

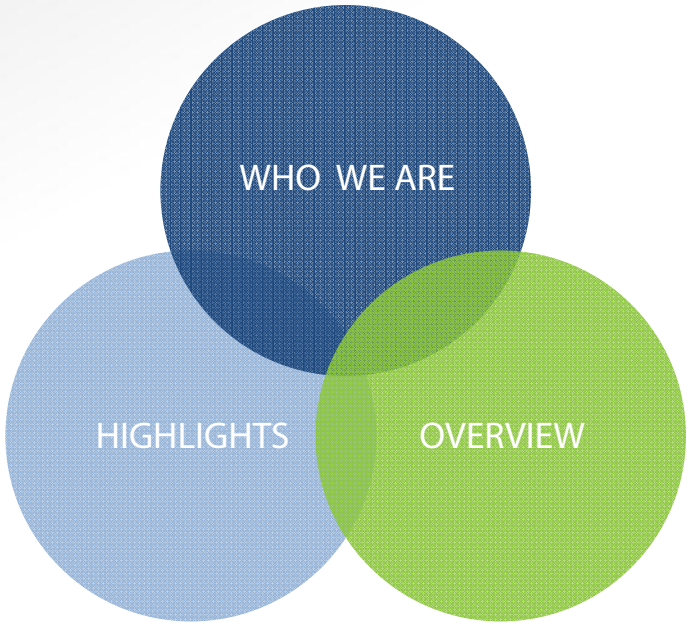
NYSE:WOR

WORTHINGTON INDUSTRIES

Becoming A Growth Company Again

Q4 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
- 83 facilities in 11 countries with 10,000 employees
- Primarily non-union facilities
- Employee, customer, supplier and investor-centered philosophy

GROWTH PERFORMANCE

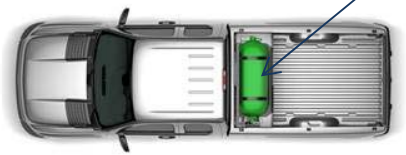
End Markets With Attractive Growth Prospects

CYLINDERS

Alternative Fuel, Energy, Industrial, Retail Products







STEEL

Automotive, Agriculture, Appliance, HVAC, Construction









ENGINEERED CABS

Agriculture, Construction, Mining, Military, Forestry









JOINT VENTURES

Construction, Automotive







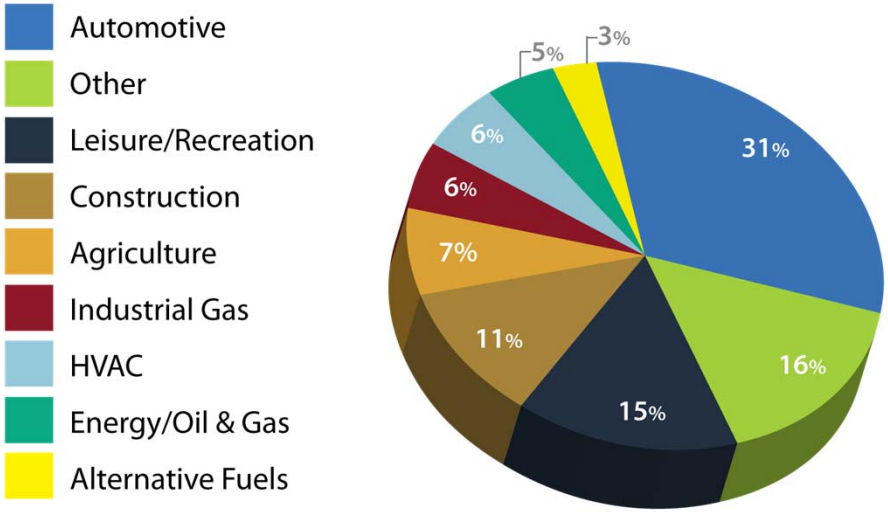


MARKETS

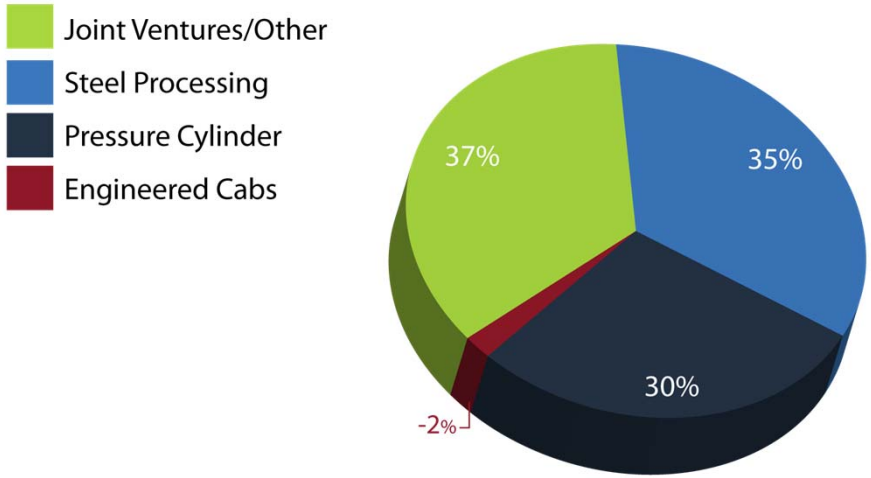
MANUFACTURING

FY 2013 Q4 Net Sales: $704 million

Q4 END-MARKETS NET SALES



Q4 OPERATING/EQUITY INCOME



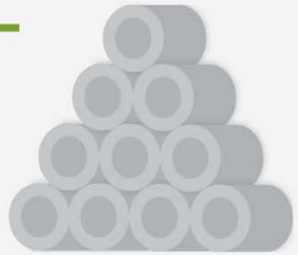
Note: Energy/Oil & Gas sales have grown 41% over last quarter and 386% versus prior year quarter.

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

NINE MILLION

OF THE 15.8 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 2013 results

MARKETS

MANUFACTURING

WORTHINGTON'S STEEL
IT'S IN YOUR TRANSMISSION

WORTHINGTON INDUSTRIES



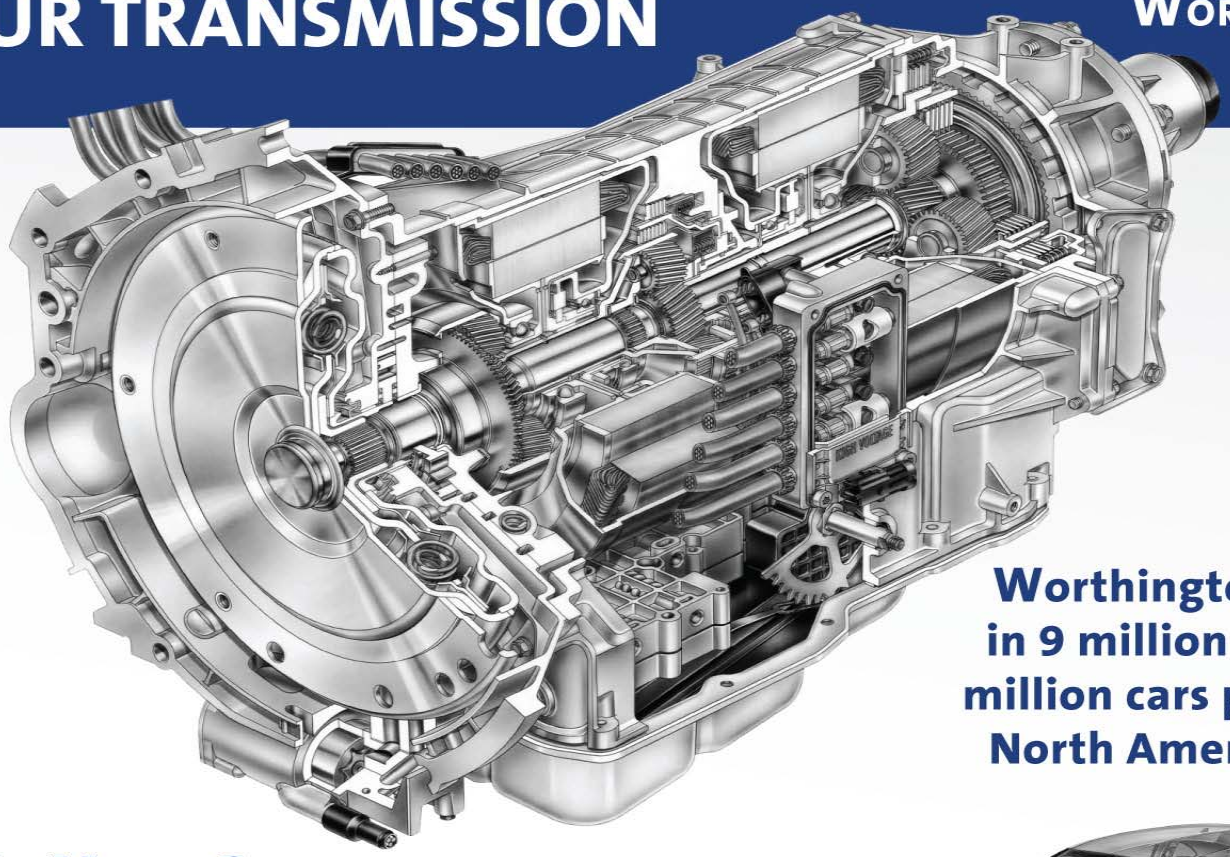
Torque Converter

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 9 million of the 15.8 million cars produced in North America in 2012

Our Steel Is In Your Car

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

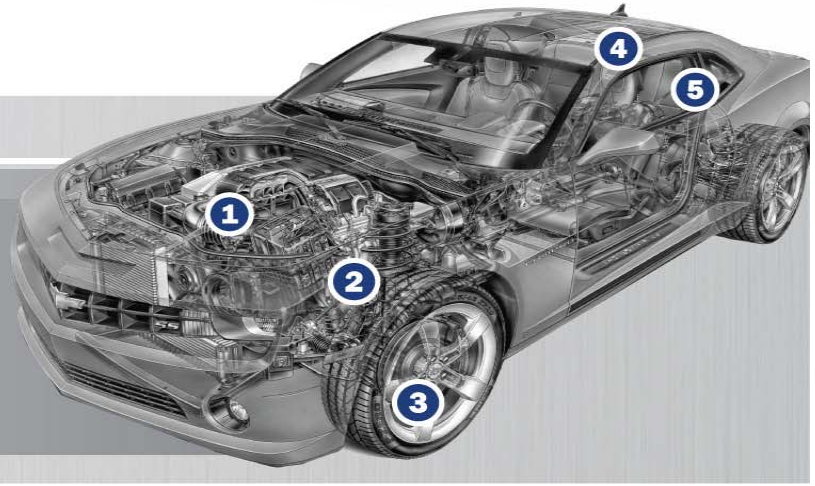






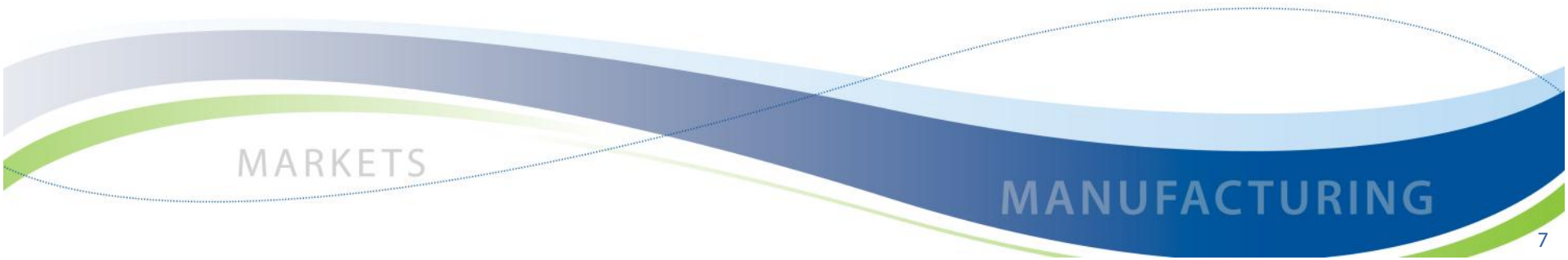






Strategy: Driving Performance, Growth & Excellence

- ✓ Centers of Excellence **improving profitability** through operations, commercial and supply chain efficiency
- ✓ Acquisition strategy **accelerating growth**
- ✓ 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



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

Fiscal 2010-2013 Highlights

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

- Over the past three years spent $585 million acquiring 12 companies
- Repurchased 13,346,668 of common shares (19% of outstanding shares) for $236.4 million with an average price of $17.71 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
- Expanded into the oil & gas production industry with two acquisitions, Westerman, located in Ohio and Palmer Mfg & Tank, located in Kansas, supplying most of the companies active in the U.S. shale formations including Marcellus, Utica, Bakken and Uinta

Consolidated Results

($ millions, except EPS)	FY2011	FY2012	FY2013
Sales	$2,443	$2,535	$2,612
Adj. EBITDA*	$250	$249	$300
% of sales	*10.2%*	*9.8%*	*11.5%*
Operating Income	$124	$102	$129
% of sales	*5.1%*	*4.0%*	*4.9%*
EPS*	$1.51	$1.71	$2.08
Avg Invested Capital	$1,060	$1,184	$1,261
ROIC (Adj. EBIT/Avg. Inv. Cap.)	17.8%	16.3%	18.6%

* EBITDA and EPS exclude restructuring gains of $3 million or $0.02 per share in FY2011, restructuring charges of $6 million or $0.06 per share in FY2012, and restructuring charges of $12 million or $0.16 per share in FY2013.

Financing Overview

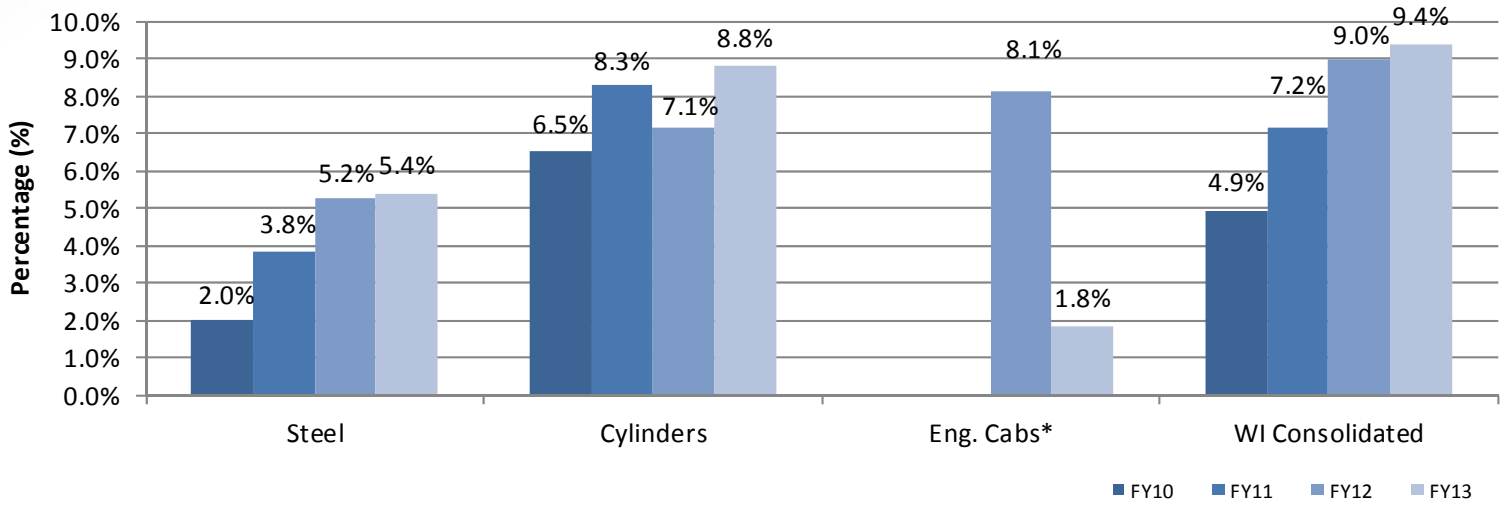
(as of May 31, 2013)

	Drawn	Available	Rate
$425 mm 2017 Revolver	$20.0	$405.0	1.44%
$100 mm 2013 Receivable Securitization	100.0	-	0.97%
$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	12.8	-	2.56%*
Total	$532.8	$405.0	

*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 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





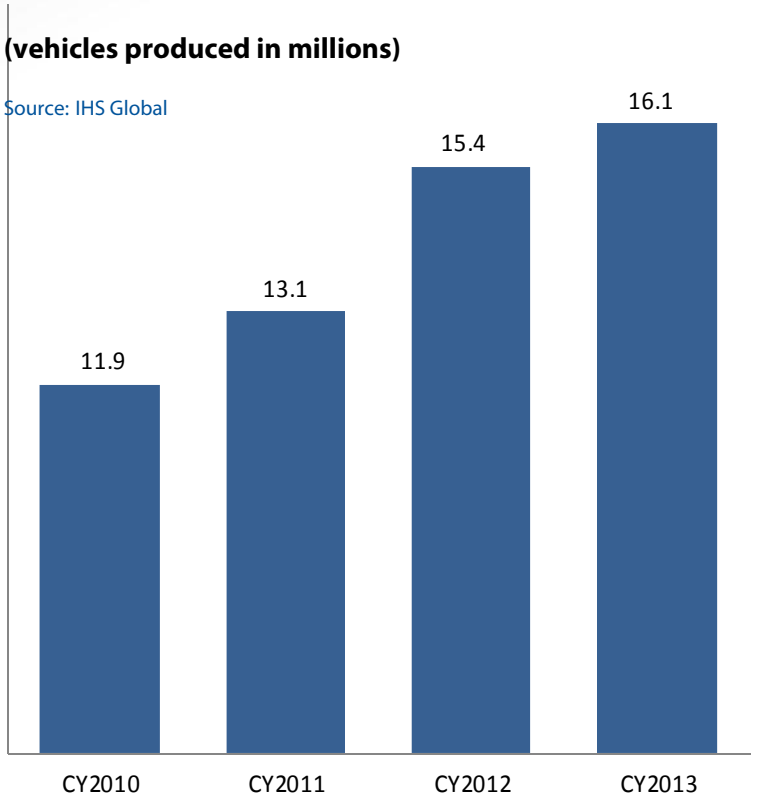




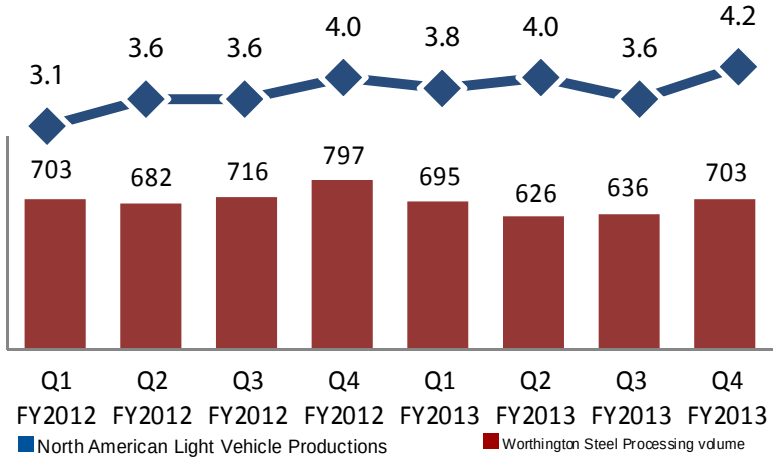


Automotive Industry Dynamics

NORTH AMERICAN LIGHT VEHICLE PRODUCTION FORECAST



VOLUME AND AUTOMOTIVE PRODUCTION

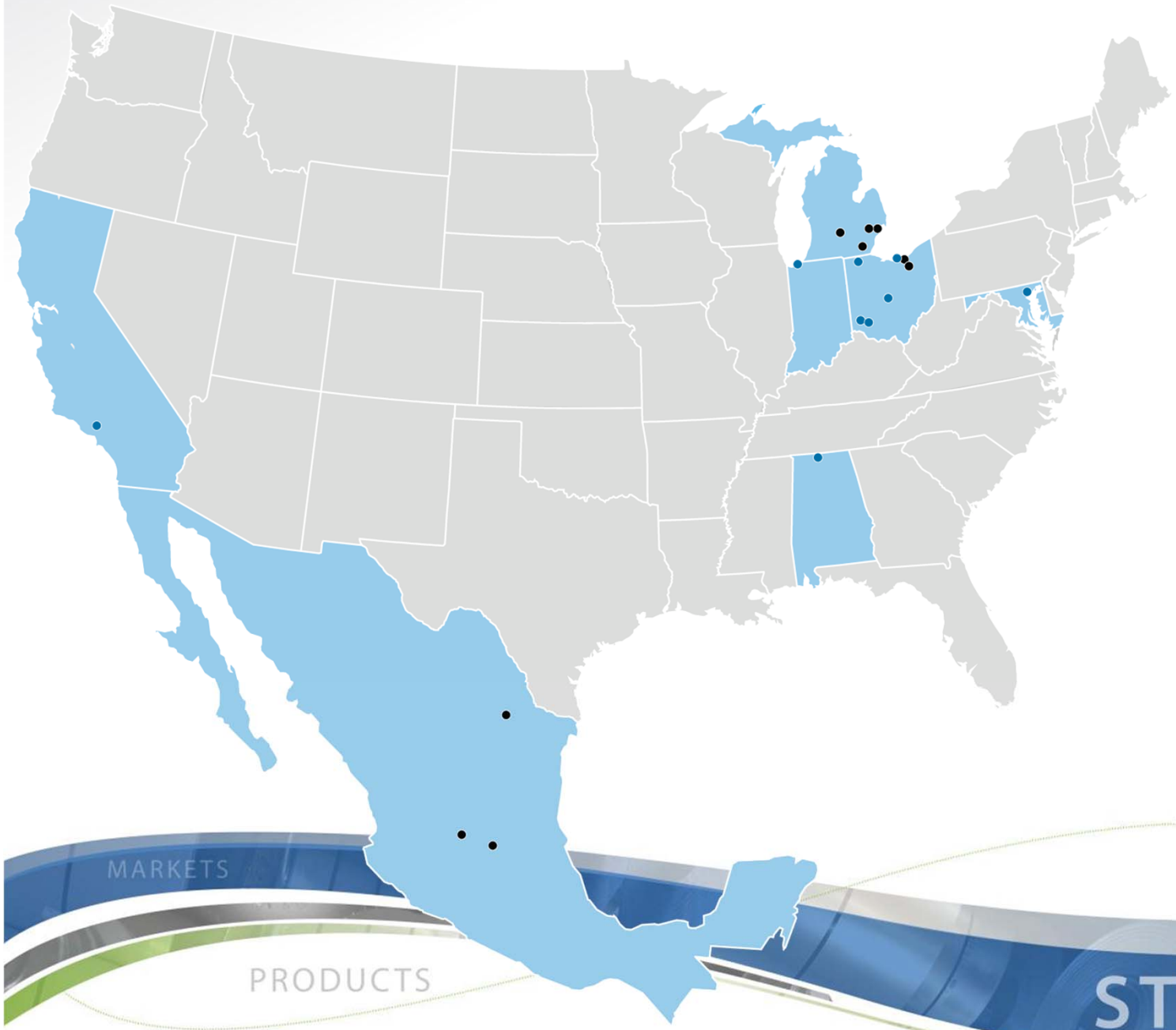


(tons shipped in thousands; vehicles produced in millions)

- ✓ 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
Taylor, MI
Jackson, MI
Monroe, MI
Canton, MI

Mexico
Queretaro, Mexico
Leon, Mexico
Monterrey, Mexico

Steel Processing

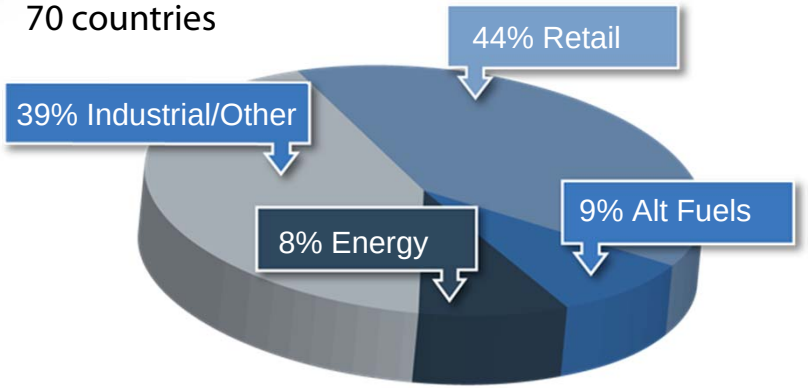
($ millions)	FY2011	FY2012	FY2013
Sales	$1,405	$1,579	$1,443
Capital Expenditures	$6	$10	$8
Adj. EBITDA*	$96	$86	$88
*% of sales**	*6.8%*	*5.5%*	*6.1%*
Operating Income	$78	$72	$66
% of sales	*5.5%*	*4.5%*	*4.6%*
Avg Invested Capital	$516	$532	$489
ROIC (Adj. EBIT/Avg. Inv. Cap.)	15.0%	13.1%	13.5%
Volume (000s tons)	2,589	2,898	2,659

*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 82 million units in FY 2013 – 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

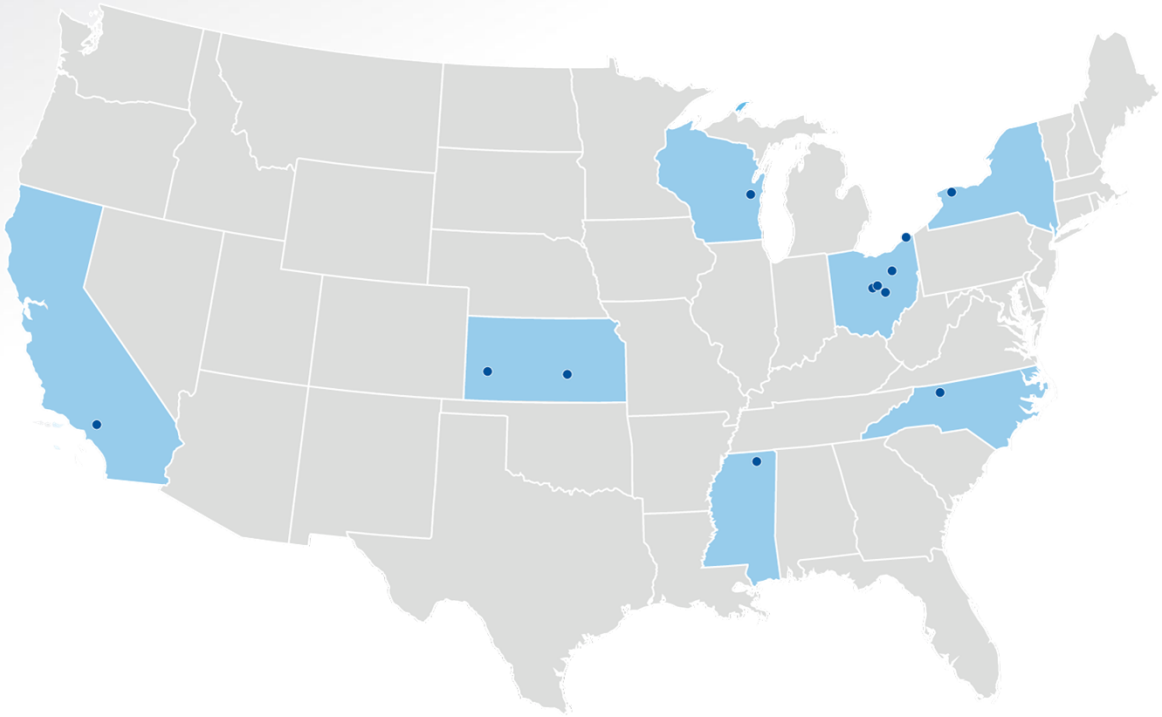


FORM CYLINDER | WELD | VALVE ASSEMBLY | TEST / FINISH | MARKET

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
Garden City, KS

New York
Medina, NY

Mississippi
New Albany, MS

North Carolina
Winston-Salem, NC

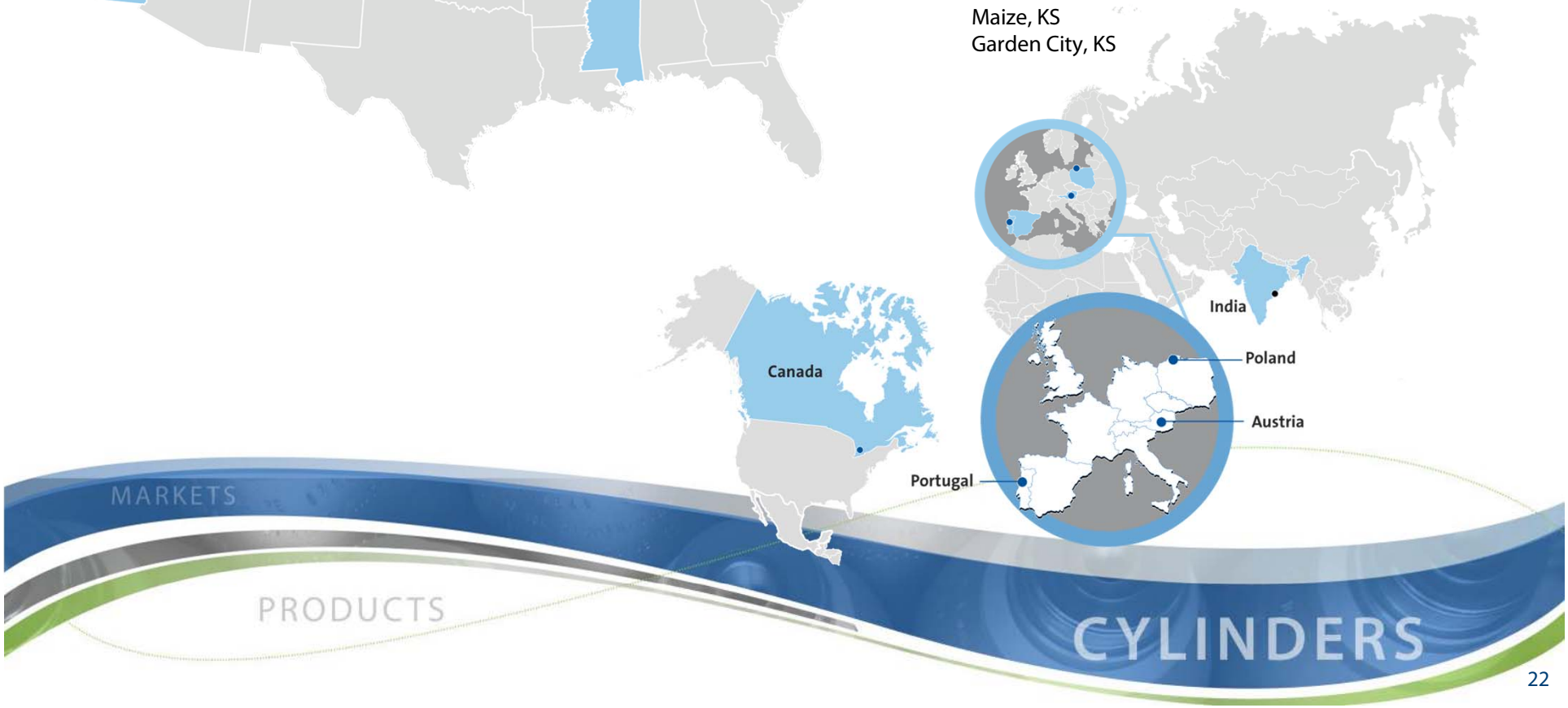
Austria
Kienberg

Portugal
Vale de Cambra

Poland
Slupsk x2

Canada
Tilbury, Ontario

India (JV)
Visakhapatnam



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

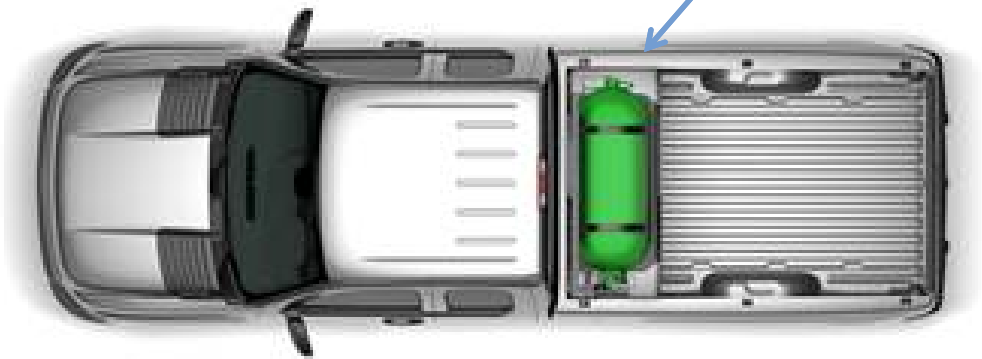
Specialty : Fire suppression and rescue, water storage tanks, ordnance and automotive/ transport components



Pressure Cylinders: Products

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

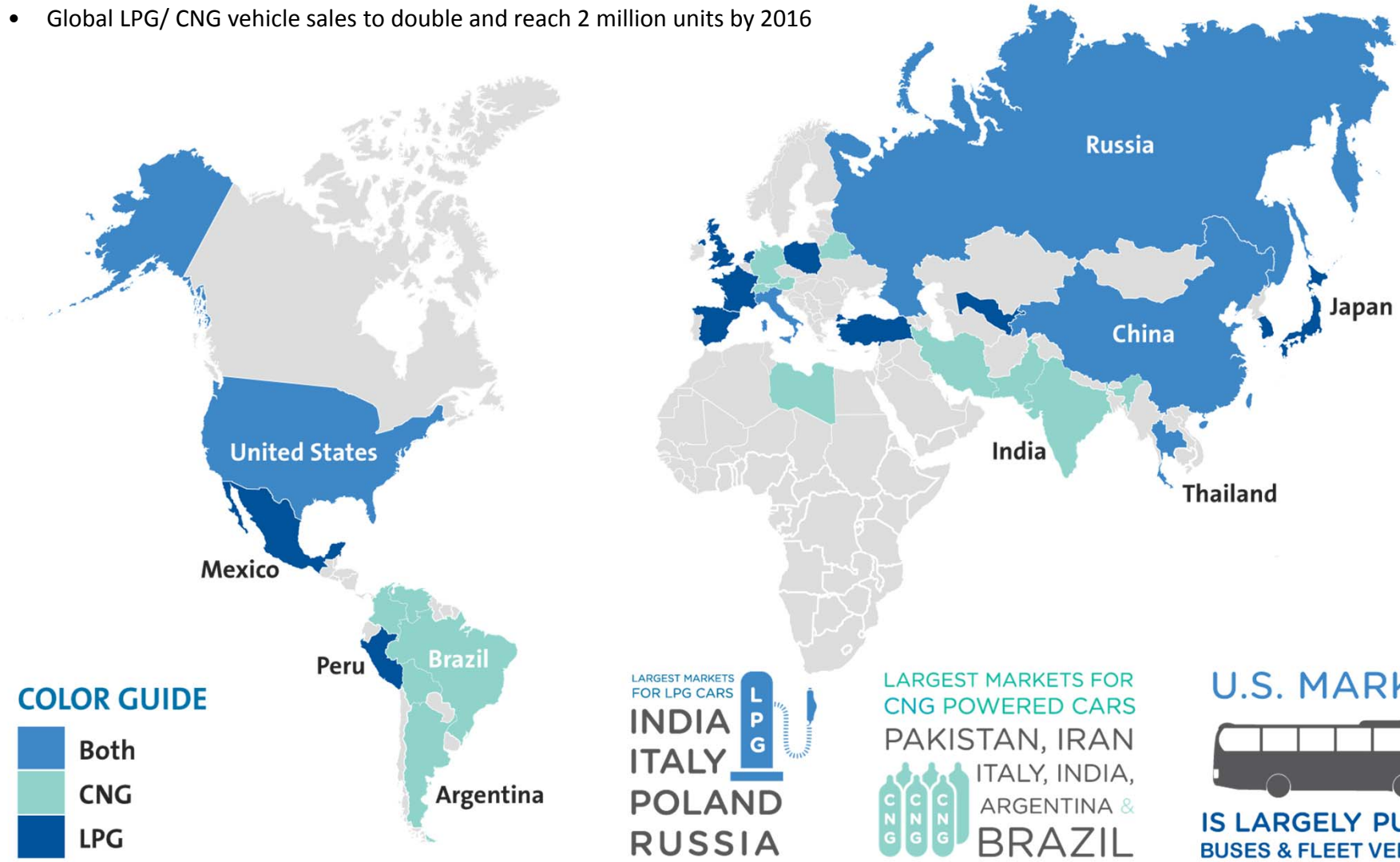
- Products include low-cost Type I (Steel), weight-critical Type III (aluminum + composite wrap), cylindrical and torodial LPG
- Supply tanks to major auto, bus, fleet OEMs and aftermarket





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: Products

Energy/Oil & Gas: Recently completed two acquisitions expanding into the gas and oil production industry:

Westerman (Sept. 2012) & Palmer Mfg. & Tank (April 2013)

- Leading manufacturers of steel and fiberglass tanks in a comprehensive range of sizes, oil and gas separators, gas production units and related wellhead equipment for oil and gas production
- Strategically located in Ohio (two locations) and the West (Garden City, KS) supplying most of the companies active in the U.S. shale formations including Marcellus, Utica, Bakken and Uinta
- Westerman is the world's largest producer of uranium hexafluoride (UF6) storage and transportation cylinders for the nuclear industry











Pressure Cylinders: Products

Adding Cryogenic Capabilities

- Organically growing industrial and alternative fuels by developing cryogenics capabilities
- Recently introduced industrial gas customers to our first ever liquid cryogenic tank prototype with regular production expected in the coming months
- Product developed through new Worthington Innovation process based on improved user experience and lowering total cost of ownership
- Similar natural gas cryogenic products in the development pipeline



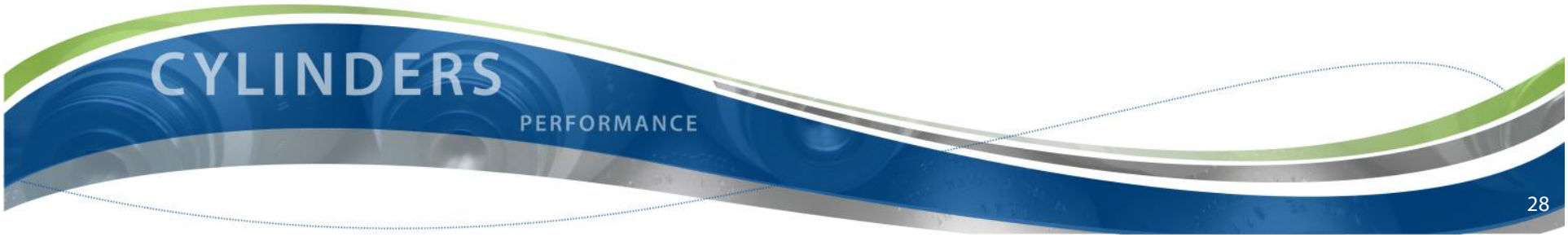
CYLINDERS
PERFORMANCE

Pressure Cylinders: Acquisitions

Cylinders will continue to grow through acquisitions - 9 in last 3 ½ years for $356 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	$21	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
Palmer	4/9/2013	$114	Energy/Oil & Gas

Alternative Fuels Retail Industrial Energy/Oil & Gas

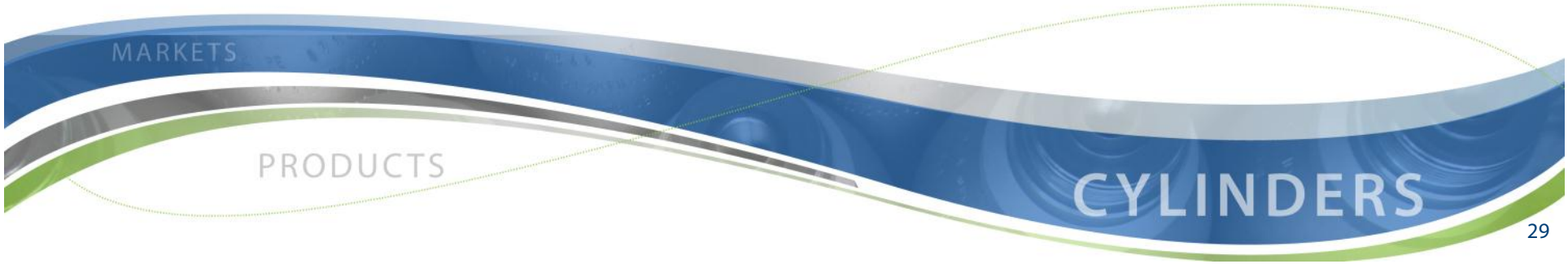


Pressure Cylinders

($ millions)	FY2011	FY2012**	FY2013**
Sales	$592	$770	$859
Capital Expenditures	$10	$8	$13
Adj. EBITDA*	$64	$66	$106
*% of sales**	*10.8%*	*8.5%*	*12.3%*
Operating Income	$49	$45	$66
% of sales	*8.3%*	*5.9%*	*7.6%*
Avg Invested Capital	$302	$433	$504
ROIC (Adj. EBIT/Avg. Inv. Cap.)	16.2%	10.4%	15.0%
Volume (000s units)	59,037	71,777	82,189

*EBITDA adjusted for noncontrolling interest

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



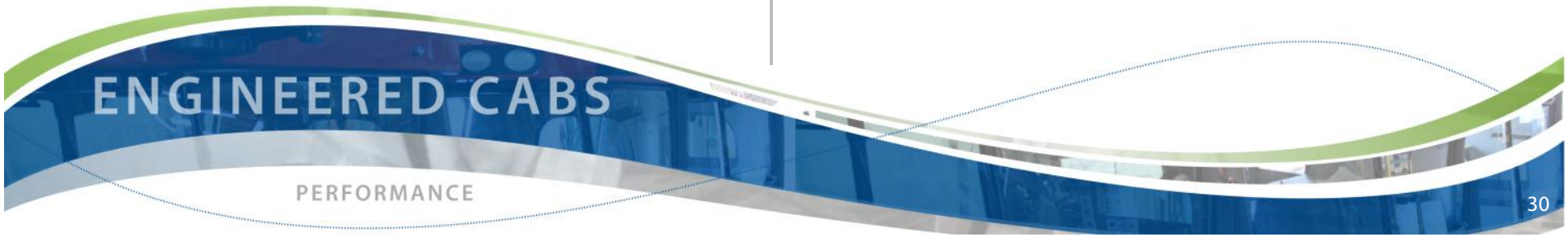
Engineered Cabs

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



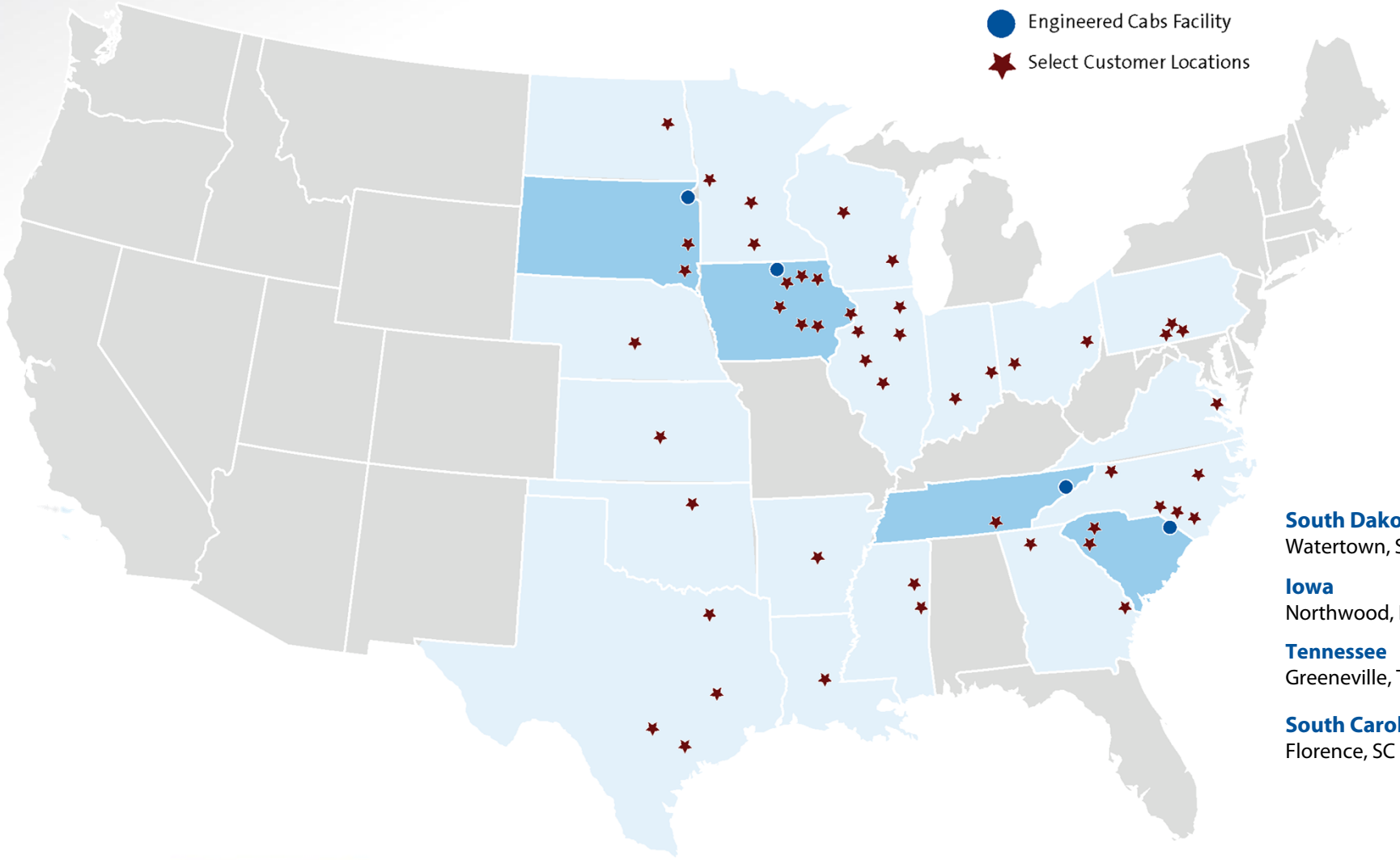








Engineered Cabs



South Dakota
Watertown, SD

Iowa
Northwood, IA

Tennessee
Greeneville, TN

South Carolina
Florence, SC

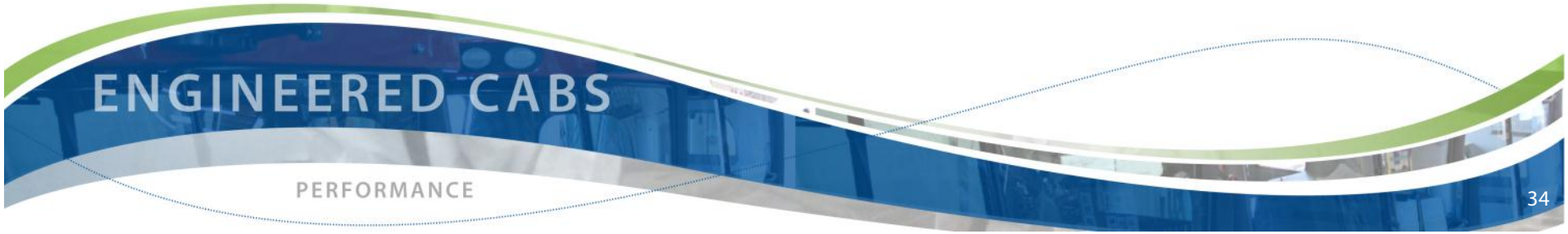
ENGINEERED CABS

PERFORMANCE

Engineered Cabs

($ millions)

	5M FY2012	12M FY2013
Sales	$104	$226
Capital Expenditures	$5	$6
Adj. EBITDA	$8	$13
% of sales	*8.1%*	*5.9%*
Operating Income	$5	$4
% of sales	*4.7%*	*1.8%*
Avg Invested Capital	$174	$177



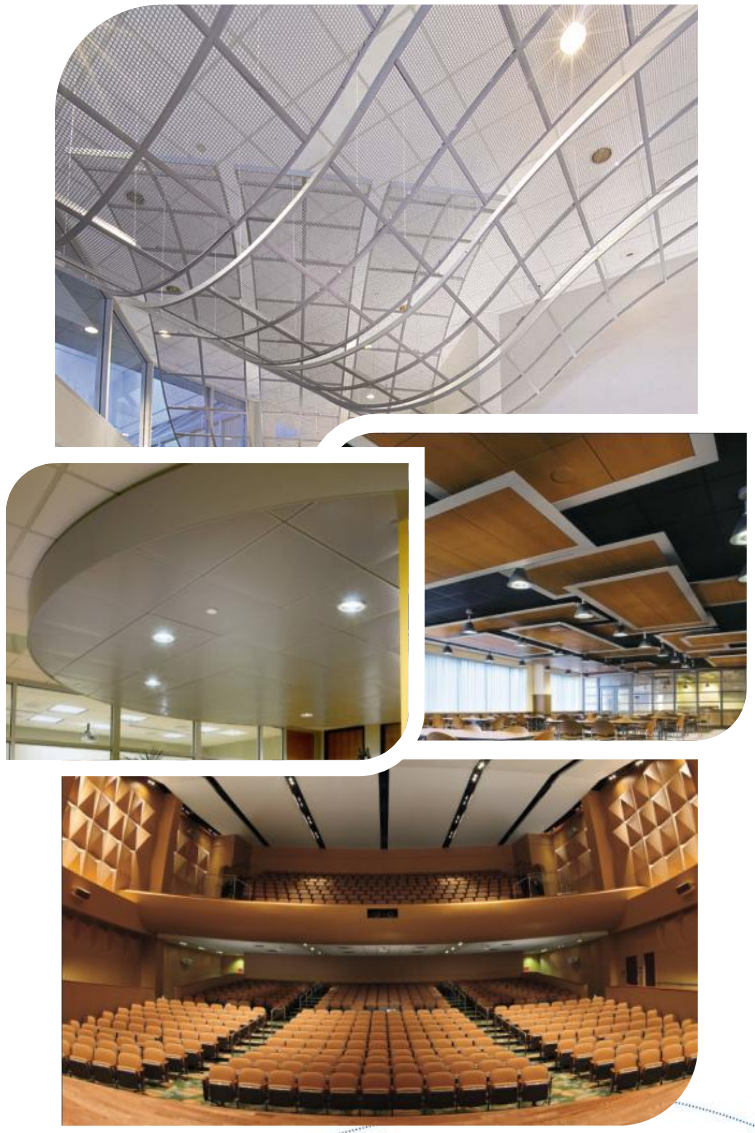
WAVE

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

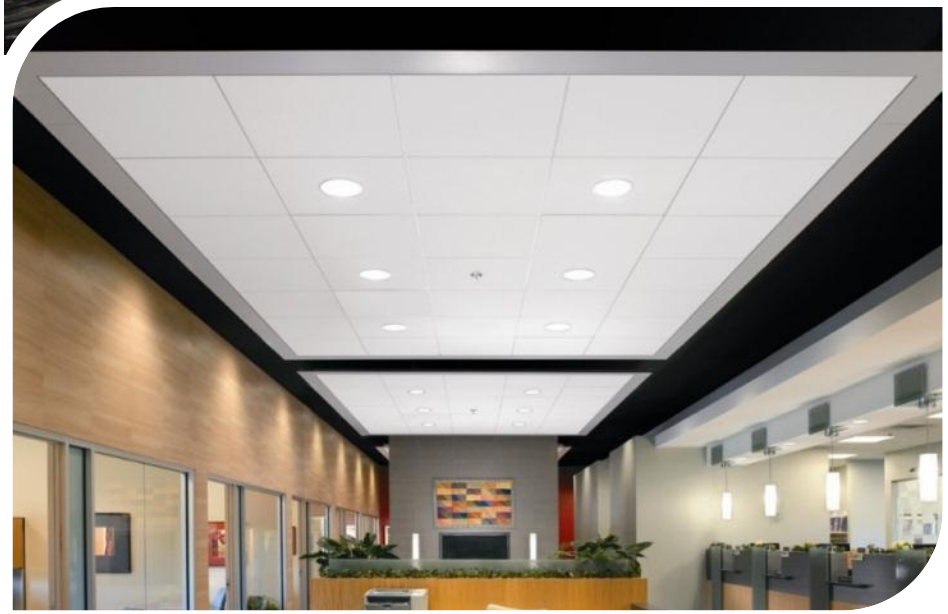
AXIOM

Adjacent Ceiling Solution

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







JOINT VENTURES

PRODUCTS

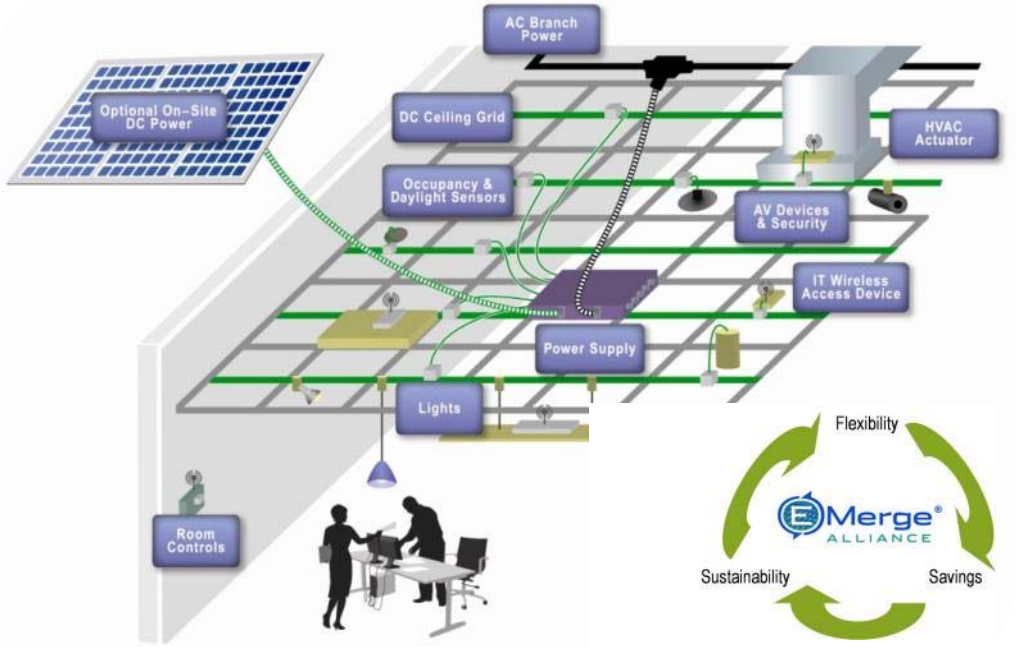
GROWTH

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

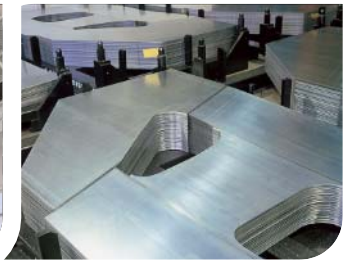
Successful Joint Ventures

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







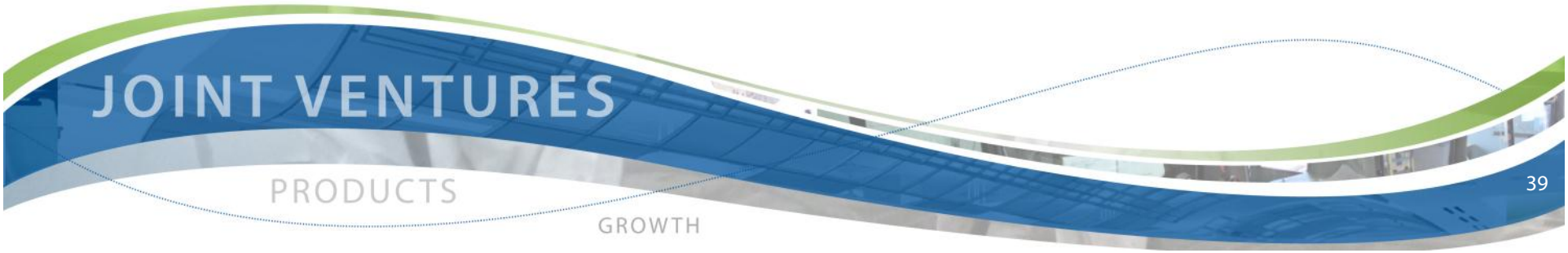
Key Joint Venture Earnings

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

Equity Income ($ millions)	FY2011	FY2012	FY2013*
WAVE (50%)	$58	$62	$67
ClarkDietrich (25%)	2	6	9
TWB (45%)	8	10	13
Other	8	15	12
Total Equity Income	$76	$93	$101

Note: percentage equals WOR share

*FY2013 adjusted for restructuring and impairment charges of $5.8 million.



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.

