

**WORTHINGTON INDUSTRIES, INC.**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
(In thousands, except per share amounts)

	<b>Three Months Ended</b>	
	<b>August 31,</b>	
	<b>2022</b>	<b>2021</b>
Net sales	\$ 1,408,665	\$ 1,110,818
Cost of goods sold	1,239,291	891,444
Gross margin	169,374	219,374
Selling, general and administrative expense	103,448	95,851
Impairment of long-lived assets	312	-
Restructuring and other income, net	(1,100)	(12,274)
Operating income	66,714	135,797
Other income (expense):		
Miscellaneous income (expense), net	(5,086)	630
Interest expense	(8,598)	(7,718)
Equity in net income of unconsolidated affiliates	31,712	52,916
Earnings before income taxes	84,742	181,625
Income tax expense	19,498	40,150
Net earnings	65,244	141,475
Net earnings attributable to noncontrolling interests	1,162	8,984
<b>Net earnings attributable to controlling interest</b>	<b>\$ 64,082</b>	<b>\$ 132,491</b>
<b>Basic</b>		
Weighted average common shares outstanding	48,478	50,852
<b>Earnings per share attributable to controlling interest</b>	<b>\$ 1.32</b>	<b>\$ 2.61</b>
<b>Diluted</b>		
Weighted average common shares outstanding	49,238	51,865
<b>Earnings per share attributable to controlling interest</b>	<b>\$ 1.30</b>	<b>\$ 2.55</b>
Common shares outstanding at end of period	48,526	50,438
Cash dividends declared per share	\$ 0.31	\$ 0.28

**CONSOLIDATED BALANCE SHEETS**  
**WORTHINGTON INDUSTRIES, INC.**  
(In thousands)

	<u>August 31,</u> <u>2022</u>	<u>May 31,</u> <u>2022</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 35,768	\$ 34,485
Receivables, less allowances of \$1,615 and \$1,292 at August 31 and May 31, 2022, respectively	818,332	857,493
Inventories:		
Raw materials	357,926	323,609
Work in process	178,472	255,019
Finished products	190,737	180,512
Total inventories	<u>727,135</u>	<u>759,140</u>
Income taxes receivable	2,331	20,556
Assets held for sale	21,491	20,318
Prepaid expenses and other current assets	100,246	93,661
Total current assets	1,705,303	1,785,653
Investments in unconsolidated affiliates	252,609	327,381
Operating lease assets	103,587	98,769
Goodwill	411,902	401,469
Other intangible assets, net of accumulated amortization of \$97,648 and \$93,973 at August 31 and May 31, 2022, respectively	326,634	299,017
Other assets	26,604	34,394
Property, plant and equipment:		
Land	49,771	51,483
Buildings and improvements	299,586	303,269
Machinery and equipment	1,199,664	1,196,806
Construction in progress	63,672	59,363
Total property, plant and equipment	<u>1,612,693</u>	<u>1,610,921</u>
Less: accumulated depreciation	<u>929,190</u>	<u>914,581</u>
Total property, plant and equipment, net	<u>683,503</u>	<u>696,340</u>
<b>Total assets</b>	<u><u>\$ 3,510,142</u></u>	<u><u>\$ 3,643,023</u></u>
<b>Liabilities and equity</b>		
Current liabilities:		
Accounts payable	\$ 580,509	\$ 668,438
Short-term borrowings	15,554	47,997
Accrued compensation, contributions to employee benefit plans and related taxes	83,662	117,530
Dividends payable	17,453	15,988
Other accrued items	67,094	70,125
Current operating lease liabilities	12,141	11,618
Income taxes payable	7,629	300
Current maturities of long-term debt	248	265
Total current liabilities	<u>784,290</u>	<u>932,261</u>
Other liabilities	109,428	115,991
Distributions in excess of investment in unconsolidated affiliate	84,994	81,149
Long-term debt	690,011	696,345
Noncurrent operating lease liabilities	92,760	88,183
Deferred income taxes, net	101,687	115,132
Total liabilities	<u>1,863,170</u>	<u>2,029,061</u>
Shareholders' equity - controlling interest	1,512,600	1,480,752
Noncontrolling interests	134,372	133,210
Total equity	<u>1,646,972</u>	<u>1,613,962</u>
<b>Total liabilities and equity</b>	<u><u>\$ 3,510,142</u></u>	<u><u>\$ 3,643,023</u></u>

**WORTHINGTON INDUSTRIES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	<b>Three Months Ended</b>	
	<b>August 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Operating activities:</b>		
Net earnings	\$ 65,244	\$ 141,475
Adjustments to reconcile net earnings to net cash provided (used) by operating activities:		
Depreciation and amortization	28,001	22,064
Impairment of long-lived assets	312	-
Provision for (benefit from) deferred income taxes	(11,056)	1,366
Bad debt expense	342	179
Equity in net income of unconsolidated affiliates, net of distributions	42,845	(33,218)
Net gain on sale of assets	(769)	(12,706)
Stock-based compensation	4,236	3,303
Changes in assets and liabilities, net of impact of acquisitions:		
Receivables	37,419	(31,868)
Inventories	41,167	(163,682)
Accounts payable	(101,581)	46,668
Accrued compensation and employee benefits	(33,868)	(46,177)
Income taxes payable	7,329	35,857
Other operating items, net	1,417	(13,073)
<b>Net cash provided (used) by operating activities</b>	<b>81,038</b>	<b>(49,812)</b>
<b>Investing activities:</b>		
Investment in property, plant and equipment	(21,477)	(23,925)
Investment in non-marketable equity securities	(110)	-
Acquisitions, net of cash acquired	(56,088)	(104,750)
Proceeds from the sale of investment in ArtiFlex	36,095	-
Proceeds from sale of assets, net of selling costs	11,755	26,685
<b>Net cash used by investing activities</b>	<b>(29,825)</b>	<b>(101,990)</b>
<b>Financing activities:</b>		
Net repayments of short-term borrowings	(32,443)	-
Principal payments on long-term obligations	(137)	(392)
Proceeds from issuance of common shares, net of tax withholdings	(3,466)	(4,091)
Payments to noncontrolling interests	-	(9,197)
Repurchase of common shares	-	(60,885)
Dividends paid	(13,884)	(14,698)
<b>Net cash used by financing activities</b>	<b>(49,930)</b>	<b>(89,263)</b>
Increase (decrease) in cash and cash equivalents	1,283	(241,065)
Cash and cash equivalents at beginning of period	34,485	640,311
<b>Cash and cash equivalents at end of period</b>	<b>\$ 35,768</b>	<b>\$ 399,246</b>

**WORTHINGTON INDUSTRIES, INC.**  
**NON-GAAP FINANCIAL MEASURES / SUPPLEMENTAL DATA**  
(In thousands, except volume and per share amounts)

The Company reports its financial results in accordance with accounting principles generally accepted in the United States (GAAP). The Company also presents certain non-GAAP financial measures including adjusted operating income, adjusted net earnings attributable to controlling interest and adjusted net earnings per diluted share attributable to controlling interest, and for purposes of evaluating segment performance, adjusted earnings (loss) before interest and taxes attributable to controlling interest (“adjusted EBIT”) and adjusted earnings (loss) before interest, taxes, depreciation and amortization attributable to controlling interest (“adjusted EBITDA”). These non-GAAP financial measures typically exclude impairment and restructuring charges (gains), but may also exclude other items that management believes are not reflective of, and thus should not be included when evaluating the performance of the Company’s ongoing operations. Management uses these non-GAAP financial measures to evaluate the Company’s performance, engage in financial and operational planning, and determine incentive compensation and believes these non-GAAP financial measures provide useful information to investors because they provide additional perspective and, in some circumstances are more closely correlated to, the performance of the Company’s ongoing operations. Additionally, management believes these non-GAAP financial measures provide useful information to investors because they allow for meaningful comparisons and analysis of trends in the Company’s businesses and enables investors to evaluate operations and future prospects in the same manner as management.

The following provides a reconciliation to adjusted operating income, adjusted net earnings attributable to controlling interest and adjusted earnings per diluted share attributable to controlling interest from the most comparable GAAP measures for the three months ended August 31, 2022 and 2021.

<b>Three Months Ended August 31, 2022</b>					
	Operating Income	Earnings Before Income Taxes	Income Tax Expense (Benefit)	Net Earnings Attributable to Controlling Interest <sup>(1)</sup>	Earnings per Diluted Share
<b>GAAP</b>	\$ 66,714	\$ 84,742	\$ 19,498	\$ 64,082	\$ 1.30
Incremental expense related to Level5 earnout	525	525	(126)	399	0.01
Impairment of long-lived assets	312	312	(47)	149	0.00
Restructuring and other income, net	(1,100)	(1,100)	265	(835)	(0.02)
Pension settlement charge	-	4,774	(1,150)	3,624	0.07
Loss on sale of investment in ArtiFlex	-	15,759	(3,795)	11,964	0.25
<b>Non-GAAP</b>	\$ 66,451	\$ 105,012	\$ 24,351	\$ 79,383	\$ 1.61
<b>Three Months Ended August 31, 2021</b>					
	Operating Income	Earnings Before Income Taxes	Income Tax Expense	Net Earnings Attributable to Controlling Interest <sup>(1)</sup>	Earnings per Diluted Share
<b>GAAP</b>	\$ 135,797	\$ 181,625	\$ 40,150	\$ 132,491	\$ 2.55
Restructuring and other income, net	(12,274)	(12,274)	1,481	(4,848)	(0.09)
<b>Non-GAAP</b>	\$ 123,523	\$ 169,351	\$ 38,669	\$ 127,643	\$ 2.46
<i>Change</i>	\$ (57,072)	\$ (64,339)	\$ (14,318)	\$ (48,260)	\$ (0.85)

<sup>(1)</sup> Excludes the impact of the noncontrolling interest.

To further assist in the analysis of segment results for the periods presented, the following volume and sales information for the three months ended August 31, 2022 and 2021 has been provided along with a reconciliation of adjusted EBIT and adjusted EBITDA to the most comparable GAAP measure, which is operating income for purposes of measuring segment profit:

	<b>Three Months Ended August 31, 2022</b>					
	Steel Processing	Consumer Products	Building Products	Sustainable Energy Solutions	Other	Consolidated
Volume (tons/units)	974,649	22,383,341	2,922,163	133,133	n/a	n/a
Sales	\$ 1,038,880	\$ 188,703	\$ 150,323	\$ 30,759	n/a	\$ 1,408,665
Operating income (loss)	\$ 33,846	\$ 20,444	\$ 8,646	\$ (1,307)	\$ 5,085	\$ 66,714
Incremental expenses related to Level5 earnout	-	525	-	-	-	525
Impairment of long-lived assets	312	-	-	-	-	312
Restructuring and other expense (income), net	78	-	-	-	(1,178)	(1,100)
Adjusted operating income (loss)	34,236	20,969	8,646	(1,307)	3,907	66,451
Miscellaneous income (expense), net <sup>(1)</sup>	184	(35)	222	(86)	(597)	(312)
Equity in net income of unconsolidated affiliates <sup>(2)</sup>	1,770	-	43,866	-	1,835	47,471
Less: Net earnings attributable to noncontrolling interests <sup>(3)</sup>	1,277	-	-	-	-	1,277
Adjusted EBIT	34,913	20,934	52,734	(1,393)	5,145	112,333
Depreciation and amortization	16,845	3,702	4,256	1,470	1,728	28,001
Adjusted EBITDA	\$ 51,758	\$ 24,636	\$ 56,990	\$ 77	\$ 6,873	\$ 140,334

<sup>(1)</sup> Excludes within Other a non-cash settlement charge of \$4,774 to accelerate a portion of deferred pension cost resulting from a pension lift-out transaction to transfer a portion of the total projected benefit obligation of The Gerstenslager Company Bargaining Unit Employees' Pension Plan to a third-party insurance company.

<sup>(2)</sup> Excludes within Other a loss of \$15,759 within Other related to the sale of the Company's 50% noncontrolling equity investment in ArtiFlex Manufacturing, LLC effective August 3, 2022.

<sup>(3)</sup> Excludes the noncontrolling interest portion of impairment of long-lived assets of \$(115) within Steel Processing.

	<b>Three Months Ended August 31, 2021</b>					
	Steel Processing	Consumer Products	Building Products	Sustainable Energy Solutions	Other	Consolidated
Volume (tons/units)	1,062,288	21,388,140	2,885,711	130,676	n/a	n/a
Sales	\$ 822,810	\$ 147,783	\$ 114,743	\$ 25,482	n/a	\$ 1,110,818
Operating income (loss)	\$ 113,482	\$ 20,506	\$ 5,834	\$ (2,352)	\$ (1,673)	\$ 135,797
Restructuring and other income, net	(12,131)	-	-	(143)	-	(12,274)
Adjusted operating income (loss)	101,351	20,506	5,834	(2,495)	(1,673)	123,523
Miscellaneous income (expense), net	30	49	(73)	(59)	683	630
Equity in net income of unconsolidated affiliates	9,349	-	42,993	-	574	52,916
Less: Net earnings attributable to noncontrolling interests <sup>(4)</sup>	3,038	-	-	-	-	3,038
Adjusted EBIT	107,692	20,555	48,754	(2,554)	(416)	174,031
Depreciation and amortization	11,550	3,293	3,769	1,572	1,880	22,064
Adjusted EBITDA	\$ 119,242	\$ 23,848	\$ 52,523	\$ (982)	\$ 1,464	\$ 196,095

<sup>(4)</sup> Excludes the noncontrolling interest portion of the restructuring gains within Steel Processing of \$5,946.

The following tables outlines our equity income (loss) by unconsolidated affiliate for the periods presented:

	<b>Three Months Ended August 31,</b>	
	<b>2022</b>	<b>2021</b>
WAVE	\$ 23,793	\$ 25,671
ClarkDietrich	20,073	17,322
Serviacero Worthington	1,770	9,349
ArtiFlex	(13,400)	1,208
Workhorse	(524)	(634)
Total equity income	\$ 31,712	\$ 52,916