NYSE: WOR

TRANSFORMATIONAL GROWTH
OPTIMIZING PERFORMANCE

Worthington Industries

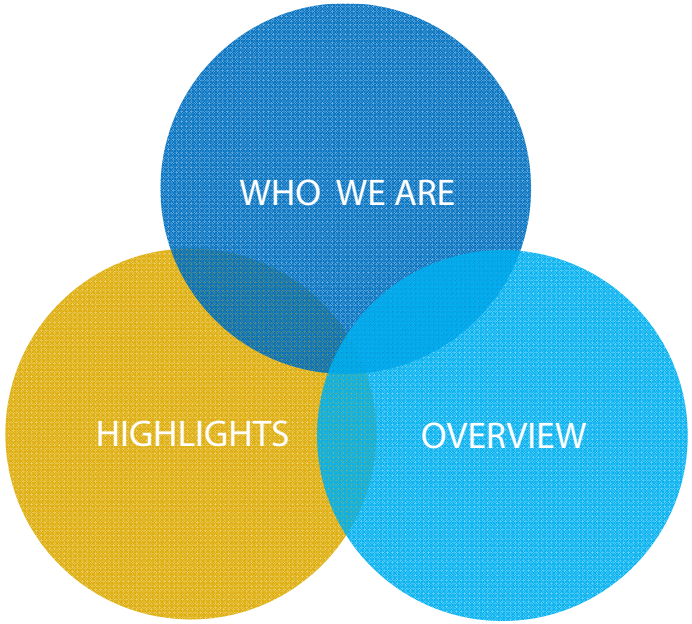
Q4 FY2014

Becoming A Growth Company Again

Key Investment Highlights

- ✓ Leading market position in key segments
- ✓ Attractive growth opportunities across the energy value chain in production and storage, transportation (LNG) and alternative fuel (CNG) markets
- ✓ Transformation driving higher margins and capital efficiency
- ✓ Product innovation effort to drive organic growth in consumer and industrial markets
- ✓ Conservative financial policy with low leverage and strong liquidity
- ✓ Strong management team with broad industry experience and proven track record of integrating acquisitions

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 consumer, industrial, alternative fuel, energy and cryogenics markets
- ✓ Leading independent provider of **custom-engineered operator cabs** for heavy mobile equipment
- ✓ Market-leading **joint ventures** serving construction and automotive end-markets

- Founded in 1955 and headquartered in Columbus, OH
- Publicly traded on the NYSE under the ticker WOR
- 80 facilities in 10 countries with 10,000 employees
- Primarily non-union facilities
- Employee, customer, supplier and investor-centered philosophy

FY 2014 Financial Metrics:

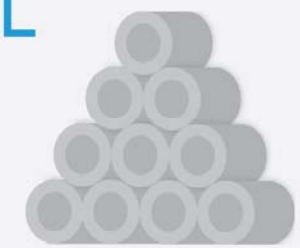
- Sales = $3.1 billion
- Adj. EBITDA = $347 million
- Free Cash Flow = $153 million
- Total Leverage = 1.4x
- Corporate Credit Ratings: Baa3 / BBB

Worthington By The Numbers

WI Processed

6 MILLION TONS OF STEEL

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





Worthington's steel is in more than

TEN MILLION

OF THE 16.2 MILLION cars produced in the U.S.



Engineered Cabs manufactured and assembled some



60,000 CABS AND ROLL-OVER STRUCTURES

to keep operators of large equipment vehicles safe.



Cylinders produced more than

82 MILLION UNITS

serving the industrial gas, retail, energy and alternative fuels markets.



WAVE produced

1 BILLION LINEAR FEET

of ceiling grid last year. That's equal to

8 TIMES AROUND THE WORLD.



Based on FY 2014 results

WORTHINGTON'S STEEL
IT'S IN YOUR TRANSMISSION

WORTHINGTON INDUSTRIES



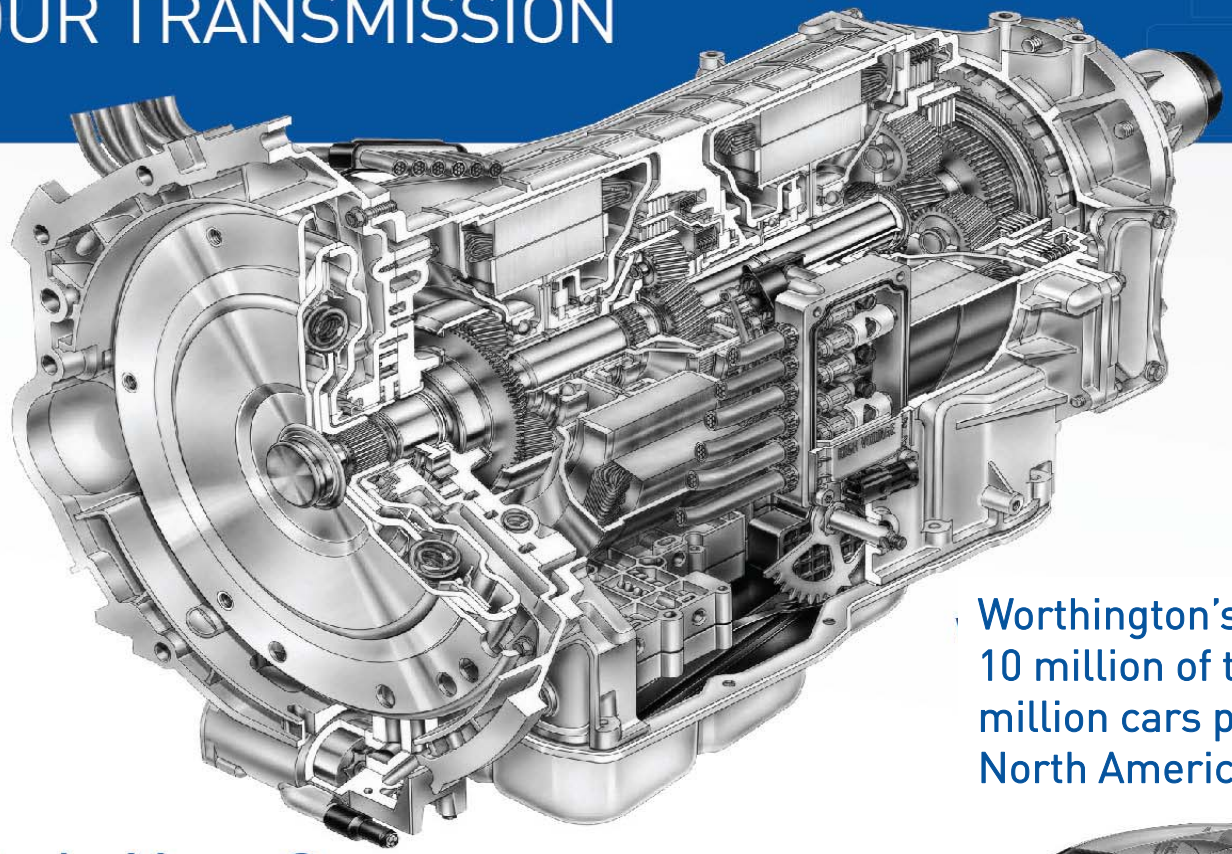
Torque Converter

The torque converter normally takes the place of a mechanical clutch in a vehicle with an automatic transmission.



Clutch Plates

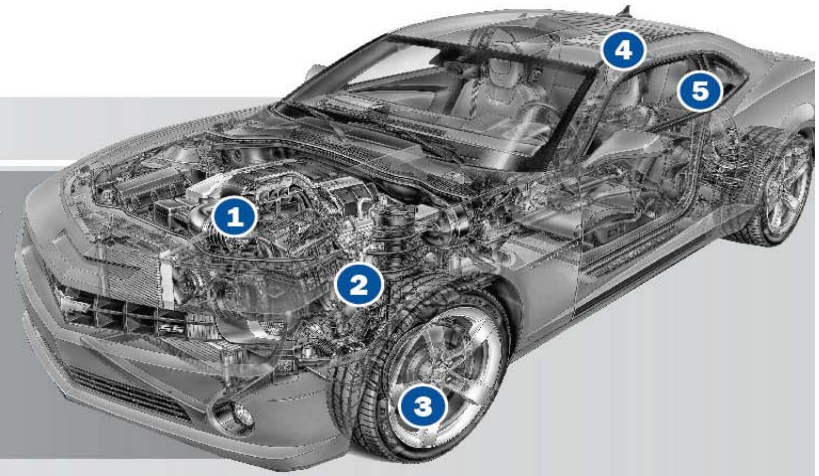
Clutch plates in automatic transmissions control the torque capacity of each clutch pack.



Worthington's steel is in 10 million of the 16.2 million cars produced in North America in 2013

Our Steel Is In Your Car

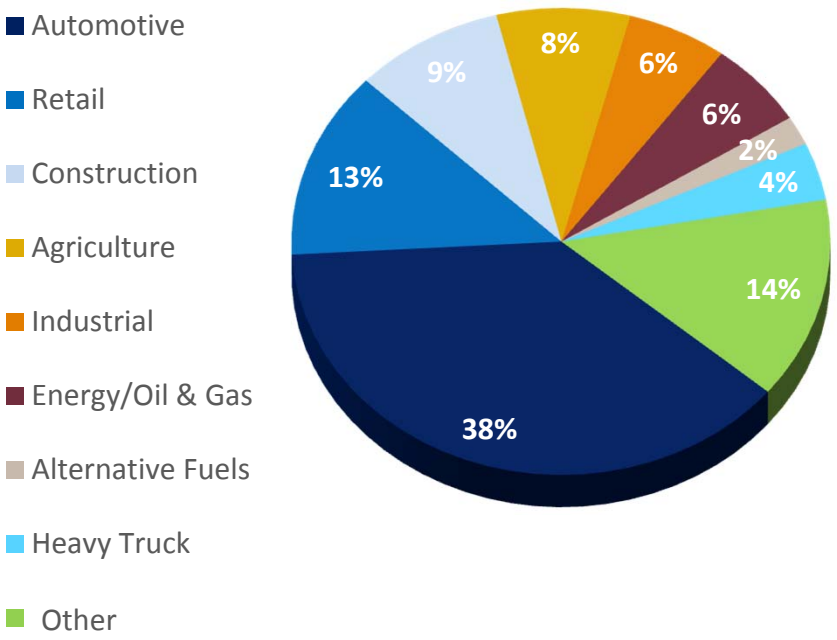
1. Cross Members
2. Shock Towers
3. Wheels
4. Roof Bow
5. Pillars



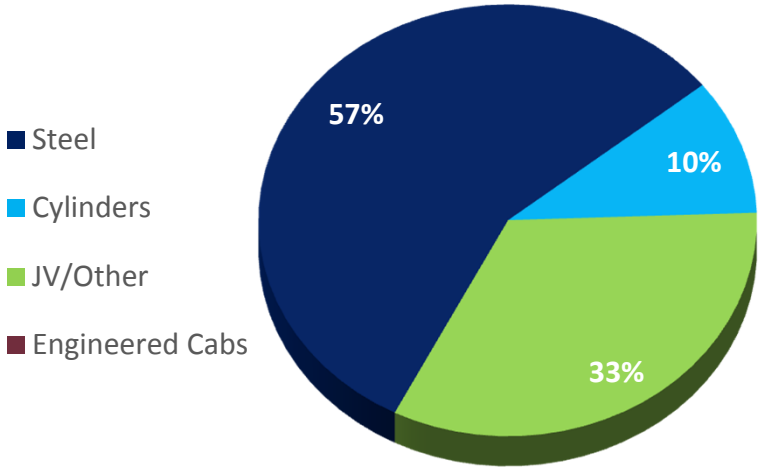
FY 2014 Q4 Net Sales: $891 million

Operating/Equity Income: $ 54.5 million

Q4 END-MARKETS NET SALES



Q4 OPERATING/EQUITY INCOME



Engineered Cabs reported a $4.2M operating loss.

Note: Energy/Oil & Gas sales have grown 35% versus prior year quarter.

TRANSFORMATIONAL GROWTH
OPTIMIZING PERFORMANCE

Consolidated Results

($ millions, except EPS)	FY2012	FY2013	FY2014
Sales	$2,535	$2,612	$3,126
Adj. EBITDA*	$249	$300	$347
% of sales	*9.8%*	*11.5%*	*11.1%*
Operating Income*	$108	$138	$176
% of sales	*4.3%*	*5.3%*	*5.6%*
EPS*	$1.71	$2.08	$2.37
Avg Invested Capital	$1,184	$1,261	$1,357
ROIC (Adj. EBIT/Avg. Inv. Cap.)	16.3%	18.6%	20.3%

* EBITDA, Operating Income, and EPS exclude restructuring charges of $6 million or $0.06 per share in FY2012, restructuring charges of $12 million or $0.16 per share in FY2013, and restructuring charges of $56 million and a non-recurring gain of $16 million for a total of $0.26 per share in FY2014.

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 Transformation
- ✓ Acquire higher margin, 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

Performance

Transform the Business

- Operational efficiency
- Commercial excellence
- Inventory Management
- High Performance Culture

Growth

Organic Growth

- Market share
- Product Innovation
- Adjacent markets

Acquisition

- New lines of business
- New markets

Excellence

Metric Driven

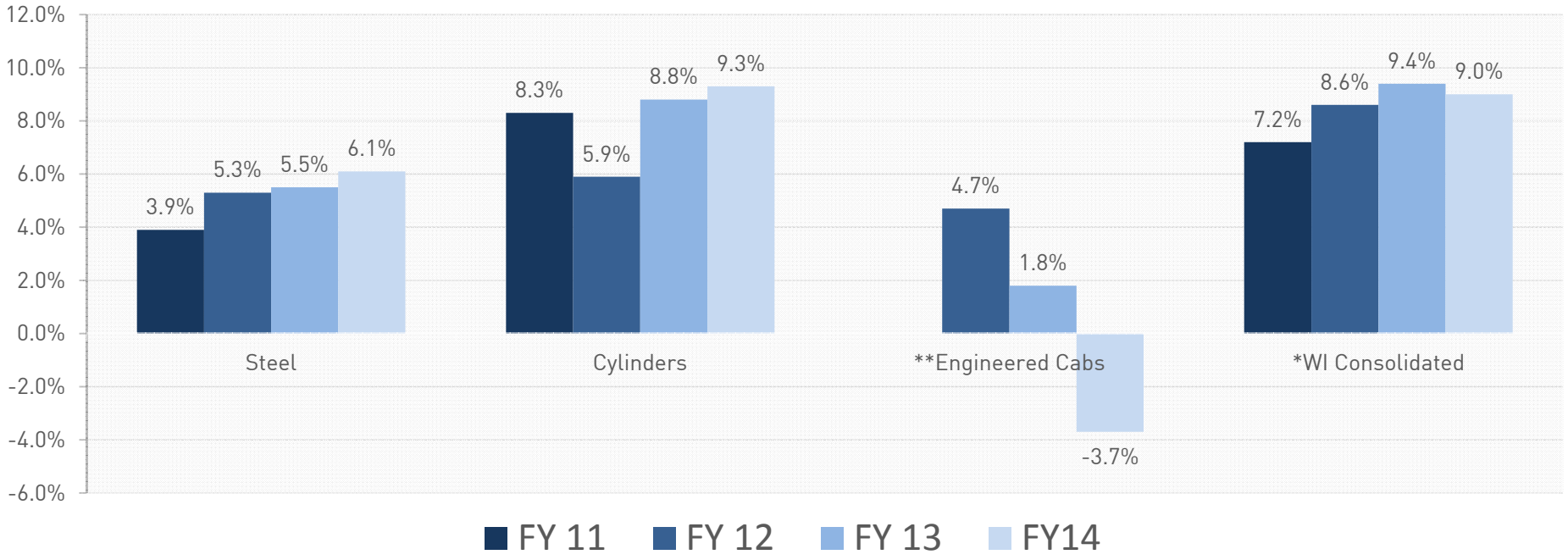
- Metrics baselined, improvement goals set, regular reporting, incentives aligned

Centers of Excellence

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

Margin Improvement

Operating Income Margin



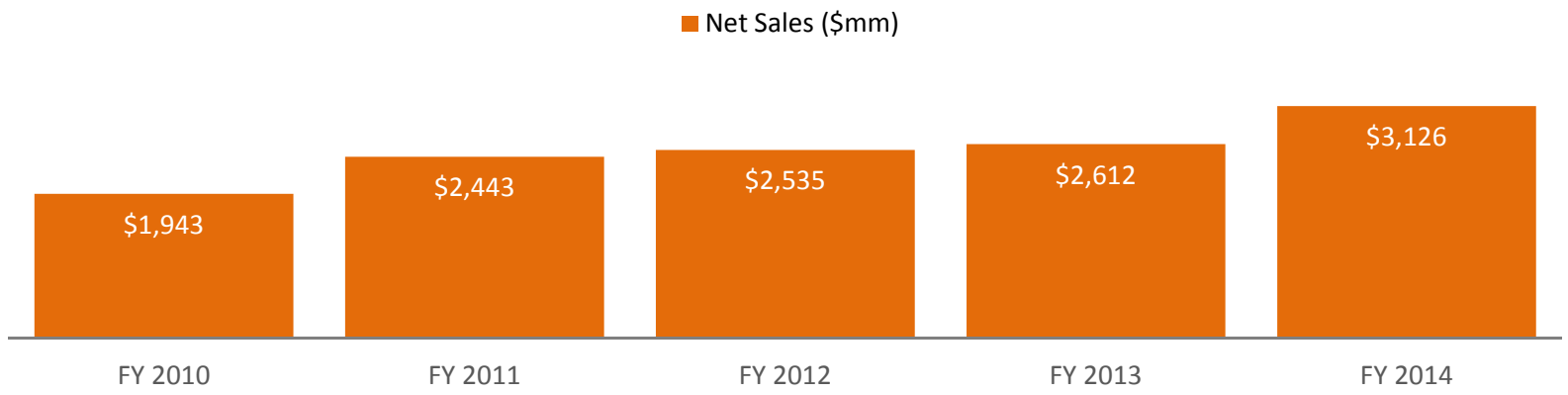
Note: excludes impact of FIFO gains or losses, restructuring expenses

*WI Consolidated includes equity in net income of affiliates

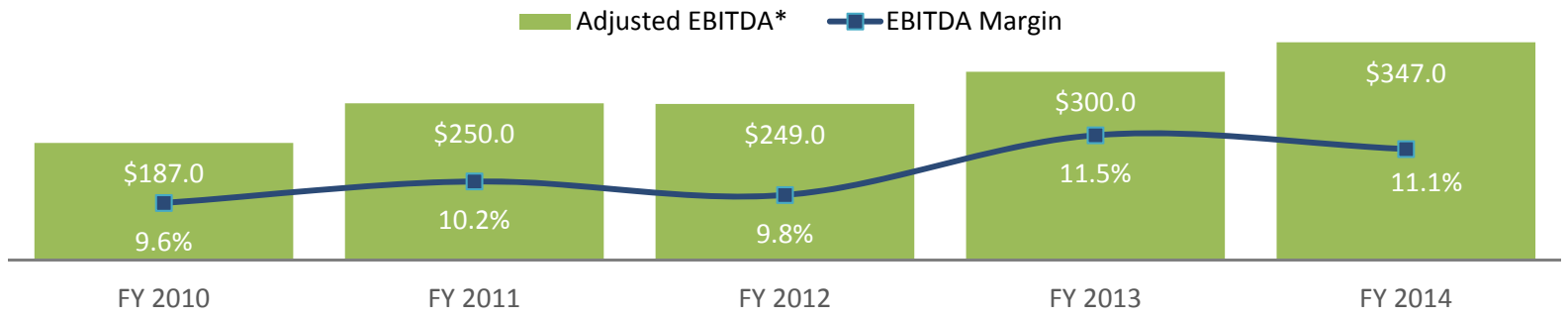
**Engineered Cabs FY12 data is based on 5 months. Also, prior quarter presentations included an adjustment for purchase accounting

Historical Net Sales & Adjusted EBITDA

Net Sales ($ millions)



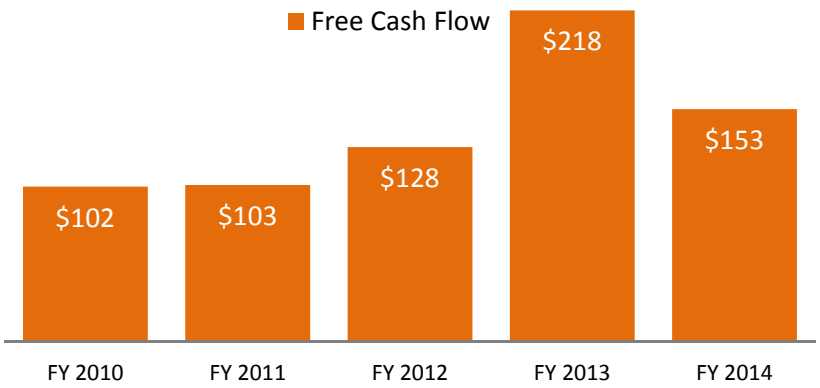
Adjusted EBITDA ($ millions)



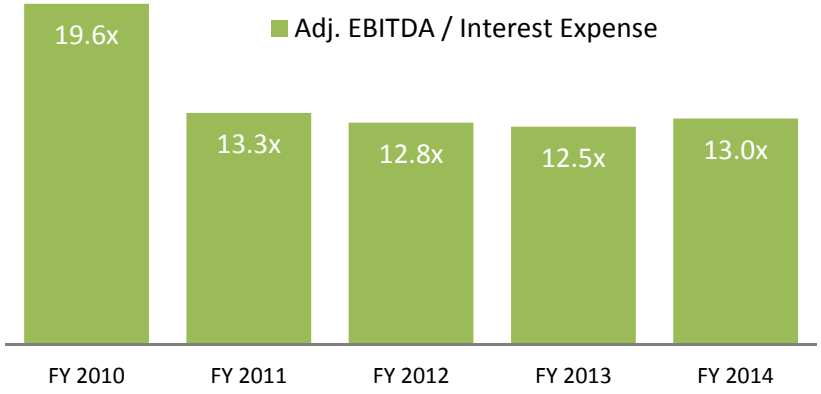
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Key Financial Metrics

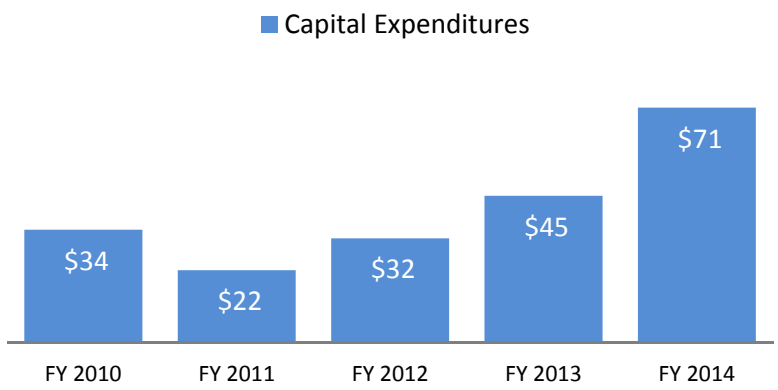
Free cash flow trends ($ millions)



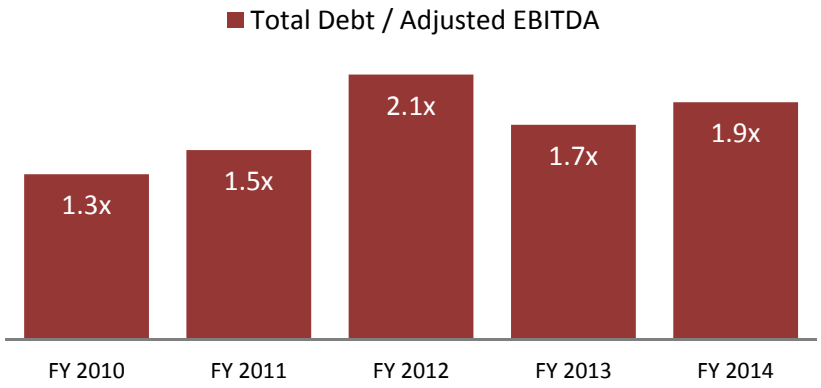
Adjusted EBITDA / Interest Expense



Capital expenditure trends ($ millions)



Total Debt / Adjusted EBITDA



TRANSFORMATIONAL GROWTH
OPTIMIZING PERFORMANCE

Financing Overview

(as of May 31, 2014)

- Locked in attractive long-term debt financing to fund growth
- Cash position is $190 mm and will be used to pay down $100 mm notes due in December

	Drawn	Available	Rate
$425 mm 2017 Revolver	$0.0	$425.0	0.00%
$100 mm 2015 Receivable Securitization	$0.0	$100.0	0.00%
$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%
$250 mm 2026 Bonds [1]	$250.0	-	4.55%
Other Debt	$5.9	-	2.43%
Total	$655.9	$525.0	

[1] Notes issued 04/15/14

Steel Processing

WHO WE ARE TODAY

- One of the largest processors of flat-rolled steel and a leader in specialty galvanized and cold rolled carbon markets
- Top 5 purchaser of flat rolled steel in the U.S.
- Market leading price risk management and hedging capabilities
- Leader in large program management for OEMs



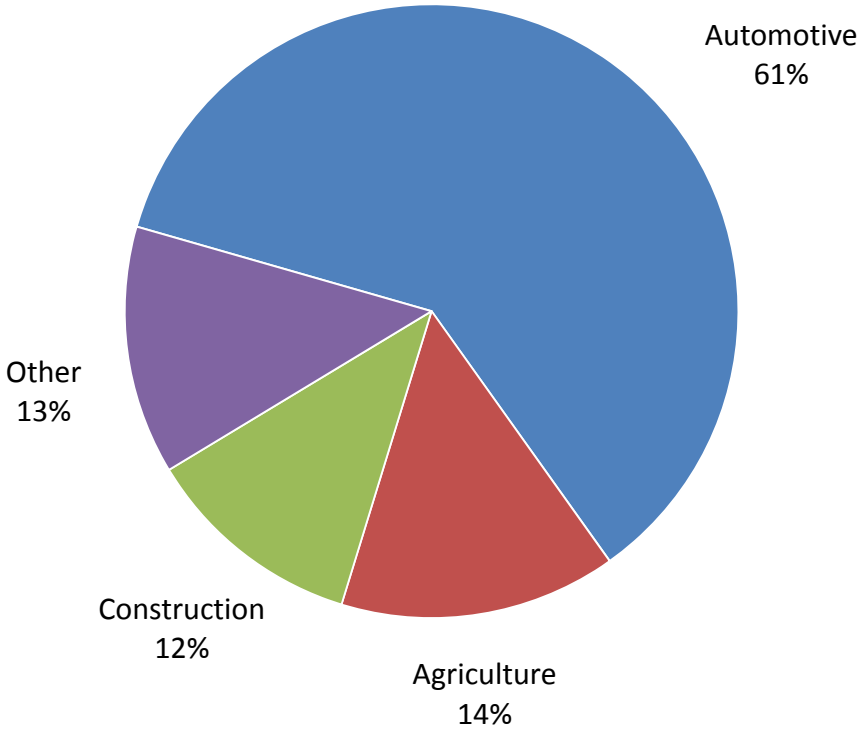
GROWTH STRATEGY

- Transformation driving improved operational, commercial and supply chain efficiency
- Focused on growth in higher margin niches and higher growth markets

Steel Processing– Direct Sales by Segment

FY 2014 – Excluding TWB

DIRECT SALES BY SEGMENT



EXAMPLE END-MARKETS







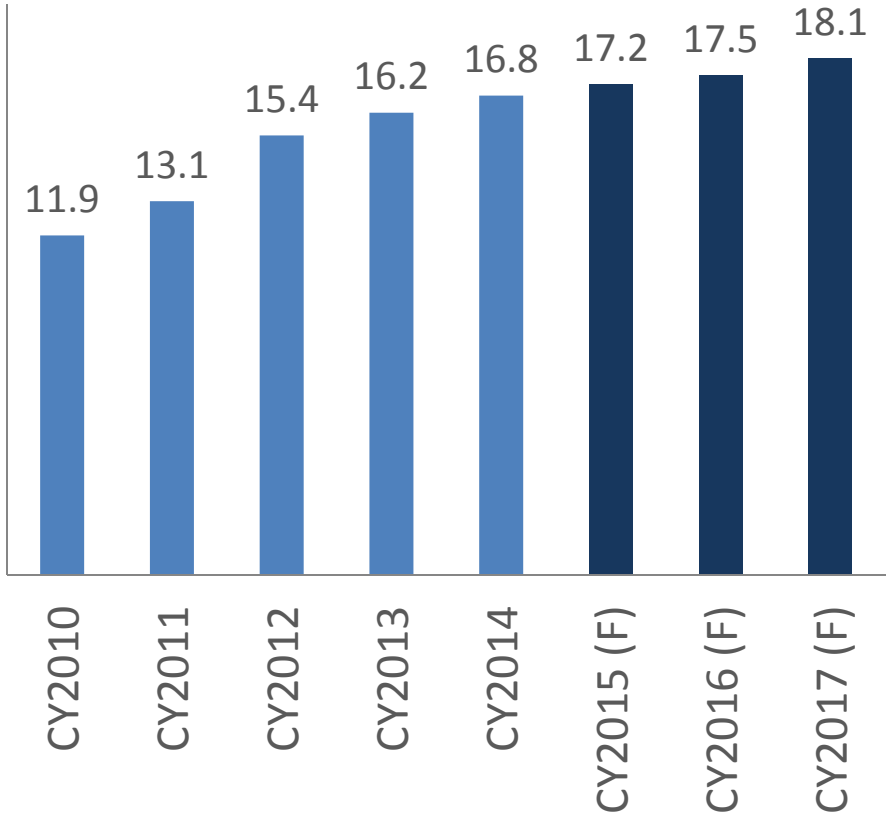


TRANSFORMATIONAL GROWTH
OPTIMIZING PERFORMANCE

Automotive Industry Dynamics

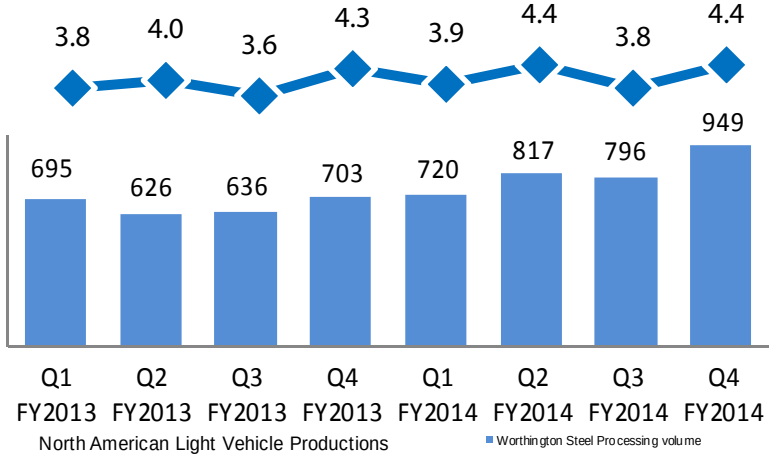
NORTH AMERICAN LIGHT VEHICLE PRODUCTION FORECAST

(vehicles produced in millions)



Source: IHS Global

VOLUME AND AUTOMOTIVE PRODUCTION



(tons shipped in thousands; vehicles produced in millions)

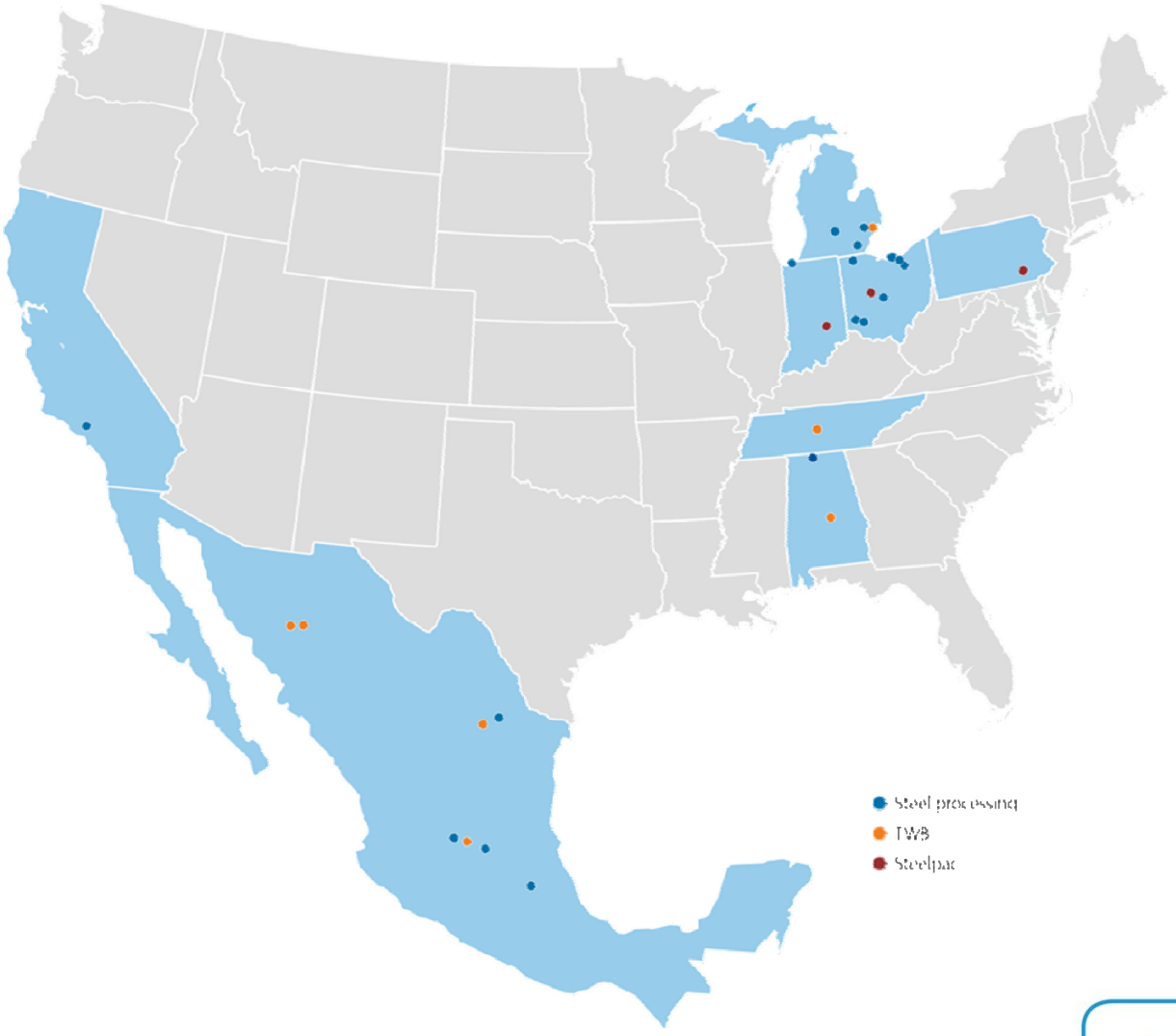
- ✓ Worthington's Steel Processing segment generates approximately half of its net sales from the automotive sector
- ✓ Exposure to Detroit Three as well as "New Domestics"(1)
- ✓ Increased auto sales and further re-stocking of the automotive supply chain could provide further growth opportunities

Source: Company filings and WI Auto Production Report.

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

TRANSFORMATIONAL GROWTH
OPTIMIZING PERFORMANCE

Steel Processing: Locations



Steel Processing
Decatur, AL
Los Angeles, CA
Porter, IN
Monroe, MI
Taylor, MI
Jackson, MI
Canton, MI
Cleveland, OH
Columbus, OH
Cuyahoga Heights, OH
Delta, OH
Middletown, OH
Monroe, OH
Twinsburg, OH
Leon, Mexico
Monterrey, Mexico
Queretaro, Mexico

TWB
Prattville, AL
Monroe, MI
Smyrna, TN
Ramos Arizpe, Mexico
Hermosillo, Mexico
Silao, Mexico
Puebla, Mexico

Steelpac
Greenburg, IN
N. Lewisburg, OH
York, PA

Steel Processing: Financials

($ millions)	FY2012	FY2013	FY2014
Sales	$1,599	$1,463	$1,936
Adj. EBITDA*	$89	$90	$138
*% of sales**	*5.5%*	*6.2%*	*7.1%*
Operating Income	$74	$68	$119
% of sales	*4.6%*	*4.7%*	*6.1%*
Capital Expenditures	$10	$8	$17
Avg Invested Capital	$537	$493	$497
ROIC (Adj. EBIT/Avg. Inv. Cap.)	11.5%	13.1%	21.2%
Volume (000s tons)	2,898	2,659	3,282

*EBITDA & EBIT adjusted for noncontrolling interest

Note: Data restated to include our Steel Packaging operating segment, which was realigned under our Steel Processing operating segment in the first quarter of Fiscal 2014.

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

- Transformation driving improved operational, commercial & supply chain efficiency
- Acquisitions into new products & new markets
- Product innovation and brand extension to drive organic growth and market share gains

Pressure Cylinders

ENERGY

Custom solutions for energy storage, processing and transportation

PRODUCTS

Oil & Gas well head equipment, nuclear storage and transport equipment



RETAIL

Market-leading brands with products for home, party decorating, construction/repair, grilling and outdoor leisure activities

PRODUCTS

Gas Grill – 20lb LPG, Camping- 16oz LPG, Hand Torch Cylinders, Hand-held Torches, Solder, Helium Kits

WORTHINGTON SINCE 1955 · BERNZOMATIC · Coleman · Balloon time

ALTERNATIVE FUELS

Clean Vehicle Fuel Storage & Transportation

PRODUCTS

Type I Steel and Type II & III Composite Cylinders
ASME Motor Fuel Tanks



INDUSTRIAL

Broad line of steel, aluminum and composite pressure cylinders, storage tanks and specialty components for industrial and commercial use

PRODUCTS

LPG Gas Tanks, Industrial Gas tanks, Specialty Tanks, Refrigerant, Cryogenic Liquid Cylinders



Sales by Segment



Pressure Cylinders: Acquisitions

Cylinders will continue to grow through acquisitions - 11 in last 5 years for $420 million thru 03/31/2014

2003



Products:

- LPG
- Industrial Gas (IGAS)
- Refrigerant
- Balloon time

Retail SBU Established

2004-05



Retail:

- Hand torch 7 camping gas lines acquired

IGAS:

- Expanded hand torch to torch OEMs

2006-08

Retail:

- Launched WPG brand and torch line

Alt-Fuels SBU Established

2009-10

SCI Global/Europe

IGAS:

- Acquired aluminum HP: Hy-Mark & Piper

ALT Fuel:

- Acquired composite tanks: SCI

2011

Bernzomatic, Coleman, STAKO

Retail:

- Acquired BernzOmatic
- Acquired Coleman cylinder business

ALT Fuel:

- Acquired LPG/CNG: STAKO

Energy SBU Established

2012-13

Palmer, Westerman Companies

Energy:

- Acquired Oil & Gas, Nuclear, Fiberglass products: Westerman & Palmer

2014

ARITAŞ, Steffes Corporation

ALT Fuel:

- Acquired CRYO & LNG – Aritas

Energy:

- Acquired Oil & Gas Tanks - Steffes

Energy

Alt-Fuels

Retail

Industrial

Net Sales	$322M	$329M	$408M	$579M	$537M	$592M	$770M	$859	$928

Worthington Delivers Natural Gas

Energy Production & Storage

Gas Processing Units
Heater Treaters & Separators





Oil & Gas Storage Tanks



Cryogenic Storage Tanks

Transportation/ Distribution

Cryogenic Transport Trailers





Regasification Systems



Cryogenic Marine Fuel Tanks

Consumption

CNG, LPG & LNG
Fuel Tanks



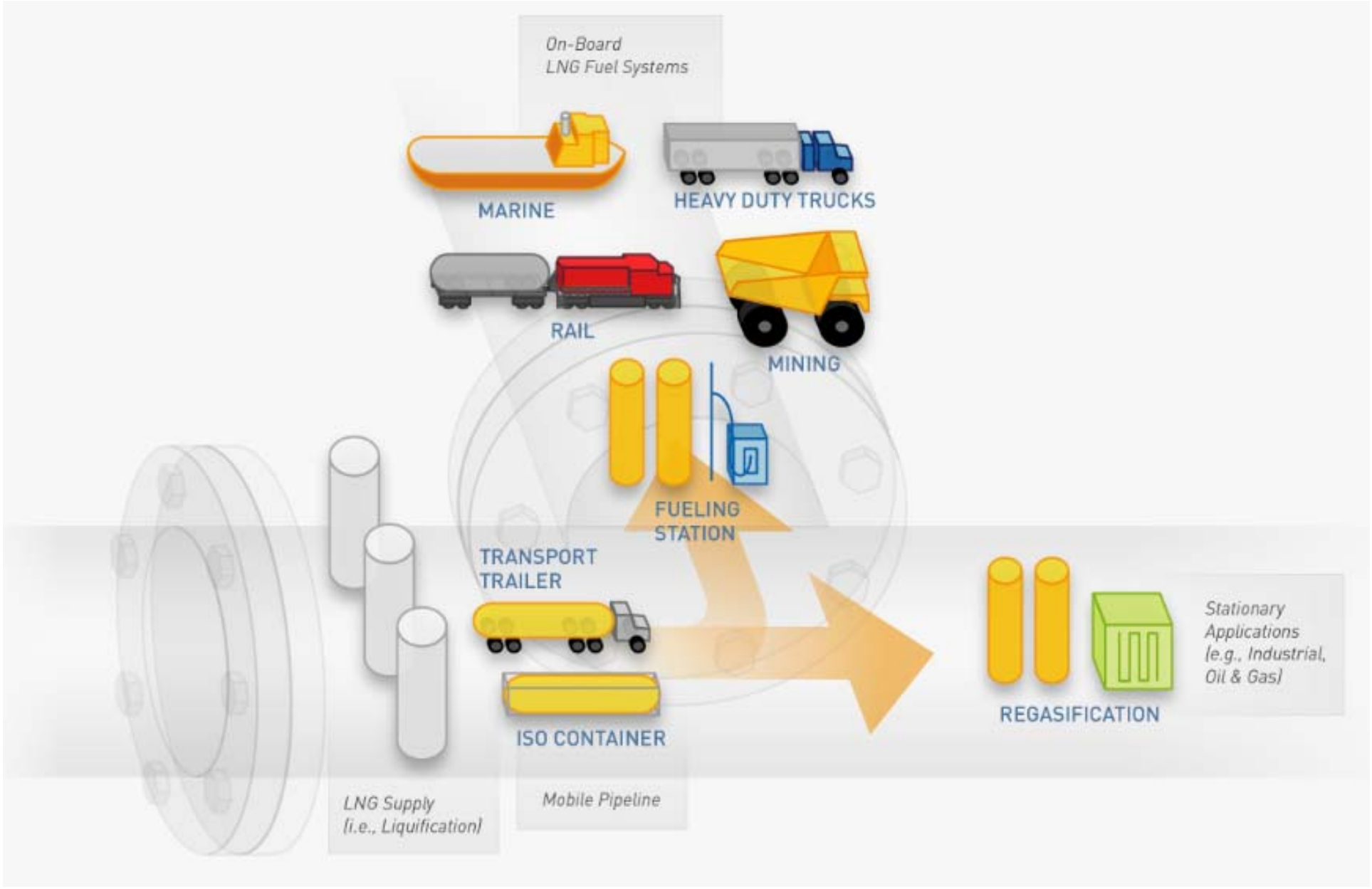
Portable Propane Fuel



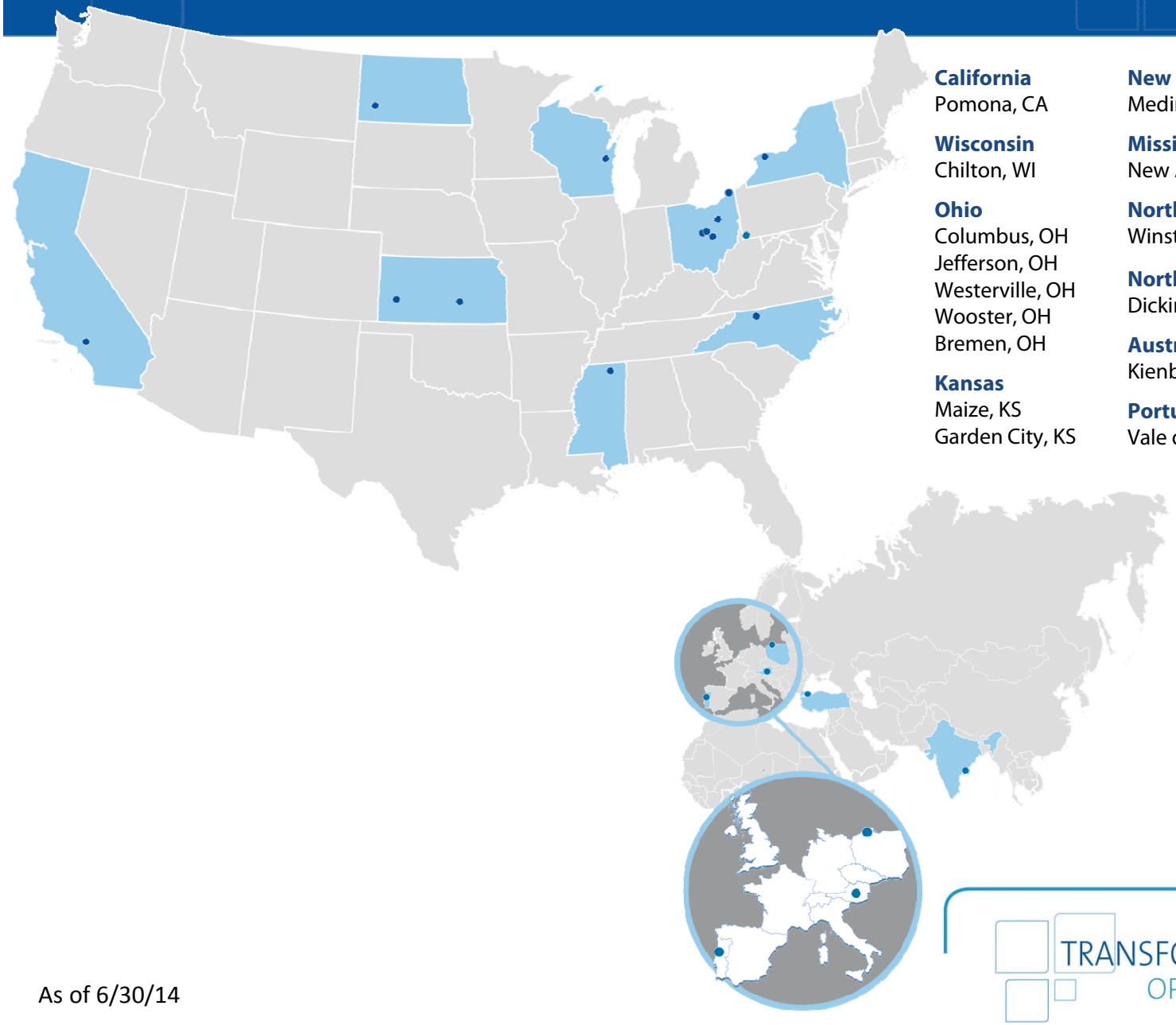
Hand Torches



Cryogenic Opportunities Across Mobile Pipeline



Pressure Cylinders: Locations



California
Pomona, CA

Wisconsin
Chilton, WI

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

Kansas
Maize, KS
Garden City, KS

New York
Medina, NY

Mississippi
New Albany, MS

North Carolina
Winston-Salem, NC

North Dakota
Dickinson, ND

Austria
Kienberg

Portugal
Vale de Cambra

Poland
Slupsk x2

Turkey
Istanbul

India (JV)
Visakhapatnam

As of 6/30/14

Pressure Cylinders: Financials

($ millions)	FY2012**	FY2013**	FY2014
Sales	$770	$859	$928
Adj. EBITDA*	$66	$106	$128
*% of sales**	*8.5%*	*12.3%*	*13.7%*
Operating Income	$45	$66	$67 [(1)]
% of sales	*5.9%*	*7.6%*	*7.2%*
Capital Expenditures	$8	$13	$32
Avg Invested Capital	$433	$504	$603
ROIC (Adj. EBIT/Avg. Inv. Cap.)	10.5%	15.6%	15.9%
Volume (000s units)	71,777	82,189	84,564

*EBITDA & EBIT adjusted for noncontrolling interest

** FY2012 includes $9.7 mm and FY2013 includes $2.6 mm from cost of propylene cylinder recall

(1) FY2014 adjusted to exclude trade name write off of $11.6M

Engineered Cabs

WHO WE ARE TODAY

- Leading independent designer and manufacturer of custom-engineered operator cabs for heavy mobile equipment
- Long-standing partnerships with blue-chip customers serving construction, agriculture and mining
- Strategically located in South Dakota, Tennessee and South Carolina near key customer manufacturing locations
- Engineering and multi-year manufacturing based recurring revenue model

EXAMPLE PRODUCTS







Engineered Cabs: Market Trends



Construction ↑

Product Applications

Articulated dump trucks, compactors, cranes, excavators, boom forklifts, wheel loaders



Agriculture ↔ ↓

Product Applications

Combines, windrowers, pickers, row crop tractors, compact tractors



Mining ↓

Product Applications

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



Forestry ↑

Product Applications

Feller bunchers, log loaders, log skidders (track & wheel)



Military ↓ ↓

Product Applications

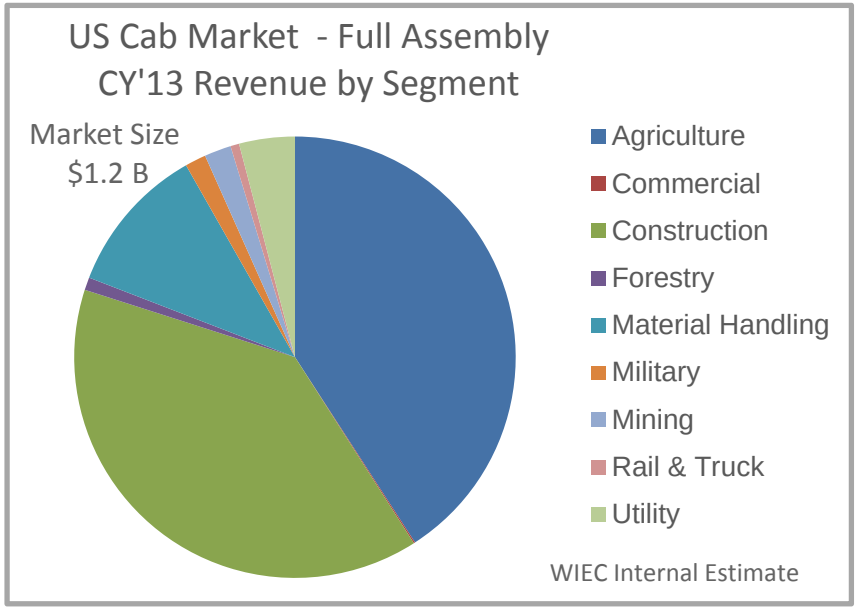
Transport plane loaders, munitions and container handlers, backhoe loaders



Utility ↔

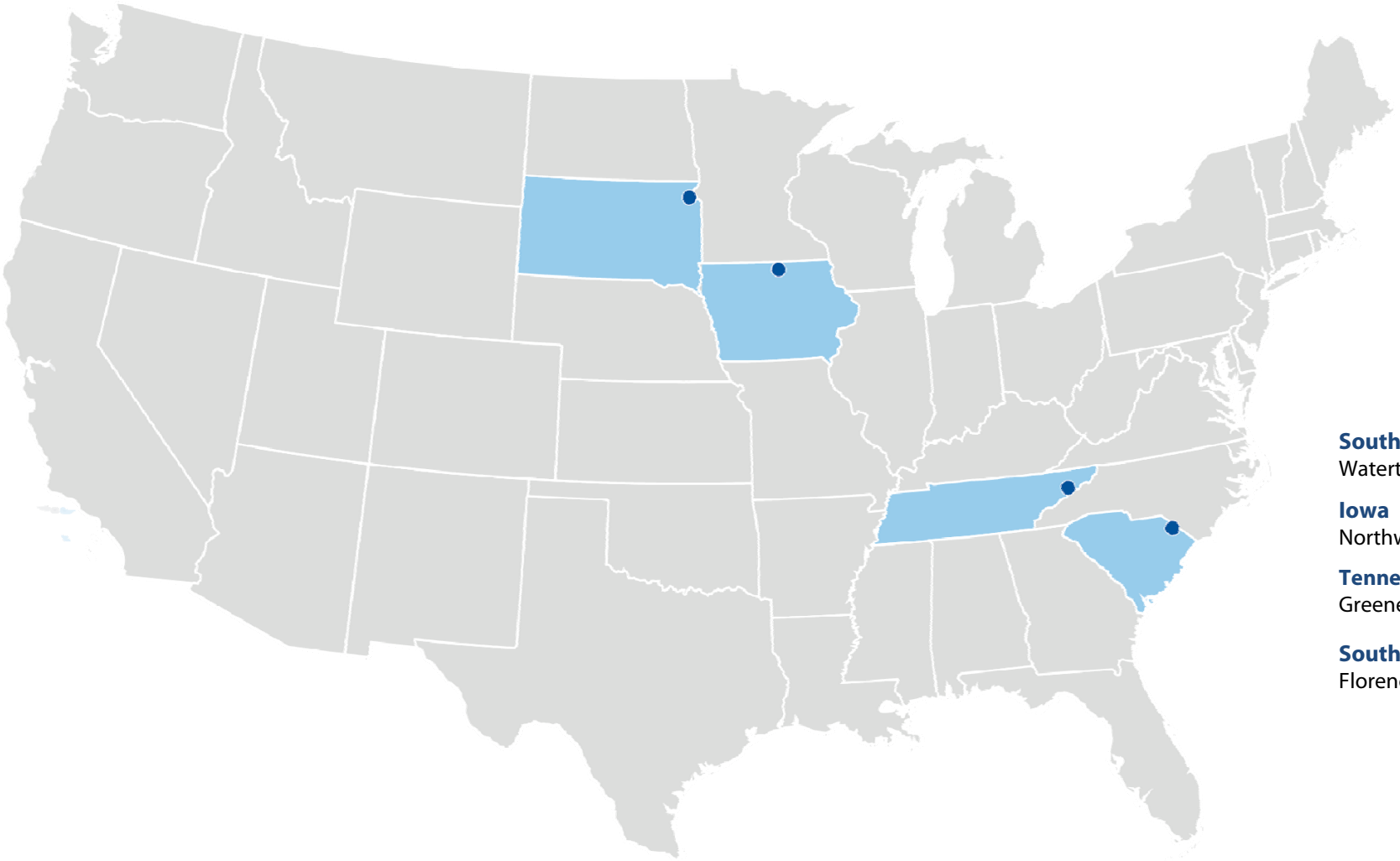
Product Applications

All terrain vehicles, snow groomers, street sweepers, yard trucks



Construction is recovering from market lows. Despite mining improvement, large mining equipment business remains extremely weak. Forestry, considered a leading market indicator, is growing dramatically.

Engineered Cabs: Locations



South Dakota
Watertown, SD

Iowa
Northwood, IA

Tennessee
Greeneville, TN

South Carolina
Florence, SC

Engineered Cabs: Financials

($ millions)	5M FY2012	FY2013	FY2014
Sales	$104	$226	$201
Adj. EBITDA	$8	$13	$3
% of sales	*8.1%*	*5.9%*	*1.3%*
Operating Income	$5	$4	($7) [1]
% of sales	*4.7%*	*1.8%*	*-3.7%*
Capital Expenditures	$5	$6	$10
Avg Invested Capital	$174	$175	$167
ROIC (Adj. EBIT/Avg. Inv. Cap.)	2.8%	2.4%	-4.4%

(1) FY2014 adjusted to exclude trade name write off of $19.1M.

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
- Two largest (WAVE and ClarkDietrich) are market leaders with strong free cash flow

	Business	Ownership	Created
WAVE	Architectual and acoustical grid ceilings	50%	1993
ClarkDietrich	Metal framing for commercial construction	25%	2011
Serviacero	Steel processing in Mexico	50%	2005
ArtiFlex	Automotive tooling and stamping	50%	2011





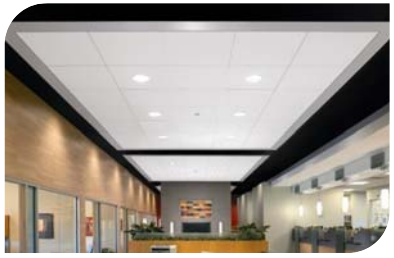
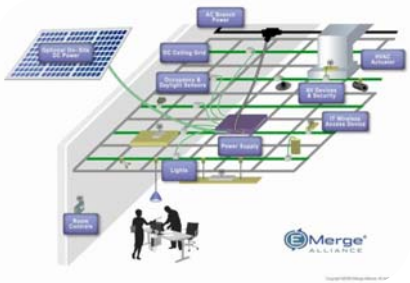
WAVE

WHO WE ARE TODAY

- Worldwide leader in suspension ceiling systems
- Products marketed primarily through Armstrong brand
- Significant portion of sales to renovation markets

GROWTH OPPORTUNITIES

- Emerging market expansion
- Innovation through ceiling solutions

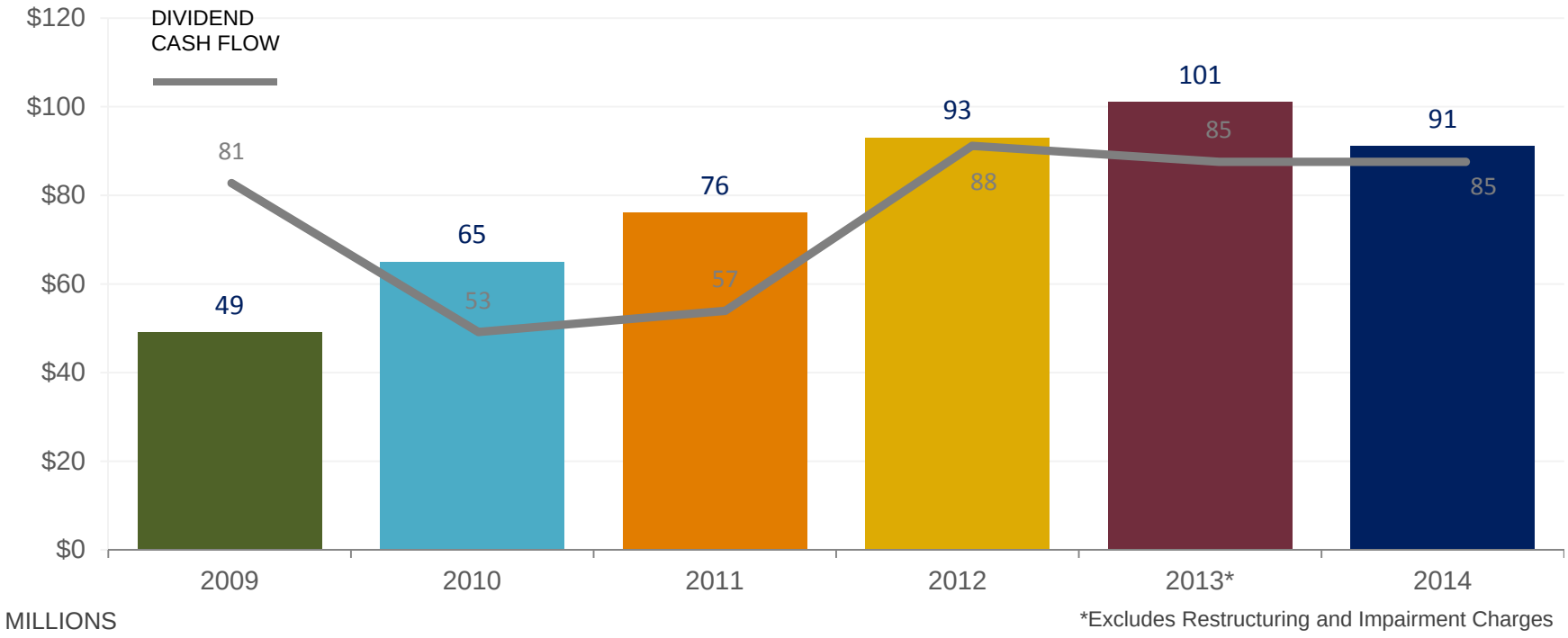
GROWTH FROM PRODUCT INNOVATION		
Drywall Grid	**Drywall Grid is a ceiling solution that provides for speedy construction and labor saving for the installer**	
Axiom	**An adjacent ceiling solution that creates "open ceiling" space and is aesthetically pleasing**	
DC Flexzone	**Safe, low voltage DC power delivered to lighting fixtures, sensors and other electrical devices**	

Key Joint Venture Earnings

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

Worthington's Joint Venture Earnings Are Growing

Joint ventures are strong contributors to the Company's pre-tax income and free cash flow.



Note: 2014 only represents two months of equity income for TWB because as of July 31, 2013 our ownership percentage increased to 55% from 45% and financials are now consolidated into Steel Processing segment. 2012 dividend cash flow excludes WAVE's special dividend of $51 million.

Key Investment Highlights

- ✓ Leading market position in key segments
- ✓ Attractive growth opportunities across the energy value chain in production and storage, transportation (LNG) and alternative fuel (CNG) markets
- ✓ Transformation driving higher margins and capital efficiency
- ✓ Product innovation effort to drive organic growth in consumer and industrial markets
- ✓ Conservative financial policy with low leverage and strong liquidity
- ✓ Strong management team with broad industry experience and proven track record of integrating acquisitions

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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.