



## BUY ALERT: Why I'm Snagging Russel Metals (TSX:RUS) Stock Today

### Description

**Russel Metals** ([TSX:RUS](#)) is a Toronto-based metals distribution and processing company that operates in North America. It is one of the largest metal distribution companies in Canada and the United States. Today, I want to discuss why I'm looking to snatch up this stock before January ends. Let's jump in.

### How has Russel Metals stock performed over the past year?

Shares of Russel Metals have dropped 3% year over year as of close on January 24. However, the stock has shot up 4.3% so far in the new year. Investors who want a more detailed look at its recent fluctuations can toggle the interactive price chart below.

### Should investors seek exposure to the metals space in 2023?

Metal wholesaling has been a [volatile space](#) in recent years. That volatility is reflected in the price fluctuations for Russel Metals stock. It parried significant gains and sharp losses over the previous decade. Moreover, an uncertain global economy promises to maintain unpredictability for commodity prices. That includes prices in the metals space.

Steel prices have enjoyed an uptick in recent weeks due to the lifting of COVID restrictions in China as well as low inventories. This has also been the case for iron ore prices. Investors should be ready to pounce on Russel Metals in these conditions, as the company could benefit in the current environment.

### Russel Metals: How do its recent earnings look?

Investors can expect to see Russel Metals's fourth-quarter and full-year fiscal 2022 earnings in the first half of February. It released its third-quarter fiscal 2022 results on November 9.

Russel Metals reported total revenues of \$1.27 billion in the third quarter of fiscal 2022 compared to

\$1.10 billion for the same period in the prior year. Meanwhile, the company posted revenues of \$3.97 billion in the first three quarters of the fiscal year — up from \$3.06 billion in the first nine months of fiscal 2021.

The company reported that its business segments put together a solid performance in the year-to-date period. Its metals service centres segment posted revenues of \$865 million as well as operating profits of \$67 million. This segment was bolstered by selling price per ton growth of 4%. Moreover, ton shipped increased 9% from the previous year.

EBITDA stands for earnings before interest, taxes, depreciation, and amortization. This measure aims to give a more accurate picture of a company's profitability. Russel Metals delivered EBITDA of \$482 million in the first nine months of fiscal 2022 — down from \$502 million in the prior year. Meanwhile, the company reported strong liquidity of \$541 million to close out the third quarter.

## Here's why I'm looking to buy Russel Metals stock right now

Russel Metals stock currently possesses a very [favourable](#) price-to-earnings ratio of 4.5. It is trading in attractive value territory compared to its industry peers. Better yet, this stock offers a [quarterly dividend](#) of \$0.38 per share. That represents a strong 5% yield.

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aocallaghan

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