

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

	Three Months Ended		Twelve Months Ended	
	May 31,		May 31,	
	2019	2018	2019	2018
Net sales	\$ 938,842	\$ 1,020,460	\$ 3,759,556	\$ 3,581,620
Cost of goods sold	812,839	857,514	3,279,601	3,018,763
Gross margin	126,003	162,946	479,955	562,857
Selling, general and administrative expense	87,863	105,492	338,392	367,460
Impairment of goodwill and long-lived assets	5,436	52,919	7,817	61,208
Restructuring and other expense (income), net	692	(28)	(11,018)	(7,421)
Operating income	32,012	4,563	144,764	141,610
Other income (expense):				
Miscellaneous income (expense), net	494	(173)	2,716	2,996
Interest expense	(9,522)	(10,055)	(38,063)	(38,675)
Equity in net income of unconsolidated affiliates	25,142	39,618	97,039	103,139
Earnings before income taxes	48,126	33,953	206,456	209,070
Income tax expense	9,151	1,096	43,183	8,220
Net earnings	38,975	32,857	163,273	200,850
Net earnings attributable to noncontrolling interests	1,237	2,088	9,818	6,056
Net earnings attributable to controlling interest	\$ 37,738	\$ 30,769	\$ 153,455	\$ 194,794
<u>Basic</u>				
Average common shares outstanding	55,850	59,355	57,196	60,923
Earnings per share attributable to controlling interest	\$ 0.68	\$ 0.52	\$ 2.68	\$ 3.20
<u>Diluted</u>				
Average common shares outstanding	57,325	61,401	58,823	63,042
Earnings per share attributable to controlling interest	\$ 0.66	\$ 0.50	\$ 2.61	\$ 3.09
Common shares outstanding at end of period	55,468	58,877	55,468	58,877
Cash dividends declared per share	\$ 0.23	\$ 0.21	\$ 0.92	\$ 0.84

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

	<u>May 31,</u> <u>2019</u>	<u>May 31,</u> <u>2018</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 92,363	\$ 121,967
Receivables, less allowances of \$1,150 and \$632 at May 31, 2019 and May 31, 2018, respectively	501,944	572,689
Inventories:		
Raw materials	268,607	237,471
Work in process	113,848	122,977
Finished products	101,825	93,579
Total inventories	<u>484,280</u>	<u>454,027</u>
Income taxes receivable	10,894	1,650
Assets held for sale	6,924	30,655
Prepaid expenses and other current assets	69,508	60,134
Total current assets	<u>1,165,913</u>	<u>1,241,122</u>
Investments in unconsolidated affiliates	214,930	216,010
Goodwill	334,607	345,183
Other intangible assets, net of accumulated amortization of \$87,759 and \$74,922 at May 31, 2019 and May 31, 2018, respectively	196,059	214,026
Other assets	20,623	20,476
Property, plant and equipment:		
Land	23,996	24,229
Buildings and improvements	310,112	300,542
Machinery and equipment	1,049,068	1,030,720
Construction in progress	49,423	32,282
Total property, plant and equipment	<u>1,432,599</u>	<u>1,387,773</u>
Less: accumulated depreciation	<u>853,935</u>	<u>802,803</u>
Total property, plant and equipment, net	<u>578,664</u>	<u>584,970</u>
Total assets	<u><u>\$ 2,510,796</u></u>	<u><u>\$ 2,621,787</u></u>
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 393,517	\$ 473,485
Accrued compensation, contributions to employee benefit plans and related taxes	78,155	96,487
Dividends payable	14,431	13,731
Other accrued items	59,810	57,125
Income taxes payable	1,164	4,593
Current maturities of long-term debt	150,943	1,474
Total current liabilities	<u>698,020</u>	<u>646,895</u>
Other liabilities	69,976	74,237
Distributions in excess of investment in unconsolidated affiliate	121,948	55,198
Long-term debt	598,356	748,894
Deferred income taxes, net	74,102	60,188
Total liabilities	<u>1,562,402</u>	<u>1,585,412</u>
Shareholders' equity - controlling interest	831,246	918,769
Noncontrolling interests	117,148	117,606
Total equity	<u>948,394</u>	<u>1,036,375</u>
Total liabilities and equity	<u><u>\$ 2,510,796</u></u>	<u><u>\$ 2,621,787</u></u>

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

	Three Months Ended May 31,		Twelve Months Ended May 31,	
	2019	2018	2019	2018
Operating activities:				
Net earnings	\$ 38,975	\$ 32,857	\$ 163,273	\$ 200,850
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	23,959	26,373	95,602	103,359
Impairment of goodwill and long-lived assets	5,436	52,919	7,817	61,208
Provision for (benefit from) deferred income taxes	(4,058)	(18,215)	17,435	(38,237)
Bad debt expense	205	15	659	11
Equity in net income of unconsolidated affiliates, net of distributions	4,049	(11,384)	7,347	(13,352)
Net (gain) loss on assets	3,144	170	(7,059)	(10,522)
Stock-based compensation	3,978	3,682	11,733	13,758
Changes in assets and liabilities, net of impact of acquisitions:				
Receivables	17,553	(73,718)	73,346	(53,066)
Inventories	4,876	(44,431)	(33,649)	(84,654)
Prepaid expenses and other current assets	1,660	(12,253)	(24,284)	(12,402)
Other assets	4,506	1,787	3,325	(1,258)
Accounts payable and accrued expenses	(31,342)	118,788	(116,875)	105,984
Other liabilities	(2,269)	2,098	(811)	9,666
Net cash provided by operating activities	70,672	78,688	197,859	281,345
Investing activities:				
Investment in property, plant and equipment	(23,945)	(20,769)	(84,499)	(76,088)
Acquisitions, net of cash acquired	(10,402)	-	(10,402)	(285,028)
Distributions from unconsolidated affiliate	-	2,400	56,693	2,400
Proceeds from sale of assets	1,393	4,569	49,683	21,311
Net cash provided (used) by investing activities	(32,954)	(13,800)	11,475	(337,405)
Financing activities:				
Net repayments of short-term borrowings, net of issuance costs	-	(440)	-	(948)
Proceeds from long-term debt, net of issuance costs	-	-	-	197,685
Principal payments on long-term debt	(290)	(30,317)	(1,394)	(31,130)
Proceeds from issuance of common shares, net of tax withholdings	(1,726)	1,295	(6,371)	(2,120)
Payments to noncontrolling interests	(4,399)	(3,999)	(10,726)	(7,915)
Repurchase of common shares	(39,093)	(44,325)	(168,113)	(204,267)
Dividends paid	(12,963)	(12,559)	(52,334)	(51,359)
Net cash used by financing activities	(58,471)	(90,345)	(238,938)	(100,054)
Decrease in cash and cash equivalents	(20,753)	(25,457)	(29,604)	(156,114)
Cash and cash equivalents at beginning of period	113,116	147,424	121,967	278,081
Cash and cash equivalents at end of period	\$ 92,363	\$ 121,967	\$ 92,363	\$ 121,967

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

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

	Three Months Ended		Twelve Months Ended	
	May 31,		May 31,	
	2019	2018	2019	2018
Volume:				
Steel Processing (tons)	940,844	1,039,480	3,714,850	3,819,977
Pressure Cylinders (units)	20,549,832	24,471,056	83,787,293	90,174,134
Net sales:				
Steel Processing	\$ 584,417	\$ 652,777	\$ 2,435,818	\$ 2,252,771
Pressure Cylinders	322,308	340,004	1,207,798	1,206,183
Engineered Cabs	32,104	27,226	115,902	116,631
Other	13	453	38	6,035
Total net sales	<u>\$ 938,842</u>	<u>\$ 1,020,460</u>	<u>\$ 3,759,556</u>	<u>\$ 3,581,620</u>
Material cost:				
Steel Processing	\$ 443,111	\$ 460,628	\$ 1,834,920	\$ 1,585,525
Pressure Cylinders	143,011	151,459	550,383	534,911
Engineered Cabs	14,803	13,025	52,031	55,155
Selling, general and administrative expense:				
Steel Processing	\$ 33,409	\$ 40,909	\$ 137,056	\$ 141,913
Pressure Cylinders	49,129	51,547	183,210	189,858
Engineered Cabs	4,358	4,085	17,513	17,040
Other	967	8,951	613	18,649
Total selling, general and administrative expense	<u>\$ 87,863</u>	<u>\$ 105,492</u>	<u>\$ 338,392</u>	<u>\$ 367,460</u>
Operating income (loss):				
Steel Processing	\$ 14,919	\$ 47,563	\$ 89,761	\$ 152,690
Pressure Cylinders	21,428	(29,267)	69,872	23,396
Engineered Cabs	(3,195)	(5,274)	(14,664)	(11,305)
Other	(1,140)	(8,459)	(205)	(23,171)
Total operating income	<u>\$ 32,012</u>	<u>\$ 4,563</u>	<u>\$ 144,764</u>	<u>\$ 141,610</u>
Equity income (loss) by unconsolidated affiliate:				
WAVE	\$ 23,088	\$ 25,070	\$ 82,283	\$ 77,528
ClarkDietrich	3,884	7,208	8,640	9,784
Serviacero Worthington	1,357	3,021	8,140	8,788
ArtiFlex	904	1,962	2,026	4,927
Other	(4,091)	2,357	(4,050)	2,112
Total equity income	<u>\$ 25,142</u>	<u>\$ 39,618</u>	<u>\$ 97,039</u>	<u>\$ 103,139</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 May 31,		Twelve Months Ended May 31,	
	2019	2018	2019	2018
Volume (units):				
Consumer products	16,362,485	19,103,221	68,791,001	72,641,033
Industrial products	4,186,952	5,367,134	14,994,640	17,530,398
Oil & gas equipment	395	701	1,652	2,703
Total Pressure Cylinders	<u>20,549,832</u>	<u>24,471,056</u>	<u>83,787,293</u>	<u>90,174,134</u>
Net sales:				
Consumer products	\$ 118,424	\$ 125,117	\$ 470,447	\$ 471,205
Industrial products	174,170	188,191	627,053	635,624
Oil & gas equipment	29,714	26,696	110,298	99,354
Total Pressure Cylinders	<u>\$ 322,308</u>	<u>\$ 340,004</u>	<u>\$ 1,207,798</u>	<u>\$ 1,206,183</u>

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 May 31,		Twelve Months Ended May 31,	
	2019	2018	2019	2018
Impairment of goodwill and long-lived assets:				
Steel Processing	\$ 3,269	\$ -	\$ 3,269	\$ -
Pressure Cylinders	2,167	52,919	4,548	53,883
Engineered Cabs	-	-	-	-
Other	-	-	-	7,325
Total impairment of goodwill and long-lived assets	<u>\$ 5,436</u>	<u>\$ 52,919</u>	<u>\$ 7,817</u>	<u>\$ 61,208</u>
Restructuring and other expense (income), net:				
Steel Processing	\$ -	\$ (28)	\$ (9)	\$ (10,087)
Pressure Cylinders	692	-	(11,009)	2,365
Engineered Cabs	-	-	-	(78)
Other	-	-	-	379
Total restructuring and other expense (income), net	<u>\$ 692</u>	<u>\$ (28)</u>	<u>\$ (11,018)</u>	<u>\$ (7,421)</u>