WORTHINGTON INDUSTRIES IR OVERVIEW

Q1 FY19

DEDICATED TO
SHAREHOLDER VALUE
& OUR PHILOSOPHY

WORTHINGTON
INDUSTRIES

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 are growing via accretive and value enhancing acquisitions

- ✓ Focus on higher margin engineered products
- ✓ 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 $550mm of available capital as of August 31, 2018
- ✓ Seven years of dividend increases and 25% share reduction since 2010



WORTHINGTON INDUSTRIES

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 2018 FINANCIAL METRICS:

- Sales = $3,582 million
- Adj. EBITDA = $397 million
- Free Cash Flow = $205 million
- Net Debt = 1.6x
- Corporate Credit Ratings: BBB / Baa3

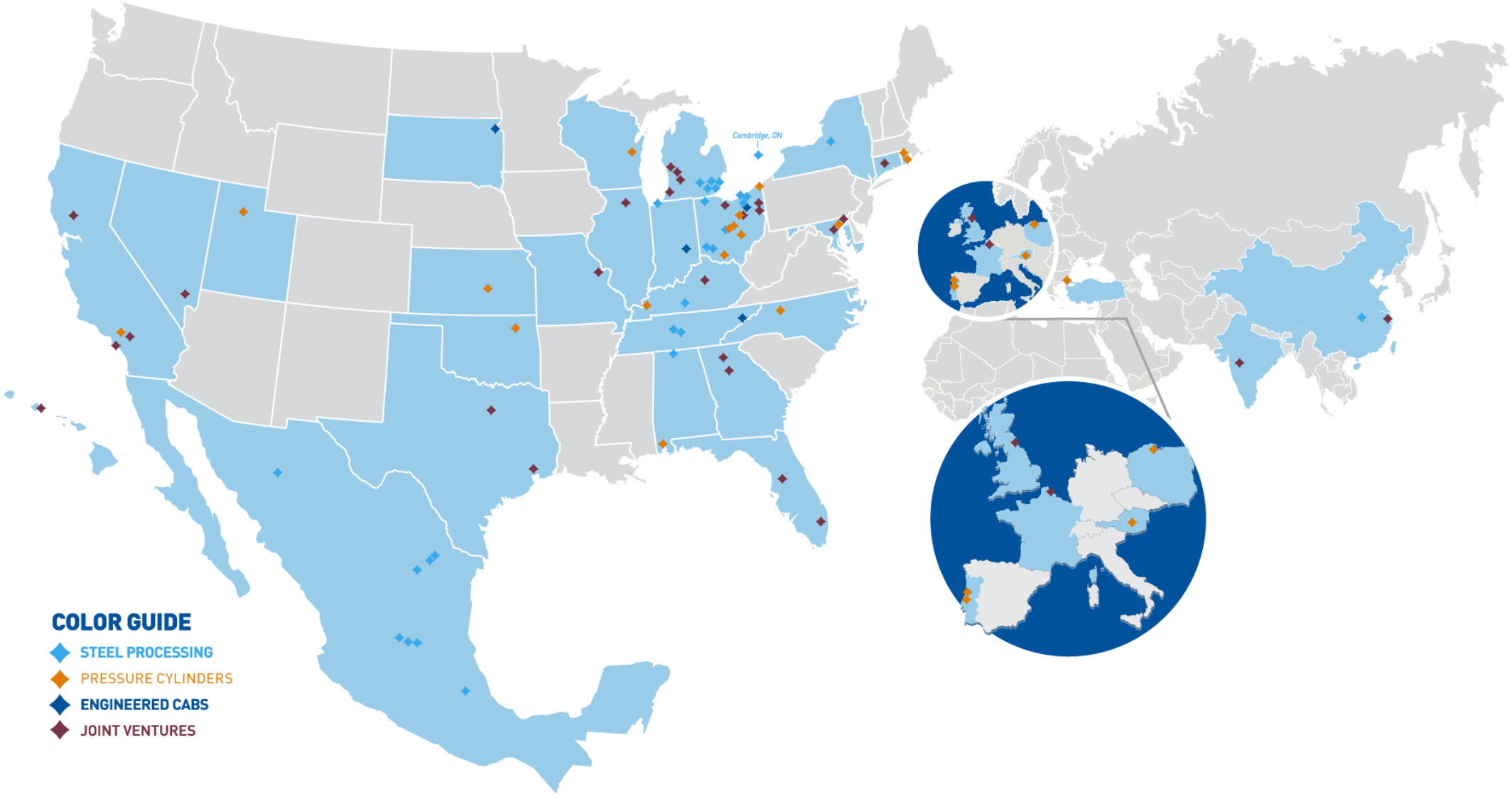


Worthington at a Glance:

- Founded in 1955 and headquartered in Columbus, OH
- Publicly traded on the NYSE under the ticker WOR
- 12,000 employees & 5,000 customers; 84 facilities in 11 countries
- Primarily non-union facilities
- Employee, customer, supplier and investor-centered philosophy

WORTHINGTON INDUSTRIES - GLOBAL REACH

84 operating locations, 11 joint ventures



MARKET LEADER IN KEY END MARKETS

STEEL PROCESSING

AUTOMOTIVE, CONSTRUCTION, AGRICULTURE, APPLIANCE, HVAC



In FY2018, WI Processed

7.5 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 FY2018, Worthington manufactured over

90 MILLION CYLINDERS

and accessories for markets in more than

70 COUNTRIES

JOINT VENTURES

AUTOMOTIVE, CONSTRUCTION



WAVE produced over

1 BILLION LINEAR FEET

of ceiling grid in FY2018.

That's equal to

8 times around the world.

THE RISE of 8-10 SPEED TRANSMISSIONS

WORTHINGTON'S STEEL IS IN 50% OF U.S. CARS



1 WHEELS



2 ROOF BEAM



3 TORQUE CONVERTER



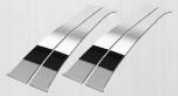
4 CLUTCH PLATES



5 BEARINGS



6 SHOCK TOWERS



7 PILLARS



8 CROSS MEMBERS



9 BODY PANELS



WORTHINGTON INDUSTRIES

NAFTA BUILT AUTOMATIC TRANSMISSIONS: *Rise of the 8-10 speed increases demand for our steel*

SOURCE: IHS GLOBAL REPORT



GROWTH THROUGH ACQUISITION

$1.1 BILLION

deployed to acquire 21 companies since 2009

INDUSTRIAL PRODUCTS

European Industrial Cylinders
Cryogenic Equipment
Clean Vehicle Fuel Storage Systems



CONSUMER PRODUCTS

Amtrol Water System Tanks
Coleman Camping Gas Cylinders
Bernzomatice Torches and Fuel



STEEL PROCESSING

Cold Rolled Strip Steel



OIL & GAS EQUIPMENT

Patented Oil & Gas Seperation Equipment
Heater Treaters
Storage Tanks



JOINT VENTURE ACQUISITIONS

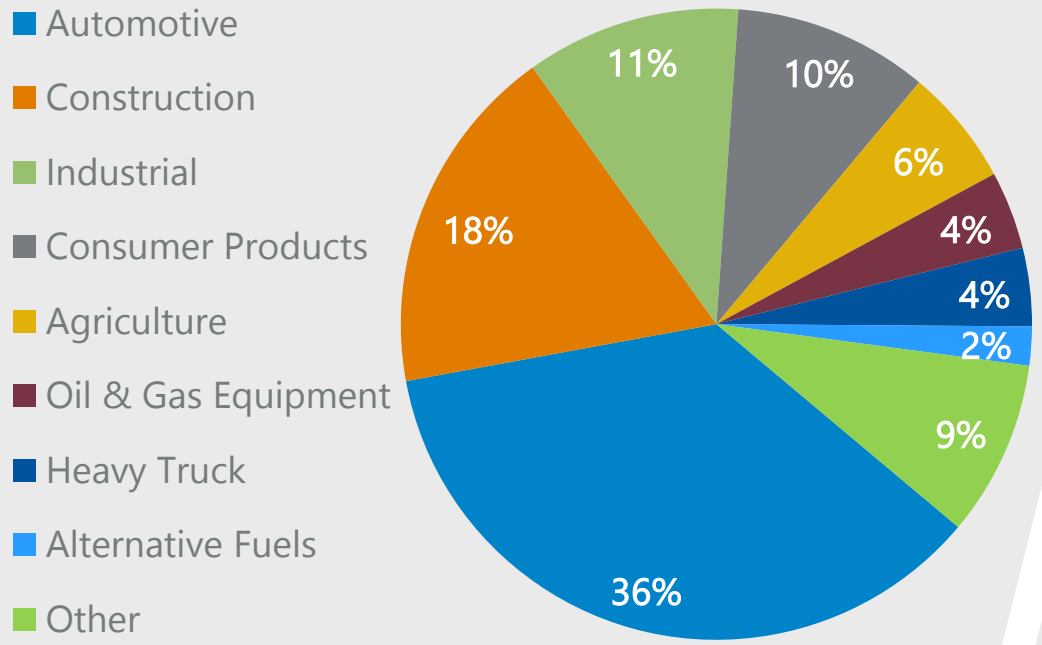
CLARKDIETRICH
TAPES & TRIM FOR DRYWALL
WELDED WIRE PRODUCTS

WAVE
EXTRUDED ALUMINUM CEILINGS

FY 2019 Q1 NET SALES: $1,178 MILLION (INCLUDING JV OWNERSHIP %)

Operating/Equity Income: $82 million

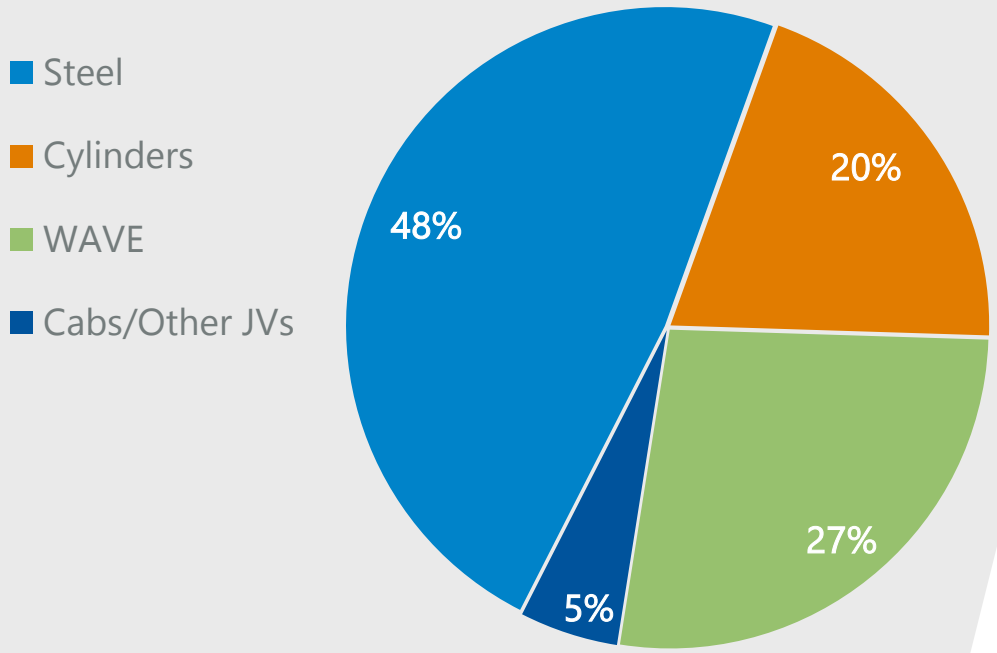
Q1 END-MARKETS NET SALES*



* Includes WOR share of JV sales

Q1 OPERATING/EQUITY INCOME

excludes Restructuring and Impairment



CONSOLIDATED RESULTS

$ millions, except EPS	FY2017	FY2018	3M FY2018	3M FY2019
Sales	$3,014	$3,582	$848	$988
Adjusted EBITDA*	$407	$397	$95	$105
% of sales	*13.5%*	*11.1%*	*11.2%*	*10.6%*
Operating Income*	$220	$195	$45	$52
% of sales	*7.3%*	*5.5%*	*5.2%*	*5.3%*
EPS*	$3.22	$3.05	$0.73	$0.92
Avg Invested Capital	$1,450	$1,696	$1,647	$1,672
ROIC (Adj. EBIT/Avg. Inv. Cap.)	22.1%	17.3%	16.9%	19.3%

*EBITDA, Operating Income, and EPS exclude restructuring charges of $6 million for a total of $0.07 per share in FY2017, restructuring charges of $54 million and adjustments for the Tax Cuts and Jobs Act and related one-time items of $31 million for a total of $0.94 per share for FY2018, and restructuring charges of $1M for a total of $0.01 per share for 3M FY2019.

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 value-added manufacturing businesses
- ✓ Use innovation and new product development to accelerate organic growth

Operating Goals

- ✓ Maintain a strong capital base with modest leverage and ample liquidity
- ✓ Increase margins, free cash flow and earnings consistency
- ✓ Excel at inventory management and customer satisfaction



GROWTH INITIATIVES

Three complementary efforts are well established

TRANSFORMATION 2.0

- 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, 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

TRANSFORMATION 2.0

Less inventory, shorter lead times and higher customer satisfaction

Measure performance and align incentives to drive

- ✓ Data-driven decisions
- ✓ Goals that are focused, aligned and stretched
- ✓ Holistic, lean transformation of all businesses and functions

Short, rapid improvement to accelerate change

- ✓ Eliminate waste at root cause
- ✓ Best practices and standard work

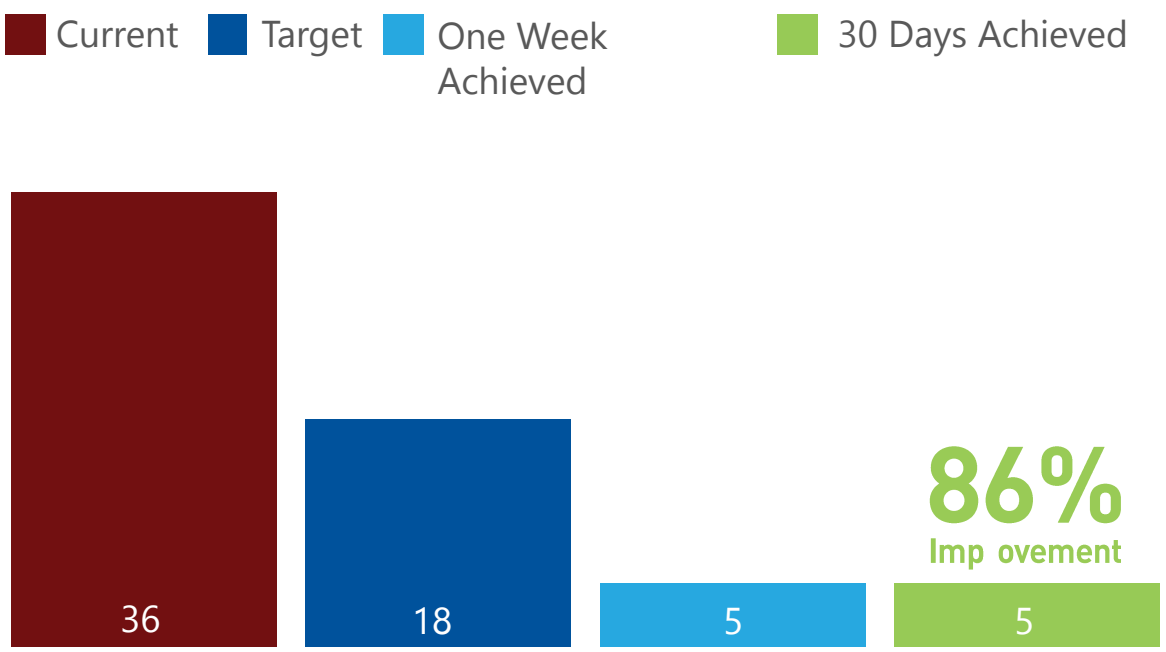
Leverage our strong culture

- ✓ Entrepreneurial innovation
- ✓ Profit sharing incentives

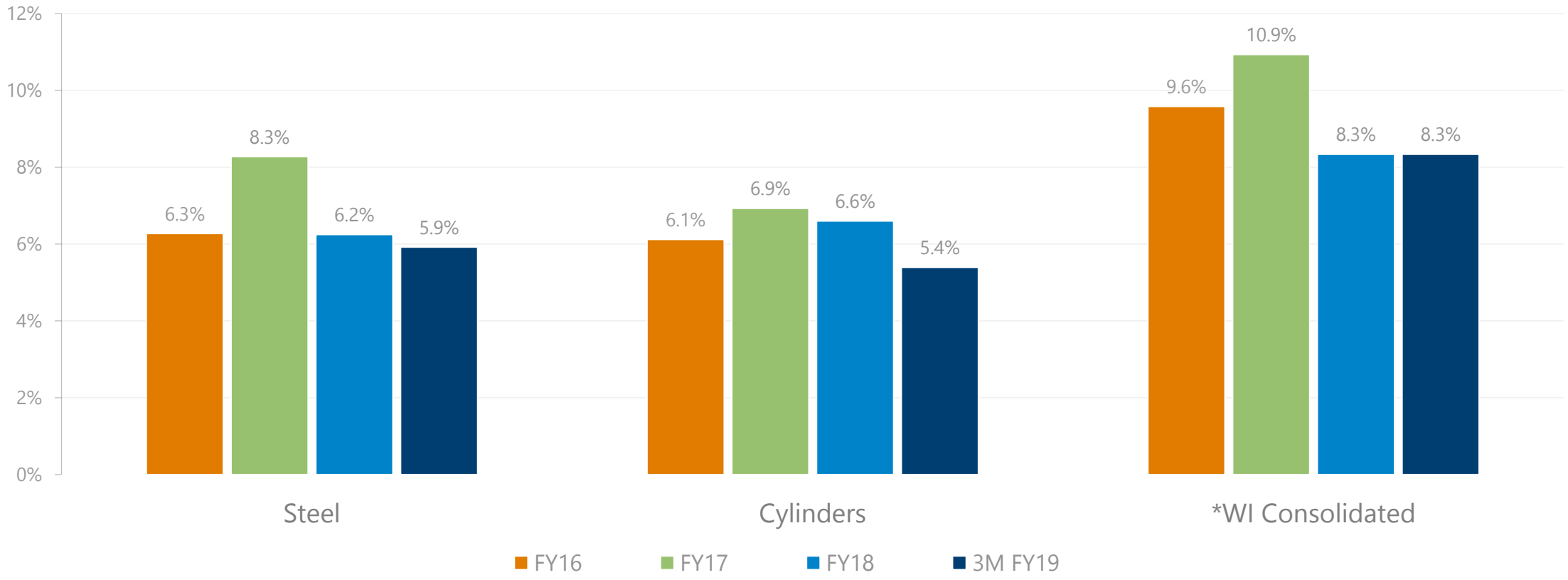
Example Kaizen Event Results

WIP ▼ **$700K**

INVENTORY ▼ **43%**



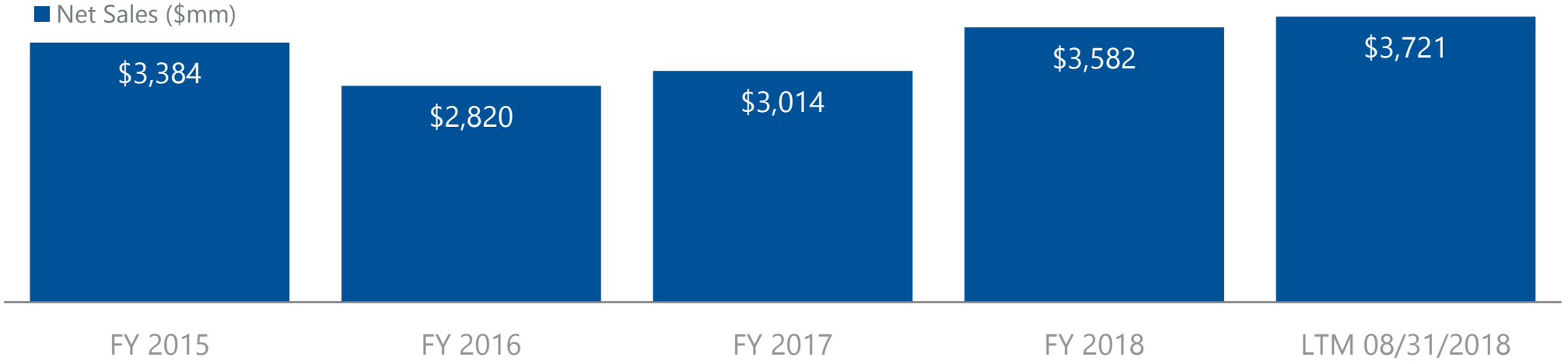
OPERATING INCOME MARGIN



Note: excludes restructuring expenses
*WI Consolidated includes equity in net income of affiliates

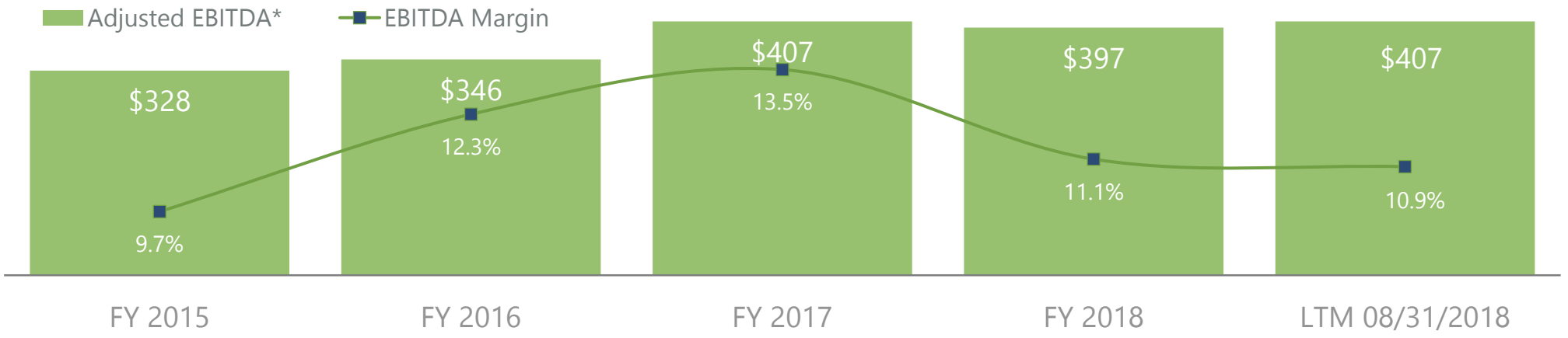
HISTORICAL NET SALES & ADJUSTED EBITDA

Net Sales ($ millions)



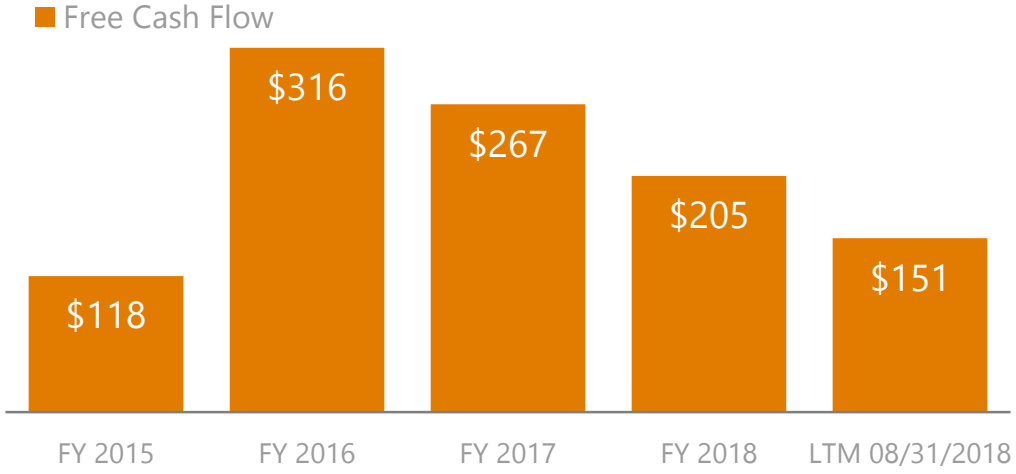
Adjusted EBITDA ($ millions)

*excludes restructuring and non-recurring charges

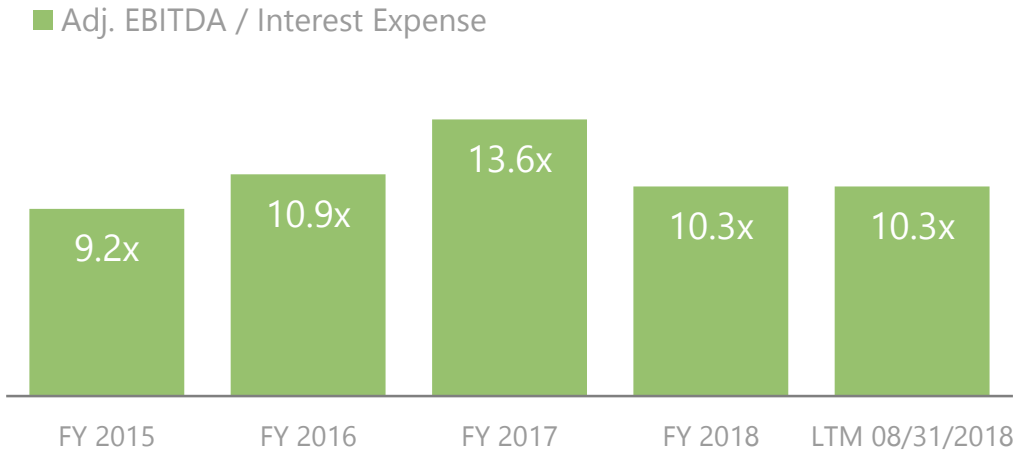


KEY FINANCIAL METRICS

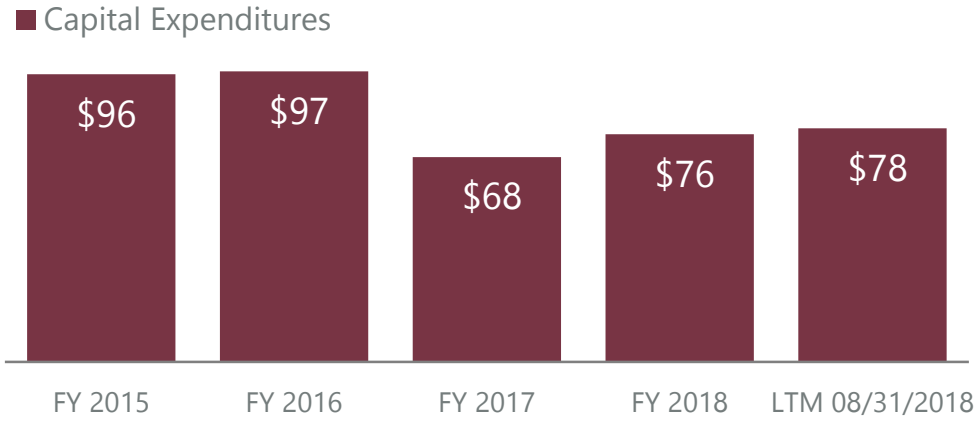
Free cash flow ($ millions)



Adjusted EBITDA* / Interest Expense

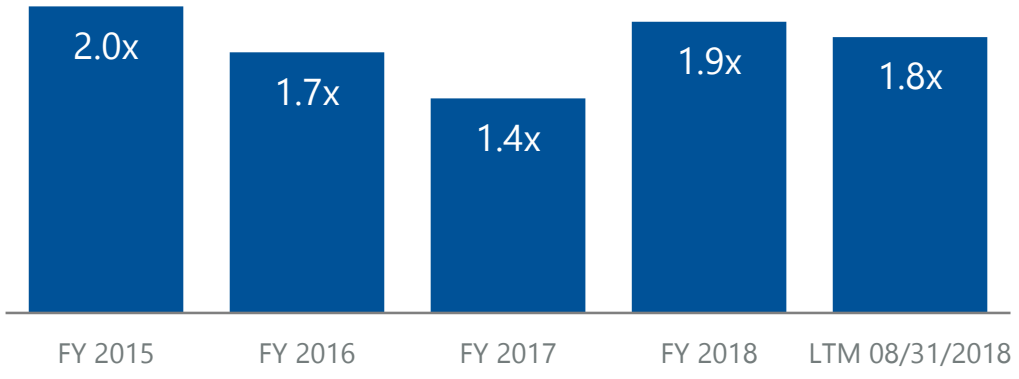


Capital expenditure ($ millions)



*excludes restructuring and non-recurring charges

Total Debt / Adjusted EBITDA*



DEBT MATURITY PROFILE& LIQUIDITY

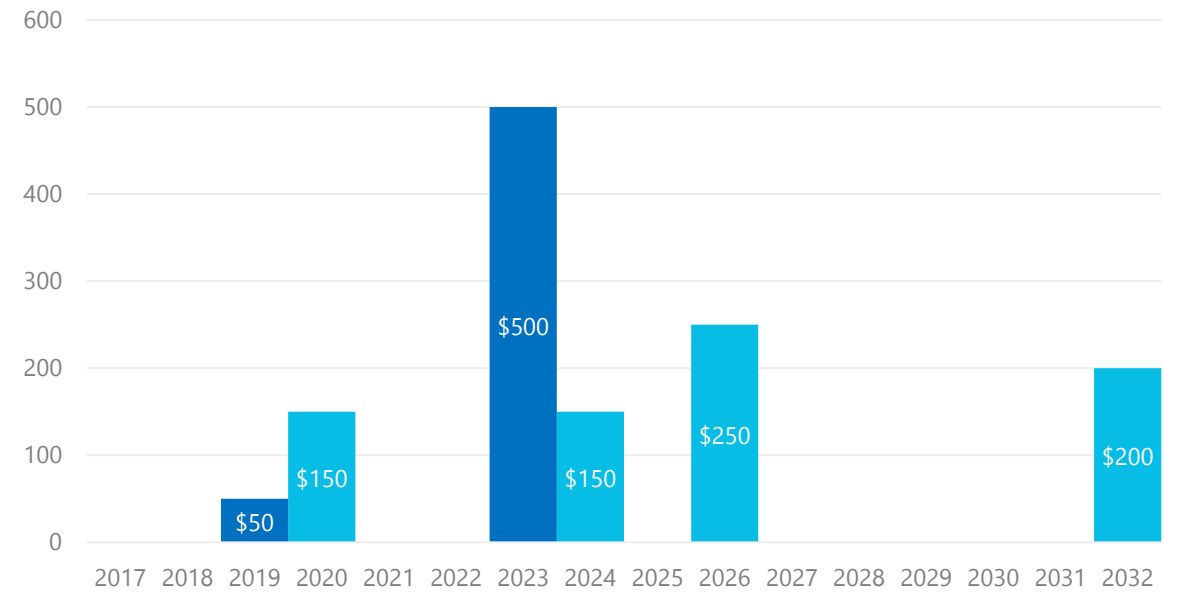
Capital Structure

As of 08/31/2018	Final Maturity	$mm	Debt / LTM EBITDA
6.50% senior notes	2020	150.0	0.4x
4.60% senior notes	2024	150.0	0.4x
4.55% senior notes	2026	250.0	0.6x
4.30% senior notes	2032	200.0	0.5x
Term loans / Other		4.3	0.0x
Total debt		**$754.3**	**1.9x**

Liquidity

$ millions	08/31/2018
Cash and cash equivalents	$96.8
Undrawn revolving credit facility	500.0
Less: Outstanding LOC	(12.8)
Undrawn revolving trade accounts receivable securitization facility	50.0
Total liquidity	**$634.0**

Debt Maturity Profile ($ millions)



* Trade accounts receivable securitization facility and revolving credit facility undrawn as of 08/31/2018

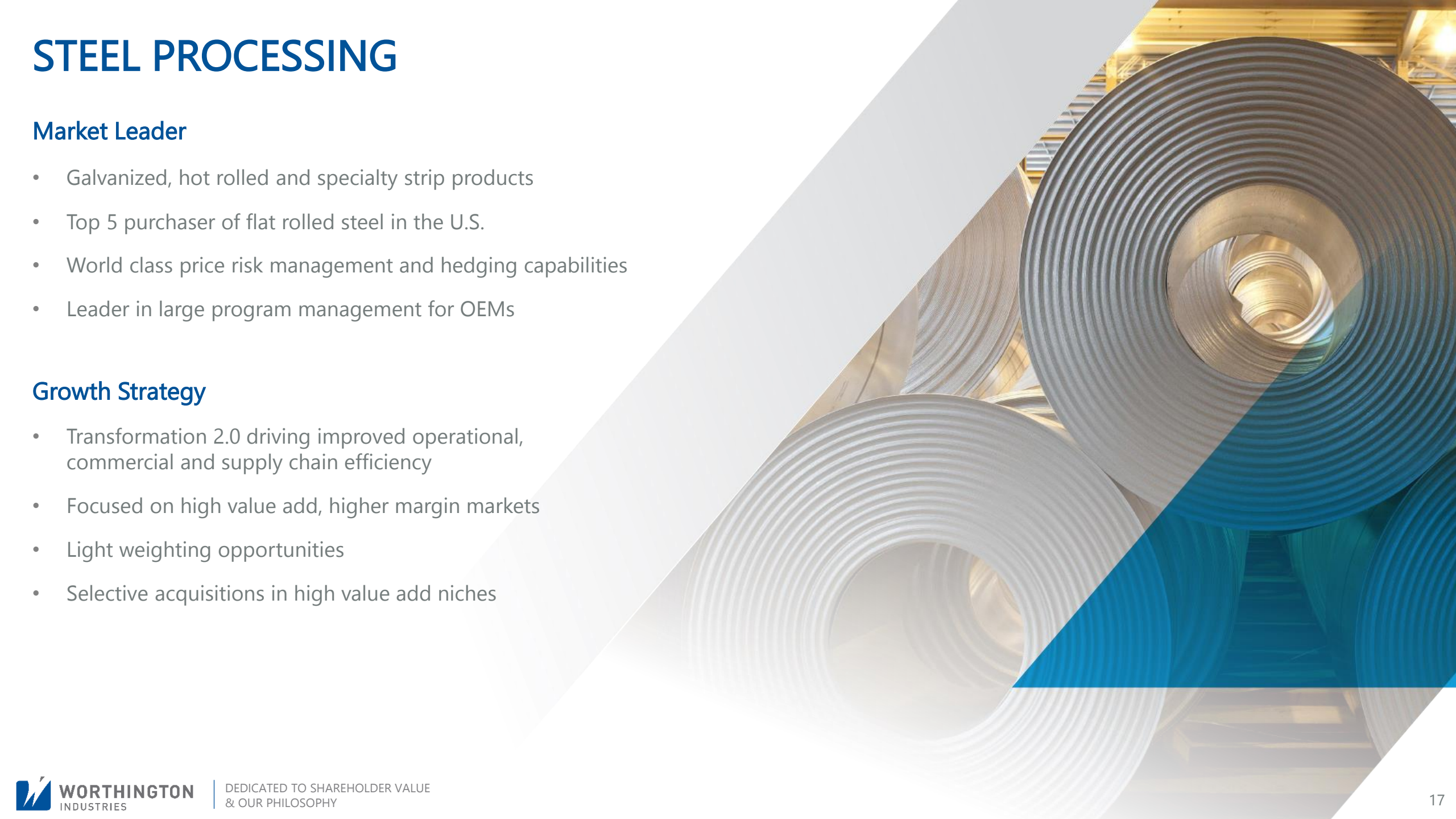
STEEL PROCESSING

Market Leader

- Galvanized, hot rolled and specialty strip products
- Top 5 purchaser of flat rolled steel in the U.S.
- World class price risk management and hedging capabilities
- Leader in large program management for OEMs

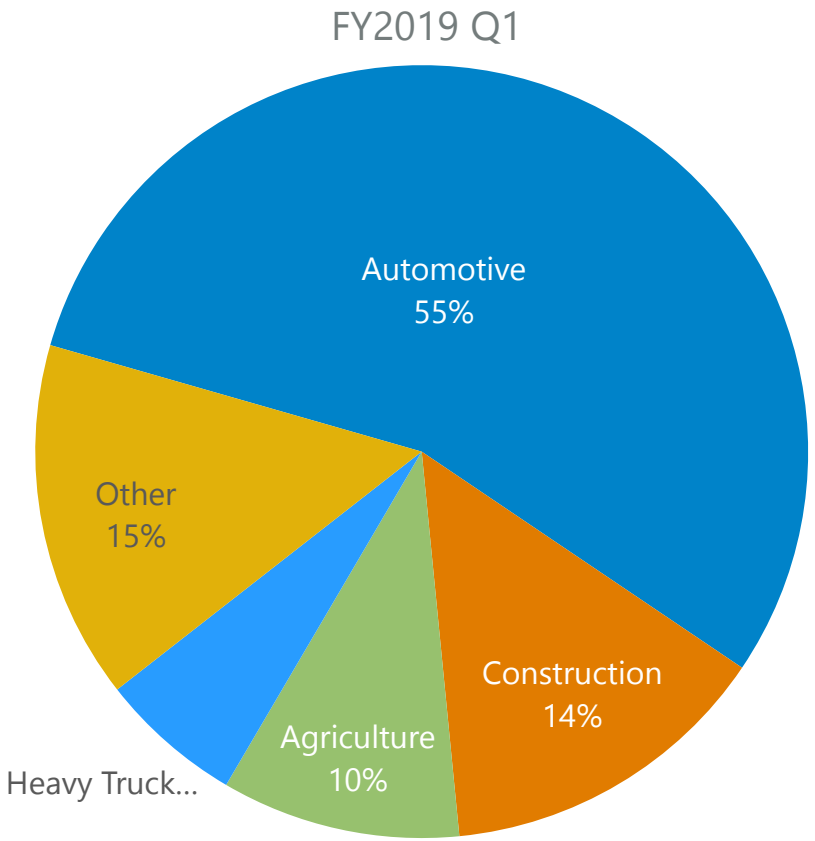
Growth Strategy

- Transformation 2.0 driving improved operational, commercial and supply chain efficiency
- Focused on high value add, higher margin markets
- Light weighting opportunities
- Selective acquisitions in high value add niches



STEEL PROCESSING – SALES BY SEGMENT

Sales By Segment



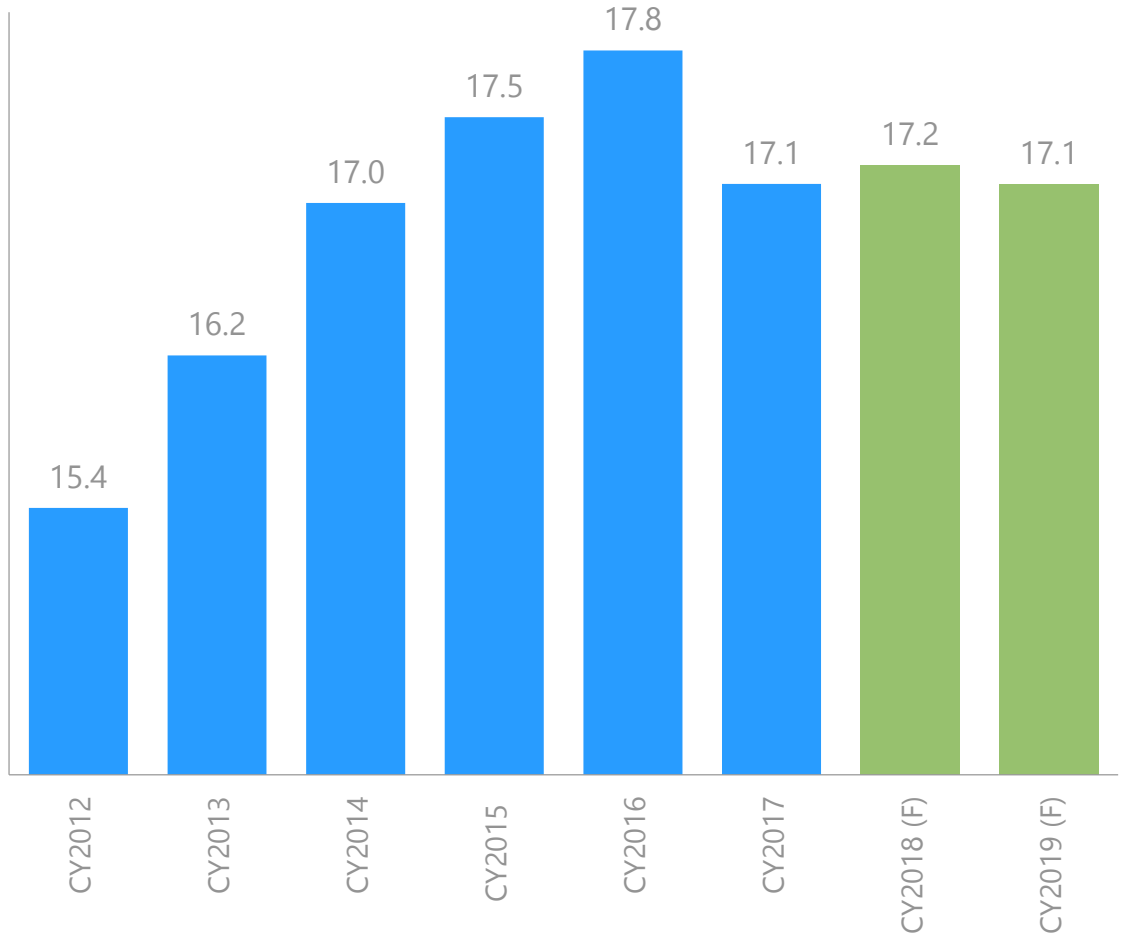
Examples By End Market



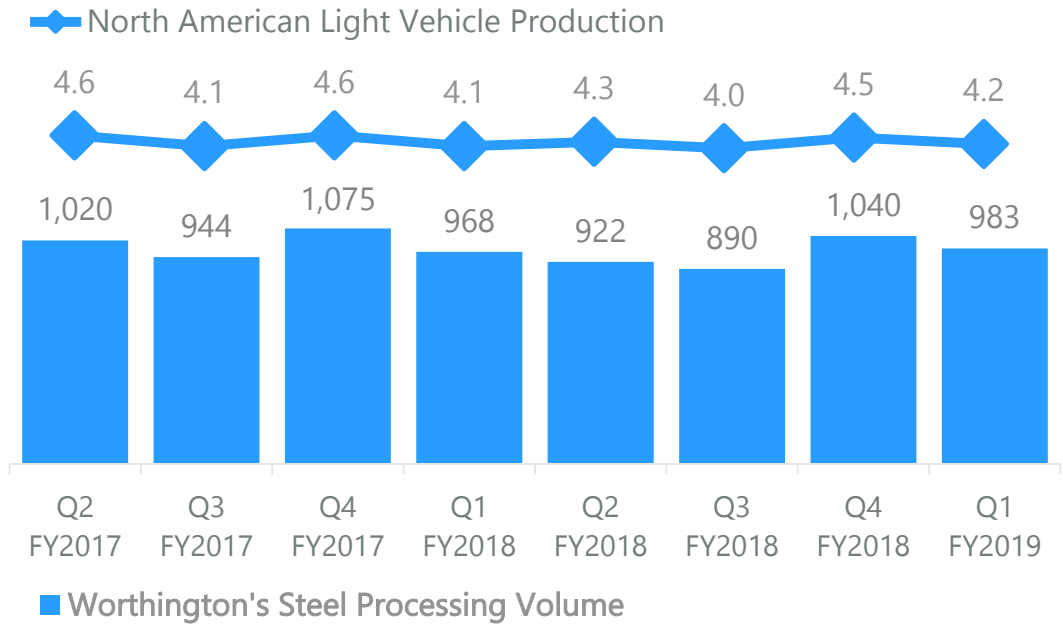
STEEL PROCESSING – AUTOMOTIVE INDUSTRY DYNAMICS

North American light vehicle production forecast

(vehicles produced in millions)



Volume and automobile production



- ✓ Worthington's Steel Processing segment generates over half of its net sales from the automotive sector
- ✓ Exposure to Detroit Three as well as "New Domestics"(1)
- ✓ Increased auto sales and further re-stocking of the automotive supply chain could provide further growth opportunities

Source: IHS Global report, Company filings and WI Auto Production Report.

(1) "New Domestics" denote foreign automotive original equipment manufacturers with domestic production.

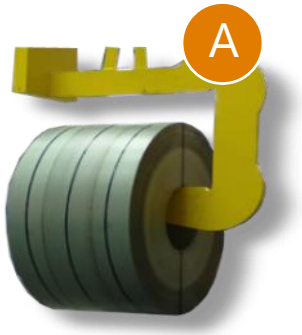
AUTOMOTIVE LIGHTWEIGHTING

Materials:

Ultra high strength steel
Press hardened steel
Aluminum
Coatings and lubricants

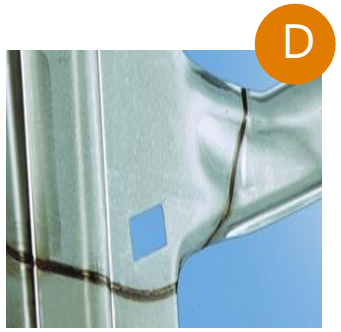
Methods:

Laser welded coils (A)
Laser welded blanks (B)
Hot formed blanks (C)
Curvilinear welded blanks (D)











- Impacting how the supply chains are structured
- Sizable, profitable niches developing
- Proven ability to manage complex programs a differentiator

STEEL PROCESSING - FINANCIALS

$ millions	FY2017	FY 2018	3M FY2018	3M FY2019
Sales	$2,075	$2,253	$543	$660
Adj. EBITDA*	$200	$177	$41	$48
*% of sales**	*9.6%*	*7.9%*	*7.5%*	*7.3%*
Operating Income excl. Restructuring	$172	$143	$33	$40
% of sales	*8.3%*	*6.3%*	*6.1%*	*6.0%*
Capital Expenditures	$41	$32	$10	$9
Avg Invested Capital	$492	$510	$489	$542
ROIC (Adj. EBIT*/Avg. Inv. Cap.)	31.9%	26.2%	24.9%	27.7%
Volume (000s tons)	4,070	3,820	968	983
Steel Price (HRC/ton), period average	$593	$687	$604	$900

*excludes restructuring and non-recurring charges

PRESSURE CYLINDERS

Leading Global Manufacturer

- Pressure cylinders and related products, serving over 4,000 customers in 70 countries
- Highly automated manufacturing with more than 40 years of experience
- Expertise in highly regulated global markets
- Customers include big box retailers, industrial gas distributors, transportation OEMs and retrofitters, energy exploration and production companies

Growth Strategy

- Transformation 2.0 driving improved operational, commercial & supply chain efficiency
- New product development and brand extension to drive organic growth and market share gains
- Acquisitions into new higher growth products & markets



PRESSURE CYLINDERS

FY 2019 Q1 Sales by Segment

INDUSTRIAL PRODUCTS

51%

Sales: $152.8M

- Broad line of pressure cylinders and cryogenic vessels, tanks and trailers for industrial gas storage and transportation
- LPG, refrigerant & specialty gas cylinders
- Cryogenic dewars and freezers for life sciences market
- Clean vehicle fuel storage and transportation



CONSUMER PRODUCTS

39%

Sales: $116.8M

- Market-leading brands with products for jobsite, home and outdoor activities
- 16oz camping fuel, hand torches and fuel cylinders, solder and helium kits



OIL & GAS EQUIPMENT

10%

Sales: $30.7M

- Custom solutions for energy storage, processing and transportation
- Oil & gas well-head separation equipment, automation controls, steel & fiberglass storage tanks and nuclear storage



PRESSURE CYLINDERS - FINANCIALS

$ millions	FY2017	FY2018	3M FY2018	3M FY2019
Sales	$830	$1,206	$270	$300
Adj. EBITDA*	$92	$127	$24	$26
*% of sales**	*11.0%*	*10.6%*	*9.0%*	*8.7%*
Operating Income excl. Restructuring	$58	$80	$12	$16
% of sales	*6.9%*	*6.6%*	*4.6%*	*5.4%*
Capital Expenditures	$25	$33	$7	$10
Avg Invested Capital	$647	$914	$889	$888
ROIC (Adj. EBIT*/Avg. Inv. Cap.)	9.4%	8.8%	5.7%	7.1%
Volume (000s units)	71,336	90,174	20,441	21,799

*excludes restructuring and non-recurring charges

ENGINEERED CABS

Who We Are Today

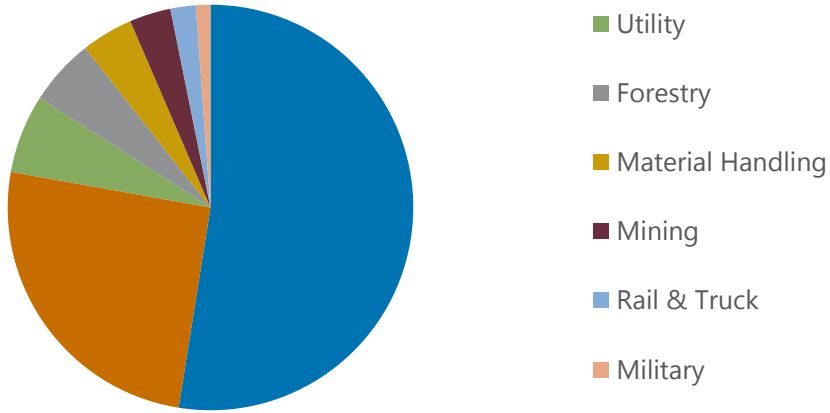
- Premier structural cab and fabricated component solution provider for select mobile industrial equipment markets
- A diverse customer base that includes both small to large sized equipment manufacturers
- Strategically located in South Dakota, Tennessee, Indiana, & Ohio
- Engineering and multi-year manufacturing based recurring revenue model

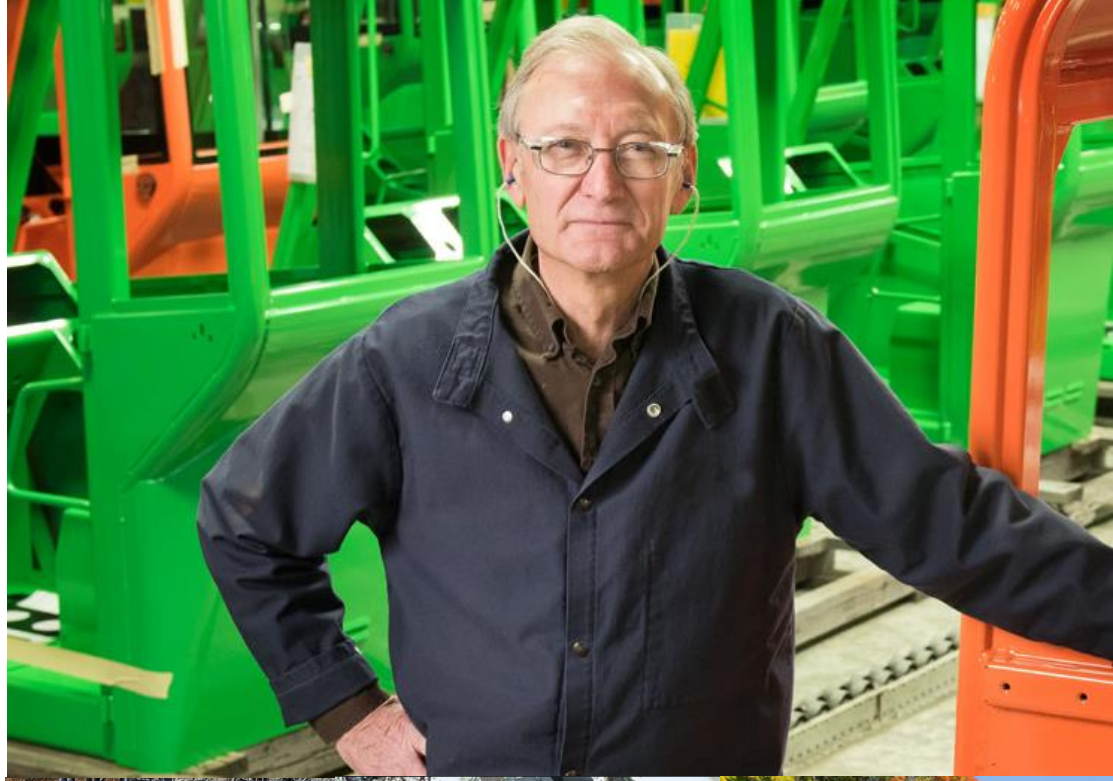
US Cabs Market – Full Assembly

Market Size: $1.7B

CY'17 Revenue by Segment

WIEC Internal Estimate











MINING

Blast hole drills, mining trucks, track-type tractors, motor graders

FORESTRY

Knuckleboom loaders, forwarders, tracked / wheeled feller bunchers & skidders

CONSTRUCTION

Compactors, cranes, excavators, wheel loaders, heavy-duty material handlers

ENGINEERED CABS - FINANCIALS

$ millions	FY2017	FY2018	3M FY2018	3M FY2019
Sales	$101	$117	$32	$27
Adj. EBITDA*	($1)	($6)	$1	($3)
% of sales	*-1.1%*	*-5.1%*	*3.1%*	*-10.7%*
Operating Income excl. Restructuring	($6)	($11)	($0)	($4)
% of sales	-	-	-	-
Capital Expenditures	$1	$2	$0	$0
Avg Invested Capital	$58	$55	$55	$54

*excludes restructuring and non-recurring charges

SUCCESSFUL JOINT VENTURES

Serving automotive and construction end markets

- 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

	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



WAVE

Global leader in suspension ceiling systems

- Strong brand (Armstrong) and distribution
- Worthington's steel buying and processing expertise
- Significant portion of sales to renovation markets
- Recently acquired Axiom® and Serpentina® manufacturing capabilities

Growth Opportunities

- Market growth via Integrated Ceiling Solutions
- Innovation focused on Ceiling Components
- LEAN with a purpose

THE CEILING SOLUTION



Benefits of solution selling

- Saves contractors as much as 30% in labor
- Architects attain design intent & integrate more product
- Differentiates contractors from competition
- Opportunity to double project sales

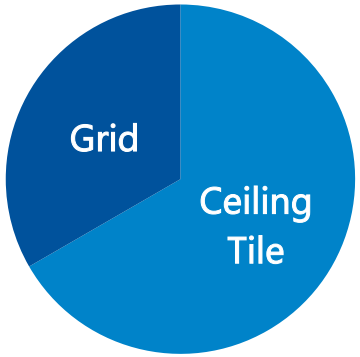
BROADENING THE MARKET OPPORTUNITY

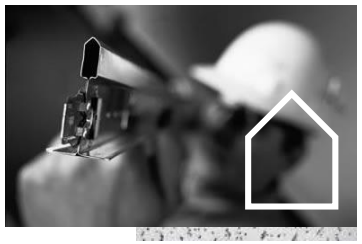
Innovating to penetrate new markets

From

Leadership in attractive ceiling tile / grid sector

$3 billion





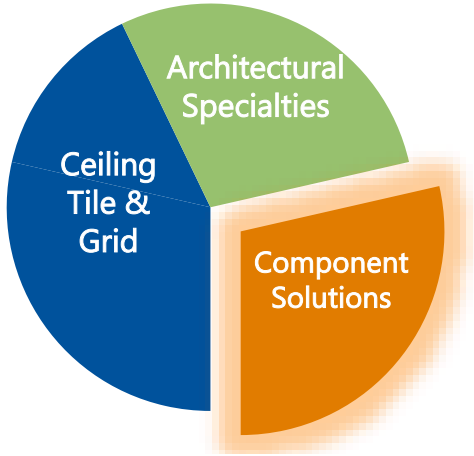


- *Improved performance through innovation and lightweighting*
- *Higher price, higher margin*

To

Leadership across broader ceiling solutions space

$7 billion

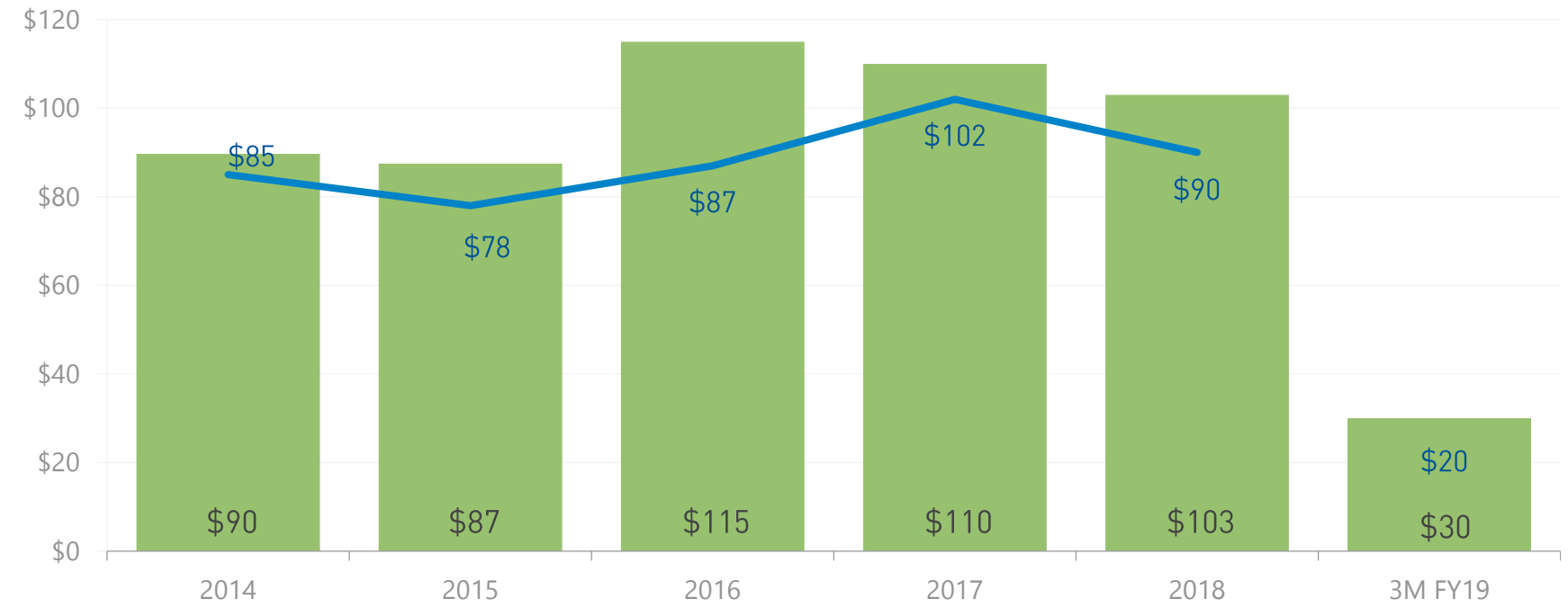




- *Broaden product offering leveraging existing capabilities*
- *Expanded market and growth opportunity*

KEY JOINT VENTURE EARNINGS

WI's share of joint venture earnings contribute to strong cash flow (from dividends)



$ MILLIONS

*Excludes Restructuring and Impairment Charges

DIVIDEND CASH FLOW

Note: For comparison purposes, equity income for TWB is excluded from this chart in 2014 and prior.

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
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- ✓ Seven years of dividend increases and 25% share reduction since 2010

CONTACT

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Safe Harbor Statement

Some of Worthington Industries statements will be forward-looking statements, which are based on current expectations. Risk factors that could cause actual results to differ materially from these forward-looking statements can be found in Worthington Industries' recent SEC filings.

SUPPLEMENTAL DATA
Cash Flow

	FY15 Annual	FY16 Annual	FY17 Annual	FY18 Annual	FY19 3M YTD
Net Income	$ 76.8	$ 143.7	$ 204.5	$ 194.8	$ 54.9
Interest Expense	35.8	31.7	29.8	38.7	9.7
Taxes	25.8	59.0	79.2	8.2	14.5
EBIT	$ 138.4	$ 234.4	$ 313.5	$ 241.7	$ 79.2
D&A	85.1	84.7	86.8	103.4	24.5
EBITDA	$ 223.4	$ 319.1	$ 400.3	$ 345.0	$ 103.7
Restructuring and non recurring	104.4	26.7	6.4	52.0	1.4
EBITDA Adjusted	$ 327.9	$ 345.7	$ 406.7	$ 397.0	$ 105.1
Stock based compensation	17.9	15.8	14.3	13.8	3.2
Undistributed JV earnings	(12.3)	(29.5)	(8.0)	(13.4)	(10.0)
Interest Expense	(35.8)	(31.7)	(29.8)	(38.7)	(9.7)
Income taxes	(65.7)	(51.6)	(60.7)	(46.5)	4.4
Net (gain) loss on sale of assets	3.3	(19.9)	8.0	(10.5)	2.7
Minority interest	10.5	13.9	13.4	6.1	2.0
Change in working capital	(20.1)	170.9	(2.0)	(35.7)	(68.4)
Other	(11.2)	(0.4)	(6.1)	9.3	1.2
Cash Flow from Operations	$ 214.4	$ 413.4	$ 335.7	$ 281.3	$ 30.4
Capital spending	(96.3)	(97.0)	(68.4)	(76.1)	(19.4)
Free Cash Flow	$ 118.1	$ 316.3	$ 267.3	$ 205.3	$ 11.0