

WORTHINGTON INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)
(In thousands, except per share amounts)

	Three Months Ended August 31,	
	2020	2019
Net sales	\$ 702,909	\$ 855,859
Cost of goods sold	589,551	738,568
Gross margin	113,358	117,291
Selling, general and administrative expense	82,196	90,823
Impairment of long-lived assets	9,924	40,601
Restructuring and other expense, net	1,848	455
Incremental expenses related to Nikola gains	49,511	-
Operating loss	(30,121)	(14,588)
Other income (expense):		
Miscellaneous income, net	452	695
Interest expense	(7,590)	(9,480)
Equity in net income of unconsolidated affiliates	23,634	24,767
Gains on investment in Nikola	796,141	-
Loss on extinguishment of debt	-	(4,034)
Earnings (loss) before income taxes	782,516	(2,640)
Income tax expense (benefit)	163,778	(185)
Net earnings (loss)	618,738	(2,455)
Net earnings attributable to noncontrolling interests	2,063	2,321
Net earnings (loss) attributable to controlling interest	\$ 616,675	\$ (4,776)
<u>Basic</u>		
Average common shares outstanding	54,070	55,241
Earnings (loss) per share attributable to controlling interest	\$ 11.41	\$ (0.09)
<u>Diluted</u>		
Average common shares outstanding	54,942	55,241
Earnings (loss) per share attributable to controlling interest	\$ 11.22	\$ (0.09)
Common shares outstanding at end of period	53,362	54,871
Cash dividends declared per share	\$ 0.25	\$ 0.24

WORTHINGTON INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)

	<u>August 31,</u> <u>2020</u>	<u>May 31,</u> <u>2020</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 650,068	\$ 147,198
Receivables, less allowances of \$1,646 and \$1,521 at August 31, 2020 and May 31, 2020, respectively	423,138	341,038
Inventories:		
Raw materials	163,762	234,629
Work in process	82,154	76,497
Finished products	73,562	93,975
Total inventories	319,478	405,101
Income taxes receivable	2,287	8,376
Assets held for sale	12,857	12,928
Investment in Nikola	287,630	-
Prepaid expenses and other current assets	70,999	68,538
Total current assets	1,766,457	983,179
Investments in unconsolidated affiliates	208,395	203,329
Operating lease assets	29,251	31,557
Goodwill	326,798	321,434
Other intangible assets, net of accumulated amortization of \$94,877 and \$92,774 at August 31, 2020 and May 31, 2020, respectively	179,665	184,416
Other assets	34,541	34,956
Property, plant and equipment:		
Land	24,572	24,197
Buildings and improvements	300,265	302,796
Machinery and equipment	1,079,899	1,055,139
Construction in progress	54,991	52,231
Total property, plant and equipment	1,459,727	1,434,363
Less: accumulated depreciation	873,781	861,719
Total property, plant and equipment, net	585,946	572,644
Total assets	<u>\$ 3,131,053</u>	<u>\$ 2,331,515</u>
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 294,172	\$ 247,017
Accrued compensation, contributions to employee benefit plans and related taxes	88,145	64,650
Dividends payable	14,808	14,648
Other accrued items	50,036	49,974
Current operating lease liabilities	10,251	10,851
Income taxes payable	84,612	949
Current maturities of long-term debt	160	149
Total current liabilities	542,184	388,238
Other liabilities	82,814	75,786
Distributions in excess of investment in unconsolidated affiliate	101,865	103,837
Long-term debt	707,331	699,516
Noncurrent operating lease liabilities	23,880	25,763
Deferred income taxes, net	143,079	71,942
Total liabilities	1,601,153	1,365,082
Shareholders' equity - controlling interest	1,382,785	820,821
Noncontrolling interests	147,115	145,612
Total equity	1,529,900	966,433
Total liabilities and equity	<u>\$ 3,131,053</u>	<u>\$ 2,331,515</u>

WORTHINGTON INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended	
	August 31,	
	2020	2019
Operating activities:		
Net earnings (loss)	\$ 618,738	\$ (2,455)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation and amortization	22,211	24,177
Impairment of long-lived assets	9,924	40,601
Provision for (benefit from) deferred income taxes	71,031	(3,498)
Bad debt expense	94	168
Equity in net income of unconsolidated affiliates, net of distributions	(6,757)	5,082
Net loss on sale of assets	402	618
Stock-based compensation	4,856	3,995
Gains on investment in Nikola	(796,141)	-
Charitable contribution of Nikola shares	20,653	-
Loss on extinguishment of debt	-	4,034
Changes in assets and liabilities:		
Receivables	(82,194)	14,981
Inventories	85,622	44,282
Accounts payable	47,154	(37,234)
Accrued compensation and employee benefits	23,852	(23,215)
Income taxes payable	83,664	10,556
Other operating items, net	14,279	(7,167)
Net cash provided by operating activities	117,388	64,369
Investing activities:		
Investment in property, plant and equipment	(32,871)	(22,174)
Proceeds from sale of Nikola shares	487,859	-
Proceeds from sale of assets	-	9,176
Net cash provided (used) by investing activities	454,988	(12,998)
Financing activities:		
Proceeds from long-term debt, net of issuance costs	-	101,598
Principal payments on long-term obligations and debt redemption costs	(97)	(153,977)
Payments for issuance of common shares, net of tax withholdings	(1,150)	(3,213)
Payments to noncontrolling interests	(560)	-
Repurchase of common shares	(54,320)	(29,599)
Dividends paid	(13,379)	(12,960)
Net cash used by financing activities	(69,506)	(98,151)
Increase (decrease) in cash and cash equivalents	502,870	(46,780)
Cash and cash equivalents at beginning of period	147,198	92,363
Cash and cash equivalents at end of period	\$ 650,068	\$ 45,583

WORTHINGTON INDUSTRIES, INC.
SUPPLEMENTAL DATA
(In thousands, except volume)

This supplemental information is provided to assist in the analysis of the results of operations.

	Three Months Ended	
	August 31,	
	<u>2020</u>	<u>2019</u>
Volume:		
Steel Processing (tons)	928,444	891,387
Pressure Cylinders (units)	21,743,065	20,183,688
Net sales:		
Steel Processing	\$ 431,020	\$ 523,375
Pressure Cylinders	270,904	304,396
Other	985	28,088
Total net sales	<u>\$ 702,909</u>	<u>\$ 855,859</u>
Material cost:		
Steel Processing	\$ 305,587	\$ 396,442
Pressure Cylinders	115,717	126,870
Selling, general and administrative expense:		
Steel Processing	\$ 35,598	\$ 35,516
Pressure Cylinders	43,457	46,466
Other	3,141	8,841
Total selling, general and administrative expense	<u>\$ 82,196</u>	<u>\$ 90,823</u>
Operating income (loss):		
Steel Processing	\$ 13,617	\$ 6,168
Pressure Cylinders	8,642	29,623
Other	(759)	(45,133)
Segment operating income (loss)	21,500	(9,342)
Unallocated corporate and other	(2,110)	(5,246)
Incremental expenses related to Nikola gains	(49,511)	-
Total operating loss	<u>\$ (30,121)</u>	<u>\$ (14,588)</u>
Equity income (loss) by unconsolidated affiliate:		
WAVE	\$ 17,656	\$ 23,917
ClarkDietrich	4,896	4,090
Serviacero Worthington	1,309	754
ArtiFlex	(108)	206
Other	(119)	(4,200)
Total equity income	<u>\$ 23,634</u>	<u>\$ 24,767</u>

WORTHINGTON INDUSTRIES, INC.
SUPPLEMENTAL DATA
(In thousands, except volume)

The following provides detail of Pressure Cylinders volume and net sales by principal class of products.

	Three Months Ended	
	August 31,	
	2020	2019
Volume (units):		
Consumer products	17,857,141	16,898,390
Industrial products	3,885,805	3,284,455
Oil & gas equipment	119	843
Total Pressure Cylinders	<u>21,743,065</u>	<u>20,183,688</u>
Net sales:		
Consumer products	\$ 132,782	\$ 119,480
Industrial products	128,225	152,618
Oil & gas equipment	9,897	32,298
Total Pressure Cylinders	<u>\$ 270,904</u>	<u>\$ 304,396</u>

The following provides detail of impairment of long-lived assets and restructuring and other expense, net included in operating income by segment.

	Three Months Ended	
	August 31,	
	2020	2019
Impairment of long-lived assets:		
Steel Processing	\$ -	\$ -
Pressure Cylinders	9,924	-
Other	-	40,601
Total impairment of long-lived assets	<u>\$ 9,924</u>	<u>\$ 40,601</u>
Restructuring and other expense (income), net:		
Steel Processing	\$ 1,471	\$ (26)
Pressure Cylinders	314	-
Other	63	481
Total restructuring and other expense, net	<u>\$ 1,848</u>	<u>\$ 455</u>