

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 International Financial Reporting 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.

November 4, 2021

(signed) J. G. Reid
President and
Chief Executive Officer

(signed) M. L. Juravsky
Executive Vice President and
Chief Financial Officer

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

<i>(in millions of Canadian dollars, except per share data)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Revenues	\$ 1,108.1	\$ 614.9	\$ 3,061.7	\$ 2,017.7
Cost of materials (Note 4)	777.9	498.1	2,148.5	1,638.4
Employee expenses (Note 14)	92.9	47.4	280.6	171.0
Other operating expenses (Note 14)	59.1	37.2	176.4	136.4
Share of earnings from joint venture (Note 3)	(2.8)	-	(2.8)	-
Asset impairment	-	-	-	3.7
Earnings before interest and provision for income taxes	181.0	32.2	459.0	68.2
Interest expense (Note 15)	6.5	9.1	19.4	27.7
Earnings before provision for income taxes	174.5	23.1	439.6	40.5
Provision for income taxes (Note 16)	42.9	4.9	109.6	7.2
Net earnings for the period	\$ 131.6	\$ 18.2	\$ 330.0	\$ 33.3
Basic earnings per common share (Note 13)	\$ 2.10	\$ 0.29	\$ 5.28	\$ 0.54
Diluted earnings per common share (Note 13)	\$ 2.10	\$ 0.29	\$ 5.27	\$ 0.54

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Net earnings for the period	\$ 131.6	\$ 18.2	\$ 330.0	\$ 33.3
Other comprehensive (loss) income				
Items that may be reclassified to earnings				
Unrealized foreign exchange gains (losses) on translation of foreign operations	16.5	(12.0)	2.7	14.8
Items that may not be reclassified to earnings				
Actuarial gains (losses) on pension and similar obligations net of taxes (Note 21)	3.8	3.8	21.9	(4.8)
Other comprehensive income (loss)	20.3	(8.2)	24.6	10.0
Total comprehensive income	\$ 151.9	\$ 10.0	\$ 354.6	\$ 43.3

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	September 30 2021	December 31 2020
ASSETS		
Current		
Cash and cash equivalents	\$ 336.8	\$ 26.3
Accounts receivable	550.0	344.0
Inventories (Note 4)	786.8	716.4
Prepaid and other	16.4	13.6
Income taxes receivable	5.0	19.8
	1,695.0	1,120.1
Property, Plant and Equipment (Note 5)	264.5	269.5
Right-of-Use Assets (Note 6)	83.2	81.4
Investment in Joint Venture (Note 3)	34.3	-
Deferred Income Tax Assets	5.5	5.9
Pension and Benefits (Note 10)	26.2	5.1
Financial and Other Assets	4.2	4.7
Goodwill and Intangibles (Note 7)	103.2	109.6
	\$ 2,216.1	\$ 1,596.3
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 562.6	\$ 294.6
Short-term lease obligations (Note 6)	15.3	16.9
Income taxes payable	54.4	3.7
	632.3	315.2
Long-Term Debt (Note 9)	294.5	293.7
Pensions and Benefits (Note 10)	5.0	13.0
Deferred Income Tax Liabilities	11.5	9.5
Long-term Lease Obligations (Note 6)	92.4	88.8
Provisions and Other Non-Current Liabilities (Note 17)	15.0	11.4
	1,050.7	731.6
Shareholders' Equity (Note 11)		
Common shares	566.5	546.2
Retained earnings	493.0	212.5
Contributed surplus	12.9	15.7
Accumulated other comprehensive income	93.0	90.3
Total Shareholders' Equity	1,165.4	864.7
Total Liabilities and Shareholders' Equity	\$ 2,216.1	\$ 1,596.3

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

ON BEHALF OF THE BOARD,

(signed) A. Laberge
Director

(signed) J. Clark
Director

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Operating activities				
Net earnings for the period	\$ 131.6	\$ 18.2	\$ 330.0	\$ 33.3
Depreciation and amortization	14.5	15.0	43.3	46.0
Provision for income taxes	42.9	4.9	109.6	7.2
Interest expense	6.5	9.1	19.4	27.7
(Loss) gain on sale of property, plant and equipment	0.6	(6.1)	0.3	(6.3)
Share of earnings from joint venture	(2.8)	-	(2.8)	-
Asset impairment	-	-	-	3.7
Share-based compensation	0.1	0.1	0.2	0.3
Difference between pension expense and amount funded	-	-	0.6	-
Debt accretion, amortization and other	0.3	0.4	0.8	1.0
Interest paid, including interest on lease obligations	(6.1)	(6.5)	(18.7)	(24.6)
Cash from operating activities before non-cash working capital	187.6	35.1	482.7	88.3
Changes in non-cash working capital items				
Accounts receivable	(16.9)	(18.7)	(206.1)	122.4
Inventories	(126.3)	67.4	(193.6)	101.4
Accounts payable and accrued liabilities	79.2	(11.2)	281.3	(58.5)
Other	1.3	3.1	(3.0)	6.7
Change in non-cash working capital	(62.7)	40.6	(121.4)	172.0
Income tax (paid) refund, net	(19.1)	5.5	(49.8)	4.6
Cash from operating activities	105.8	81.2	311.5	264.9
Financing activities				
Decrease in bank indebtedness	-	(11.3)	-	(62.1)
Issue of common shares	7.9	-	17.3	0.2
Dividends on common shares	(23.9)	(23.6)	(71.4)	(70.9)
Deferred financing	-	(1.1)	-	(1.1)
Lease obligations	(3.8)	(4.7)	(11.7)	(14.1)
Cash used in financing activities	(19.8)	(40.7)	(65.8)	(148.0)
Investing activities				
Purchase of property, plant and equipment	(7.6)	(6.4)	(20.3)	(18.8)
Proceeds on sale of property, plant and equipment	0.4	1.6	0.9	4.9
Sale of business (Note 3)	77.1	-	77.1	-
Cash from (used in) investing activities	69.9	(4.8)	57.7	(13.9)
Effect of exchange rates on cash and cash equivalents	5.7	(3.3)	7.1	2.5
Increase in cash and cash equivalents	161.6	32.4	310.5	105.5
Cash and cash equivalents, beginning of the period	175.2	89.1	26.3	16.0
Cash and cash equivalents, end of the period	\$ 336.8	\$ 121.5	\$ 336.8	\$ 121.5

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2021	\$ 546.2	\$ 212.5	\$ 15.7	\$ 90.3	\$ 864.7
Payment of dividends	-	(71.4)	-	-	(71.4)
Net earnings for the period	-	330.0	-	-	330.0
Other comprehensive income for the period	-	-	-	24.6	24.6
Recognition of share-based compensation	-	-	0.2	-	0.2
Share options exercised	20.3	-	(3.0)	-	17.3
Transfer of net actuarial gains on defined benefit plans	-	21.9	-	(21.9)	-
Balance, September 30, 2021	\$ 566.5	\$ 493.0	\$ 12.9	\$ 93.0	\$ 1,165.4

<i>(in millions of Canadian dollars)</i>	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2020	\$ 543.7	\$ 284.5	\$ 15.7	\$ 100.7	\$ 944.6
Payment of dividends	-	(70.9)	-	-	(70.9)
Net earnings for the period	-	33.3	-	-	33.3
Other comprehensive income for the period	-	-	-	10.0	10.0
Recognition of share-based compensation	-	-	0.3	-	0.3
Share options exercised	0.3	-	(0.1)	-	0.2
Transfer of net actuarial losses on defined benefit plans	-	(4.8)	-	4.8	-
Balance, September 30, 2020	\$ 544.0	\$ 242.1	\$ 15.9	\$ 115.5	\$ 917.5

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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 4, 2021.

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, 2020. 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 International Financial Reporting 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, 2020. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2020.

These condensed consolidated financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of 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 SALE OF BUSINESS AND INVESTMENT IN JOINT VENTURE

ACCOUNTING POLICIES, ACCOUNTING, ESTIMATES AND JUDGEMENTS

Joint arrangements that involve the establishment of a separate entity in which parties to the arrangement have joint control over the economic activity of the entity and rights to the net assets are referred to as joint ventures. Joint control exists when the joint arrangements require the unanimous consent of the parties sharing control for decisions about relevant activities.

Investments in the common shares of a joint venture is included in the Company's consolidated financial statements and accounted for using the equity method, whereby the investment is initially recognized at cost, and adjusted thereafter to recognize the Company's share of the earnings or loss of the joint venture from the date of acquisition. The Company's share of the joint venture earnings or loss is included in the consolidated statements of earnings.

An investment in the joint venture is considered to be impaired if there is objective evidence of impairment, as a result of one or more events that occurred after initial recognition of the joint venture, and that event has a negative impact on future cash flows and can be reliably estimated.

Investments in the preferred shares of a joint venture are initially recognized at cost and are then subsequently carried at fair market value using the Dividend Discount Model, which is an income approach valuation technique to price preferred shares using future dividend stream and expected rates of return. Dividends received from preferred shares are recognized in earnings when the right to receive payment is established.

The Company makes judgments to determine whether a joint arrangement should be classified as a joint venture and in determining whether there is any objective evidence of impairment and if so, estimating the amount of loss. Impairments require judgement in determining the indicators of impairment and estimates used to measure impairment losses.

SUPPORTING INFORMATION

On July 6, 2021, the Company completed the merger of its Canadian OCTG/line pipe business which was part of the Company's energy products segment, with Marubeni-Itochu Tubulars America Inc.'s Canadian OCTG/line pipe business, to form a joint venture operating under the name of TriMark Tubulars Ltd. The Company contributed certain net assets and retained a 50% interest in the joint venture.

The contributed assets provided and consideration received from the merger were as follows:

<i>(millions)</i>	
Inventories	\$ 119.2
Prepays, fixed assets and other assets	0.3
Accounts payable and accrued liabilities	(10.9)
Contributed assets provided	\$ 108.6

<i>(millions)</i>	
Common shares	\$ -
Class A Preferred Shares	31.5
Cash	77.1
Consideration received	\$ 108.6

The common shares have voting rights and the Company's investment represents a 50% share of ownership and voting rights of the joint venture. The preferred shares have no voting rights and have an annual cumulative dividend rate of 7%.

The following is the continuity of the investment in the joint venture:

<i>(millions)</i>	
Balance, beginning of the year	\$ -
Additions	31.5
Share of earnings from joint venture	2.8
Balance, end of the year	\$ 34.3

The following shows the joint venture's summarized financial information:

<i>(millions)</i>	September 30 2021
Current assets	\$ 284.4
Non-current assets	6.0
Current liabilities	(221.3)
Non-current liabilities	(0.2)
Net assets	\$ 68.9

<i>(millions)</i>	Three Months Ended September 30, 2021
Revenue	\$ 136.5
Net income	\$ 5.9

NOTE 4 INVENTORIES

<i>(millions)</i>	September 30 2021	December 31 2020
Inventories		
Metals service centers	\$ 535.5	\$ 278.9
Energy products	130.6	373.0
Steel distributors	120.7	64.5
	\$ 786.8	\$ 716.4

Inventories expensed in cost of sales for the quarter ended September 30, 2021 were \$777.9 million (2020: \$498.1 million) and for the nine months ended September 30 2021 were \$2.1 billion (2020: \$1.6 billion). During the quarter ended September 30, 2021, the Company recorded a net reduction in inventory provisions of \$5.8 million (2020: net increase of \$4.8 million) and a net reduction of \$15.1 million for the nine months ended September 30, 2021 (2020: net increase of \$16.8 million).

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

<i>Cost (millions)</i>	Land and Buildings	Machinery and Equipment	Leasehold Improvements	Total
Balance, December 31, 2020	\$ 270.4	\$ 403.2	\$ 23.2	\$ 696.8
Additions	2.1	17.9	0.3	20.3
Disposals	(0.5)	(11.7)	(0.3)	(12.5)
Foreign exchange	-	0.4	0.1	0.5
Balance, September 30, 2021	\$ 272.0	\$ 409.8	\$ 23.3	\$ 705.1

<i>Accumulated Depreciation and Amortization (millions)</i>	Land and Buildings	Machinery and Equipment	Leasehold Improvements	Total
Balance, December 31, 2020	\$ 130.6	\$ 279.5	\$ 17.2	\$ 427.3
Additions	6.4	17.5	0.6	24.5
Disposals	(0.4)	(10.7)	(0.2)	(11.3)
Foreign exchange	0.3	(0.2)	-	0.1
Balance, September 30, 2021	\$ 136.9	\$ 286.1	\$ 17.6	\$ 440.6

Net Book Value (millions)

December 31, 2020	\$ 269.5
September 30, 2021	\$ 264.5

Land, included in land and buildings, was \$42.7 million (December 31, 2020: \$42.9 million).

<i>Depreciation Expense (millions)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Depreciation - cost of materials	\$ 1.8	\$ 1.7	\$ 5.6	\$ 5.5
Depreciation - other operating expense	6.6	6.3	18.9	19.3
	\$ 8.4	\$ 8.0	\$ 24.5	\$ 24.8

NOTE 6 RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

Leased land and buildings represented approximately 84% (2020: 77%) of the right-of-use assets with the remainder comprised of leases of vehicles and equipment.

<i>(millions)</i>	Right-of-use Assets	Lease Obligations
Balance, December 31, 2020	\$ 81.4	\$ 105.7
Additions	8.5	8.5
Disposals and modification	5.1	5.0
Depreciation and amortization	(11.9)	-
Lease payments	-	(11.7)
Foreign exchange	0.1	0.2
Balance, September 30, 2021	\$ 83.2	\$ 107.7
Current portion		\$ 15.3
Long-term portion		\$ 92.4

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

Right-of-use Assets <i>(millions)</i>	September 30 2021	December 31 2020
Land and buildings	\$ 70.0	\$ 66.8
Machinery and equipment	13.2	14.6
	\$ 83.2	\$ 81.4

Depreciation Expense <i>(millions)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Land and buildings	\$ 2.5	\$ 2.6	\$ 7.6	\$ 8.5
Machinery and equipment	1.3	1.7	4.3	4.9
	\$ 3.8	\$ 4.3	\$ 11.9	\$ 13.4

NOTE 7 GOODWILL AND INTANGIBLES

<i>(millions)</i>	September 30 2021	December 31 2020
Goodwill	\$ 39.2	\$ 39.2
Intangibles	64.0	70.4
	\$ 103.2	\$ 109.6

The entire goodwill balance relates to the metals service centers segment.

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

Cost <i>(millions)</i>	Metals Service Centers	Energy Products	Total
Balance, December 31, 2020	\$ 25.6	\$ 103.6	\$ 129.2
Foreign exchange	-	-	-
Balance, September 30, 2021	\$ 25.6	\$ 103.6	\$ 129.2

Accumulated Amortization <i>(millions)</i>	Metals Service Centers	Energy Products	Total
Balance, December 31, 2020	\$ (14.6)	\$ (44.2)	\$ (58.8)
Amortization	(1.2)	(5.2)	(6.4)
Balance, September 30, 2021	\$ (15.8)	\$ (49.4)	\$ (65.2)

Net Book Value (millions)

December 31, 2020	\$ 70.4
September 30, 2021	\$ 64.0

The remaining amortization period for customer relationships is 3 to 14 years.

NOTE 8 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 on September 21, 2023.

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 was in compliance with its financial covenants at September 30, 2021. The Company had no borrowings as at September 30, 2021 and December 31, 2020 and letters of credit of \$176.3 million (December 31, 2020: \$68.0 million) under this facility.

NOTE 9 LONG-TERM DEBT

<i>(millions)</i>	September 30 2021	December 31 2020
5 ¾% \$150 million Senior Notes due October 27, 2025	\$ 147.0	\$ 146.5
6% \$150 million Senior Notes due March 16, 2026	147.5	147.2
	\$ 294.5	\$ 293.7

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 March 16, 2018, the Company issued through a private placement \$150 million 6% Unsecured Senior 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, 2021 at 104.5% of the principal amount declining rateably to 100% of the principal amount on or after March 16, 2024.

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 September 30, 2021.

b) On October 27, 2020, the Company issued \$150 million 5 ¾% Unsecured Senior Notes due October 27, 2025, for total 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, 2022 at 102.9% of the principal amount declining rateably 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 September 30, 2021.

NOTE 10 PENSIONS AND BENEFITS

As at September 30, 2021, the Company determined its accrued benefit obligations related to the employee future benefit plans using a discount rate of 3.25% (December 31, 2020: 2.50%) 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 \$5.2 million for the quarter ended September 30, 2021 (2020: gain of \$5.1 million) and an actuarial gain of \$29.7 million for the nine months ended September 30, 2021 (2020: loss of \$6.6 million).

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

<i>(millions)</i>	September 30 2021	December 31 2020
Present value of defined benefit pension obligations	\$ 146.9	\$ 163.8
Fair value of plan assets	170.6	158.7
	23.7	(5.1)
Other postretirement benefit obligations	(2.5)	(2.8)
Defined benefit assets (obligations)	\$ 21.2	\$ (7.9)

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

<i>Defined Benefit Asset (Obligation)</i> <i>(millions)</i>	Pension Plans		Other Benefit Plans	
	September 30 2021	December 31 2020	September 30 2021	December 31 2020
Plans with surplus	\$ 26.2	\$ 5.1	\$ -	\$ -
Partially funded plans	(2.5)	(10.2)	-	-
Unfunded plans	-	-	(2.5)	(2.8)
Defined benefit assets (obligations)	\$ 23.7	\$ (5.1)	\$ (2.5)	\$ (2.8)

NOTE 11 SHAREHOLDERS' EQUITY

a) At September 30, 2021 and 2020, 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, 2020	62,295,441	\$ 546.2
Share options exercised	679,214	20.3
Balance, September 30, 2021	62,974,655	\$ 566.5

The continuity of contributed surplus is as follows:

<i>(millions)</i>	
Balance, December 31, 2020	\$ 15.7
Share-based compensation expense	0.2
Options exercised	(3.0)
Balance, September 30, 2021	\$ 12.9

Dividends paid and declared are as follows:

	Three Months End September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Dividends paid (<i>millions</i>)	\$ 23.9	\$ 23.6	\$ 71.4	\$ 70.9
Dividends per share	\$ 0.38	\$ 0.38	\$ 1.14	\$ 1.14
Quarterly dividend per share declared on November 4, 2021 (November 4, 2020)	\$ 0.38	\$ 0.38		

NOTE 12 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 2021	December 31 2020	September 30 2021	December 31 2020
(<i>millions</i>)				
Balance, beginning of period	1,583,793	1,666,534	\$ 26.20	\$ 26.00
Granted	49,065	109,615	25.08	18.94
Exercised	(679,214)	(122,011)	25.46	18.27
Expired or forfeited	(180,432)	(70,345)	25.83	23.87
Balance, end of period	773,212	1,583,793	\$ 26.88	\$ 26.20
Exercisable	598,878	1,366,046	\$ 28.13	\$ 26.66

The outstanding options had exercise price ranges as follows:

	September 30 2021	December 31 2020
(<i>number of options</i>)		
\$ 29.00 - \$ 31.46	193,987	213,987
\$ 25.37 - \$ 28.99	284,404	810,890
\$ 14.61 - \$ 25.36	294,821	558,916
Options outstanding	773,212	1,583,793

The Black-Scholes option-pricing model assumptions used to compute compensation expense are as follows:

	September 30 2021	December 31 2020
Dividend yield	5%	5%
Expected volatility	33%	32%
Expected life	5 yrs	5 yrs
Risk free rate of return	1.21%	0.72%
Weighted average fair value of options granted	\$ 4.28	\$ 2.86

Expected volatility is based on historical volatility over the last five years.

Share Appreciation Rights (SAR)

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

	Number of SARs		Weighted Average Exercise Price	
	September 30 2021	December 30 2020	September 30 2021	December 31 2020
(<i>millions</i>)				
Balance, beginning of period	352,871	232,871	\$ 25.48	\$ 27.31
Granted	88,766	120,000	25.08	21.94
Paid out	(80,862)	-	23.04	-
Balance, end of period	360,775	352,871	\$ 25.93	\$ 25.48

The SARs liability as at September 30, 2021 was \$0.6 million (December 31, 2020: \$nil). The fair value of SARs was \$1.7 million (December 31, 2020: \$nil).

Deferred Share Units (DSU)

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

<i>(number of units)</i>	September 30 2021	December 31 2020
Balance, beginning of the period	353,058	288,030
Granted	35,624	80,432
Paid out	(72,608)	(15,404)
Balance, end of the period	316,074	353,058

The liability and fair value of DSUs was \$9.6 million at September 30, 2021 (December 31, 2020: \$8.0 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 a RSU Plan for eligible employees as designated by the Board of Directors. Continuity of RSUs outstanding is as follows:

<i>(number of units)</i>	September 30 2021	December 31 2020
Balance, beginning of the period	409,779	389,429
Granted	54,330	166,911
Paid out	(58,970)	(146,561)
Balance, end of the period	405,139	409,779

The RSU liability at September 30, 2021 was \$10.5 million (December 31, 2020: \$7.1 million). The fair value of RSUs was \$12.3 million at September 30, 2021 (December 31, 2020: \$9.3 million). Dividends declared on common shares accrue to units in the RSU plan in the form of additional RSUs.

NOTE 13 EARNINGS PER SHARE

The net income used in the calculation of basic and diluted earnings per share for the quarter ended September 30, 2021 was \$131.6 million (2020: \$18.2 million) and for the nine months ended September 30, 2021 was \$330.0 million (2020: \$33.3 million).

<i>(number of shares)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Weighted average shares outstanding	62,636,186	62,184,978	62,542,388	62,183,036
Dilution impact of share options	152,504	4,930	75,817	-
Diluted weighted average shares outstanding	62,788,690	62,189,908	62,618,205	62,183,036

NOTE 14 EXPENSES

<i>(millions)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Employee Expenses				
Wages and salaries	\$ 80.9	\$ 37.4	\$ 243.6	\$ 137.6
Other employee related costs	12.0	10.0	37.0	33.4
	\$ 92.9	\$ 47.4	\$ 280.6	\$ 171.0
Other Operating Expenses				
Plant and other expenses	\$ 37.9	\$ 25.3	\$ 111.6	\$ 83.3
Delivery expenses	13.2	12.0	41.2	38.3
Repairs and maintenance	3.9	3.0	10.7	10.0
Selling expenses	1.6	1.3	6.1	6.0
Professional fees	1.5	2.0	6.5	5.2
Loss (gain) on sale of property, plant and equipment	0.6	(6.2)	0.3	(6.4)
Foreign exchange loss (gain)	0.4	(0.2)	-	-
	\$ 59.1	\$ 37.2	\$ 176.4	\$ 136.4

In response to the COVID-19 pandemic, the Government of Canada announced the Canadian Emergency Wage Subsidy program ("CEWS") commencing March 15, 2020. Wages and salaries benefits related to CEWS for the comparable three months and nine months ended September 30, 2020 were \$19.6 million and \$39.7 million respectively.

NOTE 15 INTEREST EXPENSE

<i>(millions)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Interest on 6% \$300 million Senior Notes	\$ -	\$ 4.5	\$ -	\$ 14.1
Interest on 6% \$150 million Senior Notes	2.5	2.5	7.1	7.0
Interest on 5 ¾% \$150 million Senior Notes	2.2	-	6.9	-
Interest on lease obligations	1.8	1.8	5.4	5.6
Other interest expense	-	0.3	-	1.0
Interest expense	\$ 6.5	\$ 9.1	\$ 19.4	\$ 27.7

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 quarter ended September 30, 2021 was \$0.3 million (2020: \$0.4 million) and for the nine months ended September 30, 2021 was \$0.8 million (2020: \$1.0 million).

NOTE 16 INCOME TAXES

The consolidated effective tax rates for the quarters ended September 30, 2021 and September 30, 2020 were 24.6% and 21.2% respectively and for the nine months ended September 30, 2021 and 2020 were 24.9% and 17.8% respectively. The lower effective tax rate for the three month period ended September 30, 2020 was due to the application of capital losses carry-forward to the gain on sale of property, plant and equipment. The lower effective tax rate for the nine months ended September 30, 2020 was due to the loss carry-back provisions of the U.S. CARES Act, enacted on March 27, 2020.

NOTE 17 PROVISIONS AND OTHER NON-CURRENT LIABILITIES

<i>(millions)</i>	September 30 2021	December 31 2020
Provision for decommissioning liabilities	\$ 1.6	\$ 1.7
Deferred compensation and employee incentives	20.7	15.1
	22.3	16.8
Less: current portion	(7.3)	(5.4)
	\$ 15.0	\$ 11.4

Deferred compensation and employee incentives are comprised of the RSU, DSU and SAR liabilities. The RSU, DSU and SAR liabilities that will be paid within the current year amounting to \$7.3 million have been reclassified to current accrued liabilities.

NOTE 18 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.

i) Metals service centers

The Company's network of metals service centers provides processing and distribution services on a broad 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. The Company services all major geographic regions of Canada and certain regions in the Southeastern and Midwestern United States.

ii) Energy products

The Company's energy products operations distribute tubes, valves, flanges, fittings, oil country tubular products and line pipe, primarily to the energy industry in Western Canada and the United States.

iii) Steel distributors

The Company's steel distributors act as master distributors selling steel to customers in large volumes, mainly on an "as is" basis. Steel distributors source their steel domestically and off shore.

The Company has segmented its operations on the basis of management reporting and geographic segments in which it operates. For the quarter ended September 30, 2021, the inter-segment revenues from steel distributors to metals service centers were \$26.9 million (2020: \$5.1 million) and for the nine months ended September 30, 2021 were \$53.0 million (2020: \$20.6 million). These sales, which are at market rates, are eliminated in the following table.

a) Results by business segment:

<i>(millions)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Segment Revenues				
Metals service centers	\$ 749.6	\$ 393.3	\$ 2,051.1	\$ 1,202.6
Energy products	189.3	157.5	620.7	621.6
Steel distributors	165.4	61.9	382.7	188.3
	1,104.3	612.7	3,054.5	2,012.5
Other	3.8	2.2	7.2	5.2
	\$ 1,108.1	\$ 614.9	\$ 3,061.7	\$ 2,017.7
Segment Operating Profits				
Metals service centers	\$ 132.0	\$ 26.2	\$ 373.6	\$ 68.3
Energy products	11.8	1.7	29.4	3.7
Steel distributors	37.9	1.6	85.3	4.3
	181.7	29.5	488.3	76.3
Corporate expenses	(5.6)	(4.7)	(34.8)	(11.9)
Income from joint venture	2.8	-	2.8	-
Gain on sale of property, plant and equipment	-	6.1	-	6.1
Asset impairment	-	-	-	(3.7)
Other income	2.1	1.3	2.7	1.4
Earnings before interest and taxes	181.0	32.2	459.0	68.2
Interest expense, net	(6.5)	(9.1)	(19.4)	(27.7)
Provision for income taxes	(42.9)	(4.9)	(109.6)	(7.2)
Net earnings	\$ 131.6	\$ 18.2	\$ 330.0	\$ 33.3
Capital Expenditures				
Metals service centers	\$ 7.0	\$ 5.8	\$ 18.9	\$ 15.9
Energy products	0.6	0.4	1.2	2.2
Steel distributors	-	0.1	0.2	0.3
Other	-	0.1	-	0.4
	\$ 7.6	\$ 6.4	\$ 20.3	\$ 18.8
Depreciation and Amortization Expense				
Metals service centers	\$ 9.0	\$ 8.9	\$ 27.4	\$ 26.9
Energy products	4.6	5.5	13.8	17.4
Steel distributors	0.7	0.4	1.5	1.2
Other	0.2	0.2	0.6	0.5
	\$ 14.5	\$ 15.0	\$ 43.3	\$ 46.0

<i>(millions)</i>	September 30 2021	December 31 2020
Current Identifiable Assets		
Metals service centers	\$ 903.4	\$ 473.6
Energy products	256.6	506.8
Steel distributors	191.8	97.4
	1,351.8	1,077.8
Non-Current Identifiable Assets		
Metals service centers	317.4	322.3
Energy products	122.8	128.9
Steel distributors	7.9	6.4
Total identifiable assets included in segments	1,799.9	1,535.4
Assets not included in segments		
Cash and cash equivalents	336.8	26.3
Investment in joint venture	34.3	-
Income tax assets	10.5	25.7
Financial and other assets	4.2	3.7
Pension and benefits	26.2	5.1
Corporate and other operating assets	4.2	0.1
Total assets	\$ 2,216.1	\$ 1,596.3
Liabilities		
Metals service centers	\$ 454.8	\$ 243.3
Energy products	118.5	116.8
Steel distributors	57.1	17.0
Liabilities by segment	630.4	377.1
Liabilities not included in segments		
Income taxes payable and deferred income tax liabilities	65.9	13.2
Long-term debt	294.5	293.7
Pension and benefits	5.0	13.0
Corporate and other liabilities	54.9	34.6
Total liabilities	\$ 1,050.7	\$ 731.6

b) Results by geographic segment:

<i>(millions)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Segment Revenues				
Canada	\$ 690.8	\$ 421.4	\$ 1,977.2	\$ 1,354.1
United States	413.5	191.3	1,077.3	658.4
	\$ 1,104.3	\$ 612.7	\$ 3,054.5	\$ 2,012.5
Segment Operating Profits				
Canada	\$ 116.2	\$ 40.9	\$ 312.0	\$ 93.2
United States	65.5	(5.3)	176.3	(10.8)
	\$ 181.7	\$ 35.6	\$ 488.3	\$ 82.4

<i>(millions)</i>	September 30 2021	December 31 2020
Identifiable Assets		
Canada	\$ 1,206.9	\$ 1,070.8
United States	593.0	464.6
	\$ 1,799.9	\$ 1,535.4

c) *Revenues by product:*

<i>(millions)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Carbon				
Structurals (WF & I Beams, Angles, Channels, Hollow Tubes)	\$ 331.7	\$ 179.0	\$ 887.5	\$ 541.6
Plate (Discrete & Plate in Coil)	261.1	105.6	677.2	342.3
Flanges, Valves, Fittings and other Energy Products	108.6	84.0	300.4	334.4
Tubing/Pipe (Standard, Oil Country Tubular Goods)	107.6	83.1	387.0	314.3
Flat Rolled (Sheet & Coil)	147.6	58.8	378.9	170.1
Bars (Hot Rolled and Cold Finished)	59.0	39.2	166.5	120.3
Grating/ Expanded/Rails	9.9	7.1	27.0	22.1
Total Carbon	1,025.5	556.8	2,824.5	1,845.1
Total Non-Ferrous (Sheet, Extrusion, Tubes, etc.)	42.6	29.7	120.8	86.6
Other	40.0	28.4	116.4	86.0
	\$ 1,108.1	\$ 614.9	\$ 3,061.7	\$ 2,017.7

NOTE 19 FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

a) *Financial assets and liabilities*

Financial assets and liabilities are as follows:

<i>September 30, 2021 (millions)</i>	Loans and	Other	Total
	Receivables	Financial Liabilities	
Cash and cash equivalents	\$ 336.8	\$ -	\$ 336.8
Accounts receivable	550.0	-	550.0
Investment in preferred shares of joint venture	31.5	-	31.5
Financial assets	3.4	-	3.4
Accounts payables and accrued liabilities	-	(562.6)	(562.6)
Lease obligations	-	(107.7)	(107.7)
Long-term debt	-	(294.5)	(294.5)
Total	\$ 921.7	\$ (964.8)	\$ (43.1)

<i>December 31, 2020 (millions)</i>	Loans and	Other	Total
	Receivables	Financial Liabilities	
Cash and cash equivalents	\$ 26.3	\$ -	\$ 26.3
Accounts receivable	344.0	-	344.0
Financial assets	3.4	-	3.4
Accounts payables and accrued liabilities	-	(294.6)	(294.6)
Lease obligations	-	(105.7)	(105.7)
Long-term debt	-	(293.7)	(293.7)
Total	\$ 373.7	\$ (694.0)	\$ (320.3)

The impact of fair value gains and losses from derivative financial instruments on the condensed consolidated statements of earnings was as follows:

<i>(millions)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Embedded derivatives	\$ 4.6	\$ (0.1)	\$ 6.5	\$ 1.1
Forward contracts	(0.7)	-	(2.7)	(0.2)

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, 2021 and December 31, 2020 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	
	Carrying Amount	Fair Value Level 2
<i>September 30, 2021 (millions)</i>		
5 ¾% \$150 million Senior Notes due October 27, 2025	\$ 147.0	\$ 158.9
6% \$150 million Senior Notes due March 16, 2026	147.5	157.7
Total	\$ 294.5	\$ 316.6
Current portion	\$ -	
Long-term portion	\$ 294.5	
<i>December 31, 2020 (millions)</i>		
5 ¾% \$150 million Senior Notes due October 27, 2025	\$ 146.5	\$ 157.3
6% \$150 million Senior Notes due March 16, 2026	147.2	152.6
Total	\$ 293.7	\$ 309.9
Current portion	\$ -	
Long-term portion	\$ 293.7	

Fair Value of Preferred Shares

Preferred shares which are not held for trading are carried at fair value with changes recognized in net income.

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, 2021, nearly all cash and cash equivalents were held in institutions that were R1 High by DBRS;
- Counterparties to derivative contracts are members of the syndicated banking facility (Note 8);
- 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, 2021 and December 31, 2020, other than the allowance for doubtful accounts. As at September 30, 2021, trade accounts receivable greater than 90 days represented less than 1% of trade accounts receivable (December 31, 2020: 5%).

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, 2021, the Company had outstanding forward foreign exchange contracts in the amount of US\$193.9 million maturing in 2021 and 2022 (2020: US\$16.4 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, 2021, the Company has access to \$602 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, 2021, the Company was contractually obligated to make payments under its financial liabilities that come due during the following periods:

<i>(millions)</i>	Accounts Payable	Long-Term Debt Maturities	Long-Term Debt Interest	Lease Obligations	Total
2021	\$ 562.6	\$ -	\$ 4.2	\$ 6.0	\$ 572.8
2022	-	-	17.6	21.2	38.8
2023	-	-	17.6	19.3	36.9
2024	-	-	17.6	17.3	34.9
2025	-	150.0	17.5	14.4	181.9
2026 and beyond	-	150.0	5.0	68.1	223.1
Total	\$ 562.6	\$ 300.0	\$ 79.5	\$ 146.3	\$ 1,088.4

At September 30, 2021, the Company was contractually obligated to repay its letters of credit under its bank facilities at maturity (Note 8). Lease obligations in the above table include on balance sheet leases 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 and extend or amend its banking facilities.

NOTE 20 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. If no particular amount within that range is a better estimate than any other amount, the minimum amount is recorded. 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 are currently underway 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 21 OTHER COMPREHENSIVE INCOME

Income taxes on other comprehensive income are as follows:

<i>(millions)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Tax on items that may not be reclassified to earnings				
Income tax (expense) recovery on actuarial gains/ losses on pension and similar obligations	\$ (1.4)	\$ (1.3)	\$ (7.8)	\$ 1.8

NOTE 22 SUBSEQUENT EVENT

On November 4, 2021, the Company announced that it has entered into an agreement to acquire a group of companies that operate as Boyd Metals. Boyd Metals is a leading U.S. metals service center operation with five locations in the states of Arkansas, Missouri, Oklahoma and Texas. The acquisition will be financed with cash on hand and, if required, its syndicated credit facility. It is expected to close in the 2021 fourth quarter.