



WORTHINGTON
INDUSTRIES

Angus Industries Acquisition Overview

STABILIZE > OPTIMIZE > GROW



Worthington Industries Strategy

BUSINESS STRATEGY

Leverage our core competency as a diversified metals manufacturing company

- Develop and maintain market leading businesses
- Measure and improve the profitability of existing businesses via Centers of Excellence
- Acquire high return, high value-added manufacturing businesses

OPERATING GOALS

- Maintain a strong capital base with modest leverage and ample liquidity
- Increase margins and free cash flow and reduce earnings volatility
- Excel at inventory management and customer satisfaction



Angus Industries

- Angus Industries, Inc. is the market leader in the design and manufacturing of high quality, custom-engineered operator cabs for mobile equipment
 - The Company's products are a highly technical and OSHA regulated component of mobile equipment that keeps operators protected, comfortable and productive
 - The Company's products range from small utility equipment to the largest earthmovers in the world
- The Company was founded in 1969, and is headquartered in Watertown, South Dakota
 - Angus operates additional facilities in Northwood (IA), Greeneville (TN) and Florence (SC)
 - The Company currently employs 1,250 people (non-union)
- Angus was previously owned by an Employee Stock Ownership Plan, certain members of management and an institutional mezzanine firm



Product / Market Overview



- Angus designs and manufactures high quality custom-engineered open and enclosed cabs, operator stations and metal fabrications for a wide range of heavy mobile equipment operating in the agriculture, construction, material handling, utility, forestry and mining end markets
- The Company's engineering team works closely with customers providing new product design and testing and filling key project management roles from the initial design phase, prototyping and through final manufacturing and delivery of finished product
- Manufacturing capabilities include machining, laser cutting, rolled-tube bending, robotic welding, e-coating, painting and glazing
- Angus has long-standing relationships with market-leading, world-class OEMs operating in every mobile equipment end market
- Success is driven by engineering and design expertise, manufacturing quality and customer service/delivery
- The market for outsourced cab production continues to expand globally as OEM's benefit from specialized design and manufacturing capabilities and cost advantages



Investment Thesis

Angus is an engineering-based manufacturer that provides a new growth opportunity and leverages our strength in metals manufacturing and OEM supply chain management

- #1 market leader in custom engineered operator cabs for mobile equipment
 - Long-standing partnerships with leading blue-chip customers
 - Value-added engineering and manufacturing based revenue model
 - Highly customized and OSHA regulated product line
 - Experienced management team and good cultural fit
- Attractive end markets
 - Increase exposure to Construction, Agriculture and Mining industries
 - Positive macro trends driving domestic and international growth
 - Favorable trends in outsourcing
- Desired financial profile
 - \$200+ million revenue and expected to be accretive to earnings in first year
 - Meets corporate objective of higher margins, free cash flow
 - \$180MM purchase price (< 6.0x LTM EBITDA)
 - Financed with low cost revolver debt and a \$50 million special dividend from WAVE
 - Post-closing, Worthington has approximately \$568 million of funded debt and availability under its revolving credit facilities of \$184 million

Strategic Growth Opportunities



Worthington will invest capital and resources to grow Angus by

- Investing in domestic capacity to meet growing demand for agriculture, mining and construction equipment
- Targeted expansion into international markets to support customer growth
- Accelerating product development to further integrate Angus in its customers' supply chain
- Implementing our Centers of Excellence program to optimize business performance in operations, commercial and supply chain

