

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

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>February 29,</u> <u>2020</u>	<u>February 28,</u> <u>2019</u>	<u>February 29,</u> <u>2020</u>	<u>February 28,</u> <u>2019</u>
Net sales	\$ 763,996	\$ 874,381	\$ 2,447,492	\$ 2,820,714
Cost of goods sold	648,451	784,360	2,094,045	2,466,762
Gross margin	115,545	90,021	353,447	353,952
Selling, general and administrative expense	80,928	75,220	260,294	250,529
Impairment of goodwill and long-lived assets	34,627	-	75,228	2,381
Restructuring and other expense (income), net	1,376	(11,176)	1,781	(11,710)
Operating income (loss)	(1,386)	25,977	16,144	112,752
Other income (expense):				
Miscellaneous income, net	6,985	525	8,316	2,222
Interest expense	(7,362)	(9,341)	(24,157)	(28,541)
Loss on extinguishment of debt	-	-	(4,034)	-
Equity in net income of unconsolidated affiliates	25,479	20,802	97,592	71,897
Earnings before income taxes	23,716	37,963	93,861	158,330
Income tax expense	4,828	8,415	20,506	34,032
Net earnings	18,888	29,548	73,355	124,298
Net earnings attributable to noncontrolling interests	3,577	2,775	10,734	8,581
Net earnings attributable to controlling interest	<u>\$ 15,311</u>	<u>\$ 26,773</u>	<u>\$ 62,621</u>	<u>\$ 115,717</u>
Basic				
Average common shares outstanding	54,930	56,478	55,078	57,650
Earnings per share attributable to controlling interest	<u>\$ 0.28</u>	<u>\$ 0.47</u>	<u>\$ 1.14</u>	<u>\$ 2.01</u>
Diluted				
Average common shares outstanding	55,898	57,974	56,164	59,389
Earnings per share attributable to controlling interest	<u>\$ 0.27</u>	<u>\$ 0.46</u>	<u>\$ 1.11</u>	<u>\$ 1.95</u>
Common shares outstanding at end of period	54,598	56,181	54,598	56,181
Cash dividends declared per share	\$ 0.24	\$ 0.23	\$ 0.72	\$ 0.69

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

	<u>February 29,</u> <u>2020</u>	<u>May 31,</u> <u>2019</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 103,430	\$ 92,363
Receivables, less allowances of \$1,678 and \$1,150 at February 29, 2020 and May 31, 2019, respectively	472,741	501,944
Inventories:		
Raw materials	177,400	268,607
Work in process	91,585	113,848
Finished products	107,886	101,825
Total inventories	376,871	484,280
Income taxes receivable	11,152	10,894
Assets held for sale	14,032	6,924
Prepaid expenses and other current assets	74,974	69,508
Total current assets	1,053,200	1,165,913
Investments in unconsolidated affiliates	222,724	214,930
Operating lease assets	35,230	-
Goodwill	321,128	334,607
Other intangible assets, net of accumulated amortization of \$89,763 and \$87,759 at February 29, 2020 and May 31, 2019, respectively	191,052	196,059
Other assets	33,479	20,623
Property, plant and equipment:		
Land	24,212	23,996
Buildings and improvements	294,307	310,112
Machinery and equipment	1,057,947	1,049,068
Construction in progress	51,223	49,423
Total property, plant and equipment	1,427,689	1,432,599
Less: accumulated depreciation	855,419	853,935
Total property, plant and equipment, net	572,270	578,664
Total assets	<u>\$ 2,429,083</u>	<u>\$ 2,510,796</u>
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 361,356	\$ 393,517
Accrued compensation, contributions to employee benefit plans and related taxes	53,787	78,155
Dividends payable	14,427	14,431
Other accrued items	48,797	59,810
Current operating lease liabilities	10,757	-
Income taxes payable	423	1,164
Current maturities of long-term debt	296	150,943
Total current liabilities	489,843	698,020
Other liabilities	71,815	69,976
Distributions in excess of investment in unconsolidated affiliate	95,291	121,948
Long-term debt	698,552	598,356
Noncurrent operating lease liabilities	27,841	-
Deferred income taxes, net	73,548	74,102
Total liabilities	1,456,890	1,562,402
Shareholders' equity - controlling interest	821,495	831,246
Noncontrolling interests	150,698	117,148
Total equity	972,193	948,394
Total liabilities and equity	<u>\$ 2,429,083</u>	<u>\$ 2,510,796</u>

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

	Three Months Ended		Nine Months Ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
Operating activities:				
Net earnings	\$ 18,888	\$ 29,548	\$ 73,355	\$ 124,298
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	22,780	23,625	69,553	71,643
Impairment of goodwill and long-lived assets	34,627	-	75,228	2,381
Provision for (benefit from) deferred income taxes	(5,006)	(730)	(1,661)	21,493
Bad debt expense	273	201	584	454
Equity in net income of unconsolidated affiliates, net of distributions	(4,474)	(865)	(19,271)	3,298
Net gain on sale of assets	(5,838)	(12,606)	(5,237)	(10,203)
Stock-based compensation	2,725	1,143	10,000	7,755
Loss on extinguishment of debt	-	-	4,034	-
Changes in assets and liabilities, net of impact of acquisitions:				
Receivables	5,992	1,546	15,517	55,793
Inventories	3,024	(1,054)	90,907	(38,525)
Accounts payable	29,630	19,002	(28,347)	(51,158)
Accrued compensation and employee benefits	(9,144)	(11,391)	(22,740)	(38,769)
Other operating items, net	(6,156)	3,619	(6,072)	(21,273)
Net cash provided by operating activities	87,321	52,038	255,850	127,187
Investing activities:				
Investment in property, plant and equipment	(21,219)	(19,379)	(71,774)	(60,554)
Acquisitions	(500)	-	(29,783)	-
Distributions from unconsolidated affiliate	-	1,492	-	56,693
Proceeds from sale of assets	119	27,843	9,318	48,290
Net cash provided (used) by investing activities	(21,600)	9,956	(92,239)	44,429
Financing activities:				
Proceeds from long-term debt, net of issuance costs	-	-	101,464	-
Principal payments on long-term obligations and debt redemption costs	(344)	(303)	(154,811)	(1,104)
Proceeds from issuance of common shares, net of tax withholdings	429	104	(6,595)	(4,645)
Payments to noncontrolling interests	-	-	(1,453)	(6,327)
Repurchase of common shares	(21,373)	(28,587)	(50,972)	(129,020)
Dividends paid	(13,263)	(13,119)	(40,177)	(39,371)
Net cash used by financing activities	(34,551)	(41,905)	(152,544)	(180,467)
Increase (decrease) in cash and cash equivalents	31,170	20,089	11,067	(8,851)
Cash and cash equivalents at beginning of period	72,260	93,027	92,363	121,967
Cash and cash equivalents at end of period	\$ 103,430	\$ 113,116	\$ 103,430	\$ 113,116

WORTHINGTON INDUSTRIES, INC.
SUPPLEMENTAL DATA
(In thousands, except volume)

This supplemental information is provided to assist in the analysis of the results of operations.

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>February 29, 2020</u>	<u>February 28, 2019</u>	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Volume:				
Steel Processing (tons)	1,139,280	839,939	3,035,514	2,774,006
Pressure Cylinders (units)	17,381,319	21,295,052	59,173,363	63,237,461
Net sales:				
Steel Processing	\$ 491,136	\$ 555,871	\$ 1,531,448	\$ 1,851,401
Pressure Cylinders	270,995	290,690	865,527	885,490
Other	1,865	27,820	50,517	83,823
Total net sales	<u>\$ 763,996</u>	<u>\$ 874,381</u>	<u>\$ 2,447,492</u>	<u>\$ 2,820,714</u>
Material cost:				
Steel Processing	\$ 342,620	\$ 430,807	\$ 1,109,822	\$ 1,391,809
Pressure Cylinders	119,285	135,186	373,267	407,372
Selling, general and administrative expense:				
Steel Processing	\$ 36,001	\$ 29,651	\$ 109,000	\$ 103,647
Pressure Cylinders	45,417	42,503	140,631	134,081
Other	(490)	3,066	10,663	12,801
Total selling, general and administrative expense	<u>\$ 80,928</u>	<u>\$ 75,220</u>	<u>\$ 260,294</u>	<u>\$ 250,529</u>
Operating income (loss):				
Steel Processing	\$ 19,021	\$ 10,166	\$ 42,361	\$ 74,842
Pressure Cylinders	(19,865)	18,953	25,405	48,444
Other	(542)	(3,142)	(51,622)	(10,534)
Total operating income (loss)	<u>\$ (1,386)</u>	<u>\$ 25,977</u>	<u>\$ 16,144</u>	<u>\$ 112,752</u>
Equity income (loss) by unconsolidated affiliate:				
WAVE	\$ 20,074	\$ 18,768	\$ 85,729	\$ 59,195
ClarkDietrich	4,909	1,742	13,916	4,756
Serviacero Worthington	797	527	2,354	6,783
ArtiFlex	1,688	(41)	3,028	1,122
Other	(1,989)	(194)	(7,435)	41
Total equity income	<u>\$ 25,479</u>	<u>\$ 20,802</u>	<u>\$ 97,592</u>	<u>\$ 71,897</u>

WORTHINGTON INDUSTRIES, INC.
SUPPLEMENTAL DATA
(In thousands, except volume)

The following provides detail of Pressure Cylinders volume and net sales by principal class of products.

	Three Months Ended		Nine Months Ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
Volume (units):				
Consumer products	14,096,440	17,718,604	49,669,887	52,428,516
Industrial products	3,284,605	3,576,129	9,501,983	10,807,688
Oil & gas equipment	274	319	1,493	1,257
Total Pressure Cylinders	17,381,319	21,295,052	59,173,363	63,237,461
Net sales:				
Consumer products	\$ 113,258	\$ 118,006	\$ 360,803	\$ 352,023
Industrial products	129,042	148,018	411,994	452,883
Oil & gas equipment	28,695	24,666	92,730	80,584
Total Pressure Cylinders	\$ 270,995	\$ 290,690	\$ 865,527	\$ 885,490

The following provides detail of impairment of goodwill and long-lived assets and restructuring and other expense (income), net included in operating income by segment.

	Three Months Ended		Nine Months Ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
Impairment of goodwill and long-lived assets:				
Steel Processing	\$ 1,274	\$ -	\$ 1,274	\$ -
Pressure Cylinders	33,353	-	33,353	2,381
Other	-	-	40,601	-
Total impairment of goodwill and long-lived assets	\$ 34,627	\$ -	\$ 75,228	\$ 2,381
Restructuring and other expense (income), net:				
Steel Processing	\$ 728	\$ -	\$ 702	\$ (9)
Pressure Cylinders	747	(11,176)	747	(11,701)
Other	(99)	-	332	-
Total restructuring and other expense (income), net	\$ 1,376	\$ (11,176)	\$ 1,781	\$ (11,710)