

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended May 31, 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 1-8399

WORTHINGTON ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction of incorporation or organization)

31-1189815

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

200 West Old Wilson Bridge Road, Columbus, Ohio

(Address of principal executive offices)

43085

(Zip Code)

Registrant's telephone number, including area code: **(614) 438-3210**

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

Title of each class
Common Shares, Without Par Value

Trading Symbol(s)
WOR

Name of each exchange on which registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the common shares (the only common equity of the registrant) held by non-affiliates of the registrant, based on the closing price of the common shares on the New York Stock Exchange on November 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was \$2,272,277,969. For this purpose, executive officers and directors of the registrant are considered affiliates.

The number of common shares (the only common equity of the registrant) outstanding, as of July 24, 2024, was 50,045,044.

DOCUMENTS INCORPORATED BY REFERENCE:

Selected portions of the registrant's definitive Proxy Statement for its Annual Meeting of Shareholders to be held on September 24, 2024, are incorporated by reference into Part III of this Form 10-K to the extent provided herein.

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DEFINED TERMS

References in this Form 10-K 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-K, have the meanings set forth below:

Term	Definition
ABI	Architecture Billings Index
AICPA	American Institute of Certified Public Accountants
AOCI	Accumulated other comprehensive (income) loss
ArtiFlex	ArtiFlex Manufacturing, LLC
ASU	Accounting Standards Update
Board	Board of Directors of Worthington Enterprises
CARES Act	Coronavirus Aid, Relief and Economic Security Act
ClarkDietrich	Clarkwestern Dietrich Building Systems LLC
CIO	Chief Information Officer
CISO	Chief Information Security Officer
Code	Internal Revenue Code of 1986, as amended
CODM	Chief Operating Decision Maker
common shares	The common shares, no par value, of Worthington Enterprises
Council	Our Diversity, Equity and Inclusion Council
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 maturing on September 27, 2028
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
ERGs	Employee Resource Groups
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
Form 10-K	Our Annual Report on Form 10-K for fiscal 2024
fiscal 2022	Our fiscal year ended May 31, 2022
fiscal 2023	Our fiscal year ended May 31, 2023
fiscal 2024	Our fiscal year ended May 31, 2024
fiscal 2025	Our fiscal year ending May 31, 2025
GAAP	U.S. generally accepted accounting principles
GDP	Gross domestic product
GDPR	General Data Protection Regulation of the European Union
Gerstenslager Plan	The Gerstenslager Company Bargaining Unit Employees’ Pension Plan
Halo	WH Products, LLC
Hexagon	Hexagon Composites ASA
HPG	Halo Products Group, LLC
HMI	The National Association of Home Builders/Wells Fargo Housing Market Index
IRS	U.S. Internal Revenue Service
LPG	Liquefied Petroleum Gas
MD&A	Management’s Discussion and Analysis of Financial Condition and Results of Operations
New Senior Notes	Collectively, the New Series A Senior Note and the New Series B Senior Notes
New Series A Senior Note	The senior unsecured note issued by Worthington Enterprises on August 23, 2019, in the principal amount of €36,700,000 that bears interest at a rate of 2.06% and are scheduled to be repaid on August 23, 2031.
New Series B Senior Note	The senior unsecured notes issued by Worthington Enterprises on August 23, 2019, in the principal amount of €55,000,000 that bears interest at a rate of 2.40% and are scheduled to be repaid on August 23, 2034.
NYSE	New York Stock Exchange
OCI	Other comprehensive income (loss)
Original Senior Notes	Collectively, the Original Series A Senior Note and the Original Series B Senior Notes
Original Series A Senior Note	The senior unsecured note issued by one of our European subsidiaries on August 23, 2019, in the principal amount of €36,700,000, which had an interest rate of 1.56% and was set to mature on August 23, 2031.
Original Series B Senior Notes	The senior unsecured notes issued by one of our European subsidiaries on August 23, 2019, in the principal amount of €55,000,000, which had an interest rate of 1.90% and was set to mature on August 23, 2034.
OSHA	U.S. Occupational Safety and Health Administration
PSLRA	Private Securities Litigation Reform Act of 1995, as amended

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Term	Definition
Record Date	Close of business on November 21, 2023
Ragasco	Hexagon Ragasco AS
ROU	Right of use
Samuel	Worthington Samuel Coil Processing LLC
SEC	U.S. Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Separation	The separation of our steel processing business, effective December 1, 2023
Serviacero	Serviacero Planos, S. de R. L. de C.V.
SG&A	Selling, general and administrative expenses
Simple SOFR	Simple Secured Overnight Financing Rate
Spartan	Spartan Steel Coating, L.L.C.
Topic 606	ASU 2014-09, Revenue from Contracts with Customers
TWB	TWB Company, L.L.C.
U.S.	United States of America
Voestalpine	Voestalpine Automotive Components Nagold GmbH & Co. KG
WAVE	Worthington Armstrong Venture
Workhorse	Taxi Workhorse Holdings, LLC
Worthington Steel	Worthington Steel, Inc.
Worthington Enterprises	Worthington Enterprises, Inc. (formerly known as Worthington Industries, 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
2024 Annual Meeting	The Annual Meeting of Shareholders of Worthington Enterprises to be held on September 24, 2024
2024 Proxy Statement	The definitive Proxy Statement of Worthington Enterprises relating to the 2024 Annual Meeting
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%, were set to mature on August 10, 2024, and were paid in full on December 6, 2023.
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%, were scheduled to mature on April 15, 2026, and were paid in full on July 28, 2023.
2032 Notes	The senior unsecured notes that were issued on July 28, 2017, in the principal amount of \$200,000,000, which bear an interest rate of 4.30% and are scheduled to mature on July 28, 2032.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Selected statements contained in this Form 10-K, including, without limitation, in MD&A, constitute “forward-looking statements,” as that term is used in the PSLRA. We wish to take advantage of the safe harbor provisions included in the PSLRA. Forward-looking statements reflect our 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” and 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;
- outlook, strategy or business plans;
- anticipated benefits of the Separation;
- expected financial and operational performance, and future opportunities, following the Separation;
- 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;
- 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;
- 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 inventories, jobs and orders;
- expectations for the economy and markets or improvements therein;
- expectations for generating improving and sustainable earnings, earnings potential, margins or shareholder value;
- effects of judicial rulings, laws and regulations;
- effects of cybersecurity breaches and other disruptions to information technology infrastructure;
- the lingering effects of COVID-19 on economies and markets, and on our 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 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 impact of tariffs, the adoption of trade restrictions affecting our products or suppliers, a 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 prices and/or supply of steel, natural gas, oil, copper, zinc, and other raw materials;
- product demand and pricing;
- changes in product mix, product substitution and market acceptance of our products;

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- volatility or fluctuations in the pricing, quality or availability of raw materials (particularly steel), supplies, transportation, utilities, labor and other items required by operations;
- 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 construction and other industries in which we participate;
- failure to maintain appropriate levels of inventories;
- financial difficulties (including bankruptcy filings) of end-users and customers, suppliers, joint venture partners and others with whom we do 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 we participate;
- 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, 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, foreign currency exchange rate exposure and the acceptance of our 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 our operations and financial results;
- deviation of actual results from estimates and/or assumptions used by us in the application of our significant accounting policies;
- the level of imports and import prices in our markets;
- the effect of national, regional and global economic conditions generally and within major product 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 our ability to use or sell certain products;
- the impact of increasing environmental, greenhouse gas emission and sustainability regulations and considerations;
- the impact of judicial rulings and governmental regulations, both in the U.S. and abroad, including those adopted by the SEC and other governmental agencies as contemplated by the 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 our healthcare and other costs and negatively impact our operations and financial results;
- the effects of tax laws in the U.S and potential changes for such laws, which may increase our costs and negatively impact our operations and financial results;
- cyber security risks;
- the effects of privacy and information security laws and standards;
- the seasonality of our operations; and
- other risks described from time to time in our filings with the SEC, including those described in "Part I – Item 1A. – Risk Factors" of this Form 10-K.

We note 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, which speak only as of the date made. We do not undertake, and hereby disclaim, any obligation to update any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

USE OF NON-GAAP FINANCIAL MEASURES
(in thousands)

Non-GAAP Financial Measures

This Form 10-K includes references to certain financial measures that are not calculated or presented in accordance with GAAP. Non-GAAP financial measures typically exclude items that management believes are not reflective of, and thus should not be included when evaluating the performance of our ongoing operations. Management uses these non-GAAP financial measures to evaluate our performance, engage in financial and operational planning, and determine incentive compensation. Management believes these non-GAAP measures provide useful supplemental information and additional perspective on the performance of our ongoing operations and should not be considered an alternative to the comparable GAAP financial measure. Additionally, management believes these non-GAAP financial measures allow for meaningful comparisons and analysis of trends in our business and enable investors to evaluate our operations and future prospects in the same manner as management.

The following provides an explanation of each non-GAAP financial measure presented in this Form 10-K:

Adjusted operating income (loss) is defined as operating income (loss) excluding the items listed below, and in the accompanying reconciliations to comparable GAAP measures, to the extent naturally included in operating income.

Adjusted net earnings from continuing operations is defined as net earnings from continuing operations attributable to controlling interest (“net earnings from continuing operations”) excluding the after-tax effect of the excluded items listed below and in the accompanying reconciliations to comparable GAAP measures.

Adjusted earnings per diluted share from continuing operations (“Adjusted EPS from continuing operations - diluted”) is defined as adjusted net earnings from continuing operations attributable to controlling interest divided by diluted weighted-average shares outstanding.

Adjusted EBITDA from continuing operations is defined as adjusted earnings before interest, taxes, depreciation, and amortization. Adjusted 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 from continuing operations 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 from continuing operations 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.

Exclusions from Non-GAAP Financial Measures

Management believes it is useful to exclude the following items from adjusted EBITDA from continuing operations 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, which can result in both discrete gains and/or losses, arise from established programs that are intended to 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). 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 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.

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- Loss on early extinguishment of debt, is excluded because it does not occur in the normal course of business 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, 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 third-party insurance companies.

The following provides a reconciliation of these non-GAAP financial measures from their most comparable GAAP measure for fiscal 2024, fiscal 2023, and fiscal 2022.

	Fiscal 2024					
	Operating Income (Loss)	Earnings Before Income Taxes	Income Tax Expense (Benefit)	Net Earnings from Continuing Operations	Diluted EPS - Continuing Operations	Effective Tax Rate
GAAP	\$ (73,459)	\$ 74,007	\$ 39,027	\$ 35,243	\$ 0.70	52.6 %
Corporate costs eliminated at Separation	19,343	19,343	(4,643)	14,700	0.29	
Impairment of goodwill and long-lived assets	32,975	32,975	-	32,975	0.65	
Restructuring and other expense, net	29,327	29,327	(4,737)	24,590	0.49	
Separation costs	12,705	12,705	(3,049)	9,656	0.19	
Non-cash charges in miscellaneous expense	-	19,180	(1,922)	17,258	0.34	
Loss on extinguishment of debt	-	1,534	(368)	1,166	0.02	
Gain on sale of assets in equity income	-	(2,780)	662	(2,118)	(0.04)	
Pension settlement charge in equity income	-	1,040	(244)	796	0.02	
One-time tax effects of Separation	-	-	9,197	9,197	0.18	
Non-GAAP	<u>\$ 20,891</u>	<u>\$ 187,331</u>	<u>\$ 44,131</u>	<u>\$ 143,463</u>	<u>\$ 2.84</u>	23.5 %

	Fiscal 2023					
	Operating Income	Earnings Before Income Taxes	Income Tax Expense (Benefit)	Net Earnings from Continuing Operations	Diluted EPS - Continuing Operations	Effective Tax Rate
GAAP	\$ 29,819	\$ 160,286	\$ 34,535	\$ 125,751	\$ 2.55	21.5 %
Corporate costs eliminated at Separation	41,479	41,479	(9,499)	31,980	0.65	
Impairment of long-lived assets	484	484	(111)	373	0.01	
Restructuring and other income, net	(367)	(367)	84	(283)	(0.01)	
Separation costs	6,534	6,534	(1,496)	5,038	0.11	
Pension settlement charge	-	4,774	(1,093)	3,681	0.07	
Loss on sale of investment in Artiflex	-	16,059	(3,678)	12,381	0.25	
Sale lease-back gain in equity income	-	(2,063)	472	(1,591)	(0.03)	
Non-GAAP	<u>\$ 77,949</u>	<u>\$ 227,186</u>	<u>\$ 49,856</u>	<u>\$ 177,330</u>	<u>\$ 3.60</u>	21.9 %

	Fiscal 2022					
	Operating Income	Earnings Before Income Taxes	Income Tax Expense (Benefit)	Net Earnings from Continuing Operations	Diluted EPS - Continuing Operations	Effective Tax Rate
GAAP	\$ 48,794	\$ 210,649	\$ 52,701	\$ 157,948	\$ 3.10	25.0 %
Corporate costs eliminated at Separation	48,020	48,020	(11,169)	36,851	0.72	
Restructuring and other income, net	(2,616)	(2,616)	608	(2,008)	(0.04)	
Non-GAAP	<u>\$ 94,198</u>	<u>\$ 256,053</u>	<u>\$ 63,262</u>	<u>\$ 192,791</u>	<u>\$ 3.78</u>	24.7 %

(1) Excludes the impact of noncontrolling interest

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The following table presents a reconciliation from earnings before income taxes to adjusted EBITDA from continuing operations for the past three fiscal years:

	2024	2023	2022
Earnings before income taxes (EBIT)	\$ 74,007	\$ 160,286	\$ 210,649
Less: net loss attributable to noncontrolling interest	(263)	-	-
Net earnings before income taxes attributable to controlling interest	74,270	160,286	210,649
Interest expense, net	1,587	18,298	23,852
EBIT (subtotal)	75,857	178,584	234,501
Corporate costs eliminated at Separation ⁽¹⁾	19,343	41,479	48,020
Impairment of goodwill and long-lived assets	32,975	484	-
Restructuring and other expense (income), net	29,327	(367)	(2,616)
Separation costs	12,705	6,534	-
Non-cash charges in miscellaneous expense ⁽²⁾	19,180	4,774	-
Loss on investment in ArtiFlex ⁽³⁾	-	16,059	-
Loss on extinguishment of debt ⁽⁴⁾	1,534	-	-
Net gain on sale of assets in equity income ⁽⁵⁾	(2,780)	(2,063)	-
Pension settlement charge in equity income ⁽⁶⁾	1,040	-	-
Adjusted EBIT (subtotal)	189,181	245,484	279,905
Depreciation and amortization	48,663	45,975	42,645
Stock-based compensation	13,155	14,566	12,474
Adjusted EBITDA from continuing operations	\$ 250,999	\$ 306,025	\$ 335,024

Non-GAAP Footnotes

- (1) 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 our former steel processing business but did not meet the requirements to be presented as discontinued operations.
- (2) Reflects the following non-cash charges in miscellaneous expense:
 - Pre-tax charges of \$8,010 and \$4,774 from separate pension lift-out transaction 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.
 - A pre-tax charge of \$11,170 during the fourth quarter of fiscal 2024 due to the write-down of an investment in notes receivable that was determined to be other than temporarily impaired.
- (3) On August 3, 2022, we sold our 50% noncontrolling equity investment in ArtiFlex, resulting in a pre-tax loss of \$16,059 in equity income related to the sale.
- (4) Reflects a pre-tax loss of \$1,534 realized in connection with 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 equity related to a treasury lock derivative instrument executed in connection with the issuance of the 2026 Notes.
- (5) Reflects the following activity within equity income associated with the sale or divestiture of assets at Workhorse:
 - A net gain of \$2,780 associated with the divestiture of the Brazilian operations during the second quarter of fiscal 2024.
 - A net gain of \$2,063 related to a sale-leaseback transaction during the fourth quarter of fiscal 2023.
- (6) Reflects the settlement of certain participant balances within the pension plan maintained by WAVE.

PART I

Unless otherwise indicated, all Note references in this Form 10-K refer to the notes to the Consolidated Financial Statements included in “Part II – Item 8. – Financial Statements and Supplementary Data” of this Form 10-K. All dollar amounts within Part I are presented in thousands of dollars except per share amounts.

Item 1. — Business

General Overview

Founded in 1955 as Worthington Industries, we are one of the leading designers and manufacturers of products sold to consumers, primarily through retail channels, in the tools, outdoor living and celebrations market categories as well as a wide array of highly specialized building products that primarily serve customers in the residential and non-residential construction markets, including ceiling suspension systems and light gauge metal framing products, respectively, through our unconsolidated joint ventures, WAVE and ClarkDietrich, as well as wholly-owned and consolidated operations that produce pressurized containment solutions for heating, cooking and cooling applications, among others. Our business strategy is rooted in our people first culture that values our relationships across the spectrum and revolves around products and services that empower people to live safer, healthier and more expressive lives. Originally founded as a value-added steel processor domiciled under the laws of the State of Ohio, we expanded our offerings to include manufactured metal products organized around attractive end market under two separate and distinct reportable operating segments: Consumer Products and Building Products.

We believe the foundation of our success is rooted in our people first philosophy and our belief that people are our most important asset, which serves as a basis for our unwavering commitment to our employees, customers, suppliers, and investors. Our primary goal is to create value for our shareholders. Built on the successful foundation of the Worthington Business System, we apply a disciplined approach to capital deployment and seek to grow earnings by optimizing our operations and supply chain, developing and commercializing new products and applications, and pursuing strategic investments and acquisitions.

Our fiscal year ends each May 31 and our fiscal quarters end on the final day of each of August, November, February and May.

We are headquartered at 200 West Old Wilson Bridge Road, Columbus, Ohio 43085, telephone (614) 438-3210. The common shares are traded on the NYSE under the symbol WOR. We maintain a website at www.worthingtonenterprises.com. This uniform resource locator, or URL, is an inactive textual reference only and is not intended to incorporate our website into this Form 10-K. Worthington Enterprises’ Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports, filed or furnished pursuant to Section 13(a) or Section 15(d) of the Exchange Act, as well as Worthington Enterprises’ definitive proxy materials for annual meetings of shareholders filed pursuant to Section 14 of the Exchange Act, are available free of charge, on or through our website, as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC.

Separation of the Steel Processing Business

On December 1, 2023, we completed the Separation of our former steel processing business into a separate public company in a transaction intended to qualify as tax free to our shareholders, which was accomplished via the Distribution. Worthington Steel is an independent public company. The operating results of our former steel processing business are reported as discontinued operations for all periods presented. All discussions within this Form 10-K, including amounts, percentages and disclosures for all periods presented, reflect only our continuing operations unless otherwise noted.

Following the completion of the Separation, Worthington Industries, Inc. changed its name to Worthington Enterprises, Inc. and its common shares continue trading on the 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.

Other Business Developments

On May 29, 2024, we became a noncontrolling equity partner in a new unconsolidated joint venture with Hexagon, a leading global manufacturer of Type 4 composite cylinders used for storing gas under high-pressure, by selling 51% of the nominal share capital of our former sustainable energy solutions operating segment in Europe. Pursuant to the transaction, Hexagon acquired a 49% stake in the joint venture for approximately \$11,518, after adjusting for closing cash and preliminary net working capital, with an additional 2% sold to members of the existing management team for an additional \$468. Post-closing, we hold a 49%, noncontrolling interest in the joint venture, which is accounted for under the equity method due to our significant influence. The newly formed joint venture will focus on capitalizing on the global clean energy transition specific to the storage, transport and distribution of hydrogen and compressed natural gas.

Our 49% noncontrolling interest, which is accounted for under the equity method, does not qualify as a standalone operating segment and therefore will be reported within Other along with unallocated corporate expenses, as discussed further in “Note P – Segment Data.” Additionally, upon closing, our sustainable energy solutions business, as historically operated, is no longer part of our management structure and therefore the financial position and results of operations of this business are presented within Other, on an historical basis, through May 29, 2024.

On February 1, 2024, we acquired an 80% ownership stake in Halo, an affiliate of HPG, an asset-light business with technology-enabled solutions in the outdoor cooking space. The total purchase price was \$9,588. Refer to “Note Q – Acquisitions” for additional information.

Our Key Strengths

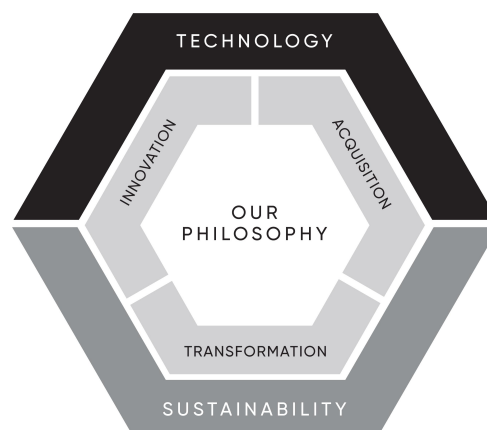
We believe our established portfolio of market-leading brands positions us well to execute on our growth initiatives and overall business strategy. Our ability to manufacture at scale and leverage key customer relationships in diverse end markets distinguishes us from our competitors and creates barriers to entry. We also believe we are well-positioned to capitalize on certain secular trends impacting the markets that we serve, including government stimulus and other initiatives to support long-term construction and supply chain investment as well as the increasing investments in environmental projects at the corporate and government level.

We believe the Worthington Business System is the engine that drives value for our shareholders. The Worthington Business System is rooted in the Worthington Philosophy and designed to drive continuous improvement through use of tools and technologies that help drive results and inform our business decisions by applying lean techniques to streamline costs and reduce waste within manufacturing, commercial, sourcing and supply chain. Through continuous improvement initiatives, we believe we can achieve improved metrics for product quality, service, delivery, workforce safety and waste reduction to further optimize cost, productivity and efficiencies, while creating a resilient and efficient operating platform that can remain agile regardless of external market conditions.

**Worthington Business System
Accelerates Our Growth and
Profitability**

Our deeply-held Philosophy is rooted in the **Golden Rule** – we treat our customers, employees, investors, and suppliers as we would like to be treated

- Through continuous transformation we drive higher margins within Manufacturing, Commercial, Sourcing, and Supply Chain Excellence
- We innovate in partnership with our customers and suppliers
- We acquire strategic capabilities and invest in accretive opportunities
- We invest in technology and sustainability to create value for customers
- We are disciplined stewards of capital, focused on earning exceptional returns for our shareholders



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Segments

Our operations are managed and reported principally on a products and services basis underneath two reportable operating segments: “Consumer Products,” and “Building Products.” International operations accounted for approximately 21% of our consolidated net sales during fiscal 2024 and were comprised primarily of sales to customers in Europe. Sales to one retail customer accounted for 12% of our consolidated net sales in fiscal 2024.

Refer to the following segment descriptions and “Note P – Segment Data” for a full description of our segments.

Consumer Products

Our Consumer Products business serves retail customers and end consumers in the tools, outdoor living and celebrations categories under market-leading brands that include the following: Balloon Time®, Bernzomatic®, Coleman® (licensed), Garden-Weasel®, General®, Halo®, Hawkeye™, Level5®, Mag-Torch®, Pactool International®, and Worthington Pro Grade™. These include propane-filled cylinders for torches, camping stoves and other applications, handheld torches, helium-filled balloon kits, specialized hand tools and instruments, drywall tools and accessories and gas grills and pizza ovens sold primarily to mass merchandisers, retailers and distributors.

Consumer Products generated approximately 40%, 39% and 39% of our consolidated net sales in fiscal 2024, fiscal 2023 and fiscal 2022, respectively. Consumer Products serviced approximately 1,550 customers during fiscal 2024. Sales to the top customer represented approximately 30% of net sales for Consumer Products during fiscal 2024.

Consumer Products operates five facilities located in Kansas (2), Kentucky, New Jersey, and Wisconsin.

Consumer Products competes on the basis of its reputation for product quality, its well-known brands, its commitment to customer service, its strong customer relationships, the breadth of its product lines, and its innovative products and customer value propositions. Consumer Products encounters active competition in the variety of end-markets in which it competes from both larger and smaller companies that offer the same or similar products. Certain large customers offer private label brands that compete across a wide spectrum of the segment’s product offerings, especially in tools and outdoor living.

The major end markets / product categories in which our consumer products business competes include the following:

Tools: We sell a variety of tools for both professional and DIY consumers. Our products include hand-held torches, micro torches, lighters, accessories and fuel for constructing, fixing making and creating; precision and specialty hand, digital and safety tools; and drywall tools and accessories used for finishing and taping, cutting, siding and roofing. Most of our products are sold online and to home centers and other retailers. We closely monitor key market activity, including, but not limited to inflationary pressures, consumer debt/income ratios, consumer spending levels, and activity within the adjacent repair and remodel end market, discussed further below in the discussion of Building Products end markets.

Outdoor Living: We compete in the large, growing, and fragmented outdoor living market. We believe growth in the outdoor living market is driven by key trends, centered around enhancing enjoyment while participating in outdoor activities. This includes participation levels and the resilience of consumer demand for product purchases in these categories versus other discretionary categories. The nature of the outdoor activities to which we cater often requires recurring purchases throughout the year, resulting in high rates of conversion among customers.

Celebrations: Our business in this end market is generated primarily from celebration and party-related activities. Our products are available at many convenient locations, including mass retailers, party stores and craft stores. We closely monitor key market activity, including but not limited to, inflationary pressures, consumer debt/income ratios, and consumer spending levels. Our principal method of meeting competitive challenges in this market is by creating and maintaining leading brands and products that deliver superior value and performance at a competitive cost.

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Building Products

Our Building Products business is a market-leading provider of pressurized containment solutions, providing critical components in essential end markets, such as heating, cooking, cooling and water, and, through our unconsolidated joint ventures, WAVE and ClarkDietrich, ceiling suspension systems and light gauge metal framing products. Our pressurized containment solutions include refrigerant and LPG cylinders, well water and expansion tanks, and other specialty products which are generally sold to gas producers and distributors. Refrigerant gas cylinders are used to hold refrigerant gases for commercial, residential, and automotive air conditioning and refrigeration systems. LPG cylinders hold fuel for residential and light commercial heating systems, barbeque grills and recreational vehicle equipment, industrial forklifts and commercial/residential cooking (the latter, generally outside North America). Well water tanks and expansion tanks are used primarily in the residential market with certain products also sold to commercial markets. Specialty products include a variety of fire suppression tanks, chemical tanks, and foam and adhesive tanks.

WAVE, a 50%-owned joint venture with Armstrong World Industries, Inc. is the largest of the four North American manufacturers of ceiling suspension systems for concealed and lay-in panel ceilings used in commercial and residential ceiling markets. It competes with the other North American manufacturers and numerous regional manufacturers. WAVE operates seven manufacturing facilities, one each in Georgia, Michigan, and Nevada and two each in California and Maryland.

ClarkDietrich, a 25%-owned joint venture with CWBS-MISA is an industry leader in the manufacture and supply of light gauge steel framing products in the U.S. ClarkDietrich manufactures a full line of drywall studs and accessories, structural studs and joists, metal lath and accessories, shaft wall studs and track, vinyl and finishing products used primarily in residential and commercial construction. ClarkDietrich operates 14 manufacturing facilities, one each in Connecticut, Georgia, Illinois, Maryland, Missouri and Canada and two each in California, Florida, Ohio, and Texas.

Building Products generated approximately 50%, 51% and 51% of our consolidated net sales in fiscal 2024, fiscal 2023 and fiscal 2022, respectively. Building Products serviced approximately 1,650 customers during fiscal 2024.

Excluding WAVE and ClarkDietrich, our Building Products segment operates eight facilities located in Kentucky, Maryland, Ohio (3), Rhode Island, Norway and Portugal.

In the U.S. and Canada, our manufactured building products are designed to comply with U.S. Department of Transportation and Transport Canada specifications. Outside the U.S. and Canada, cylinders are manufactured according to European specifications, as well as various other international standards. Other products are produced to applicable industry standards including, as applicable, those standards issued by the American Petroleum Institute, the American Society of Mechanical Engineers and UL Solutions.

Building Products has one principal domestic competitor in the low-pressure LPG cylinder market, and a number of foreign competitors in the LPG cylinder, non-refillable refrigerant, and well water and expansion tank markets. We believe that this business has the largest market share in the domestic low-pressure cylinder market. In the other cylinder markets, there are several competitors. Building Products generally has a strong competitive position for its industrial, energy, retail and specialty products, but competition varies on a product-by-product basis. Competition for our Building Products operating segment is based upon price, service and quality.

The major end markets in which our building products business competes include the following:

Residential Construction: We sell products for use in single and multi-family housing. Key statistics that indicate market opportunity include existing home sales (a key indicator for renovation opportunity), housing starts, housing completions, home prices, interest rates and consumer confidence.

Non-residential Construction: Opportunities in this end market come from new construction as well as the renovation of existing buildings. We closely monitor publicly available macroeconomic data and trends that provide insight into non-residential construction market activity, including but not limited to, GDP, office vacancy rates, the ABI, new commercial construction starts, state and local government spending, corporate profits and retail sales. Our revenue from new construction can lag behind construction starts by as much as 24 months. We believe that these statistics, considering the time-lag effect, provide a reasonable indication of our future revenue opportunity from non-residential renovation and new construction.

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Repair and Remodel: Our business in this end market is generated primarily from repair and remodel projects on residential homes. We monitor key trends such as interest rates, consumer confidence, employment rates, housing affordability, land development costs, the availability of skilled construction labor, the aging housing stock, inflationary pressures, mortgage rates and the overall the health of the economy. We have a broad range of product offerings that serve the need of customers, primarily through a variety of retailers. We compete with numerous foreign and domestic manufacturers and distributors of consumer goods, many of which are well-established. Our principal method of meeting competitive challenges in this market is by creating and maintaining leading brands and differentiated products that deliver superior value and performance at a competitive cost. We closely monitor key market activity, including, but not limited to inflationary pressures, consumer debt/income ratios, and consumer spending levels.

Other Unconsolidated Joint Ventures

In addition to ClarkDietrich and WAVE, we have two additional unconsolidated joint ventures, Workhorse and the Sustainable Energy Solutions joint venture.

Workhorse, a 20%-owned joint venture with an affiliate of Angeles Equity Partners, LLC, is a non-captive designer and manufacturer of high-quality, custom-engineered open and enclosed cabs and operator stations and custom fabrications and packaging for heavy mobile equipment used primarily in the agricultural, construction, forestry, military and mining industries. Workhorse operates three manufacturing facilities, one each in South Dakota, Tennessee and Minnesota.

The Sustainable Energy Solutions joint venture, a newly formed 49%-owned joint venture formed with Hexagon, is primarily based in Europe. The newly formed joint venture, which combines two of Europe's market leaders in composite high-pressure storage technology, will focus on capitalizing on the global clean energy transition specific to the storage, transport and distribution of hydrogen and compressed natural gas. This joint venture operates three facilities in Austria, Germany, and Poland.

See "Note D – Investments in Unconsolidated Affiliates" for additional information about our unconsolidated joint ventures.

Sources and Availability of Raw Materials

The most important raw materials we purchase are steel, aluminum, copper, and propane. We have developed strong relationships with our suppliers, who provide the materials we need, meet our quality and service requirements, and are able to offer competitive terms with regard to pricing, delivery, and volumes purchased. We are not dependent upon any one source for raw materials of our manufactured products.

We purchase steel in large quantities at regular intervals from Worthington Steel through the Steel Supply Agreement. Refer to "Note U – Related Party Transactions" for additional information. In nearly all market conditions, steel is available from a few suppliers and generally any supplier relationship or contract can and has been replaced with little or no significant interruption to our business.

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 seasonal peaks, matching consumer demand. Sales in our Building Products operating segment are generally stronger in the first and fourth quarters of our fiscal year due to weather conditions, customer business cycles, and the timing of renovation and new construction projects.

Environmental Matters

Our manufacturing facilities, like those of similar industries making similar products, are subject to many federal, state, local and foreign laws and regulations, including those relating to the protection of our employees and the environment. In addition to the requirements of the state and local governments of the communities in which we operate, we must comply with federal health and safety regulations, the most significant of which are enforced by OSHA. We examine ways to improve safety, reduce emissions and waste, and decrease costs related to compliance with environmental and other government regulations. The cost of such activities, compliance or capital expenditures for environmental control facilities necessary to meet regulatory requirements are not estimable, but have not and are not anticipated to be material when compared with our overall costs and capital expenditures and, accordingly, are not anticipated to have a material effect on our capital expenditures, earnings and competitive position.

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Our commitment to corporate responsibility and sustainability includes putting people first by providing a supportive and inclusive environment built on a culture of engagement, and by working together to ensure the health and safety of our employees. At the corporate level, we maintain a fully dedicated department responsible for best-in-class environmental, health and safety initiatives and best practices across the Company. Two of our facilities hold ISO 14001 certifications, a highly recognized global standard for an effective Environmental Management System and our remaining facilities are managed to similar standards.

We comply with and work to exceed all applicable worker safety regulations in the U.S. as governed by OSHA. Our U.S. facilities also hold certifications with various industry groups that require regular inspections including the International Organization for Standardization. Our global sites meet or exceed all local regulations for worker safety and hold various accreditations, certifications and registrations that require regular inspections.

Intellectual Property

We own several patents, trademarks, copyrights, and trade secrets, as well as licenses to intellectual property owned by others. Although our patents, copyrights, trademarks, trade secrets, and other intellectual property rights are important to our success, we do not consider any single patent, trademark, copyright, trade secret or license to be of material importance to our business. Each registered trademark has an original duration of 10 to 20 years, depending on the date it was registered and the country in which it is registered, and is subject to an indefinite number of renewals for a like period upon continued use and appropriate application. We intend to continue using the trade names and trademarks described above and to timely renew each of our registered trademarks that remains in use.

Corporate Responsibility

Human Capital Management

As of May 31, 2024, we had approximately 3,800 employees and our unconsolidated joint ventures employed approximately 2,000 additional individuals. Approximately 14% of those individuals in those two groups are represented by collective bargaining units. We believe that our open-door policy has created an environment which fosters open communication and serves to cultivate the good relationships we have with our employees, including those covered by collective bargaining units.

In line with our people-first philosophy, our employees have always been, and will always be, our most important asset. We operate under a set of core values that are rooted in our long-standing philosophy, which emphasizes the Golden Rule. These core values guide us as a company, including in our approach to human capital management. As such, we are continually focused on creating and maintaining a strong culture. Our culture provides employees with opportunities for personal and professional development, as well as community engagement, all of which we believe contribute to our overall success. We have repeatedly been recognized as a top place to work and we maintain a focus on safety, wellness, and promoting a diverse and inclusive culture.

Our ability to successfully operate, grow our business and implement our business strategies is largely dependent on our ability to attract, train and retain talented personnel at all levels of our organization. As a result, we offer our employees competitive compensation and benefits, as compared to others in our industry, which include opportunities to participate in profit sharing plans. We also strive to provide our employees with continuous opportunities to learn the skills necessary to maximize their performance and develop new skills that allow them to maximize their potential.

Safety, Health and Wellness

We have always made the safety and well-being of our people a top priority, and we have regularly maintained an industry-leading safety record. For us, safety is about engagement, and our employees have adopted a culture where safety is everyone's responsibility, and not just the safety of our employees, but the safety of everyone who enters our facilities. We also provide our employees and their families with access to above-market benefits, as compared to others in our industry, including a parental leave benefit that offers all new parents the opportunity for paid time off. We have a broad array of other employee centered-benefits and programs, including a medical center, a pharmacy, chiropractic care, on-site fitness centers, free health screenings, health fairs, and other Company-wide and location-specific wellness events and challenges. We believe our investments in safety, health and wellness are key to supporting and protecting our most important asset, our people.

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Diversity, Inclusion and Equity

We believe that diversity of all types contributes to our success. We are committed to increasing the diversity of our employee base at all levels of our organization because we believe our differences make us better and that diverse thoughts and experiences drive innovation and produce better results. With our philosophy as our foundation, we are building an environment where diversity is valued, and where all employees feel they belong and are empowered to do their best work.

To further such efforts, we employ a Director of Diversity, Equity and Inclusion and also established the Council, which is chaired by our Chief Executive Officer and focuses on strengthening our four primary pillars around diversity: inclusion and equity, workforce, workplace, and community and partnership. These pillars serve as a foundation for continually building and fostering an inclusive culture. We have also established certain ERGs, employee-led groups that each have executive sponsors that are tasked with raising awareness and offering mentoring and development opportunities to their members. We are also working to establish additional ERGs.

Item 1A. — Risk Factors

Our future results and the market price for the common shares are subject to numerous risks, many of which are driven by factors that we cannot control or predict. The following discussion, as well as other sections of this Form 10-K, including “Part II – Item 7. – Management’s Discussion and Analysis of Financial Condition and Results of Operations,” describe certain risks to our business, our results, our strategies and the common shares. Consideration should be given to the risk factors described below as well as those in the “Cautionary Note Regarding Forward-Looking Statements” section at the beginning of this Form 10-K, in conjunction with reviewing the forward-looking statements and other information contained in this Form 10-K. The risks described below are those that we have identified as material but are not the only risks and uncertainties facing us. Our business is also subject to general risks and uncertainties that affect many other companies, such as market conditions, economic conditions, geopolitical events, changes in laws, rules, regulations or accounting rules, fluctuations in interest rates, terrorism, war or conflicts, major health concerns, natural disasters or other disruptions of expected business conditions. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may impair our business, including our results of operations, liquidity and financial condition.

Risks Related to Our Business and Operations

Economic or Industry Downturns and Weakness

Our net sales are heavily concentrated in the consumer products and construction end markets, and a decline in those end markets may have an adverse impact on our results of operations and cash flows. The consumer products and construction industries account for a significant portion of our net sales, and reduced demand from these industries could adversely affect our business. An overall downturn in the general economy, a disruption in capital and credit markets, high inflation, high unemployment, reduced consumer confidence or other factors, could cause reductions in demand from our end markets in general and, in particular, the consumer products and construction end markets. If demand for the products we sell to the end markets which we supply were to be reduced, our sales, financial results and cash flows could be negatively affected.

Financial difficulties and bankruptcy filings by our customers could have an adverse impact on our businesses. In past years, some customers have experienced, and some continue to experience challenging financial conditions, whether due to the COVID-19 pandemic, the war in Ukraine, inflationary pressures, or otherwise. The financial difficulties of certain customers and/or their failure to obtain credit or otherwise improve their overall financial condition could result in changes within the markets we serve, including plant closings, decreased production, reduced demand, changes in product mix, unfavorable changes in the prices, terms or conditions we are able to obtain and other changes that may result in decreased purchases from us and otherwise negatively impact our businesses. These conditions also increase the risk that our customers may delay or default on their payment obligations to us. If the general economy or any of our markets decline, the risk of bankruptcy filings by and financial difficulties of our customers may increase. While we have taken and will continue to take steps intended to mitigate the impact of financial difficulties and potential bankruptcy filings by our customers, these matters could have a negative impact on our businesses.

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Raw Material Pricing and Availability

Our operating results may be adversely affected by continued volatility in steel prices. Over the past three years, steel prices have increased significantly due to supplier consolidation, tight mill orders due to the COVID-19 pandemic, the war in Ukraine and tariffs on foreign steel. More recently, the volatility in the steel market resulted in steel prices rapidly decreasing before increasing again. If steel prices or other raw material prices were to decrease, competitive conditions or contractual obligations may impact how quickly we must reduce our prices to our customers, and we could be forced to use higher-priced raw materials then on hand to complete orders for which the selling prices have decreased. This could result in losses or a write-down of the value of our inventory, and our financial results could be adversely affected.

Our operating results may be affected by fluctuations in raw material prices and our ability to pass on increases in raw material costs to our customers. Our principal raw material is flat-rolled steel, which we purchase from multiple primary steel producers. The steel industry as a whole has been cyclical, and at times availability and pricing can be volatile due to a number of factors beyond our control. These factors include general economic conditions, domestic and worldwide supply and demand, high inflation, the influence of hedge funds and other investment funds participating in commodity markets, curtailed production from major suppliers due to factors such as the closing or idling of facilities, pandemics, international conflicts, accidents or equipment breakdowns, repairs or catastrophic events, labor costs, shortages, strikes or other problems, competition, new laws and regulations, import duties, tariffs, energy costs, availability and cost of steel inputs (e.g., ore, scrap, coal and energy), foreign currency exchange rates and other factors described in the immediately following paragraph. This volatility, as well as any increases in raw material costs, could significantly affect our steel costs and adversely impact our financial results. To manage our exposure to market risk, where possible, we match our customer pricing terms to the pricing terms offered to us by our suppliers in order to minimize the impact of market fluctuations on our margins. However, should our suppliers increase the prices of our critical raw materials, we may not have alternative sources of supply. In addition, in an environment of increasing prices for steel and other raw materials, competitive conditions or contractual obligations may impact how much of the price increases we can pass on to our customers. To the extent we are unable to pass on future price increases in our raw materials to our customers, our financial results could be adversely affected.

The costs of manufacturing our products and our ability to meet our customers' demands could be negatively impacted if we experience interruptions in deliveries of needed raw materials or supplies. If, for any reason, our supply of flat-rolled steel or other key raw materials, such as aluminum, zinc, copper or helium, or other supplies is curtailed or we are otherwise unable to obtain the quantities we need at competitive prices, our business could suffer and our financial results could be adversely affected. Such interruptions could result from a number of factors, including a shortage of capacity in the supplier base of raw materials, energy or the inputs needed to make steel or other supplies, a failure of suppliers to fulfill their supply or delivery obligations, financial difficulties of suppliers resulting in the closing or idling of supplier facilities, other significant events affecting supplier facilities, significant weather events, those factors listed in the immediately preceding paragraph or other factors beyond our control like pandemics. Further, the number of suppliers has decreased in recent years due to industry consolidation and the financial difficulties of certain suppliers, and this consolidation may continue.

Inventories

Our businesses could be harmed if we fail to maintain proper inventory levels. We are required to maintain sufficient inventories to accommodate the needs of our customers including, in many cases, short lead times and just-in-time delivery requirements. We anticipate and forecast customer demand for each of our operating segments. We purchase raw materials on a regular basis in an effort to maintain our inventory at levels that we believe are sufficient to satisfy the anticipated needs of our customers based upon orders, customer volume expectations, historic buying practices and market conditions. Inventory levels in excess of customer demand may result in the use of higher-priced inventory to fill orders reflecting lower selling prices if raw material prices have significantly decreased. For example, if steel prices decrease, we could be forced to use higher-priced steel then on hand to complete orders for which the selling price has decreased. These events could adversely affect our financial results. Conversely, if we underestimate demand for our products or if our suppliers fail to supply quality products in a timely manner, we may experience inventory shortages. Inventory shortages could result in unfilled orders, negatively impacting our customer relationships and resulting in lost revenues, which could harm our businesses and adversely affect our financial results.

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Customers and Suppliers

The loss of significant volume from our key customers could adversely affect us. A significant loss of, or decrease in, business from any of our key customers could have an adverse effect on our sales and financial results if we cannot obtain replacement business. Also, due to consolidation in the industries we serve, including the construction and retail industries, our sales may be increasingly sensitive to deterioration in the financial condition of, or other adverse developments with respect to, one or more of our top customers. In addition, some of our top customers may be able to exert pricing and other influences on us, requiring us to market, deliver and promote our products in a manner that may be more costly to us and negatively impact our profitability. We generally do not have long-term contracts with our customers. As a result, although our customers periodically provide notice of their future product needs and purchases, they generally purchase our products on an order-by-order basis, and the relationship, as well as particular orders, can be terminated at any time.

Many of our key end markets, such as residential and non-residential construction, repair and remodel, general consumer, and outdoor living are cyclical in nature. Many of our key end markets are cyclical and can be impacted by both market demand and raw material supply, particularly with respect to steel. The demand for our products is directly related to, and quickly impacted by, customer demand in our end markets, which can change as the result of changes in the general U.S. or global economies and other factors beyond our control. Adverse changes in demand or pricing can have a negative effect on our businesses and results of operations.

Sales conflicts with our customers and/or suppliers may adversely impact us. In some instances, we may compete with one or more of our customers and/or suppliers in pursuing the same business. Such conflicts may strain our relationships with the parties involved, which could adversely affect our future business with them.

The closing or idling of steel manufacturing facilities could have a negative impact on us. As steel makers have reduced their production capacities by closing or idling production lines, whether due to the war in Ukraine or otherwise, the number of facilities from which we can purchase steel, in particular certain specialty steels, has decreased. Accordingly, if delivery from a supplier is disrupted, particularly with respect to certain types of specialty steel, it may be more difficult to obtain an alternate supply than in the past. These closures and disruptions could also have an adverse effect on our suppliers' on-time delivery performance, which could have an adverse effect on our ability to meet our own delivery commitments and may have other adverse effects on our businesses.

The loss of key supplier relationships could adversely affect us. Over the years, we have developed relationships with certain steel and other suppliers which have been beneficial to us by providing more assured delivery and a more favorable all-in cost, which includes price and shipping costs. If any of those relationships were disrupted, it could have an adverse effect on delivery times and the overall cost, quality and availability of our products or raw materials, which could have a negative impact on our businesses. If, in the future, we are unable to obtain sufficient amounts raw materials at competitive prices and on a timely basis from our traditional suppliers, we may be unable to obtain these materials from alternative sources at competitive prices to meet our delivery schedules, which could have a material adverse impact on our results of operations.

Competition

We face intense competition which may cause decreased demand, decreased market share and/or reduced prices for our products and services. Our businesses operate in industries that are highly competitive and have been subject to increasing consolidation of customers. Because of the range of the products and services we sell and the variety of markets we serve, we encounter a wide variety of competitors. Our failure to compete effectively and/or pricing pressures resulting from competition may adversely impact our businesses and financial results.

Our businesses are highly competitive, and increased competition may cause decreased demand, decreased market share and/or reduced prices for our products and services and could negatively impact our financial results. Generally, the markets in which we conduct business are highly competitive. Our competitors include a variety of domestic and foreign companies in all major markets. Competition for most of our products is primarily on the basis of price, product quality and our ability to meet delivery requirements. Our businesses have been subject to increasing consolidation of customers. Depending on a variety of factors, including raw material, energy, labor and capital costs, freight availability, government control of foreign currency exchange rates and government subsidies of foreign steel producers or competitors, our businesses may be materially adversely affected by competitive forces. Competition may also increase if suppliers to or customers of our industries begin to more directly compete with our businesses through new facilities, acquisitions or otherwise. As noted above, we can have conflicts with our customers or suppliers who, in some cases, supply the same products and services as we do. Increased competition could cause us to lose market share, increase expenditures, lower our margins or offer additional services at a higher cost to us, which could adversely impact our businesses and financial results.

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Freight and Energy

Increasing freight and energy costs could increase our operating costs or the costs of our suppliers, which could have an adverse effect on our financial results. The availability and cost of freight and energy, such as electricity, natural gas and diesel fuel, are important in the manufacture and transport of our products. Our operations consume substantial amounts of energy, and our operating costs generally increase when energy costs rise. Factors that may affect our energy costs include significant increases in fuel, oil or natural gas prices, unavailability of electrical power or other energy sources due to droughts, hurricanes or other natural causes or due to shortages resulting from insufficient supplies to serve customers, or interruptions in energy supplies due to equipment failure, international conflict or other causes. During periods of increasing energy and freight costs, we may be unable to fully recover our operating cost increases through price increases without reducing demand for our products. Our financial results could be adversely affected if we are unable to pass all of the cost increases on to our customers or if we are unable to obtain the necessary freight and/or energy. Also, increasing energy costs could put a strain on the transportation of our materials and products if the increased costs force certain transporters to discontinue their operations.

We depend on third parties for freight services, and increases in the costs or the lack of availability of freight services can adversely affect our operations. We rely primarily on third parties for transportation of our products as well as delivery of our raw materials, primarily by truck and container ship. If, due to a lack of freight services, raw materials or products are not delivered to us in a timely manner, we may be unable to manufacture and deliver our products to meet customer demand. Likewise, if due to a lack of freight services, we cannot deliver our products in a timely manner, it could harm our reputation, negatively affect our customer relationships and have a material adverse effect on our results of operations. In addition, any increase in the cost of the transportation of raw materials or our products, as a result of increases in fuel or labor costs, higher demand for logistics services, international conflict or otherwise, may adversely affect our results of operations as we may not be able to pass such cost increases on to our customers.

The COVID-19 Pandemic and Other Public Health Emergencies

The COVID-19 pandemic, as well as similar pandemics and other public health emergencies in the future, could have a material adverse effect on our business financial position, results of operations and cash flows. Our operations expose us to risks associated with pandemics, epidemics and other public health emergencies, such as the COVID-19 pandemic. The impacts of public health emergencies may include, without limitation, potential significant volatility or continued decreases in the demand for our products, changes in customer and consumer behavior and preferences, disruptions in or additional closures of our manufacturing operations or those of our customers and suppliers, disruptions within our supply chain, limitations on our employees' ability to work and travel, potential financial difficulties of customers and suppliers, significant changes in economic or political conditions, and related volatility in the financial and commodity markets, including volatility in raw material and other input costs. Future disruption to the global economy, as well as to the end markets our business serves, could result in material adverse effects on our business, financial position, results of operations and cash flows.

The ongoing conflict between Russia and Ukraine may adversely affect our business and results of operations.

Since early 2022, Russia and Ukraine have been engaged in active armed conflict. The length, impact and outcome of the ongoing conflict and its potential impact on our business is highly volatile and difficult to predict. It has caused, and could continue to cause, significant market and other disruptions (particularly for our operations in Europe), including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, trade disputes or trade barriers, changes in consumer or purchaser preferences, and increases in cyberattacks and espionage.

Further, the broader consequences of the current conflict between Russia and Ukraine may also have the effect of heightening many other risks disclosed in our public filings, any of which could materially and adversely affect our business and results of operations. Such risks include, but are not limited to, adverse effects on global macroeconomic conditions; increased volatility in the price and demand of iron, steel, oil, natural gas, and other commodities; increased exposure to cyberattacks; disruptions in global supply chains; and exposure to foreign currency fluctuations and potential constraints or disruption in the capital markets and our sources of liquidity.

We do not conduct business, either directly or indirectly, in areas impacted by the conflict and, as such, we believe our exposure is principally limited to the impact of the war on macroeconomic conditions, including volatility in commodity and energy prices and supply. Our business was temporarily impacted in the spring of 2022, primarily in the form of higher market prices for steel due to a temporary supply disruption in a key input for our suppliers (pig iron), which has subsequently been resourced by our suppliers.

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Information Systems

We are subject to information system security risks and systems integration issues that could disrupt our operations. We are dependent upon information technology and networks in connection with a variety of business activities including the distribution of information internally and to our customers and suppliers. This information technology is subject to potential damage or interruption from a variety of sources, including, without limitation, computer viruses, security breaches, and natural disasters. We could also be adversely affected by system or network disruptions if new or upgraded business management systems are defective, not installed properly or not properly integrated into operations. In addition, security breaches of our information systems could result in unauthorized disclosure or destruction of confidential or proprietary information, misappropriation of or damage to our assets, production downtime, and/or loss of the functionality of our systems. These risks may be exacerbated by a partially remote workforce. Various measures have been implemented to manage our risks related to information system and network disruptions and to prevent attempts to gain unauthorized access to our information systems. While we undertake mitigating activities to counter these risks, there can be no assurance that such activities will be sufficient to prevent cyberattacks or security breaches or mitigate all potential risks to our systems, networks and data, and a system or human failure could negatively impact our operations and financial results and cyberattacks could threaten the integrity of our trade secrets and sensitive intellectual property. The potential consequences of a material cybersecurity attack include reputational damage, investigations and/or adverse proceedings with regulators and enforcement agencies, litigation with third parties, disruption to our systems (including production capabilities), unauthorized release of confidential, personally identifiable or otherwise protected information, corruption of data, and increased cybersecurity protection and remediation costs, which in turn could adversely affect our competitiveness, results of operations and financial condition. Insurance coverage for cyberattacks may become unavailable, may not cover the types of losses we may incur, and may be inadequate in amount to cover liabilities resulting from a cyberattack.

Business Disruptions

Disruptions to our business or the business of our customers or suppliers could adversely impact our operations and financial results. Business disruptions, including materials resulting from shortages of supply or transportation, severe weather events (such as hurricanes, tsunamis, earthquakes, tornados, floods and blizzards), casualty events (such as explosions, fires or material equipment breakdown), acts of terrorism, international conflicts (such as the war in Ukraine), labor disruptions, the idling of facilities due to reduced demand (resulting from a downturn in economic activity or otherwise), pandemics and other health crises, or other events (such as required maintenance shutdowns), could cause interruptions to our businesses as well as the operations of our customers and suppliers. While we maintain insurance coverage that may offset some losses relating to certain types of these events, losses from business disruptions could have an adverse effect on our operations and financial results and we could be adversely impacted to the extent any such losses are not covered by insurance or cause some other adverse impact to us.

Foreign Operations

Economic, political and other risks associated with foreign operations could adversely affect our financial results. Although the substantial majority of our business activity takes place in the U.S., we derive a portion of our revenues and earnings from operations in foreign countries, and we are subject to risks associated with doing business internationally. We have wholly-owned facilities in Portugal and Norway, and joint venture facilities in Austria, Germany and Poland and are active in exploring other foreign opportunities. The risks of doing business in foreign countries include, among other factors: the potential for adverse changes in the local political climate, in diplomatic relations between foreign countries and the U.S. or in government policies, laws or regulations; international conflicts; terrorist activity that may cause social disruption; logistical and communications challenges; costs of complying with a variety of laws and regulations; difficulty in staffing and managing geographically diverse operations; deterioration of foreign economic conditions; inflation and fluctuations in interest rates; foreign currency exchange rate fluctuations; foreign exchange restrictions; differing local business practices and cultural considerations; restrictions on imports and exports or sources of supply, including energy and raw materials; changes in duties, quotas, tariffs, taxes or other protectionist measures; and potential issues related to matters covered by the Foreign Corrupt Practices Act, regulations related to import/export controls, the Office of Foreign Assets Control sanctions program, anti-boycott provisions or similar laws. We believe that our business activities outside of the U.S. involve a higher degree of risk than our domestic activities, and any one or more of these factors could adversely affect our operating results and financial condition. In addition, global and regional economic conditions and the volatility of worldwide capital and credit markets have significantly impacted and may continue to significantly impact our foreign customers and markets. These factors may result in decreased demand in our foreign operations and have had significant negative impacts on our business. Refer to the “General Economic or Industry Downturns and Weakness” risk factors herein for additional information concerning the impact of the global economic conditions and the volatility of capital and credit markets on our business.

Joint Ventures and Investments

A change in the relationship between the members of any of our joint ventures may have an adverse effect on that joint venture and our financial results. We have been successful in the development and operation of various joint ventures. We believe an important element in the success of any joint venture is a solid relationship between the members of that joint venture. If there is a change in ownership, a change of control, a change in management or management philosophy, a change in business strategy or another event with respect to a member of a joint venture that adversely impacts the relationship between the joint venture members, it could adversely impact that joint venture and, therefore, adversely impact us. The other members in our joint ventures may also, as a result of financial or other reasons, be unable or unwilling to support actions that we believe are in the best interests of the respective joint venture. In addition, joint ventures necessarily involve special risks. Whether or not we hold a majority interest or maintain operational control in a joint venture, the other members in our joint ventures may have economic or business interests or goals that are inconsistent with our interests or goals. For example, because they are joint ventures, we do not have full control of every aspect of the joint venture’s business and/or certain significant decisions concerning the joint venture, which may require certain approvals from the other members in our joint ventures, and the other members in our joint ventures may take action contrary to our policies or objectives with respect to our investments, or may otherwise be unable or unwilling to support actions that we believe are in the best interests of the respective joint venture, each of which could have an adverse effect on that joint venture and our financial results. Where we do not hold a majority interest in a joint venture (i.e., each of the unconsolidated joint ventures in which we are a member), our ability to control the direction and operations of a joint venture is generally very limited and our investment in that joint venture is significantly dependent on the other member(s) of the joint venture. The failure of the other member(s) of the unconsolidated joint ventures to properly manage and operate the joint venture could have an adverse effect on that joint venture and our financial results.

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Acquisitions and Equity Investments

We may be unable to successfully consummate, manage or integrate our acquisitions or other equity investments or our acquisitions and investments may not meet our expectations. A portion of our growth has occurred through acquisitions. We may from time to time continue to seek attractive opportunities to acquire businesses, enter into joint ventures and make other investments that are complementary to our existing strengths. There are no assurances, however, that any acquisition or investment opportunities will arise or, if they do, that they will be consummated, or that any needed additional financing for such opportunities will be available on satisfactory terms when required. In addition, acquisitions and investments involve risks that the businesses acquired or in which we invest will not perform in accordance with expectations, that business judgments concerning the value, strengths and weaknesses of businesses will prove incorrect, that we may assume unknown liabilities from the seller, that the businesses may not be integrated successfully and that the acquisitions and investments may strain our management resources or divert management's attention from other business concerns. International acquisitions and investments may present unique challenges and increase our exposure to the risks associated with foreign operations and countries. Also, failure to successfully integrate any of our acquisitions or investments may cause significant operating inefficiencies and could adversely affect our operations and financial condition. Even if the operations of an acquisition or investment are integrated successfully, we may fail to realize the anticipated benefits of the acquisition or investment, including the synergies, cost savings or growth opportunities that we expect. These benefits may not be achieved within the anticipated timeframe, or at all. Failing to realize the benefits could have a material adverse effect on our financial condition and results of operations.

Capital Expenditures and Capital Resources

Our business requires capital investment and maintenance expenditures, and our capital resources may not be adequate to provide for all of our cash requirements. Many of our operations are capital intensive. For the five-year period ended May 31, 2024, our total capital expenditures, including acquisitions and investment activity, were approximately \$510,940. Additionally, as of May 31, 2024, we were obligated to make aggregate operating and financing lease payments of \$20,081 and \$5,820, respectively, under lease agreements. Our businesses also require expenditures for maintenance of our facilities. We currently believe that we have adequate resources (including cash and cash equivalents, cash provided by operating activities, and availability under the Credit Facility) to meet our cash needs for normal operating costs, capital expenditures, debt repayments, dividend payments, future acquisitions and working capital for our existing businesses. However, given the potential for challenges, uncertainty and volatility in the domestic and global economies and financial markets, there can be no assurance that our capital resources will be adequate to provide for all of our cash requirements.

Litigation

We may be subject to legal proceedings or investigations, the resolution of which could negatively affect our results of operations and liquidity. Our results of operations or liquidity could be affected by an adverse ruling in any legal proceedings or investigations which may be pending against us or filed against us in the future. We are also subject to a variety of legal and compliance risks, including, without limitation, potential claims relating to product liability, product recall, privacy and information security, health and safety, labor and employment, environmental matters, intellectual property rights, taxes and compliance with U.S. and foreign export laws, anti-bribery laws, competition laws and sales and trading practices. While we believe that we have adopted appropriate risk management and compliance programs to address and reduce these risks, the global and diverse nature of our operations means that these risks will continue to exist and additional legal proceedings and contingencies may arise from time to time. The insurance we maintain may not be adequate, available to protect us in the event of a claim, or its coverage may be limited, canceled or otherwise terminated, or the amount of our insurance may be less than the related impact on our enterprise value after a loss. As appropriate, we establish reserves based on our assessment of contingencies, including contingencies for claims asserted against us in connection with certain legal proceedings. Adverse developments in legal proceedings may affect our assessment and estimates of the loss contingency recorded as a reserve and require us to make payments in excess of our reserves, which could negatively affect our operations, financial results and cash flows. An adverse ruling or settlement or an unfavorable change in laws, rules or regulations could have a material adverse effect on our financial condition, results of operations or liquidity.

Claims and Insurance

Adverse claims experience, to the extent not covered by insurance, may have an adverse effect on our financial results. We self-insure most of our risks for product recall, cyber liability and pollution liability. We also self-insure a significant portion of our potential liability for workers' compensation, product liability, general liability, property liability, automobile liability and employee medical claims, and in order to reduce risk for these liabilities, we purchase insurance from highly-rated, licensed insurance carriers that cover most claims in excess of the applicable deductible or retained amounts. We also maintain reserves for the estimated cost to resolve certain open claims that have been made against us (which may include active product recall or replacement programs), as well as an estimate of the cost of claims that have been incurred but not reported. The occurrence of significant claims (including claims not covered by insurance or well in excess of insurance limits), our failure to adequately reserve for such claims, a significant cost increase to maintain our insurance or the failure of our insurance providers to perform could have an adverse impact on our financial condition and results of operations.

Accounting and Tax-Related Estimates

We are required to make accounting and tax-related estimates, assumptions and judgments in preparing our consolidated financial statements, and actual results may differ materially from the estimates, assumptions and judgments that we use. In preparing our consolidated financial statements in accordance with GAAP, we are required to make certain estimates and assumptions that affect the accounting for and recognition of assets, liabilities, revenues and expenses. These estimates and assumptions must be made because certain information that is used in the preparation of our consolidated financial statements is dependent on future events or cannot be calculated with a high degree of precision from data available to us. In some cases, these estimates and assumptions are particularly difficult to determine and we must exercise significant judgment. Some of the estimates, assumptions and judgments having the greatest amount of uncertainty, subjectivity and complexity are related to our accounting for bad debts, returns and allowances, inventory, self-insurance reserves, derivatives, stock-based compensation, deferred tax assets and liabilities and asset impairments. Our actual results may differ materially from the estimates, assumptions and judgments that we use, which could have a material adverse effect on our financial condition and results of operations.

Our internal controls could be negatively impacted if a portion of our workforce continues to work remotely, as new processes, procedures, and controls could be required due to the changes in our business environment, which could negatively impact our internal control over financial reporting.

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Principal Shareholder

The principal shareholder of Worthington Enterprises may have the ability to exert significant influence in matters requiring a shareholder vote and could delay, deter or prevent a change in control of Worthington Enterprises. Pursuant to the charter documents of Worthington Enterprises, certain matters such as those in which a person would attempt to acquire or take control of Worthington Enterprises, must be approved by the vote of the holders of common shares representing at least 75% of Worthington Enterprises' outstanding voting power. Approximately 35% of the outstanding common shares are beneficially owned, directly or indirectly, by John P. McConnell, our former Executive Chairman. As a result of his beneficial ownership of these common shares, Mr. McConnell may have the ability to exert significant influence in these matters and other proposals upon which shareholders may vote.

Employees

The loss of, or inability to attract and retain, qualified personnel could adversely affect our business. Our ability to successfully operate, grow our business and implement our business strategies is largely dependent on the efforts, abilities and services of our employees. The loss of employees or our inability to attract, train and retain additional personnel could reduce the competitiveness of our business or otherwise impair our operations or prospects. Our future success will also depend, in part, on our ability to attract and retain qualified personnel, including engineers and other skilled technicians, who have experience in the application of our products and are knowledgeable about our business, markets and products.

The loss of senior management or other key employees, or effective succession planning strategies may have a material adverse impact on our business. We cannot assure that we will be able to retain our existing senior management personnel or other key employees or attract additional qualified personnel when needed. The loss of any member of our management team and the failure to find qualified replacements and effectively transition any successors could adversely impact our business and operations. We have not entered into any formal employment contracts with or other stand-alone change in control agreements relative to our executive officers. However, we do have certain change in control provisions in our various compensation plans. We may modify our management structure from time to time or reduce our overall workforce, which may create marketing, operational and other business risks.

Credit Ratings

Ratings agencies may downgrade our credit ratings, which may make it more difficult for us to raise capital and could increase our financing costs. Any downgrade in our credit ratings may make raising capital more difficult, may increase the cost and affect the terms of future borrowings, may affect the terms under which we purchase goods and services and may limit our ability to take advantage of potential business opportunities. In addition, the interest rate on the Credit Facility is tied to our credit ratings, and any downgrade of our credit ratings would likely result in an increase in the cost of borrowings under the Credit Facility.

Difficult Financial Markets

If we are required to raise capital in the future, we could face higher borrowing costs, less available capital, more stringent terms and tighter covenants or, in extreme conditions, an inability to raise capital. Although we currently have cash reserves, as well as adequate borrowing availability under the Credit Facility and should be able to access other capital if needed, should the Credit Facility become unavailable due to covenant or other defaults, or should financial markets tighten so that we otherwise cannot raise capital outside the Credit Facility, or the terms under which we do so change, we may be negatively impacted. Any adverse change in our access to capital or the terms of our borrowings, including increased costs, could have a negative impact on our financial condition.

Information Regarding Future Performance

We may release information or guidance regarding our anticipated future performance and such information or guidance may prove to be inaccurate. Such information or guidance, which consists of forward-looking statements, is qualified by and subject to various assumptions and estimates, including the information included in our annual reports on Form 10-K and our quarterly reports on Form 10-Q. Such assumptions and estimates are inherently subject to a variety of uncertainties and contingencies, many of which are beyond our control and are based upon expectations with respect to future decisions, some of which will change. Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions of the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results will vary from the guidance. Any failure to successfully implement our operating strategy or the occurrence of any of the risks described in our annual reports on Form 10-K or our quarterly reports on Form 10-Q could cause actual operating results to differ from the guidance, and such differences may be adverse and material. Accordingly, investors are urged not to place undue reliance on guidance.

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Environmental, Health and Safety

We may incur additional costs related to environmental and health and safety matters. Our operations and facilities are subject to a variety of federal, state, local and foreign laws and regulations relating to the protection of the environment and human health and safety. Compliance with these laws and regulations and any changes therein may sometimes involve substantial operating costs and capital expenditures, and any failure to maintain or achieve compliance with these laws and regulations or with the permits required for our operations could result in increased costs and capital expenditures and potentially fines and civil or criminal sanctions, third-party claims for property damage or personal injury, cleanup costs or temporary or permanent discontinuance of operations. Over time, we and predecessor operators of our facilities have generated, used, handled and disposed of hazardous and other regulated wastes. Environmental liabilities, including cleanup obligations, could exist at our facilities or at off-site locations where materials from our operations were disposed of or at facilities we have divested, which could result in future expenditures that cannot be currently quantified and which could reduce our profits and cash flow. We may be held strictly liable for any contamination of these sites, and the amount of any such liability could be material. Under the joint and several liability principle of certain environmental laws, we may be held liable for all remediation costs at a particular site, even with respect to contamination for which we are not responsible. In addition, changes in environmental and human health and safety laws, rules, regulations or enforcement policies could have a material adverse effect on our business, financial condition or results of operations.

Seasonality

Our operations have historically been subject to seasonal fluctuations that may impact our cash flows for a particular period. Our sales are generally strongest in the third and fourth quarter of the fiscal year for our Consumer Products operating segment when our facilities perform at seasonal peaks, matching consumer demand. Sales in our Building Products operating segment are generally stronger in the first and fourth quarters of our fiscal year due to weather conditions, customer business cycles, and the timing of renovation and construction projects. Our quarterly results may also be affected by the timing of large customer orders. Consequently, our cash flow from operations may fluctuate significantly from quarter to quarter. If, as a result of any such fluctuation, our quarterly cash flows were significantly reduced, we may be unable to service our indebtedness or maintain compliance with certain covenants under the documents governing our indebtedness. A default under any of the documents governing our indebtedness could prevent us from borrowing additional funds, limit our ability to pay interest or principal and allow our lenders to declare the amounts outstanding to be immediately due and payable and to exercise certain other remedies.

Risks Related to the Separation and Our Relationship with Worthington Steel

The Separation may not achieve the anticipated benefits and may expose us to additional risk.

We may not realize the anticipated strategic, financial, operational or other benefits of the Separation. We cannot predict with certainty when the benefits expected from the Separation will occur or the extent to which they will be achieved. There is no assurance that following the Separation each separate company will be successful. We may face material challenges in connection with the Separation, including but not limited to, the impact of having to operate under the terms of transition service agreements; the impact on our ability to retain talent; and potential impacts on our relationships with customers, suppliers, employees and other counterparties. In addition, we have incurred one-time costs and may incur ongoing costs in connection with, or as a result of, the Separation, including costs of operating as independent, publicly-traded companies that the separate businesses are no longer be able to share. Those costs may exceed our estimates or could negate some of the benefits we expect to realize.

If the Distribution, together with certain related transactions, fails to qualify as a reorganization under Sections 355 and 368(a)(1)(D) of the Code, Worthington Enterprises and its shareholders could incur significant tax liabilities.

The Distribution was conditioned upon, among other things, our receipt of an opinion of Latham & Watkins LLP, tax counsel to Worthington, regarding the qualification of the Distribution, together with certain related transactions, as a reorganization under Sections 355 and 368(a)(1)(D) of the Code. The opinion of tax counsel was based on, among other things, certain factual assumptions, representations and undertakings from Worthington Enterprises and Worthington Steel, including those regarding the past and future conduct of the companies' respective businesses and other matters. If any of these factual assumptions, representations, or undertakings are incorrect or not satisfied, we may not be able to rely on the opinion, and Worthington Enterprises and its shareholders could be subject to significant U.S. federal income tax liabilities. In addition, the opinion of tax counsel will not be binding on the IRS or the courts, and, notwithstanding the opinion of tax counsel, the IRS could determine on audit that the Distribution does not so qualify or that the Distribution should be taxable for other reasons, including as a result of a significant change in stock or asset ownership after the Distribution.

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If the Distribution is ultimately determined not to qualify as a reorganization under Sections 355 and 368(a)(1)(D) of the Code, the Distribution could be treated as a taxable disposition of common shares of Worthington Steel by Worthington Enterprises and as a taxable dividend or capital gain to the shareholders of Worthington Enterprises for U.S. federal income tax purposes. In such case, Worthington Enterprises and its shareholders that are subject to U.S. federal income tax could incur significant U.S. federal income tax liabilities.

In addition, governments could change their existing tax laws, impose new taxes on us or increase the rates at which we are taxed in the future. The payment of substantial additional taxes, penalties or interest resulting from tax assessments, or the imposition of any new taxes, could materially and adversely impact our results of operations and financial condition. For example, the current administration has previously proposed to increase the federal corporate income tax rate and, if any such proposal were to be adopted, then the increase in the federal corporate income tax rate would adversely affect our results of operations in future periods.

General Risks

General Economic or Industry Downturns and Weakness

Our industries are cyclical and weakness or downturns in the general economy or certain industries could have an adverse effect on our business. If the domestic or global economies, or certain industry sectors of those economies that are key to our sales, contract or deteriorate, it could result in a corresponding decrease in demand for our products and negatively impact our results of operations and financial conditions.

Volatility in the U.S. and worldwide capital and credit markets could impact our end markets and result in negative impacts on demand, increased credit and collection risks and other adverse effects on our businesses. The domestic and worldwide capital and credit markets have experienced significant volatility, disruptions and dislocations with respect to price and credit availability. These factors caused diminished availability of credit and other capital in our end markets, and for participants in, and the customers of, those markets. The effects of the financial crisis, recent bank failures, concerns over the economic impact of COVID-19, the war in Ukraine and inflationary pressures, continue to present risks to us, our customers or our suppliers. In particular, there is no guarantee that the credit markets or liquidity will not once again be restricted. Stricter lending standards may make it more difficult and costly for some firms to access the credit markets. Further, uncertainties in Europe, especially in light of the war in Ukraine, regarding the financial sector and sovereign debt and the potential impact on banks in other regions of the world will continue to weigh on global and domestic growth. Although we believe we have adequate access to several sources of contractually committed borrowings and other available credit facilities, these risks could restrict our ability to borrow money on acceptable terms in the credit markets and potentially affect our ability to draw on the Credit Facility. In addition, restricted access to the credit markets could make it difficult, or in some cases, impossible for our suppliers and customers to borrow money to fund their operations. Lack of, or limited access to, capital would adversely affect our suppliers' ability to produce the materials we need for our operations and our customers' ability to purchase our products or, in some cases, to pay for our products on a timely basis.

Tax Laws and Regulations

Tax increases or changes in tax laws or regulations could adversely affect our financial results. We are subject to tax and related obligations in the jurisdictions in which we operate or do business, including state, local, federal and non-U.S. taxes. The taxing rules of the various jurisdictions in which we operate or do business often are complex and subject to varying interpretations. Tax authorities may challenge tax positions that we take or historically have taken and may assess taxes where we have not made tax filings or may audit the tax filings we have made and assess additional taxes. Some of these assessments may be substantial, and also may involve the imposition of penalties and interest.

In addition, governments could change their existing tax laws, impose new taxes on us or increase the rates at which we are taxed in the future. The payment of substantial additional taxes, penalties or interest resulting from tax assessments, or the imposition of any new taxes, could materially and adversely impact our results of operations and financial condition. For example, the current administration has previously proposed to increase the federal corporate income tax rate and, if any such proposal were to be adopted, then the increase in the federal corporate income tax rate would adversely affect our results of operations in future periods.

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Legislation and Regulations

Certain proposed legislation and regulations may have an adverse impact on the economy in general and in our markets specifically, which may adversely affect our businesses. Our businesses may be negatively impacted by a variety of new or proposed legislation or regulations. For example, legislation and regulations proposing increases in taxation on, or heightened regulation of, greenhouse gas emissions may result in higher prices for steel, higher prices for utilities required to run our facilities, higher fuel costs for us and our suppliers and distributors, limitations on our ability to produce, use or sell certain products and other adverse impacts. To the extent that new legislation or regulations increase our costs, we may not be able to fully pass these costs on to our customers without a resulting decline in sales and adverse impact to our profits. Likewise, to the extent new legislation or regulations would have an adverse effect on the economy, our markets or the ability of domestic businesses to compete against foreign operations, we could also be adversely impacted.

Changes to global data privacy laws and cross-border transfer requirements could adversely affect our businesses and operations. Our businesses depend on the transfer of data between our affiliated entities, to and from our business partners, and with third-party service providers, which may be subject to global data privacy laws and cross-border transfer restrictions. For example, the European Union has implemented the GDPR, which contains numerous requirements that must be complied with in connection with how we handle personal data related to our European-based operations and individuals. A number of U.S. states have also introduced and passed legislation to expand data breach notification rules and to mirror some of the protections provided by GDPR. While we take steps to comply with these legal requirements, the volatility and changes to the applicability of those laws may impact our ability to effectively transfer data across borders in support of our business operations. Compliance with GDPR, or other regulatory standards, could also increase our cost of doing business and/or force us to change our business practices in a manner adverse to our businesses. In addition, violations of GDPR, or other data security and privacy regulations, may result in significant fines, penalties and damage to our brands and businesses which could, individually or in the aggregate, materially harm our businesses and reputation.

Significant changes to the U.S. federal government's trade policies, including new tariffs or the renegotiation or termination of existing trade agreements and/or treaties, may adversely affect our financial performance. In recent years, the U.S. federal government has altered U.S. international trade policy and has indicated its intention to renegotiate or terminate certain existing trade agreements and treaties with foreign governments. The U.S. federal government's decision to implement new trade agreements, and/or withdraw or materially modify other existing trade agreements or treaties may adversely impact our business, customers and/or suppliers by disrupting trade and commercial transactions and/or adversely affect the U.S. economy or specific portions thereof.

Additionally, the U.S. federal government has imposed tariffs on certain foreign goods, including on certain steel products imported into the U.S. Although such steel tariffs may benefit portions of our business, these tariffs, as well as country-specific or product-specific exemptions, may also lead to steel price fluctuations and retaliatory actions from foreign governments and/or modifications to the purchasing patterns of our customers that could adversely affect our business. Restrictions on trade with foreign countries, imposition of customs duties or further modifications to U.S. international trade policy have the potential to disrupt our supply chain or the supply chains of our customers and to adversely impact demand for our products, our costs, customers, suppliers and/or the U.S. economy or certain sectors thereof, potentially leading to negative effects on our business and financial condition.

Impairment Charges

Weakness or instability in the general economy, our markets or our results of operations could result in future asset impairments, which would reduce our reported earnings and net worth. Economic conditions remain fragile in some markets and the possibility remains that the domestic or global economies, or certain industry sectors that are key to our sales, may deteriorate. If certain of our operating segments are adversely affected by challenging economic and financial conditions, we may be required to record future impairments, which would negatively impact our results of operations.

Item 1B. — Unresolved Staff Comments

None.

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Item 1C. — Cybersecurity

We have developed a cybersecurity program for identifying and mitigating risks to our information and information systems, including guarding against increased cybersecurity threats. We have a comprehensive cybersecurity program which includes risk management to identify cybersecurity threats that could adversely affect our information systems and compliance.

The Audit Committee has primary responsibility for oversight of cybersecurity matters. The Audit Committee receives quarterly updates on compliance and cybersecurity from the CIO and CISO. These updates, cover a range of topics, including the performance of our cybersecurity program against established goals and external standards, insights into the evolving cybersecurity landscape, current events and recent cybersecurity threats, and enhancements to our cybersecurity program.

The CIO has extensive leadership experience with 25 years of experience in information technology, project management, business applications including manufacturing. The CISO is responsible for overseeing our cybersecurity risk management program, in coordination with the CIO and our other business leaders, including in the legal, internal audit, finance and risk management departments. The CISO has extensive cybersecurity knowledge and skills gained from over 25 years of technical and business experience in the cybersecurity and information security fields. The CISO reports directly to the CIO who in turn reports directly to the Chief Financial Officer. The CISO receives reports on cybersecurity threats on an ongoing basis and, regularly reviews risks to identify and mitigate data protection and cybersecurity risks. The CISO and CIO also work closely with our legal department to oversee compliance with applicable legal, regulatory and contractual security requirements.

We actively maintain an enterprise risk management program that includes information technology and cybersecurity risk management. Management's role is to identify, mitigate, guide and review the efforts of our business units, consider whether the residual risks are acceptable, and approve plans to address potentially material risks. Cybersecurity is a key risk management category within our enterprise risk management program.

Our cybersecurity program is designed to safeguard against an evolving threat landscape through effective identification, prevention, detection, response and recovery processes. Our cybersecurity risk management processes include frequent assessment of our top cybersecurity risks and mitigations.

Our cybersecurity and risk management program encompasses several key areas consisting of threat and vulnerability management that help to identify, prioritize and reduce cybersecurity gaps or weaknesses. We regularly educate and share best practices with our employees to raise awareness of cybersecurity threats creating a culture where everyone shares responsibility to help protect our sensitive data and information. All employees are regularly provided cybersecurity training and involved in phishing prevention campaigns to raise awareness. Our identity and access management program involves access controls for least privileged access and additional authentication methods. We have many cybersecurity systems including firewalls, intrusion detection systems, continuous monitoring by a full time Security Operation Center to defend against unauthorized access. Incident response exercises are performed using our response and ransomware playbooks ensuring our readiness to respond to cybersecurity events. We have a risk management program for our critical third-party vendors focusing on mitigating risks from external sources. Those third-party applications are monitored and access is reviewed including evaluating System and Organization Controls (SOC) reports.

Our cybersecurity program's effectiveness is based on recognized best practices, standards, and frameworks for cybersecurity and information technology, including periodic evaluation against established quantifiable goals and other external benchmarks, including the Center for Internet Security (CIS), the National Institute of Standards and Technology (NIST) and several other security frameworks. The evaluation is conducted through periodic internal and external risk assessments and compliance audits. We regularly engage third parties in order to help conduct evaluations and assessments and to advise us on the effectiveness of our cybersecurity program.

To date, the risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected, and are not reasonably likely to materially affect us or our strategy, financial condition, liquidity or results of operations. It is possible that we may not implement appropriate controls if we do not detect a particular risk. In addition, security controls, no matter how well designed or implemented, may only mitigate and not fully eliminate the risks. Even when a risk is detected, disruptive events may not always be immediately and thoroughly interpreted and acted upon.

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Item 2. — Properties

Our principal corporate offices are located in an owned building in Columbus, Ohio, which also houses the principal corporate offices of our reportable segments. We also own three facilities in Columbus, Ohio used for administrative and medical purposes. At May 31, 2024, including our consolidated and unconsolidated joint ventures, we owned or leased more than 4,000,000 square feet of space for operations, most of which is dedicated to manufacturing facilities. More details on these facilities are contained in the table below. We believe these facilities are well maintained and in good operating condition and are sufficient to meet our current needs. All of the locations we operate facilitate manufacturing and/or distribution activities.

Operating Segments

Operating Segment	Location	Number of facilities	Leased	Owned
Consumer Products	Kansas (2), New Jersey, Wisconsin	4	2	2
Building Products	Kentucky, Maryland, Ohio (3), Rhode Island, Norway, Portugal	8	1	7
	Total	12	3	9

Consolidated Joint Venture

Joint Venture	Location	Number of facilities	Leased	Owned
Halo	Kentucky	1	1	-
	Total	1	1	-

Unconsolidated Joint Ventures

Joint Venture	Location	Number of facilities	Leased	Owned
ClarkDietrich	California (2), Connecticut, Georgia, Illinois, Maryland, Missouri, Florida (2), Ohio (2), Texas (2), Canada	14	12	2
Sustainable Energy Solutions	Austria, Germany, Poland	3	-	3
WAVE	California (2), Georgia, Maryland (2), Michigan, Nevada	7	5	2
Workhorse	Minnesota, South Dakota, Tennessee	3	3	-
	Total	27	20	7

Item 3. — 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, individually and in the aggregate, will have a material adverse effect on our business, financial position, results of operation or cash flows.

Item 4. — Mine Safety Disclosures

Not applicable.

Supplemental Item — Executive Officers of Worthington Enterprises

The following table lists the names, ages, positions and term of present office of the individuals serving as executive officers of Worthington Enterprises as of July 30, 2024.

Name	Age	Position(s) with the Registrant	Present Office Held Since
B. Andrew Rose	54	President and Chief Executive Officer	2020
Joseph B. Hayek	52	Executive Vice President and Chief Financial and Operations Officer	2023
James R. Bowes	41	President – Building Products	2023
Steven M. Caravati	42	President – Consumer Products	2021
Sonya L. Higginbotham	48	Senior Vice President & Chief of Corporate Affairs, Communications & Sustainability	2023
Kevin J. Chan	42	Vice President – Corporate Controller	2023
Patrick J. Kennedy	43	Vice President – General Counsel and Secretary	2021

B. Andrew (“Andy”) Rose has served as Chief Executive Officer of Worthington Enterprises since September 2020 and President since August 2018. Mr. Rose served as Chief Financial Officer of Worthington Enterprises on an interim basis from August 2018 to November 2018. Mr. Rose served as Executive Vice President and Chief Financial Officer of Worthington Enterprises from July 2014 to August 2018 and as Vice President and Chief Financial Officer of Worthington Enterprises from December 2008 to July 2014. From 2007 to 2008, Mr. Rose served as a senior investment professional with MCG Capital Corporation, a publicly-traded company specializing in debt and equity investments in middle market companies. From 2002 to 2007, Mr. Rose was a founding partner at Peachtree Equity Partners, L.P., a private equity firm backed by Goldman Sachs.

Joseph B. Hayek has served as Executive Vice President and Chief Financial and Operations Officer of Worthington Enterprises since December 2023. Mr. Hayek served as Worthington Enterprises’ Vice President and Chief Financial Officer from November 2018 to November 2023. Mr. Hayek served as Vice President and General Manager of our oil and gas equipment business unit from March 2017 to November 2018. From April 2014 to March 2017, Mr. Hayek served as Worthington Enterprises’ Vice President – Mergers & Acquisitions and Corporate Development. Prior to joining us, Mr. Hayek served as President of Sarcom, Inc. (n/k/a PCM Sales, Inc.), a value-added IT solutions provider and the largest division of PCM, Inc.

James R. Bowes has served as President of Worthington Enterprises’ Building Products operating segment since December 2023. Mr. Bowes served as Vice President and General Manager of Worthington Enterprises’ Building Products operating segment from November 2022 to December 2023. Mr. Bowes served as General Manager of Worthington Cylinder Corporation’s low pressure business unit from October 2019 to November 2022. Mr. Bowes joined us in 2009 and served in numerous finance and other capacities from 2009 to 2019. Prior to joining us, Mr. Bowes spent three years in public accounting with Ernst & Young.

Steven M. Caravati has served as President of Worthington Enterprises’ Consumer Products operating segment since June 2021. Mr. Caravati served as General Manager of Worthington Cylinder Corporation’s consumer products business unit from June 2019 to May 2021 and Director of Sales for the consumer products business unit from July 2014 to May 2019. Mr. Caravati joined us in 2005 and served in numerous sales capacities from 2005 to 2014.

Sonya L. Higginbotham has served as Senior Vice President and Chief of Corporate Affairs, Communications and Sustainability of Worthington Enterprises since December 2023. Ms. Higginbotham served as Vice President of Corporate Communications & Brand Management of Worthington Enterprises from September 2018 to December 2023. Ms. Higginbotham served as Director of Corporate Communications of Worthington Enterprises from November 2006 to September 2018. Ms. Higginbotham joined us in 1997 and served in numerous communications capacities from 1997 to 2006.

Kevin J. Chan has served as Vice President – Corporate Controller and the principal accounting officer of Worthington Enterprises since December 2023. Mr. Chan served as Director of Financial Reporting of Worthington Enterprises from November 2017 to November 2023 and Manager of Financial Reporting from November 2010 to November 2017. Prior to joining us in 2010, Mr. Chan served as Manager, External Reporting & Technical Accounting of Cardinal Health for two years and spent the three years prior in public accounting with KPMG LLP.

Patrick J. Kennedy has served as Worthington Enterprises’ Vice President – General Counsel and Secretary since January 2021. Mr. Kennedy served as Corporate Counsel of Worthington Enterprises from June 2018 to December 2020, and was a participant in the Worthington Industries Rotational Experience and Development (WIRED) program from June 2016 to May 2018. Prior to joining us, Mr. Kennedy was a partner with the law firm Ice Miller LLP, where he was a member of the firm’s business law group.

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Executive officers serve at the pleasure of the Board. There are no family relationships among any of Worthington Enterprises' executive officers or directors. No arrangements or understandings exist pursuant to which any individual has been, or is to be, selected as an executive officer of Worthington Enterprises.

PART II

Item 5. — Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Shares Information

The common shares trade on the NYSE under the symbol WOR. As of July 24, 2024, Worthington Enterprises had 5,907 registered shareholders.

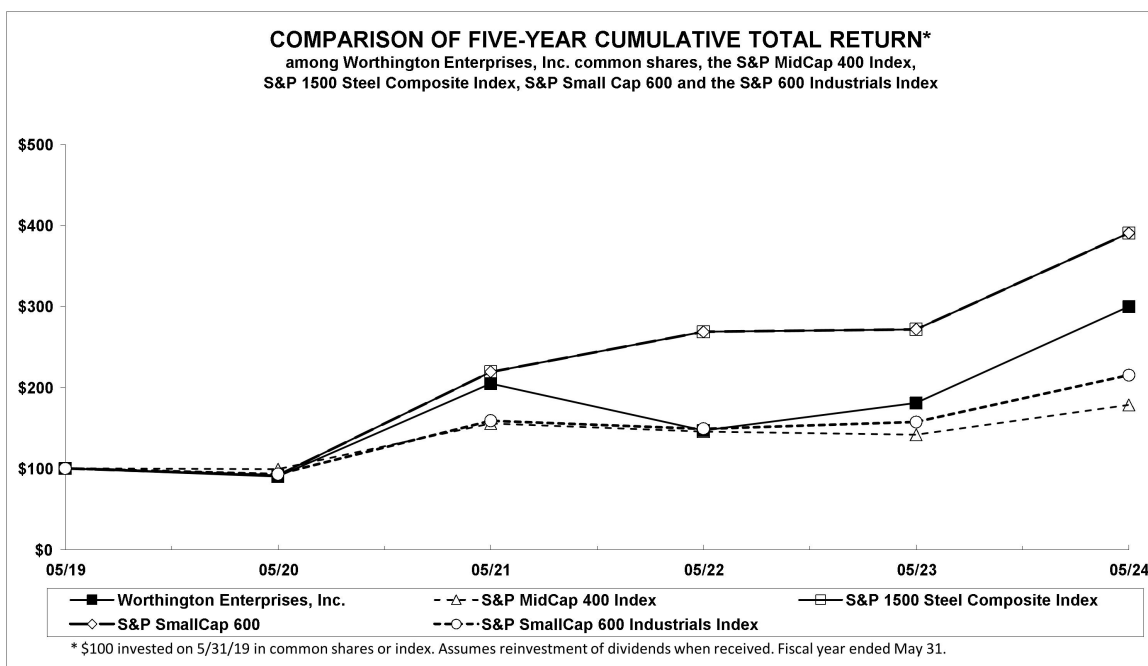
The Board reviews the declaration and payment of a dividend on a quarterly basis and establishes the dividend rate based upon Worthington Enterprises' financial condition, results of operations, capital requirements, current and projected cash flows, business prospects and other factors which the directors may deem relevant. While Worthington Enterprises has paid a dividend every quarter since becoming a public company in 1968, there is no guarantee this will continue in the future. We currently have no material contractual or regulatory restrictions on the payment of dividends.

For additional information on the Worthington Enterprises dividend policy, see "Part II – Item 7. – Management's Discussion and Analysis of Financial Condition and Results of Operations – Dividend Policy."

Shareholder Return Performance

The following information in this Item 5 of this Form 10-K is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or Regulation 14C under the Exchange Act, or to the liabilities of Section 18 of the Exchange Act, and will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent we specifically incorporate such information into such a filing.

The following stock performance graph and table compare the cumulative total stockholder return on the common shares with the cumulative total return of the S&P SmallCap 600 Index and the S&P SmallCap 600 Industrials Index for each of the last five fiscal years ended May 31, 2024, assuming an investment of \$100 at the beginning of such period and the reinvestment of any dividends. Our Annual Report on Form 10-K for the fiscal year ended May 31, 2023, included a comparison to the cumulative total return of the S&P Midcap 400 Index and the S&P 1500 Steel Composite Index. Consequently, pursuant to SEC rules, we have also included those indices in the following graph and table. Following the Separation, we transitioned to the S&P SmallCap 600 Index and the S&P SmallCap 600 Industrials Index, as we believe the S&P SmallCap 600 Index and the S&P SmallCap 600 Industrials Index better represent our relative peer group based on the composition of our current business and our market capitalization. The historical prices presented in the graph and table have been adjusted to reflect the impact of the Separation. The comparisons in the graph and table below are based upon historical data and are not indicative of, nor intended to forecast, the future performance of the common shares.



	5/19	5/20	5/21	5/22	5/23	5/24
Worthington Enterprises, Inc.	\$ 100.00	\$ 90.21	\$ 204.56	\$ 146.65	\$ 180.80	\$ 299.63
S&P SmallCap 600	\$ 100.00	\$ 91.89	\$ 159.03	\$ 145.15	\$ 134.62	\$ 161.99
S&P SmallCap 600 Industrials Index	\$ 100.00	\$ 93.01	\$ 158.92	\$ 149.00	\$ 157.43	\$ 215.14
S&P Midcap 400 Index	\$ 100.00	\$ 99.19	\$ 155.50	\$ 145.36	\$ 141.54	\$ 178.30
S&P 1500 Steel Composite Index	\$ 100.00	\$ 91.36	\$ 219.17	\$ 268.45	\$ 271.60	\$ 390.36

Data and graph provided by Zacks Investment Research, Inc. Copyright© 2024, Standard & Poor's, a division of The McGraw-Hill Companies, Inc. All rights reserved. Used with permission.

Unregistered Sales of Equity Securities

There were no equity securities of Worthington Enterprises sold by Worthington Enterprises during fiscal 2024 that were not registered under the Securities Act.

[Table of Contents](#)**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 or program. 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.

Period	Total Number of Common Shares Purchased	Average Price Paid per Common Share	Total Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Maximum Number of Common Shares that May Yet Be Purchased Under the Plans or Programs ⁽²⁾
March 1-31, 2024	6,085	\$ 62.12	-	6,065,000
April 1-30, 2024	2,433	58.55	-	6,065,000
May 1-31, 2024	-	-	-	6,065,000
Total	8,518	\$ 60.34	-	

(1) There were no common shares purchased during the fourth fiscal quarter of 2024 as part of publicly announced plans or programs.

(2) The number shown represents, as of the end of each period, the maximum number of common shares that could be purchased under the publicly announced repurchase authorizations then in effect. On March 20, 2019, the Board authorized the repurchase of up to 6,600,000 common shares. On March 24, 2021, the Board authorized the repurchase of up to an additional 5,618,464 common shares, increasing the total number of common shares then authorized for repurchase to 10,000,000 (net of previously repurchased common shares). A total of 3,935,000 common shares have been repurchased since the latest authorization, leaving 6,065,000 common shares available for repurchase under these authorizations at May 31, 2024, and such authorizations are not subject to a fixed expiration date. The common shares available for repurchase under the authorizations currently in effect may be purchased from time to time, with consideration given to the market price of the common shares, the nature of other investment opportunities, cash flows from operations, general economic conditions and other relevant considerations. Repurchases may be made on the open market or through privately-negotiated transactions.

Item 6. — Reserved

Item 7. — Management’s Discussion and Analysis of Financial Condition and Results of Operations

Selected statements contained in this 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 “Cautionary Note Regarding Forward-Looking Statements” at the beginning of this Form 10-K and “Part I - Item 1A. - Risk Factors” of this Form 10-K.

This MD&A should be read in conjunction with our consolidated financial statements and the related Notes in this Form 10-K. 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. This MD&A is divided into seven main sections:

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

Business Overview

Founded in 1955 as Worthington Industries, we are one of the leading designers and manufacturers of products sold to consumers, primarily through retail channels, in the tools, outdoor living and celebrations market categories as well as a wide array of highly specialized building products that primarily serve customers in the residential and non-residential construction markets, including ceiling suspension systems and light gauge metal framing products, respectively, through our unconsolidated joint ventures, WAVE and ClarkDietrich, as well as wholly-owned and consolidated operations that produce pressurized containment solutions for heating, cooking and cooling applications, among others. Our business strategy is rooted in our people first culture that values our relationships across the spectrum and revolves around products and services that empower people to live safer, healthier and more expressive lives. We were founded as a value-added steel processor domiciled under the laws of the State of Ohio and have since expanded our offerings to include manufactured metal products organized around attractive end market under two separate and distinct reportable operating segments: Consumer Products and Building Products.

Consumer Products: Our Consumer Products business serves retail customers and end consumers in the tools, outdoor living and celebrations categories under market-leading brands that include the following: Balloon Time®, Bernzomatic®, Coleman® (licensed), Garden-Weasel®, General®, Halo®, Hawkeye™, Level5®, Mag-Torch®, Pactool International®, and Worthington Pro Grade™. These include propane-filled cylinders for torches, camping stoves and other applications, handheld torches, helium-filled balloon kits, specialized hand tools and instruments, drywall tools and accessories and gas grills and pizza ovens sold primarily to mass merchandisers, retailers and distributors. This segment also includes our consolidated joint venture, Halo.

Building Products: Our Building Products business is a market-leading provider of pressurized containment solutions, providing critical components in essential categories, such as heating, cooking, cooling and water, and, through our unconsolidated joint ventures, WAVE and ClarkDietrich, ceiling suspension systems and light gauge metal framing products. Our pressurized containment solutions include refrigerant and LPG cylinders, well water and expansion tanks, and other specialty products which are generally sold to gas producers and distributors. Refrigerant gas cylinders are used to hold refrigerant gases for commercial, residential, and automotive air conditioning and refrigeration systems. LPG cylinders hold fuel for residential and light commercial heating systems, barbeque grills and recreational vehicle equipment, industrial forklifts and commercial/residential cooking (the latter, generally outside North America). Well water tanks and expansion tanks are used primarily in the residential market with certain products also sold to commercial markets. Specialty products include a variety of fire suppression tanks, chemical tanks, and foam and adhesive tanks.

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Separation of the Steel Processing Business

On December 1, 2023, we completed the Separation of our former steel processing business into a separate public company in a transaction intended to qualify as tax free to our shareholders, which was accomplished via the Distribution. Worthington Steel is an independent public company trading under the symbol “WS” on the NYSE. Following the Separation, Worthington Industries, Inc. changed its name to Worthington Enterprises, Inc. and its common shares continue trading on the NYSE under the ticker symbol “WOR.” In connection with the Separation, we received a one-time cash dividend of \$150.0 million from Worthington Steel, the proceeds of which were used to pay off in full the 2024 Notes. The dividend was funded by cash drawn on the Worthington Steel Credit Facility of \$175.0 million immediately prior to the Distribution.

Other Business Developments

On May 29, 2024, we became a noncontrolling equity partner in a new unconsolidated joint venture with Hexagon, a leading global manufacturer of Type 4 composite cylinders used for storing gas under high-pressure, by selling 51% of the nominal share capital of our former sustainable energy solutions operating segment in Europe. Pursuant to the transaction, Hexagon acquired a 49% stake in the joint venture for approximately \$11.5 million, after adjusting for closing cash and preliminary net working capital, with an additional 2% sold to members of the existing management team for an additional \$0.5 million. Post-closing, we hold a 49%, noncontrolling interest in the joint venture, which is accounted for under the equity method due to our significant influence. The newly formed joint venture, which combines two of Europe’s market leaders in composite high-pressure storage technology, will focus on capitalizing on the global clean energy transition specific to the storage, transport and distribution of hydrogen and compressed natural gas.

Our 49% noncontrolling interest does not qualify as a standalone operating segment and therefore will be reported within Other along with unallocated corporate expenses, as discussed further in “Note P – Segment Data.” Additionally, upon closing, our sustainable energy solutions business, as historically operated, is no longer part of our management structure and therefore the financial position and results of operations of this business are presented within Other, on an historical basis, through May 29, 2024.

On February 1, 2024, we acquired an 80% ownership stake in Halo, an affiliate of HPG, an asset-light business with technology-enabled solutions in the outdoor cooking space. The total purchase price was approximately \$9.6 million. Refer to “Note Q – Acquisitions” for additional information.

Trends and Factors Impacting our Performance

The following trends and factors have contributed to the results of our consolidated operations, and we anticipate that they will continue to affect our future results.

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, non-residential construction, and repair and remodel, which drives demand in our Building Products operating segment, including WAVE and ClarkDietrich, our unconsolidated joint ventures; and tools, outdoor living, and celebrations which drives demand in our Consumer Products operating segment, including Halo, our consolidated joint venture. 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 based on price, product quality, brand recognition, product innovation, and customer service. Sales to one customer within Consumer Products represented 12% of consolidated net sales during fiscal 2024.

General Economic and Market Conditions

U.S. GDP growth rate trends typically reflect the strength of demand and, in many cases, the pricing of our products. An increase in year-over-year U.S. GDP growth rates usually signifies a stronger economy, which often leads to higher demand and pricing for our products. Conversely, a decline in U.S. GDP growth rates generally indicates a weaker economy, resulting in lower demand and pricing for our products. Fluctuations in U.S. GDP growth rates can signal changes in conversion costs related to production and in SG&A.

There remains a high level of uncertainty in the current macroeconomic environment and geopolitical environments, and prolonged inflationary pressures continue to negatively impact the discretionary spending of many of our customers. In addition to inflation, consumer spending habits, including spending for products that we sell, are affected by, among other things, prevailing global economic conditions, the costs of basic necessities and other goods, levels of employment, salaries and wage rates, and prevailing interest rates. In addition, consumer purchasing patterns are generally influenced by consumers’ disposable income, credit availability and debt levels.

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We also actively monitor other publicly available macroeconomic trends that provide insight into the activity in our end markets, including, but not limited to the 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, as well as selected key indicators for the periods presented.

(\$ and units in millions)	2024	2023	2022	2024 vs. 2023	2023 vs. 2022
U.S. Residential Construction spend ⁽¹⁾	\$ 930,464	\$ 872,594	\$ 990,265	\$ 57,870	\$ (117,671)
U.S. Non-residential Construction Spend ⁽¹⁾	\$ 1,209,329	\$ 1,139,236	\$ 940,399	\$ 70,093	\$ 198,837
Hot-Rolled Steel (\$ per ton) ⁽²⁾	\$ 866	\$ 889	\$ 1,588	\$ (23)	\$ (699)
Existing Home Sales (units) ⁽¹⁾	4.1	4.2	5.4	(0.1)	(1.2)
Authorized Housing Permits (units) ⁽¹⁾	1.3	1.6	1.5	(0.3)	0.1
U.S Private Housing Starts (units) ⁽¹⁾	1.4	1.5	2.0	(0.1)	(0.5)
HMI	45.0	50.0	69.0	(5.0)	(19.0)
ABI	42.4	51.0	53.5	(8.6)	(2.5)
Dodge Momentum Index	179.0	180.5	173.6	(1.5)	6.9
30 Year Fixed mortgage rates ⁽¹⁾	7.03 %	6.57 %	5.10 %	0.46 %	1.47 %

(1) Federal Reserve Bank of St. Louis

(2) Period average of CRU Hot-Rolled Index

Residential Construction: The residential construction sector has demonstrated positive year-over-year growth, with an overall increase in spending during fiscal 2024. This growth is a significant recovery from the relative low in the spring of 2023. However, new housing starts have shown a downward trend, decreasing from 1.5 million units in fiscal 2023 to 1.4 million units in fiscal 2024. Additionally, the HMI of 45 for May 2024 represented its lowest level since December 2023. Persistently high mortgage rates are keeping many prospective buyers from entering the market. Home builders are also dealing with high interest rates for construction and development loans and chronic labor shortages.

Non-residential Construction: Non-residential construction spending has shown consistent year-over-year growth. However, the near-term outlook is 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 through May 2024, signaling slowing growth in the months ahead. The higher cost of capital has made it difficult for buyers and sellers to agree on terms and the shift to hybrid work has created additional headwinds for offices, especially central business district properties in major markets. Despite these challenges, the fundamentals in this sector remain strong and are expected to improve if the Federal Reserve reduces interest rates in the second half of 2024.

Repair and Remodel: Spending on home improvement is expected to decline in the near term, as existing home sales are at multi-decade lows and interest rates remain high; however, the long-term outlook remains strong, in part, due to the aging housing stock. The median age of owner-occupied homes in the U.S. is 40 years old. The majority of owner-occupied homes were built before 1980, with around 35% built before 1970. Additionally, homeowners have record levels of equity, which is expected to drive spending in the long-term.

Tools: Spending in the tools end market is largely driven by overall macroeconomic conditions. During fiscal 2024, our sales into this end market were negatively impacted by the persistently high inflationary environment which resulted in a general moderation of consumer spending on non-essential items, leading to lower overall demand from our DIY and professional customers. Customer destocking also continued into fiscal 2024, resulting in lower volumes. Despite short-term headwinds in this end market, we believe that the outlook remains positive as we continue to grow market share with our well-known brands and innovation of new products.

Outdoor Living: Participation in outdoor recreation is beginning to normalize to pre-pandemic levels. This trend is evident in the number of new U.S. camping households, a key metric that measures the influx of first-time campers. After reaching a peak in 2020, driven by the desire for safe, socially-distanced activities during the height of the pandemic, the number has steadily declined. However, the long-term fundamentals in the outdoor living category remain strong, driven by diverse participation across different age groups, socio-economic classes, and geographic regions.

Celebrations: During fiscal 2024, the celebrations end market was affected by several macroeconomic trends. Consumer income and the ratio of debt-to-income showed a gradual recovery, approaching levels observed prior to COVID-19, as well as moderating inflation. Despite these positive signals, there remained uncertainty in the current macroeconomic environment and geopolitical environments. It is anticipated that consumer spending on non-essential items will remain constrained, primarily due to a larger share of income being allocated towards essential purchases and mortgage payments.

Results of Operations

Fiscal 2024 Compared to Fiscal 2023

The tables throughout this section present, on a comparative basis, our consolidated results of operations for the past two fiscal years.

(In millions, except per common share amounts)	2024	2023	Increase/ (Decrease)
Net sales	\$ 1,245.7	\$ 1,418.5	\$ (172.8)
Operating income (loss)	(73.5)	29.8	(103.3)
Adjusted operating income	20.9	77.9	(57.0)
Net earnings from continuing operations attributable to controlling interest	35.2	125.8	(90.6)
Adjusted EBITDA from continuing operations	251.0	306.0	(55.0)
Equity income	167.7	153.3	14.4
EPS from continuing operations - diluted	0.70	2.55	(1.85)
Adjusted EPS from continuing operations - diluted	\$ 2.84	\$ 3.60	\$ (0.76)

Net Sales and Volume

The following table provides a breakdown of consolidated net sales by operating segment for the past two fiscal years.

(In millions)	2024	2023	Increase/ (Decrease)	% Increase (Decrease)
Consumer Products	\$ 495.3	\$ 555.3	\$ (60.0)	(10.8%)
Building Products	619.0	717.1	(98.1)	(13.7%)
Total reportable segments	1,114.3	1,272.4	(158.1)	(12.4%)
Other	131.4	146.1	(14.7)	(10.1%)
Consolidated	\$ 1,245.7	\$ 1,418.5	\$ (172.8)	(12.2%)

The following table provides volume (in units) by reportable segment for the past two fiscal years.

	2024	2023	Increase/ (Decrease)	% Increase (Decrease)
Consumer Products	66,632,148	74,137,431	(7,505,283)	(10.1%)
Building Products	14,157,050	14,629,590	(472,540)	(3.2%)
Total reportable segments	80,789,198	88,767,021	(7,977,823)	(9.0%)
Other	523,169	573,853	(50,684)	(8.8%)
Consolidated	81,312,367	89,340,874	(8,028,507)	(9.0%)

- *Consumer Products* – Net sales totaled \$495.3 million in fiscal 2024, down \$60.0 million, or 10.8%, from the prior fiscal year, due primarily to lower volumes driven largely by continued destocking by some of our retail customers that continued into the first half of fiscal 2024 as well as the general moderation in consumer spending on non-essentials driven by the persistent inflationary environment.
- *Building Products* – Net sales totaled \$619.0 million in fiscal 2024, down \$98.1 million, or 13.7%, from the prior fiscal year, due to an unfavorable shift in product mix, primarily in the large format heating tanks, and, to a lesser extent, lower volumes.
- *Other* – Net sales, attributable to our former Sustainable Energy Solutions segment, totaled \$131.4 million in fiscal 2024, down \$14.7 million, or 10.1%, from the prior fiscal year on an unfavorable shift in product mix and lower volumes.

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Gross profit

(In millions)	2024	% of Net sales	2023	% of Net sales	Increase/ (Decrease)
Gross profit	\$ 285.0	22.9%	\$ 323.6	22.8%	\$ (38.6)

- Gross profit was \$285.0 million in fiscal 2024, a decrease of \$38.6 million compared to the prior fiscal year, driven primarily by the impact of lower overall volume and an unfavorable shift in product mix.

(In millions)	2024	% of Net sales	2023	% of Net sales	Increase/ (Decrease)
Selling, general and administrative expense	\$ 283.5	22.8%	\$ 287.1	20.2%	\$ (3.6)

- SG&A was \$283.5 million in fiscal 2024, down \$3.6 million, or 1.3%, from the prior fiscal year. Excluding the impact of corporate costs of \$19.3 million in fiscal 2024 and \$41.5 million in fiscal 2023 that were eliminated post-Separation, SG&A was up \$18.6 million, primarily due to higher healthcare and other benefit related costs, and to a lesser extent, higher wages.

Other operating items

(In millions)	2024	2023	Increase/ (Decrease)
Impairment of goodwill and long-lived assets	\$ 33.0	\$ 0.5	\$ 32.5
Restructuring and other expense (income), net	29.3	(0.4)	29.7
Separation costs	12.7	6.5	6.2

- Impairment of goodwill and long-lived assets in fiscal 2024 was primarily due to the deconsolidation of our Sustainable Energy Solutions business. Impairment activity in the prior fiscal year was driven by changes in the intended use of certain fixed assets at our Building Products facility in Jefferson, Ohio. Refer to “Note E – Goodwill and Other Long-Lived Assets” for additional information.
- Restructuring activity during fiscal 2024 is related primarily to the deconsolidation of our Sustainable Energy Solutions business. Restructuring activity in the prior fiscal year was related primarily to a reduction in workforce at our Columbus, Ohio facility, organizational realignment within Building Products and a pretax 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.

Miscellaneous expense, net

(In millions)	2024	2023	Increase/ (Decrease)
Miscellaneous expense, net	\$ 17.1	\$ 4.5	\$ 12.6

- Miscellaneous expense in fiscal 2024 was primarily driven by the following: (1) the annuitization of the remaining projected benefit obligation of the inactive Gerstenslager Plan, which resulted in a pre-tax charge of \$8.0 million and (2) the write-down of an investment in notes receivable that was determined to be other than temporarily impaired, resulting in a pre-tax charge of \$11.2 million. Miscellaneous expense in the prior fiscal year was due to the annuitization of a portion of the total projected benefit obligation of the Gerstenslager Plan, which resulted in a pre-tax non-cash settlement charge of \$4.8 million to accelerate a portion of the overall deferred costs out of AOCI.

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Loss on extinguishment of debt

(In millions)	2024	2023	Increase/ (Decrease)
Loss on extinguishment of debt	\$ 1.5	\$ -	\$ 1.5

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

Interest expense, net

(In millions)	2024	2023	Increase/ (Decrease)
Interest expense, net	\$ 1.6	\$ 18.3	\$ (16.7)

- Interest expense, net of \$1.6 million in fiscal 2024 was favorable compared to the prior fiscal year by \$16.7 million, driven primarily by lower average debt levels as a result of the redemption of the 2024 Notes and 2026 Notes in fiscal 2024 and, to a lesser extent, higher interest income. Refer to “Note I – Debt” for additional information.

Equity income

(In millions)	2024	2023	Increase/ (Decrease)
WAVE	\$ 103.3	\$ 85.9	\$ 17.4
ClarkDietrich	59.8	80.5	(20.7)
Workhorse	4.6	0.5	4.1
ArtiFlex	-	(13.7)	13.7
Total equity income	\$ 167.7	\$ 153.2	\$ 14.5

- Equity income increased \$14.5 million over the prior fiscal year, as fiscal 2023 included a \$16.1 million pre-tax loss from the sale of our noncontrolling interest in ArtiFlex. Additionally, higher contributions from WAVE in fiscal 2024 were partially offset by a decline at ClarkDietrich, which was down \$20.7 million from the near-record equity earnings contributed in the prior year.

Income taxes

(In millions)	2024	Effective Tax Rate	2023	Effective Tax Rate	Increase/ (Decrease)
Income tax expense	\$ 39.0	52.6%	\$ 34.5	21.5%	\$ 4.5

- Income tax expense was \$39.0 million in fiscal 2024 compared to income tax expense of \$34.5 million in the prior fiscal year. The increase was primarily driven by one-time discrete tax charges related to the Separation and the deconsolidation of our Sustainable Energy Solutions business. Income tax expense in fiscal 2024 reflected an annual effective rate of 52.6% up from 21.5% in the prior year due the impact of discrete items. On an adjusted basis, the annual effective tax rate was 23.5% compared to 21.9% in the prior fiscal year. Refer to “Note N - Income Taxes” for additional information.

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The following table provides a summary of adjusted EBITDA from continuing operations by reportable segment, a non-GAAP financial measure, along with the respective percentage of the total of each reportable segment. See the “Use of Non-GAAP Financial Measures” section preceding Part I, Item 1 of this Form 10-K for additional information regarding our use of non-GAAP financial measures. A reconciliation from earnings before income taxes to adjusted EBITDA from continuing operations is provided in “Note P – Segment Data.”

(In millions)	Adjusted EBITDA		Adjusted EBITDA		Increase/ (Decrease)
	2024	Margin	2023	Margin	
Consumer Products	\$ 69.6	14.1 %	\$ 97.4	17.5 %	\$ (27.8)
Building Products	210.1	33.9 %	222.2	31.0 %	(12.1)
Total reportable segments	279.7	25.1 %	319.6	25.1 %	(39.9)
Unallocated Corporate and Other	(28.7)	n/a	(13.6)	n/a	(15.1)
Consolidated	\$ 251.0	20.1 %	\$ 306.0	21.6 %	\$ (55.0)

- *Consumer Products* – Adjusted EBITDA from continuing operations was down \$27.8 million from the prior fiscal year to \$69.6 million, primarily on lower volume, driven by destocking at certain large retail customers that continued into the second half of fiscal 2024 and ongoing moderation in non-essential consumer spending as well as non-cash charges totaling \$4.6 million to write-down inventory associated with the two voluntary recalls further discussed in “Note C – Inventory.”
- *Building Products* – Adjusted EBITDA from continuing operations was \$210.1 million in the current fiscal year, a decrease of \$12.1 million from the prior fiscal year on the combined impact of lower equity income from WAVE and ClarkDietrich, down \$3.3 million, and lower gross profit, driven by an unfavorable product mix, primarily in the large format heating end market, and, to a lesser extent lower volumes driven by destocking at certain distributors.
- *Unallocated Corporate and Other* – Adjusted EBITDA from continuing operations was down \$15.1 million from the prior fiscal year, driven by losses in our former Sustainable Energy Solutions business, unfavorable to the prior year by \$12.4 million. Sustainable Energy Solutions is now an unconsolidated joint venture.

Fiscal 2023 Compared to Fiscal 2022

The tables throughout this section present, on a comparative basis, our consolidated results of operations for fiscal 2022 and fiscal 2023.

(In millions, except per common share amounts)	2023	2022	Increase/ (Decrease)
Net sales	\$ 1,418.5	\$ 1,309.2	\$ 109.3
Operating income	29.8	48.8	(19.0)
Adjusted operating income	77.9	94.2	(16.3)
Net earnings from continuing operations attributable to controlling interest	125.8	157.9	(32.1)
Adjusted EBITDA from continuing operations	306.0	335.0	(29.0)
Equity income	153.3	183.9	(30.6)
EPS from continuing operations - diluted	2.55	3.10	(0.55)
Adjusted EPS from continuing operations - diluted	\$ 3.60	\$ 3.78	\$ (0.18)

Net Sales and Volume

The following table provides a breakdown of consolidated net sales by operating segment for fiscal 2023 and fiscal 2022.

(In millions)	2023	2022	Increase/ (Decrease)	% Increase (Decrease)
Consumer Products	\$ 555.3	\$ 504.9	\$ 50.4	10.0 %
Building Products	717.1	673.3	43.8	6.5 %
Total reportable segments	1,272.4	1,178.2	94.2	8.0 %
Other	146.1	131.0	15.1	11.5 %
Consolidated	\$ 1,418.5	\$ 1,309.2	\$ 109.3	8.3 %

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The following table provides volume (in units) by reportable segment for fiscal 2023 and fiscal 2022.

	2023	2022	Increase/ (Decrease)	% Increase (Decrease)
Consumer Products	74,137,431	77,976,662	(3,839,231)	(4.9%)
Building Products	14,629,590	16,123,609	(1,494,019)	(9.3%)
Total reportable segments	88,767,021	94,100,271	(5,333,250)	(5.7%)
Other	573,853	610,811	(36,958)	(6.1%)
Consolidated	89,340,874	94,711,082	(5,370,208)	(5.7%)

- *Consumer Products* – Net sales increased 10.0%, or \$50.4 million, over fiscal 2022 to \$555.3 million in fiscal 2023. The increase was driven by higher average selling prices, and, to a lesser extent, contributions from the June 2, 2022 acquisition of Level5. Excluding Level5 units shipped in fiscal 2023, overall volumes were down 7.1% from fiscal 2022, as retail customers reduced inventory levels resulting in lower customer orders.
- *Building Products* – Net sales increased 6.5%, or \$43.8 million, over fiscal 2022 to \$717.1 million in fiscal 2023. The increase was driven by higher average selling prices and a favorable shift in product mix, partially offset by lower volume.
- *Other* – Net sales, attributable to our former consolidated Sustainable Energy Solutions business, totaled \$146.1 million in fiscal 2023, up 11.5%, or \$15.1 million, over fiscal 2022, primarily due to higher average selling prices, partially offset by an unfavorable change in product mix.

Gross profit

(In millions)	2023	% of Net sales	2022	% of Net sales	Increase/ (Decrease)
Gross profit	\$ 323.6	22.8%	\$ 327.6	25.0%	\$ (4.0)

- Gross profit decreased \$4.0 million from fiscal 2022 to \$323.6 million in fiscal 2023, as the impact of lower overall volumes and higher manufacturing expenses more than offset the favorable impact of higher average selling prices at Consumer Products and Building Products and the impact of the Level5 acquisition.

Selling, general and administrative expense

(In millions)	2023	% of Net sales	2022	% of Net sales	Increase/ (Decrease)
Selling, general and administrative expense	\$ 287.1	20.2%	\$ 281.4	21.5%	\$ 5.7

- SG&A increased \$5.7 million over fiscal 2022 due primarily to the impact of acquisitions and higher wages and benefits driven by continued inflationary pressures, partially offset by lower profit sharing and bonus expenses to correspond with the decreases in operating income and equity income from fiscal 2022.

Other operating items

(In millions)	2023	2022	Increase/ (Decrease)
Impairment of long-lived assets	\$ 0.5	\$ -	\$ 0.5
Restructuring and other income, net	(0.4)	(2.6)	2.2
Separation costs	6.5	-	6.5

- Impairment of long-lived assets in fiscal 2023 related primarily to changes in the intended use of certain fixed assets at our Building Products facility in Jefferson, Ohio.

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- Restructuring and other income, net in fiscal 2023 was driven by a pre-tax gain of \$1.2 million related to the sale of real property in Tulsa, Oklahoma, partially offset by severance related payments within Consumer Products and Building Products. Restructuring and other income, net in the prior fiscal year was primarily due to the buyout of an operating lease in Stow, Ohio associated with our former Engineered Cabs business.
- Separation costs reflect direct and incremental costs incurred in connection with the Separation.

Miscellaneous income (expense), net

(In millions)	2023	2022	Increase/ (Decrease)
Miscellaneous expense (income), net	\$ 4.5	\$ (1.9)	\$ 6.4

- Miscellaneous expense in fiscal 2023 was driven primarily by the annuitization of a portion of the total projected benefit obligation of the inactive Gerstenslager Plan, which resulted in a pre-tax, non-cash settlement charge of \$4.8 million in the first quarter of fiscal 2023 to accelerate a portion of the overall deferred pension cost.

Interest expense, net

(In millions)	2023	2022	Increase/ (Decrease)
Interest expense, net	\$ 18.3	\$ 23.9	\$ (5.6)

- Interest expense was \$18.3 million in fiscal 2023, down \$5.6 million from fiscal 2022 due to higher interest income, and to a lesser extent, the impact of lower average debt levels associated with short-term borrowings.

Equity income

(In millions)	2023	2022	Increase/ (Decrease)
WAVE	\$ 85.9	\$ 87.4	\$ (1.5)
ClarkDietrich	80.5	89.1	(8.6)
Workhorse	0.5	(0.2)	0.7
ArtiFlex	(13.7)	7.6	(21.3)
Total equity income	\$ 153.2	\$ 183.9	\$ (30.7)

- Equity income from unconsolidated joint ventures decreased \$30.7 million from fiscal 2022 to \$153.2 million in fiscal 2023 due to a \$16.1 million pre-tax loss related to the sale of our noncontrolling equity interest in ArtiFlex and lower contributions from WAVE and ClarkDietrich. We received cash distributions of \$228.4 million from our unconsolidated joint ventures during fiscal 2023.

Income Taxes

(In millions)	2023	Effective Tax Rate	2022	Effective Tax Rate	Increase/ (Decrease)
Income tax expense	\$ 34.5	21.5%	\$ 52.7	25.0%	\$ (18.2)

- Income tax expense decreased \$18.2 million from fiscal 2022 due to lower pre-tax earnings. Fiscal 2023 tax expense reflected an annual effective income tax rate of 21.5% versus 25.0% in fiscal 2022. For additional information regarding our income taxes, refer to “Note N – Income Taxes.”

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The following table provides a summary of adjusted EBITDA from continuing operations by reportable segment, a non-GAAP financial measure, along with the respective percentage of the total of each reportable segment. See the “Use of Non-GAAP Financial Measures” section preceding Part I, Item 1 of this Form 10-K for additional information regarding our use of non-GAAP financial measures. A reconciliation from earnings before income taxes to adjusted EBITDA from continuing operations is provided in “Note P – Segment Data.”

(In millions)	2023	Adjusted EBITDA Margin	2022	Adjusted EBITDA Margin	Increase/ (Decrease)
Consumer Products	\$ 97.4	17.5 %	\$ 109.4	21.7 %	\$ (12.0)
Building Products	222.2	31.0 %	238.8	35.5 %	(16.6)
Total reportable segments	319.6	25.1 %	348.2	29.6 %	(28.6)
Unallocated Corporate and Other	(13.6)	n/a	(13.2)	n/a	(0.4)
Consolidated	\$ 306.0	21.6 %	\$ 335.0	25.6 %	\$ (29.0)

- *Consumer Products* – Adjusted EBITDA from continuing operations was down \$12.0 million from fiscal 2022 to \$97.4 million in fiscal 2023, as the favorable impact of higher average selling prices was more than offset by lower volumes and higher input and production costs, including \$2.7 million of incremental material cost related to Level5 inventory that was written-up to fair value at acquisition.
- *Building Products* – Adjusted EBITDA from continuing operations decreased \$16.6 million from fiscal 2022 to \$222.2 million in fiscal 2023, primarily due to a \$10.1 million decline in equity income, driven by lower volumes at ClarkDietrich that yielded an \$8.6 million lower contribution compared to fiscal 2022.
- *Unallocated Corporate and Other* – Adjusted EBITDA from continuing operations was down \$0.4 million from fiscal 2022 as lower contributions of equity income from ArtiFlex prior to its divestiture on August 3, 2022 were partially offset by improved results in our former Sustainable Energy Solutions business, up \$6.9 million over fiscal 2022.

Liquidity and Capital Resources

During fiscal 2024, we generated \$290.0 million of cash from operating activities, invested \$83.5 million in property, plant and equipment, and spent \$42.0 million on acquisitions, which included Worthington Steel’s purchase of Voestalpine for \$21.0 million prior to the Separation. In connection with the Separation, we distributed \$68.0 million to Worthington Steel, net of the \$150.0 million one-time special dividend received from Worthington Steel at Separation that was funded by the Worthington Steel Credit Facility. Additionally, we redeemed, in full, the 2024 Notes and the 2026 Notes for an aggregate of \$393.9 million and paid dividends of \$56.8 million on the common shares.

(In millions)	2024	2023	2022
Net cash provided by operating activities	\$ 290.0	\$ 625.4	\$ 70.1
Net cash used by investing activities	(140.8)	(71.8)	(438.2)
Net cash used by financing activities	(359.9)	(133.1)	(237.8)
Increase (decrease) in cash and cash equivalents	(210.7)	420.5	(605.9)
Cash and cash equivalents at beginning of period	454.9	34.5	640.3
Cash and cash equivalents at end of period	\$ 244.2	\$ 455.0	\$ 34.4

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

We believe we have access to adequate resources 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. These resources include cash and cash equivalents and unused committed lines of credit under our Credit Facility. The Credit Facility had a total of \$500.0 million of borrowing capacity available to be drawn as of May 31, 2024.

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Although we do not currently anticipate a need, we believe that we could access the financial markets to sell long-term debt or equity securities. However, the continuation of uncertain economic conditions and a high 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.

We routinely monitor current operational requirements, financial market conditions, and credit relationships and we may choose to seek additional capital by issuing new debt and/or equity securities to strengthen our liquidity or capital structure. Should we seek additional capital, there can be no assurance that we would be able to obtain such additional capital on terms acceptable to us, if at all, and such additional equity or debt financing could dilute the interests of our existing shareholders and/or increase our interest costs. We may also from time to time seek to retire or repurchase our outstanding debt through cash purchases, in open-market purchases, privately-negotiated transactions or otherwise. Such repurchases, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved in any such transaction may or may not be material. To facilitate our post-Separation capital structure, during the first quarter of fiscal 2024, we redeemed in full our 2026 Notes for \$243.6 million followed by the early redemption of the 2024 Notes for \$150.0 million on December 6, 2023, as further discussed in “Note I – Debt.”

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 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.

Fiscal 2024 vs. Fiscal 2023

Net cash provided by operating activities was \$290.0 million during fiscal 2024, compared to \$625.4 million during fiscal 2023. This change was primarily due to lower net earnings from core operations, a \$104.5 million increase in net operating working capital (accounts receivable, inventories, and accounts payable) requirements over the prior year period, of which \$88.3 million is related to the former steel processing business, and a decrease in dividends received from our unconsolidated affiliates, down \$53.6 million on lower contributions of \$44.4 million from WAVE and ClarkDietrich.

Fiscal 2023 vs. Fiscal 2022

Net cash provided by operating activities was \$625.4 million during fiscal 2023 compared to \$70.1 million in fiscal 2022, an increase of \$555.3 million. The increase was primarily due to a \$410.4 million change in operating working capital requirements in fiscal 2023, as compared to fiscal 2022, of which \$318.5 million is related to our former steel processing business. The remaining increase over fiscal 2022 was driven by higher cash dividends from WAVE and ClarkDietrich, up \$138.9 million over the prior fiscal year.

Investing Activities

Fiscal 2024 vs. Fiscal 2023

Net cash used by investing activities was \$140.8 million during fiscal 2024, compared to \$71.8 million during fiscal 2023. Net cash used by investing activities in fiscal 2024 resulted primarily from capital expenditures of \$83.5 million, investment in notes receivable of \$14.9 million, a deposit of \$11.4 million for the June 3, 2024 acquisition of Ragasco, and the acquisitions of Halo and Voestalpine for net cash consideration of \$9.6 million and \$21.0 million, respectively. Net cash used by investing activities in the prior year resulted from the purchase of the Level5 business on June 2, 2022, for \$56.1 million, and capital expenditures of \$86.4 million, partially offset by combined cash proceeds of \$71.3 million from the sale of our 50% noncontrolling equity investment in ArtiFlex, and the sale of the remaining net assets of our former WSP Jackson, Michigan facility and other long-lived assets.

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Fiscal 2023 vs. Fiscal 2022

Net cash used by investing activities was \$71.8 million during fiscal 2023 compared to net cash used by investing activities of \$438.2 million in fiscal 2022. Net cash used by investing activities in fiscal 2023 resulted from the purchase of the Level5 business on June 2, 2022, for \$56.1 million, net of cash acquired, and capital expenditures of \$86.4 million, partially offset by combined cash proceeds of \$71.3 million from the sale of our 50% noncontrolling equity investment in ArtiFlex, and the sale of our former WSP Jackson, Michigan facility and other long-lived assets. Net cash used by investing activities in fiscal 2022 resulted primarily from cash used to acquire certain assets of the Shiloh Industries' U.S. BlankLight ® business on June 8, 2021, for \$104.5 million and Tempel Steel Company on December 1, 2021 for \$272.2 million, and capital expenditures of \$94.6 million.

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 any such opportunities may require additional financing. However, there can be no assurance 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

Fiscal 2024 vs. Fiscal 2023

Net cash used by financing activities was \$359.9 million in fiscal 2024 compared to \$133.1 million in fiscal 2023. The change was primarily due to 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 credit facilities, which were assumed by Worthington Steel. To facilitate our post-Separation capital structure, we redeemed in full our 2026 Notes for \$243.6 million and our 2024 Notes for \$150.0 million, as further discussed in "Note I - Debt."

Fiscal 2023 vs. Fiscal 2022

Net cash used by financing activities was \$133.1 million in fiscal 2023 compared to \$237.7 million in fiscal 2022. The change was primarily due to \$45.2 million of net repayments of short-term borrowings in fiscal 2023 and the repurchase of 3.2 million of common shares at a cost of \$180.2 million in fiscal 2022.

Long-term debt – We typically use the net proceeds from long-term debt for acquisitions, refinancing of outstanding debt, capital expenditures and general corporate purposes. As of May 31, 2024, we were in compliance with the covenants in our long-term debt agreements. Our long-term debt agreements do not include ratings triggers or material adverse change provisions.

Short-term borrowings – Our short-term debt agreements do not include ratings triggers or material adverse change provisions. As of May 31, 2024, we were in compliance with the covenants in our short-term debt agreements.

We maintain the \$500.0 million Credit Facility that matures on September 27, 2028. Borrowings under the Credit 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, the Prime Rate of PNC Bank, National Association, or the Overnight Bank Funding Rate. The applicable margin is determined by our credit rating. There were no borrowings outstanding under the Credit Facility at May 31, 2024.

As discussed in "Note H – Guarantees," we had in place \$12.1 million in outstanding letters of credit for third-party beneficiaries as of May 31, 2024. No amounts were drawn against these outstanding letters of credit at May 31, 2024, and the fair value of these guaranteed instruments, based on premiums paid, was not material.

Common shares – During fiscal 2024, we declared dividends totaling \$0.96 per common share, which consisted of three quarters of declared dividends under our pre-Separation capital structure and one quarter as a standalone company. During fiscal 2023, we declared dividends totaling \$1.24 per common share. Dividends paid on our common shares totaled \$56.8 million in fiscal 2024 compared to \$59.2 million during fiscal 2023. On June 25, 2024, the Board declared a quarterly dividend of \$0.17 per common share for the first quarter of fiscal 2025, a \$0.01 per share increase from the previous quarterly rate. The dividend is payable on September 27, 2024 to shareholders of record at the close of business on September 13, 2024.

On March 20, 2019, the Board authorized the repurchase of up to 6.6 million of the common shares. On March 24, 2021, the Board authorized the repurchase of up to an additional 5.6 million of the common shares, increasing the total number of common shares then authorized for repurchase to 10.0 million. The total number of common shares available for repurchase under these authorizations at May 31, 2024 was 6.1 million.

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These common shares may be repurchased 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.

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.

Recently Adopted Accounting Standards

Refer to “Note A – Summary of Significant Accounting Policies” for further information.

Environmental

We do not believe that compliance with environmental laws has or will have a material effect on our capital expenditures, future results of operations or financial position or competitive position.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with 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 our consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. 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 estimates 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, as discussed below, 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. The following accounting estimates are considered to be the most critical to us, as these are the primary areas where financial information is subject to our estimates, assumptions and judgment in the preparation of our consolidated financial statements.

Impairment of Indefinite-Lived Long-Lived Assets

Critical estimate: Goodwill and intangible assets with indefinite lives are not amortized, but instead are tested for impairment annually, during the fourth fiscal quarter, or more frequently if events or changes in circumstances indicate that impairment may be present. Application of goodwill impairment testing involves judgment, including but not limited to, the identification of reporting units and estimation of the fair value of each reporting unit. A reporting unit is defined as an operating segment or one level below an operating segment. We test goodwill at the operating segment level as we have determined that the characteristics of the reporting units within each operating segment are similar and allow for their aggregation in accordance with the applicable accounting guidance.

For goodwill and indefinite lived intangible assets, we test for impairment by first evaluating qualitative factors including macroeconomic conditions, industry and market considerations, cost factors, and overall financial performance. If there are no concerns raised from this evaluation, no further testing is performed. If, however, our qualitative analysis indicates it is more likely than not that the fair value is less than the carrying amount, a quantitative analysis is performed. The quantitative analysis compares the fair value of each reporting unit or indefinite-lived intangible asset to the respective carrying amount, and an impairment loss is recognized in our consolidated statements of earnings equivalent to the excess of the carrying amount over the fair value.

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Assumptions and judgments: When performing a qualitative assessment, judgment is required when considering relevant events and circumstances that could affect the fair value of the indefinite lived intangible asset or reporting unit to which goodwill is assigned. Management considers whether events and circumstances such as a change in strategic direction and changes in business climate would impact the fair value of the indefinite lived intangible asset or reporting unit to which goodwill is assigned. If a quantitative analysis is required, assumptions are required to estimate fair value, both at the individual asset and enterprise level, to compare against the carrying value. Significant assumptions that form the basis of fair value can include discount rates, underlying forecast assumptions, and royalty rates. These assumptions are forward looking and can be affected by future economic and market conditions. We were able to qualitatively conclude that all of our indefinite-lived intangibles and the goodwill of our Consumer Products and Building Products reporting units were not impaired during fiscal 2024. However, the deconsolidation of our former Sustainable Energy Solutions reporting unit triggered an impairment review of this asset group as an asset held for sale in the fourth quarter of fiscal 2024. This analysis determined that the fair value of the Sustainable Energy Solutions reporting unit exceeded its book value resulting in the full impairment of goodwill, which totaled \$14.2 million.

Impairment of Definite-Lived Long-Lived Assets

Critical estimate: We review the carrying value of our long-lived assets, including intangible assets with finite useful lives, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. Impairment testing involves a comparison of the sum of the undiscounted future cash flows of the asset or asset group to its respective carrying amount. If the sum of the undiscounted future cash flows exceeds the carrying amount, then no impairment exists. If the carrying amount exceeds the sum of the undiscounted future cash flows, then a second step is performed to determine the amount of impairment, if any, to be recognized. An impairment loss is recognized to the extent that the carrying amount of the asset or asset group exceeds its fair value.

Assumptions and judgments: When performing the comparison of the sum of the undiscounted cash flows of the asset or asset group to its respective carrying amount, judgment is required when forming the basis for underlying cash flow forecast assumptions. If the second step of the impairment test is required, assumptions are required to estimate the fair value to compare against the carrying value. Significant assumptions that form the basis of fair value can include discount rates, underlying forecast assumptions, and royalty rates. These assumptions are forward looking and can be affected by future economic and market conditions.

As the long-lived assets of our former Sustainable Energy Solutions operating segment/reporting unit both met the criteria for held for sale accounting and were sold during the fourth quarter of fiscal 2024, they were assessed for impairment immediately prior to the sale transaction resulting in the impairment of definite-lived long-lived assets, primarily tangible personal property and unamortized know-how, totaling \$18.0 million.

Income Taxes

Critical estimate: In accordance with the authoritative accounting guidance, we account for income taxes using the asset and liability method. The asset and liability method requires the recognition of deferred tax assets and deferred tax liabilities for expected future tax consequences of temporary differences that currently exist between the tax basis and financial reporting basis of our assets and liabilities. We evaluate the deferred tax assets to determine whether it is more likely than not that some, or a portion, of the deferred tax assets will not be realized, and provide a valuation allowance as appropriate. Changes in existing tax laws or rates could significantly impact the estimate of our tax liabilities.

Assumptions and judgments: Significant judgment is required in determining our tax expense and in evaluating our tax positions. In accordance with accounting literature related to uncertainty in income taxes, tax benefits from uncertain tax positions that are recognized in our consolidated financial statements are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. We have reserves for income taxes and associated interest and penalties that may become payable in future years as a result of audits by taxing authorities. It is our policy to record these in income tax expense. While we believe the positions taken on previously filed tax returns are appropriate, we have established the tax and interest reserves in recognition that various taxing authorities may challenge our positions. These reserves are analyzed periodically, and adjustments are made as events occur to warrant adjustment to the reserves, such as lapsing of applicable statutes of limitations, conclusion of tax audits, additional exposure based on current calculations, identification of new issues, and release of administrative guidance or court decisions affecting a particular tax issue. We have provided for the amounts we believe will ultimately result from these changes; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. Such differences will be reflected as increases or decreases to income tax expense in the period in which they are determined. See “Note N – Income Taxes” for further information.

Business Combinations

Critical estimate: We account for business combinations using the acquisition method of accounting, which requires that once control is obtained, all the assets acquired and liabilities assumed are recorded at their respective fair values at the date of acquisition. The determination of fair values of identifiable assets and liabilities requires significant judgments and estimates and the use of valuation techniques when market value is not readily available. For the valuation of intangible assets acquired in a business combination, we typically use an income approach. The purchase price allocated to the intangible assets is based on unobservable assumptions, inputs and estimates, including but not limited to, forecasted revenue growth rates, projected expenses, discount rates, customer attrition rates, royalty rates, and useful lives, among others.

Assumptions and judgments: Significant assumptions, which vary by the class of asset or liability, are forward looking and could be affected by future economic and market conditions. We engage third-party valuation specialists who review our critical assumptions and prepare the calculation of the fair value of acquired intangible assets in connection with significant business combinations. The excess of the purchase price over the fair values of identifiable assets acquired and liabilities assumed is recorded as goodwill. During the measurement period, which is up to one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Item 7A. – Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we are exposed to various market risks. We continually monitor these risks and regularly develop appropriate strategies to manage them. Accordingly, from time to time, we may enter into certain financial and commodity-based derivative financial instruments. These instruments are used primarily to mitigate market exposure. Refer to “Note R – Derivative Financial Instruments and Hedging Activities” for additional information.

Interest Rate Risk

We are exposed to changes in interest rates primarily as a result of our borrowing and investing activities to maintain liquidity and fund operations. The nature and amount of our long-term and short-term debt can be expected to fluctuate as a result of business requirements, market conditions and other factors. We manage exposures to interest rates using a mix of fixed and variable rate debt. We use interest rate swap instruments to manage our exposure to interest rate movements.

We entered into an interest rate swap in June 2017, in anticipation of the issuance of the 2032 Notes. Refer to “Note I – Debt” for additional information regarding the 2032 Notes. The interest rate swap had a notional amount of \$150.0 million to hedge the risk of changes in the semi-annual interest rate payments attributable to changes in the benchmark interest rate during the several days leading up to the issuance of the 15-year fixed-rate debt. Upon pricing of the 2032 Notes, the derivative financial instrument was settled resulting in a gain of approximately \$3.1 million, which was reflected in AOCI in our consolidated statements of equity and will be recognized in earnings, as a decrease to interest expense, over the life of the 2032 Notes.

We entered into an interest rate swap in March 2014, in anticipation of the issuance of the 2026 Notes. Refer to “Note I – Debt” for additional information regarding the 2026 Notes. The interest rate swap had a notional amount of \$150.0 million to hedge the risk of changes in the semi-annual interest payments attributable to changes in the benchmark interest rate during the several days leading up to the issuance of the 12-year fixed-rate debt. Upon pricing of the 2026 Notes, the derivative financial instrument was settled and resulted in a loss of approximately \$3.1 million, a significant portion of which was reflected within AOCI in our consolidated statements of equity and will be recognized in earnings, as an increase to interest expense, over the life of the related 2026 Notes. On July 28, 2023, we redeemed the 2026 Notes in full and released the then remaining amount deferred in AOCI associated with this interest rate swap.

[Table of Contents](#)**Foreign Currency Exchange Risk**

The translation of foreign currencies into U.S. dollars subjects us to exposure related to fluctuating foreign currency exchange rates. While derivative financial instruments are not used to manage this risk, we have designated our Euro denominated debt, which was assumed by our U.S. parent company in connection with the deconsolidation of our former Sustainable Energy Solutions business, as a non-derivative hedge of the net investment in our European-based foreign operations in Portugal. We also make use of forward contracts to manage exposure to certain intercompany loans with our foreign affiliates as well as exposure to transactions denominated in a currency other than the related foreign affiliate's local currency. At May 31, 2024, the difference between the contract and book value of these forward contracts was not material to our consolidated financial position, results of operations or cash flows. A 10% change in the foreign currency exchange rate to the U.S. dollar forward rate is not expected to materially impact our consolidated financial position, results of operations or cash flows. A sensitivity analysis of changes in the U.S. dollar exchange rate on these foreign currency-denominated contracts indicates that if the U.S. dollar uniformly weakened by 10% against all of these foreign currency exposures, the fair value of these forward contracts would not be materially impacted. Any resulting changes in fair value would be offset by changes in the underlying hedged balance sheet position. A sensitivity analysis of changes in the foreign currency exchange rates of our foreign locations indicates that a 10% increase in those rates would not have materially impacted our net results. The sensitivity analysis assumes a uniform shift in all foreign currency exchange rates. The assumption that foreign currency exchange rates change in uniformity may overstate the impact of changing foreign currency exchange rates on assets and liabilities denominated in a foreign currency.

Commodity Price Risk

We are exposed to market risk for price fluctuations on purchases of steel, natural gas, copper, zinc and other raw materials as well as our utility requirements. We attempt to negotiate the best prices for commodities and to competitively price products and services to reflect the fluctuations in market prices. Derivative financial instruments have been used to manage a portion of our exposure to fluctuations in the cost of certain commodities, including steel, natural gas, zinc, copper and other raw materials. These contracts covered periods commensurate with known or expected exposures throughout fiscal 2024. The derivative financial instruments were executed with highly rated financial institutions. No credit loss is anticipated.

A sensitivity analysis of changes in the price of hedged commodities indicates that a 10% decline in the market prices of steel, zinc, copper, natural gas or any combination of these would not have a material impact to the value of our hedges or our reported results.

The fair values of our outstanding derivative positions at May 31, 2024 and 2023 are summarized below. Fair values of these derivative financial instruments do not consider the offsetting impact of the underlying hedged item.

(In millions)	2024	2023
Commodity contracts	\$ 0.7	\$ (5.6)
Foreign currency exchange contracts	(1.2)	-
Total	\$ (0.5)	\$ (5.6)

Safe Harbor

Quantitative and qualitative disclosures about market risk include forward-looking statements with respect to management's opinion about risks associated with the use of derivative financial instruments. These statements are based on certain assumptions with respect to market prices and industry supply of, and demand for, steel products and certain raw materials. To the extent these assumptions prove to be inaccurate, future outcomes with respect to hedging programs may differ materially from those discussed in the forward-looking statements. Refer to the "Cautionary Note Regarding Forward-Looking Statements" section at the beginning of this Form 10-K for additional information.

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Item 8. — Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Worthington Enterprises, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Worthington Enterprises, Inc. and subsidiaries (the Company) as of May 31, 2024 and 2023, the related consolidated statements of earnings, comprehensive income, equity, and cash flows for each of the years in the three-year period ended May 31, 2024, and the related notes and financial statement schedule II (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of May 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended May 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of May 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated July 30, 2024 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

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Sufficiency of audit evidence over equity in net income of unconsolidated affiliates

As discussed in Notes A and D to the consolidated financial statements, the Company has four unconsolidated affiliates as of May 31, 2024, which are recognized using the equity method of accounting. The Company recorded \$167,716 thousand of equity in net income of unconsolidated affiliates for the year ended May 31, 2024.

We identified the evaluation of the sufficiency of audit evidence over equity in net income of unconsolidated affiliates as a critical audit matter. Evaluating the sufficiency of audit evidence obtained required subjective auditor judgment because of the nature of the unconsolidated affiliates, including the ownership structures, fiscal year ends, and financial results. This included determination of the unconsolidated affiliates for which procedures were performed.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over equity in net income of unconsolidated affiliates, including the determination of the unconsolidated affiliates for which those procedures were to be performed. For certain unconsolidated affiliates, we evaluated the design and tested the operating effectiveness of certain internal controls over the Company's unconsolidated affiliates process, including controls over the accurate recording of equity in net income of unconsolidated affiliates. For certain unconsolidated affiliates, we compared the equity in net income recorded in the consolidated financial statements with the audited financial statements of the unconsolidated affiliates. For one unconsolidated affiliate, we 1) performed a software-assisted data analysis to test the relationship among certain revenue transactions and 2) selected a sample of transactions and assessed the recorded net sales by comparing the amounts recognized for consistency with underlying documentation, including contracts with customers and shipping documentation.

Additionally, we developed an expectation of costs of goods sold based on certain publicly available market information and compared the expectation to the amount recorded. We also developed an expectation of certain selling, general and administrative expenses based on the change in net sales and compared the expectation to the amount recorded. We evaluated the sufficiency of audit evidence obtained over equity in net income of unconsolidated affiliates by assessing the results of procedures performed, including the appropriateness of the nature and extent of audit effort.

/s/KPMG LLP

We have served as the Company's auditor since 2001.

Columbus, Ohio
July 30, 2024

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

	May 31,	
	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 244,225	\$ 422,268
Receivables, less allowances of \$343 and \$803 at May 31, 2024 and May 31, 2023, respectively	199,798	224,863
Inventories:		
Raw materials	66,040	91,988
Work in process	11,668	19,189
Finished products	86,907	83,322
Total inventories	164,615	194,499
Income taxes receivable	17,319	1,681
Prepaid expenses and other current assets	47,936	46,301
Current assets of discontinued operations	-	978,725
Total current assets	673,893	1,868,337
Investments in unconsolidated affiliates	144,863	138,041
Operating lease assets	18,667	24,686
Goodwill	331,595	336,178
Other intangible assets, net of accumulated amortization of \$83,242 and \$73,308 at May 31, 2024 and May 31, 2023, respectively	221,071	230,851
Other assets	21,342	14,339
Property, plant and equipment:		
Land	8,657	12,120
Buildings and improvements	123,478	139,514
Machinery and equipment	321,836	403,885
Construction in progress	24,504	24,779
Total property, plant and equipment	478,475	580,298
Less: accumulated depreciation	251,269	323,883
Total property, plant and equipment, net	227,206	256,415
Non-current assets of discontinued operations	-	782,071
Total assets	\$ 1,638,637	\$ 3,650,918

See notes to consolidated financial statements.

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

	May 31,	
	2024	2023
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 91,605	\$ 126,743
Accrued compensation, contributions to employee benefit plans and related taxes	41,974	46,782
Dividends payable	9,038	18,330
Other accrued items	29,061	37,801
Current operating lease liabilities	6,228	6,682
Income taxes payable	470	8,918
Current maturities of long-term debt	-	264
Current liabilities of discontinued operations	-	472,038
Total current liabilities	178,376	717,558
Other liabilities	62,243	71,766
Distributions in excess of investment in unconsolidated affiliate	111,905	117,297
Long-term debt	298,133	689,718
Noncurrent operating lease liabilities	12,818	18,326
Deferred income taxes, net	84,150	82,346
Non-current liabilities of discontinued operations	-	132,279
Total liabilities	747,625	1,829,290
Shareholders' equity - controlling interest:		
Preferred shares, without par value; authorized - 1,000,000 shares; issued and outstanding - none	-	-
Common shares, without par value; authorized - 150,000,000 shares; issued and outstanding, 2024 - 49,512,937 shares, 2023 - 48,659,323 shares	-	-
Additional paid-in capital	299,033	290,799
Accumulated other comprehensive income (loss), net of taxes of \$(911) and \$(5) May 31, 2024 and May 31, 2023, respectively	454	(23,179)
Retained earnings	589,392	1,428,391
Total shareholders' equity - controlling interest	888,879	1,696,011
Noncontrolling interests	2,133	125,617
Total equity	891,012	1,821,628
Total liabilities and equity	\$ 1,638,637	\$ 3,650,918

See notes to consolidated financial statements.

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

	Fiscal Years Ended May 31,		
	2024	2023	2022
Net sales	\$ 1,245,703	\$ 1,418,496	\$ 1,309,189
Cost of goods sold	960,684	1,094,908	981,581
Gross profit	285,019	323,588	327,608
Selling, general and administrative expense	283,471	287,118	281,430
Impairment of goodwill and long-lived assets	32,975	484	-
Restructuring and other (income) expense, net	29,327	(367)	(2,616)
Separation costs	12,705	6,534	-
Operating income (loss)	(73,459)	29,819	48,794
Other income (expense):			
Miscellaneous income (expense), net	(17,129)	(4,497)	1,852
Loss on extinguishment of debt	(1,534)	-	-
Interest expense, net	(1,587)	(18,298)	(23,852)
Equity in net income of unconsolidated affiliates	167,716	153,262	183,855
Earnings before income taxes	74,007	160,286	210,649
Income tax expense	39,027	34,535	52,701
Net earnings from continuing operations	34,980	125,751	157,948
Net earnings from discontinued operations	82,841	143,419	241,316
Net earnings	117,821	269,170	399,264
Net earnings attributable to noncontrolling interests	7,197	12,642	19,878
Net earnings attributable to controlling interest	\$ 110,624	\$ 256,528	\$ 379,386
Amounts attributable to controlling interest:			
Net earnings from continuing operations	\$ 35,243	\$ 125,751	\$ 157,948
Net earnings from discontinued operations	75,381	130,777	221,438
Net earnings attributable to controlling interest	\$ 110,624	\$ 256,528	\$ 379,386
Earnings per share from continuing operations - basic	\$ 0.72	\$ 2.59	\$ 3.16
Earnings per share from discontinued operations - basic	1.53	2.69	4.44
Net earnings per share attributable to controlling interest - basic	\$ 2.25	\$ 5.28	\$ 7.60
Earnings per share from continuing operations - diluted	\$ 0.70	\$ 2.55	\$ 3.10
Earnings per share from discontinued operations - diluted	1.50	2.64	4.34
Net earnings per share attributable to controlling interest - diluted	\$ 2.20	\$ 5.19	\$ 7.44
Weighted average common shares outstanding - basic	49,195	48,566	49,940
Weighted average common shares outstanding - diluted	50,348	49,386	50,993

See notes to consolidated financial statements.

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

	Fiscal Years Ended May 31,		
	2024	2023	2022
Net earnings	\$ 117,821	\$ 269,170	\$ 399,264
Other comprehensive income (loss):			
Foreign currency translation, net of tax	10,580	(6,813)	(17,089)
Pension liability adjustment, net of tax	7,273	4,514	9,711
Cash flow hedges, net of tax	6,497	1,970	(60,859)
Other comprehensive income (loss)	24,350	(329)	(68,237)
Comprehensive income	142,171	268,841	331,027
Comprehensive income attributable to noncontrolling interests	7,197	12,642	19,878
Comprehensive income attributable to controlling interest	\$ 134,974	\$ 256,199	\$ 311,149

See notes to consolidated financial statements.

WORTHINGTON ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(Dollars in thousands, except per common share amounts)

Controlling Interest									
	Common Shares		Additional			Total	Noncontrolling Interests		Total
	Shares	Amount	Paid-in Capital	AOI Net of Tax	Retained Earnings		Interests		
Balance at May 31, 2021	51,330,347	\$ -	\$ 282,790	\$ 45,387	\$ 1,070,016	\$ 1,398,193	\$ 153,502	\$ 1,551,695	
Net earnings	-	-	-	-	379,386	379,386	19,878	399,264	
Other comprehensive loss	-	-	-	(68,237)	-	(68,237)	-	(68,237)	
Common shares issued, net of withholding tax	284,765	-	(6,280)	-	-	(6,280)	-	(6,280)	
Common shares in non-qualified plans	-	-	592	-	-	592	-	592	
Stock-based compensation	-	-	15,672	-	-	15,672	-	15,672	
Repurchases and retirement of common shares	(3,235,000)	-	(17,962)	-	(162,286)	(180,248)	-	(180,248)	
Purchase of noncontrolling interest in Worthington Taylor, LLC	-	-	(1,373)	-	-	(1,373)	(5,010)	(6,383)	
Dividends to noncontrolling interests	-	-	-	-	-	-	(35,160)	(35,160)	
Cash dividends declared (\$1.12) per common share	-	-	-	-	(56,953)	(56,953)	-	(56,953)	
Balance at May 31, 2022	<u>48,380,112</u>	<u>\$ -</u>	<u>\$ 273,439</u>	<u>\$ (22,850)</u>	<u>\$ 1,230,163</u>	<u>\$ 1,480,752</u>	<u>\$ 133,210</u>	<u>\$ 1,613,962</u>	
Net earnings	-	-	-	-	256,528	256,528	12,642	269,170	
Other comprehensive loss	-	-	-	(329)	-	(329)	-	(329)	
Common shares issued, net of withholding tax	279,211	-	(1,780)	-	-	(1,780)	-	(1,780)	
Common shares in non-qualified plans	-	-	726	-	-	726	-	726	
Stock-based compensation	-	-	18,414	-	-	18,414	-	18,414	
Workhorse adoption of ASC 842	-	-	-	-	3,600	3,600	-	3,600	
Dividends to noncontrolling interests	-	-	-	-	-	-	(20,235)	(20,235)	
Cash dividends declared (\$1.24) per common share	-	-	-	-	(61,900)	(61,900)	-	(61,900)	
Balance at May 31, 2023	<u>48,659,323</u>	<u>\$ -</u>	<u>\$ 290,799</u>	<u>\$ (23,179)</u>	<u>\$ 1,428,391</u>	<u>\$ 1,696,011</u>	<u>\$ 125,617</u>	<u>\$ 1,821,628</u>	
Net earnings	-	-	-	-	110,624	110,624	7,197	117,821	
Other comprehensive income	-	-	-	24,350	-	24,350	-	24,350	
Common shares issued, net of withholding tax	853,614	-	(11,399)	-	-	(11,399)	-	(11,399)	
Common shares in non-qualified plans	-	-	417	-	-	417	-	417	
Stock-based compensation	-	-	19,216	-	-	19,216	-	19,216	
Acquisition of Halo	-	-	-	-	-	-	2,397	2,397	
Separation of Worthington Steel	-	-	-	(717)	(901,370)	(902,087)	(131,158)	(1,033,245)	
Dividends to noncontrolling interests	-	-	-	-	-	-	(1,920)	(1,920)	
Cash dividends declared (\$0.96) per common share	-	-	-	-	(48,253)	(48,253)	-	(48,253)	
Balance at May 31, 2024	<u>49,512,937</u>	<u>\$ -</u>	<u>\$ 299,033</u>	<u>\$ 454</u>	<u>\$ 589,392</u>	<u>\$ 888,879</u>	<u>\$ 2,133</u>	<u>\$ 891,012</u>	

See notes to consolidated financial statements

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

	Fiscal Years Ended May 31,		
	2024	2023	2022
Operating activities:			
Net earnings	\$ 117,821	\$ 269,170	\$ 399,264
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	80,704	112,800	98,827
Impairment of goodwill and long-lived assets	34,377	2,596	3,076
Provision for (benefit from) deferred income taxes	2,762	(15,528)	19,175
Impairment of investment in note receivable	11,170	-	-
Loss on extinguishment of debt	1,534	-	-
Bad debt expense (income)	(450)	2,108	959
Equity in net income of unconsolidated affiliates, net of distributions	5,722	79,870	(113,583)
Net (gain) loss on sale of assets	28,980	(4,458)	(16,150)
Stock-based compensation	16,688	19,178	16,100
Changes in assets and liabilities, net of impact of acquisitions:			
Receivables	50,078	143,089	(151,328)
Inventories	63,596	160,116	(118,490)
Accounts payable	(65,401)	(150,400)	12,230
Accrued compensation and employee benefits	468	(23,226)	(29,348)
Other operating items, net	(58,073)	30,049	(50,620)
Net cash provided by operating activities	289,976	625,364	70,112
Investing activities:			
Investment in property, plant and equipment	(83,527)	(86,366)	(94,600)
Acquisitions, net of cash acquired	(42,035)	(56,088)	(376,713)
Proceeds from sale of assets, net of selling costs	865	35,653	39,936
Investment in note receivable	(14,900)	-	-
Investment in non-marketable equity securities	(2,296)	(770)	-
Purchase of noncontrolling interest in Worthington Taylor, LLC	-	-	(6,811)
Net proceeds from sale of investment in ArtiFlex	-	35,795	-
Excess distributions from unconsolidated affiliate	1,085	-	-
Net cash used by investing activities	(140,808)	(71,776)	(438,188)
Financing activities:			
Dividend from Worthington Steel at Separation	150,000	-	-
Distribution to Worthington Steel at Separation	(218,048)	-	-
Net proceeds from (repayments of) short-term borrowings, net of issuance costs ⁽¹⁾	172,187	(45,183)	41,726
Principal payments on long-term obligations	(393,890)	(6,685)	(565)
Proceeds from issuance of common shares, net of tax withholdings	(11,399)	(1,780)	(6,280)
Payments to noncontrolling interests	(1,920)	(20,235)	(35,160)
Repurchase of common shares	-	-	(180,248)
Dividends paid	(56,819)	(59,244)	(57,223)
Net cash used by financing activities	(359,889)	(133,127)	(237,750)
Increase (decrease) in cash and cash equivalents	(210,721)	420,461	(605,826)
Cash and cash equivalents at beginning of year	454,946	34,485	640,311
Cash and cash equivalents at end of year	\$ 244,225	\$ 454,946	\$ 34,485

(1) Net proceeds in fiscal 2024 consisted of borrowings under short-term credit facilities assumed by Worthington Steel in conjunction with the 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 notes to consolidated financial statements.

WORTHINGTON ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Fiscal Years Ended May 31, 2024, 2023 and 2022
(In thousands, except per common share amounts)

Note A – Summary of Significant Accounting Policies

Basis of Consolidation - Our consolidated financial statements include the accounts of Worthington Enterprises and its consolidated subsidiaries. Significant intercompany accounts and transactions have been eliminated.

Prior to the Separation, we owned controlling interests in the following four joint ventures: Spartan (52%); TWB (55%); Samuel (63%) and WSP (51%). These joint ventures were consolidated with the equity owned by the other joint venture members and shown as noncontrolling interests in our consolidated balance sheet at May 31, 2023, and their portions of net earnings and 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. Refer to “Note Q - Acquisitions” for more information.

Separation of the Steel Processing Business: On December 1, 2023, we completed the spin-off of our former steel processing business into an independent publicly traded company, Worthington Steel, on a tax-free basis. Accordingly, the operating results of the former steel processing business are reported as discontinued operations for all periods presented. All discussion within this Form 10-K, including amounts, percentages and disclosures for all periods presented, reflect only our continuing operations unless otherwise noted. In connection with the Separation, we entered into several agreements with Worthington Steel, that, among other things, provide a framework for our relationship with Worthington Steel, including a long-term Steel Supply Agreement, a Trademark License Agreement, and Transition Services Agreement. See “Note U – Related Party Transactions” for additional information.

Deconsolidation of Sustainable Energy Solutions - On May 29, 2024, we became a noncontrolling equity partner in a new unconsolidated joint venture with Hexagon, a leading global manufacturer of Type 4 composite cylinders used for storing gas under high-pressure, by selling 51% of the nominal share capital of our former sustainable energy solutions operating segment in Europe. Pursuant to the transaction, Hexagon acquired a 49% stake in the joint venture. Post-closing, we hold a 49%, noncontrolling interest in the joint venture, with the remaining 2% held by members of the existing management team of the joint venture. The newly formed joint venture, which combines two of Europe’s market leaders in composite high-pressure storage technology, will focus on capitalizing on the global clean energy transition specific to the storage, transport and distribution of hydrogen and compressed natural gas.

Our 49% noncontrolling interest, which is accounted for under the equity method, does not qualify as a standalone operating segment and therefore will be reported within Other along with unallocated corporate expenses, as discussed further in “Note P – Segment Data.” Additionally, upon closing, our sustainable energy solutions business, as historically operated, is no longer part of our management structure and therefore the financial position and results of operations of this business are presented within Other, on an historical basis, through May 29, 2024.

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Our contribution to the newly formed joint venture consisted of the net assets of the former Sustainable Energy Solutions operating segment. As a result of the contribution, an impairment charge of \$32,203 was recognized when the disposal group met the criteria as assets held for sale in the fourth quarter of fiscal 2024. Upon closing of the transaction, the contributed net assets were deconsolidated, resulting in a one-time loss of \$30,502 within restructuring and other (income) expense, net in our fiscal 2024 consolidated statement of earnings, as summarized below.

Cash consideration	\$	11,986
Retained investment (at fair value)		31,367
Total consideration		43,353
Less: contributed net assets (at carrying value)		72,605
Loss on deconsolidation		(29,252)
Deal costs		(1,250)
Total loss on deconsolidation	\$	(30,502)

In accordance with the applicable accounting guidance, our minority ownership interest in the Sustainable Energy Solutions joint venture, which will be accounted for under the equity method, was recorded at fair value as of the closing date. Our estimate of fair value was based on a preliminary valuation of the net assets of the Sustainable Energy Solutions joint venture. For additional information regarding the fair value of our minority ownership interest in the Sustainable Energy Solutions joint venture, refer to “Note S – Fair Value Measurements.”

Use of Estimates - The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates. On an ongoing basis, we evaluate our estimates and base them on both historical and forward-looking assumptions.

Cash and Cash Equivalents - We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At May 31, 2024, cash and cash equivalents included cash held in banks, and short-term, highly liquid investments. Our short-term investments are measured at fair value using the net asset value per share practical expedient, and therefore, are not classified in the fair value hierarchy. Our cash held in banks is measured in the fair value hierarchy using Level 1 inputs.

Receivables - We review our receivables on an ongoing basis to ensure that they are properly valued and collectible. Expected lifetime credit losses on receivables are recognized at the time of origination. We estimate the allowance for credit losses based on the expected future credit losses using the internal historical loss information and observable and forecasted macroeconomic data.

The allowance for doubtful accounts is used to record the estimated risk of loss related to our customers’ inability to pay. This allowance is maintained at a level that we consider appropriate based on factors that affect collectability, such as the financial health of our customers, historical trends of charge-offs and recoveries and current economic and market conditions. As we monitor our receivables, we identify customers that may have payment problems, and we adjust the allowance accordingly, with the offset to SG&A. Account balances are charged off against the allowance when recovery is considered remote. The allowance for doubtful accounts decreased \$460 during fiscal 2024 to \$343.

While we believe our allowance for doubtful accounts is adequate, changes in economic conditions, the financial health of customers and bankruptcy settlements could impact our future earnings. If the economic environment and market conditions deteriorate, particularly in the automotive and construction end markets where our exposure is greatest, additional reserves may be required.

Inventories - Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method for all inventories. The assessment of net realizable value requires the use of estimates to determine cost to complete, normal profit margin and the ultimate selling price of inventory. We believe our inventories were valued appropriately as of May 31, 2024 and May 31, 2023.

Property and Depreciation - Property, plant and equipment are carried at cost and depreciated using the straight-line method. Buildings and improvements are depreciated over 10 to 40 years and machinery and equipment over 3 to 20 years. Depreciation expense was \$36,793, \$34,017 and \$32,397 during fiscal 2024, fiscal 2023 and fiscal 2022, respectively. Accelerated depreciation methods are used for income tax purposes.

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Goodwill and Other Long-Lived Assets - We use the purchase method of accounting for all business combinations and recognize amortizable and indefinite-lived intangible assets separately from goodwill. The acquired assets and assumed liabilities in an acquisition are measured and recognized based on their estimated fair values at the date of acquisition, with goodwill representing the excess of the purchase price over the fair value of the identifiable net assets. A bargain purchase may occur, wherein the fair value of identifiable net assets exceeds the purchase price, and a gain is then recognized in the amount of that excess. Goodwill and intangible assets with indefinite lives are not amortized, but instead are tested for impairment annually, during the fourth quarter of each fiscal year, or more frequently if events or changes in circumstances indicate that impairment may be present. Application of goodwill impairment testing involves judgment, including but not limited to, the identification of reporting units and estimation of the fair value of each reporting unit. A reporting unit is defined as an operating segment or one level below an operating segment. We test goodwill at the operating segment level as we have determined that the characteristics of the reporting units within each operating segment are similar and allow for their aggregation in accordance with the applicable accounting guidance.

For goodwill and indefinite-lived intangible assets, we test for impairment by first evaluating qualitative factors including macroeconomic conditions, industry and market considerations, cost factors, and overall financial performance. If there are no potential impairments raised from this evaluation, no further testing is performed. If, however, our qualitative analysis indicates it is more likely than not that the fair value is less than the carrying amount, a quantitative analysis is performed. The quantitative analysis compares the fair value of each reporting unit or indefinite-lived intangible asset to the related carrying amount, and an impairment loss is recognized in our consolidated statements of earnings equivalent to the excess of the carrying amount over the fair value. Fair value is determined based on discounted cash flows or appraised values, as appropriate. Our policy is to perform a quantitative analysis of each reporting unit at least every three to five years.

We performed our annual impairment evaluation of goodwill and other indefinite-lived intangible assets during the fourth quarter of fiscal 2024. We were able to qualitatively conclude that all of our indefinite-lived intangibles and the goodwill of our Consumer Products and Building Products reporting units were not impaired during fiscal 2024. However, the deconsolidation of our former Sustainable Energy Solutions reporting unit triggered an impairment review of this asset group as an asset held for sale in the fourth quarter of fiscal 2024. This analysis determined that the fair value of the Sustainable Energy Solutions reporting unit exceeded its book value resulting in the full impairment of goodwill. The Sustainable Energy Solutions business was subsequently sold within the same quarter. See “Note E - Goodwill and Other Long-Lived Assets” for additional information.

We review the carrying value of our long-lived assets, including intangible assets with finite useful lives, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. Impairment testing involves a comparison of the sum of the undiscounted future cash flows of the asset or asset group to its respective carrying amount. If the sum of the undiscounted future cash flows exceeds the carrying amount, then no impairment exists. If the carrying amount exceeds the sum of the undiscounted future cash flows, then a second step is performed to determine the amount of impairment, if any, to be recognized. The impairment loss recognized is equal to the amount that the carrying value of the asset or asset group exceeds its fair value. Long-lived assets held for sale are reported at the lower of cost or fair value less costs to sell and are recorded in a single line in our consolidated balance sheets. We classify assets as held for sale if we commit to a plan to sell the assets within one year and actively market the assets in their current condition for a price that is reasonable in comparison to their estimated fair value.

Our impairment testing for both goodwill and other long-lived assets, including intangible assets with finite useful lives, is largely based on cash flow models that require significant judgment and require assumptions about future volume trends, revenue and expense growth rates; and, in addition, external factors such as changes in economic trends and cost of capital. Significant changes in any of these assumptions could impact the outcomes of the tests performed. See “Note E – Goodwill and Other Long-Lived Assets” for additional details regarding these assets and related impairment testing.

Equity Method Investments - Investments in affiliated companies that we do not control, either through majority ownership or otherwise, are accounted for using the equity method. We review our equity method investments for impairment whenever events or changes in circumstances indicate that the carrying value of the investment might not be recoverable. Events and circumstances can include, but are not limited to: evidence we do not have the ability to recover the carrying value; the inability of the investee to sustain earnings; the current fair value of the investment is less than the carrying value; and other investors cease to provide support or reduce their financial commitment to the investee. If the fair value of the investment is less than the carrying value, and the fair value of the investment will not recover in the near term, then other-than-temporary impairment may exist. When the loss in value of an investment is determined to be other-than-temporary, we recognize an impairment in the period the conclusion is made. See “Note D – Investments in Unconsolidated Affiliates” for additional information.

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Leases - Under ASU 2016-02, *Leases (Topic 842)* (“*Topic 842*”), leases are categorized as operating or financing lease at inception. Lease assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets include any initial direct costs and prepayments less lease incentives. Lease terms include options to renew or terminate the lease when it is reasonably certain that we will exercise such options. As most of our leases do not include an implicit rate, we use our collateralized incremental borrowing rate, based on the information available at the lease commencement date, to determine the present value of lease payments. Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of goods sold or SG&A depending on the underlying nature of the leased assets. For operating leases with variable payments dependent upon an index or rate that commenced subsequent to adoption of Topic 842, we apply the active index or rate as of the lease commencement date. Variable lease payments not based on an index or rate are not included in the operating lease liability as they cannot be reasonably estimated and are recognized in the period in which the obligation for those payments is incurred. Leases with a term of twelve months or less upon the commencement date are considered short-term leases, are not included on our consolidated balance sheets and are expensed on a straight-line basis over the lease term. Refer to “Note T – Leases” for additional information.

Stock-Based Compensation - At May 31, 2024, we had stock-based compensation plans for our employees as well as our non-employee directors as described more fully in “Note L – Stock-Based Compensation.” All share-based awards, including grants of stock options and restricted common shares, are recorded as expense in our consolidated statements of earnings over the vesting period based on their grant date fair values. Stock-based payment transactions are classified as equity-settled. Forfeitures are recognized as they occur.

Derivative Financial Instruments - 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 risk and commodity price risk. All derivative financial instruments are accounted for using mark-to-market accounting. The accounting for changes in the fair value of a derivative financial instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, the reason for holding it. Gains and losses on fair value hedges are recognized in current period earnings in the same line as the underlying hedged item. Gains and losses on cash flow hedges are deferred as a component of AOCI and recognized in earnings at the time the hedged item affects earnings, in the same financial statement caption as the underlying hedged item. For net investment hedges, the gains and losses due to remeasurement are recorded as a cumulative translation adjustment, which is a component of AOCI within stockholders’ equity and are not recognized in earnings (loss) until the sale or liquidation of the hedged net investment. Classification in our consolidated statements of earnings of gains and losses related to derivative financial instruments that do not qualify for hedge accounting is determined based on the underlying intent of the instruments. Cash flows related to derivative financial instruments are generally classified as operating activities in our consolidated statements of cash flows. Net investment hedges are classified within investing activities in our consolidated statements of cash flows.

In order for hedging relationships to qualify for hedge accounting under current accounting guidance, we formally document each hedging relationship and its risk management objective. Derivative financial instruments are executed only with highly-rated counterparties. No credit loss is anticipated on existing instruments, and no material credit losses have been experienced to date. We monitor our positions, as well as the credit ratings of counterparties to those positions.

We discontinue hedge accounting when it is determined that a derivative financial instrument is no longer highly effective in offsetting the hedged risk, expires or is sold, is terminated or is no longer designated as a hedging instrument because it is unlikely that a forecasted transaction will occur or we determine that designation as a hedging instrument is no longer appropriate. In all situations in which hedge accounting is discontinued and the derivative financial instrument is retained, we continue to carry the derivative financial instrument at its fair value on our consolidated balance sheet and recognize any subsequent changes in its fair value in net earnings immediately. When it is probable that a forecasted transaction will not occur, we discontinue hedge accounting and immediately recognize the gains and losses that were accumulated in AOCI.

We have designated our Euro denominated debt, which was assumed by our U.S. parent company in connection with the deconsolidation of our former Sustainable Energy Solutions business, as a non-derivative hedge of the net investment in our European-based foreign operations in Portugal. The effective portion of the unrealized gains or losses on this hedge is recorded in foreign currency translation adjustments as a component of AOCI in stockholders’ equity and will remain there until either the sale or liquidation of the subsidiary. Refer to “Note R - Derivative Financial Instruments and Hedging Activities” for additional information regarding our consolidated balance sheet location and the risk classification of our derivative financial instruments.

Foreign Currency Transactions and Translations - Foreign currency balance sheet accounts are translated into U.S. dollars at the current exchange rates at the balance sheet date. Income and expenses are translated at the average exchange rates in effect during the period for the foreign subsidiaries where the local currency is the functional currency. We use our foreign currency-denominated debt to hedge our net investment in foreign operations against movements in exchange rates. The effective portion of the unrealized gains or losses on this hedge is recorded in foreign currency translation adjustments as a component of AOCI in stockholders’ equity and will remain there until either the sale or liquidation of the subsidiary.

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Strategic Investments - From time to time, we may make investments in both privately and publicly held equity securities in which we do not have a controlling interest or significant influence. These investments are recorded at fair market value with changes in fair market value recognized in net earnings below operating income. We elected to record equity securities without readily determinable fair values at cost, less impairment, plus or minus subsequent adjustments for observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

Revenue Recognition - Revenue is recognized in accordance with Topic 606. Under this accounting guidance, we recognize revenue upon transfer of control of promised goods or services to customers in an amount that reflects the consideration we expect to receive for those goods or services, including any variable consideration.

Returns and allowances are used to record estimates of returns or other allowances resulting from quality, delivery, discounts or other issues and are estimated based on historical trends and current market conditions, with the offset to net sales.

Shipping and handling costs charged to customers are treated as fulfillment activities and are recorded in both net sales and cost of goods sold at the time control is transferred to the customer. Due to the short-term nature of our contracts with customers, we have elected to apply the practical expedients under Topic 606 to: (1) expense as incurred, incremental costs of obtaining a contract; and (2) not adjust the consideration for the effects of a significant financing component for contracts with an original expected duration of one year or less. When we satisfy (or partially satisfy) a performance obligation, prior to being able to invoice the customer, we recognize an unbilled receivable when the right to consideration is unconditional and a contract asset when the right to consideration is conditional. Unbilled receivables and contract assets at May 31, 2023 were included in receivables and prepaid expenses and other current assets, respectively, on our consolidated balance sheet. There were no contract assets or unbilled receivables attributable to continuing operations at May 31, 2024 or 2023.

Additionally, we do not maintain contract liability balances, as performance obligations are satisfied prior to customer payment for the product. Payments from customers are generally due within 30 to 60 days of invoicing, which generally occurs upon shipment or delivery of the goods.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that we collect from a customer, are excluded from revenue.

Certain contracts with customers include warranties associated with the delivered goods or services. These warranties are not considered to be separate performance obligations, and accordingly, we record an estimated liability for potential warranty costs as the goods or services are transferred.

We recognize 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. Generally, we receive and acknowledge purchase orders from our customers, which define the quantity, pricing, payment and other applicable terms and conditions. In some cases, we receive a blanket purchase order from our customers, which includes pricing, payment and other terms and conditions, with quantities defined at the time each customer subsequently issues periodic releases against the blanket purchase order.

Certain contracts contain variable consideration, which is not constrained, and primarily include estimated sales returns, customer rebates, and sales discounts which are recorded on an expected value basis. These estimates are based on historical returns, analysis of credit memo data and other known factors. We account for rebates by recording reductions to revenue for rebates in the same period the related revenue is recorded. The amount of these reductions is based upon the terms agreed to with the customer. We do not exercise significant judgments in determining the timing of satisfaction of performance obligations or the transaction price.

Cost of Goods Sold - Cost of goods sold includes all costs to make products saleable, such as labor costs, inbound freight, purchasing and receiving costs, inspection costs, internal transfers, and distribution and warehousing of inventory. In addition, shop supplies, facility maintenance costs, manufacturing engineering, project management, and depreciation expense for assets used in the manufacturing process are included in cost of goods sold on the consolidated statements of earnings.

SG&A - SG&A includes selling, marketing, customer service, product management and other administrative expenses not directly supporting the manufacturing process, as well as depreciation expense associated with non-manufacturing assets. In addition, SG&A includes corporate operating expenses for executive management, accounting, tax, treasury, corporate development, human resources, information technology, investor relations, legal, internal audit and risk management.

Advertising Expense - Advertising costs are expensed to SG&A as incurred. Advertising expense was \$29,618, \$28,365, and \$21,011 for fiscal 2024, fiscal 2023 and fiscal 2022, respectively.

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Statements of Cash Flows - Supplemental cash flow information was as follows for the prior three fiscal years:

	2024		2023		2022
Interest paid, net of amount capitalized	\$ 17,644	\$	29,272	\$	29,700
Income taxes paid, net of refunds	\$ 81,446	\$	65,910	\$	118,799

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

Income Taxes - We account for income taxes using the asset and liability method. The asset and liability method requires the recognition of deferred tax assets and liabilities for expected future tax consequences of temporary differences that currently exist between the tax basis and the financial reporting basis of our assets and liabilities. We evaluate the deferred tax assets to determine whether it is more likely than not that all, or a portion, of the deferred tax assets will not be realized and provide a valuation allowance as appropriate.

Tax benefits from uncertain tax positions that are recognized in our consolidated financial statements are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement.

We have reserves for income taxes and associated interest and penalties that may become payable in future years as a result of audits by taxing authorities. It is our policy to record these in income tax expense. While we believe the positions taken on previously filed tax returns are appropriate, we have established the tax and interest/penalties reserves in recognition that various taxing authorities may challenge our positions. These reserves are analyzed periodically, and adjustments are made as events occur to warrant adjustment to the reserves, such as lapsing of applicable statutes of limitations, conclusion of tax audits, additional exposure based on current calculations, identification of new issues and release of administrative guidance or court decisions affecting a particular tax issue.

Business Combinations - We account for business combinations using the acquisition method of accounting, which requires that once control is obtained, all the assets acquired and liabilities assumed are recorded at their respective fair values at the date of acquisition. The determination of fair values of identifiable assets and liabilities requires significant judgments and estimates and the use of valuation techniques when market value is not readily available. For the valuation of intangible assets acquired in a business combination, we typically use an income approach. The purchase price allocated to the intangible assets is based on unobservable assumptions, inputs and estimates, including but not limited to, forecasted revenue growth rates, projected expenses, discount rates, customer attrition rates, royalty rates, and useful lives, among others. The excess of the purchase price over the fair values of identifiable assets acquired and liabilities assumed is recorded as goodwill. During the measurement period, which is up to one year from the acquisition date, we may record adjustments to the fair value of assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Self-Insurance Reserves - We self-insure most of our risks for product liability, product recall, cyber liability and pollution liability. We also self-insure a significant portion of our potential liability for workers’ compensation, general liability, property liability, automobile liability and employee medical claims. However, in order to reduce risk and better manage our overall loss exposure for these liabilities, we purchase stop-loss insurance that covers individual claims in excess of the deductible amounts. We also maintain reserves for the estimated cost to resolve certain open claims that have been made against us (which may include active product recall or replacement programs), as well as an estimate of the cost of claims that have been incurred but not reported. These estimates are based on actuarial valuations that take into consideration the historical average claim volume, the average cost for settled claims, current trends in claim costs, changes in our business and workforce, general economic factors and other assumptions believed to be reasonable under the circumstances. The estimated reserves for these liabilities could be affected if future occurrences and claims differ from the assumptions used and historical trends.

Recently Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Additionally, it requires a public entity to disclose the title and position of the CODM. The ASU does not change how a public entity identifies its operating segments, aggregates them, or applies the quantitative thresholds to determine its reportable segments. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. A public entity should apply the amendments in this ASU retrospectively to all prior periods presented in the financial statements. The adoption of this standard is not expected to have an impact on our financial statements, but may result in expanded segment disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes - Improvements to Income Tax Disclosures" requiring enhancements and further transparency to certain income tax disclosures, most notably the tax rate reconciliation and income taxes paid. This ASU is effective for fiscal years beginning after December 15, 2024 on a prospective basis and retrospective application is permitted. We expect this ASU to only impact our disclosures with no impact to our results of operations, cash flows and financial condition.

[Table of Contents](#)**Note B – Discontinued Operations**

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

Assets	
Current assets:	
Cash and cash equivalents	\$ 32,678
Receivables, less allowances of \$2,581	468,024
Inventories:	
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
Total assets	\$ 1,760,796
Liabilities	
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	19,103
Total liabilities	\$ 604,317

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The following table summarizes the financial results from the discontinued operations of Worthington Steel for the periods presented.

	Fiscal Years Ended May 31,		
	2024	2023	2022
Net sales	\$ 1,670,027	\$ 3,497,896	\$ 3,933,030
Cost of goods sold	1,481,731	3,158,172	3,545,822
Gross profit	188,296	339,724	387,208
Selling, general and administrative expense	74,908	141,754	118,138
Impairment of long-lived assets	1,401	2,112	3,076
Restructuring and other income, net	-	(4,204)	(14,480)
Separation costs	18,521	17,514	-
Operating income	93,466	182,548	280,474
Other income (expense)			
Miscellaneous income, net	1,016	3,270	862
Interest expense, net	(3,706)	(8,461)	(7,485)
Equity in net income of unconsolidated affiliate	12,735	7,725	29,786
Earnings before income taxes	103,511	185,082	303,637
Income tax expense	20,670	41,663	62,321
Net earnings	82,841	143,419	241,316
Net earnings attributable to noncontrolling interest	7,460	12,642	19,878
Net earnings attributable to controlling interest	\$ 75,381	\$ 130,777	\$ 221,438

As permitted under U.S. 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.

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.

	Fiscal Years Ended May 31,		
	2024	2023	2022
Significant non-cash operating items:			
Depreciation and amortization	\$ 32,043	\$ 66,826	\$ 56,184
Impairment of long-lived assets	1,401	2,112	3,076
Equity in income of unconsolidated affiliate, net of distributions	(12,735)	4,775	(27,287)
Net gain on sale of asset	(412)	(3,348)	(15,123)
Stock-based compensation	3,533	4,612	3,626
Significant investing activities:			
Investment in property, plant and equipment	(33,457)	(46,577)	(36,422)
Acquisitions, net of cash acquired	(21,013)	-	(376,713)
Significant financing activities:			
Net proceeds from short-term borrowings	172,187	-	-

Note C – Inventory

During 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 fiscal 2024.

During fiscal 2024, we initiated a recall with the U.S. Consumer Protection Safety Commission for our recently introduced Balloon Time® mini helium tank. We have reserved for the estimated direct and incremental costs expected to be incurred to administer the recall program, which we expect to be immaterial due to the small population of tanks purchased by end consumers. However, we booked a reserve 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 during fiscal 2024. The inventory reserve amount as of May 31, 2024 was \$2,732.

Note D – Investments in Unconsolidated Affiliates

Investments in joint ventures that we do not control, either through majority ownership or otherwise, are unconsolidated and accounted for using the equity method. At May 31, 2024, we held investments in the following joint ventures: ClarkDietrich (25%); Sustainable Energy Solutions (49%); WAVE (50%); and Workhorse (20%).

We also held a 50% noncontrolling equity interest in 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 \$35,795 and realized a pre-tax loss of \$16,059 within equity income, representing the amount by which the book value of our investment exceeded the net cash proceeds.

During the second quarter of fiscal 2024, we recognized a pre-tax gain of \$2,780 within equity income in connection with the sale of Workhorse's operations in Brazil.

On May 29, 2024, we entered into a joint venture agreement with Hexagon and contributed the net assets of our former Sustainable Energy Solutions business to a newly-formed joint venture in which we retained a 49% noncontrolling interest. Hexagon acquired a 49% stake in the joint venture and the remaining 2% is held by members of the existing management team of the joint venture. Our investment in the Sustainable Energy Solutions joint venture is accounted for under the equity method due to lack of control.

We received distributions from unconsolidated affiliates totaling \$187,258, \$228,357, and \$97,558 in fiscal 2024, fiscal 2023 and fiscal 2022, respectively. We have received cumulative distributions from WAVE in excess of our investment balance, which resulted in a negative asset balance of \$111,905 and \$117,297 at May 31, 2024 and 2023, respectively. In accordance with the applicable accounting guidance, we reclassified the negative balances to distributions in excess of investment in unconsolidated affiliate within 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 it 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 immediately recognize any balance classified as a liability as income.

We use the cumulative earnings approach for determining cash flow presentation of distributions from our unconsolidated joint ventures. Distributions received are included in our consolidated statements of cash flows as operating activities, unless the cumulative distributions exceed our portion of the cumulative equity in the net earnings of the joint venture, in which case the excess distributions are deemed to be returns of the investment and are classified as investing activities in our consolidated statements of cash flows. In fiscal 2024, we classified \$1,085 of excess dividends received from WAVE as an investing activity.

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The following table presents combined information regarding the financial position of our unconsolidated affiliates accounted for using the equity method as of May 31:

	2024	2023
Cash and cash equivalents	\$ 36,163	\$ 36,988
Other current assets	605,043	661,700
Noncurrent assets	360,261	335,567
Total assets	<u>\$ 1,001,467</u>	<u>\$ 1,034,255</u>
Current liabilities	\$ 264,963	\$ 176,959
Current maturities of long-term debt	13,450	36,936
Long-term debt	349,431	349,215
Other noncurrent liabilities	146,984	139,228
Equity	226,639	331,917
Total liabilities and equity	<u>\$ 1,001,467</u>	<u>\$ 1,034,255</u>

The following tables presents summarized financial information for our unconsolidated affiliates as of, and for the fiscal years ended May 31.

	2024	2023	2022
Net sales			
WAVE	\$ 479,153	\$ 447,369	\$ 452,368
ClarkDietrich	1,308,517	1,451,665	1,695,808
Workhorse	317,185	364,396	313,265
ArtiFlex	-	52,641	187,089
Total net sales	<u>\$ 2,104,855</u>	<u>\$ 2,316,071</u>	<u>\$ 2,648,530</u>

	2024	2023	2022
Gross profit			
WAVE	\$ 286,228	\$ 242,257	\$ 238,523
ClarkDietrich	326,616	403,569	431,070
Workhorse	36,648	17,628	11,455
ArtiFlex	-	8,589	30,633
Total gross profit	<u>\$ 649,492</u>	<u>\$ 672,043</u>	<u>\$ 711,681</u>

	2024	2023	2022
Operating income (loss)			
WAVE	\$ 225,202	\$ 184,882	\$ 183,545
ClarkDietrich	236,575	318,914	351,583
Workhorse	26,881	7,507	(2,024)
ArtiFlex	-	4,911	15,778
Total operating income	<u>\$ 488,658</u>	<u>\$ 516,214</u>	<u>\$ 548,882</u>

	2024	2023	2022
Depreciation and amortization			
WAVE	\$ 4,926	\$ 4,679	\$ 4,554
ClarkDietrich	15,075	13,717	10,946
Workhorse	8,974	10,386	6,586
ArtiFlex	-	1,444	5,708
Total depreciation and amortization	<u>\$ 28,975</u>	<u>\$ 30,226</u>	<u>\$ 27,794</u>

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	2024	2023	2022
Interest expense			
WAVE	\$ 17,288	\$ 13,024	\$ 8,386
ClarkDietrich	171	524	308
Workhorse	2,417	2,507	1,228
ArtiFlex	-	134	340
Total interest expense	<u>\$ 19,876</u>	<u>\$ 16,189</u>	<u>\$ 10,262</u>
	2024	2023	2022
Income tax expense			
WAVE	\$ 267	\$ 222	\$ 158
ClarkDietrich	2,250	1,924	-
Workhorse	744	1,802	1,244
ArtiFlex	-	59	258
Total income tax expense	<u>\$ 3,261</u>	<u>\$ 4,007</u>	<u>\$ 1,660</u>
	2024	2023	2022
Net earnings (loss)			
WAVE	\$ 205,976	\$ 171,687	\$ 175,154
ClarkDietrich	239,309	321,977	356,288
Workhorse	22,952	2,673	(1,170)
ArtiFlex	-	4,717	15,180
Total net earnings	<u>\$ 468,237</u>	<u>\$ 501,054</u>	<u>\$ 545,452</u>

At May 31, 2024 and 2023, \$37,398 and \$69,008, respectively, of our consolidated retained earnings represented undistributed earnings of our unconsolidated affiliates, net of tax.

Note E – Goodwill and Other Long-Lived Assets

Goodwill

The following table summarizes the changes in the carrying amount of goodwill during fiscal 2024 and fiscal 2023 by reportable operating segment:

	Consumer Products	Building Products	Total Reportable Segments	Other	Total
Balance at May 31, 2022	\$ 241,373	\$ 65,408	\$ 306,781	\$ 14,655	\$ 321,436
Acquisitions and purchase accounting adjustments	15,947	-	15,947	-	15,947
Translation adjustments	-	(195)	(195)	(1,010)	(1,205)
Balance at May 31, 2023	257,320	65,213	322,533	13,645	336,178
Acquisitions ⁽¹⁾	8,327	-	8,327	-	8,327
Impairment losses ⁽²⁾	-	-	-	(14,210)	(14,210)
Translation adjustments	-	735	735	565	1,300
Balance at May 31, 2024	<u>\$ 265,647</u>	<u>\$ 65,948</u>	<u>\$ 331,595</u>	<u>\$ -</u>	<u>\$ 331,595</u>

(1) For additional information regarding our acquisitions, refer to “Note Q - Acquisitions.”

(2) Reflects impairment charges related to the deconsolidation of our Sustainable Energy Solutions business. Refer to the “Impairment of Goodwill and Long-Lived Assets” section below for additional information.

Accumulated goodwill impairment charges within Other totaled \$212,500 and \$198,290 as of each May 31, 2024 and May 31, 2023.

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Other Intangible Assets

Intangible assets with definite lives are amortized on a straight-line basis over their estimated useful lives, which range from 10 to 20 years. The following table summarizes other intangible assets by class as of the end of the prior two fiscal years:

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Indefinite-lived intangible assets:				
Trademarks	\$ 111,681	\$ -	\$ 108,181	\$ -
Total indefinite-lived intangible assets	111,681	-	108,181	-
Definite-lived intangible assets:				
Customer relationships	\$ 169,680	\$ 73,257	\$ 169,043	\$ 63,336
Non-compete agreements	2,708	2,615	2,708	2,521
Technology/know-how	20,244	7,370	19,418	5,598
Other	-	-	4,809	1,853
Total definite-lived intangible assets	192,632	83,242	195,978	73,308
Total intangible assets	\$ 304,313	\$ 83,242	\$ 304,159	\$ 73,308

Amortization expense totaled \$11,787, \$11,877, and \$10,166 in fiscal 2024, fiscal 2023 and fiscal 2022, respectively.

Amortization expense for each of the next five fiscal years is estimated to be:

2025	\$ 11,500
2026	\$ 11,373
2027	\$ 10,846
2028	\$ 10,525
2029	\$ 10,525

Impairment of Goodwill and Long-Lived Assets

Fiscal 2024: On May 29, 2024, we became a noncontrolling equity partner in a new unconsolidated joint venture with Hexagon by selling 51% of the nominal share capital of our former Sustainable Energy Solutions operating segment in Europe. The book value of the disposal group exceeded its estimated fair market value (determined using Level 2 inputs), which resulted in the recording of a \$32,203 impairment charge. Included in the impairment charge was goodwill with a book value of \$14,210, which was deemed fully impaired and written off and long-lived assets with a carrying value of \$46,215 which were written down to their estimated fair market value of \$28,222.

Impairment of long-lived assets in fiscal 2024 also included a non-cash charge of \$772 related to certain assets associated with a capital project at our Building Products facility in Jefferson, Ohio, that were deemed to have no alternative future use and were written down to their estimated salvage value.

Fiscal 2023: Impairment of long-lived assets in fiscal 2023 included a non-cash charge of \$484 related to certain assets associated with a capital project at our Building Products facility in Jefferson, Ohio, that were deemed to have no alternative future use and were written down to their estimated salvage value.

Fiscal 2022: None

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

We consider restructuring activities to be programs whereby we fundamentally change our operations, such as closing and consolidating manufacturing facilities or moving manufacturing of a product to another location. Restructuring activities may also involve substantial realignment of the management structure of a business unit in response to changing market conditions.

A progression of the liabilities associated with our restructuring activities, combined with a reconciliation to the restructuring and other expense, net financial statement caption in our consolidated statement of earnings for fiscal 2024, is summarized below:

	Beginning Balance	Expense (Income)	Payments	Adjustments	Ending Balance
Early retirement and severance	\$ 135	\$ 714	\$ (661)	\$ -	\$ 188
Facility exit and other costs	-	111	(111)	-	-
	<u>\$ 135</u>	<u>\$ 825</u>	<u>\$ (772)</u>	<u>\$ -</u>	<u>\$ 188</u>
Loss on deconsolidation of Sustainable Energy Solutions		30,502			
Release of contingent liability for Level5 earnout		(2,000)			
Restructuring and other expense, net		<u>\$ 29,327</u>			

During fiscal 2024, the following selected actions were taken related to our restructuring activities:

- On May 29, 2024, we entered into an agreement with Hexagon and contributed the net assets of our Sustainable Energy Solutions business to a newly-formed joint venture in which we retained a 49% noncontrolling interest. As a result, we recognized a pre-tax loss of \$30,502 within restructuring and other expense, net, including closing costs.
- During fiscal 2024, we reversed amounts accrued for the anticipated payout under the final earnout opportunity associated with the Level5 acquisition.

The total liability as of May 31, 2024 is expected to be paid in the immediately following twelve months.

A progression of the liabilities associated with our restructuring activities, combined with a reconciliation to the restructuring and other income, net financial statement caption in our consolidated statement of earnings for fiscal 2023, is summarized below:

	Beginning Balance	Expense (Income)	Payments	Adjustments	Ending Balance
Early retirement and severance	\$ -	\$ 810	\$ (675)	\$ -	\$ 135
Net gain on sale of assets		(1,177)			
Restructuring and other income, net		<u>\$ (367)</u>			

During fiscal 2023, the following actions were taken related to our restructuring activities:

- On June 14, 2022, we sold real property in Tulsa, Oklahoma, for net cash proceeds of \$5,775, resulting in a pre-tax gain of \$1,177. These assets had been excluded from the sale of our former oil & gas equipment business in January 2021. The assets were classified as assets held for sale on our consolidated balance sheets immediately prior to the closing of the sale.

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.

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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 May 31, 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 \$15,446 at May 31, 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 May 31, 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 guaranteed instruments, based on premiums paid, was not material and no amounts were drawn against them at May 31, 2024.

Note I – Debt

The following table summarizes our long-term debt and short-term borrowings outstanding at May 31, 2024 and 2023:

	2024	2023
2024 Notes	\$ -	\$ 150,000
2026 Notes	-	243,623
2032 Notes	200,000	200,000
Original / New Series A Senior Note	39,814	39,226
Original / New Series B Senior Notes	59,666	58,786
Other	-	528
Total debt	299,480	692,163
Unamortized discount and debt issuance costs	(1,347)	(2,181)
Total debt, net	298,133	689,982
Less: current maturities and short-term borrowings	-	264
Total long-term debt	\$ 298,133	\$ 689,718

Maturities of long-term debt and short-term borrowings in the next five fiscal years, and the remaining years thereafter, are as follows:

2025	\$ -
2026	-
2027	-
2028	-
2029	-
Thereafter	299,480
Total	\$ 299,480

Long-Term Debt

On August 23, 2019, two of our European subsidiaries issued the Original Senior Notes. The Original Series A Senior Note was to be repaid in the principal amount of €30,000, together with accrued interest, on August 23, 2029, with the remaining €6,700 principal amount payable on August 23, 2031, together with accrued interest. The Original Series B Senior Notes were to be repaid in the aggregate principal amount of €23,300, together with accrued interest, on August 23, 2031, with the remaining €31,700 aggregate principal amount payable on August 23, 2034, together with accrued interest. Debt issuance costs of \$134 were incurred in connection with the issuance of the Original Senior Notes and have been recorded on our consolidated balance sheets within long-term debt as a contra-liability. In anticipation of the Separation, on November 1, 2023, we amended and restated the interest rate on both the Original Series A Senior Note, from 1.56% to 2.06%, and the Original Series B Senior Notes, from 1.90% to 2.40%. On May 17, 2024, in anticipation of the deconsolidation of our former Sustainable Energy Solutions business, we entered into a Note Purchase and Exchange Agreement in which the holders of the Original Senior Notes agreed to exchange such notes as consideration for Worthington Enterprises to issue the New Senior Notes to the same holders of the Original Senior Notes through a private placement agreement pursuant to the terms of the Note Purchase and Exchange Agreement in the aggregate principal amounts of €36,700 and €55,000, respectively, and upon the same terms as the Original Senior Notes. Each of the New Senior Notes will continue to be amortized, through interest expense, in our consolidated statements of earnings over the same respective terms of the Original Senior Notes. The unamortized portion of the debt issuance costs were \$87 and \$96 at May 31, 2024 and 2023, respectively.

On July 28, 2017, we issued the 2032 Notes. The 2032 Notes bear interest at a rate of 4.30%. The 2032 Notes were sold to the public at 99.901% of the principal amount thereof, to yield 4.309% to maturity. We used a portion of the net proceeds from the offering to repay amounts then outstanding under our then current revolving credit facility and a prior revolving trade accounts receivable securitization facility. We entered into an interest rate swap in June 2017, in anticipation of the issuance of the 2032 Notes. The interest rate swap had a notional amount of \$150,000 to hedge the risk of changes in the semi-annual interest rate payments attributable to changes in the benchmark interest rate during the several days leading up to the issuance of the 2032 Notes. Upon pricing of the 2032 Notes, the derivative instrument was settled resulting in a gain of approximately \$3,098, which was reflected in AOCI. Approximately \$2,116 and \$198 were allocated to debt issuance costs and the debt discount, respectively. The debt issuance costs and the debt discount have been recorded on our consolidated balance sheets within long-term debt as a contra-liability. Each will continue to be amortized, through interest expense, in our consolidated statements of earnings over the term of the 2032 Notes. The unamortized portions of the debt issuance costs and the debt discount were \$1,152 and \$108, respectively, at May 31, 2024 and \$1,293 and \$121, respectively, at May 31, 2023.

On April 15, 2014, we issued the 2026 Notes. During fiscal 2023, we purchased approximately \$6,377 of the principal amount of the 2026 Notes in open market transactions, leaving \$243,623 within long-term debt at May 31, 2023. On June 29, 2023, we notified the trustee under the indenture to which the 2026 Notes are subject that we had elected to redeem in full the 2026 Notes. On July 28, 2023, we redeemed, in full, the 2026 Notes at a price that approximated the par value of the debt of \$243,623. In connection with the debt redemption, we recognized a non-cash loss of \$1,534 related primarily to unamortized debt issuance costs and amounts deferred in AOCI associated with an interest rate swap executed prior to the issuance of the 2026 Notes.

On August 10, 2012, we issued the 2024 Notes. The 2024 Notes bore interest at a rate of 4.60%. On December 6, 2023, we used the proceeds received from Worthington Steel in connection with the Separation to pay off in full the 2024 Notes. The payoff amount consisted of \$150,000 in principal plus accrued interest of \$500.

Other Financing Arrangements

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. Borrowings under the Credit 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, 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 May 31, 2024, leaving \$500,000 available for use.

Note J – Comprehensive Income (Loss)

OCI: The following table summarizes the tax effects of each component of OCI for the prior three fiscal years:

	2024			2023			2022		
	Before-Tax	Tax	Net-of-Tax	Before-Tax	Tax	Net-of-Tax	Before-Tax	Tax	Net-of-Tax
Foreign currency translation	\$ 10,578	\$ 2	\$ 10,580	\$ (6,774)	\$ (39)	\$ (6,813)	\$ (15,808)	\$ (1,281)	\$ (17,089)
Pension liability adjustment	9,603	(2,330)	7,273	5,915	(1,401)	4,514	12,647	(2,936)	9,711
Cash flow hedges	8,545	(2,048)	6,497	2,585	(615)	1,970	(79,677)	18,818	(60,859)
OCI	<u>\$ 28,726</u>	<u>\$ (4,376)</u>	<u>\$ 24,350</u>	<u>\$ 1,726</u>	<u>\$ (2,055)</u>	<u>\$ (329)</u>	<u>\$ (82,838)</u>	<u>\$ 14,601</u>	<u>\$ (68,237)</u>

AOCI: The components of the changes in AOCI at the end of the prior three fiscal years were as follows:

	Foreign Currency Translation	Pension Liability Adjustment	Cash Flow Hedges	AOCI
Balance at May 31, 2022	\$ (15,310)	\$ (6,244)	\$ (1,296)	\$ (22,850)
OCI before reclassifications	(6,774)	559	(22,873)	(29,088)
Reclassification adjustments to income (a)(b)	-	5,356	25,458	30,814
Income tax effect	(39)	(1,401)	(615)	(2,055)
Balance at May 31, 2023	<u>\$ (22,123)</u>	<u>\$ (1,730)</u>	<u>\$ 674</u>	<u>\$ (23,179)</u>
OCI before reclassifications	1,987	419	14,721	17,127
Reclassification adjustments to income (a)(b)	8,591	9,184	(6,176)	11,599
Income tax effect	2	(2,330)	(2,048)	(4,376)
Separation of Worthington Steel	10,874	(5,984)	(5,607)	(717)
Balance at May 31, 2024	<u>\$ (669)</u>	<u>\$ (441)</u>	<u>\$ 1,564</u>	<u>\$ 454</u>

(a) Cash flow hedges & net investment hedges – disclosed in “Note R – Derivative Financial Instruments and Hedging Activities.”

(b) Reflects the following pension liability adjustments:

- The acceleration of deferred pension costs in AOCI related to separate pension lift-out transactions completed in February 2024 and August 2022, respectively, to transfer the pension benefit obligation under the Gerstenslager Plan to third-party insurance companies. Refer to “Note M - Employee Pension Plans.”
- The settlement of certain participant balances within the pension plan maintained by WAVE during fiscal 2024.

The estimated net amount of the gains recognized in AOCI at May 31, 2024, expected to be reclassified into net earnings within the succeeding twelve months is \$386 (net of tax of \$95). This amount was computed using the fair value of the cash flow hedges at May 31, 2024, and will change before actual reclassification from other comprehensive income to net earnings during fiscal 2025.

Note K – Equity

Preferred Shares: The Worthington Enterprises Amended Articles of Incorporation authorize two classes of preferred shares and their relative voting rights. The Board is empowered to determine the issue prices, dividend rates, amounts payable upon liquidation and other terms of the preferred shares when issued. No preferred shares are issued or outstanding.

Common Shares: On March 20, 2019, the Board authorized the repurchase of up to 6,600 of the common shares. On March 24, 2021, the Board authorized the repurchase of up to an additional 5,618 of the common shares. These common shares may be repurchased 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. At May 31, 2024, the total number of the common shares available for repurchase under the Board authorizations was 6,065.

During fiscal 2024 and fiscal 2023 we did not repurchase any common shares as part of publicly announced plans or programs. During fiscal 2022, we repurchased 3,235 common shares, which had an aggregate cost of \$180,248.

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Common shares in non-qualified plans: Our non-qualified deferred compensation plans for employees require that any portion of a participant's current account credited to the theoretical common share option, which reflects the fair value of the common shares with dividends reinvested, and any new contributions credited to the theoretical common share option remain credited to the theoretical common share option until distributed. For amounts credited to the theoretical common share option, payouts are required to be made in the form of whole common shares and cash in lieu of fractional common shares. As a result, we account for the deferred compensation obligation credited to the theoretical common share option within equity. The amounts recorded in equity totaled \$417, \$726 and \$592 at May 31, 2024, 2023, and 2022, respectively.

Note L – Stock-Based Compensation

Under our employee and non-employee director stock-based compensation plans, we may grant incentive or non-qualified stock options, restricted common shares, market-based restricted common shares, and performance shares to employees and non-qualified stock options and restricted common shares to non-employee directors. We classify share-based compensation expense within SG&A to correspond with the same financial statement caption as the majority of the cash compensation paid to employees who have been awarded common shares. A total of 2,715 common shares were authorized and available for issuance in connection with the Plans in place at May 31, 2024.

We recognized pre-tax stock-based compensation expense of \$16,688 (\$14,999 after-tax), \$19,178 (\$14,786 after-tax) and \$16,100 (\$12,349 after-tax) under the plans during fiscal 2024, fiscal 2023 and fiscal 2022, respectively. Pre-tax stock-based compensation attributable to continuing operations was \$13,155, \$14,566 and \$12,474 during fiscal 2024, fiscal 2023 and fiscal 2022, respectively. At May 31, 2024, the total unrecognized compensation cost related to non-vested awards was \$32,187, which will be expensed over the next three fiscal years.

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, market-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

Stock options may be granted to purchase common shares at not less than 100% of the fair market value of the underlying common shares on the grant date. All outstanding stock options are non-qualified stock options. The exercise price of all stock options granted has been set at 100% of the fair market value of the underlying common shares on the grant date. Generally, stock options granted to employees vest and become exercisable at the rate of 33% per year beginning one year from the grant date, and expire ten years after the grant date. Non-qualified stock options granted to non-employee directors vest and become exercisable on the earlier of (a) the first anniversary of the grant date or (b) the date on which the next annual meeting of shareholders of Worthington Enterprises is held following the grant date for any stock option granted as of the date of an annual meeting of shareholders of Worthington Enterprises. Stock options can be exercised through net-settlement, at the election of the option holder.

GAAP requires that all share-based awards be recorded as expense in the statement of earnings based on their grant date fair value. We calculate the fair value of our non-qualified stock options using the Black-Scholes option pricing model and certain assumptions. The computation of fair values for all stock options incorporates the following assumptions: expected volatility (based on the historical volatility of the common shares); risk-free interest rate (based on the U.S. Treasury strip rate for the expected term of the stock options); expected term (based on historical exercise experience); and dividend yield (based on annualized current dividends and an average quoted price of the common shares over the preceding annual period).

The table below sets forth the non-qualified stock options granted during each of the last three fiscal years. For each grant, the exercise price was equal to the closing market price of the underlying common shares at the respective grant date. The fair values of these stock options were based on the Black-Scholes option pricing model, calculated at the respective grant dates. The calculated pre-tax stock-based compensation expense for these stock options will be recognized on a straight-line basis over the three-year vesting period of the stock options.

	2024	2023	2022
Granted	58	84	55
Weighted average exercise price, per common share	\$ 68.68	\$ 46.39	\$ 60.19
Weighted average grant date fair value, per common share	\$ 25.61	\$ 16.36	\$ 19.76
Pre-tax stock-based compensation expense	\$ 1,485	\$ 1,381	\$ 1,077

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The weighted average fair value of stock options granted in fiscal 2024, fiscal 2023 and fiscal 2022 was based on the following weighted average assumptions:

	2024	2023	2022
Dividend yield	2.34%	2.33%	2.10%
Expected volatility	42.62%	41.63%	41.62%
Risk-free interest rate	4.04%	3.19%	1.10%
Expected life (years)	6.0	6.0	6.0

The following tables summarize our stock option activity for the prior three fiscal years:

	2024		2023		2022	
	Stock Options	Weighted Average Exercise Price	Stock Options	Weighted Average Exercise Price	Stock Options	Weighted Average Exercise Price
Outstanding, beginning of year	573	\$ 42.61	602	\$ 39.66	602	\$ 36.44
Converted to Worthington Steel common shares ⁽¹⁾	(61)	51.44	-	-	-	-
Separation related adjustment	255	-	-	-	-	-
Granted	58	68.68	84	46.39	55	60.19
Exercised	(297)	31.98	(113)	29.71	(53)	23.80
Forfeited	(7)	45.91	-	-	(2)	44.69
Outstanding, end of year	521	\$ 29.67	573	\$ 42.61	602	\$ 39.66
Exercisable at end of year	401	\$ 27.23	418	\$ 40.84	447	\$ 37.68

(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 a stock option denominated in the common shares of Worthington Steel.

	Number of Stock Options (In thousands)	Weighted Average Remaining Contractual Life (In years)	Aggregate Intrinsic Value (In thousands)
May 31, 2024			
Outstanding	521	4.11	\$ 14,245
Exercisable	401	2.82	\$ 11,945
May 31, 2023			
Outstanding	573	5.47	\$ 7,970
Exercisable	418	4.38	\$ 6,472
May 31, 2022			
Outstanding	602	5.15	\$ 4,987
Exercisable	447	4.09	\$ 4,065

The total intrinsic value of stock options exercised during fiscal 2024 was \$9,282. The total amount of cash received from the exercise of stock options during fiscal 2024 was \$9,188, and the related excess tax benefit realized from share-based payment awards was \$3,093.

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The following table summarizes information about non-vested stock option awards for fiscal 2024:

	Number of Stock Options (In thousands)	Weighted Average Grant Date Fair Value Per Common Share
Non-vested, beginning of year	155	\$ 13.66
Converted to Worthington Steel common shares ⁽¹⁾	(36)	20.90
Separation related adjustment	50	-
Granted	58	25.61
Vested	(100)	14.29
Forfeited	(7)	18.40
Non-vested, end of year	120	\$ 13.78

(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 a stock option denominated in the common shares of Worthington Steel.

Service-Based Restricted Common Shares

Restricted common shares that contain service-based vesting conditions may be awarded to certain employees and non-employee directors. Service-based restricted common shares granted to employees cliff vest three years from the date of grant. Service-based restricted common shares granted to non-employee directors vest under the same parameters as discussed above with respect to non-qualified stock option grants. All service-based restricted common shares are valued at the closing market price of the common shares on the date of the grant.

The table below sets forth the service-based restricted common shares granted under the Plans during each of the past three fiscal years. The calculated pre-tax stock-based compensation expense for these restricted common shares will be recognized on a straight-line basis over their respective three-year service periods.

	2024	2023	2022
Granted	218	358	192
Weighted average grant date fair value, per common share	\$ 64.45	\$ 49.89	\$ 57.19
Pre-tax stock-based compensation	\$ 14,046	\$ 17,884	\$ 10,993

The following table summarizes the activity for service-based restricted common shares for the past three fiscal years:

	2024		2023		2022	
	Restricted Common Shares	Weighted Average Grant Date Fair Value	Restricted Common Shares	Weighted Average Grant Date Fair Value	Restricted Common Shares	Weighted Average Grant Date Fair Value
Outstanding, beginning of year	800	\$ 47.39	650	\$ 44.12	777	\$ 40.36
Converted to Worthington Steel common shares ⁽¹⁾	(296)	51.46	-	-	-	-
Separation related adjustment	220	-	-	-	-	-
Granted	218	64.45	358	49.89	192	57.19
Vested	(345)	39.22	(184)	40.52	(295)	42.90
Forfeited	(22)	45.65	(24)	48.94	(24)	42.36
Outstanding, end of year	575	\$ 36.43	800	\$ 47.39	650	\$ 44.12
Weighted average remaining contractual life of outstanding restricted common shares (in years)	1.13		1.28		1.25	
Aggregate intrinsic value of outstanding restricted common shares	\$ 32,783		\$ 44,926		\$ 30,283	
Aggregate intrinsic value of restricted common shares vested during the year	\$ 21,708		\$ 8,897		\$ 16,534	

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- (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.

Market-Based Restricted Stock Units

Market-based restricted stock units consist of grants of performance-based restricted stock units to certain members of executive management that vest contingent upon the achievement of pre-determined market and service conditions. The fair value of our market-based restricted stock units is estimated using a Monte-Carlo simulation model that incorporates key assumptions such as the risk-free interest rate, expected volatility and expected dividends. Compensation expense is recognized on a straight-line basis over the vesting period, regardless of whether the market condition is satisfied. Vesting is subject to continued service requirements through the vesting date.

The following weighted average assumptions were used to determine the grant date fair value for our market-based restricted common shares for fiscal 2024, fiscal 2023, and fiscal 2022.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Dividend yield	1.05 %	2.67 %	n/a
Expected volatility	33.9 %	43.0 %	n/a
Risk-free interest rate	4.52 %	3.18 %	n/a

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The following table summarizes our market-based restricted common shares for the past three fiscal years.

	2024		2023		2022	
	Market-based Restricted Common Shares	Weighted Average Grant Date Fair Value	Market-based Restricted Common Shares	Weighted Average Grant Date Fair Value	Market-based Restricted Common Shares	Weighted Average Grant Date Fair Value
Outstanding, beginning of year	330	\$ 22.03	320	\$ 21.61	320	\$ 21.61
Separation related adjustment	34		-	-	-	-
Granted	166	42.82	10	35.49	-	-
Vested	(270)	22.96	-	-	-	-
Outstanding, end of year	<u>260</u>	<u>\$ 31.40</u>	<u>330</u>	<u>\$ 22.03</u>	<u>320</u>	<u>\$ 21.61</u>
Weighted average remaining contractual life of outstanding performance shares (in years)	2.11		0.49		1.44	
Aggregate intrinsic value of outstanding performance shares	\$ 14,850		\$ 18,523		\$ 14,925	
Aggregate intrinsic value of performance shares vested during the year	\$ 18,152		n/a		n/a	

Performance Shares

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, EPS growth and, in the case of business unit executives, a business unit adjusted EBITDA from continuing operations 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. 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.

The table below sets forth the performance shares we granted (at target levels) during fiscal 2024, fiscal 2023 and fiscal 2022:

	2024	2023	2022
Granted	116	118	67
Weighted average grant date fair value, per common share	\$ 52.36	\$ 43.40	\$ 52.22
Pre-tax stock-based compensation expense	\$ 6,093	\$ 5,101	\$ 3,511

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The following table summarizes our performance share award activity for the past three fiscal years:

	2024		2023		2022	
	Performance Shares	Weighted Average Grant Date Fair Value	Performance Shares	Weighted Average Grant Date Fair Value	Performance Shares	Weighted Average Grant Date Fair Value
Outstanding, beginning of year	172	\$ 46.37	160	\$ 42.93	177	\$ 39.23
Converted to Worthington Steel common shares ⁽¹⁾	(39)	56.99	-	-	-	-
Separation related adjustment	59	-	-	-	-	-
Granted	116	52.36	118	43.40	67	52.22
Vested	(145)	38.91	(89)	38.91	(65)	42.82
Forfeited	(22)	40.18	(17)	39.36	(19)	41.80
Outstanding, end of year	141	\$ 37.55	172	\$ 46.37	160	\$ 42.93
Weighted average remaining contractual life of outstanding performance shares (in years)	1.43		1.59		0.90	
Aggregate intrinsic value of outstanding performance shares	\$ 8,014		\$ 9,636		\$ 7,445	
Aggregate intrinsic value of performance shares vested during the year	\$ 10,165		\$ 4,056		\$ 3,994	

(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 – Employee Benefit Plans

Defined Contribution Retirement Plans

We provide retirement benefits to employees mainly through defined contribution retirement plans. Eligible participants make pre-tax contributions based on elected percentages of eligible compensation, subject to annual addition and other limitations imposed by the Code and the various plans' provisions. Company contributions consist of employer matching contributions, annual or monthly employer contributions and discretionary contributions, based on individual plan provisions.

Defined Benefit Pension Plan

Historically, we sponsored the Gerstenslager Plan, a frozen non-contributory pension plan which covered certain employees based on age and length of service. During August 2022, we purchased an annuity contract from a third-party insurance company to transfer approximately 31% of the total projected benefit obligation. During February 2024, we completed a similar transaction and annuitized the remaining projected benefit obligation. As a result of these transactions: 1) we incurred settlement charges of \$4,774 and \$8,010 during fiscal 2023 and fiscal 2024, respectively, primarily related to the reclassification of actuarial losses out of AOCI and into miscellaneous income (expense), net in our consolidated statements of earnings; 2) we were relieved of all responsibility for these pension obligations; and 3) the insurance company is now required to pay and administer benefits to the remaining beneficiaries of the Gerstenslager Plan. As of May 31, 2024, there was no remaining projected benefit obligation, plan assets or net unfunded liability.

Discontinued Operations

In conjunction with the Separation, the defined benefit and other postretirement benefit assets and liabilities attributed to our former steel processing business are reported as discontinued operations in our consolidated balance sheet at May 31, 2023 and the net periodic pension costs are reported in the results of discontinued operations in our consolidated statements of earnings for periods prior to the Separation. The tables below exclude information related to our former steel processing business. Refer to "Note B – Discontinued Operations" for additional information.

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Net Periodic Pension Costs

The following table summarizes the components of net periodic pension costs for our defined benefit pension plans for the prior three fiscal years:

	2024	2023	2022
Defined benefit plans:			
Interest cost	\$ 899	\$ 965	\$ 1,174
Return on plan assets	(885)	(1,195)	(2,328)
Net amortization and deferral costs	265	365	546
Settlement cost	8,010	4,774	1,357
Defined contribution plans	9,678	9,644	9,103
Net periodic benefit cost	<u>\$ 17,967</u>	<u>\$ 14,553</u>	<u>\$ 9,852</u>

Actuarial Assumptions

The following actuarial assumptions were used to determine the unfunded benefit obligation and net periodic benefit cost:

	2024	2023	2022
Benefit obligation:			
Discount rate	n/a	4.69%	4.14%
Net periodic pension cost:			
Discount rate	4.69%	4.10%	2.90%
Expected long-term rate of return	5.00%	6.00%	7.00%

Actuarial developed yield curves are used to determine discount rates. The expected return on plan assets assumption is determined by reviewing the investment returns, as well as longer-term historical returns of an asset mix approximating our asset allocation targets, and periodically comparing these returns to the expectations of investment advisors and actuaries to determine whether long-term future returns are expected to differ significantly from the past.

Funded Status

The following tables provide a reconciliation of the changes in the projected benefit obligation and the fair value of plan assets and the funded status for our defined benefit plans:

	2024	2023
Change in benefit obligation		
Benefit obligation, beginning of year	\$ 19,533	\$ 31,253
Interest cost	899	965
Actuarial gain	(1,705)	(2,328)
Benefits paid	(554)	(911)
Settlements	(18,173)	(9,446)
Benefits obligation, end of year	<u>\$ -</u>	<u>\$ 19,533</u>
Change in plan assets		
Fair value, beginning of year	\$ 18,041	\$ 27,210
Return on plan assets	(227)	(662)
Company contributions	914	1,850
Benefits paid	(555)	(911)
Settlements	(18,173)	(9,446)
Fair value, end of year	<u>-</u>	<u>18,041</u>
Funded status	<u>\$ -</u>	<u>\$ (1,492)</u>

Amounts recognized in our consolidated balance sheets consist of:

Other liabilities	\$ -	\$ (1,492)
AOCI	-	8,867

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The following table shows other changes in plan assets and benefit obligations recognized in OCI during the prior two fiscal years:

	2024	2023
Net (gain) loss	\$ (592)	\$ (471)
Amortization of net loss	(265)	(365)
Settlement cost	(8,010)	(4,774)
Total recognized in OCI	\$ (8,867)	\$ (5,610)
Total recognized in net periodic benefit cost and OCI	\$ (578)	\$ (701)

Fair Value of Plan Assets

There were no plan assets at May 31, 2024.

The following table sets forth, by level within the fair value hierarchy, a summary of the Gerstenslager Plan assets measured on a recurring basis at May 31, 2023.

	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment:				
Cash and cash equivalents	\$ 10,024	\$ 10,024	\$ -	\$ -
Fixed-income funds	8,017	8,017	-	-
Total	\$ 18,041	\$ 18,041	\$ -	\$ -

Plan assets for the Gerstenslager Plan consisted of the following at May 31, 2023.

Asset category:	
Cash and cash equivalents	56%
Debt securities and related instruments	44%
Total	100%

Note N – Income Taxes

Earnings before income taxes for the prior three fiscal years included the following components:

	2024	2023	2022
U.S. based operations	\$ 107,643	\$ 149,670	\$ 212,811
Non – U.S. based operations	(33,636)	10,616	(2,162)
Earnings before income taxes	74,007	160,286	210,649
Plus: net loss attributable to noncontrolling interests ⁽¹⁾	263	-	-
Earnings before income taxes attributable to controlling interest	\$ 74,270	\$ 160,286	\$ 210,649

(1) Net earnings attributable to noncontrolling interests are not taxable to us.

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Significant components of income tax expense (benefit) for the prior three fiscal years were as follows:

	2024	2023	2022
Current			
Federal	\$ 32,743	\$ 34,734	\$ 38,893
State and local	1,576	2,891	3,089
Foreign	1,666	3,988	136
Subtotal	35,985	41,613	42,118
Deferred			
Federal	(3,751)	(4,427)	9,158
State and local	3,801	(1,943)	2,558
Foreign	2,992	(708)	(1,133)
Subtotal	3,042	(7,078)	10,583
Total	\$ 39,027	\$ 34,535	\$ 52,701

A reconciliation of the federal statutory corporate income tax rate to total tax provision for the prior three fiscal years follows:

	2024	2023	2022
Federal statutory corporate income tax rate	21.0%	21.0%	21.0%
State and local income taxes, net of federal tax benefit	3.5	0.6	2.7
Non-U.S. income taxes at other than federal statutory rate	0.5	0.7	(0.3)
Excess benefit related to share-based payment awards	(2.7)	(0.1)	(0.1)
Non-deductible executive compensation	4.9	2.1	2.1
Research and development tax credit	(0.2)	(0.8)	-
Non-deductible spin-off transaction costs	7.5	-	-
Non-deductible note receivable impairment	3.2	-	-
Tax impact of Sustainable Energy Solutions impairment and deconsolidation	11.1	-	-
Deferred state tax adjustment due to spin-off	4.2	-	-
Other	(0.4)	(2.0)	(0.4)
Effective tax rate attributable to controlling interest	52.6%	21.5%	25.0%

The above effective tax rate attributable to controlling interest excludes any impact from the inclusion of net earnings attributable to noncontrolling interests in our consolidated statements of earnings. The effective tax rate upon inclusion of net earnings attributable to noncontrolling interests was 52.7% for fiscal 2024. Net earnings attributable to noncontrolling interests are primarily a result of our acquisition of Halo in fiscal 2024. The earnings attributable to the noncontrolling interests in Halo do not generate tax expense to us since the investors in Halo's operations are taxed directly based on the earnings attributable to them.

Under applicable accounting guidance, a tax benefit may be recognized from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Any tax benefits recognized in our financial statements from such a position were measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement.

The total amount of unrecognized tax benefits was \$3,467 as of May 31, 2024, 2023, and 2022, respectively. As of May 31, 2024, the total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate attributable to controlling interest was \$2,739. Unrecognized tax benefits are the differences between a tax position taken, or expected to be taken, in a tax return, and the benefit recognized for accounting purposes. Accrued amounts of interest and penalties related to unrecognized tax benefits are recognized as part of income tax expense within our consolidated statements of earnings. As of May 31, 2024, 2023 and 2022, we had accrued liabilities of \$881, \$556 and \$311, respectively, for interest and penalties related to unrecognized tax benefits.

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A tabular reconciliation of unrecognized tax benefits follows:

Balance at May 31, 2023	\$	3,467
Increases - tax positions taken in prior years		-
Decreases - tax positions taken in prior years		-
Increases - current tax positions		-
Settlements		-
Lapse of statutes of limitations		-
Balance at May 31, 2024	\$	<u>3,467</u>

Approximately \$709 of the liability for unrecognized tax benefits is expected to be settled in the next twelve months due to the expiration of statutes of limitations in various tax jurisdictions and as a result of expected settlements with various tax jurisdictions. While it is expected that the amount of unrecognized tax benefits will change in the next twelve months, any change is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

The following is a summary of the tax years open to examination by major tax jurisdiction:

- U.S. Federal - 2021 and forward
- U.S. State and Local - 2020 and forward
- Portugal - 2020 and forward

The components of our deferred tax assets and liabilities as of May 31 were as follows:

	2024	2023
Deferred tax assets		
Accounts receivable	\$ 850	\$ 590
Note receivable	2,346	-
Inventories	3,616	2,765
Accrued expenses	13,238	18,683
Net operating loss carry forwards	5,497	7,465
Stock-based compensation	3,508	1,838
Derivative contracts	303	438
Operating lease - ROU liability	4,595	5,731
Capital loss	10,110	-
Other	3,866	2,349
Total deferred tax assets	47,929	39,859
Valuation allowance for deferred tax assets	(7,083)	(5,480)
Net deferred tax assets	40,846	34,379
Deferred tax liabilities		
Property, plant and equipment	(28,770)	(27,970)
Intangibles	(72,898)	(68,998)
Investment in affiliated companies, principally due to undistributed earnings	(17,434)	(11,212)
Operating lease - ROU asset	(4,613)	(5,654)
Other	(1,281)	(2,891)
Total deferred tax liability	(124,996)	(116,725)
Net deferred tax liability	\$ (84,150)	\$ (82,346)

At May 31, 2024, we had tax benefits for federal net operating loss carry forwards of \$1,636, with no expiration date, tax benefits for state net operating loss carry forwards of \$3,861 that expire from fiscal 2026 to fiscal 2044.

The valuation allowance for deferred tax assets of \$7,083 on May 31, 2024, is associated primarily with the state net operating loss carry forwards and relates to our former steel processing facility in Decatur, Alabama, and our former Engineered Cabs facility in Tennessee, as well as a note receivable related to a Sustainable Energy Solutions investment.

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Based on our history of profitability, the scheduled reversal of deferred tax liabilities, and taxable income projections, we have determined that it is more likely than not that the remaining deferred tax assets are otherwise realizable.

Note O – Earnings Per Common Share

The following table sets forth the computation of basic and diluted earnings per common share for the prior three fiscal years:

	2024	2023	2022
Numerator (basic & diluted):			
Net earnings from continuing operations attributable to controlling interest	\$ 35,243	\$ 125,751	\$ 157,948
Denominator:			
Denominator for basic EPS from continuing operations - Weighted average common shares	49,195	48,566	49,940
Effect of dilutive securities	1,153	820	1,053
Denominator for diluted EPS from continuing operations - Weighted average common shares	50,348	49,386	50,993
Basic EPS from continuing operations	\$ 0.72	\$ 2.59	\$ 3.16
Diluted EPS from continuing operations	\$ 0.70	\$ 2.55	\$ 3.10

Stock options covering 47, 91, and 34 common shares for fiscal 2024, fiscal 2023 and fiscal 2022, respectively, have been excluded from the computation of diluted earnings per common share because the effect of their inclusion would have been anti-dilutive.

Note P – Segment Data

Our operating segments reflect the way in which internally-reported financial information is regularly reviewed by the CODM to analyze performance, make decisions and allocate resources. Factors used to identify operating segments include the nature of the products provided by each business, the management reporting structure, similarity of economic characteristics and certain quantitative measures, as prescribed by authoritative accounting guidance. Our operations are organized under the following operating segments: Consumer Products and Building Products. Our operating segments correspond with our reportable segments as described further below.

In connection with the Separation, our CODM began evaluating segment operating performance on the basis of adjusted EBITDA from continuing operations, as described in the “Use of Non-GAAP Financial Measures” section preceding Part I, Item 1 of this Form 10-K. At the reportable segment level, adjusted EBITDA from continuing operations excludes public company and other governance-related costs. Effective December 1, 2023, we also realigned management responsibilities and the internal reporting of our liquified petroleum gas propane tank manufacturing facility in Westerville, Ohio, to fall under our Building Products segment (from Consumer Products). Previously reported results have been recast to reflect these changes.

Consumer Products: Our Consumer Products business serves retail customers and end consumers in the tools, outdoor living and celebrations categories under market-leading brands that include the following: Balloon Time®, Bernzomatic®, Coleman® (licensed), Garden-Weasel®, General®, Halo®, Hawkeye™, Level5®, Mag-Torch®, Pactool International®, and Worthington Pro Grade™. These include propane-filled cylinders for torches, camping stoves and other applications, handheld torches, helium-filled balloon kits, specialized hand tools and instruments, drywall tools and accessories and gas grills and pizza ovens sold primarily to mass merchandisers, retailers and distributors.

Building Products: Our Building Products business is a market-leading provider of pressurized containment solutions, providing critical components in essential end markets, such as heating, cooking, cooling and water, and, through our unconsolidated joint ventures, WAVE and ClarkDietrich, ceiling suspension systems and light gauge metal framing products. Our pressurized containment solutions include refrigerant and LPG cylinders, well water and expansion tanks, and other specialty products which are generally sold to gas producers and distributors. Refrigerant gas cylinders are used to hold refrigerant gases for commercial, residential, and automotive air conditioning and refrigeration systems. LPG cylinders hold fuel for residential and light commercial heating systems, barbeque grills and recreational vehicle equipment, industrial forklifts and commercial/residential cooking (the latter, generally outside North America). Well water tanks and expansion tanks are used primarily in the residential market with certain products also sold to commercial markets. Specialty products include a variety of fire suppression tanks, chemical tanks, and foam and adhesive tanks.

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Unallocated Corporate and Other: Includes certain assets and liabilities (e.g. public debt) held at the corporate level as well as general corporate expenses that are not directly attributable to our business operations and are administrative in nature, such as public company and other governance-related costs that benefit the organization as a whole, have not been allocated to our operating segments and are held at the corporate level, including direct and incremental costs incurred in connection with the Separation but not attributed to discontinued operations.

Unallocated Corporate and Other also includes the activity of our former Sustainable Energy Solutions operating segment, on an historical basis, through May 29, 2024, when 51% of the nominal share capital was sold triggering the deconsolidation of corresponding net assets. Upon closing, this business, as historically operated, is no longer part of our management structure and therefore is not presented separately as a reportable segment.

The accounting policies of the reportable segments are described in “Note A – Summary of Significant Accounting Policies.” Inter-segment sales are not material.

The following tables present summarized financial information for our reportable segments for the past three fiscal years. A reconciliation from net earnings before income taxes from continuing operations to the non-GAAP financial measure of adjusted EBITDA from continuing operations is provided directly following the summarized information below.

	2024				
	Consumer Products	Building Products	Total Reportable Segments	Unallocated Corporate and Other	Total
Net sales	\$ 495,259	\$ 618,973	\$ 1,114,232	\$ 131,471	\$ 1,245,703
Capital expenditures	14,447	20,945	35,392	12,029	47,421
Depreciation and amortization	16,510	23,806	40,316	8,347	48,663
Impairment of long-lived assets	-	772	772	32,203	32,975
Restructuring and other expense, net	-	80	80	29,247	29,327
Separation costs	-	-	-	12,705	12,705
Equity income	-	163,126	163,126	4,590	167,716
Adjusted EBITDA from continuing operations	69,598	210,128	279,726	(28,727)	250,999

	2023				
	Consumer Products	Building Products	Total Reportable Segments	Unallocated Corporate and Other	Total
Net sales	\$ 555,309	\$ 717,069	\$ 1,272,378	\$ 146,118	\$ 1,418,496
Capital expenditures	8,612	22,843	31,455	7,228	38,683
Depreciation and amortization	16,210	22,127	38,337	7,638	45,975
Impairment of long-lived assets	-	484	484	-	484
Restructuring and other expense (income), net	213	597	810	(1,177)	(367)
Separation costs	-	-	-	6,534	6,534
Equity income	-	166,427	166,427	(13,165)	153,262
Adjusted EBITDA from continuing operations	97,370	222,197	319,567	(13,542)	306,025

	2022				
	Consumer Products	Building Products	Total Reportable Segments	Unallocated Corporate and Other	Total
Net sales	\$ 504,870	\$ 673,365	\$ 1,178,235	\$ 130,954	\$ 1,309,189
Capital expenditures	7,388	37,051	44,439	13,719	58,158
Depreciation and amortization	13,356	20,743	34,099	8,546	42,645
Restructuring and other income, net	-	(35)	(35)	(2,581)	(2,616)
Equity income	-	176,498	176,498	7,357	183,855
Adjusted EBITDA from continuing operations	109,282	238,636	347,918	(12,894)	335,024

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The following table presents a reconciliation from earnings before income taxes to adjusted EBITDA from continuing operations for the past three fiscal years:

	2024	2023	2022
Earnings before income taxes (EBIT)	\$ 74,007	\$ 160,286	\$ 210,649
Less: net loss attributable to noncontrolling interest	(263)	-	-
Net earnings before income taxes attributable to controlling interest	74,270	160,286	210,649
Interest expense, net	1,587	18,298	23,852
EBIT (subtotal)	75,857	178,584	234,501
Corporate costs eliminated at Separation	19,343	41,479	48,020
Impairment of goodwill and long-lived assets	32,975	484	-
Restructuring and other expense (income), net	29,327	(367)	(2,616)
Separation costs	12,705	6,534	-
Non-cash charges in miscellaneous expense	19,180	4,774	-
Loss on investment in ArtiFlex	-	16,059	-
Loss on extinguishment of debt	1,534	-	-
Net gain on sale of assets in equity income	(2,780)	(2,063)	-
Pension settlement charge in equity income	1,040	-	-
Adjusted EBIT (subtotal)	189,181	245,484	279,905
Depreciation and amortization	48,663	45,975	42,645
Stock-based compensation	13,155	14,566	12,474
Adjusted EBITDA from continuing operations	\$ 250,999	\$ 306,025	\$ 335,024

Total assets for each of our reportable segments as of the end of the past two fiscal years were as follows:

	May 31, 2024	May 31, 2023
Consumer Products	\$ 557,826	\$ 544,911
Building Products	672,723	706,169
Total reportable segments	1,230,549	1,251,080
Unallocated Corporate and Other	408,088	639,042
Total assets of continuing operations	\$ 1,638,637	\$ 1,890,122

The following table presents net sales by geographic region for the past three fiscal years:

	2024	2023	2022
North America	\$ 988,028	\$ 1,140,288	\$ 1,066,329
International	257,675	278,208	242,860
Total	\$ 1,245,703	\$ 1,418,496	\$ 1,309,189

The following table presents property, plant and equipment, net, by geographic region as of the end of the past two fiscal years:

	2024	2023
North America	\$ 207,772	\$ 191,356
International	19,434	65,059
Total	\$ 227,206	\$ 256,415

Note Q – Acquisitions

Halo (fiscal 2024)

On February 1, 2024, we acquired an 80% controlling interest in Halo, a newly formed joint venture with HPG, for total cash consideration of \$9,588. The remaining 20% noncontrolling interest was retained by HPG. Halo is an asset-light business with technology-enabled solutions in the outdoor cooking space with products that include Halo™ branded pizza ovens, pellet grills, griddles and other accessories. Halo is part of 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 since the beginning of fiscal 2023, would not be materially different than the reported results.

The information included herein 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 fair value accounting.

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. This additional investment value resulted in goodwill 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 the purchase price over the fair value of the net identifiable assets acquired. In connection with the acquisition of Halo, we identified and valued the following intangible assets:

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

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.

	Preliminary Valuation	Measurement Period Adjustments	Revised Valuation
Cash	\$ 73	\$ -	\$ 73
Accounts receivable	255	-	255
Inventories	5,511	49	5,560
Property, plant and equipment	1,732	-	1,732
Intangible assets	4,500	-	4,500
Total identifiable assets	12,071	49	12,120
Accounts payable	(7,363)	-	(7,363)
Other accrued items	(1,099)	-	(1,099)
Net identifiable assets	3,609	49	3,658
Goodwill	8,302	25	8,327
Net assets	11,911	74	11,985
Noncontrolling interest	(2,392)	(5)	(2,397)
Total cash consideration	<u>\$ 9,519</u>	<u>\$ 69</u>	<u>\$ 9,588</u>

Level5 (fiscal 2023)

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 May 31, 2024, there was no accrual recorded for anticipated payments under the third earnout period ending December 31, 2024.

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

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

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

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

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

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

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Note R – 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 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 to further manage our exposure to interest rate variations related to our borrowings and to lower our overall borrowing costs.

Foreign Currency Exchange 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 foreign currency exchange rate fluctuations. The translation of foreign currencies into U.S. dollars also subjects us to exposure related to fluctuating foreign 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. Our net position with these counterparties fell below the predefined threshold in fiscal 2024, fiscal 2023 and fiscal 2022. We do not have significant exposure to any one counterparty and management believes the risk of loss is remote and, in any event, would not be material.

Refer to “Note S – Fair Value Measurements” 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 our consolidated balance sheet at May 31, 2024 and 2023:

	Fair Value of Assets			Fair Value of Liabilities		
	Balance Sheet Location	2024	2023	Balance Sheet Location	2024	2023
Derivatives designated as hedging instruments:						
Commodity contracts	Receivables	\$ 601	\$ 20	Accounts payable	\$ 83	\$ 4,069
Commodity contracts	Other assets	-	-	Other liabilities	21	237
Foreign currency exchange contracts	Receivables	-	-	Accounts payable	-	33
Subtotal		601	20		104	4,339
Derivatives not designated as hedging instruments:						
Commodity contracts	Receivables	\$ 319	\$ 294	Accounts payable	\$ 69	\$ 1,609
Foreign currency exchange contracts	Receivables	-	-	Accounts payable	1,248	-
Subtotal		319	294		1,317	1,609
Total		\$ 920	\$ 314		\$ 1,421	\$ 5,948

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The amounts in the table above reflect the fair value of our derivative financial instruments on a net basis where allowable under master netting arrangements. Had these amounts been recognized on a gross basis, the impact would have been an increase in receivables with a corresponding increase in accounts payable of \$391 and \$272 at May 31, 2024 and 2023, respectively.

Cash Flow Hedges

We enter into derivative financial instruments to hedge our exposure to changes in cash flows attributable to interest rate and commodity price fluctuations associated with certain forecasted transactions. These derivative financial instruments are designated and qualify as cash flow hedges. Accordingly, the effective portion of the gain or loss on each of these derivative financial instruments is reported as a component of OCI and reclassified into earnings in the same line associated with the forecasted transaction and in the same period during which the hedged transaction affects earnings. The ineffective portion of the gain or loss on the derivative financial instrument is recognized in earnings immediately.

The following table summarizes our cash flow hedges outstanding at May 31, 2024:

	Notional Amount	Maturity Date
Commodity contracts	\$ 5,870	June 2024 - December 2025

The following table summarizes the gain (loss) recognized in OCI and the gain (loss) reclassified from AOCI into earnings for derivative financial instruments designated as cash flow hedges during fiscal 2024 and fiscal 2023:

	Gain (Loss) Recognized in OCI	Location of Gain (Loss) Reclassified from AOCI into Net Earnings	Gain (Loss) Reclassified from AOCI into Net Earnings
For the fiscal year ended May 31, 2024:			
Commodity contracts	\$ 3,382	Cost of goods sold	\$ (549)
Interest rate contracts	-	Loss on extinguishment of debt	(642)
Interest rate contracts	-	Interest expense	188
Foreign currency exchange contracts	(11)	Miscellaneous income, net	(44)
Totals	<u>\$ 3,371</u>		<u>\$ (1,047)</u>
For the fiscal year ended May 31, 2023:			
Commodity contracts	\$ (12,990)	Cost of goods sold	\$ (11,007)
Interest rate contracts	-	Interest expense	(27)
Foreign currency exchange contracts	195	Miscellaneous income, net	142
Totals	<u>\$ (12,795)</u>		<u>\$ (10,892)</u>

The estimated net amount of the gains recognized in AOCI at May 31, 2024, expected to be reclassified into net earnings within the succeeding twelve months is \$386 (net of tax of \$95). This amount was computed using the fair value of the cash flow hedges at May 31, 2024, and will change before actual reclassification from other comprehensive income to net earnings during fiscal 2025.

Net Investment Hedges

We have designated our foreign-denominated debt as a non-derivative net investment hedge. This hedge is used to protect the value of our net investments in certain foreign operations. The foreign currency transaction gains or losses on the carrying value of our foreign-denominated debt are remeasured based on spot exchange rates at the balance sheet date. Any gains and losses attributable to the translation of the foreign-denominated debt designated as a net investment hedge are recognized as a component of the cumulative translation adjustment within AOCI. To the extent the foreign currency-denominated notes designated as net investment hedges become ineffective, changes in the carrying value attributable to the change in spot exchange rates will be recognized in earnings immediately.

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At May 31, 2024, we designated the New Senior Notes as a non-derivative net investment hedge with a total outstanding principal amount of €91,700. The full principal amount was designated as a net investment hedge and considered fully effective. We did not reclassify any gains or losses related to the net investment hedge from AOCI into earnings during any of the fiscal years presented. The foreign currency gain (loss) recognized in OCI for the non-derivative instruments designated as net investment hedges during fiscal 2024 was \$1,676. There were no foreign currency gain (loss) recognized in OCI for the non-derivative instruments designated as net investment hedges during fiscal 2023 and fiscal 2022.

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 earnings.

The following table summarizes our economic (non-designated) derivative financial instruments outstanding at May 31, 2024:

	Notional Amount	Maturity Date
Commodity contracts	\$ 1,063	June 2024 - April 2025

The following table summarizes the gain (loss) recognized in earnings for economic (non-designated) derivative financial instruments during fiscal 2024 and fiscal 2023:

	Location of Loss Recognized in Earnings	Loss Recognized in Earnings	
		Fiscal Year Ended	
		May 31,	
		2024	2023
Commodity contracts	Cost of goods sold	\$ (349)	\$ (4,778)
Foreign currency exchange contracts	Miscellaneous income, net	(1,247)	-
Total		\$ (1,596)	\$ (4,778)

Note S – Fair Value Measurements

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 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability and that are significant to the fair value of the assets and liabilities (i.e., allowing for situations in which there is little or no market activity for the asset or liability at the measurement date).

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Recurring Fair Value Measurements

At May 31, 2024, our financial assets and liabilities measured at fair value on a recurring basis were as follows:

	Level 1	Level 2	Level 3	Totals
Assets				
Derivative financial instruments ⁽¹⁾	\$ -	\$ 920	\$ -	\$ 920
Total assets	<u>\$ -</u>	<u>\$ 920</u>	<u>\$ -</u>	<u>\$ 920</u>
Liabilities				
Derivative financial instruments ⁽¹⁾	\$ -	\$ 1,421	\$ -	\$ 1,421
Total liabilities	<u>\$ -</u>	<u>\$ 1,421</u>	<u>\$ -</u>	<u>\$ 1,421</u>

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

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

	Level 1	Level 2	Level 3	Totals
Assets				
Derivative financial instruments ⁽¹⁾	\$ -	\$ 314	\$ -	\$ 314
Total assets	<u>\$ -</u>	<u>\$ 314</u>	<u>\$ -</u>	<u>\$ 314</u>
Liabilities				
Derivative financial instruments ⁽¹⁾	\$ -	\$ 5,948	\$ -	\$ 5,948
Total liabilities	<u>\$ -</u>	<u>\$ 5,948</u>	<u>\$ -</u>	<u>\$ 5,948</u>

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

Non-Recurring Fair Value Measurements

At May 31, 2024, our assets measured at fair value on a non-recurring basis were categorized as follows:

	Level 1	Level 2	Level 3	Totals
Assets				
Investment in unconsolidated affiliate ⁽¹⁾	\$ -	\$ -	\$ 31,367	\$ 31,367
Investment in notes receivable ⁽²⁾	-	5,000	-	5,000
Total assets	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 31,367</u>	<u>\$ 5,000</u>

- (1) On May 29, 2024, in connection with the contribution of the net assets of the Sustainable Energy Solutions business to the newly-formed Sustainable Energy Solutions joint venture, we obtained a 49% minority ownership interest. In accordance with the applicable accounting guidance, our minority ownership interest in the Sustainable Energy Solutions joint venture was recorded at its acquisition date fair value of \$31,367.

- (2) Reflects the write-down of an investment in notes receivable that was determined to be other than temporarily impaired.

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

	Level 1	Level 2	Level 3	Totals
Assets				
Long-lived assets held and used ⁽¹⁾	\$ -	\$ 70	\$ -	\$ 70
Total assets	\$ -	\$ 70	\$ -	\$ 70

- (1) 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 non-derivative financial instruments included in the carrying amounts of cash and cash equivalents, receivables, income taxes receivable, other assets, deferred income taxes, net, accounts payable, short-term borrowings, accrued compensation, contributions to employee benefit plans and related taxes, other accrued items, income taxes payable and other liabilities approximate fair value due to their short-term nature. The fair value of long-term debt, including current maturities, based upon models utilizing primarily market observable (Level 2) inputs and credit risk, was \$257,866 and \$639,948 at May 31, 2024 and 2023, respectively. The carrying amount of long-term debt, including current maturities, was \$298,133 and \$689,982 at May 31, 2024 and 2023, respectively.

Note T – Leases

We lease office space, warehouses, vehicles, and equipment. Leases have remaining lease terms of 1 year to 36 years, some of which have renewal and termination options. Termination options are exercisable at our option. The lease terms used to recognize ROU assets and lease liabilities include periods covered by options to extend the lease where we are reasonably certain to exercise that option and periods covered by an option to terminate the lease if we are reasonably certain not to exercise that option.

We determine if an arrangement meets the definition of a lease at inception. Operating lease ROU assets include any initial direct costs and prepayments less lease incentives. Lease terms include options to renew or terminate the lease when it is reasonably certain we will exercise such options. As most of our leases do not include an implicit rate, we use our collateralized incremental borrowing rate based on the information available at the lease commencement date, in determining the present value of lease payments. Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of goods sold or SG&A depending on the underlying nature of the leased assets.

We lease certain property and equipment from third parties under non-cancellable operating lease agreements. Certain lease agreements provide for payment of property taxes, maintenance and insurance by us. Under Topic 842, we elected the practical expedient to account for lease and non-lease components as a single component for all asset classes. Certain leases include variable lease payments based on usage or an index or rate.

The components of lease expense for fiscal 2024 and fiscal 2023 were as follows:

	2024	2023
Operating lease expense	\$ 8,245	\$ 7,685
Financing lease expense		
Amortization of leased assets	81	81
Interest on lease liabilities	116	118
Total financing lease expense	197	199
Short-term lease expense	2,959	2,579
Variable lease expense	296	294
Total lease expense	\$ 11,697	\$ 10,757

Other information related to our leases, as of and for the fiscal years ended May 31, 2024 and May 31, 2023, is provided below:

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	2024		2023	
	Operating Leases	Financing Leases	Operating Leases	Financing Leases
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows	\$ 7,395	\$ 116	\$ 6,710	\$ 118
Financing cash flows	\$ -	\$ 50	\$ -	\$ 44
ROU assets obtained in exchange for lease liabilities	\$ 3,446	\$ -	\$ 4,179	\$ -
Weighted-average remaining lease term (in years)	3.55	35.81	4.16	36.82
Weighted-average discount rate	3.44%	3.75%	3.11%	3.75%

Future minimum lease payments for non-cancelable leases having an initial or remaining term in excess of one year at May 31, 2024, were as follows:

	Operating Leases	Financing Leases
2025	\$ 6,728	\$ 171
2026	5,389	176
2027	4,713	181
2028	3,244	187
2029	7	193
Thereafter	-	4,912
Total	20,081	5,820
Less: imputed interest	(1,035)	(2,748)
Present value of lease liabilities	\$ 19,046	\$ 3,072

Note U – Related Party Transactions

In connection with the Separation, we entered into several agreements with Worthington Steel, effective November 30, 2023, that, among other things, provide a framework for our relationship with Worthington Steel after the Separation, including a long-term Steel Supply Agreement, a Trademark License Agreement, and Transition Services Agreement. Amounts under the Trademark License Agreement and Transition Services Agreement were not significant during fiscal 2024.

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 fiscal 2024, totaled \$65,920 of which \$9,637 was payable at May 31, 2024.

We have incurred direct and incremental costs associated with the Separation, including approximately \$31,226 and \$24,048 during fiscal 2024 and 2023, respectively, of which \$18,521 and \$17,514 have been attributed to discontinued operations. There were no separation costs recorded in fiscal 2022. These costs consisted primarily of third-party advisory fees and certain non-recurring employee-related costs and, to the extent not attributed to Worthington Steel, are presented as a separate component of operating expense in our consolidated statements of earnings and held at the corporate level.

Note V - Subsequent Events

On June 3, 2024, we acquired Ragasco, a leading manufacturer of composite propane cylinders. The purchase price for the acquisition of Ragasco, was approximately \$98,000, subject to closing adjustments and a potential earnout of up to \$14,000.

WORTHINGTON ENTERPRISES, INC. AND SUBSIDIARIES
SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Uncollectable Accounts Charged to Allowance	Balance at End of Period
Fiscal 2024:				
Deducted from asset accounts: Allowance for possible losses on trade accounts receivable	\$ 803	\$ 33	\$ (493)	\$ 343
Fiscal 2023:				
Deducted from asset accounts: Allowance for possible losses on trade accounts receivable	\$ 503	\$ 483	\$ (183)	\$ 803
Fiscal 2022:				
Deducted from asset accounts: Allowance for possible losses on trade accounts receivable	\$ 500	\$ 220	\$ (217)	\$ 503

See accompanying Report of Independent Registered Public Accounting Firm.

Item 9. – Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. – 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 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 fiscal year covered by this Form 10-K (the fiscal year ended May 31, 2024). Based on that evaluation, Worthington Enterprises' principal executive officer and principal financial officer have concluded that such disclosure controls and procedures were designed at the reasonable assurance level and were effective at a reasonable assurance level as of the end of the fiscal year covered by this Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred in the last fiscal quarter (the fiscal quarter ended May 31, 2024) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Annual Report of Management on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Worthington Enterprises and its consolidated subsidiaries; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of Worthington Enterprises and its consolidated subsidiaries are being made only in accordance with authorizations of management and directors of Worthington Enterprises and our consolidated subsidiaries, as appropriate; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of Worthington Enterprises and its consolidated subsidiaries that could have a material effect on the financial statements.

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Management, with the participation of Worthington Enterprises' principal executive officer and principal financial officer, evaluated the effectiveness of our internal control over financial reporting as of May 31, 2024, the end of our fiscal year. Management based its assessment on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The scope of the assessment included all of our consolidated operations, except for those of Halo, which was acquired in fiscal 2024. The total assets and net sales of the acquired Halo business represented \$20.5 million and \$1.9 million of the consolidated total assets and the consolidated net sales of the Company, respectively, as of and for our fiscal year ended May 31, 2024.

Management's assessment included an evaluation of elements such as the design and operating effectiveness of key controls over financial reporting, process documentation, accounting policies and our overall control environment. This assessment is supported by testing and monitoring performed under the direction of management.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, even an effective system of internal control over financial reporting will provide only reasonable assurance with respect to financial statement preparation.

Based on the assessment of our internal control over financial reporting, management has concluded that our internal control over financial reporting was effective at a reasonable assurance level as of May 31, 2024. The results of management's assessment were reviewed with the Audit Committee of the Board.

Additionally, Worthington Enterprises' independent registered public accounting firm, KPMG LLP, independently assessed the effectiveness of our internal control over financial reporting and issued the accompanying Report of Independent Registered Public Accounting Firm.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Worthington Enterprises, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Worthington Enterprises, Inc. and subsidiaries' (the Company) internal control over financial reporting as of May 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of May 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of May 31, 2024 and 2023, the related consolidated statements of earnings, comprehensive income, equity, and cash flows for each of the years in the three-year period ended May 31, 2024, and the related notes and financial statement schedules II (collectively, the consolidated financial statements), and our report dated July 30, 2024 expressed an unqualified opinion on those consolidated financial statements.

The Company acquired Halo Products Group, LLC during 2024, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of May 31, 2024, Halo Products Group, LLC's internal control over financial reporting associated with total assets of \$20.5 million and total revenues of \$1.9 million included in the consolidated financial statements of the Company as of and for the year ended May 31, 2024. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Halo Products Group, LLC.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Annual Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/KPMG LLP

Columbus, Ohio
July 30, 2024

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Item 9B. – Other Information

During the quarter ended May 31, 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).

Item 9C. – Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. – Directors, Executive Officers and Corporate Governance

The information required by this Item will be included in the 2024 Proxy Statement, which will be filed not later than 120 days after the end of fiscal 2024 in connection with the solicitation of proxies for the 2024 Annual Meeting, and is incorporated herein by reference.

The information required by Item 401 of SEC Regulation S-K concerning the executive officers of Worthington Enterprises is incorporated herein by reference from the disclosure included under the caption “Supplemental Item – Executive Officers of Worthington Enterprises” in Part I of this Form 10-K.

The Board has adopted Charters for each of the Audit Committee, the Compensation Committee, the Executive Committee and the Nominating and Governance Committee as well as Corporate Governance Guidelines as contemplated by the applicable sections of the NYSE Listed Company Manual. The Board has also adopted a Charter of the Lead Independent Director of the Board.

In accordance with the requirements of Section 303A.10 of the NYSE Listed Company Manual, the Board has adopted a Code of Conduct covering our directors, officers and employees, including Worthington Enterprises’ President and Chief Executive Officer (the principal executive officer), Executive Vice President and Chief Financial and Operations Officer (the principal financial officer) and Vice President – Corporate Controller (the principal accounting officer). Worthington Enterprises will disclose the following events, if they occur, in a Current Report on Form 8-K to be filed with the SEC within the required four business days following their occurrence: (A) the date and nature of any amendment to a provision of the Code of Conduct that (i) applies to Worthington Enterprises’ principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, (ii) relates to any element of the “code of ethics” definition enumerated in Item 406(b) of SEC Regulation S-K, and (iii) is not a technical, administrative or other non-substantive amendment; and (B) a description of any waiver (including the nature of the waiver, the name of the person to whom the waiver was granted and the date of the waiver), including an implicit waiver, from a provision of the Code of Conduct granted to Worthington Enterprises’ principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, that relates to one or more of the elements of the “code of ethics” definition set forth in Item 406(b) of SEC Regulation S-K. In addition, Worthington Enterprises will disclose any waivers from the provisions of the Code of Conduct granted to a director or an executive officer of Worthington Enterprises in a Current Report on Form 8-K to be filed with the SEC within the required four business days following their occurrence.

Each Charter, the Corporate Governance Guidelines and the Code of Conduct are posted on the “Governance” page of the “Investors” section (also referred to as the “Investor Relations” section) of our web site located at <https://www.worthingtonenterprises.com>. The website addresses in the Form 10-K are intended to provide inactive, textual references only. The information on the websites referenced herein is not part of this Form 10-K.

Item 11. – Executive Compensation

The information required by this Item will be included in the 2024 Proxy Statement and is incorporated herein by reference.

Item 12. – Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item will be included in the 2024 Proxy Statement and is incorporated herein by reference.

Item 13. – Certain Relationships and Related Transactions, and Director Independence

The information required by this Item will be included in the 2024 Proxy Statement and is incorporated herein by reference.

Item 14. – Principal Accountant Fees and Services

The information required by this Item will be included in the 2024 Proxy Statement and is incorporated herein by reference. Our independent registered public accounting firm is KPMG LLP, Columbus, Ohio, Auditor Firm ID: 185.

PART IV

Item 15. – Exhibits and Financial Statement Schedules

(a) The following documents are filed as a part of this Form 10-K:

(1) Consolidated Financial Statements:

The consolidated financial statements (and report thereon) listed below are filed as a part of this Form 10-K:

Report of Independent Registered Public Accounting Firm (KPMG LLP)

Consolidated Balance Sheets at May 31, 2024 and 2023

Consolidated Statements of Earnings for the fiscal years ended May 31, 2024, 2023 and 2022

Consolidated Statements of Comprehensive Income for the fiscal years ended May 31, 2024, 2023 and 2022

Consolidated Statements of Equity for the fiscal years ended May 31, 2024, 2023 and 2022

Consolidated Statements of Cash Flows for the fiscal years ended May 31, 2024, 2023 and 2022

Notes to Consolidated Financial Statements – fiscal years ended May 31, 2024, 2023 and 2022

(2) Financial Statement Schedule:

Schedule II – Valuation and Qualifying Accounts

All other financial statement schedules for which provision is made in the applicable accounting regulations of the SEC are omitted because they are not required or the required information has been presented in the aforementioned consolidated financial statements or notes thereto.

(3) Exhibits Required by Item 601 of Regulation S-K:

The documents listed in the Index to Exhibits that immediately precedes the Signatures page of this Form 10-K are filed or furnished with this Form 10-K as exhibits or incorporated into this Form 10-K by reference as noted. Each management contract or compensatory plan or arrangement is identified as such in the Index to Exhibits.

(b) **Exhibits:** The documents listed in the Index to Exhibits that immediately precedes the Signatures page of this Form 10-K are filed or furnished with this Form 10-K as exhibits or incorporated into this Form 10-K by reference as noted. Pursuant to Regulation S-X Rule 3-09, we have attached the audited financial statements of our unconsolidated affiliate, ClarkDietrich, as Exhibit 99.2 to this Form 10-K. The independent auditors of ClarkDietrich, Deloitte & Touche LLP (“Deloitte”), completed an independence assessment to evaluate its independence with respect to ClarkDietrich under the SEC independence rules. No impermissible services or relationships with ClarkDietrich or the Company were identified. However, Deloitte identified impermissible business relationships with a beneficial owner with significant influence in ClarkDietrich and an impermissible service with a sister affiliate of ClarkDietrich. Deloitte noted that there has not and will not be any overlap between the Deloitte audit engagement team for ClarkDietrich and the teams involved in the relationships and service discussed herein. The impermissible relationships and service existed between April 2021 and November 2023 and were permissible under AICPA independence rules at the time they existed. Deloitte provided the Audit Committee of the Board with the facts and circumstances surrounding the relationships and service, including the entity involved, the nature of the relationships, the service provided, the amount charged, and the period over which these existed. Considering the facts presented by Deloitte, based on the totality of the circumstances, Deloitte and the Audit Committee have concluded (1) that the relationships and service identified, both individually and in the aggregate, did not impair Deloitte’s ability to be objective and impartial with respect to Deloitte’s audit of ClarkDietrich’s financial statements as of March 31, 2024 and 2023 and for the fiscal years ended March 31, 2024, 2023, and 2022 (the “CD Financials”) and (2) a reasonable investor with knowledge of all relevant facts and circumstances would conclude that Deloitte is capable of exercising objective and impartial judgment on all issues encompassed within its audit of the CD Financials.

(c) **Financial Statement Schedule:** The financial statement schedule listed in Item 15(a)(2) above is filed with this Form 10-K.

Item 16. – Form 10-K Summary

None.

INDEX TO EXHIBITS

Exhibit	Description of Exhibit	Location
2.1	Equity Interest Purchase Agreement, dated as of October 29, 2021, by and among Worthington Steel of Michigan, Inc., Tempel Holdings Inc., and Tempel Steel Company. ^	Incorporated herein by reference to Exhibit 2.01 to the Registrant's Current Report on Form 8-K filed with the SEC on November 1, 2021
2.2	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 Registrant's Current Report on Form 8-K filed with the SEC on December 5, 2023
3.1	Amended Articles of Incorporation of Worthington Enterprises, Inc. [This document represents the articles of incorporation of Worthington Enterprises, Inc. in compiled form incorporating all amendments.]	Incorporated herein by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended November 30, 2023
3.2	Code of Regulations of Worthington Enterprises, Inc. [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 Registrant's Quarterly Report on Form 10-Q for the quarterly period ended August 31, 2000
4.1	Indenture, dated as of April 13, 2010, between Worthington Enterprises, Inc. and U.S. Bank National Association, as Trustee	Incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on April 13, 2010
4.2	Second Supplemental Indenture, dated as of April 15, 2014, between Worthington Enterprises, Inc. and U.S. Bank National Association, as Trustee [NOTE: The Second Supplemental Indenture relates to the 4.55% Notes Due April 15, 2026 that were redeemed in full on July 28, 2023.]	Incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on April 15, 2014
4.3	Form of 4.55% Global Note Due April 15, 2026 (included as Exhibit A in Exhibit 4.2 incorporated by reference in this Form 10-K) [NOTE: The 4.55% Notes Due April 15, 2026 were redeemed in full on July 28, 2023.]	Incorporated herein by reference to Exhibit 4.3 (included in Exhibit 4.2) to the Registrant's Current Report on Form 8-K filed with the SEC on April 15, 2014
4.4	Third Supplemental Indenture, dated as of July 28, 2017, between Worthington Enterprises, Inc. and U.S. Bank National Association, as Trustee	Incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on July 28, 2017
4.5	Form of 4.300% Global Note due August 1, 2032 (included as Exhibit A in Exhibit 4.4 incorporated by reference in this Form 10-K)	Incorporated herein by reference to Exhibit 4.3 (included in Exhibit 4.2) to the Registrant's Current Report on Form 8-K filed with the SEC on July 28, 2017

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Exhibit	Description of Exhibit	Location
4.6	Note Agreement, dated as of August 10, 2012, between Worthington Enterprises, Inc., on the one hand, and The Prudential Insurance Company of America, Pruco Life Insurance Company of New Jersey, Pruco Life Insurance Company, Prudential Arizona Reinsurance Universal Company, Prudential Annuities Life Assurance Corporation, The Prudential Life Insurance Company, Ltd. and The Gibraltar Life Insurance Co., Ltd., on the other hand	Incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 15, 2012
4.7	Form of 4.60% Senior Note due August 10, 2024 (included as Exhibit A in Exhibit 4.6 incorporated by reference in this Form 10-K)	Incorporated herein by reference to Exhibit 4.1 (and included as Exhibit A within Exhibit 4.1) to the Registrant's Current Report on Form 8-K filed with the SEC on August 15, 2012
4.8	Amendment No. 1 to Note Agreement, dated June 10, 2015, among Worthington Enterprises, Inc., on the one hand, and The Prudential Insurance Company of America, Pruco Life Insurance Company of New Jersey, Pruco Life Insurance Company, Prudential Arizona Reinsurance Universal Company, Prudential Annuities Life Assurance Corporation, The Prudential Life Insurance Company, Ltd. and The Gibraltar Life Insurance Co., Ltd., on the other hand	Incorporated herein by reference to Exhibit 4.9 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2015
4.9	Amendment No. 2 to Note Agreement, dated August 23, 2019, with reference to the Note Agreement, dated as of August 10, 2012 (as amended by Amendment No. 1 to Note Agreement dated June 10, 2015), among Worthington Enterprises, Inc., on the one hand, and The Prudential Insurance Company of America, Pruco Life Insurance Company of New Jersey, Pruco Life Insurance Company, Prudential Arizona Reinsurance Universal Company, Prudential Annuities Life Assurance Corporation, The Prudential Life Insurance Company, Ltd. and The Gibraltar Life Insurance Co., Ltd., on the other hand	Incorporated herein by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed with the SEC on August 28, 2019
4.10	Amendment No. 3 to Note Agreement, dated May 4, 2022, with reference to the Note Agreement, dated as of August 10, 2012 (as amended by Amendment No. 1 to Note Agreement dated June 10, 2015 and Amendment No. 2 to Note Agreement dated August 23, 2019), among Worthington Enterprises, Inc., on the one hand, and The Prudential Insurance Company of America, Pruco Life Insurance Company of New Jersey, Pruco Life Insurance Company, Prudential Arizona Reinsurance Universal Company, Prudential Annuities Life Assurance Corporation, The Prudential Life Insurance Company, Ltd. and The Gibraltar Life Insurance Co., Ltd., on the other hand	Incorporated herein by reference to Exhibit 4.12 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2022

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Exhibit	Description of Exhibit	Location
4.11	Note Purchase and Exchange Agreement, dated as of May 17, 2024, among Worthington Enterprises, Inc., on one hand, and PGIM, Inc., The Prudential Insurance Company of America, Pruco Life Insurance Company, and Prudential Legacy Insurance Company of New Jersey, on the other hand.	Incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on May 23, 2024
4.12	Form of 2.06% Series A Senior Note Due August 23, 2031, issued on May 17, 2024, by Worthington Enterprises, Inc. (included as Exhibit A-1 within Exhibit 4.11 hereto)	Incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on May 23, 2024
4.13	Form of 2.40% Series B Senior Notes Due August 23, 2034, issued on May 17, 2024, by Worthington Enterprises, Inc. (included as Exhibit A-2 within Exhibit 4.11 hereto)	Incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on May 23, 2024
4.14	Agreement to furnish instruments and agreements defining rights of holders of long-term debt to the Securities and Exchange Commission upon request	Filed herewith
4.15	Description of Capital Stock of Worthington Enterprises, Inc.	Incorporated herein by reference to Exhibit 4.13 to the Registrant's Annual Report on Form 10-K/A (Amendment No. 1) for the fiscal year ended May 31, 2019
4.16	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 Goldmans 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 Registrant's Current Report on Form 8-K filed with the SEC on September 28, 2023

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Exhibit	Description of Exhibit	Location
10.1	Worthington Enterprises, Inc. Non-Qualified Deferred Compensation Plan effective March 1, 2000*	Incorporated herein by reference to Exhibit 10.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2005
10.2	Amendment to the Worthington Enterprises, Inc. Non-Qualified Deferred Compensation Plan (Amendment effective as of September 1, 2011)*	Incorporated herein by reference to Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended August 31, 2011
10.3	Second Amendment to the Worthington Enterprises, Inc. Non-Qualified Deferred Compensation Plan (Second Amendment effective as of October 1, 2014)*	Incorporated herein by reference to Exhibit 10.3 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2014
10.4	Worthington Enterprises, Inc. Amended and Restated 2005 Non-Qualified Deferred Compensation Plan (Restatement effective December 2008)*	Incorporated herein by reference to Exhibit 10.10 to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended November 30, 2008
10.5	First Amendment to the Worthington Enterprises, Inc. Amended and Restated 2005 Non-Qualified Deferred Compensation Plan (First Amendment effective as of September 1, 2011)*	Incorporated herein by reference to Exhibit 10.9 to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended August 31, 2011
10.6	Second Amendment to the Worthington Enterprises, Inc. Amended and Restated 2005 Non-Qualified Deferred Compensation Plan (Second Amendment effective as of October 1, 2014)*	Incorporated herein by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2014
10.7	Worthington Enterprises, Inc. Deferred Compensation Plan for Directors, as Amended and Restated, effective June 1, 2000*	Incorporated herein by reference to Exhibit 10(d) to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2000
10.8	Amendment to the Worthington Enterprises, Inc. Deferred Compensation Plan for Directors, as Amended and Restated, effective June 1, 2000 (Amendment effective as of September 1, 2011)*	Incorporated herein by reference to Exhibit 10.10 to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended August 31, 2011
10.9	Second Amendment to the Worthington Enterprises, Inc. Deferred Compensation Plan for Directors, as Amended and Restated (Second Amendment effective as of October 1, 2014)*	Incorporated herein by reference to Exhibit 10.9 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2014

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Exhibit	Description of Exhibit	Location
10.10	Worthington Enterprises, Inc. Amended and Restated 2005 Deferred Compensation Plan for Directors (Restatement effective as of December 2008)*	Incorporated herein by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended November 30, 2008
10.11	First Amendment to the Worthington Enterprises, Inc. Amended and Restated 2005 Deferred Compensation Plan for Directors (First Amendment effective as of September 1, 2011)*	Incorporated herein by reference to Exhibit 10.11 to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended August 31, 2011
10.12	Second Amendment to the Worthington Enterprises, Inc. Amended and Restated 2005 Deferred Compensation Plan for Directors (Second Amendment effective as of October 1, 2014)*	Incorporated herein by reference to Exhibit 10.12 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2014
10.13	Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan (amendment and restatement effective as of November 1, 2008)*	Incorporated herein by reference to Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended November 30, 2008
10.14	First Amendment to the Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan (First Amendment effective as of June 26, 2013; performance goals approved by shareholders on September 26, 2013)*	Incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on October 1, 2013
10.15	Second Amendment to the Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan (Second Amendment adopted on June 26, 2013; effective as of September 26, 2013 when approved by shareholders)*	Incorporated herein by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on October 1, 2013
10.16	Third Amendment to the Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan (Third Amendment effective as of June 28, 2017)*	Incorporated herein by reference to Exhibit 10.16 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2017
10.17	Fourth Amendment to the Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan (Fourth Amendment adopted as of June 26, 2019; effective September 25, 2019 when approved by shareholders) *	Incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 1, 2019
10.18	Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan (reflects First Amendment, Second Amendment, Third Amendment and Fourth Amendment thereto)*	Incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on October 1, 2019.
10.19	Form of Restricted Stock Award Agreement for awards granted after October 10, 2019 entered into by Worthington Enterprises, Inc. in order to evidence the grant of restricted common shares, in each case which will vest on the third anniversary of the grant date, subject to the terms thereof and of the Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan*	Incorporated herein by reference to Exhibit 10.19 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2023

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Exhibit	Description of Exhibit	Location
10.20	Worthington Enterprises, Inc. Amended and Restated 2006 Equity Incentive Plan for Non-Employee Directors (amended and restated effective as of September 2016)*	Incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 3, 2016
10.21	Worthington Enterprises, Inc. 2010 Stock Option Plan*	Incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 5, 2010
10.22	First Amendment to the Worthington Enterprises, Inc. 2010 Stock Option Plan (First Amendment adopted June 26, 2013; effective September 26, 2013 when approved by shareholders) *	Incorporated herein by reference to Exhibit 10.7 to the Registrant's Current Report on Form 8-K filed with the SEC on October 1, 2013
10.23	Second Amendment to the Worthington Enterprises, Inc. 2010 Stock Option Plan (Second Amendment effective as of June 28, 2017)*	Incorporated herein by reference to Exhibit 10.35 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2017
10.24	Third Amendment to the Worthington Enterprises, Inc. 2010 Stock Option Plan (adopted June 24, 2020; effective September 23, 2020 when approved by shareholders)*	Incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on September 28, 2020
10.25	Worthington Enterprises, Inc. 2010 Stock Option Plan (as amended by First Amendment, Second Amendment and Third Amendment thereto)*	Incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on September 28, 2020
10.26	Worthington Enterprises, Inc. Annual Incentive Plan for Executives*	Incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on September 30, 2008

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<u>Exhibit</u>	<u>Description of Exhibit</u>	<u>Location</u>
10.27	First Amendment to the Worthington Enterprises, Inc. Annual Incentive Plan for Executives (adopted on June 26, 2013; effective September 26, 2013 when approved by shareholders)*	Incorporated herein by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed with the SEC on October 1, 2013
10.28	Form of Letter Evidencing Cash Performance Bonus Awards Granted and to be Granted under the Worthington Enterprises, Inc. Annual Incentive Plan for Executives (sometimes also referred to as the Worthington Enterprises, Inc. Annual Short Term Incentive Plan)*	Incorporated herein by reference to Exhibit 10.42 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2014
10.29	Summary of Annual Base Salaries Approved for Named Executive Officers of Worthington Enterprises, Inc.*	Filed herewith
10.30	Summary of Annual Cash Incentive Bonus Awards, Long-Term Performance Awards, Stock Options and Restricted Common Shares granted in Fiscal 2022 for then Named Executive Officers *	Incorporated herein by reference to Exhibit 10.80 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2021
10.31	Summary of Annual Cash Incentive Bonus Awards, Long-Term Performance Awards, Stock Options and Restricted Common Shares granted in Fiscal 2023 for then Named Executive Officers *	Incorporated herein by reference to Exhibit 10.81 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2022
10.32	Summary of Annual Cash Incentive Bonus Awards, Long-Term Performance Awards, Stock Options and Restricted Common Shares granted in Fiscal 2024 for Named Executive Officers*	Incorporated herein by reference to Exhibit 10.40 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2023
10.33	Summary of Annual Cash Incentive Bonus Awards, Long-Term Performance Awards, Stock Options and Restricted Common Shares granted in Fiscal 2025 for Named Executive Officers*	Filed herewith
10.34	Form of Indemnification Agreement entered into between Worthington Enterprises, Inc. and each executive officer of Worthington Enterprises, Inc.*	Filed herewith
10.35	Form of Indemnification Agreement entered into between Worthington Enterprises, Inc. and each non-employee director of Worthington Enterprises, Inc.*	Filed herewith
10.36	Restricted Stock Award Agreement entered into by and between Worthington Enterprises, Inc. and Joseph B. Hayek in order to evidence the grant, effective as of September 25, 2019, of 50,000 performance-based restricted common shares pursuant to the Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan*	Incorporated herein by reference to Exhibit 10.89 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2022
10.37	Restricted Stock Award Agreement entered into by and between Worthington Enterprises, Inc. and Steven M. Caravati in order to evidence the grant, effective as of June 24, 2022, of 10,000 performance-based restricted common shares pursuant to the Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan*	Incorporated herein by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended August 31, 2022
10.38	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 Registrant's Current Report on Form 8-K filed with the SEC on December 5, 2023

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Exhibit	Description of Exhibit	Location
10.39	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 Registrant's Current Report on Form 8-K filed with the SEC on December 5, 2023
10.40	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 Registrant's Current Report on Form 8-K filed with the SEC on December 5, 2023
10.41	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 Registrant's Current Report on Form 8-K filed with the SEC on December 5, 2023
10.42	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 Registrant's Current Report on Form 8-K filed with the SEC on December 5, 2023
10.43	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 Registrant's Current Report on Form 8-K filed with the SEC on December 5, 2023
10.44	Form of Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan Performance Share Award Agreement (Absolute Total Shareholder Return) to evidence the grant of performance-based restricted common shares pursuant to the Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan*	Incorporated herein by reference to 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on April 12, 2024
10.45	Form of Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan Performance Share Award Agreement (Share Price Appreciation) to evidence the grant of performance-based restricted common shares pursuant to the Worthington Enterprises, Inc. Amended and Restated 1997 Long-Term Incentive Plan*	Incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on April 12, 2024
19	Worthington Enterprises, Inc. Insider Trading Policy	Filed herewith
21	Subsidiaries of Worthington Enterprises, Inc.	Filed herewith
23.1	Consent of Independent Registered Public Accounting Firm (KPMG LLP)	Filed herewith

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Exhibit	Description of Exhibit	Location
23.2	Consent of Independent Auditors (KPMG LLP) with respect to consolidated financial statements of Worthington Armstrong Venture	Filed herewith
23.3	Consent of Independent Auditors (Deloitte & Touche LLP) with respect to consolidated financial statements of Clarkwestern Dietrich Building Systems, LLC	Filed herewith
24	Powers of Attorney of Directors and Certain Executive Officers of Worthington Enterprises, Inc.	Filed herewith
31.1	Rule 13a - 14(a) / 15d - 14(a) Certifications (Principal Executive Officer)	Filed herewith
31.2	Rule 13a - 14(a) / 15d - 14(a) Certifications (Principal Financial Officer)	Filed herewith
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	Filed herewith
32.2	Certifications of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
97.1	Worthington Enterprises, Inc. Executive Officer Clawback Policy	Filed herewith
99.1	Worthington Armstrong Venture Consolidated Financial Statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021	Filed herewith
99.2	Clarkwestern Dietrich Building Systems LLC Consolidated Financial Statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021	Filed herewith
101.INS	Inline XBRL Instance Document	The instance document does not appear in the Interactive Date File because its XBRL tabs are imbedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents	Submitted electronically herewith #
104	Cover Page Interactive Date File	The cover page from this Form 10-K, formatted in Inline XBRL is included within the Exhibit 101 attachments

^ The Disclosure Schedules and Exhibits referenced in the Equity Purchase Agreement have been omitted pursuant to Item 601(a)(5) of SEC Regulation S-K. The Registrant will supplementally furnish a copy of any of the omitted Disclosure Schedules and Exhibits to the SEC on a confidential basis upon request.

* Indicates 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-K are the following documents formatted in Inline XBRL (eXtensible Business Reporting Language):

- (i) Consolidated Balance Sheets at May 31, 2024 and 2023;
- (ii) Consolidated Statements of Earnings for the fiscal years ended May 31, 2024, 2023 and 2022;
- (iii) Consolidated Statements of Comprehensive Income for the fiscal years ended May 31, 2024, 2023 and 2022;
- (iv) Consolidated Statements of Equity for the fiscal years ended May 31, 2024, 2023 and 2022;

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- (v) Consolidated Statements of Cash Flows for the fiscal years ended May 31, 2024, 2023 and 2022; and
- (vi) Notes to Consolidated Financial Statements – fiscal years ended May 31, 2024, 2023 and 2022.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: July 30, 2024

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

<u>SIGNATURE</u>	<u>DATE</u>	<u>TITLE</u>
<u>/s/ B. Andrew Rose</u> B. Andrew Rose	July 30, 2024	President and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Joseph B. Hayek</u> Joseph B. Hayek	July 30, 2024	Executive Vice President and Chief Financial and Operations Officer (Principal Financial Officer)
<u>/s/ Kevin J. Chan</u> Kevin J. Chan	July 30, 2024	Vice President – Corporate Controller (Principal Accounting Officer)
<u>*</u> John B. Blystone	*	Chairman of the Board and a Director
<u>*</u> Kerrii B. Anderson	*	Director
<u>*</u> David P. Blom	*	Director
<u>*</u> Mark C. Davis	*	Director
<u>*</u> Michael J. Endres	*	Director
<u>*</u> Paul G. Heller	*	Director
<u>*</u> Ozey K. Horton, Jr.	*	Director
<u>*</u> John H. McConnell II	*	Director
<u>*</u> Billy R. Vickers	*	Director
<u>*</u> Virgil L. Winland	*	Director

* The undersigned, by signing his name hereto, does hereby sign this report on behalf of each of the above-identified directors of the Registrant pursuant to powers of attorney executed by such directors, which powers of attorney are filed with this report within Exhibit 24.

*By: /s/ B. Andrew Rose
B. Andrew Rose
Attorney-In-Fact

Date: July 30, 2024

July 30, 2024

Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Worthington Enterprises, Inc. – Annual Report on Form 10-K for the fiscal year ended May 31, 2024
- SEC File No. 1-8399

Ladies and Gentlemen:

Worthington Enterprises, Inc., an Ohio corporation, is today filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024 (the “Form 10-K”).

None of (i) Worthington Enterprises, Inc., (ii) any of the consolidated subsidiaries of Worthington Enterprises, Inc. or (iii) Worthington Armstrong Venture, a 50%-owned unconsolidated joint venture (in the form of a general partnership between Armstrong Ventures, Inc., a subsidiary of Armstrong World Industries, Inc., and The Worthington Steel Company (Delaware), a subsidiary of Worthington Enterprises, Inc.), for which financial statements are required to be filed with the Form 10-K, has outstanding any instrument or agreement with respect to its long-term debt, other than those filed or incorporated by reference as an exhibit to the Form 10-K, under which the total amount of long-term debt authorized exceeds 10% of the total assets of Worthington Enterprises, Inc. and its subsidiaries on a consolidated basis. In accordance with the provisions of Item 601(b)(4)(iii) of SEC Regulation S-K, Worthington Enterprises, Inc. hereby agrees to furnish to the SEC, upon request, a copy of each instrument or agreement defining (i) the rights of holders of the long-term debt of Worthington Enterprises, Inc. or (ii) the rights of holders of the long-term debt of a consolidated subsidiary of Worthington Enterprises, Inc. or (iii) the rights of holders of the long-term debt of Worthington Armstrong Venture, in each case which is not being filed or incorporated by reference as an exhibit to the Form 10-K.

Very truly yours,

WORTHINGTON ENTERPRISES, INC.

/s/ Joseph B. Hayek

Joseph B. Hayek

Vice President and Chief Financial Officer

**ANNUAL BASE SALARIES APPROVED FOR NAMED EXECUTIVE OFFICERS
OF
WORTHINGTON ENTERPRISES, INC.**

In June 2024, the Compensation Committee of the Board of Directors of Worthington Enterprises, Inc. (the “Registrant”) approved base salary increases for the following executive officers of the Registrant who will be named executive officers of the Registrant for purposes of the disclosure to be included in the Registrant’s Proxy Statement for the 2024 Annual Meeting of Shareholders to be held on September 24, 2024, which will become effective in September 2024.

<u>Name and Principal Position</u>	<u>Base Salary</u>
B. Andrew Rose President and Chief Executive Officer	\$ 825,000
Joseph B. Hayek Executive Vice President and Chief Financial Officer	\$ 600,000
Patrick J. Kennedy Vice President – General Counsel and Secretary	\$ 495,000
Sonya L. Higginbotham Senior Vice President & Chief of Corporate Affairs, Communications & Sustainability	\$ 280,000
Steven M. Caravati President – Consumer Products	\$ 380,000

**SUMMARY OF ANNUAL CASH INCENTIVE BONUS AWARDS,
LONG-TERM PERFORMANCE AWARDS, STOCK OPTIONS AND RESTRICTED COMMON
SHARES GRANTED IN FISCAL 2025 FOR NAMED EXECUTIVE OFFICERS
OF WORTHINGTON ENTERPRISES, INC.**

Annual Cash Incentive Bonus Awards Granted In Fiscal 2025

The table below sets forth the annual cash incentive bonus awards granted to the following current executive officers of Worthington Enterprises, Inc. (the “Registrant”) who either are named executive officers in the Registrant’s Proxy Statement for the 2023 Annual Meeting of Shareholders held on September 27, 2023 and/or will be named executive officers in the Registrant’s Proxy Statement for its 2024 Annual Meeting of Shareholders to be held on September 24, 2024 (“NEOs”), which awards were made under the Worthington Enterprises, Inc. Annual Incentive Plan for Executives for the 12-month performance period ending May 31, 2025 (“fiscal 2025”):

Name	Annual Cash Incentive Bonus Awards for Fiscal Year Performance Period Ending May 31, 2025 (1)		
	Threshold (\$)	Target (\$)	Maximum (\$)
B. Andrew Rose	577,500	1,155,000	2,310,000
Joseph B. Hayek	375,000	750,000	1,500,000
Patrick J. Kennedy	185,625	371,250	742,500
Sonya L. Higginbotham	105,000	210,000	420,000
Steven M. Caravati	190,000	380,000	760,000

- (1) Payouts may be earned under these awards are generally tied to achieving specified levels (threshold, target and maximum) of performance measures for the performance period. For the NEOs, all of whom except Mr. Caravati are Corporate executives, the performance measures are Corporate adjusted return on assets (“ROA”) and Corporate Adjusted EBITDA, with each carrying a 50% weighting. For Mr. Caravati, a segment (Consumer Products) executive, the performance measures and their weightings are: Corporate Adjusted EBITDA, 20%; segment Adjusted EBITDA, 50%; and segment ROA, 30%. For all calculations, restructuring charges and other selected items are to be excluded, and results will be adjusted to eliminate the impact of inventory holding gains and losses. If threshold levels are not reached for any performance measure, no portion of the award will be paid for that measure. If performance falls between threshold and target or between target and maximum, the award will be linearly pro-rated. The remaining terms of these awards are materially consistent with the terms of the annual cash incentive bonus awards granted in fiscal 2024, as will be described in the Registrant’s 2024 Proxy Statement.

Long-Term Performance Awards, Option Awards and Restricted Common Share Awards Granted in Fiscal 2025

The following table sets forth the long-term performance awards (consisting of long-term cash performance awards and long-term performance share awards) for the three-fiscal-year period ending May 31, 2027 and the option awards and restricted common share awards granted to the NEOs in fiscal 2025.

Name	Long-Term Cash Performance Awards for Three-Fiscal-Year Period Ending May 31, 2027 (1)			Long-Term Performance Share Awards for Three-Fiscal-Year Period Ending May 31, 2027 (1)			Option Awards: Number of Underlying Common Shares (#) (2)	Exercise Price of Option Awards (\$/Share) (2)	Restricted Common Share Awards (#) (3)
	Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (# of Common Shares)	Target (# of Common Shares)	Maximum (# of Common Shares)			
B. Andrew Rose (4)	865,000	1,730,000	3,460,000	9,000	18,000	36,000	23,000	(5)	27,000
Joseph B. Hayek	326,000	652,000	1,304,000	3,350	6,700	13,400	9,000	47.00	10,100
Patrick J. Kennedy	124,000	248,000	496,000	1,300	2,600	5,200	3,400	47.00	3,900
Sonya L. Higginbotham	60,500	121,000	242,000	650	1,300	2,600	1,600	47.00	1,900
Steven M. Caravati	106,000	212,000	424,000	1,100	2,200	4,400	2,900	47.00	3,300

- (1) These columns show the potential payouts under the long-term cash performance awards and the long-term performance share awards granted to each NEO, for the fiscal 2025 through fiscal 2027 performance period. Payouts of the awards are tied to achieving specified levels (threshold, target and maximum) of performance measures for the performance period. For the NEOs, all of whom except Mr. Caravati are Corporate executives, the performance measures are cumulative Corporate ROA for the performance period and Corporate Adjusted EBITDA growth over the performance period, with each performance measure carrying a 50% weighting. For Mr. Caravati, a segment (Consumer Products) executive, the performance measures and their weightings are: cumulative Corporate ROA, 25%; Corporate Adjusted EBITDA growth, 25%; and business segment Adjusted EBITDA, 50%. For all calculations, restructuring charges and other selected items are to be excluded, and results will be adjusted to eliminate the impact of inventory holding gains or losses. If threshold levels are not reached for any performance measure, no portion of the award will be paid for that measure. If the performance levels fall between threshold and target or between target and maximum, the award will be linearly pro-rated. The remaining terms of these awards are materially consistent with the terms of the same award types granted in fiscal 2024, as will be described in the Registrant's 2024 Proxy Statement.
- (2) Effective June 27, 2024, the NEOs, other than Mr. Rose, were granted stock options under the 2010 Stock Option Plan with respect to the number of common shares shown, with an exercise price equal to \$47.00, the fair market value of the underlying common shares on the date of grant. The stock options become exercisable over three years in increments of one-third per year on each anniversary of their grant date.
- (3) These annual time-vested restricted common share awards, other than with respect to Mr. Rose, were granted effective June 27, 2024 under the 1997 Long-Term Incentive Plan and will generally cliff vest three years after the grant date.
- (4) The awards to be issued to Mr. Rose, which were approved by the Compensation Committee on July 19, 2024, will be granted under the Worthington Enterprises, Inc. 2024 Long-Term Incentive Plan, subject to its approval by our shareholders pursuant to Proposal 3 in the Registrant's 2024 Proxy Statement.
- (5) Exercise price of option awards to be determined at close of market on date of grant.

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this “**Agreement**”) is made as of this ____ day of _____, by and between Worthington Enterprises, Inc., an Ohio corporation (the “**Company**”), and _____, an individual (“**Indemnitee**”).

Recitals

A. The code of regulations (as amended, the “**Regulations**”) of the Company provide for the indemnification of the directors and officers of the Company as set forth therein.

B. The Regulations and Ohio General Corporation Law, as amended (the “**OGCL**”), permit agreements between the Company and the directors and officers of the Company with respect to indemnification of such directors and officers.

C. In accordance with the Regulations and the OGCL, the Company may purchase and maintain a policy or policies of directors’ and officers’ liability insurance covering certain liabilities that may be incurred by its directors and officers in the performance of their obligations to the Company.

D. The Company recognizes that capable and qualified individuals are becoming increasingly reluctant to serve as directors and officers of public corporations as a result of the recent and ongoing enactment of statutes and regulations pertaining to directors’ and officers’ responsibilities and the increasing risk of lawsuits against directors and officers in the current corporate climate in the United States, unless such individuals are provided with more certain and secure protection against exposure to unreasonable personal risk arising from their service and activities on behalf of a corporation.

E. The Company believes that individuals recruited to serve on the boards of and as officers of public corporations generally are more likely to agree to provide services to corporations that provide for separate indemnification agreements with their directors and officers because, unlike indemnification provisions contained in the articles of incorporation or the regulations of a corporation or state statutory provisions, the indemnification provisions contained in a separate agreement may not be amended or rescinded without the consent of the director or officer who is a party to the agreement.

F. The Company recognizes that it is in the best interests of the Company and its shareholders to attract and retain capable and qualified individuals to serve on its Board of Directors (the “**Board**”) and as management of the Company and to enable such directors and officers to exercise their independent business judgment in their capacities as directors and officers without being affected by the threat of exposure to unreasonable personal risk.

G. To induce Indemnitee to serve and/or continue to serve as a director or an officer of the Company, the Company desires Indemnitee to be indemnified and advanced expenses as set forth herein.

Agreement

In consideration of Indemnitee’s service as a director or officer of the Company after the date hereof, the Company and Indemnitee hereby agree as follows:

1. **Certain Definitions.** Capitalized terms used but not otherwise defined in this Agreement shall have the meanings set forth below:

“**Affiliate**” has the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations promulgated under the Exchange Act (or any successor rule thereto).

“**Change in Control**” shall be deemed to have occurred if either of the following events occur:

(a) Other than as approved in advance by a three-fourths (3/4) vote of the Whole Board, a Business Combination (as such term is defined in Article Seventh of the Company’s Amended Articles of Incorporation as in effect on the date of this Agreement); or

(b) During any period of two consecutive years, individuals who at the beginning of such period were members of the Board or thereafter were appointed by the Board or nominated by the Board for election by the Company’s shareholders by a three-fourths (3/4) vote of the directors then still in office, cease for any reason to constitute a majority of the members of the Board.

“**Corporate Status**” means the fact that a person is or was a director or officer of the Company or is or was serving at the request of the Company as a director, trustee, officer, employee, agent, fiduciary, partner, member or manager of another corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise. A Proceeding shall be deemed to have been brought by reason of a person’s “Corporate Status” if it is brought because of the status described in the preceding sentence or because of any action or inaction on the part of such person in connection with such status.

“**Disinterested Director**” means a director of the Company who is not and was not a party to or threatened with a Proceeding in respect of which indemnification is sought by Indemnitee.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended (or any successor thereto).

“**Expenses**” shall include all reasonable attorneys’ fees, disbursements and retainers, court costs, transcript costs, fees of experts, witness fees, travel and deposition costs, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with (a) prosecuting, defending, preparing to prosecute or defend, investigating, settling or appealing a Proceeding (including the cost of any appeal bond or its equivalent), (b) for purposes of Section 2.1 only, being prepared to be a witness or otherwise participating in a Proceeding or (c) enforcing a right under this Agreement (including any right to indemnification or advancement of expenses under this Agreement).

“**Independent Counsel**” means an attorney, or a firm having associated with it an attorney, who neither currently is nor in the past five years has been retained by or performed services for the Company or any Subsidiary of the Company or any person to be indemnified by the Company.

“**Proceeding**” includes any threatened, pending or completed action, suit, arbitration or other alternative dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether civil, criminal, administrative or investigative, in which Indemnitee was, is or would be involved as a party or otherwise (including, without limitation, as a witness) by reason of Indemnitee’s Corporate Status, including one pending on or before the date of this Agreement, but excluding (a) one initiated by Indemnitee pursuant to Section 7 of this Agreement to enforce Indemnitee’s rights under this Agreement

unless such action follows a Change in Control and, with respect to directors only, (b) one in which the only liability asserted is pursuant to Section 1701.95 of the OGCL. For purposes of this definition, the term “threatened” shall be deemed to include, but not be limited to, Indemnitee’s good faith belief that a claim or other assertion may lead to initiation of a Proceeding.

“**Reviewing Party**” means the person, persons or entity selected to make the determination of the entitlement to indemnification pursuant to Section 5 hereof.

“**Subsidiary**” has the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations promulgated under the Exchange Act (or any successor rule thereto).

“**Whole Board**” means the total number of directors which the Company would have if there were no vacancies.

2. Indemnification.

2.1 Proceedings not by or in Right of Company. The Company hereby agrees to hold harmless and indemnify Indemnitee to the greatest extent permitted by Ohio law, including but not limited to the provisions of the OGCL as such may be amended from time to time, if Indemnitee was or is a party, witness or other participant, or is threatened to be made a party, witness or other participant, to any Proceeding, other than a Proceeding by or in the right of the Company, against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal Proceeding, had no reasonable cause to believe that Indemnitee’s conduct was unlawful. The termination of any Proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not satisfy the foregoing standard of conduct to the extent applicable thereto.

2.2 Proceedings by or in Right of Company. The Company hereby agrees to hold harmless and indemnify Indemnitee to the greatest extent permitted by Ohio law, including but not limited to the provisions of the OGCL as such may be amended from time to time, if Indemnitee was or is a party or is threatened to be made a party to any Proceeding by or in the right of the Company, against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with the defense or settlement of such Proceeding, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, that, if applicable law so provides, no indemnification against such Expenses shall be paid in respect of (a) any claim, issue or matter asserted in a Proceeding by or in the right of the Company as to which Indemnitee shall have been adjudged to be liable to the Company for an act or omission by Indemnitee in Indemnitee’s capacity as a director or officer of the Company with deliberate intent to cause injury to the Company or with reckless disregard for the best interests of the Company, or with respect to directors only, (b) any Proceeding by or in the right of the Company in which the only liability is asserted pursuant to Section 1701.95 of the OGCL against Indemnitee, in each case, unless and only to the extent that the Franklin County Court of Common Pleas of the State of Ohio or the court of competent jurisdiction in which such Proceeding is brought shall determine, upon application of either Indemnitee or the Company, that, despite the adjudication or assertion of such liability, and in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to such indemnity as such court shall deem proper.

2.3 Indemnification for Expenses of an Indemnitee who is Wholly or Partly Successful. To the extent that Indemnitee has been successful on the merits or otherwise in defense of any Proceeding referred to in Section 2.1 or Section 2.2 of this Agreement, or in defense of any claim, issue or matter in such Proceeding, Indemnitee shall be indemnified against Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding.

2.4 Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company will indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

3. Advancement of Expenses.

3.1 Pre-Disposition Advancement. The Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with defending any Proceeding prior to the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of Indemnitee in which Indemnitee agrees to do both of the following: (a) repay such amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company; and (b) reasonably cooperate with the Company concerning the Proceeding. Any advances and undertakings to repay pursuant to this Section 3.1 shall not be secured, shall not bear interest and shall provide that, if Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law with respect to such Proceeding, Indemnitee shall not be required to reimburse the Company for any advancement of Expenses in respect of such Proceeding until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed).

3.2 Request for Advancement. Any advancement of Expenses pursuant to Section 3.1 hereof shall be made within 30 days after the receipt by the Company of a written statement from Indemnitee requesting such advancement from time to time and accompanied by or preceded by the undertaking referred to in Section 3.1 above. Each statement requesting advancement shall reasonably evidence the Expenses incurred by or on behalf of Indemnitee in connection with such Proceeding for which advancement is being sought.

4. Contribution in the Event of Joint Liability. To the fullest extent authorized or permitted under applicable law, if the indemnification provided in this Agreement is not available for any reason whatsoever, then, in respect of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company, on the one hand, and Indemnitee, on the other hand, from the transaction from which such Proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to applicable law, be further adjusted by reference to the relative fault of the Company, on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such Expenses, judgments, fines or settlement amounts, as well as any other equitable considerations that applicable law may require to be considered. The relative fault of the Company, on the one hand, and Indemnitee, on the other hand,

shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary, and the degree to which their conduct is active or passive.

5. Procedures and Presumptions for Determination of Entitlement to Indemnification.

5.1 Timing of Payments. All payments of Expenses, judgments, fines, amounts paid in settlement and other amounts by the Company to Indemnitee pursuant to this Agreement shall be made as soon as practicable after written demand therefor by Indemnitee is presented to the Company, but in no event later than (a) 30 days after such demand is presented or (b) such later date as may be permitted for the determination of entitlement to indemnification pursuant to Section 5.7 hereof, if applicable; provided, however, that advances of Expenses shall be made within the time period provided in Section 3.2 hereof.

5.2 Request for Indemnification. Whenever Indemnitee believes that Indemnitee is entitled to indemnification pursuant to this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

5.3 Reviewing Party. Unless ordered by a court, upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 5.2 hereof, to the extent that Indemnitee's entitlement to such indemnification is governed by Section 2.1 or Section 2.2 of this Agreement, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case as follows: (a) if a Change in Control shall have occurred, as provided in Section 12 of this Agreement; and (b) if a Change in Control shall not have occurred, by one of the following methods: (i) by a majority vote of a quorum consisting of directors who are Disinterested Directors; or (ii) if such a quorum of Disinterested Directors is not available or if a majority vote of a quorum of Disinterested Directors so directs, in a written opinion by Independent Counsel (designated for such purpose by the Board).

5.4 Determination by Independent Counsel. If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 5.3 hereof, the Independent Counsel shall be selected as provided in this Section 5.4. The Independent Counsel shall be selected by the Board, and the Company shall promptly give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected. Indemnitee may, within ten days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has ruled against such objection. If, within 30 days after submission by Indemnitee of a written request for indemnification pursuant to Section 5.2 hereof, no Independent Counsel shall have been selected or an Independent Counsel shall have been selected but an objection thereto shall have been properly made and remained unresolved, either

the Company or Indemnitee may petition the Franklin County Court of Common Pleas of the State of Ohio or other court of competent jurisdiction for resolution of any objection that shall have been made by Indemnitee to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 5.3 hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 5.3 hereof.

5.5 Burden of Proof. In making a determination with respect to entitlement to indemnification hereunder, the Reviewing Party shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence. In making a determination with respect to entitlement to indemnification hereunder which under this Agreement or applicable law requires a determination of Indemnitee's good faith and/or whether Indemnitee acted in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal Proceeding, if Indemnitee had no reasonable cause to believe that Indemnitee's conduct was unlawful, the Reviewing Party shall presume that (a) Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and (b) with respect to any criminal Proceeding, that Indemnitee had no reasonable cause to believe that Indemnitee's conduct was unlawful. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence. Indemnitee in Indemnitee's capacity as a director or officer of the Company shall be deemed to have acted in good faith if Indemnitee's action or inaction is based on Indemnitee's reliance on information, opinions, reports or statements, including financial statements and other financial data, that were prepared or presented by (i) one or more directors, officers or employees of the Company who Indemnitee reasonably believes are reliable and competent in the matters prepared or presented; (ii) counsel, public accountants or other persons as to matters that Indemnitee reasonably believes are within the person's professional or expert competence; or (iii) a committee of the Board upon which Indemnitee does not serve, duly established in accordance with a provision of the Company's Regulations, as to matters within its designated authority, which committee Indemnitee reasonably believes to merit confidence. In addition, the knowledge and/or actions, or failure to act, of any other director, officer, agent or employee of the Company shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

5.6 No Presumption in Absence of Determination or as Result of Adverse Determination. Neither the failure of any Reviewing Party to have made a determination as to whether Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by any Reviewing Party that Indemnitee has not met such standard of conduct or did not have such belief, prior to the commencement of legal proceedings by Indemnitee to secure a judicial determination under this Agreement or applicable law that Indemnitee should be indemnified under this Agreement, shall be a defense to Indemnitee's claim or create a presumption that Indemnitee has not met any particular standard of conduct or did not have any particular belief.

5.7 Timing of Determination. If the Reviewing Party shall not have made a determination within 30 days after receipt by the Company of the request therefor (the "Determination Period"), the requisite determination of entitlement to indemnification shall be

deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (a) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (b) a prohibition of such indemnification under applicable law; provided, however, that such 30-day period may be extended for a reasonable time, not to exceed an additional 45 days, if the Reviewing Party in good faith requires such additional time for obtaining or evaluating documentation and/or information relating thereto; provided, further, however, that if the determination is to be made by Independent Counsel as the Reviewing Party, such 30-day period shall be deemed to commence after a final appointment of Independent Counsel has been made pursuant to the provisions of Section 5.4 hereof; and provided, further, however, that the Company shall not be required to make a determination of entitlement to indemnification until, if applicable, the final disposition of the Proceeding, including the exhaustion of all appeals.

5.8 Cooperation. Indemnitee shall cooperate with the Reviewing Party with respect to Indemnitee's entitlement to indemnification, including providing to such Reviewing Party upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. The Reviewing Party shall act reasonably and in good faith in making a determination under this Agreement of Indemnitee's entitlement to indemnification.

6. Liability Insurance. The Company shall, from time to time, make the good faith determination whether or not it is practicable for the Company to obtain and maintain a policy or policies of directors' and officers' liability insurance with one or more reputable insurance companies. Among other considerations, the Company will weigh the costs of obtaining such insurance coverage against the protection afforded by such coverage. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain such insurance if the Company determines in good faith that such insurance is not reasonably available, if the premium costs for such insurance are disproportionately high compared to the amount of coverage provided, or if the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit. The Company shall promptly notify Indemnitee of any such determination not to provide insurance coverage. In the event that the Company does maintain such insurance for the benefit of Indemnitee, the right to indemnification and advancement of Expenses as provided herein shall apply only to the extent that Indemnitee has not been indemnified and actually reimbursed pursuant to such insurance or otherwise has not had Expenses advanced in accordance with the terms of such insurance. To the extent the Company determines not to maintain such insurance for the benefit of Indemnitee, the Company shall be deemed to be self-insured within the meaning of Section 1701.13(E)(7) of the OGCL and shall, in addition to Indemnitee's other rights hereunder, provide protection to Indemnitee similar to that which would have been available to Indemnitee under such insurance.

7. Remedies of Indemnitee Relating to Indemnification and Advancement of Expenses.

7.1 Judicial Remedy. In the event that (a) a determination is made pursuant to Section 5 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (b) advancement of Expenses is not timely made pursuant to Section 3.2 of this Agreement, (c) no determination of entitlement to indemnification shall have been made within the time period specified in Section 5.7 of this Agreement, or (d) payment of indemnified amounts is not made within the applicable time periods specified in Section 5.1 of this Agreement, Indemnitee shall

thereafter be entitled under this Agreement to commence a proceeding in the Franklin County Court of Common Pleas of the State of Ohio, or in any other court of competent jurisdiction, seeking an adjudication of Indemnitee's entitlement to such indemnification or advancement of Expenses. The Company shall not oppose Indemnitee's right to seek any such adjudication.

7.2 Standard of Review. In the event that a determination shall have been made pursuant to Section 5 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo review on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination under Section 5 of this Agreement.

7.3 Company Bound by Determination. If a determination shall have been made pursuant to Section 5 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (a) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not misleading, in connection with the request for indemnification or (b) a prohibition of such indemnification under applicable law.

7.4 Agreement Valid. Both the Company and Indemnitee shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company and Indemnitee are bound by all the provisions of this Agreement.

7.5 Expenses of Judicial Determination. In the event that Indemnitee commences a proceeding pursuant to this Section 7 to enforce a right of Indemnitee under this Agreement, then, to the extent that Indemnitee is successful on the merits or otherwise in such proceeding, or in connection with any claim, issue or matter therein, Indemnitee shall be indemnified by the Company against Expenses actually and reasonably incurred by Indemnitee in connection with such proceeding. Indemnitee may commence litigation against the Company in the Franklin County Court of Common Pleas of the State of Ohio to obtain indemnification or advancement of Expenses provided by this Agreement in the event that (a) a determination is made pursuant to Section 5 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (b) the Company does not advance Expenses pursuant to Section 3 of this Agreement, (c) the determination of entitlement to indemnification is not made pursuant to Section 5 of this Agreement within the Determination Period, (d) the Company does not indemnify Indemnitee pursuant to Section 2 of this Agreement within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, or (e) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder.

8. Exceptions to Right of Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under this Agreement:

8.1 Claim by Indemnitee. With respect to any claim (whether an original claim, counterclaim, cross-claim or third party claim) brought or made by Indemnitee in a Proceeding, unless the bringing or making of such claim shall have been approved or ratified by the Board, or been joined by the Company; provided, however, that the foregoing shall not apply to any claim brought or made by Indemnitee to enforce a right of Indemnitee under this Agreement, the Amended Articles of Incorporation, the Regulations, or a policy of insurance maintained by the

Company for the benefit of Indemnitee, including a claim initiated pursuant to Section 7 of this Agreement.

8.2 Bad Faith or Frivolous Defenses. For Expenses incurred by Indemnitee with respect to any action instituted by or in the name of the Company against Indemnitee, if and to the extent that a court of competent jurisdiction declares or otherwise determines in a final, unappealable judgment that each of the material defenses asserted by Indemnitee was made in bad faith or was frivolous.

8.3 Accounting of Profits and Company Reimbursements. For (a) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law, (b) any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act) or (c) any reimbursement of the Company by Indemnitee of any compensation pursuant to any compensation recoupment or clawback policy adopted by the Board or the compensation committee of the Board, including but not limited to any such policy adopted to comply with stock exchange listing requirements implementing Section 10D of the Exchange Act.

8.4 Unlawful Payment. For Expenses and other liabilities if and to the extent that a court of competent jurisdiction declares or otherwise determines in a final, unappealable judgment that the Company is prohibited by applicable law from making such indemnification payment or that such indemnification payment is otherwise unlawful.

9. Notification and Defense of Claim.

9.1 Notification. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter that may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation that it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

9.2 Defense of Claim. With respect to any Proceeding (other than a Proceeding brought by or in the right of the Company) as to which Indemnitee notifies the Company of the commencement thereof:

(a) The Company may participate therein at its own expense; and

(b) After notice from the Company to Indemnitee of the Company's election to assume the defense thereof, the Company shall not be liable to Indemnitee under this Agreement for any Expenses subsequently incurred by Indemnitee in connection with the defense thereof unless (i) the employment of counsel by Indemnitee or the incurrence of any other Expense has been authorized by the Company, (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company (or any other person or persons included in the joint defense) and Indemnitee in the conduct of the

defense of such Proceeding, or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such Proceeding.

10. Duration of Agreement. All agreements and obligations of the Company and Indemnitee contained herein shall continue during the period Indemnitee is a director or officer of the Company (or is or was serving at the request of the Company as a director, trustee, officer, employee, agent, fiduciary, partner, member or manager of another corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject under applicable law to the assertion of any Proceeding (or any proceeding commenced under Section 7 hereof) by reason of Indemnitee's Corporate Status, whether or not Indemnitee is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement.

11. Miscellaneous.

11.1 No Agreement for Continued Service. With respect to directors, nothing contained in this Agreement shall be construed as giving Indemnitee any right to continue to serve as a director of the Company or to be retained in the employment of the Company or any of its Subsidiaries or Affiliates. With respect to officers, nothing contained in this Agreement shall be construed as giving Indemnitee any right to be retained in the employment of the Company or any of its Subsidiaries or Affiliates.

11.2 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the Company and Indemnitee in respect of its subject matter and supersedes all prior understandings, agreements and representations by or between the Company and Indemnitee, written or oral, to the extent they relate in any way to the subject matter hereof.

11.3 Successors. All of the terms, agreements, covenants, representations, warranties and conditions of this Agreement are binding upon, and inure to the benefit of and are enforceable by, the Company and Indemnitee and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

11.4 Assignment. Neither the Company nor Indemnitee may assign either this Agreement or any of its, his or her rights, interests or obligations hereunder without the prior written approval of the other; provided, however, that the Company may assign all (but not less than all) of the Company's rights, interests and obligations hereunder to any direct or indirect successor to all or substantially all of the business or assets of the Company by purchase, merger, consolidation or otherwise but in no such event shall the Company cease to be primarily responsible for the satisfaction of its obligations hereunder.

11.5 Merger or Consolidation. In the event that the Company shall be a constituent corporation in a consolidation, merger or other reorganization, the Company, if it shall not be the surviving, resulting or acquiring entity therein, shall require as a condition thereto that the surviving, resulting or acquiring entity agree to assume all of the obligations of the Company hereunder and to indemnify Indemnitee to the full extent provided herein. Whether or not the Company is the resulting, surviving or acquiring entity in any such transaction, Indemnitee shall also stand in the same position under this Agreement with respect to the resulting, surviving or acquiring entity as Indemnitee would have with respect to the Company if the Company's separate existence had continued.

11.6 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given if (and then three business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to the Company:

Worthington Enterprises, Inc.
200 West Old Wilson Bridge Road
Columbus, Ohio 43085
Attention: Patrick J. Kennedy
Vice President - General Counsel and Secretary
E-Mail Address: Patrick.Kennedy@wthg.com

with a copy (which shall not constitute notice) to:

Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
Columbus, Ohio 43215
Attention: Chadwick P. Reynolds, Esq.
E-Mail Address: cpreynolds@vorys.com

If to Indemnitee:

Either party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address or electronic mail address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim or other communication will be deemed to have been duly given unless and until it actually is received by the intended recipient. Either party may change the address or electronic mail address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

11.7 Specific Performance. Each of the Company and Indemnitee acknowledges and agrees that the other would be damaged irreparably if any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. Accordingly, each party agrees that the other party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and its terms and provisions in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter, in addition to any other remedy to which they may be entitled at law or in equity.

11.8 Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original but both of which together shall constitute one and the same instrument.

11.9 Governing Law. This Agreement and the performance of the parties' obligations hereunder shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to any choice of law principles.

11.10 Amendments and Waivers. No amendment, modification, replacement, termination or cancellation of any provision of this Agreement will be valid, unless the same is in writing and signed by the parties. No waiver by either party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, may be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising because of any prior or subsequent such occurrence.

11.11 Nonexclusivity of Rights; Survival of Rights; Severability.

(a) The rights provided by this Agreement (including rights to indemnification, advancement of Expenses and contribution) (i) shall not be exclusive of, and shall be in addition to, any other rights to indemnification, advancement of expenses or contribution to which Indemnitee may at any time be entitled under the Amended Articles of Incorporation or the Regulations of the Company, applicable law (including the OGCL), any insurance policy, agreement, vote of shareholders or Disinterested Directors or otherwise, as to any actions or failures to act by Indemnitee, (ii) shall continue pursuant to Section 10 of this Agreement after Indemnitee has ceased to be a director or officer of the Company and (iii) shall inure to the benefit of Indemnitee's heirs, executors, administrators and personal representatives. In the event of any changes, after the date of this Agreement, in any applicable law which expands the right of the Company to indemnify a member of its Board or any of the Company's officers, such changes shall be deemed to be within the purview of Indemnitee's rights and the Company's obligations under this Agreement. In the event of any changes in any applicable law which narrows the right of the Company to indemnify a member of its Board or any of the Company's officers, such changes, to the extent not otherwise required by applicable law to be applied to this Agreement, shall have no effect on this Agreement or the parties' rights and obligations hereunder.

(b) The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof; provided, however, that if any provision of this Agreement, as applied to any party or to any circumstance, is adjudged by a court, arbitrator or mediator not to be enforceable in accordance with its terms, the parties agree that the court, arbitrator or mediator making such determination shall have the power to modify the provision in a manner consistent with its objectives (and only to the extent necessary) such that it is enforceable, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced.

11.12 Subrogation; No Duplicative Payments.

(a) In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

(b) The Company shall not be liable to make any payment under this Agreement to Indemnitee if and to the extent that Indemnitee has actually received payment under any insurance policy, contract, the Amended Articles of Incorporation or the Regulations of the Company or otherwise of the amounts otherwise payable hereunder.

11.13 Expenses. Except as otherwise expressly provided in this Agreement, each party shall bear its, his or her own costs and expenses incurred in connection with the preparation, execution and performance of this Agreement, including all fees and expenses of agents, representatives, financial advisors, legal counsel and accountants.

11.14 Construction. If any provision of this Agreement should be deemed to exceed the authority granted to the Company by Ohio law in effect as of the date hereof, then such provision shall be deemed to be amended to the extent (and only to the extent) necessary to comply with Ohio law. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party because of the authorship of any provision of this Agreement. Any reference to any federal, state, local or foreign law shall be deemed also to refer to such law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The words “include,” “includes” and “including” shall be deemed to be followed by “without limitation.” Pronouns in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. The words “this Agreement,” “herein,” “hereof,” “hereby,” “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The parties intend that each representation, warranty and covenant contained herein will have independent significance. If either party has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) that the party has not breached shall not detract from or mitigate the fact that the party is in breach of the first representation, warranty or covenant. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

11.15 Remedies. Except as expressly provided herein, the rights and remedies created by this Agreement are cumulative and in addition to any other rights or remedies now or hereafter available at law or in equity or otherwise. Except as expressly provided herein, nothing herein shall be considered an election of remedies. The assertion or employment of any right or remedy shall not prevent the concurrent assertion or employment of any other remedy.

11.16 Mutual Acknowledgement. Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. Both the Company and Indemnitee acknowledge that in certain instances, Federal or state law or applicable public policy may prohibit the Company from indemnifying Indemnitee under this

Agreement or otherwise. Indemnatee understands and acknowledges that the Company has undertaken and may be required in the future to undertake with the Securities and Exchange Commission to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnatee. The Company's inability, pursuant to court order, to perform its obligations under this Agreement shall not constitute a breach of this Agreement.

12. Change in Control Procedures.

12.1 Determinations. If there is a Change in Control, any determination to be made under Section 5 of this Agreement shall be made by Independent Counsel selected by Indemnatee and approved by the Company (which approval shall not be unreasonably withheld). The Company shall pay the reasonable fees of such Independent Counsel and indemnify fully such Independent Counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or the engagement of Independent Counsel pursuant hereto.

12.2 Expenses. Following a Change in Control, the Company shall be liable for, and shall pay the Expenses paid or incurred by Indemnatee in connection with the making of any determination (irrespective of any determination made with respect to Indemnatee's entitlement to indemnification) or the prosecution of any claim pursuant to Section 7.1 of this Agreement, and the Company hereby agrees to indemnify and hold Indemnatee harmless therefrom. If requested by counsel for Indemnatee, the Company shall promptly give such counsel an appropriate written agreement with respect to the payment of such counsel's fees and expenses and such other matters as may be reasonably requested by such counsel.

[Remainder of page intentionally left blank;
signatures on following page.]

IN WITNESS WHEREOF, the Company has caused this Indemnification Agreement to be executed by its duly authorized officer, and Indemnitee has executed this Indemnification Agreement, in each case to be effective as of the date first hereinabove written.

WORTHINGTON ENTERPRISES, INC.

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

INDEMNITEE

By:

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this “**Agreement**”) is made as of this ___ day of _____, by and between Worthington Enterprises, Inc., an Ohio corporation (the “**Company**”), and _____, an individual (“**Indemnitee**”).

Recitals

A. The code of regulations (as amended, the “**Regulations**”) of the Company provide for the indemnification of the directors and officers of the Company as set forth therein.

B. The Regulations and Ohio General Corporation Law, as amended (the “**OGCL**”), permit agreements between the Company and the directors and officers of the Company with respect to indemnification of such directors and officers.

C. In accordance with the Regulations and the OGCL, the Company may purchase and maintain a policy or policies of directors’ and officers’ liability insurance covering certain liabilities that may be incurred by its directors and officers in the performance of their obligations to the Company.

D. The Company recognizes that capable and qualified individuals are becoming increasingly reluctant to serve as directors and officers of public corporations as a result of the recent and ongoing enactment of statutes and regulations pertaining to directors’ and officers’ responsibilities and the increasing risk of lawsuits against directors and officers in the current corporate climate in the United States, unless such individuals are provided with more certain and secure protection against exposure to unreasonable personal risk arising from their service and activities on behalf of a corporation.

E. The Company believes that individuals recruited to serve on the boards of and as officers of public corporations generally are more likely to agree to provide services to corporations that provide for separate indemnification agreements with their directors and officers because, unlike indemnification provisions contained in the articles of incorporation or the regulations of a corporation or state statutory provisions, the indemnification provisions contained in a separate agreement may not be amended or rescinded without the consent of the director or officer who is a party to the agreement.

F. The Company recognizes that it is in the best interests of the Company and its shareholders to attract and retain capable and qualified individuals to serve on its Board of Directors (the “**Board**”) and as management of the Company and to enable such directors and officers to exercise their independent business judgment in their capacities as directors and officers without being affected by the threat of exposure to unreasonable personal risk.

G. To induce Indemnitee to serve and/or continue to serve as a director or an officer of the Company, the Company desires Indemnitee to be indemnified and advanced expenses as set forth herein.

Agreement

In consideration of Indemnitee’s service as a director or officer of the Company after the date hereof, the Company and Indemnitee hereby agree as follows:

- 1. Certain Definitions.** Capitalized terms used but not otherwise defined in this Agreement shall have the meanings set forth below:
-

“**Affiliate**” has the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations promulgated under the Exchange Act (or any successor rule thereto).

“**Change in Control**” shall be deemed to have occurred if either of the following events occur:

(a) Other than as approved in advance by a three-fourths (3/4) vote of the Whole Board, a Business Combination (as such term is defined in Article Seventh of the Company’s Amended Articles of Incorporation as in effect on the date of this Agreement); or

(b) During any period of two consecutive years, individuals who at the beginning of such period were members of the Board or thereafter were appointed by the Board or nominated by the Board for election by the Company’s shareholders by a three-fourths (3/4) vote of the directors then still in office, cease for any reason to constitute a majority of the members of the Board.

“**Corporate Status**” means the fact that a person is or was a director or officer of the Company or is or was serving at the request of the Company as a director, trustee, officer, employee, agent, fiduciary, partner, member or manager of another corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise. A Proceeding shall be deemed to have been brought by reason of a person’s “Corporate Status” if it is brought because of the status described in the preceding sentence or because of any action or inaction on the part of such person in connection with such status.

“**Disinterested Director**” means a director of the Company who is not and was not a party to or threatened with a Proceeding in respect of which indemnification is sought by Indemnitee.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended (or any successor thereto).

“**Expenses**” shall include all reasonable attorneys’ fees, disbursements and retainers, court costs, transcript costs, fees of experts, witness fees, travel and deposition costs, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with (a) prosecuting, defending, preparing to prosecute or defend, investigating, settling or appealing a Proceeding (including the cost of any appeal bond or its equivalent), (b) for purposes of Section 2.1 only, being prepared to be a witness or otherwise participating in a Proceeding or (c) enforcing a right under this Agreement (including any right to indemnification or advancement of expenses under this Agreement).

“**Independent Counsel**” means an attorney, or a firm having associated with it an attorney, who neither currently is nor in the past five years has been retained by or performed services for the Company or any Subsidiary of the Company or any person to be indemnified by the Company.

“**Proceeding**” includes any threatened, pending or completed action, suit, arbitration or other alternative dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether civil, criminal, administrative or investigative, in which Indemnitee was, is or would be involved as a party or otherwise (including, without limitation, as a witness) by reason of Indemnitee’s Corporate Status, including one pending on or before the date of this Agreement, but excluding (a) one initiated by Indemnitee pursuant to Section 7 of this Agreement to enforce Indemnitee’s rights under this Agreement

unless such action follows a Change in Control and, with respect to directors only, (b) one in which the only liability asserted is pursuant to Section 1701.95 of the OGCL. For purposes of this definition, the term “threatened” shall be deemed to include, but not be limited to, Indemnitee’s good faith belief that a claim or other assertion may lead to initiation of a Proceeding.

“**Reviewing Party**” means the person, persons or entity selected to make the determination of the entitlement to indemnification pursuant to Section 5 hereof.

“**Subsidiary**” has the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations promulgated under the Exchange Act (or any successor rule thereto).

“**Whole Board**” means the total number of directors which the Company would have if there were no vacancies.

2. Indemnification.

2.1 Proceedings not by or in Right of Company. The Company hereby agrees to hold harmless and indemnify Indemnitee to the greatest extent permitted by Ohio law, including but not limited to the provisions of the OGCL as such may be amended from time to time, if Indemnitee was or is a party, witness or other participant, or is threatened to be made a party, witness or other participant, to any Proceeding, other than a Proceeding by or in the right of the Company, against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal Proceeding, had no reasonable cause to believe that Indemnitee’s conduct was unlawful. The termination of any Proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not satisfy the foregoing standard of conduct to the extent applicable thereto.

2.2 Proceedings by or in Right of Company. The Company hereby agrees to hold harmless and indemnify Indemnitee to the greatest extent permitted by Ohio law, including but not limited to the provisions of the OGCL as such may be amended from time to time, if Indemnitee was or is a party or is threatened to be made a party to any Proceeding by or in the right of the Company, against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with the defense or settlement of such Proceeding, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, that, if applicable law so provides, no indemnification against such Expenses shall be paid in respect of (a) any claim, issue or matter asserted in a Proceeding by or in the right of the Company as to which Indemnitee shall have been adjudged to be liable to the Company for an act or omission by Indemnitee in Indemnitee’s capacity as a director or officer of the Company with deliberate intent to cause injury to the Company or with reckless disregard for the best interests of the Company, or with respect to directors only, (b) any Proceeding by or in the right of the Company in which the only liability is asserted pursuant to Section 1701.95 of the OGCL against Indemnitee, in each case, unless and only to the extent that the Franklin County Court of Common Pleas of the State of Ohio or the court of competent jurisdiction in which such Proceeding is brought shall determine, upon application of either Indemnitee or the Company, that, despite the adjudication or assertion of such liability, and in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to such indemnity as such court shall deem proper.

2.3 Indemnification for Expenses of an Indemnitee who is Wholly or Partly Successful. To the extent that Indemnitee has been successful on the merits or otherwise in defense of any Proceeding referred to in Section 2.1 or Section 2.2 of this Agreement, or in defense of any claim, issue or matter in such Proceeding, Indemnitee shall be indemnified against Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding.

2.4 Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company will indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

3. Advancement of Expenses.

3.1 Pre-Disposition Advancement. The Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with defending any Proceeding prior to the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of Indemnitee in which Indemnitee agrees to do both of the following: (a) repay such amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company; and (b) reasonably cooperate with the Company concerning the Proceeding. Any advances and undertakings to repay pursuant to this Section 3.1 shall not be secured, shall not bear interest and shall provide that, if Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law with respect to such Proceeding, Indemnitee shall not be required to reimburse the Company for any advancement of Expenses in respect of such Proceeding until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed).

3.2 Request for Advancement. Any advancement of Expenses pursuant to Section 3.1 hereof shall be made within 30 days after the receipt by the Company of a written statement from Indemnitee requesting such advancement from time to time and accompanied by or preceded by the undertaking referred to in Section 3.1 above. Each statement requesting advancement shall reasonably evidence the Expenses incurred by or on behalf of Indemnitee in connection with such Proceeding for which advancement is being sought.

4. Contribution in the Event of Joint Liability. To the fullest extent authorized or permitted under applicable law, if the indemnification provided in this Agreement is not available for any reason whatsoever, then, in respect of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company, on the one hand, and Indemnitee, on the other hand, from the transaction from which such Proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to applicable law, be further adjusted by reference to the relative fault of the Company, on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such Expenses, judgments, fines or settlement amounts, as well as any other equitable considerations that applicable law may require to be considered. The relative fault of the Company, on the one hand, and Indemnitee, on the other hand,

shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary, and the degree to which their conduct is active or passive.

5. Procedures and Presumptions for Determination of Entitlement to Indemnification.

5.1 Timing of Payments. All payments of Expenses, judgments, fines, amounts paid in settlement and other amounts by the Company to Indemnitee pursuant to this Agreement shall be made as soon as practicable after written demand therefor by Indemnitee is presented to the Company, but in no event later than (a) 30 days after such demand is presented or (b) such later date as may be permitted for the determination of entitlement to indemnification pursuant to Section 5.7 hereof, if applicable; provided, however, that advances of Expenses shall be made within the time period provided in Section 3.2 hereof.

5.2 Request for Indemnification. Whenever Indemnitee believes that Indemnitee is entitled to indemnification pursuant to this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

5.3 Reviewing Party. Unless ordered by a court, upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 5.2 hereof, to the extent that Indemnitee's entitlement to such indemnification is governed by Section 2.1 or Section 2.2 of this Agreement, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case as follows: (a) if a Change in Control shall have occurred, as provided in Section 12 of this Agreement; and (b) if a Change in Control shall not have occurred, by one of the following methods: (i) by a majority vote of a quorum consisting of directors who are Disinterested Directors; or (ii) if such a quorum of Disinterested Directors is not available or if a majority vote of a quorum of Disinterested Directors so directs, in a written opinion by Independent Counsel (designated for such purpose by the Board).

5.4 Determination by Independent Counsel. If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 5.3 hereof, the Independent Counsel shall be selected as provided in this Section 5.4. The Independent Counsel shall be selected by the Board, and the Company shall promptly give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected. Indemnitee may, within ten days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has ruled against such objection. If, within 30 days after submission by Indemnitee of a written request for indemnification pursuant to Section 5.2 hereof, no Independent Counsel shall have been selected or an Independent Counsel shall have been selected but an objection thereto shall have been properly made and remained unresolved, either

the Company or Indemnitee may petition the Franklin County Court of Common Pleas of the State of Ohio or other court of competent jurisdiction for resolution of any objection that shall have been made by Indemnitee to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 5.3 hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 5.3 hereof.

5.5 Burden of Proof. In making a determination with respect to entitlement to indemnification hereunder, the Reviewing Party shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence. In making a determination with respect to entitlement to indemnification hereunder which under this Agreement or applicable law requires a determination of Indemnitee's good faith and/or whether Indemnitee acted in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal Proceeding, if Indemnitee had no reasonable cause to believe that Indemnitee's conduct was unlawful, the Reviewing Party shall presume that (a) Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and (b) with respect to any criminal Proceeding, that Indemnitee had no reasonable cause to believe that Indemnitee's conduct was unlawful. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence. Indemnitee in Indemnitee's capacity as a director or officer of the Company shall be deemed to have acted in good faith if Indemnitee's action or inaction is based on Indemnitee's reliance on information, opinions, reports or statements, including financial statements and other financial data, that were prepared or presented by (i) one or more directors, officers or employees of the Company who Indemnitee reasonably believes are reliable and competent in the matters prepared or presented; (ii) counsel, public accountants or other persons as to matters that Indemnitee reasonably believes are within the person's professional or expert competence; or (iii) a committee of the Board upon which Indemnitee does not serve, duly established in accordance with a provision of the Company's Regulations, as to matters within its designated authority, which committee Indemnitee reasonably believes to merit confidence. In addition, the knowledge and/or actions, or failure to act, of any other director, officer, agent or employee of the Company shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

5.6 No Presumption in Absence of Determination or as Result of Adverse Determination. Neither the failure of any Reviewing Party to have made a determination as to whether Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by any Reviewing Party that Indemnitee has not met such standard of conduct or did not have such belief, prior to the commencement of legal proceedings by Indemnitee to secure a judicial determination under this Agreement or applicable law that Indemnitee should be indemnified under this Agreement, shall be a defense to Indemnitee's claim or create a presumption that Indemnitee has not met any particular standard of conduct or did not have any particular belief.

5.7 Timing of Determination. If the Reviewing Party shall not have made a determination within 30 days after receipt by the Company of the request therefor (the "Determination Period"), the requisite determination of entitlement to indemnification shall be

deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (a) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (b) a prohibition of such indemnification under applicable law; provided, however, that such 30-day period may be extended for a reasonable time, not to exceed an additional 45 days, if the Reviewing Party in good faith requires such additional time for obtaining or evaluating documentation and/or information relating thereto; provided, further, however, that if the determination is to be made by Independent Counsel as the Reviewing Party, such 30-day period shall be deemed to commence after a final appointment of Independent Counsel has been made pursuant to the provisions of Section 5.4 hereof; and provided, further, however, that the Company shall not be required to make a determination of entitlement to indemnification until, if applicable, the final disposition of the Proceeding, including the exhaustion of all appeals.

5.8 Cooperation. Indemnitee shall cooperate with the Reviewing Party with respect to Indemnitee's entitlement to indemnification, including providing to such Reviewing Party upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. The Reviewing Party shall act reasonably and in good faith in making a determination under this Agreement of Indemnitee's entitlement to indemnification.

6. Liability Insurance. The Company shall, from time to time, make the good faith determination whether or not it is practicable for the Company to obtain and maintain a policy or policies of directors' and officers' liability insurance with one or more reputable insurance companies. Among other considerations, the Company will weigh the costs of obtaining such insurance coverage against the protection afforded by such coverage. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain such insurance if the Company determines in good faith that such insurance is not reasonably available, if the premium costs for such insurance are disproportionately high compared to the amount of coverage provided, or if the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit. The Company shall promptly notify Indemnitee of any such determination not to provide insurance coverage. In the event that the Company does maintain such insurance for the benefit of Indemnitee, the right to indemnification and advancement of Expenses as provided herein shall apply only to the extent that Indemnitee has not been indemnified and actually reimbursed pursuant to such insurance or otherwise has not had Expenses advanced in accordance with the terms of such insurance. To the extent the Company determines not to maintain such insurance for the benefit of Indemnitee, the Company shall be deemed to be self-insured within the meaning of Section 1701.13(E)(7) of the OGCL and shall, in addition to Indemnitee's other rights hereunder, provide protection to Indemnitee similar to that which would have been available to Indemnitee under such insurance.

7. Remedies of Indemnitee Relating to Indemnification and Advancement of Expenses.

7.1 Judicial Remedy. In the event that (a) a determination is made pursuant to Section 5 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (b) advancement of Expenses is not timely made pursuant to Section 3.2 of this Agreement, (c) no determination of entitlement to indemnification shall have been made within the time period specified in Section 5.7 of this Agreement, or (d) payment of indemnified amounts is not made within the applicable time periods specified in Section 5.1 of this Agreement, Indemnitee shall

thereafter be entitled under this Agreement to commence a proceeding in the Franklin County Court of Common Pleas of the State of Ohio, or in any other court of competent jurisdiction, seeking an adjudication of Indemnitee's entitlement to such indemnification or advancement of Expenses. The Company shall not oppose Indemnitee's right to seek any such adjudication.

7.2 Standard of Review. In the event that a determination shall have been made pursuant to Section 5 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo review on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination under Section 5 of this Agreement.

7.3 Company Bound by Determination. If a determination shall have been made pursuant to Section 5 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (a) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not misleading, in connection with the request for indemnification or (b) a prohibition of such indemnification under applicable law.

7.4 Agreement Valid. Both the Company and Indemnitee shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company and Indemnitee are bound by all the provisions of this Agreement.

7.5 Expenses of Judicial Determination. In the event that Indemnitee commences a proceeding pursuant to this Section 7 to enforce a right of Indemnitee under this Agreement, then, to the extent that Indemnitee is successful on the merits or otherwise in such proceeding, or in connection with any claim, issue or matter therein, Indemnitee shall be indemnified by the Company against Expenses actually and reasonably incurred by Indemnitee in connection with such proceeding. Indemnitee may commence litigation against the Company in the Franklin County Court of Common Pleas of the State of Ohio to obtain indemnification or advancement of Expenses provided by this Agreement in the event that (a) a determination is made pursuant to Section 5 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (b) the Company does not advance Expenses pursuant to Section 3 of this Agreement, (c) the determination of entitlement to indemnification is not made pursuant to Section 5 of this Agreement within the Determination Period, (d) the Company does not indemnify Indemnitee pursuant to Section 2 of this Agreement within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, or (e) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder.

8. Exceptions to Right of Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under this Agreement:

8.1 Claim by Indemnitee. With respect to any claim (whether an original claim, counterclaim, cross-claim or third party claim) brought or made by Indemnitee in a Proceeding, unless the bringing or making of such claim shall have been approved or ratified by the Board, or been joined by the Company; provided, however, that the foregoing shall not apply to any claim brought or made by Indemnitee to enforce a right of Indemnitee under this Agreement, the Amended Articles of Incorporation, the Regulations, or a policy of insurance maintained by the

Company for the benefit of Indemnitee, including a claim initiated pursuant to Section 7 of this Agreement.

8.2 Bad Faith or Frivolous Defenses. For Expenses incurred by Indemnitee with respect to any action instituted by or in the name of the Company against Indemnitee, if and to the extent that a court of competent jurisdiction declares or otherwise determines in a final, unappealable judgment that each of the material defenses asserted by Indemnitee was made in bad faith or was frivolous.

8.3 Accounting of Profits and Company Reimbursements. For (a) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law, (b) any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act) or (c) any reimbursement of the Company by Indemnitee of any compensation pursuant to any compensation recoupment or clawback policy adopted by the Board or the compensation committee of the Board, including but not limited to any such policy adopted to comply with stock exchange listing requirements implementing Section 10D of the Exchange Act.

8.4 Unlawful Payment. For Expenses and other liabilities if and to the extent that a court of competent jurisdiction declares or otherwise determines in a final, unappealable judgment that the Company is prohibited by applicable law from making such indemnification payment or that such indemnification payment is otherwise unlawful.

9. Notification and Defense of Claim.

9.1 Notification. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter that may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation that it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

9.2 Defense of Claim. With respect to any Proceeding (other than a Proceeding brought by or in the right of the Company) as to which Indemnitee notifies the Company of the commencement thereof:

(a) The Company may participate therein at its own expense; and

(b) After notice from the Company to Indemnitee of the Company's election to assume the defense thereof, the Company shall not be liable to Indemnitee under this Agreement for any Expenses subsequently incurred by Indemnitee in connection with the defense thereof unless (i) the employment of counsel by Indemnitee or the incurrence of any other Expense has been authorized by the Company, (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company (or any other person or persons included in the joint defense) and Indemnitee in the conduct of the

defense of such Proceeding, or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such Proceeding.

10. Duration of Agreement. All agreements and obligations of the Company and Indemnitee contained herein shall continue during the period Indemnitee is a director or officer of the Company (or is or was serving at the request of the Company as a director, trustee, officer, employee, agent, fiduciary, partner, member or manager of another corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject under applicable law to the assertion of any Proceeding (or any proceeding commenced under Section 7 hereof) by reason of Indemnitee's Corporate Status, whether or not Indemnitee is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement.

11. Miscellaneous.

11.1 No Agreement for Continued Service. With respect to directors, nothing contained in this Agreement shall be construed as giving Indemnitee any right to continue to serve as a director of the Company or to be retained in the employment of the Company or any of its Subsidiaries or Affiliates. With respect to officers, nothing contained in this Agreement shall be construed as giving Indemnitee any right to be retained in the employment of the Company or any of its Subsidiaries or Affiliates.

11.2 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the Company and Indemnitee in respect of its subject matter and supersedes all prior understandings, agreements and representations by or between the Company and Indemnitee, written or oral, to the extent they relate in any way to the subject matter hereof.

11.3 Successors. All of the terms, agreements, covenants, representations, warranties and conditions of this Agreement are binding upon, and inure to the benefit of and are enforceable by, the Company and Indemnitee and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

11.4 Assignment. Neither the Company nor Indemnitee may assign either this Agreement or any of its, his or her rights, interests or obligations hereunder without the prior written approval of the other; provided, however, that the Company may assign all (but not less than all) of the Company's rights, interests and obligations hereunder to any direct or indirect successor to all or substantially all of the business or assets of the Company by purchase, merger, consolidation or otherwise but in no such event shall the Company cease to be primarily responsible for the satisfaction of its obligations hereunder.

11.5 Merger or Consolidation. In the event that the Company shall be a constituent corporation in a consolidation, merger or other reorganization, the Company, if it shall not be the surviving, resulting or acquiring entity therein, shall require as a condition thereto that the surviving, resulting or acquiring entity agree to assume all of the obligations of the Company hereunder and to indemnify Indemnitee to the full extent provided herein. Whether or not the Company is the resulting, surviving or acquiring entity in any such transaction, Indemnitee shall also stand in the same position under this Agreement with respect to the resulting, surviving or acquiring entity as Indemnitee would have with respect to the Company if the Company's separate existence had continued.

11.6 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given if (and then three business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to the Company:

Worthington Enterprises, Inc.
200 West Old Wilson Bridge Road
Columbus, Ohio 43085
Attention: Patrick J. Kennedy
Vice President - General Counsel and Secretary
E-Mail Address: Patrick.Kennedy@wthg.com

with a copy (which shall not constitute notice) to:

Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
Columbus, Ohio 43215
Attention: Chadwick P. Reynolds, Esq.
E-Mail Address: cpreynolds@vorys.com

If to Indemnitee:

Either party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address or electronic mail address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim or other communication will be deemed to have been duly given unless and until it actually is received by the intended recipient. Either party may change the address or electronic mail address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

11.7 Specific Performance. Each of the Company and Indemnitee acknowledges and agrees that the other would be damaged irreparably if any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. Accordingly, each party agrees that the other party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and its terms and provisions in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter, in addition to any other remedy to which they may be entitled at law or in equity.

11.8 Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original but both of which together shall constitute one and the same instrument.

11.9 Governing Law. This Agreement and the performance of the parties' obligations hereunder shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to any choice of law principles.

11.10 Amendments and Waivers. No amendment, modification, replacement, termination or cancellation of any provision of this Agreement will be valid, unless the same is in writing and signed by the parties. No waiver by either party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, may be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising because of any prior or subsequent such occurrence.

11.11 Nonexclusivity of Rights; Survival of Rights; Severability.

(a) The rights provided by this Agreement (including rights to indemnification, advancement of Expenses and contribution) (i) shall not be exclusive of, and shall be in addition to, any other rights to indemnification, advancement of expenses or contribution to which Indemnatee may at any time be entitled under the Amended Articles of Incorporation or the Regulations of the Company, applicable law (including the OGCL), any insurance policy, agreement, vote of shareholders or Disinterested Directors or otherwise, as to any actions or failures to act by Indemnatee, (ii) shall continue pursuant to Section 10 of this Agreement after Indemnatee has ceased to be a director or officer of the Company and (iii) shall inure to the benefit of Indemnatee's heirs, executors, administrators and personal representatives. In the event of any changes, after the date of this Agreement, in any applicable law which expands the right of the Company to indemnify a member of its Board or any of the Company's officers, such changes shall be deemed to be within the purview of Indemnatee's rights and the Company's obligations under this Agreement. In the event of any changes in any applicable law which narrows the right of the Company to indemnify a member of its Board or any of the Company's officers, such changes, to the extent not otherwise required by applicable law to be applied to this Agreement, shall have no effect on this Agreement or the parties' rights and obligations hereunder.

(b) The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof; provided, however, that if any provision of this Agreement, as applied to any party or to any circumstance, is adjudged by a court, arbitrator or mediator not to be enforceable in accordance with its terms, the parties agree that the court, arbitrator or mediator making such determination shall have the power to modify the provision in a manner consistent with its objectives (and only to the extent necessary) such that it is enforceable, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced.

11.12 Subrogation; No Duplicative Payments.

(a) In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnatee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

(b) The Company shall not be liable to make any payment under this Agreement to Indemnatee if and to the extent that Indemnatee has actually received payment

under any insurance policy, contract, the Amended Articles of Incorporation or the Regulations of the Company or otherwise of the amounts otherwise payable hereunder.

11.13 Expenses. Except as otherwise expressly provided in this Agreement, each party shall bear its, his or her own costs and expenses incurred in connection with the preparation, execution and performance of this Agreement, including all fees and expenses of agents, representatives, financial advisors, legal counsel and accountants.

11.14 Construction. If any provision of this Agreement should be deemed to exceed the authority granted to the Company by Ohio law in effect as of the date hereof, then such provision shall be deemed to be amended to the extent (and only to the extent) necessary to comply with Ohio law. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party because of the authorship of any provision of this Agreement. Any reference to any federal, state, local or foreign law shall be deemed also to refer to such law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The words “include,” “includes” and “including” shall be deemed to be followed by “without limitation.” Pronouns in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. The words “this Agreement,” “herein,” “hereof,” “hereby,” “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The parties intend that each representation, warranty and covenant contained herein will have independent significance. If either party has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) that the party has not breached shall not detract from or mitigate the fact that the party is in breach of the first representation, warranty or covenant. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

11.15 Remedies. Except as expressly provided herein, the rights and remedies created by this Agreement are cumulative and in addition to any other rights or remedies now or hereafter available at law or in equity or otherwise. Except as expressly provided herein, nothing herein shall be considered an election of remedies. The assertion or employment of any right or remedy shall not prevent the concurrent assertion or employment of any other remedy.

11.16 Mutual Acknowledgement. Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. Both the Company and Indemnitee acknowledge that in certain instances, Federal or state law or applicable public policy may prohibit the Company from indemnifying Indemnitee under this Agreement or otherwise. Indemnitee understands and acknowledges that the Company has undertaken and may be required in the future to undertake with the Securities and Exchange Commission to submit the question of indemnification to a court in certain circumstances for a determination of the Company’s right under public policy to indemnify Indemnitee. The Company’s inability, pursuant to court order, to perform its obligations under this Agreement shall not constitute a breach of this Agreement.

12. Change in Control Procedures.

12.1 Determinations. If there is a Change in Control, any determination to be made under Section 5 of this Agreement shall be made by Independent Counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). The Company shall pay the reasonable fees of such Independent Counsel and indemnify fully such Independent Counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or the engagement of Independent Counsel pursuant hereto.

12.2 Expenses. Following a Change in Control, the Company shall be liable for, and shall pay the Expenses paid or incurred by Indemnitee in connection with the making of any determination (irrespective of any determination made with respect to Indemnitee's entitlement to indemnification) or the prosecution of any claim pursuant to Section 7.1 of this Agreement, and the Company hereby agrees to indemnify and hold Indemnitee harmless therefrom. If requested by counsel for Indemnitee, the Company shall promptly give such counsel an appropriate written agreement with respect to the payment of such counsel's fees and expenses and such other matters as may be reasonably requested by such counsel.

[Remainder of page intentionally left blank;
signatures on following page.]

IN WITNESS WHEREOF, the Company has caused this Indemnification Agreement to be executed by its duly authorized officer, and Indemnitee has executed this Indemnification Agreement, in each case to be effective as of the date first hereinabove written.

WORTHINGTON ENTERPRISES, INC.

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

INDEMNITEE

By:

Effective October 2, 2023

Worthington Enterprises, Inc.
Insider Trading Policy

Purpose

This Insider Trading Policy (this “Policy”) of Worthington Enterprises, Inc. (the “Company”) provides guidelines with respect to transactions in the securities of the Company (the “Company Securities”) and the handling of confidential information about the Company, the Company’s subsidiaries and the companies with which the Company or any of the Company’s subsidiaries engages in transactions or does business. The Company’s Board of Directors has adopted this Policy to promote compliance with securities laws that prohibit certain persons who are aware of material nonpublic information about a company from (i) trading in securities of that company or (ii) providing material nonpublic information to other persons who may trade on the basis of that information.

Persons Subject to this Policy

This Policy applies to all directors, officers and employees of the Company and the Company’s subsidiaries, including: (i) all members of the Company’s Board of Directors (the “Directors”); (ii) all “officers” of the Company (the “Reporting Officers”), as such term is defined by Rule 16a-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and so designated by the Company’s Board of Directors or the Policy Administrator (as defined below); and (iii) each employee of the Company or a subsidiary of the Company designated by the Policy Administrator based on such employee’s access to material nonpublic information (each, a “Restricted Employee”). Upon notice to any other person, the Company’s Board of Directors or the Policy Administrator may also determine that such other person shall be subject to this Policy, including any contractor or consultant who has access to material nonpublic information. This Policy also applies to family members of a person subject to this Policy, other members of the household of a person subject to this Policy, and entities controlled by a person subject to this Policy, as described below.

Transactions Subject to this Policy

This Policy applies to transactions in Company Securities, including the Company’s common stock, options to purchase common stock, or any other type of security that the Company may issue, including (but not limited to) preferred stock, convertible debentures and warrants, as well as derivative securities that are not issued by the Company, such as exchange-traded put or call options or swaps relating to the Company’s Securities. Transactions subject to this Policy include purchases, sales and bona fide gifts of Company Securities.

Individual Responsibility

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and its subsidiaries and to not engage in transactions in Company Securities while aware of material nonpublic information. Persons subject to this Policy must not engage in illegal trading. Each individual is responsible for making

sure that he or she complies with this Policy, and that any family member, household member or entity whose transactions are subject to this Policy, as discussed below, also complies with this Policy. ***In all cases, the responsibility for determining whether an individual is aware of material nonpublic information rests with that individual, and any action on the part of the Company, the Policy Administrator or any other employee or Director of the Company or its subsidiaries pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws.*** You could be subject to severe legal penalties and disciplinary action by the Company or its subsidiaries (up to and including termination) for any conduct prohibited by this Policy or applicable securities laws, as described below in more detail under the heading “Consequences of Violations.”

Administration of this Policy

The Company’s General Counsel shall serve as the “Policy Administrator” for the purposes of this Policy, and in his or her absence, the Company’s Chief Compliance Officer or another employee(s) designated by the Policy Administrator shall be responsible for the administration of this Policy. All determinations and interpretations by the Policy Administrator shall be final and not subject to further review.

Statement of Policy

It is the policy of the Company that no person subject to this Policy who is aware of material nonpublic information relating to the Company or any of the Company’s subsidiaries may, directly, or indirectly through family members or other persons or entities:

- (i) Engage in transactions in Company Securities, except as otherwise specified in this Policy under the headings “Transactions under Company Plans and Mutual Funds” and “Rule 10b5-1 Plans;”
- (ii) Recommend that others engage in any transaction in Company Securities;
- (iii) Disclose material nonpublic information to a person (a) within the Company or one of its subsidiaries whose job does not require him or her to have such information, or (b) outside of the Company and its subsidiaries, including, but not limited to, family members, friends, business associates, investors and expert consulting firms (excluding a person subject to this Policy and acting within his or her business responsibilities making a disclosure to another person having a need for such information in order to fulfill such other person’s obligation to the Company or one of its subsidiaries and who has an obligation (whether by contract, fiduciary duty or ethical duty) to the Company or one of its subsidiaries to maintain the confidence of such information, or otherwise made in accordance with the Company’s policies regarding the protection or authorized external disclosure of information regarding the Company and its subsidiaries, including the Company’s policies and procedures for the release of material nonpublic information in compliance with the restrictions of Regulation FD on the selective disclosure of material nonpublic information); or
- (iv) Assist anyone engaged in the above activities.

In addition, it is the policy of the Company that no person subject to this Policy who, in the course of working for or providing services to the Company or any of its subsidiaries, learns of material nonpublic information about a company with which the Company or any of its subsidiaries engages in transactions or does business, including a distributor, vendor, customer or supplier, may engage in any transaction in that other company's securities until the information becomes public or is no longer material.

It is also the policy of the Company that the Company will not engage in transactions in Company Securities while aware of material nonpublic information relating to the Company, any of the Company's subsidiaries or Company Securities, except pursuant to a Rule 10b5-1 Plan entered into and maintained in compliance with this Policy and applicable law.

There are no exceptions to this Policy, except as specifically noted in this Policy. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) or small transactions are not excepted from this Policy. Securities laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

Definition of Material Nonpublic Information

Material Information. Information is considered "material" if a reasonable investor would consider that information important in making a decision to buy, sell or hold securities. Any information that could be expected to affect the Company's stock price, whether it is positive or negative, should be considered material. There is no bright-line standard for assessing materiality. Rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- (i) Financial results (whether for a month, quarter, year or otherwise);
- (ii) A pending or proposed merger, acquisition or tender offer;
- (iii) A pending or proposed acquisition or disposition of a significant asset;
- (iv) A pending or proposed joint venture;
- (v) A Company restructuring;
- (vi) Significant related party transactions;
- (vii) A significant change in senior management;
- (viii) A change in dividend policy, the declaration of a stock split, or an offering of additional securities;
- (ix) Bank borrowings or other financing transactions out of the ordinary course;

- (x) The establishment of a repurchase program for Company Securities;
- (xi) Projections of future financial results, including earnings or losses, or other guidance;
- (xii) Changes to previously announced guidance, or the decision to suspend guidance;
- (xiii) The imposition of a ban on trading in Company Securities or the securities of another company;
- (xiv) A significant change in the Company's pricing or cost structure;
- (xv) Major marketing changes;
- (xvi) A change in auditors or notification that the auditor's reports may no longer be relied upon;
- (xvii) Development of a significant new product, process, or service;
- (xviii) Pending or threatened significant litigation, or the resolution of such litigation;
- (xix) The gain or loss of a significant customer or supplier;
- (xx) A significant cybersecurity incident, such as a data breach, or any other significant disruption in the operations of the Company or a subsidiary of the Company or the loss, potential loss, breach or unauthorized access of their respective property or assets, whether at their respective facilities or through their respective information technology infrastructure;
- (xxi) The imposition of an event-specific restriction on trading in Company Securities or the securities of another company or the extension or termination of such restriction; or
- (xxii) Impending bankruptcy or the existence of severe liquidity problems.

Nonpublic Information. Information that has not been disclosed to the public is generally considered to be nonpublic information. In order to establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated. Information generally would be considered widely disseminated if it has been disclosed through newswire services, a document filed with or furnished to the Securities and Exchange Commission (the "SEC") that is available on the SEC's website, a broadcast on a widely-available radio or television program, or a publication in a widely-available newspaper, magazine or news website. By contrast, information would likely not be considered widely disseminated if it is available only to employees of the Company or its subsidiaries, or if it is only available to a select group of analysts, brokers and institutional investors.

Once information is widely disseminated, it is still necessary to provide the investing public with sufficient time to absorb the information. As a general rule, information may not be

considered fully absorbed by the marketplace until the market opens on the second (2nd) trading day after the day on which the information is publicly disseminated. If, for example, the Company were to make an announcement on a Tuesday, you may not trade in Company Securities until Thursday. Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the dissemination of specific material nonpublic information.

Transactions by Family Members and Others

This Policy applies to your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Company Securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Company Securities (collectively referred to as “Family Members”). You are responsible for the transactions of your Family Members and, therefore, you should make them aware of the need to confer with you before they trade in Company Securities. You should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were for your own account. This Policy does not, however, apply to personal securities transactions of Family Members where the purchase or sale decision is made by a third party not controlled by, influenced by or related to you or your Family Members.

Transactions by Entities that You Influence or Control

This Policy applies to any entities that you influence or control, including any corporations, limited liability companies, partnerships or trusts (collectively referred to as “Controlled Entities”), and transactions by the Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

Transactions under Company Plans and Mutual Funds

Stock Option Exercises. This Policy does not apply to the exercise of a stock option acquired pursuant to the Company’s plans, or to the exercise of a tax withholding right pursuant to which you elect to have the Company withhold Company Securities subject to a stock option to satisfy tax withholding requirements. However, this Policy does apply to any sale of Company Securities as part of a broker-assisted cashless exercise of a stock option, any sale for the purpose of generating the cash needed to pay the exercise price of a stock option, or surrender of Company Securities to pay the exercise price of a stock option.

Restricted Stock and Performance Share Awards. This Policy does not apply to the vesting of restricted stock or performance share awards, or to the exercise of a tax withholding right pursuant to which you elect to have the Company withhold Company Securities to satisfy tax withholding requirements upon the vesting of any restricted stock or performance share award. However, this Policy does apply to any sale or surrender of Company Securities acquired upon the vesting of restricted stock or performance share awards.

401(k) Plan and Nonqualified Deferred Compensation Plan. This Policy does not apply to purchases of Company Securities in the Company’s 401(k) plan or nonqualified deferred compensation plans, if permitted by such plans, resulting from your periodic contribution of money

to the plans pursuant to your payroll deduction election or your deferral election. However, this Policy does apply to certain elections you may make under the Company's 401(k) plan or nonqualified deferred compensation plans, including: (i) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company Securities fund, including an election to begin to allocate contributions to the Company Securities fund; (ii) an election to make an intra-plan transfer of an existing account balance into or out of the Company Securities fund; (iii) an election to borrow money against your plan account if the loan will result in a liquidation of some or all of your Company Securities fund balance; and (iv) an election to pre-pay a plan loan if the pre-payment will result in the allocation of loan proceeds to the Company Securities fund. Sales of Company Securities from a 401(k) plan account or a nonqualified deferred compensation plan account by Directors and Reporting Officers are also subject to Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), and therefore Directors, Reporting Officers and other insiders must ensure that a Form 144 is filed by their broker when required.

Employee Stock Purchase Plan. This Policy does not apply to purchases of Company Securities in an employee stock purchase plan resulting from your periodic contribution of money to the plan pursuant to the election you made at the time of your enrollment in the plan. This Policy also does not apply to purchases of Company Securities resulting from lump sum contributions to an employee stock purchase plan, provided that you elected to participate by lump sum payment at the beginning of the applicable enrollment period (at a time when there are no restrictions on transactions in Company Securities). However, this Policy does apply to your election to participate in an employee stock purchase plan for any enrollment period, and to your sales of Company Securities purchased pursuant to the plan.

Dividend Reinvestment Plan. This Policy does not apply to purchases of Company Securities under a dividend reinvestment plan resulting from your reinvestment of dividends paid on Company Securities. However, this Policy does apply to voluntary purchases of Company Securities resulting from additional contributions you choose to make to a dividend reinvestment plan, and to your election to participate in the plan or increase your level of participation in the plan. This Policy also applies to your sale of any Company Securities purchased pursuant to a dividend reinvestment plan.

Mutual Funds. This Policy does not apply to transactions in mutual funds that are invested in Company Securities.

Special and Prohibited Transactions – For All Persons Subject to this Policy

There is legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. Therefore, it is the Company's policy that all persons covered by this Policy may not engage in any of the following transactions:

Short Sales. Short sales of Company Securities (*i.e.*, the sale of Company Securities that the seller does not own) may evidence an expectation on the part of the seller that Company Securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in the Company's prospects. In addition, short sales may reduce a seller's

incentive to seek to improve the Company's performance. For these reasons, short sales of Company Securities are prohibited by this Policy. In addition, Section 16(c) under the Exchange Act prohibits Directors and Reporting Officers from engaging in short sales. Short sales arising from certain types of hedging transactions are governed by the paragraph captioned "Hedging Transactions."

Publicly-Traded Options. Given the relatively short term of publicly-traded options, transactions in options may create the appearance that a person is trading based on material nonpublic information and focus the person's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in put options, call options or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy. Option positions arising from certain types of hedging transactions are governed by the paragraph captioned "Hedging Transactions."

Special and Prohibited Transactions – For Directors, Reporting Officers and Restricted Employees Only

Given the increased potential for Directors, Reporting Officers and Restricted Employees to be aware of material nonpublic information regarding the Company, there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if Directors, Reporting Officers and, where noted, Restricted Employees engage in certain other types of transactions. Therefore, it is the Company's policy that no Director, Reporting Officer or, where noted, Restricted Employee may engage in any of the following transactions:

Short-Term Trading. A Director or Reporting Officer who (i) purchases Company Securities may not sell any Company Securities of the same class during the six (6) months following the purchase or (ii) sells Company Securities in the open market may not purchase any Company Securities of the same class during the six (6) months following the sale. Restricted Employees are not subject to this prohibition on short-term trading.

Hedging Transactions. Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such transactions may permit a person to continue to own Company Securities obtained through compensation or benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the person may no longer have the same objectives as the Company's other shareholders. Therefore, Directors, Reporting Officers and Restricted Employees are prohibited from engaging in any hedging or monetization transactions.

Margin Accounts and Pledged Securities. Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company Securities, Directors, Reporting Officers and Restricted Employees are prohibited from holding Company Securities in a margin account or otherwise pledging Company Securities as collateral for a loan. This prohibition on margin accounts and

pledged securities shall not apply to those Company Securities pledged on or before October 2, 2023 or as otherwise pre-approved by the Company's Board of Directors. Pledges of Company Securities arising from certain types of hedging transactions are governed by the paragraph captioned "Hedging Transactions."

Standing and Limit Orders. Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 Plans, as described below) create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when a person is aware of material nonpublic information. Therefore, Directors, Reporting Officers and Restricted Employees are prohibited from using standing and limit orders; provided, however, that standing and limit orders that (i) are approved under Rule 10b5-1 Plans, as described below, and (ii) otherwise comply with the restrictions and procedures outlined under the heading "Compliance Procedures," are not prohibited by this Policy.

Debt Securities. The Company believes that it is inappropriate for Directors, Reporting Officers and Restricted Employees to be creditors of the Company due to actual or perceived conflicts of interest that may arise in connection therewith. Therefore, transactions by Directors, Reporting Officers and Restricted Employees in Company Securities constituting debt securities, whether or not those Company Securities are convertible into Company common stock, are prohibited by this Policy.

Compliance Procedures

The Company has established procedures in order to assist the Company in the administration of this Policy, to facilitate compliance with laws prohibiting insider trading while aware of material nonpublic information, and to avoid the appearance of any impropriety. These procedures are applicable only to those individuals described below.

Pre-Clearance Procedures – For Directors, Reporting Officers and Restricted Employees Only. Each Director, Reporting Officer and Restricted Employee, as well as the Family Members and Controlled Entities of such persons (collectively, the "Window Group"), may not engage in any transaction in Company Securities without first obtaining pre-clearance of the transaction from the Policy Administrator. A request for pre-clearance should be submitted to the Policy Administrator at least two (2) trading days in advance of the proposed transaction. Pre-clearance requests may be made as specified under the heading "Company Assistance."

When a request for pre-clearance is made, the requesting person should carefully consider whether he or she may be aware of any material nonpublic information about the Company or any of the Company's subsidiaries, and should describe fully those circumstances to the Policy Administrator.

In the case of a Director or Reporting Officer, the requesting person must:

- (i) indicate whether he or she has effected any non-exempt (for purposes of the SEC regulations under Section 16 of the Exchange Act) "opposite-way" transaction within the past six (6) months;

- (ii) be prepared to report the proposed transaction on Form 4 or Form 5, as appropriate, or coordinate with the Company to do so by providing the Policy Administrator written notice of the details of each transaction in Company Securities on the day such transaction is effectuated; and
- (iii) comply with Rule 144 under the Securities Act, and file a Form 144, if necessary, at the time of any sale, or arrange for his or her broker to do so.

Subject to the other provisions of this Policy (including the prohibition on engaging in any transaction in Company Securities while aware of material nonpublic information), any transaction pre-approved shall be approved only for the remainder of the then-current Trading Window (as defined below), such shorter period of time specified by the Policy Administrator or, in the case of an approved Rule 10b5-1 Plan (as defined below), the term of such approved Rule 10b5-1 Plan. The Policy Administrator is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction. If a person requests pre-clearance and permission to engage in the transaction is not granted, then such person must refrain from initiating any transaction in Company Securities, and may not inform any other person of the restriction.

Quarterly Restricted Periods and Trading Windows – For Directors, Reporting Officers and Restricted Employees Only. No member of the Window Group may conduct a transaction involving the Company’s Securities (other than as specified by this Policy) during a “Restricted Period.” Each Restricted Period, and the corresponding “Trading Window” during which the Window Group may (subject to the other terms of this Policy and applicable securities laws) generally conduct transactions in Company Securities, shall be determined (and may be modified) from time to time by the Company’s Board of Directors or the Policy Administrator and may be communicated by or on behalf of the Policy Administrator to the Directors, Reporting Officers and Restricted Employees. In the absence of an alternative determination by the Company’s Board of Directors or the Policy Administrator, each Restricted Period shall begin at the close of the market on the fifteenth (15th) calendar day prior to the end of the then-current fiscal quarter, and shall end at the open of the market on the second (2nd) trading day following the public disclosure of the Company’s earnings results for the previously completed fiscal quarter.

Note that even during a Trading Window, any person aware of material nonpublic information concerning the Company may not engage in any transactions in the Company’s Securities until the information is publicly disseminated or ceases to be material, whether or not the Company has recommended a suspension of trading to that person.

Event-Specific Restricted Periods. From time to time, an event may occur that is material to the Company or one of its subsidiaries and is known by only certain persons. So long as the event remains material and nonpublic, persons designated by the Policy Administrator may not engage in transactions in Company Securities. In addition, the Company’s financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the Policy Administrator, designated persons must refrain from engaging in transactions in Company Securities even earlier than the quarterly Restricted Period described above. In such a situation, the Policy Administrator may, without disclosing a reason for the restriction, notify these persons that they may not trade in Company Securities. The existence of an event-specific Restricted Period or the extension of a quarterly Restricted Period may not be announced to the Company

and its subsidiaries as a whole, and may not be communicated to any other person. Even if the Policy Administrator has not designated you as a person who may not engage in transactions in Company Securities due to an event-specific Restricted Period, you may not trade while aware of material nonpublic information.

Limited Exceptions. The quarterly trading restrictions and event-specific trading restrictions do not apply to those transactions to which this Policy does not apply, as described under the heading “Transactions under Company Plans and Mutual Funds.” Further, the requirement for pre-clearance, the quarterly trading restrictions and event-specific trading restrictions do not apply to transactions conducted pursuant to approved Rule 10b5-1 Plans, as described under the heading “Rule 10b5-1 Plans.”

Rule 10b5-1 Plans – For Directors, Reporting Officers and Restricted Employees Only

Rule 10b5-1 under the Exchange Act provides an affirmative defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this affirmative defense, a person must enter into a plan for transactions in Company Securities that meets certain conditions specified in Rule 10b5-1 (a “Rule 10b5-1 Plan”). If the Rule 10b5-1 Plan meets the requirements of Rule 10b5-1 and this Policy, transactions in Company Securities may occur even when the person who has entered into the Rule 10b5-1 Plan is aware of material nonpublic information.

To comply with this Policy, a Rule 10b5-1 Plan must:

- (i) be entered into at a time when the person entering into the Rule 10b5-1 Plan is not aware of material nonpublic information;
- (ii) be in accordance with the “Guidelines for Rule 10b5-1 Plans” attached to this Policy (and as may be updated by the Policy Administrator);
- (iii) not be entered into after the end of a Trading Window (the “Rule 10b5-1 Plan Deadline”) or at any time during a Restricted Period; and
- (iv) be approved by the Policy Administrator.

Any Director, Reporting Officer or Restricted Employee who wishes to enter into a Rule 10b5-1 Plan must request and receive approval from the Policy Administrator (or, in the case of a Restricted Employee only, the Company’s designated broker pursuant to a form Rule 10b5-1 Plan approved by the Policy Administrator), which approval is within the Policy Administrator’s sole discretion. A request for approval of a Rule 10b5-1 Plan (and the provision of information necessary to complete a Rule 10b5-1 Plan) should be submitted to the Policy Administrator (or, in the case of a Restricted Employee only, the Company’s designated broker) at least five (5) trading days prior to the Rule 10b5-1 Plan Deadline. If the Rule 10b5-1 Plan is approved, no further pre-approval of the transactions conducted pursuant to such Rule 10b5-1 Plan will be required (subject to the terms of such Rule 10b5-1 Plan).

Once the Rule 10b5-1 Plan is adopted, the person adopting the Rule 10b5-1 Plan must not exercise any influence over the amount of Company Securities to be traded, the price at which the Company Securities are to be traded or the date of the trade. The Rule 10b5-1 Plan must either

specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party. The Rule 10b5-1 Plan must include a cooling-off period before trading can commence that, for Directors and Reporting Officers, ends on the later of ninety (90) calendar days after the adoption or modification of the Rule 10b5-1 Plan or two (2) trading days following the disclosure of the Company's financial results in an SEC periodic report for the fiscal quarter in which the Rule 10b5-1 Plan was adopted or modified (but in any event, the required cooling-off period is subject to a maximum of one hundred and twenty (120) calendar days after adoption or modification of the Rule 10b5-1 Plan), and for persons other than Directors and Reporting Officers, thirty (30) calendar days following the adoption or modification of a Rule 10b5-1 Plan. A person may not enter into overlapping Rule 10b5-1 Plans (subject to certain exceptions) and may only enter into one (1) single-trade Rule 10b5-1 Plan during any twelve (12)-month period. Directors and Reporting Officers must include a representation in their Rule 10b5-1 Plan certifying that they are not aware of any material nonpublic information and they are adopting the Rule 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the prohibitions in Rule 10b-5. All persons entering into a Rule 10b5-1 Plan must act in good faith with respect to that Rule 10b5-1 Plan.

The Rule 10b5-1 affirmative defense will not apply to trades made outside of a qualifying Rule 10b5-1 Plan, and buying or selling Company Securities outside an established Rule 10b5-1 Plan could be interpreted as a hedging transaction. Further, for an insider subject to the volume limitations of Rule 144, the sale of Company Securities outside the Rule 10b5-1 Plan could effectively reduce the number of Company Securities that could be sold under the Rule 10b5-1 Plan, which could be deemed an impermissible modification of the Rule 10b5-1 Plan. Accordingly, Directors, Reporting Officers and Restricted Employees who enter into a Rule 10b5-1 Plan are prohibited by this Policy from engaging in transactions in Company Securities outside of the Rule 10b5-1 Plan once it is established, other than sales pursuant to an SEC-registered underwritten offering.

Each Director and Reporting Officer understands that the completion, approval or adoption of a Rule 10b5-1 Plan in no way reduces or eliminates such person's obligations under Section 16 of the Exchange Act, including such person's disclosure obligations and short-swing trading liabilities thereunder, or under Rule 144 under the Securities Act. If any questions arise regarding a person's Rule 10b5-1 Plan or such person's rights and obligations under a Rule 10b5-1 Plan, such person should consult with such person's own legal counsel.

Post-Termination Transactions

This Policy continues to apply to transactions in Company Securities even after termination of service to the Company and/or its subsidiaries. If an individual is aware of material nonpublic information when his or her service terminates, that individual may not engage in transactions in Company Securities until that information has become public or is no longer material. The pre-clearance procedures specified under the heading "Compliance Procedures" will cease to apply to such individual's transactions in Company Securities upon the expiration of any Restricted Period or any other Company-imposed trading restrictions applicable at the time of the termination of service.

Section 16(b) of the Exchange Act, which generally subjects Directors and Reporting Officers to the loss of profits on any non-exempt sale and purchase (or purchase and sale) of Company Securities within a period of less than six (6) months, continues to apply to non-exempt transactions that occur within less than six (6) months of an opposite-way, non-exempt transaction that took place while an insider. If, for example, a Director or Reporting Officer engaged in an open market purchase of Company Securities within six (6) months prior to the effective date of his or her termination, any open market or other non-exempt sale of Company Securities occurring within less than six (6) months of that purchase may result in short-swing profit liability. Additionally, Directors and Reporting Officers may have public reporting requirements for post-termination transactions, and should consult with legal counsel (and advise the Policy Administrator) before engaging in a transaction in Company Securities within six (6) months following termination of service.

Consequences of Violations

The purchase or sale of securities while aware of material nonpublic information, or the disclosure of material nonpublic information to others who then engage in transactions in the Company's Securities, is prohibited by federal and state securities laws. Insider trading violations are pursued vigorously by the SEC, U.S. Attorneys and state enforcement authorities, as well as enforcement authorities in foreign jurisdictions. Punishment for insider trading violations is severe, and could include significant fines and imprisonment. While regulatory authorities concentrate their efforts on individuals who trade, or who tip material nonpublic information to others who trade, securities laws also impose potential liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by company personnel.

In addition, an individual's failure to comply with this Policy may subject the individual to Company-imposed sanctions, including dismissal for cause, whether or not the individual's failure to comply results in a violation of law. A violation of law, or even an SEC investigation that does not result in prosecution, can tarnish an individual's reputation and irreparably damage a career.

Certification

All persons subject to this Policy must certify their understanding of, compliance with, and agreement to continue complying with, this Policy. The form and timing of any such certification shall be consistent with the form of Certification attached to this Policy or as otherwise determined by the Policy Administrator.

Company Assistance

Questions about this Policy or the application of this Policy to any proposed transaction, along with requests for pre-clearance, Rule 10b5-1 Plan requests and transaction detail notices, are to be directed to the Policy Administrator and may be made in person, in writing or via any form of electronic communication, including via e-mail or telephone at:

Patrick.Kennedy@wthg.com or (614) 840-3355

Effective Date and Amendments

This Policy became effective on October 2, 2023. This Policy replaces the Company's policies on insider trading in effect prior to the effective date hereof. This Policy may be amended by (i) the Company's Board of Directors or, (ii) to the extent deemed by the Policy Administrator to be advisable or necessary to comply with applicable law, regulations or SEC guidance, by the Policy Administrator.

Insider Trading Policy Certification

I certify that:

1. I have read and understand the Worthington Enterprises, Inc. Insider Trading Policy (the "Policy"). Any capitalized terms used in this Certification without being defined herein have the definitions given to them in the Policy.
2. I understand that the Policy Administrator is available to answer any questions I have regarding the Policy.
3. Since date the Policy became effective, or such shorter period of time that I have been a director or an employee of the Company or one of the Company's subsidiaries, I have complied with the Policy.
4. I will continue to comply with the Policy for as long as I am subject to the Policy.

Signature:

Name:

Date:

Guidelines for Rule 10b5-1 Plans

Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), provides a defense from insider trading liability under Rule 10b-5 of the Exchange Act. In order to be eligible to rely on this defense, a person must enter into a plan for transactions in Company Securities (as defined in the Worthington Enterprises, Inc. Insider Trading Policy (the “Policy”)) that meets certain conditions specified in Rule 10b5-1 (a “Rule 10b5-1 Plan”). Transactions in Company Securities pursuant to a qualifying Rule 10b5-1 Plan may occur without regard to certain insider trading restrictions. In general, a Rule 10b5-1 Plan must be entered into at a time when the person entering into the Rule 10b5-1 Plan is not aware of material nonpublic information. Once the Rule 10b5-1 Plan is adopted, the person must not exercise any influence over the amount of Company Securities to be traded, the price at which they are to be traded or the date of any trade. The Rule 10b5-1 Plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

A Rule 10b5-1 Plan must include a cooling-off period before trading can commence that, for Directors and Reporting Officers (as each is defined in the Policy), ends on the later of ninety (90) calendar days after the adoption or modification of the Rule 10b5-1 Plan or two (2) trading days following the disclosure of the Company’s financial results in an SEC periodic report for the fiscal quarter in which the Rule 10b5-1 Plan was adopted or modified (but in any event, the required cooling-off period is subject to a maximum of one hundred and twenty (120) calendar days after adoption or modification of the Rule 10b5-1 Plan), and for persons other than Directors and Reporting Officers, thirty (30) calendar days following the adoption or modification of a Rule 10b5-1 Plan. A person may not enter into overlapping Rule 10b5-1 Plans (subject to certain exceptions) and may only enter into one (1) single-trade Rule 10b5-1 Plan during any twelve (12)-month period (subject to certain exceptions). Directors and Reporting Officers must include a representation in their Rule 10b5-1 Plan certifying that: (i) they are not aware of any material nonpublic information; and (ii) they are adopting the Rule 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the prohibitions in Rule 10b-5. All persons entering into a Rule 10b5-1 Plan must act in good faith with respect to that Rule 10b5-1 Plan.

As specified in the Policy, a Rule 10b5-1 Plan must be approved by the Policy Administrator (as defined in the Policy) and meet the requirements of Rule 10b5-1 and these guidelines. Any Rule 10b5-1 Plan must be submitted for approval (and the provision of information necessary to complete a Rule 10b5-1 Plan) (or, in the case of a Restricted Employee only, the Company’s designated broker) at least five (5) trading days prior to the Rule 10b5-1 Plan Deadline (as defined in the Policy). If the Rule 10b5-1 Plan is approved, no further pre-approval of transactions conducted pursuant to such Rule 10b5-1 Plan will be required (subject to the terms of such Rule 10b5-1 Plan).

The following guidelines apply to all Rule 10b5-1 Plans:

- (i) You may not enter into, modify or terminate a trading program during a Restricted Period (as defined in the Policy) (including any event-specific Restricted Period) or otherwise while you are aware of material nonpublic information.
- (ii) All Rule 10b5-1 Plans must have a duration of at least six months.

- (iii) For Directors and Reporting Officers, no transaction may take place under a Rule 10b5-1 Plan until the later of (a) ninety (90) calendar days after adoption or modification of the Rule 10b5-1 Plan or (b) two (2) trading days following the disclosure of the Company's financial results in a Form 10-Q or a Form 10-K for the fiscal quarter (the Company's fourth fiscal quarter in the case of a Form 10-K) in which the Rule 10b5-1 Plan was adopted or modified (but in any event, the cooling-off period is subject to a maximum of one hundred and twenty (120) calendar days after adoption or modification of the Rule 10b5-1 Plan).
- (iv) For persons other than Directors and Reporting Officers, no transaction may take place under a Rule 10b5-1 Plan until thirty (30) calendar days following the adoption or modification of the Rule 10b5-1 Plan.
- (v) Subject to certain limited exceptions specified in Rule 10b5-1, you may not enter into more than one (1) Rule 10b5-1 Plan at the same time;
- (vi) Subject to certain limited exceptions specified in Rule 10b5-1, you are limited to only one Rule 10b5-1 Plan designed to effect an open market purchase or sale of the total amount of securities subject to the Rule 10b-1 Plan as a single transaction in any twelve (12)-month period;
- (vii) You must act in good faith with respect to a Rule 10b5-1 Plan. A Rule 10b5-1 Plan cannot be entered into as part of a plan or scheme to evade the prohibition of Rule 10b-5. Therefore, although modifications to an existing Rule 10b5-1 Plan are not prohibited, a Rule 10b5-1 Plan should be adopted with the intention that it will not be amended or terminated prior to its expiration.
- (viii) Directors and Reporting Officers must include a representation to the Company at the time of adoption or modification of a Rule 10b5-1 Plan that (i) the person is not aware of material nonpublic information about the Company, any of the Company's subsidiaries or Company Securities and (ii) the person is adopting the Rule 10b5-1 Plan in good faith and not as part of plan or scheme to evade the prohibitions of Rule 10b-5.
- (ix) Directors, Reporting Officers and Restricted Employees who enter into a Rule 10b5-1 Plan are prohibited by the Policy from engaging in transactions in Company Securities outside of the Rule 10b5-1 Plan once the Rule 10b5-1 Plan is established, other than sales pursuant to an SEC-registered underwritten offering.

The Company, Directors and Reporting Officers must make certain disclosures in SEC filings concerning Rule 10b5-1 Plans. Directors and Reporting Officers must undertake to provide any information requested by the Company regarding Rule 10b5-1 Plans for the purpose of providing the required disclosures or any other disclosures that the Company deems to be appropriate under the circumstances.

Each Director and Reporting Officer understands that the approval or adoption of a pre-planned selling program in no way reduces or eliminates such person's obligations under Section 16 of the Exchange Act, including such person's disclosure obligations and short-swing trading

liabilities thereunder. If any questions arise, such person should consult with such person's own legal counsel in implementing a Rule 10b5-1 Plan.

SUBSIDIARIES OF WORTHINGTON ENTERPRISES, INC.

The following is a list of the subsidiaries, direct and indirect, of Worthington Enterprises, Inc. as of July 30, 2024. The names of indirectly-owned subsidiaries are indented under the names of their respective immediate parents:

Worthington Industries Leasing, LLC	Ohio
Worthington Services, LLC	Ohio
Worthington Industries Medical Center, Inc.	Ohio
Worthington Steel of Michigan, LLC (d/b/a The Worthington Steel Company)	Michigan
New AMTROL Holdings, Inc.	Delaware
AMTROL Inc.	Rhode Island
AMTROL North American Cylinders, LLC	Delaware
AMTROL Water Technology, LLC	Delaware
AMTROL International Investments Inc.	Rhode Island
AMTROL Holding Netherlands B.V.	Netherlands
AMTROL Holding Portugal, SGPS, Unipessoal, Lda	Portugal
AMTROL-ALFA Metalomecanica, S.A.	Portugal
AMTROL Licensing Inc	Rhode Island
GerCo Holdings, Inc.	Ohio
Precision Specialty Metals, Inc.	Delaware
WI Ventures, LLC	Ohio
Worthington-Buckeye, Inc.	Ohio
Worthington Cylinder Corporation	Ohio
dHybrid Systems, LLC	Ohio
GTI Holding Company	Delaware
General Tools & Instruments Company LLC	New York
Mannix Instruments CO., LLC	New York
PTI Distributors LLC	New York
General Tools & Instruments (Shanghai) Company, Ltd.	China
Level5 Tools, LLC	Kansas
Worthington Cryogenics, LLC	Ohio
Worthington Cylinders Mexico, S. de R.L. de C.V.	Mexico
Worthington Cylinder Norway AS	Norway
Worthington Industries International S.à.r.l.	Luxembourg
Worthington Enterprises Norway AS	Norway
Hexagon Ragasco AS	Norway
Hexagon Ragasco North America Inc.	Nebraska
Worthington Cylinders Kansas, LLC	Ohio
Worthington Cylinders Wisconsin, LLC	Ohio
WC Realty Holdings LLC	Ohio
Worthington Industries Consumer Products, LLC	Ohio
Worthington Enterprises of Canada, Inc.	Canada
Worthington Industries Engineered Cabs, Inc.	Delaware
The Worthington Steel Company (DE) (formerly Worthington Ventures, Inc.)	Delaware
Worthington CDBS Holding, LLC	Ohio
Worthington Mid-Rise Construction, Inc.	Ohio
Worthington Military Construction, Inc.	Ohio
Worthington Steel Company of Decatur, LLC	Alabama

Joint Ventures	
Clarkwestern Dietrich Building Systems LLC (1)	Ohio
Taxi Workhorse Holdings, LLC (2)	Delaware
WH Products, LLC (3)	Delaware
Worthington Armstrong Venture (WAVE) (4)	Delaware
Worthington Cylinders GmbH (Austria) (5)	Austria

- (1) Unconsolidated joint venture with 25% owned by Worthington CDBS Holding, LLC and 75% owned by CWBS- MISA, Inc.
 - (2) Unconsolidated joint venture with 80% owned by AEP Taxi Workhorse Aggregator, LLC and 20% owned by Worthington Industries Engineered Cabs, Inc.
 - (3) Consolidated joint venture with 80% owned by Worthington Cylinder Corporation and 20% owned by Halo Products Group, LLC.
 - (4) Unconsolidated joint venture, operating as a general partnership, with 50% owned by The Worthington Steel Company (Delaware) and 50% owned by Armstrong Ventures, Inc., a subsidiary of Armstrong World Industries, Inc.
 - (5) Unconsolidated joint venture, with 49% owned by Worthington Industries International S.a.r.l. (Lux) and 49% by Hexagon Composites ASA.
-

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-48627 and 333-168418) on Form S-3 and (Nos. 033-57981, 333-168421, 333-42849, 333-191668, 333-234157, 333-137614, 333-177237, 333-126183, 333-169769, 333-198203, 333-198201, 333-198200, 333-198199 and 333-271213) on Form S-8 of our reports dated July 30, 2024, with respect to the consolidated financial statements of Worthington Enterprises, Inc. and the effectiveness of internal control over financial reporting.

/s/KPMG LLP

Columbus, Ohio

July 30, 2024

Consent of Independent Auditors

We consent to the incorporation by reference in the registration statements (Nos. 333-48627 and 333-168418) on Form S-3 and (Nos. 033-57981, 333-168421, 333-42849, 333-191668, 333-234157, 333-137614, 333-177237, 333-126183, 333-169769, 333-198203, 333-198201, 333-198200, 333-198199 and 333-271213) on Form S-8 of Worthington Enterprises, Inc. of our report dated February 15, 2024, with respect to the consolidated financial statements of Worthington Armstrong Venture and its subsidiary, which report appears in the Form 10-K of Worthington Enterprises, Inc. dated July 30, 2024.

/s/KPMG LLP

Philadelphia, Pennsylvania
July 30, 2024

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement Nos. 333-48627 and 333-168418 on Form S-3 and Registration Statement Nos. 033-57981, 333-168421, 333-42849, 333-191668, 333-234157, 333-137614, 333-177237, 333-126183, 333-169769, 333-198203, 333-198201, 333-198200, 333-198199 and 333-271213 on Form S-8 of Worthington Enterprises, Inc. of our report dated July 25, 2024, relating to the consolidated financial statements of Clarkwestern Dietrich Building Systems, LLC appearing in this Annual Report on Form 10-K of Worthington Enterprises, Inc. for the year ended May 31, 2024.

/s/Deloitte & Touch LLP

Cincinnati, Ohio

July 29, 2024

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose, Joseph B. Hayek and Patrick J. Kennedy, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/John P. McConnell
John P. McConnell

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose, Joseph B. Hayek and Patrick J. Kennedy, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/John H. McConnell II
John H. McConnell II

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose, Joseph B. Hayek and Patrick J. Kennedy, each with full power to act without the other, her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand on this 25th day of June 2024.

/s/Kerrii B. Anderson
Kerrii B. Anderson

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/David P. Blom
David P. Blom

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose, Joseph B. Hayek and Patrick J. Kennedy, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/John B. Blystone
John B. Blystone

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose, Joseph B. Hayek and Patrick J. Kennedy, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/Mark C. Davis
Mark C. Davis

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose, Joseph B. Hayek and Patrick J. Kennedy, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/Michael J. Endres
Michael J. Endres

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose, Joseph B. Hayek and Patrick J. Kennedy, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/Paul G. Heller
Paul G. Heller

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose, Joseph B. Hayek and Patrick J. Kennedy, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/Ozey K. Horton, Jr.
Ozey K. Horton, Jr.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose, Joseph B. Hayek and Patrick J. Kennedy, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/Billy R. Vickers
Billy R. Vickers

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose, Joseph B. Hayek and Patrick J. Kennedy, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/Virgil L. Winland
Virgil L. Winland

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints Joseph B. Hayek and Patrick J. Kennedy, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/B. Andrew Rose

B. Andrew Rose

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose and Joseph B. Hayek, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/Patrick J. Kennedy
Patrick J. Kennedy

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose and Patrick J. Kennedy, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/Joseph B. Hayek
Joseph B. Hayek

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officer and director of Worthington Enterprises, Inc., an Ohio corporation, which anticipates filing its Annual Report on Form 10-K for the fiscal year ended May 31, 2024, with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, hereby makes, constitutes and appoints B. Andrew Rose, Joseph B. Hayek and Patrick J. Kennedy, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign such Annual Report on Form 10-K and any and all amendments to such Annual Report on Form 10-K, and to file the same with all exhibits, financial statements and schedules related thereto, and any and all applications or other documents pertaining to such Annual Report on Form 10-K, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on this 25th day of June 2024.

/s/Kevin J. Chan
Kevin J. Chan

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

I, B. Andrew Rose, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended May 31, 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, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

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

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

I, Joseph B. Hayek, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended May 31, 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, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

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

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

In connection with the Annual Report of Worthington Enterprises, Inc. (the "Company") on Form 10-K for the fiscal year ended May 31, 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: July 30, 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 Annual Report of Worthington Enterprises, Inc. (the "Company") on Form 10-K for the fiscal year ended May 31, 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: Executive Vice President and Chief Financial and Operations Officer

Date: July 30, 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.

Effective October 2, 2023

Worthington Enterprises, Inc.
Executive Officer Clawback Policy

This Policy has been adopted by the Board as of the Effective Date. This Policy provides for the recovery of Erroneously Awarded Compensation from Executive Officers in the event of an Accounting Restatement. This Policy is intended to comply with, and shall be interpreted to be consistent with, Section 10D of the Exchange Act, Rule 10D-1 and the Listing Rule. Capitalized terms used in this Policy have the respective meanings given to them in Section 1 below.

1. **Definitions.** For purposes of this Policy, the following capitalized terms have the meanings set forth below.
 - A. “Accounting Restatement” means an accounting restatement of the Company’s financial statements due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
 - B. “Accounting Restatement Date” means the earlier to occur of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; and (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.
 - C. “Board” means the Board of Directors of the Company.
 - D. “Clawback Period” means, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Accounting Restatement Date and any transition period (that results from a change in the Company’s fiscal year) of less than nine months within or immediately following those three completed fiscal years.
 - E. “Code” means the Internal Revenue Code of 1986, as amended.
 - F. “Committee” means the Compensation Committee of the Board.
 - G. “Company” means Worthington Enterprises, Inc., an Ohio corporation.
 - H. “Effective Date” means October 2, 2023.
 - I. “Erroneously Awarded Compensation” means, in the event of an Accounting Restatement, the amount of Incentive-Based Compensation received by an Executive Officer during the Clawback Period that exceeds the amount of Incentive-Based Compensation that otherwise would have been received by such Executive Officer had the Incentive-Based Compensation been determined based
-

on the restated amounts in such Accounting Restatement. The amount of Erroneously Awarded Compensation shall be computed without regard to any taxes paid by the relevant Executive Officer (including any taxes withheld by the Company from the Incentive-Based Compensation paid to such Executive Officer). For Incentive-Based Compensation based on (or derived from) stock price or total stockholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (i) the Committee must determine the amount of Erroneously Awarded Compensation related to such Incentive-Based Compensation by making a reasonable estimate of the effect of the Accounting Restatement on the stock price or total stockholder return upon which the Incentive-Based Compensation was received; and (ii) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to NYSE.

- J. “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- K. “Executive Officer” means the Company’s current and former president, principal financial officer, principal accounting officer (or if there is not such accounting officer, the controller), any vice president in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive Officers of the Company’s parents or subsidiaries are deemed Executive Officers of the Company if they perform such policy-making functions for the Company. Policy-making function is not intended to include policy-making functions that are not significant. Identification of an Executive Officer for purposes of this Policy include individuals deemed to be Executive Officers by the Board and/or the Committee and those executive officers identified by the Company pursuant to 17 CFR 229.401(b).
- L. “Financial Reporting Measure” means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measure that is derived wholly or in part from such measure. A Financial Reporting Measure is not required to be presented within the Company’s financial statements or included in a filing with the SEC to qualify as a Financial Reporting Measure. For purposes of this Policy, Financial Reporting Measure includes, but is not limited to, stock price and total stockholder return.
- M. “Incentive-Based Compensation” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.
- N. “Listing Rule” means Section 303A.14 of the NYSE Listed Company Manual.
- O. “NYSE” means the New York Stock Exchange.

P. “Policy” means this Executive Officer Clawback Policy, as the same may be amended pursuant to the terms hereof.

Q. “Rule 10D-1” means Rule 10D-1 promulgated under the Exchange Act.

R. “SEC” means the U.S. Securities and Exchange Commission.

2. **Policy Administration.** This Policy will be administered and interpreted by the Committee. The Committee is authorized to make all determinations under this Policy to the extent permitted by the Listing Rule and in compliance with Section 409A of the Code. All determinations made by the Committee pursuant to this Policy will be final and binding on all persons, including the Company and its affiliates, shareholders and Executive Officers, and need not be uniform with respect to each individual subject to the Policy.
3. **Policy Application.** This Policy applies to all Incentive-Based Compensation received by a person: (a) after beginning service as an Executive Officer; (b) who served as an Executive Officer at any time during the performance period for such Incentive-Based Compensation; (c) while the Company had a class of securities listed on a national securities exchange or a national securities association; and (d) during the Clawback Period. For purposes of this Policy, Incentive-Based Compensation is considered “received” in the Company’s fiscal period during which the relevant Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, the terms of this Policy apply to any Incentive-Based Compensation received by Executive Officers on or after the Effective Date even if such Incentive-Based Compensation was approved, awarded, granted or paid to Executive Officers before the Effective Date.
4. **Recovery of Erroneously Awarded Compensation.** In the event of an Accounting Restatement, the Company shall reasonably promptly determine and recover the amount of any Erroneously Awarded Compensation received by any Executive Officer, as determined pursuant to this Policy. The Committee shall determine, in its sole and absolute discretion, the timing and method for recovering Erroneously Awarded Compensation, to the extent permitted under the Listing Rule and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code, which may include without limitation (a) seeking reimbursement of all or part of any cash or equity-based award, (b) cancelling prior cash or equity-based awards, (c) canceling or offsetting against any future payable or planned compensation (including, without limitation, base salary or cash or equity-based awards), (d) forfeiture of deferred compensation and (e) any other method authorized by applicable law or contract.
 - A. The Company’s recovery obligation pursuant to this Section 4 shall not apply if any of the following conditions are met and the Committee determines that such recovery would be impracticable:
 - i. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before concluding that it would

be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to NYSE;

- ii. Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company must obtain an opinion of home country counsel, acceptable to NYSE, that recovery would result in such a violation, and provide a copy of the opinion to NYSE; or
- iii. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Code and regulations thereunder.

5. **Indemnification Prohibition.** The Company is prohibited from (a) indemnifying any Executive Officer against the loss of any Erroneously Awarded Compensation and (b) paying, or reimbursing any Executive Officer for, the cost of any insurance to cover any such loss.
6. **Reporting and Disclosure.** The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including disclosures required by applicable SEC filings.
7. **Amendment; Termination.** The Board may amend this Policy from time to time in its sole and absolute discretion and shall amend this Policy as it deems necessary to comply with applicable laws, rules or regulations, including SEC rules or the rules of any national securities exchange or a national securities association on which the Company's securities are listed. The Board may terminate this Policy at any time. Notwithstanding anything to the contrary, no amendment or termination of this Policy shall adversely affect any Incentive-Based Compensation approved, granted, awarded, earned or paid to an Executive Officer prior to the effective date of such amendment or termination, except solely to the extent such amendment or termination is required by applicable laws, rules or regulations, including SEC rules or the rules of any national securities exchange or a national securities association on which the Company's securities are listed.
8. **Other Recoupment Rights.** The Committee intends that this Policy will be applied to the fullest extent of the law. The Committee may, as a condition to the grant of any benefit and employment with the Company or its subsidiaries, require an Executive Officer to acknowledge and agree that any employment agreement, award agreement or other agreement entered into or provided to such Executive Officer shall be subject to the terms of this Policy; provided, however, that the Committee's failure to do so shall not serve as a waiver of the Company's rights or such Executive Officer's obligations under this Policy with respect to any such employment agreement, award agreement or other agreement.

Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under applicable law, rule or regulation or pursuant to the terms of any similar policy in any employment agreement, award agreement or similar agreement and any other legal remedies available to the Company. Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall limit any claims, damages or other legal remedies the Company or any of its affiliates may have against an Executive Officer arising out of or resulting from any actions or omissions by the Executive Officer.

9. **Acknowledgement.** Each Executive Officer shall sign and return to the Company, within 14 calendar days following the later of (i) the Effective Date or (ii) the date the individual becomes an Executive Officer, the acknowledgement attached hereto as Exhibit A, pursuant to which the Executive Officer agrees to be bound by, and to comply with, the terms and conditions of this Policy.
10. **Successors.** This Policy is binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.
11. **Governing Law; Venue.** This Policy and all rights and obligations hereunder are governed by and construed in accordance with the internal laws of the State of Ohio, excluding any choice of law rules or principles that may direct the application of the laws of another jurisdiction. All actions arising out of or relating to this Policy shall be heard and determined exclusively in the courts of the State of Ohio, County of Franklin, or, if it has or can acquire jurisdiction, in the United States District Court for the Southern District of Ohio.

Exhibit A

**Worthington Enterprises, Inc.
Executive Officer Clawback Policy**

Acknowledgement

Pursuant to the Executive Officer Clawback Policy (as may be amended pursuant to the terms thereof, the “Policy”), the undersigned acknowledges, agrees and confirms that he or she has (i) received and reviewed the Policy and (ii) been identified by the Board and/or Committee as an Executive Officer of the Company. Capitalized terms used but not defined in this Acknowledgement shall have the respective meanings ascribed to them in the Policy.

To the extent of any inconsistency between the Policy and the terms of any employment agreement or other compensation plan, program, arrangement or agreement under which any compensation has been or will be approved, granted, awarded, earned or paid to the undersigned, the terms of the Policy will prevail.

By signing this Acknowledgement, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned’s employment with the Company or its subsidiaries. In addition, by signing below, the undersigned agrees to be bound by, and to comply with, the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation to the Company to the extent required by, and in a manner consistent with, the Policy.

EXECUTIVE OFFICER

By: _____

Name: _____

Date: _____

WORTHINGTON ARMSTRONG VENTURE

Consolidated Financial Statements

December 31, 2023 and 2022

(With Independent Auditors' Report Thereon)

WORTHINGTON ARMSTRONG VENTURE

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KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

The Board of Directors
Worthington Armstrong Venture:

Opinion

We have audited the consolidated financial statements of Worthington Armstrong Venture and its subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of income and comprehensive income, partners' deficit, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023 in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Philadelphia, Pennsylvania
February 15, 2024

WORTHINGTON ARMSTRONG VENTURE

Consolidated Balance Sheets

December 31, 2023 and 2022

(Dollar amounts in thousands)

Assets	2023	2022
Current assets:		
Cash and cash equivalents	\$ 2,547	4,134
Accounts receivable, net	40,002	38,278
Receivables from affiliates	1,913	5,336
Inventory, net	42,157	51,638
Other current assets	2,293	1,374
Total current assets	88,912	100,760
Property, plant, and equipment, net	37,639	36,036
Goodwill & intangibles	8,891	9,055
Operating lease assets	40,267	40,896
Other assets	390	383
Total assets	\$ 176,099	187,130
Liabilities and Partners' Deficit		
Current liabilities:		
Accounts payable	\$ 16,105	14,423
Accounts payable to affiliates	4,402	4,566
Accrued expenses	7,347	6,716
Operating lease liabilities	4,993	5,416
Taxes payable	190	156
Total current liabilities	33,037	31,277
Long-term liabilities:		
Long-term debt	326,341	334,126
Long term operating lease liabilities	35,274	35,480
Other long-term liabilities	2,318	2,718
Total long-term liabilities	363,933	372,324
Total liabilities	396,970	403,601
Partners' deficit:		
Accumulated deficit	(220,695)	(214,932)
Accumulated other comprehensive loss	(176)	(1,539)
Total partners' deficit	(220,871)	(216,471)
Total liabilities and partners' deficit	\$ 176,099	187,130

See accompanying notes to consolidated financial statements.

WORTHINGTON ARMSTRONG VENTURE
Consolidated Statements of Income and Comprehensive Income
Years ended December 31, 2023, 2022, and 2021
(Dollar amounts in thousands)

	2023	2022	2021
Net sales	\$ 448,995	458,159	430,823
Cost of sales	(185,823)	(227,046)	(186,293)
Gross margin	263,172	231,113	244,530
Selling, general, and administrative expenses	(59,116)	(57,757)	(51,194)
Operating income	204,056	173,356	193,336
Other income, net	257	323	113
Interest expense	(16,844)	(9,767)	(8,668)
Income from operations before tax expense	187,469	163,912	184,781
Income tax expense	(232)	(203)	(166)
Total net income	187,237	163,709	184,615
Other comprehensive income (loss):			
Change in pension plan	119	861	864
Change in cash flow hedge	1,244	566	(1,022)
Total other comprehensive income (loss)	1,363	1,427	(158)
Total comprehensive income	\$ 188,600	165,136	184,457

See accompanying notes to consolidated financial statements.

WORTHINGTON ARMSTRONG VENTURE

Consolidated Statements of Partners' Deficit

Years ended December 31, 2023, 2022, and 2021

(Dollar amounts in thousands)

	Contributed capital		Accumulated deficit	Accumulated other comprehensive income (loss)	Total partners' deficit
	Armstrong Ventures, Inc.	The Worthington Steel Company			
Balance, December 31, 2020	\$ —	—	(197,256)	(2,808)	(200,064)
Net income	—	—	184,615	—	184,615
Distributions	—	—	(157,000)	—	(157,000)
Change in pension plan	—	—	—	864	864
Change in cash flow hedge	—	—	—	(1,022)	(1,022)
Balance, December 31, 2021	\$ —	—	(169,641)	(2,966)	(172,607)
Net income	—	—	163,709	—	163,709
Distributions	—	—	(209,000)	—	(209,000)
Change in pension plan	—	—	—	861	861
Change in cash flow hedge	—	—	—	566	566
Balance, December 31, 2022	\$ —	—	(214,932)	(1,539)	(216,471)
Net income	—	—	187,237	—	187,237
Distributions	—	—	(193,000)	—	(193,000)
Change in pension plan	—	—	—	119	119
Change in cash flow hedge	—	—	—	1,244	1,244
Balance, December 31, 2023	\$ —	—	(220,695)	(176)	(220,871)

See accompanying notes to consolidated financial statements.

WORTHINGTON ARMSTRONG VENTURE

Consolidated Statements of Cash Flows

Years ended December 31, 2023, 2022, and 2021

(Dollar amounts in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:			
Net income	\$ 187,237	163,709	184,615
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	4,739	4,774	4,273
Changes in assets and liabilities:			
Change in receivables	1,699	(493)	(10,917)
Change in inventory	9,481	21,625	(41,771)
Change in payables and accrued expenses	2,398	(10,973)	14,553
Other	37	1,526	(178)
Net cash provided by operating activities	<u>205,591</u>	<u>180,168</u>	<u>150,575</u>
Cash flows from investing activities:			
Purchases of property, plant, and equipment	<u>(6,178)</u>	<u>(8,121)</u>	<u>(5,575)</u>
Net cash used in investing activities	<u>(6,178)</u>	<u>(8,121)</u>	<u>(5,575)</u>
Cash flows from financing activities:			
Proceeds from revolving credit facility	213,000	233,500	180,000
Issuance of long-term debt	—	—	50,000
Repayment of revolving credit facility	(221,000)	(195,000)	(215,500)
Financing cost	—	—	(1,252)
Distributions paid	<u>(193,000)</u>	<u>(209,000)</u>	<u>(157,000)</u>
Net cash used in financing activities	<u>(201,000)</u>	<u>(170,500)</u>	<u>(143,752)</u>
Net increase (decrease) in cash and cash equivalents	(1,587)	1,547	1,248
Cash and cash equivalents at beginning of year	4,134	2,587	1,339
Cash and cash equivalents at end of year	\$ <u>2,547</u>	<u>4,134</u>	<u>2,587</u>
Supplemental disclosures:			
Interest paid	\$ 17,459	9,005	8,668
Income taxes paid	198	212	211

See accompanying notes to consolidated financial statements.

WORTHINGTON ARMSTRONG VENTURE

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Dollar amounts in thousands)

(1) Description of Business

Worthington Armstrong Venture (the Company) is a general partnership, formed in June 1992, between Armstrong Ventures, Inc. (Armstrong), a subsidiary of Armstrong World Industries, Inc., and The Worthington Steel Company (Worthington), a Delaware corporation (a subsidiary of Worthington Enterprises, Inc.). Its business is to manufacture and market suspension systems for commercial and residential ceiling markets throughout the world. The Company has seven manufacturing plants located throughout the United States.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Use of Estimates

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include management estimates and judgments, where appropriate. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the valuation of property, plant, and equipment and goodwill, operating lease liabilities and right-of-use assets, accrual for volume rebates, and assets and obligations related to employee benefits.

The consolidated financial statements include the accounts of the Company and its subsidiary. All significant intercompany transactions have been eliminated.

(b) Revenue Recognition

The Company recognizes revenue upon transfer of control of products to the customer, which typically occurs upon shipment. The main performance obligation to customers is the delivery of products in accordance with purchase orders. Each purchase order confirms the transaction price for the products purchased under the arrangement. Direct shipments to building materials distributors, home centers, direct customers and retailers represent the majority of sales transactions. Standard sales terms are Free On Board ("FOB") shipping point; however, the Company does have minimal sales terms that are FOB destination. At the point of shipment, the customer is required to pay under normal sales terms, which in most cases are 45 days or less, with no material financing components. While the majority of the Company's revenue is derived from the sale of standard products, the Company also manufactures and sells customized ceiling products. The manufacturing cycle for these products is typically short.

The Company's products are sold with normal and customary return provisions. Limited warranties are provided for defects in materials or factory workmanship, sagging and warping, and certain other manufacturing defects. Warranties are not sold separately to customers, and product warranties place certain requirements on the purchaser, including installation and maintenance in accordance with written instructions. In addition to the warranty program, under certain limited circumstances, the Company will occasionally, at its sole discretion, provide a customer accommodation repair or replacement. Warranty repairs and replacements are most commonly made by professional installers employed by or affiliated with the Company's independent distributors. Sales returns and warranty claims have historically not been material and do not constitute separate performance obligations.

The Company often offers incentive programs to its customers, primarily volume rebates and promotions. The majority of the Company's rebates are designated as a percentage of annual customer purchases. Rebate amounts are estimated based on actual sales for the period and accrued for the projected incentive programs costs. The costs of rebate accruals are recorded as a reduction to revenue. Other sales discounts, including early pay promotions, are deducted immediately from the sales invoice.

WORTHINGTON ARMSTRONG VENTURE

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Dollar amounts in thousands)

Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from revenues in the consolidated statements of income and comprehensive income.

(c) Derivative Instruments and Hedging Activities

The Company recognizes all derivative instruments as either assets or liabilities in the consolidated balance sheet at their respective fair values. For derivatives designated in hedging relationships, changes in the fair value are recognized in accumulated other comprehensive income, to the extent the derivative is effective at offsetting the changes in cash flows being hedged until the hedged item affects earnings. For derivatives not designated as hedges or that do not meet the criteria for hedge accounting, all changes in fair value are recorded immediately to profit or loss.

(d) Advertising Costs

The Company recognizes advertising expense as incurred. Advertising expense was \$1,844, \$2,102, and \$2,079 for the years ended December 31, 2023, 2022, and 2021 respectively.

(e) Research and Development Expenditures

The Company recognizes research and development expense as expenditures are incurred. Total research and development expense was \$3,924, \$4,195, and \$4,157 for the years ended December 31, 2023, 2022, and 2021 respectively.

(f) Taxes

The Company is a general partnership in the United States, and accordingly, generally, U.S. federal and state income taxes are the responsibility of the two general partners. The Company recognizes the effect of uncertain income tax positions only if those positions are more likely than not of being sustained. Recognized income tax benefits are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

(g) Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts for estimated credit losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses, current receivables aging, and existing industry and national economic data. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its customers.

(h) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out method.

(i) Long-Lived Assets

Property, plant, and equipment are stated at cost, with accumulated depreciation and amortization deducted to arrive at net book value. Depreciation charges are determined generally on the straight-line basis over the useful lives as follows: buildings, 30 years; machinery and equipment, 5 to 15 years; and leasehold improvements over the shorter of 10 years or the life of the lease. Impairment losses are recorded when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. If an impairment exists, the asset is reduced to fair value.

WORTHINGTON ARMSTRONG VENTURE

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Dollar amounts in thousands)

(j) Leases

The Company enters into operating leases for certain manufacturing plants, warehouses, and automobiles. The Company's leases have remaining lease terms of up to 10 years. Several leases include options for the Company to renew in certain increments. The Company considers these components in determining the lease term used to establish the right-of-use ("ROU") assets and lease liabilities when it is reasonably certain that the Company will exercise that option. The Company's lease agreements do not contain any residual value guarantees or material restrictive covenants. Short term leases with an initial term of 12 months or less are not recorded on the consolidated balance sheet. The lease expenses are recognized on a straight-line basis over the lease term.

As the Company's leases do not provide an implicit rate, an Incremental Borrowing Rate ("IBR") based on information that is available at the lease commencement date is used to compute the present value of lease payments, which is an estimate of the collateralized borrowing rate the Company would incur on future lease payments over a similar term.

(k) Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a purchase business combination. Goodwill is tested for impairment at least annually. The impairment tests performed in 2023 and 2022 did not result in an impairment of goodwill.

(l) Recently Adopted Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 establishes a ROU model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. The FASB issued additional related ASUs that provide further guidance and clarification and become effective for the Company upon the adoption of ASU 2016-02.

Effective January 1, 2022, the Company adopted these standards using the modified retrospective transition approach. The Company elected to adopt the package of transition practical expedients and, therefore, has not reassessed (1) whether existing or expired contracts contain a lease, (2) lease classification for existing or expired leases or (3) the accounting for initial direct costs that were previously capitalized. Adoption of the new leasing standard had a material effect on the Company's consolidated balance sheet but did not materially affect the consolidated statement of income and comprehensive income. Adoption drove a \$29,439 increase in operating lease liabilities with a corresponding equal increase in ROU assets as of January 1, 2022. Adoption did not have a material impact to the Company's consolidated statement of cash flows.

In November 2021, the FASB issued ASU 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*, which requires most business entities to disclose information about certain government assistance they receive. The related disclosure requirements include (1) the nature of the transactions and the related accounting policy used; (2) the line items on the balance sheet and income statement that are affected and the amounts applicable to each financial statement line item; and (3) significant terms and conditions of the transactions. The Company adopted the ASU on January 1, 2022. See Note 10 for discussion regarding such amounts recorded in 2022.

WORTHINGTON ARMSTRONG VENTURE

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Dollar amounts in thousands)

(3) Accounts Receivable

The Company sells its products to select, preapproved customers whose businesses are directly affected by changes in economic and market conditions. The Company considers these factors and the financial condition of each customer when establishing its allowance for losses from doubtful accounts. The allowance for doubtful accounts was \$134 and \$167 at December 31, 2023 and 2022, respectively.

(4) Inventory

	<u>2023</u>	<u>2022</u>
Finished goods	\$ 17,251	19,151
Goods in process	348	393
Raw materials	20,814	28,699
Supplies	3,744	3,395
Total inventory, net of reserves	<u>\$ 42,157</u>	<u>51,638</u>

(5) Derivative Instruments and Hedging Activities

The Company may use interest-rate related derivative instruments to manage its exposure related to changes in interest rates on its variable-rate debt instruments and uses commodity derivatives to manage its exposure to commodity price fluctuations. The Company does not enter into derivative instruments for any purpose other than cash flow hedging. The Company does not speculate using derivative instruments.

The Company currently uses Secured Overnight Financing Rate (SOFR) debt to finance its operations after transitioning from the variable-rate London Interbank Offered Rate (LIBOR) debt in December 2022. The Company's mechanisms for using SOFR as the base rate remain largely the same as under LIBOR, with the exception of a small monthly basis point adjustment intended to ensure that SOFR rates effectively mirror higher LIBOR rates. The debt obligations expose the Company to variability in interest payments due to changes in interest rates. Management believes that it is prudent to limit the variability of a portion of its interest payments, and thus may enter into interest rate swap agreements to manage fluctuations in cash flows resulting from changes in the benchmark interest rate. The swap changes the variable-rate cash flow exposure on the debt obligations to fixed cash flows. The Company is not currently utilizing interest rate swaps; however, management will continue to evaluate opportunities to limit variability of cash flows resulting from changes in the benchmarked interest rate.

The Company also strategically enters into certain derivative instruments to hedge exposure to changes in cash flows attributable to commodity price fluctuations associated with certain forecasted transactions, specifically the future purchases of steel and aluminum used in manufacturing the Company's products. Changes in the fair value of steel and aluminum derivative instruments designated as hedging instruments and that effectively offset the variability of cash flows associated with anticipated purchases of steel and aluminum are reported in accumulated other comprehensive income. These amounts subsequently are reclassified into cost of goods sold when the related inventory is liquidated and affects earnings. The Company assesses hedge effectiveness both at the onset of the hedge and at regular intervals throughout the life of the derivative instrument.

WORTHINGTON ARMSTRONG VENTURE

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Dollar amounts in thousands)

The fair value of derivatives designated as hedging instruments held as of December 31, 2023 and 2022 are as follows:

	2023		2022	
	Balance Sheet Location	Fair value	Balance Sheet Location	Fair value
Steel & aluminum hedges (current)	Other Current Assets	\$ 1,091	Accrued Expenses	\$ 153

The amount of gain (loss) recognized in accumulated other comprehensive income was \$1,091 and (\$153), respectively as of December 31, 2023 and 2022.

(6) Property, Plant, and Equipment

	2023	2022
Land	\$ 673	673
Buildings	16,609	15,486
Machinery and equipment	80,072	76,800
Computer software	2,574	2,463
Construction in process	7,296	6,294
	<u>107,224</u>	<u>101,716</u>
Accumulated depreciation and amortization	(69,585)	(65,679)
Total property, plant, and equipment, net	<u>\$ 37,639</u>	<u>36,037</u>

Depreciation and amortization expense was \$4,739, \$4,774 and \$4,273 for the years ended December 31, 2023, 2022 and 2021, respectively.

(7) Fair Value of Financial Instruments

The Company does not hold or issue financial instruments for trading purposes.

The carrying amounts of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair value due to the short-term maturity of these instruments. The carrying value and estimated fair value of debt was \$326,341 and \$306,420, respectively, at December 31, 2023. The carrying value and estimated fair value of debt was \$334,126 and \$309,094, respectively, at December 31, 2022.

The fair value of the Company's debt is based on the amount of future cash flows discounted using rates the Company would currently be able to realize for similar instruments of comparable maturity.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

WORTHINGTON ARMSTRONG VENTURE

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Dollar amounts in thousands)

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The Company's derivatives are valued using Level 2 inputs. The fair values are disclosed in Note 5. The Company does not have any significant financial or nonfinancial assets or liabilities that are valued using Level 3 inputs.

(8) Debt

The Company has a \$250,000 revolving credit facility (Facility) with PNC Bank and other lenders. Upon its expiration in March 2021, the Facility was amended and restated. While there was no change in the amount of the Facility, the term now expires March 31, 2026. In December 2022, the Company entered into an amendment to its Revolving Credit agreement which replaced LIBOR with the SOFR as the reference rate plus a spread adjustment. The Company applied an optional expedient under *Topic 848, Reference Rate Reform*, that allowed it to account for the contract modification as a continuation of the existing contract without further analysis. As of December 31, 2023 and 2022 there was \$177,000 and \$185,000, respectively, outstanding under the Facility. The Company can borrow at rates with a range over adjusted SOFR of 1.125% to 1.75%, depending on the Company's leverage ratio, as defined by the terms of the Facility. As of December 31, 2023 and 2022, the Company's interest rate was 6.71% and 5.68%, respectively.

On October 19, 2018, the Company issued \$50,000 of 10-year private placement notes with PGIM, Inc. (PGIM Series B Notes) that mature in October 2028. At December 31, 2023 and 2022, there was \$50,000 outstanding. The PGIM Series B Notes bear interest at 4.79% that is paid on a quarterly basis.

On February 5, 2021, the Company issued \$50,000 of 8-year private placement notes with PGIM, Inc. (PGIM Series D Notes) that mature in February 2029. At December 31, 2023 and 2022, there was \$50,000 outstanding. The PGIM Series D Notes bear interest at 3.05% that is paid on a quarterly basis.

On January 7, 2021, the Company issued \$50,000 of 10-year private placement notes with Bank of America N.A. (BoA Series C Notes) that mature in January 2031. At December 31, 2023 and 2022 there was \$50,000 outstanding. The BoA Series C Notes bear interest at 2.90% that is paid bi-annually.

As of December 31, 2023 and 2022, unamortized debt issuance costs were \$659 and \$874, respectively. The debt agreements contain certain restrictive financial covenants, including, among others, interest coverage and leverage ratios. The Company was in compliance with its covenants during the years ended and as of December 31, 2023 and 2022.

(9) Pension Benefit Programs

The Company contributes to the Worthington Industries Deferred Profit Sharing Plan for eligible U.S. employees. Costs for this plan were \$1,584, \$1,297 and \$1,687 for 2023, 2022 and 2021, respectively.

The Company also has a U.S. defined-benefit pension plan for eligible hourly employees that worked in its former manufacturing plant located in Malvern, Pennsylvania. This plan was curtailed in January 2004 due to the consolidation of the Company's East Coast operations, which eliminated the expected future years of service for participants in the plan.

WORTHINGTON ARMSTRONG VENTURE

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Dollar amounts in thousands)

The following tables set forth the defined-benefit pension plan's benefit obligations, fair value of plan assets, and funded status at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Projected benefit obligation at beginning of year	\$ 4,145	5,333
Interest cost	195	138
Actuarial gain	(65)	(852)
Benefits paid	(569)	(474)
Projected benefit obligation at end of year	\$ <u>3,706</u>	<u>4,145</u>
	<u>2023</u>	<u>2022</u>
Benefit obligation at December 31	\$ 3,706	4,145
Fair value of plan assets as of December 31	4,475	5,040
Funded status at end of year	\$ <u>769</u>	<u>895</u>
Amounts recognized in the balance sheets consist of:		
Other assets	769	895
Accumulated other comprehensive loss	1,267	1,386
Net amount recognized	\$ <u>2,036</u>	<u>2,281</u>

Amounts recognized in accumulated other comprehensive loss represent unrecognized net actuarial losses. The components of net periodic benefit cost (benefit) are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Interest cost	\$ 195	138	133
Expected return on plan assets	(167)	(343)	(352)
Recognized net actuarial loss	144	190	217
Recognized settlement charge	74	188	
Net periodic benefit cost	\$ <u>246</u>	<u>173</u>	<u>(2)</u>

The accumulated benefit obligation for the U.S. defined-benefit pension plan was \$3,706 and \$4,145 at December 31, 2023 and 2022, respectively. The unrecognized net loss for the defined-benefit pension plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year is \$40.

The valuations and assumptions reflect the Society of Actuaries PRI 2012 mortality table with MP-2021 generational projection scales as of December 31, 2023.

Weighted average assumptions used to determine benefit obligations for the years ended and as of December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Weighted average assumptions for the year ended December 31:		
Discount rate	4.89 %	2.63 %
Expected long-term rate of return on plan assets	3.50	6.50
Weighted average assumptions as of December 31:		
Discount rate	5.79 %	4.89 %
Expected long-term rate of return on plan assets	3.50	6.50

WORTHINGTON ARMSTRONG VENTURE

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Dollar amounts in thousands)

Pension plan assets are required to be disclosed at fair value in the consolidated financial statements. Fair value is defined in Note 7 - Fair Value of Financial Instruments.

The U.S. defined-benefit pension plan assets' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following tables set forth by level within the fair value hierarchy a summary of the plan's assets measured at fair value on a recurring basis as of December 31, 2023 and 2022, respectively:

	2023		
	Fair value based on		
	Fair value	Quoted active markets (Level 1)	Observable inputs (Level 2)
Investment:			
Cash and money market funds	\$ 1,287	1,287	—
Debt securities	3,188	—	3,188
	<u>\$ 4,475</u>	<u>1,287</u>	<u>3,188</u>

	2023		
	Fair value based on		
	Fair value	Quoted active markets (Level 1)	Observable inputs (Level 2)
Investment:			
Cash and money market funds	\$ 1,875	1,875	—
Debt securities	3,165	—	3,165
	<u>\$ 5,040</u>	<u>1,875</u>	<u>3,165</u>

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

Cash: Consists of cash and cash equivalents. The carrying amounts of cash and cash equivalents approximate fair value due to the short-term maturity of these instruments.

Money market funds: The money market investment consists of an institutional investor money market fund, valued at the fund's net asset value (NAV), which is normally calculated at the close of business daily. The fund's assets are valued as of this time for the purpose of computing the fund's NAV.

Debt securities: Consist of investments in individual corporate bonds, municipal bonds, or government bonds. These bonds are each individually valued using a yield curve model, based on observable inputs, which may also incorporate available trade and bid/ask spread data where available.

In developing the 3.50% expected long-term rate of return assumption, the Company considered its historical returns and reviewed asset class return expectations and long-term inflation assumptions.

The primary investment objective of the defined-benefit pension plan historically was to achieve long-term growth of capital in excess of 6.50% annually, exclusive of contributions or withdrawals. Near the end of 2021, the Company's investment objective shifted to a more conservative fixed-income approach to reduce market risk in anticipation of purchasing annuities for the remaining plan participants; accordingly, during 2022 the investment mix was shifted to a fixed-income approach

WORTHINGTON ARMSTRONG VENTURE

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Dollar amounts in thousands)

targeting a mix of 65% fixed income investments and 35% cash equivalents. The Company anticipates purchasing annuities for the remaining plan participants in 2024.

Each asset class utilized by the defined-benefit pension plan has a targeted percentage. The following table shows the 2023 asset allocation target and the December 31, 2023 and 2022 position:

	Position at December 31		
	Target weight	2023	2022
Cash and equivalents	35	29	37
Fixed income securities	65	71	63

The Company made no contributions to the U.S. defined-benefit pension plan in 2023, 2022, and 2021. The Company does not expect to contribute to the plan in 2024.

The benefits expected to be paid in each of the next five years and in the aggregate for the five years thereafter are shown in the following table:

Expected future payments for the year(s) ending December 31:	
2023	\$ 363
2024	352
2025	342
2026	335
2027	334
2028-2032	1,510

The expected benefits are based on the same assumptions used to measure the Company's benefit obligation at December 31, 2023.

(10) Income Taxes

The Company is a general partnership in the United States, and accordingly, U.S. federal and state income taxes are generally the responsibility of the two general partners. Therefore, no federal income tax provision has been recorded on U.S. income.

Other taxes

In 2022, the Company recorded an Employee Retention Credit (ERC) benefit of \$2,154, representing a refundable payroll tax credit for eligible wages paid to our employees in 2021 under the Coronavirus Aid, Relief, and Economic Security Act. The Company accounted for the ERC by applying the grant model. The credit was recorded as an offset to payroll tax expenses within cost of goods sold and selling, general and administrative expenses in the consolidated statements of income and comprehensive income.

(11) Leases

The Company is a lessee in several noncancellable operating leases, primarily real estate for its corporate office as well as for certain of its manufacturing facilities; substantially all of the Company's lease expense relates to building and warehouse

WORTHINGTON ARMSTRONG VENTURE

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Dollar amounts in thousands)

lease expense. Several leases include options for renewal, and contain clauses for payment of real estate taxes, insurance, and certain operating costs. In most cases, management expects that in the normal course of business, leases will be renewed or replaced by other leases.

Minimum rent payments under operating leases are recognized on a straight-line basis over the term of the lease including any periods of free rent. Rent expense during 2023, 2022, and 2021 amounted to \$5,005, \$4,347, and \$3,304, respectively.

Short-term lease expense and variable lease costs were not material for the years ended December 31, 2023, 2022 and 2021. As of December 31, 2023, the Company did not have any material leases that have not yet commenced.

The weighted average remaining lease term for the Company's operating leases at December 31, 2023 and 2022 was 8.3 years and 9.4 years, respectively. The weighted average discount rate at December 31, 2023 and 2022 was 4.1% and 4.1%, respectively.

Cash paid for amounts included in the measurement of lease liabilities was \$5,701 and \$3,872 for the years ended December 31, 2023 and 2022, respectively.

Maturities of operating lease liabilities under noncancellable leases as of December 31, 2023 are as follows:

Year:			
2024	\$		6,077
2025			5,861
2026			5,977
2027			5,272
2028			5,211
Thereafter			20,407
Total undiscounted lease payments	\$		<u>48,805</u>
Less: imputed interest			<u>(8,538)</u>
Total lease liabilities	\$		<u><u>40,267</u></u>

(12) Accumulated Other Comprehensive Income (Loss)

The following table summarizes the activity, by component, related to the change in AOCI for December 31, 2023 and the balances for accumulated other comprehensive income (loss):

	Cash flow hedge	Pension plan	Accumulated other comprehensive (loss)
Balance, December 31, 2021	\$ (717)	(2,249)	(2,966)
Other comprehensive (loss) / income before reclassifications	566	722	1,288
Amounts reclassified from accumulated other comprehensive income	—	139	139
Net current period other comprehensive (loss) / income	566	861	1,427
Balance, December 31, 2022	\$ (151)	(1,388)	(1,539)
Other comprehensive income before reclassifications	1,244	5	1,249
Amounts reclassified from accumulated other comprehensive income	—	114	114

WORTHINGTON ARMSTRONG VENTURE

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Dollar amounts in thousands)

Net current period other comprehensive income	1,244	119	1,363
Balance, December 31, 2023	\$ 1,093	(1,269)	(176)

The amount reclassified from AOCI was recorded in other income, net in the consolidated statements of income and comprehensive income.

(13) Related Parties

AWI provides certain selling, promotional, and administrative processing services to the Company for which it receives reimbursement. AWI purchases grid products from the Company, which are then resold along with AWI inventory to AWI's customers.

	2023	2022	2021
Services provided by Armstrong	\$ 27,797	29,083	21,612
Sales to Armstrong	32,568	34,450	27,852

AWI owed the Company \$1,913 and \$5,336 for purchases of product as of December 31, 2023 and 2022, respectively, which are included in receivables from affiliates.

Worthington, and affiliates of Worthington, provide certain administrative processing services, steel processing services, and insurance-related coverages to the Company for which it receives reimbursement.

	2023	2022	2021
Administrative services by Worthington	\$ 2,139	2,129	2,017
Insurance-related coverage net of premiums by Worthington	691	1,425	1,649
Steel processing services by Worthington and affiliates of Worthington	—	—	1,213

The Company owed \$4,402 and \$4,566 to Worthington and affiliates of Worthington as of December 31, 2023 and 2022, respectively, which are included in accounts payable to affiliates.

(14) Legal Proceedings

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

(15) Business and Credit Concentrations

Approximately 35%, 29%, and 29% of net sales were to the Company's largest third-party customer for 2023, 2022, and 2021, respectively. The Company's 10 largest third-party customers accounted for approximately 80%, 78%, and 76% of the Company's net sales for 2023, 2022, and 2021, respectively, and approximately 88% and 85% of the Company's trade accounts receivable balances at December 31, 2023 and 2022, respectively. See Note 13 for sales to and amounts owed to the Company from AWI.

WORTHINGTON ARMSTRONG VENTURE

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(Dollar amounts in thousands)

(16) Subsequent Events

Management has evaluated subsequent events through the date the annual consolidated financial statements were available to be issued, February 15, 2024.

Clarkwestern Dietrich Building Systems, LLC

Consolidated Financial Statements
as of March 31, 2024 and 2023 and
for the Fiscal Years Ended
March 31, 2024, 2023 and 2022,
and Independent Auditor's Report

CLARKWESTERN DIETRICH BUILDING SYSTEMS, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Management Committee of
Clarkwestern Dietrich Building Systems, LLC:

Opinion

We have audited the consolidated financial statements of Clarkwestern Dietrich Building Systems, LLC and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of March 31, 2024 and 2023, and the related consolidated statements of income and comprehensive income, members' equity, and cash flows for the fiscal years ended March 31, 2024, 2023 and 2022, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and the results of its operations and its cash flows for the fiscal years ended March 31, 2024, 2023 and 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 8 to the financial statements, because of the extensive transactions with related parties, the financial statements may not be indicative of the financial position that would have existed or the results of operations that would have been achieved if the Company had operated without such affiliations. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/Deloitte & Touche LLP

July 25, 2024

CLARKWESTERN DIETRICH BUILDING SYSTEMS, LLC

CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 32,505,652	\$ 40,427,785
Accounts receivable:		
Trade—net of allowances	194,581,708	203,442,777
Other	2,869,031	3,856,819
Notes receivable from MIFA	32,018,785	
Notes receivable from MISA		121,361,758
Inventories	188,950,768	166,444,984
Prepaid expenses	2,651,748	2,821,298
	<hr/>	<hr/>
Total current assets	453,577,692	538,355,421
EQUITY METHOD INVESTMENTS	2,728,635	1,786,128
PROPERTY, PLANT, AND EQUIPMENT—Net	87,781,144	80,574,584
OPERATING LEASE RIGHT-OF-USE ASSETS	43,362,492	47,833,649
GOODWILL	16,716,702	12,321,964
OTHER INTANGIBLE ASSETS—Net	11,187,903	14,315,611
OTHER ASSETS	2,556,440	2,916,199
	<hr/>	<hr/>
TOTAL ASSETS	\$ 617,911,008	\$ 698,103,556
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 79,076,815	\$ 39,287,969
Accounts payable—MISA and its affiliates	4,211,021	3,002,383
Accrued rebates	34,066,138	37,357,588
Accrued liabilities	35,163,335	32,347,792
Accrued distributions to members—CWBS-MISA, Inc.	28,478,896	
Accrued distributions to members—Worthington	9,492,965	
Operating lease liabilities	9,744,709	9,214,276
	<hr/>	<hr/>
Total current liabilities	200,233,879	121,210,008
Long-term operating lease liabilities	35,504,015	40,831,833
Other long-term liabilities	8,760,259	3,937,876
	<hr/>	<hr/>
Total liabilities	244,498,153	165,979,717
COMMITMENTS AND CONTINGENCIES (Note 5)		
MEMBERS' EQUITY:		
Members' capital	218,160,618	218,160,618
Retained earnings	155,252,237	314,225,552
Accumulated other comprehensive loss		(262,331)
	<hr/>	<hr/>
Total members' equity	373,412,855	532,123,839
	<hr/>	<hr/>
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 617,911,008	\$ 698,103,556

See accompanying notes to consolidated financial statements.

CLARKWESTERN DIETRICH BUILDING SYSTEMS, LLC

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME FOR THE FISCAL YEARS ENDED MARCH 31, 2024, 2023 AND 2022

	2024	2023	2022
NET SALES	\$ 1,343,952,585	\$ 1,517,819,728	\$ 1,591,318,101
COSTS AND EXPENSES:			
Cost of sales	982,729,663	1,118,199,355	1,202,594,839
Selling and administrative expenses	90,278,450	86,953,986	80,841,577
Loss (gain) on disposal of assets	659,722	(69,959)	414,245
Total costs and expenses	1,073,667,835	1,205,083,382	1,283,850,661
INCOME FROM OPERATIONS	270,284,750	312,736,346	307,467,440
OTHER INCOME (EXPENSES):			
Equity in income from equity method investments	942,507	2,472,092	5,662,677
Other income	5,204,352	4,990,374	1,953,174
Other expenses	(855,875)	(1,165,119)	(1,120,973)
Total other income	5,290,984	6,297,347	6,494,878
INCOME BEFORE INCOME TAXES	275,575,734	319,033,693	313,962,318
INCOME TAX EXPENSE FOR STRUCTA WIRE CORP.	(1,847,255)	(1,671,246)	-
NET INCOME	\$ 273,728,479	\$ 317,362,447	\$ 313,962,318
OTHER COMPREHENSIVE INCOME:			
Net income	\$ 273,728,479	\$ 317,362,447	\$ 313,962,318
Foreign currency translation adjustments	262,331	(236,313)	(2,467)
COMPREHENSIVE INCOME	\$ 273,990,810	\$ 317,126,134	\$ 313,959,851

See accompanying notes to consolidated financial statements.

CLARKWESTERN DIETRICH BUILDING SYSTEMS, LLC

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

FOR THE FISCAL YEARS ENDED MARCH 31, 2024, 2023 AND 2022

	Members' Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
BALANCE—March 31, 2021	\$ 218,160,618	\$ 97,537,097	\$ (23,551)	\$ 315,674,164
Net income		313,962,318		313,962,318
Foreign currency translation adjustments			(2,467)	(2,467)
Distributions to members—dividends		<u>(69,439,668)</u>		<u>(69,439,668)</u>
BALANCE—March 31, 2022	218,160,618	342,059,747	(26,018)	560,194,347
Net income		317,362,447		317,362,447
Foreign currency translation adjustments			(236,313)	(236,313)
Distributions to members—dividends		<u>(345,196,642)</u>		<u>(345,196,642)</u>
BALANCE—March 31, 2023	218,160,618	314,225,552	(262,331)	532,123,839
Net income		273,728,479		273,728,479
Foreign currency translation adjustments			262,331	262,331
Distributions to members—dividends		<u>(432,701,794)</u>		<u>(432,701,794)</u>
BALANCE—March 31, 2024	<u>\$ 218,160,618</u>	<u>\$ 155,252,237</u>	<u>\$ -</u>	<u>\$ 373,412,855</u>

See accompanying notes to consolidated financial statements.

CLARKWESTERN DIETRICH BUILDING SYSTEMS, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FISCAL YEARS ENDED MARCH 31, 2024, 2023 AND 2022

	2024	2023	2022
OPERATING ACTIVITIES:			
Net income	\$ 273,728,479	\$ 317,362,447	\$ 313,962,318
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	15,499,399	13,523,124	11,477,969
Noncash lease expense	9,062,425	8,315,851	8,089,272
Loss (gain) on disposal of assets	659,722	(69,959)	414,245
Impairment of intangible assets			1,222,868
Equity in income from equity method investments	(942,507)	(2,472,092)	(5,662,677)
Bad debt expense	(28,969)	215,031	697,162
Gain in the acquisition of Structa Wire		(5,184,035)	
Changes in fair value of the forward contract		3,161,556	
Changes in fair value of contingent consideration	457,422	3,435	808,852
Cash paid for contingent consideration	(45,149)		
Changes in assets and liabilities:			
Trade accounts receivable	8,890,038	34,493,182	(93,034,554)
Other receivables	987,788	(1,789,914)	(224,569)
Inventories	(22,505,784)	144,085,697	(158,795,755)
Prepaid expenses	169,550	(706,066)	(286,002)
Other assets	359,759	437,538	(21,632)
Accounts payable	39,733,954	(1,644,181)	(1,607,374)
Accrued liabilities and other long-term liabilities	(1,018,350)	(6,167,264)	25,687,709
Accounts payable—MISA and its affiliates	1,208,638	(4,312,049)	5,532,453
Operating lease liabilities	(9,388,653)	(8,380,811)	(8,050,485)
Net cash provided by operating activities	<u>316,827,762</u>	<u>490,871,490</u>	<u>100,209,800</u>
INVESTING ACTIVITIES:			
Purchases of property, plant, and equipment	(18,912,479)	(13,702,525)	(12,719,007)
Collection (issuance) of notes receivable from (to) MISA—net	121,361,758	(121,361,758)	5,000,000
Collection of notes receivable from CDH Custom Roll Form, LLC			750,000
Investment in CDH Custom Roll Form, LLC			(1,500,000)
Issuance of notes receivable to MIFA—net	(32,018,785)		
Acquisition of Structa Wire, net of cash acquired		(7,395,652)	
Proceeds from the sale of property, plant, and equipment	23,465	80,100	89,317
Net cash provided by (used in) investing activities	<u>70,453,959</u>	<u>(142,379,835)</u>	<u>(8,379,690)</u>
FINANCING ACTIVITIES:			
Dividends paid to members	(394,729,933)	(345,196,642)	(69,439,668)
Payment of finance lease obligations	(231,267)	(417,753)	(513,104)
Cash paid for contingent consideration	(504,985)	(527,722)	(436,431)
Borrowings from line of credit	4,986,065	9,905,709	114,507,789
Repayments of line of credit	(4,986,065)	(9,905,709)	(114,507,789)
Net cash used in financing activities	<u>(395,466,185)</u>	<u>(346,142,117)</u>	<u>(70,389,203)</u>
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	262,331	(236,313)	(2,467)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,922,133)	2,113,225	21,438,440
CASH AND CASH EQUIVALENTS—Beginning of year	40,427,785	38,314,560	16,876,120
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 32,505,652</u>	<u>\$ 40,427,785</u>	<u>\$ 38,314,560</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest—including \$5,822, \$16,904 and \$33,242, respectively, from finance leases	<u>\$ 36,102</u>	<u>\$ 524,123</u>	<u>\$ 314,776</u>
Cash paid for Structa Wire Corp.'s income taxes	<u>\$ 1,471,444</u>	<u>\$ -</u>	<u>\$ -</u>
Cash paid for operating lease obligations	<u>\$ 11,016,566</u>	<u>\$ 9,833,856</u>	<u>\$ 9,951,922</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH TRANSACTIONS:			
Operating right-of-use assets obtained in exchange for operating lease liabilities	<u>\$ 4,591,268</u>	<u>\$ 2,530,193</u>	<u>\$ 2,594,260</u>
Recording of Structa Wire's purchase price allocation (Note 3)	<u>\$ 4,394,738</u>	<u>\$ 35,128,139</u>	<u>\$ -</u>
Capital expenditures in accounts payable	<u>\$ 457,249</u>	<u>\$ 402,357</u>	<u>\$ 294,161</u>
Capital expenditures in accrued liabilities and other long-term liabilities	<u>\$ 1,294,067</u>	<u>\$ -</u>	<u>\$ -</u>
Accrued distributions to members	<u>\$ 37,971,861</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to consolidated financial statements.

CLARKWESTERN DIETRICH BUILDING SYSTEMS, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEARS ENDED MARCH 31, 2024, 2023 AND 2022

1. NATURE OF BUSINESS

Clarkwestern Dietrich Building Systems, LLC (the Company) is a manufacturer and supplier of light gauge steel framing products in the United States of America and Canada. The Company manufactures a full line of drywall studs and accessories, structural studs and joists, metal lath and accessories, and shaft wall studs and track used primarily in residential and commercial construction. The Company operates 14 manufacturing facilities, one each in Connecticut, Georgia, Illinois, Maryland, Missouri, and British Columbia and two each in California, Florida, Ohio, and Texas.

The members of the Company are CWBS-MISA, Inc., a wholly owned subsidiary of Marubeni-Itochu Steel America Inc. (MISA) and Worthington CDBS Holding, LLC, an indirect subsidiary of Worthington Enterprises, Inc., formerly known as Worthington Industries, Inc., (Worthington). On March 1, 2011, Clarkwestern Building Systems, Inc. and Worthington, two independent entities, entered into a noncash transaction whereby certain assets and liabilities of Clarkwestern Building Systems, Inc., that constituted a business, and Dietrich Industries, Inc., a wholly owned subsidiary of Worthington that has since dissolved into Worthington, were contributed to form the Company to improve the competitive market position and operating efficiency. Clarkwestern Building Systems, Inc. and Worthington obtained a 75% and 25% ownership interest, respectively. On April 1, 2015, Clarkwestern Building Systems, Inc., the majority member of the Company, merged into MISA Metals, Inc., and MISA Metals, Inc. was renamed CWBS-MISA, Inc.

The Company's fiscal year is the twelve-month period ending on March 31st. The accompanying consolidated balance sheets and consolidated statements of income and comprehensive income, members' equity, and cash flows are as of and for the fiscal years ended March 31, 2024, 2023 and 2022 (2024, 2023 and 2022, respectively).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation—The accompanying consolidated financial statements reflect the accounts of Clarkwestern Dietrich Building Systems, LLC and its wholly owned subsidiaries as of March 31, 2024 and 2023 and for the fiscal years ended March 31, 2024, 2023 and 2022. The Company is the 100% owner of ClarkDietrich Research LLC, ClarkDietrich Engineering Services, LLC, ClarkDietrich Engineering Design Inc., and Structa Wire Corp. All intercompany transactions and balances have been eliminated.

Estimates—The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk—Financial instruments, which potentially expose the Company to concentrations of credit risk, as defined by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 825, *Financial Instruments*, consist primarily of trade accounts receivable. In the normal course of business, the Company extends credit, generally on an unsecured basis, to various customers in industries where certain concentrations of credit risk exist. These concentrations of credit risk may be similarly affected by changes in the economy or other conditions and may, accordingly impact the Company's overall credit risk. However, the Company's management believes that trade accounts receivable are well diversified, thereby reducing the potential

of material credit risk, and that the allowance for doubtful accounts is adequate to absorb estimated probable losses as of March 31, 2024 and 2023.

Customers of the Company are primarily located in the United States of America. Approximately 82%, 86% and 86% of sales were to customers in the commercial building distributors industry for the fiscal years ended March 31, 2024, 2023 and 2022, respectively. Approximately 30%, 16% and 13% of trade accounts receivable were from three customers in the commercial building distributors industry as of March 31, 2024. Approximately 26%, 15% and 12% of trade accounts receivable were from three customers in the commercial building distributors industry as of March 31, 2023. Approximately 22%, 17% and 16% of sales were to three customers for the fiscal year ended March 31, 2024. Approximately 21%, 16% and 15% of sales were to three customers for the fiscal year ended March 31, 2023. Approximately 19%, 17% and 16% of sales were to three customers for the fiscal year ended March 31, 2022.

Cash and Cash Equivalents—Cash and cash equivalents include cash in banks and investment instruments that are highly liquid in nature and have maturities of three months or less from their acquisition date. Cash and cash equivalents are stated at cost, which approximates fair value. The Company maintains cash balances in bank accounts, which frequently and substantially exceeds the amount insured by the United States of America's Federal Deposit Insurance Corporation of \$250,000 or, as applicable, the Canada Deposit Insurance Corporation of \$100,000 in Canadian dollars. Although the Company bears risk on amounts in excess of these limits, it has not experienced and does not anticipate any losses due to the high quality of the institutions where the deposits are held.

Receivables—Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus, trade receivables do not bear interest. Receivables are reviewed on an ongoing basis to ensure they are properly valued and collectible. This is accomplished through two contra-receivable accounts: returns and allowance reserve and allowance for doubtful accounts. The returns and allowance reserve is used to record estimates of returns or other allowances resulting from quality, delivery, discounts, or other issues affecting the value of receivables. This account is estimated based upon historical trends and current market conditions with the offset to net sales.

The allowance for doubtful accounts is used to record the estimated risk of loss related to customers' inability to pay. This allowance is maintained at a level that the Company considers appropriate based on factors that affect collectability, such as the financial health of a customer, historical trends of charge-offs and recoveries, and current economic and market conditions. As the Company monitors the receivables, the Company identifies customers that may have payment problems, and adjusts the allowance accordingly, with the offset to selling and administrative expenses. Account balances are charged off against the allowance when recovery is considered remote.

While the Company believes the allowances are adequate, changes in economic conditions, the financial health of customers, and bankruptcy settlements could impact the Company's future earnings. If the economic environment and market conditions deteriorate, particularly in the construction market, additional reserves may be required. Allowance for doubtful accounts was approximately \$758,000 and \$1,314,000 as of March 31, 2024 and 2023, respectively. The trade accounts receivable also includes a reserve for cash discounts and a reserve for returns and allowances of approximately \$3,215,000 and \$3,008,000 as of March 31, 2024 and 2023, respectively.

Inventories—Inventories are stated at the lower of cost or net realizable value, based on specific cost or by using a weighted average cost. Inventories as of March 31, 2024 and 2023 consisted of the following:

	2024	2023
Raw materials	\$ 118,438,663	\$ 86,653,363
Work in process	38,020,156	34,193,386
Finished goods	<u>32,491,949</u>	<u>45,598,235</u>
Total	<u>\$ 188,950,768</u>	<u>\$ 166,444,984</u>

The Company periodically reviews the inventory quantities on hand, considering assumptions such as current and future demand and market conditions and records reserves to reduce the carrying value of inventories to their net realizable value.

Property, Plant, and Equipment—Property, plant, and equipment are recorded at cost or the fair value at the date of acquisition and depreciated over their estimated useful lives on a straight-line basis. Depreciation of right-of-use finance lease assets and leasehold improvements is provided over the shorter of the lease term or the life of the property on a straight-line basis. Depreciation expense was approximately \$12,372,000, \$10,736,000, and \$10,073,000 for the fiscal years ended March 31, 2024, 2023 and 2022, respectively.

As of March 31, 2024 and 2023, property, plant, and equipment consisted of the following:

	2024	2023
Land	\$ 2,737,126	\$ 2,737,126
Land improvements	6,573,752	6,271,978
Building	17,190,326	16,890,193
Machinery and equipment	167,028,637	162,063,879
Right-of-use finance lease assets	1,574,333	1,574,333
Computer equipment	9,752,454	8,450,801
Furniture and fixtures	5,823,206	5,566,324
Leasehold improvements	16,769,343	16,484,572
Internal use software	1,617,584	
Construction in progress	<u>25,958,867</u>	<u>19,624,287</u>
Total property, plant, and equipment at cost	255,025,628	239,663,493
Less accumulated depreciation	<u>(167,244,484)</u>	<u>(159,088,909)</u>
Property, plant, and equipment—net	<u>\$ 87,781,144</u>	<u>\$ 80,574,584</u>

The estimated useful lives of the assets are as follows:

Land improvements	10 years
Buildings	31 years
Machinery and equipment	2–10 years
Right-of-use finance lease assets	3-4 years, which is the shorter of useful life or lease term
Computer equipment	3–10 years
Furniture and fixtures	5 years
Leasehold improvements	5-10 years, which is the shorter of useful life or lease term
Internal use software	5 years

The Company evaluates the carrying values of long-lived assets for impairment by assessing recoverability based on forecasted operating cash flows on an undiscounted basis in accordance with the FASB's ASC 360, *Property, Plant, and Equipment*. For the fiscal years ended March 31, 2024, 2023 and 2022, the Company determined no impairment existed.

Leases—The Company leases certain properties and buildings (manufacturing facilities and office space) and equipment under various arrangements which provide the right to use the underlying asset and require lease payments for the lease term. The Company's lease portfolio consists mainly of operating leases which expire at various dates through 2031 and finance leases which expire at various dates through 2025. Many of the property and building lease agreements obligate the Company to pay real estate taxes, insurance and certain maintenance costs (hereinafter referred to as nonlease components). The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Leases with an initial term of 12 months or less are not recorded on the balance sheet. All other leases are recorded on the balance sheet with right-of-use (ROU) assets representing the right to use the underlying asset for the lease term and lease liabilities representing the obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term and include options to extend or terminate the lease when they are reasonably certain to be exercised. The present value of lease payments is determined primarily using the incremental borrowing rate based on the information available at lease commencement date. The Company elected the practical expedient to not separate lease and nonlease components for all classes of assets. For leases which contain increases in lease payments based on subsequent changes to the Consumer Price Index, the Consumer Price Index rate as of the commencement date is the rate that was used to compute the initial ROU assets and related lease liabilities. Any subsequent increases to the lease payments are expensed when incurred as variable lease expense.

Equity Method Investments—The investments included a 50% non-controlling interest in Structa Wire Corp, until August 31, 2022, and CDH Custom Roll Form, LLC (the Investments) and are carried at cost, adjusted for the Company's proportionate share of their undistributed earnings or losses (equity method), plus any amortization of basis difference (see Note 3), if applicable. If the fair value of the Investments is below their carrying value and the difference is deemed to be other than temporary, the difference between the fair value and the carrying value is charged to earnings as an impairment. No impairments were recognized for the Investments for the fiscal years ended March 31, 2024, 2023 and 2022. Equity in income from the equity method investments for the fiscal years ended March 31, 2024, 2023 and 2022 was \$942,507, \$2,472,092 and \$5,662,677, respectively, and recorded in other income in the accompanying consolidated statements of income and comprehensive income. For additional information regarding the equity method investments, refer to Note 3 to these consolidated financial statements.

Goodwill—Goodwill represents costs in excess of the fair value of tangible and identifiable intangible assets acquired and liabilities assumed in business combinations. In accordance with the FASB’s ASC 350, *Intangibles—Goodwill and Other*, goodwill is tested for impairment on an annual basis. When the fair value of a reporting unit falls below its carrying amount, an impairment charge is recorded for the amount, if any, by which the carrying amount of goodwill exceeds its implied fair value. Fair value of a reporting unit is established using a discounted cash flow method. For the fiscal years ended March 31, 2024, 2023 and 2022, the Company performed its annual impairment analysis and determined there was no impairment at such time.

The following table shows the change in goodwill for the fiscal years ended March 31, 2024, 2023 and 2022:

Balance—March 31, 2021	\$	<u>7,453,844</u>
Balance—March 31, 2022	\$	7,453,844
Addition from the acquisition of Structa Wire		<u>4,868,120</u>
Balance—March 31, 2023		<u>12,321,964</u>
Finalization of Structa Wire purchase price allocation		<u>4,394,738</u>
Balance—March 31, 2024	\$	<u>16,716,702</u>

Other Intangible Assets Subject to Amortization—In accordance with the FASB’s ASC 350, an intangible asset that is subject to amortization shall be tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss shall be recognized if the carrying amount of an intangible asset is not recoverable and its carrying amount exceeds its fair value. No impairment existed for the fiscal years ended March 31, 2024 and March 31, 2023. The Company determined an impairment existed on intellectual property acquired from Structa Wire Corp. in 2018 and recognized a loss on impairment of \$1,222,868 during the fiscal year ended March 31, 2022.

The gross carrying values of other intangible assets, along with the related accumulated amortization and useful lives of the intangible assets subject to amortization, as of March 31, 2024 and 2023, are as follows:

2024	Weighted-Average Amortizable Life	Gross Carrying Amount	Accumulated Amortization	Net Intangibles
Trade name	8 years	\$ 5,520,724	\$ (4,053,520)	\$ 1,467,204
Customer relationships	20 years	11,912,153	(5,461,050)	6,451,103
Non-compete covenant	4 years	106,350	(53,558)	52,792
Intellectual property	14 years	<u>7,485,754</u>	<u>(4,268,950)</u>	<u>3,216,804</u>
Total		<u>\$ 25,024,981</u>	<u>\$ (13,837,078)</u>	<u>\$ 11,187,903</u>

2023	Weighted-Average Amortizable Life	Gross Carrying Amount	Accumulated Amortization	Net Intangibles
Trade name	8 years	\$ 5,520,724	\$ (3,690,954)	\$ 1,829,770
Customer relationships	20 years	11,912,153	(3,686,452)	8,225,701
Non-compete covenant	4 years	106,350	(21,890)	84,460
Intellectual property	14 years	7,485,754	(3,310,074)	4,175,680
Total		<u>\$ 25,024,981</u>	<u>\$ (10,709,370)</u>	<u>\$ 14,315,611</u>

The Company's other intangible assets are being amortized over their respective useful lives under accelerated methods of amortization or on a straight-line basis to reflect the pattern in which the economic benefits of the intangible assets are estimated to be realized. The Company assesses the useful lives of the intangible assets, making adjustments as necessary to the remaining useful life of intangible assets and modifications to future amortization expense going forward.

Amortization expense of other intangible assets was approximately \$3,128,000, \$2,646,000 and \$1,068,000 for the fiscal years ended March 31, 2024, 2023 and 2022, respectively. As of March 31, 2024, future amortization expense of other intangible assets for each of the five succeeding fiscal years is as follows:

March 31

2025	\$	2,362,321
2026		2,041,971
2027		1,650,741
2028		1,227,622
2029		975,302

Royalty Agreement—The Company recorded royalty expense of approximately \$301,000, \$272,000 and \$411,000 for the fiscal years ended March 31, 2024, 2023 and 2022, respectively. Royalty expense is recorded in cost of sales in the accompanying consolidated statements of income and comprehensive income.

Income Taxes—The Company is a limited liability company and, therefore, the majority of the related results of operations are included in the determination of the taxable income or loss of its members. In the event the Company revokes the limited liability company status and elects to be taxed as a C corporation, the then existing deferred taxes of the limited liability company would be reinstated as a liability or asset of the Company with a corresponding income tax expense or benefit.

Commencing in the fiscal year ended March 31, 2023, the Company's consolidated financial statements include the results of operations from its wholly owned subsidiary, Structa Wire Corp. (see Note 3), which is taxed as a C corporation, not as a limited liability company. The Company records income taxes related to Structa Wire Corp. in accordance with the provisions of ASC 740, *Income Taxes*.

Additionally, the Company applies certain provisions of the FASB's ASC 740, *Income Taxes*, which require that the consolidated financial statement effects of a tax position taken or expected to be taken in a tax return be recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. The recognition and measurement guidelines are applied to the

Company's material tax positions in the consolidated financial statements; however, no amounts are recorded in the accompanying consolidated financial statements for uncertain tax positions.

Member Dividends—Each quarter, the Company remits dividends to CWBS-MISA, Inc. and Worthington to pay taxes, of which 75% is remitted to CWBS-MISA, Inc. and 25% is remitted to Worthington. At times, the Company may decide to distribute discretionary dividends as well.

Revenue Recognition—The Company recognizes revenue when a sales arrangement with a customer exists (e.g., executed contract agreement, receipt and acceptance of a purchase order, as well as other arrangements that are implied by customary practices and laws), a transaction price is fixed or determinable and the Company has satisfied its performance obligations per the sales arrangement. The Company's sales arrangements generally have standard payment terms that do not exceed a year.

The Company's revenue primarily originates from sales arrangements with a single performance obligation to deliver products to customers, whereby the Company's performance obligation is satisfied at a point in time when control of the product is transferred to the customer per the arranged shipping terms.

The Company offers rebate agreements to certain of its customers based upon sales and purchased tons with most rebates issued quarterly or annually. Total rebate expense for the fiscal years ended March 31, 2024, 2023 and 2022, was approximately \$152,039,000, \$172,671,000 and \$186,041,000, respectively.

The Company's revenue is reported as net sales and is measured at the determinable transaction price, net of any variable considerations (e.g. sales discounts, rebates and other) and also net of any taxes collected from the customer and subsequently remitted to governmental authorities. The Company considers shipping and handling as activities to fulfill its performance obligation. Shipping and handling fees incurred by the Company are accounted for as cost of sales within the accompanying consolidated statements of income and comprehensive income.

The Company's trade accounts receivable balances were approximately \$194,582,000 as of March 31, 2024, \$203,443,000 as of March 31, 2023, and \$233,824,000 as of March 31, 2022.

Advertising—Advertising costs are expensed as incurred. Advertising expense was approximately \$2,756,000, \$2,466,000 and \$1,918,000 for the fiscal years ended March 31, 2024, 2023 and 2022, respectively, and is included in selling and administrative expenses within the accompanying consolidated statements of income and comprehensive income.

Research and Development—Research and development (R&D) costs are expensed as incurred. R&D expense was approximately \$1,028,000, \$991,000 and \$874,000 for the fiscal years ended March 31, 2024, 2023 and 2022, respectively, and is included in selling and administrative expenses within the accompanying consolidated statements of income and comprehensive income.

Accumulated Other Comprehensive Income (Loss)—Other comprehensive income (loss) consists of all changes to members' equity other than those resulting from net income or member transactions. Accumulated other comprehensive income (loss) is a separate component of members' equity.

The following table shows the changes in accumulated other comprehensive loss for the fiscal years ended March 31, 2024, 2023 and 2022:

	Cumulative Foreign Currency Translation
Balances at March 31, 2021	\$ (23,551)
Other comprehensive loss	<u>(2,467)</u>
Balances at March 31, 2022	(26,018)
Other comprehensive loss	<u>(236,313)</u>
Balances at March 31, 2023	(262,331)
Other comprehensive income	<u>262,331</u>
Balances at March 31, 2024	<u>\$ -</u>

Fair Value Measurements—The Company, at times, measures certain assets and liabilities at fair value. The Company determines the fair value of these assets and liabilities based on the fair value hierarchy established in ASC 820, *Fair Value Measurements and Disclosures*, which requires an entity to maximize the use of observable inputs (Level 1) and minimize the use of unobservable inputs (Level 3) when measuring fair value. ASC 820 also enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The three levels of inputs that may be used to measure fair values include:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities.

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.

3. ACQUISITIONS AND EQUITY METHOD INVESTMENTS

Formation of and 50% interest in CDH Custom Roll Form, LLC—On May 1, 2019, the Company entered into certain agreements with Hadley USA, LLC to form CDH Custom Roll Form, LLC. The Company holds a 50% interest in CDH Custom Roll Form, LLC. The Company recorded its 50% investment in CDH Custom Roll Form, LLC in accordance with ASC 323, *Investments—Equity Method and Joint Ventures*, under the equity method of accounting. The Company does not consolidate this entity because it does not control any of the ongoing activities of this entity and does not have a controlling interest in this entity. As of March 31, 2024 and 2023, the carrying value of the Company’s investment in CDH Custom Roll Form, LLC was approximately \$2,729,000 and \$1,786,000, respectively, which was included in equity method investments in the accompanying consolidated balance sheets.

Acquisition of Structa Wire—On August 1, 2018, the Company simultaneously entered into certain agreements with the former 100% owners of Structa Wire Corp. (Structa Wire) to 1) acquire 50% non-controlling interest in

Structa Wire, a Canadian company located in British Columbia, 2) enter into a licensing agreement for certain intellectual property owned by Structa Wire, and 3) enter into a forward contract to acquire the remaining 50% interest in Structa Wire. Structa Wire manufactures high-performance welded wire products for the lath and plaster industry. The total consideration paid was \$14,576,449. As of August 1, 2018, the total consideration of \$10,323,774, \$1,561,109 and \$2,691,566 was allocated to the 50% interest, the licensing agreement and the forward contract, respectively, based on their estimated fair values. The Company utilized both the market approach and the income approach, which included the use of Level 3 fair value measurements, to estimate these fair values.

Prior to the September 1, 2022 acquisition of the remaining 50% interest in Structa Wire, the Company recorded its 50% investment in Structa Wire in accordance with ASC 323, *Investments—Equity Method and Joint Ventures*, under the equity method of accounting. The Company did not consolidate this entity because it did not control any of the ongoing activities of this entity and did not have a controlling interest in this entity. The difference between the initial carrying value of this investment and Structa Wire's initial underlying equity in net assets was approximately \$6.6 million. The basis difference primarily related to the estimated fair value of property and equipment and other identified intangible assets and was amortized on a straight-line basis over their remaining estimated useful lives. As of August 31, 2022, just prior to the acquisition of the remaining 50% interest in Structa Wire, the carrying value of the investment in Structa Wire was approximately \$23,018,000.

On September 1, 2022, the Company acquired the remaining 50% interest in Structa Wire for \$28,672,470, inclusive of \$21,276,818 of cash acquired. This purchase price was comprised of two parts, \$13,479,623, which equaled 50% of the net income from Structa Wire from August 1, 2018 through September 1, 2022, plus \$15,192,847.

The Company accounted for the acquisition of the remaining 50% interest in Structa Wire as a business combination achieved in stages in accordance with ASC 805, *Business Combinations*, which requires, amongst other things, 1) recognition of the assets acquired and liabilities assumed at their estimated fair values as of the acquisition date, 2) recognition of a gain related to the Company's initial 50% interest in Structa Wire, and 3) recognition of goodwill for the amount in which the purchase price for the remaining 50% interest in Structa Wire, plus the estimated fair value of the forward contract and the fair value of the initial 50% interest in Structa Wire, exceeded the fair value of the identifiable assets acquired and liabilities assumed. The goodwill relates primarily to the expected synergies and the value of the qualified workforce. The fair value of identifiable intangible assets was based upon detailed valuations that use various assumptions made by management using one of three valuation approaches: market, income or cost. The selection of a particular method for a given asset depended on the reliability of available data and the nature of the asset, among other considerations. During the fiscal year ended March 31, 2024, the Company finalized its purchase price allocation, which included recording \$4,394,738 of deferred tax liabilities with an offsetting increase to goodwill.

The following table represents the final purchase price allocation for the Structa Wire acquisition:

Accounts receivable	\$	4,327,483
Inventories		3,591,027
Prepaid expenses and other		205,131
Property and equipment		11,263,242
Trade name		1,435,724
Customer relationships		6,472,153
Intellectual property		3,919,754
Non-compete covenant		106,350
Operating lease right-of-use assets		4,491,062
Goodwill		9,262,858
Accounts payable and accrued liabilities		(5,551,907)
Deferred tax liabilities		(4,394,738)
		<hr/>
Total final purchase price, net of \$21,276,818 of cash acquired	\$	<u>35,128,139</u>

During the fiscal year ended March 31, 2023, the net gain recognized at the acquisition date on the Company's initial 50% interest in Structa Wire was approximately \$2,022,000, which represents the combination of the excess of the estimated fair value of 50% of Structa Wire over the then carrying value of the investment in Structa Wire of approximately \$5,184,000, less the changes in fair value of the forward contract of approximately \$3,162,000.

The operating results of Structa Wire are included in the consolidated statements of income and comprehensive income after the date of acquisition.

Prior to the acquisition of the remaining 50% interest in Structa Wire, the Company had a forward contract or option to acquire the remaining 50% share of Structa Wire. The Company elected to account for this forward contract under the fair value option provisions of the FASB's ASC 825, *Financial Instruments*, which required the forward contract to be recorded at fair value. As of August 31, 2022, just prior to the acquisition of the remaining 50% interest in Structa Wire, the forward contract's estimated fair value was a liability of \$469,990. This estimated fair value was based on both the market approach and the income approach, which included Level 3 fair value inputs. Upon the acquisition of the remaining 50% interest in Structa Wire, the forward contract was derecognized as part of the purchase price allocation.

A reconciliation of the beginning and ending balances for the forward contract measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the fiscal years ended March 31, 2023 and 2022, was as follows:

	2023	2022
Balance at beginning of year—April 1	\$ 2,691,566	\$ 2,691,566
Change in fair value included in earnings	(3,161,556)	
Derecognition of the forward contract upon acquisition	<u>469,990</u>	
Balance at end of year—March 31	<u>\$ -</u>	<u>\$ 2,691,566</u>

Acquisition of Strait-Flex International, Inc.—On January 30, 2017, the Company acquired 100% of the stock of Strait-Flex International, Inc. (Strait-Flex). The purchase agreement contained a provision for contingent consideration requiring the Company to pay 2% of total Strait-Flex sales over the succeeding 10-year period to the former owner of Strait-Flex. Initially, the Company recorded a \$2,738,000 contingent consideration obligation based on the estimated fair value of the contingent consideration as of the date of acquisition. The Company granted a security interest in the property and equipment acquired to the former owner of Strait-Flex as collateral for the obligations related to this contingent obligation. All acquisition-related transaction costs have been expensed as incurred.

The Company recorded contingent consideration within accrued liabilities (current portion) and other long-term liabilities at its estimated fair value of \$1,725,502 and \$1,818,214 as of March 31, 2024 and 2023, respectively. The estimated fair value was based on the present value of expected cash flows, which included Level 3 fair value measurement inputs.

A reconciliation of the beginning and ending balances for the contingent consideration measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the fiscal years ended March 31, 2024, 2023 and 2022, is as follows:

	2024		2023		2022
Balance at beginning of year—April 1	\$ 1,818,214	\$	2,342,501	\$	1,970,080
Change in estimates included in earnings	457,422		3,435		808,852
Settlements	<u>(550,134)</u>		<u>(527,722)</u>		<u>(436,431)</u>
Balance at end of year—March 31	<u>\$ 1,725,502</u>	\$	<u>1,818,214</u>	\$	<u>2,342,501</u>

4. LINE OF CREDIT AGREEMENTS

The Company had an uncommitted line of credit agreement to borrow up to \$100 million with MISA, which matured on July 31, 2023.

The Company had an unsecured line of credit agreement with a financial institution which allowed the Company to borrow up to \$30 million. This agreement matured on September 30, 2023.

On April 6, 2023, the Company transitioned its financing arrangement from MISA to Marubeni-Itochu Finance Americas, LLC (MIFA), a related party. Under the financing agreement from MIFA, the Company's financing arrangement was reduced from an uncommitted line of credit agreement of up to \$100 million of borrowing capacity under its previously financing agreement with MISA to an uncommitted line of credit agreement of up to \$50 million borrowing capacity until June 30, 2024. The line bears interest based on MIFA's monthly funding cost rate, which ranges from 5.40% to 6.00% as of March 31, 2024. As of March 31, 2024, there were no outstanding borrowings on this line of credit agreement. On June 30, 2024, the Company renewed its financing arrangement with MIFA, which extended the maturity date to June 30, 2025.

5. COMMITMENTS AND CONTINGENCIES

Purchase Commitments—The Company has purchase commitments for materials and supplies incidental to the ordinary conduct of its business. Such commitments are not in excess of current market prices.

Litigation and Contingencies—The Company is party to certain legal proceedings that seek damages or injunctive relief. The Company's management is of the opinion that the ultimate disposition of the legal proceedings will not have a material effect, if any, on the consolidated financial condition, results of operations, or cash flows of the Company.

6. LEASES

The Company leases certain properties and buildings (manufacturing facilities and office space) and equipment under various arrangements which provide the right to use the underlying asset and require lease payments for the lease term. The Company's lease portfolio consists of operating leases which expire at various dates through 2031 and finance leases which expire at various dates through 2025. The Company's finance leases consist of leases for equipment.

Leases were recorded in the accompanying consolidated balance sheets as follows as of March 31, 2024 and 2023:

	2024	2023
Operating lease right-of-use assets	\$ 43,362,492	\$ 47,833,649
Finance lease right-of-use assets included in property, plant and equipment (net amortization of \$1,501,662 and \$1,290,864)	<u>72,671</u>	<u>283,468</u>
Total right-of-use assets	<u>\$ 43,435,163</u>	<u>\$ 48,117,117</u>
Current operating lease liabilities	\$ 9,744,709	\$ 9,214,276
Long-term operating lease liabilities	35,504,015	40,831,833
Current finance lease liabilities, included in accrued liabilities	76,795	231,267
Long-term finance lease liabilities, included in other long-term liabilities	<u>76,795</u>	<u>76,795</u>
Total lease liabilities	<u>\$ 45,325,519</u>	<u>\$ 50,354,171</u>

Information related to operating leases are as follows as of March 31, 2024 and 2023:

	2024	2023
Weighted average remaining lease term	5.02 years	5.93 years
Weighted average incremental borrowing rate	3.53 %	3.52 %

Information related to finance leases are as follows as of March 31, 2024 and 2023:

	2024	2023
Weighted average remaining lease term	0.62 years	1.26 years
Weighted average incremental borrowing rate	3.49 %	3.46 %

Rent expense on operating leases longer than 1 year was approximately \$10,726,000, \$10,172,000 and \$10,667,000 for the fiscal years ended March 31, 2024, 2023 and 2022, respectively. Variable lease costs for the fiscal years ended March 31, 2024, 2023 and 2022, were approximately \$6,917,000, \$6,000,000 and \$5,223,000, respectively, and were expensed as incurred. Variable lease costs primarily included common area maintenance charges, real estate taxes, insurance and annual changes in monthly rent costs mainly based on the consumer price index. Depreciation on finance leases was approximately \$211,000, \$402,000 and \$514,000 and interest expense was approximately \$6,000, \$17,000 and \$33,000 for the fiscal years ended March 31, 2024, 2023 and 2022, respectively.

Maturities of operating lease liabilities as of March 31, 2024, are as follows:

**Fiscal Years Ending
March 31**

2025	\$	11,159,057
2026		9,992,480
2027		9,435,644
2028		7,083,232
2029		5,401,807
Thereafter		<u>6,515,354</u>
Total lease payments		49,587,574
Less interest		<u>(4,338,850)</u>
Present value of lease liabilities, including \$9,744,709 of current liabilities	\$	<u>45,248,724</u>

Maturities of finance lease liabilities as of March 31, 2024, are as follows:

**Fiscal Years Ending
March 31**

2025	\$	<u>77,555</u>
Total lease payments		77,555
Less interest		<u>(760)</u>
Present value of lease liabilities, included in current liabilities	\$	<u>76,795</u>

As of March 31, 2024, the Company's future lease obligations that have not yet commenced are immaterial.

The Company evaluates the carrying values of right-of-use assets for impairment by assessing recoverability based on forecasted operating cash flows on an undiscounted basis in accordance with the FASB's ASC 360, *Property*,

Plant, and Equipment. For the fiscal years ended March 31, 2024, 2023 and 2022, the Company determined no impairment existed.

7. 401(k) PLAN

Eligible employees of the Company participate in the MISA Consolidated 401(k) Plan. The MISA Consolidated 401(k) Plan provides for a 75% match on an employee's contribution up to 6%, for a maximum company match of 4.5%. Total company contributions expensed were approximately \$4,049,000, and \$3,726,000 and \$3,708,000 for the fiscal years ended March 31, 2024, 2023 and 2022, respectively.

8. RELATED-PARTY ACTIVITIES

Summary of Related Party Transactions and Balances—A summary of related-party transactions and balances as of March 31, 2024 and 2023 are as follows:

	2024	2023
Notes receivable from MISA	\$ -	\$ 121,361,758
Notes receivable from MIFA	32,018,785	
Accounts payable to MISA and its affiliates	4,211,021	3,002,383
Accrued liabilities to MISA	1,070,004	500,000
Accounts payable to Worthington Enterprises, Inc. and its affiliates	903,936	115,496
Accrued inventory from Worthington Enterprises, Inc. and its affiliates	120,198	285,108
Accrued distributions to Worthington Enterprises, Inc. and its affiliates	9,492,965	
Accrued distributions to CWBS-MISA, Inc.	28,478,896	
Operating lease right-of-use assets with a Sacks Family Trust	1,713,715	1,850,070
Operating lease liabilities-current with a Sacks Family Trust	212,729	187,127
Long-term operating lease liabilities with a Sacks Family Trust	1,455,205	1,669,840
Accounts receivable from CDH Custom Roll Form, LLC	1,225,687	1,997,114
Accounts Payable to CDH Custom Roll Form, LLC	115,156	116,393

A summary of related party transactions and balances for the fiscal years ended March 31, 2024, 2023 and 2022 are as follows:

	2024		2023		2022
Other expense to MISA	\$ 5,122	\$	7,648	\$	14,155
Purchases from MISA and its affiliates	9,032,891		21,715,023		31,580,471
Payments to MISA for health insurance costs—including amount contributed by the employees of \$5,038,999, \$4,866,336 and \$4,924,338 for the fiscal years ended March 31, 2024, 2023 and 2022, respectively	19,701,209		18,647,196		18,974,815
Management fees incurred from MISA	500,000		500,000		500,000
Interest expense to MISA			204,521		202,667
Interest income from MISA	39,493		464,036		4,778
Interest income from MIFA	3,399,097				
Purchases from Worthington Enterprises, Inc. and its affiliates	18,489,465		19,156,128		53,394,017
Distributions—dividends to:					
Worthington	108,175,449		86,299,160		17,359,917
CWBS-MISA, Inc.	324,526,345		258,897,482		52,079,751
Lease payments made to a Sacks Family Trust	454,494		339,647		
Purchases from Sacks Industrial	10,644,751		9,161,010		
Purchases from Structa Wire, prior to acquiring 100% interest of Structa Wire			2,281,295		5,634,389
Rental income from CDH Custom Roll Form, LLC	168,409		183,719		183,719
Revenue from CDH Custom Roll Form, LLC	1,223,773		464,803		435,387
Reimbursement for management services provided to CDH Custom Roll Form, LLC	2,023,609		1,650,276		1,202,570
Purchases from CDH Custom Roll Form, LLC	3,126,742		1,997,894		898,984
Commission Income from CDH Custom Roll Form, LLC	15,574		9,023		2,666

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for potential recognition and disclosure through July 25, 2024, the date the consolidated financial statements were available to be issued, and has concluded there were no subsequent events to be reported in the Company's consolidated financial statements, except as follows:

On June 30, 2024, the Company renewed its financing arrangement with MIFA, which extended the maturity date to June 30, 2025 (see Note 4).
