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 IFRS Accounting 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.

November 6, 2024

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

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

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

(in millions of Canadian dollars, except per share data)	Three Months Ended September 30 2024	Three Months Ended September 30 2023	Nine Months Ended September 30 2024	Nine Months Ended September 30 2023
Revenues	$ 1,089.4	$ 1,109.5	$ 3,222.0	$ 3,485.8
Cost of materials (Note 5)	874.5	885.1	2,543.9	2,725.7
Employee expenses (Note 16)	105.7	96.7	294.6	303.0
Other operating expenses (Note 16)	61.6	60.1	201.4	190.2
Gain on sale of investment in joint venture (Note 8)	-	(9.8)	-	(9.8)
Earnings from joint venture (Note 8)	-	(1.9)	-	(17.3)
Earnings before interest and provision for income taxes	47.6	79.3	182.1	294.0
Interest expense, net (Note 17)	2.4	1.6	3.7	8.2
Earnings before provision for income taxes	45.2	77.7	178.4	285.8
Provision for income taxes (Note 18)	10.7	17.1	44.3	66.3
Net earnings for the period	$ 34.5	$ 60.6	$ 134.1	$ 219.5
Basic and diluted earnings per common share (Note 15)	$ 0.59	$ 0.99	$ 2.26	$ 3.55

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in millions of Canadian dollars)	Three Months Ended September 30 2024	Three Months Ended September 30 2023	Nine Months Ended September 30 2024	Nine Months Ended September 30 2023
Net earnings for the period	$ 34.5	$ 60.6	$ 134.1	$ 219.5
Other comprehensive (loss) income				
Items that may be reclassified to earnings				
Unrealized foreign exchange (losses) gains on translation of foreign operations	(13.5)	18.5	18.2	(1.2)
Items that may not be reclassified to earnings				
Actuarial (losses) gains on pension and similar obligations, net of taxes	(0.6)	6.7	3.3	8.0
Other comprehensive (loss) income	(14.1)	25.2	21.5	6.8
Total comprehensive income	$ 20.4	$ 85.8	$ 155.6	$ 226.3

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)	September 30 2024	December 31 2023
ASSETS		
Current		
Cash and cash equivalents	$ 222.3	$ 629.2
Accounts receivable	566.4	457.4
Inventories (Note 5)	924.2	840.3
Prepaids and other	24.2	26.2
Income taxes receivable	11.6	8.2
	1,748.7	1,961.3
Property, Plant and Equipment (Note 6)	408.8	339.9
Right-of-Use Assets (Note 7)	149.5	100.0
Deferred Income Tax Assets	0.9	1.2
Pension and Benefits (Note 12)	45.9	43.6
Financial and Other Assets	5.4	3.9
Goodwill and Intangibles (Note 9)	124.8	120.2
Total Assets	$ 2,484.0	$ 2,570.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 499.0	$ 454.2
Short-term lease obligations (Note 7)	20.4	15.7
Income taxes payable	0.2	3.6
	519.6	473.5
Long-Term Debt (Note 11)	149.1	297.2
Pensions and Benefits (Note 12)	1.9	2.0
Deferred Income Tax Liabilities	19.7	17.5
Long-term Lease Obligations (Note 7)	155.9	109.6
Provisions and Other Non-Current Liabilities (Note 19)	33.3	30.4
Total Liabilities	879.5	930.2
Shareholders' Equity (Note 13)		
Common shares	530.7	556.3
Retained earnings	926.9	954.6
Contributed surplus	10.0	10.3
Accumulated other comprehensive income	136.9	118.7
Total Shareholders' Equity	1,604.5	1,639.9
Total Liabilities and Shareholders' Equity	$ 2,484.0	$ 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 September 30 2024	Three Months Ended September 30 2023	Nine Months Ended September 30 2024	Nine Months Ended September 30 2023
Operating Activities				
Net earnings for the period	$ 34.5	$ 60.6	$ 134.1	$ 219.5
Depreciation and amortization	19.8	16.3	55.1	49.4
Provision for income taxes	10.7	17.1	44.3	66.3
Interest expense, net	2.4	1.6	3.7	8.2
Gain on sale of property, plant and equipment	(0.2)	(0.1)	(0.6)	(0.6)
Gain on sale of investment in joint venture	-	(9.8)	-	(9.8)
Earnings from joint venture	-	(1.9)	-	(17.3)
Difference between pension expense and amount funded	0.8	0.5	2.1	1.3
Debt accretion, amortization and other	0.2	0.3	1.9	0.9
Interest received (paid) net, including interest on lease obligations	(1.6)	(1.3)	(3.7)	(7.3)
Cash from operating activities before non-cash working capital	66.6	83.3	236.9	310.6
Changes in Non-Cash Working Capital Items				
Accounts receivable	(0.3)	29.1	(37.4)	(58.8)
Inventories	48.1	71.5	36.9	72.5
Accounts payable and accrued liabilities	56.6	(51.8)	44.3	32.1
Other	2.5	9.5	2.7	18.5
Change in non-cash working capital	106.9	58.3	46.5	64.3
Income tax paid, net	(10.8)	(27.1)	(49.6)	(62.4)
Cash from operating activities	162.7	114.5	233.8	312.5
Financing Activities				
Issue of common shares	-	-	1.6	11.8
Repurchase of common shares	(47.1)	(20.4)	(119.0)	(64.6)
Dividends on common shares	(24.5)	(24.5)	(73.6)	(72.9)
Repayment of long-term debt	-	-	(150.0)	-
Deferred financing costs	(1.8)	-	(1.8)	-
Lease obligations	(5.2)	(4.1)	(14.5)	(12.4)
Cash used in financing activities	(78.6)	(49.0)	(357.3)	(138.1)
Investing Activities				
Purchase of property, plant and equipment	(21.0)	(15.1)	(69.0)	(44.7)
Proceeds on sale of property, plant and equipment	0.5	0.4	1.0	1.0
Proceeds on sale of joint venture	-	60.0	-	60.0
Dividends received from joint venture	-	-	-	13.7
Purchase of business	(222.9)	-	(222.9)	-
Cash used in investing activities	(243.4)	45.3	(290.9)	30.0
Effect of exchange rates on cash and cash equivalents	(4.6)	8.1	7.5	1.6
(Decrease) Increase in cash and cash equivalents	(163.9)	118.9	(406.9)	206.0
Cash and cash equivalents, beginning of the period	386.2	450.1	629.2	363.0
Cash and cash equivalents, end of the period	$ 222.3	$ 569.0	$ 222.3	$ 569.0

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	-	(73.6)	-	-	(73.6)
Net earnings for the period	-	134.1	-	-	134.1
Other comprehensive income for the period	-	-	-	21.5	21.5
Share options exercised	1.9	-	(0.3)	-	1.6
Shares repurchased	(27.5)	(91.5)	-	-	(119.0)
Transfer of net actuarial gains on defined benefit plans	-	3.3	-	(3.3)	-
Balance, September 30, 2024	$ 530.7	$ 926.9	$ 10.0	$ 136.9	$ 1,604.5

(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	-	(72.9)	-	-	(72.9)
Net earnings for the period	-	219.5	-	-	219.5
Other comprehensive loss for the period	-	-	-	6.8	6.8
Share options exercised	13.7	-	(1.9)	-	11.8
Shares repurchased	(16.2)	(48.4)	-	-	(64.6)
Transfer of net actuarial gains on defined benefit plans	-	8.0	-	(8.0)	-
Balance, September 30, 2023	$ 559.9	$ 950.8	$ 10.3	$ 138.9	$ 1,659.9

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 November 6, 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 were 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 were 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 BUSINESS ACQUISITION

On August 12, 2024, the Company completed its acquisition of the assets and certain liabilities of seven service centers located in Western Canada and the Northeast U.S. from Samuel, Son & Co., Limited ("Samuel") for $222.9 million, subject to the final closing working capital adjustments. The Company acquired Samuel's metals service centers in Winnipeg (Manitoba), Calgary (Alberta), Nisku (Alberta), Langley (British Columbia), Surrey (British Columbia), Buffalo (New York) and Pittsburgh (Pennsylvania). In addition, the Company acquired the working capital and certain fixed assets of the Samuel location in Delta (British Columbia).

The five Canadian locations provide increased focus on non-ferrous products and additional value-added processing capabilities. The two U.S. Northeast locations will provide an eastern extension of our existing plate processing operations in the U.S. Mid-West. The transaction costs for this acquisition were $1.7 million and were included in other operating expenses in the condensed consolidated statements of earnings.

The purchase price is based on the fair value of the working capital of $183.6 million at September 30, 2024, plus the fair value of machinery and equipment of $29.3 million plus $10.0 million. The following summarizes the preliminary allocation of the consideration for this acquisition:

($ millions)	
Inventories	$ 114.4
Accounts receivable	69.2
Prepaid and other	0.7
Property, plant and equipment	29.3
Right-of-use assets	41.6
Intangibles	7.7
Goodwill	2.3
Accounts payable and accrued liabilities	(0.7)
Lease obligations	(41.6)
Net identifiable assets acquired	$ 222.9
Consideration:	
Cash	$ 222.9

The preliminary allocation is subject to change following the final determination of working capital and valuation of certain non-current assets. Accounts receivable of $69.2 million represented net contractual accounts receivable of which none was considered uncollectible at the time of acquisition.

Goodwill represents the expansion of our non-ferrous product offerings and value-added processing capabilities in Western Canada. None of the goodwill acquired from the acquisition is deductible for tax purposes.

The consolidated statement of earnings for the three months ended September 30, 2024 includes revenues of $68.6 million and operating profits of $1.9 million (after depreciation and amortization expense of $0.5 million) attributable to the business acquired for the period from August 12, 2024, to September 30, 2024.

If the acquisition had taken place at the beginning of the 2024 fiscal year, management estimates that the acquired business would have provided revenues of approximately $421 million and operating profits of $11.5 million (after depreciation and amortization expense of $3.6 million).

NOTE 5 INVENTORIES

($ millions)	September 30 2024	December 31 2023
Inventory		
Metals service centers	$ 585.6	$ 499.5
Energy field stores	234.9	237.5
Steel distributors	103.7	103.3
	$ 924.2	$ 840.3

Inventories expensed in cost of sales for the three months ended September 30, 2024, were $874.5 million (2023: $885.1 million) and for the nine months ended September 30 2024, were $2.5 billion (2023: $2.7 billion).

During the three months ended September 30, 2024, the Company recorded no change in inventory provisions (2023: increase of $5.0 million) and a net reduction of $2.7 million for the nine months ended September 30, 2024 (2023: reduction of $0.7 million).

NOTE 6 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
Business acquisition (Note 4)	-	28.7	0.6	29.3
Additions	28.1	40.4	0.5	69.0
Disposals	(0.1)	(8.7)	(0.3)	(9.1)
Foreign exchange	3.8	1.3	0.1	5.2
Balance, September 30, 2024	$ 352.7	$ 562.1	$ 26.0	$ 940.8

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	6.2	24.9	0.7	31.8
Disposals	(0.1)	(8.3)	(0.3)	(8.7)
Foreign exchange	0.9	1.4	0.1	2.4
Balance, September 30, 2024	$ 164.2	$ 348.0	$ 19.8	$ 532.0

Net Book Value *($ millions)*	
December 31, 2023	$ 339.9
September 30, 2024	$ 408.8

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

Depreciation Expense	Three Months Ended September 30		Nine Months Ended September 30	
($ millions)	2024	2023	2024	2023
Depreciation - cost of materials	$ 1.7	$ 1.7	$ 5.1	$ 4.9
Depreciation - other operating expense	9.5	7.8	26.7	24.1
	$ 11.2	$ 9.5	$ 31.8	$ 29.0

NOTE 7 RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

Leased land and buildings represented approximately 81% (2023: 77%) 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	16.4	16.4
Business acquisition (Note 4)	41.6	41.6
Disposals and modification	6.7	6.7
Depreciation and amortization	(15.9)	-
Lease payments	-	(14.5)
Foreign exchange	0.7	0.8
Balance, September 30, 2024	$ 149.5	$ 176.3
Current portion		$ 20.4
Long-term portion		$ 155.9

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

Right-of-use Assets *($ millions)*	September 30 2024	December 31 2023
Land and buildings	$ 121.4	$ 76.9
Machinery and equipment	28.1	23.1
	$ 149.5	$ 100.0

Depreciation Expense ($ millions)	Three Months Ended September 30 2024	Three Months Ended September 30 2023	Nine Months Ended September 30 2024	Nine Months Ended September 30 2023
Land and buildings	$ 3.6	$ 2.6	$ 9.2	$ 7.9
Machinery and equipment	2.3	1.8	6.7	5.3
	$ 5.9	$ 4.4	$ 15.9	$ 13.2

NOTE 8 INVESTMENT IN JOINT VENTURE

On September 1, 2023, the Company sold its interest in the TriMark joint venture for $60.0 million and recorded a gain on sale of $9.8 million. The Company's investment included 50% of the common shares and preferred shares with a face value of $31.5 million. Earnings from joint venture for three months and nine months ended September 30, 2023 were $1.9 million and $17.3 million respectively.

NOTE 9 GOODWILL AND INTANGIBLES

($ millions)	September 30 2024	December 31 2023
Goodwill	$ 54.2	$ 51.3
Intangibles	70.6	68.9
	$ 124.8	$ 120.2

Goodwill ($ millions)	Metals Service Centers	Energy Field Stores	Total
Balance, December 31, 2023	$ 50.1	$ 1.2	$ 51.3
Business acquisitions (Note 4)	2.3	-	2.3
Foreign exchange	0.6	-	0.6
Balance, September 30, 2024	$ 53.0	$ 1.2	$ 54.2

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

Intangibles **Cost** ($ millions)	Metals Service Centers	Energy Field Stores	Total
Balance, December 31, 2023	$ 49.6	$ 106.7	$ 156.3
Business acquisitions (Note 4)	7.7	-	7.7
Foreign exchange	0.5	0.4	0.9
Balance, September 30, 2024	$ 57.8	$ 107.1	$ 164.9

Accumulated Amortization ($ millions)	Metals Service Centers	Energy Field Stores	Total
Balance, December 31, 2023	$ (23.1)	$ (64.3)	$ (87.4)
Amortization	(1.8)	(5.1)	(6.9)
Balance, September 30, 2024	$ (24.9)	$ (69.4)	$ (94.3)

Net Book Value ($ millions)	
December 31, 2023	$ 68.9
September 30, 2024	$ 70.6

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

NOTE 10 REVOLVING CREDIT FACILITIES

On July 15, 2024, the Company entered into a new $600 million credit agreement with a syndicate of banks replacing its previous $450 million facility, which consists of: (i) $400 million under Facility A to be utilized for borrowings and letters of credit; (ii) $50 million under Facility B to be utilized only for letters of credit; and (iii) $150 million under Facility C to be used for borrowings. Letters of credit are issued under Facility B first and additional needs are issued under Facility A. Facilities A and B expire on July 15, 2028 and Facility C expires on July 15, 2026. These facilities are unsecured and are guaranteed by the Company and certain of its subsidiaries.

The Company had no borrowings as at September 30, 2024 and December 31, 2023 and letters of credit of $38.1 million as at September 30, 2024, (December 31, 2023: $25.5 million). The Company was in compliance with its financial covenants at September 30, 2024.

NOTE 11 LONG-TERM DEBT

($ millions)	September 30 2024	December 31 2023
5 ¾% $150 million Senior Notes due October 27, 2025	$ 149.1	$ 148.5
6% $150 million Senior Notes due March 16, 2026	-	148.7
	$ 149.1	$ 297.2

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

a) 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.

On October 1, 2024, the Company announced the redemption of these notes effective October 27, 2024, at par plus accrued and unpaid interest.

b) On May 2, 2024, the Company redeemed its $150 million 6% senior unsecured notes at par plus accrued and unpaid interest. The after-tax charge to net earnings related to the redemption was $0.8 million due to the non-cash write-off of deferred financing charges.

NOTE 12 PENSIONS AND BENEFITS

As at September 30, 2024, the Company determined its accrued benefit obligations related to the employee future benefit plans using a discount rate of 4.60% (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 loss on employee future benefit plans of $0.8 million for the three months ended September 30, 2024 (2023: gain of $9.1 million) and an actuarial gain of $4.5 million for the nine months ended September 30, 2024 (2023: gain of $10.8 million).

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

($ millions)	September 30 2024	December 31 2023
Present value of defined benefit pension obligations	$ 87.6	$ 86.1
Fair value of plan assets	133.0	129.2
	(45.4)	(43.1)
Other post-retirement benefit obligations	1.4	1.5
Defined benefit (asset) obligation, net	$ (44.0)	$ (41.6)

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

	Pension Plans		Other Benefit Plans	
Defined Benefit (Asset) Obligations ($ millions)	September 30 2024	December 31 2023	September 30 2024	December 31 2023
Plans with surplus	$ (45.9)	$ (43.6)	$ -	$ -
Partially funded plans	0.5	0.5	-	-
Unfunded plans	-	-	1.4	1.5
Defined benefit (asset) obligation	$ (45.4)	$ (43.1)	$ 1.4	$ 1.5

NOTE 13 SHAREHOLDERS' EQUITY

a) At September 30, 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	76,015	1.9
Shares repurchased	(3,013,219)	(27.5)
Balance, September 30, 2024	57,451,222	$ 530.7

In August 2024, the Company renewed its normal course issuer bid to purchase for cancellation up to 5.8 million of its common shares over 12 months.

During the nine months ended September 30, 2024, the Company purchased 3,013,219 shares under the Company's normal course issuer bid at an average cost of $38.70 per share for a total cost of $116.7 million, excluding the impact of the recently enacted 2% federal tax on share repurchase amounting to $2.3 million. The original cost of these shares of $27.5 million was recorded as a reduction of share capital and the balance of $91.5 million as a reduction of retained earnings. The common shares purchased through this bid have been cancelled.

The continuity of contributed surplus is as follows:

($ millions)	
Balance, December 31, 2023	$ 10.3
Share options exercised	(0.3)
Balance, September 30, 2024	$ 10.0

Dividends paid and declared are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Dividends paid *($ millions)*	$ 24.5	$ 24.5	$ 73.6	$ 72.9
Dividends paid per share	$ 0.42	$ 0.40	$ 1.24	$ 1.18
Dividends declared per share on November 6, 2024 (November 8, 2023)	$ 0.42	$ 0.40		

NOTE 14 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	
	September 30 2024	December 31 2023	September 30 2024	December 31 2023
Balance, beginning of period	100,548	575,785	$ 21.89	$ 26.27
Exercised	(76,015)	(435,862)	20.86	27.03
Expired or forfeited	-	(39,375)	-	28.99
Balance, end of period	24,533	100,548	$ 25.08	$ 21.89
Exercisable	12,266	48,611	$ 25.08	$ 21.94

The outstanding options had exercise price ranges as follows:

(number of options)	September 30 2024	December 31 2023
$ 22.01 - $ 25.08	24,533	24,533
$ 14.62 - $ 22.00	-	64,815
$ 14.61	-	11,200
Options outstanding	24,533	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	
	September 30 2024	December 31 2023	September 30 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 September 30, 2024, was $3.0 million and $3.5 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)	September 30 2024	December 31 2023
Balance, beginning of the period	386,183	343,104
Granted	34,774	43,079
Paid out	(67,502)	-
Balance, end of the period	353,455	386,183

The liability and fair value of DSUs was $14.5 million at September 30, 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)	September 30 2024	December 31 2023
Balance, beginning of the period	513,586	312,464
Granted	237,441	256,393
Paid out	(2,928)	(55,271)
Balance, end of the period	748,099	513,586

The RSU liability at September 30, 2024, was $23.5 million (December 31, 2023: $17.0 million). The fair value of RSUs was $30.7 million at September 30, 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 15 EARNINGS PER SHARE

The net income used in the calculation of basic and diluted earnings per share for the three months ended September 30, 2024 was $34.5 million (2023: $60.6 million) and for the nine months ended September 30, 2024, was $134.1 million (2023: $219.5 million).

	Three Months Ended September 30		Nine Months Ended September 30	
(number of shares)	2024	2023	2024	2023
Weighted average shares outstanding	58,238,501	61,184,940	59,399,755	61,810,470
Dilution impact of share options	8,354	42,322	9,276	37,852
Diluted weighted average shares outstanding	58,246,855	61,227,262	59,409,031	61,848,322

NOTE 16 EXPENSES

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions)	2024	2023	2024	2023
Employee Expenses				
Wages and salaries	$ 91.6	$ 84.8	$ 251.4	$ 264.5
Other employee related costs	14.1	11.9	43.2	38.5
	$ 105.7	$ 96.7	$ 294.6	$ 303.0
Other Operating Expenses				
Plant and other expenses	$ 29.4	$ 30.1	$ 101.1	$ 95.4
Delivery expenses	20.6	20.7	63.1	63.8
Repairs and maintenance	6.1	5.1	17.6	15.4
Selling expenses	3.2	3.3	10.0	10.9
Professional fees	2.7	2.0	10.1	6.2
Gain on sale of property, plant and equipment	(0.2)	(0.2)	(0.6)	(0.7)
Foreign exchange (gain) loss	(0.2)	(0.9)	0.1	(0.8)
	$ 61.6	$ 60.1	$ 201.4	$ 190.2

NOTE 17 INTEREST EXPENSE

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions)	2024	2023	2024	2023
Interest on 6% $150 million Senior Notes	$ -	$ 2.4	$ 3.2	$ 7.1
Interest on 5 ¾% $150 million Senior Notes	2.3	2.3	7.0	7.0
Write-off of deferred financing change	-	-	1.1	-
Interest on lease obligations	3.1	2.3	8.2	6.9
Interest income, net	(3.0)	(5.4)	(15.8)	(12.8)
Interest expense, net	$ 2.4	$ 1.6	$ 3.7	$ 8.2

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 September 30, 2024, was $0.2 million (2023: $0.3 million) and for the nine months ended September 30, 2024, was $1.9 million (2023: $0.9 million). On October 27, 2024, the Company redeemed its 5.75% senior unsecured notes and will expense the remaining issue costs of $0.9 million.

NOTE 18 INCOME TAXES

The consolidated effective tax rates for the three months ended September 30, 2024 and September 30, 2023, were 23.7% and 22.1% respectively and for the nine months ended September 30, 2024 and 2023, were 24.8% and 23.2% respectively.

NOTE 19 PROVISIONS AND OTHER NON-CURRENT LIABILITIES

($ millions)	September 30 2024	December 31 2023
Provision for decommissioning liabilities	$ 3.2	$ 3.1
Deferred compensation and employee incentives	41.0	37.7
	44.2	40.8
Less: current portion	(10.9)	(10.4)
	$ 33.3	$ 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 20 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 user 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, 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 September 30, 2024, the inter-segment sales from steel distributors to metals service centers were $23.7 million (2023: $28.4 million) and for the nine months ended September 30, 2024, were $71.0 million (2023: $90.3 million). These sales, which are at market rates, are eliminated in the following table.

a) Results by Business Segment:

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions)	2024	2023	2024	2023
Segment Revenues				
Metals service centers	$ 706.9	$ 725.0	$ 2,143.5	$ 2,352.0
Energy field stores	265.7	265.7	763.6	766.8
Steel distributors	109.7	112.5	300.2	355.5
	1,082.3	1,103.2	3,207.3	3,474.3
Other	7.1	6.3	14.7	11.5
	$ 1,089.4	$ 1,109.5	$ 3,222.0	$ 3,485.8
Segment Operating Profits				
Metals service centers	$ 21.5	$ 35.9	$ 98.7	$ 164.7
Energy field stores	24.7	28.1	69.3	85.5
Steel distributors	9.0	9.5	28.2	44.9
	55.2	73.5	196.2	295.1
Corporate and other expenses	(7.6)	(5.9)	(14.1)	(28.2)
Earnings from joint venture	-	11.7	-	27.1
Earnings before interest expense and provision for income taxes	47.6	79.3	182.1	294.0
Interest expense, net	(2.4)	(1.6)	(3.7)	(8.2)
Provision for income taxes	(10.7)	(17.1)	(44.3)	(66.3)
Net earnings	$ 34.5	$ 60.6	$ 134.1	$ 219.5
Capital Expenditures				
Metals service centers	$ 18.2	$ 11.3	$ 60.2	$ 34.4
Energy field stores	2.4	2.4	6.7	7.8
Steel distributors	-	1.3	0.4	1.4
Other	0.4	0.1	1.7	1.1
	$ 21.0	$ 15.1	$ 69.0	$ 44.7
Depreciation and Amortization Expense				
Metals service centers	$ 13.9	$ 11.0	$ 38.1	$ 33.8
Energy field stores	5.0	4.7	14.9	13.8
Steel distributors	0.3	0.4	1.0	1.0
Other	0.6	0.2	1.1	0.8
	$ 19.8	$ 16.3	$ 55.1	$ 49.4

($ millions)	September 30 2024	December 31 2023
Current Identifiable Assets		
Metals service centers	$ 949.6	$ 793.0
Energy field stores	418.5	392.4
Steel distributors	146.1	139.5
	1,514.2	1,324.9
Non-Current Identifiable Assets		
Metals service centers	548.8	424.6
Energy field stores	119.6	121.7
Steel distributors	10.8	11.2
Total identifiable assets included in segments	2,193.4	1,882.4
Assets Not Included in Segments		
Cash and cash equivalents	222.3	629.2
Income taxes receivable and deferred income tax assets	12.5	9.4
Financial and other assets	5.4	3.9
Pension and benefits	45.9	43.6
Corporate and other operating assets	4.5	1.6
Total assets	$ 2,484.0	$ 2,570.1
Liabilities		
Metals service centers	$ 430.8	$ 365.6
Energy field stores	169.0	134.6
Steel distributors	28.6	34.9
Total liabilities included in segment	628.4	535.1
Liabilities Not Included in Segments		
Income taxes payable and deferred income tax liabilities	19.9	21.1
Long-term debt	149.1	297.2
Pension and benefits	1.9	2.0
Corporate and other liabilities	80.2	74.8
Total liabilities	$ 879.5	$ 930.2

b) *Results by Geographic Segment:*

($ millions)	Three Months Ended September 30 2024	Three Months Ended September 30 2023	Nine Months Ended September 30 2024	Nine Months Ended September 30 2023
Segment Revenues				
Canada	$ 665.5	$ 670.0	$ 1,931.2	$ 2,096.7
United States	416.8	433.2	1,276.1	1,377.6
	$ 1,082.3	$ 1,103.2	$ 3,207.3	$ 3,474.3
Segment Operating Profits				
Canada	$ 35.4	$ 50.3	$ 127.7	$ 189.6
United States	19.8	23.2	68.5	105.5
	$ 55.2	$ 73.5	$ 196.2	$ 295.1

($ millions)	September 30 2024	December 31 2023
Identifiable Assets		
Canada	$ 1,415.6	$ 1,172.1
United States	777.8	710.3
	$ 2,193.4	$ 1,882.4

c) Revenues by Product:

($ millions)	Three Months Ended September 30 2024	Three Months Ended September 30 2023	Nine Months Ended September 30 2024	Nine Months Ended September 30 2023
Carbon				
Structurals and Pipe (WF & I Beams, Angles, Channels, Hollow Tubes)	$ 387.4	$ 458.4	$ 1,204.0	$ 1,411.0
Plate (Discrete & Plate in Coil)	211.2	222.8	635.0	724.1
Flanges, Valves, Fittings and other related products	182.2	160.5	544.2	489.3
Flat Rolled (Sheet & Coil)	122.3	96.1	301.3	310.0
Bars (Hot Rolled and Cold Finished)	42.8	48.5	162.0	170.8
Grating/ Expanded/ Rails	16.0	12.3	38.5	33.8
Total Carbon	961.9	998.6	2,885.0	3,139.0
Total Non-Ferrous (Sheet, Extrusion, Tubes, etc.)	61.3	43.1	162.4	159.9
Other	66.2	67.8	174.6	186.9
	$ 1,089.4	$ 1,109.5	$ 3,222.0	$ 3,485.8

NOTE 21 FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

a) Financial Assets and Liabilities

Financial assets and liabilities are as follows:

September 30, 2024 ($ millions)	Loans and Receivables	Other Financial Liabilities	Total
Cash and cash equivalents	$ 222.3	$ -	$ 222.3
Accounts receivable	566.4	-	566.4
Other financial assets	3.7	-	3.7
Accounts payables and accrued liabilities	-	(499.0)	(499.0)
Lease obligations	-	(176.3)	(176.3)
Long-term debt	-	(149.1)	(149.1)
Total	$ 792.4	$ (824.4)	$ (32.0)

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 and nine months ended September 30, 2024, the fair value gain from derivative of financial instruments on the consolidated statements of earnings was $2.5 million and $0.4 million respectively (2023: loss of $1.3 million and gain of $1.0 million) including embedded derivatives 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 condensed 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 September 30, 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	
September 30, 2024 ($ millions)	Carrying Amount	Fair Value Level 2
5 ¾% $150 million Senior Notes due October 27, 2025	$ 149.1	$ 150.2
Current portion	$ -	
Long-term portion	$ 149.1	

	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	

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 September 30, 2024, nearly all cash and cash equivalents were held in institutions that were rated as R1 High by DBRS or equivalent rating by Standard and Poor or Moody's;
- Counterparties to derivative contracts are members of the syndicated banking facility (Note 10);
- 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 September 30, 2024 and December 31, 2023, other than the allowance for doubtful accounts. As at September 30, 2024, trade accounts receivable greater than 90 days represented less than 3% 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 September 30, 2024, the Company had outstanding forward foreign exchange contracts in the amount of US$196.2 million maturing in 2024 (2023: US$24.8 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 September 30, 2024, the Company has access to $762.3 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 September 30, 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	$ 499.0	$ -	$ 4.3	$ 8.8	$ 512.1
2025	-	150.0	8.5	33.9	192.4
2026	-	-	-	33.4	33.4
2027	-	-	-	31.6	31.6
2028	-	-	-	26.7	26.7
2029 and beyond	-	-	-	120.0	120.0
Total	$ 499.0	$ 150.0	$ 12.8	$ 254.4	$ 916.2

At September 30, 2024, the Company was contractually obligated to repay its letters of credit under its bank facilities at maturity (Note 10). 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 22 CONTINGENCIES, COMMITMENTS AND GUARANTEES

a) 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.

b) 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 23 OTHER COMPREHENSIVE INCOME

Income taxes on other comprehensive (loss) income are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions)	2024	2023	2024	2023
Tax on items that may not be reclassified to earnings				
Income taxes on actuarial gains on pension and similar obligations	$ 0.2	$ (2.4)	$ (1.2)	$ (2.8)

NOTE 24 SUBSEQUENT EVENTS

On October 1, 2024, the Company announced the redemption of its $150 million 5.75% senior unsecured notes due October 27, 2025, at a price equal to 100% of the aggregated principal plus accrued and unpaid interest thereon. This redemption is irrevocable and the redemption was completed on October 27, 2024. The redemption will result in a pre-tax charge to income of $0.9 million due to the write-off of deferred financing charges.