

Worthington Steel

Investor Day 2023 | October 11, 2023

A premier, value-added steel processor with blue-chip customers and expanded opportunities in electrical steel and automotive lightweighting

Notes to Investors

FORWARD LOOKING STATEMENTS. Worthington Industries, Inc. (“Worthington”) and Worthington Steel, Inc. (“Worthington Steel” or the “Company”) wish to take advantage of the Safe Harbor provisions included in the Private Securities Litigation Reform Act of 1995 (the “Act”). Statements by Worthington and/or the Company relating to the intended separation of Worthington’s Steel Processing business; the timing and method of the separation; the anticipated benefits of the separation; the expected financial and operating performance of, and future opportunities for, each company following the separation; the tax treatment of the transaction; the leadership of each company following the separation; and other non-historical matters constitute “forward-looking statements” within the meaning of the Act. Forward-looking statements may be characterized by terms such as “believe,” “anticipate,” “should,” “would,” “intend,” “plan,” “will,” “expect,” “estimate,” “project,” “positioned,” “strategy,” “targets,” “aims,” “seeks,” “sees” and similar expressions. Because they are based on beliefs, estimates and assumptions, forward-looking statements are inherently subject to risks and uncertainties that could cause actual results to differ materially from those projected. Any number of factors could affect actual results, including, without limitation, the final approval of the separation by our board of directors; the uncertainty of obtaining regulatory approvals in connection with the separation; the ability to satisfy the necessary closing conditions to complete the separation on a timely basis, or at all; our ability to successfully separate the two companies and realize the anticipated benefits of the separation; the risks, uncertainties and impacts, for both Worthington and/or the Company’s business and the planned separation, related to the United Auto Workers strikes against Ford, General Motors and Stellantis North America (the “Detroit Three automakers”), and the associated impact on companies that supply the Detroit Three automakers, the duration and scope of which are impossible to predict; the effect of conditions in national and worldwide financial markets, including inflation, increases in interest rates and economic recession, and with respect to the ability of financial institutions to provide capital; the impact of tariffs, the adoption of trade restrictions affecting Worthington and/or the Company products or suppliers, a United States withdrawal from or significant renegotiation of trade agreements, the occurrence of trade wars, the closing of border crossings, and other changes in trade regulations or relationships; changing oil prices and/or supply; product demand and pricing; changes in product mix, product substitution and market acceptance of Worthington and/or the Company’s products; volatility or fluctuations in the pricing, quality or availability of raw materials (particularly steel), supplies, transportation, utilities, labor and other items required by operations (especially in light of Russia’s invasion of Ukraine); effects of sourcing and supply chain constraints; the outcome of adverse claims experience with respect to workers’ compensation, product recalls or product liability, casualty events or other matters; effects of facility closures and the consolidation of operations; the effect of financial difficulties, consolidation and other changes within the steel, automotive, construction and other industries in which Worthington and/or the Company participates; failure to maintain appropriate levels of inventories; financial difficulties (including bankruptcy filings) of original equipment manufacturers, end-users and customers, suppliers, joint venture partners and others with whom Worthington and/or the Company does business; the ability to realize targeted expense reductions from headcount reductions, facility closures and other cost reduction efforts; the ability to realize cost savings and operational, sales and sourcing improvements and efficiencies, and other expected benefits from transformation initiatives, on a timely basis; the overall success of, and the ability to integrate, newly-acquired businesses and joint ventures, maintain and develop their customers, and achieve synergies and other expected benefits and cost savings therefrom; capacity levels and efficiencies, within facilities, within major product markets and within the industries in which Worthington and/or the Company participates as a whole; the effect of disruption in the business of suppliers, customers, facilities and shipping operations due to adverse weather, casualty events, equipment breakdowns, labor shortages, interruption in utility services, civil unrest, international conflicts (especially in light of Russia’s invasion of Ukraine), terrorist activities or other causes; changes in customer demand, inventories, spending patterns, product choices, and supplier choices; risks associated with doing business internationally, including economic, political and social instability (especially in light of Russia’s invasion of Ukraine), foreign currency exchange rate exposure and the acceptance of Worthington and/or the Company’s products in global markets; the ability to improve and maintain processes and business practices to keep pace with the economic, competitive and technological environment; the effect of inflation, interest rate increases and economic recession, as well as potential adverse impacts as a result of the Inflation Reduction Act of 2022, which may negatively impact Worthington and/or the Company’s operations and financial results; deviation of actual results from estimates and/or assumptions used by Worthington and/or the Company in the application of its significant accounting policies; the level of imports and import prices in Worthington and/or the Company’s markets;

Notes to Investors

the impact of environmental laws and regulations or the actions of the United States Environmental Protection Agency or similar regulators which increase costs or limit Worthington and/or the Company's ability to use or sell certain products; the impact of increasing environmental, greenhouse gas emission and sustainability considerations or regulations; the impact of judicial rulings and governmental regulations, both in the United States and abroad, including those adopted by the United States Securities and Exchange Commission ("SEC") and other governmental agencies as contemplated by the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Consolidated Appropriations Act, 2021, the American Rescue Act of 2021, and the Dodd-Frank Wall Street Reform and the Consumer Protection Act of 2010; the effect of healthcare laws in the United States and potential changes for such laws, especially in light of the COVID-19 pandemic which may increase Worthington and/or the Company's healthcare and other costs and negatively impact Worthington and/or the Company's operations and financial results; the effect of tax laws in the U.S. and potential changes for such laws, which may increase Worthington and/or the Company's costs and negatively impact its operations and financial results; cyber security risks; the effects of privacy and information security laws and standards; and other risks described from time to time in the filings of Worthington Industries, Inc. with the SEC, including those described in "Part I — Item 1A. — Risk Factors" of Worthington's Annual Report on Form 10-K for the fiscal year ended May 31, 2023, and its subsequent filings with the SEC, and in the Registration Statement on Form 10 filed by Worthington Steel (the "Form 10"), including those described in "Risk Factors", as may be further amended. Forward-looking statements should be construed in the light of such risks. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. Worthington and/or Company does not undertake, and hereby disclaim, any obligation to update any forward-looking statements, whether as a result of new information, future developments or otherwise.

Market, Industry and Other Data: Unless otherwise indicated, information in this presentation concerning our industry, the industries we serve and the markets in which we operate, including our general expectations, market position, market opportunity and market share, is based on information from third-party sources and management estimates. Management estimates are derived from publicly available information and reports provided to us (including reports from S&P Global Mobility and other industry publications, surveys and forecasts), our knowledge of our industry and assumptions based on such information and knowledge, which we believe to be reasonable. Management estimates have not been verified by any independent source.

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FINANCIAL INFORMATION. Unless otherwise specified, all financial data and operating metrics included in these materials are presented on a carve-out basis, as presented in the Form 10 of Worthington Steel, Inc., as filed with the Securities and Exchange Commission. The financial information included in this document may not necessarily reflect Worthington Steel's financial position, results of operations and cash flows in the future, or what Worthington Steel's financial position, results of operations and cash flows would have been had Worthington Steel been a standalone, independent, publicly-traded company during the periods presented.

Notes to Investors

NON-GAAP MEASURES. These materials present certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles, or GAAP. Management believes these non-GAAP measures provide useful supplemental information on the performance of the Company's ongoing operations and should not be considered as an alternative to the comparable GAAP measure. Additionally, management believes these non-GAAP measures allow for meaningful comparisons and analysis of trends in Worthington and/or the Company's businesses and enables investors to evaluate operations and future prospects in the same manner as management. A reconciliation of each non-GAAP measure to its most directly comparable GAAP measure is included in the Appendix. The following provides an explanation of each non-GAAP measure presented in these materials:

Adjusted EBITDA is defined as Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, and consists of EBITDA (calculated by adding or subtracting, as appropriate, interest expense, income tax expense and depreciation and amortization to/from net earnings attributable to controlling interest), which is further adjusted to exclude impairment and restructuring charges (gains) as well as other items that management believes are not reflective of, and thus should not be included when evaluating the performance of its ongoing operations, including incremental costs associated with the planned separation.

Impairment charges are excluded from adjusted EBITDA because they do not occur in the ordinary course of our ongoing business operations, are inherently unpredictable in timing and amount, and are non-cash, which we believe facilitates the comparison of historical, current and forecasted financial results

Restructuring activities, which can result in both discrete gains and/or losses, consist of established programs that are not part of our ongoing operations, such as divestitures, closing or consolidating facilities, employee severance (including rationalizing headcount or other significant changes in personnel), and realignment of existing operations (including changes to management structure in response to underlying performance and/or changing market conditions).

Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by net sales.

Free Cash Flow is defined as operating cash flows less capital expenditures.

This communication shall not constitute an offer of any securities for sale, nor shall there be any offer, sale or distribution of securities in any jurisdiction in which such offer, sale or distribution would be unlawful prior to appropriate registration or qualification under the securities laws of such jurisdiction.

For additional information with respect to Worthington Steel and the separation, please refer to the Form 10. The consummation of the separation is subject to customary conditions, as further described in the Form 10.

Today's Presenters



Geoff Gilmore
President &
Chief Executive Officer



Jeff Klingler
EVP &
Chief Operating Officer



Tim Adams
VP &
Chief Financial Officer

Agenda

TIME	TOPIC	PRESENTER
1:00 PM	Premier Steel Processor	Geoff Gilmore – Chief Executive Officer
	Why Invest in Worthington Steel	Geoff Gilmore – Chief Executive Officer
2:00 PM	Our One-of-a-Kind Steel Processing Business	Jeff Klingler – Chief Operating Officer
2:30 PM	Financial & Capital Allocation Overview	Tim Adams – Chief Financial Officer
3:00 PM	Conclusion	Geoff Gilmore – Chief Executive Officer



PREMIER STEEL PROCESSOR



GEOFF GILMORE
PRESIDENT & CHIEF EXECUTIVE OFFICER

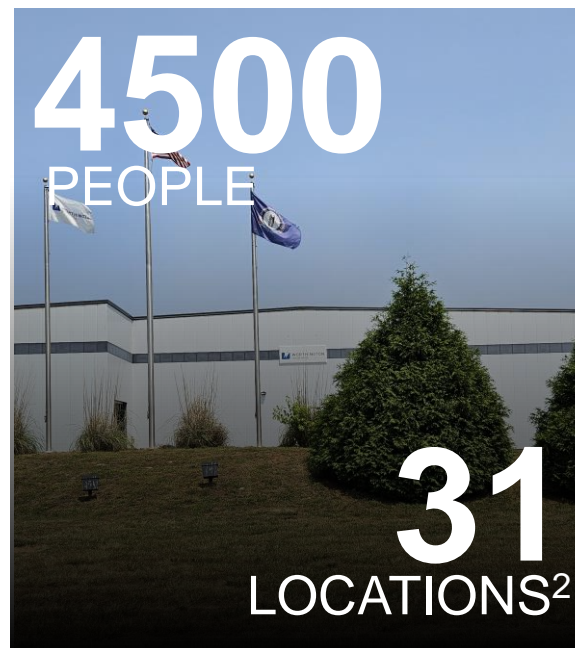


OUR PHILOSOPHY

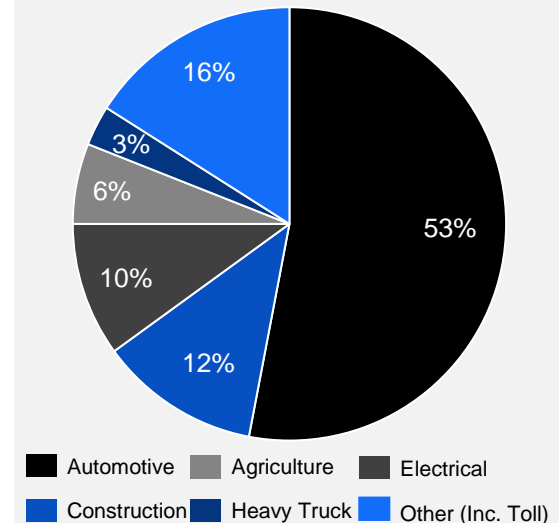
Our people-first philosophy is rooted in the Golden Rule: we treat our employees, customers, suppliers and shareholders as we would like to be treated

OUR VISION

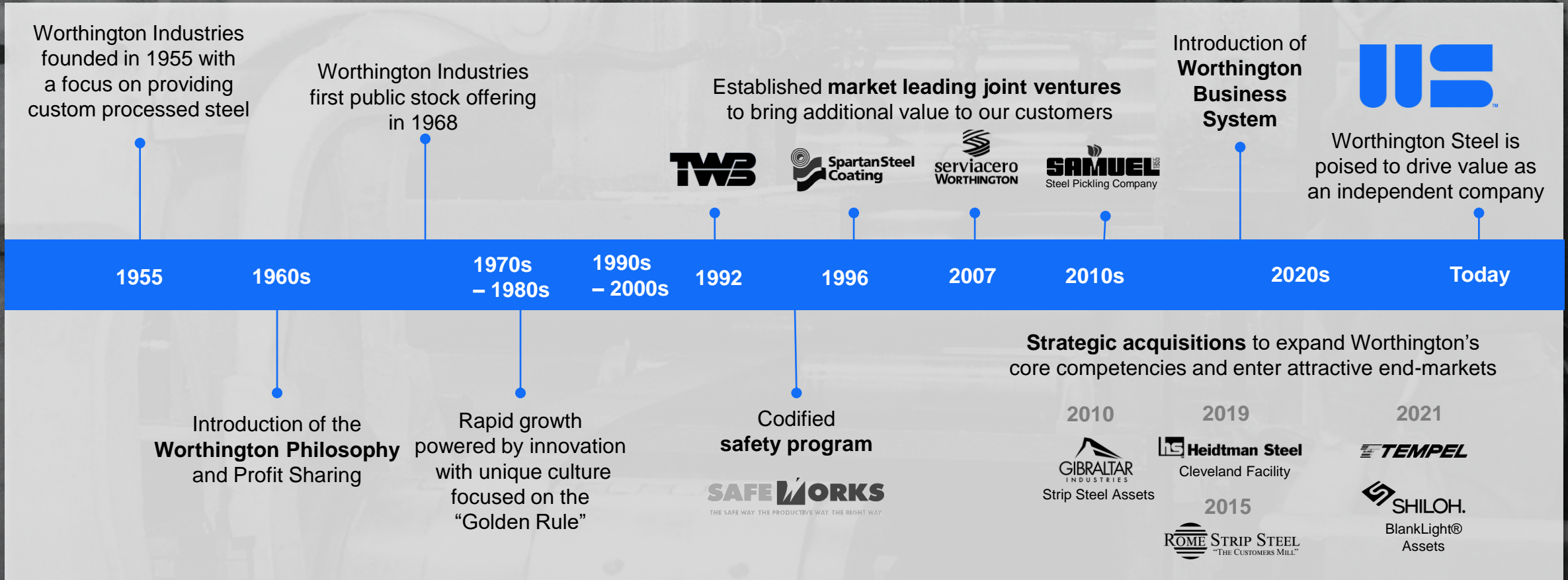
To boldly lead the metals industry into a sustainable future by being the most trusted, most innovative and most value-added metals processing partner in North America and beyond



Net Sales by End-Market³

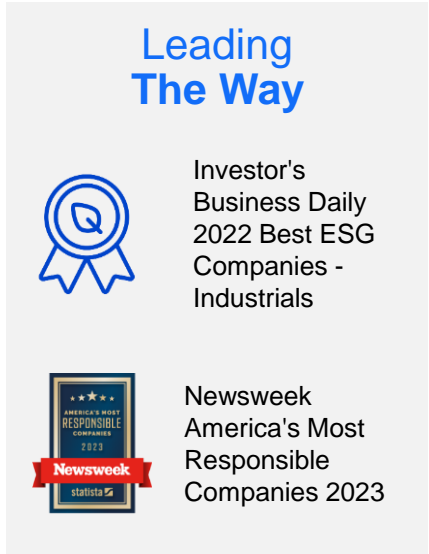
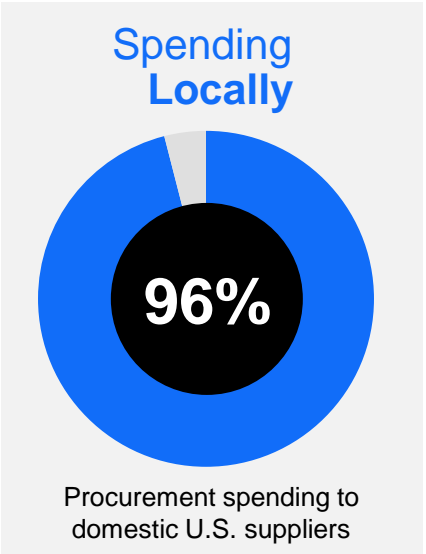
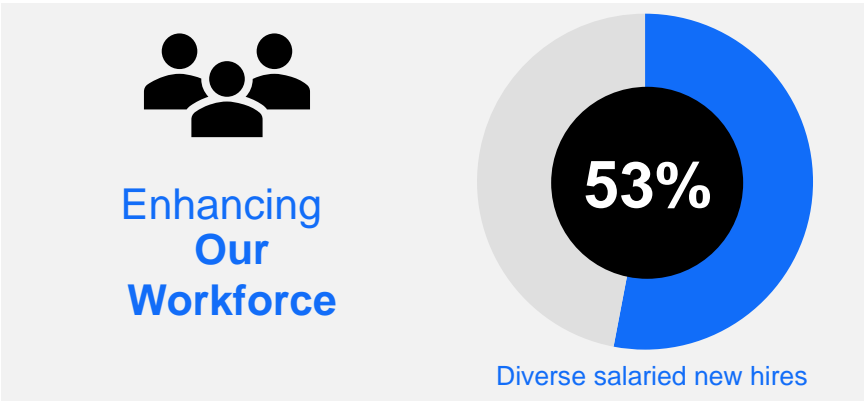
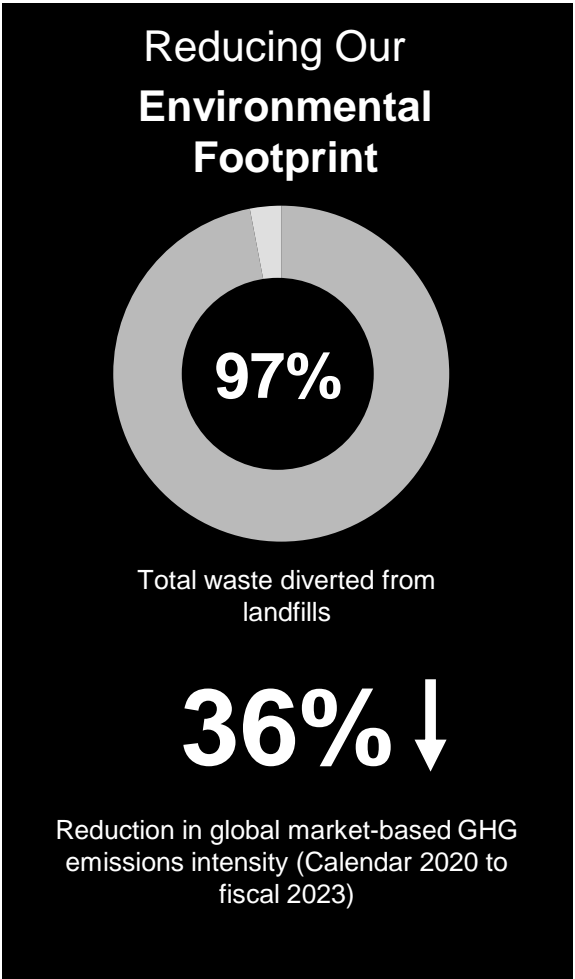


THE WORTHINGTON STEEL LEGACY



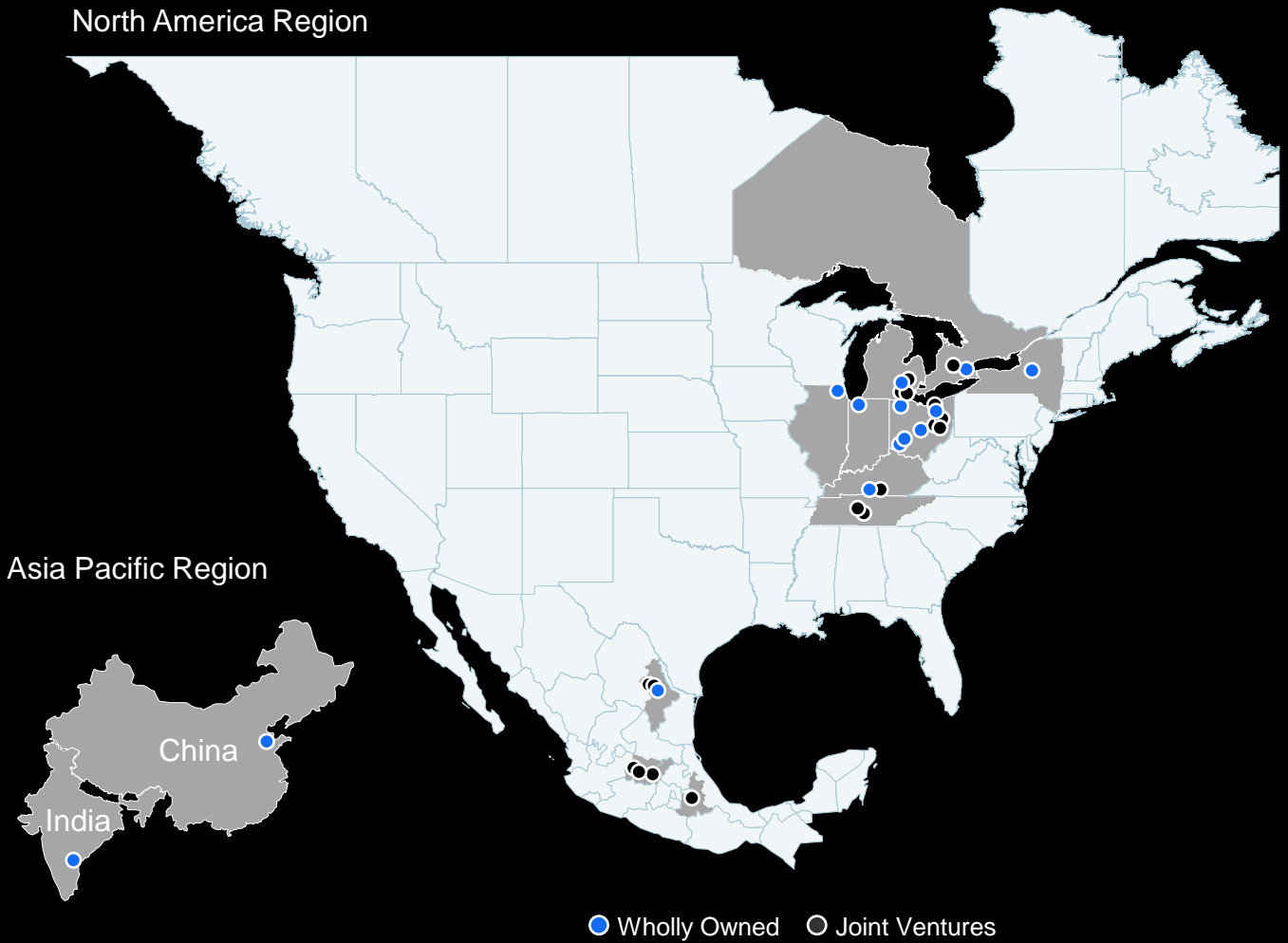
Corporate Citizenship and Sustainability

Continuing a Long History of Developing Employees, Practicing Good Citizenship and Protecting the Environment



Note: The information provided on this page relates to Worthington Industries, Inc. as a whole, based upon fiscal year ended May 31, 2023.

Robust Manufacturing Network Delivers Value-Added Solutions



- ✓ 31 Manufacturing Facilities Primarily Located in North America¹
- ✓ Key Operations Strategically Located Proximate to Suppliers and Customers
- ✓ Expertise in Optimizing Supply Chains and Total Landed Cost

Best-in-Class Flat Rolled Metal Processing

Flat Rolled Steel Processing Electrical Steel Laminations Lightweighting

Value-Added Products and Services



¹ Includes Worthington Steel's consolidated and unconsolidated joint ventures.

Critical Supplier to Customers and End Markets

Diversified, Blue-Chip Customer Base With Multiple Decades-Long Relationships

AUTOMOTIVE

~53% OF SALES

STELLANTIS



SCHAEFFLER

FEINTOOL

BORGWARNER

CONSTRUCTION

~12% OF SALES

ARROW
MOVING FORWARD

AMERISTAR
CONTRACTING GROUP
AMERICAN PRIDE

SIMPSON
Strong-Tie

BlueScope

ELECTRICAL

~10% OF SALES

GENERAC®



CHAMBERLAIN
GROUP

ABB

AGRICULTURE

~6% OF SALES



JOHN DEERE

Sukup®

GSI

AGI
AG GROWTH INTERNATIONAL

OTHER

~19% OF SALES



EMERSON



OREGON
TOOL



**WORTHINGTON
STEEL**

[PLAY VIDEO ▶](#)





WHY INVEST IN WORTHINGTON STEEL

GEOFF GILMORE

PRESIDENT AND CHIEF EXECUTIVE OFFICER



WHY INVEST

WORTHINGTON STEEL

WORTHINGTON
STEEL

1

**Unique Steel Processor
Well Positioned for
Significant Growth**

2

**Market-Leading Supplier to
Attractive End Markets**

3

**Strategy Driven by
Strong Leadership Team**

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**Strategy Driven by
Strong Leadership Team**

A One-of-a-Kind Business with a Unique Capability Set

#3

Global manufacturer of electrical steel laminations and cores



#1

Producer of Tailor Welded Blanks in North America



#1

Trader of Steel Futures by Volume in North America

#1

Network of Independent Picklers in North America



#1

Independent Producer of Hot Dipped Galvanized Steel in North America

#2

Independent flat rolled service center in Mexico



Blue-Chip Customer Recognition and Accolades



Supplier of the Year 2020 & 2021



JOHN DEERE

2021 & 2022 Partner Level Supplier and inducted into 10-year Hall of Fame

SCHAEFFLER

2021 Schaeffler Supplier Excellence Award

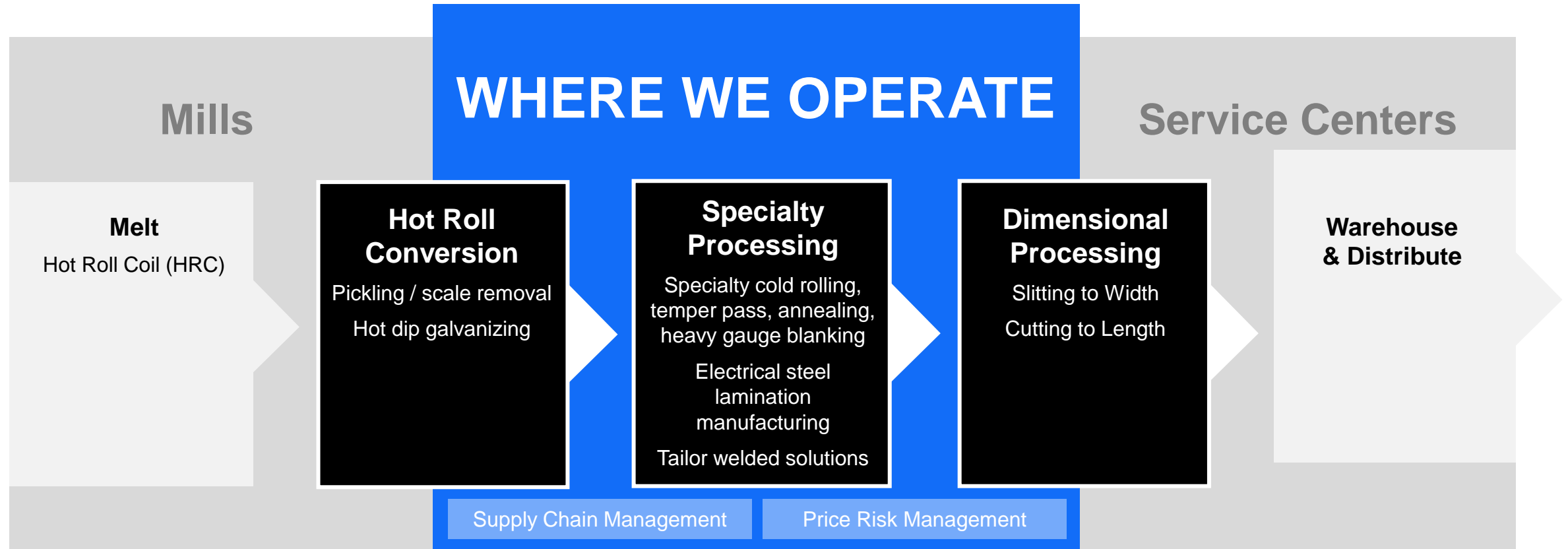


2020 Raw Material Supplier of the Year



2022 Global Supplier Award in "Lead Electric Propulsion"

Worthington Occupies a Unique Position in the Steel Supply Chain



Why We Win

The Breadth of Value-Added Processing Capabilities, End-to-End Supply Chain Management, and Price Risk Management Solutions **Differentiates Worthington Steel From Competitors** Across the Steel Supply Chain

Joint Ventures Expand Our Processing Capabilities and Reach

TWB (55%)

- Partner: BAOSTeel Tailored Blanks
- Tailor welded products for the automotive industry
- Operates 11 facilities in US, Canada, Mexico



**300k Direct Tons
100k Toll Tons**

Serviacero Worthington (50%)

- Partner: Serviacero
- Operates 3 steel processing facilities in Mexico
- Only independent pickler in Mexico



**375k Direct Tons
200k Toll Tons**

Spartan Steel Coating (52%)

- Partner: Cleveland-Cliffs
- Single facility in Michigan
- A cold-rolled, hot-dipped galvanizing line producing galvanized, galvanized, and aluminized products



400k Toll Tons

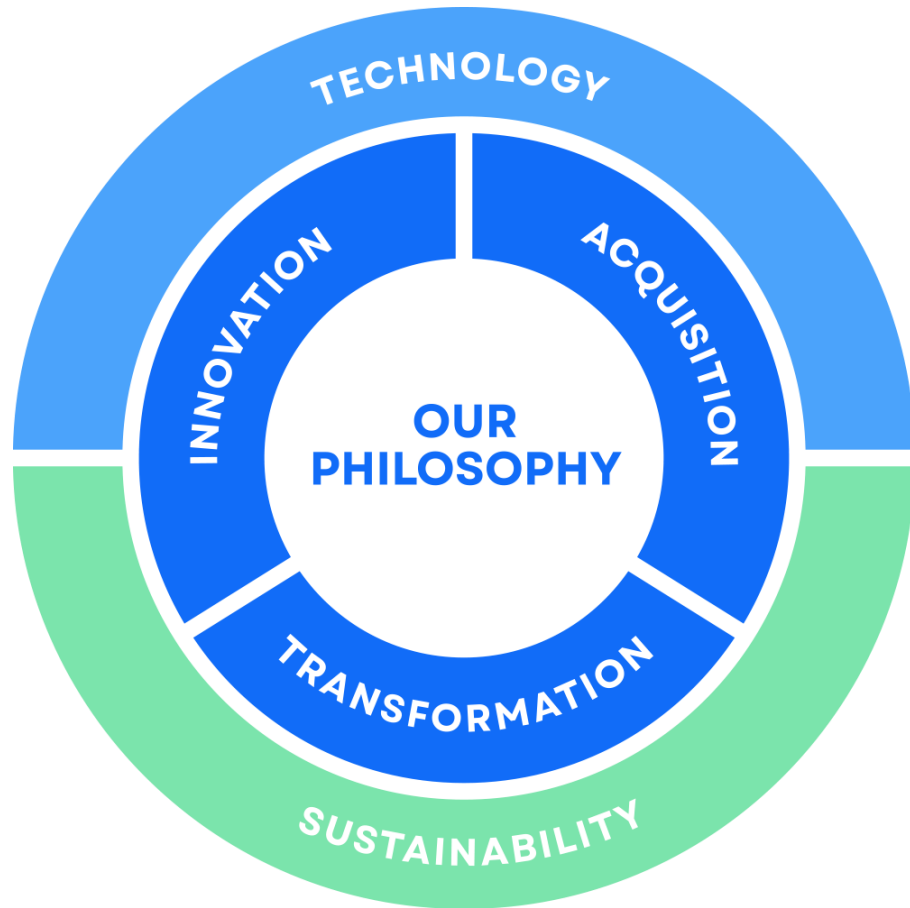
WSCP¹ (63%)

- Partner: Samuel, Son & Co.
- Pickling and slitting for the automotive, fabrication and appliance markets
- Operates 2 pickling facilities in Ohio



600k Toll Tons

POWERED by the Worthington Business System



TRANSFORMATION

Leveraging Lean Practices and Technology

- Systematic approach to business improvement
- Optimizing working capital
- Predictive analytics and automation enhance efficiency, reduce downtime and improve safety



INNOVATION

Tailored Customer Solutions

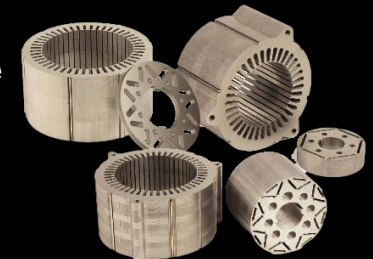
- Cross-functional teams
- Sophisticated supply chain solutions
- Price risk management
- Metallurgical expertise for customized solutions



ACQUISITION

Adding Capabilities for Above-Market Growth

- **Green energy transition:** Tempel provides direct exposure to transportation and grid modernization industries
- **Automotive lightweighting:** Acquisition of Shiloh BlankLight® expanded offerings for fuel-efficiency, safety performance and cost reduction



Leveraging Business Intelligence



Price Risk Management

Business intelligence minimizing risk across key inputs



Pricing Mechanisms

A portfolio of pricing mechanisms to align with customer needs



Business Optimization

Protect our margins and minimize working capital exposure by matching our selling and buying methodologies

Our Unique Positioning

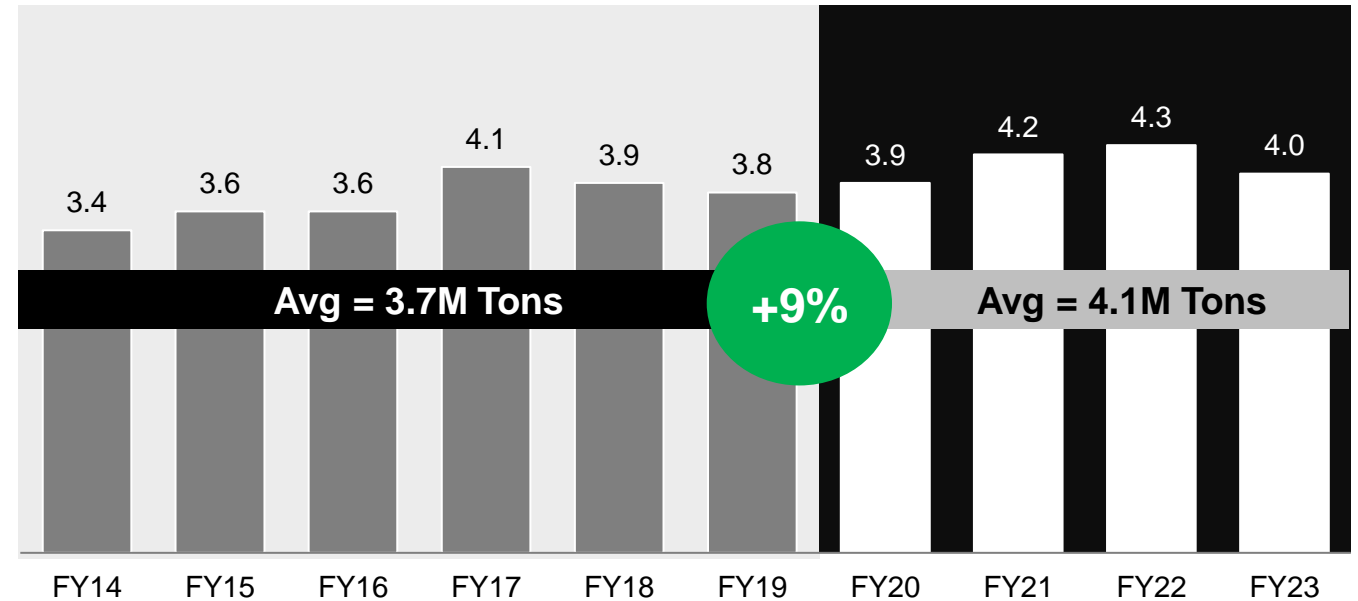
Drives Growth Through Market Cycles



Sustained Growth in Recessionary Automotive Environment

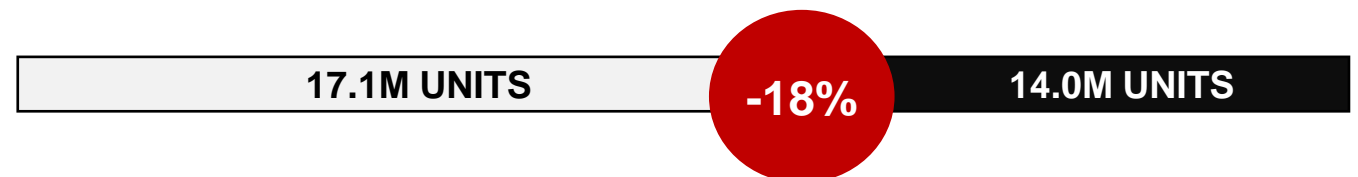
Shipped Tons by Fiscal Year

(millions)



North American Light Vehicle Builds

(Avg Per Fiscal Year)



Note: FY is fiscal year ended May 31.

WHY INVEST

WORTHINGTON STEEL



1

Unique Steel Processor
Well Positioned for
Significant Growth

2

Market-Leading Supplier to
Attractive End Markets

3

Strategy Driven by
Strong Leadership Team

Well Positioned to Capitalize on Key End Market Trends

Decarbonization of Transportation

Energy Transition

Infrastructure

Offering/ Products

Tempel
Electrical Steel
Laminations



EV Traction
Motors

TWB
Tailored
Blanks



Automotive
Frames

Galvanized
Steel



Solar Panel
Racks

Tempel
Electrical Steel
Laminations



Transformer
Cores

Tempel
Electrical Steel
Laminations



Transformer
Cores

Galvanized
Steel



Drainage
Culvert /
Renewables

Key Trends

Worldwide transition to electric vehicles and OEM push for lightweighting innovation supporting automotive steel demand

Transition to renewable energy driving demand for electrical steel

Upgrading aging infrastructure and electrical grid in the US will require a significant amount of steel

Market Growth Drivers

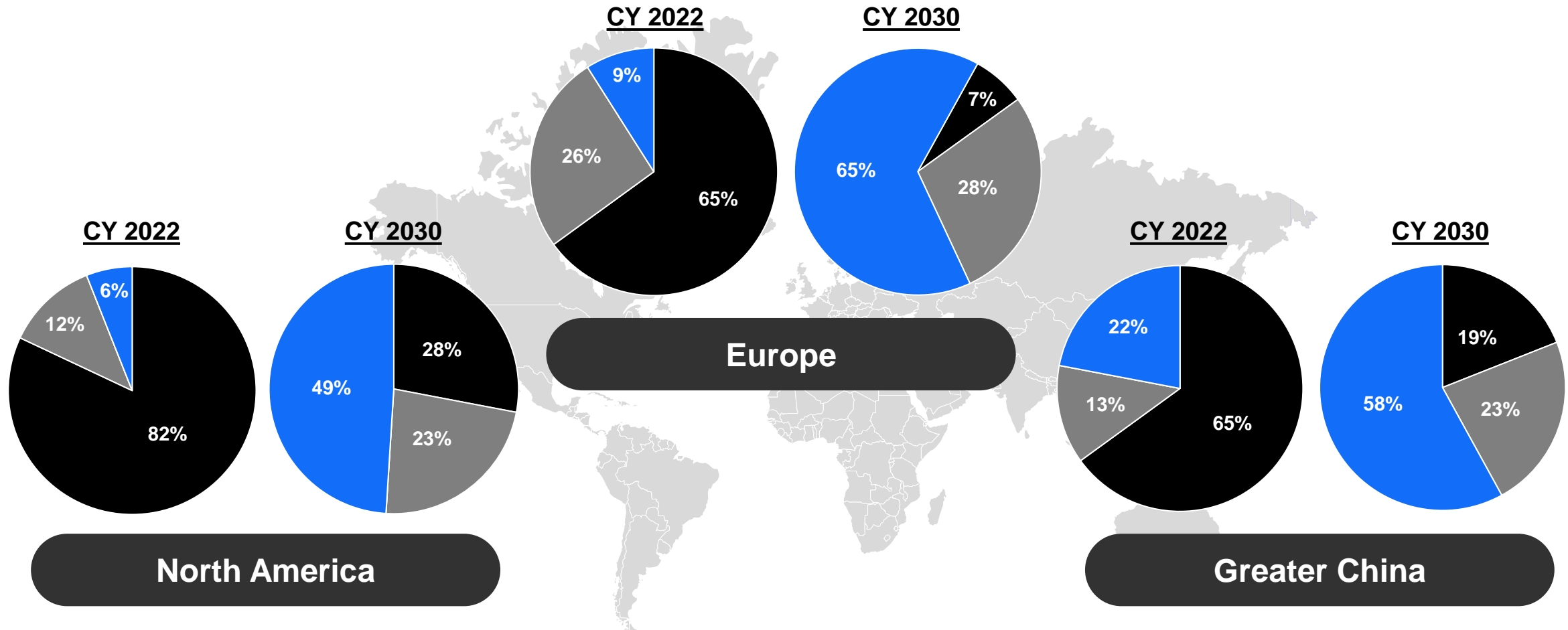
70% of passenger vehicles
sold globally in 2030 expected to be
battery or hybrid¹

\$25 Billion
available in tax credits for manufacturers of
renewable energy equipment²

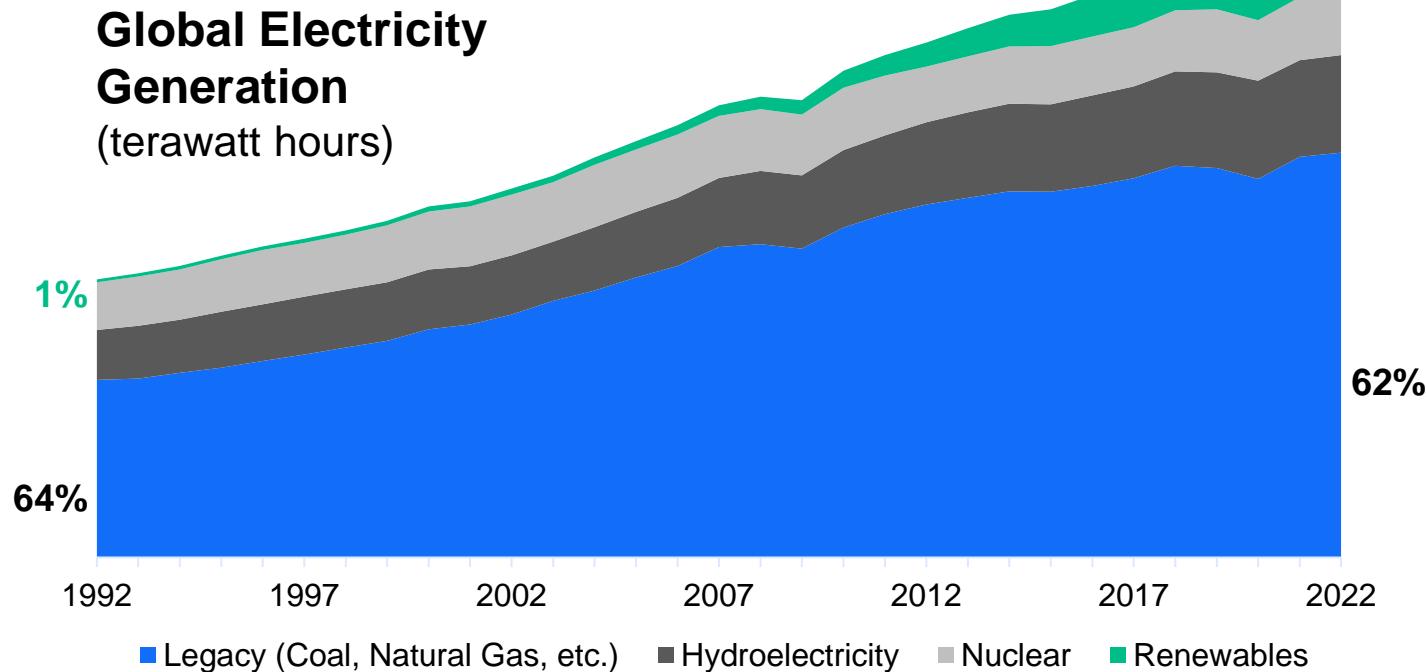
\$1 Trillion
infrastructure bill signed in 2021

Automotive Decarbonization

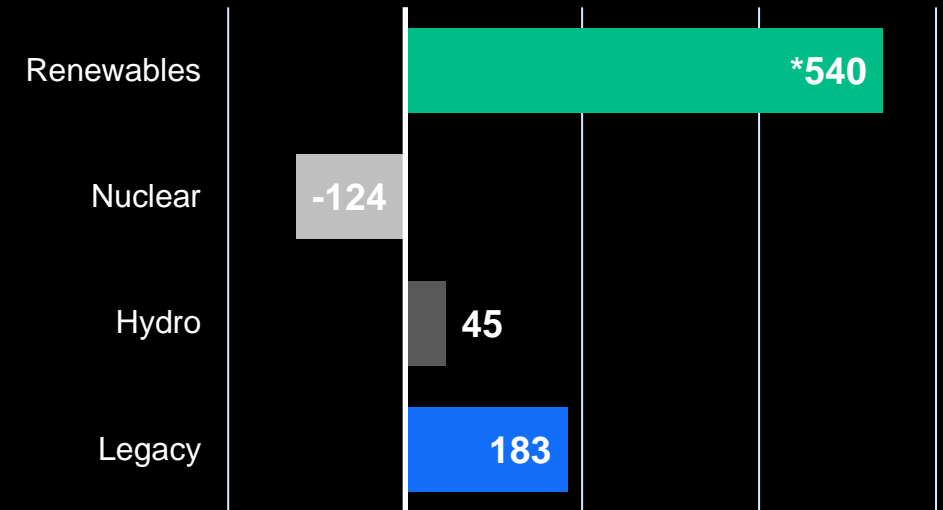
Projected Vehicle Production by Propulsion System – 2022 vs. 2030



Renewables Increasing Share of Power Generation

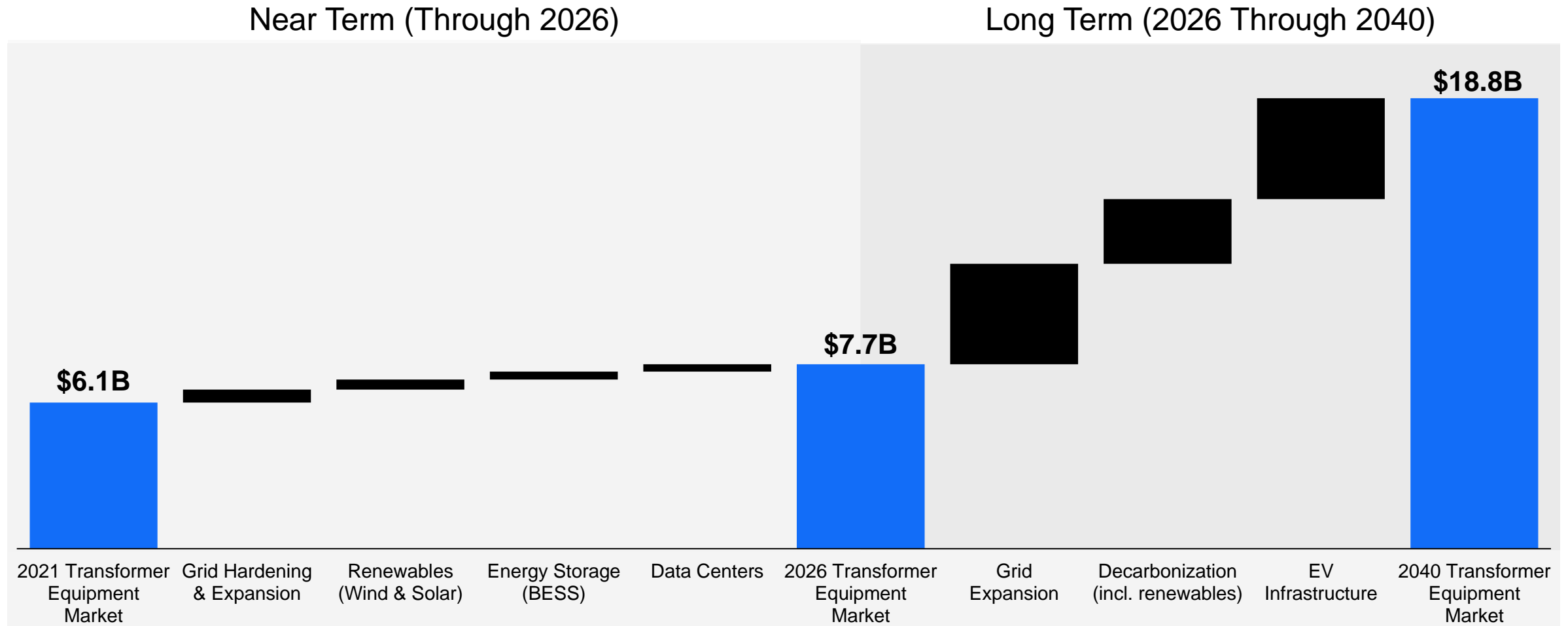


Year-over-Year Growth (terawatt hours, 2022 vs. 2021)



*Of incremental electricity generation in 2022, **renewables** are nearly 3X legacy sources and made up 80% of the net increase.

Infrastructure Growth Driving Transformer Equipment Demand

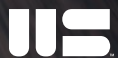


Federal Infrastructure Investment is Supported by Steel

\$500+ Billion
of Investment Will Require

~45M Tons of Steel
Over the Next 5 Years¹

Source: Infrastructure Investment and Jobs Act | ¹ Infrastructure Investment and Jobs Act estimated to result in more than \$500 billion of steel intensive work that is anticipated to require ~40-45 million tons of steel over a 5-year period or ~9 million tons per \$100bn invested.



\$128B

Power & Water Infrastructure

\$54B

Transit, Clean Energy Transport
& EV Charging

\$135B

Airports, Roads & Bridges

\$17B

Port & Waterways

\$66B

Passenger & Freight Rail

\$123B

High-Speed Internet & Safety

WHY INVEST

WORTHINGTON STEEL

WORTHINGTON
STEEL

1

Unique Steel Processor
Well Positioned for
Significant Growth

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Market-Leading Supplier to
Attractive End Markets

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Strategy Driven by
Strong Leadership Team

Three Strategic Growth Pillars Expected to Drive Our Next Phase of Growth



**Focused, strategic investments
in the rapidly growing electrical
steel market**

Grow existing portfolio of highly technical electrical steel products to meet demand for infrastructure improvements and EVs



**Expand value-added offerings
through disciplined strategic
capex and acquisitions**

Attractive opportunities in electrical steel, tailor welded products, and carbon flat-rolled steel



**Drive continuous improvement
using the
Worthington Business System**

Worthington Business System enables higher profitability and is unique among service centers

BUILDING ON A STRONG LEADERSHIP POSITION TO DRIVE SHAREHOLDER VALUE

Proven Management Team Focused on Value Creation

Nearly 200 Combined Years of Experience Managing Through Steel Price Cycles
and Shifting Macroeconomic Climates with Proven Ability to Execute M&A



GEOFF GILMORE

President & Chief
Executive Officer
25 Years



JEFF KLINGLER

Executive VP &
Chief Operating Officer
30 Years



TIM ADAMS

VP & Chief
Financial Officer
25 Years



MICHAUNE TILLMAN

VP & General Counsel
9 Years



MELISSA DYKSTRA

VP of Corporate Communications
& Investor Relations
10 Years



NIKKI BALLINGER

VP of Human Resources
12 Years



BRAD KERN

VP of Operations
33 Years



CLIFF LARIVEY

VP of Commercial, Purchasing
& Price Risk Mgmt
25 Years



BILL WERTZ

VP of Transformation
& Chief Information Officer
26 Years

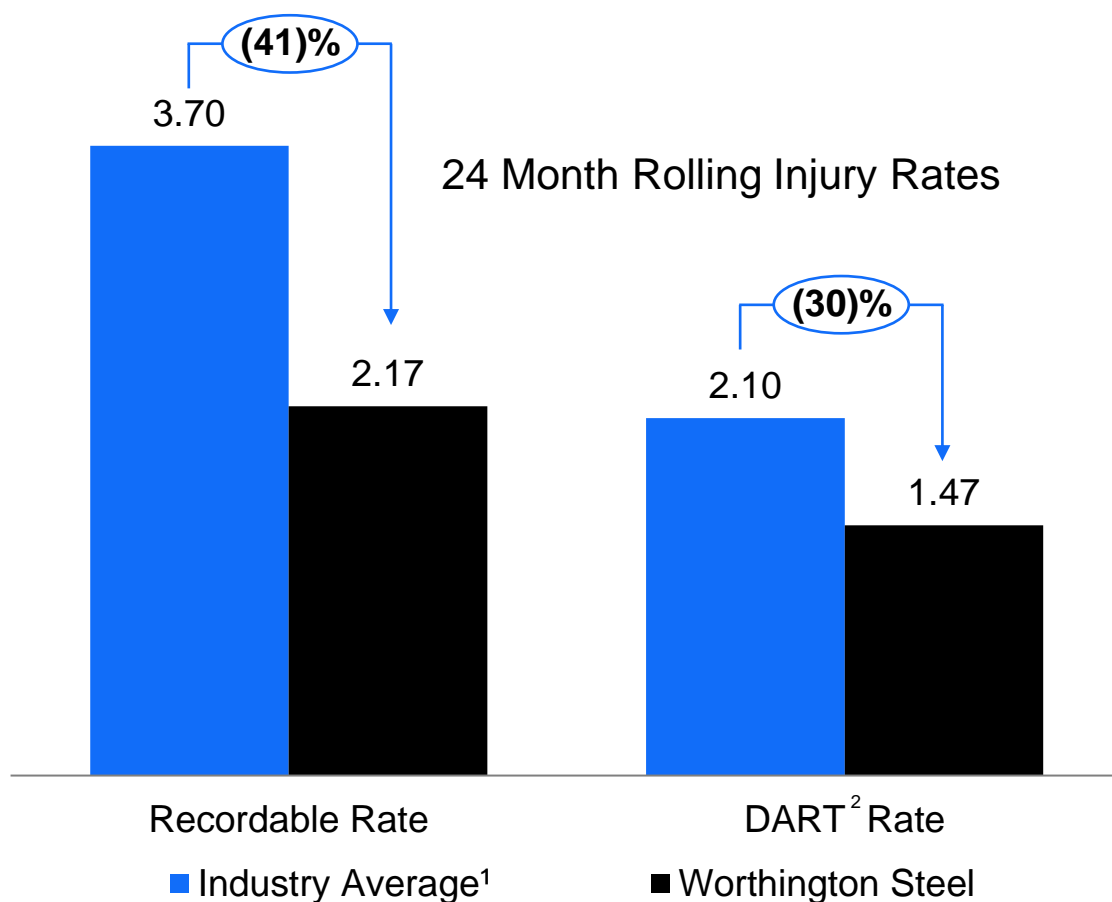


OUR ONE-OF-A-KIND
STEEL PROCESSING BUSINESS



JEFF KLINGLER
EVP & CHIEF OPERATING OFFICER

Our Success Begins with Safe and High Performing People



Note: Twenty-four months ended August 31, 2023.

¹ Steel product manufacturing from purchased steel – NAICS 3312 per BLS.

² Days Away Restricted or Transferred.

Employee Safety is Top of Mind

- 18 Worthington Steel facilities are ISO 45001 certified
- SafeWorks programs, policies and employee engagement initiatives are the core of our safety culture

“ **SAFETY FIRST** is not merely a slogan.... It's a true statement of Worthington Steel's operating philosophy. ”

- John H. McConnell, August 11, 1970



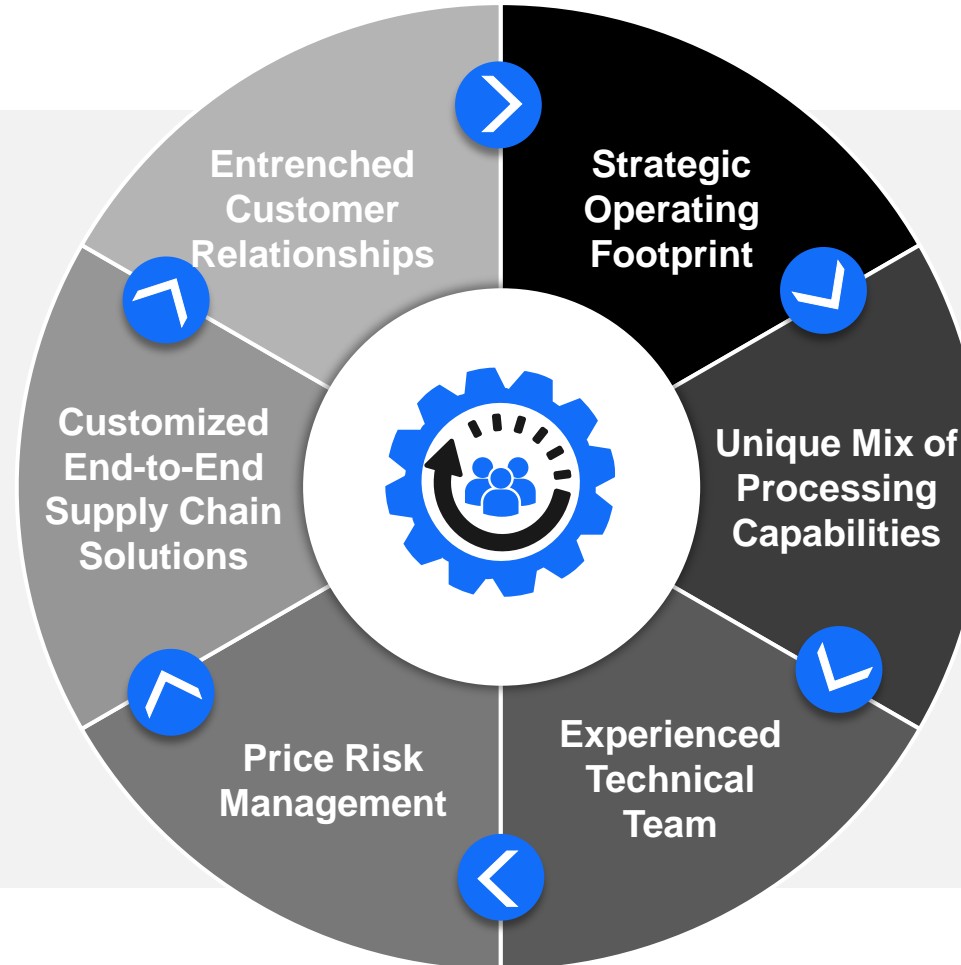
Our Differentiated Business Model Drives Worthington Steel Forward

Beginning with Material
from our Mill Partners

Worthington Steel Offers a Wide Range of Value-Added
Processing Capabilities and Services

Serving Customers Across
Attractive End Markets

**Steel
Mills**



Automotive
Renewable Power
Infrastructure
Agriculture
Construction
Heavy Truck

Materials Support and Solutions Team

World Class Technical Team

21

Field & Plant Metallurgists

400+

Years of Combined Experience

6

Material Scientists in the
Corporate Materials Laboratory

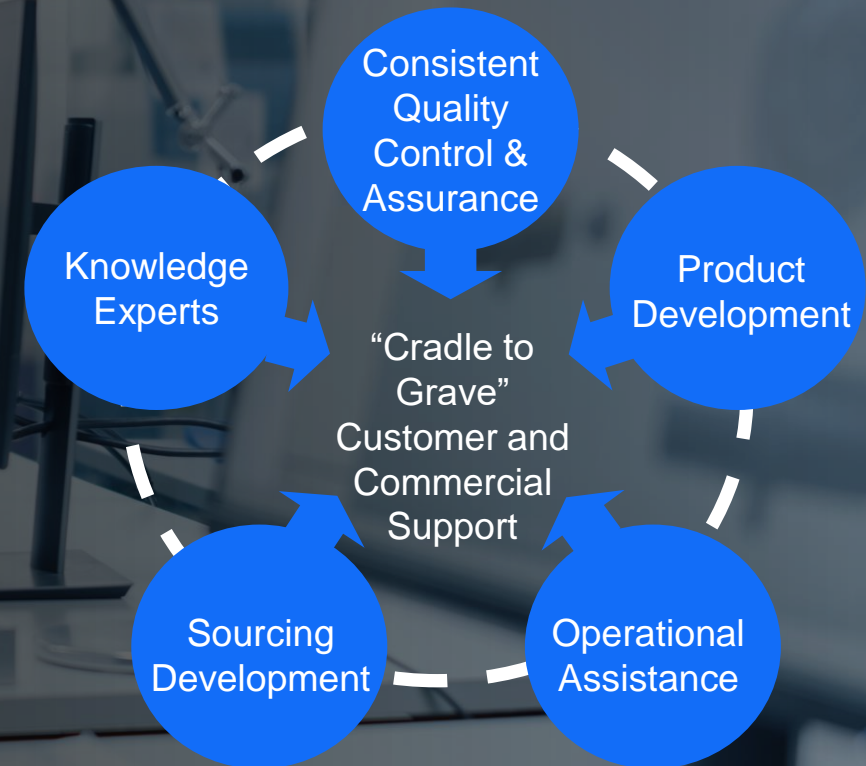
4

Testing Laboratories Providing
Full Material Characterization

State-of-the-Art
**Process Simulation
Equipment**

Data & Analytics
Driven Decision-Making

Technical Service Offerings



Our Technical Services Team Ensures Consistency and Performance Throughout the Sales Process

CASE STUDY: Identifying and Solving for Pitted Steel

PROBLEM



Customer was paying for buffing and polishing to reduce a rough appearance on competitive product after forming

ANALYSIS



Microstructurally examined the steel and determined process controls to improve the appearance

SOLUTION



Defined optimized processing and microstructure parameters to maintain the surface quality and eliminate buffing and polishing costs for the customer

Over 150,000 shipped tons during fiscal year 2023 tied directly to technical customer development projects completed during the prior five years

The Worthington Business System Drives Continuous Improvement

Goal: Margin Expansion Through Operational Excellence

Focus: Columbus Tandem Mill

Objectives

- Improve gauge-reduction performance to **reduce scrap and processing time**
- **Leverage insights** from various holistic data set and business intelligence tools to **identify opportunities for improvement**

Approximate Savings Achieved

\$2M
Annually

Scrap Savings from
Reduced / Optimized Footage

\$315k
Annually

Improved Performance
and Reduced Processing Time



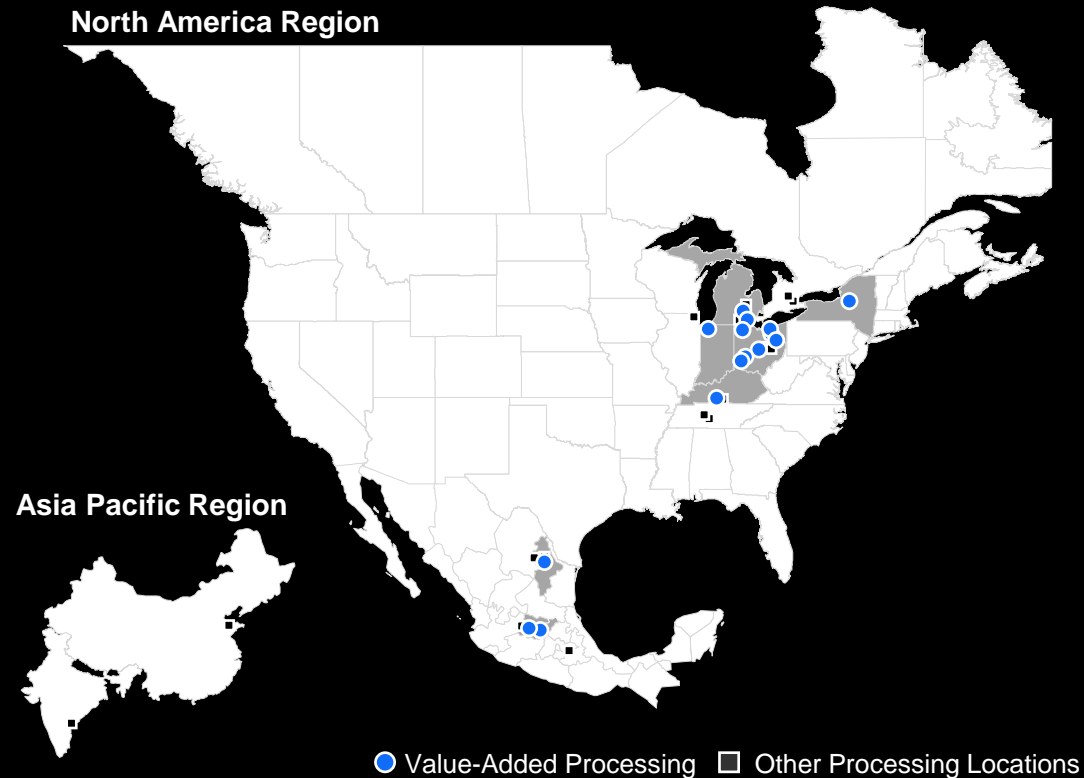
Carbon Flat Rolled Steel Processing



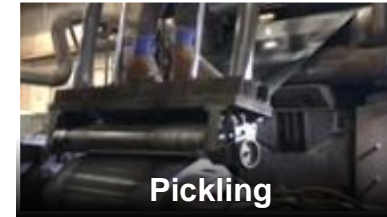
Market leading provider of carbon flat-rolled steel – a key supplier across the value chain

High Quality Steel Processing for North American Customers

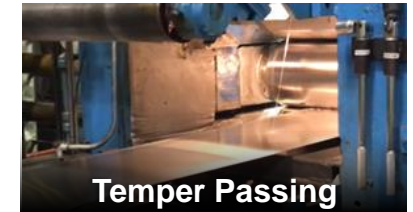
15 Manufacturing Locations



Hot Roll Conversion



Specialty Processing



Dimensional Processing



Electrical Steel Laminations

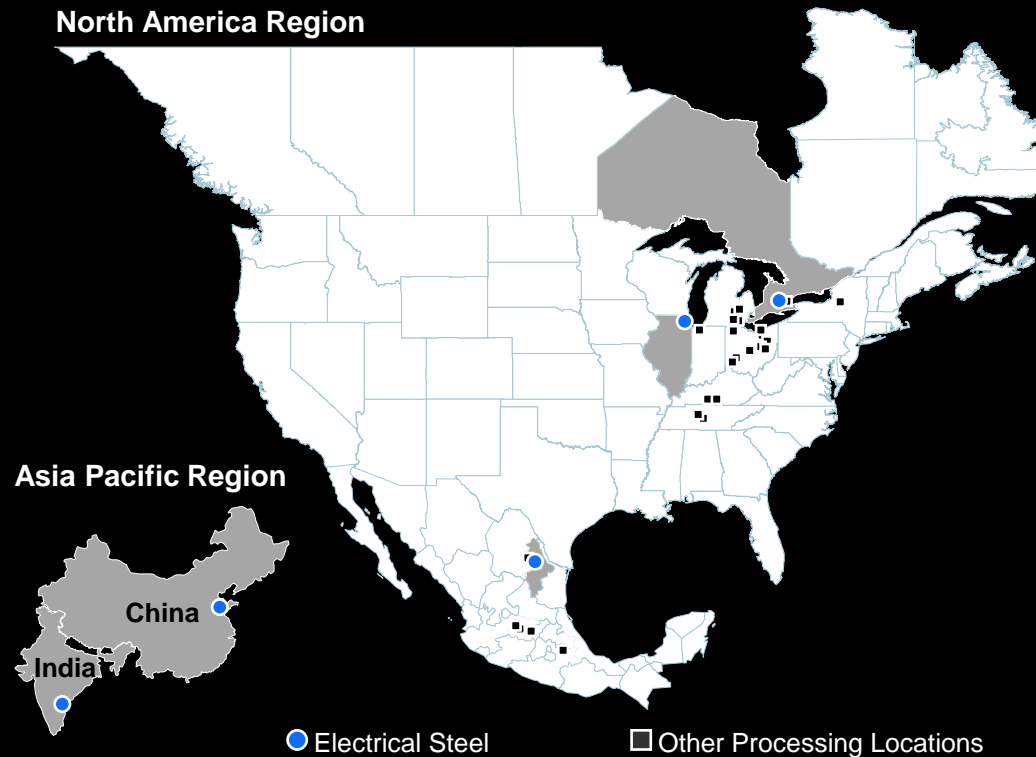


Tempel is a leading manufacturer of precision magnetic steel laminations for the automotive, transformer, industrial motor, and generator industries

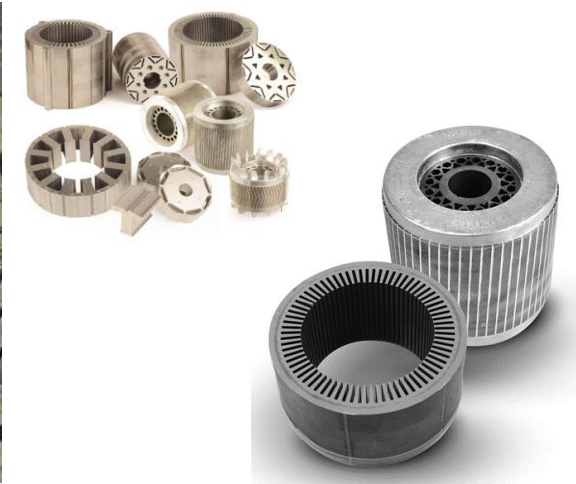
- Acquired Tempel Steel on December 1, 2021

Delivering Electrical Steel Laminations to Customers Globally

5 Manufacturing Locations



Electric Motor Laminations



Transformer Laminations



Offering a Full Suite of Electrical Steel Capabilities

Providing a 'One-Stop' Shop to Service Our Customers' Most Demanding and Performance-Critical Applications

Design & Engineering



Precision Tooling Design



Rapid Prototyping



Stamping



Core Assembly



Annealing



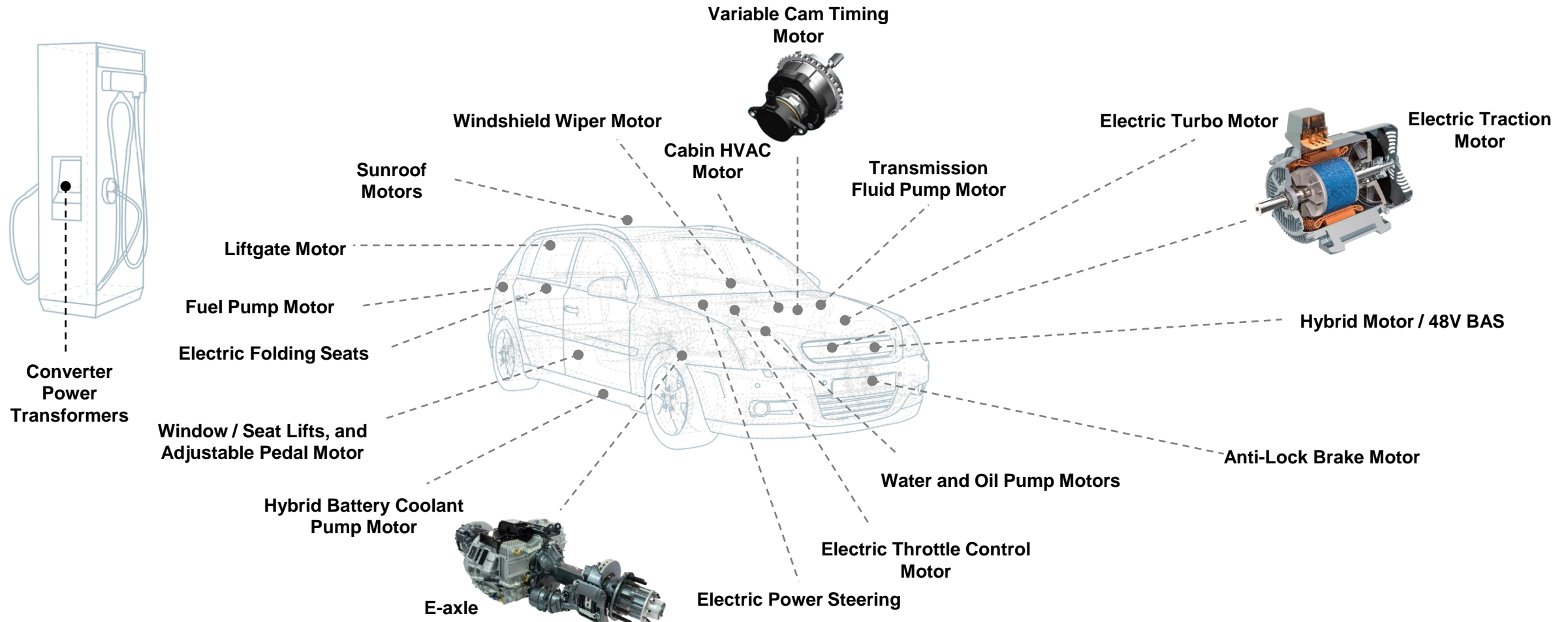
Aluminum Injection Molding



Quality Assurance



Electrical Steel Applications Across the Automobile



Supporting the Transition to a More Sustainable Future

Providing laminations for **motors, generators,** and **transformer cores** used in:

1

Power Generation

(Hydro / Gas / Coal)

2

Renewables

3

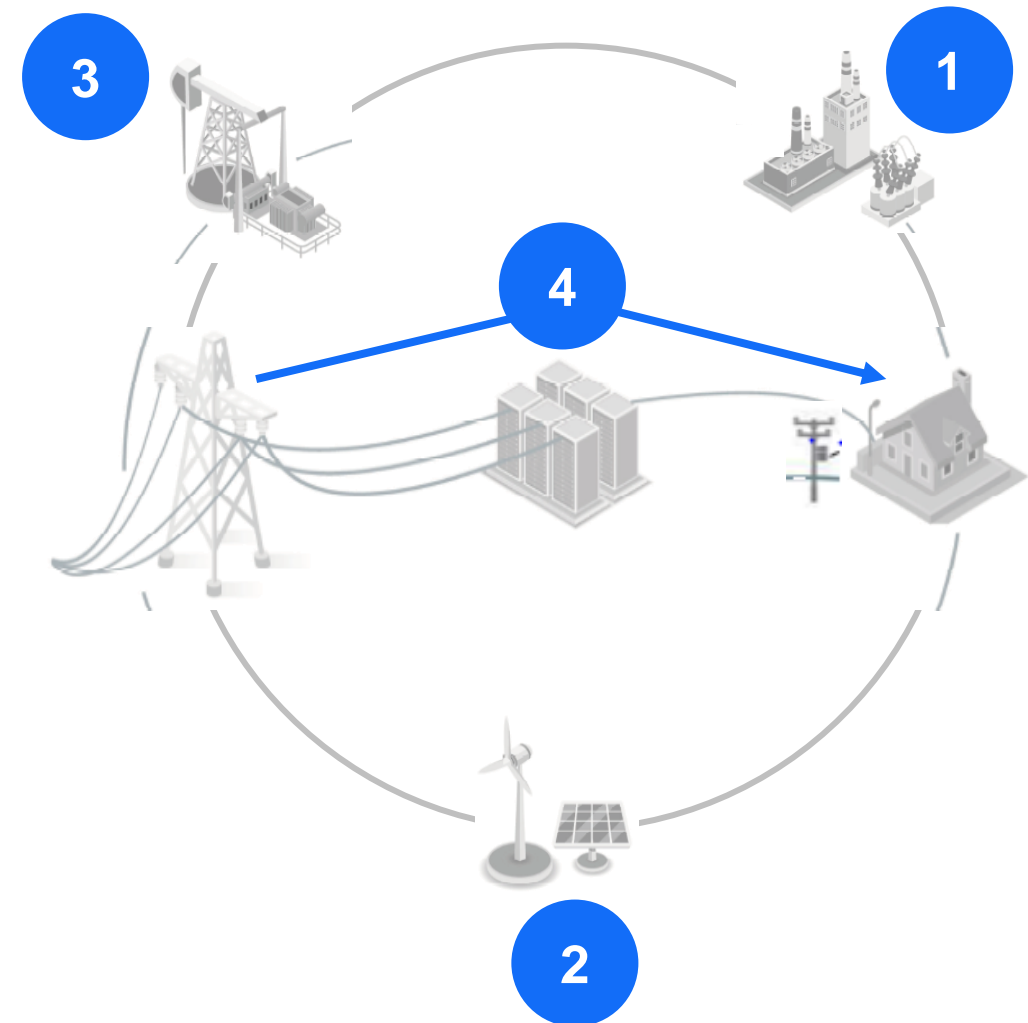
Oil & Gas

(Fracking / Drilling / Onshore & Offshore)


4

Power Distribution

Provider of Critical Electrical Steel Solutions for an Increasingly Electrified Energy Infrastructure



Lightweighting

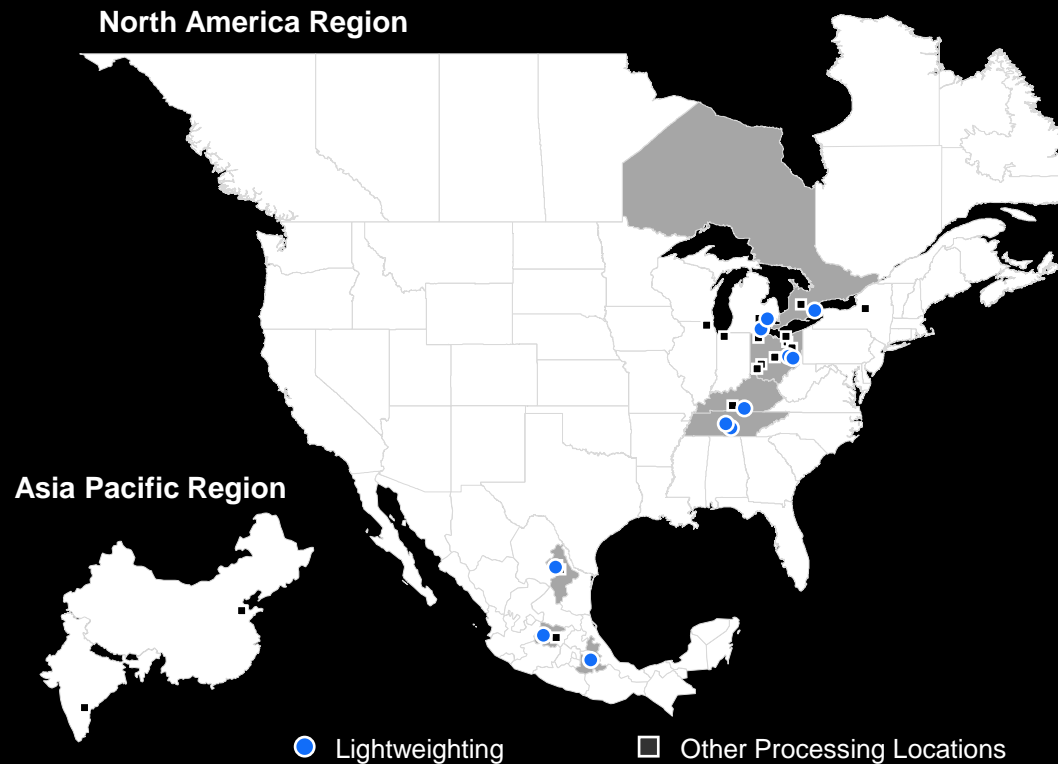


The TWB Company is a North American leader in Tailor Welded Solutions with products used to reduce weight, lower cost, improve material utilization and consolidate parts

- Formed in 1992, the TWB Company is a joint venture between Worthington Steel (55%) and BAOSteel Tailored Blanks (45%)

Lightweighting Solutions for North American Customers

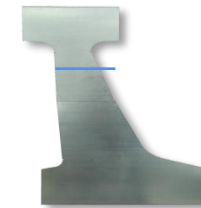
11 Manufacturing Locations



We create value for our customers through lightweighting, material utilization and cost management

Tailor Welded
Blanks

Finished
Part

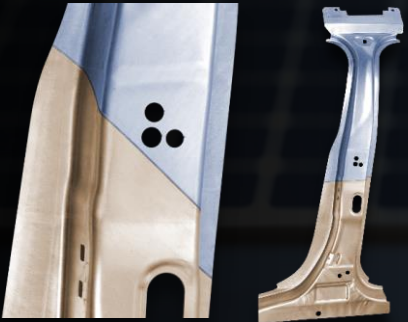


New Product Development to Meet Evolving Customer Needs

Driving Market Share Gains and Customer Intimacy Through a “Voice of Customer” Approach to New Product Development

Continued Enhancements to Core Offerings

3rd Generation Advanced High Strength Steel

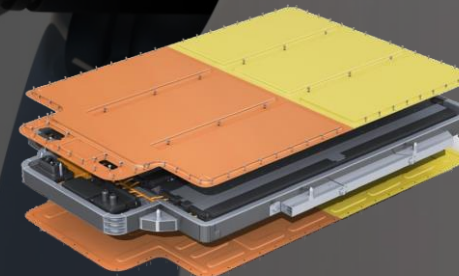


Multi-Dimensional Welded Frame Rails

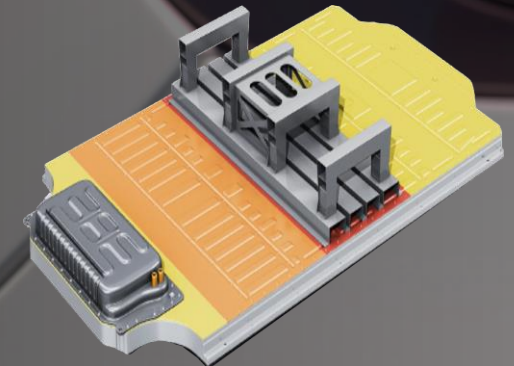


At the Forefront of EV Battery Box Design

Upper / Lower Battery Covers



Structural Battery Tray



Since 2000, we have successfully launched more than 500 production parts

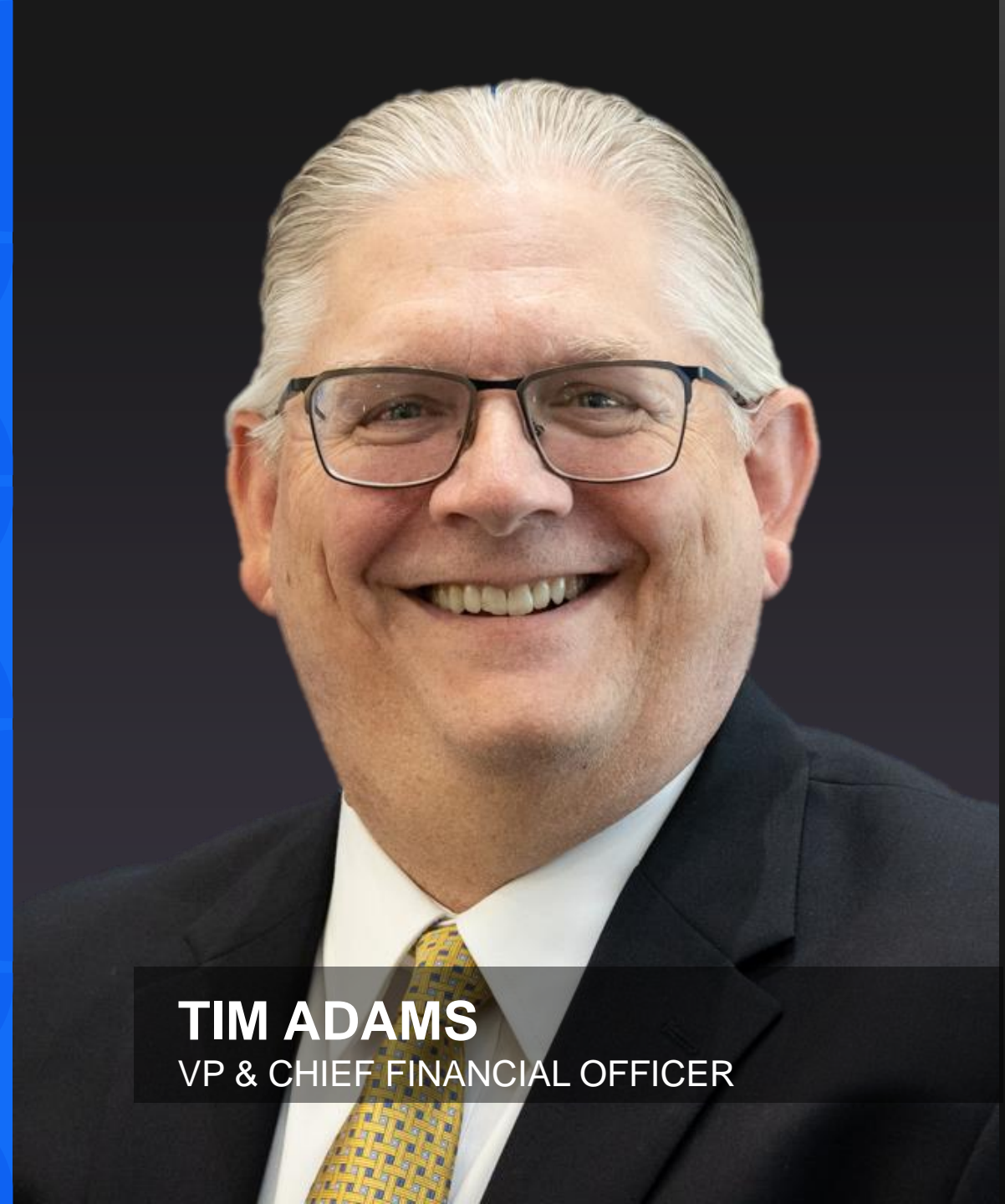


**A sophisticated business
built on a legacy of
customer-focused innovation.**





FINANCIAL & CAPITAL
ALLOCATION OVERVIEW



TIM ADAMS
VP & CHIEF FINANCIAL OFFICER

Financial Highlights

Well Positioned to Drive Strong Shareholder Value Creation.

Strong growth potential with exposure to fast growing end markets

Balance sheet strength and ample liquidity to capitalize on market opportunities

Disciplined strategic capital investments and acquisitions

Lean operating model enables robust free cash flow generation

Key Financial Metrics

Trailing Twelve Months ended August 31, 2023

Net Sales

\$3.4B

Volume

4.0M tons

Adjusted EBITDA

\$244M

(7.1% EBITDA Margin)

Free Cash Flow¹

\$228M

Capex

\$52M

(1.5% of Net Sales)

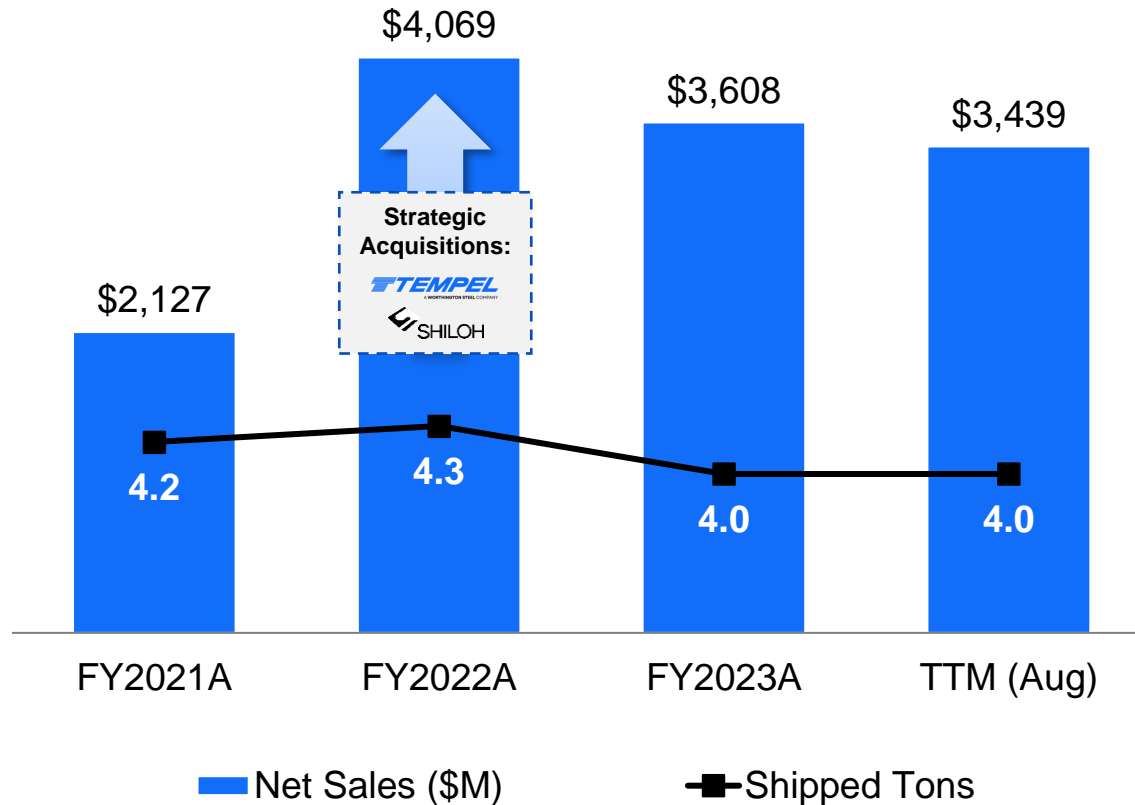
Net Debt²

\$120M

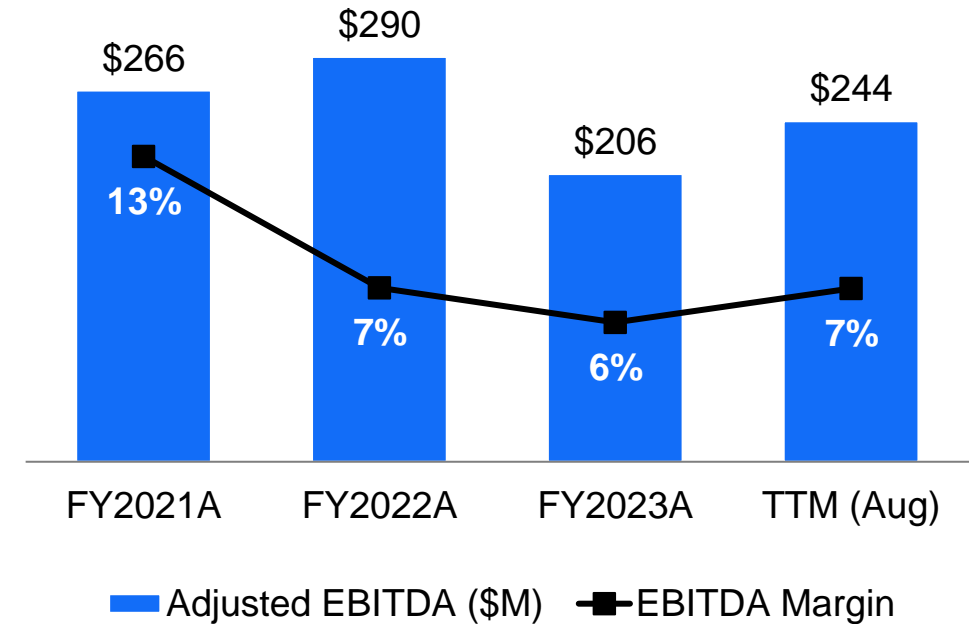
at separation

History of Resilient Performance

Net Sales (\$M) & Volumes (M Tons)



Adjusted EBITDA (\$M) | Margin (%)



Estimated
Holding
G/(L)

\$75

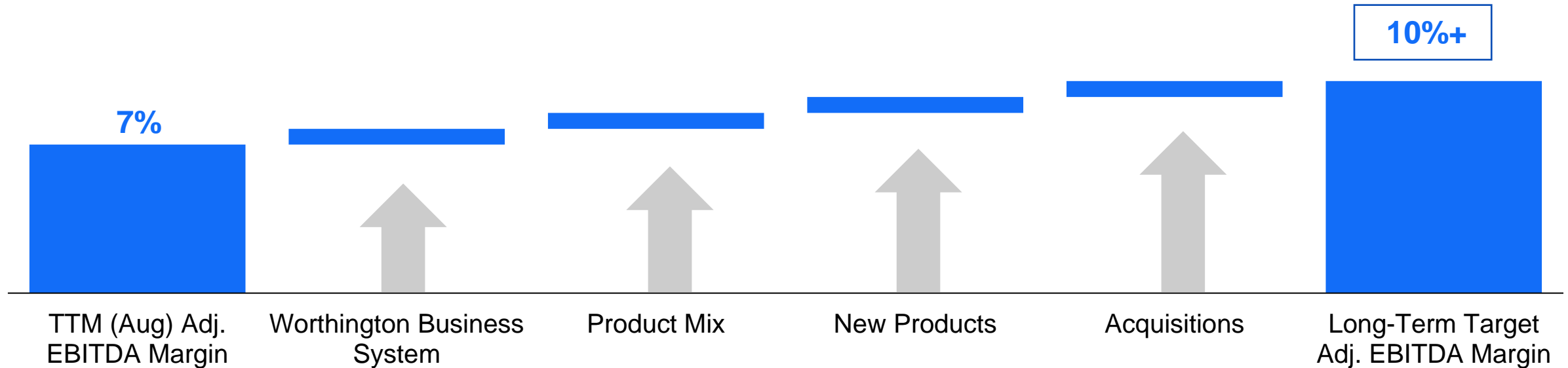
\$22

(\$49)

(\$32)

Margin Expansion Opportunities: Levers for Improved Performance

Strategy to Target Double-Digit Adj. EBITDA Margins



**Strategy to
Target 10%+
Adj. EBITDA
Margin**



Worthington
Business System
drives out waste

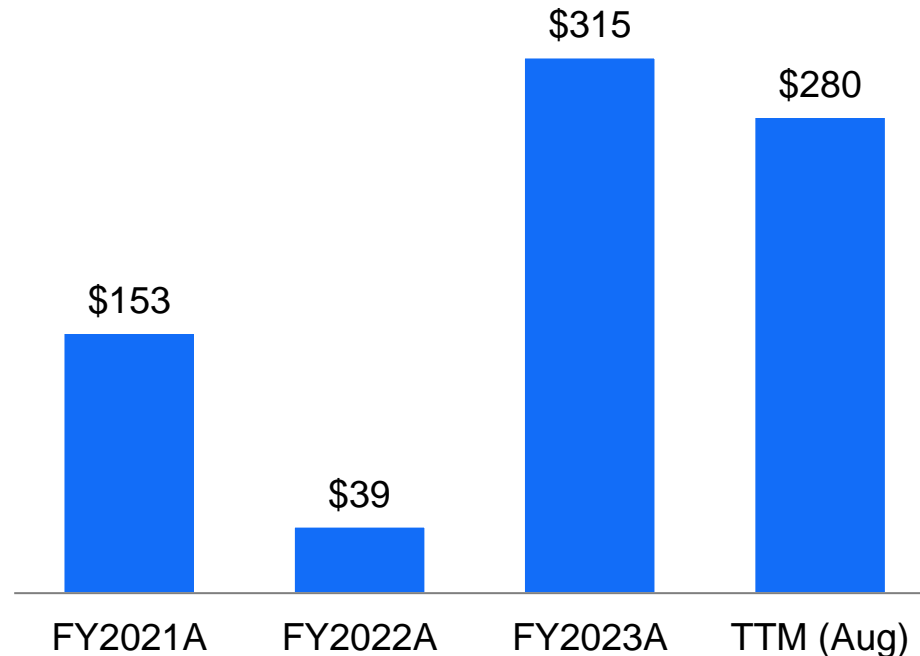
Improving product
mix with focus on
highest margin
products

Introduce higher
margin new products
and processes

Acquire margin
accretive businesses

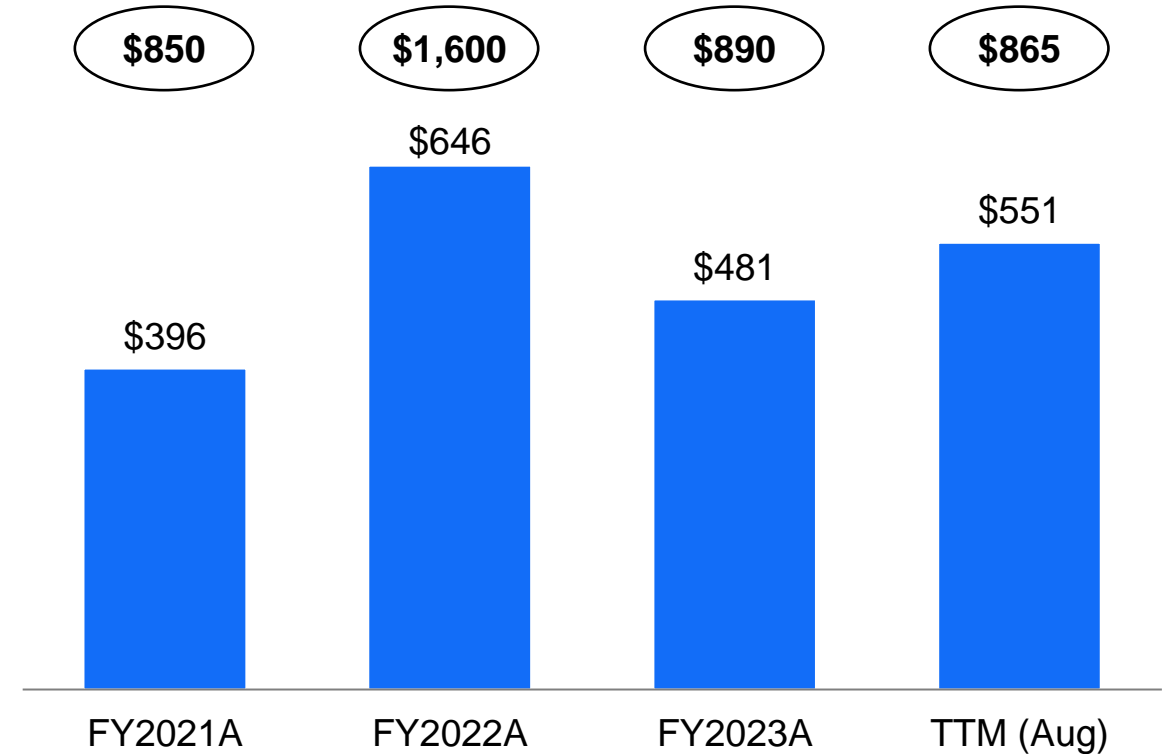
Operating Cash Flow Generation

Operating Cash Flow (\$M)



Capex (\$M)	\$29	\$36	\$45	\$52
-------------	------	------	------	------

Operating Working Capital¹ (\$M)

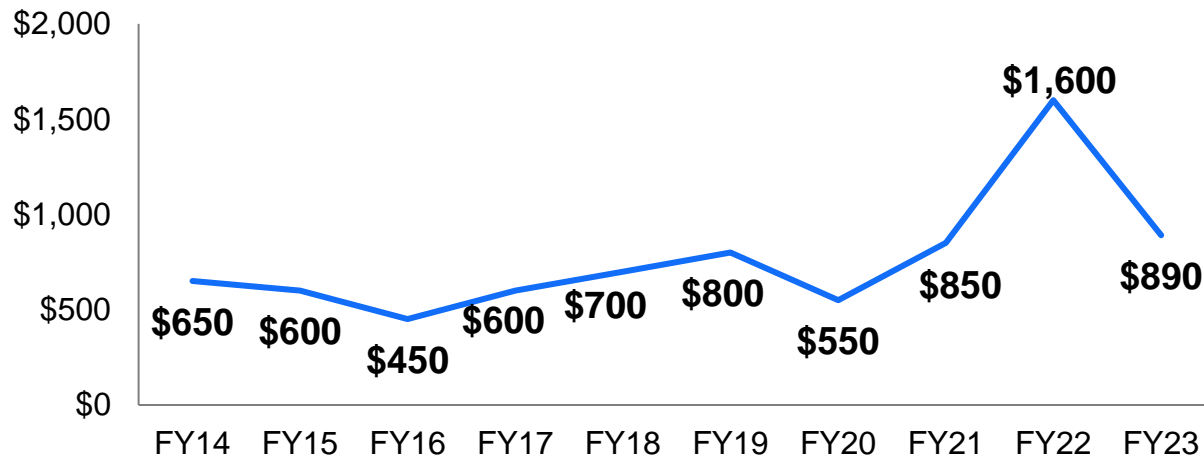


■ Operating Working Capital (\$M)

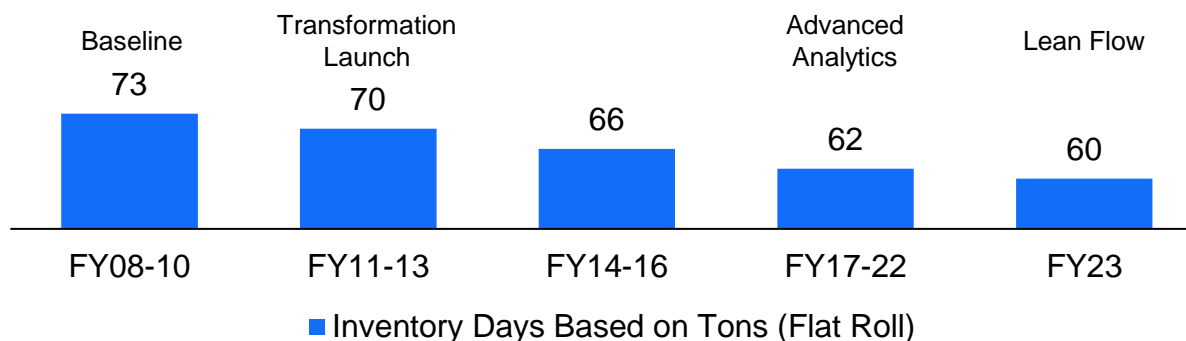
○ Steel Price (\$/ton)

How Worthington Steel Mitigates Volatility in Steel Pricing

Historical Steel Price (\$/ton)



Worthington Business System Helps Drive Down Inventory

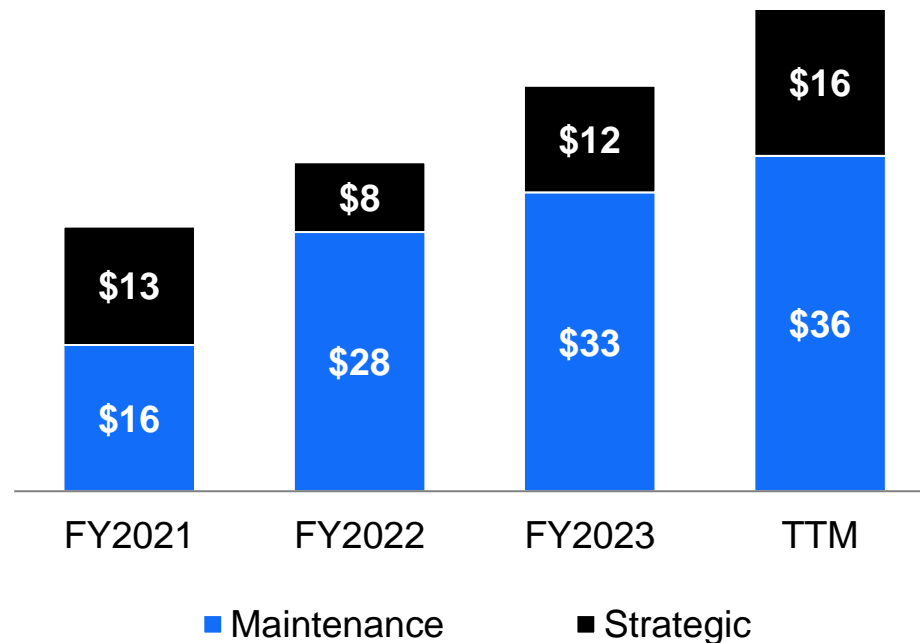


How Worthington Steel Manages Volatility

- **FIFO method used to cost inventory**
 - During times of significant steel price increases, inventory holding gains result; opposite is true when steel prices fall
- Steel attempts to minimize the impact of holding gains (losses) by:
 - **Mirroring** customer and supplier contract mechanisms
 - Driving inventory lower via **Transformation**
- Use **steel futures** to offer fixed prices to customers

Capital Investments Intended to Strengthen and Grow Market Position

Capital Expenditures (\$M)



Capex as
% of Sales

1.4%

0.9%

1.3%

1.5%

~\$35-40M / Year

Expected Go Forward Run-Rate Maintenance Capex Spend

Strategic Capital Investments

- **Increasing Lightweighting Capabilities / Capacity**
 - **Hot Galvanizing Line:** produce Type 1 aluminized steels for the automotive industry
 - **Laser Welding:** support lightweighting targets for new Battery EV models
- **Scaling Global Presence through Strategic Projects**
 - **Electrical Steel Lamination Presses:** bolster electric vehicle market growth in Mexico, China, and India

Focused Strategic Investments in Electrical Steel



Mexico: Increase Capacity to Meet Growing xEV Demand

- Expect to invest in a capacity expansion over 24-36 months
- Adding ten new presses designed to produce electrical steel laminations used in xEV traction motors
- Building expansion underway and placed order for first five presses



Canada: Increase Capacity to Meet Transformer Demand

- Expect to invest over 24-36 months to double current capacity to produce transformer cores from electrical steel
- Significant growth expected in transformers due to age of power grid, increased xEV demand and use of renewable energy
- Placed order for long-lead time equipment

Expect steady state EBITDA margins to be accretive



Expand Value-Added Offerings Through Capex & Acquisitions

- Focus on opportunities that are **accretive to earnings & margins**
- Seek **adjacent capabilities** to broaden portfolio and enhance our strategic position
- Acquisitions **target businesses with potential for margin enhancement** via Transformation and analytics
- Identify partners that **complement and enhance** existing products, customers, and geographic footprint
- Enhance **supply chain** network and geographic coverage

Modest Leverage and Ample Liquidity

Illustrative Example of Potential Capital Structure, Subject to Change (US\$M)

Total Debt ¹	\$150
(-) Cash ¹	(30)
Net Debt	\$120
Trailing Twelve Month Adjusted EBITDA	\$244
Trailing Twelve Month Net Leverage	0.5x
Total Liquidity	\$430

Commentary

- Intend to establish a **flexible capital structure** with modest leverage and ample liquidity
- Worthington Steel expects to enter into a **\$550M ABL facility**, maturing in 2028
- Intend to draw on the ABL facility to pay a one-time **\$150M dividend¹** to Worthington Enterprises on separation date
- Expect to have sufficient cash on hand, committed credit availability and debt capacity to **execute on our business strategy**

Disciplined Framework Designed to Drive Shareholder Value

Maintain Ample Liquidity and Financial Flexibility to Support Strategic Initiatives and Resiliency Through the Cycle

Organic Growth

- Maintain operations in **market ready condition**
- **Grow capacity** to meet electrical steel and lightweighting demand
- Pursue **high IRR capacity additions**

Strategic M&A

- Target acquisition opportunities that are expected to be **immediately accretive to earnings**
- Leverage track record and skill set to **integrate bolt-on opportunities** and realize synergies

Shareholder Return

- Focus on **maximizing shareholder return**
- Expect to pay a modest **dividend**
- Intend to pursue opportunistic **share buybacks**



CONCLUDING REMARKS

GEOFF GILMORE
PRESIDENT AND CHIEF EXECUTIVE OFFICER



REASONS TO INVEST

IN WORTHINGTON STEEL



1

**Unique Steel Processor
Well Positioned for
Significant Growth**

2

**Market-Leading Supplier to
Attractive End Markets**

3

**Strategy Driven by
Strong Leadership Team**

QUESTIONS



Appendix



Update on Separation Into Two World-Class Companies

Key Events	Expected Timing
Public Announcement of Separation	September 29, 2022
Public Form 10 Filing	October 4, 2023
Investor Day Presentation	October 11, 2023
Target for Start of Regular Way Trading	December 2023

Reconciliation of Non-GAAP Financial Measures

The steel processing business of Worthington Industries, Inc. (Worthington Steel) has provided in this presentation certain financial information that has not been prepared in accordance with accounting principles generally accepted in the United States of America ("non-GAAP"). Non-GAAP measures should not be considered in isolation from, or as a substitute for, financial information calculated in accordance with GAAP.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA). Adjusted EBITDA consists of EBITDA (calculated by adding or subtracting, as appropriate, interest expense, income tax expense and depreciation and amortization to/from net earnings attributable to controlling interest), which is further adjusted to exclude impairment and restructuring expense (income) as well as other items that management believes are not reflective of, and thus should not be included when evaluating the performance of its ongoing operations, including incremental costs associated with the planned separation.

Free Cash Flows. Free cash flows is calculated by subtracting capital expenditures from operating cash flows.

(In millions)	Fiscal Year Ended May 31,			TTM August 31,
	2021	2022	2023	2023
Net Sales	\$ 2,127	\$ 4,069	\$ 3,608	\$ 3,439
Net earnings attributable to controlling interest	\$ 171	\$ 180	\$ 87	\$ 115
Interest expense, net	-	3	3	2
Income tax expense	48	54	29	36
Depreciation and amortization	45	60	70	69
EBITDA	\$ 264	\$ 297	\$ 189	\$ 222
Impairment of long-lived assets ⁽¹⁾	-	2	2	3
Restructuring and other (income) expense, net ⁽¹⁾	2	(9)	(2)	(2)
Separation costs ⁽²⁾	-	-	17	21
Adjusted EBITDA	<u>\$ 266</u>	<u>\$ 290</u>	<u>\$ 206</u>	<u>\$ 244</u>
Adjusted EBITDA margin	13%	7%	6%	7%

⁽¹⁾ Excludes the impact of the noncontrolling interests.

⁽²⁾ Includes direct and incremental costs incurred in connection with the separation of Worthington Steel from Worthington Industries, Inc., including audit, legal, and other fees paid to third-party advisors as well as direct and incremental costs associated with the separation of shared corporate functions.

	TTM August 31 2023
Operating cash flow	\$ 280
Capital expenditures	52
Free cash flow	<u>\$ 228</u>

OUR PHILOSOPHY

adopted in 1961, is the foundation of our culture

EARNINGS

- The first corporate goal for Worthington Industries is to earn money for its shareholders and increase the value of their investment.
- We believe that the best measurement of the accomplishment of our goal is consistent growth in earnings per share.

OUR GOLDEN RULE

- We treat our customers, employees, investors and suppliers, as we would like to be treated.

PEOPLE

- We are dedicated to the belief that people are our most important asset.
- We believe people respond to recognition, opportunity to grow and fair compensation.
- We believe that compensation should be directly related to job performance and therefore use incentives, profit sharing or otherwise, in every possible situation.
- From employees we expect an honest day's work for an honest day's pay
- We believe in the philosophy of
 - continued employment for all Worthington people.
- In filling job openings, every effort is expended to find candidates within Worthington, its divisions or subsidiaries.

CUSTOMERS

- Without the customer and their need for our products and services we have nothing.
- We will exert every effort to see that the customer's quality and service requirements are met.
- Once a commitment is made to a customer, every effort is made to fulfill that obligation.

SUPPLIERS

- We cannot operate profitably without those who supply the quality materials we need.
- We ask that suppliers be competitive in the marketplace with regard to quality, pricing, delivery and volume purchased.
- We are a loyal customer to suppliers who meet our quality and service requirements through all market conditions.

ORGANIZATION

- We believe in a divisionalized organizational structure with responsibility for performance resting with the head of each operation.
- All managers are given the operating latitude and authority to accomplish their responsibilities within our corporate goals and objectives.
- In keeping with this philosophy, we do not create excessive corporate procedures. If procedures are necessary within a particular company operation, that manager creates them.
- We believe in a small corporate staff and support group to service the needs of our shareholders and operating units as requested.

COMMUNICATION

- We communicate through every possible channel with our customers, employees, shareholders, suppliers and financial community.

CITIZENSHIP

- Worthington Steel practices good citizenship at all levels. We conduct our business in a professional and ethical manner.
- We encourage all our people to actively participate in community affairs
- We support worthwhile community causes.