

# Worthington Steel

Investor Presentation | June 2025

# Safe Harbor Statement

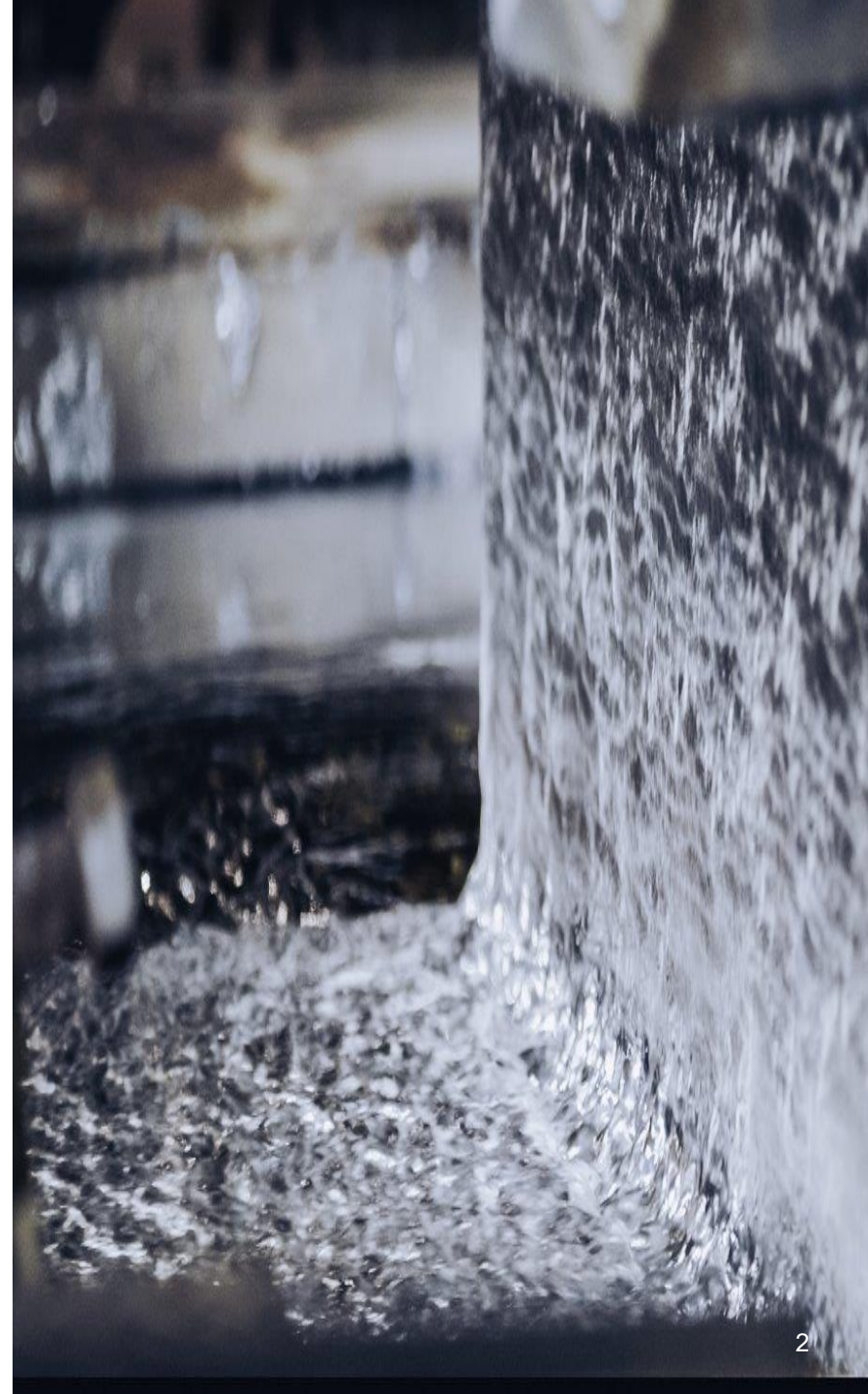
Selected statements contained in this release constitute “forward-looking statements,” as that term is used in the Private Securities Litigation Reform Act of 1995 (the “Act”). The Company wishes to take advantage of the safe harbor provisions included in the Act. Forward-looking statements reflect the Company’s current expectations, estimates or projections concerning future results or events. These statements are often identified by the use of forward-looking words or phrases such as “believe,” “anticipate,” “may,” “could,” “should,” “would,” “intend,” “plan,” “will,” “likely,” “expect,” “estimate,” “project,” “position,” “strategy,” “target,” “aim,” “seek,” “foresee” and similar words or phrases. These forward-looking statements include, without limitation, statements relating to: future or expected cash positions, liquidity and ability to access financial markets and capital; outlook, strategy or business plans; the anticipated benefits of the Company’s separation from Worthington Enterprises, Inc. (the “Separation”); the expected financial and operational performance of, and future opportunities for, the Company following the Separation; the tax treatment of the Separation transaction; the leadership of the Company following the Separation; future or expected growth, growth potential, forward momentum, performance, competitive position, sales, volumes, cash flows, earnings, margins, balance sheet strengths, debt, financial condition or other financial measures; pricing trends for raw materials and finished goods and the impact of pricing changes; the ability to improve or maintain margins; expected demand or demand trends for the Company or its markets; additions to product lines and opportunities to participate in new markets; expected benefits from transformation and innovation efforts; the ability to improve performance and competitive position at the Company’s operations; anticipated working capital needs, capital expenditures and asset sales; anticipated improvements and efficiencies in costs, operations, sales, inventory management, sourcing and the supply chain and the results thereof; projected profitability potential; the ability to make acquisitions and the projected timing, results, benefits, costs, charges and expenditures related to acquisitions, joint ventures, headcount reductions and facility dispositions, shutdowns and consolidations; projected capacity and the alignment of operations with demand; the ability to operate profitably and generate cash in down markets; the ability to capture and maintain market share and to develop or take advantage of future opportunities, customer initiatives, new businesses, new products and new markets; expectations for Company and customer inventories, jobs and orders; expectations for the economy and markets or improvements therein; expectations for generating improving and sustainable earnings, earnings potential, margins or shareholder value; effects of judicial rulings; the ever-changing effects of the novel coronavirus (“COVID-19”) pandemic and the various responses of governmental and nongovernmental authorities thereto on economies and markets, and on our customers, counterparties, employees and third-party service providers; and other non-historical matters.

Because they are based on beliefs, estimates and assumptions, forward-looking statements are inherently subject to risks and uncertainties that could cause actual results to differ materially from those projected. Any number of factors could affect actual results, including, without limitation, those that follow: our ability to successfully realize the anticipated benefits of the Separation; the effect of conditions in national and worldwide financial markets, including inflation, increases in interest rates and economic recession, and with respect to the ability of financial institutions to provide capital; the impact of trade restrictions affecting the Company’s products or suppliers, a United States withdrawal from or significant renegotiation of trade agreements, the occurrence of trade wars, the closing of border crossings, and other changes in trade regulations or relationships; changing oil prices and/or supply; product demand and pricing; changes in product mix, product substitution and market acceptance of the Company’s products; volatility or fluctuations in the pricing, quality or availability of raw materials (particularly steel), supplies, transportation, utilities, labor and other items required by operations (especially in light of Russia’s invasion of Ukraine); effects of sourcing and supply chain constraints; the outcome of adverse claims experience with respect to workers’ compensation, product recalls or product liability, casualty events or other matters; effects of facility closures and the consolidation of operations; the effect of financial difficulties, consolidation and other changes within the steel, automotive, construction and other industries in which the Company participates; failure to maintain appropriate levels of inventories; financial difficulties (including bankruptcy filings) of original equipment manufacturers, end-users and customers, suppliers, joint venture partners and others with whom the Company does business; the ability to realize targeted expense reductions from headcount reductions, facility closures and other cost reduction efforts; the ability to realize cost savings and operational, sales and sourcing improvements and efficiencies, and other expected benefits from transformation initiatives, on a timely basis; the overall success of, and the ability to integrate, newly acquired businesses and joint ventures, maintain and develop their customers, and achieve synergies and other expected benefits and cost savings therefrom; capacity levels and efficiencies, within facilities, within major product markets and within the industries in which the Company participates as a whole; the effect of disruption in the business of suppliers, customers, facilities and shipping operations due to adverse weather, casualty events, equipment breakdowns, labor shortages, interruption in utility services, civil unrest, international conflicts (especially in light of Russia’s invasion of Ukraine), terrorist activities or other causes; changes in customer demand, inventories, spending patterns, product choices, and supplier choices; risks associated with doing business internationally, including economic, political and social instability (especially in light of Russia’s invasion of Ukraine), foreign currency exchange rate exposure and the acceptance of the Company’s products in global markets; the ability to improve and maintain processes and business practices to keep pace with the economic, competitive and technological environment; the effect of inflation, interest rate increases and economic recession, as well as potential adverse impacts as a result of the Inflation Reduction Act of 2022, which may negatively impact the Company’s operations and financial results; deviation of actual results from estimates and/or assumptions used by the Company in the application of its significant accounting policies; the level of imports and import prices in the Company’s markets; the impact of environmental laws and regulations or the actions of the United States Environmental Protection Agency or similar regulators which increase costs or limit the Company’s ability to use or sell certain products; the impact of increasing environmental, greenhouse gas emission and sustainability regulations and considerations; the impact of judicial rulings and governmental regulations, both in the United States and abroad, including those adopted by the United States Securities and Exchange Commission (“SEC”) and other governmental agencies as contemplated by the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Consolidated Appropriations Act, 2021, the American Rescue Plan Act of 2021, and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010; the effect of healthcare laws in the United States and potential changes for such laws, which may increase the Company’s healthcare and other costs and negatively impact the Company’s operations and financial results; the effect of tax laws in the United States and potential changes for such laws, which may increase the Company’s costs and negatively impact its operations and financial results; cyber security risks; the effects of privacy and information security laws and standards; and other risks described from time to time in the Company’s filings with the SEC, including those described in “Part I – Item 1A. – Risk Factors” of the Company’s Annual Report on Form 10-K for the fiscal year ended May 31, 2024 and its subsequent filings with the SEC.

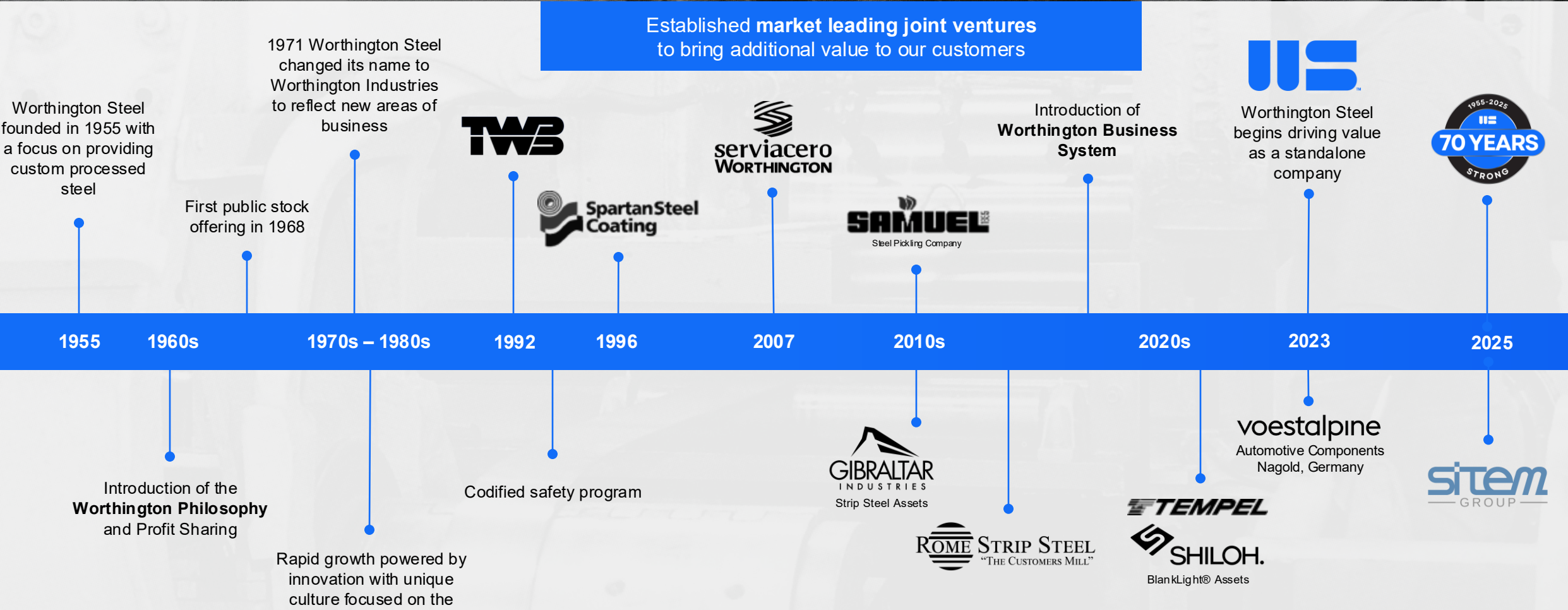
Forward-looking statements should be construed in the light of such risks. The Company notes these factors for investors as contemplated by the Act. It is impossible to predict or identify all potential risk factors. Consequently, you should not consider the foregoing list to be a complete set of all potential risks and uncertainties. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. The Company does not undertake, and hereby disclaims, any obligation to update any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

# Investment Highlights

1. Well-positioned to capitalize on opportunities from expected growth in electricity usage to support data center growth and vehicle electrification combined with the modernization and expansion of the electric grid
2. Long-standing customer relationships focused on value creation and best-in-class service delivery
3. Strong balance sheet and ample liquidity to pursue attractive growth opportunities via strategic capital investments and/or value-enhancing acquisitions
4. Experienced management team with a track record of delivering value and driving success through the Worthington Business System



# Building A Differentiated Steel Processing Company



# Value-added Metals Processing Company

**1955**

Founded

**Columbus, OH**

Headquarters

**32**

Locations<sup>1</sup>

**~5,000**

Employees<sup>1</sup>

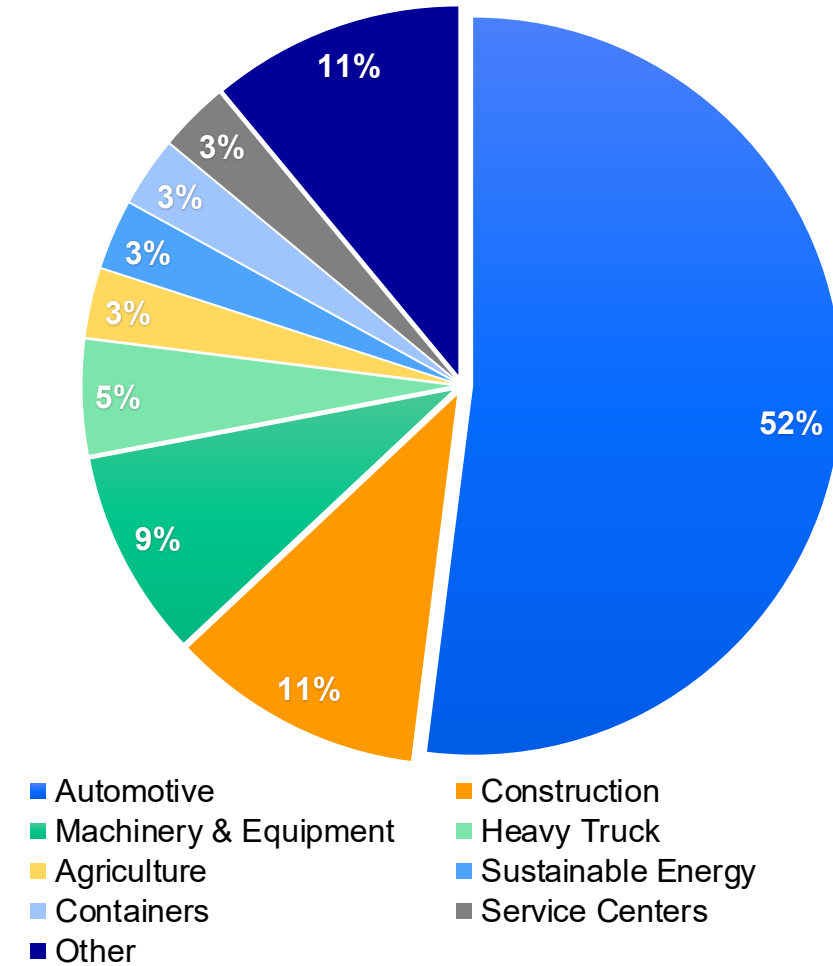
**~\$1.3B<sup>4</sup>**

Market Capitalization

## TTM Financial Metrics<sup>2</sup>

Volume Delivered (tons)	3.8M
Direct / Toll (tons)	2.2M / 1.6M
Net Sales	\$3.1B
Adjusted EBITDA / Margin	\$215M / 7.0%
Free Cash Flow	\$99.9M
Capex / % of sales	\$130.4M / 4.2%
Dividend (Annualized Rate)	\$0.64

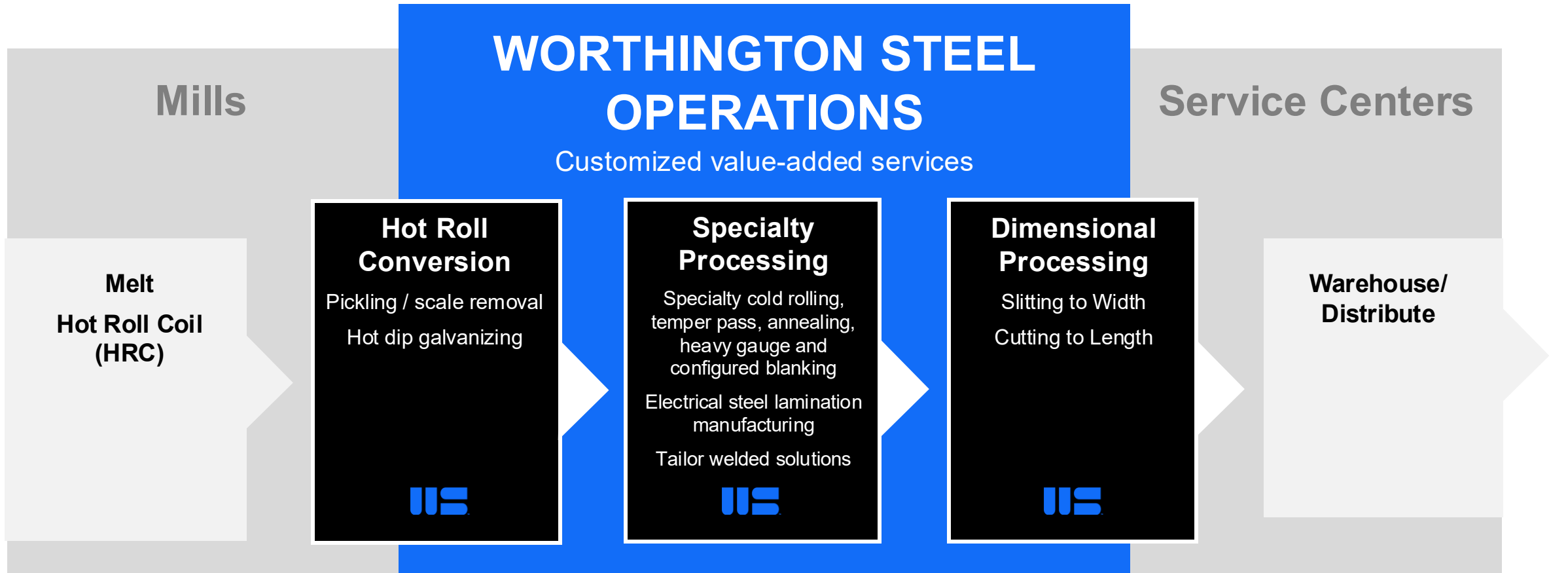
Net Sales by End-Market<sup>2,3</sup>



## OUR VISION

As a leader in the markets we serve, we boldly drive the metals industry toward a sustainable future as the most trusted, most innovative and most value-added metals processing partner in North America and beyond.

# We Occupy a Unique Position in the Steel Supply Chain



## WHY WE WIN

What Differentiates Worthington Steel from Competitors Across the Steel Supply Chain

- ✓ Customized, Value-added Solutions
  - ~90% of shipments run through at least two value-added processes
- ✓ Make-to-Order, Contract-Based
- ✓ End-to-End Supply Chain Management

# Building on Market Leadership Position

<b>#1</b>	<b>#1</b>	<b>#1</b>	<b>#1</b>	<b>#2</b>	<b>#3</b>
Independent Producer of Hot Dipped Galvanized Steel in North America	Producer of Tailor Welded Blanks in North America	Trader of Steel Futures by Volume Among North American Service Centers	Network of Independent Picklers in North America	Independent Flat Rolled Service Center in Mexico	Global Manufacturer of Electrical Steel Laminations and Cores

## Blue-Chip Customer Recognition and Accolades



Supplier of the Year  
2020, 2021, 2023 & 2024



JOHN DEERE

2021-2024 Partner Level  
Supplier and inducted into 10-  
year Hall of Fame

**SCHAEFFLER**

2021 Schaeffler Supplier  
Excellence Award



2020 Raw Material  
Supplier of the Year



2022 Global Supplier Award in  
"Lead Electric Propulsion"

**MAHLE**

Zero PPM Award for  
Manufacturing Excellence 2023  
Supplier of the Year 2022, 2024



Tata AutoComp Systems  
2024 Supplier Award for  
Synergy

# Network and Services to Deliver Added Value to Customers



● Wholly Owned

● Joint Ventures

- ✓ 32 Manufacturing Facilities Primarily Located in North America<sup>1</sup>
- ✓ Key Operations Strategically Located Proximate to Suppliers and Customers
- ✓ Expertise in Optimizing Supply Chains and Minimizing Total Landed Cost
- ✓ 90% of Sales in North America; 10% of Sales in Asia and Europe



<sup>1</sup> Includes Worthington Steel's consolidated and unconsolidated joint ventures.

# Joint Ventures Expand Our Processing Capabilities and Reach

## Spartan Steel Coating (52%)

- Partner: Cleveland-Cliffs
- A cold-rolled, hot-dipped coating line producing galvanized, galvanized and aluminized products
- Single facility in Michigan
- **Growth Initiative – Added Type 1 aluminized capability**



425k Toll Tons

## TWB (55%)

- Partner: BaoSteel
- Tailor welded products for the automotive industry
- Operates 11 facilities in US, Canada, Mexico
- **Growth Initiative - Adding ablation equipment to pursue new market in hot formed tailored blanks**



250k Direct Tons  
125k Toll Tons

## WSCP<sup>1</sup> (63%)

- Partner: Samuel, Son & Co.
- Pickling and slitting for the automotive, fabrication and appliance markets
- Operates 1 pickling facility in Ohio



450k Toll Tons

## Serviacero Worthington (50%)

- Partner: Serviacero
- Pickling, heavy gauge blanking, and slitting
- Operates 3 steel processing facilities in Mexico
- **Growth Initiative - New slitter available January 2025 to process recent program wins**



400k Direct Tons  
100k Toll Tons

# Near term outlook for key markets served by Worthington Steel

## Automotive

- Traction motors for BEVs /hybrids including trucks
- Automatic transmissions for hybrids / ICE
- Frames and chassis
- Seat rails
- Body structure

## Construction

- Metal buildings
- Garage doors & rail systems
- Corrugated steel pipe
- Metal framing
- Strut and conduit
- Fencing

## Agriculture

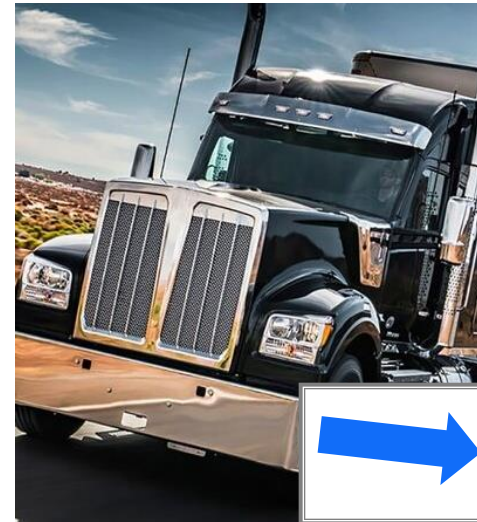
- Combines
- Grain bins
- Center pivot irrigation
- Hay bailers
- Auger, chain, blades and plow components

## Truck / Trailer

- Wheel rims
- Frames
- Suspensions
- Trailer components
- Drivetrain

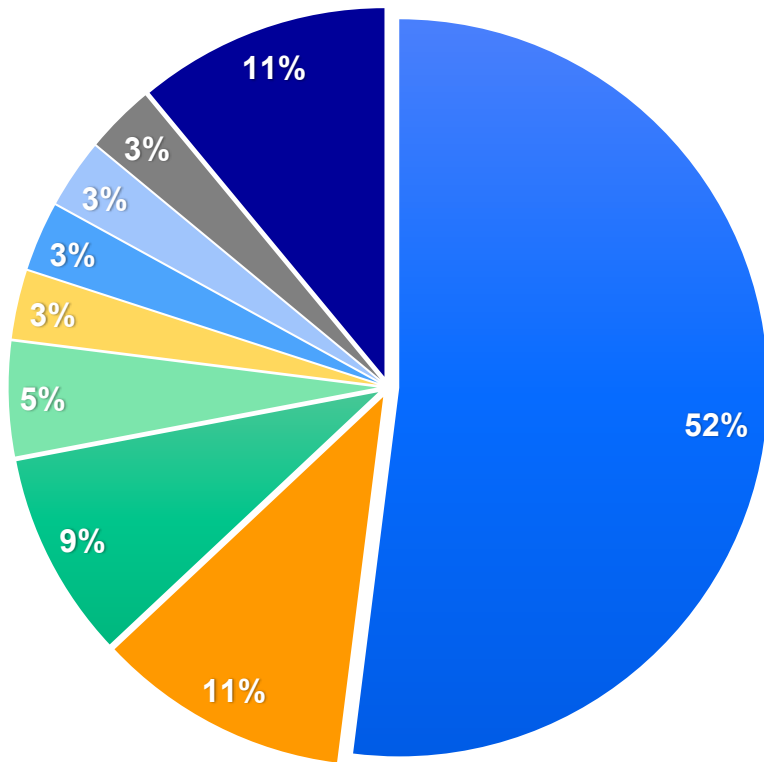
## Energy

- Transformer cores for power distribution
- Generators, including large scale & home power generation
- Racking and mounts for solar applications



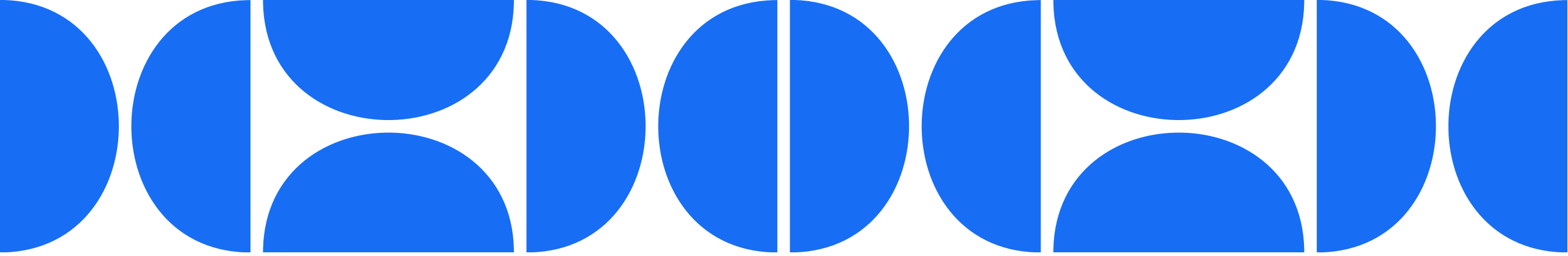
# Critical Supplier to Blue-Chip Companies Across End Markets

Diversified Customer Base, Many With Decades-Long Relationships



- Automotive
- Construction
- Machinery & Equipment
- Heavy Truck
- Agriculture
- Sustainable Energy
- Containers
- Service Centers
- Other





# Our Strategy and Operating Model



# Proven Worthington Business System embedded in growth plans



**Executing** on our investments in the rapidly growing electrical steel market

Strategically expanding our capacity for highly technical electrical steel products to meet demand for infrastructure improvements and electric vehicles (including hybrid and battery electric vehicles)



**Growing** through strategic initiatives/capex, new products and acquisitions

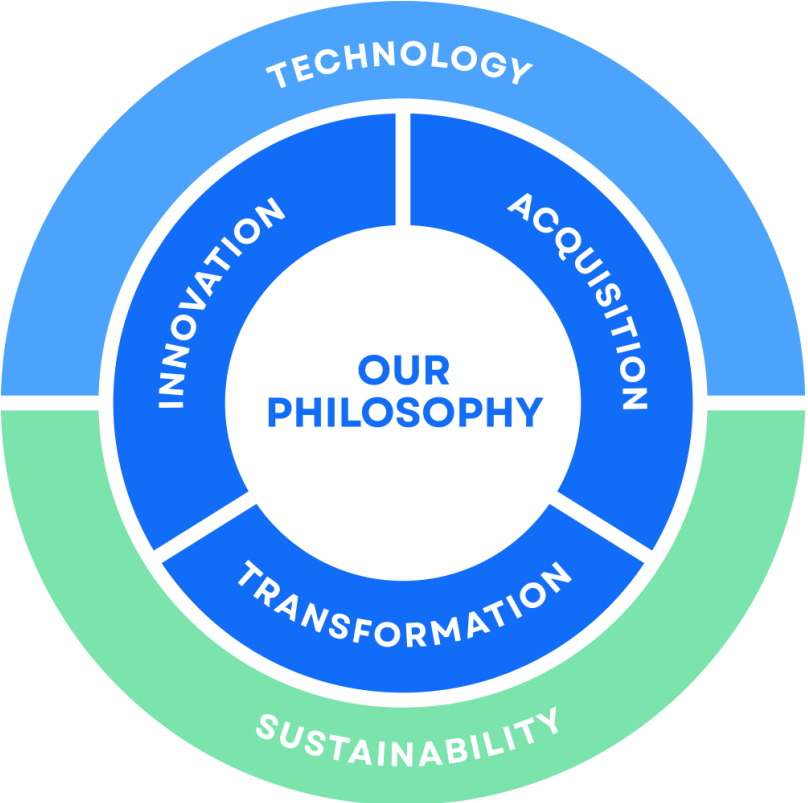
Filling our existing capacity, meeting customer needs and capitalizing on attractive growth opportunities



**Optimizing** our business utilizing proven transformation processes

Improving our base business to increase margin, reduce working capital and maximize capacity

# Worthington Business System is the Foundation for Driving Improved Profitability



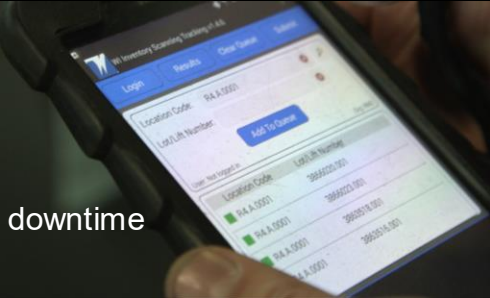
Our people-first Philosophy is rooted in the Golden Rule: We treat our employees, customers, suppliers and shareholders as we would like to be treated



## TRANSFORMATION

### Leveraging Lean Practices and Technology

- Systematic approach to business improvement
- Optimizing working capital
- Maximizing capacity and reducing waste
- Predictive analytics and automation enhance efficiency, reduce downtime and improve safety



## INNOVATION

### Tailored Customer Solutions

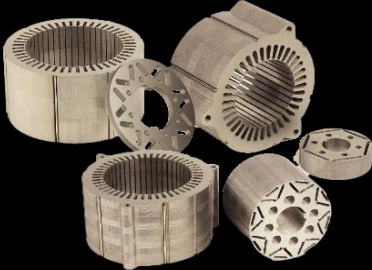
- Cross-functional teams
- Sophisticated supply chain management
- Price risk management
- Metallurgical expertise for customized solutions



## ACQUISITION

### Adding Capabilities for Above-Market Growth

- **Energy transition:** Tempel provides direct exposure to global decarbonization efforts and power grid modernization and expansion
- **Automotive lightweighting:** Acquisition of Shiloh BlankLight® expanded offerings for fuel-efficiency, cost reduction and part consolidation

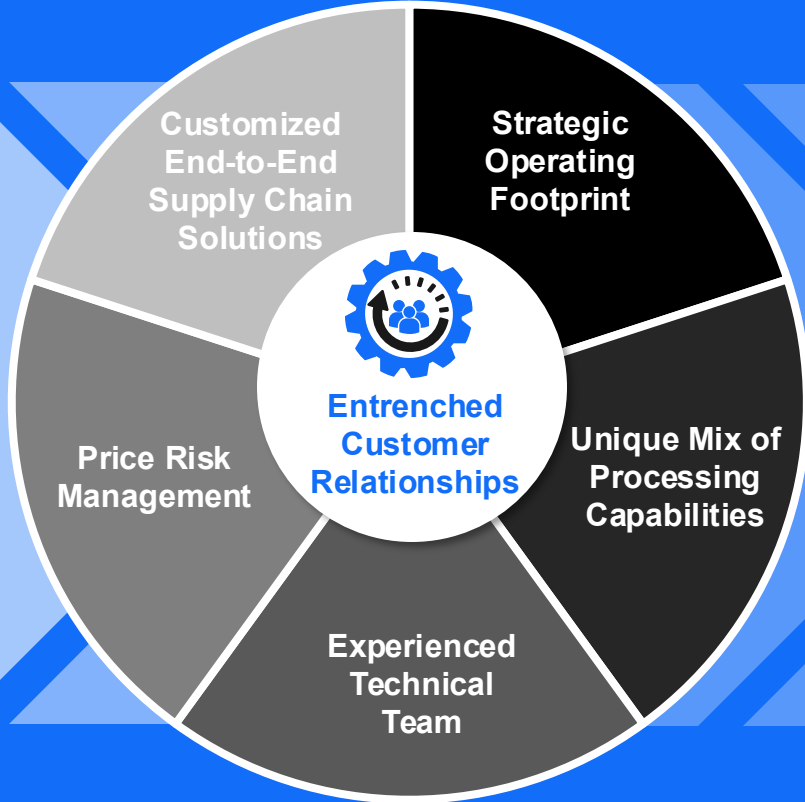


# Our Differentiated Business Model Drives Worthington Steel Forward

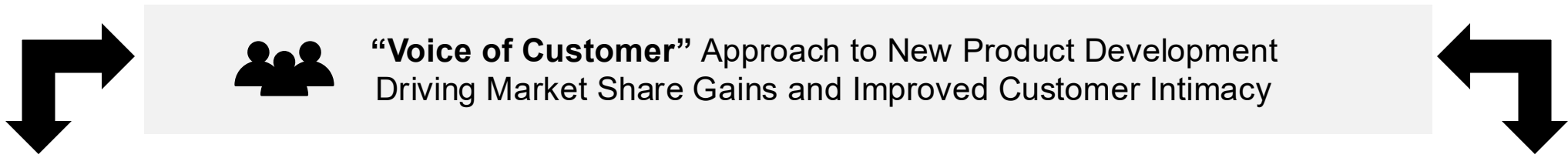
Beginning with Material from our Mill Partners

Worthington Steel Offers a Wide Range of Value-Added Processing Capabilities and Services

Serving Customers Across Attractive End Markets

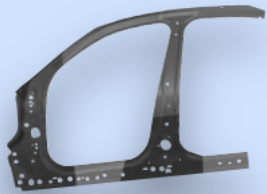


# Innovation: Product Improvements That Meet Changing Customer Needs for Lightweighting



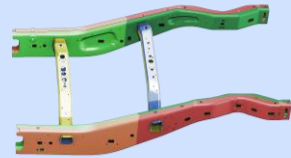
## Continued Enhancements to Core Offerings

Hot Stamped Door Ring



Capitalizes on lightweighting and part consolidation trends

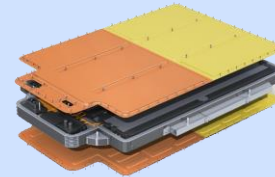
Advanced, High-strength Tailor Welded Frame Rails



Adopted by most North American light duty truck manufacturers

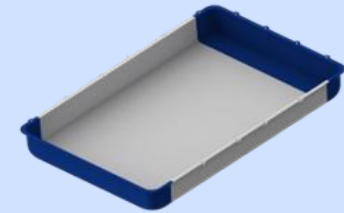
## At the Forefront of EV Battery Box Design

Upper / Lower Battery Covers



A leading supplier to North American automotive producers

Deep Drawn Battery Tray



Innovative product solution in development

**Since 2000, we have successfully launched more than 500 lightweighting production parts**

# Case Study: Our Transformation Strengthens Customer Relationships

Goal: Reduce Excess Working Capital While Maintaining Inventory for High-Growth Products

- Our customer faced high capital costs and limited floor space tied up in slow-turn inventory
- Growth was constrained by lack of space for higher-demand products
- We hosted a joint kaizen event to identify ways to optimize inventory across both organizations
- Collaborated to implement a more transparent, responsive ordering system
- Our customer **reduced working capital by 61%** in one month and **ensured supply for critical products**
- We improved visibility, strengthened demand planning and deepened a strategic relationship







# Well Positioned to Capitalize on Key End Market Trends

## Decarbonization of Transportation

## Energy Growth

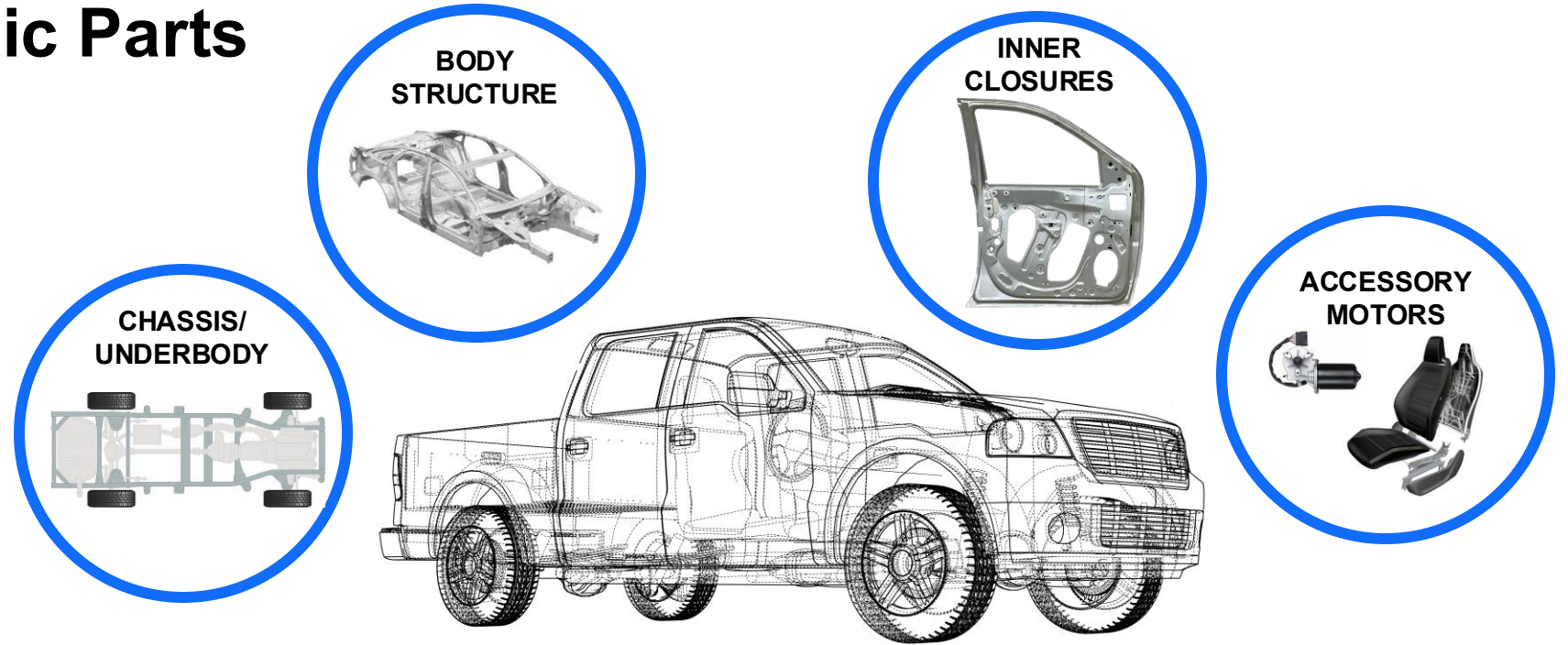
## Infrastructure

Worthington Steel Product Offering	<p><b>Electrical Steel Laminations</b></p>  <p><b>EV Traction Motors</b></p>	<p><b>Tailored Blanks</b></p>  <p><b>Automotive Frames</b></p>	<p><b>Electrical Steel Laminations</b></p>  <p><b>Transformer Cores</b></p>	<p><b>Galvanized Steel</b></p>  <p><b>Drainage Culvert / Renewables</b></p>
Key Trends	Worldwide transition to electric vehicles and OEM push for lightweighting innovation supporting automotive steel demand		Electrification, AI and data center growth creates demand for our products	Upgrading aging infrastructure and electrical grid in the U.S. will require a significant amount of steel
Market Growth Drivers	<b>&gt;70% of passenger vehicles</b> sold globally in 2030 expected to be battery or hybrid <sup>1</sup>		<b>7.7%</b> Projected CAGR through 2034	<b>\$1 Trillion<sup>3</sup></b> infrastructure bill signed in 2021



Sources: <sup>1</sup> S&P Global Mobility, E-Motor Production Forecast, June 2025, includes mid- and full-hybrids; <sup>2</sup> Global Market Insights. (February 2025). *Transformer Market Size, Industry Share Report 2025–2034*; <sup>3</sup> White House (Inflation Reduction Act Guidelines, January 2023).

# 80% of Steel Sold by Worthington to Automotive Market Supports Powertrain-Agnostic Parts



We are also a critical supplier for powertrain components across all types of propulsion systems:

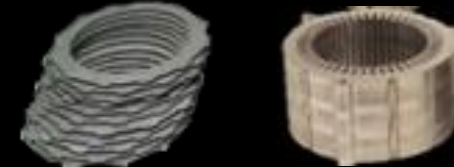
## INTERNAL COMBUSTION ENGINE

Clutch plate



## HYBRID

Clutch plate and electrical steel laminations



## EV

Electrical steel laminations



# Focused Strategic Investments in Electrical Steel

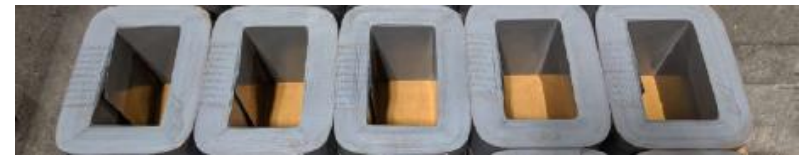
## Mexico: Increase Motor Lamination Capacity to Meet Growing xEV Demand

- Expanding existing xEV production capacity
- Total expected capex = \$85M (~50% spent through 5/31/25)
  - Building expansion complete
  - Initial five presses installed; five more expected (exact timing tied to commercial milestones)
- Targeting start of production for fall 2025



## Canada: Increase Transformer Core Making Capacity to Meet Demand

- Adding capacity to existing core-making operation to help customers close 2-year backlog on transformer orders
- Total expected capex = \$85M (~80% spent through 5/31/25)
- Awarded enough new business to fill 50% of the additional capacity
- Targeting start of production for early CY 2026



**Expect Steady State EBITDA Margins to Be Accretive**

# M&A Is a Key Part of Our Strategy

## Investment Criteria

- Well-run, successful companies with strong management teams
- Culture aligns with Our Philosophy
- Accretive to earnings per share in a short period of time and increases overall EBITDA margin
- Opportunities to increase value through Transformation and synergy capture
- Strengthen our business in current markets or provide access to new, attractive and more niche markets

## Select Acquisitions



# Sitem acquisition strengthens our electrical steel business globally

## A European Leader in Electrical Steel Laminations

- Established in 1974, **headquartered in Trevi, Italy**
- **700 employees in 6 facilities** across Italy, Switzerland, France and Slovakia

## Acquired Capabilities and Synergy Opportunities

- **Accelerates** entry into **European xEV traction motor market**
- Access to **advanced capabilities**: Tooling, automation, adhesives and die-casting
- Additional potential synergies from **enhanced commercial** and **supply chain** cooperation

## Deal Snapshot

- **Acquired 52% ownership** through share purchase, capital injection, and contribution our Nagold, Germany facility with **immediate operational control**
- Clear path to **increased long-term ownership**

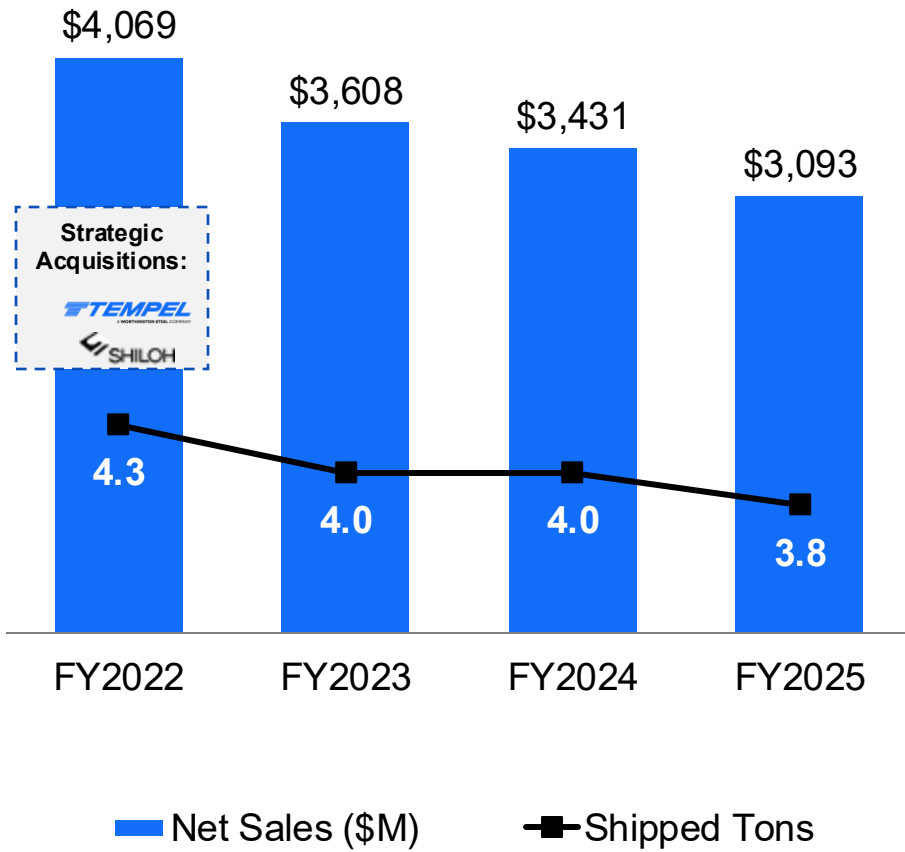




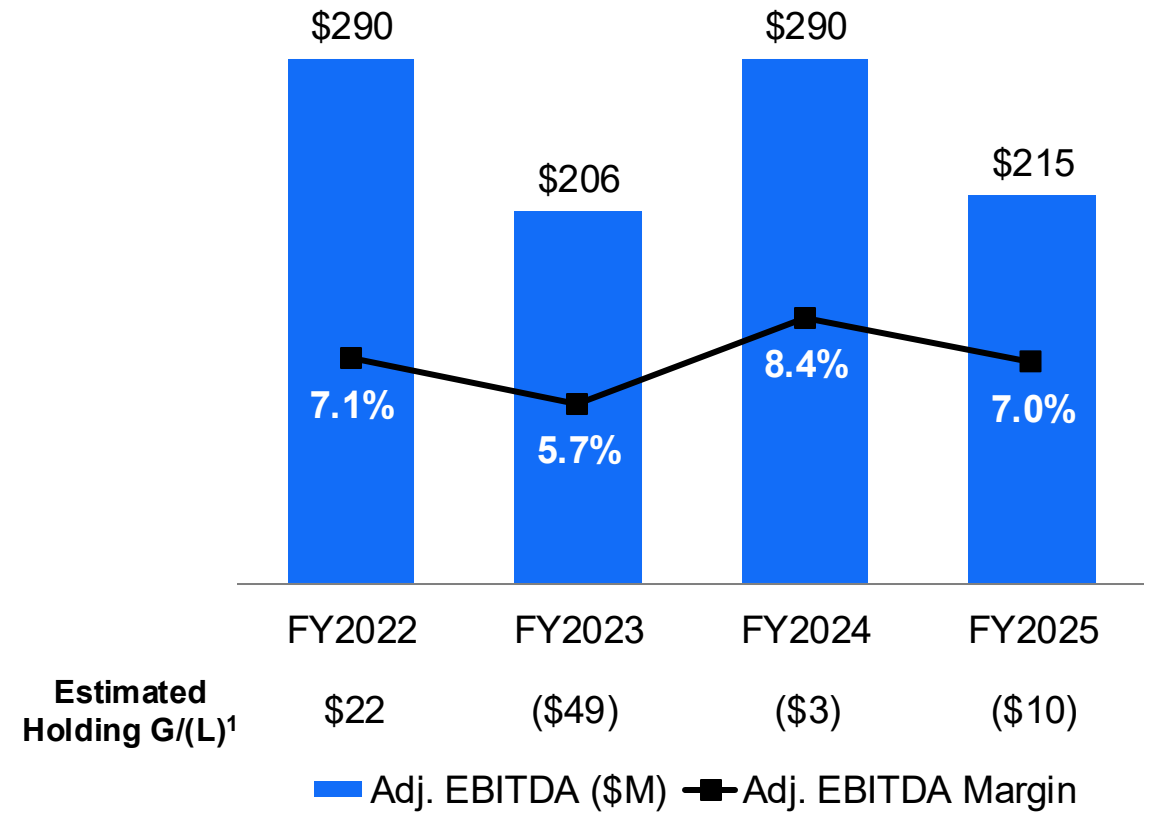
# Key Financial Metrics

# Resilient Financial Performance Despite Commodity Volatility

## Net Sales (\$M) & Volumes (M Tons)



## Adjusted EBITDA (\$M) & Margin (%)

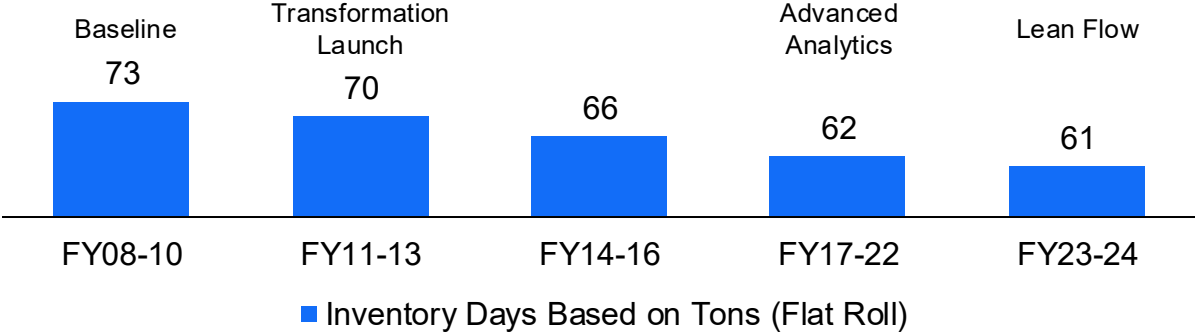


# How Worthington Steel Mitigates Volatility in Steel Pricing

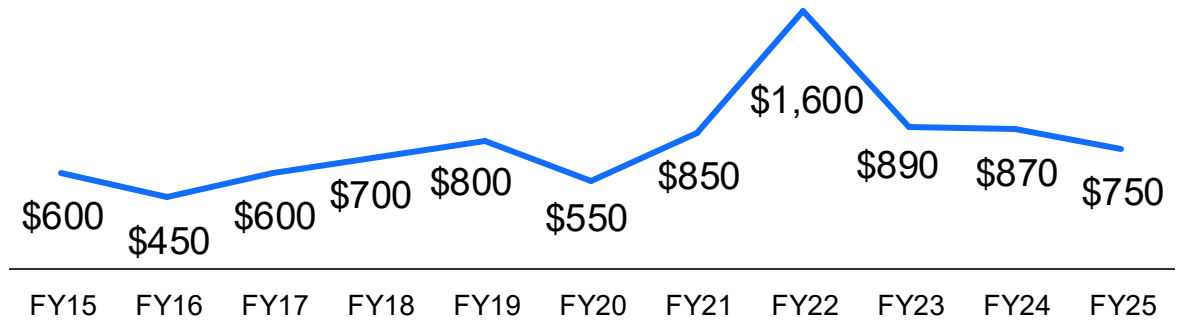
## We Minimize Steel Holding Gains and Losses

- **Worthington Business System** to manage inventory
  - Deployed to drive inventory lower within carbon flat-rolled locations; opportunities remain
  - Inventory down 16% on a tons basis
- Use **firm-priced** contracts where possible to lock in margin
  - Customers choose contract mechanisms that best fit their business
- **Mirror** customer and supplier contract mechanisms (e.g., buy/sell on quarterly CRU)
  - ~100% of contracts are mirrored
- Utilize **steel futures** when fixed pricing is not offered by a mill

## Worthington Business System Helps Drive Down Inventory

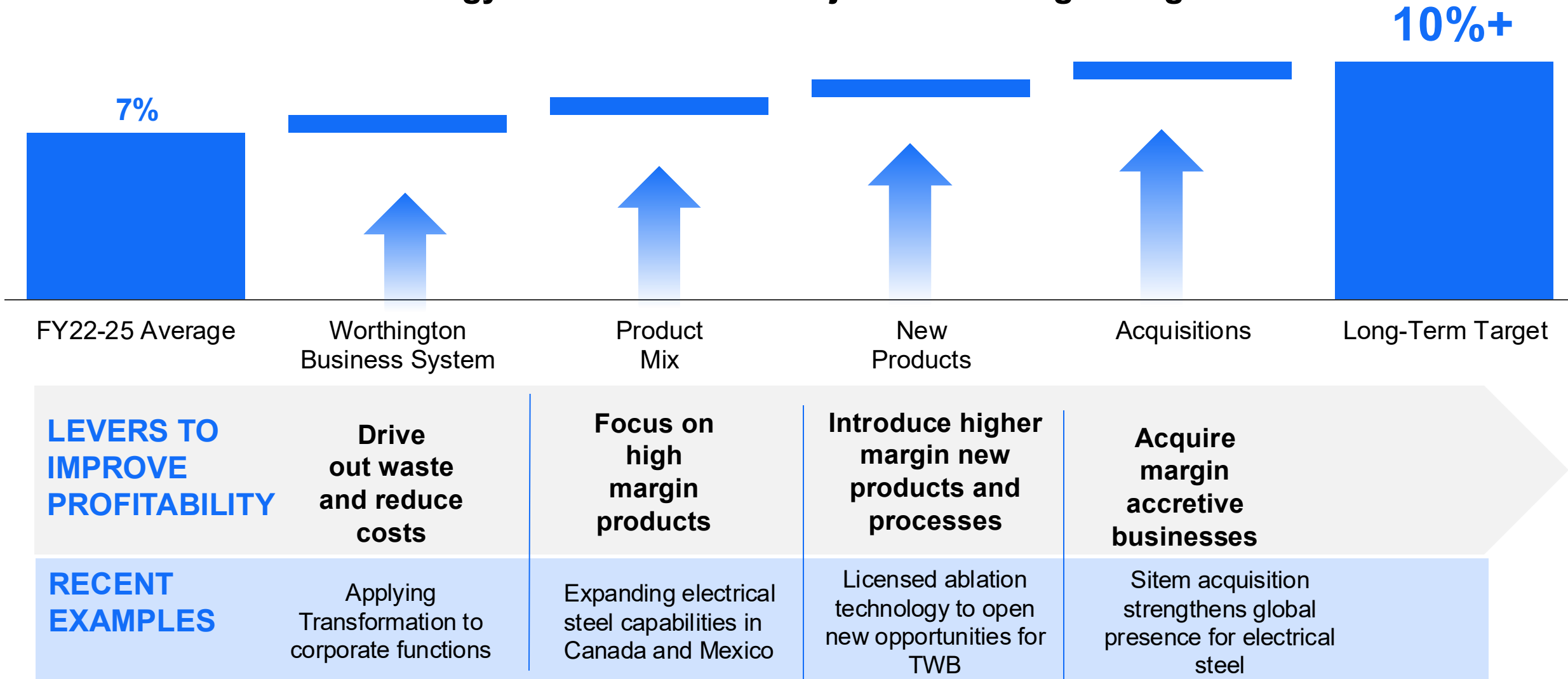


## Historical Hot-Rolled Steel Price (\$/ton)



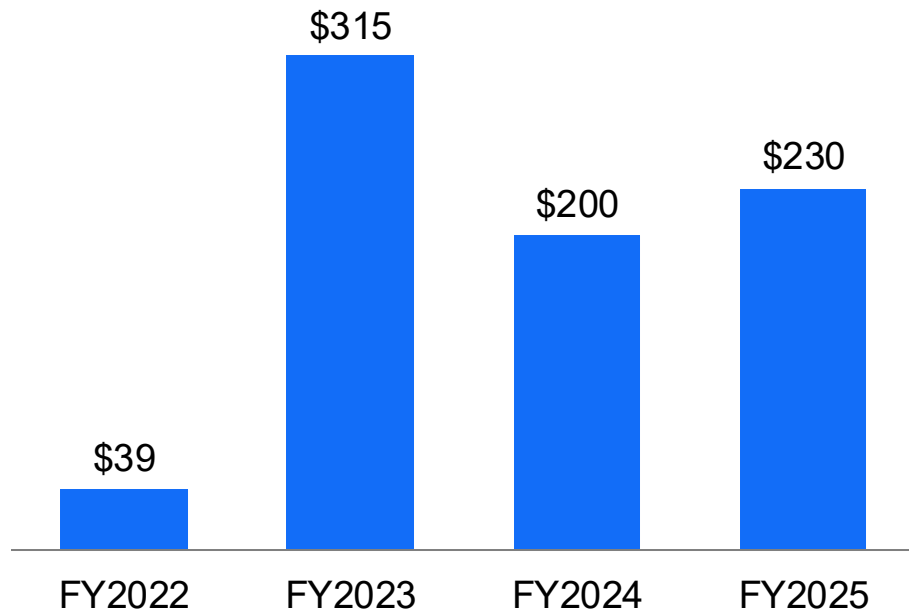
# Pathway to Margin Expansion

Strategy to Achieve 10%+ Adj. EBITDA Margin Target



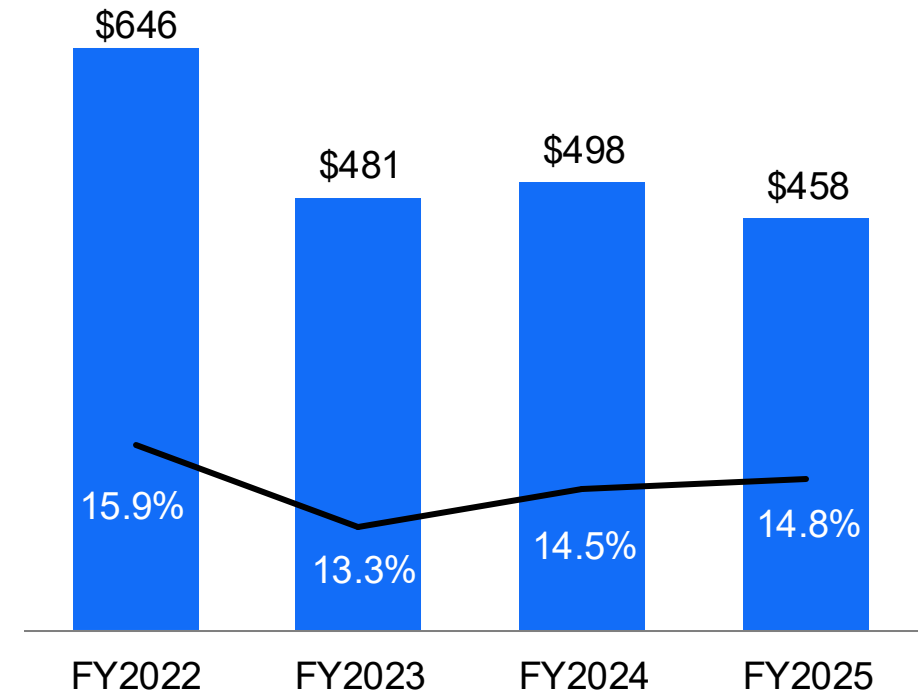
# Strong Cash Flow Supports Growth Initiatives

Operating Cash Flow (\$M)



Capex (\$M)	FY2022	FY2023	FY2024	FY2025
	\$36	\$45	\$103	\$130

Operating Working Capital<sup>1</sup> (\$M)



Steel Price (\$/ton)	FY2022	FY2023	FY2024	FY2025
	\$1,600	\$890	\$870	\$750

Operating Working Capital — OWC as % of Revenue



Note: FY is fiscal year ended May 31.

<sup>1</sup> Operating Working Capital defined as accounts receivable plus inventory minus accounts payable.

# Capital Investments to Strengthen and Grow Market Position

## Strategic Capital Investments

### Increasing Lightweighting Capabilities/Capacity

- **Laser Welding:** support lightweighting targets for new Battery EV models
- **Ablation:** produce Hot Formed Tailored Blanks for automotive lightweighting applications

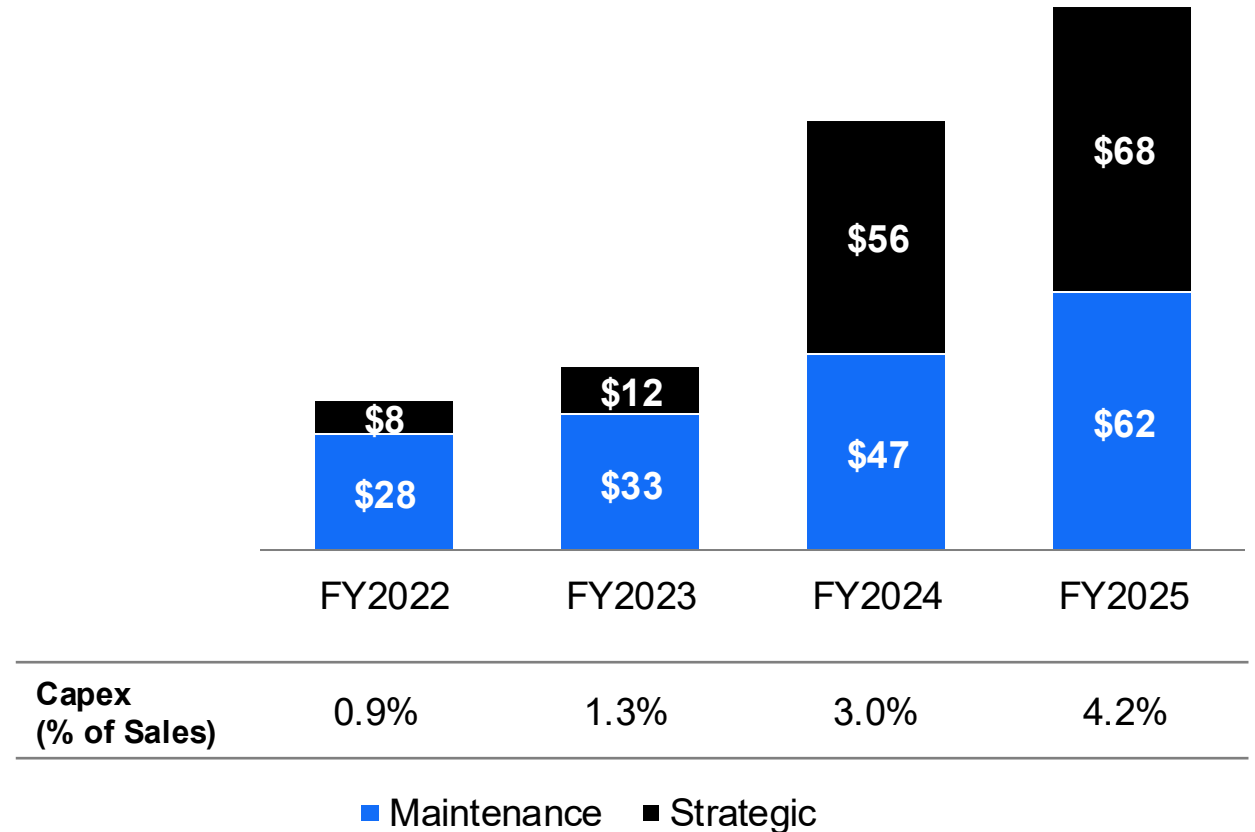
### Investing in Electrical Steel Capacity/Capability

- **Transformer Core Lamination Expansion:** adding capacity and capability in Canada
- **xEV Focus Factory:** expanding electrical steel lamination offering in Mexico

## Maintenance Capital

- Category includes equipment, information technology, new headquarters, and environmental, health & safety
- Philosophy toward maintenance spending is to maintain key assets in market ready condition

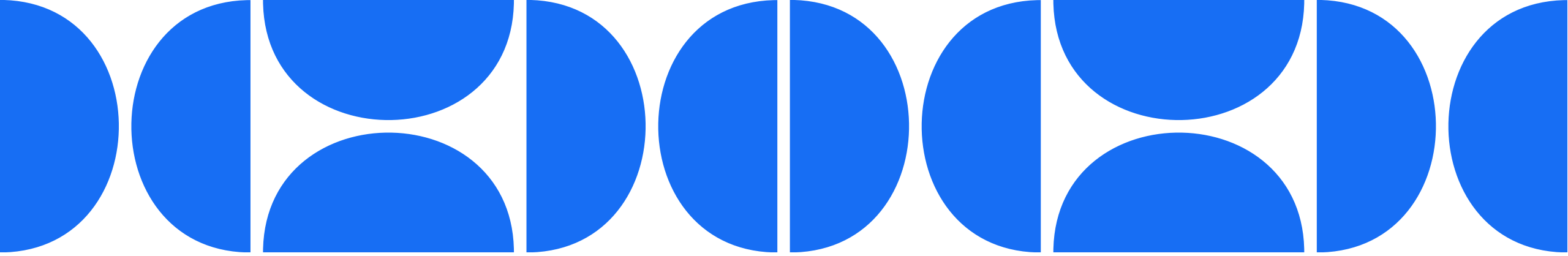
## Capital Expenditures (\$M)



# Capital Structure Supports Growth Initiatives

- Accomplished initial goal for a **strong balance sheet at Spin Date**
- Expect to maintain a **flexible capital structure** with modest leverage and ample liquidity
- **Current credit facility** consists of:
  - \$550M ABL facility, maturing in 2028
- Goal is to **maintain sufficient liquidity and flexibility** to execute on our business strategy
  - Pursue high-return **organic growth** opportunities
  - Target strategic **accretive acquisitions**
  - **Return capital to shareholders**

Balance Sheet Summary (\$M)	
<b>Total Debt</b>	<b>\$152</b>
(-) Cash	\$38
<b>Net Debt</b>	<b>\$114</b>
<b>Trailing Twelve Month Adjusted EBITDA</b>	<b>\$215</b>
Trailing Twelve Month Net Leverage <sup>1</sup>	0.53x
<b>Total Liquidity<sup>2</sup></b>	<b>\$436</b>



# How We Drive Shareholder Value

# Disciplined Framework Designed to Drive Shareholder Value



...and Maintain Ample Liquidity and Financial Flexibility to Support Strategic Initiatives and Resiliency Through the Cycle

# Experienced Management Team to Drive Strategy

More than 200 Combined Years of Experience Managing Through Steel Price Cycles and Shifting Macroeconomic Climates with Proven Ability to Execute M&A



**GEOFF GILMORE**

President & Chief Executive Officer



**JEFF KLINGLER**

Executive VP & Chief Operating Officer



**TIM ADAMS**

VP & Chief Financial Officer



**JOE HEUER**

VP & General Counsel



**MELISSA DYKSTRA**

VP of Corporate Communications & Investor Relations



**NIKKI BALLINGER**

VP of Human Resources



**BRAD KERN**

VP of Operations



**CLIFF LARIVEY**

President, Flat-Rolled Steel Processing



**BILL WERTZ**

VP & Chief Information Officer

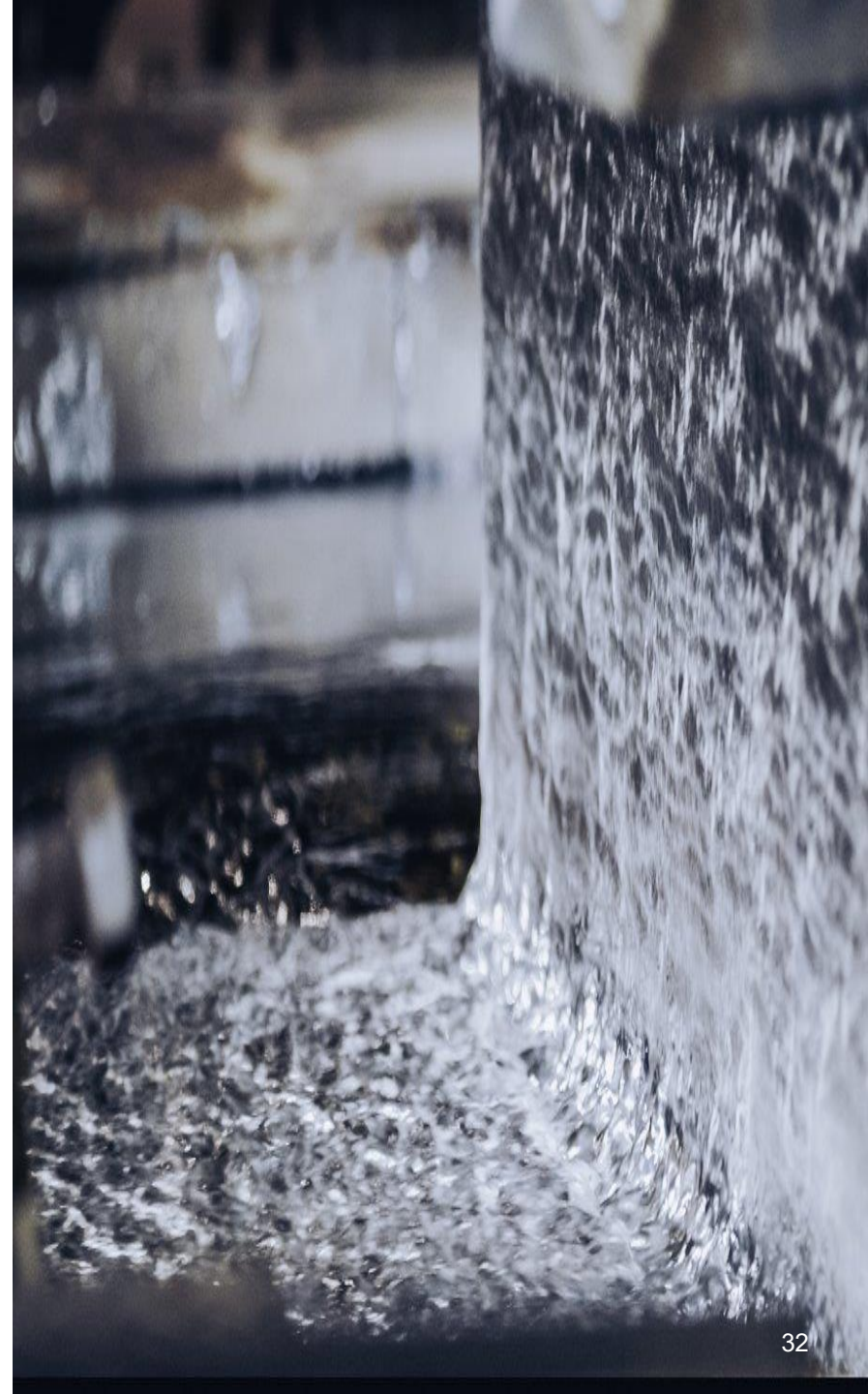


**STEVE WITT**

Corporate Controller

# Investment Highlights

1. Well-positioned to capitalize on opportunities from expected growth in electricity usage to support data center growth and vehicle electrification combined with the modernization and expansion of the electric grid
2. Long-standing customer relationships focused on value creation and best-in-class service delivery
3. Strong balance sheet and ample liquidity to pursue attractive growth opportunities via strategic capital investments and/or value-enhancing acquisitions
4. Experienced management team with a track record of delivering value and driving success through the Worthington Business System



# Appendix



# Reconciliation of Non-GAAP Financial Measures

These materials present certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles, or GAAP. Management believes these non-GAAP measures provide useful supplemental information on the performance of the Company's ongoing operations and should not be considered as an alternative to the comparable GAAP measure. Additionally, management believes these non-GAAP measures allow for meaningful comparisons and analysis of trends in the Company's business and enable investors to evaluate operations and future prospects in the same manner as management. A reconciliation of each non-GAAP measure to its most directly comparable GAAP measure is outlined below. The following provides an explanation of each non-GAAP measure presented in these materials:

Adjusted EBITDA is defined as Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, and consists of EBITDA (calculated by adding or subtracting, as appropriate, interest expense, income tax expense and depreciation and amortization to/from net earnings attributable to controlling interest), which is further adjusted to exclude impairment and restructuring charges (gains) 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.

- **Impairment of assets** - impairments of assets are excluded because they do not occur in the ordinary course of the Company's ongoing business operations, are inherently unpredictable in timing and amount, and are non-cash, so their exclusion facilitates the comparison of historical and current financial results.
- **Restructuring activities** - restructuring activities consist of items that are not part of the Company's ongoing operations, such as divestitures, closing or consolidating facilities, employee severance (including rationalizing headcount or other significant changes in personnel), and realignment of existing operations (including changes to management structure in response to underlying performance and/or changing market conditions).
- **Separation costs** - direct and incremental costs incurred in connection with the Separation from Worthington Enterprises, Inc. (the "Former Parent"), including audit, legal, and other fees paid to third-party advisors as well as direct and incremental costs associated with the separation of shared corporate functions which are not part of the Company's ongoing operations.
- **Tax indemnification adjustment** - tax and indemnification adjustments reported in income tax expense and miscellaneous income, net, related to an indemnification agreement with the former owners of Tempel Steel Company ("Tempel"). These adjustments are the result of a first quarter fiscal 2025 favorable tax ruling, a fourth quarter fiscal 2025 interest charge true-up, and a fourth quarter fiscal 2024 unfavorable tax ruling in one of the jurisdictions in which Tempel operates. The indemnification agreement, which was entered into with the former Tempel owners at the time the Company acquired Tempel, provides protection to the Company from rulings by tax authorities through the acquisition date.
- **Pension settlement gain** - pension lift-out transaction to transfer a portion of the total projected benefit obligation of the Tempel pension plan to a third-party insurance company, which resulted in a pre-tax non-cash gain reported in miscellaneous income, net, is excluded as it is not part of the Company's ongoing operations.
- **Gain on land sale** - sale of unused land on the campus of the Tempel subsidiary in China, which resulted in a pre-tax gain in miscellaneous income, net, is excluded as it is not part of the Company's ongoing operations.
- **Gain on Sitem group purchase derivative** - mark-to-market gain on the economic (non-designated) foreign currency exchange contract entered into related to the purchase price for Sitem Group, which resulted in a pre-tax gain in miscellaneous income, net, and is excluded as it is not part of the Company's ongoing operations.

**Adjusted EBITDA Margin** is calculated by dividing Adjusted EBITDA by net sales.

**Free Cash Flow** is defined as operating cash flows less capital expenditures.

(In millions)	Fiscal Year Ended May 31,			
	2022	2023	2024	2025
Net Sales	\$ 4,069	\$ 3,608	\$ 3,431	\$ 3,093
Net earnings attributable to controlling interest	\$ 180	\$ 87	\$ 155	\$ 111
Interest expense, net	3	3	6	7
Income tax expense	54	29	46	29
Depreciation and amortization	60	70	65	66
EBITDA	\$ 297	\$ 189	\$ 272	\$ 213
Impairment of assets <sup>(1)</sup>	2	2	1	5
Restructuring and other (income) expense, net <sup>(1)</sup>	(9)	(2)	-	1
Separation costs	-	17	20	-
Tax indemnification adjustment	-	-	(3)	5
Pension settlement gain	-	-	-	(3)
Gain on land sale	-	-	-	(2)
Gain on Sitem Group purchase derivative	-	-	-	(4)
Adjusted EBITDA	\$ 290	\$ 206	\$ 290	\$ 215
Adjusted EBITDA margin	7.1%	5.7%	8.4%	7.0%

<sup>(1)</sup> Excludes the impact of the noncontrolling interests.

	FY Ended May 31, 2025
Operating cash flow	\$ 230
Capital expenditures	130
Free cash flow	\$ 100

