

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

	Three Months Ended	
	August 31,	
	2021	2020
Net sales	\$ 1,110,818	\$ 702,909
Cost of goods sold	891,444	589,551
Gross margin	219,374	113,358
Selling, general and administrative expense	95,851	82,196
Impairment of long-lived assets	-	9,924
Restructuring and other (income) expense, net	(12,274)	1,848
Incremental expenses related to Nikola gains	-	49,511
Operating income (loss)	135,797	(30,121)
Other income (expense):		
Miscellaneous income, net	630	452
Interest expense	(7,718)	(7,590)
Equity in net income of unconsolidated affiliates	52,916	23,634
Gains on investment in Nikola	-	796,141
Earnings before income taxes	181,625	782,516
Income tax expense	40,150	163,778
Net earnings	141,475	618,738
Net earnings attributable to noncontrolling interests	8,984	2,063
Net earnings attributable to controlling interest	\$ 132,491	\$ 616,675
<u>Basic</u>		
Average common shares outstanding	50,852	54,070
Earnings per share attributable to controlling interest	\$ 2.61	\$ 11.41
<u>Diluted</u>		
Average common shares outstanding	51,865	54,942
Earnings per share attributable to controlling interest	\$ 2.55	\$ 11.22
Common shares outstanding at end of period	50,438	53,362
Cash dividends declared per share	\$ 0.28	\$ 0.25

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

	<u>August 31,</u> <u>2021</u>	<u>May 31,</u> <u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 399,246	\$ 640,311
Receivables, less allowances of \$466 and \$608 at August 31, 2021 and May 31, 2021, respectively	718,368	639,964
Inventories:		
Raw materials	327,463	266,208
Work in process	290,789	183,413
Finished products	124,156	115,133
Total inventories	742,408	564,754
Income taxes receivable	-	1,958
Assets held for sale	39,744	51,956
Prepaid expenses and other current assets	70,544	69,049
Total current assets	1,970,310	1,967,992
Investments in unconsolidated affiliates	259,132	233,126
Operating lease assets	93,616	35,101
Goodwill	375,196	351,056
Other intangible assets, net of accumulated amortization of \$83,562 and \$80,513 at August 31, 2021 and May 31, 2021, respectively	270,223	240,387
Other assets	31,010	30,566
Property, plant and equipment:		
Land	21,566	21,744
Buildings and improvements	270,723	271,196
Machinery and equipment	1,087,757	1,046,065
Construction in progress	59,962	53,903
Total property, plant and equipment	1,440,008	1,392,908
Less: accumulated depreciation	891,740	877,891
Total property, plant and equipment, net	548,268	515,017
Total assets	<u>\$ 3,547,755</u>	<u>\$ 3,373,245</u>
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 653,377	\$ 567,392
Accrued compensation, contributions to employee benefit plans and related taxes	91,521	137,698
Dividends payable	16,273	16,536
Other accrued items	51,710	52,250
Current operating lease liabilities	11,608	9,947
Income taxes payable	39,477	3,620
Current maturities of long-term debt	291	458
Total current liabilities	864,257	787,901
Other liabilities	78,008	82,824
Distributions in excess of investment in unconsolidated affiliate	92,917	99,669
Long-term debt	706,130	710,031
Noncurrent operating lease liabilities	83,827	27,374
Deferred income taxes, net	115,984	113,751
Total liabilities	1,941,123	1,821,550
Shareholders' equity - controlling interest	1,453,343	1,398,193
Noncontrolling interests	153,289	153,502
Total equity	1,606,632	1,551,695
Total liabilities and equity	<u>\$ 3,547,755</u>	<u>\$ 3,373,245</u>

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

	Three Months Ended	
	August 31,	
	2021	2020
Operating activities:		
Net earnings	\$ 141,475	\$ 618,738
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	22,064	22,211
Impairment of long-lived assets	-	9,924
Provision for deferred income taxes	1,366	71,031
Bad debt expense	179	94
Equity in net income of unconsolidated affiliates, net of distributions	(33,218)	(6,757)
Net (gain) loss on sale of assets	(12,706)	402
Stock-based compensation	3,303	4,856
Gains on investment in Nikola	-	(796,141)
Charitable contribution of Nikola shares	-	20,653
Changes in assets and liabilities, net of impact of acquisitions:		
Receivables	(31,868)	(82,194)
Inventories	(163,682)	85,622
Accounts payable	46,668	47,154
Accrued compensation and employee benefits	(46,177)	23,852
Income taxes payable	35,857	83,664
Other operating items, net	(13,073)	14,279
Net cash (used) provided by operating activities	(49,812)	117,388
Investing activities:		
Investment in property, plant and equipment	(23,925)	(32,871)
Acquisitions, net of cash acquired	(104,750)	-
Proceeds from sale of assets	26,685	-
Proceeds from sale of Nikola shares	-	487,859
Net cash (used) provided by investing activities	(101,990)	454,988
Financing activities:		
Principal payments on long-term obligations	(392)	(97)
Proceeds from issuance of common shares, net of tax withholdings	(4,091)	(1,150)
Payments to noncontrolling interests	(9,197)	(560)
Repurchase of common shares	(60,885)	(54,320)
Dividends paid	(14,698)	(13,379)
Net cash used by financing activities	(89,263)	(69,506)
Increase (decrease) in cash and cash equivalents	(241,065)	502,870
Cash and cash equivalents at beginning of period	640,311	147,198
Cash and cash equivalents at end of period	\$ 399,246	\$ 650,068

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 operating income and adjusted earnings before interest and taxes attributable to controlling interest 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 measure 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 periods presented:

Three Months Ended August 31, 2021					
	Operating Income	Earnings Before Income Taxes	Income Tax Expense (Benefit)	Net Earnings Attributable to Controlling Interest ¹	Earnings per Diluted Share
GAAP	\$ 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)
Non-GAAP	<u>\$ 123,523</u>	<u>\$ 169,351</u>	<u>\$ 38,669</u>	<u>\$ 127,643</u>	<u>\$ 2.46</u>
Three Months Ended August 31, 2020					
	Operating Income (Loss)	Earnings Before Income Taxes	Income Tax Expense (Benefit)	Net Earnings Attributable to Controlling Interest ¹	Earnings per Diluted Share
GAAP	\$ (30,121)	\$ 782,516	\$ 163,778	\$ 616,675	\$ 11.22
Impairment of long-lived assets	9,924	9,924	(2,303)	7,621	0.14
Restructuring and other expense, net	1,848	1,848	(402)	1,330	0.02
Incremental expenses related to Nikola gains	49,511	49,511	(9,948)	39,563	0.72
Gains on investment in Nikola	-	(796,141)	166,197	(629,945)	(11.46)
Non-GAAP	<u>\$ 31,162</u>	<u>\$ 47,658</u>	<u>\$ 10,234</u>	<u>\$ 35,244</u>	<u>\$ 0.64</u>
<i>Change</i>	\$ 92,361	\$ 121,693	\$ 28,435	\$ 92,399	\$ 1.82

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 has been provided along with a reconciliation of adjusted EBIT to the most comparable GAAP measure, which is operating income (loss) for purposes of measuring segment profit:

Three Months Ended August 31, 2021						
	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
Net Sales	\$ 822,810	\$ 147,783	\$ 114,743	\$ 25,482	\$ -	\$ 1,110,818
Operating income	\$ 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, net	30	49	(73)	(59)	683	630
Equity in net income of unconsolidated affiliates ⁽¹⁾	9,349	-	42,993	-	574	52,916
Net earnings attributable to noncontrolling interests ⁽²⁾	3,038	-	-	-	-	3,038
Adjusted earnings (loss) before interest and taxes	<u>\$ 107,692</u>	<u>\$ 20,555</u>	<u>\$ 48,754</u>	<u>\$ (2,554)</u>	<u>\$ (416)</u>	<u>\$ 174,031</u>

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

Three Months Ended August 31, 2020

	Steel Processing	Consumer Products	Building Products	Sustainable		Consolidated
				Energy Solutions	Other	
Volume (tons/units)	928,444	18,820,563	2,722,035	189,908	10,559	n/a
Net Sales	\$ 431,020	\$ 133,622	\$ 88,103	\$ 27,857	\$ 22,307	\$ 702,909
Operating income (loss)	\$ 13,617	\$ 23,424	\$ (440)	\$ (643)	\$ (66,079)	\$ (30,121)
Impairment of long-lived assets	-	506	1,423	-	7,995	9,924
Restructuring and other expense, net	1,471	-	-	-	377	1,848
Incremental expenses related to Nikola gains	-	-	-	-	49,511	49,511
Adjusted operating income (loss)	15,088	23,930	983	(643)	(8,196)	31,162
Miscellaneous income, net	(43)	(21)	(161)	82	595	452
Equity in net income of unconsolidated affiliates ⁽¹⁾	1,309	-	22,552	-	(227)	23,634
Net earnings attributable to noncontrolling interests ⁽²⁾	2,179	-	-	-	-	2,179
Adjusted earnings (loss) before interest and taxes	<u>\$ 14,175</u>	<u>\$ 23,909</u>	<u>\$ 23,374</u>	<u>\$ (561)</u>	<u>\$ (7,828)</u>	<u>\$ 53,069</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 \$(5,946) and \$116 for the three months ended August 31, 2021 and 2020, respectively.

The following tables outlines our equity income (loss) by unconsolidated affiliate.

	Three Months Ended August 31,	
	2021	2020
WAVE	\$ 25,671	\$ 17,656
ClarkDietrich	17,322	4,896
Serviacero Worthington	9,349	1,309
ArtiFlex	1,208	(108)
Other	(634)	(119)
Total equity income	<u>\$ 52,916</u>	<u>\$ 23,634</u>