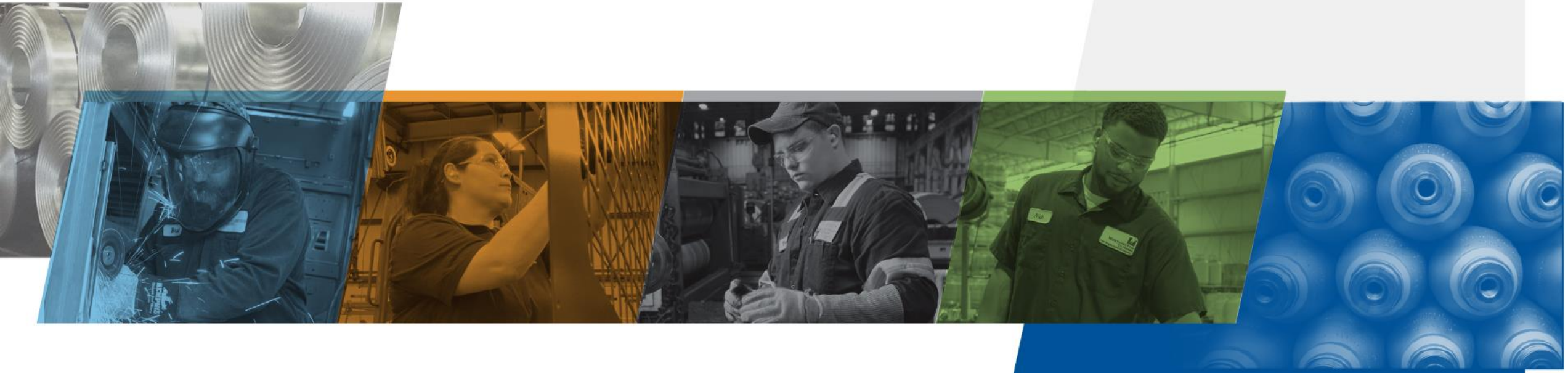


WORTHINGTON INDUSTRIES OVERVIEW

Q4 FY2016

DRIVING
TRANSFORMATIONAL
GROWTH

KEY INVESTMENT HIGHLIGHTS

We are a market leader in metals related industrial manufacturing

We have the tools in place to grow and improve margins

- ✓ Our Worthington Business System measures results and drives continuous improvement
- ✓ Innovation and Lean are accelerating success

We are growing via acquisition

- ✓ Focus on higher margin engineered products
- ✓ Experienced acquirers with proven due diligence and integration capabilities

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

- ✓ $550mm of long term debt at 5% and $600mm of available capital
- ✓ Six years of dividend increases and 30% 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
  - ✓ Alternative Fuels
  - ✓ Cryogenics
- ✓ Domestic leader in **operator cabs** for heavy equipment
- ✓ Global leader in **suspension ceiling solutions** (WAVE)
- ✓ Market-leading **joint ventures** serving construction & automotive end-markets



FY 2016 Financial Metrics:

- Sales = $2,820 million
- Adj. EBITDA = $343 million
- Free Cash Flow = $323 million
- Total Leverage = 1.7x
- 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
- 10,000 employees & 5,000 customers; 83 facilities in 11 countries
- Primarily non-union facilities
- Employee, customer, supplier and investor-centered philosophy

WORTHINGTON INDUSTRIES - GLOBAL REACH



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.



WI is the largest alternative fuel cylinder and system supplier in the world, manufacturing

400,000 UNITS

in FY2016



WAVE produced

1 BILLION LINEAR FEET

of ceiling grid in FY2016.

That's equal to **8 times around the world.**



Worthington manufactured over

26 MILLION CYLINDERS

joining alloys and accessories for industrial markets in more than

70 COUNTRIES



WI Produced over

45 MILLION

Balloon Time, Coleman, BernzOmatic and Worthington branded **consumer products for jobsite, home and outdoor activities.**



Based on FY2016 results

WORTHINGTON'S STEEL

IS IN YOUR CAR!



1 WHEELS



2 ROOF BEAM



3 TORQUE CONVERTER



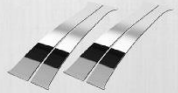
4 CLUTCH PLATES



5 BEARINGS



6 SHOCK TOWERS



7 PILLARS



8 CROSS MEMBERS



9 BODY PANELS



WORTHINGTON INDUSTRIES

NAFTA BUILT AUTOMATIC TRANSMISSIONS I RISE OF THE 8 -10 SPEED

Rise of the 8-10 speed increases demand for our steel

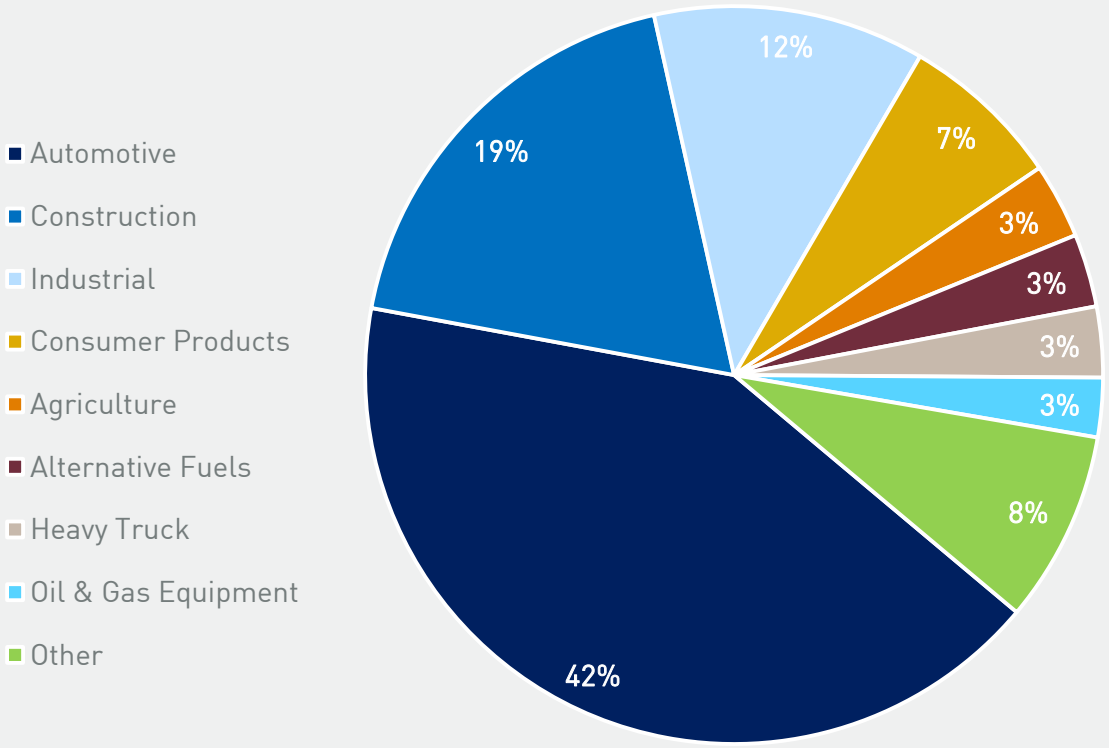


STEEL	COLD ROLLED STRIP STEEL POUNDS PER TRANSMISSION
4 SPEED	20 LBS.
5 SPEED	20 LBS.
6 SPEED	25 LBS.
8-10 SPEED	35-40 LBS.

FY 2016 Q4 NET SALES: $869.5 MILLION (INCLUDING JV OWNERSHIP %)

Operating/Equity Income: $ 88.2 million

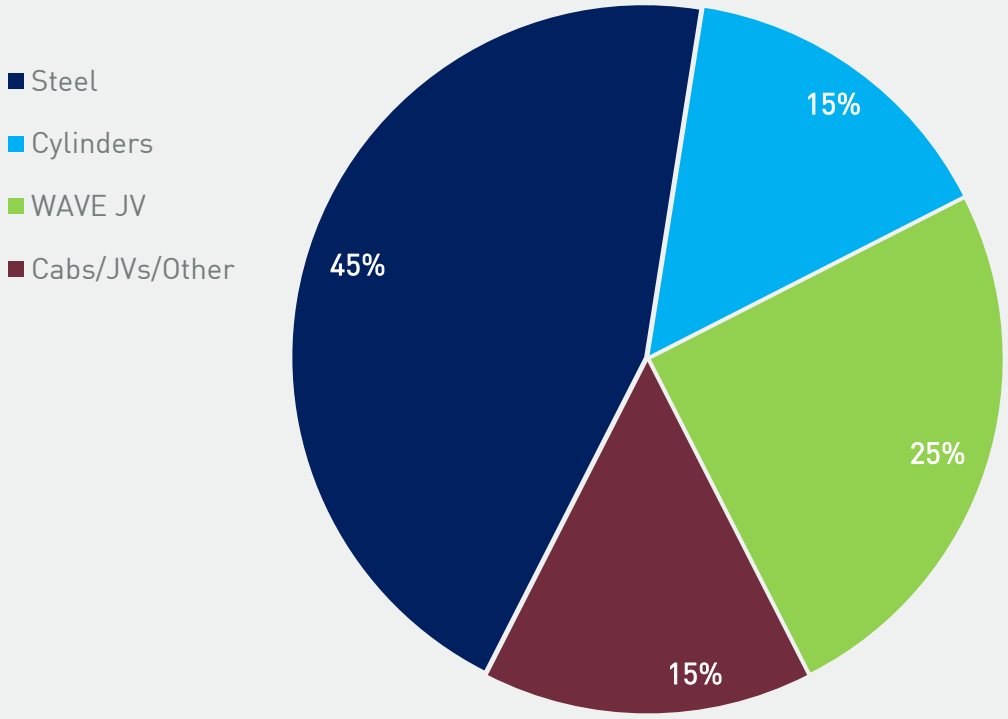
Q4 End-Markets Net Sales*



* Includes WOR share of JV sales

Q4 Operating/Equity Income

excludes Restructuring and Impairment



CONSOLIDATED RESULTS

$ millions, except EPS	FY2014	FY2015	FY2016
Sales	$3,126	$3,384	$2,820
Adj. EBITDA*	$347	$328	$343
% of sales	*11.1%*	*9.7%*	*12.2%*
Operating Income*	$176	$167	$146
% of sales	*5.6%*	*4.9%*	*5.2%*
EPS*	$2.37	$2.12	$2.48
Avg Invested Capital	$1,357	$1,513	$1,370
ROIC (Adj. EBIT/Avg. Inv. Cap.)	19.7%	16.1%	19.1%

* EBITDA, Operating Income, and EPS exclude restructuring charges of $56 million and non-recurring gains of $23 million for a total of $0.26 per share in FY2014, and restructuring charges of $107 million and non-recurring gains of $3 million for a total of $1.00 per share in FY2015, and restructuring charges of $33 million and non-recurring gains of $7 million for a total of $0.26 per share in FY2016.

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
- ✓ Acquire higher margin, high value-added manufacturing businesses
- ✓ Use innovation and LEAN 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 and will accelerate growth in 2016

TRANSFORMATION 2.0

Worthington Business System

- 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 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

Innovation Capability

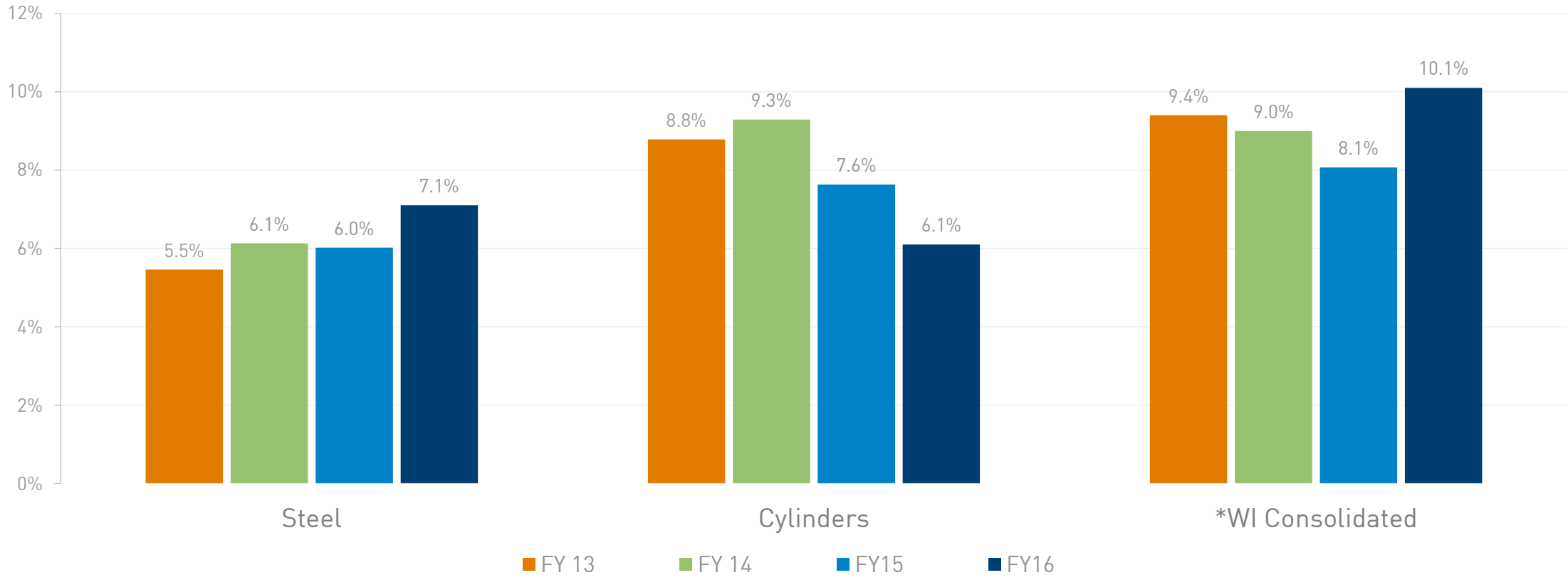
- Experienced Leadership
  - → Executives with experience leading innovation efforts at companies such as Procter & Gamble, Emerson Electric, and Battelle Memorial Institute
- New Product Development
  - → Product Design & Engineering
  - → Customer & Market Research
  - → Advanced Technologies
  - → Innovation Strategy

M&A / CORPORATE DEVELOPMENT

Acquisitions

- → Increase exposure to attractive end markets
- → Target industries/sectors we know
- → Enhanced target evaluation process and due diligence
- 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

OPERATING INCOME MARGIN



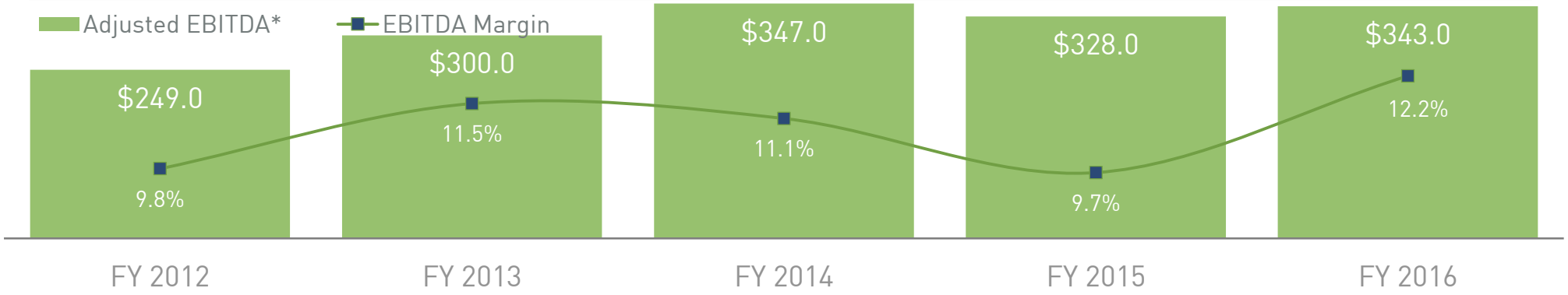
Note: excludes impact of FIFO gains or losses, restructuring expenses
*WI Consolidated includes equity in net income of affiliates

HISTORICAL NET SALES & ADJUSTED EBITDA

Net Sales ($ millions)

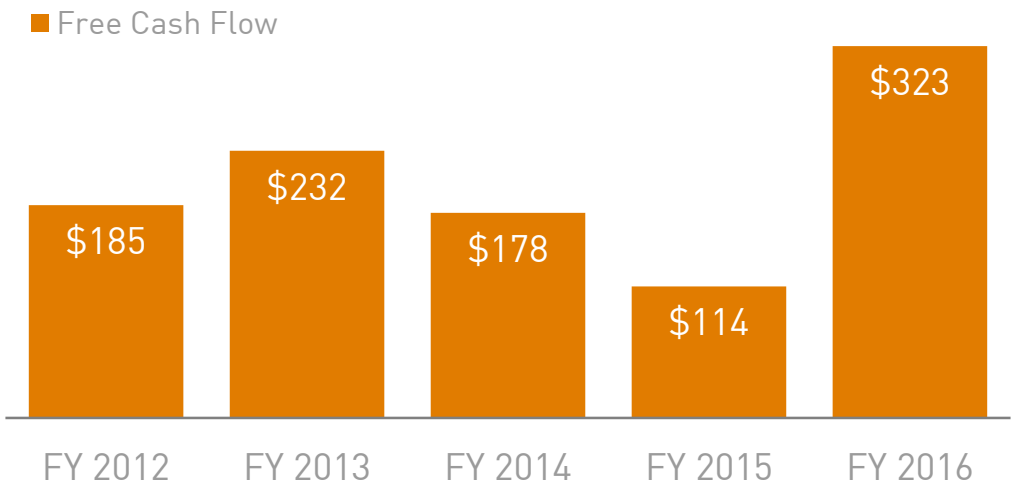


Adjusted EBITDA ($ millions)

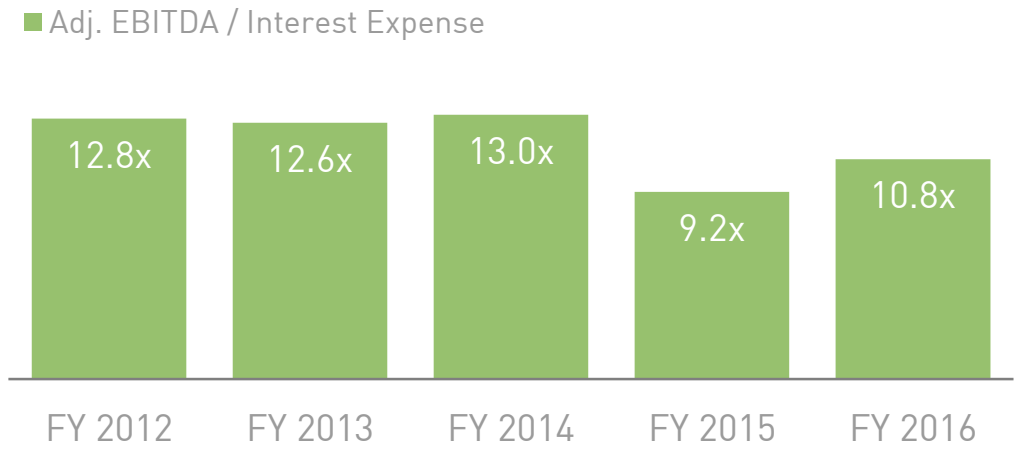


KEY FINANCIAL METRICS

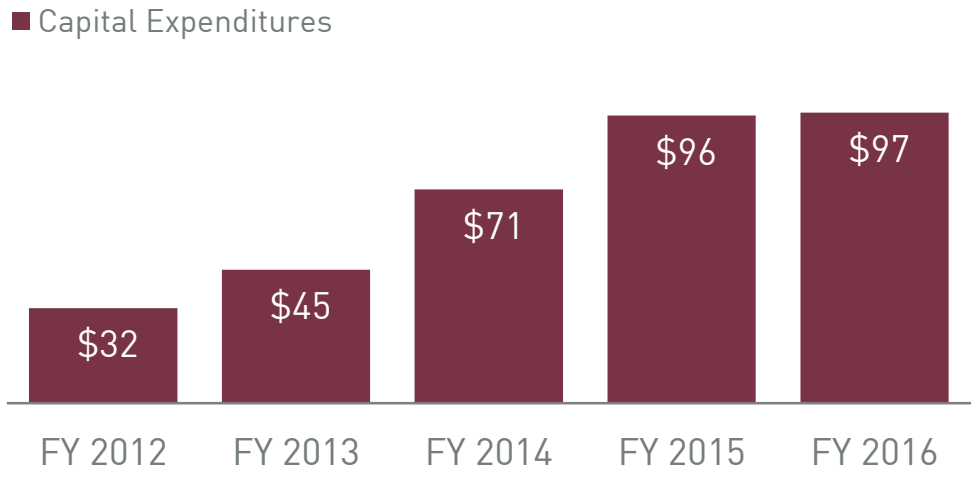
Free cash flow trends ($ millions)



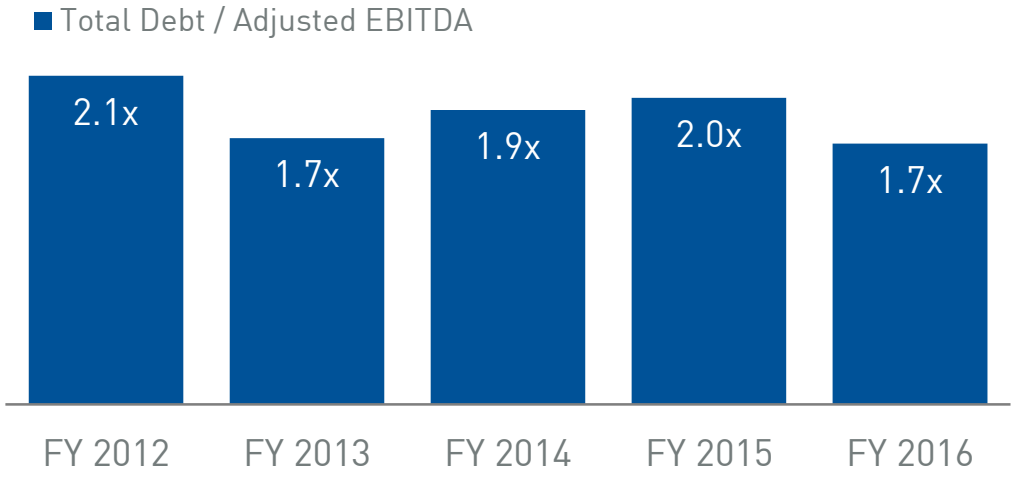
Adjusted EBITDA / Interest Expense



Capital expenditure trends ($ millions)

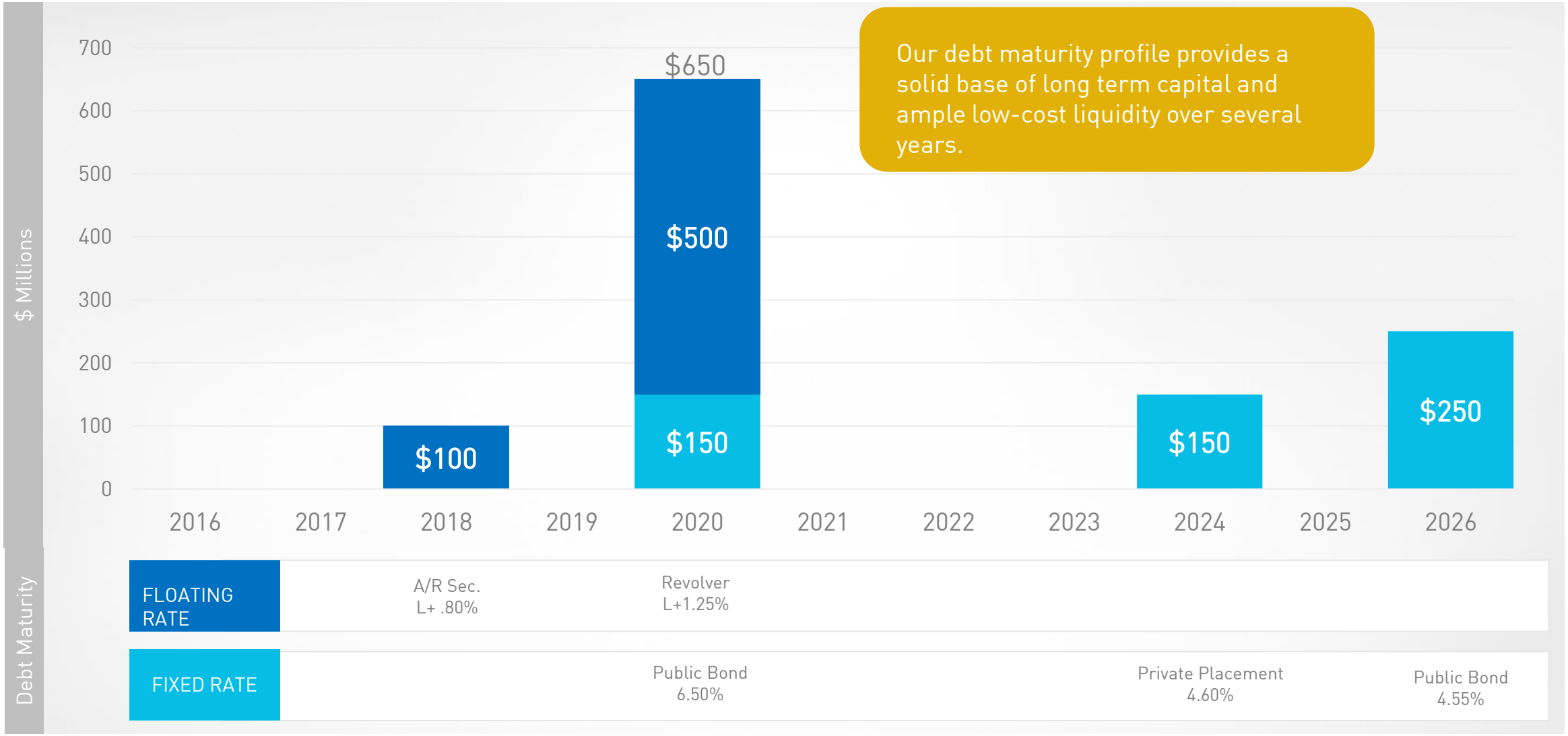


Total Debt / Adjusted EBITDA



DEBT MATURITY PROFILE

$ Millions



STEEL PROCESSING

Who We Are Today

- Market leader in 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

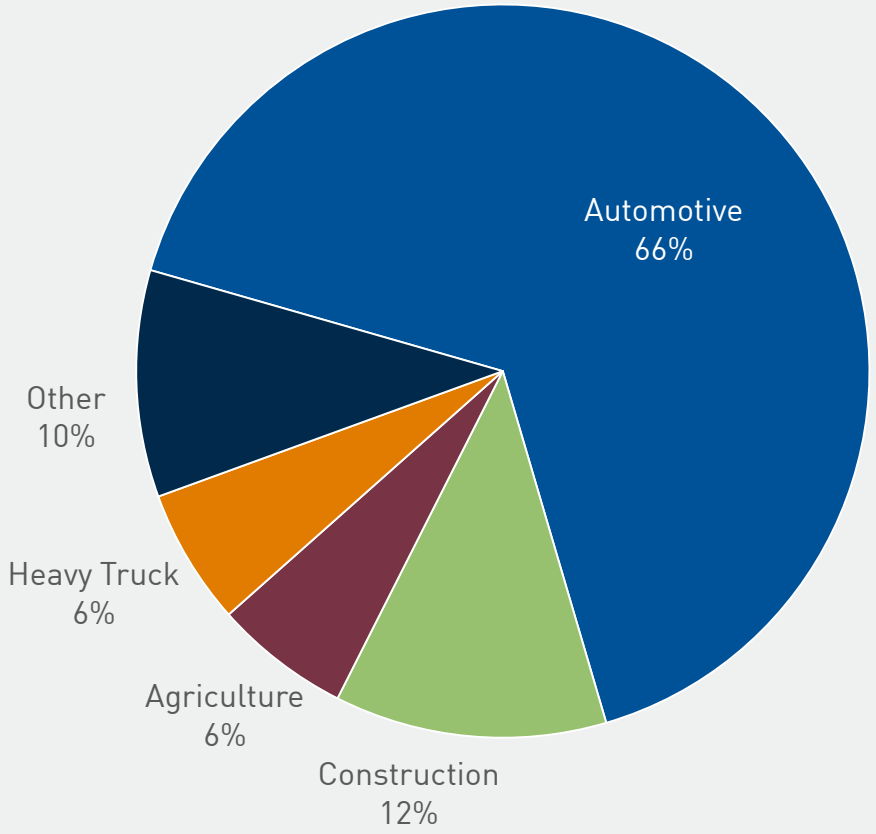


DRIVING TRANSFORMATIONAL GROWTH

STEEL PROCESSING – SALES BY SEGMENT

FY 2016 Q4

Sales By Segment



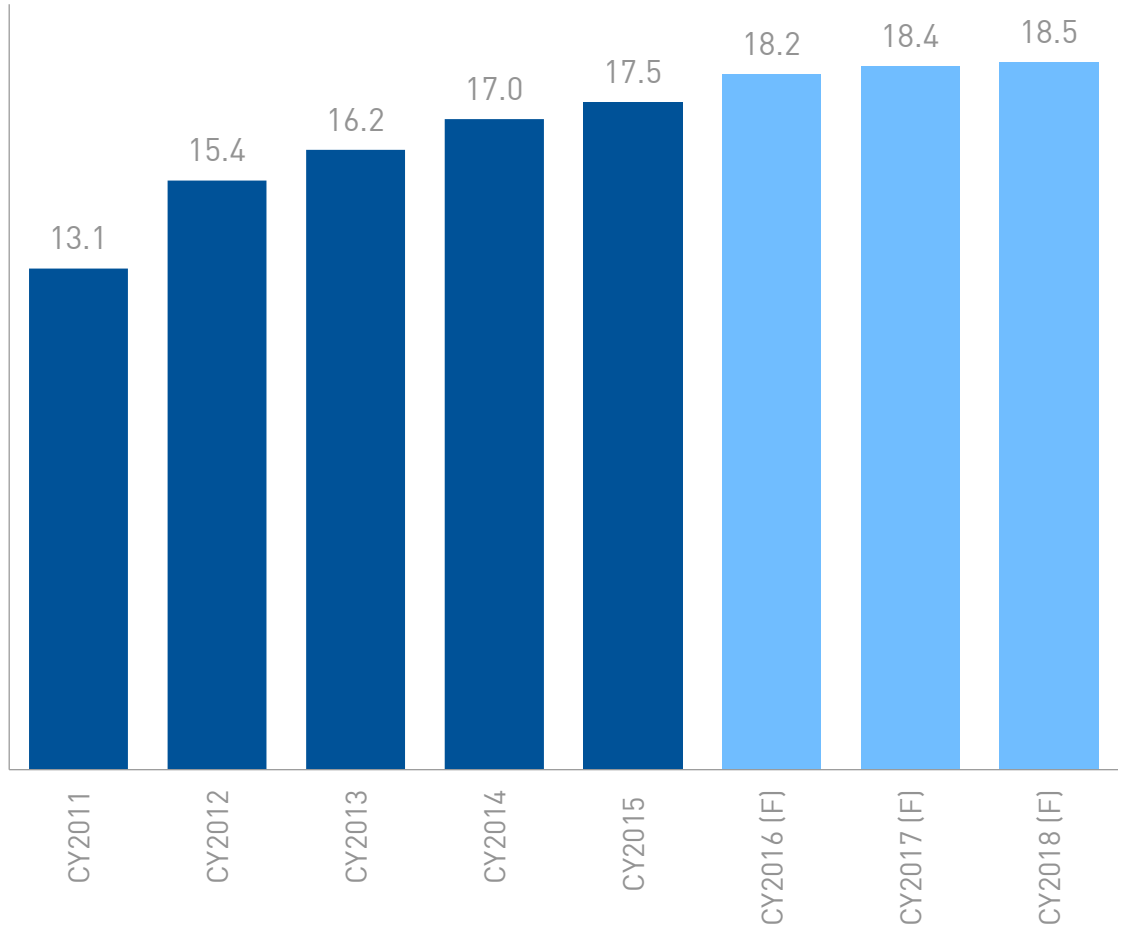
Examples By End Market



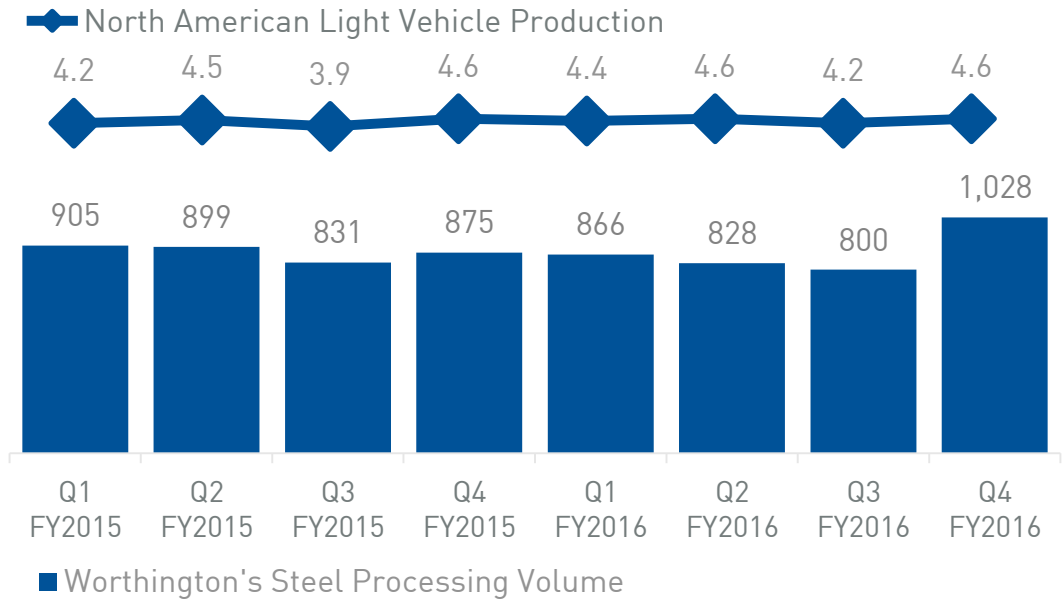
STEEL PROCESSING – AUTOMOTIVE INDUSTRY DYNAMICS

North American light vehicle production forecast

(vehicles produced in millions)



Volume and automobile production

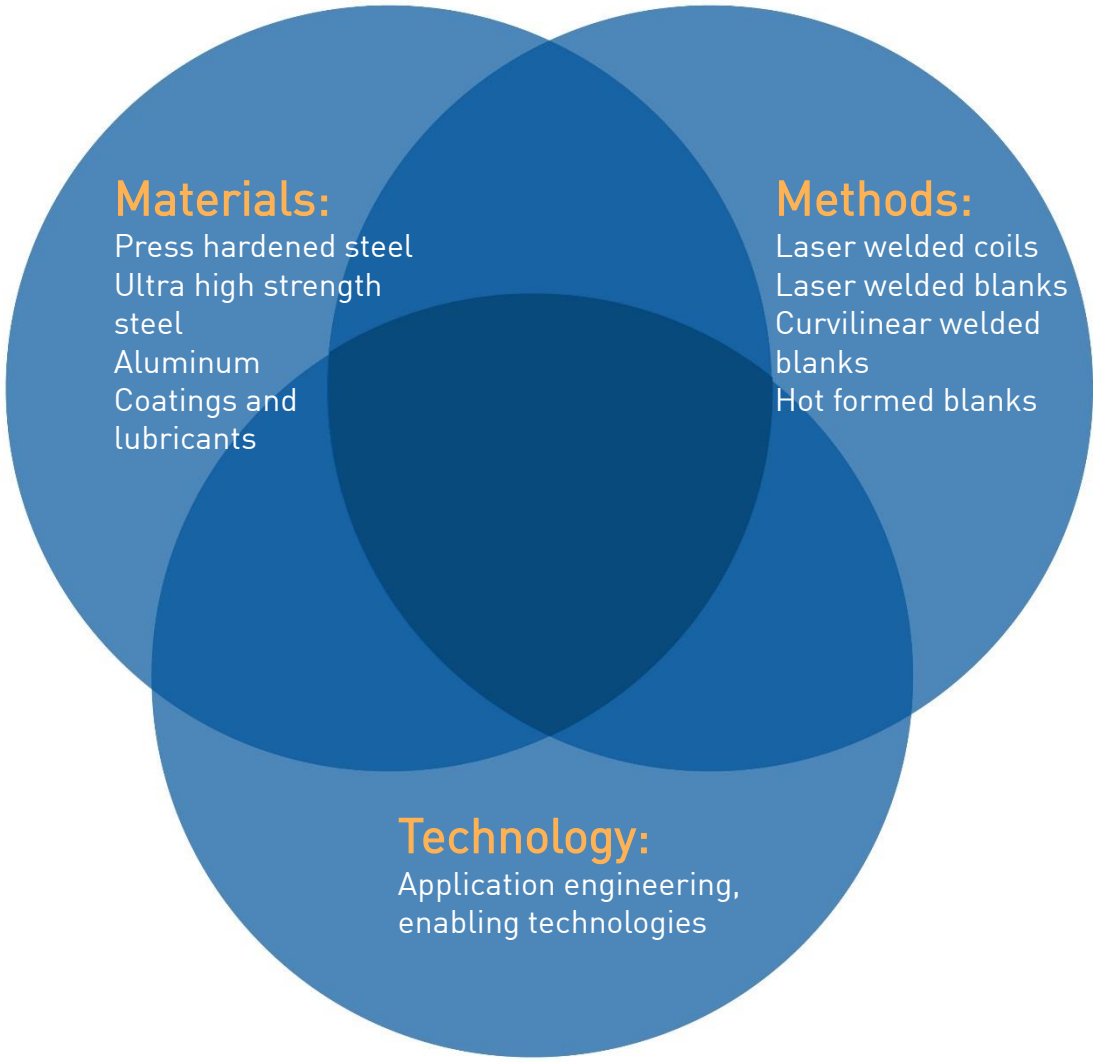


- ✓ Worthington's Steel Processing segment generates over half of its net sales from the automotive sector
- ✓ Exposure to Detroit Three as well as "New Domestics"[1]
- ✓ Increased auto sales and further re-stocking of the automotive supply chain could provide further growth opportunities

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





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

STEEL PROCESSING - FINANCIALS

$ millions	FY2014	FY2015	FY2016
Sales	$1,936	$2,146	$1,844
Adj. EBITDA*	$138	$130	$142
*% of sales**	*7.1%*	*6.0%*	*7.7%*
Operating Income excl. Restructuring	$123	$112	$116
% of sales	*6.3%*	*5.2%*	*6.3%*
Capital Expenditures	$17	$35	$42
Avg Invested Capital	$497	$575	$514
ROIC (Adj. EBIT*/Avg. Inv. Cap.)	21.2%	16.5%	20.1%
Volume (000s tons)	3,282	3,510	3,523
Steel Price (HRC/ton), period average	$650	$592	$443

*EBITDA & EBIT adjusted for noncontrolling interest

PRESSURE CYLINDERS

Who We Are Today

- We create innovative ways to put your energy to work
- Leading global manufacturer of 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



DRIVING TRANSFORMATIONAL GROWTH

PRESSURE CYLINDERS

Trailing Twelve Months as of May 2016

INDUSTRIAL PRODUCTS

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






48%

Sales: $407M

CONSUMER PRODUCTS

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









25%

Sales: $217M

OIL & GAS EQUIPMENT

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






11%

Sales: $90M

ALTERNATIVE FUELS

- Clean vehicle fuel storage and transportation
- Type I steel and Type II & III composite cylinders (CNG and hydrogen)
- ASME motor fuel tanks






12%

Sales: $99M

CRYOGENICS

- Cryogenic liquid cylinders and vessels
- LNG storage and transport vessels
- Cryogenic dewars and freezers for life science and healthcare







4%

Sales: $32

Sales by segment

PRESSURE CYLINDERS - ACQUISITIONS

Cylinders continues to grow through acquisitions - 15 in last 5 years for $522 million thru 05/31/16

2004-05	2006-08	2009-10	2011	2012-13	2014	2015	2016
Consumer: • Hand torch camping gas lines acquired **Industrial:** • Expanded hand torch to torch OEMs	**Consumer:** • Launched Pro Grade brand and torch line	**Industrial:** • Acquired aluminum HP: Hy-Mark & Piper **ALT Fuel:** • Acquired composite tanks: SCI	**Consumer:** • Acquired BernzOmatic • Acquired Coleman cylinder business **ALT Fuel:** • Acquired LPG/CNG: STAKO	**Oil & Gas:** • Acquired Oil & Gas, Nuclear, Fiberglass products: Westerman & Palmer	**ALT Fuel:** • Acquired CRYO & LNG – Aritas **Oil & Gas:** • Acquired Oil & Gas Tanks - Steffes	**ALT Fuel:** • Acquired CNG Fuel Systems – dHybrid and cryo trailer maker – James Russell Engineering **Oil & Gas:** • Acquired Oil & Gas Separator Midstream Equip	**Cryogenics:** • Acquired cryogenic dewars and freezers – CryoScience by Taylor Wharton **ALT Fuel:** • Acquired CNG fuel systems - Trilogy **Consumer:** • Acquired HVAC brazing coil - NetBraze

Cryogenics

Oil & Gas

Alt-Fuels

Consumer

Industrial

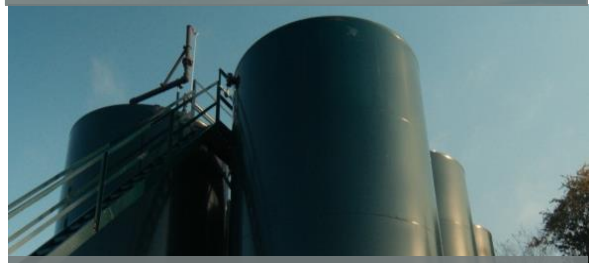
Net Sales	$408M	$579M	$468M	$592M	$859M	$928M	$1,001M	$845M

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



Cryogenic Regasification Systems



ISO Containers

Consumption



CNG, LPG, H2 & LNG Fuel Tanks



Portable Propane Fuel



Hand Torches

PRESSURE CYLINDERS - FINANCIALS

$ millions	FY2014	FY2015	FY2016
Sales	$928	$1,001	$845
Adj. EBITDA*	$128	$118	$83
*% of sales**	*13.7%*	*11.7%*	*9.8%*
Operating Income excl. Restructuring	$81	$76	$46
% of sales	*8.7%*	*7.6%*	*5.4%*
Capital Expenditures	$32	$36	$30
Avg Invested Capital	$603	$680	$653
ROIC (Adj. EBIT*/Avg. Inv. Cap.)	15.9%	12.1%	7.8%
Volume (000s units)	82,859	81,113	72,230

*EBITDA & EBIT adjusted for noncontrolling interest

ENGINEERED CABS

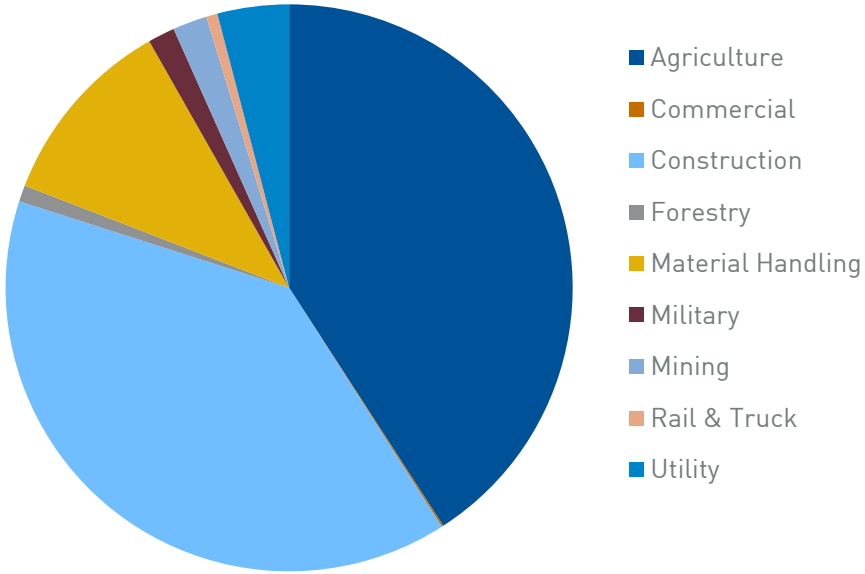
Who We Are Today

- Premier structural cab and component solution provider for select mobile industrial equipment markets
- Long-standing partnerships with blue-chip customers
- Strategically located in South Dakota and Tennessee
- Engineering and multi-year manufacturing based recurring revenue model

US Cab Market - Full Assembly.

Market Size:$1.2B

CY'13 Revenue by Segment



WIEC Internal Estimate









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

ENGINEERED CABS - FINANCIALS

$ millions	FY2014	FY2015	FY2016
Sales	$201	$193	$122
Adj. EBITDA	$3	($3)	($7)
% of sales	*1.3%*	*-1.8%*	*-5.4%*
Operating Income excl. Restructuring	($7)	($14)	($13)
% of sales	-	-	-
Capital Expenditures	$10	$9	$7
Avg Invested Capital	$167	$136	$68

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%	1993
Serviacero	Steel processing in Mexico	50%	2005
ArtiFlex	Automotive tooling and stamping	50%	2011
ClarkDietrich	Metal framing for commercial construction	25%	2011



WAVE

Who We Are Today

- Worldwide leader in suspension ceiling systems
- Strong brand (Armstrong) and distribution
- Significant portion of sales to renovation markets
- Recently acquired Axiom® Serpentina® manufacturing capabilities

Growth Opportunities

- Emerging market expansion
- Innovation through Integrated Ceiling Solutions

Growth From Product Innovation

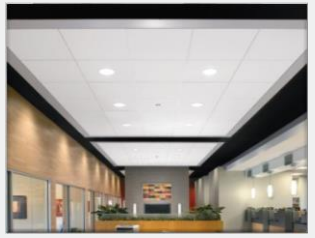
Drywall Grid

Drywall Grid is a ceiling solution that provides for speedy construction and labor saving for the installer.



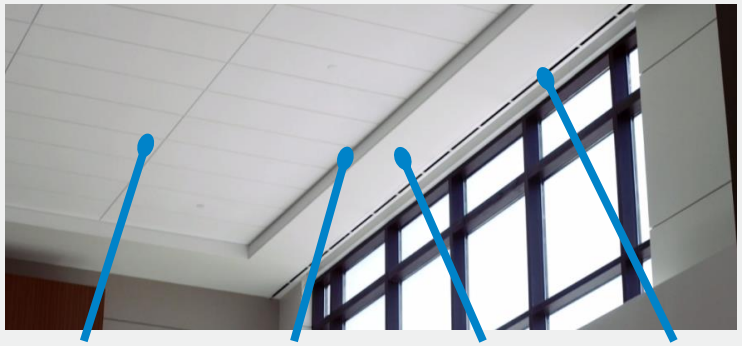
Axiom

An adjacent ceiling solution that creates "open ceiling" space and is aesthetically pleasing.



Integrated Ceiling Solutions

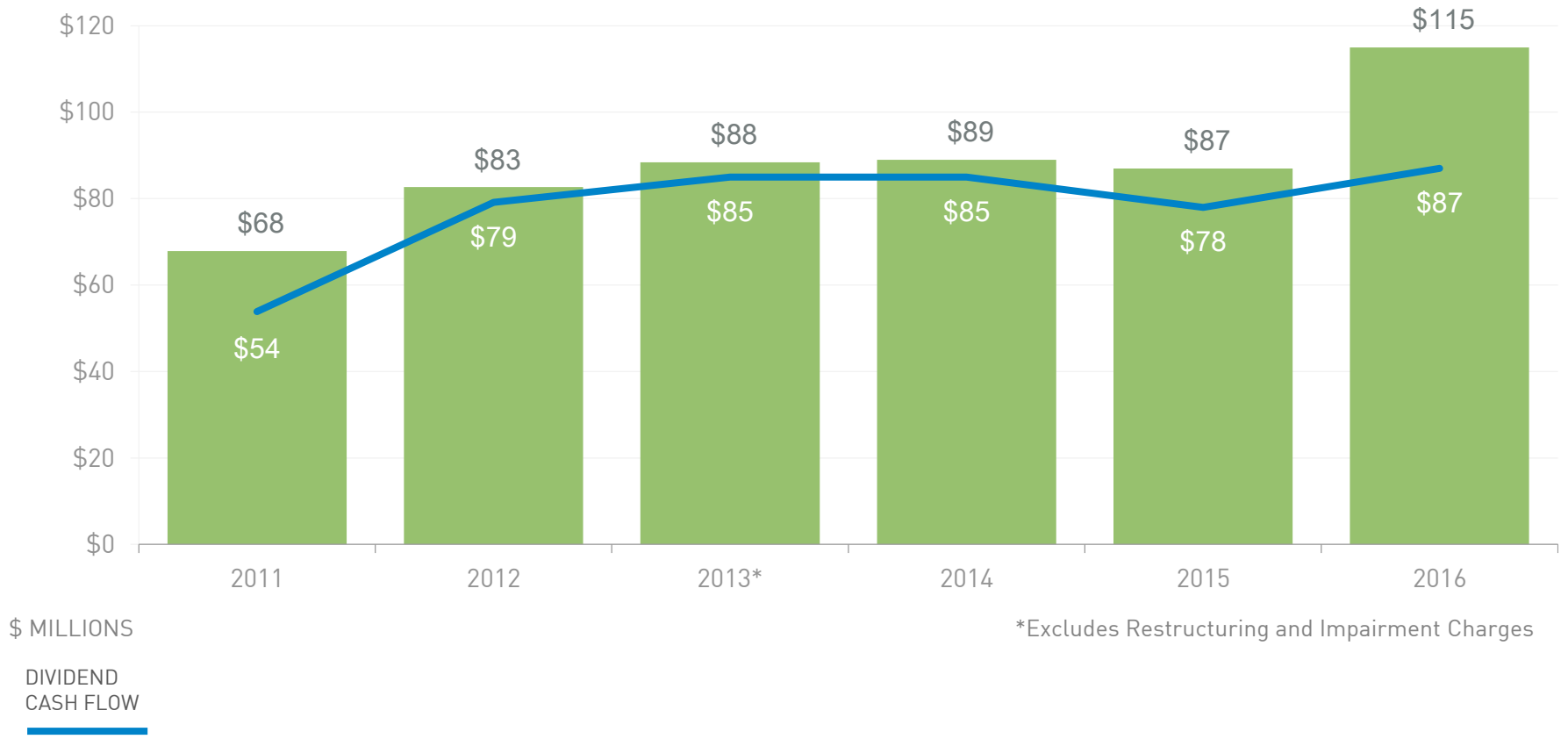
Leveraging our ceiling construction expertise to deliver labor-saving solutions to the market



Acoustical	Transition	Drywall	Perimeter
Tile and Grid	Steel & Axiom	DGS	Axiom Building Perimeters, Pockets

KEY JOINT VENTURE EARNINGS

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



Note: For comparison purposes, equity income for TWB is excluded from this chart in 2014 and prior.
2012 dividend cash flow excludes WAVE's special dividend of $52 million.

KEY INVESTMENT HIGHLIGHTS

We are a market leader in metals related industrial manufacturing

We have the tools in place to grow and improve margins

- ✓ The Worthington Business System measures results and promotes continuous improvement
- ✓ Innovation and short rapid Kaizen events are accelerating success

We are growing via acquisition

- ✓ 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

- ✓ $550mm of long term debt at 5% and $600mm of available capital
- ✓ Six years of dividend increases and 30% share reduction since 2010



CONTACTS

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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

EBITDA & Free Cash Flow

	FY2012	FY2013	FY2014	FY2015	FY2016
Net earnings attributable to controlling interest	$115.6	$136.4	$151.3	$76.8	$143.7
Income Tax Provision	51.9	64.5	57.3	25.8	59.0
Interest Expense	19.5	23.9	26.7	35.8	31.7
Total Depreciation & Amortization	55.9	66.5	79.7	85.1	84.7
EBITDA	242.9	291.3	315.1	223.5	319.1
Stock Based Compensation	11.7	13.3	22.0	17.9	15.8
Undistributed JV Equity Income	45.6	(10.1)	(6.1)	(9.2)	(28.5)
Restructuring Expense	0.4	6.5	47.2	100.1	26.0
Adjusted EBITDA	300.6	301.0	378.2	332.3	332.4
Interest Expense	(19.5)	(23.9)	(26.7)	(35.8)	(31.7)
Income Tax Provision	(48.3)	(66.7)	(82.2)	(71.2)	(51.6)
Investment in Prop. Plant & Equipment	(31.7)	(44.6)	(71.3)	(96.3)	(97.0)
Change in Working Capital	(16.1)	66.4	(19.8)	(14.7)	170.8
Free Cash Flow	$185.0	$232.2	$178.1	$114.4	$323.0