

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

	Three Months Ended		Six Months Ended	
	November 30,		November 30,	
	2019	2018	2019	2018
Net sales	\$ 827,637	\$ 958,226	\$ 1,683,496	\$ 1,946,333
Cost of goods sold	707,026	837,292	1,445,594	1,682,402
Gross margin	120,611	120,934	237,902	263,931
Selling, general and administrative expense	88,543	84,668	179,366	175,309
Impairment of long-lived assets	-	-	40,601	2,381
Restructuring and other expense (income), net	(50)	402	405	(534)
Operating income	32,118	35,864	17,530	86,775
Other income (expense):				
Miscellaneous income, net	636	1,432	1,331	1,697
Interest expense	(7,315)	(9,472)	(16,795)	(19,200)
Loss on extinguishment of debt	-	-	(4,034)	-
Equity in net income of unconsolidated affiliates	47,346	21,087	72,113	51,095
Earnings before income taxes	72,785	48,911	70,145	120,367
Income tax expense	15,863	11,119	15,678	25,617
Net earnings	56,922	37,792	54,467	94,750
Net earnings attributable to noncontrolling interests	4,836	3,790	7,157	5,806
Net earnings attributable to controlling interest	\$ 52,086	\$ 34,002	\$ 47,310	\$ 88,944
Basic				
Average common shares outstanding	55,059	57,716	55,150	58,226
Earnings per share attributable to controlling interest	\$ 0.95	\$ 0.59	\$ 0.86	\$ 1.53
Diluted				
Average common shares outstanding	56,072	59,338	56,205	60,013
Earnings per share attributable to controlling interest	\$ 0.93	\$ 0.57	\$ 0.84	\$ 1.48
Common shares outstanding at end of period	55,094	56,957	55,094	56,957
Cash dividends declared per share	\$ 0.24	\$ 0.23	\$ 0.48	\$ 0.46

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

	<u>November 30,</u> <u>2019</u>	<u>May 31,</u> <u>2019</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 72,260	\$ 92,363
Receivables, less allowances of \$1,407 and \$1,150 at November 30, 2019 and May 31, 2019, respectively	477,228	501,944
Inventories:		
Raw materials	190,310	268,607
Work in process	82,400	113,848
Finished products	107,077	101,825
Total inventories	<u>379,787</u>	<u>484,280</u>
Income taxes receivable	12,557	10,894
Assets held for sale	1,731	6,924
Prepaid expenses and other current assets	67,083	69,508
Total current assets	<u>1,010,646</u>	<u>1,165,913</u>
Investments in unconsolidated affiliates	225,791	214,930
Operating lease assets	37,864	-
Goodwill	341,850	334,607
Other intangible assets, net of accumulated amortization of \$92,889 and \$87,759 at November 30, 2019 and May 31, 2019, respectively	190,703	196,059
Other assets	33,612	20,623
Property, plant and equipment:		
Land	23,028	23,996
Buildings and improvements	301,713	310,112
Machinery and equipment	1,043,314	1,049,068
Construction in progress	58,039	49,423
Total property, plant and equipment	<u>1,426,094</u>	<u>1,432,599</u>
Less: accumulated depreciation	<u>857,599</u>	<u>853,935</u>
Total property, plant and equipment, net	<u>568,495</u>	<u>578,664</u>
Total assets	<u><u>\$ 2,408,961</u></u>	<u><u>\$ 2,510,796</u></u>
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 330,959	\$ 393,517
Accrued compensation, contributions to employee benefit plans and related taxes	62,932	78,155
Dividends payable	14,364	14,431
Other accrued items	54,102	59,810
Current operating lease liabilities	11,201	-
Income taxes payable	33	1,164
Current maturities of long-term debt	272	150,943
Total current liabilities	<u>473,863</u>	<u>698,020</u>
Other liabilities	72,639	69,976
Distributions in excess of investment in unconsolidated affiliate	97,243	121,948
Long-term debt	698,531	598,356
Noncurrent operating lease liabilities	30,065	-
Deferred income taxes, net	77,877	74,102
Total liabilities	<u>1,450,218</u>	<u>1,562,402</u>
Shareholders' equity - controlling interest	835,891	831,246
Noncontrolling interests	122,852	117,148
Total equity	<u>958,743</u>	<u>948,394</u>
Total liabilities and equity	<u><u>\$ 2,408,961</u></u>	<u><u>\$ 2,510,796</u></u>

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

	Three Months Ended		Six Months Ended	
	November 30,		November 30,	
	2019	2018	2019	2018
Operating activities:				
Net earnings	\$ 56,922	\$ 37,792	\$ 54,467	\$ 94,750
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	22,596	23,525	46,773	48,018
Impairment of long-lived assets	-	-	40,601	2,381
Provision for deferred income taxes	6,843	3,289	3,345	22,223
Bad debt expense	143	32	311	253
Equity in net income of unconsolidated affiliates, net of distributions	(19,879)	14,182	(14,797)	4,163
Net (gain) loss on sale of assets	(17)	(312)	601	2,403
Stock-based compensation	3,280	3,456	7,275	6,612
Loss on extinguishment of debt	-	-	4,034	-
Changes in assets and liabilities, net of impact of acquisitions:				
Receivables	(5,456)	40,838	9,525	54,247
Inventories	43,601	5,866	87,883	(37,471)
Accounts payable	(20,743)	(72,974)	(57,977)	(70,160)
Accrued compensation and employee benefits	9,619	3,556	(13,596)	(27,378)
Other operating items, net	7,251	(14,546)	84	(24,892)
Net cash provided by operating activities	104,160	44,704	168,529	75,149
Investing activities:				
Investment in property, plant and equipment	(28,381)	(21,741)	(50,555)	(41,175)
Acquisitions, net of cash acquired	(29,283)	-	(29,283)	-
Distributions from unconsolidated affiliate	-	55,201	-	55,201
Proceeds from sale of assets	23	170	9,199	20,447
Net cash provided (used) by investing activities	(57,641)	33,630	(70,639)	34,473
Financing activities:				
Proceeds from long-term debt, net of issuance costs	(134)	-	101,464	-
Principal payments on long-term obligations and debt redemption costs	(490)	(371)	(154,467)	(801)
Payments for issuance of common shares, net of tax withholdings	(3,811)	(658)	(7,024)	(4,749)
Payments to noncontrolling interests	(1,453)	(4,007)	(1,453)	(6,327)
Repurchase of common shares	-	(63,581)	(29,599)	(100,433)
Dividends paid	(13,954)	(13,533)	(26,914)	(26,252)
Net cash used by financing activities	(19,842)	(82,150)	(117,993)	(138,562)
Increase (decrease) in cash and cash equivalents	26,677	(3,816)	(20,103)	(28,940)
Cash and cash equivalents at beginning of period	45,583	96,843	92,363	121,967
Cash and cash equivalents at end of period	\$ 72,260	\$ 93,027	\$ 72,260	\$ 93,027

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 November 30,		Six Months Ended November 30,	
	2019	2018	2019	2018
Volume:				
Steel Processing (tons)	1,004,847	950,977	1,896,234	1,934,067
Pressure Cylinders (units)	21,608,356	20,143,311	41,792,044	41,942,409
Net sales:				
Steel Processing	\$ 516,937	\$ 635,043	\$ 1,040,312	\$ 1,295,530
Pressure Cylinders	290,136	294,447	594,532	594,800
Other	20,564	28,736	48,652	56,003
Total net sales	\$ 827,637	\$ 958,226	\$ 1,683,496	\$ 1,946,333
Material cost:				
Steel Processing	\$ 370,760	\$ 482,915	\$ 767,202	\$ 961,002
Pressure Cylinders	127,112	133,442	253,982	272,186
Selling, general and administrative expense:				
Steel Processing	\$ 37,482	\$ 33,959	\$ 72,998	\$ 73,996
Pressure Cylinders	48,749	44,805	95,215	91,578
Other	2,312	5,904	11,153	9,735
Total selling, general and administrative expense	\$ 88,543	\$ 84,668	\$ 179,366	\$ 175,309
Operating income (loss):				
Steel Processing	\$ 17,172	\$ 25,016	\$ 23,340	\$ 64,676
Pressure Cylinders	15,647	14,758	45,270	29,491
Other	(701)	(3,910)	(51,080)	(7,392)
Total operating income	\$ 32,118	\$ 35,864	\$ 17,530	\$ 86,775
Equity income (loss) by unconsolidated affiliate:				
WAVE	\$ 41,738	\$ 18,419	\$ 65,655	\$ 40,427
ClarkDietrich	4,917	(460)	9,007	3,014
Serviacero Worthington	803	2,639	1,557	6,256
ArtiFlex	1,134	412	1,340	1,163
Other	(1,246)	77	(5,446)	235
Total equity income	\$ 47,346	\$ 21,087	\$ 72,113	\$ 51,095

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 November 30,		Six Months Ended November 30,	
	2019	2018	2019	2018
Volume (units):				
Consumer products	18,675,057	16,980,934	35,573,447	34,709,912
Industrial products	2,932,923	3,162,063	6,217,378	7,231,559
Oil & gas equipment	376	314	1,219	938
Total Pressure Cylinders	<u>21,608,356</u>	<u>20,143,311</u>	<u>41,792,044</u>	<u>41,942,409</u>
Net sales:				
Consumer products	\$ 128,065	\$ 117,194	\$ 247,545	\$ 234,017
Industrial products	130,334	152,018	282,952	304,865
Oil & gas equipment	31,737	25,235	64,035	55,918
Total Pressure Cylinders	<u>\$ 290,136</u>	<u>\$ 294,447</u>	<u>\$ 594,532</u>	<u>\$ 594,800</u>

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

	Three Months Ended November 30,		Six Months Ended November 30,	
	2019	2018	2019	2018
Impairment of long-lived assets:				
Steel Processing	\$ -	\$ -	\$ -	\$ -
Pressure Cylinders	-	-	-	2,381
Other	-	-	40,601	-
Total impairment of long-lived assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,601</u>	<u>\$ 2,381</u>
Restructuring and other expense (income), net:				
Steel Processing	\$ -	\$ -	\$ (26)	\$ (9)
Pressure Cylinders	-	402	-	(525)
Other	(50)	-	431	-
Total restructuring and other expense (income), net	<u>\$ (50)</u>	<u>\$ 402</u>	<u>\$ 405</u>	<u>\$ (534)</u>