First Quarter
March 31, 2024

Russel Metals

Management's Responsibility for Financial Reporting

The accompanying condensed consolidated financial statements and Management's Discussion and Analysis of Financial Condition have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

These condensed consolidated financial statements were prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board, and, where appropriate, reflect management's best estimates and judgements. Management is responsible for the accuracy, integrity and objectivity of the condensed consolidated financial statements and Management's Discussion and Analysis of Financial Condition within reasonable limits of materiality.

To assist management in the discharge of these responsibilities, the Company has developed, documented and maintained a system of internal controls in order to provide reasonable assurance that its assets are safeguarded; that only valid and authorized transactions are executed; and that accurate, timely and comprehensive financial information is prepared in accordance with International Financial Reporting Standards. In addition, the Company has developed and maintained a system of disclosure controls in order to provide reasonable assurance that the financial information is relevant, reliable and accurate.

The Company's Audit Committee is appointed annually by the Board of Directors. The Audit Committee, which is composed entirely of outside directors, meets with management to satisfy itself that management is properly discharging its financial reporting responsibilities and to review the condensed consolidated financial statements and the Management's Discussion and Analysis of Financial Condition. The Audit Committee reports its findings to the Board of Directors for consideration in approving the condensed consolidated financial statements and the Management's Discussion and Analysis of Financial Condition for presentation to the shareholders.

May 1, 2024

/s/ J. G. Reid
President and
Chief Executive Officer

/s/ M. L. Juravsky
Executive Vice President and
Chief Financial Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2024

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Russel Metals Inc. and its subsidiaries provides information to assist readers of, and should be read in conjunction with, the condensed consolidated financial statements for the three months ended March 31, 2024, including the notes thereto, and the MD&A and the audited consolidated financial statements for the year ended December 31, 2023, including the notes thereto. In the opinion of management, such condensed consolidated financial statements contain all adjustments necessary for a fair presentation of the results for such periods. The results of operations for the periods shown are not necessarily indicative of what our results will be for the full year. All dollar references in our financial statements and in this report are in Canadian dollars unless otherwise stated.

Additional information related to Russel Metals Inc., including our Annual Information Form, may be obtained from SEDAR+ at www.sedarplus.ca or on our website at www.russelmetals.com.

Unless otherwise stated, the discussion and analysis contained in this MD&A are as of May 1, 2024.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements or information within the meaning of applicable securities laws, including statements as to our future capital expenditures, our outlook, the availability of future financing and our ability to pay dividends. Forward-looking statements relate to future events or our 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 statements are necessarily based on estimates and assumptions that, while considered reasonable by us, inherently involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, 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, including the risks and uncertainties listed below, which are important factors in our business and the metals distribution industry. Such risks and uncertainties include, but are not limited to: volatility in metal prices; cyclicality of the metals industry; future acquisitions; facilities modernization; volatility in the energy industry; product claims; significant competition; sources of supply and supply chain disruptions; manufacturers selling directly; material substitution; failure of our key computer-based systems; cybersecurity; credit risk; currency exchange risk; restrictive debt covenants; goodwill or long-term asset impairment; the unexpected loss of key individuals; decentralized operating structure; labour interruptions; laws and governmental regulations; litigious environment; environmental liabilities; climate change; carbon emissions; health and safety laws and regulations; geopolitical risk and common share risk.

While we believe that the expectations reflected in our forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct, and our forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A and, except as required by law, we do not assume any obligation to update our forward-looking statements. Our actual results could differ materially from those anticipated in our forward-looking statements including as a result of the risk factors described above and under the heading "Risk" later in this MD&A, and under the heading "Risk Management and Risks Affecting Our Business" in our most recent Annual Information Form and as otherwise disclosed in our filings with securities regulatory authorities which are available on SEDAR+ at www.sedarplus.ca.

NON-GAAP MEASURES AND RATIOS

This MD&A includes a number of measures that are not prescribed by IFRS Accounting Standards ("IFRS" or "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. Investors may find these non-GAAP measures, which include non-GAAP financial measures and non-GAAP ratios as defined in *National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure*, useful in understanding how management views underlying business performance.

These measures and ratios are defined below and include EBIT, EBITDA, liquidity and inventory turns. We believe that these 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 EBIT and EBITDA are significant in assessing operating results and liquidity. EBIT and EBITDA 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. A reconciliation of EBITDA to net income in accordance with GAAP is found below.

Cash from Working Capital - represents cash generated from changes in non-cash working capital.
EBIT or Operating Profits - represents net earnings before interest and income taxes.
EBITDA - represents net earnings before interest, income taxes, depreciation and amortization.
Gross Margin - represents revenues less cost of sales.
Gross Margin Percentage - represents gross margin divided by revenues.
Inventory Turns - represents annualized cost of sales divided by ending inventory.
Liquidity - represents cash on hand less bank indebtedness plus excess availability under our bank credit facility.
Selling Price per Ton - represents revenues divided by tons shipped.
Tons Shipped - represents revenue volumes in our standardized metal service center unit of measure, which is imperial tons.
Return on Invested Capital - represents EBIT divided by average invested capital (net debt plus shareholders' equity).

RECONCILIATION OF THE NET EARNINGS TO EBITDA

The following table provides a reconciliation of net earnings to EBITDA:

	Three Months Ended		
($ millions, except per share data)	Mar 31 2024	Dec 31 2023	Mar 31 2023
Net earnings	$ 49.7	$ 47.2	$ 73.9
Provision for income taxes	16.7	15.7	22.3
Interest (income) expense, net	(0.1)	0.7	3.8
EBIT [1]	66.3	63.6	100.0
Depreciation and amortization	17.7	18.6	16.4
EBITDA [1]	$ 84.0	$ 82.2	$ 116.4
Basic earnings per share	$ 0.82	$ 0.78	$ 1.19

QUARTERLY FINANCIAL HIGHLIGHTS

(for the three months ended)	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022	Sep 30 2022	Jun 30 2022
Revenues *($ millions)*	$ 1,061	$ 1,019	$ 1,110	$ 1,189	$ 1,187	$ 1,100	$ 1,270	$ 1,362
EBITDA [1] *($ millions)*	84	82	96	131	116	97	140	189
Net earnings *($ millions)*	50	47	61	85	74	58	91	124
Basic earnings per share *($)*	0.82	0.78	0.99	1.37	1.19	0.93	1.45	1.96

[1] Refer to Non-GAAP Measures and Ratios and Adjusted Non-GAAP Measures on page 3

OVERVIEW OF THE 2024 FIRST QUARTER

Our basic earnings per share of $0.82 for the quarter ended March 31, 2024, was lower than the $1.19 per share recorded in the first quarter of 2023 but higher than the $0.78 reported in the fourth quarter of 2023. Revenues of $1.1 billion were lower than the $1.2 billion experienced in the first quarter of 2023 but higher than the $1.0 billion in the fourth quarter of 2023. Our gross margins of 22.4% improved compared to 21.9% in the same quarter of 2023 and 21.3% in the fourth quarter of 2023. The sequential improvement in margins was across all three of our business segments.

During our 2024 first quarter we generated $85 million of cash from operating activities before non-cash working capital, invested $24 million of capital expenditures to further our internal growth initiatives and returned $39 million of capital to our shareholders through $24 million of dividends and $15 million of share buybacks.

In the quarter, we generated $84 million in EBITDA as compared to $82 million in the fourth quarter of 2023. The first quarter of 2024 was negatively impacted by $2 million in non-recurring expenses relating to the announced acquisition of seven service center locations from Samuel, Son & Co., Limited ("Samuel"). In addition, the mark-to-market on stock-based compensation did not have an impact in the first quarter of 2024 as compared to an expense of $7 million in the 2023 fourth quarter.

Market Conditions

Steel prices declined during the mid-to-latter part of the 2024 first quarter prior to stabilizing in late March and into April. Our metals service centers experienced 2% higher average selling prices for the first quarter of 2024 as compared to the fourth quarter of 2023, as we benefited from the higher price levels at the outset of the first quarter and our continued growth in value-added processing. In addition, we shipped 4% higher volumes in the first quarter of 2024 as compared to the fourth quarter of 2023, due to the seasonal pick-up in demand. Our energy field stores generated 12% higher revenues in the first quarter of 2024 as compared to the fourth quarter of 2023, as our business benefited from solid activity and growing market share, including the opening of two new energy field stores in the 2024 first quarter. Steel distributors were negatively impacted in the quarter by overseas shipping issues, which delayed inbound product from the first quarter into the second quarter of 2024.

Capital Investment Growth Initiatives

In the 2024 first quarter, we invested $24 million in capital expenditures, including: (i) $2 million for our greenfield facility in Saskatoon (Saskatchewan) that is scheduled to open in the summer of 2024, (ii) $3 million for the expansion of our Texarkana (Texas) facility that is scheduled to be complete in the fall of 2024, and (iii) $3 million for a flat and a tube laser in our Winnipeg (Manitoba) facility, both of which will be operational in the 2024 second quarter.

On April 15, 2024, we provided an update regarding our previously announced acquisition of seven service centers located in Western Canada and the Northeastern U.S. from Samuel. The Competition Bureau's review of the transaction is ongoing, and the Competition Bureau has advised us and Samuel that it has concerns related to a narrow segment of product in a specific geography. We and Samuel continue to engage constructively with the Competition Bureau in an effort to bring this matter to a resolution. As part of the ongoing dialogue, we and Samuel have made a timing commitment to the Competition Bureau that will allow the Competition Bureau to continue its investigation and advance the discussions. Accordingly, the acquisition is no longer expected to close in the second quarter of 2024. In addition, we continue to advance our integration planning initiatives in coordination with Samuel.

Returning Capital to Shareholders

We have adopted a flexible approach to returning capital to shareholders through: (i) our ongoing dividend; and (ii) share buybacks.

In the 2024 first quarter, we paid dividends of $24 million or $0.40 per share. As a result of our continued strong earnings and cash flow profile, we have declared a 5% increase in our quarterly dividend to $0.42 per share payable on June 14, 2024.

In August 2023, we renewed our normal course issuer bid to purchase for cancellation up to 6.1 million of our common shares over 12 months. In the 2024 first quarter, we purchased and cancelled 0.3 million shares for total consideration of $15 million. In the period since the August 2022 normal course issuer bid was established, we purchased 3.5 million shares at an average price per share of $35.56 for total consideration of $124 million.

Liquidity and Capital Structure

During the 2024 first quarter, we generated $85 million of cash from operating activities before non-cash working capital and ended the quarter with total available liquidity of $956 million. On May 2, 2024, we will redeem our 6% senior unsecured notes at par plus accrued and unpaid interest. This redemption will reduce our interest expense while maintaining strong ongoing liquidity. This redemption, in combination with our strong balance sheet, sets the stage for other debt structure improvements.

RESULTS OF OPERATIONS

We are one of the largest metals distribution companies in North America. We conduct business primarily in three segments: metals service centers, energy field stores and steel distributors.

The following table provides segment information including revenues, gross margins and earnings before interest and income taxes. The corporate expenses included are not allocated to specific operating segments. Gross margins as a percentage of revenues for the operating segments are also shown below. The table shows the segments as they are reported to management and are consistent with the segment reporting in our condensed consolidated financial statements.

	Three Months Ended		
(in millions, except percentages)	Mar 31 2024	Dec 31 2023	Mar 31 2023
Segment Revenues			
Metals service centers	$ 723.6	$ 682.5	$ 806.9
Energy field stores	247.1	220.4	252.1
Steel distributors	90.1	110.8	127.4
Other	0.3	5.6	0.3
	$ 1,061.1	$ 1,019.3	$ 1,186.7
Segment Gross Margins [1]			
Metals service centers	$ 154.8	$ 135.5	$ 164.3
Energy field stores	63.4	56.4	68.1
Steel distributors	19.4	19.4	27.6
Other	0.3	5.6	0.3
Total operations	$ 237.9	$ 216.9	$ 260.3
Segment Operating Profits and EBIT [1]			
Metals service centers	$ 43.8	$ 37.8	$ 57.6
Energy field stores	22.7	19.6	29.4
Steel distributors	10.5	12.9	18.0
Corporate expenses	(8.9)	(9.7)	(12.2)
Other	(1.8)	3.0	(1.7)
Earnings from joint venture	-	-	8.9
Earnings before interest and income taxes	$ 66.3	$ 63.6	$ 100.0
Segment Gross Margin as a % of Revenues [1]			
Metals service centers	21.4%	19.9%	20.4%
Energy field stores	25.7%	25.6%	27.0%
Steel distributors	21.6%	17.5%	21.6%
Total operations	22.4%	21.3%	21.9%
Segment Operating Profit and EBIT as a % of Revenues [1]			
Metals service centers	6.1%	5.5%	7.1%
Energy field stores	9.2%	8.9%	11.7%
Steel distributors	11.7%	11.6%	14.2%
Total operations	6.2%	6.2 %	8.4%

Results of our U.S. operations reported for the three months ended March 31, 2024, were converted at $1.3488 per US$1 compared to $1.3518 per US$1 for the three months ended March 31, 2023 and $1.3619 per US$1 for the three months ended December 31, 2023. Our U.S. operations represented approximately 41% of our total revenues. The exchange rate used to translate the balance sheet on March 31, 2024, was $1.3550 per US$1 versus $1.3226 per US$1 on December 31, 2023.

[1] Refer to Non-GAAP Measures and Ratios and Adjusted Non-GAAP Measures on page 3

METALS SERVICE CENTERS

a) Description of operations

We provide processing and distribution services to a broad base of approximately 34,000 end users through a network of 45 Canadian locations and 23 U.S. locations. Our metals service centers carry a broad line of products in a wide range of sizes, shapes and specifications, including carbon hot rolled and cold finished steel, pipe and tubular products, stainless steel and aluminum. We purchase these products primarily from steel producers in North America and process and package them in accordance with end user specifications. We service all major geographic regions of Canada as well as the South and Midwestern regions in the United States.

b) Metals service centers segment results

	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
Financial Highlights			
Revenue *($ millions)*	$ 724	$ 683	$ 807
Tons shipped *(thousands of imperial tons)*	318	307	340
Gross margin *($ millions)* [1]	155	136	164
Gross margin per ton *($)*	487	443	484
Gross margin *(%)* [1]	21.4%	19.9%	20.4%
Operating profits *($ millions)* [1]	44	38	58

Revenues increased 6% from the 2023 fourth quarter but decreased 10% from the 2023 first quarter. Tons shipped in the first quarter of 2024 were 4% higher than the fourth quarter of 2023 due to the seasonal pick-up in demand, but 7% lower than the first quarter of 2023. Our average selling price increased 2% compared to the 2023 fourth quarter but decreased 6% compared to the same quarter in 2023.

Gross margin as a percentage of revenues of 21.4% was higher than the 20.4% in the same quarter last year and the 19.9% in the fourth quarter of 2023 due to our continued growth in value-added processing. The gross margin per ton was $487 in the 2024 first quarter, which was an increase of $44 as compared to the 2023 fourth quarter, as we benefited from lower cost inventory starting to flow into our cost of goods sold.

Operating expenses were $111 million in the first quarter of 2024 compared to $107 million in the 2023 first quarter and $98 million in the 2023 fourth quarter. The increase in the 2024 operating expenses was due to non-recurring costs associated with preparations for the Samuel acquisition as well as the accounting impact for changes in the Canadian dollar versus the U.S. dollar.

Operating profits for the three months ended March 31, 2024, were $44 million versus $38 million in the 2023 fourth quarter and $58 million for the same period of 2023.

ENERGY FIELD STORES

a) Description of operations

We distribute flanges, valves, fittings and other products, primarily to the energy industry in Western Canada and the United States. We operate from 48 Canadian and 14 U.S. facilities in our operations. We purchase our products from the pipe division of North American steel mills, independent manufacturers of flanges, valves and fittings and other products, international steel mills and other distributors.

b) Energy field stores segment results

	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
Financial Highlights			
Revenue *($ millions)*	$ 247	$ 220	$ 252
Gross margin *($ millions)* [1]	63	56	68
Gross margin *(%)* [1]	25.7%	25.6%	27.0%
Operating profits *($ millions)* [1]	23	20	29

Revenues increased 12% in the 2024 first quarter compared to the fourth quarter of 2023 due to normal seasonal factors but decreased 2% compared to the 2023 first quarter.

[1] Refer to Non-GAAP Measures and Ratios and Adjusted Non-GAAP Measures on page 3

Gross margin as a percentage of revenues was 25.7% for the three months ended March 31, 2024, which was up slightly from the fourth quarter of 2023, but decreased from 27.0% for the same period in 2023.

Operating expenses of $41 million compared to $39 million in the 2023 first quarter and $36 million in the 2023 fourth quarter. During the 2024 first quarter, we opened two new energy field store locations.

Operating profits of $23 million for the three months ended March 31, 2024, were stronger than the $20 million in the fourth quarter of 2023 but lower than the $29 million for the same period in 2023.

STEEL DISTRIBUTORS

a) Description of operations

Our steel distributors act as master distributors selling steel in large volumes to other steel service centers and equipment manufacturers mainly on an "as is" basis. Our U.S. operation has a cut-to-length facility located in Houston, Texas, where it processes coil for its customers. Our steel distributors source their steel both domestically and off shore.

The main steel products sourced by this segment are structural beam, plate, coils, pipe and tubing; however, product volumes vary based on the economy and trade actions in North America.

b) Steel distributors segment results

	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
Financial Highlights			
Revenue *($ millions)*	$ 90	$ 111	$ 127
Gross margin *($ millions)* [1]	19	19	28
Gross margin *(%)* [1]	21.6%	17.5%	21.6%
Operating profits *($ millions)* [1]	11	13	18

Revenues decreased 29% in the 2024 first quarter compared to the same quarter in 2023 and 19% compared to the fourth quarter of 2023 due primarily to overseas shipping delays. In addition, this segment adopted a more cautious approach to procurement during the recent period of price volatility.

Gross margin as a percentage of revenues was 21.6% for the three months ended March 31, 2024, consistent with the three months ended March 31, 2023, and stronger than the 17.5% in the fourth quarter of 2023.

Operating expenses were $9 million for the first quarter of 2024 compared to $10 million for the first quarter of 2023 and $6 million the fourth quarter of 2023 due to changes in variable compensation expenses.

Operating profits for the three months ended March 31, 2024, of $11 million compared to $18 million for the three months ended March 31, 2023, and $13 million for the fourth quarter of 2023.

CORPORATE EXPENSES AND OTHER

	Three Months Ended		
($ millions)	Mar 31 2024	Dec 31 2023	Mar 31 2023
Corporate expenses	$ 9	$ 10	$ 12
Other expenses (income)	2	(3)	2
	$ 11	$ 7	$ 14

Corporate expenses of $9 million for the three months ended March 31, 2024, were lower than the $12 million in the three months ended March 31, 2023, and the $10 million in the fourth quarter of 2023 due primarily to lower variable compensation expense that was partially offset by costs associated with the announced acquisition from Samuel.

[1] Refer to Non-GAAP Measures and Ratios and Adjusted Non-GAAP Measures on page 3

EARNINGS FROM TRIMARK

On September 1, 2023, we sold our retained interest in TriMark to our venture partner for $60 million in cash. Our earnings from the joint venture for the quarter ended March 31, 2023, was $9 million.

INTEREST (INCOME) EXPENSE

	Three Months Ended		
($ millions)	Mar 31 2024	Dec 31 2023	Mar 31 2023
Interest on Senior Notes	$ 5	$ 5	$ 5
Interest on lease obligations	2	3	2
Other interest (income) expense, net	(7)	(7)	(3)
	$ -	$ 1	$ 4

Interest expense was offset by interest income for the three months ended March 31, 2024, compared to net interest expense of $4 million for the same quarter of 2023. Interest income on higher cash balances resulted in higher net interest income compared to interest expense in the 2023 comparable periods.

INCOME TAXES

We recorded a provision for income taxes of $17 million for the first quarter of 2024 compared to $22 million for the first quarter of 2023. Our effective income tax rate for the three months ended March 31, 2024, was 25.2% compared to 23.2% for the three months ended March 31, 2023. The higher effective rate was primarily due to the inclusion of Trimark's after tax income in the 2023 first quarter.

NET EARNINGS

Net earnings for the first quarter of 2024 of $50 million compared to $47 million in the fourth quarter of 2023 and $74 million in the first quarter of 2023. Basic earnings per share for the first quarter of 2024 of $0.82 compared to $0.78 for the fourth quarter of 2023 and $1.19 per share for the first quarter of 2023.

SHARES OUTSTANDING AND DIVIDENDS

The weighted average number of common shares outstanding for the first quarter of 2024 was 60.3 million compared to 62.2 million for the first quarter of 2023. Common shares outstanding on March 31, 2024, and on May 1, 2024, were 60.1 million.

We paid common share dividends of $24 million or $0.40 per share in the first quarter of 2024 and $24 million or $0.38 per share in the first quarter of 2023. On May 1, 2024, we declared a 5% increase in our quarterly dividend to $0.42 per share payable on June 14, 2024.

We have $150 million of 6% senior unsecured notes due March 16, 2026, and $150 million of 5 ¾% senior unsecured notes due October 27, 2025. These notes have restrictions on the payment of dividends which we do not believe will restrict our ability to pay our current level of dividends. On May 2, 2024, we will redeem the 6% senior unsecured notes at par plus accrued but unpaid interest.

Under our syndicated bank facility, the payment of dividends is subject to excess borrowing base availability of not less than four times the declared dividend. We do not believe this requirement will restrict our ability to pay our current level of dividends.

CAPITAL EXPENDITURES

	Three Month Ended		
($ millions)	Mar 31 2024	Dec 31 2023	Mar 31 2023
Capital expenditures - property, plant and equipment	$ 24	$ 28	$ 14
Additions - right-of-use assets	6	6	2
Depreciation - property, plant and equipment	10	10	10
Depreciation - right-of-use assets	5	6	4

LIQUIDITY

On March 31, 2024, we had net cash, defined as cash less bank indebtedness, of $575 million compared to $629 million on December 31, 2023. We generated $85 million from operating activities before non-cash working capital in the three months ended March 31, 2024, and utilized $66 million for working capital. We utilized $24 million for capital expenditures, $17 million in income tax payments, $15 million to repurchase shares and $24 million for dividends.

Inventory and accounts receivable represent a large percentage of our total assets employed and comprise our largest liquidity risks. However, our cash flows are counter cyclical, and we typically generate cash from working capital during market downturns.

Total assets were $2.6 billion on March 31, 2024, and December 31, 2023. On March 31, 2024 and December 31, 2024, current assets excluding cash represented 69% of our total assets.

Inventories represented 42% of our total assets, excluding cash, on March 31, 2024, compared to 43% on December 31, 2023.

Inventory by Segment *($ millions)*	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023
Metals service centers	$ 495	$ 500	$ 514	$ 547	$ 573
Energy field stores	232	237	249	276	245
Steel distributors	116	103	120	125	123
Total	$ 843	$ 840	$ 883	$ 948	$ 941

Cost of Sales by Segment *($ millions)*	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023
Metals service centers	$ 569	$ 547	$ 588	$ 642	$ 642
Energy field stores	183	164	202	183	184
Steel distributors	71	92	95	89	100
Total	$ 823	$ 803	$ 885	$ 914	$ 926

Inventory Turns *(quarters ended)*	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023
Metals service centers	4.6	4.4	4.6	4.7	4.5
Energy field stores	3.2	2.8	3.3	2.6	3.0
Steel distributors	2.4	3.5	3.2	2.9	3.2
Total	3.9	3.8	4.0	3.9	3.9

Our inventory turns for the quarter ended March 31, 2024, were stronger than the fourth quarter of 2023 and consistent with the comparable first quarter of 2023. Inventory turns at steel distributors were lower due to shipping delays. On March 31, 2024, our inventory tonnage at our metals service centers was 1% lower, and the average cost was 1% higher than the levels on December 31, 2023. Inventory at our energy field stores decreased from December 31, 2023. In steel distributors, the inventory tons at March 31, 2024, were 17% higher than at December 31, 2023, due to higher in-transit inventory from shipping delays.

Accounts receivable utilized cash of $50 million. Accounts receivable represented 25% of our total assets, excluding cash, on March 31, 2024, compared to 24% on December 31, 2023.

The balances disclosed in our consolidated cash flow statements are adjusted to remove the non-cash component related to foreign exchange rate fluctuations impacting inventory, accounts receivable, accounts payable and income tax balances of our U.S. operations.

DEBT

Long-term Debt *(millions)*	March 31 2024	December 31 2023
5 ¾% $150 million Senior Notes due October 27, 2025	$ 149	$ 148
6% $150 million Senior Notes due March 16, 2026	149	149
	$ 298	$ 297

On April 2, 2024, we announced that we will redeem our 6% senior unsecured notes on May 2, 2024.

CASH, DEBT AND CREDIT FACILITIES

Cash Facilities *(millions)*	March 31 2024	December 31 2023
Bank loans	$ -	$ -
Cash net of outstanding cheques	575	629
Net cash	575	629
Letters of credit	(54)	(26)
	$ 521	$ 603
Facilities		
Borrowings and letters of credit	$ 400	$ 400
Letters of credit	50	50
Facilities availability	$ 450	$ 450
Available line based on borrowing base	$ 450	$ 450

We have a committed credit facility with a syndicate of Canadian and U.S. banks that provides $50 million for letters of credit and $400 million which can be utilized for borrowings or additional letters of credit. The borrowings and letters of credit are available on a revolving basis, up to an amount equal to the sum of specified percentages of our eligible accounts receivable and inventories, to a maximum of $450 million.

On March 31, 2024, we were entitled to borrow and issue letters of credit totaling $450 million under this facility. On March 31, 2024, and December 31, 2023, we had no borrowings. We had $54 million in letters of credit on March 31, 2024, compared to $26 million on December 31, 2023.

On March 31, 2024, we were in compliance with all of our financial covenants.

With our cash, cash equivalents and our bank facilities we have access to approximately $956 million of cash based on our March 31, 2024, balances. The use of our bank facilities has been predominantly to fund working capital requirements, acquisitions and trade letters of credit for inventory purchases.

CONTRACTUAL OBLIGATIONS

On March 31, 2024, we were contractually obligated to make payments as per the following table:

	Payments due in				
Contractual Obligations *(millions)*	2024	2025 and 2026	2027 and 2028	2029 and thereafter	Total
Accounts payable	$ 432	$ -	$ -	$ -	$ 432
Debt	-	300	-	-	300
Long-term debt interest	13	22	-	-	35
Lease obligations	21	51	42	67	181
Total	$ 466	$ 373	$ 42	$ 67	$ 948

On April 2, 2024, we announced the redemption for our 6% senior unsecured notes due March 16, 2026, which will be redeemed on May 2, 2024. In addition, we are obligated to pay $54 million in letters of credit when they mature in 2024.

We expect our 2024 capital expenditure level to be greater than $100 million which are planned but not legally committed expenditures.

We provide defined contribution pension plans for a majority of our Canadian and U.S. employees; however, we have obligations related to multiple defined benefit pension plans in Canada, as disclosed in Note 16 of our annual 2023 consolidated financial statements. As provided in the plan text, we are using our defined benefit surplus to fund the employer portion of our defined contribution plan contributions. During the first quarter ended March 31, 2024, we used $1 million of our defined benefit surplus to fund our defined contribution plan, and we expect to use approximately $2 million of our defined benefit surplus to fund the defined contribution plan during the remainder of 2024. The defined benefit obligations reported in the consolidated financial statements use different assumptions than the going concern actuarial valuations prepared for funding. In addition, the actuarial valuations provide a solvency valuation, which is a valuation assuming the plan is wound up at the valuation date. We do not have additional funding obligations on a solvency basis and no additional funding would be required based on solvency if the plans were wound up. We estimate the impact of a 0.25% change in the discount rate on the solvency obligation would be approximately $3 million.

We have disclosed our obligations related to environmental litigation, regulatory actions and remediation in our Annual Information Form under the heading "Environmental Regulation". These obligations, which are not material, relate to previously divested or discontinued operations and do not relate to current businesses.

OFF-BALANCE SHEET ARRANGEMENTS

Our off-balance sheet arrangements consist of the letters of credit disclosed in the bank credit facilities table and short-term and low value operating lease obligations disclosed in the contractual obligations table.

ACCOUNTING ESTIMATES

The preparation of our consolidated financial statements requires management to make estimates and judgements that affect the reported amounts. On an ongoing basis, we evaluate our estimates, including those related to bad debts, inventory valuation, useful lives of fixed assets, asset impairment, fair values, income taxes, pensions and benefits obligations, guarantees, decommissioning liabilities, contingencies, litigation and assigned values on net assets acquired. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Our most significant assets are accounts receivable and inventories.

Accounts Receivable

An allowance for doubtful accounts is maintained for estimated losses resulting from the inability of our customers to make required payments. Assessments are based on aging of receivables, legal issues (bankruptcy status), past collection experience, current financial information, credit agency reports and the experience of our credit personnel. Accounts receivable which we determine to be uncollectible are reserved in the period in which the determination is made. If the financial condition of our customers was to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Our reserve for bad debts on March 31, 2024, was $1 million higher than our reserve on December 31, 2023. Bad debt expense for the three months ended March 31, 2024, as a percentage of revenue was less than 1% and approximates that of 2023.

Inventories

We review our inventories to ensure that the cost of inventories is not in excess of its estimated net realizable value and for obsolete and slow-moving product. Inventory reserves or write-downs are recorded when cost exceeds the estimated selling price less cost to sell and when product is determined to be slow moving or obsolete. During the quarter ended March 31, 2024, the sale of inventory that had previously been reserved for resulted in a decrease in inventory reserves of approximately $3 million.

Other areas involving significant estimates and judgements include:

Long-lived Asset Impairment

The determination of whether long-lived assets, including goodwill and intangibles, are impaired requires the estimation of future cash flows and an appropriate discount rate to determine value in use. An impairment occurs when the book value of the assets associated with a particular cash generating unit is greater than the value in use or its fair value less costs to sell. The assessment of future cash flows and a discount rate requires significant judgement.

During the quarter ended March 31, 2024, no long-lived asset impairments were recorded. There is no certainty that there will not be a future impairment should the economic markets in which we operate deteriorate.

Income Taxes
We believe that we have adequately provided for income taxes based on the information that is currently available. The calculation of income taxes in many cases requires significant judgement in interpreting tax rules and regulations, which are constantly changing. Our tax filings are also subject to audits, which could materially change the amount of current and future income tax assets and liabilities. Any change would be recorded as a charge or reduction in income tax expense.

Business Combinations
For each acquisition we review the fair value of assets acquired. Where we deem it appropriate, we hire outside business valuators to assist in the assessment of the fair value of property, plant, equipment, intangibles and contingent consideration of acquired businesses.

Contingent Liabilities
Provisions for claims and potential claims are determined on a case-by-case basis. We recognize contingent loss provisions when it is determined that a loss is probable and when we are able to reasonably estimate the obligation. This determination takes significant judgement and actual cash outflows might be materially different from estimates. In addition, we may receive claims in the future that could have a material impact on our financial results.

The Company and certain of its subsidiaries have been named defendants in a number of legal actions. Although the outcome of these legal actions cannot be determined, management intends to defend all such legal actions and has recorded provisions, as required, based on its best estimate of the potential losses. In the opinion of management, the resolution of these legal actions is not expected to have a material adverse effect on our financial position, cash flows or operations.

Employee Benefit Plans
At least every three years, our actuaries perform a valuation for each defined benefit plan to determine the actuarial present value of the benefits. The valuation uses management's assumptions for the interest rate, rate of compensation increase, rate of increase in government benefits and expected average remaining years of service of employees. While we believe that these assumptions are reasonable, differences in actual results or changes in assumptions could materially affect employee benefit obligations and future net benefit plan cost. We account for differences between actual and assumed results by recognizing differences in benefit obligations and plan performance immediately in other comprehensive income.

We had approximately $131 million in plan assets on March 31, 2024, which is an increase of approximately $2 million from December 31, 2023. The discount rate used on the employee benefit plan obligation for the quarter ended March 31, 2024, was 4.9% which is 30 basis points higher than the discount rate on December 31, 2023.

Leases
We recognize right-of-use assets and lease obligations which includes our arrangements that contain a lease. The determination of the asset and obligation requires an assessment of whether we are reasonably certain that an extension option will be exercised, calculation of a discount rate inherent in the lease or an incremental borrowing rate and whether the right-of-use asset is impaired. These determinations require significant judgement.

CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

The purpose of internal controls over financial reporting as defined by the Canadian Securities Administrators is to provide reasonable assurance that:

(i) financial statements prepared for external purposes are in accordance with the Company's generally accepted accounting principles,
(ii) transactions are recorded as necessary to permit the preparation of financial statements, and records are maintained in reasonable detail,
(iii) receipts and expenditures of the Company are made only in accordance with authorizations of the Company's management and directors, and
(iv) unauthorized acquisitions, uses or dispositions of the Company's assets that could have a material effect on the financial statements will be prevented or detected in order to prevent material error in financial statements.

The President & Chief Executive Officer and the Executive Vice President & Chief Financial Officer have caused management and other employees to design and document our disclosure controls and procedures and our internal controls over financial reporting. The design of internal controls was completed using the framework and criteria established in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

No changes were made in our internal controls over financial reporting during the first quarter of 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

VISION AND STRATEGY

The metals distribution business is a mature and cyclical industry. We believe we enhance returns by managing costs and working capital throughout the cycle. In addition, our facilities modernization initiative and our on-going value-added processing investments will enable us to better service our customers and lead to enhanced margins.

Capital allocation priorities and limits are managed centrally with day-to-day decision making delegated to the various operations. Furthermore, our variable compensation model is based on the return on net assets for each business unit, which provides our business managers a basis to proactively adjust costs and working capital to local market conditions. Management believes that this strategy will result in higher average profits and that we will generate earnings over the cycle in the top quartile of the industry. In 2023, we commenced a facilities modernization initiative which, along with our multi-year expansion of our value-added processing equipment, will enhance our capabilities and provide improved service to our customer base.

Growth from selective acquisitions is also part of our strategy. We focus on investment opportunities in businesses that have strong market niches or provide scale to our existing operations. New acquisitions could be either major stand-alone operations or ones that complement our existing operations.

Returning capital to our shareholders through our ongoing dividends and opportunistic share buybacks is also part of our strategy.

RISK

A summary of the risks affecting our business is described under the heading "Risk Management and Risks Affecting Our Business" in our most recent Annual Information Form, which section is incorporated by reference in this "Risk" section of our MD&A.

The timing and extent of future price changes from steel producers and their impact on us cannot be predicted with any certainty due to the cyclical nature of the steel industry, capacity utilization rates for North American steel producers and changing import levels and tariffs. Future tariff changes to country or product exemptions, including possible modifications to the section 232 trade actions, may impact steel prices and product availability.

A portion of our revenues is dependent on the oil and gas industry, whose activity fluctuates with oil and gas prices. Our oil field store operations provide a stable stream of earnings as their products are used in maintenance and repair as well as new drilling activity and large energy projects.

The continued impact of inflation, rising interest rates, prevailing oil price conditions and other macro-economic factors may lead to changes in estimates in our financial statements and the effect of such changes could be material and result in impairments of long-lived assets, including goodwill and intangibles, provisions for inventory and credit losses.

OUTLOOK

Over the near term, we expect steel prices to stabilize and remain at price levels that are above historical averages, as a result of solid end market demand and expected discipline by North American steel mills. Over the medium-term, we expect growth in North American steel consumption as a result of onshoring activities and infrastructure spending initiatives in both Canada and the U.S. In addition, we are positioned to gain market share through our ongoing investment initiatives. Our energy field stores are expected to continue to benefit from solid energy activity in 2024.

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

(in millions of Canadian dollars, except per share data)	Three Months Ended March 31 2024	Three Months Ended March 31 2023
Revenues	$ 1,061.1	$ 1,186.7
Cost of materials (Note 4)	823.2	926.4
Employee expenses (Note 15)	99.8	100.9
Other operating expenses (Note 15)	71.8	68.3
Earnings from joint venture (Note 7)	-	(8.9)
Earnings before interest and provision for income taxes	66.3	100.0
Interest (income) expense, net (Note 16)	(0.1)	3.8
Earnings before provision for income taxes	66.4	96.2
Provision for income taxes (Note 17)	16.7	22.3
Net earnings for the period	$ 49.7	$ 73.9
Basic earnings per common share (Note 14)	$ 0.82	$ 1.19
Diluted earnings per common share (Note 14)	$ 0.82	$ 1.19

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in millions of Canadian dollars)	Three Months Ended March 31 2024	Three Months Ended March 31 2023
Net earnings for the period	$ 49.7	$ 73.9
Other comprehensive (loss) income		
Items that may be reclassified to earnings		
Unrealized foreign exchange gains (losses) on translation of foreign operations	22.2	(0.7)
Items that may not be reclassified to earnings		
Actuarial gains (losses) on pension and similar obligations, net of taxes of $1.3 million (2023: $0.1 million)	3.6	(0.3)
Other comprehensive income (loss)	25.8	(1.0)
Total comprehensive income	$ 75.5	$ 72.9

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(in millions of Canadian dollars)	March 31 2024	December 31 2023
ASSETS		
Current		
Cash and cash equivalents	$ 574.5	$ 629.2
Accounts receivable	510.8	457.4
Inventories (Note 4)	842.8	840.3
Prepaids and other	26.5	26.2
Income taxes receivable	3.2	8.2
	1,957.8	1,961.3
Property, Plant and Equipment (Note 5)	357.2	339.9
Right-of-Use Assets (Note 6)	103.0	100.0
Deferred Income Tax Assets	1.3	1.2
Pension and Benefits (Note 11)	47.8	43.6
Financial and Other Assets	3.9	3.9
Goodwill and Intangibles (Note 8)	119.7	120.2
Total Assets	$ 2,590.7	$ 2,570.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 431.5	$ 454.2
Short-term lease obligations (Note 6)	16.4	15.7
Income taxes payable	0.3	3.6
	448.2	473.5
Long-Term Debt (Note 10 and 22)	297.6	297.2
Pensions and Benefits (Note 11)	1.9	2.0
Deferred Income Tax Liabilities	17.1	17.5
Long-term Lease Obligations (Note 6)	112.5	109.6
Provisions and Other Non-Current Liabilities (Note 18)	36.3	30.4
Total Liabilities	913.6	930.2
Shareholders' Equity (Note 12)		
Common shares	554.0	556.3
Retained earnings	972.0	954.6
Contributed surplus	10.2	10.3
Accumulated other comprehensive income	140.9	118.7
Total Shareholders' Equity	1,677.1	1,639.9
Total Liabilities and Shareholders' Equity	$ 2,590.7	$ 2,570.1

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

(in millions of Canadian dollars)	Three Months Ended March 31 2024	2023
Operating Activities		
Net earnings for the period	$ 49.7	$ 73.9
Depreciation and amortization	17.7	16.4
Provision for income taxes	16.7	22.3
Interest (income) expense, net	(0.1)	3.8
Gain on sale of property, plant and equipment	(0.2)	(0.2)
Earnings from joint venture	-	(8.9)
Difference between pension expense and amount funded	0.7	-
Debt accretion, amortization and other	0.4	0.3
Interest received (paid) net, including interest on lease obligations	0.4	(6.7)
Cash from operating activities before non-cash working capital	85.3	100.9
Changes in Non-Cash Working Capital Items		
Accounts receivable	(50.4)	(105.9)
Inventories	4.6	15.2
Accounts payable and accrued liabilities	(20.1)	70.5
Other	(0.3)	2.5
Change in non-cash working capital	(66.2)	(17.7)
Income tax paid, net	(16.9)	(15.9)
Cash from operating activities	2.2	67.3
Financing Activities		
Issue of common shares	0.8	8.6
Repurchase of common shares	(14.9)	-
Dividends on common shares	(24.1)	(23.7)
Lease obligations	(4.7)	(3.9)
Cash used in financing activities	(42.9)	(19.0)
Investing Activities		
Purchase of property, plant and equipment	(23.8)	(14.2)
Proceeds on sale of property, plant and equipment	0.2	0.3
Dividends received from joint venture	-	3.9
Cash used in investing activities	(23.6)	(10.0)
Effect of exchange rates on cash and cash equivalents	9.6	(0.2)
(Decrease) increase in cash and cash equivalents	(54.7)	38.1
Cash and cash equivalents, beginning of the period	629.2	363.0
Cash and cash equivalents, end of the period	$ 574.5	$ 401.1

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(in millions of Canadian dollars)	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2024	$ 556.3	$ 954.6	$ 10.3	$ 118.7	$ 1,639.9
Payment of dividends	-	(24.1)	-	-	(24.1)
Net earnings for the period	-	49.7	-	-	49.7
Other comprehensive income for the period	-	-	-	25.8	25.8
Share options exercised	0.8	-	(0.1)	-	0.7
Shares repurchased	(3.1)	(11.8)	-	-	(14.9)
Transfer of net actuarial gains on defined benefit plans	-	3.6	-	(3.6)	-
Balance, March 31, 2024	$ 554.0	$ 972.0	$ 10.2	$ 140.9	$ 1,677.1

(in millions of Canadian dollars)	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2023	$ 562.4	$ 844.6	$ 12.2	$ 140.1	$ 1,559.3
Payment of dividends	-	(23.7)	-	-	(23.7)
Net earnings for the period	-	73.9	-	-	73.9
Other comprehensive loss for the period	-	-	-	(1.0)	(1.0)
Share options exercised	10.1	-	(1.5)	-	8.6
Transfer of net actuarial losses on defined benefit plans	-	(0.3)	-	0.3	-
Balance, March 31, 2023	$ 572.5	$ 894.5	$ 10.7	$ 139.4	$ 1,617.1

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTE 1 GENERAL BUSINESS DESCRIPTION

Russel Metals Inc. (the "Company"), a Canadian corporation with common shares listed on the Toronto Stock Exchange, is a metals distribution company operating in various locations within North America.

The Company's registered office is located at 6600 Financial Drive, Mississauga, Ontario, L5N 7J6.

These condensed consolidated financial statements were authorized for issue by the Board of Directors on May 1, 2024.

NOTE 2 BASIS OF PRESENTATION

These condensed consolidated financial statements, including comparatives, have been prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2023 except for the changes in accounting policies as described in Note 3. These condensed consolidated financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements have been set out in the Company's consolidated financial statements for the year ended December 31, 2023. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2023.

These condensed consolidated financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities (including derivative instruments) at fair value through the condensed consolidated statement of earnings. Historical cost is generally based on the fair value of the consideration given in exchange for assets at the time of the transaction.

These condensed consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

NOTE 3 ACCOUNTING CHANGES

IAS 1 Presentation of Financial Statements

The amendments to IAS 1 clarify the impact of loan arrangement covenants on the classification of liabilities as current or non-current at the reporting date. The amendments are effective for annual reporting periods beginning January 1, 2024. The implementation of these amendments did not have a significant impact on the Company's financial position or results of operations.

IFRS 16 Leases

The amendments to IFRS 16 adds subsequent measurement requirements for sale and lease back transactions for seller-lessees. The amendments are effective for annual reporting periods beginning January 1, 2024. The implementation of these amendments did not have a significant impact on the Company's financial position or results of operations.

NOTE 4 INVENTORIES

($ millions)	March 31 2024	December 31 2023
Inventories		
Metals service centers	$ 495.1	$ 499.5
Energy field stores	231.8	237.5
Steel distributors	115.9	103.3
	$ 842.8	$ 840.3

Inventories expensed in cost of sales for the three months ended March 31, 2024 were $823.2 million (2023: $926.4 million).

During the three months ended March 31, 2024, the Company recorded a net decrease in inventory provisions of $2.9 million (2023: increase of $3.2 million).

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Cost *($ millions)*	Land and Buildings	Machinery and Equipment	Leasehold Improvements	Total
Balance, December 31, 2023	$ 320.9	$ 500.4	$ 25.1	$ 846.4
Additions	5.3	18.3	0.2	23.8
Disposals	-	(2.1)	(0.1)	(2.2)
Foreign exchange	4.5	2.1	0.2	6.8
Balance, March 31, 2024	$ 330.7	$ 518.7	$ 25.4	$ 874.8

Accumulated Depreciation and Amortization *($ millions)*	Land and Buildings	Machinery and Equipment	Leasehold Improvements	Total
Balance, December 31, 2023	$ 157.2	$ 330.0	$ 19.3	$ 506.5
Additions	2.1	8.0	0.2	10.3
Disposals	-	(2.1)	(0.1)	(2.2)
Foreign exchange	0.9	2.0	0.1	3.0
Balance, March 31, 2024	$ 160.2	$ 337.9	$ 19.5	$ 517.6

Net Book Value *($ millions)*	
December 31, 2023	$ 339.9
March 31, 2024	$ 357.2

Land, included in land and buildings, was $47.6 million (December 31, 2023: $47.5 million).

Depreciation Expense	Three Months Ended March 31	
($ millions)	2024	2023
Depreciation - cost of materials	$ 1.8	$ 1.6
Depreciation - other operating expense	8.5	8.1
	$ 10.3	$ 9.7

NOTE 6 RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

Leased land and buildings represented approximately 75% (2023: 80%) of the right-of-use assets with the remainder comprised of leases of vehicles and equipment.

($ millions)	Right-of-use Assets	Lease Obligations
Balance, December 31, 2023	$ 100.0	$ 125.3
Additions	5.8	5.8
Disposals and modification	1.4	1.5
Depreciation and amortization	(5.1)	-
Lease payments	-	(4.7)
Foreign exchange	0.9	1.0
Balance, March 31, 2024	$ 103.0	$ 128.9
Current portion		$ 16.4
Long-term portion		$ 112.5

The carrying value of right-of-use assets and depreciation by class of underlying assets are as follows:

Right-of-use Assets *($ millions)*	March 31 2024	December 31 2023
Land and buildings	$ 77.6	$ 76.9
Machinery and equipment	25.4	23.1
	$ 103.0	$ 100.0

Depreciation Expense	Three Months Ended March 31	
($ millions)	2024	2023
Land and buildings	$ 2.7	$ 2.7
Machinery and equipment	2.4	1.6
	$ 5.1	$ 4.3

NOTE 7 INVESTMENT IN JOINT VENTURE

On September 1, 2023, the Company sold its interest in the TriMark joint venture for $60.0 million. The Company's investment had included 50% of the common shares and preferred shares with a face value of $31.5 million. For the quarter ended March 31, 2023, the Company recorded $8.3 million of its share of earnings from the joint venture and $0.6 million from dividends on preferred shares.

NOTE 8 GOODWILL AND INTANGIBLES

($ millions)	March 31 2024	December 31 2023
Goodwill	$ 51.9	$ 51.3
Intangibles	67.8	68.9
	$ 119.7	$ 120.2

Goodwill *($ millions)*	Metals Service Centers	Energy Field Stores	Total
Balance, December 31, 2023	$ 50.1	$ 1.2	$ 51.3
Foreign exchange	0.6	-	0.6
Balance, March 31, 2024	$ 50.7	$ 1.2	$ 51.9

The continuity of cost and accumulated depreciation for intangibles, which comprised of customer relationships and non-competition agreements acquired through business combinations, is as follows:

Intangibles *($ millions)*	Metals Service Centers	Energy Field Stores	Total
Balance, December 31, 2023	$ 49.6	$ 106.7	$ 156.3
Foreign exchange	0.6	0.6	1.2
Balance, March 31, 2024	$ 50.2	$ 107.3	$ 157.5

Accumulated Amortization *($ millions)*	Metals Service Centers	Energy Field Stores	Total
Balance, December 31, 2023	$ (23.1)	$ (64.3)	$ (87.4)
Amortization	(0.6)	(1.7)	(2.3)
Balance, March 31, 2024	$ (23.7)	$ (66.0)	$ (89.7)

Net Book Value *($ millions)*	
December 31, 2023	$ 68.9
March 31, 2024	$ 67.8

The remaining amortization period for customer relationships is 2 to 15 years.

NOTE 9 REVOLVING CREDIT FACILITIES

The Company has a credit agreement which consists of availability of $400 million under Tranche I to be utilized for borrowings and letters of credit and $50 million under Tranche II to be utilized only for letters of credit. Letters of credit are issued under Tranche II first and additional needs are issued under Tranche I. This facility expires September 21, 2025.

The borrowings and letters of credit are available on a revolving basis, up to an amount equal to the sum of specified percentages of the Company's eligible accounts receivable and inventories, to a maximum of $450 million. The obligations of the Company under this agreement are secured by a pledge of trade accounts receivable and inventories.

The Company had no borrowings as at March 31, 2024 and December 31, 2023 and letters of credit of $54.0 million as at March 31, 2024, (December 31, 2023: $25.5 million) under this facility. The Company was in compliance with its financial covenants at March 31, 2024.

NOTE 10 LONG-TERM DEBT

($ millions)	March 31 2024	December 31 2023
5 ¾% $150 million Senior Notes due October 27, 2025	$ 148.7	$ 148.5
6% $150 million Senior Notes due March 16, 2026	148.9	148.7
	$ 297.6	$ 297.2

Fees associated with the issuance of the debt are included in the carrying amount of debt and are amortized using the effective interest method.

a) On March 16, 2018, the Company issued, through a private placement, $150 million 6% senior unsecured notes due March 16, 2026 for net proceeds of $146 million. Interest is due semi-annually on March 16 and September 16 of each year.

The Company may redeem the notes in whole or in part at any time after March 16, 2024 at 100.0% of the principal amount.

These notes contain certain restrictions on the payment of common share dividends in excess of $0.38 per share per quarter. The Company was in compliance with these financial covenants at March 31, 2024.

b) On October 27, 2020, the Company issued $150 million 5 ¾% senior unsecured notes due October 27, 2025, for net proceeds of $147 million. Interest is due semi-annually on April 27 and October 27 of each year.

The Company may redeem the notes in whole or in part at any time after October 27, 2023 at 101.4% of the principal amount declining to 100% of the principal amount on or after October 27, 2024.

These notes contain certain restrictions on the payment of common share dividends in excess of $1.60 per share in any fiscal year. The Company was in compliance with these covenants at March 31, 2024.

NOTE 11 PENSIONS AND BENEFITS

As at March 31, 2024, the Company determined its accrued benefit obligations related to the employee future benefit plans using a discount rate of 4.90% (December 31, 2023: 4.60%) and also determined the fair value of the defined benefit pension plan assets as at the statement of financial position date. The net change in the accrued benefit obligations less the fair value of the defined benefit plan assets resulted in an actuarial gain on employee future benefit plans of $4.9 million for the three months ended March 31, 2024 (2023: loss of $0.4 million).

The benefit obligations and plan assets for the Company's pension and other post-retirement benefit obligations are as follows:

($ millions)	March 31 2024	December 31 2023
Present value of defined benefit pension obligations	$ 83.2	$ 86.1
Fair value of plan assets	130.5	129.2
	(47.3)	(43.1)
Other post-retirement benefit obligations	1.4	1.5
Defined benefit (asset) obligation, net	$ (45.9)	$ (41.6)

The following table provides the defined benefit obligation for partially funded plans and unfunded plans.

	Pension Plans		Other Benefit Plans	
Defined Benefit (Asset) Obligation *($ millions)*	March 31 2024	December 31 2023	March 31 2024	December 31 2023
Plans with surplus	$ (47.8)	$ (43.6)	$ -	$ -
Partially funded plans	0.5	0.5	-	-
Unfunded plans	-	-	1.4	1.5
Defined benefit (asset) obligation	$ (47.3)	$ (43.1)	$ 1.4	$ 1.5

NOTE 12 SHAREHOLDERS' EQUITY

a) At March 31, 2024 and 2023, the authorized share capital of the Company consisted of:

(i) an unlimited number of common shares without nominal or par value;
(ii) an unlimited number of Class I preferred shares without nominal or par value, issuable in series; and
(iii) an unlimited number of Class II preferred shares without nominal or par value, issuable in series.

The Directors have the authority to issue the Class I and Class II preferred shares in series and fix the designation, rights, privileges and conditions to be attached to each series, except that the Class I shares shall be entitled to preference over the Class II shares with respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

b) The number of common shares issued and outstanding is as follows:

	Number of Shares	Amount ($ millions)
Balance, December 31, 2023	60,388,426	$ 556.3
Share options exercised	35,000	0.8
Shares repurchased	(338,500)	(3.1)
Balance, March 31, 2024	60,084,926	$ 554.0

The continuity of contributed surplus is as follows:

($ millions)	
Balance, December 31, 2023	$ 10.3
Options exercised	(0.1)
Balance, March 31, 2024	$ 10.2

Dividends paid and declared are as follows:

	Three Months Ended March 31	
	2024	2023
Dividends paid *($ millions)*	$ 24.1	$ 23.7
Dividends paid per share	$ 0.40	$ 0.38
Dividend declared per share on May 1, 2024 (May 8, 2023)	$ 0.42	$ 0.40

NOTE 13 SHARE-BASED COMPENSATION

Share Options

The Company has a shareholder approved share option plan, the purpose of which is to provide certain employees of the Company and its subsidiaries with the opportunity to participate in the growth and development of the Company. The following is a continuity of options outstanding:

	Number of Options		Weighted Average Exercise Price	
	March 31 2024	December 31 2023	March 31 2024	December 31 2023
Balance, beginning of period	100,548	575,785	$ 21.89	$ 26.27
Exercised	(35,000)	(435,862)	21.94	27.03
Expired or forfeited	-	(39,375)	-	28.99
Balance, end of period	65,548	100,548	$ 21.86	$ 21.89
Exercisable	42,081	48,611	$ 22.86	$ 21.94

The outstanding options had exercise price ranges as follows:

(number of options)	March 31 2024	December 31 2023
$ 22.01 - $ 25.08	24,533	24,533
$ 14.62 - $ 22.00	29,815	64,815
$ 14.61	11,200	11,200
Options outstanding	65,548	100,548

Share Appreciation Rights (SAR)

The Company has a SAR plan for certain employees. The following is a continuity of SARs outstanding:

	Number of SARs		Weighted Average Exercise Price	
	March 31 2024	December 31 2023	March 31 2024	December 31 2023
Balance, beginning of period	280,321	332,830	$ 28.63	$ 26.27
Granted	44,279	55,768	45.96	36.67
Paid out	-	(108,277)	-	25.51
Balance, end of period	324,600	280,321	$ 31.00	$ 28.63

The SARs liability and fair value at March 31, 2024, was $3.5 million and $4.6 million respectively (December 31, 2023: $3.3 million and $4.6 million respectively).

Deferred Share Units (DSU)

The Company has a DSU Plan for non-executive directors. Continuity of DSUs outstanding is as follows:

(number of units)	March 31 2024	December 31 2023
Balance, beginning of the period	386,183	343,104
Granted	10,478	43,079
Paid out	(3,837)	-
Balance, end of the period	392,824	386,183

The liability and fair value of DSUs was $17.7 million at March 31, 2024 (December 31, 2023: $17.4 million). Dividends declared on common shares accrue to units in the DSU plan in the form of additional DSUs.

Restricted Share Units (RSU)

The Company has an RSU Plan for eligible employees as designated by the Board of Directors. Continuity of RSUs outstanding is as follows:

(number of units)	March 31 2024	December 31 2023
Balance, beginning of the period	513,586	312,464
Granted	221,499	256,393
Paid out	(2,775)	(55,271)
Balance, end of the period	732,310	513,586

The RSU liability at March 31, 2024 was $20.8 million (December 31, 2023: $17.0 million). The fair value of RSUs was $33.0 million at March 31, 2024 (December 31, 2023: $23.1 million). Dividends declared on common shares accrue to units in the RSU plan in the form of additional RSUs.

NOTE 14 EARNINGS PER SHARE

The net income used in the calculation of basic and diluted earnings per share for the three months ended March 31, 2024 was $49.7 million (2023: $73.9 million).

	Three Months Ended March 31	
(number of shares)	2024	2023
Weighted average shares outstanding	60,313,886	62,243,466
Dilution impact of share options	33,009	58,826
Diluted weighted average shares outstanding	60,346,895	62,302,292

NOTE 15 EXPENSES

	Three Months Ended March 31	
($ millions)	2024	2023
Employee Expenses		
Wages and salaries	$ 84.0	$ 86.8
Other employee related costs	15.8	14.1
	$ 99.8	$ 100.9
Other Operating Expenses		
Plant and other expenses	$ 37.8	$ 35.0
Delivery expenses	20.9	21.5
Repairs and maintenance	5.9	5.4
Selling expenses	3.4	3.7
Professional fees	3.4	2.6
Gain on sale of property, plant and equipment	(0.2)	(0.2)
Foreign exchange loss	0.6	0.3
	$ 71.8	$ 68.3

NOTE 16 INTEREST EXPENSE

	Three Months Ended March 31	
($ millions)	2024	2023
Interest on 6% $150 million Senior Notes	$ 2.3	$ 2.3
Interest on 5 ¾% $150 million Senior Notes	2.4	2.3
Interest on lease obligations	2.6	2.3
Other interest income, net	(7.4)	(3.1)
Interest (income) expense, net	$ (0.1)	$ 3.8

Interest expense on long-term debt and lease obligations is charged to earnings using the effective interest method.

Interest expense on long-term debt is comprised of the interest calculated on the face value of long-term debt, issue costs and accretion of the carrying value of the long-term debt. Debt accretion and issue cost amortization for the three months ended March 31, 2024 was $0.4 million (2023: $0.3 million).

NOTE 17 INCOME TAXES

The consolidated effective tax rates for the three months ended March 31, 2024 and March 31, 2023, were 25.2% and 23.2% respectively. The change in the effective rate was due to the after-tax earnings from the joint venture in the quarter ended March 31, 2023.

NOTE 18 PROVISIONS AND OTHER NON-CURRENT LIABILITIES

($ millions)	March 31 2024	December 31 2023
Provision for decommissioning liabilities	$ 3.2	$ 3.1
Deferred compensation and employee incentives	42.0	37.7
	45.2	40.8
Less: current portion	(8.9)	(10.4)
	$ 36.3	$ 30.4

Deferred compensation includes the RSU, DSU and SAR liabilities. The DSU and RSU liabilities that will be paid within 12 months are reclassified as current accrued liabilities.

NOTE 19 SEGMENTED INFORMATION

For the purpose of segment reporting, operating segments are identified as a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the Company's Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

Accordingly, the Company conducts business in Canada and the U.S. in three reportable segments.

Metals Service Centers

The Company's network of metals service centers carry an extensive line of metal products in a wide range of sizes, shapes and specifications, including carbon hot rolled and cold finished steel, pipe and tubular products, stainless steel and aluminum and other non-ferrous specialty metals. The Company purchases these products primarily from North American steel producers, and processes, packages and sells them to end users in accordance with their specific needs.

Energy Field Stores

The Company's energy field store operations carry a specialized product line focused on the needs of energy industry customers. These operations distribute flanges, valves and fittings and other products through our field store operations in Western Canada and the United States.

Steel Distributors

The Company's steel distributors operations act as master distributors selling steel to customers in large volumes to other steel service centers and large equipment manufacturers mainly on an "as is" basis. The main steel products sourced by this segment are carbon steel plate, flat rolled products, beams, channel and pipe.

The Company has segmented its operations on the basis of management reporting and geographic segments in which it operates. For the three months ended March 31, 2024, the inter-segment sales from steel distributors to metals service centers were $18.7 million (2023: $37.0 million). These sales, which are at market rates, are eliminated in the following table.

a) Results by business segment:

	Three Months Ended March 31	
($ millions)	2024	2023
Segment Revenues		
Metals service centers	$ 723.6	$ 806.9
Energy field stores	247.1	252.1
Steel distributors	90.1	127.4
	1,060.8	1,186.4
Other	0.3	0.3
	$ 1,061.1	$ 1,186.7
Segment Operating Profits		
Metals service centers	$ 43.8	$ 57.6
Energy field stores	22.7	29.4
Steel distributors	10.5	18.0
	77.0	105.0
Corporate expenses and other	(10.7)	(13.9)
Earnings from joint venture	-	8.9
Earnings before interest and provision for income taxes	66.3	100.0
Interest (income) expense, net	(0.1)	3.8
Provision for income taxes	16.7	22.3
Net earnings	$ 49.7	$ 73.9
Capital Expenditures		
Metals service centers	$ 19.9	$ 11.3
Energy field stores	2.5	2.2
Steel distributors	0.3	-
Other	1.1	0.7
	$ 23.8	$ 14.2
Depreciation and Amortization Expense		
Metals service centers	$ 12.1	$ 11.3
Energy field stores	5.0	4.5
Steel distributors	0.3	0.3
Other	0.3	0.3
	$ 17.7	$ 16.4

($ millions)	March 31 2024	December 31 2023
Current Identifiable Assets		
Metals service centers	$ 833.1	$ 793.0
Energy field stores	400.2	392.4
Steel distributors	147.6	139.5
	1,380.9	1,324.9
Non-Current Identifiable Assets		
Metals service centers	441.5	424.6
Energy field stores	123.4	121.7
Steel distributors	11.4	11.2
Total identifiable assets included in segments	1,957.2	1,882.4
Assets not included in segments		
Cash and cash equivalents	574.5	629.2
Income taxes receivable and deferred income tax assets	4.5	9.4
Financial and other assets	3.9	3.9
Pension and benefits	47.8	43.6
Corporate and other operating assets	2.8	1.6
Total assets	$ 2,590.7	$ 2,570.1
Liabilities		
Metals service centers	$ 358.2	$ 365.6
Energy field stores	137.8	134.6
Steel distributors	29.9	34.9
Liabilities by segment	525.9	535.1
Liabilities not included in segments		
Income taxes payable and deferred income tax liabilities	17.4	21.1
Long-term debt	297.6	297.2
Pension and benefits	1.9	2.0
Corporate and other liabilities	70.8	74.8
Total liabilities	$ 913.6	$ 930.2

b) Results by geographic segment:

($ millions)	Three Months Ended March 31 2024	2023
Segment Revenues		
Canada	$ 625.9	$ 707.1
United States	434.9	479.3
	$ 1,060.8	$ 1,186.4
Segment Operating Profits		
Canada	$ 49.3	$ 65.0
United States	27.7	40.0
	$ 77.0	$ 105.0

($ millions)	March 31 2024	December 31 2023
Identifiable Assets		
Canada	$ 1,206.7	$ 1,172.1
United States	750.5	710.3
	$ 1,957.2	$ 1,882.4

c) Revenues by product:

($ millions)	Three Months Ended March 31 2024	2023
Carbon		
Structurals and Pipe (WF & I Beams, Angles, Channels, Hollow Tubes)	$ 407.6	$ 480.8
Plate (Discrete & Plate in Coil)	217.4	244.5
Flanges, Valves, Fittings and other related products	182.7	172.7
Flat Rolled (Sheet & Coil)	86.8	98.6
Bars (Hot Rolled and Cold Finished)	60.6	61.6
Grating/ Expanded/ Rails	10.1	11.5
Total Carbon	$ 965.2	$ 1,069.7
Total Non-Ferrous (Sheet, Extrusion, Tubes, etc.)	46.7	60.3
Other	49.2	56.7
	$ 1,061.1	$ 1,186.7

NOTE 20 FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

a) Financial assets and liabilities

Financial assets and liabilities are as follows:

March 31, 2024 ($ millions)	Loans and Receivables	Other Financial Liabilities	Total
Cash and cash equivalents	$ 574.5	$ -	$ 574.5
Accounts receivable	510.8	-	510.8
Other financial assets	3.4	-	3.4
Accounts payables and accrued liabilities	-	(431.5)	(431.5)
Lease obligations	-	(128.9)	(128.9)
Long-term debt	-	(297.6)	(297.6)
Total	$ 1,088.7	$ (858.0)	$ 230.7

December 31, 2023 ($ millions)	Loans and Receivables	Other Financial Liabilities	Total
Cash and cash equivalents	$ 629.2	$ -	$ 629.2
Accounts receivable	457.4	-	457.4
Other financial assets	3.4	-	3.4
Accounts payables and accrued liabilities	-	(454.2)	(454.2)
Lease obligations	-	(125.3)	(125.3)
Long-term debt	-	(297.2)	(297.2)
Total	$ 1,090.0	$ (876.7)	$ 213.3

For the three months ended March 31, 2024, the fair value loss from derivative financial instruments on the consolidated statement of earnings was $1.8 million (2023: gain of $1.1 million) including embedded derivative and forward contracts.

b) Fair Value

The fair value of cash and cash equivalents, accounts receivable, bank indebtedness, accounts payable and accrued liabilities approximate their carrying amounts because of the short-term maturity of these instruments.

The fair values of long-term debt are set forth below.

Carrying Amounts

Amounts recorded in the consolidated statement of financial position are referred to as "carrying amounts". The carrying amounts of primary debt are reflected in "Long-term debt" and "Current portion long-term debt".

Fair Value

The Company records its debt at amortized cost using the effective interest method. The fair value of long-term debt as at March 31, 2024 and December 31, 2023 was estimated based on the last quoted trade price, where it exists, or based on current rates available to the Company for similar debt with the same period to maturity.

The following summary reflects the fair value of the long-term debt:

	Primary Debt Instrument	
March 31, 2024 ($ millions)	Carrying Amount	Fair Value Level 2
5 ¾% $150 million Senior Notes due October 27, 2025	$ 148.7	$ 150.3
6% $150 million Senior Notes due March 16, 2026	148.9	150.1
Total	$ 297.6	$ 300.4
Current portion	$ -	
Long-term portion	$ 297.6	

	Primary Debt Instrument	
December 31, 2023 ($ millions)	Carrying Amount	Fair Value Level 2
5 ¾% $150 million Senior Notes due October 27, 2025	$ 148.5	$ 150.2
6% $150 million Senior Notes due March 16, 2026	148.7	150.2
Total	$ 297.2	$ 300.4
Current portion	$ -	
Long-term portion	$ 297.2	

On April 2, 2024, the Company announced its intention to redeem its 6% senior unsecured notes at par (Note 22).

c) Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligation. Credit risk arises from cash and cash equivalents and derivative financial instruments, as well as credit exposure to customers including accounts receivable.

The Company attempts to minimize credit exposure as follows:

- Cash investments are placed with high-quality financial institutions with limited exposure to any one institution. At March 31, 2024, nearly all cash and cash equivalents were held in institutions that were rated R1 High by DBRS or equivalent rating by S&P or Moody's;
- Counterparties to derivative contracts are members of the syndicated banking facility (Note 9);
- Credit limits minimize exposure to any one customer; and
- The customer base is geographically diverse and in different industries.

No allowance for credit losses on financial assets was required as of March 31, 2024 and December 31, 2023, other than the allowance for doubtful accounts. As at March 31, 2024, trade accounts receivable greater than 90 days represented less than 2% of trade accounts receivable (December 31, 2023: less than 4%).

d) Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market rates of interest. The Company is not exposed to significant interest rate risk. The Company's long-term debt is at fixed rates. The Company's bank borrowings, net of cash and cash equivalents, used to finance working capital, which is short-term in nature, is at floating interest rates.

e) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company uses foreign exchange contracts with maturities of less than a year to manage foreign exchange risk on certain future committed cash outflows. As at March 31, 2024, the Company had outstanding forward foreign exchange contracts in the amount of US$25.1 million maturing in 2024 and 2025 (2023: US$95.6 million). A 1% change in foreign exchange rates would not result in a significant increase or decrease in accounts payable or net earnings.

f) *Liquidity risk*

Liquidity risk is the risk that the Company will not meet its financial obligations when due. Liquidity adequacy is assessed in view of seasonal needs, growth requirements, capital expenditures, and the maturity profile of indebtedness. As at March 31, 2024, the Company has access to $955.7 million from cash on hand and the undrawn portion of its committed credit facility. Cash is managed by the centralized treasury function and is invested in money market instruments or bank deposits, with durations ranging up to sixty days. A centralized treasury function ensures that the Company maintains funding flexibility by assessing future cash flow expectations and by maintaining its committed borrowing facilities.

As at March 31, 2024, the Company was contractually obligated to make payments under its financial liabilities that come due during the following periods:

($ millions)	Accounts Payable	Long-Term Debt Maturities	Long-Term Debt Interest	Lease Obligations	Total
2024	$ 431.5	$ -	$ 13.1	$ 20.9	$ 465.5
2025	-	150.0	17.5	26.1	193.6
2026	-	150.0	4.1	24.6	178.7
2027	-	-	-	22.9	22.9
2028	-	-	-	19.3	19.3
2029 and beyond	-	-	-	67.5	67.5
Total	$ 431.5	$ 300.0	$ 34.7	$ 181.3	$ 947.5

On April 2, 2024, the Company announced its notice to redeem its 6% senior unsecured notes due March 16, 2026 (Note 22). At March 31, 2024, the Company was contractually obligated to repay its letters of credit under its bank facilities at maturity (Note 9). Lease obligations in the above table includes leases recorded on balance sheet in addition to short-term and low value leases.

g) *Capital management*

The Company manages capital in order to safeguard its ability to continue as a going concern, provide returns to shareholders through its dividend policy and provide the ability to finance future growth. Capital includes shareholders' equity, bank indebtedness and long-term debt, net of cash. The Company manages its capital structure and may make adjustments to the amount of dividends paid to shareholders, purchase shares for cancellation pursuant to issuer bids, issue new shares, issue new debt, repurchase existing debt or shares and extend or amend its banking facilities.

NOTE 21 CONTINGENCIES, COMMITMENTS AND GUARANTEES

a) *Commitment*

On December 4, 2023, the Company entered into an agreement to acquire seven service center locations from Samuel, Son & Co., Limited ("Samuel") for approximately $225 million. This acquisition is subject to Canadian regulatory clearance (Note 22).

b) *Lawsuits and legal claims*

The Company recognizes contingent loss provisions for losses that are probable when management is able to reasonably estimate the loss. When the estimated loss lies within a range, the Company records a contingent loss provision based on its best estimate of the probable loss. Where there is a continuous range of possible outcomes, and each point in that range is as likely as any other, the mid-point of the range is used. Estimates of losses may be developed before the ultimate loss is known, and are revalued each accounting period as additional information becomes known. In instances where the Company is unable to develop a reasonable loss estimate, no contingent loss provision is recorded at that time. A contingent loss provision is recorded when a reasonable estimate can be made. Estimates are reviewed quarterly and revised when expectations change.

An outcome that deviates from the Company’s estimate may result in an additional expense or income in a future accounting period.

The Company and certain of its subsidiaries have been named defendants in a number of legal actions. Although the outcome of these legal actions cannot be determined, management intends to defend all such legal actions and has recorded provisions, as required, based on its best estimate of the potential losses. In the opinion of management, the resolution of these legal actions is not expected to have a material adverse effect on the Company's financial position, cash flows or operations.

The Company has also entered into other agreements that provide indemnifications to counterparties in certain transactions including underwriting agreements. These indemnifications generally require the Company to indemnify the counterparties for costs incurred as a result of losses from litigation that may be suffered by counterparties arising from those transactions except in the case of gross negligence by the counterparties.

c) Decommissioning liability

The Company is incurring site cleanup and restoration costs related to properties not utilized in current operations. Remedial actions continue at two sites. Decommissioning liabilities have been estimated using discounted cash flow valuation techniques for cleanup costs based on management's best estimates of the amount required to settle the liability.

The Company has asset retirement obligations relating to the land lease for its Thunder Bay Terminal operation whose lease term expires in 2031. The landlord has the option to retain the equipment or to require the Company to remove it. In addition, the Company has end-of-lease obligations in certain service center operations.

NOTE 22 SUBSEQUENT EVENTS

a) On April 2, 2024, the Company announced its notice to redeem its $150 million 6% senior unsecured notes due March 16, 2026, for par plus accrued and unpaid interest. This redemption notice is irrevocable and the redemption will be completed on May 2, 2024. The redemption will result in a pre-tax charge to income of $1.1 million due to the write-off of deferred financing charges.

b) On April 15, 2024, the Company provided an update on the previously announced acquisition of seven service centers located in Western Canada and the Northeastern U.S. from Samuel. The Competition Bureau's review of the transaction is on-going and the Company has been advised that the Competition Bureau has concerns related to a narrow segment of product in a specific geography. The Company will continue to engage constructively with the Competition Bureau in an effort to bring this matter to a resolution. As part of the ongoing dialogue, the Company has made a timing commitment to the Competition Bureau that will allow the Competition Bureau to continue its investigation and advance the discussions. This acquisition is no longer expected to close in the second quarter of 2024.

Russel Metals

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