radius recycling

NASDAQ: RDUS

Investor Presentation

May 2024

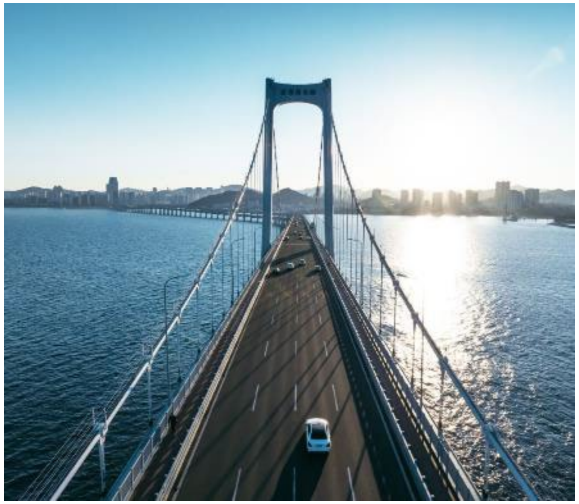
Where change begins

Safe Harbor

Statements and information included in this presentation by Radius Recycling, Inc. (formerly Schnitzer Steel Industries, Inc.) that are not purely historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and are made pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Except as noted herein or as the context may otherwise require, all references in this presentation to “we,” “our,” “us,” “the Company,” “Radius Recycling,” and “Radius” refer to Radius Recycling, Inc. and its consolidated subsidiaries. Forward-looking statements in this presentation include statements regarding future events or our expectations, intentions, beliefs, and strategies regarding the future, which may include statements regarding the impact of equipment upgrades, equipment failures, and facility damage on production, including timing of repairs and resumption of operations; the realization of insurance recoveries; the Company’s outlook, growth initiatives, or expected results or objectives, including pricing, margins, volumes, and profitability; completion of acquisitions and integration of acquired businesses; the progression and impact of investments in processing and manufacturing technology improvements and information technology systems; the impacts of supply chain disruptions, inflation, and rising interest rates; liquidity positions; our ability to generate cash from continuing operations; trends, cyclicality, and changes in the markets we sell into; strategic direction or goals; targets; changes to manufacturing and production processes; the realization of deferred tax assets; planned capital expenditures; the cost of and the status of any agreements or actions related to our compliance with environmental and other laws; expected tax rates, deductions, and credits; the impact of sanctions and tariffs, quotas, and other trade actions and import restrictions; the impact of pandemics, epidemics, or other public health emergencies, such as the coronavirus disease 2019 (“COVID-19”) pandemic; the impact of labor shortages or increased labor costs; obligations under our retirement plans; benefits, savings, or additional costs from business realignment, cost containment, and productivity improvement programs; the potential impact of adopting new accounting pronouncements; and the adequacy of accruals. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, and often contain words such as “outlook,” “target,” “aim,” “believes,” “expects,” “anticipates,” “intends,” “assumes,” “estimates,” “evaluates,” “may,” “will,” “should,” “could,” “opinions,” “forecasts,” “projects,” “plans,” “future,” “forward,” “potential,” “probable,” and similar expressions. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking.

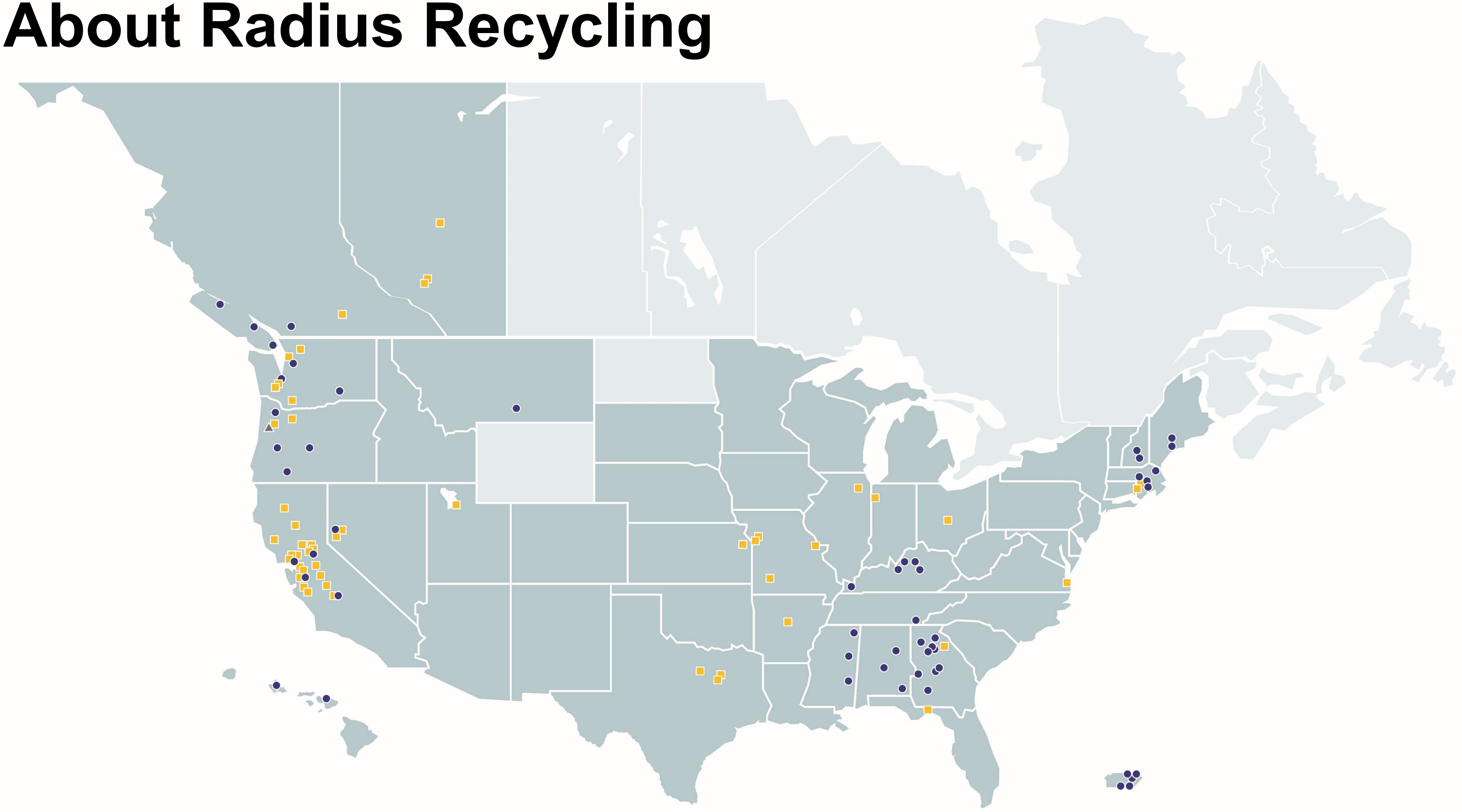
We may make other forward-looking statements from time to time, including in reports filed with the Securities and Exchange Commission, press releases, presentations, and on public conference calls. All forward-looking statements we make are based on information available to us at the time the statements are made, and we assume no obligation to update any forward-looking statements, except as may be required by law. Our business is subject to the effects of changes in domestic and global economic conditions and a number of other risks and uncertainties that could cause actual results to differ materially from those included in, or implied by, such forward-looking statements. Some of these risks and uncertainties are discussed in “Item 1A. Risk Factors” of Part I of our most recent Annual Report on Form 10-K. Examples of these risks include: potential environmental cleanup costs related to the Portland Harbor Superfund site or other locations; the impact of goodwill impairment charges; the impact of equipment upgrades, equipment failures, and facility damage on production; failure to realize or delays in realizing expected benefits from capital and other projects, including investments in processing and manufacturing technology improvements and information technology systems; the cyclicality and impact of general economic conditions; the impact of inflation, rising interest rates, and foreign currency fluctuations; changing conditions in global markets including the impact of sanctions and tariffs, quotas, and other trade actions and import restrictions; increases in the relative value of the U.S. dollar; economic and geopolitical instability including as a result of military conflict; volatile supply and demand conditions affecting prices and volumes in the markets for raw materials and other inputs we purchase; significant decreases in recycled metal prices; imbalances in supply and demand conditions in the global steel industry; difficulties associated with acquisitions and integration of acquired businesses; supply chain disruptions; reliance on third-party shipping companies, including with respect to freight rates and the availability of transportation; the impact of impairment of assets other than goodwill; the impact of pandemics, epidemics, or other public health emergencies, such as the COVID-19 pandemic; inability to achieve or sustain the benefits from productivity, cost savings, and restructuring initiatives; inability to renew facility leases; customer fulfillment of their contractual obligations; potential limitations on our ability to access capital resources and existing credit facilities; restrictions on our business and financial covenants under the agreement governing our bank credit facilities; the impact of consolidation in the steel industry; product liability claims; the impact of legal proceedings and legal compliance; the impact of climate change; the impact of not realizing deferred tax assets; the impact of tax increases and changes in tax rules; the impact of one or more cybersecurity incidents; the impact of increasing attention to environmental, social, and governance matters; translation risks associated with fluctuation in foreign exchange rates; the impact of hedging transactions; inability to obtain or renew business licenses and permits; environmental compliance costs and potential environmental liabilities; increased environmental regulations and enforcement; compliance with climate change and greenhouse gas emission laws and regulations; the impact of labor shortages or increased labor costs; reliance on employees subject to collective bargaining agreements; and the impact of the underfunded status of multiemployer plans in which we participate.

Agenda



I. Company Overview

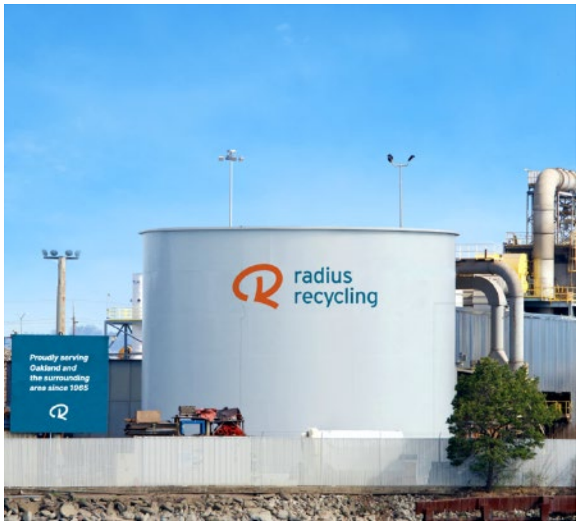
About Radius Recycling



Metals Recycling	Auto Recycling	Steel Manufacturing
54	50	1
Metal Recycling Facilities	Pick-n-Pull Stores	Cascade Steel Mill

Rebranded as radius recycling

The Company unveiled its new name and logo - *Radius Recycling* - as part of a rebranding initiative



- Betters aligns with the Company's role **as one of North America's largest metal recyclers**
- Like the radius of a circle, our work sits at the center of the **circular economy**, seamlessly connecting all points towards a **low-carbon future**
- While our name is changing, our commitment to our **Core Values** of **S**afety, **S**ustainability, and **I**ntegrity remains steadfast, and those SSI initials will continue to serve as a reminder of our historic legacy

Recycling Today for a Sustainable Tomorrow

TIME 100 MOST INFLUENTIAL COMPANIES 2023

2024 WORLD'S MOST ETHICAL COMPANIES® ETHISPHERE 10-TIME HONOREE

#1 RANKED COMPANY GLOBAL 100 2023 THE WORLD'S MOST SUSTAINABLE CORPORATIONS ©

Great Place To Work® Certified AUG 2023-AUG 2024 USA

MSCI ESG RATINGS AAA

CCC	B	BB	BBB	A	AA	AAA

PEOPLE | PLANET | PROFIT

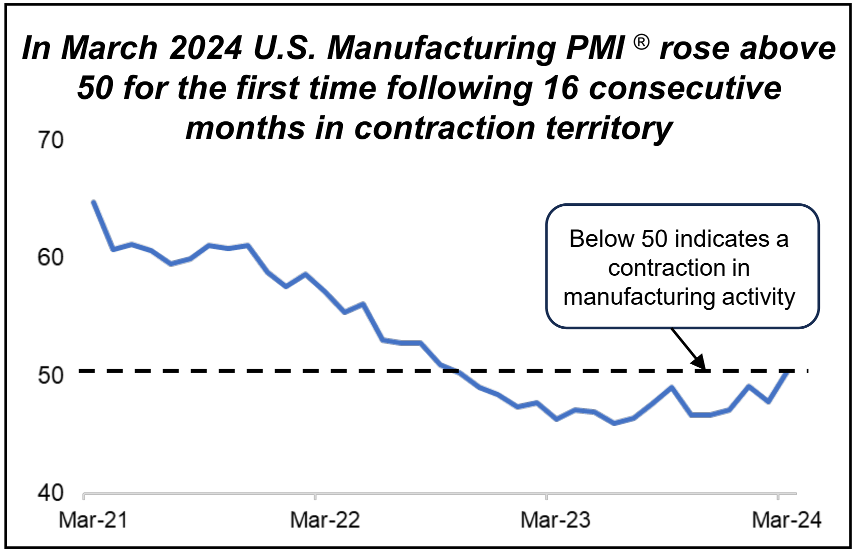
FY23 ESG Highlights

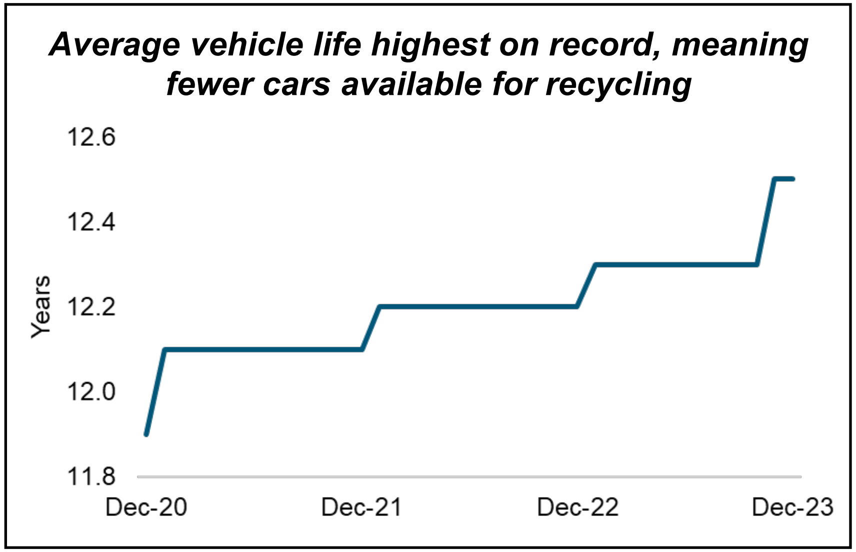
- Nearly 90% of facilities were free of any lost time injuries and instance of serious injuries and fatalities were zero
- Achieved 40% of our multi-year 10,000 Volunteer Time Off goal on a cumulative basis through FY23
- More than 50% female representation on Board
- Achieved 27% reduction in Scope 1 and 2 emissions at our recycling operations versus 2019 baseline, surpassing 25% target. Established new 35% reduction target for FY28 against 2019 baseline
- Maintained 100% net carbon-free electricity usage for third consecutive year
- Added 24 facilities within our ISO 14001 certified EMS
- Achieved over 7% YoY growth in nonferrous volumes, driven by ramp-up of advanced metal recovery technologies
- Expanded our 3PR™ recycling services business to meet increasing customer demand

Our Fiscal 2023 Sustainability Report can be found [here]

II. Market Conditions

Economic Factors Constraining Scrap Generation



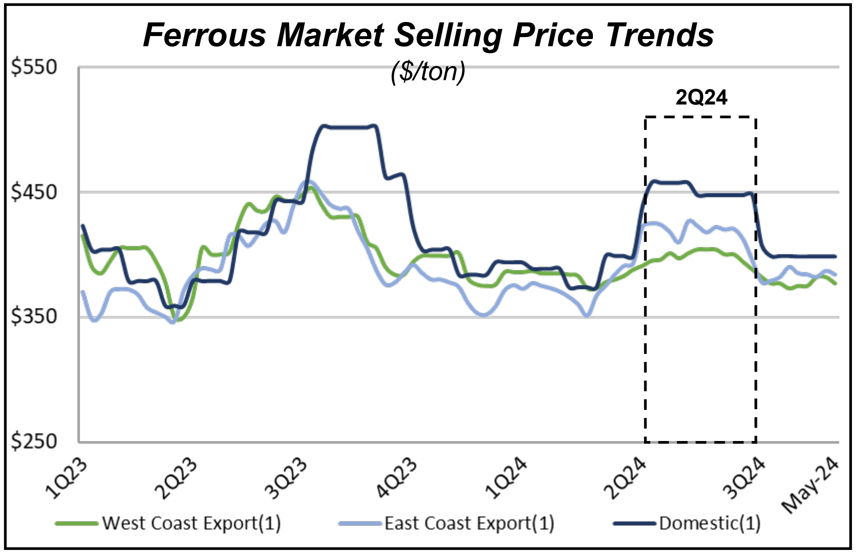


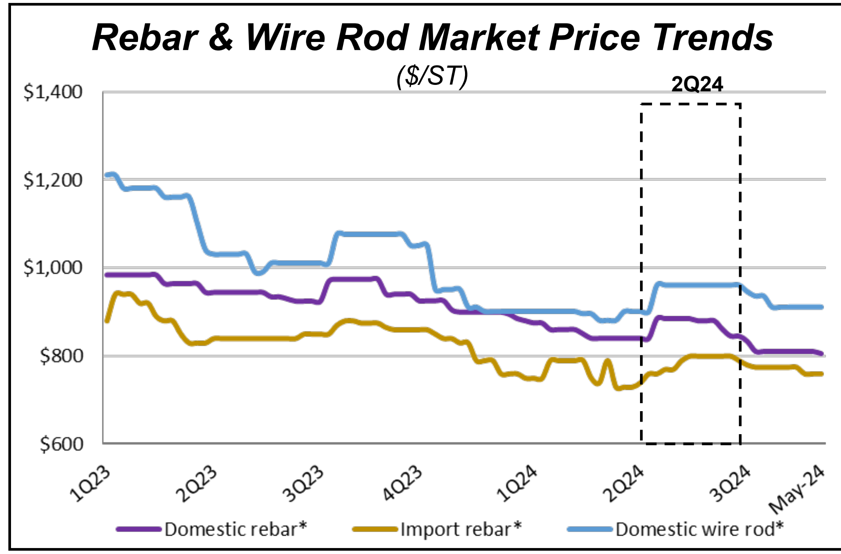
Several factors are impacting the availability of recycled metals, including:

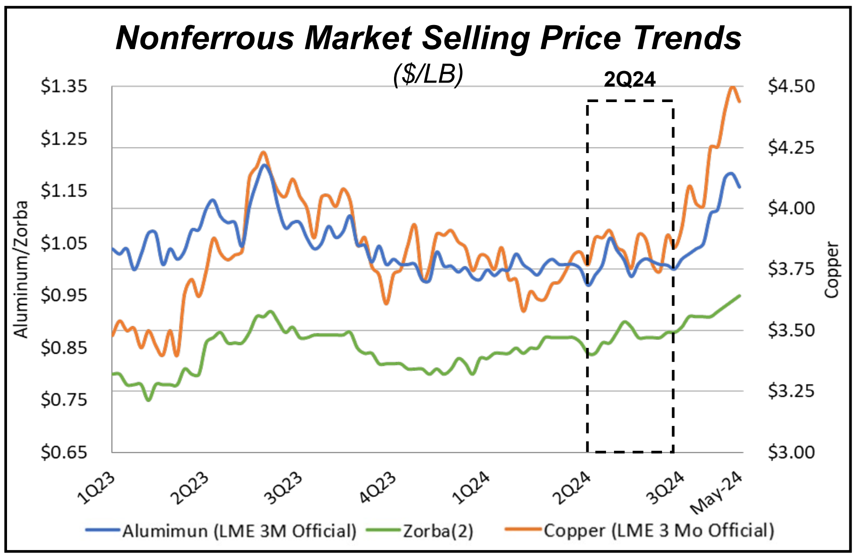
- Reduced manufacturing activity
- Lower durable goods orders
- Less end-of-life vehicles available for recycling
- Inflationary pressure increasing scrap collection costs
- Higher borrowing costs

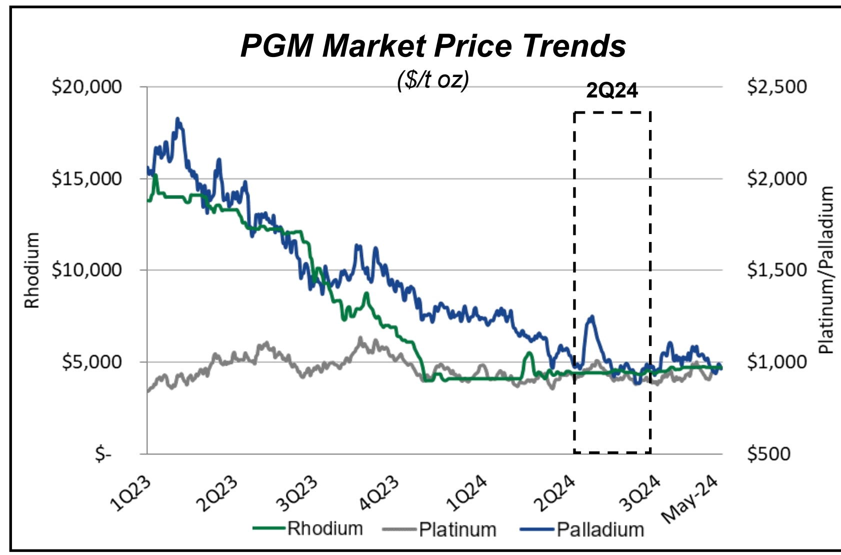
Sources: Institute for Supply Management ®, Bureau of Transportation Statistics and Company estimates

Recycled Metals and Finished Steel Market Price Trends









Sources: Platts, Argus, Matthey.com (updated May 10, 2024)
(1) West Coast and East Coast prices are based on HMS CFR prices and Domestic prices are based on Midwest delivered shred.
(2) Zorba prices are based on Aluminum scrap Zorba min 99/3 cif China USD/lb.
*Domestic rebar and wire rod prices based on US Midwest prices, respectively; import rebar prices based on Houston import prices.

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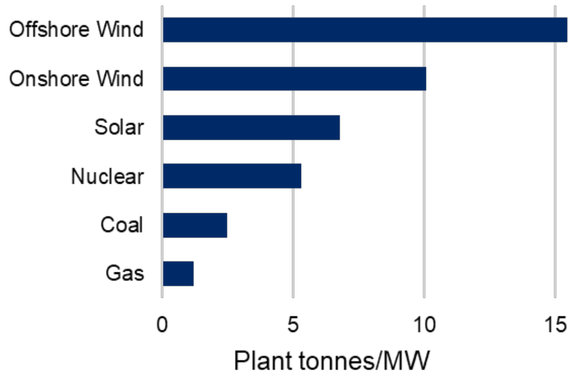
III. Industry Trends

Drivers for Recycled Metals Demand

Greater Metal Intensity, Including Copper and Other Critical Minerals, of Lower Carbon-Based Renewable Energy Technologies

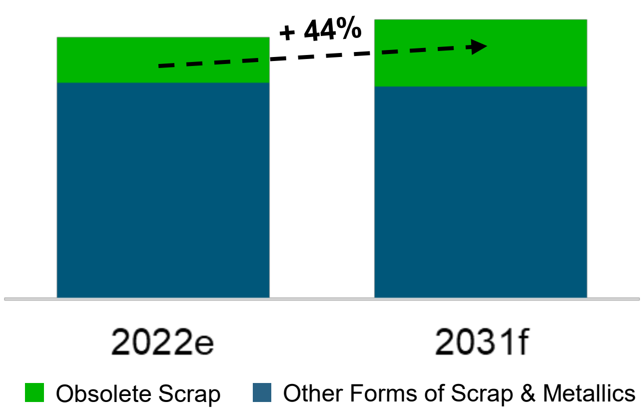


Investment in clean energy expected to grow from an estimated $1.8 trillion in 2023 to $4.5 trillion per year by 2030

- Increased metal intensity, including copper and aluminum, of lower carbon-based technologies (e.g., EVs, renewable energy, development of "smart grids")
- Anticipated structural shortage of critical materials (e.g., copper, nickel and lithium)
- Global EAF steelmaking production growth
- Domestic investments related to Infrastructure Investment and Jobs Act, Inflation Reduction Act, and Buy Clean provisions

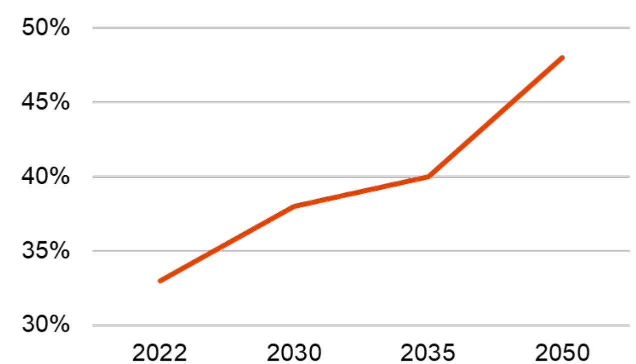
Increased Obsolete Scrap Mix Forecast in Global Steelmaking

Forecast growth in obsolete scrap usage as decarbonization efforts are expected to cause shifts in the metallics mix for the steel industry



Forecast Growing Percentage of Scrap in Metallic Inputs for Steel Production

Forecast growth in scrap usage as decarbonization efforts are expected to cause shifts in the metallics mix for the steel industry



Sources: World Nuclear Association, McKinsey & Co., International Energy Agency

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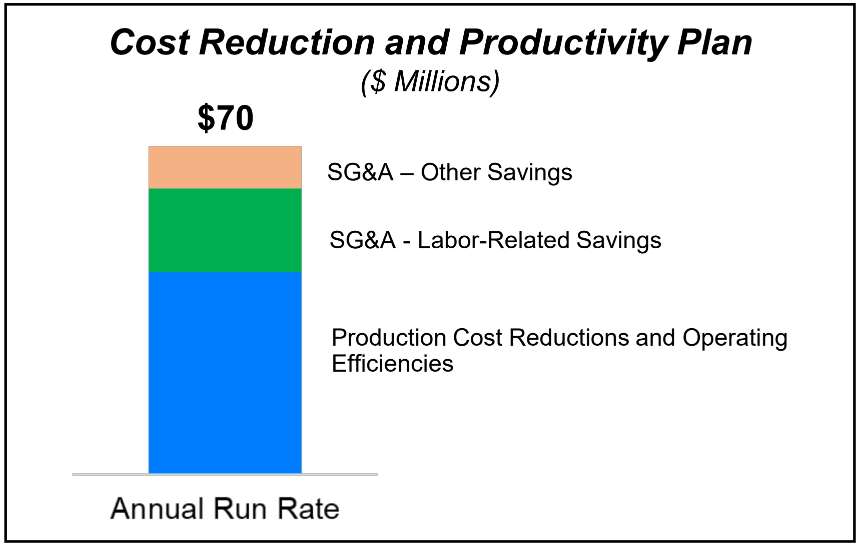
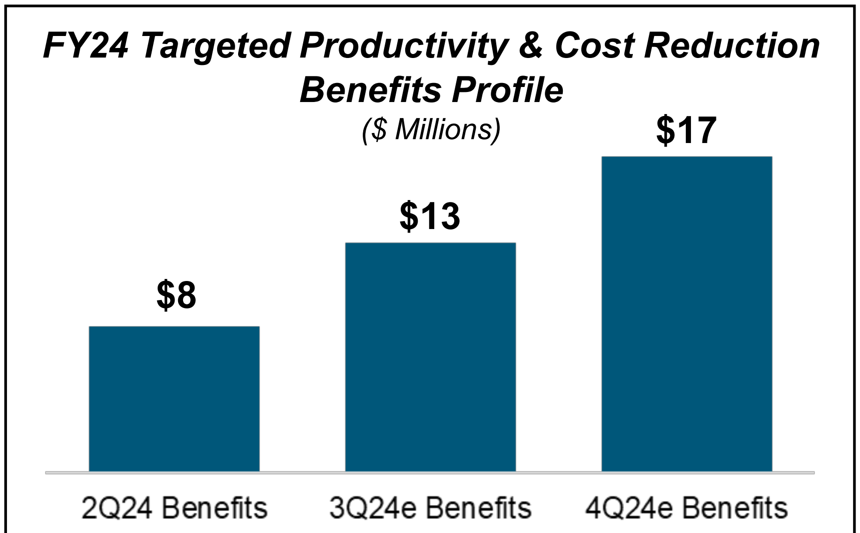
IV. Strategic Priorities

Expanded Cost Reduction and Productivity Plan





Expanded FY24 Cost Reduction and Productivity Plan by $40 million to $70 million

- New measures in 2Q24 to reduce SG&A expense by 10% and further increase production cost efficiencies, to deliver $40 million in annual benefits
- New measures include:
  - ✓ Reductions in headcount and other employee-related expenses
  - ✓ Decreases in non-trade procurement spend
  - ✓ Lower transportation and logistics costs
  - ✓ Reduction in other discretionary spending
- Benefit profile of new measures:
  - ✓ Approximately half of the targeted quarterly run-rate benefits from these initiatives are expected to be achieved in the third quarter of fiscal 2024
  - ✓ Substantially all of the remainder expected to be achieved by the end of the fiscal year

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Delivering Value Through the Cycle

Strategic Initiatives Underway

Deploy Advanced Metal Recovery Technology	→ Increase recovery of higher value metals, increase landfill diversion, and create product optionality → Targeting operating run-rate benefits of $10 EBITDA per ferrous ton
Increase Ferrous & Nonferrous Volumes	→ Increase volumes to achieve full retained capacity to create operating leverage → Estimated operating leverage of ~$1.50 EBITDA per ferrous ton on all tons for each additional 100 thousand tons of ferrous volumes processed
Expand Recycling Services & Product Offerings	→ Expand customer base and support customers in meeting their recycling and sustainability goals → Expansion of asset-light recycling services to provide organic growth in revenue and profitability at attractive returns
Implement Productivity Initiatives	→ Increase yields, reduce costs and improve efficiencies in processing, procurement, and pricing → Increased FY24 cost reduction and productivity program during 2Q24 by $40 million of annual benefits

Catalysts for Improvement

→ Over last 36 months, adjusted EBITDA per ferrous ton averaged $45, reflecting both cyclical highs and lows
→ Scrap supply flows should benefit from a decline in U.S. interest rates and a recovery in global manufacturing activity
→ Strategic initiatives including nonferrous recovery investments to provide meaningful contributions independent of market recovery
→ Company poised to benefit from structural tailwinds driving positive long-term demand for recycled metals

V. FY23 and 2Q24 Highlights

Fiscal 2023 Results

Financial & Operational Performance

Solid volume performance in fiscal 2023

- Nonferrous sales volumes in fiscal 2023 were up over 7% YoY, including from higher recovery yields associated with advanced nonferrous technology investments
- Ferrous sales volumes were down 5% YoY, impacted by tight supply flow environment
- Finished steel sales volumes were up 12% YoY on continued robust demand in our West Coast markets

Challenging market conditions driving margin compression

- Compression of metal spreads due to lower average selling prices YoY for our products
- Tighter supply flows of recycled metals from lower economic activity and higher collection costs

Continued focus on our strategic priorities

- Progressed deployment of advanced metal recovery technology investments
- Launched 3PR™ brand covering our recycling services, including integration of ScrapSource business acquired in FY23
- Implemented productivity program with $60 million annual benefits
- Demonstrated ability to generate positive operating cash flow through the cycle

Second Quarter Fiscal 2024 Highlights

- **Market conditions were challenging as cyclical headwinds continued to impact supply flows and metal spreads**

- **Adjusted EBITDA of $3 million or $3 per ferrous ton**
  - ✓ Constrained supply flows for recycled metals and unusually wet winter weather led to lower sales volumes and metal spreads for both recycled metals and finished steel
  - ✓ Ferrous sales volumes down 15% sequentially, due to seasonality and delays of certain bulk shipments
  - ✓ Nonferrous sales volumes decreased 3% sequentially, but increased 7% year-over-year, reflecting additional production from multi-year advanced metal recovery technology system investments and platform expansion
  - ✓ Finished steel sales volumes decreased 11% sequentially due to seasonally lower construction demand exacerbated by a prolonged period of rain on the West Coast, but increased 5% year-over-year, reflecting strength of non-residential and infrastructure demand in the Western U.S.

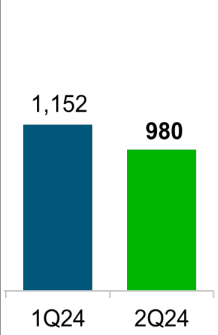
- **Achieved full quarterly run-rate from $30 million productivity improvement program announced in 1Q24**

- **Implemented $40 million annual cost reduction program in 2Q24**
  - ✓ Focused on reduction in SG&A expense by 10% and increasing production cost efficiencies

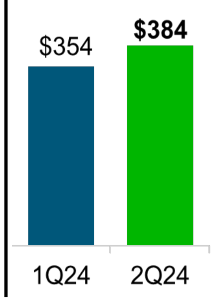
Note: For a reconciliation to U.S. GAAP of adjusted EBITDA, adjusted EBITDA per ferrous ton, see appendix.

2Q24 Ferrous Market Dynamics

Radius Volume Trends
(000 LTs)

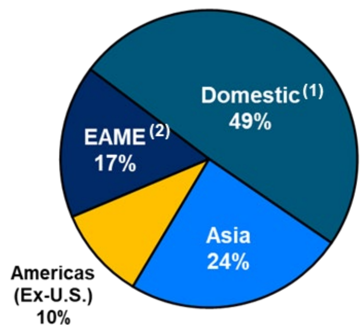


Radius Average Selling Price Trends
($/LT, net of freight)



Radius Total Ferrous Volumes by Destination

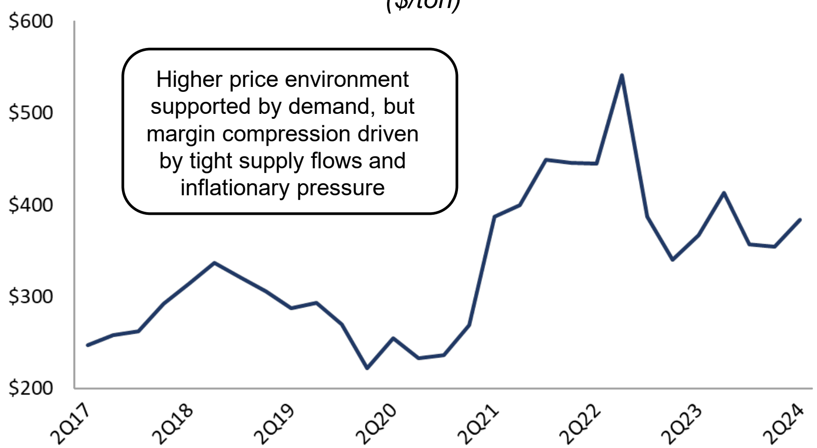
2Q24



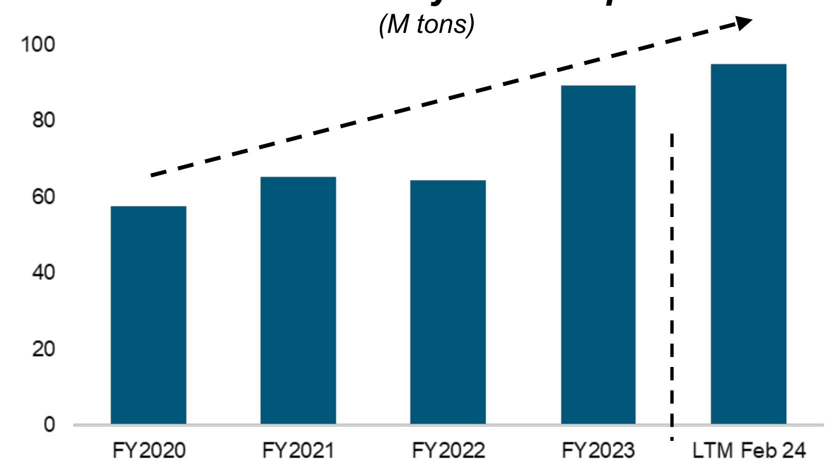
Tightness in supply flows impacted volumes and spreads

- ✓ Sales volumes down 15% sequentially from winter seasonality and delays of certain export shipments at end of Q2
- ✓ Average selling prices up 8% sequentially
- ✓ Metal spreads expanded sequentially but remained under pressure from tight scrap availability

Radius Average Quarterly Ferrous Selling Prices
($/ton)



Chinese Monthly Steel Exports
(M tons)



(1) Domestic includes volumes to our steel mill for finished steel production.
(2) Europe (including Turkey), Africa and Middle East.

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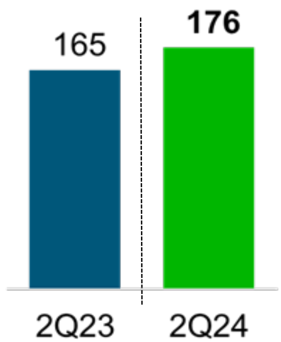
2Q24 Nonferrous Market Dynamics

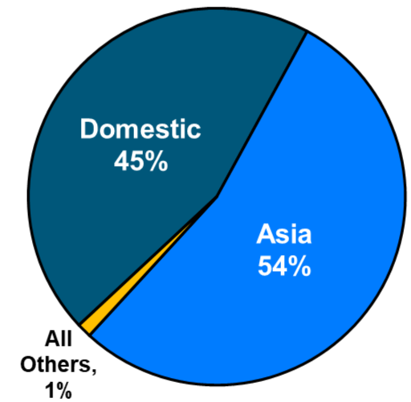
Radius Volume Trends
(M Lbs)



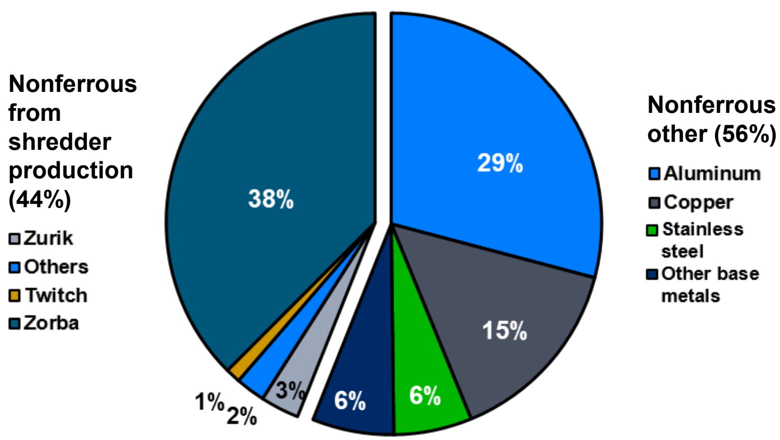
Radius Average Selling Price Trends
($/LB, net of freight)

Radius Total Nonferrous Volumes by Destination

2Q24



2Q24 Nonferrous Product Mix by Volume [1]



Nonferrous sales volumes increased 7% YoY

- ✓ Year-over-year volume increase supported by higher recovery from advanced recovery technology systems and platform expansion
- ✓ Sold nonferrous products to 13 countries in 2Q24

Deployment of nonferrous technologies

- ✓ On track to complete by calendar year 2024[2]

(1) Excludes brokerage activities
(2) The timeline and achievement of expected benefits are subject to risks and uncertainties, including permit issuance, construction and equipment lead times, and system design and performance.

2Q24 Finished Steel Market Dynamics

Sales volumes up 5% YoY reflecting healthy construction demand in Western U.S.

- ✓ Sales volumes down sequentially due to typical construction seasonality exacerbated by a prolonged period of rain on the West Coast
- ✓ Anticipate increased demand from Infrastructure Investment and Jobs Act and Inflation Reduction Act, including Buy Clean provisions

Achieved mill utilization rate of 81% in 2Q24 versus 75% in the prior year period

- ✓ Mill utilization rate higher than total U.S. average for the period of approximately 76%
- ✓ Only independent steel manufacturer in Western U.S.

Sustainable solutions to meet needs of an increasingly metal-intensive economy

- ✓ Our GRN Steel™ line of net-zero carbon emissions products is positioned to meet growing demand

Balance Sheet & Capital Allocation

Operating Cash Flow	• Q2 operating cash outflow impacted by timing of shipments
Balance Sheet & Liquidity	• Net debt to adjusted EBITDA of 3.3x at the end of 2Q24 • Net leverage ratio of 30% at the end of 2Q24
Capital Allocation	• Capital expenditures of $15 million in 2Q24 • Lowering expected FY24 cash spend on capex to $80 million in the context of current performance trends • 120th consecutive quarterly dividend in 2Q24

Note: Net debt is total debt, net of cash. For a reconciliation to U.S. GAAP of net debt, net debt to adjusted EBITDA and net leverage ratio, see appendix.

Appendix

Non-GAAP Financial Measures

This presentation contains performance based on adjusted net income (loss) from continuing operations attributable to Radius shareholders, adjusted diluted earnings (loss) per share from continuing operations attributable to Radius shareholders, debt, net of cash, net leverage ratio, adjusted EBITDA, adjusted EBITDA per ferrous ton, and adjusted selling, general, and administrative expense which are non-GAAP financial measures as defined under SEC rules. As required by SEC rules, the Company has provided a reconciliation of these measures for each period discussed to the most directly comparable U.S. GAAP measure. Management believes that providing these non-GAAP financial measures adds a meaningful presentation of our results from business operations excluding adjustments for restructuring charges and other exit-related activities, asset impairment charges, amortization of capitalized cloud computing implementation costs, charges for legacy environmental matters (net of recoveries), business development costs not related to ongoing operations including pre-acquisition expenses, goodwill impairment charges, and the income tax benefit allocated to these adjustments, items which are not related to underlying business operational performance, and improves the period-to-period comparability of our results from business operations. We believe that presenting debt, net of cash is useful to investors as a measure of our leverage, as cash and cash equivalents can be used, among other things, to repay indebtedness. These non-GAAP financial measures should be considered in addition to, but not as a substitute for, the most directly comparable U.S. GAAP measures.

The Company is not able to reconcile forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures without unreasonable efforts because the Company is unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact GAAP measures but would not impact the non-GAAP measures. Such items may include asset impairment charges, business development costs not related to ongoing operations including pre-acquisition expenses, charges related to non-ordinary course legal settlements, legacy environmental matters (net of recoveries), restructuring charges and other exit-related activities, impacts of average inventory accounting, and other items. The unavailable information could have a significant impact on the Company's GAAP financial results.

Further, management believes that:
Adjusted EBITDA is a useful measure of the Company's financial performance and liquidity;
Net Debt (debt, net of cash) to Adjusted EBITDA Ratio is a useful measures of the Company's liquidity; and
Adjusted EBITDA per ferrous ton is a useful indicator of the Company's financial performance.
These non-GAAP financial measures should be considered in addition to, but not as a substitute for, the most directly comparable U.S. GAAP measures.

Non-GAAP Financial Measures

The following is a reconciliation of each of these measures to the most directly comparable U.S. GAAP measure:

Net (Loss) Income from Continuing Operations Attributable to Radius shareholders	Quarter						Fiscal Year	
($ in thousands)	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	2023	2022
As reported	$ (33,948)	$ (17,962)	$ (25,785)	$ 13,693	$ 4,129	$ (17,719)	$ (25,682)	$ 168,883
Restructuring charges and other exit-related activities	3,175	35	141	169	828	1,592	2,730	77
Other asset impairment charges, net(1)	1,748	219	5,797	1,455	—	4,000	11,252	1,570
Charges for legacy environmental matters, net(2)	156	323	3,847	5,167	77	1,279	10,370	7,518
Business development costs	140	90	23	71	103	235	432	2,693
Goodwill impairment charges	—	—	39,270	—	—	—	39,270	—
Charges related to legal settlements(3)	—	—	—	—	—	—	—	590
Income tax benefit allocated to adjustments(4)	(938)	(737)	(9,891)	(1,324)	(1,151)	(1,714)	(14,080)	(1,992)
Adjusted	$ (29,667)	$ (18,032)	$ 13,402	$ 19,231	$ 3,986	$ (12,327)	$ 24,292	$ 179,339

Diluted (Loss) Income Per Share from Continuing Operations Attributable to Radius Shareholders	Quarter						Fiscal Year(7)	
($ per share)	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	2023	2022
As reported	$ (1.19)	$ (0.64)	$ (0.92)	$ 0.48	$ 0.14	$ (0.64)	$ (0.92)	$ 5.72
Restructuring charges and other exit-related activities, per share	0.11	—	—	0.01	0.03	0.06	0.10	—
Other asset impairment charges, net, per share(1)	0.06	0.01	0.21	0.05	—	0.14	0.40	0.05
Charges for legacy environmental matters, net, per share(2)	0.01	0.01	0.14	0.18	—	0.05	0.37	0.25
Business development costs, per share	—	—	—	—	—	0.01	0.02	0.09
Goodwill impairment charges, per share	—	—	1.40	—	—	—	1.40	—
Charges related to legal settlements, per share(3)	—	—	—	—	—	—	—	0.02
Income tax benefit allocated to adjustments, per share(4)	(0.03)	(0.03)	(0.35)	(0.05)	(0.04)	(0.06)	(0.50)	(0.07)
Effect of dilutive shares, per share(5)	—	—	(0.01)	—	—	—	(0.02)	—
Adjusted(6)	$ (1.04)	$ (0.64)	$ 0.47	$ 0.67	$ 0.14	$ (0.44)	$ 0.85	$ 6.07

(1) For the quarters ended February 29, 2024, and November 30, 2023, other asset impairment charges included $272 thousand ($0.01 per share before taxes) and $219 thousand ($0.01 per share before taxes), respectively, of adjustments of an equity investment to fair value reported within “Other loss, net” on the Unaudited Condensed Consolidated Statement of Operations. For the year ended August 31, 2023, other asset impairment charges included $5 million ($0.19 per share before taxes) of impairment and other adjustments of an equity investment to fair value reported within "Other loss, net" on the Consolidated Statement of Operations. The charges included $4 million ($0.14 per share before taxes) and $1 million ($0.05 per share before taxes) in the first quarter and third quarter, respectively.

(2) Legal and environmental charges, net of recoveries, for legacy environmental matters including those related to the Portland Harbor Superfund site and to other legacy environmental loss contingencies.

(3) Charges related to legal settlements in fiscal 2022 relate to a claim by a utility provider for past charges.

(4) Income tax allocated to the aggregate adjustments reconciling reported and adjusted (loss) income from continuing operations attributable to Radius shareholders and diluted (loss) income per share from continuing operations attributable to Radius shareholders is determined based on a tax provision calculated with and without the adjustments.

(5) For the quarter and year ended August 31, 2023, adjusted diluted loss per share from continuing operations attributable to Radius shareholders reflects the inclusion of an incremental 652 thousand common stock equivalent shares attributable to dilutive restricted stock unit, performance share, and deferred stock unit awards that were antidilutive for the purpose of calculating the comparable GAAP loss per share measure.

(6) May not foot due to rounding.

(7) The sum of quarterly amounts may not agree to full year equivalent due to rounding.

Non-GAAP Financial Measures

Net Leverage Ratio

- Net Debt (Debt, net of cash) is the difference between (i) the sum of long-term debt and short-term debt (i.e., total debt) and (ii) cash and cash equivalents.
- Net Capital is the difference between (i) the sum of total equity and total debt (i.e., total capital) and (ii) cash and cash equivalents.
- The net leverage ratio is the ratio of Net Debt to Net Capital, expressed as a percentage.
- The following is a reconciliation of the Net Leverage Ratio:

Net Leverage Ratio		Quarter					
($ in millions)		2Q24	1Q24	4Q23	3Q23	2Q23	1Q23
Total Debt		$ 374	$ 284	$ 249	$ 351	$ 310	$ 358
	Less cash and cash equivalents	(14)	(4)	(6)	(5)	(11)	(4)
Net Debt[1]		$ 360	$ 280	$ 243	$ 346	$ 299	$ 354
Total Debt		$ 374	$ 284	$ 249	$ 351	$ 310	$ 358
Total Equity		847	884	912	940	928	929
Total Capital		$ 1,221	$ 1,168	$ 1,161	$ 1,290	$ 1,239	$ 1,286
	Less cash and cash equivalents	(14)	(4)	(6)	(5)	(11)	(4)
Net Capital[1]		$ 1,207	$ 1,164	$ 1,155	$ 1,286	$ 1,227	$ 1,283
Total Debt to Total Capital Ratio		30.6 %	24.3 %	21.5 %	27.2 %	25.0 %	27.8 %
	Impact excluding cash and cash equivalents from both Total Debt and Total Capital	(0.8)%	(0.3)%	(0.4)%	(0.3)%	(0.7)%	(0.2)%
Net Leverage Ratio[1]		29.8 %	24.0 %	21.1 %	26.9 %	24.3 %	27.6 %

(1) May not foot due to rounding.

Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA Per Ferrous Ton

Adjusted EBITDA – Earnings before interest, taxes, depreciation, amortization, adjustments for restructuring charges and other exit-related activities, asset impairment charges, amortization of capitalized cloud computing implementation costs, charges for legacy environmental matters (net of recoveries), business development costs not related to ongoing operations including pre-acquisition expenses, goodwill impairment charges, and charges related to legal settlements, among others.

The following is a reconciliation of net income (loss) to adjusted EBITDA and adjusted EBITDA per ferrous ton sold:

Adjusted EBITDA ($ in thousands)	Quarter 2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22
Net (loss) income	$ (34,010)	$ (17,799)	$ (25,762)	$ 13,608	$ 4,272	$ (17,556)	$ 11,051	$ 75,504	$ 38,165
Plus loss (income) from discontinued operations, net of tax	31	2	31	233	(224)	69	37	46	(29)
Plus interest expense	5,803	4,810	5,211	5,146	4,908	3,324	3,042	2,223	1,901
Plus tax expense (benefit)	1,195	(10,170)	(3,423)	7,221	(513)	(6,032)	1,390	20,037	12,073
Plus depreciation & amortization	24,311	23,471	23,370	22,540	22,399	21,451	20,487	18,750	18,596
Plus restructuring charges and other exit-related activities	3,175	35	141	169	828	1,592	25	26	4
Plus other asset impairment charges, net(1)	1,748	219	5,797	1,455	—	4,000	638	932	—
Plus amortization of cloud computing software costs(2)	247	80	—	—	—	—	—	—	—
Plus charges for legacy environmental matters, net(3)	156	323	3,847	5,167	77	1,279	2,996	62	4,004
Plus business development costs	140	90	23	71	103	235	614	920	545
Plus goodwill impairment charge	—	—	39,270	—	—	—	—	—	—
Plus charges related to legal settlements(4)	—	—	—	—	—	—	—	590	—
Adjusted EBITDA	$ 2,796	$ 1,061	$ 48,505	$ 55,610	$ 31,850	$ 8,362	$ 40,280	$ 119,090	$ 75,259
Estimated average inventory accounting impact	2,048	(1,050)	(5,084)	1,981	9,926	(1,595)	(29,388)	4,820	1,297
Adjusted EBITDA excluding estimated average inventory accounting	$ 748	$ 2,111	$ 53,589	$ 53,629	$ 21,924	$ 9,957	$ 69,668	$ 114,270	$ 73,962
Total Ferrous Volumes (LT, in thousands)	980	1,152	1,105	1,157	1,263	851	1,268	1,129	1,071
Adjusted EBITDA per Ferrous Ton Sold ($/LT)	3	1	44	48	25	10	32	105	70
Adjusted EBITDA excluding estimated average inventory accounting per Ferrous Ton Sold ($/LT)	1	2	48	46	17	12	55	101	69

(1) For the quarters ended February 29, 2024, and November 30, 2023, other asset impairment charges included $272 thousand ($0.01 per share before taxes) and $219 thousand ($0.01 per share before taxes), respectively, of adjustments of an equity investment to fair value reported within “Other loss, net” on the Unaudited Condensed Consolidated Statement of Operations. For the quarters ended June 30, 2023 and November 30, 2022, asset impairment charges included $1 million ($0.05 per share before taxes) and $4 million ($0.14 per share before taxes), respectively, of impairment and other adjustments of an equity investment to fair value reported within "Other loss, net" on the Consolidated Statement of Operations.

(2) Amortization of cloud computing software costs consists of expense recognized in cost of goods sold and selling, general, and administrative expense resulting from amortization of capitalized implementation costs for cloud computing IT systems. This expense is not included in depreciation and amortization. No amortization of cloud computing software costs was incurred prior to the first quarter of fiscal 2024; therefore, prior period Adjusted EBITDA amounts are not impacted.

(3) Legal and environmental charges, net of recoveries, for legacy environmental matters including those related to the Portland Harbor Superfund site and to other legacy environmental loss contingencies.

(4) Charges related to legal settlements in fiscal 2022 relate to a claim by a utility provider for past charges.

Non-GAAP Financial Measures

Net Debt to Adjusted EBITDA Ratio

The following is a reconciliation of cash flows from operating activities to adjusted EBITDA; debt to net debt (debt, net of cash); the debt to cash flows from operating activities ratio; and the net debt to adjusted EBITDA ratio:

Net Debt to Adjusted EBITDA Ratio	LFQ	Fiscal Year							
($ in thousands)	2Q24	2023	2022	2021	2020	2019	2018	2017	2016
Cash flows from operating activities	$ 57,277	$ 139,362	$ 237,676	$ 190,064	$ 124,597	$ 144,740	$ 159,676	$ 100,370	$ 99,240
Exit-related gains, asset impairments and accelerated depreciation, net	(111)	(254)	—	—	(971)	(23)	1,000	407	(1,790)
Write-off of debt issuance costs	—	—	—	—	—	—	—	—	(768)
Inventory write-down	—	(575)	(3,199)	—	—	(775)	(38)	—	(710)
Deferred income taxes	7,097	3,934	(25,052)	(6,884)	(15,096)	(14,613)	37,995	(2,278)	(507)
Undistributed equity in earnings of joint ventures	1,692	2,090	2,740	4,006	834	1,452	1,953	3,674	819
Share-based compensation expense	(9,783)	(11,186)	(18,517)	(18,213)	(10,033)	(17,300)	(18,965)	(10,847)	(10,437)
Excess tax benefit from share-based payment arrangements	—	—	—	—	—	—	—	—	—
Gain (loss) on disposal of assets	799	324	(824)	(717)	(530)	1,545	(56)	(448)	465
Unrealized foreign exchange (loss) gain, net	(235)	(47)	(78)	(127)	67	(148)	104	(361)	109
Credit loss, net	(293)	(311)	(40)	—	(66)	(74)	(323)	(126)	(131)
Changes in current assets and current liabilities	17,454	(33,893)	46,885	72,813	(34,246)	(1,182)	34,081	10,666	(19,317)
Changes in other operating assets and liabilities	4,321	15,400	9,028	(12,368)	(2,854)	(1,901)	(6,987)	(4,958)	(405)
Interest expense	20,970	18,589	8,538	5,285	8,669	8,266	8,983	8,081	8,889
Tax (benefit) expense	(5,177)	(2,747)	44,597	37,935	166	17,670	(17,590)	1,322	735
Charges (recoveries) for legacy environmental matters, net[1]	9,493	10,370	7,518	13,773	4,097	2,419	7,268	2,648	(3,863)
Restructuring charges (recoveries) and other exit-related activities	3,520	2,730	77	1,008	8,993	365	(661)	(109)	6,782
Amortization of cloud computing software costs[2]	327	—	—	—	—	—	—	—	—
Business development costs	324	432	2,693	2,155	1,619	—	—	—	—
Loss (gain) from discontinued operations, net of tax	297	109	83	79	95	248	(346)	390	1,348
Charges related to legal settlements[3]	—	—	590	400	73	2,330	—	—	—
(Recoveries) charges related to the resale or modification of previously contracted shipments	—	—	—	—	—	—	(417)	(1,144)	(694)
Adjusted EBITDA	$ 107,972	$ 144,327	$ 312,715	$ 289,209	$ 85,414	$ 143,019	$ 205,677	$ 107,287	$ 79,765
Total Ferrous Volumes (LT, in thousands)	4,394	4,376	4,616	4,408	3,954	4,319	4,299	3,628	3,289
Adjusted EBITDA per Ferrous Ton Sold ($/LT)	$ 25	$ 33	$ 68	$ 66	$ 22	$ 33	$ 48	$ 30	$ 24
Debt	373,578	249,392	248,562	74,953	104,419	105,096	107,376	145,124	192,518
Cash and cash equivalents	(13,562)	(6,032)	(43,803)	(27,818)	(17,887)	(12,377)	(4,723)	(7,287)	(26,819)
Net debt	$ 360,016	$ 243,360	$ 204,759	$ 47,135	$ 86,532	$ 92,719	$ 102,653	$ 137,837	$ 165,699
Debt to cash flows from operating activities ratio	6.5	1.8	1.0	0.4	0.8	0.7	0.7	1.4	1.9
Net debt to adjusted EBITDA ratio	3.3	1.7	0.7	0.2	1.0	0.6	0.5	1.3	2.1

(1) Legal and environmental charges, net of recoveries, for legacy environmental matters including those related to the Portland Harbor Superfund site and to other legacy environmental loss contingencies.

(2) Amortization of cloud computing software costs consists of expense recognized in cost of goods sold and selling, general, and administrative expense resulting from amortization of capitalized implementation costs for cloud computing IT systems. This expense is not included in depreciation and amortization. No amortization of cloud computing software costs was incurred prior to the first quarter of fiscal 2024; therefore, prior period Adjusted EBITDA amounts are not impacted.

(3) Charges related to legal settlements in fiscal 2022 and fiscal 2021 relate to a claim by a utility provider for past charges, and in fiscal 2020 and fiscal 2019 relate to the settlement of a wage and hour class action lawsuit.

Non-GAAP Financial Measures

Adjusted Selling, General and Administrative Expense

The following is a reconciliation of adjusted selling, general and administrative expense to the comparable U.S. GAAP measure:

Adjusted Selling, General and Administrative Expense	Quarter										Fiscal Year	
($ in thousands)	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	2023	2022
As reported	$ 62,160	$ 63,102	$ 69,217	$ 68,527	$ 63,957	$ 64,228	$ 69,237	$ 77,672	$ 61,081	$ 55,267	$ 265,929	$ 263,257
Charges for legacy environmental matters, net[(1)]	(156)	(323)	(3,847)	(5,167)	(77)	(1,279)	(2,996)	(62)	(4,004)	(456)	(10,370)	(7,518)
Business development costs	(140)	(90)	(23)	(71)	(103)	(235)	(614)	(920)	(545)	(614)	(432)	(2,693)
Adjusted	$ 61,864	$ 62,689	$ 65,347	$ 63,289	$ 63,777	$ 62,714	$ 65,627	$ 76,690	$ 56,532	$ 54,197	$ 255,127	$ 253,046

(1) Legal and environmental charges, net of recoveries, for legacy environmental matters including those related to the Portland Harbor Superfund site and to other legacy environmental loss contingencies.

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Historical Segment Operating Statistics

The following provides consolidated operating statistics:

	Quarter						Fiscal Year[1]	
	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	2023	2022
Ferrous volumes (LT, in thousands)[2]								
Domestic	483	535	528	548	444	432	**1,952**	**1,806**
Export	497	617	577	609	819	418	**2,424**	**2,810**
Total[7]	980	1,152	1,105	1,157	1,263	851	**4,376**	**4,616**
Ferrous selling prices ($/LT)[3]								
Domestic	$ 391	$ 342	$ 346	$ 414	$ 359	$ 313	**$ 360**	**$ 438**
Export	$ 381	$ 359	$ 363	$ 414	$ 368	$ 356	**$ 376**	**$ 457**
Average	$ 384	$ 354	$ 357	$ 413	$ 367	$ 340	**$ 371**	**$ 452**
Nonferrous volumes (pounds, in thousands)[2][4]	176,477	181,728	203,707	207,714	164,796	162,720	**738,937**	**687,419**
Nonferrous average price ($/pound)[3][4]	$ 0.94	$ 0.91	$ 0.94	$ 1.01	$ 0.99	$ 0.90	**$ 0.96**	**$ 1.08**
Cars purchased (in thousands)[5]	67	64	67	78	72	69	**286**	**312**
Auto part stores at period end	50	50	50	50	50	51	**50**	**51**
Finished steel average sales price ($/ST)[3]	$ 832	$ 831	$ 861	$ 924	$ 943	$ 1,015	**$ 930**	**$ 1,075**
Sales volume (ST, in thousands)								
Rebar	83	94	108	97	84	101	**390**	**343**
Coiled products	30	34	43	43	24	16	**126**	**119**
Merchant bar and other	1	1	1	2	1	1	**5**	**3**
Finished steel products sold	114	129	152	142	109	118	**521**	**465**
Rolling mill utilization[6]	81%	95%	102%	97%	75%	81%	**89%**	**88%**

Tons for recycled ferrous metal are LT (Long Ton, which is equivalent to 2,240 pounds) and for finished steel products are ST (Short Ton, which is equivalent to 2,000 pounds).
(1) The sum of quarterly amounts may not agree to full year equivalent due to rounding.
(2) Ferrous and nonferrous volumes sold externally and delivered to our steel mill for finished steel production.
(3) Price information is shown after netting the cost of freight incurred to deliver the product to the customer.
(4) Excludes platinum group metals ("PGMs") in catalytic converters.
(5) Cars purchased by auto stores only.
(6) Rolling mill utilization is based on effective annual production capacity under current conditions of 580 thousand tons of finished steel products.
(7) May not foot due to rounding.

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