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# DELTA REPORT

## 10-Q

WOR - WORTHINGTON ENTERPRISES,

10-Q - FEBRUARY 29, 2024 COMPARED TO 10-Q - NOVEMBER 30, 2023

The following comparison report has been automatically generated

**TOTAL DELTAS** 1870

CHANGES	181
DELETIONS	876
ADDITIONS	813

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, February 29, 2023** 2024

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.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth 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** **April 3, 2024**, the number of common shares, without par value, of the Registrant issued and outstanding was **49,994,385** **50,146,357**.

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## TABLE OF CONTENTS

### [Safe Harbor Statement](#)

### [Part I. Financial Information](#)

Item 1.	<a href="#">Financial Statements</a>	
	<a href="#">Consolidated Balance Sheets – November 30, 2023 February 29, 2024 and May 31, 2023</a>	2
	<a href="#">Consolidated Statements of Earnings – Three Months and Six Nine Months Ended November 30, 2023 February 29, 2024 and 2022 February 28, 2023</a>	3
	<a href="#">Consolidated Statements of Comprehensive Income – Three Months and Six Nine Months Ended November 30, 2023 February 29, 2024 and 2022 February 28, 2023</a>	4
	<a href="#">Consolidated Statements of Cash Flows – Three Months and Six Nine Months Ended November 30, 2023 February 29, 2024 and 2022 February 28, 2023</a>	5
	<a href="#">Condensed Notes to Consolidated Financial Statements</a>	6

Item 2.	<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	24
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Item 3.	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	37
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Item 4.	<a href="#">Controls and Procedures</a>	37
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### [Part II. Other Information](#)

Item 1.	<a href="#">Legal Proceedings</a>	38
Item 1A.	<a href="#">Risk Factors</a>	38
Item 2.	<a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	38
Item 3.	<a href="#">Defaults Upon Senior Securities</a>	39
Item 4.	<a href="#">Mine Safety Disclosures</a>	39

Item 5.	<a href="#">Other Information</a>	39
Item 6.	<a href="#">Exhibits</a>	40
<a href="#">Signatures</a>		42 43

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[Table of Contents](#)

#### COMMONLY USED OR DEFINED TERMS

References in this Form 10-Q to "we," "our," "us" or the "Company" are collectively to Worthington Enterprises and its consolidated subsidiaries. In addition, the following terms, when used in this Form 10-Q, have the meanings set forth below:

Term	Definition
ABI	Architecture Billings Index
AOCI	Accumulated other comprehensive income (loss)
ArtiFlex	ArtiFlex Manufacturing, LLC
AR Facility	Our former revolving trade accounts receivable securitization facility
Board	Board of Directors of Worthington Enterprises, Inc.
CARES Act	Coronavirus Aid, Relief and Economic Security Act
ClarkDietrich	Clarkwestern Dietrich Building Systems LLC
CODM	Chief Operating Decision Maker
common shares	The common shares, no par value, of Worthington Enterprises
COVID-19	The novel coronavirus disease first known to originate in December 2019
Credit Facility	Our \$500,000,000 unsecured revolving credit facility with a group of lenders
Distribution	The pro-rata distribution of all outstanding shares of Worthington Steel whereby 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 as of the Record Date.
EPS	Earnings per common share
Equity Income	Equity in net income of unconsolidated affiliates
Exchange Act	Securities Exchange Act of 1934, as amended
Form 10-Q	Our Quarterly Report on Form 10-Q for the quarterly period ended February 29, 2024
fiscal 2023	Our fiscal year ended May 31, 2023
fiscal 2024	Our fiscal year ending May 31, 2024
GAAP	U.S. generally accepted accounting principles
GDP	Gross domestic product
HPG	Halo Products Group, LLC
HMI	The National Association of Home Builders/Wells Fargo Housing Market Index
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
NYSE	New York Stock Exchange
OCI	Other comprehensive income (loss)
PSLRA	Private Securities Litigation Reform Act of 1995, as amended
Record Date	Close of business on November 21, 2023
Samuel	Worthington Samuel Coil Processing LLC
SEC	Securities and Exchange Commission
Separation	The separation of our Steel Processing business, effective December 1, 2023

Serviacer	Serviacer Planos, S. de R. L. de C.V.
SG&A	Selling, general and administrative expenses
SOFR	Secured Overnight Financing Rate
Spartan	Spartan Steel Coating, L.L.C.
TWB	TWB Company, L.L.C.
U.S.	United States of America
Voestalpine	Voestalpine Automotive Components Nagold GmbH & Co. KG
WAVE	Worthington Armstrong Venture
Halo	WH Products, LLC
Worthington Enterprises	Worthington Enterprises, Inc. (formerly known as Worthington Industries, Inc.)
Workhorse	Taxi Workhorse Holdings, LLC
Worthington Steel	Worthington Steel, Inc.
Worthington Steel Credit Facility	Worthington Steel's \$550,000,000 senior secured revolving credit facility with a group of lenders
WSP	Worthington Specialty Processing
2023 Form 10-K	Our Annual Report on Form 10-K for fiscal 2023 as filed with the SEC on July 31, 2023
2024 Notes	The senior unsecured notes that we issued on August 10, 2012, in the principal amount of \$150,000,000, which bore interest at a rate of 4.60% and were set to mature on August 10, 2024
2026 Notes	The senior unsecured notes that we issued on April 15, 2014, in the principal amount of \$250,000,000, which bore interest at a rate of 4.55% and were scheduled to mature on April 15, 2026

ii

## [Table of Contents](#)

### 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," MD&A, constitute "forward-looking statements," as that term is used in the *Private Securities Litigation Reform Act PSLRA*. The Company wishes to take advantage of 1995 (the "PSLRA"), the safe harbor provisions included in the Act. 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"); Separation;
- the 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;
- the ever-changing effects of the novel coronavirus ("COVID-19") pandemic COVID-19 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;

iiii

## Table of Contents

- 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 effect of conditions in national and worldwide financial markets, including inflation, increases in interest rates and economic recession, and with respect to the ability of financial institutions to provide capital;
- the impact of tariffs, the adoption of trade restrictions affecting 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 oil 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 for 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") SEC and other governmental agencies as contemplated by the **Coronavirus Aid, Relief and Economic Security (CARES) 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 the Company's operations and financial results;
- cyber security risks;

iv

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## Table of Contents

- the effects effect of privacy and information security laws and standards; and

iii

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## Table of Contents

- 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"). 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 which speak only as of the date of this Form 10-Q, and the made. 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.

iv v

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## Table of Contents

### EXPLANATORY NOTE

### USE OF NON-GAAP FINANCIAL MEASURES AND DEFINITIONS

#### Adjusted EBITDA

Adjusted EBITDA is defined as adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization. EBITDA is calculated by adding or subtracting, as appropriate, interest expense, net, income tax expense, depreciation, and amortization to/from net earnings from continuing operations attributable to controlling interest, which is further adjusted to exclude impairment and restructuring charges (gains) as well as other items that management believes are not reflective of, and thus should not be included when evaluating the performance of its ongoing operations, as outlined below. Adjusted EBITDA also excludes stock-based compensation due to its non-cash nature, which is consistent with how management assesses operating performance. At the segment level, adjusted EBITDA includes expense allocations for centralized corporate back-office functions that exist to support the day-to-day business operations. Public company and other governance costs are held at the corporate level.

Adjusted EBITDA typically excludes items that management believes are not reflective of, and thus should not be included when evaluating the performance of our ongoing operations. Management uses the non-GAAP financial measures to evaluate our performance, engage in financial and operational planning, and determine incentive compensation. Management believes these non-GAAP financial measures provide useful supplemental information and additional perspective on the performance of our ongoing operations and should not be considered as an alternative to the comparable GAAP measure. Additionally, management believes these non-GAAP financial measures allow for meaningful comparisons and analysis of trends in our businesses and enables investors to evaluate operations and future prospects in the same manner as management.

#### On December 1, 2023 Exclusions from adjusted EBITDA

Management believes it is useful to exclude the following items from adjusted EBITDA for its own and investors' assessment of the business for the reasons identified below:

- 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, which we believe facilitates the comparison of historical, current and forecasted financial results.
- Restructuring activities, Worthington Industries, Inc. which can result in both discrete gains and/or losses, consist of established programs that are not part of our ongoing operations, such as divestitures, closing or consolidating facilities, employee severance (including rationalizing headcount or other significant changes in personnel), and realignment of existing operations (including changes to management structure in response to underlying performance and/or changing market conditions). These items are excluded because they are not part of the ongoing operations of our underlying business.
- Separation costs, which consist of direct and incremental costs incurred in connection with the completed Separation, are excluded as they are one-time in nature and are not expected to occur in periods following the Separation. These costs include fees paid to third-party advisors, such as investment banking, audit and other advisory services as well as direct and incremental costs associated with the separation of its former Steel Processing shared corporate functions. Results in fiscal 2024 also include incremental compensation expense associated with the modification of unvested short and long-term incentive compensation awards, as required under the employee matters agreement executed in conjunction with the Separation.
- Loss on early extinguishment of debt, is excluded because it does not occur in the normal course of business into an independent, publicly traded company: Worthington Steel, Inc. ("Worthington Steel"). Also on December 1, 2023 and may obscure analysis of trends and financial performance. Additionally, the amount and frequency of this type of charge is not consistent and is significantly impacted by the timing and size of debt extinguishment transactions.
- Pension settlement charges, Worthington Industries, Inc. changed its name are excluded because of their non-cash nature and the fact that they do not occur in the normal course of business and may obscure analysis of trends and financial performance. These transactions typically result from the transfer of all or a portion of the total projected benefit obligation 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"), third-party insurance companies.

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](#)

**PART I. FINANCIAL INFORMATION**

**Item 1. – Financial Statements**

**WORTHINGTON ENTERPRISES, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands)

Assets	(Unaudited)		(Unaudited)	
	November		February 29,	
	30, 2023	May 31, 2023	2024	May 31, 2023
Current assets:				
Cash and cash equivalents	\$ 430,906	\$ 454,946	\$ 227,310	\$ 422,268
Receivables, less allowances of \$2,944 and \$3,383 at November 30, 2023 and May 31, 2023, respectively	640,826	692,887		
Receivables, less allowances of \$750 and \$803 at February 29, 2024 and May 31, 2023, respectively			219,389	224,863
Inventories:				

Raw materials	245,166	264,568	74,929	91,988
Work in process	156,361	183,248	18,234	19,189
Finished products	174,884	160,152	98,553	83,322
Total inventories	576,411	607,968	191,716	194,499
Income taxes receivable	5,511	4,198	2,398	1,681
Assets held for sale	1,789	3,381		
Prepaid expenses and other current assets	117,160	104,957	50,298	46,301
Current assets of discontinued operations			-	978,725
Total current assets	1,772,603	1,868,337	691,111	1,868,337
Investments in unconsolidated affiliates	247,421	252,591	120,707	138,041
Operating lease assets	94,677	99,967	21,285	24,686
Goodwill	416,857	414,820	345,445	336,178
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 intangible assets, net of accumulated amortization of \$82,190 and \$73,308 at February 29, 2024 and May 31, 2023, respectively			226,859	230,851
Other assets	42,916	25,323	30,900	14,339
Property, plant and equipment:				
Land	50,920	49,697	12,203	12,120
Buildings and improvements	312,830	308,669	142,522	139,514
Machinery and equipment	1,293,628	1,263,962	417,777	403,885
Construction in progress	78,536	45,165	39,260	24,779
Total property, plant and equipment	1,735,914	1,667,493	611,762	580,298
Less: accumulated depreciation	1,031,900	991,839	343,380	323,883
Total property, plant and equipment, net	704,014	675,654	268,382	256,415
Non-current assets of discontinued operations			-	782,071
<b>Total assets</b>	<b>\$ 3,584,137</b>	<b>\$ 3,650,918</b>	<b>\$ 1,704,689</b>	<b>\$ 3,650,918</b>
<b>Liabilities and equity</b>				
Current liabilities:				
Accounts payable	\$ 447,119	\$ 528,920	\$ 108,660	\$ 126,743
Short-term borrowings	175,000	2,813		
Accrued compensation, contributions to employee benefit plans and related taxes	80,461	93,810	47,657	46,782
Dividends payable	17,245	18,330	8,916	18,330
Other accrued items	62,270	53,362	29,697	37,801
Current operating lease liabilities	12,493	12,608	6,555	6,682
Income taxes payable	485	7,451	536	8,918
Current maturities of long-term debt	150,269	264	267	264
Current liabilities of discontinued operations			-	472,038
Total current liabilities	945,342	717,558	202,288	717,558
Other liabilities	112,878	113,286	76,300	71,766
Distributions in excess of investment in unconsolidated affiliate	118,465	117,297	116,775	117,297
Long-term debt	298,549	689,718	297,695	689,718
Noncurrent operating lease liabilities	85,283	89,982		
Non-current operating lease liabilities			15,103	18,326
Deferred income taxes, net	99,653	101,449	82,086	82,356
Non-current liabilities of discontinued operations			-	132,269

Total liabilities	1,660,170	1,829,290	790,247	1,829,290
Shareholders' equity - controlling interest	1,792,809	1,696,011		
Shareholders' equity - controlling interest			912,096	1,696,011
Noncontrolling interests	131,158	125,617	2,346	125,617
Total equity	1,923,967	1,821,628	914,442	1,821,628
<b>Total liabilities and equity</b>	<b>\$ 3,584,137</b>	<b>\$ 3,650,918</b>	<b>\$ 1,704,689</b>	<b>\$ 3,650,918</b>

See condensed notes to consolidated financial statements.

[Table of Contents](#)

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

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	November 30,		November 30,		February 29,	February 28,	February 29,	February 28,
	2023	2022	2023	2022	2024	2023	2024	2023
Net sales	\$ 1,086,918	\$ 1,175,541	\$ 2,280,174	\$ 2,584,206	\$ 316,755	\$ 346,315	\$ 926,902	\$ 1,049,694
Cost of goods sold	963,204	1,069,778	1,958,971	2,309,069	243,643	267,344	720,882	820,266
<b>Gross margin</b>	<b>123,714</b>	<b>105,763</b>	<b>321,203</b>	<b>275,137</b>				
Gross profit					73,112	78,971	206,020	229,428
Selling, general and administrative expense	107,688	107,813	220,036	211,261	65,134	71,359	210,262	211,208
Impairment of long-lived assets	-	-	1,401	312	-	484	-	484
Restructuring and other expense (income), net	6	(4,282)	6	(5,382)	698	823	704	(354)
Separation costs	21,952	9,246	27,987	9,246	2,999	2,305	12,465	3,572
Operating income (loss)	(5,932)	(7,014)	71,773	59,700	4,281	4,000	(17,411)	14,518
Other income (expense):								
Miscellaneous income (expense), net	1,020	1,405	2,031	(3,681)	(6,995)	217	(5,983)	(4,499)
Loss on extinguishment of debt	-	-	(1,534)	-	-	-	(1,534)	-
Interest expense, net	(2,169)	(7,612)	(5,252)	(16,210)	(50)	(4,186)	(1,596)	(15,689)
Equity in net income of unconsolidated affiliates	42,446	36,857	96,827	68,569	43,235	37,111	127,328	102,004
Earnings before income taxes	35,365	23,636	163,845	108,378	40,471	37,142	100,804	96,334
Income tax expense	7,198	4,131	35,975	23,629	18,471	7,391	34,041	20,709
Net earnings from continuing operations					22,000	29,751	66,763	75,625
Net earnings from discontinued operations					-	20,507	83,106	59,382
Net earnings	28,167	19,505	127,870	84,749	22,000	50,258	149,869	135,007
Net earnings attributable to noncontrolling interests	3,865	3,287	7,461	4,449	-	3,933	7,460	8,382
<b>Net earnings attributable to controlling interest</b>	<b>\$ 24,302</b>	<b>\$ 16,218</b>	<b>\$ 120,409</b>	<b>\$ 80,300</b>	<b>\$ 22,000</b>	<b>\$ 46,325</b>	<b>\$ 142,409</b>	<b>\$ 126,625</b>

<b>Basic</b>									
Weighted average common shares outstanding	49,186	48,558	49,013	48,518					
<b>Earnings per common share attributable to controlling interest</b>	\$ 0.49	\$ 0.33	\$ 2.46	\$ 1.66					
Amounts attributable to controlling interest:									
Net earnings from continuing operations			\$ 22,000	\$ 29,751	\$ 66,763	\$ 75,625			
Net earnings from discontinued operations			-	16,574	75,646	51,000			
Net earnings attributable to controlling interest			\$ 22,000	\$ 46,325	\$ 142,409	\$ 126,625			
<b>Diluted</b>									
Weighted average common shares outstanding	50,042	49,330	50,102	49,293					
<b>Earnings per common share attributable to controlling interest</b>	\$ 0.49	\$ 0.33	\$ 2.40	\$ 1.63					
Earnings per share from continuing operations -									
basic			\$ 0.45	\$ 0.61	\$ 1.36	\$ 1.56			
Earnings per share from discontinued operations -									
basic			-	0.34	1.54	1.05			
Net earnings per share attributable to controlling interest - basic			\$ 0.45	\$ 0.95	\$ 2.90	\$ 2.61			
Common shares outstanding at end of period	49,287	48,572	49,287	48,572					
Earnings per share from continuing operations -									
diluted			\$ 0.44	\$ 0.60	\$ 1.33	\$ 1.53			
Earnings per share from discontinued operations -									
diluted			-	0.34	1.50	1.04			
Net earnings per share attributable to controlling interest - diluted			\$ 0.44	\$ 0.94	\$ 2.83	\$ 2.57			
Weighted average common shares outstanding -									
basic			49,315	48,587	49,113	48,541			
Weighted average common shares outstanding -									
diluted			50,417	49,493	50,271	49,356			
Cash dividends declared per common share	\$ 0.32	\$ 0.31	\$ 0.64	\$ 0.62	\$ 0.16	\$ 0.31	\$ 0.80	\$ 0.93	

See condensed notes to consolidated financial statements.

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

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	November 30,		November 30,		February 29,		February 28,	
	2023	2022	2023	2022	2024	2023	2024	2023
Net earnings	\$ 28,167	\$ 19,505	\$ 127,870	\$ 84,749	\$ 22,000	\$ 50,258	\$ 149,869	\$ 135,007
Other comprehensive income (loss), net of tax								
Foreign currency translation	897	858	2,342	(9,243)	(700)	1,563	1,643	(7,680)
Pension liability adjustment	-	(82)	(3)	2,857	6,805	323	6,802	3,180
Cash flow hedges	13,549	(4,000)	6,699	(17,300)	218	34,342	6,916	17,042
Other comprehensive income (loss)	14,446	(3,224)	9,038	(23,686)				
Other comprehensive income					6,323	36,228	15,361	12,542
<b>Comprehensive income</b>	<b>42,613</b>	<b>16,281</b>	<b>136,908</b>	<b>61,063</b>	<b>28,323</b>	<b>86,486</b>	<b>165,230</b>	<b>147,549</b>
Comprehensive income attributable to noncontrolling interests	3,865	3,287	7,461	4,449	-	3,933	7,460	8,382
<b>Comprehensive income attributable to controlling interest</b>	<b>\$ 38,748</b>	<b>\$ 12,994</b>	<b>\$ 129,447</b>	<b>\$ 56,614</b>	<b>\$ 28,323</b>	<b>\$ 82,553</b>	<b>\$ 157,770</b>	<b>\$ 139,167</b>

See condensed notes to consolidated financial statements.

[Table of Contents](#)

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

	Three Months Ended		Nine Months Ended	
	February 29,		February 28,	
	2024	2023	2024	2023
<b>Operating activities:</b>				
Net earnings	\$ 22,000	\$ 50,258	\$ 149,869	\$ 135,007
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	11,949	28,153	68,281	84,508
Impairment of long-lived assets	-	484	1,401	796
Provision for (benefit from) deferred income taxes	4,329	(5,525)	843	(20,198)
Loss on extinguishment of debt	-	-	1,534	-
Bad debt expense (income)	24	2,346	(430)	3,786
Equity in net income of unconsolidated affiliates, net of distributions	(2,926)	23,218	3,169	84,415
Net loss (gain) on sale of assets	(14)	46	(348)	(4,988)
Stock-based compensation	2,602	4,975	13,294	13,758
Changes in assets and liabilities, net of impact of acquisitions:				
Receivables	(18,124)	3,382	49,737	160,475
Inventories	16,176	53,499	54,999	166,959
Accounts payable	15,561	6,627	(59,534)	(195,489)

Accrued compensation and employee benefits	7,190	(2,900)	(2,030)	(33,432)
Income taxes payable	(725)	-	(7,691)	(300)
Other operating items, net	(7,921)	17,588	(28,288)	833
<b>Net cash provided by operating activities</b>	<b>50,121</b>	<b>182,151</b>	<b>244,806</b>	<b>396,130</b>
 <b>Investing activities:</b>				
Investment in property, plant and equipment	(10,017)	(22,748)	(72,191)	(68,715)
Acquisitions, net of cash acquired	(8,707)	-	(29,721)	(56,088)
Proceeds from sale of assets, net of selling costs	35	51	837	35,545
Investment in note receivable	100	-	(14,900)	-
Investment in non-marketable equity securities	(75)	(20)	(1,614)	(270)
Net proceeds from sale of investment in ArtiFlex	-	(300)	-	35,795
Excess distributions from unconsolidated affiliate	-	-	1,085	-
<b>Net cash used by investing activities</b>	<b>(18,664)</b>	<b>(23,017)</b>	<b>(116,504)</b>	<b>(53,733)</b>
 <b>Financing activities:</b>				
Dividend from Worthington Steel at Separation	150,000	-	150,000	-
Distribution to Worthington Steel at Separation	(218,048)	-	(218,048)	-
Net proceeds from (repayments of) short-term borrowings <sup>(1)</sup>	-	(1,330)	172,187	(44,392)
Principal payments on long-term obligations	(150,133)	(5,759)	(393,890)	(5,909)
Proceeds from issuance of common shares, net of tax withholdings	(1,023)	704	(15,360)	(3,411)
Payments to noncontrolling interests	-	-	(1,920)	(11,760)
Dividends paid	(15,849)	(15,101)	(48,907)	(44,166)
<b>Net cash used by financing activities</b>	<b>(235,053)</b>	<b>(21,486)</b>	<b>(355,938)</b>	<b>(109,638)</b>
 Increase (decrease) in cash and cash equivalents	(203,596)	137,648	(227,636)	232,759
Cash and cash equivalents at beginning of period	430,906	129,596	454,946	34,485
<b>Cash and cash equivalents at end of period</b>	<b>\$ 227,310</b>	<b>\$ 267,244</b>	<b>\$ 227,310</b>	<b>\$ 267,244</b>

	Three Months Ended		Six Months Ended	
	November 30,		November 30,	
	2023	2022	2023	2022
<b>Operating activities:</b>				
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)
<b>Net cash provided by operating activities</b>	<b>134,990</b>	<b>132,941</b>	<b>194,686</b>	<b>213,979</b>
 <b>Investing activities:</b>				
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	-
<b>Net cash used by investing activities</b>	<b>(53,553)</b>	<b>(891)</b>	<b>(97,840)</b>	<b>(30,716)</b>
 <b>Financing activities:</b>				
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)
<b>Net cash provided (used) by financing activities</b>	<b>148,460</b>	<b>(38,222)</b>	<b>(120,886)</b>	<b>(88,152)</b>
 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
<b>Cash and cash equivalents at end of period</b>	<b>\$ 430,906</b>	<b>\$ 129,596</b>	<b>\$ 430,906</b>	<b>\$ 129,596</b>

(1) Net proceeds in the nine months ended February 29, 2024 consisted of borrowings under short-term credit facilities assumed by Worthington Steel in conjunction with Separation.

The cash flows related to discontinued operations have not been segregated. Accordingly, the consolidated statements of cash flows include the results from continuing and discontinued operations. See "Note B – Discontinued Operations" for a summarization of significant non-cash items related to discontinued operations.

See condensed notes to consolidated financial statements.

[Table of Contents](#)

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

We own **Prior to the Separation**, we owned controlling interests in the following **three** **four** **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 **;** and WSP (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 **were** consolidated with the equity owned by the other joint venture members and shown as noncontrolling interests in our consolidated balance sheets, **sheet** at May 31, 2023, and their portions of net earnings and **other comprehensive income (loss) ("OCI")** OCI are shown as net earnings from discontinued operations or comprehensive income attributable to noncontrolling interests in our consolidated statements of earnings and consolidated statements of comprehensive income, respectively. As of the Separation, Spartan, TWB, Samuel and WSP became joint ventures of Worthington Steel and are no longer reported in our current results. On February 1, 2024, we acquired an 80% **controlling** interest in Halo. See further discussion of Halo in **Note P – Acquisitions.**

Investments in **unconsolidated** affiliates that we do not control are accounted for **under** **using** the equity method with our proportionate share of income or loss recognized within **equity in net income of unconsolidated affiliates ("equity income")** **Equity Income** in our consolidated statements of earnings. See further discussion of our **unconsolidated** affiliates in **"Note D – Investments in Unconsolidated Affiliates."**

These **interim** unaudited consolidated financial statements have been prepared in accordance with **accounting principles generally accepted in the U.S. ("U.S. GAAP")** 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** **three and nine months ended February 29, 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** **2024**. For further information, refer to the consolidated financial statements and notes thereto included in **the** **our** 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.

#### Revenue Recognition

We recognize all revenue at the point in time the performance obligation is satisfied and control of the product is transferred to the customer upon shipment or delivery. There were no contract assets or unbilled receivables at February 29, 2024. Unbilled receivables of \$3,708 at May 31, 2023 were attributed to Worthington Steel and recorded in current assets of discontinued operations on the consolidated balance sheet.

#### The Separation of the Worthington Steel Processing Business

On December 1, 2023, we completed the previously announced Separation and Worthington Steel, comprised of our former Steel Processing business became an independent, publicly traded company. To effectuate **segment** into a separate public company in a transaction intended to qualify as tax free to our shareholders, which was accomplished via the Separation, we made a pro-rata distribution of **all** **100%** of the outstanding common shares of Worthington Steel which was tax-free to our shareholders for U.S. federal income tax purposes. **holders** of record of the Company's common shares as of the close of business on November 21, 2023. Each holder of record of Worthington Enterprises common shares received one **common** share of Worthington Steel for every one **common** share of the Company's common stock held on the Record Date for the Distribution. Worthington Enterprises held (the "Distribution") as of Steel is an independent public company trading under the close of business symbol "WS" on November 21, 2023 (the "Record Date"). **the** NYSE.

On November 30, 2023, in **In** connection with the Separation, we entered into several agreements with Worthington Steel, effective November 30, 2023, that, govern the among other things, provide a framework for our relationship between with Worthington Steel and us following after the Distribution, Separation, including a Separation and Distribution long-term Steel Supply Agreement, Tax Matters Agreement, Employee Matters a Trademark License Agreement, and Transition Services Agreement.

Direct 6

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#### Table of Contents

Pursuant to the long-term Steel Supply Agreement, Worthington Steel manufactures and supplies to us, at reasonable market rates, certain flat rolled steel products, and will provide us with certain related support services such as design, engineering/technical services, price risk management, scrap management, steel purchasing, supply chain optimization and product rework services, and other services at our request that are ancillary to the supply of the flat rolled steel products. Purchases from Worthington Steel under this agreement for the three and nine months ended February 29, 2024, totaled \$20,274, of which \$10,702 was payable at February 29, 2024.

We have incurred direct and incremental costs associated with the Separation, are presented as a separate component including approximately \$30,986 and \$15,593 during the nine months ended February 29, 2024, and February 28, 2023, respectively, of operating expense within the Separation which \$18,521 and \$12,021 have been attributed to discontinued operations. These 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 to the residual related extent not attributed to incremental costs associated with Worthington Steel, are presented as a separate component of operating expense in our consolidated statements of earnings and held at 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, level.

#### Note B - Discontinued Operations

The following table summarizes the assets and liabilities from discontinued operations at May 31, 2023:

<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$	32,678
Receivables, less allowances of \$2,581		468,024
Inventorys:		
Raw materials		172,580
Work in process		164,059
Finished products		76,830
Total inventories		413,469
Income taxes receivable		2,517
Prepaid expenses and other current assets		58,656
Assets held for sale		3,381
Total current assets		978,725
Investments in unconsolidated affiliates		114,550
Operating lease assets		75,281
Goodwill		78,642
Other intangible assets, net of accumulated amortization of \$38,894		83,375
Other assets		10,984
Property, plant and equipment:		
Land		37,577
Buildings and improvements		169,155
Machinery and equipment		860,077
Construction in progress		20,386
Total property, plant and equipment		1,087,195
Less: accumulated depreciation		667,956
Total property, plant and equipment, net		419,239
<b>Total assets</b>	<b>\$</b>	<b>1,760,796</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$	402,177
Short-term borrowings		2,813
Accrued compensation, contributions to employee benefit plans and related taxes		47,028
Other accrued items		14,094
Current operating lease liabilities		5,926
Total current liabilities		472,038

Other liabilities	41,520
Noncurrent operating lease liabilities	71,656
Deferred income taxes, net	19,093
<b>Total liabilities</b>	<b>\$ 604,307</b>

## Table of Contents

The following table summarizes the financial results from the discontinued operations of Worthington Steel for the periods presented. There were no discontinued operations for the three months ended February 29, 2024.

	Three Months Ended		Nine Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Net sales	\$ -	\$ 757,007	\$ 1,670,027	\$ 2,637,834
Cost of goods sold	-	692,171	1,481,731	2,448,319
Gross profit	-	64,836	188,296	189,515
Selling, general and administrative expense	-	34,698	74,908	106,110
Impairment of long-lived assets	-	-	1,401	312
Restructuring and other expense (income)	-	1	-	(4,204)
Separation costs	-	4,042	18,521	12,021
Operating income	-	26,095	93,466	75,276
Other income (expense):				
Miscellaneous income, net	-	1,110	1,016	2,146
Interest expense, net	-	(1,849)	(3,706)	(6,557)
Equity in net income of unconsolidated affiliate	-	(185)	12,735	3,491
Earnings before income taxes	-	25,171	103,511	74,356
Income tax expense	-	4,664	20,405	14,974
Net earnings	-	20,507	83,106	59,382
Net earnings attributable to noncontrolling interest	-	3,933	7,460	8,382
<b>Net earnings attributable to controlling interest</b>	<b>\$ -</b>	<b>\$ 16,574</b>	<b>\$ 75,646</b>	<b>\$ 51,000</b>

As permitted under GAAP, the cash flows related to discontinued operations have not been segregated in our consolidated statements of cash flows. Accordingly, the consolidated statements of cash flows include the results from both continuing and discontinued operations and amounts for certain captions will not agree with respective data in the consolidated balance sheet. We did not report any cash flows from discontinued operations during the three months ended February 29, 2024.

The following table summarizes significant non-cash operating items and capital expenditures of discontinued operations included in the consolidated statements of cash flows for the periods presented. There were no discontinued operations for the three months ended February 29, 2024.

	Three Months Ended		Nine Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Significant non-cash operating items:				
Depreciation and amortization	\$ -	\$ 16,260	\$ 32,043	\$ 50,306
Impairment of long-lived assets	-	-	1,401	312
Equity in income of unconsolidated affiliate	-	10,185	(12,734)	6,509
Net loss (gain) on sale of assets	-	46	(412)	(3,778)
Stock-based compensation	-	1,211	3,472	3,340
Significant investing activities:				

Investment in property, plant and equipment	-	(10,809)	(33,457)	(36,450)
Acquisitions, net of cash acquired	-	-	(21,013)	-
Significant financing activities:				
Net proceeds from short-term borrowings	-	-	172,187	-

[Table of Contents](#)

**Note B – C - Inventory**

During the third quarter of fiscal 2024, we recognized lower of cost or net realizable charges totaling approximately \$1,900 related to propane tanks imported from Europe that had higher than expected transportation costs. These charges were attributed to our Building Products operating segment and were recorded in cost of goods sold in the consolidated statement of earnings during the third quarter of fiscal 2024.

During the second quarter of fiscal 2024, we initiated a recall with the U.S. Consumer Protection Safety Commission for our recently introduced Balloon Time® Mini 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 during the three and six months ended November 30, 2023. second quarter of fiscal 2024.

**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		Six Months Ended	
	November 30,		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	<u>\$ 1,086,918</u>	<u>\$ 1,175,541</u>	<u>\$ 2,280,174</u>	<u>\$ 2,584,206</u>

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,		May 31,	
		2023	2023	2023	2023
Unbilled receivables	Receivables	\$ 4,148	\$ 3,708		

There were no contract assets at November 30, 2023 or at May 31, 2023.

[Table of Contents](#)

**Note D – Investments in Unconsolidated Affiliates**

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 February 29, 2024: Clarkwestern Dietrich Building Systems LLC ("ClarkDietrich") ClarkDietrich (25%); Serviacero Planos, S. de R. L. de C.V. ("Serviacero Worthington") WAVE (50%); Taxi and Workhorse Holdings, LLC ("Workhorse") (20%); and Worthington Armstrong Venture ("WAVE") (. We held a 50% non-controlling interest in Serviacero prior to the Separation. Equity Income and the related investment have been presented as discontinued operations for all periods presented.

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 35,795 and realized a pre-tax loss of \$15,759 16,059 within equity income, 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 Equity Income in connection with the sale of Workhorse's operations in Brazil.

We received distributions from unconsolidated affiliates totaling \$104,008 144,317 during the six nine months ended November 30, 2023 February 29, 2024. We have received cumulative distributions from WAVE in excess of our investment balance amounting to \$118,465 116,775 and \$117,297, respectively, at November 30, 2023 February 29, 2024 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 "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, nine months ended February 29, 2024, we classified \$1,085 of "excess" dividends received from WAVE as an investing activity.

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

(In thousands)	November 30, 2023		May 31, 2023		February 29, 2024		May 31, 2023	
	2023	2023	2024	2023	2024	2023	2024	2023
Cash and cash equivalents	\$ 37,728	\$ 49,185	\$ 86,533	\$ 36,988				
Other current assets	871,945	899,913	574,099	661,700				
Noncurrent assets	372,258	394,468						
Non-current assets			324,793	335,567				
Total assets	\$ 1,281,931	\$ 1,343,566	\$ 985,425	\$ 1,034,255				
Current liabilities	282,320	247,796	312,235	176,959				
Current maturities of long-term debt	-	36,936	20,500	36,936				
Long-term debt	349,323	349,215	349,377	349,215				
Other noncurrent liabilities	138,566	144,649						
Other non-current liabilities			137,275	139,228				
Equity	511,722	564,970	166,038	331,917				
Total liabilities and equity	\$ 1,281,931	\$ 1,343,566	\$ 985,425	\$ 1,034,255				

(In thousands)	Three Months Ended				Six Months Ended			
	November 30,		November 30,		November 30,		November 30,	
	2023	2022	2023	2022	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

9  
8

## Table of Contents

(In thousands)	Three Months Ended		Nine Months Ended	
	February 29,		February 28,	
	2024	2023	2024	2023
Net sales	\$ 497,938	\$ 511,663	\$ 1,579,992	\$ 1,727,225
Gross profit	171,497	154,980	492,812	467,664
Operating income	126,377	115,286	376,782	349,925
Depreciation and amortization	6,936	5,662	21,737	18,559
Interest expense	4,943	4,476	15,220	10,920
Income tax expense	549	791	1,900	1,604
Net earnings	119,982	111,505	360,748	342,574

## Note E – Impairment of Long-Lived Assets

During the ~~first~~ third quarter of fiscal 2023, we committed to plans to liquidate ~~and~~ determined that certain ~~fixed~~ assets associated with a capital project at the ~~the~~ Samuel joint venture's toll processing ~~our~~ Building Products facility in Cleveland, Ohio. In accordance with the applicable accounting guidance, the ~~net~~ Jefferson, Ohio, were impaired. These assets were ~~recorded at the lower~~ determined to have no alternative use and were written down to their estimated salvage value of ~~net book value or fair market value less costs to sell~~ approximately \$70 resulting in a ~~pre-tax~~ an impairment charge of \$312,484 during the three months ended February 28, 2023.

During Our Sustainable Energy Solutions business continues to operate in a challenging market, driven by continued weakness in overall economic conditions in Europe as well as slow adoption of hydrogen and CNG transportation applications. Management continues to focus on near term cost controls while making investments necessary to maintain its position as a global solutions provider with the ~~first quarter of fiscal 2024~~, we lowered our estimate of fair value less costs scale and expertise to sell effectively serve the emerging sustainability economy worldwide. We believe the overall long-term outlook for the business is positive and project sufficient future cash flows to reflect support the expected scrap ~~current carrying~~ value of the ~~equipment~~ business. However, it is at least reasonably possible that continued lower-than-expected volumes and financial results, or a decision to ~~\$150~~, resulting in a ~~pre-tax~~ impairment charge of \$1,401, explore strategic alternatives, could change our determination that the assets are not impaired.

## Note F – Restructuring and Other Expenses (Income), Expense, 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 ~~A progression 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 ~~combined with a reconciliation to the restructuring and other income, net~~ financial statement caption, in our consolidated statement of earnings for the six nine months ended November 30, 2022 February 28, 2024 is summarized below:

(In thousands)	Balance, as of			Balance, as of February	
	May 31, 2023		Expense	Payments	29, 2024
Early retirement and severance	\$ 135	\$ 704		\$ (253)	\$ 586

The total liability associated with our restructuring activities as of ~~\$~~ February 29, 2024 is expected to be paid in the next 12 months ~~5,382~~

## [Table of Contents](#)

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** **February 29, 2024**, 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** **15,796** at **November 30, 2023** **February 29, 2024**. 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** **February 29, 2024**, 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**, **guaranteed instruments**, based on premiums paid, was not material and no amounts were drawn against them at **November 30, 2023** **February 29, 2024**.

9

## [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** **February 29, 2024** and May 31, 2023:

(In thousands)	November 30,	May 31,	February 29,	May 31,
	2023	2023	2024	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		
2024 Notes			-	150,000
2026 Notes			-	243,623
4.30% senior notes due August 1, 2032	200,000	200,000	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		
2.06% Series A senior note due August 23, 2031			39,654	39,226
2.40% Series B senior notes due August 23, 2034			59,427	58,786
Other	402	528	267	528
Total debt	625,251	694,976	299,348	692,163
Unamortized discount and debt issuance costs	(1,433)	(2,181)	(1,386)	(2,181)
Total debt, net	623,818	692,795	297,962	689,982

Less: current maturities and short-term borrowings	325,269	3,077	267	264
Total long-term debt	\$ 298,549	\$ 689,718	\$ 297,695	\$ 689,718

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 <sup>(1)</sup>	\$	175,133		
2025		150,269	\$	267
2026		-		-
2027		-		-
2028		-		-
2029				-
Thereafter		299,849		299,081
Total	\$	625,251	\$	299,348

11

## [Table of Contents](#)

(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"). 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") 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. Facility. Borrowings under the Credit

10

## [Table of Contents](#)

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 February 29, 2024, leaving \$500,000 available for use.

On May 19, 2022, we entered into a five-year revolving trade accounts receivable securitization facility ("AR Facility") 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						Three Months Ended					
	November 30, 2023			November 30, 2022			February 29, 2024			February 28, 2023		
	Before-Tax	Net-of-Tax	Before-Tax	Net-of-Tax	Before-Tax	Net-of-Tax	Before-Tax	Net-of-Tax	Before-Tax	Net-of-Tax	Before-Tax	Net-of-Tax
Foreign currency translation	\$ 843	\$ 54	\$ 897	\$ 550	\$ 308	\$ 858	\$ (615)	\$ (85)	\$ (700)	\$ 1,421	\$ 142	\$ 1,563
Pension liability adjustment	-	-	-	15	(97)	(82)	8,927	(2,122)	6,805	415	(92)	323
Cash flow hedges	17,390	(3,841)	13,549	(5,665)	1,665	(4,000)	564	(346)	218	43,963	(9,621)	34,342
<b>Other comprehensive income (loss)</b>	<b>\$ 18,233</b>	<b>\$ (3,787)</b>	<b>\$ 14,446</b>	<b>\$ (5,100)</b>	<b>\$ 1,876</b>	<b>\$ (3,224)</b>	<b>\$ 8,876</b>	<b>\$ (2,553)</b>	<b>\$ 6,323</b>	<b>\$ 45,799</b>	<b>\$ (9,571)</b>	<b>\$ 36,228</b>
Six Months Ended												
(In thousands)	November 30, 2023			November 30, 2022			February 29, 2024			February 28, 2023		
	Before-Tax	Net-of-Tax	Before-Tax	Net-of-Tax	Before-Tax	Net-of-Tax	Before-Tax	Net-of-Tax	Before-Tax	Net-of-Tax	Before-Tax	Net-of-Tax
	\$ 2,170	\$ 172	\$ 2,342	\$ (8,970)	\$ (273)	\$ (9,243)	\$ 1,555	\$ 88	\$ 1,643	\$ (7,549)	\$ (131)	\$ (7,680)
Pension liability adjustment	-	(3)	(3)	3,740	(883)	2,857	8,927	(2,125)	6,802	4,155	(975)	3,180
Cash flow hedges	8,578	(1,879)	6,699	(22,762)	5,462	(17,300)	9,140	(2,224)	6,916	21,201	(4,159)	17,042
<b>Other comprehensive income (loss)</b>	<b>\$ 10,748</b>	<b>\$ (1,710)</b>	<b>\$ 9,038</b>	<b>\$ (27,992)</b>	<b>\$ 4,306</b>	<b>\$ (23,686)</b>	<b>\$ 19,622</b>	<b>\$ (4,261)</b>	<b>\$ 15,361</b>	<b>\$ 17,807</b>	<b>\$ (5,265)</b>	<b>\$ 12,542</b>

12

[Table of Contents](#)

**Note K – Changes in Equity**

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

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

Balance at														
<b>May 31, 2023</b>	\$ 290,799	\$ (23,179)	\$ 1,428,391	\$ 1,696,011	\$ 125,617	\$ 1,821,628	\$ 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	-	-	96,106	96,106	3,597	99,703		
Other comprehensive loss	-	(5,408)	-	(5,408)	-	(5,408)	-	(5,408)	-	(5,408)	-	(5,408)		
Common shares issued, net of withholding tax	(5,130)	-	-	(5,130)	-	(5,130)	(5,130)	-	-	(5,130)	-	(5,130)		
Common shares in non-qualified plans	130	-	-	130	-	130	130	-	-	130	-	130		
Stock-based compensation	8,995	-	-	8,995	-	8,995	8,995	-	-	8,995	-	8,995		
Cash dividends declared	-	-	(16,081)	(16,081)	-	(16,081)	-	-	(16,081)	(16,081)	-	(16,081)		
Dividends to noncontrolling interests	-	-	-	-	(1,921)	(1,921)	-	-	-	-	(1,921)	(1,921)		
<b>Balance at August 31, 2023</b>	<b>\$ 294,794</b>	<b>\$ (28,587)</b>	<b>\$ 1,508,416</b>	<b>\$ 1,774,623</b>	<b>\$ 127,293</b>	<b>\$ 1,901,916</b>	<b>\$ 294,794</b>	<b>\$ (28,587)</b>	<b>\$ 1,508,416</b>	<b>\$ 1,774,623</b>	<b>\$ 127,293</b>	<b>\$ 1,901,916</b>		
Net earnings	-	-	24,302	24,302	3,865	28,167	-	-	24,302	24,302	3,865	28,167		
Other comprehensive income	-	14,446	-	14,446	-	14,446	-	14,446	-	14,446	-	14,446		
Common shares issued, net of withholding tax	(9,207)	-	-	(9,207)	-	(9,207)	(9,207)	-	-	(9,207)	-	(9,207)		
Common shares in non-qualified plans	195	-	-	195	-	195	195	-	-	195	-	195		
Stock-based compensation	4,511	-	-	4,511	-	4,511	4,511	-	-	4,511	-	4,511		
Cash dividends declared	-	-	(16,061)	(16,061)	-	(16,061)	-	-	(16,061)	(16,061)	-	(16,061)		
Dividends to noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Balance at November 30, 2023</b>	<b>\$ 290,293</b>	<b>\$ (14,141)</b>	<b>\$ 1,516,657</b>	<b>\$ 1,792,809</b>	<b>\$ 131,158</b>	<b>\$ 1,923,967</b>	<b>\$ 290,293</b>	<b>\$ (14,141)</b>	<b>\$ 1,516,657</b>	<b>\$ 1,792,809</b>	<b>\$ 131,158</b>	<b>\$ 1,923,967</b>		
Net earnings	-	-	-	-	-	-	-	22,000	-	22,000	-	22,000		
Other comprehensive income	-	-	-	-	-	-	6,323	-	6,323	-	6,323	-	6,323	

Common shares issued, net of withholding tax	(1,023)	-	-	(1,023)	-	(1,023)
Common shares in non-qualified plans	53	-	-	53	-	53
Stock-based compensation	2,071	-	-	2,071	-	2,071
Separation of Worthington Steel	-	(717)	(901,370)	(902,087)	(128,812)	(1,030,899)
Cash dividends declared	-	-	(8,050)	(8,050)	-	(8,050)
<b>Balance at February 29, 2024</b>	<b>\$ 291,394</b>	<b>\$ (8,535)</b>	<b>\$ 629,237</b>	<b>\$ 912,096</b>	<b>\$ 2,346</b>	<b>\$ 914,442</b>

11

[Table of Contents](#)

(In thousands)	Controlling Interest					
	Accumulated Other					
	Additional		Comprehensive		Non-controlling	
	Paid-in Capital	Net of Tax	Earnings	Subtotal	Interests	Total
<b>Balance at May 31, 2022</b>	<b>\$ 273,439</b>	<b>\$ (22,850)</b>	<b>\$ 1,230,163</b>	<b>\$ 1,480,752</b>	<b>\$ 133,210</b>	<b>\$ 1,613,962</b>
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)
<b>Balance at August 31, 2022</b>	<b>\$ 277,085</b>	<b>\$ (43,312)</b>	<b>\$ 1,278,827</b>	<b>\$ 1,512,600</b>	<b>\$ 134,372</b>	<b>\$ 1,646,972</b>
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)
<b>Balance at November 30, 2022</b>	<b>\$ 280,354</b>	<b>\$ (46,536)</b>	<b>\$ 1,279,575</b>	<b>\$ 1,513,393</b>	<b>\$ 125,899</b>	<b>\$ 1,639,292</b>
Controlling Interest						
(In thousands)	Additional					
	Paid-in Capital	AOCl, Net of Tax	Retained Earnings	Subtotal	Non-controlling Interests	Total
	<b>\$ 273,439</b>	<b>\$ (22,850)</b>	<b>\$ 1,230,163</b>	<b>\$ 1,480,752</b>	<b>\$ 133,210</b>	<b>\$ 1,613,962</b>

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)
<b>Balance at August 31, 2022</b>	<b>\$ 277,085</b>	<b>\$ (43,312)</b>	<b>\$ 1,278,827</b>	<b>\$ 1,512,600</b>	<b>\$ 134,372</b>	<b>\$ 1,646,972</b>
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)
<b>Balance at November 30, 2022</b>	<b>\$ 280,354</b>	<b>\$ (46,536)</b>	<b>\$ 1,279,575</b>	<b>\$ 1,513,393</b>	<b>\$ 125,899</b>	<b>\$ 1,639,292</b>
Net earnings	-	-	46,325	46,325	3,933	50,258
Other comprehensive income	-	36,228	-	36,228	-	36,228
Common shares issued, net of withholding tax	704	-	-	704	-	704
Common shares in non-qualified plans	107	-	-	107	-	107
Stock-based compensation	3,818	-	-	3,818	-	3,818
Cash dividends declared	-	-	(15,149)	(15,149)	-	(15,149)
<b>Balance at February 28, 2023</b>	<b>\$ 284,983</b>	<b>\$ (10,308)</b>	<b>\$ 1,310,751</b>	<b>\$ 1,585,426</b>	<b>\$ 129,832</b>	<b>\$ 1,715,258</b>

The following table summarizes the changes in accumulated OCI for the periods presented:<sup>13</sup>

(In thousands)	Accumulated				
	Foreign		Pension		Other
	Currency		Liability		Comprehensive
	Translation	Adjustment	Hedges	Loss	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)
<b>Balance at November 30, 2023</b>	<b style="text-align: right;">\$ (19,781)</b>	<b style="text-align: right;">\$ (1,733)</b>	<b style="text-align: right;">\$ 7,373</b>		<b style="text-align: right;">\$ (14,141)</b>
Accumulated					
(In thousands)	Accumulated				
	Foreign		Pension		Other
	Currency		Liability		Comprehensive
	Translation	Adjustment	Hedges	Loss	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
<b>Balance at November 30, 2022</b>	<b style="text-align: right;">\$ (24,553)</b>	<b style="text-align: right;">\$ (3,387)</b>	<b style="text-align: right;">\$ (18,596)</b>		<b style="text-align: right;">\$ (46,536)</b>

[Table of Contents](#)

The following table summarizes the changes in AOCI for the periods presented:

(In thousands)	Foreign		Pension		Cash Flow		AOCI
	Currency	Translation	Liability	Adjustment	Hedges		
Balance at May 31, 2023		\$ (22,123)	\$ (1,730)		\$ 674	\$ (23,179)	
Other comprehensive income before reclassifications		1,555	60		14,893		16,508
Reclassification adjustments to net earnings (a)(b)		-	8,867		(5,753)		3,114
Income tax effect		88	(2,125)		(2,224)		(4,261)
Separation of Worthington Steel		10,874	(5,984)		(5,607)		(717)
Balance at February 29, 2024		\$ (9,606)	\$ (912)		\$ 1,983	\$ (8,535)	
(In thousands)	Foreign		Pension		Cash Flow		AOCI
	Currency	Translation	Liability	Adjustment	Hedges		
Balance at May 31, 2022		\$ (15,310)	\$ (6,244)		\$ (1,296)	\$ (22,850)	
Other comprehensive loss before reclassifications		(7,549)	(619)		(2,999)		(11,167)
Reclassification adjustments to net earnings (a)(b)		-	4,774		24,200		28,974
Income tax effect		(131)	(975)		(4,159)		(5,265)
Balance at February 28, 2023		\$ (22,990)	\$ (3,064)		\$ 15,746	\$ (10,308)	

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

- (a) **Cash flow hedges** – See the disclosure Disclosure of reclassification adjustments classified within continuing operations is provided in "Note Q – Derivative Financial Instruments and Hedging Activities; Activities." The residual amount relates to Worthington Steel and has been presented within discontinued operations.
- (b) **Pension liability adjustment** – Reflects a non-cash settlement charge the acceleration of \$4,774 recognized deferred pension costs in connection with a AOCI related to separate pension lift-out transaction transactions completed in February 2024 and August 2022, for respectively, to transfer the pension benefit obligation under The Gerstenslager Company Bargaining Unit Employees' Pension Plan to third-party insurance companies.

**Note L – Stock-Based Compensation**

***The Separation of the Steel Processing Business***

In connection with the Separation, we adjusted our outstanding share-based awards in accordance with the terms of the Employee Matters Agreement. Adjustments to the underlying shares and terms of outstanding non-qualified stock options, services-based restricted common shares, and performance share awards were made to preserve the intrinsic value of the awards immediately before the Separation. The adjustment of the underlying shares and exercise prices, as applicable, was determined using a ratio based on the relative values of our pre-Distribution common share price and our post-Distribution common share price.

***Non-Qualified Stock Options***

The table below summarizes our stock option activity during the nine months ended February 29, 2024:

(In thousands, except per common share amounts)	Stock Options	Weighted Average Exercise Price	
Outstanding - June 1, 2023		573	\$ 42.61
Converted to Worthington Steel common shares (1)		(61)	51.44
Separation related adjustment		254	-
Granted		58	68.68
Exercised		(126)	39.73
Forfeited		(7)	45.91
Outstanding - February 29, 2024		691	\$ 28.83

## Table of Contents

(1) Effective as of the Distribution, each outstanding stock option held by a then-current or former employee or service provider of Worthington Steel was converted into stock option denominated in the common shares of Worthington Steel.

During the six nine months ended November 30, 2023 February 29, 2024, we granted non-qualified stock options covering a total of 54,58 common shares no par value, of Worthington Enterprises (the "common shares") under our stock-based compensation plans. The For each grant, the exercise price of \$69.47 per share for the non-qualified stock options granted in fiscal 2024 is was equal to the closing market price of the underlying common shares on at the respective grant date. The weighted average fair value of these non-qualified stock options, based on the Black-Scholes option-pricing model, calculated at the grant date, was \$25.95 25.61 per share. The calculated pre-tax stock-based compensation expense for these non-qualified stock options was \$1,401 1,485 and will be recognized on a straight-line basis over the three-year vesting period, net of any forfeitures. The weighted average fair value of stock options granted during the nine months ended February 29, 2024 was based on the following assumptions were used to value these non-qualified stock options: assumptions:

Dividend yield	2.39	2.34 %
Expected volatility	43.00	42.62 %
Risk-free interest rate	4.05	4.04 %
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 nine months ended November 30, 2023 February 29, 2024, we granted an aggregate of 176,214 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 64.57 per share. The calculated pre-tax stock-based compensation expense for these restricted common shares was \$11,640 13,831 and will be recognized on a straight-line basis over the three-year service-based vesting period, net of any forfeitures.

The table below sets forth the service-based restricted common shares for the nine months ended February 29, 2024:

(In thousands, except per common share amounts)	Weighted		
	Restricted		Average
	Common	Shares	Grant Date
Outstanding - June 1, 2023		800	\$ 47.39
Converted to Worthington Steel common shares (1)		(296)	55.70
Separation related adjustment		220	-
Granted		214	64.57
Vested		(337)	39.17
Forfeited		(20)	47.07
Outstanding - February 29, 2024		581	\$ 36.34

(1) Effective as of the Distribution, each restricted stock award held by an employee or director of Worthington Steel was converted into a restricted stock award covering Worthington Steel common shares.

### 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 EPS growth and, in the case of business unit executives, a business unit adjusted earnings before interest and taxes ("adjusted EBIT") EBITDA 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.

[Table of Contents](#)

The table summarizes our performance activity for the nine months ended February 29, 2024.

(In thousands, except per common share amounts)	Restricted		Weighted
	Common		Average
	Shares	Grant Date	Fair Value
Outstanding - June 1, 2023		172	\$ 46.37
Converted to Worthington Steel common shares (1)		(39)	56.99
Separation related adjustment		58	-
Granted		113	52.73
Vested		(131)	39.93
Forfeited		(25)	36.02
Outstanding - February 29, 2024		148	\$ 37.70

(1) Effective as of the Distribution, each performance share award held by an employee or director of Worthington Steel was converted into a restricted stock award covering Worthington Steel shares.

**Note M – Income Taxes**

Income tax expense for the three nine months ended November 30, 2023 February 29, 2024 and November 30, 2022 February 28, 2023 reflected estimated annual effective income tax rates of 23.4 30.8% and 23.7 22.6%, 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 respectively. Income tax expense to us since the investors in the consolidated joint ventures' U.S. operations are taxed directly based on current year period was impacted by certain discrete tax items triggered by 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

[Table of Contents](#)

of annual pre-tax income for domestic and foreign operations. Separation, which were primarily non-deductible transaction costs. Our actual effective income tax rate for fiscal 2024 could be materially different from the forecasted rate as of November 30, 2023 February 29, 2024.

**Note N – Earnings per Share**

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

(In thousands, except per common share amounts)	Three Months Ended		Six Months Ended	
	November 30,		November 30,	
	2023	2022	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

(In thousands, except per common share amounts)	Three Months Ended		Nine Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Numerator (basic & diluted):				
Net earnings from continuing operations	\$ 22,000	\$ 29,751	\$ 66,763	\$ 75,625
Denominator:				
Denominator for basic EPS from continuing operations -				
Weighted average common shares	49,315	48,587	49,113	48,541
Effect of dilutive securities	1,102	906	1,158	815
Denominator for diluted EPS from continuing operations -				
Weighted average common shares	50,417	49,493	50,271	49,356
Basic EPS from continuing operations	\$ 0.45	\$ 0.61	\$ 1.36	\$ 1.56
Diluted EPS from continuing operations	\$ 0.44	\$ 0.60	\$ 1.33	\$ 1.53

Non-qualified stock options covering an aggregate of 5855 and 13894 common shares for the three months ended November 30, 2023 February 29, 2024 and November 30, 2022 February 28, 2023, respectively, and 4661 and 12789 common shares six for the nine months ended November 30, 2023 February 29, 2024 and November 30, 2022 February 28, 2023, respectively, have been excluded from the computation of diluted earnings per common share EPS 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 three operating segments: Steel Processing, Consumer Products, Building Products, and Sustainable Energy Solutions. As Solutions, none of the operating segments were which are aggregated for segment reporting purposes, they corresponded with purposes. In prior quarters, we also presented an additional operating segment, Steel Processing, which is no longer a reportable segment as a result of the reportable segments. Separation. The related segment disclosures herein have been updated accordingly, including recasting prior period information to reflect the Steel Processing business as discontinued operations.

#### Table of Contents

Segment information is prepared on the same basis that our chief operating decision maker ("CODM"), as defined in the accounting literature, CODM reviews financial information for operational decision-making purposes. We have identified our Chief Executive Officer as our CODM. 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 in connection with the Separation, our Chief Executive Officer as our CODM. Our CODM assesses began evaluating segment operating performance and allocates resources based on the profitability measure basis of adjusted EBIT. Adjusted EBIT excludes impairment and restructuring expense (income), but may also exclude other items, EBITDA, as previously described in the tables below, that "Use of Non-GAAP Financial Measures and Definitions" section preceding Part I, Item 1 of this Form 10-Q. At the operating segment level, adjusted EBITDA excludes public company and other governance-related costs. Effective December 1, 2023, we also realigned management believes are not reflective of responsibilities and thus should not be included when evaluating the performance internal reporting 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. (from Consumer Products). Previously reported results have been recast to reflect these changes.

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.

14

#### Table of Contents

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

(In thousands)	Three Months Ended November 30, 2023						Three Months Ended February 29, 2024				
	Sustainable						Unallocated				
	Steel Processing	Consumer Products	Building Products	Energy Solutions	Other	Consolidated	Consumer Products	Building Products	Energy Solutions	Corporate and Other	Consolidated (5)
Net sales	\$ 788,655	\$ 147,738	\$ 122,954	\$ 27,537	\$ 34	\$ 1,086,918	\$ 133,181	\$ 148,190	\$ 35,384	\$ -	\$ 316,755
Restructuring and other expense, net	-	-	-	-	6	6	-	84	-	614	698
Separation costs	-	-	-	-	21,952	21,952	-	-	-	2,999	2,999
Miscellaneous income (expense), net	306	12	235	557	(90)	1,020	12	154	328	(7,489)	(6,995)
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					
Equity Income							-	43,813	-	(578)	43,235
Adjusted EBITDA (1)							25,649	53,059	(2,667)	(9,170)	66,871
Three Months Ended February 28, 2023											
(In thousands)	Consumer						Unallocated				
	Products		Building Products		Energy Solutions		Corporate and		Other		
Net sales	\$ 130,684		\$ 183,839		\$ 31,792		\$ -		\$ 346,315		
Impairment of long-lived assets	-		484		-		-		-		484
Restructuring and other expense, net		206		617			-	-	-		823
Separation costs	-		-	-	-		-	-	2,305		2,305

Miscellaneous income (expense), net	(12)	122	(37)	144	217
Equity Income	-	37,836	-	(725)	37,111
Adjusted EBITDA <sup>(2)(4)</sup>	21,100	58,097	212	(9,193)	70,216
<b>Nine Months Ended February 29, 2024</b>					
<b>(In thousands)</b>				Unallocated	
	Consumer Products	Building Products	Sustainable Energy Solutions	Corporate and Other	Consolidated <sup>(5)</sup>
Net sales	\$ 369,923	\$ 465,421	\$ 91,558	\$ -	\$ 926,902
Restructuring and other expense, net	-	84	-	620	704
Separation costs	-	-	-	12,465	12,465
Miscellaneous income (expense), net	49	452	1,165	(7,649)	(5,983)
Loss on extinguishment of debt	-	-	-	(1,534)	(1,534)
Equity Income	-	124,032	-	3,296	127,328
Adjusted EBITDA <sup>(1)(2)(3)(4)</sup>	52,537	158,501	(6,434)	(16,775)	187,829

17

[Table of Contents](#)

					<b>Nine Months Ended February 29, 2023</b>
<b>(In thousands)</b>	Consumer Products	Building Products	Sustainable Energy Solutions	Corporate and Other	Consolidated <sup>(5)</sup>
Net sales	\$ 406,479	\$ 542,536	\$ 100,679	\$ -	\$ 1,049,694
Impairment of long-lived assets	-	484	-	-	484
Restructuring and other expense (income), net	206	617	-	(1,177)	(354)
Separation costs	-	-	-	3,572	3,572
Miscellaneous income (expense), net	(78)	405	19	(4,845)	(4,499)
Equity Income	-	116,809	-	(14,805)	102,004
Adjusted EBITDA <sup>(1)(2)(4)</sup>	67,846	157,458	2,932	(15,948)	212,288

(1) Excludes pre-tax charges of \$8,103 and \$4,774 from separate pension lift-out transactions completed in February 2024 and August 2022, respectively, to transfer the pension benefit obligation under The Gerstenslager Company Bargaining Unit Employees' Pension Plan to third-party insurance companies.

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

- Direct and incremental costs associated with the Separation as discussed Equity Income in "Note A – Basis of our consolidated statements of Present and earnings";
- Our For the nine months ended February 29, 2024, our share of the pre-tax gain realized by our engineered cabs joint venture, Workhorse, in connection with the sale of the joint venture's operations in Brazil, of which totaled \$2,780;

					<b>Three Months Ended November 30, 2022</b>
<b>(In thousands)</b>	Steel Processing	Consumer Products	Building Products	Sustainable Energy Solutions	Other
Net sales	\$ 841,947	\$ 153,795	\$ 141,671	\$ 38,128	\$ -
Restructuring and other income, net	(4,282)	-	-	-	-
Separation costs	-	-	-	-	9,246
Miscellaneous income (expense), net	850	(47)	76	142	384
Equity income	1,906	-	35,107	-	(156)
					\$ 1,175,541

Adjusted EBIT (2)	(17,249)	13,473	41,224	1,143	(3,291)	35,300
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(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 on a pre-tax basis.
- Noncontrolling interest portion For the nine months ended February 28, 2023, the loss realized in connection with the August 3, 2022, sale of impairment our then 50% noncontrolling equity investment in ArtiFlex, or \$16,059 on a pre-tax basis, including \$300 of long-lived assets transaction costs during the three months ended February 28, 2023.

(3) Excludes a pre-tax loss of \$1,850 1,534 within Steel Processing.

	Six Months Ended November 30, 2023						
	(in thousands)	Sustainable				Other	Consolidated
		Steel Processing	Consumer Products	Building Products	Energy Solutions		
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	

15

#### Table of Contents

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

- Direct and incremental costs associated connection with the Separation as discussed in "Note A – Basis of Presentation";
- The pre-tax loss on extinguishment of debt resulting from the July 28, 2023, early redemption of the 2026 Notes. The loss resulted primarily from unamortized issuance costs and discount included in the carrying amount of the 2026 Notes and the acceleration of the remaining unamortized loss in full, on July 28, 2023.
- Noncontrolling interest portion equity related to a treasury lock derivative instrument executed in connection with the issuance of impairment of long-lived assets of \$519 within Steel Processing. the 2026 Notes.

	Six Months Ended November 30, 2022						
	(in thousands)	Sustainable				Other	Consolidated
		Steel Processing	Consumer Products	Building Products	Energy Solutions		
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 Reflects reductions in certain corporate overhead costs that no longer exist post-Separation. These costs were included in continuing operations as represent general corporate overhead that was historically allocated to Worthington Steel but did not meet the following in addition requirements to impairment restructuring activity: be presented as discontinued operations.

(5) Direct A reconciliation of net earnings from continuing operations (the most comparable GAAP financial measure) to consolidated adjusted EBITDA is included in MD&A "Results of Operations" section of this Form 10-Q for the respective three 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; nine months ended February 29, 2024

and

- Noncontrolling interest portion of the restructuring gain within Steel processing of \$1,734 within Steel Processing, February 28, 2023.

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

(In thousands)	November 30, 2023	May 31, 2023	February 29, 2024	May 31, 2023
	2023	2023	2024	2023
<b>Total assets</b>				
Steel Processing	\$ 1,834,226	\$ 1,758,981		
Consumer Products	622,304	615,430	\$ 566,715	\$ 544,911
Building Products	611,771	635,650	678,699	706,169
Sustainable Energy Solutions	103,448	129,872	144,543	129,872
Other	412,388	510,985		
<b>Total assets</b>	<b>\$ 3,584,137</b>	<b>\$ 3,650,918</b>		
Unallocated Corporate and Other			314,732	509,170
<b>Total assets of continuing operations</b>			<b>\$ 1,704,689</b>	<b>\$ 1,890,122</b>

18

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## [Table of Contents](#)

### **Note P – Acquisitions**

#### **Tempel Steel Europe GmbH Halo**

On November 16, 2023 February 1, 2024, the Company we acquired Voestalpine Automotive Components Nagold GmbH & Co. KG, an 80% controlling interest in a facility in Nagold, Germany newly formed joint venture with HPG for net total cash consideration of \$21,013 9,386, of which \$679 related to a customer overpayment and was held back at closing. The remaining 20% noncontrolling interest was retained by HPG. Halo is an asset-light business with technology-enabled solutions in the assumption outdoor cooking space with products that include Halo™ branded pizza ovens, pellet grills, griddles and other accessories. Halo is being operated as part of a \$929 pension liability. The the Consumer Products operating segment and its operating results have been included in our consolidated statement of earnings since the date of acquisition. Pro forma results, including the acquired 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 since the beginning of \$12,282 of property, plant and equipment and \$9,069 of net working capital, with fiscal 2023, would not be materially different than the residual recognized as goodwill, reported results.

The information included herein has been prepared is 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 us, including but not limited to, the Company, fair value accounting.

16

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## [Table of Contents](#)

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. 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 (i.e., investment value) specific to us, which resulted in a purchase price in excess of the fair value of the identifiable net assets. The This additional investment value resulted in goodwill resulting from the acquisition equaled approximately \$591 and which will be deductible by us for income tax purposes.

The assets acquired and liabilities assumed were recognized at their estimated acquisition-date fair values, with goodwill representing the excess of operations have been included in our combined statements the purchase price over the fair value of earnings since the date net identifiable assets acquired. In connection with the acquisition of acquisition. Proforma results, including Halo, we identified and valued the acquired business since the beginning of fiscal 2023, would not be materially different from the reported results following intangible assets:

Category	Amount (In thousands)	Useful Life (Years)
Trade name	\$ 3,500	10
Product design/Know-how	800	8
Customer relationships	200	8
Total acquired identifiable intangible assets	\$ 4,500	

The following table summarizes the consideration transferred and the estimated fair value assigned to the assets acquired and liabilities assumed at the acquisition date. These amounts reflect various preliminary fair value estimates and assumptions, including preliminary work performed by a third-party valuation specialist, and are subject to change within the measurement period as the valuation is finalized. The primary areas of preliminary purchase price allocation subject to change relate to the valuation of acquired tangible assets and liabilities, identification and valuation of residual goodwill and tax effects of acquired assets and assumed liabilities.

	(In thousands)	Preliminary Valuation
Accounts receivable		\$ 88
Inventories		5,511
Property, plant and equipment		1,732
Intangible assets		4,500
Total identifiable assets		11,831
Accounts payable		(7,293)
Other accrued items		(1,099)
Net identifiable assets		3,439
Goodwill		8,294
Net assets		11,733
Noncontrolling interest		(2,347)
Total cash consideration		\$ 9,386

## Table of Contents

### 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 February 29, 2024, no amounts were accrued as compensation expense for anticipated payments under the second earnout period ending December 31, 2023 or the third earnout period ending December 31, 2024.

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:

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

17

#### [Table of Contents](#)

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		Final Valuation
		Period Adjustments		
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

20

#### [Table of Contents](#)

#### 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, aluminum 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.

18

## Table of Contents

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 February 29, 2024 and May 31, 2023:

Subtotals	\$ 12,545	\$ 3,743
<b>Derivatives not designated as hedging instruments:</b>		
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
Foreign currency exchange contracts	Receivables	Accounts payable
Subtotal		\$ 308 \$ 294
Total derivative financial instruments	\$ 15,021	\$ 6,391
	\$ 1,398	\$ 314
	\$ 563	\$ 5,948

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<sup>an</sup> increase in receivables with a corresponding increase in accounts payable. <sup>payable of \$</sup> <sup>\$</sup> 174 and \$272 at February 29, 2024 and May 31, 2023, respectively.

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.<sup>21</sup>

(In thousands)	Asset Derivatives		Liability Derivatives	
	Balance		Balance	
	Sheet Location	Fair Value	Sheet Location	Fair Value
<b>Derivatives designated as hedging instruments:</b>				
Commodity contracts	Receivables	\$ 20	Accounts payable	\$ 6,749
	Other assets	51	Other liabilities	379
		71		7,128
Foreign currency exchange contracts	Receivables	-	Accounts payable	33
		-		33
Subtotals		\$ 71		\$ 7,161
<b>Derivatives not designated as hedging instruments:</b>				
Commodity contracts	Receivables	\$ 2,539	Accounts payable	\$ 8,604
	Other assets	-	Other liabilities	35
Subtotals		2,539		8,639
Total derivative financial instruments		\$ 2,610		\$ 15,800

[Table of Contents](#)

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 February 29, 2024:

(In thousands)	Notional		Notional		Maturity Date(s)
	Amount	Maturity Date	Amount	Maturity Date(s)	
Commodity contracts	\$ 62,825	December 2023 - June 2025	\$ 9,113		March 2024 - 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)	Location of Gain (Loss)		Gain (Loss)		Gain (Loss) Reclassified from AOCI into Net Earnings	
	Gain (Loss) Reclassified from AOCI	Reclassified from AOCI	from AOCI	into Net Earnings		
For the three months ended November 30, 2023:						
For the three months ended February 29, 2024:						
Commodity contracts	\$ 1,944		Cost of goods sold		\$ 1,328	
Interest rate contracts	-		Interest expense, net		52	
Total	<u><u>\$ 1,944</u></u>				<u><u>\$ 1,380</u></u>	
For the three months ended February 28, 2023:						
Commodity contracts	\$ 7,093		Cost of goods sold		\$ (4,858)	
Interest rate contracts	-		Interest expense		(7)	
Foreign currency exchange contracts	66		Miscellaneous income, net		67	
Total	<u><u>\$ 7,159</u></u>				<u><u>\$ (4,798)</u></u>	

For the three months ended November 30, 2022:

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

For the six months ended November 30, 2023:

For the nine months ended February 29,

2024:

For the nine months ended February 29, 2024:

Commodity contracts	Cost of goods sold	\$ 12,958	\$ 4,970	\$ 3,553	Cost of goods sold	\$ (921)
Interest rate contracts	Loss on extinguishment of debt	-	(641)	-	Loss on extinguishment of debt	(642)
Interest rate contracts	Interest expense, net	-	84	-	Interest expense	136
Foreign currency exchange contracts	Net sales/Cost of goods sold	(11)	(44)	(11)	Cost of goods sold	(44)
Total		<u>\$ 12,947</u>	<u>\$ 4,369</u>	<u>\$ 3,542</u>		<u>\$ (1,471)</u>

For the six months ended November 30, 2022:

For the nine months ended February 28,

2023:

For the nine months ended February 28, 2023:

Commodity contracts	Cost of goods sold	\$ (36,099)	\$ (13,192)	\$ (7,770)	Cost of goods sold	\$ (10,925)
Interest rate contracts	Interest expense	-	(13)	-	Interest expense	(20)
Foreign currency exchange contracts	Net sales/Cost of goods sold	58	(74)	124	Miscellaneous income, net	(7)
Total		<u>\$ (36,041)</u>	<u>\$ (13,279)</u>	<u>\$ (7,646)</u>		<u>\$ (10,952)</u>

The estimated net amount of the **gains/losses** recognized in AOCI at **November 30, 2023** **February 29, 2024** expected to be reclassified into net earnings within the succeeding twelve months is **\$7,678,903** (net of tax of **\$1,703,232**). This amount was computed using the fair value of the cash flow hedges at **November 30, 2023** **February 29, 2024**, and will change before actual reclassification from OCI to net earnings during the fiscal years ending May 31, 2024 and May 31, 2025.

2022

[Table of Contents](#)

**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** **February 29, 2024**:

(In thousands)	Notional		Notional	Maturity Date(s)
	Amount	Maturity Date(s)		
Commodity contracts	\$ 15,509	September 2023 - December 2024	\$ 1,648	March 2024 - December 2024
Foreign currency exchange contracts			\$ 7,034	March 2024

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

(In thousands)	Gain (Loss) Recognized				Gain Recognized in Earnings for the Three Months Ended	
	Location of Gain (Loss)	in Earnings for the			February 29, 2024	February 28, 2023
		Three Months Ended November 30,		2023	2022	
Location of Gain (Loss)	Recognized in Earnings	2023	2022	Location of Gain (Loss)	Recognized in Earnings	2023
Commodity contracts	Cost of goods sold	\$ 1,459	\$ 3,861	Cost of goods sold	\$ 311	\$ 2,613
Foreign currency exchange contracts	Miscellaneous income, net	-	(47)	Miscellaneous income, net	(82)	79
Total		\$ 1,459	\$ 3,814		\$ 229	\$ 2,692

(In thousands)	Gain (Loss) Recognized				Gain (Loss) Recognized in Earnings for the Nine Months Ended	
	Location of Gain (Loss)	in Earnings for the			February 29, 2024	February 28, 2023
		Six Months Ended November 30,		2023	2022	
Location of Gain (Loss)	Recognized in Earnings	2023	2022	Location of Gain (Loss)	Recognized in Earnings	2023
Commodity contracts	Cost of goods sold	\$ 395	\$ 2,284	Cost of goods sold	\$ (832)	\$ 4,841
Foreign currency exchange contracts	Miscellaneous income, net	-	(141)	Miscellaneous income, net	(3)	32
Total		\$ 395	\$ 2,143		\$ (835)	\$ 4,873

**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.

21.23

## [Table of Contents](#)

### **Recurring Fair Value Measurements**

At **November 30, 2023** **February 29, 2024**, our assets and liabilities measured at fair value on a recurring basis were as follows:

	(In thousands)	Significant			Totals
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Assets</b>					
Derivative financial instruments (1)		\$ -	\$ 15,021	\$ -	\$ 15,021
Total assets		<u><u>\$ -</u></u>	<u><u>\$ 15,021</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,021</u></u>
<b>Liabilities</b>					
Derivative financial instruments (1)		\$ -	\$ 6,391	\$ -	\$ 6,391
Total liabilities		<u><u>\$ -</u></u>	<u><u>\$ 6,391</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,391</u></u>
	(In thousands)	Significant			Total
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Assets (1)</b>					
Derivative financial instruments		\$ -	\$ 1,398	\$ -	\$ 1,398
Total assets		<u><u>\$ -</u></u>	<u><u>\$ 1,398</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,398</u></u>
<b>Liabilities (1)</b>					
Derivative financial instruments		\$ -	\$ 563	\$ -	\$ 563
Total liabilities		<u><u>\$ -</u></u>	<u><u>\$ 563</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 563</u></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 performance risk, and using discount rates appropriate for the respective maturities. Market observable, Level 2 inputs are used to determine the present value of 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:

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

(In thousands)	Significant				Total	
	Quoted Prices		Other	Significant		
	in Active Markets	Observable Inputs	Unobservable Inputs			
	(Level 1)	(Level 2)	(Level 3)			
<b>Assets (1)</b>						
Derivative financial instruments	\$ -	\$ 314	\$ -	\$ 314	\$ 314	
Total assets	<u><u>\$ -</u></u>	<u><u>\$ 314</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 314</u></u>	<u><u>\$ 314</u></u>	
<b>Liabilities (1)</b>						
Derivative financial instruments	\$ -	\$ 5,948	\$ -	\$ 5,948	\$ 5,948	
Total liabilities	<u><u>\$ -</u></u>	<u><u>\$ 5,948</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,948</u></u>	<u><u>\$ 5,948</u></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 performance risk, and using discount rates appropriate for the respective maturities. Market observable, Level 2 inputs are used to determine the present value of expected future cash flows. Refer to "Note Q – Derivative Financial Instruments and Hedging Activities" for additional information regarding our use of derivative financial instruments.

22

[Table of Contents](#)

**Non-Recurring Fair Value Measurements**

At November 30, 2023 February 29, 2024, 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:

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

24

#### [Table of Contents](#)

(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 \$391,947 227,908 and \$639,948 at November 30, 2023 February 29, 2024 and May 31, 2023, respectively. The carrying amount of long-term debt, including current maturities, was \$448,818 297,962 and \$689,982 at November 30, 2023 February 29, 2024 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. <sup>25</sup>

23

#### [Table of Contents](#)

#### **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" MD&A 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" MD&A 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** **have been** 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** **Estimates**.

## Separation of the Steel Processing Business

On December 1, 2023, we completed the previously announced 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, segment into a separate public company in a transaction intended to qualify as tax free to our shareholders, which is comprised of was accomplished via 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 Record Date. Worthington Steel is an independent public company trading under the symbol "WS" 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, NYSE. Following the completion of the Separation, Worthington Industries, Inc. changed its name to Worthington Enterprises, Inc. Worthington Enterprises' and its 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." "WOR." Worthington Enterprises is comprised of the Building Products, Consumer Products and Sustainable Energy Solutions businesses. In connection with the Separation, we received a one-time cash dividend of \$150.0 million from Worthington Steel to finalize each company's respective capital structure. The dividend was funded by cash drawn on Worthington Steel Credit Facility of \$175.0 million immediately prior to the Distribution.

24

26

## Table of Contents

### 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 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 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 proceeds received from Worthington Steel in connection with the Separation to pay off in full the Notes. The payoff amount consisted of \$150.0 million in principal plus accrued interest of \$0.5 million. See "Note S1 – Subsequent Events" Debt and Receivables Securitization" for additional information.
- On February 1, 2024, we acquired an 80% ownership stake in Halo, an asset-light business with technology-enabled solutions in the outdoor cooking space. The purchase price was approximately \$9.4 million. Refer to "Note P – Acquisitions" for additional information.

#### Trends and Factors Impacting our Performance

##### **The industries End Markets and Competition**

We sell our products and services to a diverse customer base and a broad range of end markets. These end markets include residential construction, nonresidential construction, and repair and remodel, which drives demand in our Building Products operating segment, including WAVE and ClarkDietrich, our unconsolidated joint ventures; general consumer and outdoor recreation, which we participate in, are fragmented and drives demand in our Consumer Products operating segment; and highly competitive, renewable energy, which drives demand in our Sustainable Energy Solutions operating segment. 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. Sales to one customer within Consumer Products represented 12.4% of consolidated net sales during the third quarter of fiscal 2024.

##### **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

25

##### **Table of Contents**

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. &A.

We use also closely monitor other publicly available macroeconomic trends that provide insight into the following information to monitor our costs and demand activity in our major end markets:

	Three Months Ended			Six Months Ended		
	November 30,			November 30,		
	2023	2022 (1)	Inc/ (Dec)	2023	2022 (1)	Inc/ (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 markets, including, but not limited to the United Auto Workers Strike while overall North American vehicle production was up 5%. ABI, the Dodge Momentum Index, the HMI, steel prices, retail sales, state and local government spending, interest rate environment and inflation metrics. Current macro-economic trends within our end markets are described in additional detail below.

**Sales for most of our products are generally strongest Residential Construction:** The residential construction sector has demonstrated positive year-over-year growth, with an overall increase 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 spending since its relative low in the spring of 2023. New housing starts and construction industry, as well as customer plant shutdowns due to housing permits issued have also increased during the current year period. The HMI for February 2024 was up for the fourth consecutive month and was at its highest level since August 2023, suggesting improving builder sentiment. Fixed mortgage rates remain too high for many buyers to enter the market; however, data gathered from the Federal Reserve Economic Database, shows a recent decline in the automotive industry. We do not believe backlog is a significant indicator of our business, 30-year fixed rate mortgage from 7.22% at November 30, 2023 to 6.94% at February 29, 2024, which may allow more buyers to enter the market.

**Impact of Raw Material Prices Non-residential Construction:** Non-residential construction spending has shown consistent year-over-year growth. However, the near-term outlook appears to be mixed due to a rise in on-hold projects and delayed bids. Commercial real estate remains generally weak, with notable softness for office buildings, partially offset by strong demand for data centers and manufacturing facilities. The ABI continued to decline in February 2024. However, the decline was the most modest easing in billings since July 2023, suggesting that the recent slowdown may be receding.

**Our principal raw material Repair and Remodel:** Spending on home improvement 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 expected 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 a near term, as existing home sales are at multi-decade lows; however, the long-term outlook remains strong due to the aging housing stock, higher interest rates, and tightening of lending policies.

#### production cuts

**General Consumer:** Consumer income and debt-to-income ratios are gradually returning to pre-pandemic levels and inflation has moderated recently. However, consumer spending on discretionary items is expected to continue to be under pressure as a higher proportion of income is spent on essential purchases and mortgage payments.

**Outdoor:** Participation in outdoor recreation is beginning to normalize to pre-pandemic levels as new U.S. camping households, a measure of first time campers, has steadily declined from a high in 2020. The long-term fundamentals in the outdoor category remain strong as outdoor recreation and camping participation continue to grow despite broader economic headwinds.

**Renewable Energy:** The impact of unprecedented investment in renewable infrastructure will likely become more apparent over the next several years as many jurisdictions around the world have mandated clean energy standards and policies. While regulation could lay the foundation for strong long-term fundamentals, the near-term outlook is mixed, especially in Europe as economies continue to be challenged by the conflict in Ukraine.

#### Seasonality

Historically, sales tend to be stronger in the third and fourth quarters of our fiscal year for our Consumer Products operating segment when our facilities perform at major steel mills and the replenishing of inventories seasonal peaks, matching consumer demand. Sales in major end markets, then decreased again our Building Products operating segment are generally stronger in the first and second fourth quarters of our fiscal 2024. The decline in steel prices in year due to weather conditions, customer business cycles, and the timing of renovation and new construction projects. Sustainable Energy sales are typically at greater levels during our fiscal 2024 resulted in estimated inventory holding losses of \$19.3 million during the six months ended November 30, 2023, fourth quarter due to customer business cycles.

The following table presents Furthermore, post-pandemic market dynamics, including the average quarterly market price per ton impact of hot-rolled steel during fiscal 2024 (first pent-up demand as COVID restrictions were eased, resulted in higher-than-normal inventory levels at some of our larger retail and second quarter), fiscal 2023 and fiscal 2022:

(Dollars per ton) <sup>(1)</sup>	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, wholesale customers, which has temporarily impacted demand for some of 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 products in the price form 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. destocking.

#### Results of Operations

##### Second Third Quarter – Fiscal 2024 Compared to Fiscal 2023

The following discussion provides a review of results for the three months ended November 30, 2023 February 29, 2024 and November 30, 2022 February 28, 2023:

(In millions, except per common share amounts)	Three Months Ended		
	November 30,		
	2023	2022	Increase/(Decrease)
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

(In millions, except per common share amounts)	Three Months Ended		
	February, 29 2024	February 28, 2023	Increase/ (Decrease)
	\$ 316.8	\$ 346.3	\$ (29.5)
Net sales			
Operating income		4.3	4.0
Equity Income		43.2	37.1
Net earnings from continuing operations	22.0	29.8	(7.8)
EPS from continuing operations - diluted	\$ 0.44	\$ 0.60	\$ (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					Three Months Ended					
	November 30,		Increase/		February 29,			February 28,		Increase/	
	2023	% of Net sales	2022	% of Net sales	(Decrease)	2024	2023	(Decrease)	2024	2023	(Decrease)
Steel Processing	\$ 788.7	72.6 %	\$ 841.9	71.6 %	\$ (53.2)						
Consumer Products	147.7	13.6 %	153.8	13.1 %	(6.1)	\$ 133.2	\$ 130.7	\$ 2.5			1.9 %
Building Products	123.0	11.3 %	141.7	12.1 %	(18.7)	148.2	183.8	(35.6)			(19.4 %)
Sustainable Energy											
Solutions	27.5	2.5 %	38.1	3.2 %	(10.6)	35.4	31.8	3.6			11.3 %
<b>Consolidated</b>											
<b>Net Sales</b>	<b>\$ 1,086.9</b>	<b>100.0 %</b>	<b>\$ 1,175.5</b>	<b>100.0 %</b>	<b>\$ (88.6)</b>	<b>\$ 316.8</b>	<b>\$ 346.3</b>	<b>\$ (29.5)</b>			<b>(8.5 %)</b>

27 28

#### Table of Contents

The following table provides volume (in units) by operating segment for the periods presented:

(In millions)	Three Months Ended			Three Months Ended		
	November 30,		Increase/		February 29,	
	2023	2022	(Decrease)	2024	2023	(Decrease)
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)			

  

(In millions)	Three Months Ended			Three Months Ended		
	February 29,		February 28,		Increase/	
	2024	2023	(Decrease)	2024	2023	(Decrease)
Steel Processing (Tons)						
Consumer Products (Units)						
Building Products (Units)						
Sustainable Energy Solutions (Units)						

Consumer Products	19,009,883	18,154,053	855,830
Building Products	3,422,475	3,498,992	(76,517)
Sustainable Energy Solutions	142,878	122,139	20,739

- 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 \$133.2 million in the second third quarter of fiscal 2024, down 4% up \$2.5 million, or \$6.1 million compared to 1.9% over the second third quarter of fiscal 2023 on the combined impact of higher volume, partially offset by lower average selling prices and an unfavorable shift in product mix. prices.
- Building Products – Net sales totaled \$123.0 million \$148.2 million in the second third quarter of fiscal 2024, down 13% \$35.6 million, or \$18.7 million 19.4%, from the second third quarter of fiscal 2023, driven primarily by lower average selling prices and due to an unfavorable shift in product mix.
- Sustainable Energy Solutions – Net sales totaled \$27.5 million \$35.4 million in the second third quarter of fiscal 2024, down 28% up \$3.6 million, or \$10.6 million 11.3%, over the third quarter of fiscal 2023, due to higher volume.

#### Gross profit

(In millions)	Three Months Ended				
	February 29,		% of Net sales	February 28,	
	2024	2023		2023	Net sales
Gross profit	\$ 73.1	23.1%	\$ 79.0	22.8%	\$ (5.9)

Gross profit was \$73.1 million for the third quarter of fiscal 2024, a decrease of \$5.9 million compared to the prior year third quarter of fiscal 2023, due to lower contributions at Building Products, down \$10.2 million on the combined impact of unfavorable mix and slightly lower volumes, and an unfavorable shift in product mix. Sustainable Energy Solutions, down \$3.3 million on higher fixed cost absorption, partially offset by improvements within Consumer Products, up \$5.4 million on volume.

#### Gross margin

(In millions)	Three Months Ended				
	November 30,		% of Net sales	November 30,	
	2023	2022		2022	Net sales
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 SG&A

(In millions)	Three Months Ended			Three Months Ended					
	November 30,			February 29,					
	% of Net sales	% of Net sales	Increase/ (Decrease)	(In millions)	2024	% of Net sales	2023	% of Net sales	Increase/ (Decrease)
Selling, general and administrative expense	\$ 107.7	9.9%	\$ 107.8	9.2%	\$ (0.1)				
SG&A				\$ 65.1	20.5%	\$ 71.4	20.6%	\$ (6.3)	

- SG&A expense was \$65.1 million for the third quarter of \$107.7 million was relatively flat compared to fiscal 2024, down \$6.3 million, or 8.8%, from the third quarter of 2023, driven primarily by the impact of \$10.4 million of corporate costs in the prior year quarter that were eliminated at Separation, partially offset by healthcare and other benefit-related costs on a per employee basis.

#### Other operating items

	Three Months Ended				
	November 30,				
Increase/					

(In millions)	2023	2022	(Decrease)
Restructuring and other income, net	-	4.3	(4.3)
Separation costs	21.9	9.2	12.7

28

#### [Table of Contents](#)

(In millions)	Three Months Ended		
	February 29, 2024	February 28, 2023	Increase/ (Decrease)
Impairment of long-lived assets	\$ -	\$ 0.5	\$ (0.5)
Restructuring and other expense, net	0.7	0.8	(0.1)
Separation costs	\$ 3.0	\$ 2.3	\$ 0.7

- The net gain within restructuring impairment of long-lived assets in the prior year third quarter of fiscal 2023 was driven due to changes in the intended use of certain assets at our Building Products facility in Jefferson, Ohio. Refer to "Note E – Impairment of Long-Lived Assets" for additional information.
- Restructuring activity during the third quarter of fiscal 2024 was the result of severance costs within Unallocated Corporate and Other. Restructuring activity during the quarter of fiscal 2023 related primarily by the sale of the remaining to a reduction in workforce at our Columbus, Ohio manufacturing facility of WSP, our former joint venture, and organizational realignment within Building Products.
- Separation costs reflect direct and incremental costs incurred in connection with the Separation as discussed in "Note A – Basis of Presentation."

29

#### [Table of Contents](#)

#### **Miscellaneous expense (income), net**

(In millions)	Three Months Ended		
	February, 29		
	2024	2023	Increase/ (Decrease)
Miscellaneous expense (income), net	\$ 7.0	\$ (0.2)	\$ 7.2

Miscellaneous expense, net was \$7.0 million in the third quarter of fiscal 2024, unfavorable \$7.2 million to the third quarter of fiscal 2023, primarily due to an \$8.1 million pension settlement charge to annuitize, in full, the remaining projected benefit obligation of The Gerstenslager Company Bargaining Unit Employees' Pension Plan to party insurance companies.

#### **Interest expense, net**

(In millions)	Three Months Ended		
	November 30,		
	2023	2022	Increase/ (Decrease)
Interest expense, net	\$ 2.2	\$ 7.6	\$ (5.4)

  

(In millions)	Three Months Ended		
	February 29,		
	2024	2023	Increase/ (Decrease)
Interest expense, net	\$ 0.1	\$ 4.2	\$ (4.1)

- Interest expense, net of \$2.2 million was nominal in the second third quarter of fiscal 2024 was favorable compared to \$4.2 million in the second third quarter of fiscal by \$5.4 million due to lower average debt levels driven by the July 28, 2023, redemption of the 2026 Notes and higher interest income, and, to a lesser extent, average long-term debt levels due to the July 28, 2023 redemption of our 2026 Notes, up \$1.3 million. Refer to "Note I – Debt and Receivables Securitization" for additional information.

#### **Equity income**

	Three Months Ended	
	November 30,	Three Months Ended

(In millions)				Increase/ (Decrease)	February 29, 2024	February 28, 2023	Increase/ (Decrease)
	2023	2022	(Decrease)				
WAVE	\$ 21.4	\$ 19.0	\$ 2.4	\$ 26.0	\$ 18.9	\$ 7.1	
ClarkDietrich	13.7	16.1	(2.4)	17.8	18.9		(1.1)
Serviacero Worthington	3.8	1.9	1.9				
ArtiFlex				-	(0.3)		0.3
Workhorse	3.5	(0.2)	3.7	(0.6)	(0.4)		(0.2)
<b>Total Equity Income</b>	<b>\$ 42.4</b>	<b>\$ 36.8</b>	<b>\$ 5.6</b>	<b>\$ 43.2</b>	<b>\$ 37.1</b>	<b>\$ 6.1</b>	

- Equity income increased \$5.6 million over the prior year third quarter of fiscal 2023, primarily due to \$42.4 million, due in part to a \$2.8 million 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 quarter, as slightly higher contributions from both WAVE and Serviacero were partially offset by lower contributions from ClarkDietrich. margin improvement.

#### Income Taxes

(In millions)	Three Months Ended						Three Months Ended					
	November 30,			February 29, 2024			February 28, 2023			Estimated		
	Effective 2023	Tax Rate 2023	Effective 2022	Tax Rate 2022	Increase/ (Decrease)		Effective 2024	Tax Rate 2024	Effective 2023	Tax Rate 2023	Increase/ (Decrease)	
Income tax expense	\$ 7.2	23.4%	\$ 4.1	23.7%	\$ 3.1		\$ 18.5	30.8%	\$ 7.4	22.6%	\$ 11.1	

- Income tax expense was \$7.2 million in the second quarter of fiscal 2024 compared to \$4.1 million income tax expense of \$7.4 million in the second quarter of fiscal 2023. The increase was primarily driven by higher pre-tax earnings as our \$9.2 million of one-time discrete tax charges related to the Separation. Income tax expense in the third quarter of fiscal 2024 reflected an estimated annual effective rate of 30.8% up from 22.6% in the third quarter of fiscal 2023 primarily due to the effect of current quarter discrete tax rate was relatively unchanged from the prior year quarter. For additional information regarding our income taxes, refer to "Note 11. Income Taxes." items.

29 30

#### Table of Contents

#### Adjusted EBIT EBITDA

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 from continuing operations (the most comparable GAAP financial measure) to the non-GAAP financial measure of adjusted EBIT EBITDA for the periods presented. For additional information regarding our use of non-GAAP financial measures, refer to the "Use of Non-GAAP Financial Measures and Definitions" section preceding Part I, Item 1 of this Form 10-Q.

Three Months Ended	
November 30,	

	(In millions)	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 <sup>(1)</sup>	-	0.5	
Restructuring and other income, net <sup>(2)</sup>	-	(2.3)	
Separation costs <sup>(3)</sup>	21.9	9.2	
Gain on sale of assets in equity income <sup>(4)</sup>	(2.8)	-	
Adjusted EBIT	<u>\$ 52.8</u>	<u>\$ 35.3</u>	

	Three Months Ended		
	February 29,		February 28,
	2024	2023	
<b>Net earnings from continuing operations (GAAP)</b>	<b>\$ 22.0</b>	<b>\$ 29.8</b>	
Interest expense, net	0.1	4.2	
Income tax expense	18.5	7.4	
EBIT (subtotal)	40.6	41.4	
Impairment of long-lived assets	-	0.5	
Restructuring and other income, net	0.7	0.8	
Separation costs	3.0	2.3	
True-up of Level5 earnout accrual <sup>(1)</sup>	-	(1.1)	
Pension settlement charge <sup>(2)</sup>	8.1		
Loss on investment in ArtiFlex <sup>(3)</sup>	-	0.3	
Corporate costs eliminated at Separation <sup>(4)</sup>	-	10.3	
Adjusted EBIT (subtotal)	52.4	54.5	
Depreciation and amortization	11.9	11.9	
Stock-based compensation	2.6	3.8	
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$ 66.9</b>	<b>\$ 70.2</b>	

(1) Reflects incremental a pre-tax benefit of \$1.0 million within SG&A expense to reverse the compensation expense attributable to accrued during the first six months of 2023 for anticipated payout under the first annual earnout opportunity associated with the Level5 earnout acquisition.

(2) Restructuring activities consist Reflects a pre-tax charge of established programs that are not part \$8.1 million from a pension lift-out transaction to transfer, in full, remaining projected benefit obligation of our ongoing operations, such as divestitures, closing or consolidating facilities, employee severance (including rational headcount or other significant changes in personnel), and realignment of existing operations (including changes The Gerstenslager Company Bargaining Unit Employee Pension Plan 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, third-party insurance companies.

(3) Reflects direct and incremental On August 3, 2022, we sold our 50% noncontrolling equity investment in ArtiFlex, resulting in a pre-tax loss of \$16.1 million in EBITDA. Income related to the sale, including a loss of \$0.3 million for the settlement of final transaction costs incurred in connection with related to 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 sale during the separation of shared corporate functions, three months ended February 28, 2023.

(4) Reflects a \$2.8 million gain associated with reductions in certain indirect and/or shared corporate overhead costs that were eliminated at Separation. These costs were included in continuing operations as they represent general corporate overhead that was historically allocated to Worthington Steel but did not meet the divestiture of Brazilian operations of Workhorse requirements to be presented as discontinued operations.

The following table provides a summary of adjusted EBITDA by reportable segment, along with the respective percentage of consolidated net sales of each, for the periods presented.

(In millions)	Three Months Ended November 30,					
	% of Adjusted EBIT		% of Adjusted EBIT		Increase/ (Decrease)	
	2023	2022	2023	2022	(Decrease)	
Steel Processing	\$ 6.8	12.9 %	\$ (17.2)	(48.7 %)	\$ 24.0	
Consumer Products	9.5	18.0 %	13.5	38.2 %	(4.0)	
Building Products	40.3	76.3 %	41.2	116.7 %	(0.9)	
Sustainable Energy Solutions	(2.6)	(5.0 %)	1.1	3.1 %	(3.7)	
Other	(1.2)	(2.2 %)	(3.3)	(9.3 %)	2.1	
<b>Total Adjusted EBIT</b>	<b>\$ 52.8</b>	<b>100.0 %</b>	<b>\$ 35.3</b>	<b>100.0 %</b>	<b>\$ 17.5</b>	

- 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 Serviacerco.

30

#### [Table of Contents](#)

(In millions)	Three Months Ended					
	February 29, 2024		February 28, 2023		Increase/ (Decrease)	
	Net sales	% of Net sales	Net sales	% of Net sales	(Decrease)	
Consumer Products	\$ 25.6	8.1 %	\$ 21.1	6.1 %	\$ 4.5	
Building Products	53.1	16.8 %	58.1	16.8 %	(5.0)	
Sustainable Energy Solutions	(2.7)	(0.9 %)	0.2	0.1 %	(2.9)	
Unallocated Corporate and Other	(9.1)	(2.9 %)	(9.2)	(2.7 %)	0.1	
<b>Total Adjusted EBITDA</b>	<b>\$ 66.9</b>	<b>21.1 %</b>	<b>\$ 70.2</b>	<b>20.3 %</b>	<b>\$ (3.3)</b>	

- Consumer Products – Adjusted EBITDA was \$9.5 million \$25.6 million in the second third quarter of fiscal 2024, down \$4.0 million compared to an increase of \$4.5 million over the second third quarter of fiscal 2023, driven primarily by a \$3.1 million reserve related to the voluntary recall higher volumes, partially offset by slightly higher SG&A before corporate allocations.

31

#### [Table of our Balloon Time® Mini helium tank and to a lesser extent unfavorable manufacturing expense. \[Contents\]\(#\)](#)

- Building Products – Adjusted EBIT was \$40.3 million in EBITDA decreased \$5.0 million from the second quarter of fiscal 2024, a decrease of \$0.9 million compared to the second third quarter of fiscal 2023 driven primarily by lower volume at our wholly-owned businesses, from \$58.1 million to \$53.1 million, as unfavorable mix compressed gross profit. Higher contributions of Equity income was essentially flat in the quarter, as higher contributions from WAVE were almost equally offset Income, driven by a modest decline \$7.1 million increase at ClarkDietrich. WAVE, partially offset the impact of lower gross profit.
- Sustainable Energy Solutions – Adjusted EBIT EBITDA was unfavorable \$3.7 million to the prior year quarter resulting in an overall loss of \$2.6 million \$2.7 million in the second third quarter of fiscal 2024, on lower net sales. unfavorable \$2.9 million to the third quarter of fiscal 2023, as volumes remained too low to absorb the fixed costs in the business.

#### [Six Nine Months Year-to-Date – Fiscal 2024 compared to Fiscal 2023](#)

The following discussion provides a review of results for the six nine months ended November 30, 2023 February 29, 2024 and November 30, 2022 February 28, 2023.

(In millions, except per common share amounts)	Six Months Ended November 30,			
	2023		2022	
	2023	2022	(Decrease)	

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

(In millions, except per common share amounts)	Nine Months Ended		
	February 29, 2024	February 28, 2023	Increase/ (Decrease)
Net sales	\$ 926.9	\$ 1,049.7	\$ (122.8)
Operating income (loss)	(17.4)	14.5	(31.9)
Equity Income	127.3	102.0	25.3
Net earnings from continuing operations	66.8	75.6	(8.8)
EPS from continuing operations - diluted	\$ 1.33	\$ 1.53	\$ (0.20)

#### 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						Nine Months Ended				
	November 30,			Increase/		February 29,		February 28,		Increase/	
	2023	% of Net sales	2022	% of Net sales	(Decrease)	2024	2023	(Decrease)	2024	2023	% Inc/(Dec)
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)	\$ 369.9	\$ 406.5	\$ (36.6)			(9.0%)
Building Products	256.8	11.3%	292.0	11.3%	(35.2)	465.4	542.5	(77.1)			(14.2%)
Sustainable Energy											
Solutions	56.2	2.5%	68.9	2.6%	(12.7)	91.6	100.7	(9.1)			(9.0%)
<b>Consolidated</b>											
<b>Net Sales</b>	<b>\$ 2,280.2</b>	<b>100.0%</b>	<b>\$ 2,584.2</b>	<b>100.0%</b>	<b>\$ (304.0)</b>	<b>\$ 926.9</b>	<b>\$ 1,049.7</b>	<b>\$ (122.8)</b>			<b>(11.7%)</b>

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

	Six Months Ended					
	November 30,			Increase/		
	2023	2023	(Decrease)	2024	2023	(Decrease)
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

	Nine Months Ended					
	February 29,			Increase/		
	2024	2023	(Decrease)	2024	2023	(Decrease)
Consumer Products	50,972,515	55,067,624	(4,095,109)			
Building Products	10,578,278	10,842,022	(263,744)			

Sustainable Energy Solutions	363,247	410,959	(47,712)
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– 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 \$369.9 million in the current year period, down 13% \$36.6 million, or \$45.3 million compared to 9.0%, from the prior year period, almost entirely on due primarily to lower volume volumes driven largely by de-stocking destocking at some of our retail customers that continued into the first quarter of fiscal 2024.

31

#### Table of Contents

- *Building Products* – Net sales totaled \$256.8 million \$465.4 million in the current year period, down 12% \$77.1 million, or \$35.2 million 14.2%, from the prior year period, driven by lower volume, due to an unfavorable shift in product mix, and to a lesser extent, unfavorable product mix. lower volumes.
- *Sustainable Energy Solutions* – Net sales totaled \$56.2 million \$91.6 million in the current year period, down 18% \$9.1 million, or \$12.7 million 9.0%, from the prior year period on lower volumes and an unfavorable shift in product mix. mix and lower volumes.

32

#### Table of Contents

#### **Gross margin Profit**

(In millions)	Six Months Ended			Nine Months Ended				
	November 30,			February 29,				
	% of Net sales	% of Net sales	Increase/ (Decrease)	2024	% of Net sales	February 28,	% of Net sales	Increase/ (Decrease)
Gross Margin	\$ 321.2	14.1%	\$ 275.1	10.6%	\$ 46.1			
Gross profit				\$ 206.0	22.2%	\$ 229.4	21.9%	\$ (23.4)

- Gross margin profit was \$321.2 million for \$206.0 million in the six months ended November 30, 2023, an increase current year period, a decrease of \$46.1 million million compared to the prior year period, driven primarily by the impact of lower inventory holding losses at Steel Processing estimated to be \$19.3 million compared to \$54.6 million overall volume and an unfavorable shift in the comparable period in the prior year. product mix.

#### **Selling, general and administrative expense SG&A**

(In millions)	Six Months Ended			Nine Months Ended				
	November 30,			February 29,				
	% of Net sales	% of Net sales	Increase/ (Decrease)	(In millions)	2024	% of Net sales	February 28,	% of Net sales
Selling, general and administrative expense	\$ 220.0	9.6%	\$ 211.3	8.2%	\$ 8.7			
SG&A				\$ 210.3	22.7%	\$ 211.2	20.1%	\$ (0.9)

- SG&A increased \$8.7 million over was \$210.3 million in the current year period, down \$0.9 million, or 0.4%, from the prior year quarter period. Excluding the impact of corporate costs in the prior year period that were eliminated post-Separation, SG&A was up \$10.9 million, 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,			Nine Months Ended February 29, 2024			Nine Months Ended February 28, 2023		
	Increase/ (Decrease)			Increase/ (Decrease)			Increase/ (Decrease)		
	2023	2022	(Decrease)	2024	2023	(Decrease)	2024	2023	(Decrease)
Impairment of long-lived assets	\$ 1.4	\$ 0.3	\$ 1.1	\$ -	\$ 0.5	\$ (0.5)	\$ -	\$ 3.6	\$ 8.9
Restructuring and other income, net	-	5.4	(5.4)	0.7	(0.4)	1.1	0.7	(0.4)	1.1
Restructuring and other expense (income), net	28.0	9.2	18.8	\$ 12.5	\$ 3.6	\$ 8.9	\$ 12.5	\$ 3.6	\$ 8.9
Separation costs	28.0	9.2	18.8	\$ 12.5	\$ 3.6	\$ 8.9	\$ 12.5	\$ 3.6	\$ 8.9

- Impairment of long-lived assets in both the current year and prior year periods period was driven by changes in the estimated fair market value less cost to sell related ongoing efforts to divest intended use of certain production equipment of fixed assets at our former toll processing Building Products facility in Cleveland, Jefferson. Refer to "Note E – Impairment of Long-Lived Assets" Assets" for additional information.
- Restructuring activity during the current year period related primarily to severance costs within Unallocated Corporate and other income, net Other. Restructuring activity in the prior year period was driven by gains realized from the sale of long-lived assets, including related primarily to a pre-tax gain of \$3.9 million realized from the WSP's manufacturing reduction in workforce at our Columbus, Ohio facility, in Jackson, Michigan organizational realignment within Building Products 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,		
	Increase/ (Decrease)		
	2023	2022	(Decrease)
Miscellaneous income (expense), net	\$ 2.0	\$ (3.7)	\$ 5.7
	33	32	

#### [Table of Contents](#)

#### Miscellaneous expense, net

(In millions)	Nine Months Ended		
	February 29, 2024		
	2024	2023	Increase/ (Decrease)
Miscellaneous expense, net	\$ 6.0	\$ 4.5	\$ 1.5

- Miscellaneous expense in both the current and prior year period periods was driven primarily by separate pension lift-out transactions completed in February 2022 and August 2022, respectively, to transfer the annuitization of a portion of the total projected pension benefit obligation of the inactive under The Gerstenslager Co. Bargaining Unit Employees' Pension Plan which to third-party insurance companies. These transactions resulted in an \$8.1 million pre-tax non-cash settlement charge \$4.8 million to accelerate in the current year period and a portion of deferred pension cost. 4.8 million pre-tax charge in the prior year period, respectively.

#### Loss on extinguishment of debt

(In millions)	Six Months Ended November 30,		
	February 29, 2024		
	2023	2022	Increase/ (Decrease)
Loss on extinguishment of debt	\$ 1.5	\$ -	\$ 1.5
Nine Months Ended			
February 29, 2024			
2024	2023	Increase/ (Decrease)	

Loss on extinguishment of debt	\$ 1.5	\$ -	\$ 1.5
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- 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, Expense, net

(In millions)	Six Months Ended			Nine Months Ended		
	November 30,			February 29,		
	2023	2022	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)
Interest expense, net	\$ 5.3	\$ 16.2	\$ (10.9)	\$ 1.6	\$ 15.7	\$ (14.1)

- Interest expense, net of \$5.3 million \$1.6 million in the current year period was favorable compared to the prior year period by \$10.9 million \$15.7 million, driven primarily by higher interest income lower average debt levels as a result of the redemption of the 2024 Notes and 2026 Notes in the current fiscal year and, to a lesser extent, average long-term debt levels due to the July 28, 2023 redemption of our 2026 Notes. higher interest income. Refer to "Note I – Debt and Receivables Securitization" for additional information.

#### Equity Income

(In millions)	Six Months Ended			Nine Months Ended		
	November 30,			February 28,		
	2023	2022	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)
WAVE	\$ 49.7	\$ 42.8	\$ 6.9	\$ 75.8	\$ 61.7	\$ 14.1
ClarkDietrich	30.5	36.2	(5.7)	48.3	55.1	(6.8)
Serviacero Worthington	12.7	3.7	9.0	-	(13.7)	13.7
ArtiFlex	-	(13.4)	13.4	3.3	(1.1)	4.4
Workhorse	3.9	(0.7)	4.6	\$ 127.4	\$ 102.0	\$ 25.4
<b>Total Equity Income</b>	<b>\$ 96.8</b>	<b>\$ 68.6</b>	<b>\$ 28.2</b>			

  

(In millions)	Nine Months Ended		
	February 29,		
	2024	2023	Increase/ (Decrease)
WAVE	\$ 75.8	\$ 61.7	\$ 14.1
ClarkDietrich	48.3	55.1	(6.8)
ArtiFlex	-	(13.7)	13.7
Workhorse	3.3	(1.1)	4.4
<b>Total Equity Income</b>	<b>\$ 127.4</b>	<b>\$ 102.0</b>	<b>\$ 25.4</b>

- Equity income increased \$28.2 million \$25.4 million over the prior year period, which as the nine months ended February 28, 2023 included a \$15.8 million million loss from the sale of our noncontrolling interest in ArtiFlex, as ArtiFlex. Additionally, higher contributions by both Serviacero and from WAVE were partially offset at ClarkDietrich. Serviacero ClarkDietrich, which was down \$6.8 million from the biggest driver of the overall increase with near-record equity earnings in million, primarily due to higher direct spreads contributed in the prior year period.

3334

#### Table of Contents

#### Income Taxes

Six Months Ended
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(In millions)	November 30,					
	2023		Effective Tax Rate	2022		Effective Tax Rate
	\$ 36.0	23.4 %	\$ 23.6	23.7 %	\$ 12.4	
<b>Nine Months Ended</b>						
(In millions)	February 29, 2024		Estimated Effective Tax Rate	February 28, 2023		Estimated Effective Tax Rate
	\$ 34.0	30.8 %	\$ 20.7	22.6 %	\$ 13.3	(Decrease)

- Income tax expense was \$36.0 million \$34.0 million in the current year period compared to income tax expense of \$23.6 million \$20.7 million in the prior year period. The increase was primarily driven by higher pre-tax earnings. For additional information regarding our income taxes, refer to Note M – the Separation. Income Taxes. tax expense in the current year period reflected an estimated annual effective rate of 30.8% up from 22.6% in the prior year period, primarily due to the effect of current quarter discrete tax items, including those related to the Separation.

#### Adjusted EBIT EBITDA

The following table provides a reconciliation of consolidated net earnings attributable to controlling interest from continuing operations (the most comparable GAAP financial measure) to adjusted EBIT EBITDA for the periods presented: presented. For additional information regarding our use of non-GAAP financial measures refer to the "Use of Non-GAAP Financial Measures and Definitions" section preceding Part I, Item 1 of this Form 10-Q.

(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 <sup>(1)</sup>	-	1.1
Impairment of long-lived assets <sup>(2)</sup>	0.9	0.2
Restructuring and other income, net <sup>(3)</sup>	-	(3.6)
Separation costs <sup>(4)</sup>	28.0	9.2
Loss on extinguishment of debt <sup>(5)</sup>	1.5	-
Pension settlement charge <sup>(6)</sup>	-	4.8
Gain on sale of assets in equity income <sup>(7)</sup>	(2.8)	-
Loss on sale of investment in ArtiFlex <sup>(8)</sup>	-	15.8
Adjusted EBIT	<u><u>\$ 189.3</u></u>	<u><u>\$ 147.6</u></u>

(In millions)	Nine Months Ended	
	February 29, 2024	February 28, 2023
Net earnings from continuing operations (GAAP)	\$ 66.8	\$ 75.6
Interest expense, net	1.6	15.7
Income tax expense	34.0	20.7
EBIT (subtotal)	102.4	112.0
Impairment of long-lived assets	-	0.5
Restructuring and other income, net	0.7	(0.4)
Separation costs	12.5	3.6
Pension settlement charge <sup>(1)</sup>	8.1	4.8

Loss on sale of investment in ArtiFlex <sup>(2)</sup>	-	16.1
Loss on extinguishment of debt <sup>(3)</sup>	1.5	-
Corporate costs eliminated at Separation <sup>(4)</sup>	19.4	31.1
Gain on sale of assets in Equity Income <sup>(5)</sup>	(2.8)	-
Adjusted EBIT (Subtotal)	141.8	167.7
Depreciation and amortization	36.2	34.2
Stock-based compensation	9.8	10.4
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$ 187.8</b>	<b>\$ 212.3</b>

(1) Reflects incremental compensation expense attributable pre-tax charges of \$8.1 million and \$4.8 million from separate pension lift-out transaction completed in February 2024 and August 2022, respectively, to transfer 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 benefit obligation under 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, companies.

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

34

#### Table of Contents

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

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

(4) Reflects reductions in certain corporate overhead costs that no longer exist post-Separation. These costs were included in continuing operations as they represent general corporate overhead that was historically allocated to Worthington Steel but did not meet the requirements to be presented as discontinued operations.

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

35

#### Table of Contents

The following table provides a summary of adjusted EBIT EBITDA by reportable segment, along with the respective percentage of consolidated net sales of each, for the periods presented.

(In millions)	Six Months Ended November 30,			
	% of Adjusted	% of Adjusted	Increase/ (Decrease )	
	2023	2022	EBIT	EBIT

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)
<b>Total Adjusted EBIT</b>	<b>189.3</b>	<b>100.0%</b>	<b>147.6</b>	<b>100.0%</b>	<b>\$ 41.7</b>

- 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 Serviacer, up \$9.0 million.

(In millions)	Nine Months Ended				
	February 29, 2024	% of Net sales	February 28, 2023	% of Net sales	Increase/ (Decrease)
Consumer Products	\$ 52.5	5.7%	\$ 67.8	6.5%	\$ (15.3)
Building Products	158.5	17.1%	157.5	15.0%	1.0
Sustainable Energy Solutions	(6.4)	(0.7%)	2.9	0.3%	(9.3)
Unallocated Corporate and Other	(16.8)	(1.8%)	(15.9)	(1.5%)	(0.9)
<b>Total Adjusted EBITDA</b>	<b>\$ 187.8</b>	<b>20.3%</b>	<b>\$ 212.3</b>	<b>20.2%</b>	<b>\$ (24.5)</b>

- Consumer Products – Adjusted EBITDA was \$18.5 million in the current year period, down \$15.9 million compared to \$15.3 million from the prior year period to \$52.5 million, driven primarily by lower volumes, and higher manufacturing expenses, partially offset by a favorable pricing spread higher selling prices, as price increases implemented in fiscal 2023 held steady through November 30, 2023 February 29, 2024.
- Building Products – Adjusted EBITDA was \$94.3 million \$158.5 million in the current year period, an increase of \$0.3 million compared to \$1.0 million over the prior year period, on a \$1.2 million increase in as higher equity income, partially up \$7.3 million, more than offset lower gross profit, driven by the impact of lower volume, an unfavorable product mix.
- Sustainable Energy Solutions – Adjusted EBITDA was a loss of \$7.3 million \$6.4 million for the current year period, a decline of \$7.0 million \$9.3 million compared to the prior year period, due as volumes remained too low to lower volumes and higher manufacturing expenses, absorb the fixed costs in the business.

#### Liquidity and Capital Resources

During the six nine months ended November 30, 2023 February 29, 2024, we generated \$135.0 million \$244.8 million of cash from operating activities, and invested \$32.9 million \$72.2 million in property, plant and equipment, and \$15.0 million in a note receivable. We also spent \$29.7 million on acquisitions, which included Worthington Steel's purchase of Voestalpine for \$21.0 million. In connection with the Separation, we distributed \$68.0 million to Worthington Steel, net of the \$150.0 million one-time special dividend received cash proceeds of \$175.0 million in the form of short-term borrowings tied to from Worthington Steel at Separation and funded by 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 Facility. Additionally, we repaid \$243.8 million to redeem redeemed, in full, the 2024 Notes and the 2026 Notes for an aggregate of \$393.9 million and paid dividends of \$17.3 million, \$48.9 million on our common shares.

(In millions)	Six Months Ended	
	November 30,	2023
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
<b>Cash and cash equivalents at end of period</b>	<b>\$ 430.9</b>	<b>\$ 129.6</b>

The following table summarizes our consolidated cash flows for the periods presented:

(In millions)	Nine Months Ended	
	2024	2023
Net cash provided by operating activities	\$ 244.8	\$ 396.1

Net cash used by investing activities	(116.5)	(53.7)
Net cash used by financing activities	(355.9)	(109.6)
Increase (decrease) in cash and cash equivalents	(227.6)	232.8
Cash and cash equivalents at beginning of period	454.9	34.4
<b>Cash and cash equivalents at end of period</b>	<b>\$ 227.3</b>	<b>\$ 267.2</b>

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** **February 29, 2024**, leaving up to \$500.0 million available for future 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.

35 36

## [Table of Contents](#)

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** **post-Separation** capital structure, on **July 28, 2023**, during the first quarter of fiscal 2024, we redeemed in full our 2026 Notes for \$243.8 million. Subsequent to quarter-end, we finalized our post-separation capital structure followed by redeeming an additional the early redemption of the 2024 Notes for \$150.0 million of long-term debt, on December 6, 2023, as further discussed in "Note S1 – Subsequent Events, Debt and Receivables Securitization."

### **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** **arise** 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** **\$244.8 million** during the **six** **nine** months ended **November 30, 2023** **February 29, 2024**, down **\$19.3 million** from the comparable period in compared to **\$396.1 million** during the prior year. The year period. This change was primarily due primarily to a **\$36.8 million** change an **\$86.7 million** increase in net operating working capital (accounts receivable, inventories, and accounts payable) requirements over the comparable prior year period mainly driven by fluctuations and a decrease in steel prices and lagging price indices. dividends received from our unconsolidated affiliates, down **\$21.9 million** from the prior year period on lower equity earnings.

### **Investing Activities**

Net cash used by investing activities was **\$97.8 million** **\$116.5 million** during the **six** **nine** months ended **November 30, 2023** **February 29, 2024**, compared to **\$30.7 million** **\$53.7 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** **\$72.2 million**, a **\$15.0 million** investment in a note **notes** receivable of **\$14.9 million**, and the **November 15, 2023** **purchase** **acquisitions** of the **Halo** and **Voestalpine business** for cash consideration of **\$8.7 million** and **\$21.0 million**, net of cash acquired, respectively. 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** **\$68.7 million**, partially

offset by combined cash proceeds of **\$71.6 million** \$71.3 million from the sale of our 50% noncontrolling equity investment in ArtiFlex, and the sale of the remaining facility net assets of our former operating joint venture, WSP. WSP Jackson, Michigan facility and other long-lived assets.

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** \$355.9 million during the **six** nine months ended November 30, 2023 February 29, 2024, compared to **\$88.2 million** \$109.6 million in the prior year period. The change was primarily due to **\$172.2 million** activity related to the Separation transaction including the net distribution of \$68.0 million to Worthington Steel and net proceeds of \$172.2 million under Worthington Steel's short-term borrowings and the repayment of \$243.8 million of long-term debt associated with the redemption of the credit facilities, which were assumed by Worthington Steel. To facilitate our post-Separation capital structure, we redeemed in full our 2026 Notes for \$243.8 million and our 2024 Notes for \$150.0 million, as further discussed in July 2023 "Note I - Debt and net repayments of \$43.1 million of short-term borrowings in the six months ended November 30, 2022. Receivables Securitization."

Common shares – On December 19, 2023 March 20, 2024, Worthington Enterprises' the Board of Directors declared a quarterly dividend of \$0.16 per common share payable on March 29, 2024 June 28, 2024, to shareholders of record at the close of business on March 15, 2024 June 14, 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 February 29, 2024, 6.1 million common shares remained available for repurchase under these two authorizations.

37

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#### **Table of Contents**

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.

36

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#### **Table of Contents**

*Long-term debt and short-term borrowings* – As of November 30, 2023 February 29, 2024, 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 outstanding borrowings under our drawn against the Credit Facility at November 30, 2023 February 29, 2024, leaving the full borrowing capacity of \$500.0 million available for future 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** **February 29, 2024**). 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** **February 29, 2024**) 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.

37 38

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## [Table of Contents](#)

## **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](http://www.sec.gov) or at [www.worthingtonenterprises.com](http://www.worthingtonenterprises.com), we included a detailed discussion of our risk factors. **Our Other than as noted below, 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, as well as the risk described below, 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 and the risk described below 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 nine** months ended **November 30, 2023, February 29, 2024** 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.

Period				Total Number of Common Shares	Maximum Number of Common Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
	Total Number of Common Shares Purchased	Average Price Paid per Common Share	Part of Publicly Announced Plans or Programs		
	Purchased	Share	Plans or Programs		
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

Period				Total Number of Common Shares	Maximum Number of Common Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
	Total Number of Common Shares Purchased	Average Price Paid per Common Share	Part of Publicly Announced Plans or Programs		
	Purchased	Share	Plans or Programs		
December 1-31, 2023	23,602	\$ 51.17	-	-	6,065,000
January 1-31, 2024	50	57.04	-	-	6,065,000
February 1-29, 2024	336	62.19	-	-	6,065,000
Total	23,988	\$ 65.72	-	-	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 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 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, February 29, 2024**. 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.

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.

38 39

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[Table of Contents](#)

**Item 3. – Defaults Upon Senior Securities**

Not applicable.

**Item 4. – Mine Safety Disclosures**

Not applicable.

**Item 5. – Other Information**

No response required. During the quarter ended February 29, 2024, no director or officer (as defined under Rule 16a-1 of the Exchange Act) adopted or terminated any Rule 10b5-1 trading arrangements or any non-Rule 10b5-1 trading arrangements (in each case, as defined in Item 408(a) of Regulation S-K).

39 40

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[Table of Contents](#)

**Item 6. – Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
2.1	<a href="#">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)).</a>
3.1	<a href="#">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.] *(Incorporated herein by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q of Worthington Enterprises, Inc. for the quarterly period ended November 20, 2023</a>
3.2	<a href="#">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)).</a>

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 \(SEC File No. 1-8399\)\).](#)

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>
10.6	<a href="#">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))</a> +
31.1	<a href="#">Rule 13a - 14(a) / 15d - 14(a) Certifications (Principal Executive Officer)</a> *
31.2	<a href="#">Rule 13a - 14(a) / 15d - 14(a) Certifications (Principal Financial Officer)</a> *
32.1	<a href="#">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</a> **
32.2	<a href="#">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</a> **
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive <span style="background-color: #f08080;">Date</span> <span style="background-color: #90ee90;">Data</span> File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document #
101.PRE	<span style="background-color: #f08080;">Inline XBRL Taxonomy Extension Presentation With Embedded Linkbase Document</span> #
101.LAB	<span style="background-color: #f08080;">Inline XBRL Taxonomy Extension Label Linkbase Document</span> #
101.CAL	<span style="background-color: #f08080;">Inline XBRL Taxonomy Extension Calculation Linkbase Document</span> #
101.DEF	<span style="background-color: #f08080;">Inline XBRL Taxonomy Definition Linkbase Document</span> # <span style="background-color: #90ee90;">Documents</span> .
104	Cover Page Interactive Data File – the cover page from this Quarterly Report on Form 10-Q for the quarterly period ended <span style="background-color: #ffcc00;">November 30, 2023</span> <span style="background-color: #90ee90;">February 29, 2024</span> , 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 February 29, 2024 and May 31, 2023;
- (ii) Consolidated Statements of Earnings for the three months and six nine months ended November 30, 2023 February 29, 2024 and November 30, 2022 February 28, 2023;
- (iii) Consolidated Statements of Comprehensive Income for the three months and six nine months ended November 30, 2023 February 29, 2024 and November 2022 February 28, 2023;
- (iv) Consolidated Statements of Cash Flows for the three months and six nine months ended November 30, 2023 February 29, 2024 and November 2022 February 28, 2023; and
- (v) Condensed Notes to Consolidated Financial Statements.

41 42

[Table of Contents](#)

## 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** April 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)

**42 43**

**Exhibit 3.1**

## AMENDED ARTICLES OF INCORPORATION

**OF**

### WORTHINGTON ENTERPRISES, INC.<sup>1</sup>

**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

<sup>1</sup>This 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 is reasonably believed to be 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.

Exhibit 31.1

**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 February 29, 2024 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 m 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 cond 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 R 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 material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during 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 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 (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** April 9, 2024

By: /s/ B. Andrew Rose

B. Andrew Rose,  
Chief Executive Officer and President

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**Exhibit 31.2**

**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** February 29, 2024 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 and 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 R 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 material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during 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;

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 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 (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** April 9, 2024

By: **/s/ Joseph B. Hayek**

Joseph B. Hayek,  
Vice President and Chief Financial Officer

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**Exhibit 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\***

In connection with the Quarterly Report of Worthington Enterprises, Inc. (the "Company") on Form 10-Q for the quarterly period ended **November 30, 2023** **February 29, 2024**, 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** April 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** **February 29, 2024**, 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** **April 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.

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