

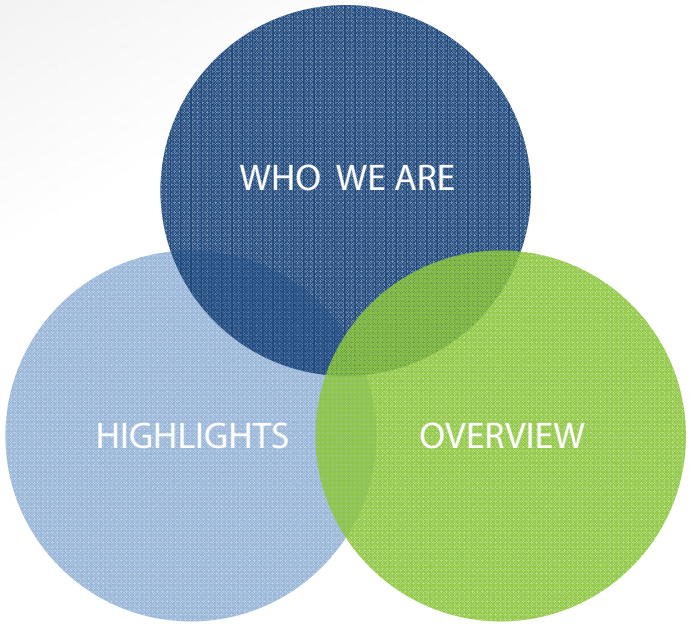
NYSE:WOR

WORTHINGTON INDUSTRIES

Becoming A Growth Company Again

Q2 FY2013

Company Overview



Market-leading metals manufacturing company serving more than 5,000 customers

- ✓ Domestic leader in flat rolled **steel processing**
- ✓ Leading global manufacturer of **pressure cylinders** for retail, industrial, natural gas fuel and energy markets
- ✓ Market-leader in **custom-engineered operator cabs** for heavy mobile equipment
- ✓ Market-leading **joint ventures** serving construction and automotive end-markets

- Founded in 1955, publicly traded since 1968, quarterly dividend paid since going public
- 82 facilities in 11 countries with 10,000 employees
- Primarily non-union facilities
- Employee, customer, supplier and investor-centered philosophy

GROWTH PERFORMANCE

End Markets With Attractive Growth Prospects

CYLINDERS

Alternative Fuel, Energy, Industrial, Retail Products







Compressed Natural Gas (CNG)

STEEL

Automotive, Agriculture, Appliance, HVAC, Construction









ENGINEERED CABS

Agriculture, Construction, Mining, Military, Forestry









JOINT VENTURES

Construction, Automotive









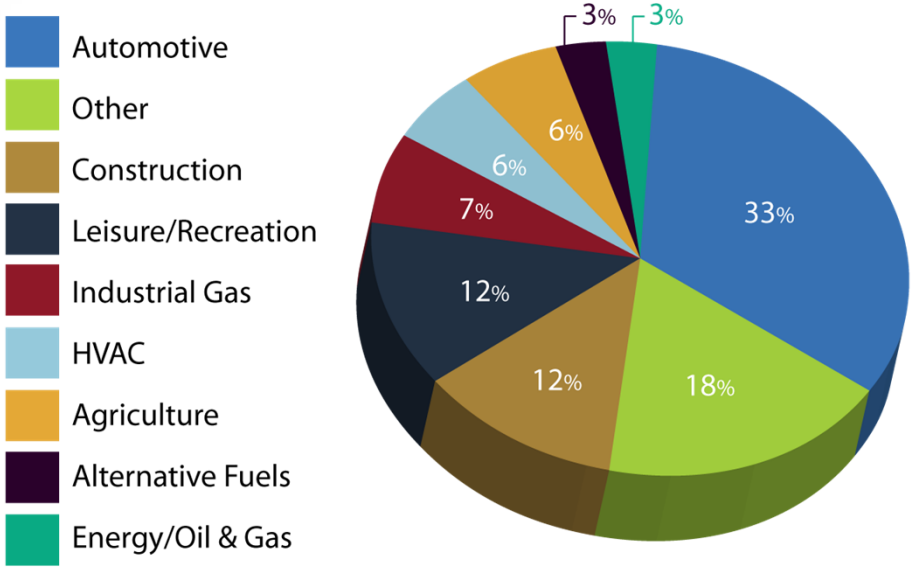
MARKETS

MANUFACTURING

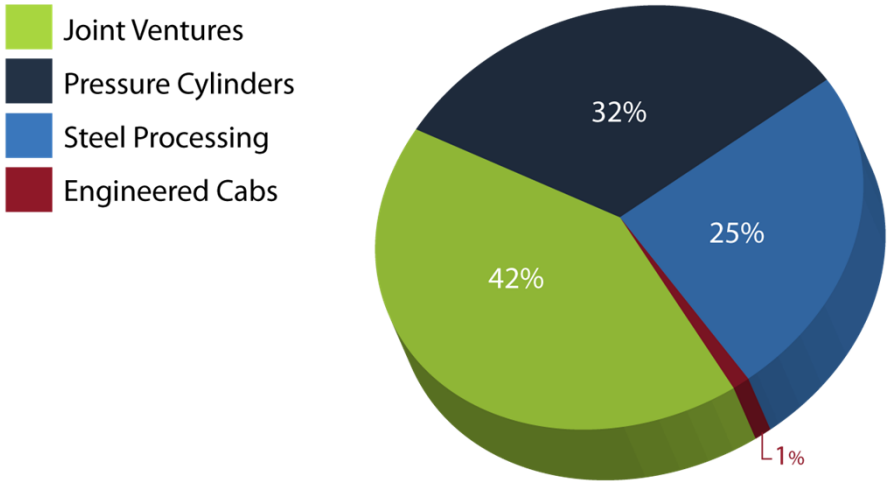
Company Overview

FY 2013 Q2 Net Sales: $623 million

END-MARKETS NET SALES



OPERATING/EQUITY INCOME



MARKETS

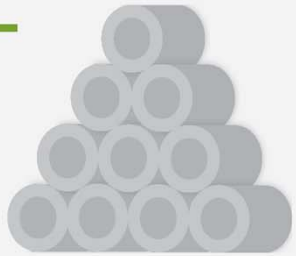
MANUFACTURING

Worthington By The Numbers

WI Processed

6 MILLION TONS OF STEEL

making it the largest purchaser of steel in the U.S. behind auto makers.



Worthington's steel is in more than

EIGHT MILLION

OF THE 14.5 MILLION cars produced in the U.S.

Engineered Cabs manufactured and assembled some



70,000

CABS AND ROLL-OVER **STRUCTURES**

to keep operators of large equipment vehicles safe.



Cylinders produced more than

72 MILLION UNITS

and expect to approach 80 million this year.



WAVE produced

1 BILLION LINEAR FEET

of ceiling grid last year. That's equal to

8 TIMES AROUND THE WORLD.



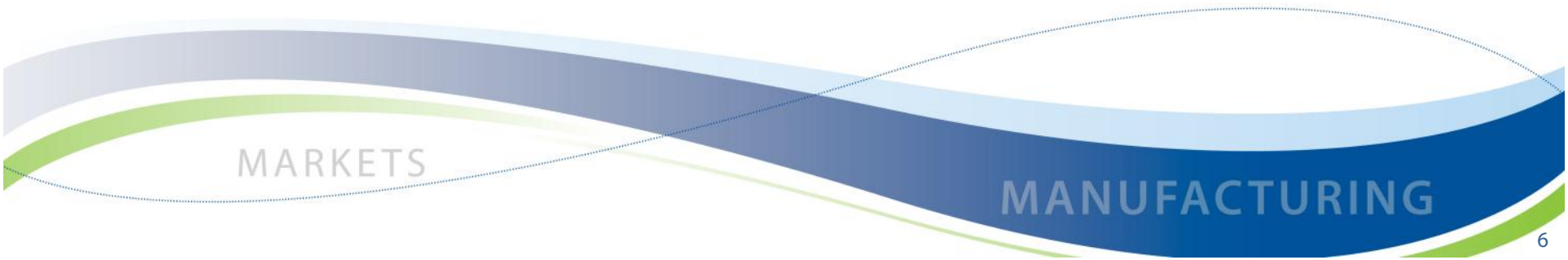
Based on FY 2012 results

MARKETS

MANUFACTURING

Strategy: Driving Performance, Growth & Excellence

- ✓ Centers of Excellence **improving profitability** through operations, commercial and supply chain efficiency
- ✓ Acquisition strategy **accelerating growth** and eliminating underperforming segments
- ✓ Attractive **growth opportunities** in CNG/LPG fuel tanks, upstream energy production tanks, agriculture and consumer products
- ✓ Long history of **positive free cash flow** and strong free cash flow yield
- ✓ **Low leverage, strong liquidity** and **low cost capital** structure
- ✓ Recent **dividend increase** and attractive yield



Leveraging Our Core Competency as a Diversified Metals Manufacturer

BUSINESS STRATEGY

- ✓ Establish and grow market leading businesses
- ✓ Measure and improve the profitability of existing businesses via Centers of Excellence
- ✓ Acquire high return, high value-added manufacturing businesses

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

Changing The Way We Run Our Business

Data Driven, Accountability Focused

DRIVING PERFORMANCE GROWTH EXCELLENCE

Transform the Business

- Operational efficiency
- Commercial excellence
- Inventory Management
  - Steel: Next S-Curve
  - Cylinders : July 2011Start
  - Cabs : August 2012 Start

Organic Growth

- Market share
- Product Innovation
- Adjacent markets

Acquisition

- New lines of business
- New markets

Metric Driven

- Metrics baselined, improvement goals set, regular reporting

Centers of Excellence

- Operations – Lean manufacturing
- Commercial – Margin & sales momentum
- Supply Chain – Sourcing, working capital management & service levels

GROWTH PERFORMANCE

Fiscal 2010-2013 Highlights

Worthington has been efficiently deploying capital in areas that generate attractive returns for shareholders.

- Over the past three years spent $450 million acquiring 11 companies
- Repurchased 12,421,668 of common shares (16% of outstanding shares) for $206.0 million with an average price of $16.58 per share
- Acquired alternative fuel CNG & LPG cylinder making capacity for automotive, trucks, and buses. Also added Bernzomatic hand torch and Coleman camping gas cylinder brands.
- Acquired the steel processing assets of Gibraltar Industries
- Formed 25/75 metal framing joint venture with Dietrich & ClarkWestern Building Systems
- Formed ArtiFlex joint venture to provide lower cost, one-stop tool, die and stamping solution to automotive and other OEM manufacturers
- Acquired Angus Industries, adding a third business segment, Engineered Cabs, to the Company
- Acquired Westerman, a leading manufacturer of tanks and separators for the oil and gas market

Consolidated Results

($ millions, except EPS)	FY2011	FY2012	6M FY2012	6M FY2013
Sales	$2,443	$2,535	$1,168	$1,289
Adj. EBITDA*	$250	$249	$98	$142
% of sales	*10.2%*	*9.8%*	*8.4%*	*11.0%*
Operating Income	$124	$102	$24	$62
% of sales	*5.1%*	*4.0%*	*2.1%*	*4.8%*
EPS*	$1.51	$1.71	$0.59	$0.96
Avg Invested Capital	$1,060	$1,184	$1,138	$1,243
ROIC (Adj. EBIT/Avg. Inv. Cap.)	17.8%	16.3%	12.7%	17.8%

* EBITDA and EPS exclude restructuring gains of $3 million or $0.01 per share in FY2011, restructuring charges of $6 million or $0.06 per share in FY2012, and restructuring charges of $2 million or $0.02 per share in the first half of FY2013.

Financing Overview

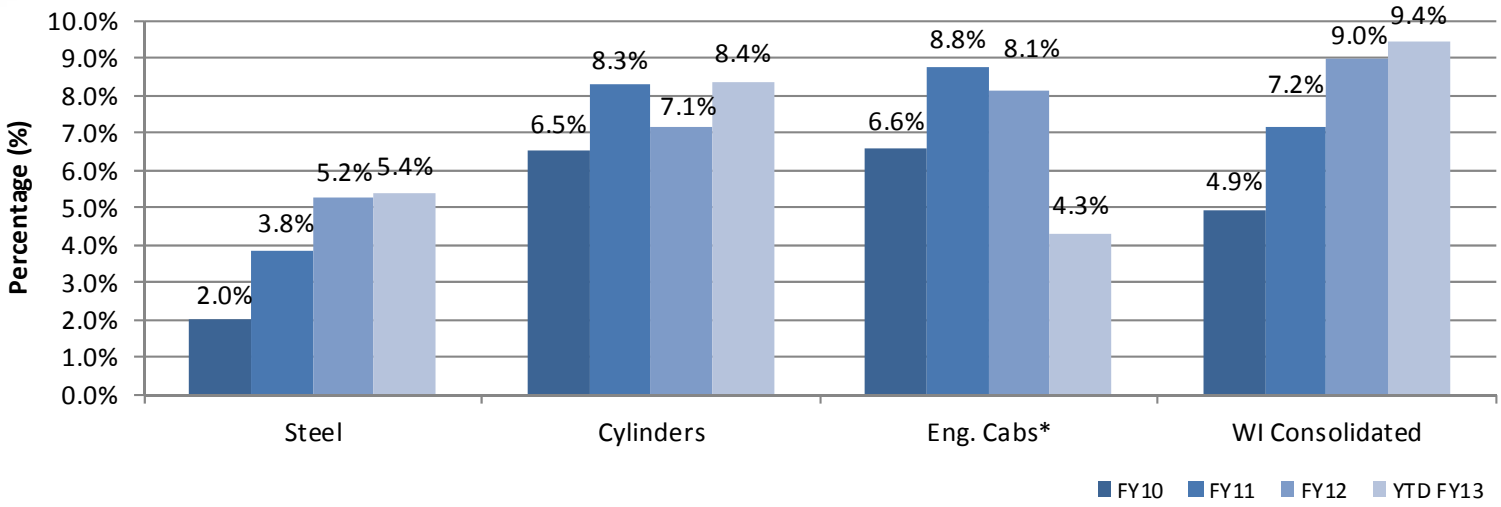
(as of November 30, 2012)

	Drawn	Available	Rate
$425 mm 2017 Revolver	$34.1	$390.9	1.46%
$150 mm 2013 Receivable Securitization	15.0	135.0	0.95%
$100 mm 2014 Private Placement	100.0	-	5.26%
$150 mm 2020 Bonds	150.0	-	6.50%
$150 mm 2024 Private Placement	150.0	-	4.60%
Other Debt	13.9	-	2.89%*
Total	$463.0	$525.9	

*weighted avg.

Margin Improvement

Operating Income Margin



Note: excludes impact of FIFO gains or losses, restructuring expenses, impact of Cylinder recall in FY12 Q2, and Engineered Cabs purchase accounting impact in FY12 Q3.

WI Consolidated includes equity in net-income of affiliates

*Engineered Cabs data for FY10 & FY11 is pre-acquisition data based year ending 12/31 and assumes $7.9M in corporate allocations from WOR. FY12 data is based on 5 months.

Steel Processing

WHO WE ARE TODAY

- One of the largest processors of flat-rolled steel with facilities serving Midwest, Northeast, Southeast and Mexico
- U.S. leader in cold-rolled carbon strip market
- Top 5 purchaser of steel in the U.S.
- Expertise in large automotive & OEM production programs
- Rapidly expanding price risk management and hedging capabilities
- Diverse end-markets with broad value added capabilities
- In-house metallurgical team assisting customers on-site

GROWTH STRATEGY

- Centers of Excellence driving improved operational, commercial & supply chain efficiency
- Highly specialized products and multiple processes per job
- International geographic markets
- 'Share of wallet' with current automotive & agricultural customers
- Adjacent products to increase product offering to key markets

Steel Processing

WHAT WE DO

- Buy coils of steel from integrated mills and mini-mills
- Process them to precise thickness, length, width, shape and surface quality meeting customer specifications
- Also provide toll processing for steel mills, large end-users, service centers and other processers
  Tolling means the mill or other end user owns the steel
- Steel **processing** capabilities with advanced technology:
  - Pickling, slitting, cold reducing, hot-dipped galvanizing, hydrogen annealing, oscillate slitting, cutting to length, tension leveling, edging, non-metallic coating and configured blanking



BUY COILS



INVENTORY MANAGMENT



PROCESSING



SELL



STAMPING & MARKET

Steel Processing: Products





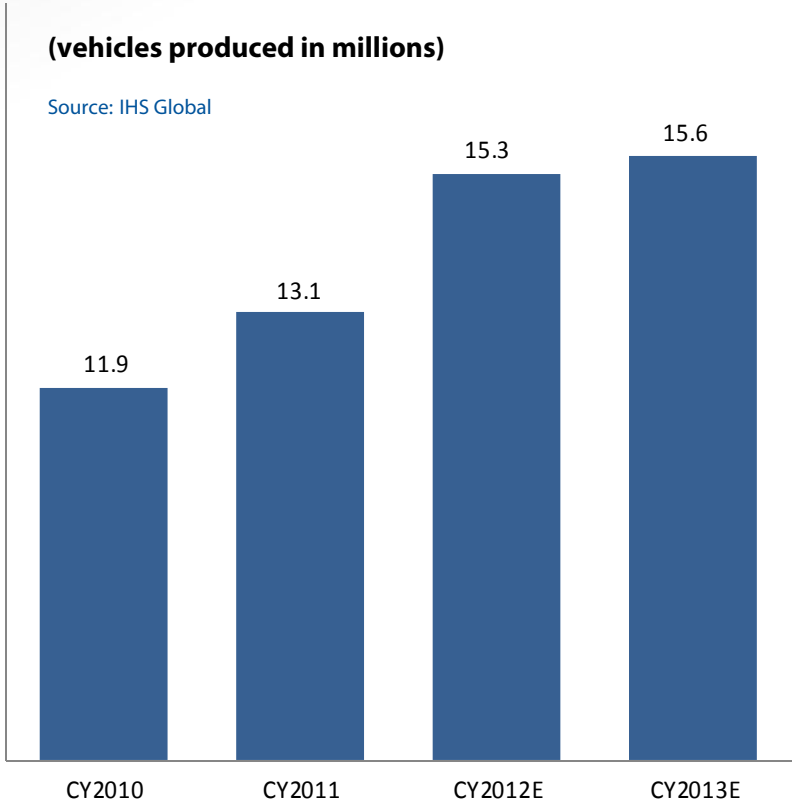




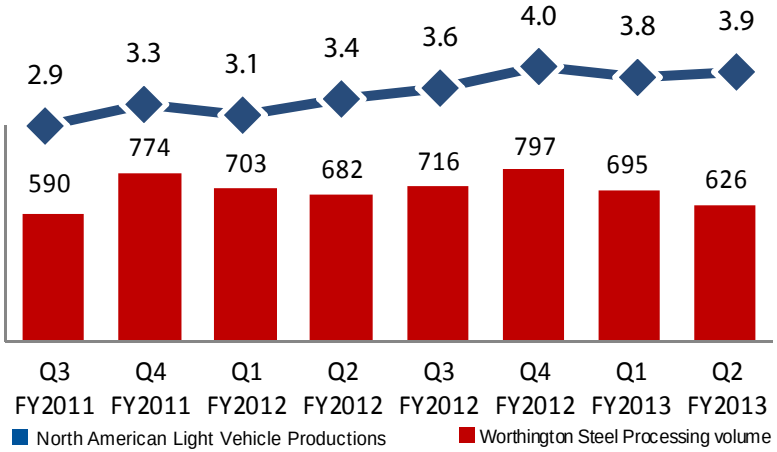


Automotive Industry Dynamics

NORTH AMERICAN LIGHT VEHICLE PRODUCTION FORECAST



VOLUME AND AUTOMOTIVE PRODUCTION

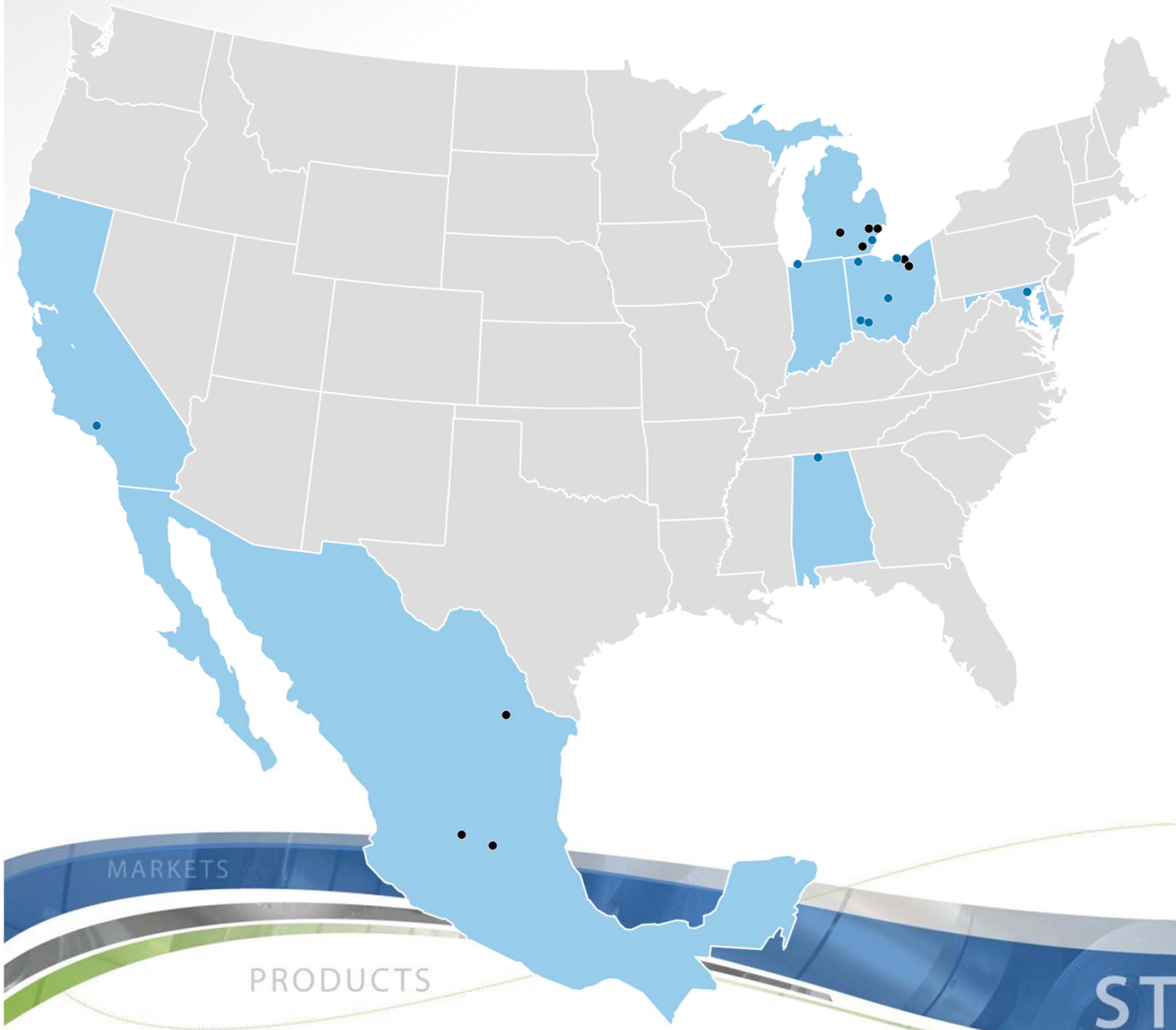


(tons shipped in thousands; vehicles produced in millions)

- ✓ Worthington's Steel Processing segment generates approximately 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: Company filings and WI Auto Production Report.
(1) "New Domestics" denote foreign automotive original equipment manufacturers with domestic production.

Steel Processing: Locations



Maryland
Baltimore, MD

Ohio
Cuyahoga Heights, OH
Cleveland. OH
Twinsburg, OH
Columbus, OH
Delta, OH
Middletown, OH
Monroe, OH

Alabama
Decatur, AL

Indiana
Porter, IN

California
Los Angeles, CA

Michigan
Woodhaven, MI
Taylor, MI
Jackson, MI
Monroe, MI
Canton, MI

Mexico
Queretaro, Mexico
Leon, Mexico
Monterrey, Mexico

Steel Processing

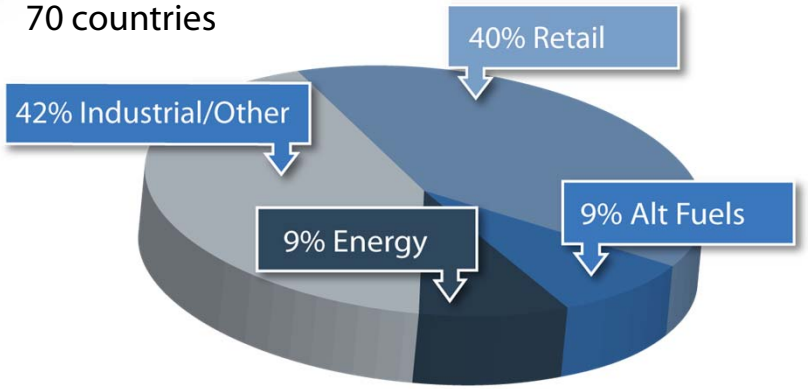
($ millions, except EPS)	FY2011	FY2012	6M FY2012	6M FY2013
Sales	$1,405	$1,579	$782	$719
Capital Expenditures	$6	$10	$5	$4
Adj. EBITDA*	$96	$86	$32	$40
*% of sales**	*6.8%*	*5.5%*	*4.1%*	*5.6%*
Operating Income	$78	$72	$24	$29
% of sales	*5.5%*	*4.5%*	*3.0%*	*4.1%*
Avg Invested Capital	$516	$532	$559	$509
ROIC (Adj. EBIT/Avg. Inv. Cap.)	15.0%	13.1%	8.5%	11.5%
Volume (000s tons)	2,589	2,898	1,385	1,321

*EBITDA adjusted for noncontrolling interest

Pressure Cylinders

WHO WE ARE TODAY

Leading global manufacturer of pressure cylinders and related products, with broad product line serving over 4,000 customers in 70 countries



- More than 40 years of cylinder manufacturing experience
- Expertise in highly regulated global markets
- Big box/ home/ hardware retailers, gas producers and distributors, transport OEMs and retrofitters, energy exploration and production

GROWTH STRATEGY

- Centers of Excellence driving improved operational, commercial & supply chain efficiency
- Acquisitions into new products & new markets
- Exploring cryogenics opportunities
- Product innovation and brand extension to drive organic growth and market share gains
- Continued focus on automation & reducing production costs

CYLINDERS
PERFORMANCE

Pressure Cylinders

WHAT WE DO

- Manufacture and sell filled and unfilled pressure cylinders and related products
- Produced 72 million units in FY 2012 – steel, aluminum and composite cylinders; and hand torches, solder and metal components.
- Several processes are used, including deep drawing, tube spinning and billet piercing
- Engineer and manufacture hand torches and solder
- Logistics expertise in delivering products to retail
- Expanding brand management and product innovation capabilities

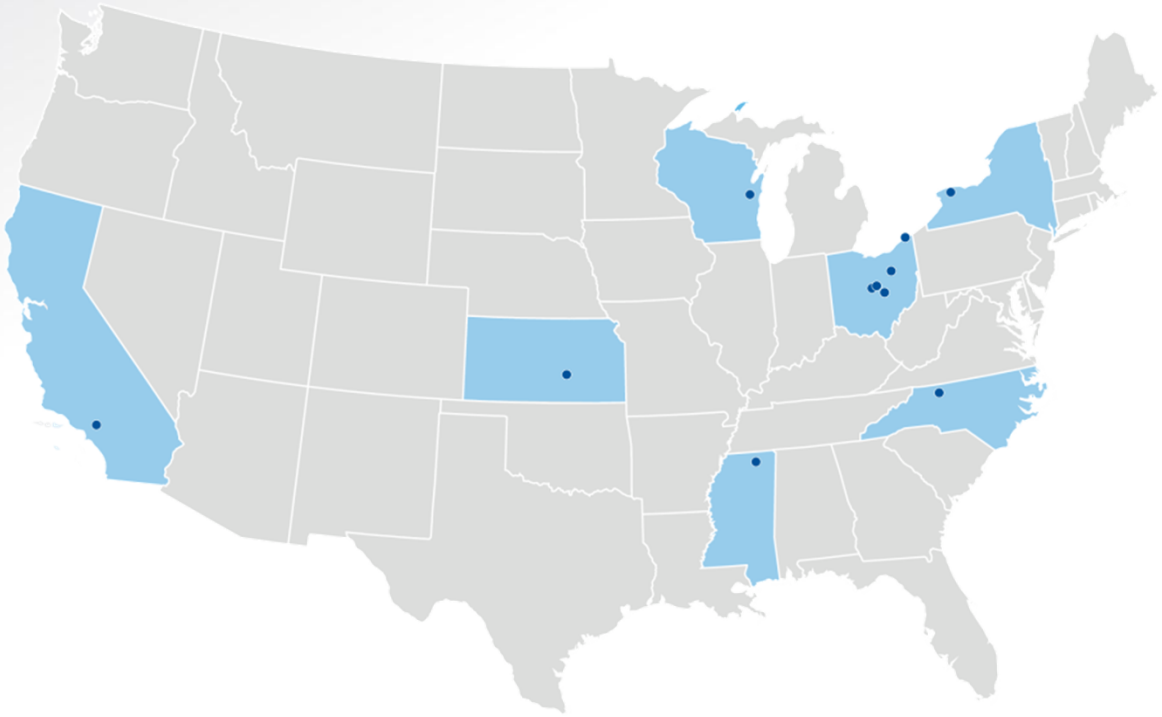


FORM CYLINDER | WELD | VALVE ASSEMBLY | TEST / FINISH | MARKET

CYLINDERS

PERFORMANCE

Pressure Cylinders: Locations



California
Pomona, CA

Wisconsin
Chilton, WI

Ohio
Columbus, OH
Jefferson, OH
Westerville, OH
Wooster, OH
Bremen, OH

Kansas
Maize, KS

New York
Medina, NY

Mississippi
New Albany, MS

North Carolina
Winston-Salem, NC

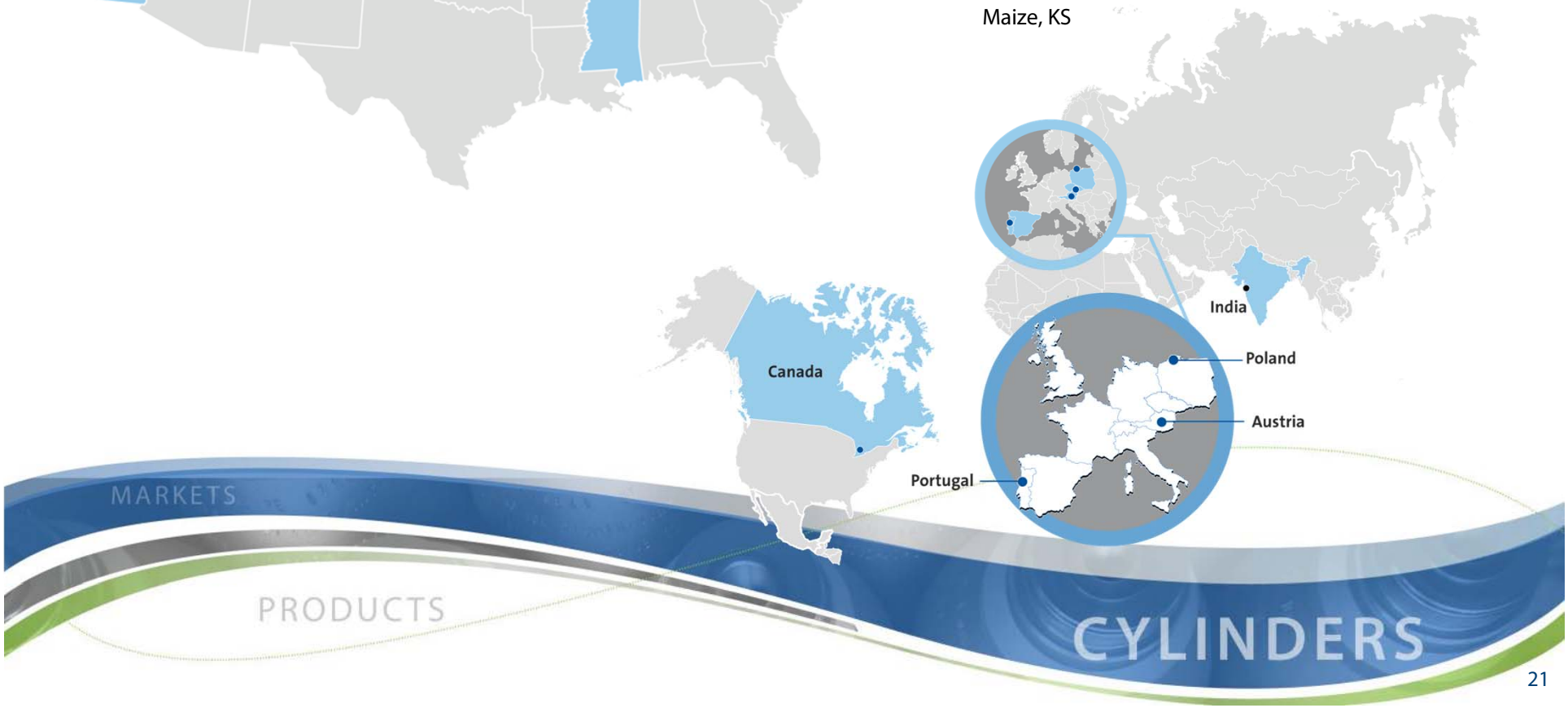
Austria
Kienberg

Portugal
Vale de Cambra

Poland
Slupsk x2

Canada
Tilbury, Ontario

India (JV)
Mumbai



Pressure Cylinders: Products

Retail Products: tanks for gas grills, camping appliances; hand torches and fuel, plumbing accessories and helium kits









Industrial Products:

LPG: Cooking, heating, power

Refrigerant: Air conditioning and refrigeration

Industrial Gas : Healthcare, beverage, electronics, welding, SCUBA, aviation

Specialty : Fire suppression and rescue, water storage tanks, ordnance and automotive/ transport components



Pressure Cylinders: Products

Alternative Fuels: Compressed Natural Gas (CNG) and Liquefied Propane Gas (LPG) tanks for global transport markets

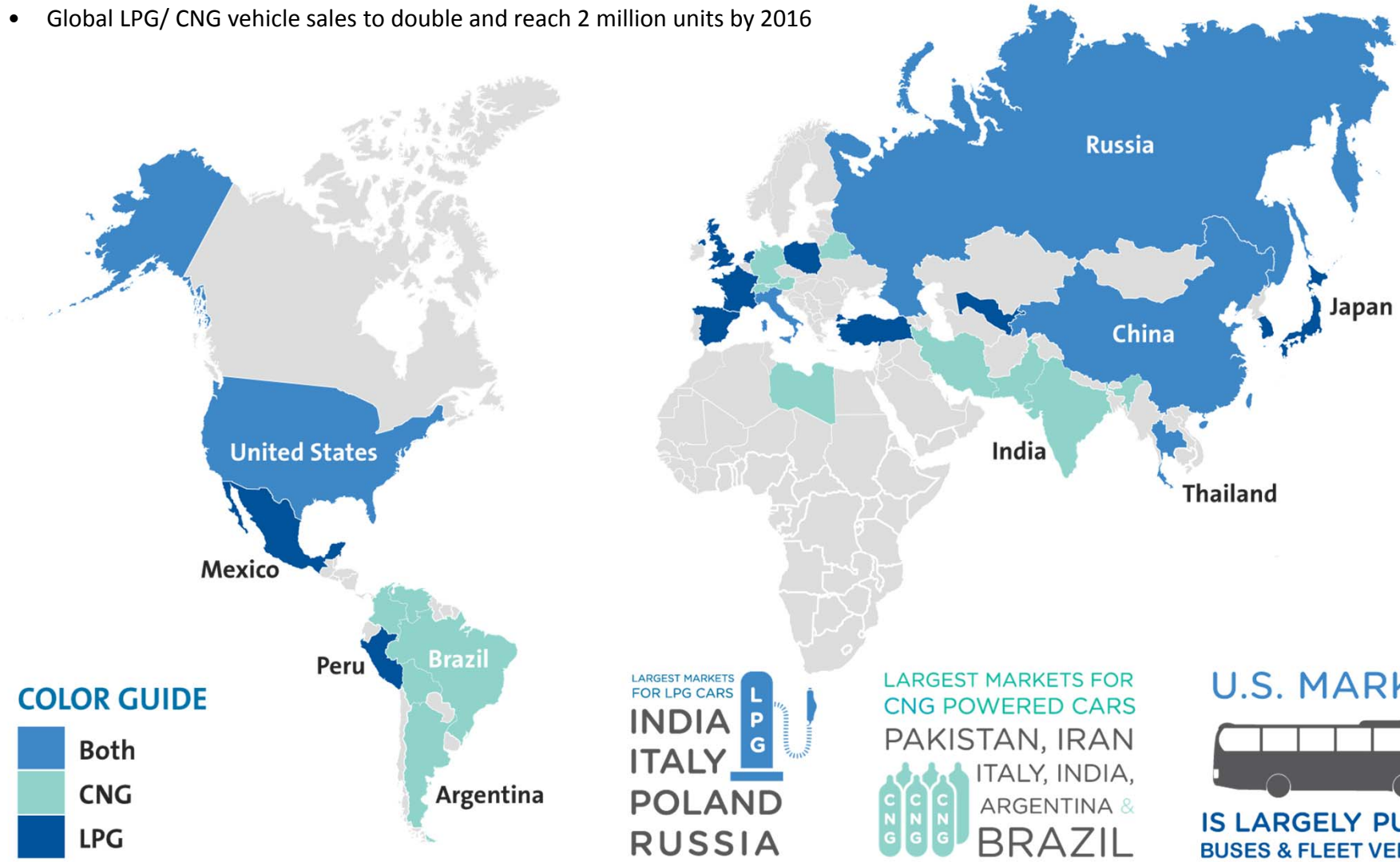
- Products include low-cost Type I (Steel), weight-critical Type III (aluminum + composite wrap), cylindrical and torodial LPG
- Supply tanks to major auto, bus, fleet OEMs and aftermarket





Alternative Fuel: Global Markets

- Alternative Fuel markets are split between Compressed Natural Gas (CNG) and Liquefied Propane Gas (LPG) driven by government incentives
- Global LPG/ CNG vehicle sales to double and reach 2 million units by 2016

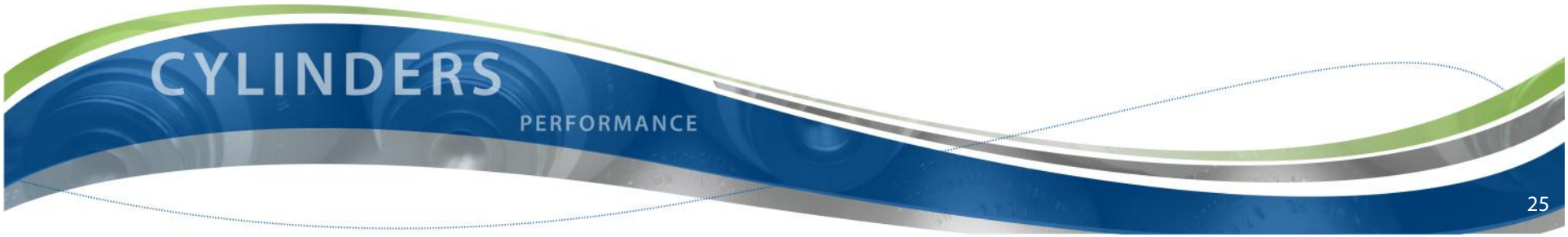


Pressure Cylinders: Acquisitions

Cylinders will continue to grow through acquisitions - 8 in last 3 ½ years for $243 million

($ millions)	CLOSING DATE	AMOUNT	END MARKETS
Piper	6/1/2009	$9	Healthcare, Scuba
Structural Composites Ind. (SCI)	9/1/2009	$24	Alt. Fuels, Fire Suppression
Hy-Mark	6/1/2010	$12	Healthcare
Nitin	12/1/2010	$22	Alternative Fuels
Bernzomatic	7/1/2011	$41	Retail Hand Torch
STAKO	9/1/2011	$42	Alternative Fuels
Coleman	12/1/2011	$23	Retail/Leisure
Westerman	9/12/2012	$70	Energy/Oil & Gas

Alternative Fuels Retail Industrial Energy/Oil & Gas



Westerman Acquisition: Oil & Gas Production

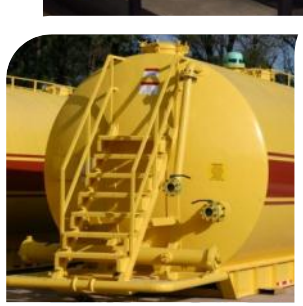
Westerman is a leading manufacturer of processing equipment and storage tanks for the gas and oil production industry

- Oil and gas separators, atmospheric storage tanks, valves, controls and gas production units
- Supplies most of the companies active in the Marcellus and Utica shale formations
- World's largest producer of uranium hexafluoride (UF6) storage and transportation cylinders for the nuclear industry; only North American manufacturer

The Company was founded in 1909, and is headquartered in Bremen, Ohio

- Approximately 228 non-union employees







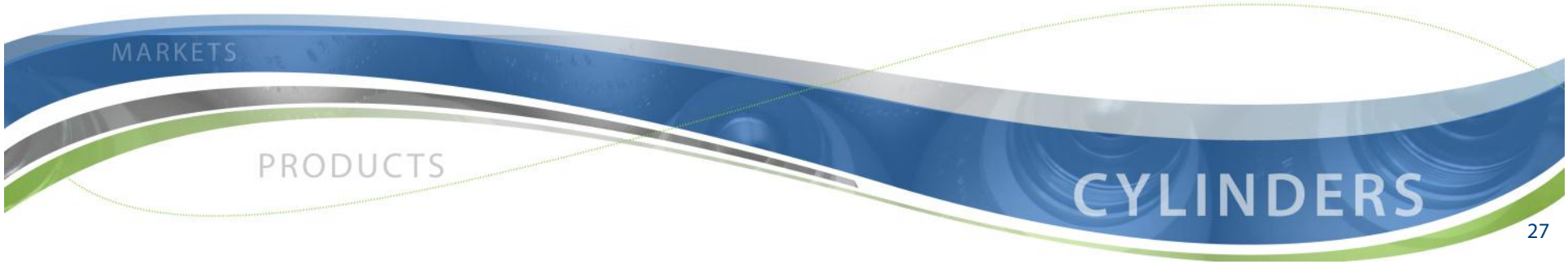


Pressure Cylinders

($ millions)	FY2011	FY2012**	6M FY2012	6M FY2013
Sales	$592	$770	$346	$402
Capital Expenditures	$10	$8	$5	$6
Adj. EBITDA*	$63	$65	$21	$45
*% of sales**	*10.7%*	*8.5%*	*6.2%*	*11.2%*
Operating Income	$49	$45	$12	$31
% of sales	*8.3%*	*5.9%*	*3.6%*	*7.8%*
Avg Invested Capital	$302	$433	$402	$471
ROIC (Adj. EBIT/Avg. Inv. Cap.)	16.2%	10.4%	6.2%	14.3%
Volume (000s units)	59,037	71,777	29,178	40,965

*EBITDA adjusted for noncontrolling interest

** FY2012 includes $9.7 mm from cost of propylene cylinder recall



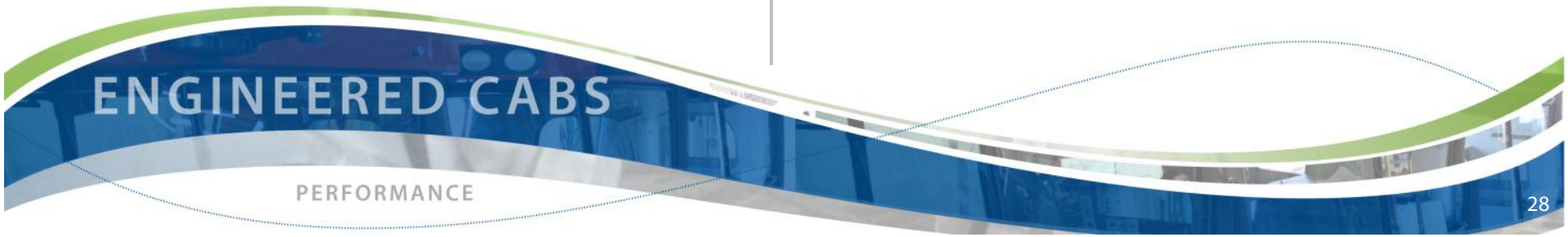
Engineered Cabs

WHO WE ARE TODAY

- #1 market-leader designing and manufacturing high quality custom-engineered open and enclosed cabs, and operator stations for a wide range of heavy mobile equipment
- Long-standing partnerships with leading blue-chip customers
- Value-added engineering and manufacturing based revenue model
- Highly customized and regulated product line
- Founded in 1969, Angus has 1,200 employees in South Dakota, Iowa, Tennessee and South Carolina
- Attractive end markets increasing exposure to construction, agriculture and mining industries
- $180MM purchase price (<6.0x LTM EBITDA)
- $200+ million revenue and accretive to earnings in first year

GROWTH STRATEGY

- Investing in domestic capacity to meet growing demand for agriculture, mining and construction equipment
- Targeted expansion into international markets to support customer growth
- Accelerating product development to further integrate Angus in its customers' supply chain
- Implementing Centers of Excellence (August 2012) to optimize business performance in operations, commercial & supply chain



Engineered Cabs

WHAT WE DO

- Designs and manufactures high-quality, custom engineered operator cabs, operator stations and custom fabrications of mobile equipment used in agriculture, construction, mining and various other industries
- The products range from small utility equipment to the largest earth movers
- The 100-member engineering team works with customers on design from concept to completion
- Products are produced for over 150 different equipment platforms and production can last 4-8 years on a specific model
- Wide range of additional products including machine structural components, painted weldments, engine doors, boom components and complete frames


DESIGN


MANUFACTURE


PAINTING



DELIVERY



MARKET

MANUFACTURING CAPABILITIES INCLUDE:

- Steel laser cutting
- Steel bending and forming
- Roll-form tube curving and bending
- Machining and welding – robotic and manual
- Automated steel product cleaning and E-coating
- Top coat painting and assembly

Engineered Cabs



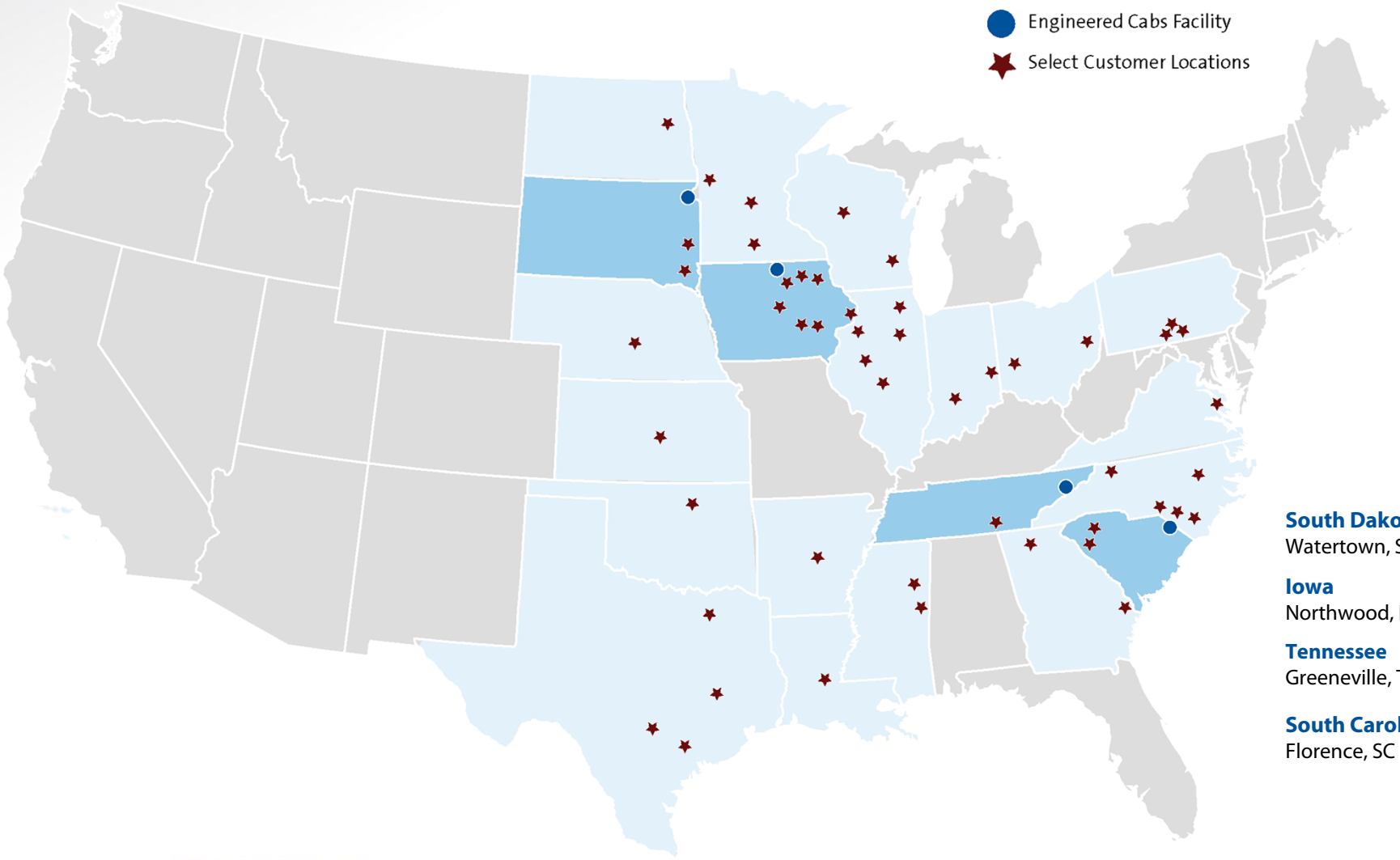








Engineered Cabs



South Dakota
Watertown, SD

Iowa
Northwood, IA

Tennessee
Greeneville, TN

South Carolina
Florence, SC

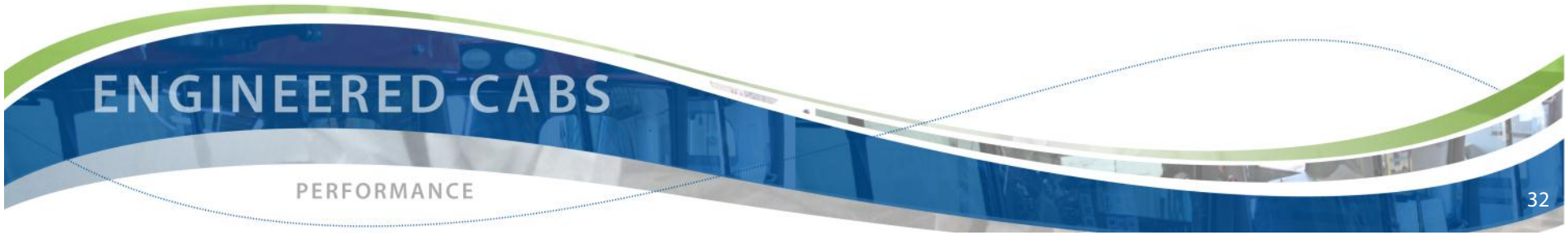
ENGINEERED CABS

PERFORMANCE

Engineered Cabs

($ millions)

	5M FY2012	6M FY2013
Sales	$104	$122
Capital Expenditures	$5	$3
Adj. EBITDA	$8	$10
% of sales	*8.1%*	*7.9%*
Operating Income	$5	$5
% of sales	*4.7%*	*4.3%*
Avg Invested Capital	$174	$172



WAVE

WHO WE ARE TODAY

- Worldwide leader in ceiling suspension systems
- Products marketed primarily through Armstrong brand
- Significant portion of sales to renovation markets
- Success through innovation – transition from ceilings products to solutions

GROWTH OPPORTUNITIES

- Emerging market expansion
- Solutions innovation – products to specifications to installation
- Market share gains and new product launches
- Adjacent business (example – Axiom)
- Alternate business channel (example – Drywall Grid)
- Low voltage DC FlexZone ceilings



JOINT VENTURES

PRODUCTS

GROWTH

WAVE: Products

DRYWALL GRID

Alternate Channel Business

- Labor savings for installer
- Speed of construction
- Installer education – YouTube videos
- Solution ties to Armstrong ceilings
- Global growth opportunity

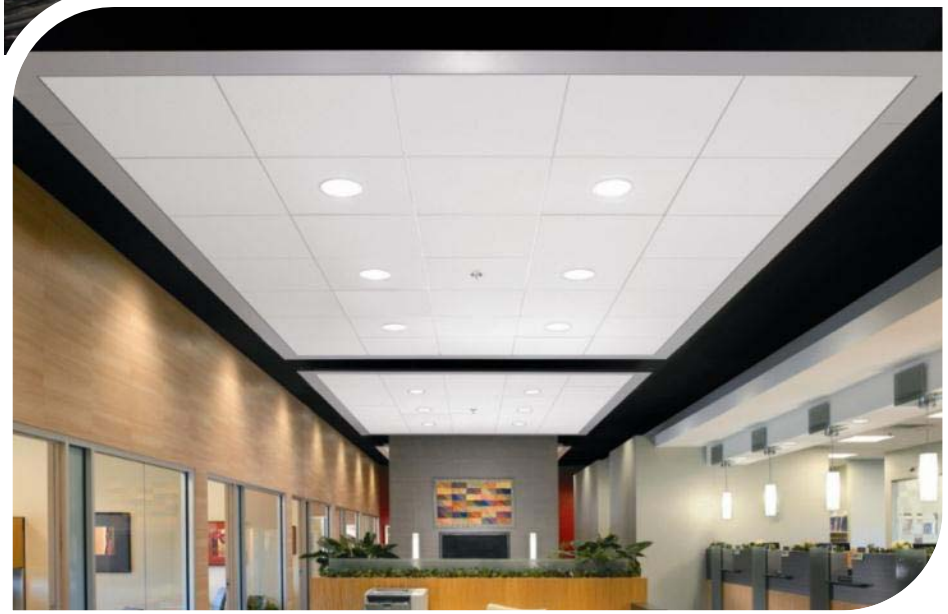
AXIOM

Adjacent Ceiling Solution

- High value, aesthetically pleasing
- Creates value in "open ceiling" space
- Drags the commodity business
- Global growth opportunity







JOINT VENTURES

PRODUCTS

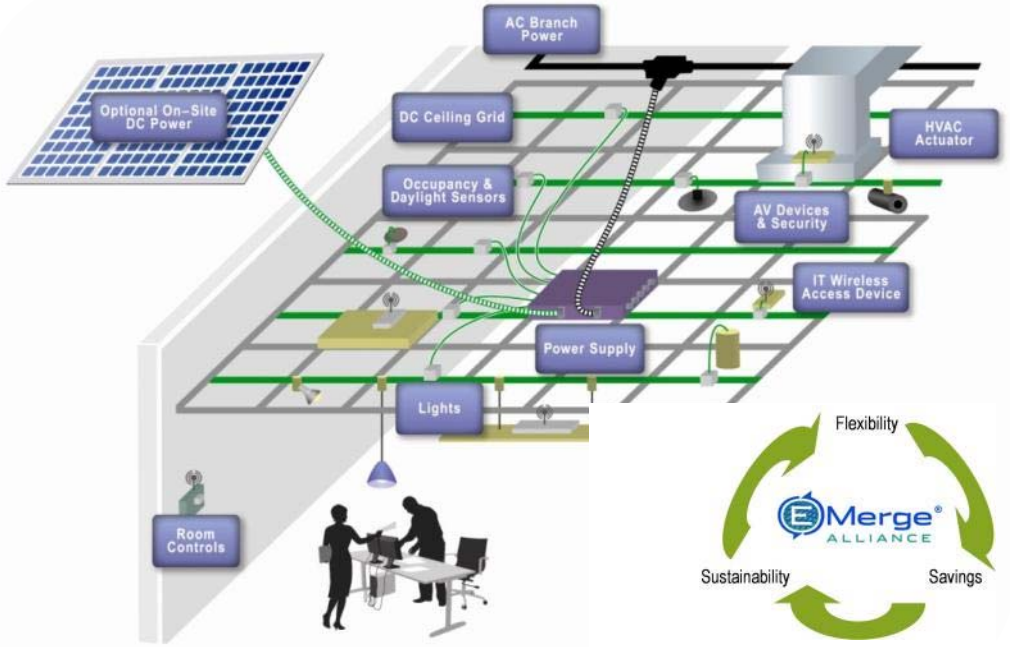
GROWTH

WAVE: Products

DC FLEXZONE

Safe, low voltage DC power delivered to lighting fixtures, sensors and other electrical devices. Powered grid as enabling energy infrastructure.

- Flexibility
- Energy Savings
- Sustainability









JOINT VENTURES

PRODUCTS

GROWTH

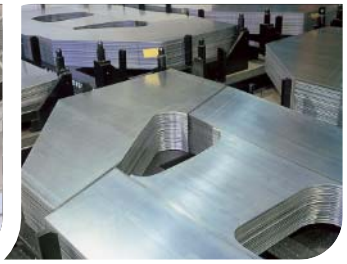
Successful Joint Ventures

Serving automotive and construction end markets.

	Business	Ownership	Created
WAVE	Architectual and acoustical grid ceilings	50%	1993
Clark Dietrich	Metal framing for commercial construction	25%	2011
TWB	Laser welding for automotive	45%	1992
Serviacero	Steel processing in Mexico	50%	2005
Artiflex	Automotive tooling and stamping	50%	2011





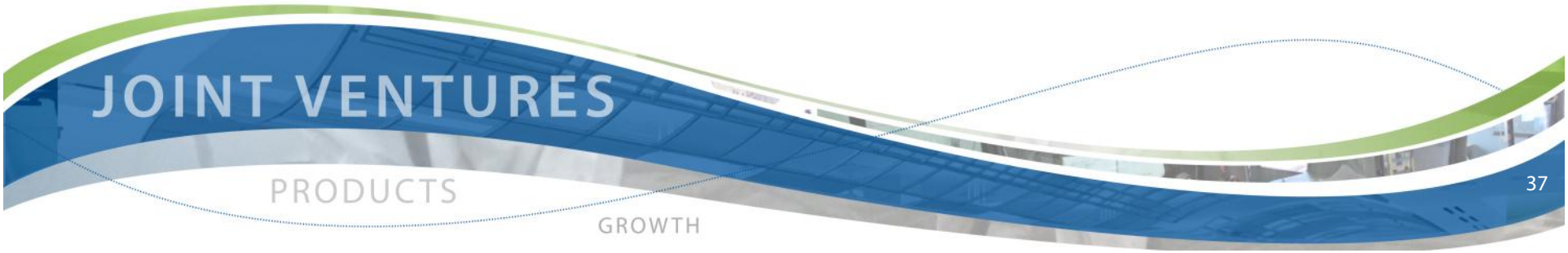


Key Joint Venture Earnings

Joint ventures contribute strong earnings and cash flow (from dividends)

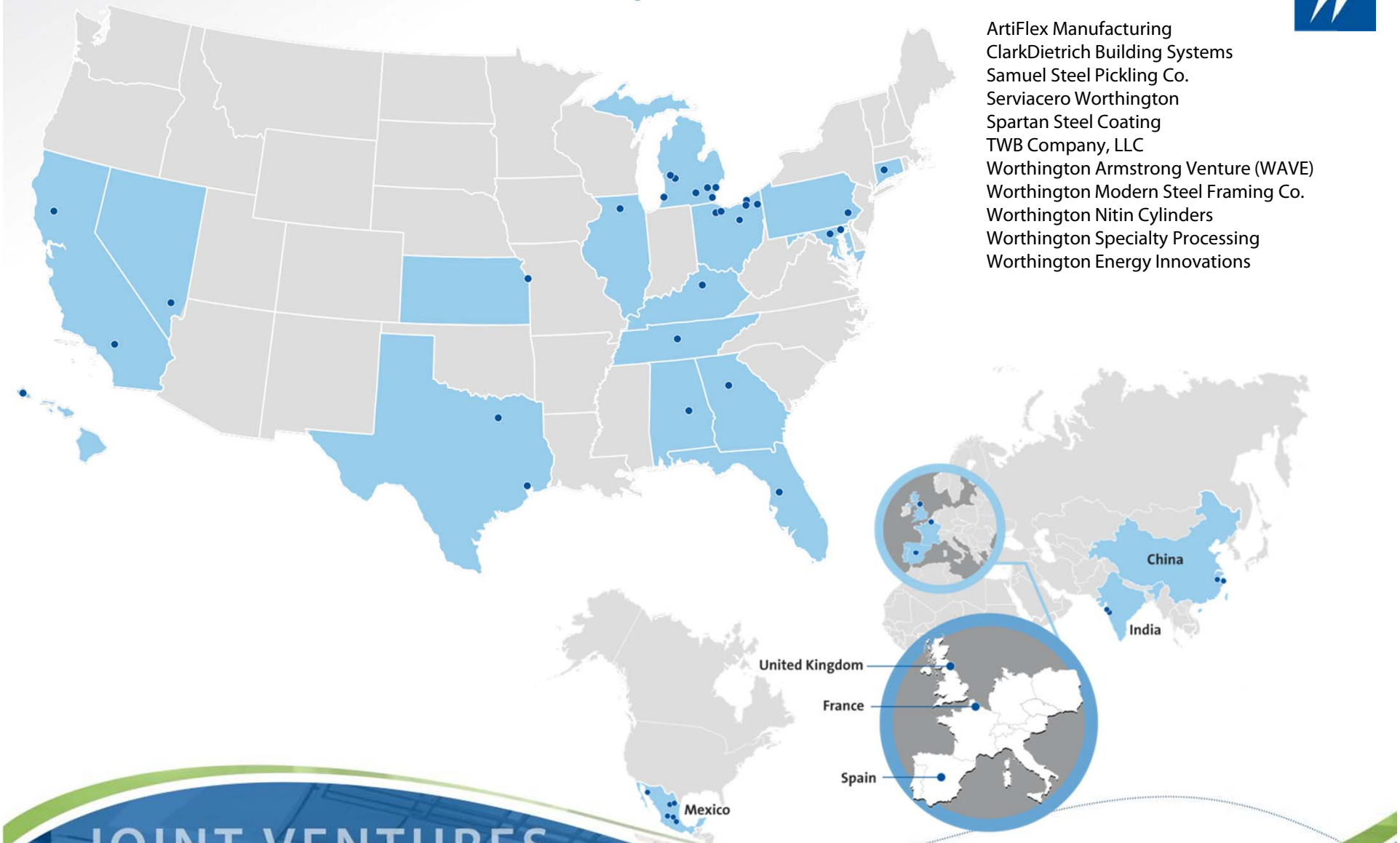
Equity Income ($ millions)	FY2011	FY2012	6M FY2012	6M FY2013
WAVE (50%)	$58	$62	$32	$33
ClarkDietrich (25%)	2	6	3	3
TWB (45%)	8	10	5	6
Other	8	15	7	6
Total Equity Income	$76	$93	$47	$48

*percentage equals WOR share



Joint Ventures: Location Map

ArtiFlex Manufacturing
ClarkDietrich Building Systems
Samuel Steel Pickling Co.
Serviacero Worthington
Spartan Steel Coating
TWB Company, LLC
Worthington Armstrong Venture (WAVE)
Worthington Modern Steel Framing Co.
Worthington Nitin Cylinders
Worthington Specialty Processing
Worthington Energy Innovations



JOINT VENTURES

PRODUCTS

GROWTH

Key Investment Highlights

Becoming A Growth Company Again

- ✓ Centers of Excellence driving continuous improvement through operational efficiencies, commercial profitability and supply chain management
- ✓ Accelerating innovation and product development efforts to drive organic growth
- ✓ High return acquisitions are increasing margins, while diversifying into higher growth end-markets
- ✓ Efficient capital allocation strategy that includes acquisitions, share repurchases and a recent dividend increase

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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.

