

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended November 30, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number 001-08399

WORTHINGTON ENTERPRISES, INC .

(Exact name of registrant as specified in its charter)

Ohio

31-1189815

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

200 West Old Wilson Bridge Road

Columbus

,
Ohio

43085

(Address of principal executive offices)

(Zip Code)

(

614
)

438-3210

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

Common Shares, Without Par Value

WOR

New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Accelerated filer

Large accelerated filer

Non-accelerated filer

Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

On January 4, 2024, the number of common shares, without par value, of the Registrant issued and outstanding was

49,994,385

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SAFE HARBOR STATEMENT

Selected statements contained in this Quarterly Report on Form 10-Q (this "Form 10-Q"), including, without limitation, in "PART I – Item 2. – Management's Discussion and Analysis of Financial Condition and Results of Operations," constitute "forward-looking statements," as that term is used in the Private Securities Litigation Reform Act of 1995 (the "PSLRA"). Forward-looking statements reflect the Company's current expectations, estimates or projections concerning future results or events. These statements are often identified by the use of forward-looking words or phrases such as "believe," "expect," "anticipate," "may," "could," "should," "would," "intend," "plan," "will," "likely," "estimate," "project," "position," "strategy," "target," "aim," "seek," "foresee," or other similar words or phrases. These forward-looking statements include, without limitation, statements relating to:

- future or expected cash positions, liquidity and ability to access financial markets and capital;
- outlooks, strategies or business plans;
- anticipated benefits of the separation of the Company's former Steel Processing business (the "Separation");
- expected financial and operational performance of, and future opportunities for, the Company following the Separation;
- the Company's performance on a pro forma basis to illustrate the estimated effects of the Separation on historical periods;
- the tax treatment of the Separation transaction;
- future or expected growth, growth potential, forward momentum, performance, competitive position, sales, volumes, cash flows, earnings, margins, balance sheet strengths, debt, financial condition or other financial measures;
- pricing trends for raw materials and finished goods and the impact of pricing changes;
- the ability to improve or maintain margins;
- expected demand or demand trends for the Company or its markets;
- additions to product lines and opportunities to participate in new markets;
- expected benefits from transformation and innovation efforts;
- the ability to improve performance and competitive position at the Company's operations;
- anticipated working capital needs, capital expenditures and asset sales;
- anticipated improvements and efficiencies in costs, operations, sales, inventory management, sourcing and the supply chain and the results thereof;
- projected profitability potential;
- the ability to make acquisitions, form joint ventures and consolidate operations and the projected timing, results, benefits, costs, charges and expenditures related to acquisitions, joint ventures, headcount reductions and facility dispositions, shutdowns and consolidations;
- projected capacity and the alignment of operations with demand;
- the ability to operate profitably and generate cash in down markets;
- the ability to capture and maintain market share and to develop or take advantage of future opportunities, customer initiatives, new businesses, new products and new markets;
- expectations for Company and customer inventories, jobs and orders;
- expectations for the economy and markets or improvements therein;
- expectations for generating improving and sustainable earnings, earnings potential, margins or shareholder value;
- effects of judicial rulings, laws and regulations;
- effects of the novel coronavirus ("COVID-19") pandemic and the various responses of governmental and nongovernmental authorities thereto on economies and markets, and on the Company's customers, counterparties, employees and third-party service providers; and
- other non-historical matters.

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, those that follow:

- the uncertainty of obtaining regulatory approvals in connection with the Separation, including rulings from the Internal Revenue Service;
- the Company's ability to successfully realize the anticipated benefits of the Separation;
- 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 risks, uncertainties and impacts related to the COVID-19 pandemic – the duration, extent and severity of which are impossible to predict, including the possibility of future resurgence in the spread of COVID-19 or variants thereof – and the availability, effectiveness and acceptance of vaccines, and other actual or potential public health emergencies and actions taken by governmental authorities or others in connection therewith;

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- the effect of national, regional and global economic conditions generally and within major product markets, including significant economic disruptions from COVID-19, the actions taken in connection therewith and the implementation of related fiscal stimulus packages;
- the impact of tariffs, the adoption of trade restrictions affecting the Company's products or suppliers, a United States ("U.S.") 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 commodity prices and/or supply;
- product demand and pricing;
- changes in product mix, product substitution and market acceptance of 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 the COVID-19 pandemic and 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 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 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 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 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, which may negatively impact the Company's operations and financial results;
- deviation of actual results from estimates and/or assumptions used by the Company in the application of its significant accounting policies;
- the level of imports and import prices in the Company's markets;
- the impact of environmental laws and regulations or the actions of the U.S. Environmental Protection Agency or similar regulators which increase costs or limit the Company's ability to use or sell certain products;
- the impact of increasing environmental, greenhouse gas emission and sustainability regulations or considerations;
- the impact of judicial rulings and governmental regulations, both in the U.S. and abroad, including those adopted by the U.S. Securities and Exchange Commission (the "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 Plan Act of 2021, and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010;
- the effect of healthcare laws in the U.S. and potential changes for such laws, which may increase the Company's healthcare and other costs and negatively impact 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 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

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- other risks described from time to time in the Company's filings with the SEC, including those described in "PART I – Item 1A. — Risk Factors" of the Company's Form 10-K for the fiscal year ended May 31, 2023 ("2023 Form 10-K").

The Company notes these risk factors for investors as contemplated by the PSLRA. Forward-looking statements should be construed in the light of such risks. It is impossible to predict or identify all potential risk factors. Consequently, readers should not consider the foregoing list to be a complete set of all potential risks and uncertainties. Readers are cautioned not to place undue reliance on any forward-looking statements. Any forward-looking statements in this Form 10-Q are based on current information as of the date of this Form 10-Q, and the Company does not undertake, and hereby disclaims, any obligation to correct or update any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

EXPLANATORY NOTE

On December 1, 2023, Worthington Industries, Inc. completed the separation of its former Steel Processing business into an independent, publicly traded company: Worthington Steel, Inc. ("Worthington Steel"). Also on December 1, 2023, Worthington Industries, Inc. changed its name to Worthington Enterprises, Inc., with such entity referred to as "Worthington Enterprises" for all past, present and future periods discussed in this Form 10-Q for the fiscal quarter ended November 30, 2023 (this "Form 10-Q").

References in this Form 10-Q to "we," "our," "us" "Worthington," or the "Company" are to Worthington Enterprises and its consolidated subsidiaries, which included Worthington Steel and the Steel Processing business through November 30, 2023, the end of our fiscal 2024 second quarter. Accordingly, the financial results of Worthington Enterprises prior to the Separation include our former Steel Processing business. Beginning with our fiscal 2024 third quarter, our historical results will be restated to reflect the operations of our former Steel Processing business as a discontinued operation in periods prior to the December 1, 2023 Separation.

[Table of Contents](#)**Item 1. – Financial Statements****PART I. FINANCIAL INFORMATION****WORTHINGTON ENTERPRISES, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)**

	<i>(Unaudited)</i> November 30, 2023	May 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 430,906	\$ 454,946
Receivables, less allowances of \$ 2,944 and \$ 3,383 at November 30, 2023 and May 31, 2023, respectively	640,826	692,887
Inventories:		
Raw materials	245,166	264,568
Work in process	156,361	183,248
Finished products	174,884	160,152
Total inventories	576,411	607,968
Income taxes receivable	5,511	4,198
Assets held for sale	1,789	3,381
Prepaid expenses and other current assets	117,160	104,957
Total current assets	1,772,603	1,868,337
Investments in unconsolidated affiliates	247,421	252,591
Operating lease assets	94,677	99,967
Goodwill	416,857	414,820
Other intangible assets, net of accumulated amortization of \$ 121,478 and \$ 112,202 at November 30, 2023 and May 31, 2023, respectively	305,649	314,226
Other assets	42,916	25,323
Property, plant and equipment:		

Land	50,920	49,697
Buildings and improvements	312,830	308,669
Machinery and equipment	1,293,628	1,263,962
Construction in progress	78,536	45,165
Total property, plant and equipment	1,735,914	1,667,493
Less: accumulated depreciation	1,031,900	991,839
Total property, plant and equipment, net	704,014	675,654
Total assets	\$ 3,584,137	\$ 3,650,918
Liabilities and equity		
Current liabilities:		
Accounts payable	447,119	528,920
Short-term borrowings	175,000	2,813
Accrued compensation, contributions to employee benefit plans and related taxes	80,461	93,810
Dividends payable	17,245	18,330
Other accrued items	62,270	53,362
Current operating lease liabilities	12,493	12,608
Income taxes payable	485	7,451
Current maturities of long-term debt	150,269	264
Total current liabilities	945,342	717,558
Other liabilities	112,878	113,286
Distributions in excess of investment in unconsolidated affiliate	118,465	117,297
Long-term debt	298,549	689,718

Noncurrent operating lease liabilities	85,283	89,982
Deferred income taxes, net	99,653	101,449
Total liabilities	1,660,170	1,829,290
Shareholders' equity - controlling interest		
	1,792,809	1,696,011
Noncontrolling interests	131,158	125,617
Total equity	1,923,967	1,821,628
Total liabilities and equity	\$ 3,584,137	\$ 3,650,918

See condensed notes to consolidated financial statements.

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WORTHINGTON ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per common share amounts)
(Uunaudited)

	Three Months Ended November 30, 2023	2022	Six Months Ended November 30, 2023	2022
Net sales	\$ 1,086,918	\$ 1,175,541	\$ 2,280,174	\$ 2,584,206
Cost of goods sold	963,204	1,069,778	1,958,971	2,309,069
Gross margin	123,714	105,763	321,203	275,137
Selling, general and administrative expense	107,688	107,813	220,036	211,261
Impairment of long-lived assets	-	-	1,401	312
Restructuring and other expense (income), net	6	4,282	6	5,382
Separation costs	21,952	9,246	27,987	9,246
Operating income (loss)	5,932	7,014	71,773	59,700
Other income (expense):				(
Miscellaneous income (expense), net	1,020	1,405	2,031	3,681
Loss on extinguishment of debt	-	-	1,534	-
Interest expense, net	2,169	7,612	5,252	16,210
Equity in net income of unconsolidated affiliates	42,446	36,857	96,827	68,569
Earnings before income taxes	35,365	23,636	163,845	108,378
Income tax expense	7,198	4,131	35,975	23,629
Net earnings	28,167	19,505	127,870	84,749
Net earnings attributable to noncontrolling interests	3,865	3,287	7,461	4,449

Net earnings attributable to controlling interest	<u>\$ 24,302</u>	<u>\$ 16,218</u>	<u>\$ 120,409</u>	<u>\$ 80,300</u>
<u>Basic</u>				
Weighted average common shares outstanding				
Earnings per common share attributable to controlling interest	<u>\$ 0.49</u>	<u>\$ 0.33</u>	<u>\$ 2.46</u>	<u>\$ 1.66</u>
<u>Diluted</u>				
Weighted average common shares outstanding	50,042	49,330	50,102	49,293
Earnings per common share attributable to controlling interest	<u>\$ 0.49</u>	<u>\$ 0.33</u>	<u>\$ 2.40</u>	<u>\$ 1.63</u>
Common shares outstanding at end of period	49,287	48,572	49,287	48,572
Cash dividends declared per common share	<u>\$ 0.32</u>	<u>\$ 0.31</u>	<u>\$ 0.64</u>	<u>\$ 0.62</u>

See condensed notes to consolidated financial statements.

WORTHINGTON ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Uunaudited)

	Three Months Ended November 30, 2023	2022	Six Months Ended November 30, 2023	2022
Net earnings	\$ 28,167	\$ 19,505	\$ 127,870	\$ 84,749
Other comprehensive income (loss), net of tax				(
Foreign currency translation	897	858	2,342	9,243
Pension liability adjustment	- 82	) 3	) 2,857	(
Cash flow hedges	13,549	4,000)	6,699)	17,300)
Other comprehensive income (loss)	14,446	3,224)	9,038)	23,686)
Comprehensive income	42,613	16,281	136,908	61,063
Comprehensive income attributable to noncontrolling interests	3,865	3,287	7,461	4,449
Comprehensive income attributable to controlling interest	\$ 38,748	\$ 12,994	\$ 129,447	\$ 56,614

See condensed notes to consolidated financial statements.

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

	Three Months Ended November 30, 2023	2022	Six Months Ended November 30, 2023	2022
Operating activities:				
Net earnings	\$ 28,167	\$ 19,505	\$ 127,870	\$ 84,749
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	28,007	28,354	56,332	56,355
Impairment of long-lived assets	-	-	1,401	312
Provision for (benefit from) deferred income taxes	1,968	3,617	3,485	14,673
Loss on extinguishment of debt	-	-	1,534	
Bad debt expense (income)	345	1,098	454	1,440
Equity in net income of unconsolidated affiliates, net of distributions	4,129	18,352	6,096	61,197
Net gain on sale of assets	439	4,265	334	5,034
Stock-based compensation	6,175	4,547	10,691	8,783
Changes in assets and liabilities, net of impact of acquisitions:				
Receivables	76,704	119,674	67,861	157,093
Inventories	103,150	72,293	38,823	113,460
Accounts payable	75,373	100,535	75,095	202,116
Accrued compensation and employee benefits	2,794	3,336	9,220	30,532
Income taxes payable	35,428	7,629	6,966	300

	((((
Other operating items, net	3,049	18,172	20,368	16,755
Net cash provided by operating activities	134,990	132,941	194,686	213,979
Investing activities:	((((
Investment in property, plant and equipment	32,876	24,490	62,174	45,967
Proceeds from sale of assets, net of selling costs	751	23,739	802	35,494
Acquisitions, net of cash acquired	21,013	-	21,013	56,088
Investment in note receivable	-	-	15,000	-
Investment in non-marketable equity securities	1,500	140	1,540	250
Proceeds from the sale of investment in ArtiFlex, net of selling costs	-	-	-	36,095
Distribution from unconsolidated affiliate	1,085	-	1,085	-
Net cash used by investing activities	53,553	891	97,840	30,716
Financing activities:	((((
Net proceeds from (repayments of) short-term borrowings	175,000	10,619	172,187	43,062
Principal payments on long-term obligations	-	13	243,757	150
Proceeds from issuance of common shares, net of tax withholdings	9,207	649	14,337	4,115
Payments to noncontrolling interests	-	11,760	1,921	11,760
Dividends paid	17,333	15,181	33,058	29,065
Net cash provided (used) by financing activities	148,460	38,222	120,886	88,152

				(
Increase (decrease) in cash and cash equivalents	229,897	93,828	24,040	95,111
)	
Cash and cash equivalents at beginning of period	201,009	35,768	454,946	34,485
Cash and cash equivalents at end of period	\$ 430,906	\$ 129,596	\$ 430,906	\$ 129,596

See condensed notes to consolidated financial statements.

WORTHINGTON ENTERPRISES, INC.
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(In thousands, except per common share amounts)

Note A – Basis of Presentation

Basis of Presentation

These unaudited consolidated financial statements include the accounts of Worthington Enterprises and its consolidated subsidiaries. Significant intercompany accounts and transactions have been eliminated.

We own controlling interests in the following

three
operating joint ventures: Spartan Steel Coating, L.L.C. ("Spartan") (

52
%); TWB Company, L.L.C. ("TWB") (

55
%); and Worthington Samuel Coil Processing LLC ("Samuel") (

63
%). We also own a

51
% controlling interest in Worthington Specialty Processing ("WSP"), which became a non-operating joint venture on October 31, 2022, when the remaining net assets of WSP were sold. These joint ventures are consolidated with the equity owned by the other joint venture members shown as noncontrolling interests in our consolidated balance sheets, and their portions of net earnings and other comprehensive income (loss) ("OCI") are shown as net earnings or comprehensive income attributable to noncontrolling interests in our consolidated statements of earnings and consolidated statements of comprehensive income, respectively. Investments in affiliates that we do not control are accounted for under the equity method with our proportionate share of income or loss recognized within equity in net income of unconsolidated affiliates ("equity income") in our consolidated statements of earnings. See further discussion of our unconsolidated affiliates in "Note D – Investments in Unconsolidated Affiliates."

These unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the SEC. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments, which are of a normal and recurring nature except those which have been disclosed elsewhere in this Form 10-Q, necessary for a fair presentation of the consolidated financial statements for these interim periods, have been included. Operating results for the second quarter of fiscal 2024 are not necessarily indicative of the results that may be expected for the fiscal year ending May 31, 2024 ("fiscal 2024") or for any other fiscal quarter. For further information, refer to the consolidated financial statements and notes thereto included in the 2023 Form 10-K.

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates.

The Separation of the Steel Processing Business

On December 1, 2023, we completed the Separation and Worthington Steel, comprised of our former Steel Processing business, became an independent, publicly traded company. To effectuate the Separation, we made a pro-rata distribution of all outstanding shares of Worthington Steel, which was tax-free to our shareholders for U.S. federal income tax purposes. Each holder of record of Worthington Enterprises common shares received one common share of Worthington Steel for every one common share of Worthington Enterprises held (the "Distribution") as of the close of business on November 21, 2023 (the "Record Date").

On November 30, 2023, in connection with the Separation, we entered into several agreements with Worthington Steel that govern the relationship between Worthington Steel and us following the Distribution, including a Separation and Distribution Agreement, Tax Matters Agreement, Employee Matters Agreement, and Transition Services Agreement.

Direct and incremental costs associated with the Separation are presented as a separate component of operating expense within the Separation costs caption in our consolidated statements of earnings and are held at the corporate level. Separation costs through the first six months of fiscal 2024 consisted primarily of third-party advisory fees and certain non-recurring employee-related costs totaling \$

15,760
and \$

7,093
, respectively, with the residual related to incremental costs associated with the separation of shared corporate functions. Employee-related costs in fiscal 2024 include \$

5,437
of incremental compensation expense associated with the modification of unvested long-term incentive compensation awards as required under the Employee Matters Agreement as well as accrued retention bonuses and severance expense. Substantially all of the costs incurred through the first six months of fiscal 2023 related to third-party advisory fees.

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Note B – Inventory

During the second quarter of fiscal 2024, we initiated a recall with the Consumer Protection Safety Commission for our recently introduced Balloon Time® Mini helium tank. We have reserved for the estimated direct and incremental costs expected to be incurred to administer the recall program, which we expect to be immaterial due to the small population of tanks purchased by end consumers. However, we booked a reserve of approximately \$

3,000

to reflect the impacted inventory at its estimated net realizable value. The adjustment was attributed to our Consumer Products operating segment and was recorded in cost of goods sold in the consolidated statement of earnings for the three and six months ended November 30, 2023.

Note C – Revenue Recognition

The following table summarizes net sales by operating segment and product class within the Steel Processing operating segment for the periods presented:

	(In thousands)	Three Months Ended November 30,		Six Months Ended November 30,	
		2023	2022	2023	2022
Steel Processing					
Direct		\$ 750,622	\$ 807,259	\$ 1,595,985	\$ 1,809,394
Toll		38,033	34,688	74,008	71,433
Total		788,655	841,947	1,669,993	1,880,827
Consumer Products		147,738	153,795	297,151	342,497
Building Products		122,954	141,671	256,822	291,994
Sustainable Energy Solutions		27,537	38,128	56,174	68,888
Other		34	-	34	-
Total		\$ 1,086,918	\$ 1,175,541	\$ 2,280,174	\$ 2,584,206

With the exception of toll processing, net sales are recognized at the point in time the performance obligation is satisfied and control is transferred to the customer, typically upon shipment or delivery.

The following table summarizes the unbilled receivables at the dates indicated:

(In thousands)	Balance Sheet Classification	November 30, 2023		May 31, 2023	
		\$	\$	\$	\$
Unbilled receivables	Receivables	\$ 4,148	\$ 3,708		

There were

no

contract assets at November 30, 2023 or at May 31, 2023.

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Investments in affiliated companies that we do not control, either through majority ownership or otherwise, are accounted for using the equity method and included the following at November 30, 2023: Clarkwestern Dietrich Building Systems LLC ("ClarkDietrich") (

25 %); Serviacero Planos, S. de R. L. de C.V. ("Serviacero Worthington") (

50 %); Taxi Workhorse Holdings, LLC ("Workhorse") (

20 %); and Worthington Armstrong Venture ("WAVE") (

50 %).

We also held a

50 % noncontrolling equity interest in ArtiFlex Manufacturing, LLC ("ArtiFlex"), through August 3, 2022, when it was purchased by the unrelated joint venture partner. In connection with this transaction, we received net cash proceeds of approximately \$

36,095 and realized a pre-tax loss of \$

15,759 within equity income, representing the amount by which the book value of our investment exceeded the net cash proceeds.

During the second quarter of fiscal 2024, we recognized a pre-tax gain of \$

2,780 within equity income, representing our portion of the overall gain realized in connection with the sale of Workhorse's operations in Brazil.

We received distributions from unconsolidated affiliates totaling \$

104,008 during the six months ended November 30, 2023. We have received cumulative distributions from WAVE in excess of our investment balance amounting to \$

118,465 and \$

117,297, respectively, at November 30, 2023 and May 31, 2023, which are presented separately within long-term liabilities in our consolidated balance sheets. We will continue to record our equity in the net income of WAVE as a debit to the investment account, and if the investment balance becomes positive, it will again be shown as an asset on our consolidated balance sheets. If it becomes probable that any excess distribution may not be returned (upon joint venture liquidation or otherwise), we will recognize any negative investment balance classified as a liability as income immediately.

We use the "cumulative earnings" approach for determining cash flow presentation of distributions from our unconsolidated joint ventures. Distributions received are included in our consolidated statements of cash flows as operating activities, unless the cumulative distributions exceed our portion of the cumulative equity in the net earnings of the joint venture, in which case the excess distributions are deemed to be returns of the investment and are classified as investing activities in our consolidated statements of cash flows. During the second quarter of fiscal 2024, we classified \$

1,085 of dividends received from WAVE as an investing activity.

The following tables summarize combined financial information for our unconsolidated affiliates as of the dates, and for the periods presented:

	November 30, 2023	May 31, 2023
(In thousands)		
Cash and cash equivalents	\$ 37,728	\$ 49,185
Other current assets	871,945	899,913
Noncurrent assets	372,258	394,468
Total assets	<u>1,281,931</u>	<u>1,343,566</u>
Current liabilities	282,320	247,796

Current maturities of long-term debt		36,936
Long-term debt	349,323	349,215
Other noncurrent liabilities	138,566	144,649
Equity	511,722	564,970
Total liabilities and equity	\$ 1,281,931	\$ 1,343,566

(In thousands)	Three Months Ended November 30,		Six Months Ended November 30,	
	2023	2022	2023	2022
Net sales	\$ 676,875	\$ 711,665	\$ 1,397,308	\$ 1,535,607
Gross margin	166,939	147,299	361,247	328,704
Operating income	134,120	107,356	283,529	245,183
Depreciation and amortization	8,303	6,864	16,946	15,052
Interest expense	4,538	3,910	10,277	6,590
Income tax expense	6,708	1,262	8,354	3,372
Net earnings	122,670	105,183	266,236	238,421

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Note E – Impairment of Long-Lived Assets

During the first quarter of fiscal 2023, we committed to plans to liquidate certain fixed assets at the Samuel joint venture's toll processing facility in Cleveland, Ohio. In accordance with the applicable accounting guidance, the net assets were recorded at the lower of net book value or fair market value less costs to sell resulting in a pre-tax impairment charge of \$

312

During the first quarter of fiscal 2024, we lowered our estimate of fair value less costs to sell to reflect the expected scrap value of the equipment, to \$

150

, resulting in a pre-tax impairment charge of \$

1,401

Note F – Restructuring and Other Expenses (Income), Net

We consider restructuring activities to be programs whereby we fundamentally change our 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).

We made severance payments of \$

141

, primarily associated with a prior restructuring initiative in the Building Products operating segment during the six months ended November 30, 2023. As a result, there were

no

liabilities associated with our restructuring activities at November 30, 2023.

Restructuring and other income, net for the six months ended November 30, 2022 of \$

5,382

resulted primarily from the sale of the remaining real property of our former oil and gas equipment business on June 14, 2022, for net cash proceeds of \$

5,775

, and the sale of WSP on October 31, 2022. The sale resulted in net cash proceeds of \$

21,277,

which resulted in a pre-tax gain of \$

3,926

Note G – Contingent Liabilities and Commitments

Legal Proceedings

We are defendants in certain legal actions. In the opinion of management, the outcome of these actions, which is not clearly determinable at the present time, would not significantly affect our consolidated financial position or future results of operations. We also believe that environmental issues will not have a material effect on our capital expenditures, consolidated financial position or future results of operations.

Note H – Guarantees

We do not have guarantees that we believe are reasonably likely to have a material current or future effect on our consolidated financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources. However, at November 30, 2023, we were party to an operating lease for an aircraft in which we have guaranteed a residual value at the termination of the lease on March 30, 2028. The maximum obligation under the terms of this guarantee was approximately \$

16,143

at November 30, 2023. Based on current facts and circumstances, we have estimated the likelihood of payment pursuant to this guarantee is not probable and, therefore, no amount has been recognized in our consolidated financial statements.

At November 30, 2023, we also had in place \$

12,137

of outstanding stand-by letters of credit issued to third-party service providers. The fair value of these guarantees, based on premiums paid, was not material and

no

amounts were drawn against them at November 30, 2023.

[Table of Contents](#)**Note I – Debt and Receivables Securitization**

The following table summarizes our long-term debt and short-term borrowings outstanding at November 30, 2023 and May 31, 2023:

(In thousands)	November 30, 2023	May 31, 2023
Short-term borrowings		
	\$ 175,000	\$ 2,813
4.60		
% senior notes due		
August 10, 2024	150,000	150,000
4.55		
% senior notes due		
April 15, 2026	243,623	-
4.30		
% senior notes due		
August 1, 2032	200,000	200,000
1.56		
% Series A senior note due		
August 23, 2031	39,962	39,226
1.90		
% Series B senior notes due		
August 23, 2034	59,887	58,786
Other		
	402	528
Total debt		
	625,251	694,976
Unamortized discount and debt issuance costs		
	(1,433)	(2,181)
Total debt, net		
	623,818	692,795

Less: current maturities and short-term borrowings	325,269	3,077
Total long-term debt	<u>298,549</u>	<u>689,718</u>

Maturities of long-term debt and short-term borrowings in fiscal 2024 year and the four fiscal years thereafter, are as follows:

	(In thousands)
2024 ⁽¹⁾	
	\$ 175,133
2025	
	\$ 150,269
2026	
2027	
2028	
Thereafter	
	299,849
Total	
	<u>\$ 625,251</u>

(1) Includes \$

175,000

associated with the Worthington Steel Credit Facility (as defined below). Subsequent to the Separation on December 1, 2023, we have

no

remaining obligation. See the "Other Financing Arrangements" section below for additional information.

Long-Term Debt

On April 15, 2014, we issued senior unsecured notes in the principal amount of \$

250,000

, which bear interest at a rate of

4.55

% and were scheduled to mature on April 15, 2026 (the "2026 Notes"). During fiscal 2023, we purchased approximately \$

6,377

of the principal amount of the 2026 Notes in open market transactions, leaving \$

243,623

within long-term debt at May 31, 2023. On June 29, 2023, we notified the trustee under the indenture to which the 2026 Notes are subject that we had elected to redeem in full the 2026 Notes. On July 28, 2023, we redeemed, in full, the 2026 Notes at a price that approximated the par value of the debt of \$

243,623

. In connection with the debt redemption, we recognized a non-cash loss of \$

1,534

related primarily to unamortized debt issuance costs and amounts deferred in accumulated other comprehensive income ("AOCI") associated with an interest rate swap executed prior to the issuance of the 2026 Notes.

Other Financing Arrangements

On November 30, 2023, Worthington Steel entered into a five-year senior secured revolving credit facility (the "Worthington Steel Credit Facility") with a group of lenders. The Worthington Steel Credit Facility will allow for borrowings of up to \$

550,000

, to the extent secured by eligible accounts receivable and inventory balances at period end, which consist primarily of U.S. Dollar denominated account balances. Amounts drawn under the Worthington Steel Credit Facility have maturities of up to one year and accrue interest at rates equal to an applicable margin over the SOFR Rate. In order to facilitate the post-separation capital structure of each company, \$

175,000

was drawn on the Worthington Steel Credit Facility immediately prior to the Separation. See "Note S – Subsequent Events" for further information.

We maintain a \$

500,000

unsecured revolving credit facility (the "Credit Facility") with a group of lenders. On September 27, 2023, we amended and restated the Credit

Facility, extending the final maturity from August 20, 2026 to September 27, 2028 while keeping in place the \$

500,000

aggregate commitments under the Credit Facility in anticipation of the Separation. Borrowings under the Credit

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Facility have maturities of up to one year. We have the option to borrow at rates equal to an applicable margin over the Simple SOFR Rate, the Prime Rate of PNC Bank, National Association or the Overnight Bank Funding Rate. The applicable margin is determined by our Total Leverage Ratio. There were

no borrowings outstanding under the Credit Facility at November 30, 2023, leaving \$

500,000 available for use.

On May 19, 2022, we entered into a five-year revolving trade accounts receivable securitization facility ("AR Facility") that allowed for short-term borrowings of up to \$

175,000

through the factoring and subsequent sale, on a revolving basis, of eligible accounts receivable of certain of our subsidiaries to Worthington Receivables Company, LLC, a wholly-owned, consolidated, bankruptcy-remote indirect subsidiary. On June 29, 2023, we elected to terminate the AR Facility.

No early termination or other similar fees or penalties were paid in connection with the termination.

Note J – Other Comprehensive Income (Loss)

The following table summarizes the tax effects on each component of OCI for the periods presented:

(In thousands)	Three Months Ended			November 30, 2022		
	Before-Tax	Tax	Net-of-Tax	Before-Tax	Tax	Net-of-Tax
Foreign currency translation	\$ 843	\$ 54	\$ 897	\$ 550	\$ 308	\$ 858
Pension liability adjustment	-	-	-	15	97	82
Cash flow hedges	17,390	3,841	13,549	5,665	1,665	4,000
Other comprehensive income (loss)	\$ 18,233	\$ 3,787	\$ 14,446	\$ 5,100	\$ 1,876	\$ 3,224
Six Months Ended						
(In thousands)	November 30, 2023			November 30, 2022		
	Before-Tax	Tax	Net-of-Tax	Before-Tax	Tax	Net-of-Tax
Foreign currency translation	\$ 2,170	\$ 172	\$ 2,342	\$ 8,970	\$ 273	\$ 9,243
Pension liability adjustment	-	3	3	3,740	883	2,857
Cash flow hedges	8,578	1,879	6,699	22,762	5,462	17,300
Other comprehensive income (loss)	\$ 10,748	\$ 1,710	\$ 9,038	\$ 27,992	\$ 4,306	\$ 23,686

Note K – Changes in Equity

The following tables summarize the changes in equity by component and in total for the periods presented:

(In thousands)	Additional Paid-in Capital	Comprehensive Income (Loss), Net of Tax	Retained Earnings	Subtotal	Non- controlling Interests	Total
	Controlling Interest					
	Accumulated Other					

				(
Balance at May 31, 2023	\$ 290,799	\$ 23,179)	\$ 1,428,391	\$ 1,696,011	\$ 125,617	\$ 1,821,628	
Net earnings	-	-	96,106	96,106	3,597	99,703	
		(((
Other comprehensive loss	-	5,408)	-	5,408)	-	5,408)	
	(((
Common shares issued, net of withholding tax	5,130)	-	-	5,130)	-	5,130)	
	130	-	-	130	-	130	
Common shares in non-qualified plans	-	-	-	-	-	-	
Stock-based compensation	8,995	-	-	8,995	-	8,995	
		(((
Cash dividends declared	-	-	16,081)	16,081)	-	16,081)	
						(
Dividends to noncontrolling interests	-	-	-	-	1,921)	1,921)	
		(
Balance at August 31, 2023	\$ 294,794	\$ 28,587)	\$ 1,508,416	\$ 1,774,623	\$ 127,293	\$ 1,901,916	
Net earnings	-	-	24,302	24,302	3,865	28,167	
Other comprehensive income	-	14,446	-	14,446	-	14,446	
	(((
Common shares issued, net of withholding tax	9,207)	-	-	9,207)	-	9,207)	
Common shares in non-qualified plans	195	-	-	195	-	195	
Stock-based compensation	4,511	-	-	4,511	-	4,511	
		(((
Cash dividends declared	-	-	16,061)	16,061)	-	16,061)	
		(
Balance at November 30, 2023	\$ 290,293	\$ 14,141)	\$ 1,516,657	\$ 1,792,809	\$ 131,158	\$ 1,923,967	

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	Additional Paid-in Capital	Controlling Interest Accumulated Other Comprehensive Income (Loss), Net of Tax	Retained Earnings	Subtotal	Non- controlling Interests	Total
(In thousands)						
Balance at May 31, 2022	\$ 273,439	\$ 22,850	\$ 1,230,163	\$ 1,480,752	\$ 133,210	\$ 1,613,962
 Net earnings			64,082	64,082	1,162	65,244
Other comprehensive loss		(20,462)		(20,462)		(20,462)
Common shares issued, net of withholding tax	3,466			3,466		3,466
Common shares in non-qualified plans		136		136		136
Stock-based compensation		6,976		6,976		6,976
Cash dividends declared			15,418	15,418		15,418
Balance at August 31, 2022	\$ 277,085	\$ 43,312	\$ 1,278,827	\$ 1,512,600	\$ 134,372	\$ 1,646,972
 Net earnings			16,218	16,218	3,287	19,505
Other comprehensive loss		(3,224)		(3,224)		(3,224)
Common shares issued, net of withholding tax	649			649		649
Common shares in non-qualified plans		298		298		298
Stock-based compensation		3,620		3,620		3,620
Cash dividends declared			(15,470)	(15,470)		(15,470)
Dividends to noncontrolling interests					11,760	11,760
Balance at November 30, 2022	\$ 280,354	\$ 46,536	\$ 1,279,575	\$ 1,513,393	\$ 125,899	\$ 1,639,292

The following table summarizes the changes in accumulated OCI for the periods presented:

(In thousands)	Foreign Currency Translation	Pension Liability Adjustment	Cash Flow Hedges	Accumulated Other Comprehensive Loss
Balance at May 31, 2023	\$ 22,123)	\$ 1,730)	\$ 674	\$ 23,179)
Other comprehensive income before reclassifications	2,170	-	12,947	15,117
Reclassification adjustments to net earnings (a)	-	-	4,369)	4,369)
Income tax effect	172)	3)	1,879)	1,710)
Balance at November 30, 2023	\$ 19,781)	\$ 1,733)	\$ 7,373	\$ 14,141)
(In thousands)	Foreign Currency Translation	Pension Liability Adjustment	Cash Flow Hedges	Accumulated Other Comprehensive Loss
Balance at May 31, 2022	\$ 15,310)	\$ 6,244)	\$ 1,296)	\$ 22,850)
Other comprehensive loss before reclassifications	8,970)	1,034)	36,041)	46,045)
Reclassification adjustments to net earnings (a)(b)	-	4,774)	13,279	18,053
Income tax effect	273)	883)	5,462)	4,306)
Balance at November 30, 2022	\$ 24,553)	\$ 3,387)	\$ 18,596)	\$ 46,536)

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The consolidated statement of earnings classification of amounts reclassified to net income include:

(a) Cash flow hedges – See the disclosure in “ Note Q – Derivative Financial Instruments and Hedging Activities;” and

(b) Pension liability adjustment – Reflects a non-cash settlement charge of \$

4,774

recognized in connection with a pension lift-out transaction completed in August 2022 for The Gerstenslager Company Bargaining Unit Employees’ Pension Plan.

Note L – Stock-Based Compensation

Non-Qualified Stock Options

During the six months ended November 30, 2023, we granted non-qualified stock options covering a total of

54

common shares,

no

par value, of Worthington Enterprises (the “common shares”) under our stock-based compensation plans. The exercise price of \$

69.47

per share for the non-qualified stock options granted in fiscal 2024 is equal to the closing market price of the underlying common shares on the grant date. The fair value of these non-qualified stock options, based on the Black-Scholes option-pricing model, calculated at the grant date, was \$

25.95

per share. The calculated pre-tax stock-based compensation expense for these non-qualified stock options was \$

1,401

and will be recognized on a straight-line basis over the three-year vesting period, net of any forfeitures. The following assumptions were used to value these non-qualified stock options:

		2.39	%
Dividend yield			
Expected volatility		43.00	%
Risk-free interest rate		4.05	%
Expected term (years)		6.0	

Expected volatility is based on the historical volatility of the common shares and the risk-free interest rate is based on the U.S. Treasury strip rate for the expected term of the non-qualified stock options. The expected term was developed using historical exercise experience.

Service-Based Restricted Common Shares

During the six months ended November 30, 2023, we granted an aggregate of

176

service-based restricted common shares under our stock-based compensation plans, which cliff vest three years from the grant date. The fair value of these restricted common shares was equal to the weighted average closing market price of the underlying common shares on the grant date, or \$

65.97

per share. The calculated pre-tax stock-based compensation expense for these restricted common shares was \$

11,640

and will be recognized on a straight-line basis over the three-year service-based vesting period, net of any forfeitures.

Performance Share Awards

We have awarded performance shares to certain key employees under our stock-based compensation plans. These performance shares are earned based on the level of achievement with respect to corporate targets for cumulative corporate economic value added, earnings per share growth and, in the case of business unit executives, a business unit adjusted earnings before interest and taxes (“adjusted EBIT”) target, in each case for the three-year periods ending May 31, 2024, 2025 and 2026. These performance share awards will be paid, to the extent earned, in common shares in the fiscal quarter following the end of the applicable three-year performance period. The fair values of our performance shares are determined by the closing market prices of the underlying common shares at the respective grant dates of the performance shares and the pre-tax stock-based compensation expense is based on our periodic assessment of the probability of the targets being achieved and our estimate of the number of common shares that will ultimately be issued. During the six months ended November 30, 2023, we granted performance share awards covering an aggregate of

47

common shares (at target levels). The calculated pre-tax stock-based compensation expense for these performance shares is \$

3,235

(at target levels). The ultimate pre-tax stock-based compensation expense to be recognized over the three-year performance period on all tranches will vary based on our periodic assessment of the probability of the targets being achieved.

Note M – Income Taxes

Income tax expense for the three months ended November 30, 2023 and November 30, 2022 reflected estimated annual effective income tax rates of

23.4
% and

23.7

%, respectively, and excluded any impact from the net earnings attributable to noncontrolling interests in our consolidated statements of earnings. Net earnings attributable to noncontrolling interests are primarily a result of our WSP, Spartan, Samuel and TWB consolidated joint ventures. The net earnings attributable to the noncontrolling interests in our consolidated joint ventures' U.S. operations do not generate tax expense to us since the investors in the consolidated joint ventures' U.S. operations are taxed directly based on the earnings attributable to them. The tax expense of TWB's wholly-owned foreign corporations is reported in our consolidated income tax expense. Management is required to estimate the annual effective income tax rate based upon its forecast

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of annual pre-tax income for domestic and foreign operations. Our actual effective income tax rate for fiscal 2024 could be materially different from the forecasted rate as of November 30, 2023.

Note N – Earnings per Share

The following table sets forth the computation of basic and diluted earnings per common share attributable to controlling interest for the periods presented:

(In thousands, except per common share amounts)	Three Months Ended November 30, 2023	2022	Six Months Ended November 30, 2023	2022
Numerator (basic & diluted):				
Net earnings attributable to controlling interest -				
income available to common shareholders	24,302	16,218	120,409	80,300
Denominator:				
Denominator for basic earnings per common share attributable to controlling interest – weighted average common shares	49,186	48,558	49,013	48,518
Effect of dilutive securities	856	772	1,089	775
Denominator for diluted earnings per common share attributable to controlling interest – adjusted weighted average common shares	50,042	49,330	50,102	49,293
Basic earnings per common share attributable to controlling interest	\$ 0.49	\$ 0.33	\$ 2.46	\$ 1.66
Diluted earnings per common share attributable to controlling interest	\$ 0.49	\$ 0.33	\$ 2.40	\$ 1.63

Non-qualified stock options covering

58
and

138
common shares for the three months ended November 30, 2023 and November 30, 2022, respectively, and

46
and

127
common shares six months ended November 30, 2023 and November 30, 2022, respectively have been excluded from the computation of diluted earnings per common share because the effect would have been anti-dilutive for those periods.

Note O – Segment Operations

Our operations are managed principally on a products and services basis. Factors used to identify reportable segments include the nature of the products and services provided by each business, the management reporting structure, similarity of economic characteristics and certain quantitative measures, as prescribed by authoritative accounting guidance. As of November 30, 2023, our operations were organized under

four
operating segments: Steel Processing, Consumer Products, Building Products, and Sustainable Energy Solutions. As none of the operating segments were aggregated for segment reporting purposes, they corresponded with the reportable segments.

Segment information is prepared on the same basis that our chief operating decision maker ("CODM"), as defined in the accounting literature, reviews financial information for operational decision-making purposes. Factors used to identify operating segments include the nature of the products and services provided by each business, the management reporting structure, the similarity of economic characteristics and certain quantitative measures, as prescribed by authoritative accounting guidance.

We have identified our Chief Executive Officer as our CODM. Our CODM assesses segment operating performance and allocates resources based on the profitability measure of adjusted EBIT. Adjusted EBIT excludes impairment and restructuring expense (income), but may also exclude other items, as described in the tables below, that management believes are not reflective of, and thus should not be included when evaluating the performance of our ongoing operations. Adjusted EBIT is a non-GAAP financial measure and is used by management to evaluate operating segment performance, engage in

financial and operational planning and determine incentive compensation.

Impairment charges are excluded from adjusted EBIT 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, so their exclusion facilitates the comparison of historical, current and forecasted financial results. Refer to "Note E – Impairment of Long-Lived Assets" for additional information.

Restructuring activities 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). Refer to "Note F – Restructuring and Other Expense (Income), Net" for additional information.

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The following table presents summarized financial information for our reportable segments for the periods indicated.

(In thousands)	Three Months Ended November 30, 2023					
	Steel Processing	Consumer Products	Building Products	Sustainable Energy Solutions	Other	Consolidated
Net sales	\$ 788,655	\$ 147,738	\$ 122,954	\$ 27,537	\$ 34	\$ 1,086,918
Restructuring and other expense, net	-	-	-	-	6	6
Separation costs	-	-	-	-	21,952	21,952
					(
Miscellaneous income (expense), net	306	12	235	557	90	1,020
Equity income	3,778	-	35,177	3,491	(	42,446
					(
Adjusted EBIT ⁽¹⁾	6,762	9,510	40,284	2,617	1,090	52,849
))
	2,780	;	;	;	;	;

(1) Excludes the following items in addition to impairment and restructuring activity:

- Direct and incremental costs associated with the Separation as discussed in "Note A – Basis of Presentation"; and
- Our share of the pre-tax gain realized by Workhorse in connection with the sale of the joint venture's operations in Brazil of \$

(In thousands)	Three Months Ended November 30, 2022					
	Steel Processing	Consumer Products	Building Products	Sustainable Energy Solutions	Other	Consolidated
Net sales	\$ 841,947	\$ 153,795	\$ 141,671	\$ 38,128	\$ -	\$ 1,175,541
	()))	-	(
Restructuring and other income, net	4,282	-	-	-	-	4,282
Separation costs	-	-	-	-	9,246	9,246
					(
Miscellaneous income (expense), net	850	47	76	142	384	1,405
		()	-	(
Equity income	1,906	-	35,107	-	156	36,857
					(
Adjusted EBIT ⁽²⁾	17,249	13,473	41,224	1,143	3,291	35,300
	()))	(

(2) Excludes the following items in addition to impairment and restructuring activity:

- Direct and incremental costs associated with the Separation as discussed in "Note A – Basis of Presentation";

- Incremental compensation expense of \$

525

within Consumer Products related to the earnout for the acquisition of Level5 Tools, LLC ("Level5"); and

- Noncontrolling interest portion of impairment of long-lived assets of \$

1,850

within Steel Processing.

	Six Months Ended November 30, 2023					
(in thousands)	Steel Processing	Consumer Products	Building Products	Sustainable Energy Solutions	Other	Consolidated
Net sales	\$ 1,669,993	\$ 297,151	\$ 256,822	\$ 56,174	\$ 34	\$ 2,280,174
Impairment of long-lived assets	1,401	-	-	-	-	1,401
Restructuring and other expense, net	-	-	-	-	6	6
Separation costs	-	-	-	-	27,987	27,987
Miscellaneous income (expense), net	1,018	43	292	838	160	2,031
Loss on extinguishment of debt	-	-	-	-	1,534	1,534
Equity income	12,735	-	80,219	-	3,873	96,827
Adjusted EBIT ⁽³⁾	84,762	18,502	94,300	7,339	959	189,266

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(3) Excludes the following in addition to impairment and restructuring activity:

- Direct and incremental costs associated with the Separation as discussed in "Note A – Basis of Presentation";
- The pre-tax loss on extinguishment of debt resulting from the redemption of the 2026 Notes, in full, on July 28, 2023; and
- Noncontrolling interest portion of impairment of long-lived assets of \$

519
within Steel Processing.

	Six Months Ended November 30, 2022					
(in thousands)	Steel Processing	Consumer Products	Building Products	Sustainable Energy Solutions	Other	Consolidated
Net sales	\$ 1,880,827	\$ 342,497	\$ 291,994	\$ 68,888	\$ -	\$ 2,584,206
Impairment of long-lived assets	312	-	-	-	-	312
Restructuring and other income, net	4,205	-	-	-	1,177	5,382
Separation costs	-	-	-	-	9,246	9,246
Miscellaneous income (expense), net	1,035	82	299	56	4,989	3,681
Equity income	3,676	-	78,973	-	14,080	68,569
Adjusted EBIT ⁽⁴⁾	17,663	34,406	93,959	250	1,854	147,632

(4) Excludes the following in addition to impairment and restructuring activity:

- Direct and incremental costs associated with the Separation as discussed in "Note A – Basis of Presentation."
- A non-cash settlement charge of \$

4,774
in miscellaneous income (expense), net within Other related to the pension lift-out transaction associated with the Gerstenslager Company Bargaining Unit Employees' Pension Plan;

- A loss of \$

15,759
within equity income related to the August 31, 2022, sale of our

50
% noncontrolling interest in ArtiFlex;

- Incremental compensation expense of \$

1,050
within Consumer Products related to the Level5 earnout agreement; and

- Noncontrolling interest portion of the restructuring gain within Steel processing of \$

1,734
within Steel Processing.

Total assets for each of our reportable segments at the dates indicated were as follows:

(in thousands)	November 30, 2023	May 31, 2023
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Total assets

Steel Processing	1,834,226	1,758,981
Consumer Products	622,304	615,430
Building Products	611,771	635,650
Sustainable Energy Solutions	103,448	129,872
Other	412,388	510,985
Total assets	\$ 3,584,137	\$ 3,650,918

Note P – Acquisitions**Tempel Steel Europe GmbH**

On November 16, 2023, the Company acquired Voestalpine Automotive Components Nagold GmbH & Co. KG, a facility in Nagold, Germany for net cash consideration of \$

21,013
and the assumption of a \$

929
pension liability. The business, which will operate as Tempel Steel Europe GmbH (Tempel Steel Europe), provides automotive and electrical steel lamination stamping in Europe. The total purchase consideration was allocated primarily to tangible assets, consisting of \$

12,282
of property, plant and equipment and \$

9,069
of net working capital, with the residual recognized as goodwill.

The information included herein has been prepared based on the preliminary allocation of the purchase price using estimates of the fair value and useful lives of the assets acquired. The purchase price allocation is subject to further adjustment until all pertinent information regarding the assets acquired is fully evaluated by the Company.

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The purchase price includes the fair values of other assets that were not identifiable, not separately recognizable under accounting rules (e.g., assembled workforce) or of immaterial value. The purchase price also includes strategic benefits specific to us, which resulted in a purchase price in excess of the fair value of the identifiable net assets. The goodwill resulting from the acquisition equaled approximately \$

591
and will be deductible for income tax purposes.

The results of operations have been included in our combined statements of earnings since the date of acquisition. Proforma results, including the acquired business since the beginning of fiscal 2023, would not be materially different from the reported results.

Level5 Tools, LLC

On June 2, 2022, we acquired Level5, a leading provider of drywall tools and related accessories. The total purchase price was \$

59,321
, including \$

2,000
attributed to an earnout agreement with the selling shareholders, that provides for up to an additional \$

25,000
of cash consideration should certain earnings targets be met annually through calendar year 2024. The earnout agreement also requires continued employment of a selling shareholder during the duration of the earnout period. Accordingly, payments to this key employee, to the extent earned, will be accounted for as post-combination compensation expense. As of November 30, 2023, no amounts were accrued as compensation expense for anticipated payments under the second earnout period ending December 31, 2023.

Level5 is being operated as part of the Consumer Products operating segment and its results have been included in our consolidated statements of earnings since the date of acquisition. Proforma results, including the acquired business since the beginning of fiscal 2022, would not be materially different from the reported results.

The assets acquired and liabilities assumed were recognized at their estimated acquisition-date fair values, with goodwill representing the excess of the purchase price over the fair value of the net identifiable assets acquired. In connection with the acquisition of Level5, we identified and valued the following intangible assets:

Category	(In thousands)	Amount	Useful Life (Years)
Trade name	\$ 13,500		Indefinite
Customer relationships	13,300		10
Technological know-how	6,500		20
Non-compete agreement	280		3
Total acquired identifiable intangible assets	\$ 33,580		

The purchase price includes the fair values of other assets that were not identifiable, not separately recognizable under accounting rules (e.g., assembled workforce) or of immaterial value. The purchase price also includes strategic and synergistic benefits (investment value) specific to us, which resulted in a purchase price in excess of the fair value of the identifiable net assets. This additional investment value resulted in goodwill which will be deductible for income tax purposes.

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The following table summarizes the consideration paid and the final fair value assigned to the assets and liabilities assumed at the acquisition date.

(In thousands)	Preliminary Valuation	Measurement Period Adjustments	Final Valuation
Cash and cash equivalents	\$ 1,515	\$ -	\$ 1,515
Accounts receivable	2,860	-	2,860
Inventories	9,161	-	9,161
Prepaid expenses	64	-	64
Property, plant and equipment	273	-	273
Intangible assets	33,580	-	33,580
Operating lease assets	377	-	377
Total identifiable assets	47,830	-	47,830
Accounts payable	3,175	-	3,175
Accrued expenses	904	151	753
Current operating lease liabilities	111	-	111
Noncurrent operating lease liabilities	266	-	266
Net identifiable assets	43,374	151	43,525
Goodwill	15,947	-	15,947
Total purchase price	59,321	151	59,472
Less: Fair value of earnout	2,000	-	2,000
Plus: Net working capital deficit	282	151	131
Cash purchase price	\$ 57,603	\$ -	\$ 57,603

Note Q – Derivative Financial Instruments and Hedging Activities

We utilize derivative financial instruments to primarily manage exposure to certain risks related to our ongoing operations. The primary risks managed through the use of derivative financial instruments include interest rate risk, foreign currency exchange rate risk and commodity price risk. While certain of

our derivative financial instruments are designated as hedging instruments, we also enter into derivative financial instruments that are designed to hedge a risk, but are not designated as hedging instruments and, therefore, do not qualify for hedge accounting. These derivative financial instruments are adjusted to current fair value through earnings at the end of each period.

Interest Rate Risk Management – We are exposed to the impact of interest rate changes. Our objective is to manage the impact of interest rate changes on cash flows and the market value of our borrowings. We utilize a mix of debt maturities along with both fixed-rate and variable-rate debt to manage changes in interest rates. In addition, we enter into interest rate swaps and treasury locks to further manage our exposure to interest rate variations related to our borrowings and to lower our overall borrowing costs.

Foreign Currency Exchange Rate Risk Management – We conduct business in several major international currencies and are, therefore, subject to risks associated with changing foreign currency exchange rates. We enter into various contracts that change in value as foreign currency exchange rates change to manage this exposure. Such contracts limit exposure to both favorable and unfavorable currency exchange rate fluctuations. The translation of foreign currencies into U.S. dollars also subjects us to exposure related to fluctuating currency exchange rates; however, derivative financial instruments are not used to manage this risk.

Commodity Price Risk Management – We are exposed to changes in the price of certain commodities, including steel, natural gas, copper, zinc and other raw materials, and our utility requirements. Our objective is to reduce earnings and cash flow volatility associated with forecasted purchases and sales of these commodities to allow management to focus its attention on business operations. Accordingly, we enter into derivative financial instruments to manage the associated price risk.

We are exposed to counterparty credit risk on all of our derivative financial instruments. Accordingly, we have established and maintain strict counterparty credit guidelines. We have credit support agreements in place with certain counterparties to limit our credit exposure. These agreements require either party to post cash collateral if its cumulative market position exceeds a predefined liability threshold. Amounts posted to the margin accounts accrue interest at market rates and are required to be refunded in the period in which the cumulative market position falls below the required threshold. We do not have significant exposure to any one counterparty, and management believes the overall risk of loss is remote and, in any event, would not be material.

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Refer to "Note R – Fair Value" for additional information regarding the accounting treatment for our derivative financial instruments, as well as how fair value is determined.

The following table summarizes the fair value of our derivative financial instruments and the respective lines in which they were recorded in the consolidated balance sheet at November 30, 2023:

(In thousands)	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Commodity contracts	Receivables	\$ 12,498	Accounts payable	\$ 3,743
	Other assets	47	Other liabilities	-
		12,545		3,743
Subtotals		\$ 12,545		\$ 3,743
Derivatives not designated as hedging instruments:				
Commodity contracts	Receivables	\$ 2,476	Accounts payable	\$ 2,609
	Other assets	-	Other liabilities	39
Subtotals		2,476		2,648
Total derivative financial instruments		\$ 15,021		\$ 6,391

The amounts in the table above reflect the fair value of our derivative financial instruments on a net basis where allowable under master netting arrangements. Had these amounts been recognized on a gross basis, the impact would have been a \$

5,150
increase in receivables with a corresponding increase in accounts payable.

The following table summarizes the fair value of our derivative financial instruments and the respective lines in which they were recorded in the consolidated balance sheet at May 31, 2023:

(In thousands)	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Commodity contracts	Receivables	\$ 20	Accounts payable	\$ 6,749
	Other assets	51	Other liabilities	379
		71		7,128
Foreign currency exchange contracts	Receivables	-	Accounts payable	

Subtotals	\$	71	\$	7,161
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Derivatives not designated as hedging instruments:

Commodity contracts	Receivables	\$ 2,539	Accounts payable	\$ 8,604
	Other assets	-	Other liabilities	35

Subtotals		2,539		8,639
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Total derivative financial instruments	\$ 2,610	\$ 15,800
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The amounts in the table above reflect the fair value of our derivative financial instruments on a net basis where allowable under master netting arrangements. Had these amounts been recognized on a gross basis, the impact would have been a \$

7,576
increase in receivables with a corresponding increase in accounts payable.

Cash Flow Hedges

We enter into derivative financial instruments to hedge our exposure to changes in cash flows attributable to commodity price fluctuations associated with certain forecasted transactions. These derivative financial instruments are designated and qualify as cash flow hedges. The earnings effects of these derivative financial instruments are presented in the same statement of earnings line items as the earnings effects of the hedged items. For derivative financial instruments designated as cash flow hedges, we assess hedge effectiveness both at the onset of the hedge and at regular intervals throughout the life of the derivative financial instruments.

The following table summarizes our cash flow hedges outstanding at November 30, 2023:

(In thousands)	Notional Amount	Maturity Date
Commodity contracts	\$ 62,825	December 2023 - June 2025

The following table summarizes the gain (loss) recognized in OCI and the gain (loss) reclassified from AOCI into net earnings for derivative financial instruments designated as cash flow hedges for the periods presented:

(In thousands)	Gain (Loss) Recognized in OCI	Location of Gain (Loss) Reclassified from AOCI into Net Earnings	Gain (Loss) Reclassified from AOCI into Net Earnings
For the three months ended November 30, 2023:			
Commodity contracts	\$ 15,019	Cost of goods sold	\$ 2,360
Interest rate contracts	- (	Interest expense, net	52 (
Foreign currency exchange contracts	34)	Net sales/Cost of goods sold	97 (
Total	\$ 14,985		\$ 2,405

For the three months ended November 30, 2022:

Commodity contracts	\$ 19,641	Cost of goods sold	\$ 13,648
Interest rate contracts	- (	Interest expense	7)
Foreign currency exchange contracts	376 (	Net sales/Cost of goods sold	53 (
Total	\$ 19,265		\$ 13,602

For the six months ended November 30, 2023:

Commodity contracts	\$ 12,958	Cost of goods sold	\$ 4,970
Interest rate contracts	- (	Loss on extinguishment of debt	641)
Interest rate contracts	- (	Interest expense, net	84)

	((
Foreign currency exchange contracts	11	) Net sales/Cost of goods sold	44)
Total	\$ 12,947		\$ 4,369	
For the six months ended November 30, 2022:	((
	36,099		13,192	
Commodity contracts	\$) Cost of goods sold	\$)		(
Interest rate contracts	- Interest expense		13)
Foreign currency exchange contracts	58 Net sales/Cost of goods sold		74)
Total	\$ 36,041		\$ 13,279	

The estimated net amount of the gain recognized in AOCI at November 30, 2023 expected to be reclassified into net earnings within the succeeding twelve months is \$

7,678
(net of tax of \$

1,703
). This amount was computed using the fair value of the cash flow hedges at November 30, 2023, and will change before actual reclassification from OCI to net earnings during the fiscal years ending May 31, 2024 and May 31, 2025.

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Economic (Non-designated) Hedges

We enter into foreign currency exchange contracts to manage our foreign currency exchange rate exposure related to inter-company and financing transactions that do not meet the requirements for hedge accounting treatment. We also enter into certain commodity contracts that do not qualify for hedge accounting treatment. Accordingly, these derivative financial instruments are adjusted to current market value at the end of each period through gain (loss) recognized in earnings.

The following table summarizes our economic (non-designated) derivative financial instruments outstanding at November 30, 2023:

(In thousands)	Notional Amount	Maturity Date(s)
Commodity contracts	\$ 15,509	September 2023 - December 2024

The following table summarizes the gain (loss) recognized in earnings for economic (non-designated) derivative financial instruments for the periods presented:

(In thousands)	Location of Gain (Loss) Recognized in Earnings	Gain (Loss) Recognized in Earnings for the Three Months Ended November 30, 2023	
Commodity contracts	Cost of goods sold	\$ 1,459	\$ 3,861
		()	()
Foreign currency exchange contracts	Miscellaneous income, net	-	47
Total		\$ 1,459	\$ 3,814

(In thousands)	Location of Gain (Loss) Recognized in Earnings	Gain (Loss) Recognized in Earnings for the Six Months Ended November 30, 2023	
Commodity contracts	Cost of goods sold	\$ 395	\$ 2,284
		()	()
Foreign currency exchange contracts	Miscellaneous income, net	-	141
Total		395	2,143

Note R – Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is an exit price concept that assumes an orderly transaction between willing market participants and is required to be based on assumptions that market participants would use in pricing an asset or a liability. Current accounting guidance establishes a three-tier fair value hierarchy as a basis for considering such assumptions and for classifying the inputs used in the valuation methodologies. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair values are as follows:

Level 1 – Observable prices in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets and liabilities, either directly or indirectly.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

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Recurring Fair Value Measurements

At November 30, 2023, our assets and liabilities measured at fair value on a recurring basis were as follows:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Totals
Assets				
Derivative financial instruments ⁽¹⁾	\$ -	\$ 15,021	\$ -	\$ 15,021
Total assets	<u>\$ -</u>	<u>\$ 15,021</u>	<u>\$ -</u>	<u>\$ 15,021</u>
Liabilities				
Derivative financial instruments ⁽¹⁾	\$ -	\$ 6,391	\$ -	\$ 6,391
Total liabilities	<u>\$ -</u>	<u>\$ 6,391</u>	<u>\$ -</u>	<u>\$ 6,391</u>

(1) The fair value of our derivative financial instruments is based on the present value of the expected future cash flows considering the risks involved, including non-performance risk, and using discount rates appropriate for the respective maturities. Market observable, Level 2 inputs are used to determine the present value of the expected future cash flows. Refer to "Note Q – Derivative Financial Instruments and Hedging Activities" for additional information regarding our use of derivative financial instruments.

At May 31, 2023, our assets and liabilities measured at fair value on a recurring basis were as follows:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Totals
Assets				
Derivative financial instruments ⁽¹⁾	\$ -	\$ 2,610	\$ -	\$ 2,610
Total assets	<u>\$ -</u>	<u>\$ 2,610</u>	<u>\$ -</u>	<u>\$ 2,610</u>
Liabilities				
Derivative financial instruments ⁽¹⁾	\$ -	\$ 15,800	\$ -	\$ 15,800
Total liabilities	<u>\$ -</u>	<u>\$ 15,800</u>	<u>\$ -</u>	<u>\$ 15,800</u>

(1) The fair value of our derivative financial instruments is based on the present value of the expected future cash flows considering the risks involved, including non-performance risk, and using discount rates appropriate for the respective maturities. Market observable, Level 2 inputs are used to determine the present value of the expected future cash flows. Refer to "Note Q – Derivative Financial Instruments and Hedging Activities" for additional information regarding our use of derivative financial instruments.

[Table of Contents](#)**Non-Recurring Fair Value Measurements**

At November 30, 2023, there were

no assets measured at fair value on a non-recurring basis on our consolidated balance sheet.

At May 31, 2023, our assets measured at fair value on a non-recurring basis were as follows:

<u>Assets</u>	(In thousands)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Totals
Long-lived assets held for sale ⁽¹⁾		\$ -	\$ 2,623	\$ -	\$ 2,623
Long-lived assets held and used ⁽²⁾		\$ -	\$ 70	\$ -	\$ 70
Total assets		<u>\$ -</u>	<u>\$ 2,693</u>	<u>\$ -</u>	<u>\$ 2,693</u>

(1) Comprised of the following: (a) idled equipment at the manufacturing facility in Taylor, Michigan; and (b) the net assets of our former toll processing facility in Cleveland, Ohio.

(2) Comprised of certain assets associated with a capital project at our Building Products facility in Jefferson, Ohio which were written down to their estimated salvage value of \$

70

The fair value of non-derivative financial instruments included in the carrying amounts of cash and cash equivalents, receivables, income taxes receivable, other assets, accounts payable, accrued compensation, contributions to employee benefit plans and related taxes, other accrued items, income taxes payable and other liabilities approximate carrying value due to their short-term nature. The fair value of long-term debt, including current maturities, based upon models utilizing market observable (Level 2) inputs and credit risk, was \$

391,947
and \$

639,948
at November 30, 2023 and May 31, 2023, respectively. The carrying amount of long-term debt, including current maturities, was \$

448,818
and \$

689,982
at November 30, 2023 and May 31, 2023, respectively.

Note S – Subsequent Events

On December 1, 2023, we completed the Separation. The Board of Directors of Worthington Enterprises (the "Board") approved the completion of the Separation on November 9, 2023, which was effected by the Distribution by Worthington Enterprises of all of the outstanding common stock of Worthington Steel on December 1, 2023 to Worthington Enterprises stockholders who held its common shares as of the close of business on the Record Date. As part of the Distribution, each Worthington Enterprises stockholder of record as of the Record Date received

one common share of Worthington Steel for every one common share of Worthington Enterprises held as of the Record Date. Refer to "Note A – Basis of Presentation" for additional information.

In connection with the Separation, we received a cash payment of \$

150,000
from Worthington Steel, which was funded by the Worthington Steel Credit Facility. On December 6, 2023, we used these cash proceeds to finalize our post-separation capital structure by redeeming, in full, the \$

150,000
senior unsecured notes that were set to mature in August 2024 .

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Item 2. – Management’s Discussion and Analysis of Financial Condition and Results of Operations

Selected statements contained in this “Item 2. – Management’s Discussion and Analysis of Financial Condition and Results of Operations” constitute “forward-looking statements” as that term is used in the PSLRA. Such forward-looking statements are based, in whole or in part, on management’s beliefs, estimates, assumptions and currently available information. For a more detailed discussion of what constitutes a forward-looking statement and of some of the factors that could cause actual results to differ materially from such forward-looking statements, please refer to the “Safe Harbor Statement” in the beginning of this Form 10-Q and “Part I – Item 1A. – Risk Factors” of the 2023 Form 10-K.

Unless otherwise indicated, all Note references contained in this “Part I – Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations” refer to the Condensed Notes to Consolidated Financial Statements included in “Part I – Item 1. – Financial Statements” of this Form 10-Q.

Introduction

The following discussion and analysis of market and industry trends, business developments, and the results of our operations and financial position, should be read in conjunction with our consolidated financial statements and notes thereto included in “Part I – Item 1. – Financial Statements” of this Form 10-Q. The 2023 Form 10-K includes additional information about our business, operations and consolidated financial position and should be read in conjunction with this Form 10-Q. This MD&A is designed to provide a reader with material information relevant to an assessment of our financial condition and results of operations and to allow investors to view the Company from the perspective of management. The results of operations contained in this MD&A include all of our operations, including our former Steel Processing business. Beginning in the third quarter of fiscal 2024, our historical results will be restated to reflect the operations of Worthington Steel as a discontinued operation in periods prior to the December 1, 2023, Separation. This MD&A is divided into six main sections:

- Separation of the Steel Processing Business;
- Recent Business Developments;
- Trends and Factors Impacting our Performance;
- Results of Operations;
- Liquidity and Capital Resources; and
- Critical Accounting Estimates

Separation of the Steel Processing Business

On December 1, 2023, we completed the Separation and Worthington Steel, comprised of our former Steel Processing business, became an independent, publicly traded company. The Separation of Worthington Steel from Worthington Enterprises, which is comprised of the Building Products, Consumer Products and Sustainable Energy Solutions businesses, was achieved through Worthington Enterprises’ pro rata distribution of 100% of the outstanding common shares of Worthington Steel to holders of record of Worthington Enterprises common shares as of the close of business on the Record Date. Each holder of record of Worthington Enterprises common shares received one common share of Worthington Steel for every one common share of Worthington Enterprises held at the close of business on the Record Date. In connection with the Separation, Worthington Steel made a cash distribution of \$150 million to Worthington Enterprises. Following the completion of the Separation, Worthington Industries, Inc. changed its name to Worthington Enterprises, Inc. Worthington Enterprises’ common shares continue trading on the New York Stock Exchange (“NYSE”) under the ticker symbol “WOR.” On December 1, 2023, the common shares of Worthington Steel began trading on the NYSE under the ticker symbol “WS.”

Recent Business Developments

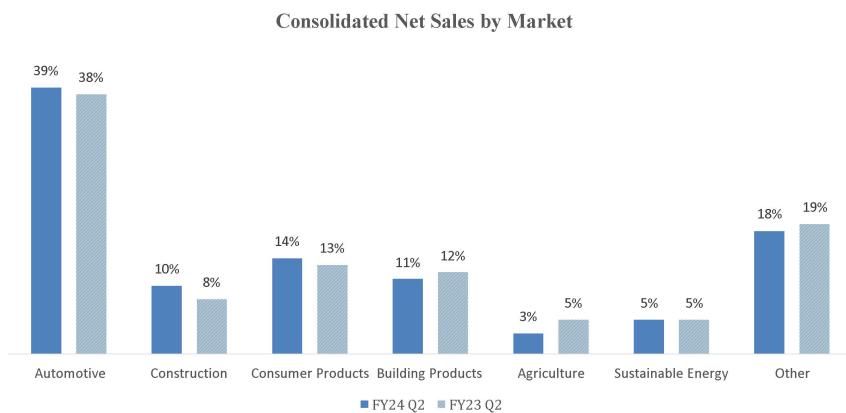
- On June 29, 2023, we terminated the AR Facility that allowed us to borrow up to \$175.0 million. No early termination or other similar fees or penalties were paid in connection with the termination. See "Note I – Debt and Receivables Securitization" for additional information.
- On July 28, 2023, we redeemed the 2026 Notes, which resulted in a non-cash loss of approximately \$1.5 million related primarily to unamortized issuance costs and the remaining loss associated with an interest rate swap deferred in AOCI at redemption. See "Note I – Debt and Receivables Securitization" for additional information.
- On December 6, 2023, we used the \$150.0 million cash distribution from Worthington Steel to pay off in full the 2024 Notes. The payoff amount consisted of \$150.0 million in principal plus accrued interest of \$0.5 million. See "Note S – Subsequent Events" for additional information.

Trends and Factors Impacting our Performance

The industries in which we participate are fragmented and highly competitive. Given the broad base of products and services offered, specific competitors vary based on the target industry, product type, service type, size of program and geography. Competition is primarily on the basis of price, product quality and the ability to meet delivery requirements. Our products are priced competitively, primarily based on market factors, including, among other things, market pricing, the cost and availability of raw materials, transportation and shipping costs, and overall economic conditions in the U.S. and abroad.

General Economic and Market Conditions

We sell our products and services to a diverse customer base and a broad range of end markets. The breakdown of net sales by end market for the second quarter of each of fiscal 2024 and fiscal 2023 is illustrated in the following chart:



The automotive industry is one of the largest consumers of flat-rolled steel, and thus the largest end market for our Steel Processing operating segment. During the second quarter of fiscal 2024, approximately 53% of Steel Processing's net sales were to the automotive market. North American vehicle production, primarily by Ford, General Motors and Stellantis North America (the "Detroit Three automakers"), has a considerable impact on the activity within the Steel Processing operating segment, including its unconsolidated joint venture, Serviacero Worthington.

During the second quarter of fiscal 2024, approximately 13% of the net sales of our Steel Processing operating segment were to the construction market. The construction market is also the predominant end market for our unconsolidated joint ventures within the Building Products operating segment, WAVE and ClarkDietrich. While the market price of steel significantly impacts these businesses, there are other key indicators that are meaningful in analyzing construction market demand, including the U.S. gross domestic product ("U.S. GDP"), the Dodge Index of construction contracts and, in the case of ClarkDietrich, trends in the relative prices of framing lumber and steel.

During the second quarter of fiscal 2024, substantially all of the net sales of our Consumer Products, Building Products, and Sustainable Energy Solutions operating segments and approximately 34% of the net sales of our Steel Processing operating segment were to other

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markets such as agricultural, appliance, consumer products, heavy-truck, industrial products, including the industrial electric motor, generator, and transformer end markets, and lawn and garden. Given the many different products that make up these net sales and the wide variety of end markets, it is very difficult to detail the key market indicators that drive these portions of our business. However, we believe that the trend in U.S. GDP growth is a good economic indicator for analyzing the demand of these end markets.

U.S. GDP growth rate trends are generally indicative of the strength in demand and, in many cases, pricing for our products. A year-over-year increase in U.S. GDP growth rates is generally indicative of a stronger economy, which generally increases demand and pricing for our products. Conversely, declining U.S. GDP growth rates generally indicate a weaker economy, which generally decreases demand and pricing for our products. Changes in U.S. GDP growth rates can also signal changes in conversion costs related to production and in selling, general, and administrative expense ("SG&A").

Inflation and government deficits and debt remain at high levels. While inflation has moderated recently, a period of sustained inflation could pressure our margins in future periods. In response to the concerns over inflation risk in the broader U.S. economy, the U.S. Federal Reserve increased its benchmark interest rate significantly during fiscal 2022 and fiscal 2023. Interest rates may remain high in fiscal 2024. Adverse economic conditions resulting from inflationary pressures, U.S. Federal Reserve actions, including continued high interest rates and/or increases in interest rates, geopolitical issues or otherwise are difficult to predict and may have a material adverse impact on our business, results of operations and financial condition. Please see Part I, Item 1A. "Risk Factors" on our 2023 Form 10-K for an additional discussion of risks and potential risks of inflation and adverse economic conditions on our business, financial condition and results of operations.

We use the following information to monitor our costs and demand in our major end markets:

	Three Months Ended November 30,			Six Months Ended November 30,		
	2023	2022 ⁽¹⁾	Incl/ (Dec)	2023	2022 ⁽¹⁾	Incl/ (Dec)
U.S. GDP (% growth year-over-year)	2.8%	1.8%	1.0%	2.5%	1.8%	0.7%
Hot-Rolled Steel (\$ per ton) ⁽²⁾	\$ 747	\$ 742	\$ 5	\$ 813	\$ 860	\$ (47)
Detroit Three Auto Build (000's vehicles) ⁽³⁾	1,558	1,742	(184)	3,328	3,471	(143)
No. America Auto Build (000's vehicles) ⁽³⁾	3,914	3,737	177	7,890	7,375	515
Zinc (\$ per pound) ⁽⁴⁾	\$ 1.14	\$ 1.36	\$ (0.22)	\$ 1.11	\$ 1.46	\$ (0.35)
Natural Gas (\$ per mcf) ⁽⁵⁾	\$ 2.96	\$ 6.77	\$ (3.81)	\$ 2.77	\$ 7.32	\$ (4.55)
On-Highway Diesel Fuel Prices (\$ per gallon) ⁽⁶⁾	\$ 4.44	\$ 5.15	\$ (0.71)	\$ 4.23	\$ 5.29	\$ (1.06)

(1) 2022 figures are based on revised actuals

(2) CRU Hot-Rolled Index: period average

(3) IHS Global (S&P)

(4) LME Zinc: period average

(5) NYMEX Henry Hub Natural Gas: period average

(6) Energy Information Administration: period average

Sales to one Steel Processing customer in the automotive industry represented 11.1% and 12.3% of consolidated net sales during the second quarter of fiscal 2024 and the second quarter of fiscal 2023, respectively. While our automotive business is largely driven by the production schedules of the Detroit Three automakers, our customer base is much broader and includes other domestic manufacturers and many of their suppliers. During the second quarter of fiscal 2024, vehicle production for the Detroit Three automakers was down 11% due to the United Auto Workers Strike while overall North American vehicle production was up 5%.

Sales for most of our products are generally strongest in our fiscal fourth quarter when our facilities operate at seasonal peaks. Historically, sales have been weaker in our fiscal third quarter, primarily due to reduced seasonal activity in the building and construction industry, as well as customer plant shutdowns due to holidays, particularly in the automotive industry. We do not believe backlog is a significant indicator of our business.

Impact of Raw Material Prices

Our principal raw material is flat-rolled steel, which we purchase from multiple primary steel producers. When steel prices fall, we typically have higher-priced material flowing through cost of goods sold, while selling prices compress to what the market will bear, negatively impacting our results. On the other hand, in a rising price environment, our results are generally favorably impacted, as lower-priced material purchased in previous periods flows through cost of goods sold, while our selling prices increase at a faster pace to cover current replacement costs. Steel prices declined throughout most of fiscal 2023 before increasing significantly in the fourth quarter on

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production cuts at major steel mills and the replenishing of inventories in major end markets, then decreased again in the first and second quarters of fiscal 2024. The decline in steel prices in fiscal 2024 resulted in estimated inventory holding losses of \$19.3 million during the six months ended November 30, 2023.

The following table presents the average quarterly market price per ton of hot-rolled steel during fiscal 2024 (first and second quarter), fiscal 2023 and fiscal 2022:

(Dollars per ton) ⁽¹⁾	Fiscal Year		
	2024	2023	2022
1st Quarter	\$ 879	\$ 978	\$ 1,762
2nd Quarter	\$ 747	\$ 742	\$ 1,888
3rd Quarter	N/A	\$ 720	\$ 1,421
4th Quarter	N/A	\$ 1,116	\$ 1,280
Annual Avg.	\$ 813	\$ 889	\$ 1,588

(1) CRU Hot-Rolled Index, period average

No matter how efficient, our operations, which use steel as a raw material, create some amount of scrap. The expected price of scrap compared to the price of the steel raw material is factored into pricing. Generally, as the price of steel increases, the price of scrap increases by a similar amount. When increases in scrap prices do not keep pace with the increases in the price of the steel raw material, it can have a negative impact on our margins. We refer to this effect as the "scrap gap," which has narrowed in recent years from historically high levels, including quarter-over-quarter declines in the current period.

Certain other commodities, such as zinc, natural gas and diesel fuel, represent a significant portion of our cost of goods sold, both directly through our plant operations and indirectly through transportation and freight expense.

Results of Operations

Second Quarter – Fiscal 2024 Compared to Fiscal 2023

The following discussion provides a review of results for the three months ended November 30, 2023 and November 30, 2022.

(In millions, except per common share amounts)	Three Months Ended November 30,		Increase/ (Decrease)
	2023	2022	
Net sales	\$ 1,086.9	\$ 1,175.5	\$ (88.6)
Operating loss	(5.9)	(7.0)	1.1
Equity income	42.4	36.9	5.5
Net earnings attributable to controlling interest	24.3	16.2	8.1
Earnings per diluted common share attributable to controlling interest	\$ 0.49	\$ 0.33	\$ 0.16

Net Sales and Volume

The following table provides a breakdown of our consolidated net sales by operating segment, along with the respective percentage of the consolidated net sales of each, for the periods indicated.

(In millions)	Three Months Ended November 30,			Increase/ (Decrease)
	2023	% of Net sales	2022	
Steel Processing	\$ 788.7	72.6%	\$ 841.9	71.6%
Consumer Products	147.7	13.6%	153.8	13.1%
Building Products	123.0	11.3%	141.7	12.1%
Sustainable Energy Solutions	27.5	2.5%	38.1	3.2%
Consolidated Net Sales	\$ 1,086.9	100.0%	\$ 1,175.5	\$ (88.6)

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The following table provides volume by operating segment for the periods presented.

	Three Months Ended November 30,		Increase/ (Decrease)
	2023	2022	
Steel Processing (Tons)	958,736	925,434	33,302
Consumer Products (Units)	16,885,517	16,583,326	302,191
Building Products (Units)	2,392,515	2,367,770	24,745
Sustainable Energy Solutions (Units)	114,063	155,687	(41,624)

- *Steel Processing* – Net sales totaled \$788.7 million in the second quarter of fiscal 2024, down 6%, or \$53.2 million, from the second quarter of fiscal 2023, as the impact of lower average selling prices more than offset the impact of higher direct volumes. The mix of direct versus toll tons processed was 56% to 44% in the second quarter of fiscal 2024, compared to 54% to 46% in the prior year quarter. Excluding the impact of the prior year divestiture of the WSP toll processing facility in Jackson, Michigan, both direct and toll volumes were up approximately 7%.
- *Consumer Products* – Net sales totaled \$147.7 million in the second quarter of fiscal 2024, down 4%, or \$6.1 million compared to the second quarter of fiscal 2023, on the combined impact of lower average selling prices and an unfavorable shift in product mix.
- *Building Products* – Net sales totaled \$123.0 million in the second quarter of fiscal 2024, down 13%, or \$18.7 million, from the second quarter of fiscal 2023, driven primarily by lower average selling prices and an unfavorable shift in product mix.
- *Sustainable Energy Solutions* – Net sales totaled \$27.5 million in the second quarter of fiscal 2024, down 28%, or \$10.6 million, compared to the prior year quarter on lower volumes and an unfavorable shift in product mix.

Gross margin

	Three Months Ended November 30,					
(In millions)	2023	% of Net sales	2022	% of Net sales	Increase/ (Decrease)	
Gross Margin	\$ 123.7	11.4%	\$ 105.8	9.0%	\$ 17.9	

Gross margin increased \$17.9 million over the comparable period in the prior year to \$123.7 million, largely driven by lower estimated inventory holding losses in Steel Processing, down \$18.3 million from the prior year quarter.

Selling, general and administrative expense

	Three Months Ended November 30,				
(In millions)	2023	% of Net sales	2022	% of Net sales	Increase/ (Decrease)
Selling, general and administrative expense	\$ 107.7	9.9%	\$ 107.8	9.2%	\$ (0.1)

- SG&A expense of \$107.7 million was relatively flat compared to the prior year quarter.

Other operating items

	Three Months Ended November 30,			
(In millions)	2023	2022	Increase/ (Decrease)	
Restructuring and other income, net	-	4.3	(4.3)	
Separation costs	21.9	9.2	12.7	

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- The net gain within restructuring in the prior year quarter was driven primarily by the sale of the remaining facility of WSP, our former operating joint venture.
- Separation costs reflect direct and incremental costs incurred in connection with the Separation as discussed in “Note A – Basis of Presentation.”

Interest expense, net

(In millions)	Three Months Ended		Increase/ (Decrease)
	2023	2022	
Interest expense, net	\$ 2.2	\$ 7.6	\$ (5.4)

- Interest expense, net of \$2.2 million in the second quarter of fiscal 2024 was favorable to the second quarter of fiscal 2023 by \$5.4 million due to higher interest income and, to a lesser extent, lower average long-term debt levels due to the July 28, 2023 redemption of our 2026 Notes. Refer to “Note I – Debt and Receivables Securitization” for additional information

Equity income

(In millions)	Three Months Ended		Increase/ (Decrease)
	2023	2022	
WAVE	\$ 21.4	\$ 19.0	\$ 2.4
ClarkDietrich	13.7	16.1	(2.4)
Serviacero Worthington	3.8	1.9	1.9
Workhorse	3.5	(0.2)	3.7
Total Equity Income	\$ 42.4	\$ 36.8	\$ 5.6

- Equity income increased \$5.6 million over the prior year quarter to \$42.4 million, due in part to a \$2.8 million gain associated with the divestiture of the Brazilian operations of Workhorse. Excluding the impact of the divestiture, equity income was up \$2.8 million in the current year quarter, as slightly higher contributions from both WAVE and Serviacero were partially offset by lower contributions from ClarkDietrich.

Income Taxes

(In millions)	Three Months Ended		Increase/ (Decrease)
	2023	2022	
Income tax expense	\$ 7.2	\$ 4.1	\$ 3.1

- Income tax expense was \$7.2 million in the second quarter of fiscal 2024 compared to \$4.1 million in the second quarter of fiscal 2023. The increase was driven by higher pre-tax earnings as our effective tax rate was relatively unchanged from the prior year quarter. For additional information regarding our income taxes, refer to “Note M – Income Taxes.”

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Adjusted EBIT

We evaluate operating performance on the basis of adjusted EBIT. EBIT, a non-GAAP financial measure, is calculated by adding interest expense and income tax expense to net earnings attributable to controlling interest. Adjusted EBIT excludes impairment and restructuring expense (income), but may also exclude other items, as described below, that management believes are not reflective of, and thus should not be included when evaluating the performance of our ongoing operations. Adjusted EBIT is a non-GAAP financial measure and is used by management to evaluate operating performance, engage in financial and operational planning and determine incentive compensation because we believe that this financial measure provides additional perspective on the performance of our ongoing operations. Additionally, management believes these non-GAAP financial measures provide useful information to investors because they allow for meaningful comparisons and analysis of trends in our businesses and enable investors to evaluate operations and future prospects in the same manner as management.

The following table provides a reconciliation of net earnings attributable to controlling interest (the most comparable GAAP financial measure) to adjusted EBIT for the periods presented:

(In millions)	Three Months Ended November 30,	
	2023	2022
Net earnings attributable to controlling interest	\$ 24.3	\$ 16.2
Interest expense, net	2.2	7.6
Income tax expense	7.2	4.1
EBIT	33.7	27.9
Incremental expense related to Level5 earnout ⁽¹⁾	-	0.5
Restructuring and other income, net ⁽²⁾	-	(2.3)
Separation costs ⁽³⁾	21.9	9.2
Gain on sale of assets in equity income ⁽⁴⁾	(2.8)	-
Adjusted EBIT	\$ 52.8	\$ 35.3

(1) Reflects incremental compensation expense attributable to the Level5 earnout.

(2) Restructuring activities 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). The net gain recognized in the prior year quarter resulted primarily from the sale of WSP's remaining manufacturing facility in Jackson, Michigan and excludes the impact of non-controlling interests.

(3) Reflects direct and incremental costs incurred in connection with the tax-free spin-off of our former Steel Processing business, including third-party advisory fees, certain employee-related costs and non-recurring costs associated with the separation of shared corporate functions.

(4) Reflects a \$2.8 million gain associated with the divestiture of the Brazilian operations of Workhorse.

The following table provides a summary of adjusted EBIT by reportable segment for the periods presented.

(In millions)	Three Months Ended November 30,				% of Adjusted EBIT	% of Adjusted EBIT	Increase/ (Decrease)
	2023	EBIT	2022	EBIT			
Steel Processing	\$ 6.8	12.9 %	\$ (17.2)	(48.7 %)	\$ 24.0	(4.0)	
Consumer Products	9.5	18.0 %	13.5	38.2 %			
Building Products	40.3	76.3 %	41.2	116.7 %			
Sustainable Energy Solutions	(2.6)	(5.0 %)	1.1	3.1 %			
Other	(1.2)	(2.2 %)	(3.3)	(9.3 %)			
Total Adjusted EBIT	\$ 52.8	100.0 %	\$ 35.3	100.0 %	\$ 17.5		

• Steel Processing – Adjusted EBIT was \$6.8 million in the second quarter of fiscal 2024, up \$24.0 million over the prior year quarter on lower estimated inventory holding losses, down \$18.3 million, and a \$1.9 million increase in equity earnings at Serviacer.

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- *Consumer Products* – Adjusted EBIT was \$9.5 million in the second quarter of fiscal 2024, down \$4.0 million compared to the second quarter of fiscal 2023, driven primarily by a \$3.1 million reserve related to the voluntary recall of our Balloon Time® Mini helium tank and to a lesser extent unfavorable manufacturing expense.
- *Building Products* – Adjusted EBIT was \$40.3 million in the second quarter of fiscal 2024, a decrease of \$0.9 million compared to the second quarter of fiscal 2023, driven primarily by lower volume at our wholly-owned businesses. Equity income was essentially flat in the quarter, as higher contributions from WAVE were almost equally offset by a modest decline at ClarkDietrich.
- *Sustainable Energy Solutions* – Adjusted EBIT was unfavorable \$3.7 million to the prior year quarter resulting in an overall loss of \$2.6 million in the second quarter of fiscal 2024 on lower net sales.

Six Months Year-to-Date – Fiscal 2024 compared to Fiscal 2023

The following discussion provides a review of results for the six months ended November 30, 2023 and November 30, 2022.

(In millions, except per common share amounts)	Six Months Ended November 30,		Increase/ (Decrease)
	2023	2022	
Net sales	\$ 2,280.2	\$ 2,584.2	\$ (304.0)
Operating income	71.8	59.7	12.1
Equity income	96.8	68.6	28.2
Net earnings attributable to controlling interest	120.4	80.3	40.1
Earnings per diluted common share attributable to controlling interest	\$ 2.40	\$ 1.63	0.77

Net Sales and Volume

The following table provides a breakdown of our consolidated net sales by operating segment, along with the respective percentage of the consolidated net sales of each, for the periods indicated.

(In millions)	Six Months Ended November 30,			Increase/ (Decrease)	
	2023	% of Net sales	2022	% of Net sales	
Steel Processing	\$ 1,670.0	73.2%	\$ 1,880.8	72.8%	\$ (210.8)
Consumer Products	297.2	13.0%	342.5	13.3%	(45.3)
Building Products	256.8	11.3%	292.0	11.3%	(35.2)
Sustainable Energy Solutions	56.2	2.5%	68.9	2.6%	(12.7)
Consolidated Net Sales	\$ 2,280.2	100.0%	\$ 2,584.2	100.0%	\$ (304.0)

The following table provides volume by reportable operating segment for the periods presented.

(In millions)	Six Months Ended November 30,		Increase/ (Decrease)
	2023	2023	
Steel Processing (Tons)	1,958,394	1,900,083	58,311
Consumer Products (Units)	33,954,462	38,966,668	(5,012,206)
Building Products (Units)	5,163,973	5,289,933	(125,960)
Sustainable Energy Solutions (Units)	220,369	288,820	(68,451)

- *Steel Processing* – Net sales totaled \$1,670 in the current year period, down 11%, or \$210.8 million from the prior year period, driven primarily by lower average selling prices. The mix of direct versus toll tons processed was unchanged at 56% to 44%.
- *Consumer Products* – Net sales totaled \$297.2 million in the current year period, down 13%, or \$45.3 million compared to the prior year period, almost entirely on lower volume driven largely by de-stocking at some of our retail customers that continued into the first quarter of fiscal 2024.

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- **Building Products** – Net sales totaled \$256.8 million in the current year period, down 12%, or \$35.2 million, from the prior year period, driven by lower volume, and to a lesser extent, unfavorable product mix.
- **Sustainable Energy Solutions** – Net sales totaled \$56.2 million in the current year period, down 18%, or \$12.7 million, from the prior year period, on lower volumes and an unfavorable shift in product mix.

Gross margin

(In millions)	Six Months Ended November 30,					
	2023	% of Net sales	2022		% of Net sales	Increase/ (Decrease)
Gross Margin	\$ 321.2	14.1%	\$ 275.1		10.6%	\$ 46.1

- Gross margin was \$321.2 million for the six months ended November 30, 2023, an increase of \$46.1 million compared to the prior year period, driven primarily by lower inventory holding losses at Steel Processing estimated to be \$19.3 million compared to \$54.6 million in the comparable period in the prior year.

Selling, general and administrative expense

(In millions)	Six Months Ended November 30,					
	2023	% of Net sales	2022		% of Net sales	Increase/ (Decrease)
Selling, general and administrative expense	\$ 220.0	9.6 %	\$ 211.3		8.2 %	\$ 8.7

- SG&A increased \$8.7 million over the prior year quarter primarily due to higher healthcare and other benefit-related costs, and, to a lesser extent, higher wages.

Other operating items

(In millions)	Six Months Ended November 30,					
	2023	2022	Increase/ (Decrease)			
Impairment of long-lived assets	\$ 1.4	\$ 0.3	\$ 1.1			
Restructuring and other income, net	-	5.4	(5.4)			
Separation costs	28.0	9.2	18.8			

- Impairment of long-lived assets in both the current year and prior year periods was driven by changes in the estimated fair market value less cost to sell related to ongoing efforts to divest certain production equipment of our former toll processing facility in Cleveland, Ohio. Refer to “Note E – Impairment of Long-Lived assets” for additional information.
- Restructuring and other income, net in the prior year period was driven by gains realized from the sale of long-lived assets, including a pre-tax gain of \$3.9 million realized from the sale of WSP’s manufacturing facility in Jackson, Michigan and a pre-tax gain of \$1.2 million from the sale of real property in Tulsa, Oklahoma.
- Separation costs reflect direct and incremental costs incurred in connection with the Separation as discussed in “Note A – Basis of Presentation.”

Miscellaneous income (expense), net

(In millions)	Six Months Ended November 30,					
	2023	2022	Increase/ (Decrease)			
Miscellaneous income (expense), net	\$ 2.0	\$ (3.7)	\$ 5.7			

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- Miscellaneous expense in the prior year period was driven primarily by the annuitization of a portion of the total projected benefit obligation of the inactive Gerstenslager Company Bargaining Unit Employees' Pension Plan, which resulted in a pre-tax, non-cash settlement charge of \$4.8 million to accelerate a portion of deferred pension cost.

Loss on extinguishment of debt

	Six Months Ended November 30,		Increase/ (Decrease)
	2023	2022	
Loss on extinguishment of debt	\$ 1.5	\$ -	\$ 1.5

- Loss on extinguishment of debt of \$1.5 million resulted from the July 28, 2023 early redemption of the 2026 Notes and consisted primarily of unamortized debt issuance costs and the remaining loss deferred in AOCI associated with an interest rate swap executed prior to the issuance of the 2026 Notes.

Interest expense, net

	Six Months Ended November 30,		Increase/ (Decrease)
(In millions)	2023	2022	
Interest expense, net	\$ 5.3	\$ 16.2	\$ (10.9)

- Interest expense, net of \$5.3 million in the current year period was favorable compared to the prior year period by \$10.9 million, driven primarily by higher interest income and, to a lesser extent, lower average long-term debt levels due to the July 28, 2023 redemption of our 2026 Notes. Refer to "Note I – Debt and Receivables Securitization" for additional information.

Equity Income

	Six Months Ended November 30,		Increase/ (Decrease)
(In millions)	2023	2022	
WAVE	\$ 49.7	\$ 42.8	\$ 6.9
ClarkDietrich	30.5	36.2	(5.7)
Serviacerco Worthington	12.7	3.7	9.0
ArtiFlex	-	(13.4)	13.4
Workhorse	3.9	(0.7)	4.6
Total Equity Income	\$ 96.8	\$ 68.6	\$ 28.2

- Equity income increased \$28.2 million over the prior year period, which included a \$15.8 million loss from the sale of our interest in ArtiFlex, as higher contributions by both Serviacerco and WAVE were partially offset by a decline at ClarkDietrich. Serviacerco was the biggest driver of the overall increase with equity earnings up \$9.0 million, primarily due to higher direct spreads.

Income Taxes

(In millions)	Six Months Ended November 30,			Increase/ (Decrease)
	2023	Effective Tax Rate	2022	
Income tax expense	\$ 36.0	23.4%	\$ 23.6	23.7% \$ 12.4

- Income tax expense was \$36.0 million in the current year period compared to income tax expense of \$23.6 million in the prior year period. The increase was driven by higher pre-tax earnings. For additional information regarding our income taxes, refer to "Note M – Income Taxes."

Adjusted EBIT

The following table provides a reconciliation of consolidated net earnings attributable to controlling interest to adjusted EBIT for the periods presented:

(In millions)	Six Months Ended November 30,	
	2023	2022
Net earnings attributable to controlling interest	\$ 120.4	\$ 80.3
Interest expense, net	5.3	16.2
Income tax expense	36.0	23.6
EBIT	161.7	120.1
Incremental expense related to Level5 earnout ⁽¹⁾	-	1.1
Impairment of long-lived assets ⁽²⁾	0.9	0.2
Restructuring and other income, net ⁽³⁾	-	(3.6)
Separation costs ⁽⁴⁾	28.0	9.2
Loss on extinguishment of debt ⁽⁵⁾	1.5	-
Pension settlement charge ⁽⁶⁾	-	4.8
Gain on sale of assets in equity income ⁽⁷⁾	(2.8)	-
Loss on sale of investment in ArtiFlex ⁽⁸⁾	-	15.8
Adjusted EBIT	<u>189.3</u>	<u>147.6</u>

(1) Reflects incremental compensation expense attributable to the Level5 earnout.

(2) Impairment charges are excluded 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, so their exclusion facilitates the comparison of historical, current and forecasted financial results. Non-cash impairment charges in both periods were driven by changes in the estimated fair market value less cost to sell related to ongoing efforts to divest certain production equipment of Samuel's former toll processing facility in Cleveland, Ohio, and exclude the impact of the noncontrolling interest.

(3) Restructuring activities 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). The net gain recognized in the prior year quarter resulted primarily from the sale of WSP's remaining manufacturing facility, located in Jackson, Michigan.

(4) Reflects direct and incremental costs incurred in connection with the tax-free spin-off of our former Steel Processing business, including third-party advisory fees, certain employee-related costs and non-recurring costs associated with the separation of shared corporate functions.

(5) Reflects a \$1.5 million loss realized in connection with the July 28, 2023 early redemption of the 2026 Notes.

(6) Reflects a non-cash settlement charge to accelerate a portion of the overall deferred pension cost associated with The Gerstenslager Company Bargaining Unit Employees' Pension Plan as a result of a pension lift-out transaction completed in August 2022 to transfer a portion of the total projected benefit obligation to a third-party insurance company.

(7) Reflects a \$2.8 million gain associated with the divestiture of the Brazilian operations of Workhorse.

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(8) Reflects the loss realized in connection with the August 3, 2022 sale of our 50% noncontrolling equity investment in ArtiFlex.

The following table provides a summary of adjusted EBIT by reportable segment for the periods presented.

(In millions)	Six Months Ended November 30,					
	2023	EBIT	2022	EBIT	% of Adjusted	% of Adjusted
Steel Processing	\$ 84.8	44.8%	\$ 17.7	12.0%	\$ 67.1	
Consumer Products	18.5	9.8%	34.4	23.3%	(15.9)	
Building Products	94.3	49.8%	94.0	63.7%	0.3	
Sustainable Energy Solutions	(7.3)	(3.9%)	(0.3)	(0.2%)	(7.0)	
Other	(1.0)	(0.5%)	1.8	1.2%	(2.8)	
Total Adjusted EBIT	189.3	100.0%	147.6	100.0%	\$ 41.7	

- *Steel Processing* – Adjusted EBIT was \$84.8 million in the current year period, an increase of \$67.1 million compared to the prior year period, due primarily to favorable direct spreads, including \$35.3 million associated with the year-over-year favorable swing in estimated inventory holding losses, and, to a lesser extent, higher equity earnings at Serviacero, up \$9.0 million.
- *Consumer Products* – Adjusted EBIT was \$18.5 million in the current year period, down \$15.9 million compared to the prior year period, driven primarily by lower volumes and higher manufacturing expenses, partially offset by a favorable pricing spread as price increases implemented in fiscal 2023 held steady through November 30, 2023.
- *Building Products* – Adjusted EBIT was \$94.3 million in the current year period, an increase of \$0.3 million compared to the prior year period, on a \$1.2 million increase in equity income, partially offset by the impact of lower volume.
- *Sustainable Energy Solutions* – Adjusted EBIT was a loss of \$7.3 million for the current year period, a decline of \$7.0 million compared to the prior year period, due to lower volumes and higher manufacturing expenses.

Liquidity and Capital Resources

During the six months ended November 30, 2023, we generated \$135.0 million of cash from operating activities and invested \$32.9 million in property, plant and equipment and \$15.0 million in a note receivable. We also received cash proceeds of \$175.0 million in the form of short-term borrowings tied to the Worthington Steel Credit Facility, which was used to fund a \$150.0 million cash distribution to Worthington Enterprises on December 1, 2023 in connection with the Separation. Additionally, we repaid \$243.8 million to redeem the 2026 Notes and paid dividends of \$17.3 million.

(In millions)	Six Months Ended November 30,	
	2023	2022
Net cash provided by operating activities	\$ 194.7	\$ 214.0
Net cash used by investing activities	(97.8)	(30.7)
Net cash provided (used) by financing activities	(120.9)	(88.2)
Increase (decrease) in cash and cash equivalents	(24.0)	95.1
Cash and cash equivalents at beginning of period	454.9	34.5
Cash and cash equivalents at end of period	\$ 430.9	\$ 129.6

We believe that the available borrowing capacity of the Credit Facility is sufficient to meet the needs of our existing businesses for normal operating costs, mandatory capital expenditures, debt redemptions, dividend payments and working capital, to the extent not funded by cash provided by operating activities, for at least 12 months and for the foreseeable future thereafter. Our resources include cash and cash equivalents and unused committed lines of credit. There were no borrowings outstanding under the Credit Facility at November 30, 2023, leaving up to \$500.0 million available for use.

Although we do not currently anticipate a need, we believe that we could access the financial markets to be in a position to sell long-term debt or equity securities. However, the continuation of soft economic conditions and an uncertain interest rate environment could create volatility in the financial markets, which may impact our ability to access capital and the terms under which we can do so.

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We routinely monitor current operational requirements, financial market conditions, and credit relationships and we may choose to seek additional capital by issuing new debt and/or equity securities to strengthen our liquidity or capital structure. Should we seek additional capital, there can be no assurance that we would be able to obtain such additional capital on terms acceptable to us, if at all, and such additional equity or debt financing could dilute the interests of our existing shareholders and/or increase our interest costs. We may also from time to time seek to retire or repurchase our outstanding debt through cash purchases, in open-market purchases, privately-negotiated transactions or otherwise. Such repurchases, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved in any such transaction may or may not be material. To facilitate our post-separation capital structure, on July 28, 2023, we redeemed in full our 2026 Notes for \$243.8 million. Subsequent to quarter-end, we finalized our post-separation capital structure by redeeming an additional \$150.0 million of long-term debt, as further discussed in "Note S – Subsequent Events."

Operating Activities

Our business is cyclical and cash flows from operating activities may fluctuate during the year and from year to year due to economic and industry conditions. We rely on cash and short-term borrowings to meet cyclical increases in working capital needs. These needs generally rise during periods of increased economic activity or increasing raw material prices, requiring higher levels of inventory and accounts receivable. During economic slowdowns, or periods of decreasing raw material costs, working capital needs generally decrease as a result of the reduction of inventories and accounts receivable.

Net cash provided by operating activities was \$194.7 million during the six months ended November 30, 2023, down \$19.3 million from the comparable period in the prior year. The change was due primarily to a \$36.8 million change in net operating working capital (accounts receivable, inventories, and accounts payable) requirements over the comparable prior year period, mainly driven by fluctuations in steel prices and lagging price indices.

Investing Activities

Net cash used by investing activities was \$97.8 million during the six months ended November 30, 2023, compared to \$30.7 million during the prior year period. Net cash used by investing activities in the current year period resulted primarily from capital expenditures of \$62.2 million, a \$15.0 million investment in a note receivable, and the November 15, 2023 purchase of the Voestalpine business for cash consideration of \$21.0 million, net of cash acquired. Net cash used by investing activities in the prior year period resulted primarily from the purchase of the Level5 business on June 2, 2022, for \$56.1 million, net of cash acquired, and capital expenditures of \$46.0 million, partially offset by combined cash proceeds of \$71.6 million from the sale of our equity investment in ArtiFlex, and the sale of the remaining facility of our former operating joint venture, WSP.

Investment activities are largely discretionary, and future investment activities could be reduced significantly, or eliminated, as economic conditions warrant. We assess acquisition opportunities as they arise, and such opportunities may require additional financing. There can be no assurance, however, that any such opportunities will arise, that any such acquisition opportunities will be consummated, or that any needed additional financing will be available on satisfactory terms if required.

Financing Activities

Net cash used by financing activities was \$120.9 million during the six months ended November 30, 2023 compared to \$88.2 million in the prior year period. The change was primarily due to \$172.2 million of net proceeds of short-term borrowings and the repayment of \$243.8 million of long-term debt associated with the redemption of the 2026 Notes in July 2023 and net repayments of \$43.1 million of short-term borrowings in the six months ended November 30, 2022.

Common shares – On December 19, 2023, Worthington Enterprises' Board of Directors declared a quarterly dividend of \$0.16 per share payable on March 29, 2024, to shareholders of record on March 15, 2024.

On March 20, 2019, the Board authorized the repurchase of up to 6.6 million common shares.

On March 24, 2021, the Board authorized the repurchase of up to an additional 5.6 million common shares, increasing the total number of common shares then authorized for repurchase to 10.0 million. As of November 30, 2023, 6.1 million common shares remained available for repurchase under these two authorizations.

The common shares may be repurchased under these authorizations from time to time, with consideration given to the market price of the common shares, the nature of other investment opportunities, cash flows from operations, general economic conditions and other relevant considerations. Repurchases may be made on the open market or through privately negotiated transactions.

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Long-term debt and short-term borrowings – As of November 30, 2023, we were in compliance with the financial covenants of our short-term and long-term debt agreements. Our debt agreements do not include credit rating triggers or material adverse change provisions. There were no borrowings under our Credit Facility at November 30, 2023, leaving the full borrowing capacity of \$500.0 million available for use.

Dividend Policy

We currently have no material contractual or regulatory restrictions on the payment of dividends. Dividends are declared at the discretion of the Board. The Board reviews the dividend quarterly and establishes the dividend rate based upon our consolidated financial condition, results of operations, capital requirements, current and projected cash flows, business prospects, and other relevant factors. While we have paid a dividend every quarter since becoming a public company in 1968, there is no guarantee that payments of dividends will continue in the future.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. We continually evaluate our estimates, including those related to our valuation of receivables, inventories, intangible assets, accrued liabilities, income and other tax accruals, contingencies and litigation, and business combinations. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. These results form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Critical accounting policies are defined as those that reflect our significant judgments and uncertainties that could potentially result in materially different results under different assumptions and conditions. Although actual results historically have not deviated significantly from those determined using our estimates, our consolidated financial position or results of operations could be materially different if we were to report under different conditions or to use different assumptions in the application of such policies. Our critical accounting policies have not significantly changed from those discussed in "Part II – Item 7. – Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates" of the 2023 Form 10-K.

Item 3. – Quantitative and Qualitative Disclosures About Market Risk

Market risks have not materially changed from those disclosed in "Part II – Item 7A. – Quantitative and Qualitative Disclosures About Market Risk" of the 2023 Form 10-K.

Item 4. – Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in the reports that Worthington Enterprises files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including Worthington Enterprises' principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management, under the supervision of and with the participation of Worthington Enterprises' principal executive officer and principal financial officer, performed an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Form 10-Q (the quarterly period ended November 30, 2023). Based on that evaluation, Worthington Enterprises' principal executive officer and principal financial officer have concluded that such disclosure controls and procedures were effective at a reasonable assurance level as of the end of the quarterly period covered by this Form 10-Q.

Changes in Internal Control Over Financial Reporting

There were no changes that occurred during the period covered by this Form 10-Q (the quarterly period ended November 30, 2023) in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION**Item 1. – Legal Proceedings**

We are involved in various judicial and administrative proceedings, as both plaintiff and defendant, arising in the ordinary course of business. We do not believe that any such proceedings will have a material adverse effect on our business, financial position, results of operation or cash flows.

Item 1A. – Risk Factors

There are certain risks and uncertainties in our business that could cause our actual results to differ materially from those anticipated. In "PART I – Item 1A. – Risk Factors" of the 2023 Form 10-K, as filed with the SEC on July 31, 2023, and available at www.sec.gov or at www.worthingtonenterprises.com, we included a detailed discussion of our risk factors. Our risk factors have not changed significantly from those disclosed in the 2023 Form 10-K. These risk factors should be read carefully in connection with evaluating our business and investments in the common shares and in connection with the forward-looking statements and other information contained in this Form 10-Q. Any of the risks described in the 2023 Form 10-K could materially affect our business, consolidated financial condition or future results and the actual outcome of matters as to which forward-looking statements are made. The risk factors described in the 2023 Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, also may materially adversely affect our business, consolidated financial condition and/or future results.

Item 2. – Unregistered Sales of Equity Securities and Use of Proceeds***Unregistered Sales of Equity Securities***

There were no equity securities of Worthington Enterprises sold by Worthington Enterprises during the six months ended November 30, 2023, that were not registered under the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities

Common shares withheld to cover tax withholding obligations in connection with the vesting of restricted common shares are treated as common share repurchases. Those withheld common shares are not considered common share repurchases under an authorized common share repurchase plan. The table below provides information regarding common shares withheld from our employees to satisfy minimum statutory tax withholding obligations arising from the vesting of restricted common shares. The presentation of the table below and related footnote represents full common share amounts.

<u>Period</u>	<u>Total Number of Common Shares Purchased</u>	<u>Average Price</u>	<u>Total Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Number of Common Shares that May Yet Be Purchased Under the Plans or Programs⁽¹⁾</u>
September 1-30, 2023	140,488	\$ 69.28	-	6,065,000
October 1-31, 2023	23	61.55	-	6,065,000
November 1-30, 2023	198	66.34	-	6,065,000
Total	140,709	\$ 69.16	-	6,065,000

(1) The number shown represents, as of the end of each period, the maximum number of common shares that could be purchased under the publicly announced repurchase authorizations then in effect. On March 20, 2019, the Board authorized the repurchase of up to 6,600,000 common shares. On March 24, 2021, the Board authorized the repurchase of up to an additional 5,618,464 common shares, increasing the total number of common shares then authorized for repurchase to 10,000,000 (net of previously repurchased common shares). A total of 3,935,000 common shares have been repurchased since the latest authorization, leaving 6,065,000 common shares available for repurchase under these authorizations at November 30, 2023, and such authorizations are not subject to a fixed expiration date. The common shares available for repurchase under the authorizations currently in effect may be purchased from time to time, with consideration given to the market price of the common shares, the nature of other investment opportunities, cash flows from operations, general economic conditions and other relevant considerations. Repurchases may be made on the open market or through privately-negotiated transactions.

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Item 3. – Defaults Upon Senior Securities

Not applicable.

Item 4. – Mine Safety Disclosures

Not applicable.

Item 5. – Other Information

No response required.

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Item 6. – Exhibits

<u>Exhibit No.</u>	<u>Description</u>
2.1	Separation and Distribution Agreement, dated November 30, 2023, between Worthington Enterprises, Inc. and Worthington Steel, Inc. (Incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K of Worthington Enterprises, Inc. filed with the SEC on December 5, 2023 (SEC File No. 1-8399))
3.1	Amended Articles of Incorporation of Worthington Enterprises, Inc. [This document represents the articles of incorporation of Worthington Enterprises, Inc. in compiled form incorporating all amendments.] *
3.2	Code of Regulations of Worthington Enterprises, Inc. (reflecting all amendments through the date of this Quarterly Report on Form 10-Q) [This document represents the code of regulations of Worthington Enterprises, Inc. in compiled form incorporating all amendments.] (Incorporated herein by reference to Exhibit 3(b) to the Quarterly Report on Form 10-Q of Worthington Enterprises, Inc. for the quarterly period ended August 31, 2000 (SEC File No. 1-8399))
4.1	Fourth Amended and Restated Credit Agreement, dated as of September 27, 2023, among Worthington Enterprises, Inc., as a Borrower, PNC Bank, National Association, as a Lender, the Swingline Lender, an Issuing Bank and Administrative Agent; JPMorgan Chase Bank, N.A. and Bank of America, N.A., as Lenders and Syndication Agents; U.S. Bank National Association, The Huntington National Bank, Fifth Third Bank, National Association, The Northern Trust Company, First National Bank of Pennsylvania and Goldman Sachs Bank USA, as Lenders; and Wells Fargo Bank, National Association and BMO Harris Bank, N.A., as the Departing Lenders; with Citibank, N.A. and The Huntington National Bank serving as Co-Documentation Agents; and JPMorgan Chase Bank, N.A., PNC Capital Markets LLC and BofA Securities, Inc. serving as Joint Bookrunners and Joint Lead Arrangers (Incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K of Worthington Enterprises, Inc. filed with the SEC on September 28, 2023 (SEC File No. 1-8399))
4.2	Amendment No. 2 to Note Purchase and Private Shelf Agreement, dated as of November 1, 2023, by and among Worthington Enterprises, Inc., Worthington Industries International S.á.r.l., Worthington Cylinders GmbH, PGIM, Inc., the Prudential Insurance Company of America, Pruco Life Insurance Company of New Jersey, Pruco Life Insurance Company and the other affiliates of Prudential who become party thereto from time to time (Incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K of Worthington Enterprises filed with the SEC on November 7, 2023 (SEC File No. 1-8399))
4.3	Form of 2.06% Amended and Restated Series A Note Due August 23, 2031 issued on November 1, 2023, by Worthington Industries International S.á.r.l. (Incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K of Worthington Enterprises filed with the SEC on November 7, 2023 (SEC File No. 1-8399))
4.4	Form of 2.40% Amended and Restated Series B Notes Due August 23, 2034 issued on November 1, 2023, by Worthington Cylinders GmbH (Incorporated herein by reference to Exhibit 4.3 to the Current Report on Form 8-K of Worthington Enterprises filed with the SEC on November 7, 2023 (SEC File No. 1-8399))
10.1	Transition Services Agreement, dated November 30, 2023, between Worthington Enterprises, Inc. and Worthington Steel, Inc. (Incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Worthington Enterprises, Inc. filed with the SEC on December 5, 2023 (SEC File No. 1-8399))
10.2	Tax Matters Agreement, dated November 30, 2023, between Worthington Enterprises, Inc. and Worthington Steel, Inc. (Incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of Worthington Enterprises, Inc. filed with the SEC on December 5, 2023 (SEC File No. 1-8399))
10.3	Employee Matters Agreement, dated November 30, 2023, between Worthington Enterprises, Inc. and Worthington Steel, Inc. (Incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Worthington Enterprises, Inc. filed with the SEC on December 5, 2023 (SEC File No. 1-8399))
10.4	Trademark License Agreement, dated November 30, 2023, between Worthington Enterprises, Inc. and Worthington Steel, Inc. (Incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K of Worthington Enterprises, Inc. filed with the SEC on December 5, 2023 (SEC File No. 1-8399))
10.5	WBS License Agreement, dated November 30, 2023, between Worthington Enterprises, Inc. and Worthington Steel, Inc. (Incorporated herein by reference to Exhibit 10.5 to the Current Report on Form 8-K of Worthington Enterprises, Inc. filed with the SEC on December 5, 2023 (SEC File No. 1-8399))

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<u>Exhibit No.</u>	<u>Description</u>
10.6	Steel Supply Agreement, dated November 30, 2023, between Worthington Enterprises, Inc. and Worthington Steel, Inc. (Incorporated herein by reference to Exhibit 10.6 to the Current Report on Form 8-K of Worthington Enterprises, Inc. filed with the SEC on December 5, 2023 (SEC File No. 1-8399)) +
31.1	Rule 13a - 14(a) / 15d - 14(a) Certifications (Principal Executive Officer) *
31.2	Rule 13a - 14(a) / 15d - 14(a) Certifications (Principal Financial Officer) *
32.1	Certifications of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 **
32.2	Certifications of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 **
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document #
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document #
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document #
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document #
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document #
104	Cover Page Interactive Data File – the cover page from this Quarterly Report on Form 10-Q for the quarterly period ended November 30, 2023, formatted in Inline XBRL (is included within the Exhibit 101 attachments).

* Filed herewith.

** Furnished herewith.

† Indicates a management contract or compensatory plan or arrangement.

+ Certain portions of this document that constitute confidential information have been redacted in accordance with Regulation S-K, Item 601(b)(10).

Attached as Exhibit 101 to this Form 10-Q of Worthington Enterprises are the following documents formatted in Inline XBRL (Extensible Business Reporting Language):

- (i) Consolidated Balance Sheets at November 30, 2023 and May 31, 2023;
- (ii) Consolidated Statements of Earnings for the three months and six months ended November 30, 2023 and November 30, 2022;
- (iii) Consolidated Statements of Comprehensive Income for the three months and six months ended November 30, 2023 and November 30, 2022;
- (iv) Consolidated Statements of Cash Flows for the three months and six months ended November 30, 2023 and November 30, 2022; and
- (v) Condensed Notes to Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WORTHINGTON ENTERPRISES, INC.

Date: January 9, 2024

By: /s/ Joseph B. Hayek
Joseph B. Hayek,
Vice President and Chief Financial Officer
(On behalf of the Registrant as Duly Authorized Officer and as
Principal Financial Officer)

AMENDED ARTICLES OF INCORPORATION

OF

WORTHINGTON ENTERPRISES, INC.¹

FIRST: The name of the Corporation shall be Worthington Enterprises, Inc.

SECOND: The place in Ohio where the principal office of the Corporation is to be located is in the City of Columbus, County of Franklin.

THIRD: The purpose for which the Corporation is formed is to engage in any lawful act or activity for which corporations may be formed under Sections 1701.01 to 1701.98 of the Ohio Revised Code.

FOURTH: I. *Capital Stock.* The total number of shares which the Corporation shall have authority to issue is One Hundred Fifty-one Million (151,000,000) shares, of which One Hundred Fifty Million (150,000,000), each without par value, shall be of a class designated "Common Shares," Five Hundred Thousand (500,000), each without par value, shall be of a class designated "Class A Preferred Shares" and Five Hundred Thousand (500,000), each without par value, shall be of a class designated "Class B Preferred Shares." The Class A Preferred Shares and the Class B Preferred Shares are sometimes collectively referred to herein as the "Preferred Shares."

II. *Preferred Shares.* The Board of Directors is authorized to provide for the issuance from time to time in one or more series of any number of authorized and unissued Class A Preferred Shares and Class B Preferred Shares. Subject to the provisions of this ARTICLE FOURTH and the limitations prescribed by law, the board of directors is expressly authorized to adopt amendments to these Amended Articles of Incorporation in respect of any unissued or treasury Class A Preferred Shares and Class B Preferred Shares and thereby establish or change the number of shares to be included in each such series and to fix the designation and relative rights, preferences, qualifications and limitations or restrictions of the shares of each such series. The authority of the board of directors with respect to each series shall include, but not be limited to, determination of the following:

- A. The distinctive designation of such series and the number of shares which shall constitute such series;
- B. The rate of dividends payable on shares of such series, the conditions upon which such dividends shall be payable (including whether they shall be payable in preference to, or in another relation to, the dividends payable on any other class or classes or series of shares) and the date from which dividends shall be cumulative in the event the board of directors determines that dividends shall be cumulative;
- C. Whether such series shall have conversion privileges and, if so, the terms and conditions of such conversion, including, but not limited to, provision for adjustment of the conversion rate upon such events and in such manner as the board of directors shall determine;
- D. Whether or not the shares of such series shall be redeemable and, if so, the terms and conditions of such redemption, including the date or dates upon or after which

¹This version of the Amended Articles of Incorporation represents the articles of incorporation of Worthington Enterprises, Inc. as of December 1, 2023, in compiled form incorporating all amendments.

they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

E. Whether such series shall have a sinking fund for the redemption or purchase of shares of that series and, if so, the terms and amounts of such sinking fund;

F. The rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment in respect of shares of that series; and

G. Any other relative rights, preferences and limitations of such series which shall not be inconsistent with this ARTICLE FOURTH.

Subject to the provisions of any applicable law, the holders of outstanding Class A Preferred Shares and the holders of outstanding Class B Preferred Shares shall possess voting power for the election of directors and for all other purposes, each holder of record of Class A Preferred Shares being entitled to one vote for each Class A Preferred Share standing in the name of such shareholder on the books of the Corporation and each holder of record of Class B Preferred Shares being entitled to ten votes for each Class B Preferred Share standing in the name of such shareholder on the books of the Corporation.

III. Common Shares. The board of directors of the Corporation is authorized, subject to limitations prescribed by law and the provisions of this ARTICLE FOURTH, to provide for the issuance from time to time of any number of authorized and unissued Common Shares, and shall determine the terms under which and the consideration for which the Corporation shall issue its Common Shares.

A. Subject to the provisions of any applicable law, at every meeting of the shareholders, each holder of Common Shares shall be entitled to one vote, in person or by proxy, for each Common Share standing in the name of such shareholder on the books of the Corporation, on each matter on which the Common Shares are entitled to vote.

B. Subject to the rights of holders of the Preferred Shares, the holders of the Common Shares shall be entitled to receive, when and as declared by the board of directors, out of the assets of the Corporation which are by law available therefor, dividends payable in cash, in property, or in shares and the holders of the Preferred Shares shall not be entitled to participate in any such dividends (unless otherwise provided by the board of directors in any resolution providing for the issue of a series of Class A Preferred Shares or of Class B Preferred Shares).

C. In the event of any dissolution, liquidation or winding up of the affairs of the Corporation, either voluntarily or involuntarily, the holders of the Common Shares shall be entitled, after payment or provision for payment in full of the debts and other liabilities of the Corporation and the amounts to which the holders of the Preferred Shares shall be entitled, to share ratably in the remaining assets of the Corporation available for distribution to its shareholders to the exclusion of the Preferred Shares (unless otherwise provided by the board of directors in any resolution providing for the issue of a series of Class A Preferred Shares or of Class B Preferred Shares). Neither the merger or consolidation of the Corporation, nor the sale, lease or conveyance of all or part of its assets, shall be deemed to be a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this Subparagraph III(C).

IV. No Pre-emptive Rights. No holder of shares of this Corporation of any class shall have, as such, as a matter of right, the pre-emptive right to subscribe for or purchase any part of any new or additional issue of shares of any class whatsoever, or of securities or other obligations convertible into or exchangeable for any shares of any class whatsoever or which by warrants or otherwise entitle the holders thereof to subscribe for or purchase any shares of any class whatsoever, whether now or hereafter authorized and whether issued for cash or other consideration or by way of dividend.

FIFTH: The directors of the Corporation shall have the power to cause the Corporation from time to time and at any time to purchase, hold, sell, transfer or otherwise deal with (A) shares of any class or series issued by it, (B) any security or other obligation of the Corporation which may confer upon the holder thereof the right to convert the same into shares of any class or series authorized by the articles of the Corporation, and (C) any security or other obligation which may confer upon the holder thereof the right to purchase shares of any class or series authorized by the articles of the Corporation. The Corporation shall have the right to repurchase, if and when any shareholder desires to sell, or on the happening of any event is required to sell, shares of any class or series issued by the Corporation. The authority granted in this ARTICLE FIFTH of these Amended Articles of Incorporation shall not limit the plenary authority of the directors to purchase, hold, sell, transfer or otherwise deal with shares of any class or series, securities or other obligations issued by the Corporation or authorized by its articles.

SIXTH: All of the authority of the Corporation shall be exercised by or under the direction of the board of directors except as otherwise provided in these Amended Articles of Incorporation or the Regulations of the Corporation or required by law. For the management of the business and for the conduct of the affairs of the Corporation, and in further creation, definition, limitation and regulation of the power of the Corporation and of its directors and of its shareholders, it is further provided as follows:

I. Elections of directors need not be by written ballot unless the Regulations of the Corporation shall so provide.

II. Subject to the rights of the holders of any class or series of shares of the Corporation having a preference over the Common Shares as to dividends or upon liquidation to elect additional directors under specific circumstances, the number of directors of the Corporation shall be fixed from time to time by or in accordance with the provisions of the Regulations of the Corporation. The directors, other than those who may be elected by the holders of any class or series of shares of capital stock having preference over the Common Shares as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as shall be provided in the manner specified in the Regulations of the Corporation, one class to hold office initially for a term expiring at the annual meeting of shareholders to be held in 1999, another class to hold office initially for a term expiring at the annual meeting of shareholders to be held in 2000, and another class to hold office initially for a term expiring at the annual meeting of shareholders to be held in 2001, with the members of each class to hold office until their successors are duly elected and qualified. At each annual meeting of the shareholders of the Corporation, the successors to the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of shareholders held in the third year following the year of their election.

III. Advance notice of nominations for the election of directors, other than by the board of directors or a committee thereof, shall be given in the manner provided in the Regulations of the Corporation.

IV. Subject to the rights of the holders of any class or series of shares of capital stock of the Corporation having a preference over the Common Shares as to dividends or upon liquidation to elect directors under specified circumstances, newly created directorships resulting from any increase in the number of directors and any vacancies on the board of directors resulting from death, resignation, disqualification, removal or other cause may be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the board of directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No reduction in the number of directors constituting the board of directors shall shorten the term of any incumbent director.

V. Subject to the rights of the holders of any class or series of shares of capital stock of the Corporation having a preference over the Common Shares as to dividends or upon liquidation to elect directors under specified circumstances, (i) any director, or the entire board of directors, may be removed from office, with or without cause, but only by the affirmative vote of the holders of record of outstanding shares representing at least 75% of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock (as defined in ARTICLE SEVENTH hereof), voting together as a single class, and entitled to vote in respect thereof, and (ii) any director may be removed from office, but only for cause, by the affirmative vote of three-fourths (3/4) of the directors then in office.

VI. Any action required or permitted to be taken by the shareholders of the Corporation must be effected at a duly called annual or special meeting of such shareholders and may not be effected by any consent in writing by such shareholders.

SEVENTH: I. Capitalized terms used herein are defined in Paragraph IV of this ARTICLE SEVENTH.

II. In addition to any affirmative vote required by law or under any other provision of these Amended Articles of Incorporation or the Regulations of the Corporation or otherwise, and except as otherwise expressly provided in this Article SEVENTH:

A. any merger or consolidation of this Corporation or any Subsidiary with or into (i) any Substantial Shareholder or (ii) any other corporation (whether or not itself a Substantial Shareholder) which, after such merger or consolidation, would be an Affiliate of a Substantial Shareholder, or

B. any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of related transactions) to or with any Substantial Shareholder of any Substantial Part of the assets of this Corporation or of any Subsidiary, or

C. the issuance or transfer by this Corporation or by any Subsidiary (in one transaction or a series of related transactions) of any Equity Securities of this Corporation or any Subsidiary to any Substantial Shareholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate fair market value of \$25,000,000 or more, or

D. the adoption of any plan or proposal for the liquidation or dissolution of this Corporation if, as of the record date for the determination of shareholders entitled to notice thereof and to vote thereon, any person shall be a Substantial Shareholder, or

E. any reclassification of securities (including any reverse stock split) or recapitalization of this Corporation, or any reorganization, merger or consolidation of this Corporation with any of its Subsidiaries or any similar transaction (whether or not with or into or otherwise involving a Substantial Shareholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding securities of any class of Equity Securities of this Corporation or any Subsidiary which is directly or indirectly Beneficially Owned by any Substantial Shareholder, shall (except as otherwise expressly provided in these Amended Articles of Incorporation) require the affirmative vote of the holders of not less than 75% of the votes entitled to be cast by all holders of all then outstanding shares of Voting Stock; provided that such affirmative vote must include the affirmative vote of the holders of shares of Voting Stock entitled to cast a majority of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock not beneficially owned by the Substantial Shareholder in question. Each such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that some lesser percentage may be specified, by law or in any agreement with The Nasdaq Stock Market or any national securities exchange or otherwise.

III. The provisions of this ARTICLE SEVENTH shall not be applicable to any Business Combination, the terms of which shall be approved, either in advance of or subsequent to a Substantial Shareholder having become a Substantial Shareholder, by three-fourths (3/4) of the Whole Board, but only if a majority of the members of the board of directors in office and acting upon such matter shall be Continuing Directors.

IV. For the purpose of this ARTICLE SEVENTH:

A. A "Person" shall mean any individual, firm, corporation or other entity.

B. The term "Business Combination" as used in this ARTICLE SEVENTH shall mean any transaction which is described in any one or more of Subparagraphs (A) through (E) of Paragraph II of this ARTICLE SEVENTH.

C. "Substantial Shareholder" shall mean any Person who or which, as of the record date for the determination of shareholders entitled to notice of and to vote on any Business Combination, or immediately prior to the consummation of any such Business Combination:

(1) is the Beneficial Owner, directly or indirectly, of more than fifteen percent (15%) of the shares of Voting Stock (determined solely on the basis of the total number of shares of Voting Stock so Beneficially Owned (and without giving effect to the number or percentage of votes entitled to be cast in respect of such shares) in relation to the total number of shares of Voting Stock then issued and outstanding), or

(2) is an Affiliate of this Corporation and at any time within three years prior thereto was the Beneficial Owner, directly or indirectly, of more than fifteen percent (15%) of the then outstanding Voting Stock (determined as aforesaid), or

(3) is an assignee of or has otherwise succeeded to any shares of this Corporation which were at any time within three years prior thereto Beneficially Owned by any Substantial Shareholder, and such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933, as amended.

Notwithstanding the foregoing, a Substantial Shareholder shall not include (i) this Corporation or any Subsidiary, (ii) any profit-sharing, employee stock ownership or other employee benefit plan of this Corporation or any Subsidiary or any trustee of or fiduciary with respect to any such plan when acting in such capacity, or (iii) Persons who, on August 3, 1998 are Affiliates of this Corporation owning in excess of ten percent (10%) of the outstanding shares of Common Stock of its parent corporation, Worthington Industries, Inc., a Delaware corporation, and the respective successors, executors, legal representatives, heirs and legal assigns (provided that any such legal assign is such an Affiliate immediately prior to assignment, transfer or other disposition to such assign) of such Person.

D. "Beneficial Ownership" shall be determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (or any successor rule or statutory provision) or, if said Rule 13d-3 shall be rescinded and there shall be no successor rule or statutory provision thereto, pursuant to said Rule 13d-3 as in effect on August 3, 1998; provided, however, that a Person shall, in any event, also be deemed to be the "Beneficial Owner" of any shares of Voting Stock:

(1) which such Person or any of its Affiliates or Associates beneficially own, directly or indirectly, or

(2) which such Person or any of its Affiliates or Associates has (i) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding (but shall not be deemed to be the beneficial owner of any shares of Voting Stock solely by reason of an agreement, arrangement or understanding with this Corporation to effect a Business Combination) or upon the exercise of conversion rights, exchange rights, warrants, or options, or otherwise, or (ii) sole or shared voting or investment power with respect thereto pursuant to any agreement, arrangement, understanding, relationship or otherwise (but shall not be deemed to be the beneficial owner of any shares of Voting Stock solely by reason of a revocable proxy granted for a particular meeting of shareholders, pursuant to a public solicitation of proxies for such meeting, with respect to shares of which neither such Person nor any such Affiliate or Associate is otherwise deemed the beneficial owner), or

(3) which are beneficially owned, directly or indirectly, by any other Person with which such first mentioned Person or any of its Affiliates or Associates acts as a partnership, limited partnership, syndicate or other group pursuant to any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of capital stock of this Corporation; and provided further, however, that (i) no director or officer of this Corporation, nor any Associate or Affiliate of any such director or officer, shall, solely by reason of any or all such directors and officers acting in their capacities as such, be deemed, for any purposes hereof, to beneficially own any shares of Voting Stock beneficially owned by any other such director or officer (or any Associate or Affiliate thereof), and (ii) no employee stock ownership or similar plan of this Corporation or any Subsidiary nor any trustee with respect thereto, nor any Associate or Affiliate of any such trustee, shall, solely

by reason of such capacity of such trustee, be deemed for any purposes hereof, to beneficially own any shares of Voting Stock held under any such plan.

E. For purposes of computing the percentage Beneficial Ownership of shares of Voting Stock of a Person in order to determine whether such Person is a Substantial Shareholder, the outstanding shares of Voting Stock shall include shares deemed owned by such Person through application of Subparagraph (D) of this Paragraph IV but shall not include any other shares of Voting Stock which may be issuable by this Corporation pursuant to any agreement, or upon the exercise of conversion rights, warrants or options, or otherwise. For all other purposes, the outstanding shares of Voting Stock shall include only shares of Voting Stock then outstanding and shall not include any shares of Voting Stock which may be issuable by this Corporation pursuant to any agreement, or upon the exercise of conversion rights, warrants or options, or otherwise.

F. "Continuing Director" shall mean a Person who was a member of the board of directors of the Corporation as of the effective date of the merger of Worthington Industries, Inc., a Delaware corporation, with and into this Corporation, or thereafter elected by the shareholders or appointed by the board of directors of this Corporation prior to the date of which the Substantial Shareholder in question became a Substantial Shareholder, or a Person designated (before his initial election or appointment as a director) as a Continuing Director by three-fourths (3/4) of the Whole Board, but only if a majority of the Whole Board shall then consist of Continuing Directors.

G. "Whole Board" shall mean the total number of directors which this Corporation would have if there were no vacancies.

H. An "Affiliate" of a specified Person is a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified. The term "Associate" used to indicate a relationship with any Person shall mean (i) any corporation or organization (other than this Corporation or a Subsidiary) of which such Person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of Equity Securities, (ii) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity, and (iii) any relative or spouse of such Person, or any relative of such spouse, who has the same home as such Person, or is an officer or director of any corporation controlling or controlled by such Person.

I. "Subsidiary" shall mean any corporation of which a majority of any class of Equity Security is owned, directly or indirectly, by this Corporation; provided, however, that for the purposes of the definition of Substantial Shareholder set forth in Subparagraph (C) of this Paragraph IV, the term "Subsidiary" shall mean only a corporation of which a majority of each class of Equity Security is owned, directly or indirectly, by this Corporation.

J. "Substantial Part" shall mean assets having a book value (determined in accordance with generally accepted accounting principles) in excess of ten percent (10%) of the book value (determined in accordance with generally accepted accounting principles) of the total consolidated assets of this Corporation, at the end of its most recent fiscal year ending prior to the time the determination is made.

K. "Voting Stock" shall mean any shares of capital stock of this Corporation entitled to vote generally in the election of directors.

L. "Equity Security" shall have the meaning given to such term under Rule 3a11-1 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, as in effect on August 3, 1998.

V. A majority of the Continuing Directors then in office shall have the power to determine for the purposes of this ARTICLE SEVENTH, on the basis of information known to them (i) the number of shares of Voting Stock Beneficially Owned by any Person, (ii) whether a Person is an Affiliate or Associate of another, (iii) whether the assets subject to any Business Combination constitute a Substantial Part of the assets of the corporation in question, and/or (iv) any other factual matter relating to the applicability or effect of this ARTICLE SEVENTH.

VI. A majority of the Continuing Directors then in office shall have the right to demand that any Person who is reasonably believed to be a Substantial Shareholder (or holder of record shares of Voting Stock Beneficially Owned by any Substantial Shareholder) supply this Corporation with complete information as to (i) the record owner(s) of all shares Beneficially Owned by such Person who is reasonably believed to be a Substantial Shareholder, (ii) the number of, and class or series of, shares Beneficially Owned by such Person who it is reasonably believed is a Substantial Shareholder and held of record by each such record owner and the number(s) of the share certificate(s) evidencing such shares, and (iii) any other factual matter relating to the applicability or effect of this ARTICLE SEVENTH, as may be reasonably requested of such Person, and such Person shall furnish such information within 10 days after receipt of such demand.

VII. Any determinations made by the board of directors, or by the Continuing Directors, as the case may be, pursuant to this ARTICLE SEVENTH in good faith and on the basis of such information and assistance as was then reasonably available for such purpose shall be conclusive and binding upon this Corporation and its shareholders, including any Substantial Shareholder,

VIII. Nothing contained in this ARTICLE SEVENTH shall be construed to relieve any Substantial Shareholder from any fiduciary obligation imposed by law.

EIGHTH: The board of directors of the Corporation, when evaluating any offer of another party to (1) make a tender or exchange offer for any Equity Security of the Corporation, (2) merge or consolidate the Corporation with another corporation, or (3) purchase or otherwise acquire all or substantially all of the properties and assets of the Corporation, shall in connection with the exercise of its judgment in determining what is in the best interests of the Corporation and its shareholders, give due consideration to all relevant factors, including without limitation the social and economic effects on the employees, customers, suppliers and other constituents of the Corporation and its subsidiaries and on the communities in which the Corporation and its subsidiaries operate or are located and any other factors which the board of directors may consider under Ohio law.

NINTH: I. Notwithstanding any other provisions of these Articles of Incorporation or the Regulations of the Corporation (and notwithstanding the fact that a lesser percentage may be specified by law or in any agreement with The Nasdaq Stock Market or any national securities exchange or in any other provision of these Amended Articles of Incorporation or

the Regulations of the Corporation), the affirmative vote of the holders of at least 75% of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock (as that term is defined in ARTICLE SEVENTH hereof), shall be required to amend, alter, change or repeal, or adopt any provisions inconsistent with, ARTICLE SIXTH, EIGHTH, NINTH or TENTH of these Amended Articles of Incorporation, and the affirmative vote of the holders of at least 75% of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock, including the holders of at least a majority of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock of the Corporation not beneficially owned by a Substantial Shareholder (as that term is defined in ARTICLE SEVENTH), shall be required to amend, alter, change or repeal, or adopt any provision inconsistent with, ARTICLE SEVENTH of these Amended Articles of Incorporation.

II. Except as otherwise provided in these Amended Articles of Incorporation, including without limitation Paragraph I of this ARTICLE NINTH, the shareholders of the Corporation may, by the affirmative vote of the holders of at least a majority of the votes entitled to be cast by the holders of all then outstanding shares of the Voting Stock, amend, alter, change or repeal any provision contained in these Amended Articles of Incorporation.

TENTH: Notwithstanding any other provisions of these Amended Articles of Incorporation or the Regulations of the Corporation (and notwithstanding the fact that a lesser percentage may be specified by law or in any agreement with The Nasdaq Stock Market or any national securities exchange or any other provision of these Amended Articles of Incorporation or the Regulations of the Corporation), the affirmative vote of the holders of at least 75% of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock (as that term is defined in ARTICLE SEVENTH hereof), shall be required to amend, alter, change or repeal, or adopt any provisions inconsistent with, the Regulations of the Corporation; provided, however, that if such amendment, alteration, change or repeal has been approved by three-fourths (3/4) of the Whole Board (as defined in ARTICLE SEVENTH hereof), the shareholders may, by the affirmative vote of the holders of at least a majority of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock, approve such amendment, alteration, change or repeal. Any amendment to these Amended Articles of Incorporation which shall contravene the Regulations in existence on the record date of the meeting of shareholders at which such amendment is to be voted upon by the shareholders, shall require the affirmative vote of the holders of at least 75% of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock; provided, however, that if such amendment has been approved by three-fourths (3/4) of the Whole Board, the shareholders may approve such amendment to these Amended Articles of Incorporation by the affirmative vote of the holders of at least a majority of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock.

ELEVENTH: Chapter 1704 of the Ohio Revised Code shall not apply to the Corporation.

TWELFTH: Notwithstanding any provision of the Ohio Revised Code requiring for any purpose the vote, consent, waiver or release of the holders of shares of the Corporation entitling them to exercise two-thirds or any other proportion of the voting power of the Corporation or of any class or classes of shares thereof, such action may be taken by the vote, consent, waiver or release of the holders of shares entitling them to exercise not less than majority of the voting power of the Corporation or of such class or classes, unless expressly provided otherwise by statute or in these Amended Articles of Incorporation.

THIRTEENTH: Shareholders of the Corporation shall not have the right to vote cumulatively in the election of directors.

FOURTEENTH: These Amended Articles of Incorporation take the place of and supersede the existing Articles of Incorporation.

**RULE 13a-14(a) / 15d-14(a)
CERTIFICATIONS (PRINCIPAL EXECUTIVE OFFICER)**

CERTIFICATIONS

I, B. Andrew Rose, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended November 30, 2023 of Worthington Enterprises, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 9, 2024

By: /s/ B. Andrew Rose
B. Andrew Rose,
Chief Executive Officer and President

**RULE 13a-14(a) / 15d-14(a)
CERTIFICATIONS (PRINCIPAL FINANCIAL OFFICER)**

CERTIFICATIONS

I, Joseph B. Hayek, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended November 30, 2023 of Worthington Enterprises, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 9, 2024

By: /s/ Joseph B. Hayek
Joseph B. Hayek,
Vice President and Chief Financial Officer

**CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002***

In connection with the Quarterly Report of Worthington Enterprises, Inc. (the "Company") on Form 10-Q for the quarterly period ended November 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, B. Andrew Rose, Chief Executive Officer and President of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Company and its subsidiaries.

/s/ B. Andrew Rose
Printed Name: B. Andrew Rose
Title: Chief Executive Officer and President

Date: January 9, 2024

*These certifications are being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. These certifications shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that Worthington Enterprises, Inc. specifically incorporates these certifications by reference.

**CERTIFICATIONS OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002***

In connection with the Quarterly Report of Worthington Enterprises, Inc. (the "Company") on Form 10-Q for the quarterly period ended November 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph B. Hayek, Vice President and Chief Financial Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Company and its subsidiaries.

/s/ Joseph B. Hayek
Printed Name: Joseph B. Hayek
Title: Vice President and Chief Financial Officer

Date: January 9, 2024

*These certifications are being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. These certifications shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that Worthington Enterprises, Inc. specifically incorporates these certifications by reference.
