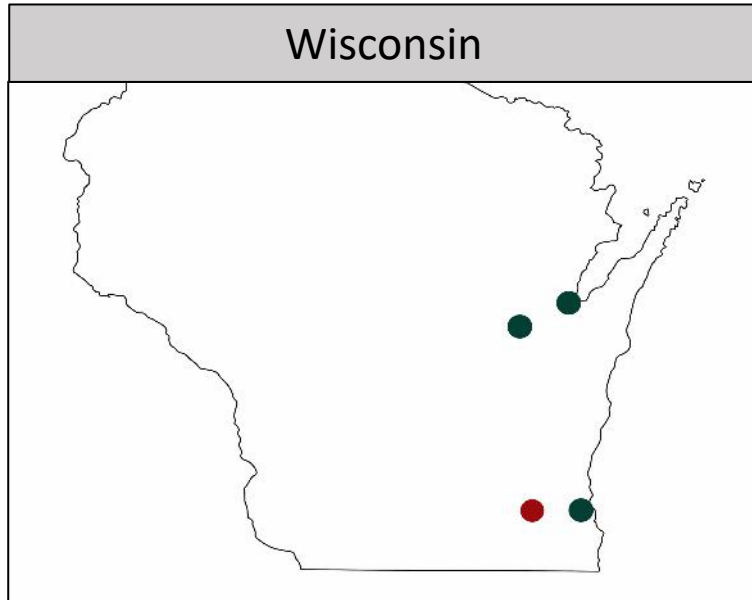


INVESTING IN VALUE-ADDED PROCESSING

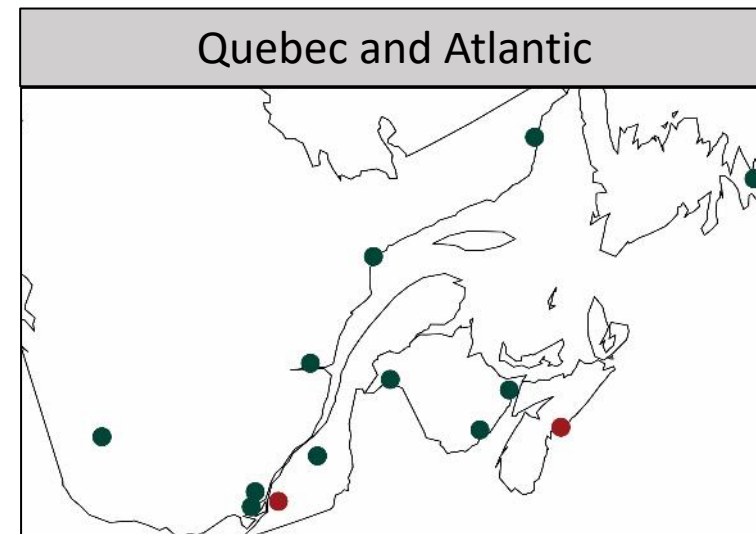
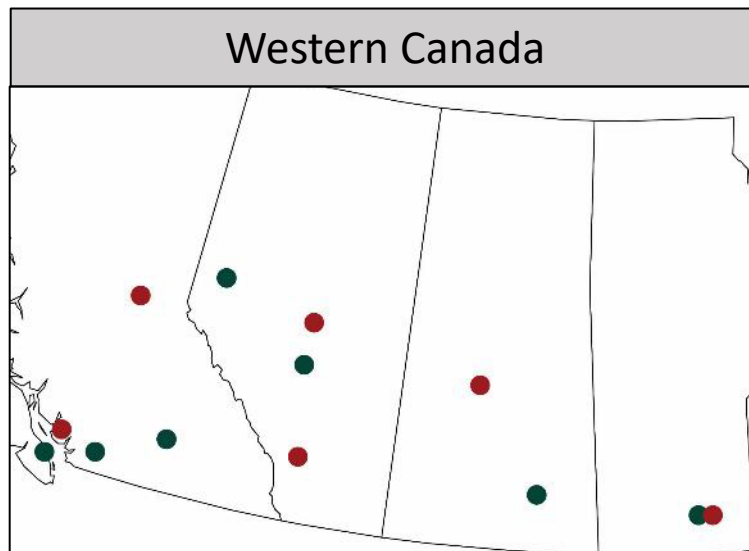
- Value-added processing investments over multi-years
- Typically have paybacks of <3 years



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

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.

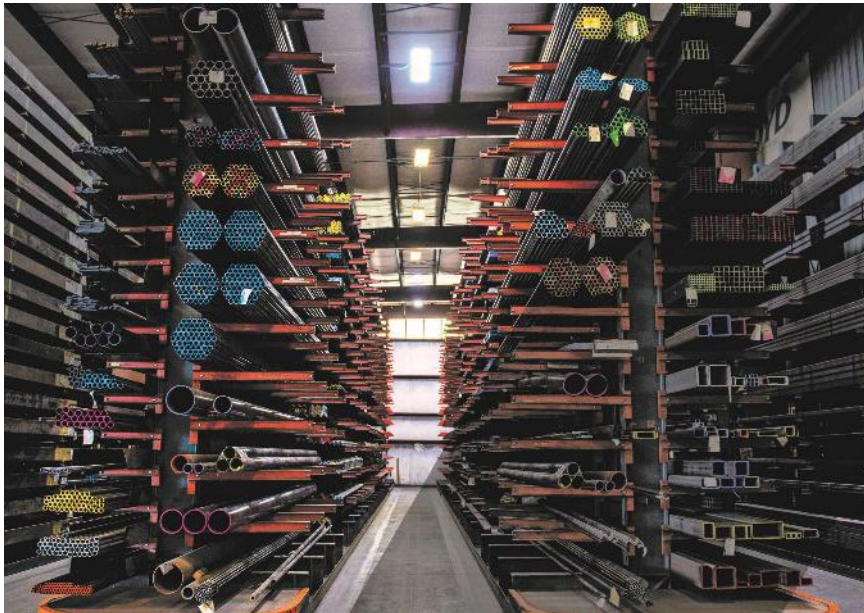
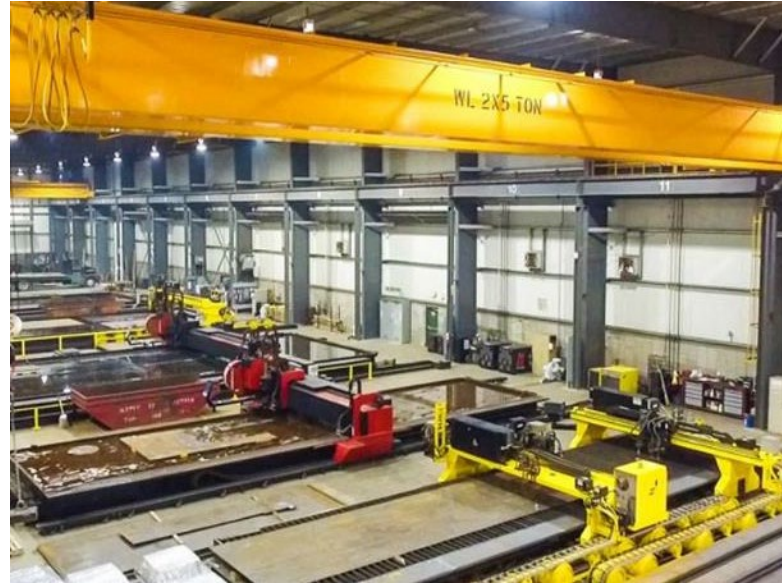
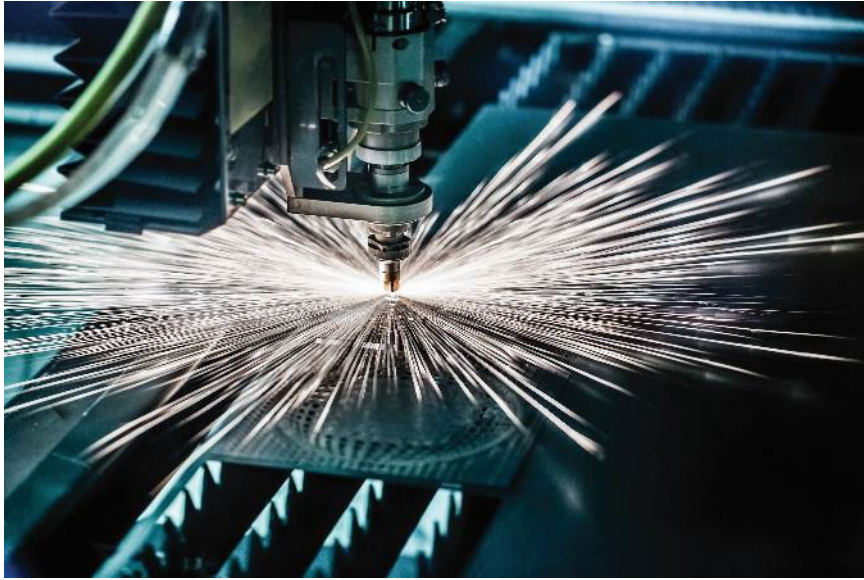
At the end of 2021, we commenced a corporate donation program and provided \$500,000 to a number of charities that support vulnerable people. (www.russelmetals.com/en/corporate-giving)

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

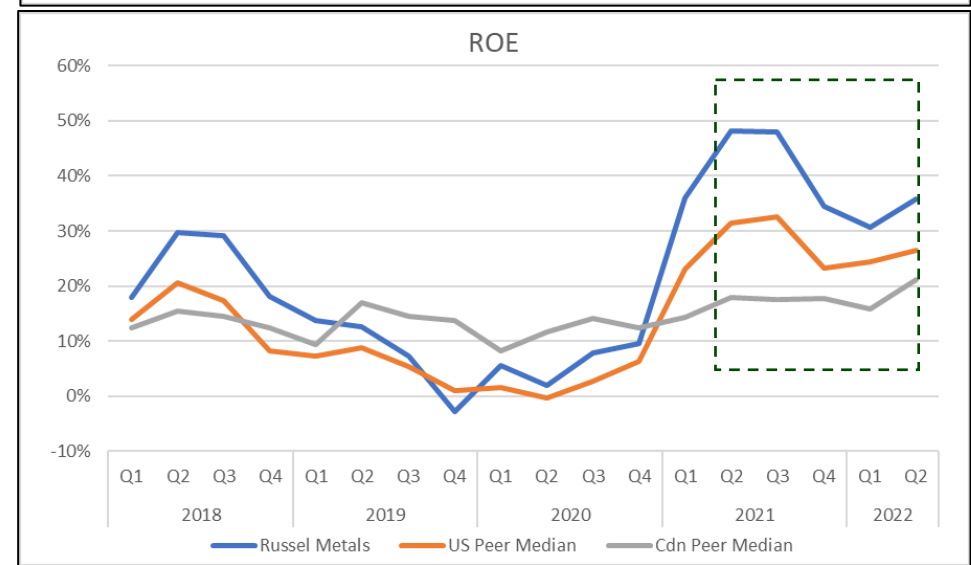
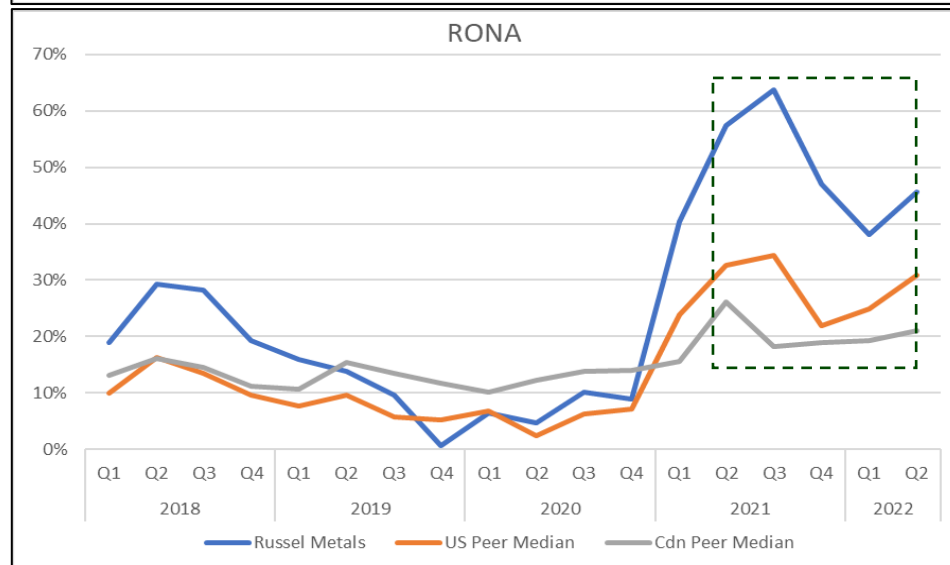
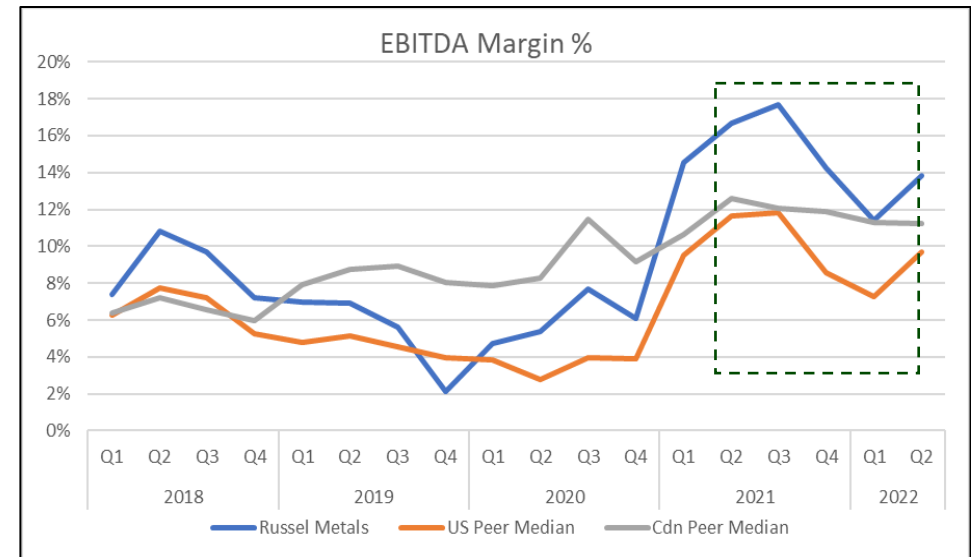
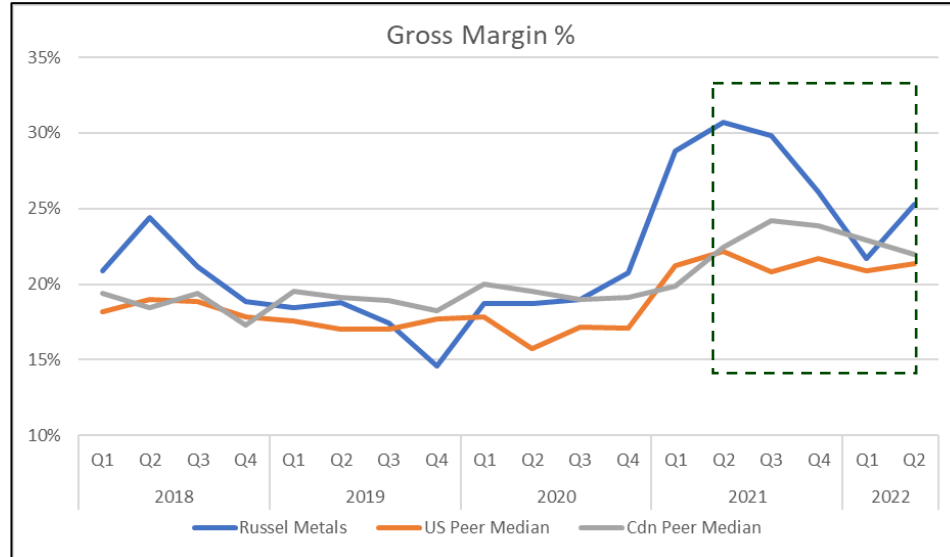
You can reach out to our Corporate Giving Administration team at giving@russelmetals.com with any questions you may have.



III. FINANCIAL OVERVIEW

STRONG RELATIVE PERFORMANCE

- Strong relative performance over the 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



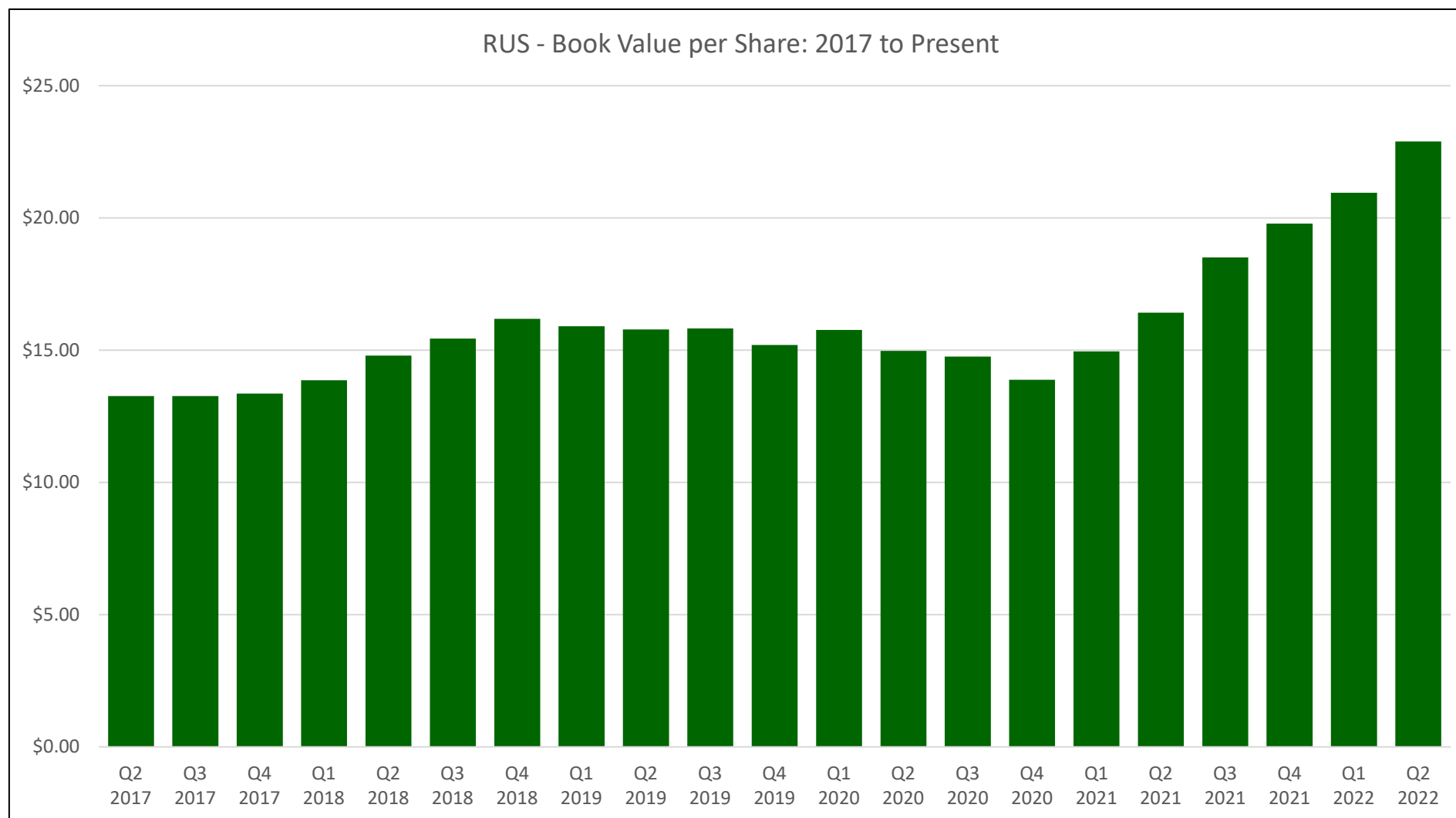
RETURN ON INVESTED CAPITAL: SENSITIVITY ANALYSIS

- 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.

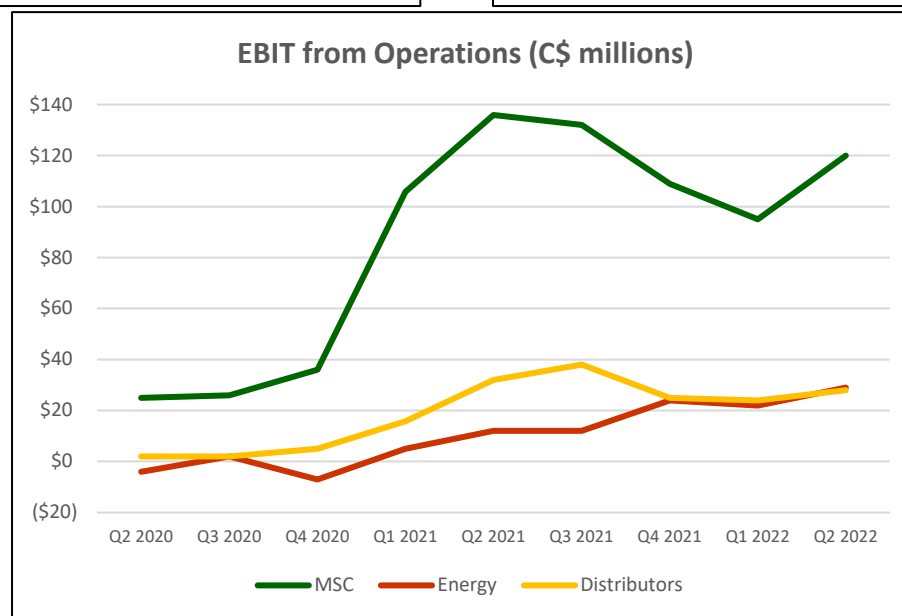
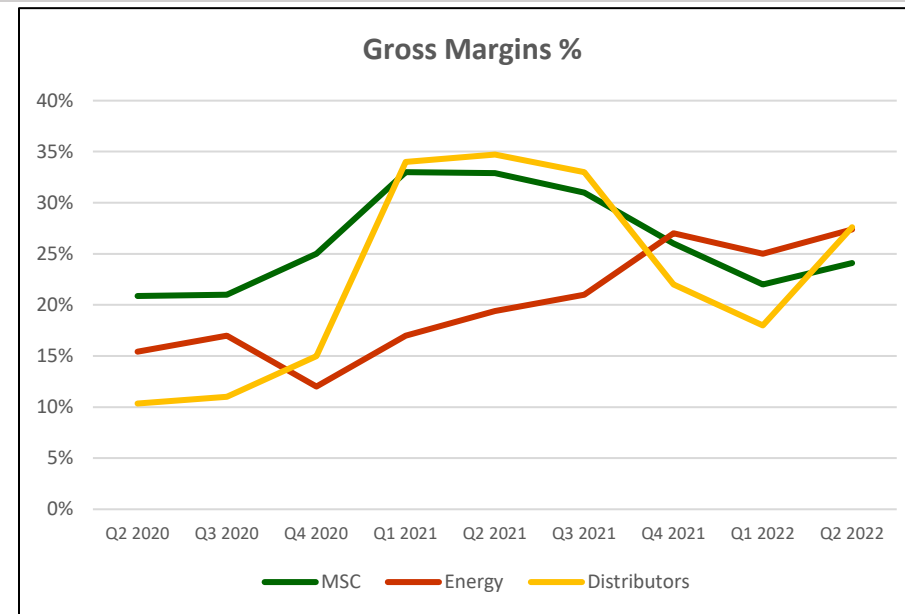
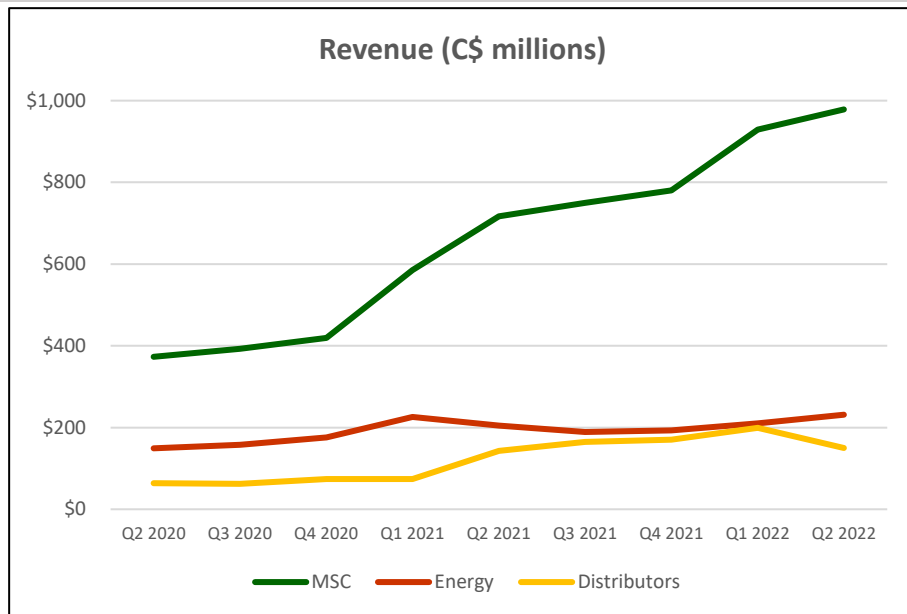
GROWING EQUITY BASE



Q2 2022: FINANCIAL RESULTS

\$ mm, unless otherwise stated	Q2 2021	Q1 2022	Q2 2022	Q2 2022 Observations:	
Income Statement:					
Revenues	\$1,068	\$1,339	\$1,362	<ul style="list-style-type: none"> Record quarterly revenues Improvement in most key metrics for Q2 vs. Q1 Q2 results impacted by: <ul style="list-style-type: none"> Pick-up of TriMark earnings (+\$8 mm) offset by a revaluation of the prefs (-\$8 mm) due to market interest rate change. Initial dividends of \$14 mm declared/received in July. Mark-to-market of stock-based comp \$4 mm. recovery vs. NIL in Q1 	
Gross Margin (\$ mm/%)	\$328 / 30.7%	\$290 / 21.7%	\$344 / 25.3%		
EBITDA (\$ mm/%)	\$178 / 16.6%	\$153 / 11.4%	\$189 / 13.9%		
EBIT (\$ mm/%)	\$164 / 15.3%	\$137 / 10.3%	\$173 / 12.7%		
Interest Expense	\$7	\$7	\$7		
Net Income	\$118	\$99	\$124	<ul style="list-style-type: none"> Net increase in working capital: Increase in Inv (\$120 mm) offset by decrease in AR (\$11 mm) and increase in AP (\$49 mm) Each segment had an increase in WC vs. March 31/22 Capex is consistent 	
EPS	\$1.88	\$1.56	\$1.96		
Cash Flow:					
Change in non-cash working capital	\$(42)	\$(15)	\$(72)		
Capex	\$(7)	\$(8)	\$(8)		
Balance Sheet:					
Net Debt	\$119	\$149	\$108	<ul style="list-style-type: none"> Total debt of \$295 mm offset by cash/investments of \$187 mm Liquidity continues to remain strong Book value of \$22.89/share Dividend of \$0.38/share 	
Shareholders' Equity	\$1,029	\$1,322	\$1,444		
Available Liquidity	\$514	\$457	\$472		
Net Debt/Capitalization	10%	10%	7%		

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

SUMMARY OBSERVATIONS

- Capital Allocation Priorities
 - M&A deal flow remains active
 - Internal capital projects are being advanced
 - NCIB in place for up to 3.2 million shares (5% of shares outstanding)
- Macro Market Factors
 - Inflation – We are a cost plus business and our operating cash costs are >90% variable
 - Interest Rates – Our term debt is fixed; no borrowings under our bank facility; cash position of \$187 mm
 - Service Center Dynamics
 - Countercyclical cash flows with changes in working capital
 - Energy Sector Dynamics
 - Recovery started late and the favourable conditions are continuing



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