

# OLYMPIC**STEEL**

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Investor Presentation

May 2022

# Forward-Looking Statements

Statements contained in this presentation that are not historical facts are forward-looking statements, which involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Please refer to the Company's Securities and Exchange Commission filings for further information, including its most recent reports on Form 10-K and its quarterly reports on Form 10-Q.

# Olympic Steel (NASDAQ: ZEUS) – At A Glance

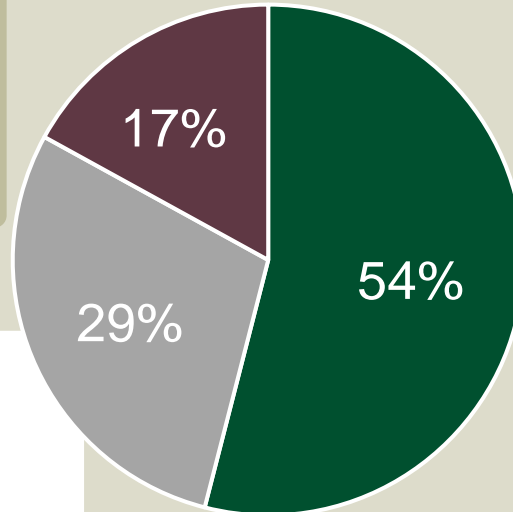
North American  
metal service  
center founded in  
**1954**

2021 Revenue  
**\$2.3B**

**3** complementary  
segments

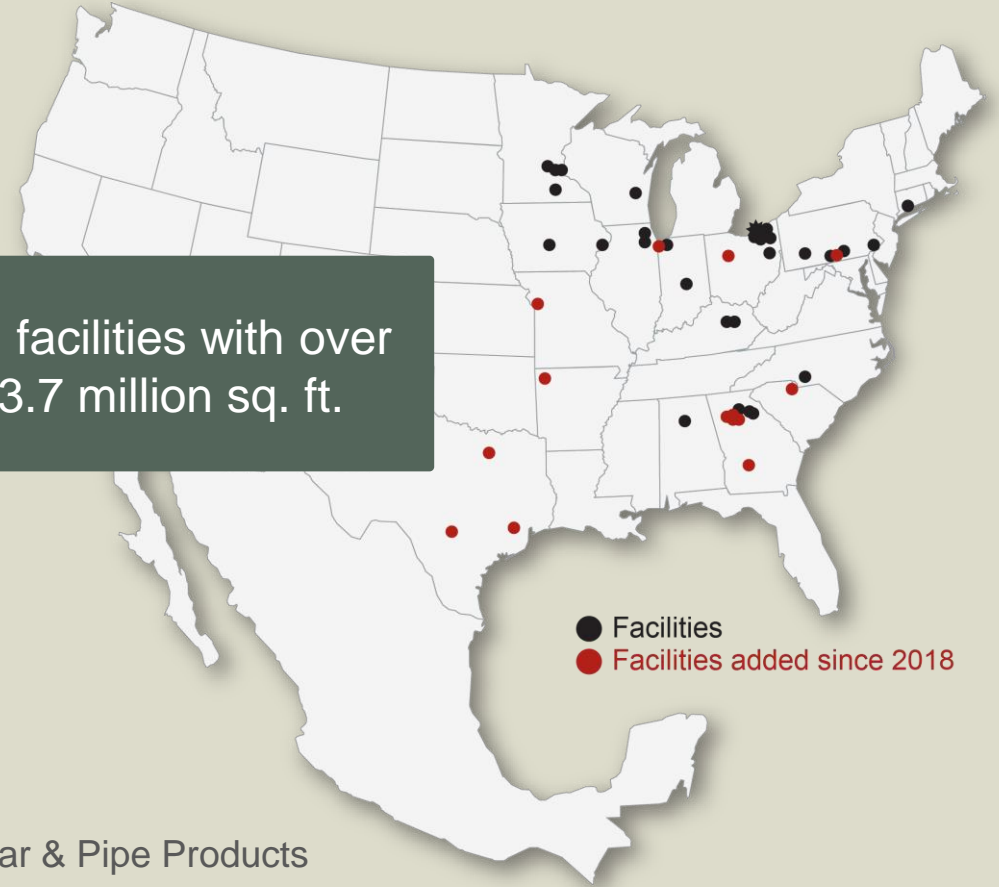
Approximately  
**1,600**  
employees

1Q22 Revenue Mix



Carbon Flat Products Specialty Metals Flat Products Tubular & Pipe Products

41 facilities with over  
3.7 million sq. ft.



# Why Invest in ZEUS?

## Strong since 1954 – with a growth mindset

- **Differentiated product offering** with full range of **distinctive processing capabilities**
- **Strong alignment** with customers, geographies and end markets
- **Expanding EBITDA margins** and **reducing cyclicity** through investment and M&A, with a focus on higher-margin and metal-intensive branded products
- **Disciplined approach** to operating expense and working capital management
- **Strong balance sheet** to fund growth initiatives
- Poised to benefit from **infrastructure or Build America** initiatives and reshaping of manufacturing supply chains (estimated 3-5% increase in annual U.S. steel demand)

# Why Invest in ZEUS?

## Disciplined capital allocation strategy, aligned with shareholders

- Capital allocation
  - Investing in **higher-return growth** opportunities
  - Returning **cash to shareholders**
  - Ability to produce **free cash flow** in **counter-cyclical** markets
- **17 consecutive years** of quarterly cash **dividends**
  - Quarterly **dividend increased** from \$0.02 to \$0.09 per share
- Experienced leadership team and Board of Directors **hold >17% of shares**

# Three Complementary Segments

**Differentiated product offering, distinctive value-added processing capabilities**

## Specialty Metals Flat Products

- Fastest-growing segment, serving growth markets
- Higher returns vs. carbon service centers
- Recent expansion of processing capabilities and M&A



## Tubular & Pipe Products (Chicago Tube & Iron)

- Less cyclical and higher returns due to niche markets
- Highly engineered value-added processing



## Carbon Flat Products

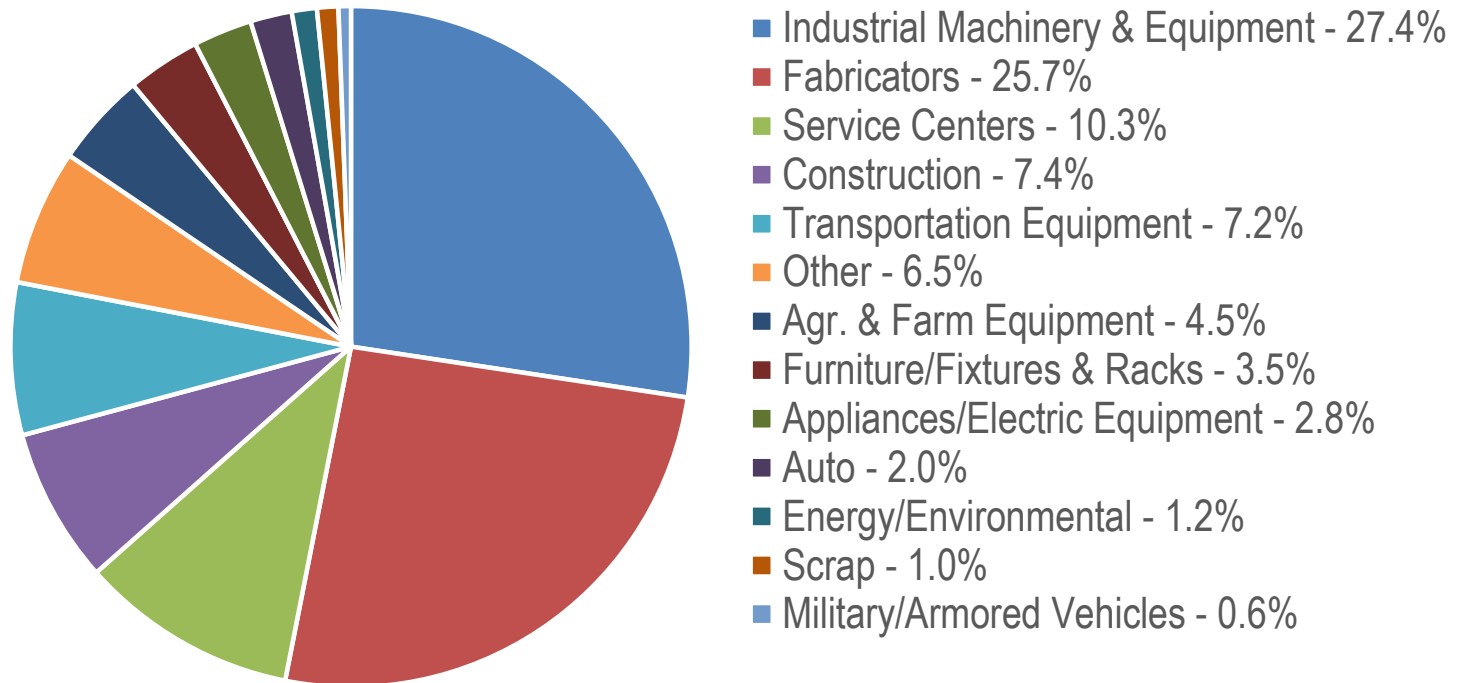
- High-volume business
- Margin enhancement through value-added processing and acquisition of metal-intensive branded products



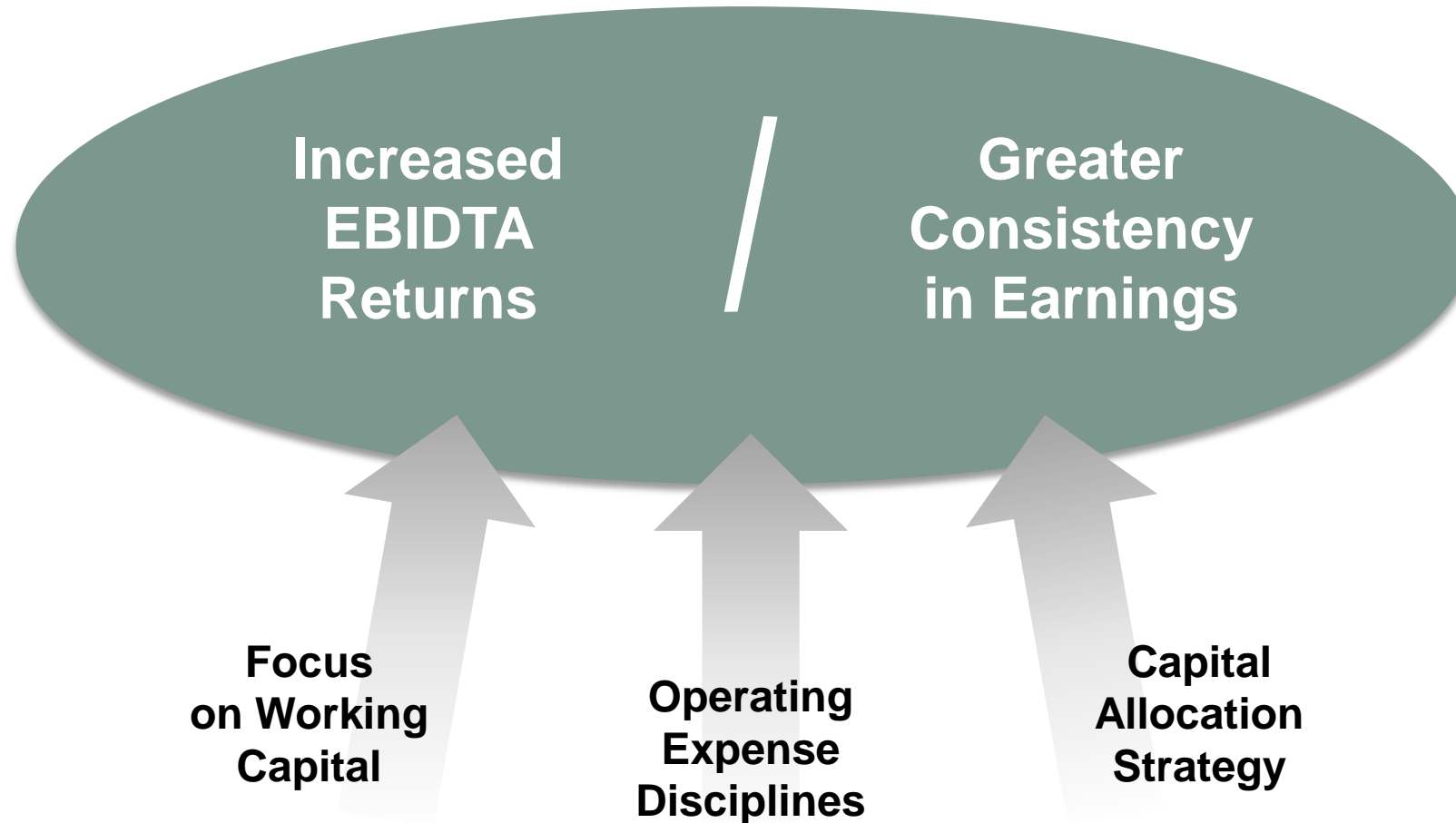
# Diversified End Markets and Customer Base

- Strategically located near customers to provide just-in-time delivery and reduce logistics costs through our own truck fleet
- Diversification of served markets mitigates risk

1Q 2022 Net Sales by End Market



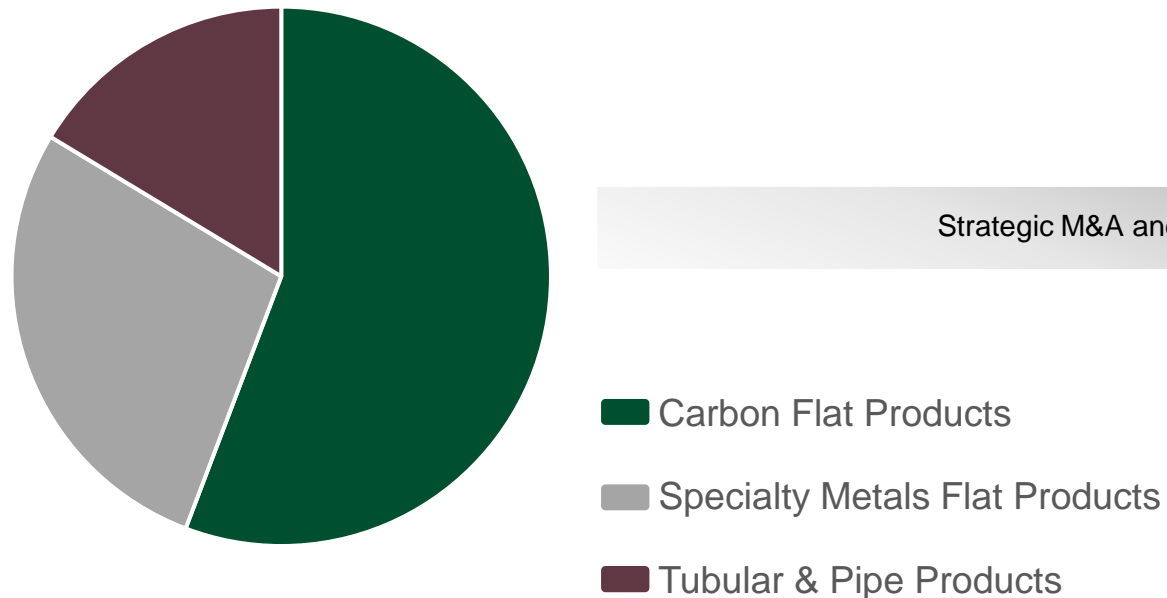
# The Path to Our Vision





# Our Vision – Deliver Higher Returns with Less Volatility

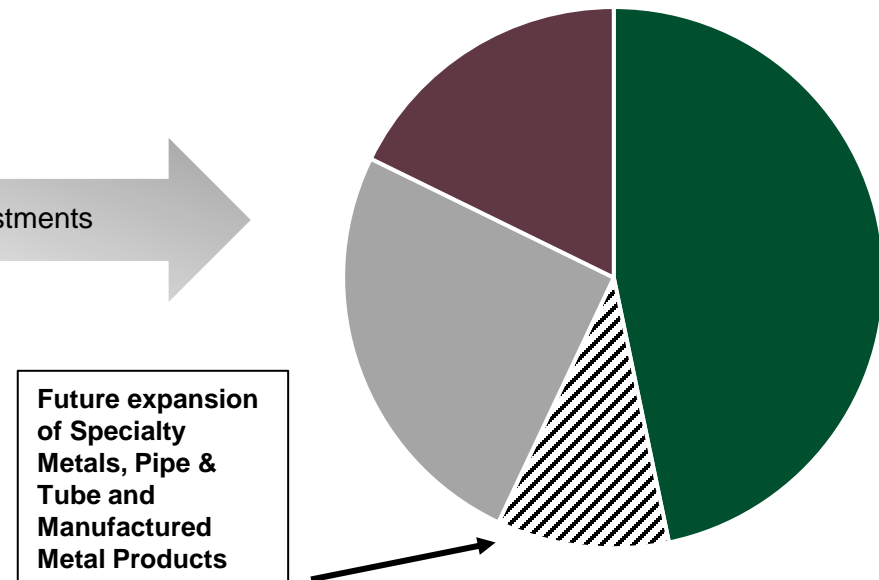
**Current State**  
(Revenue Mix)



- Experienced service center business since 1954
- Extensive processing capabilities
- Strong balance sheet
- Expanding into metal-intensive branded products

Strategic M&A and Investments

**Desired State**  
(Revenue Mix)



- Diversified, growing businesses
- Applying service center expertise to acquired businesses
- Expanded EBITDA margins
- Less cyclical financial results

# Capital Allocation Strategy

## Strategic M&A and higher-return investments driving results and more consistent earnings

| Specialty Metals | <ul style="list-style-type: none"> <li>Acquired Berlin Metals (Hammond, IN), expanding in tin and stainless steel</li> </ul>  <ul style="list-style-type: none"> <li>Expanded Schaumburg, IL facility by 42,000 sq. ft.</li> <li>Added new white metals cut-to-length line at Schaumburg, IL facility</li> <li>Added second stainless steel slitter at Streetsboro, OH facility</li> </ul> |  | <ul style="list-style-type: none"> <li>Acquired Action Stainless &amp; Alloys</li> </ul>  | <ul style="list-style-type: none"> <li>Acquired Shaw Stainless &amp; Alloy*</li> </ul>  |
|------------------|---|--|--|--|
|                  | <ul style="list-style-type: none"> <li>Installed new tube laser equipment at CTI Chicago facility</li> <li>CTI expanded distribution in Southeast U.S.</li> </ul>   |  |  |  |
|                  |   | <ul style="list-style-type: none"> <li>Acquired McCullough Industries* (Kenton, OH)</li> </ul>  <ul style="list-style-type: none"> <li>Acquired EZ-Dumper* (Waynesboro, PA)</li> </ul>  | <ul style="list-style-type: none"> <li>Opened Buford, GA fabrication facility</li> <li>Added Winder, GA automotive stamping capabilities</li> </ul>                          | <ul style="list-style-type: none"> <li>Ordered 2nd automotive stamping line for Winder (automated)</li> <li>Divested of Detroit facility</li> </ul>                        |
|                  | <b>2018</b>   | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  |

\* Manufacturer of metal-intensive branded products (primarily carbon steel)

# The Results of our Capital Allocation Strategy

|                  | 2010-2019 | 2021  | 1Q 2022 |
|------------------|-----------|-------|---------|
| Return on Assets | 0.8%      | 13.9% | 14.3%   |
| EBITDA/Sales     | 3.0%      | 9.3%  | 8.3%    |

# Access to Capital to Fund Future Growth

## **Effective management of working capital through economic cycles**

- Low-cost \$475 million Asset Based Loan (ABL), with \$200M accordion feature, maturing in June 2026
- Real estate portfolio unencumbered by debt
- S-3 shelf filing access up to \$200 million through debt or stock offerings, including \$50M At-The-Market (ATM) program
- Access to significant liquidity to fund organic growth and M&A opportunities
- Strong, counter-cyclical cash flow generator

# Doing Business the Right Way

Our culture drives results



View our 2021 Corporate Responsibility Report on [olsteel.com](https://olsteel.com)

- INVESTOR RELATIONS
- CORPORATE PROFILE
  - CORPORATE RESPONSIBILITY
  - NEWS RELEASES
  - PRESENTATIONS
  - ANALYST COVERAGE
  - ANNUAL REPORTS
  - PROXY STATEMENTS
  - MANAGEMENT PROFILE
  - DIRECTORS
  - BUSINESS ETHICS POLICY
  - CORPORATE GOVERNANCE GUIDELINES

## OUR COMMITMENT TO OPERATING RESPONSIBLY



At Olympic Steel, our mission is to achieve profitable growth by safely providing quality business solutions for metal product users. Since opening in 1954, we have been committed to operating responsibly and in compliance with all federal, state and local requirements in all facets of our business. This commitment is reflected in our **Core Values** and the ways in which we support our customers and the communities where we operate.

*Safety first. Always.*



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# Appendix

# About Olympic Steel:

## A Leading North American Metals Service Center

As a metals service center, we respond directly to customer needs and emphasize **value-added processing** of metals to meet specific customer demands. Utilizing specialized equipment, our processes produce metals to specified lengths, widths, shapes and surface characteristics.

Headquartered in Highland Hills, OH, the company trades on NASDAQ under the symbol: ZEUS.

**1954**  
Founded

**41**  
Facilities

**~1,600**  
Employees

**\$2.3B**  
2021 Revenue

### Three Complementary Segments

#### Specialty Metals Flat Products

Direct sale and distribution of processed aluminum and stainless flat-rolled sheet and coil products, flat-bar products and fabricated parts

#### Tubular & Pipe Products (Chicago Tube & Iron)

Distribution of metal tubing, pipe, bar, valve and fittings and fabrication of pressure parts supplied to various industrial markets

#### Carbon Flat Products

Direct sale and distribution of large volumes of processed carbon and coated flat-rolled sheet, coil and plate products and fabricated parts



# 3Q 2021 – Financial Highlights

|   | Three months ended<br>March 31        |            |
|---|---------------------------------------|------------|
|   | (in thousands, except per-share data) |            |
|   | 2022                                  | 2021       |
| Net sales                                       | \$ 696,333                            | \$ 463,124 |
| Operating income                                | 53,122                                | 31,590     |
| Net income (loss)                               | 37,302                                | 22,008     |
| Adjusted EBITDA*                                | \$ 56,021                             | \$ 37,825  |
| Earnings per share:                             |                                       |            |
| Net income (loss) per share - diluted           | \$ 3.23                               | \$ 1.91    |
| Adjusted net income (loss) per share - diluted* | \$ 3.10                               | \$ 1.97    |
| Weighted average shares outstanding - diluted   | 11,563                                | 11,496     |

\* See Company's earnings release dated May 5, 2022 for the reconciliation of this item to the most comparable GAAP financial measure

# Returning Cash to Shareholders

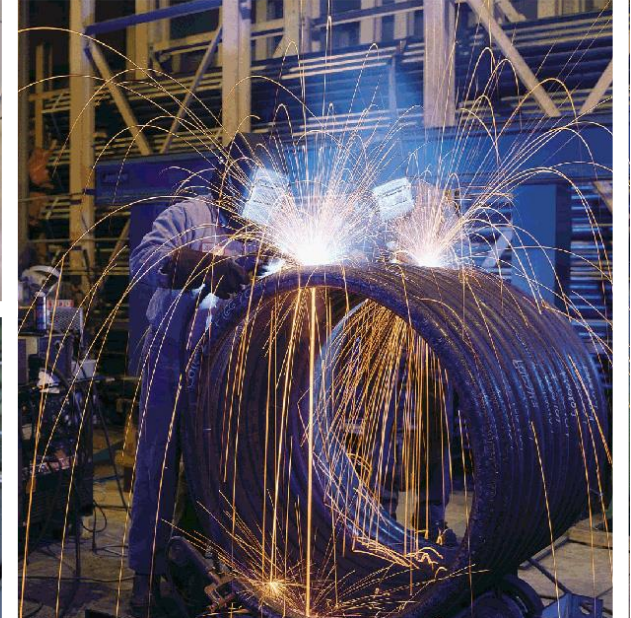
- **Dividends**

- 17 consecutive years of quarterly cash dividends
- Quarterly dividend increased from \$0.02 to \$0.09 per share

- **Share buybacks**

- Repurchased shares in 2019 and 2020
- Authorization for approximately 350,000 more shares

# Our Processing





# Our Products



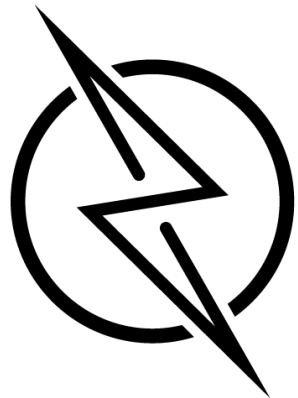
**EZ-Dumper®**



**SHAW  
STAINLESS  
&  
ALLOY**



 **McCullough  
Industries**



# OLYMPIC**STEEL**

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Action Stainless & Alloys | Berlin Metals | Chicago Tube & Iron | EZ-Dumper®

Integrity Stainless | McCullough Industries | Shaw Stainless & Alloy