WORTHINGTON INDUSTRIES

MAKERS OF BETTER

WORTHINGTON INDUSTRIES

JOE HAYEK – VP & CFO

JEFFERIES INDUSTRIALS CONFERENCE

AUGUST 08, 2019

VISION

MAKERS OF BETTER

To be the **TRANSFORMATIVE PARTNER** for our customers, a **POSITIVE FORCE** in our communities and earn **EXCEPTIONAL RETURNS.**

WORTHINGTON INDUSTRIES OVERVIEW

Leading Industrial Manufacturing

- ✓ Domestic leader in flat rolled **steel processing**
- ✓ Global leader in **pressure cylinders**
  - ✓ Industrial Products
  - ✓ Consumer Products
  - ✓ Oil & Gas Equipment
- ✓ Domestic leader in **operator cabs** for heavy equipment
- ✓ Leader in **suspension ceiling solutions** (WAVE)
- ✓ Market-leading **joint ventures** serving construction & automotive end-markets

FY 2019 FINANCIAL METRICS:

- Sales = $3,760 million
- Adj. EBITDA = $330 million
- Free Cash Flow = $113 million
- Net Debt / EBITDA = 2.0x
- Corporate Credit Ratings: BBB / Baa3



Worthington at a Glance:

- Founded in 1955 and headquartered in Columbus, OH
- Publicly traded on the NYSE under the ticker WOR
- 12,000 employees & 5,000 customers;
- 75 primarily non-union facilities in 10 countries
- Employee, customer, supplier and investor-centered philosophy

BUSINESS STRATEGY

VALUE DRIVERS & ENABLERS



THREE COMPLEMENTARY VALUE DRIVERS ARE WELL ESTABLISHED

MAKERS OF BETTER

TRANSFORMATION

- Measure performance and align incentives to drive:
  - Data-driven decisions
  - Goals that are focused, aligned and stretched
  - LEAN transformation of all businesses and functions
- Short, rapid improvement Lean events accelerate change
  - Eliminate waste at root cause
  - Best practices & standard work
- Leverage Our Strong Culture
  - Lead with safety & the Golden Rule
  - Entrepreneurial innovation
  - Profit sharing incentives

INNOVATION

- New Product Development
  - Product Design & Engineering
  - Customer & Market Research
  - Advanced Technologies
  - Innovation Strategy
- Experienced Leadership
  - Executives with experience leading innovation at Procter & Gamble, Emerson Electric, Bristol Meyer, Elmer's Products and Battelle Memorial Institute

ACQUISITIONS

- Market Leading Targets
  - Increase exposure to attractive end markets
  - Target industries/sectors we know
  - Enhanced target evaluation process, due diligence and integration
- Focus On The Core
  - Consolidate markets
  - Enhance technology and know-how
  - Build out product offering
- New Platforms
  - Enter new lines of business to position the company for growth

LEVERAGING OUR CORE COMPETENCY AS A DIVERSIFIED METALS MANUFACTURER

Business Strategy

- ✓ Operate and grow market leading businesses
- ✓ Measure and improve the profitability of our businesses via Transformation and LEAN
- ✓ Acquire higher margin, high cash return businesses
- ✓ Use innovation and new product development to accelerate organic growth

Operating Principals

- ✓ Clearly communicated business strategies
- ✓ World class business system designed to maximize operating performance
- ✓ Use of data, analytics, innovation, and automation to improve our businesses
- ✓ Technology leader in our industries
- ✓ Rigorous capital discipline

Financial Goals

- ✓ Increase margins, free cash flow and earnings consistency
- ✓ Maintain a strong capital base with modest leverage and ample liquidity
- ✓ Balanced capital allocation



GROWTH THROUGH ACQUISITION

MAKERS OF BETTER

APPROXIMATELY

$1 BILLION

DEPLOYED TO ACQUIRE 22 COMPANIES SINCE FY 2009

INDUSTRIAL PRODUCTS

European Industrial Cylinders
Cryogenic Equipment
Clean Vehicle Fuel Storage Systems



CONSUMER PRODUCTS

Amtrol Water System Tanks
Coleman Camping Gas Cylinders
Bernzomatic Torches and Fuel, MagTorch



STEEL PROCESSING

Cold Rolled Strip Steel



OIL & GAS EQUIPMENT

Patented Oil & Gas Seperation Equipment
Heater Treaters
Storage Tanks



JOINT VENTURE ACQUISITIONS

CLARKDIETRICH
TAPES & TRIM FOR DRYWALL
WELDED WIRE PRODUCTS

WAVE
EXTRUDED ALUMINUM CEILINGS

BALANCED CAPITAL ALLOCATION STRATEGY

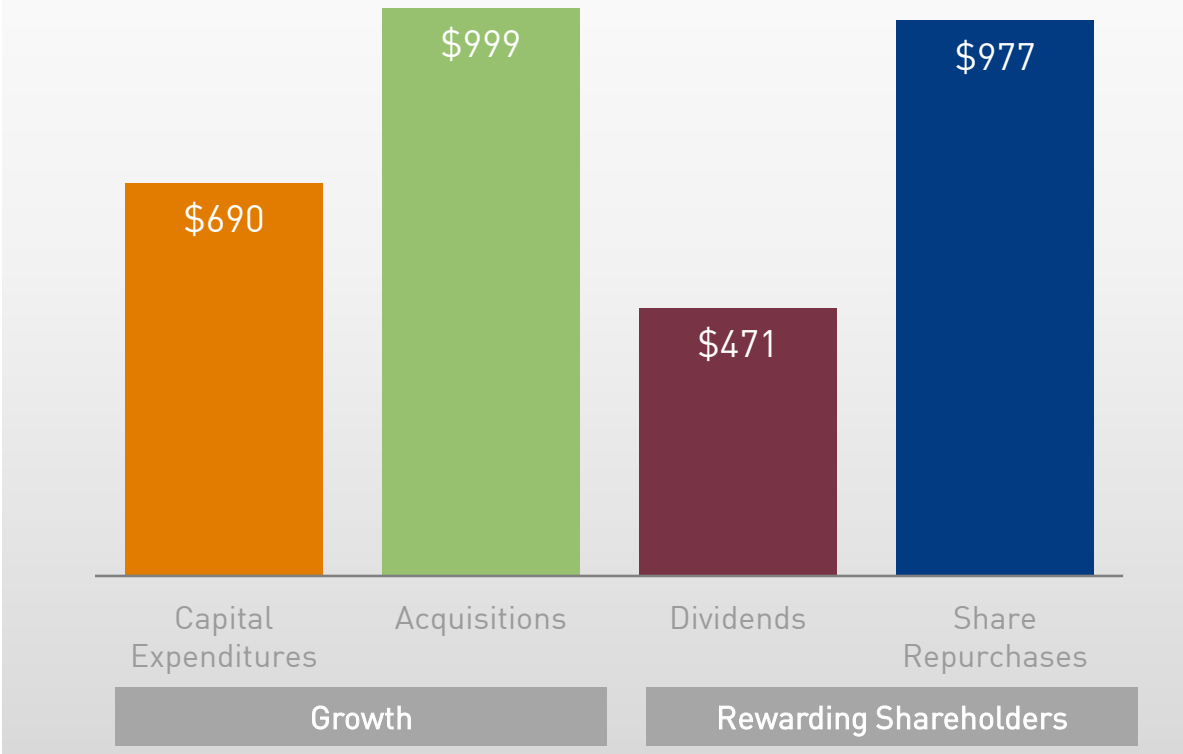
Strong cash flows and significant liquidity support balanced approach to capital allocation focused on growth and rewarding shareholders

MAKERS OF BETTER

Capital Expenditures	✓ Reinvest in the business to create value and support growth ✓ FY2019 CapEx of $84.5 million
Acquisitions	✓ Focus on core businesses and selectively grow into new markets ✓ Focus on higher margin / high cash return businesses
Dividends	✓ Quarterly dividend paid every quarter since becoming a public company in 1968 ✓ Nine consecutive years of dividend increases
Share Repurchases	✓ Opportunistic approach has reduced share count 30% since FY 2010 ✓ 9.0 million shares remaining on current authorization

Over $3.1 billion of capital deployed FY 2009 to FY 2019

($ millions)



MARKET LEADER IN KEY END MARKETS

MAKERS OF BETTER

STEEL PROCESSING

AUTOMOTIVE, CONSTRUCTION, AGRICULTURE, HEAVY TRUCK, APPLIANCE, HVAC



In FY2019, WI Processed

7.4 MILLION TONS OF STEEL

and is the largest purchaser of steel in the U.S. behind auto makers.

PRESSURE CYLINDERS

INDUSTRIAL PRODUCTS, CONSUMER PRODUCTS, OIL & GAS EQUIPMENT



In FY2019, Worthington manufactured over

84 MILLION CYLINDERS

and accessories for markets in more than

70 COUNTRIES

JOINT VENTURES

AUTOMOTIVE, CONSTRUCTION



WAVE produced over

750 MILLION LINEAR FEET

of ceiling grid in FY2019.

That's equal to

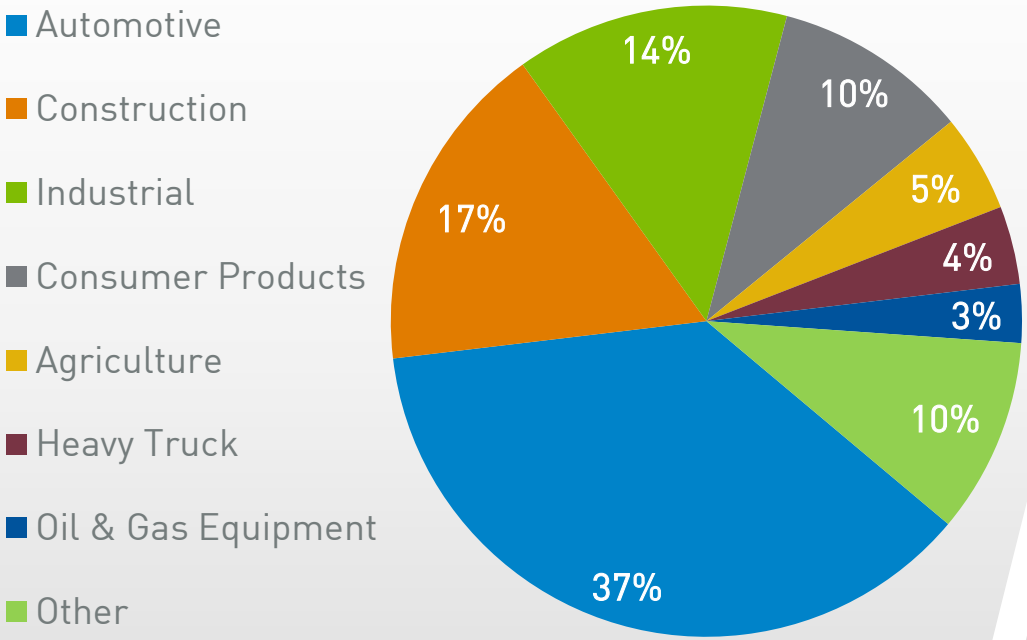
6 times around the world.

FY 2019 NET SALES: $4.488 MILLION (INCLUDING JV OWNERSHIP %)

Operating/Equity Income[1]: $239 million

MAKERS OF BETTER

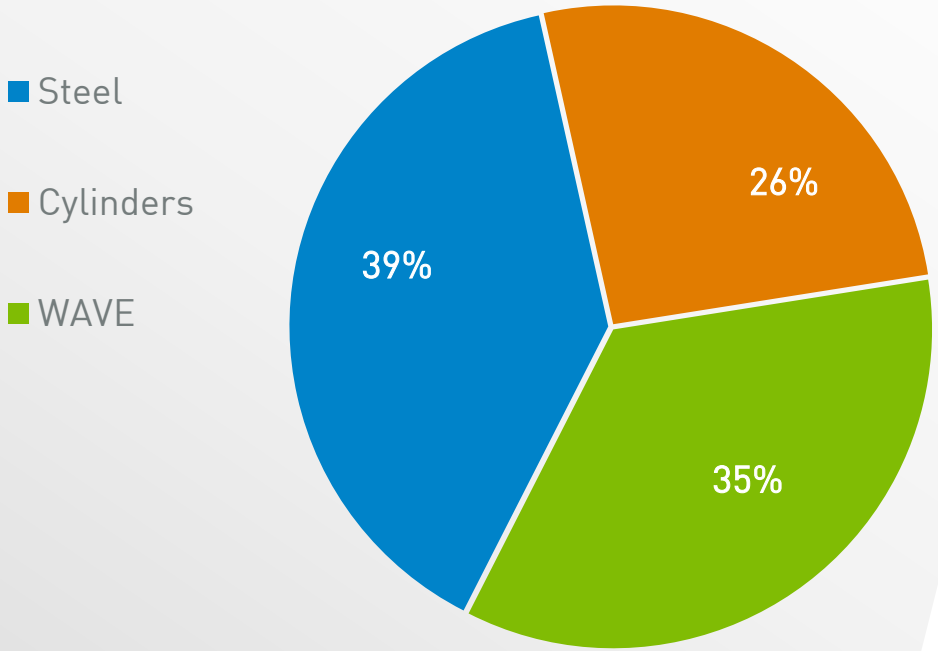
FY 2019 END-MARKETS NET SALES*



* Includes WOR share of unconsolidated JV sales totaling $729 million

FY 2019 OPERATING/EQUITY INCOME[1]

excludes Restructuring and Impairment



[1]FY2019 results were negatively impacted by a $13 million charge in Cylinders related to a tank replacement program in Q3 which is included in the numbers above.

CONSOLIDATED RESULTS

$ millions, except EPS	FY2017	FY2018	FY2019
Sales	$3,014	$3,582	$3,760
Adjusted EBITDA*	$407	$397	$330
% of sales	*13.5%*	*11.1%*	*8.8%*
Operating Income*	$220	$195	$142
% of sales	*7.3%*	*5.5%*	*3.8%*
EPS*	$3.22	$3.05	$2.60
EPS** (excluding inventory holding gains/losses)	$2.97	$2.87	$2.66
Avg Invested Capital	$1,450	$1,696	$1,628
ROIC (Adj. EBIT/Avg. Inv. Cap.)	22.1%	17.3%	14.4%

*FY2017 excludes pre-tax restructuring charges of $6 million ($0.07/share). FY2018 excludes pre-tax restructuring charges of $54 million ($0.45/share) as well as a one-time benefit of $0.49/share due to the Tax Cuts and Jobs Act. FY2019 excludes a pre-tax restructuring gain of $3 million ($0.01/share).

**Excludes impact of estimated inventory holding gains/losses as follows: FY2017 $25 million gain ($0.25/share), FY2018 $18 million gain ($0.18/share), and FY2019 $4 million loss ($0.06/share).

Note: FY2019 results were negatively impacted by a $13 million charge in Cylinders related to a tank replacement program in Q3 which is included in the numbers above.

SUCCESSFUL JOINT VENTURES

JVs managed to produce regular cash dividends that closely approximate earnings

Major Joint Ventures

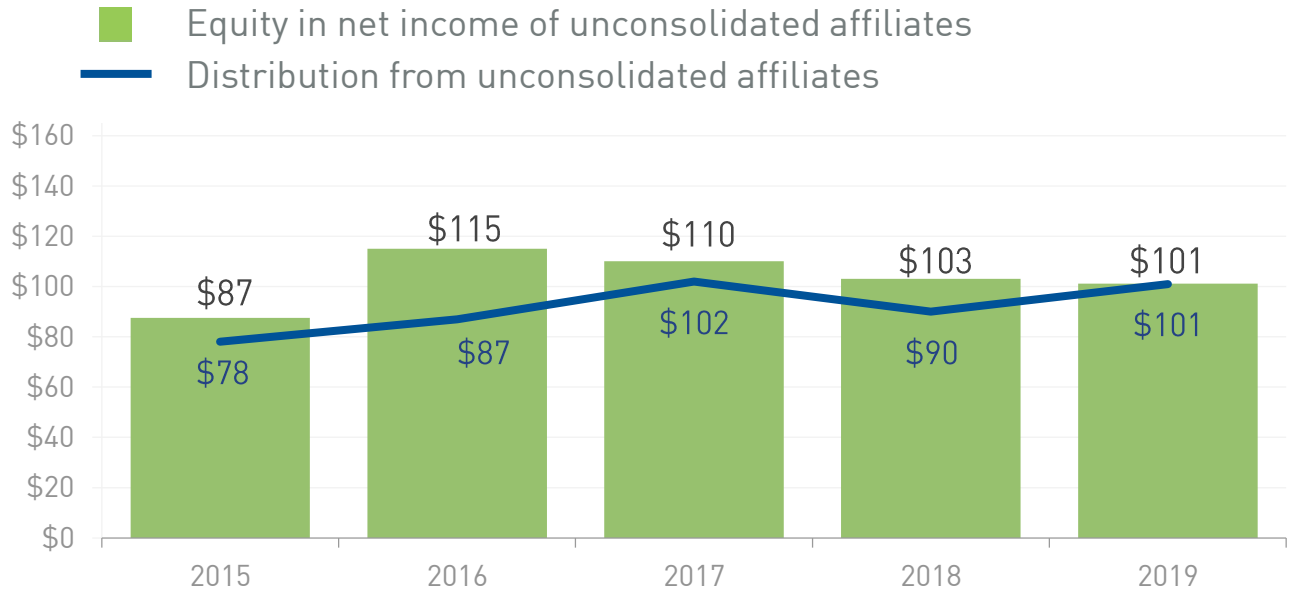
Primarily serving automotive and construction end markets

	Business	Ownership	Created
WAVE	Architectural and acoustical grid ceilings	50%	1992
Serviacero	Steel processing in Mexico	50%	2005
ArtiFlex	Automotive tooling and stamping	50%	2011
ClarkDietrich	Metal framing for commercial construction	25%	2011

Successful Partnerships

- Successful JV portfolio built with trusted partners who help make a business better versus the alternative of going solo
- JVs managed to produce regular cash dividends that closely approximate earnings
- Two largest unconsolidated JVs (WAVE and ClarkDietrich) are market leaders with strong free cash flow

Generating meaningful cash flow and earnings



Note: FY19 dividends exclude special dividend from WAVE of $25M, along with $35M of cash proceeds from the international sale of WAVE. FY19 Equity Earnings also exclude a $4.0M impairment for CR Steel China.

INVESTMENT HIGHLIGHTS

We are a market leader in metals related industrial manufacturing

We have the tools in place to grow and improve margins

- ✓ Expanding offerings in higher margin, consumer and industrial products
- ✓ Innovation and Transformation 2.0 with LEAN are accelerating success
- ✓ Advanced price risk management capabilities reduce commodity price volatility

We intend to grow via accretive and value enhancing acquisitions

- ✓ Focus on core businesses and selectively grow into new markets
- ✓ Focus on higher margin / high cash return businesses
- ✓ Experienced acquirers with enhanced due diligence and integration capabilities

We have a strong capital base, significant liquidity and reward shareholders

- ✓ $750mm of long term debt at 4.90% and over $600mm of available liquidity as of May 31, 2019
- ✓ Nine consecutive years of dividend increases and 30% share reduction since FY 2010



QUESTIONS

CONTACT

Marcus A. Rogier

Treasurer & Investor Relations Officer
614.840.4663
Marcus.Rogier@WorthingtonIndustries.com

Safe Harbor Statement

Worthington Industries wishes to take advantage of the Safe Harbor provisions included in the Private Securities Litigation Reform Act of 1995 (the “Act"). Statements by the Company which are not historical information constitute "forward looking statements" within the meaning of the Act. All forward-looking statements are subject to risks and uncertainties which could cause actual results to differ from those projected. Factors that could cause actual results to differ materially include risks described from time to time in the Company's filings with the Securities and Exchange Commission.