

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

	Three Months Ended		Nine Months Ended	
	February 28,		February 28,	
	2022	2021	2022	2021
Net sales	\$ 1,378,235	\$ 759,109	\$ 3,721,914	\$ 2,193,110
Cost of goods sold	1,235,107	595,011	3,174,821	1,780,180
Gross margin	143,128	164,098	547,093	412,930
Selling, general and administrative expense	102,945	86,895	294,926	251,220
Impairment of long-lived assets	3,076	-	3,076	13,739
Restructuring and other (income) expense, net	(504)	28,212	(14,782)	37,656
Incremental expenses related to Nikola gains	-	(781)	-	53,300
Operating income	37,611	49,772	263,873	57,015
Other income (expense):				
Miscellaneous income, net	393	539	2,063	1,366
Interest expense	(8,140)	(7,558)	(23,170)	(22,696)
Equity in net income of unconsolidated affiliates	47,466	31,674	160,600	80,939
Gains on investment in Nikola	-	2,740	-	655,102
Earnings before income taxes	77,330	77,167	403,366	771,726
Income tax expense	18,683	4,485	90,059	148,818
Net earnings	58,647	72,682	313,307	622,908
Net earnings attributable to noncontrolling interests	2,305	5,073	14,173	12,668
Net earnings attributable to controlling interest	\$ 56,342	\$ 67,609	\$ 299,134	\$ 610,240
Basic				
Weighted average common shares outstanding	49,749	52,149	50,331	53,076
Earnings per share attributable to controlling interest	\$ 1.13	\$ 1.30	\$ 5.94	\$ 11.50
Diluted				
Weighted average common shares outstanding	50,641	53,217	51,275	54,077
Earnings per share attributable to controlling interest	\$ 1.11	\$ 1.27	\$ 5.83	\$ 11.28
Common shares outstanding at end of period	49,364	51,813	49,364	51,813
Cash dividends declared per share	\$ 0.28	\$ 0.25	\$ 0.84	\$ 0.75

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

	<u>February 28,</u> <u>2022</u>	<u>May 31,</u> <u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 44,324	\$ 640,311
Receivables, less allowances of \$1,447 and \$608 at February 28, 2022 and May 31, 2021, respectively	856,656	639,964
Inventories:		
Raw materials	372,074	266,208
Work in process	284,817	183,413
Finished products	212,307	115,133
Total inventories	869,198	564,754
Income taxes receivable	2,755	1,958
Assets held for sale	33,533	51,956
Prepaid expenses and other current assets	90,513	69,049
Total current assets	1,896,979	1,967,992
Investments in unconsolidated affiliates	303,422	233,126
Operating lease assets	98,034	35,101
Goodwill	407,318	351,056
Other intangible assets, net of accumulated amortization of \$90,433 and \$80,513 at February 28, 2022 and May 31, 2021, respectively	304,187	240,387
Other assets	33,723	30,566
Property, plant and equipment:		
Land	51,081	21,744
Buildings and improvements	297,266	271,196
Machinery and equipment	1,179,426	1,046,065
Construction in progress	76,825	53,903
Total property, plant and equipment	1,604,598	1,392,908
Less: accumulated depreciation	910,101	877,891
Total property, plant and equipment, net	694,497	515,017
Total assets	\$ 3,738,160	\$ 3,373,245
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 722,284	\$ 567,392
Short-term borrowings	111,909	-
Accrued compensation, contributions to employee benefit plans and related taxes	94,355	137,698
Dividends payable	16,003	16,536
Other accrued items	64,384	52,250
Current operating lease liabilities	12,630	9,947
Income taxes payable	4,854	3,620
Current maturities of long-term debt	277	458
Total current liabilities	1,026,696	787,901
Other liabilities	128,256	82,824
Distributions in excess of investment in unconsolidated affiliate	87,413	99,669
Long-term debt	700,739	710,031
Noncurrent operating lease liabilities	86,565	27,374
Deferred income taxes, net	104,886	113,751
Total liabilities	2,134,555	1,821,550
Shareholders' equity - controlling interest	1,451,366	1,398,193
Noncontrolling interests	152,239	153,502
Total equity	1,603,605	1,551,695
Total liabilities and equity	\$ 3,738,160	\$ 3,373,245

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

	Three Months Ended		Nine Months Ended	
	February 28,		February 28,	
	2022	2021	2022	2021
Operating activities:				
Net earnings	\$ 58,647	\$ 72,682	\$ 313,307	\$ 622,908
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	27,425	21,893	70,579	65,664
Impairment of long-lived assets	3,076	-	3,076	13,739
Provision for (benefit from) deferred income taxes	10,661	(30,129)	13,336	9,126
Bad debt expense (income)	382	(95)	896	(160)
Equity in net income of unconsolidated affiliates, net of distributions	(18,604)	(13,288)	(83,096)	(15,437)
Net (gain) loss on sale of assets	(628)	27,641	(13,830)	35,314
Stock-based compensation	4,408	4,727	11,959	14,437
Gains on investment in Nikola	-	(2,740)	-	(655,102)
Charitable contribution of Nikola shares	-	-	-	20,653
Changes in assets and liabilities, net of impact of acquisitions:				
Receivables	(33,766)	(32,105)	(155,451)	(110,719)
Inventories	31,051	(96,836)	(229,813)	(6,591)
Accounts payable	51,893	62,299	50,967	157,629
Accrued compensation and employee benefits	(21,105)	10,779	(52,924)	48,591
Income taxes payable	(14,422)	(2,474)	(1,487)	36,567
Other operating items, net	(24,828)	(13,098)	(22,245)	(2,547)
Net cash provided (used) by operating activities	74,190	9,256	(94,726)	234,072
Investing activities:				
Investment in property, plant and equipment	(23,645)	(16,377)	(71,804)	(65,321)
Acquisitions, net of cash acquired	(269,511)	(129,743)	(377,261)	(129,818)
Proceeds from sale of assets	4,083	(985)	35,904	20,595
Proceeds from sale of Nikola shares	-	146,590	-	634,449
Net cash (used) provided by investing activities	(289,073)	(515)	(413,161)	459,905
Financing activities:				
Net proceeds from short-term borrowings, net of issuance costs	105,638	-	105,638	-
Principal payments on long-term obligations	(152)	(99)	(554)	(292)
Proceeds from issuance of common shares, net of tax withholdings	269	565	(6,516)	1,709
Payments to noncontrolling interests	(3,360)	(7,250)	(15,436)	(7,810)
Repurchase of common shares	(54,255)	(52,367)	(127,842)	(145,250)
Dividends paid	(14,127)	(13,215)	(43,390)	(40,027)
Net cash provided (used) by financing activities	34,013	(72,366)	(88,100)	(191,670)
Increase (decrease) in cash and cash equivalents	(180,870)	(63,625)	(595,987)	502,307
Cash and cash equivalents at beginning of period	225,194	713,130	640,311	147,198
Cash and cash equivalents at end of period	\$ 44,324	\$ 649,505	\$ 44,324	\$ 649,505

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 adjusted operating income and adjusted net earnings per diluted share attributable to controlling interest, which generally exclude impairment and restructuring charges as well as other items that management believes are not reflective of, and thus should not be included when evaluating the performance of its ongoing operations. Additionally, the Company presents adjusted earnings before interest and taxes attributable to controlling interest (“adjusted EBIT”) for purposes of evaluating segment performance. These represent non-GAAP financial measures and are used by management to evaluate the Company’s performance, engage in financial and operational planning and determine incentive compensation because it believes that these measures provide additional perspective and, in some circumstances are more closely correlated to, the performance of the Company’s ongoing operations.

The following provides a reconciliation to adjusted operating income and adjusted earnings per diluted share from the most comparable GAAP measures for the three months ended February 28, 2022 and 2021.

Three Months Ended February 28, 2022					
	Operating Income	Earnings Before Income Taxes	Income Tax Expense (Benefit)	Net Earnings Attributable to Controlling Interest ⁽¹⁾	Earnings per Diluted Share
GAAP	\$ 37,611	\$ 77,330	\$ 18,683	\$ 56,342	\$ 1.11
Impairment of long-lived assets	3,076	3,076	(449)	1,489	0.03
Restructuring and other income, net	(504)	(504)	136	(368)	(0.01)
Non-GAAP	<u>\$ 40,183</u>	<u>\$ 79,902</u>	<u>\$ 18,996</u>	<u>\$ 57,463</u>	<u>\$ 1.13</u>

Three Months Ended February 28, 2021					
	Operating Income	Earnings Before Income Taxes	Income Tax Expense (Benefit)	Net Earnings Attributable to Controlling Interest ⁽¹⁾	Earnings per Diluted Share
GAAP	\$ 49,772	\$ 77,167	\$ 4,485	\$ 67,609	\$ 1.27
Restructuring and other expense, net	28,212	28,212	(19,843)	8,372	0.16
Incremental expenses related to Nikola gains	(781)	(781)	(755)	(1,536)	(0.03)
Gain on investment in Nikola	-	(2,740)	575	(2,165)	(0.04)
Non-GAAP	<u>\$ 77,203</u>	<u>\$ 101,858</u>	<u>\$ 24,508</u>	<u>\$ 72,280</u>	<u>\$ 1.36</u>

Change \$ (37,020) \$ (21,956) \$ (5,512) \$ (14,817) \$ (0.23)

The following provides a reconciliation to adjusted operating income and adjusted earnings per diluted share from the most comparable GAAP measures for the nine months ended February 28, 2022 and 2021.

Nine Months Ended February 28, 2022					
	Operating Income	Earnings Before Income Taxes	Income Tax Expense (Benefit)	Net Earnings Attributable to Controlling Interest ⁽¹⁾	Earnings per Diluted Share
GAAP	\$ 263,873	\$ 403,366	\$ 90,059	\$ 299,134	\$ 5.83
Impairment of long-lived assets	3,076	3,076	(449)	1,489	0.03
Restructuring and other income, net	(14,782)	(14,782)	2,027	(6,728)	(0.13)
Non-GAAP	<u>\$ 252,167</u>	<u>\$ 391,660</u>	<u>\$ 88,481</u>	<u>\$ 293,895</u>	<u>\$ 5.73</u>

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

Nine Months Ended February 28, 2021

	Operating Income	Earnings Before Income Taxes	Income Tax Expense (Benefit)	Net Earnings Attributable to Controlling Interest ⁽¹⁾	Earnings per Diluted Share
GAAP	\$ 57,015	\$ 771,726	\$ 148,818	\$ 610,240	\$ 11.28
Impairment of long-lived assets	13,739	13,739	(3,200)	10,539	0.19
Restructuring and other expense, net	37,656	37,656	(21,977)	15,423	0.29
Incremental expenses related to Nikola gains	53,300	53,300	(11,785)	41,515	0.77
Gains on investment in Nikola	-	(655,102)	136,035	(519,067)	(9.59)
Non-GAAP	<u>\$ 161,710</u>	<u>\$ 221,319</u>	<u>\$ 49,745</u>	<u>\$ 158,650</u>	<u>\$ 2.94</u>
<i>Change</i>	\$ 90,457	\$ 170,341	\$ 38,736	\$ 135,245	\$ 2.79

¹ 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 and nine months ended February 28, 2022 and 2021 has been provided along with a reconciliation of adjusted EBIT to the most comparable GAAP measure, which is operating income for purposes of measuring segment profit:

Three Months Ended February 28, 2022

	Steel Processing	Consumer Products	Building Products	Sustainable Energy Solutions	Other	Consolidated
Volume (tons/units)	998,590	20,297,372	2,786,560	144,108	-	n/a
Sales	\$ 1,052,562	\$ 161,692	\$ 132,944	\$ 31,037	\$ -	\$ 1,378,235
Operating income	\$ 2,690	\$ 26,713	\$ 9,631	\$ (2,763)	\$ 1,340	\$ 37,611
Impairment of long-lived assets	3,076	-	-	-	-	3,076
Restructuring and other income, net	114	-	(35)	-	(583)	(504)
Adjusted operating income (loss)	5,880	26,713	9,596	(2,763)	757	40,183
Miscellaneous income, net	(12)	(39)	(3)	(38)	485	393
Equity in net income of unconsolidated affiliates ⁽¹⁾	4,692	-	39,978	-	2,796	47,466
Less: Net earnings attributable to noncontrolling interests ⁽²⁾	3,444	-	-	-	-	3,444
Adjusted earnings before interest and taxes	<u>\$ 7,116</u>	<u>\$ 26,674</u>	<u>\$ 49,571</u>	<u>\$ (2,801)</u>	<u>\$ 4,038</u>	<u>\$ 84,598</u>

Three Months Ended February 28, 2021

	Steel Processing	Consumer Products	Building Products	Sustainable Energy Solutions	Other	Consolidated
Volume (tons/units)	1,014,873	17,659,834	2,805,408	207,698	10,530	n/a
Sales	\$ 504,477	\$ 115,071	\$ 96,256	\$ 32,103	\$ 11,202	\$ 759,109
Operating income (loss)	\$ 62,874	\$ 14,726	\$ 1,780	\$ 89	\$ (29,697)	\$ 49,772
Restructuring and other expense, net	(42)	-	-	-	28,254	28,212
Incremental expenses related to Nikola gains	-	-	-	-	(781)	(781)
Adjusted operating income (loss)	62,832	14,726	1,780	89	(2,224)	77,203
Miscellaneous income, net	(196)	(132)	181	42	644	539
Equity in net income of unconsolidated affiliates ⁽¹⁾	4,223	-	25,379	-	2,072	31,674
Less: Net earnings attributable to noncontrolling interests ⁽²⁾	5,070	-	-	-	-	5,070
Adjusted earnings (loss) before interest and taxes	<u>\$ 61,789</u>	<u>\$ 14,594</u>	<u>\$ 27,340</u>	<u>\$ 131</u>	<u>\$ 492</u>	<u>\$ 104,346</u>

⁽¹⁾ See supplemental break-out of equity income by unconsolidated affiliate in the table below.

⁽²⁾ Excludes the noncontrolling interest portion of impairment and restructuring (charges) gains of \$(1,139) and \$3 for the three months ended February 28, 2022 and 2021, respectively.

Nine Months Ended February 28, 2022

	Steel Processing	Consumer Products	Building Products	Sustainable		Consolidated
				Energy Solutions	Other	
Volume (tons/units)	3,128,466	60,384,101	8,237,296	429,785	-	n/a
Sales	\$ 2,813,214	\$ 450,268	\$ 368,813	\$ 89,619	\$ -	\$ 3,721,914
Operating income (loss)	\$ 182,243	\$ 64,644	\$ 20,071	\$ (4,402)	\$ 1,317	\$ 263,873
Impairment of long-lived assets	3,076	-	-	-	-	3,076
Restructuring and other income, net	(12,199)	-	(35)	(143)	(2,405)	(14,782)
Adjusted operating income (loss)	173,120	64,644	20,036	(4,545)	(1,088)	252,167
Miscellaneous income, net	35	169	141	(16)	1,734	2,063
Equity in net income of unconsolidated affiliates ⁽³⁾	22,864	-	132,865	-	4,871	160,600
Less: Net earnings attributable to noncontrolling interests ⁽⁴⁾	9,285	-	-	-	-	9,285
Adjusted earnings (loss) before interest and taxes	<u>\$ 186,734</u>	<u>\$ 64,813</u>	<u>\$ 153,042</u>	<u>\$ (4,561)</u>	<u>\$ 5,517</u>	<u>\$ 405,545</u>

Nine Months Ended February 28, 2021

	Steel Processing	Consumer Products	Building Products	Sustainable		Consolidated
				Energy Solutions	Other	
Volume (tons/units)	2,967,296	53,138,211	7,792,019	644,895	32,157	n/a
Sales	\$ 1,404,220	\$ 366,205	\$ 278,349	\$ 93,982	\$ 50,354	\$ 2,193,110
Operating income (loss)	\$ 114,315	\$ 55,557	\$ 4,541	\$ 912	\$ (118,310)	\$ 57,015
Impairment of long-lived assets	-	506	1,423	-	11,810	13,739
Restructuring and other income, net	1,804	120	-	-	35,732	37,656
Incremental expenses related to Nikola gains	-	-	-	-	53,300	53,300
Adjusted operating income (loss)	116,119	56,183	5,964	912	(17,468)	161,710
Miscellaneous income, net	(244)	(249)	89	194	1,576	1,366
Equity in net income of unconsolidated affiliates ⁽³⁾	7,393	-	70,622	-	2,924	80,939
Less: Net earnings attributable to noncontrolling interests ⁽⁴⁾	12,923	-	-	-	-	12,923
Adjusted earnings (loss) before interest and taxes	<u>\$ 110,345</u>	<u>\$ 55,934</u>	<u>\$ 76,675</u>	<u>\$ 1,106</u>	<u>\$ (12,968)</u>	<u>\$ 231,092</u>

⁽³⁾ See supplemental break-out of equity income by unconsolidated affiliate in the table below

⁽⁴⁾ Excludes the noncontrolling interest portion of impairment and restructuring (charges) gains of \$4,888 and \$(255) for the nine months ended February 28, 2022 and 2021, respectively.

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

	Three Months Ended		Nine Months Ended	
	February 28,		February 28,	
	2022	2021	2022	2021
WAVE	\$ 18,586	\$ 19,473	\$ 66,672	\$ 54,409
ClarkDietrich	21,392	5,906	66,193	16,213
Serviacero Worthington	4,692	4,223	22,864	7,393
ArtiFlex	1,761	1,734	4,784	2,879
Cabs	1,035	338	87	45
Total equity income	<u>\$ 47,466</u>	<u>\$ 31,674</u>	<u>\$ 160,600</u>	<u>\$ 80,939</u>