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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 21, 2026

WORTHINGTON ENTERPRISES, INC.

(Exact name of Registrant as Specified in Its Charter)

Ohio	**001-08399**	**31-1189815**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**
200 West Old Wilson Bridge Road Columbus, Ohio		**43085**
(Address of Principal Executive Offices)		**(Zip Code)**

Registrant's Telephone Number, Including Area Code: (614) 438-3210

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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. ☐

Item 2.02. Results of Operations and Financial Condition.

Worthington Enterprises, Inc. ("we," "our," and "us") conducted a conference call on September 23, 2026, beginning at approximately 8:30 a.m., Eastern Time, to discuss our unaudited financial results for the first quarter of fiscal 2027 ended August 31, 2026. Additionally, we addressed certain issues related to our outlook and markets. A copy of the transcript of the conference call is furnished as Exhibit 99.1 to this Current Report on Form 8-K (this "Form 8-K").

The information contained in this Item 2.02 and in Exhibit 99.1 is being furnished pursuant to Item 2.02 and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, unless we specifically state that the information is to be considered "filed" under the Exchange Act or incorporates the information by reference into a filing under the Exchange Act or the Securities Act of 1933, as amended.

During the conference call, we discussed financial measures prepared and presented in accordance with accounting principles generally accepted in the United States ("GAAP") as well as non-GAAP financial measures to provide investors with additional information that we believe allows for increased comparability of the performance of our ongoing operations from period to period. We referred to adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA margin on a trailing 12-months ("TTM") basis. Adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures used by us as measures of operating performance. EBITDA is calculated by adding or subtracting, as appropriate, interest expense, net, income tax expense and depreciation and amortization to/from net earnings attributable to controlling interest. Adjusted EBITDA is calculated by adding or subtracting, as appropriate, to/from EBITDA certain items that we believe are not necessarily indicative of our operating performance, such as those listed in the following tables and previously described in Exhibit 99.1 to our Current Report on Form 8-K filed on September 22, 2026. TTM adjusted EBITDA margin is calculated by dividing TTM adjusted EBITDA by net sales. The table below provides a reconciliation from net earnings (the most comparable GAAP financial measure) to adjusted EBITDA for the TTM ended August 31, 2026.

(In thousands)	First Quarter 2027	Fourth Quarter 2026	Third Quarter 2026	Second Quarter 2026
Net earnings (GAAP)	$ 42,572	$ 48,065	$ 45,120	$ 27,029
Plus: Net loss attributable to noncontrolling interest	-	81	343	299
Net earnings attributable to controlling interest	42,572	48,146	45,463	27,328
Interest expense (income), net	2,097	2,885	1,828	1,472
Income tax expense	13,029	11,708	14,994	8,751
EBIT [(1)]	57,698	62,739	62,285	37,551
Amortization of inventory step-up	-	1,500	1,500	-
Restructuring and other expense, net	717	794	2,186	1,644
Loss on partial sale of investment in heiserTEC [(2)]	-	-	-	2,950
Non-cash activity in miscellaneous income (expense)	(4,020)	(610)	340	1,243
Adjusted EBIT [(1)]	54,395	64,423	66,311	43,388
Depreciation and amortization	15,628	15,870	14,552	13,764
Stock-based compensation	3,996	3,230	3,752	3,326
Adjusted EBITDA (non-GAAP)	$ 74,019	$ 83,523	$ 84,615	$ 60,478
TTM adjusted EBITDA (non-GAAP)	$ 302,635			
TTM net earnings margin (GAAP)	11.5%			
TTM adjusted EBITDA margin (non-GAAP)	21.3%			

(1) EBIT and adjusted EBIT are non-GAAP financial measures. However, these measures are not used by management to evaluate our performance, engage in financial and operational planning, or to determine incentive compensation. Instead, they are included as subtotals in the reconciliation of net earnings to adjusted EBITDA, which is a non-GAAP financial measure used by management.

(2) Formerly referred to as the Sustainable Energy Solutions joint venture.

During the conference call, we referred to free cash flow and free cash flow conversion for the TTM ended August 31, 2026. Free cash flow is a non-GAAP financial measure that management believes measures its ability to generate cash beyond what is required for its business operations and capital expenditures. Free cash flow is calculated by subtracting investment in property, plant, and equipment from net cash provided by operating activities. Free cash flow conversion is calculated by dividing free cash flow by adjusted net earnings attributable to controlling interest. The following provides a reconciliation of net cash provided by operating activities (the most comparable GAAP financial measure) to free cash flow and the calculation of operating cash flow conversion (the most comparable GAAP financial measure) and free cash flow conversion for the TTM ended August 31, 2026.

(In thousands)	First Quarter 2027	Fourth Quarter 2026	Third Quarter 2026	Second Quarter 2026
Net cash provided by operating activities (GAAP)	$ 66,731	$ 71,601	$ 61,938	$ 51,518
Investment in property, plant and equipment	(12,754)	(16,492)	(13,794)	(12,432)
Free cash flow (non-GAAP)	$ 53,977	$ 55,109	$ 48,144	$ 39,086

TTM net cash provided by operating activities (GAAP)	$ 251,788
TTM free cash flow (non-GAAP)	$ 196,316
TTM net earnings attributable to controlling interest (GAAP)	$ 163,509
TTM adjusted net earnings attributable to controlling interest (non-GAAP)	$ 168,754
TTM operating cash flow conversion (GAAP)	154%
Free cash flow conversion (non-GAAP)	116%

During the conference call, we also referred to net debt, which is a non-GAAP financial measure that is used by us as a measure to assess our indebtedness and overall financial position. Net debt is calculated by subtracting cash and cash equivalents from total debt (defined as the aggregate of short-term borrowings, current maturities of long-term debt and long-term debt). The calculation of net debt at August 31, 2026 is outlined below.

(In thousands)	August 31, 2026
Long-term debt	$ 305,552
Less: cash and cash equivalents	55,067
Net debt	$ 250,485

Additional non-GAAP financial measures referred to by us on the conference call, including reconciliations to the most comparable GAAP financial measures, are included in Exhibit 99.1 to our Current Report on Form 8-K filed on September 22, 2026. Such Exhibit 99.1 includes a copy of our news release issued on September 22, 2026 (the "Financial News Release") reporting results for the three-month period ended August 31, 2026. The Financial News Release was made available on our website throughout the conference call and will remain available on our website for at least one year.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Compensatory Arrangements of Certain Officers

On September 21, 2026, the Compensation Committee ("Committee") of our Board of Directors approved a special leadership retention performance share ("Performance Shares") award for Joseph B. Hayek, our President and Chief Executive Officer. The award is intended to facilitate executive retention and shareholder alignment. Mr. Hayek was awarded 150,000 Performance Shares, subject to the terms of the Worthington Enterprises, Inc. 2024 Long-Term Incentive Plan ("2024 LTIP") and a Performance Share Award Agreement, the form of which is included herewith as Exhibit 10.1 ("Award Agreement"). The award of Performance Shares gives Mr. Hayek the right to receive our common shares if both a performance-based vesting condition ("Performance Condition") and a time-based vesting condition ("Retention Condition") are satisfied.

The Performance Condition applicable to the award will be met if, within five years of the grant date, the average fair market value of our common shares over a consecutive 90-day period equals or exceeds $100.

The Retention Condition applicable to the award will be met if Mr. Hayek remains continuously employed by us or our subsidiaries through the date on which the Committee certifies whether the Performance Condition has been satisfied ("Certification Date"). The Certification Date is to occur as soon as practicable after the end of the five-year performance period, but no later than the final day of our first full fiscal quarter following the fifth anniversary of the grant date.

Mr. Hayek does not have the right to vote the Performance Shares and no dividends will accrue on or be paid with respect to the Performance Shares.

In limited circumstances, the Performance Shares may vest before the Performance Condition and/or Retention Condition are met. If Mr. Hayek's employment terminates due to death or disability before the Certification Date, the Performance Shares will vest on the termination date, if at all, only if the Performance Condition is met. If there is a change in control, as defined in the 2024 LTIP, before the Certification Date, the Performance Shares will fully vest on the date of such change in control. If Mr. Hayek's employment is terminated by us without cause after the Performance Condition is met, but before the Certification Date, the Performance Shares will vest on the termination date.

This description of the Performance Shares and the Award Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the 2024 LTIP and the Award Agreement, which are incorporated into this report by reference in their entirety.

Departure of Directors or Certain Officers
As previously disclosed in our Current Report on Form 8-K filed on June 23, 2023, Michael J. Endres, Ozey K. Horton, Jr., and Virgil L. Winland, whose terms expired at our 2026 Annual Meeting of Shareholders held on September 22, 2026 ("Annual Meeting"), each retired from the Board effective at the adjournment of our Annual Meeting.

Item 5.07. Submission of Matters to a Vote of Security Holders.

We held our Annual Meeting on September 22, 2026. At the close of business on July 29, 2026, the record date for the Annual Meeting, there were a total of 48,926,784 of our common shares outstanding and entitled to vote. At the Annual Meeting, the holders of 44,503,073 of our common shares (in excess of 90% of our common shares outstanding on the record date) were represented by proxy, constituting a quorum.

The results of the voting on the proposals presented to the shareholders at the Annual Meeting were as follows:

Proposal 1 — Election of Directors

	Votes For	Votes Against	Abstentions	Broker Non-Votes
Charles M. Chiappone	40,579,847	443,044	60,167	3,420,015
W. Bradley Southern	40,946,132	74,883	62,043	3,420,015
Brantley J. Standridge	38,401,755	2,627,358	53,945	3,420,015

At the Annual Meeting, our shareholders elected each of Mr. Chiappone, Mr. Southern and Mr. Standridge as a director for a three-year term, expiring at the annual meeting of shareholders occurring in 2029.

Proposal 2 — Advisory Vote to Approve the Compensation of the NEOs

Votes For	Votes Against	Abstentions	Broker Non-Votes
39,354,242	1,594,859	133,957	3,420,015

At the Annual Meeting, our shareholders approved the advisory resolution to approve the compensation of our named executive officers, as described in our proxy statement for the Annual Meeting.

Proposal 3 — Ratification of the Selection of Independent Registered Public Accounting Firm

Votes For	Votes Against	Abstentions
43,895,351	569,856	37,866

At the Annual Meeting, our shareholders ratified the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending May 31, 2027.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits: The following exhibits are included with this Form 8-K:

Exhibit No.	Description
10.1	Form of Worthington Enterprises, Inc. 2024 Long-Term Incentive Plan Performance Share Award Agreement (90-Day Average Share Price)
99.1	Transcript of Worthington Enterprises, Inc. Earnings Conference Call for First Quarter of Fiscal 2027 (Fiscal Quarter ended August 31, 2026), held on September 23, 2026
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

WORTHINGTON ENTERPRISES, INC.

Date: September 25, 2026

By: /s/Patrick J. Kennedy
Patrick J. Kennedy, Vice President -
General Counsel and Secretary

EXHIBIT 10.1

WORTHINGTON ENTERPRISES, INC.
2024 LONG-TERM INCENTIVE PLAN

PERFORMANCE SHARE AWARD AGREEMENT
(90-DAY AVERAGE SHARE PRICE)

This Performance Share Award Agreement (this "Agreement") is made effective as of _____ (the "Grant Date"), by and between Worthington Enterprises, Inc. ("Worthington") and _____ (the "Participant"). Capitalized terms that are not defined in this Agreement have the same meaning as in the Worthington Enterprises, Inc. 2024 Long-Term Incentive Plan (the "Plan").

Section 1. Award of Performance Shares.

Worthington hereby grants the Participant a Performance Award of _____ performance shares (the "Performance Shares"). The Performance Shares are subject to the terms and conditions described in the Plan and this Agreement.

Section 2. Vesting.

(a) General. Subject to Section 3, the Performance Shares will vest only if both of the (i) Performance Condition and (ii) Time-Based Vesting Condition are met. Unless an exception under Section 3 applies, if the (1) Performance Condition is not met on or before the _____ anniversary of the Grant Date or (2) Time-Based Vesting Condition is not met through the date on which the Committee determines whether the Performance Condition has been met (the "Certification Date"), then any unvested Performance Shares shall be automatically forfeited, terminated and cancelled effective as of the Certification Date without payment of any consideration by the Company, and the Participant or the Participant's beneficiary or representative, as the case may be, shall have no further rights with respect to such Performance Shares under this Agreement.

(b) Performance Condition. The "Performance Condition" that must be satisfied for the Performance Shares to be eligible for vesting is based on the average Fair Market Value of a Share over a 90-consecutive-calendar-day period within the period commencing on the Grant Date and ending on the _____ anniversary of the Grant Date (the "Performance Period"). The Performance Condition will be satisfied if the 90-consecutive-calendar-day average Fair Market Value of a Share equals or exceeds $___ at any time during the Performance Period.

(c) Time-Based Vesting Condition. The "Time-Based Vesting Condition" will be satisfied if the Participant remains continuously employed by the Company from the Grant Date through the Certification Date.

(d) Certification. The Committee shall certify in writing whether the Performance Condition has been satisfied as soon as administratively practicable after the end of the Performance Period, but in no event later than the final day of the Company's first full fiscal quarter following the end of the Performance Period (the "Certification Date").

Section 3. Additional Vesting Events.

(a) Death or Disability. If the Participant's employment terminates due to the Participant's death or disability (as defined in Treasury Regulation Section 1.409A-3(i)(4)) before the Certification Date, any unvested, outstanding Performance Shares will become fully vested on the termination date (if at all) only if the Performance Condition has been satisfied as of the termination date.

(b) Change in Control. If there is a Change in Control before the Certification Date, any unvested, outstanding Performance Shares will become fully vested on the date of such Change in Control.

(c) Termination Without Cause. If the Company terminates the Participant's employment without Cause before the Certification Date, and the Performance Condition has been satisfied as of the termination date, any unvested, outstanding Performance Shares will fully vest on the termination date. "Cause" means the Participant's: (i) willful and continued failure to substantially perform assigned duties; (ii) gross misconduct; (iii) material breach of any term of any material agreement with the Company, including this Agreement; (iv) conviction of (or plea of no contest or nolo contendere to) (A) a felony or (B) a crime other than a felony, which involves a breach of trust or fiduciary duty owned to the Company; or (v) material violation of Worthington's code of conduct or any other policy of the Company that applies to the Participant.

(d) The Performance Shares will be forfeited if the conditions for vesting set forth in Section 2 or Section 3 are not met.

Section 4. Restrictions on Transferability.

No Performance Shares, and no Shares underlying the Performance Shares which have not been issued, may be sold, assigned, transferred, pledged or otherwise encumbered, except by will or by the laws of descent and distribution or to the Participant's beneficiary upon the death of the Participant.

Section 5. Rights Before Settlement.

The Participant shall not be, and shall not have any of the rights or privileges of, a shareholder of Worthington, including, without limitation, voting rights and rights to dividends and other distributions, in respect of the Performance Shares and any Shares underlying the Performance Shares unless and until such Shares shall have been issued by Worthington.

Section 6. Settlement.

As soon as administratively practicable following the vesting of the Performance Shares pursuant to this Agreement, but in no event later than 60 days following such vesting date, Worthington shall deliver to the Participant a number of Shares equal to the number of Performance Shares that vested on the applicable vesting date, less, to the extent applicable, the number of Shares withheld in accordance with Section 7. Any fractional Performance Shares will be settled in cash based upon the Fair Market Value of a Share on the settlement date.

The issuance of Shares will be subject to the satisfaction of Worthington's counsel that such issuance shall be in compliance with applicable federal and state securities laws. Any Shares delivered under the Plan will be subject to such stock-transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Shares are then listed and any applicable federal or state securities law, and the Committee may cause a legend or legends to be put on any certificates evidencing such Shares to make appropriate reference to such restrictions.

Section 7. Withholding.

Consistent with Section 12(i) of the Plan, the Company is authorized to withhold in respect of the Performance Shares, the amount of withholding taxes due in respect of vesting or settlement of such Performance Shares and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

Section 8. Non-Competition.

In the event that the Participant terminates employment with the Company for any reason whatsoever, and within 18 months after the date thereof becomes associated with, employed by, renders services to, or owns any interest in (other than any non-substantial interest, as determined by the Committee), any business that is in competition with the Company or with any business in which the Company has a substantial interest as determined by the Committee, the Committee, in its sole discretion, may require the Participant to return to Worthington the economic value of the Performance Shares which is realized or obtained (measured as of the date on which the Performance Shares vested) by the Participant at any time during the period beginning on that date which is six months prior to the date of the Participant's termination of employment with the Company.

Section 9. Other Terms and Conditions.

(a) Beneficiaries. The Participant may designate a beneficiary to receive any Performance Shares that are outstanding but unsettled in the event of the Participant's death. If no beneficiary is designated, the Participant's beneficiary will be the Participant's surviving spouse and, if there is no surviving spouse, the Participant's estate.

(b) No Guarantee of Employment. The granting of Performance Shares will not confer upon the Participant any right to continued employment with any Company, nor will it interfere in any way with the right of any Company to terminate the employment of the Participant at any time, with or without Cause.

(c) Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of Ohio (other than laws governing conflicts of laws) and applicable Federal law.

(d) Rights and Remedies Cumulative. All rights and remedies of the Company and of the Participant enumerated in this Agreement will be cumulative and, except as expressly provided

otherwise in this Agreement, none will exclude any other rights or remedies allowed at law or in equity, and each of said rights or remedies may be exercised and enforced concurrently.

(e) Captions. The captions contained in this Agreement are included only for convenience of reference and do not define, limit, explain or modify this Agreement or its interpretation, construction or meaning and are in no way to be construed as a part of this Agreement.

(f) Severability. If any provision of this Agreement or the application of any provision hereof to any Person or any circumstance will be determined to be invalid or unenforceable, then such determination will not affect any other provision of this Agreement or the application of said provision to any other Person or circumstance, all of which other provisions will remain in full force and in effect.

(g) Entire Agreement. This Agreement, together with the Plan, which is incorporated herein by reference, constitutes the entire agreement between the Company and the Participant in respect of the subject matter of this Agreement. No officer, director, employee or other servant or agent of the Company, and no servant or agent of the Participant, is authorized to make any representation, warranty or other promise not contained in this Agreement. All representations of any type relied upon by the Participant and the Company in making this Agreement are specifically set forth herein, and the Participant and the Company each acknowledge that they have relied on no other representation in entering into this Agreement. No change, termination or attempted waiver of any of the provisions of this Agreement will be binding upon any party hereto unless contained in a writing signed by the party to be charged.

(h) Performance Shares Subject to the Plan. The Performance Shares are subject to the terms and conditions described in this Agreement and the Plan. In the event of a conflict between the terms of the Plan and the terms of this Agreement, the terms of the Plan will govern except as specifically provided in this Agreement. The Committee has the sole responsibility for interpreting the Plan and this Agreement, and the Committee's determination of the meaning of any provision in the Plan or this Agreement will be binding on the Participant.

(i) Section 409A of the Code. This Agreement and the Performance Shares granted hereunder are intended to be exempt from, or otherwise comply with, Section 409A of the Code and the Treasury Regulations promulgated thereunder (collectively, "Section 409A"), and shall be interpreted, administered and operated accordingly. For purposes of this Agreement, termination of employment means a "separation from service" within the meaning of Treasury Regulations Section 1.409A-1(h). If the Participant is a "specified employee" within the meaning of Section 409A at the time of the Participant's separation from service, then any payment otherwise required to be made to the Participant under this Agreement on account of the Participant's separation from service, to the extent such payment (after taking into account all exclusions applicable to such payment under Section 409A) is properly treated as deferred compensation subject to Section 409A, shall not be made until the first business day after (i) the expiration of six months from the date of the Participant's separation from service or (ii) if earlier, the date of the Participant's death. Nothing in this Agreement should be construed as a guarantee or entitlement of any particular tax treatment to the Participant. None of the Company, the Board, the Committee or any other Person

shall have liability with respect to the Participant in the event this Agreement or the Performance Shares granted hereunder fail to comply with the requirements of Section 409A.

(j) Clawback. The Performance Shares and any Shares issued in connection with this Agreement is subject to any clawback policy adopted by the Company from time to time.

(k) Signature in Counterparts. This Agreement may be signed in counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. Furthermore, delivery of a copy of a counterpart signature by facsimile or electronic transmission shall constitute a valid and binding execution and delivery of this Agreement, and such copy shall constitute an enforceable original document.

This Agreement may be executed and exchanged by facsimile or electronic mail transmission and the facsimile or electronic mail copies of each party's respective signature will be binding as if the same were an original signature. This Agreement may also be executed through the use of electronic signature, which each party acknowledges is a lawful means of obtaining signatures in the United States. Each party agrees that its electronic signature is the legal equivalent of its manual signature on this Agreement. Each party further agrees that its use of a keypad, mouse or other device to select an item, button, icon or similar act/action, regarding any agreement, acknowledgement, consent terms, disclosures or conditions constitutes its signature, acceptance and agreement as if actually signed by such party in writing. Furthermore, to the extent applicable, all references to signatures in this Agreement may be satisfied by procedures that the Company or a third party designated by the Company has established or may establish for an electronic signature system, and the Participant's electronic signature shall be the same as, and shall have the same force and effect as, such Participant's written signature.

(l) Effect of Termination of Employment. In partial consideration for the Award made pursuant to this Agreement, the Participant hereby irrevocably agrees that the termination of the Participant's employment with the Company for any reason will constitute the Participant's contemporaneous resignation from (i) any director, manager, officer or employee position the Participant has with the Company (including all direct and indirect subsidiaries of Worthington and all joint ventures affiliated with Worthington) and (ii) any fiduciary positions (including as a trustee) the Participant holds with respect to any employee benefit plan or trust established or sponsored by the Company (including all direct and indirect subsidiaries of Worthington and all joint ventures affiliated with Worthington). The Participant further irrevocably agrees that this paragraph shall serve as written notice of resignation in any such circumstance, unless otherwise required by any applicable plan, regulation or law.

Section 10. Application of Section 280G of the Code.

If Worthington determines that any payment or benefit, including any accelerated vesting, due to the Participant under this Agreement in connection with a Change in Control, when combined with any other payment or benefit due to the Participant from the Company or any other entity in connection with such Change in Control, would be considered an "excess parachute payment" within the meaning of Section 280G of the Code, the payments and benefits due to the Participant under this Agreement may be reduced by the Company to the minimum extent necessary to avoid the imposition of an excise tax under Section 4999 of the Code or a loss of

deduction under Section 280G of the Code, in accordance with rules and procedures which may be established by the Committee and, to the extent applicable, in compliance with Section 409A.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective as of the Grant Date.

PARTICIPANT	**WORTHINGTON ENTERPRISES, INC.**
By:	By:
Printed Name:	Printed Name:
Title:	Title:
Dated:	Dated:

EXHIBIT 99.1

09 - 23 - 2026

Worthington Enterprises

Worthington Enterprises FY2027 Q2 Earnings Call

TOTAL PAGES: 15

CORPORATE SPEAKERS:

Marcus Rogier
Worthington Enterprises; Investor Relations Officer
Joseph Hayek
Worthington Enterprises; President, Chief Executive Officer
Colin Souza
Worthington Enterprises; Vice President, Chief Financial Officer

PARTICIPANTS:

Brian Biros
Thompson Research Group; Senior Analyst
Walter Liptak
Seaport Research; Industrial Analyst
Susan Maklari
Goldman Sachs; Senior Equity Research Analyst
Brian McNamara
Canaccord Genuity; Managing Director, Analyst
Will Gildea
CJS Securities; Equity Research Associate

PRESENTATION:

Hello, everyone. Thank you for joining us. And welcome to the Worthington Enterprises Fiscal Year 2027 First Quarter Earnings Call. I will now hand the conference over to Marcus Rogier, Treasurer and Investor Relations Officer. Marcus, please go ahead.

Marcus Rogier^ Thank you, Paige. Good morning everyone. And thank you for joining us for Worthington Enterprises first quarter fiscal 2027 earnings call. On the call today are Joe Hayek, our President and Chief Executive Officer; and Colin Souza, our Chief Financial Officer.

Before we begin, I'd like to remind everyone that certain statements made during today's call are forward-looking in nature and subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied. For more information on these risks and uncertainties, please refer to our earnings release issued yesterday after the market close which is available on the Investor Relations section of our website.

Additionally, our remarks today will include references to non-GAAP financial measures. Reconciliations of these measures to the most directly comparable GAAP measures can also be found in the earnings release. Today's call is being recorded. And a replay will be

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available later on our website at worthingtonenterprises.com. With that, I'll turn the call over to Joe for opening remarks.

Joseph Hayek^ Thank you, Marcus. Good morning, everyone. Welcome to Worthington Enterprises Fiscal 2027 First Quarter Earnings Call. We had a strong start to fiscal 2027. While we faced some market and operating headwinds, our team continued to execute, serve our customers and make progress on our strategic initiatives.

I want to thank my colleagues around the world for the focus, creativity and grit they bring to Worthington every day. In Q1, we grew sales by 13% year-over-year including 7% organically. Adjusted EBITDA increased by 10% to $74 million, and we generated $54 million of free cash flow, nearly double the prior year quarter. Adjusted EPS was $0.82 compared with $0.78 a year ago. We continue to deploy capital thoughtfully in the quarter including the repurchase of 335,000 shares of our common stock.

While we're pleased with our progress, the quarter was not without challenges. Building Performance Solutions, as we anticipated, faced headwinds in our Cooling and Construction business. As channel inventories are rightsized and new home sales are muted, demand for newly mandated A2L refrigerant cylinders is lower than it was a year ago, creating a difficult comparison.

Additionally, steel availability across the industry remains tight and lead times in the quarter were extended. That created some disruptions in production and scheduling for both Cooling and Construction and for our Balloon business. Our teams are actively working through these issues every day, prioritizing our customers and ensuring that we are the best partner that we can be.

While we faced some headwinds in the quarter, our performance was a reflection of our businesses and our people's resilience. Trade and Specialty Solutions delivered strong sales and EBITDA growth as that team continues executing at a high level.

Our Water business is performing very well as our 80/20 work matures and helps us focus on resources on the products and opportunities that create the most value. WAVE and ClarkDietrich also delivered higher equity earnings and were important contributors in the quarter. As we optimize and grow Worthington, our strategy is not complicated.

We're leveraging the Worthington Business System, transformation to improve our businesses, disciplined M&A to add capabilities and strengthen our portfolio and innovation to grow organically where we have attractive opportunities. We continue to use 80/20 to optimize our businesses as we sharpen our focus, improve working capital and allocate resources where they matter most. We've seen meaningful progress in our water business and are now extending that discipline into our portable fuel and torch businesses.

We're also continuing to improve productivity through automation, AI-enabled tools and other transformation initiatives. We remain disciplined about growth through M&A, and we're focused on opportunities where we believe we can bring unique advantages as an owner and create long-term value.

Our integration of LSI continues to progress well and there, we're focused on reaching more prospective customers and introducing them to LSI's compelling value proposition.

I want to spend a little more time this morning on organic growth because we're increasingly seeing our innovation capabilities translate into meaningful commercial opportunities.

One of the most topical examples of the kind of organic growth opportunities we're trying to create and develop at Worthington is our engineered ASME tanks. These engineered tanks have played an important role in commercial buildings across the world for decades.

Increasingly, as new chipsets generate significantly more heat, data center designers and operators are embracing liquid cooling. Engineered tanks like ours help manage the cooling fluids used in liquid cooling systems and as such, are a critical component of those data centers and the cooling infrastructure.

We've been a market leader in these engineered ASME tanks for years. The market we believe has consistently been plus or minus $200 million a year for some time. Given the projected growth in data centers and increasing adoption of liquid cooling in those data centers, industry sources suggest the market for liquid cooling and thermal management ASME tanks alone could be more than 10x the size of the legacy market in the next few years. To grow in and with this important end market, we took capabilities we already had, listen closely to our customers, leverage our engineering and innovation expertise and created an emerging suite of liquid cooling and thermal management solutions.

As a result, what started as a promising new application for us has quickly developed into an increasingly meaningful growth opportunity. As a reminder, in fiscal '26, we shipped roughly $13 million of ASME tanks for data centers.

In the first quarter of fiscal '27, we generated an additional $13 million of revenue from that value stream, essentially matching what we did in the entire prior fiscal year. Near term, we believe that our ASME tank revenues will continue to grow sequentially quarter-over-quarter through the balance of this fiscal year.

In addition, while this market is in the early stages of development, our pipeline suggests that, one, our solutions can play a meaningful role in this evolving architecture; and two, the market's growth is continuing to accelerate.

To be clear, our pipeline is not revenue, and there is always some uncertainty around the timing and conversion of these opportunities, but the size and the quality of the opportunities in front of us is encouraging, and we are investing in equipment, engineering talent and production capacity to support the customers we're servicing today and the opportunities we see ahead.

Solid financial results we're generating and the great opportunities ahead of us are a credit to our people. Worthington has always believed that people are our most important asset, and that is as true today as it has ever been.

As an example, we were recently named one of America's most innovative businesses for 2027 by Business Insider. Criteria they use included the number and impact of company's technological innovations, the reputation among peers for fostering innovation and how the company's investment in R&D compares to others in their industries.

We were also recognized in the quarter by USA TODAY and Points of Light as one of America's most charitable companies. This honor reflects our deeply rooted commitment to communities where we live and work including volunteerism and support from the Worthington Companies Foundation.

Much is being asked of our teams every day as we navigate volatile markets, geopolitical instability, inflation, elevated interest rates, supply constraints and operational challenges. We're very grateful for the way our colleagues continue to prioritize our customers and one another. We're proud of how we started our fiscal year. There's more work to do, but we continue to see tangible evidence that our strategy is working.

We see it in organic growth driven by innovation and productivity gains through transformation and successful M&A integration and ultimately, in cash generation. In addition, our end markets, brands, capabilities and strategy position us exceptionally well to continue driving profitable growth. Most importantly, we have a talented team that cares deeply about each other, our customers and our company.

Before I turn it over to Colin, who will spend a few more minutes on our financial performance in the quarter, I would like to remind everyone that we'll be hosting our Investor Day in New York on November 10. We're looking forward to discussing our businesses, the opportunities we see for profitable growth and how we're positioning Worthington Enterprises to create long-term value. We hope you'll join us.

Colin Souza^ Thank you, Joe. And good morning, everyone. We delivered a strong start to fiscal 2027, 7% organic sales growth, record trailing 12-month free cash flow of $196 million, continued improvement across our trade and Specialty Solutions businesses, strong performance from our joint ventures and meaningful progress in several of our strategic growth platforms.

GAAP earnings in Q1 were $0.87 per share compared to $0.70 per share in the prior year period. The current quarter included a net benefit of $0.05 per share from nonrecurring and restructuring items, primarily related to a gain realized from a contingent earn-out associated with the sale of our former oil and gas business which was divested in January of 2021.

The prior year quarter included $0.08 per share of restructuring and other expenses. Excluding these items in both periods, adjusted earnings were $0.82 per share, up from $0.78 per share in the prior year quarter.

Included in adjusted earnings for Q1 was a net pretax benefit of approximately $4 million or $0.06 per share related to IEEPA tariff refunds. Consolidated sales increased 13% to $344 million, demonstrating continued momentum across the underlying portfolio in addition to the contribution from our recent acquisitions which added $19 million in net sales for Q1.

Gross profit increased by nearly 11% in the quarter, while gross margin was 26.4% versus 27.1% a year ago, primarily reflecting lower volumes and less favorable mix in Building Performance Solutions, where Cooling and Construction faced a particularly difficult prior year comparison. Adjusted EBITDA was $74 million compared to $67 million in the prior year quarter, while adjusted EBITDA margin was 21.5%.

Importantly, even excluding the net tariff refunds, adjusted EBITDA increased year-over-year, reflecting underlying improvement across several of our businesses. On a trailing 12-month basis, adjusted EBITDA increased to $303 million.

Turning to our capital allocation, we remain focused on reinvesting in our businesses and pursuing strategic acquisitions while returning excess cash to shareholders via dividends and share repurchases. Free cash flow remains one of our most important operating metrics and Q1 demonstrated the strength of our cash generation.

Operating cash flow was $67 million, up from $41 million a year ago, while free cash flow increased to $54 million from $28 million which is our second strongest quarter since becoming Worthington Enterprises behind Q4 of fiscal 2026. Our discipline around cash flow generation was evident again in Q1, supported by effective working capital management across the organization.

On a trailing 12-month basis, free cash flow increased to $196 million, representing a 116% conversion rate relative to adjusted net earnings and our highest mark since becoming Worthington Enterprises. This level of cash flow provides us with the flexibility to reinvest in our businesses, pursue additional growth opportunities and return capital to shareholders, supporting our ability to create value over time.

Capital expenditures totaled $13 million in the quarter, and we returned capital to shareholders through $9 million in dividends and spent $18 million to repurchase 335,000 shares of our common stock. Our joint ventures continue to deliver strong cash generation, providing $36 million in dividends during the quarter, representing 88% of equity income.

Turning to our balance sheet and liquidity, we closed the quarter with TTM adjusted EBITDA of $303 million and net debt of $250 million. We continue to maintain a strong balance sheet with significant financial flexibility to execute our strategy.

Yesterday, our Board of Directors declared a quarterly dividend of $0.20 per share payable in December 2026. Before I turn to segment performance, and as a reminder, we recently renamed our two business segments to better reflect the markets they serve, the solutions they provide to customers and the continued evolution of our portfolio. Building Products is now Building Performance Solutions and Consumer Products is now Trade and Specialty Solutions.

While the names have changed, the composition of the segments and our historical financial results remain unchanged. In Building Performance Solutions, Q1 net sales grew 16% year-over-year to $215 million, up from $185 million in the prior year quarter.

Recent acquisitions contributed $19 million of net sales in the quarter, while organic sales increased 6%, driven by primarily by strength in our Water and European businesses, partially offset by lower revenue in our Cooling and Construction business. Adjusted EBITDA was essentially flat at $60 million compared to the prior year quarter with an adjusted EBITDA margin of 27.8%.

As Joe mentioned, the year-over-year comparison for Building Performance Solutions was impacted by the normalization of demand in cooling and construction following the A2L refrigerant transition as well as less favorable product mix.

Tight steel availability and extended lead times also created production scheduling and shipment timing challenges during the quarter.

We continue to view the A2L impact as a timing and comparison issue rather than a structural change in the business. Importantly, adoption remains strong and continued installation of A2L equipment supports current demand for our products while also building an installed base that we believe will create an attractive long-term service and replacement opportunity.

Our teams have worked diligently and prioritized customer needs throughout this period while positioning the business to benefit as these temporary headwinds normalize. We are particularly encouraged by the accelerating opportunity in our water business, where demand for engineered ASME tanks supporting liquid cooling applications for data centers continues to grow.

As Joe discussed, this is becoming an increasingly meaningful organic growth platform for Worthington. WAVE delivered another record quarter with equity income increasing approximately $3 million year-over-year to $35 million. ClarkDietrich also improved with equity income increasing more than $1 million year-over-year to $7 million despite commercial construction activity outside of data centers remaining relatively soft. We are pleased with the performance of LSI and continue to see attractive opportunities to expand the scale, profitability and diversification of our Building Performance Solutions platform.

In Trade and Specialty Solutions, Q1 net sales grew 8% year-over-year to $129 million, up from $119 million in the prior year quarter, driven by a combination of higher overall volumes and average selling prices. Adjusted EBITDA increased to $24 million from $16 million in the prior year quarter, while adjusted EBITDA margin expanded to 18.6% from 13.6%. The improvement in profitability reflected higher sales, pricing and improved manufacturing performance, along with the net benefit from IEEPA tariff refunds we discussed earlier.

Importantly, underlying profitability improved, excluding the tariff benefit, particularly in our tools and portable fuel businesses. We are pleased with the performance of the segment which continues to demonstrate the resilience of our portfolio of market-leading brands.

Looking ahead, we remain focused on driving profitable organic growth through the Worthington Business System including continued innovation and transformation across the segment, along with opportunities to expand distribution. We've seen good results from 80/20 in our water business, and we're now applying those same principles to portable fuel and torch to simplify the portfolio, improve mix and drive sustainable margin improvement.

Overall, we are encouraged by our start to fiscal 2027. We are driving continued organic growth through innovation and solid execution, improving performance across several of our wholly owned businesses, strong contributions from our joint ventures and growing in attractive end markets like data centers, all while generating near record cash flows. These results provide further evidence that our strategy is working.

Looking ahead, we see multiple opportunities to strengthen earnings through continued execution, maturing 80/20, normalization in Cooling and Construction, growth in higher-value applications, continued progress integrating recent acquisitions and continued productivity improvements through the Worthington Business System.

We believe these initiatives are improving the quality, sustainability and trajectory of our earnings and cash flows, strengthening our ability to invest for growth and create long-term value for our shareholders. With that, we're happy to take your questions.

QUESTION & ANSWER:

Operator^ Your first question comes from the line of Brian Biros with Thompson Research Group. Your line is open please go ahead.

Brian Biros^ Hey good morning everyone thanks for taking my question today.

Joseph Hayek^ Good morning. Go ahead Brian.

Brian Biros^ Good morning. I want to start with a question just about the steel market overall. You mentioned it's tight, lead times extended, not the ideal supply chain setup, but Worthington should be in a position to, I guess, navigate that better than almost every other competitor you guys have. So maybe help us understand kind of where things stand today in the field and kind of what Worthington can do that others can't to navigate that.

Joseph Hayek^ Sure. Brian, it's a very topical good question. And steel market has absolutely tightened. We are seeing longer lead times and certainly, the price of steel has come up in certain areas. This did start last fall when the 232 tariffs on imported raw steel doubled that really chilled imports. And since then, you've seen the price of steel creep steadily up and the market started to see some lead times get extended. That was certainly the case in Q1.

But as you say, tight markets can create challenges, but there are also environments where we think some of our capabilities really do matter. We're a pretty sophisticated buyer of steel. We have very strong supplier relationships, and we have a broad manufacturing footprint, which gives us additional options to manage through periods of constrained supply.

So we've been actively managing in that environment by looking across suppliers, products and our network to be sure that we're serving customers by maintaining access to materials. When it's been appropriate, we have taken pricing actions as well since input costs have increased the way that they did.

So the availability was a headwind for us in Q1, particularly as we mentioned in Cooling and Construction and Balloon Time. We do think that we're better positioned going forward, certainly through the end of the calendar year. Beyond that, we have limited visibility. That doesn't mean we don't necessarily think that it will get worse again beyond that, but as I said, we just don't have a lot of great visibility into the new calendar year. We ultimately think about that costs us a few million dollars in the quarter.

Brian Biros^ Okay. Helpful thank you. And a follow-up, I guess, would be on maybe on the JV WAVE, up 8%, great to see on an already pretty strong comp anyway. So maybe some more clarity on kind of what the driving factor for that was, if that's data center demand starting to flow through distribution yet? Is that pricing just from steel or maybe just strong core end markets? More commentary on kind of the demand for that would be helpful.

Colin Souza^ WAVE, as you mentioned, another really excellent quarter, delivering record equity income of $35 million, and we continue to be very pleased with the performance of that business and the team there. The end markets at WAVE, they remain generally stable, although performance varies by sector.

So education, health care, transportation and as you mentioned, data centers continue to remain healthy and drive volume, while channels like retail and office are a little more muted. So WAVE, also, does benefit from meaningful exposure to repair and remodel activity which tends to be more resilient than the new commercial construction space.

So they're a little insulated there which is good. The team continues to really innovate around solutions that help contractors reduce labor and improve installation efficiency, and that's always going to be valuable in the market. They continue to create meaningful value for their customers that way, and that supports the attractive economics of the business. And so more broadly, WAVE is just a great example of the types of businesses that we like to own.

They're a market leader in an attractive niche with strong customer relationships, differentiated products and the ability to perform very well across different market environments. And as we look into Q2, there is normal seasonality to the business. Q1 is a strong quarter for them always during the year, but we would expect as we look into Q2, some sequential moderation. But overall, they remain very healthy, and we're very confident in the team there.

Brian Biros^ Great thank you.

Operator^ Your next question comes from the line of Walt Liptak with Seaport Research. Your line is open please go ahead.

Walter Liptak^ Hi thanks good morning guys and good quarter. I wanted to ask about the data center product. And it sounds like you hit the targets that you set out to get the $13 million. I wonder if you could talk about just the experience during the quarter, any -- as you're going through any ramp costs or productivity that you're working through? And as you've been able to maintain and come out with the new ASME products, are you able to get more visibility beyond kind of what you've talked about in the past which is getting to kind of that run rate of $13 million in revenue per quarter?

Joseph Hayek^ Sure, Walt. We're talking here about ASME tanks that for people who aren't sure what this stands for is the American Society of Mechanical Engineers. It's a certain code and approval process. But these are tanks that are used in liquid cooling systems that support the next-gen computing infrastructure. They're purpose-built vessels used for liquid cooling and thermal management.

And, we've actually been in this business for a long time. We've been innovating in pressure and hydronic systems for 80 years. In fact, Amtrol invented the first pre-pressurized, not to get too technical, a diaphragm expansion tank 70 years ago. So this isn't new to us. But as we listen to customers and understood what they were trying and needed to accomplish, we knew we could be helpful, so we leveraged the core competency, our engineering and innovation expertise and created this emerging suite of solutions that we think really do help our customers solve problems that they're trying to solve. And so you said it, $13 million last

year, $13 million in Q1. We do think that we should grow sequentially in Q2, Q3 and Q4, more of that growth being weighted on the back half of the year, the back part of the year.

But, keep in mind that this market is still developing, and these opportunities are sometimes 18 to 24 months removed from a "announcement" that you might hear about a data center being green lit. And, so we do think that we'll have some variability from quarter-to-quarter, but this is a multiyear opportunity.

We think it's accelerating. And, as I mentioned before, we think that the liquid cooling and thermal management market just for data centers could be 10x what the legacy market was in the next few years. And, so we absolutely have invested and are continuing to invest in engineering talent in new equipment and in production capacity as we're really trying to be and believe that we're very well positioned to be part of the solution.

And, so if you think about the way people describe this market, they talk about hyperscalers, data center builders and then ultimately, they get into kind of the picks and shovels that make data centers work. It's oversimplifying, but you can think of our solutions as types of picks and shovels, and so we make various kinds of tanks and separators, but what really sets us apart is the services that we can provide around these solutions, our engineering expertise, our design expertise, ultimately helping our customers design or refine their designs for these fluid management solutions. And ideally, if we're good, we get sort of spec-ed in, thought about you think things like the basis of design, but we'd like to get spec-ed in to some of these designs as we go forward. And then I think we'll be able to grow in and grow with this market pretty nicely.

Walter Liptak^ Okay. Thanks for that. I appreciate it. And yes, good luck with that rapidly expanding market. I wonder if you could talk about the strategy that you guys are going after. I think you've talked about some capacity expansions. You just mentioned engineering and production. I wonder if you can talk about what you're doing.

Joseph Hayek^ Sure. So it is a pretty fulsome approach, heavy on design, engineering and process, a lot of capacity expansion and investments in our own facilities, but in cases where it makes sense for somebody else to manufacture these, we've got a group of partners that we are relying on and that we are partnering with to help us essentially expand our own capacity and ultimately do the design work, do the commercial work, do all the things that need to happen, but ultimately take advantage of some capacity that's already in the ground.

Walter Liptak^ Okay great. Okay thanks I'll get back to queue. Thank you.

Joseph Hayek^ Sure.

Operator^ Your next question comes from the line of Susan Maklari with Goldman Sachs. Your line is open please go ahead.

Joseph Hayek^ Good morning Susan.

Susan Maklari^ Good morning. My first question is regarding the broader state of the consumer and what you're seeing there. It sounds like from what we've been hearing from the homebuilders, things certainly moderated in the quarter as rates rose and the geopolitical

environment. Can you just talk a bit about what you're seeing now and what that implies as we think about the growth in the next couple of quarters?

Joseph Hayek^ Sure. So within Trade and Specialty, one of the reasons, obviously that we decided to realign and rename those, Susan, as you know is an awful lot of our products that were sold through what's historically been consumer end up in the hands of contractors. They're working on commercial buildings or residential buildings.

But for us, it's really around that team continuing to execute exceptionally well. They've got good pricing discipline. They've done a really good job commercially. There's a lot of energy around NPD and new products that we expect to see in the back half of our fiscal year. But I would say, generally, yes, you're right.

Interest rates are still high, but people are still repairing, remodeling. Unemployment is still pretty low, and we've always used unemployment as a pretty good kind of indicator for us. And, so we haven't seen any material weakness in our customers. Point of sale is hanging in there, and so we think that our products are awfully resilient and have typically shown that way. It’s not as though the market is worse than it was in the past three years. So it's been relatively steady from that perspective.

Susan Maklari^ Okay. That's helpful. And then can you also give us an update on the integration of the recent acquisitions that you've done? And any comments on the M&A pipeline in general, given the operating conditions and the move in rates?

Colin Souza^ Yes. Thanks, Susan. So I'll take the pipeline question first, and we continue to see a healthy pipeline of opportunities, a slight uptick, if anything, more recently with just activity which is good. And, as you know we're focused on businesses where we see strong strategic and cultural fit. These are in attractive niches and where Worthington has a clear opportunity to create some additional value. And, we've got a strong balance sheet, we've got really good free cash flow generation, like we talked about earlier and low leverage, and that creates significant financial flexibility for us to pursue these opportunities when they make sense. Our capital allocation framework is balanced, as you know with a bias towards growth, and we're actively evaluating opportunities, and we feel good about what we're seeing. Just on the recent acquisitions, we continue to feel pretty good about our most recent acquisitions, both Elgen and LSI.

In the quarter, the acquisitions contributed approximately $19 million of sales just in Q1. With Elgen specifically, we've made good progress on that integration. It's been over a year at this point, we're focused heavily on the operations and deploying the Worthington Business System to really realize the full potential of the business. The commercial HVAC end markets that they serve remain pretty healthy, and we continue to believe Elgen has significant opportunity over time.

On LSI, that's our most recent acquisition, we closed in January. It's earlier in the integration process, but we are very pleased with performance there. It's a high-quality business, really attractive margins, a strong position in a very specialized niche. They are a critical component of the overall kind of metal roofing system which is an attractive market to be in. So, we're increasingly focused on LSI with how we can deploy Worthington's capabilities to accelerate growth.

We think that's the real unlock for LSI. And most importantly, kind of both of those businesses, Elgen and LSI are great cultural fits. People are our most important asset. And with the acquisitions, we'd much rather spend our time improving operations, expanding commercial opportunities than trying to change the culture. And in both cases, we feel pretty good about the teams there and the culture at those businesses.

Joseph Hayek^ Yes, and Susan, the only thing I would add, Colin, is absolutely right. When you talk about the increase in rates and the rate environment, that's actually a good thing for us. We, as you know have a pretty good balance sheet and have a fair amount of liquidity if competitive situations arise for an acquisition, our borrowing base and our borrowing basis is probably going to be better than a lot of the folks that we might be in competition with. So environments like this are actually better for us, relatively speaking, than when interest rates are very, very low and capital is everywhere.

Susan Maklari^ Okay that's very helpful thank you both for the color. Good luck with the quarter.

Joseph Hayek^ Thank you Susan.

Operator^ Your next question comes from the line of Walter Liptak with Seaport Research. Your line is open please go ahead.

Walter Liptak^ Okay thanks. I've got a couple of follow-ups. One on the free cash flow, as you guys pointed out, was very strong. I wonder if you could talk about some of the programs that you guys are doing to improve working capital? And is that is sort of a onetime inflow of cash from working capital accounts? Or can you continue to generate high levels of free cash flow?

Colin Souza^ Yes. So thanks, Walt. This has been an important point for us, and we're really pleased with the cash flow generation. As you mentioned, as we talked about earlier, up $26 million year-over-year from an operating and free cash flow standpoint, $196 million in free cash flow on a trailing 12-month basis, that's the highest it's been.

The working capital measures we've been very intentional about which has been helping us drive that free cash flow generation, and we believe it is sustainable. We've been working hard with our teams to continue to pull levers to really compound our cash flow. And in particular, it's shown up, as we talked about in our working capital.

From a cash conversion cycle standpoint, just over the last year, I think we're down about eight or nine days which we're really pleased with over that period, and then from a net working capital as a percent of sales, we're down, almost 3% just over the last couple of years. And, so that's a lot of incremental things working around customer terms, working around our supply base and then just more efficiently and effectively managing inventory, things like 80/20 always play a role in that as well. We're really pleased with the performance and do view it as sustainable.

As we move forward, we're going to continue to drive that free cash flow generation, and there is some normal kind of cyclicality or seasonality to it. We do have an extra tax payment in Q2 which is normal course. But outside of that, we feel pretty good from a free cash flow standpoint.

Walter Liptak^ Okay. All right thanks for that insight. And then just the last one. The A2L tough comparison. We saw that last quarter. It's here again. The inventory correction that's going on, how long do you think it will take to clear? Do you expect more, especially in the second quarter going into the end of the calendar year? And at what point do you think we start getting on to a positive comp?

Colin Souza^ Yes. Walt, that transition did have an impact in the quarter. The unfavorable mix was primarily driven by Cooling and Construction business and the difficult comparison there related to A2L. Just a little more background. The prior year benefited from this unusually strong demand as manufacturers, distributors, contractors simultaneously established inventory ahead of this regulated transition.

And that included kind of heavy demand on our products, obviously. And we estimate the year-over-year impact to adjusted EBITDA this quarter was approximately $7 million which is more than we anticipated a quarter ago. And, Joe mentioned this earlier, channel inventories are taking a little longer to normalize and particularly against the backdrop of muted housing environment.

We expect Q2 to remain a difficult comparison because of that prior year quarter benefited from the A2L-related volumes. But, as we move to the second half of the year, Q3 and Q4 are seasonally stronger in this market including construction, so we do expect normalization. And importantly, we continue to view this primarily as more of a timing and comparison issue rather than a change in the long-term fundamentals of the business.

Nearly all the new residential equipment now utilizes A2L refrigerants, and so every new installation expands the installed base for our products, and over time that should create a growing service and repair opportunity for the products that we sell into this space.

Walter Liptak^ Okay all right thanks very much.

Colin Souza^ Thanks Walter.

Operator^ Your next question comes from the line of Brian McNamara with Canaccord Genuity. Your line is open please go ahead.

Brian McNamara^ Hey good morning guys thanks for taking the questions. Just one for me as all my other questions have been addressed. Can you characterize or quantify the growth you're seeing in data centers outside of ASME tanks, whether it be WAVE, Elgen or LSI? And specifically, are you bundling your solutions there to win business? Or has it largely been kind of a la carte to this point?

Joseph Hayek^ It's a great question, Brian. Good morning it's Joe. The way that we think about data centers, we talked a lot about the ASME tanks. But yes, absolutely, every data center is a commercial building. A number of our value streams provide building performance solutions that are integral to the way those buildings function and setting them up to do what they're supposed to do, that certainly includes WAVE and ClarkDietrich, Elgen and LSI. Across those value streams, data centers are a very important part of the growth that

we're seeing. And, I would say our revenues are growing commensurate, maybe a bit better or a bit worse depending on the application with the proliferation of data centers.
Because of the market and data centers operate the way that they do, it's relatively decentralized from a construction and from a gut perspective.

So the bundling would be an overstatement, but we are increasingly collaborating across value streams and talking about opportunities and prioritizing and ultimately kind of making the case that we can refer or otherwise make more introductions for other pieces of our business that we probably couldn't a couple of years ago.

Brian McNamara^ Maybe just a quick follow-up on that. I think in Q3 last year, you said that your data center business was expected to triple in fiscal '26, but it sounds like the ASME tanks are about to quadruple at least if they sequentially grow each quarter this year. How would we characterize the other businesses exposed to data centers that you guys own kind of multiplying this year? Is that a fair way to characterize the growth you're seeing there?

Joseph Hayek^ So your question, Brian, the non-ASME tanks

Brian McNamara^ Yes.

Joseph Hayek^ Ask that again. I misunderstood it maybe.

Brian McNamara^ Say that again?

Joseph Hayek^ I think I misunderstood your question. Can you ask it again?

Brian McNamara^ Yes. So I think in Q3, I think you said your data center business overall last year was expected to triple. I don't know where that landed. Are we expecting that kind of same maybe doubling, tripling kind of this year? It sounds like the ASME tanks are going to at least quadruple if you grow sequentially quarter after quarter this year.

Joseph Hayek^ Yes, right. We have $13 million was effectively 3x what it had been the year before. We did that in Q1 which on a run rate would have it being 4x, but we think that, and we said this much that we're going to grow sequentially. So yes, we do absolutely believe that this market is accelerating.

Brian McNamara^ All right. Appologies for the confusion there and thanks for taking the question.

Joseph Hayek^ Thank you.

Operator^ Your next question comes from the line of Will Gildea with CJS Securities. Your line is open please go ahead.

Will Gildea^ Hey good morning and thanks for taking our questions. Can you add some more color on the really solid growth in Trade and Specialty Solutions? I think you described as volume and price driven. Just wondering, are there any product lines or end customers where you saw more strength in the quarter?

Colin Souza^ Yes. Thanks, Will. So the Trade and Specialty Solutions segment, really good performance in the quarter. Sales increased approximately 8%, driven by a combination of higher overall volumes and selling prices. We saw some good broad-based growth across most of the portfolio, particularly portable propane and tools.

Those were driven by higher volumes, expanded distribution and then both those segments had pricing actions as well which was helpful. The Balloon Time business was the primary exception. Volumes were down, but that was more a function of a really strong prior year comparison which impacted in the current quarter. So more broadly, we are really pleased with the performance of the segment, and they had good margin expansion even excluding the tariffs kind of positive in the quarter as well.

Will Gildea^ That is very helpful thank you. And then just one more. I think you described increasing raw material prices as a headwind of a few million dollars. How quickly can you mitigate that? And, how are you thinking about mitigating that? And does that headwind get worse throughout to the end of the calendar year? Or does it improve?

Joseph Hayek^ Yes. So just to make sure I clarify, Will. My comment on a few million dollars was around steel being late and ultimately, us needing to prioritize and think about shipments and manufacturing and things like that. We do think that near term, we'll be in better shape there. Steel is more expensive than it was a year ago.

But also, as we mentioned, that's not ideal, but we have taken price actions where we thought we needed to, but these are environments where we ultimately can separate ourselves from others. And, so with our relationships and our capabilities and our optionality, it's something that we'll continue to address, and I think we'll address it successfully with the caveat, obviously that things are certainly more expensive than they were a year ago from a raw material perspective, and that's true across the board.

Will Gildea^ All right thank you very much.

Operator^ There are no further questions at this time. I will now turn the call back to Joe for any closing remarks.

Joseph Hayek^ Thank you all for joining us this morning. We look forward to potentially seeing some of you at our Investor Day in November. Hope you have a great day.

Operator^ This concludes today's call. Thank you for attending. You may now disconnect.