Schnitzer

NASDAQ: SCHN

Investor Presentation

June 2023

Recycling Today for a Sustainable Tomorrow

Safe Harbor

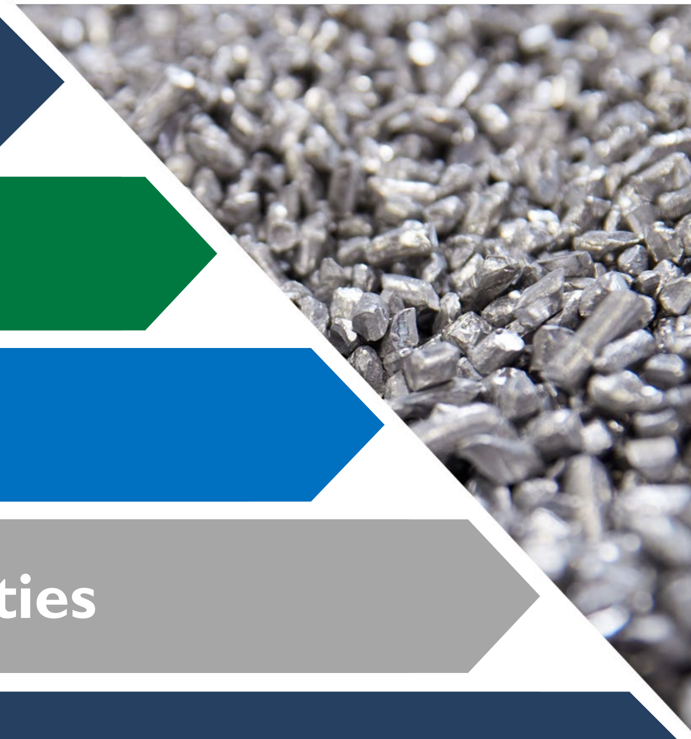
Statements and information included in this presentation by Schnitzer Steel Industries, Inc. that are not purely historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and are made pursuant to the "safe harbor" provisions of the Private Securities 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," and "SSI" refer to Schnitzer Steel Industries, 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, sales volumes, and profitability; completion of acquisitions and integration of acquired businesses; 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 equipment upgrades, equipment failures, and facility damage on production; failure to realize or delays in realizing expected benefits from capital projects, including investments in processing and manufacturing technology improvements; 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 goodwill impairment charges; the impact of long-lived asset and equity investment impairment charges; 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 adverse 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; translation risks associated with fluctuation in foreign exchange rates; 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.

NON-GAAP FINANCIAL MEASURES

This presentation contains certain non-GAAP financial measures as defined under SEC rules. Reconciliations of the non-GAAP financial measures contained in this presentation to the most directly comparable U.S. GAAP measure are provided in the Appendix. 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.

Agenda



I. Company Overview

II. Market Conditions

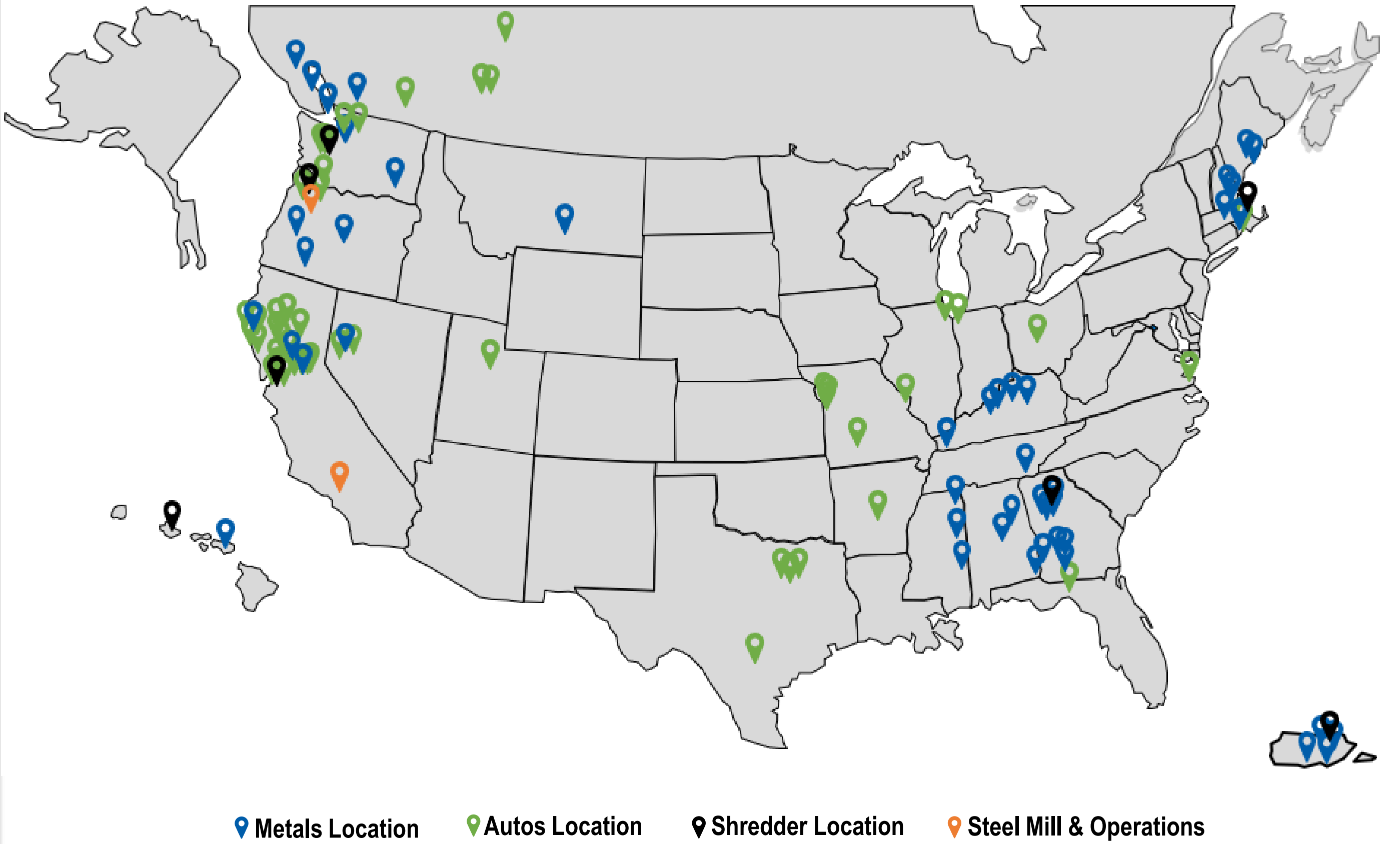
III. Industry Trends

IV. Strategic Priorities

V. FY22 and 3Q23 Highlights

I. Company Overview

About Schnitzer



50 Retail Auto Parts Stores

54 Metals Recycling Facilities

7 Deep-Water Ports

1 Steel Mill

At Schnitzer, we operate at the intersection of metals recovery, reuse, recycling, and manufacturing.

*Company data based on fiscal 2022 information; store and facility count as of April 2023

Recycling Today for a Sustainable Tomorrow

Schnitzer

TIME 100 MOST INFLUENTIAL COMPANIES 2023

Ranked #1 Most Sustainable Company in the World

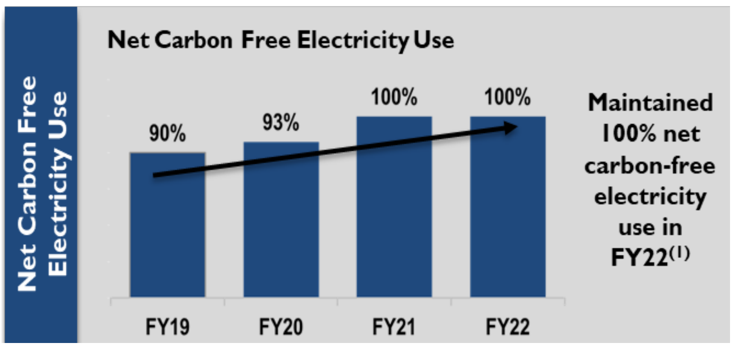
GLOBAL100 2023 THE WORLD'S MOST SUSTAINABLE CORPORATIONS ©

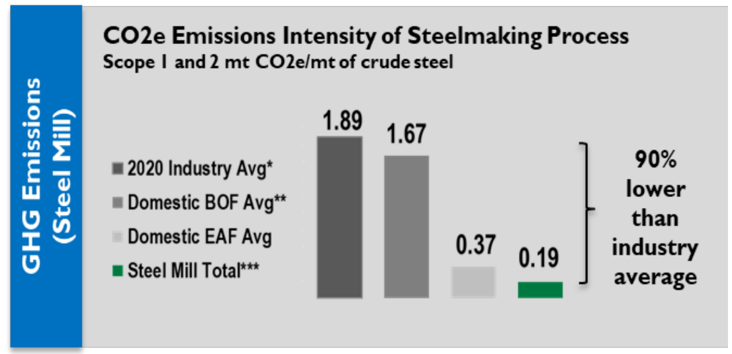
2023 WORLD'S MOST ETHICAL COMPANIES® ETHISPHERE 9-TIME HONOREE ™

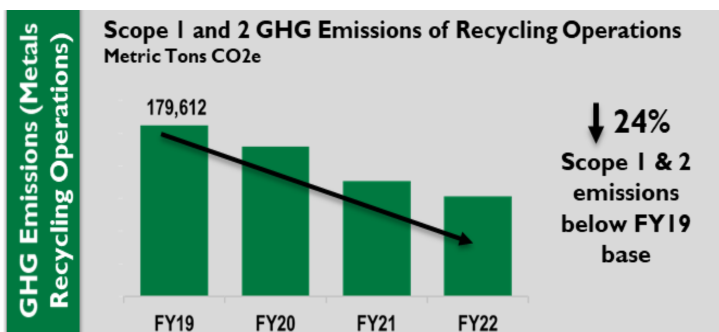
MSCI ESG RATINGS AAA

CCC	B	BB	BBB	A	AA	AAA

SSI Environmental Footprint Impact







Our Fiscal 2022 Sustainability Report can be found here

(1) Purchase costs of fiscal 2022 renewable energy credits are immaterial.
*World Steel Association ** SMA 2022 Emissions Analysis ***Energy intensity includes all energy and fuel sources consumed. GHG intensity includes all Scope 1 and 2 emissions, and estimated Scope 3 emissions from "upstream" scrap metal recycling and source operations to our steel mill.

II. Market Conditions

Recycled Metals and Finished Steel Market Price Trends

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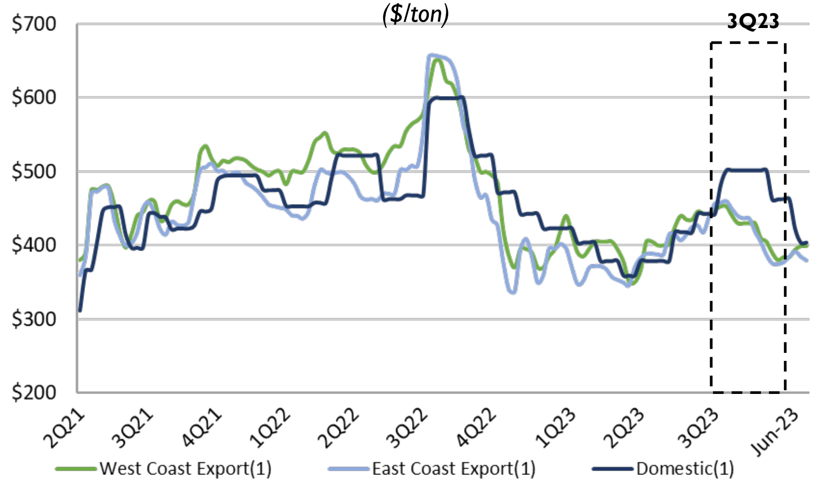
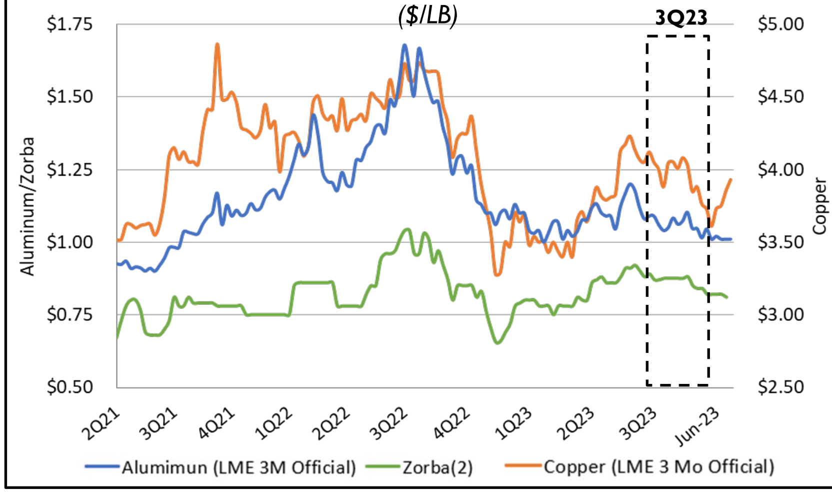
Ferrous Market Price Trends

($/ton)



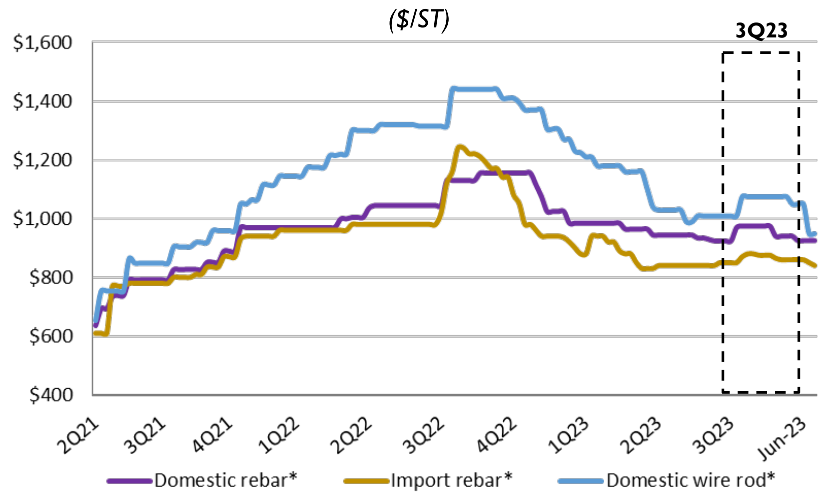
Nonferrous Market Price Trends

($/LB)



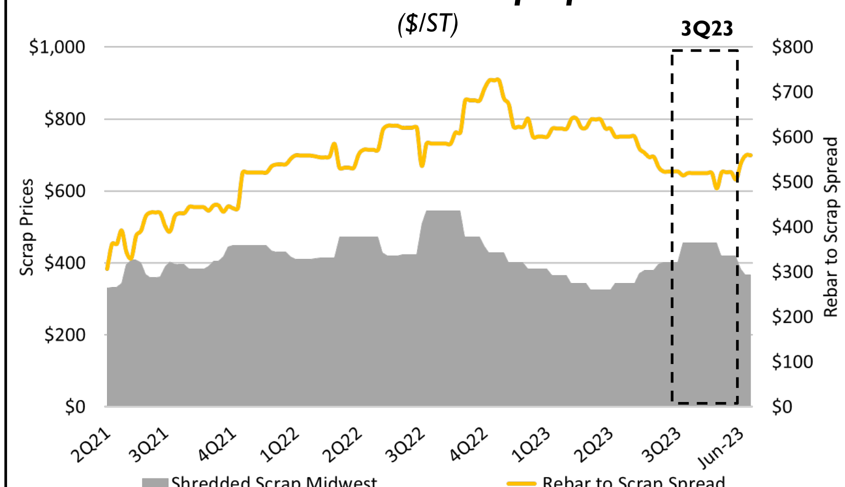
Rebar & Wire Rod Market Price Trends

($/ST)



Rebar to Ferrous Scrap Spread**

($/ST)



Sources: Platts, Argus, AMM

(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.

**Rebar to Ferrous Scrap Spread is the difference between the domestic Ex-Mill US Midwest rebar price and the Shredded US Midwest scrap price.

III. Industry Trends

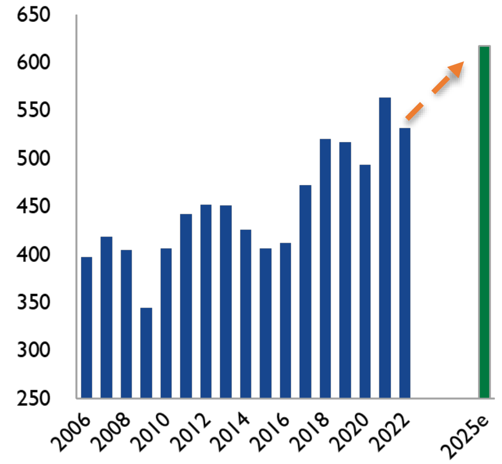
Recycled Metals for a Low-Carbon Economy

Strong Long-Term Drivers for Recycled Metals Demand:

- Global EAF production growth
- Increased metal intensity, including copper and aluminum, of lower carbon-based technologies (e.g., EVs, renewable energy, development of "smart grids")
- Greater customer and supplier focus on sustainability, recycling and landfill diversion
- U.S. production onshoring
- Anticipated structural shortage of critical materials (e.g., copper, nickel and lithium)
- Domestic investments related to Infrastructure Investment and Jobs Act, Inflation Reduction Act, and Buy Clean provisions

Global EAF Steel Production Trends

Crude Steel Production (mmt)



U.S. — ~10Mt of new EAF capacity by 2024 announced

E.U. — Renewed focus on using more scrap in EAFs powered by clean electricity, with up to 15Mt of new capacity planned

China — Targeting scrap usage in steelmaking of 30% (>300Mt) by 2025

Transitioning to a Low-Carbon Future

Using **1 TON OF RECYCLED METALS** versus **1** ton of corresponding virgin material in the manufacturing process results in up to:

65% LESS CO2e emissions*

92% LESS CO2e emissions*

Sources: World Steel Association, Company estimates
*CO2e savings are sourced from the BIR-commissioned study conducted by Imperial College London "Report on the Environmental Benefits of Recycling – 2016 edition, pg. 26".

IV. Strategic Priorities

Strategic Actions for Continued Growth

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Industry Dynamics

Increasing global demand for recycled metals, supported by decarbonization trends and global EAF steelmaking production growth	Greater customer and supplier focus on sustainability, recycling and landfill diversion	Inflation, tight labor market and continued focus on operational efficiency

Strategic Actions

Deploy Advanced Metal Recovery Technology

→ Increase recovery of higher value metals
→ Increase landfill diversion
→ Increase product optionality

Progress

✓ West Coast primary nonferrous recovery system commissioning started in June
✓ Targeting substantial achievement of full run-rate benefits by end of CY23*

Increase Ferrous & Nonferrous Volumes

→ Create operating leverage
→ Higher recovery of nonferrous materials from shredding operations

Progress

✓ Achieved YoY growth in nonferrous volumes by 8.3%** driven by expansion of purchased nonferrous activities and ramp-up of advanced recovery technologies

Expand Recycling Services & Product Offerings

→ Support customers in meeting their recycling and sustainability goals
→ Grow customer base

Progress

✓ In FY22 launched GRN Steel™, a line of net zero carbon emissions steel products
✓ Launch of 3PR™ brand covering SSI's recycling services, including integration of ScrapSource business acquired in 1Q23

Implement Productivity Initiatives

→ Increase yields, reduce costs and improve efficiencies in processing, procurement and pricing

Progress

✓ Achieved full quarterly run-rate benefits from the FY23 $60 million productivity improvement program to mitigate inflationary pressure

*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.
** LTM volumes as of 3Q23 vs. LTM volumes as of 3Q22.

Advanced Metal Recovery Technology Initiatives

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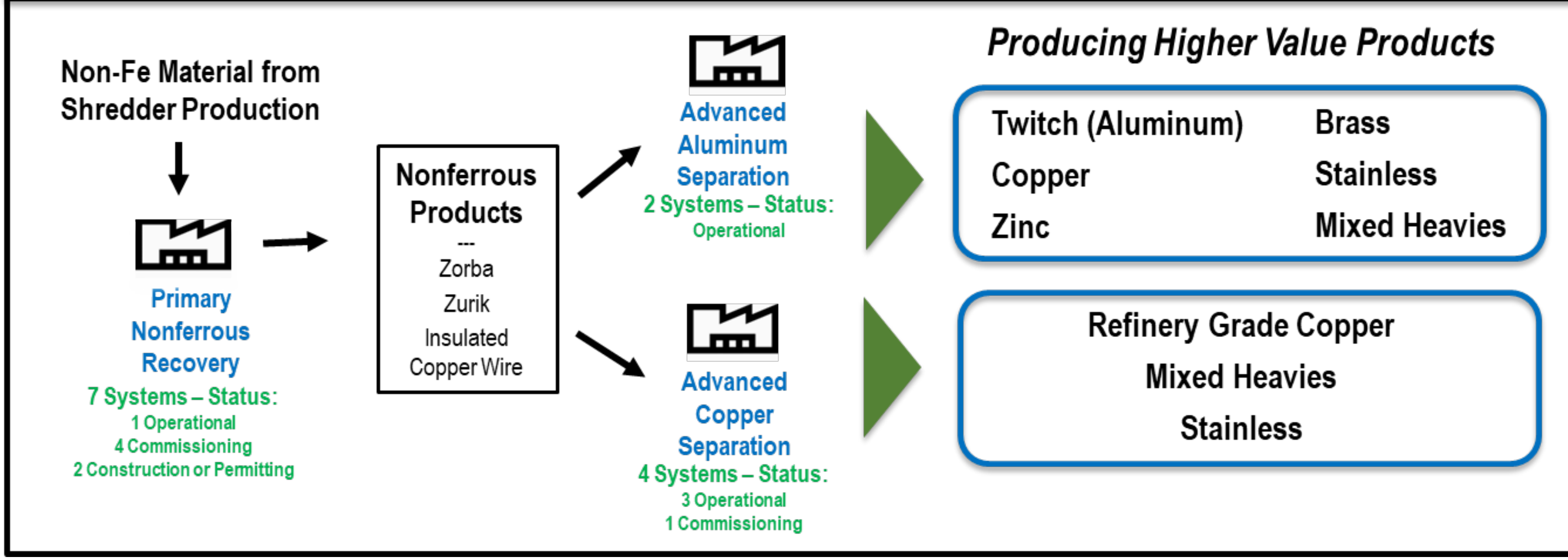
Technology, Product Optionality



Expected Investment - Total expected investment in the range of $130 million, with approximately $5 million remaining to complete

Product Enhancement & Increased Optionality - More furnace-ready products, including twitch, brass, zinc, stainless steel, copper and other metals

Sustainability Benefits - Higher metal recovery, increased material separation, greater waste diversion from landfills, reduction in air emissions, use of recycled water and energy efficiency improvements

Expected Timing - Targeting substantial achievement of full run-rate benefits by end of CY23*

- ✓ West Coast primary nonferrous recovery system commissioning started in June

*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.

V. FY22 and 3Q23 Highlights

Fiscal 2022 Financial Highlights

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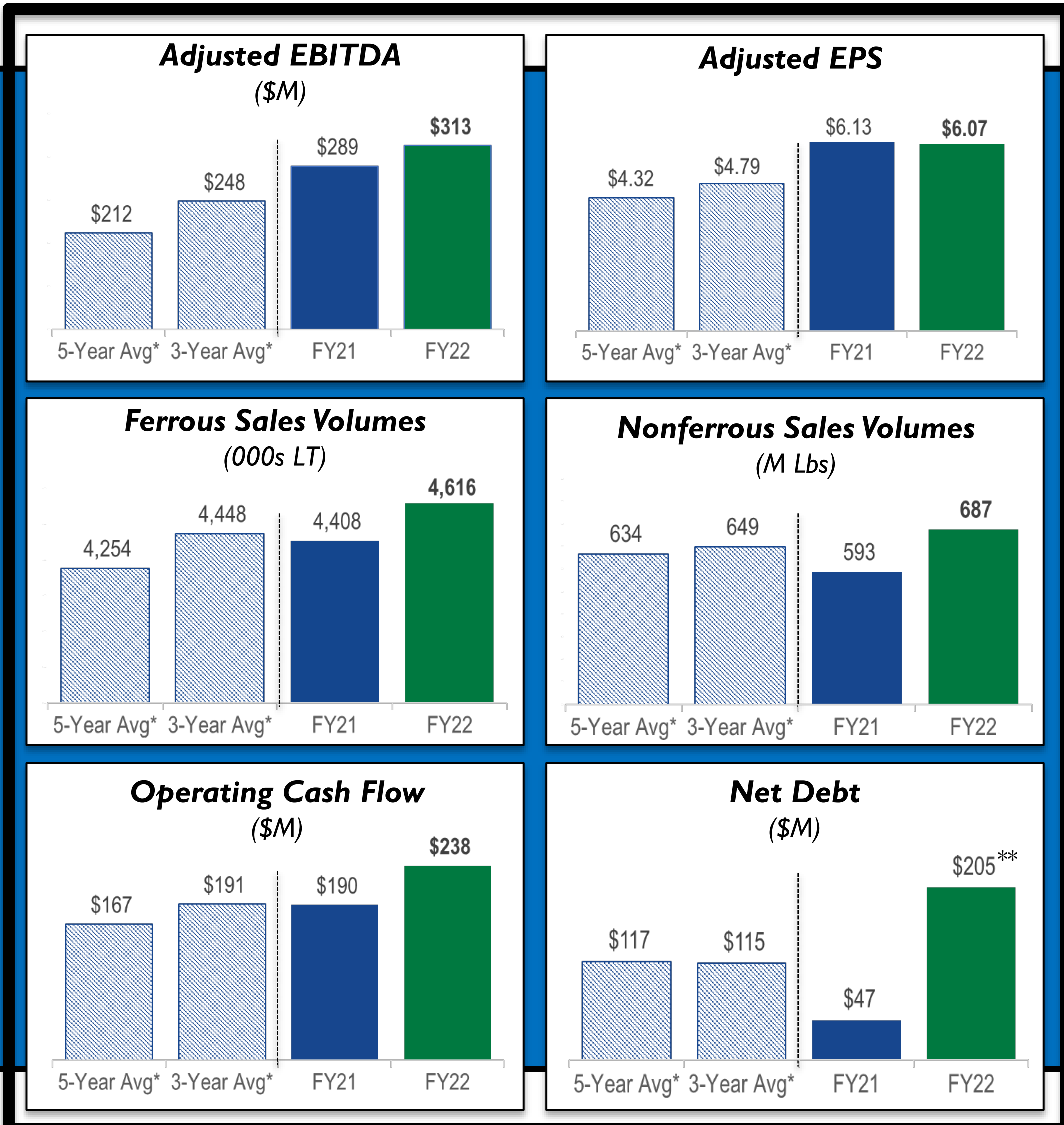

Achieved second highest adjusted EBITDA in Company's history, driven by a combination of strong demand and progress on multi-year strategic initiatives:

- ✓ Volume growth
- ✓ Addition of 10 recycling facilities in the Southeast
- ✓ Productivity improvements
- ✓ Working capital management

Note: For a reconciliation to U.S. GAAP of adjusted EBITDA, adjusted earnings per share from continuing operations and net debt, see appendix.
*3-year and 5-year averages exclude FY20 COVID year, and extend back to FY19 and FY17, respectively
**Includes Columbus and Encore acquisitions

Third Quarter Fiscal 2023 Highlights

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Financial & Operational Performance

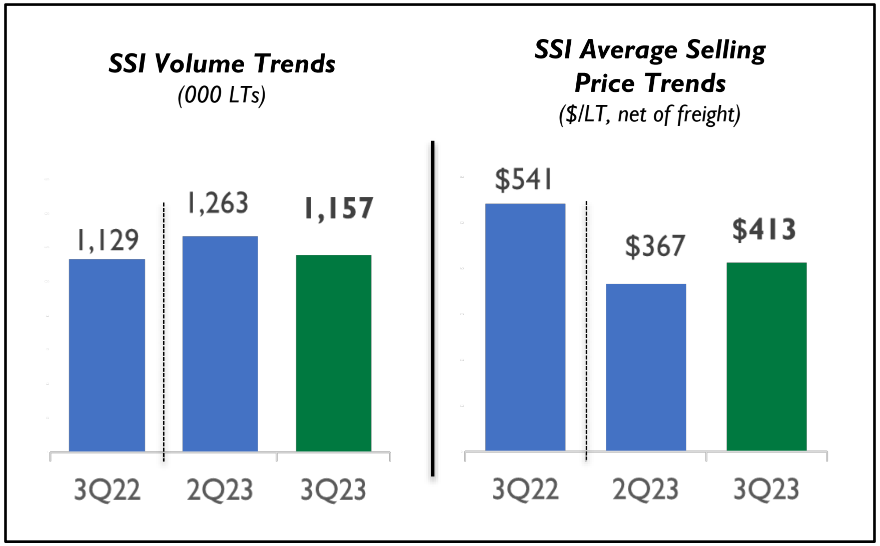
- **Strong sequential performance improvement with adjusted EBITDA of $56 million and adjusted EBITDA per ferrous ton of $48**
  - Stronger demand for recycled metals coming into the quarter drove average net selling prices for ferrous and nonferrous up sequentially by 13% and 2%, respectively
  - Expansion of metal spreads tempered by continued tight supply flows from lower economic activity
- **Nonferrous sales volumes were up 26% sequentially, including benefits from strategic actions**
  - Higher nonferrous sales volumes driven by expansion of purchased nonferrous activities and higher recovery yields from advanced recovery technology systems
  - Ferrous sales volumes decreased 8% sequentially following the nearly 50% increase in the prior quarter
- **Finished steel sales volumes increased 30% sequentially on seasonally higher construction demand**
  - Rolling mill utilization averaged 97% in the quarter
- **Delivered full quarterly run-rate benefits from our FY23 productivity improvement program to mitigate inflationary pressure**
- **Returned capital to shareholders through 117th consecutive quarterly dividend**

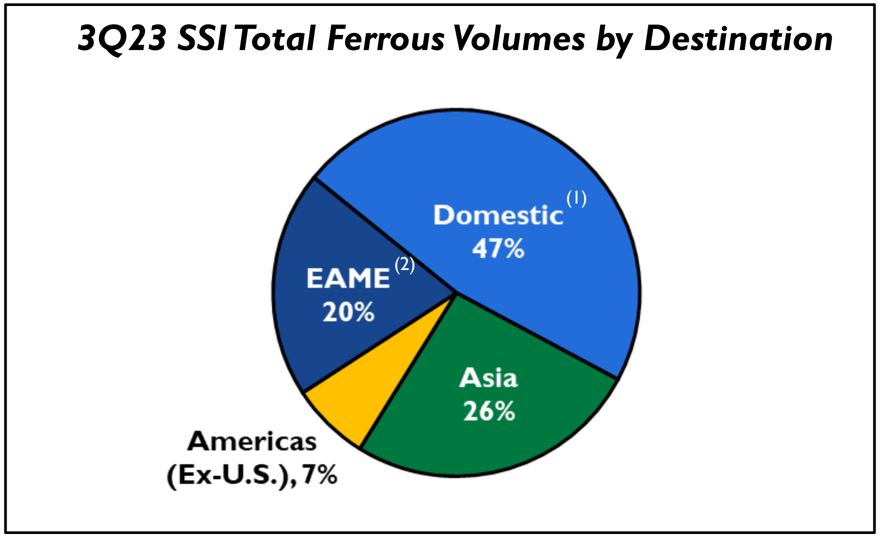
	3Q23	2Q23	
Adjusted EPS from Cont. Operations	**$0.67**	$0.14	↑
Adjusted EBITDA ($M)	**$56**	$32	↑
Adjusted EBITDA per Ferrous Ton	**$48**	$25	↑

	3Q23	2Q23	
Ferrous Sales Volumes (000s LT)	**1,157**	1,263	↓
Nonferrous Sales Volumes (M lbs)	**208**	165	↑
Finished Steel Sales Volumes (000s ST)	**142**	109	↑

Note: For a reconciliation to U.S. GAAP of adjusted EBITDA, adjusted EBITDA per ferrous ton and adjusted earnings per share from continuing operations, see appendix.

3Q23 Ferrous Market Dynamics





Higher average net selling prices driven by stronger demand early in the quarter

- ✓ Average net ferrous selling prices up 13% sequentially, reflecting sales contracted earlier in the period, before a decline in selling prices in the second half of the quarter
- ✓ Continued tight scrap supply flow environment, driven by lower economic activity and inflationary pressure on collection costs
- ✓ Sales volumes down 8% sequentially, following a nearly 50% increase in the prior quarter due to the benefit of inventory drawdown

Flexible platform and global reach

- ✓ Bangladesh, Turkey and Italy represented the top export sales destinations in 3Q23
- ✓ Turkey represented approximately 14% of total ferrous sales volumes in 3Q23, with demand expected to be supported by post-earthquake rebuilding efforts

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

3Q23 Nonferrous Market Dynamics

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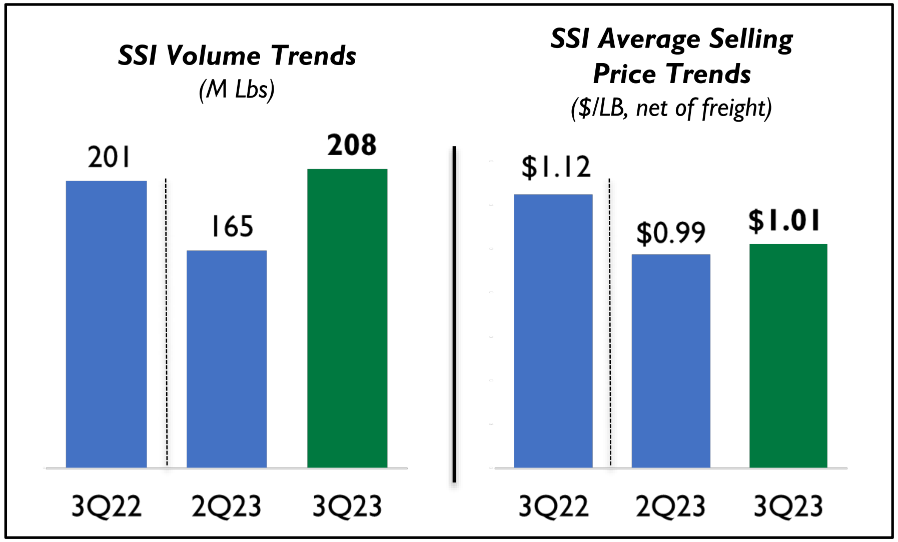
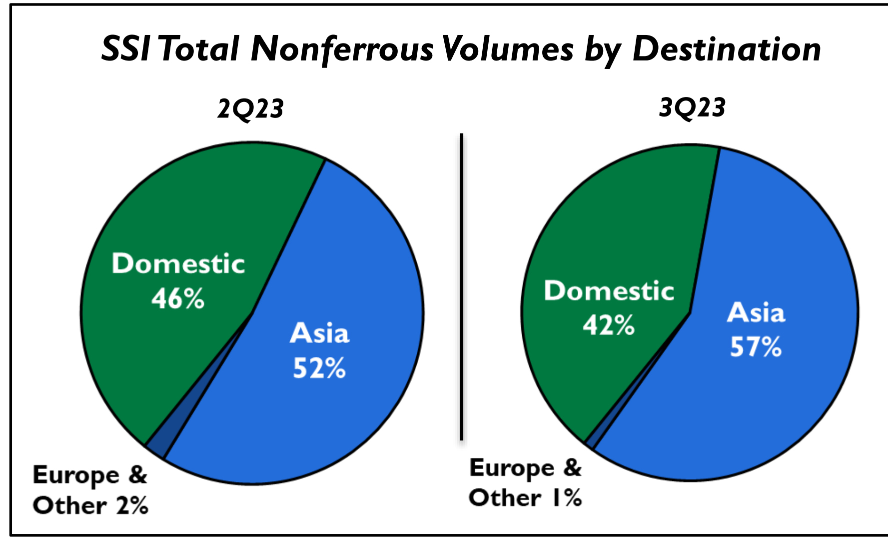
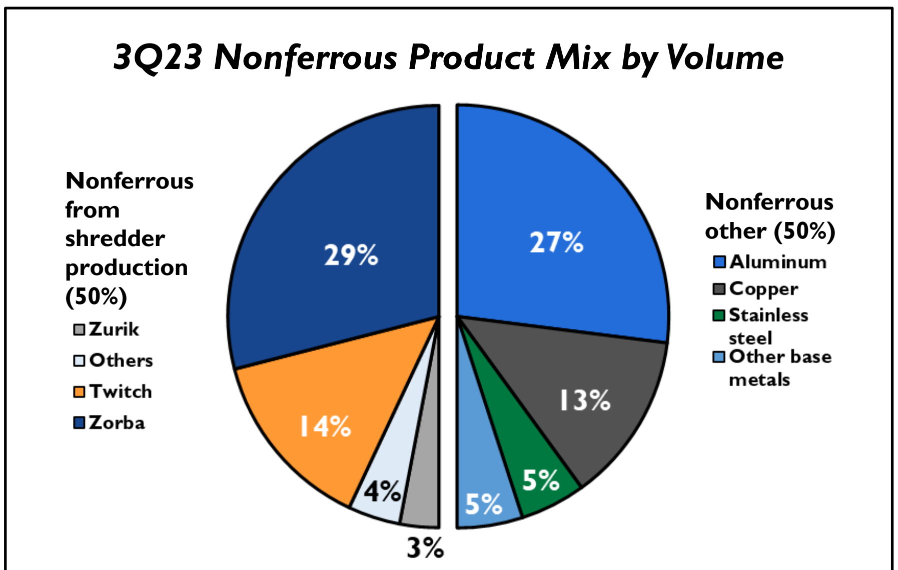






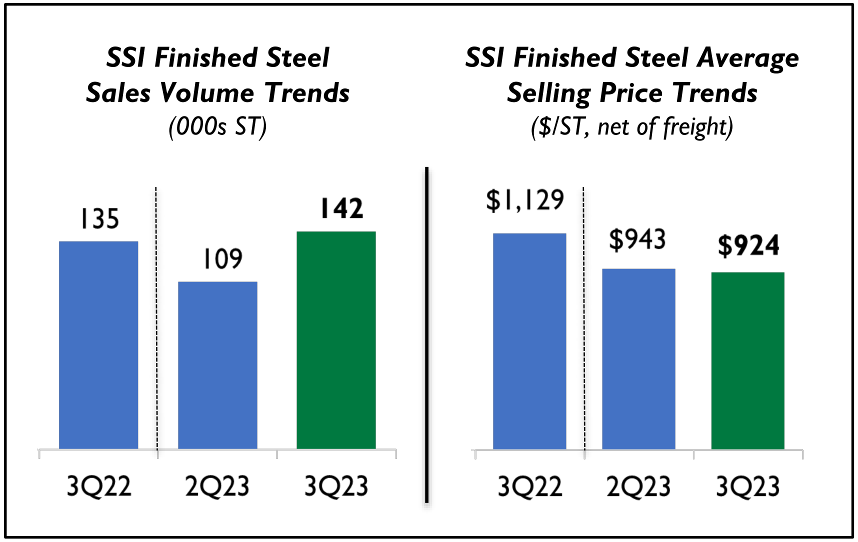
Strong sequential growth in sales volumes

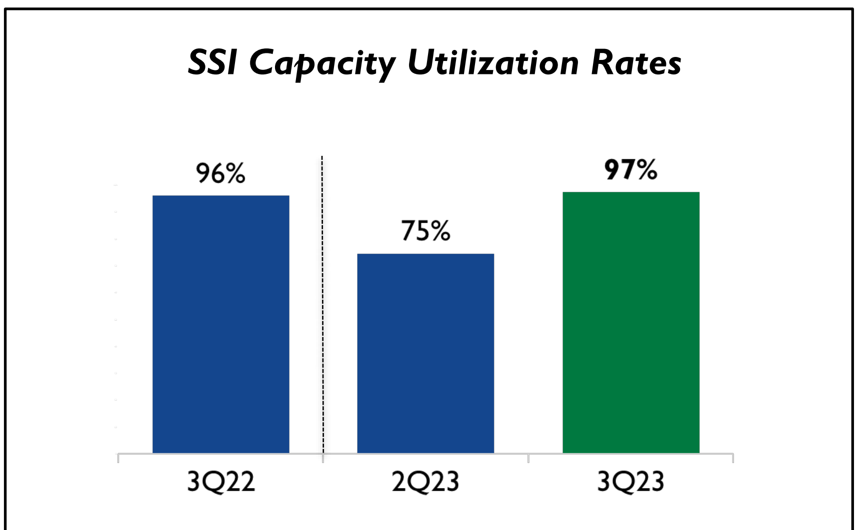
- ✓ Sales volumes increased 26% sequentially, driven by expansion of purchased nonferrous activities and higher recovery yields from advanced recovery technology systems

Highly diversified sales and product mix

- ✓ Sold nonferrous products to 13 countries in 3Q23
- ✓ Includes sales of recycled copper, aluminum and other nonferrous metals
- ✓ Growth in higher value furnace-ready products and increased product optionality

Finished Steel Market Dynamics





Demand higher sequentially on seasonality, expecting positive long-term drivers to kick in

- ✓ Finished steel sales volumes increased 30% sequentially, reflecting construction seasonality
- ✓ Average utilization rate of 97% in 3Q23, higher than the average U.S. utilization rate for the period
- ✓ Anticipate increased demand from Infrastructure Investment and Jobs Act and Inflation Reduction Act, including Buy Clean provisions

Prices, although off the record levels reached in CY22, remain elevated historically

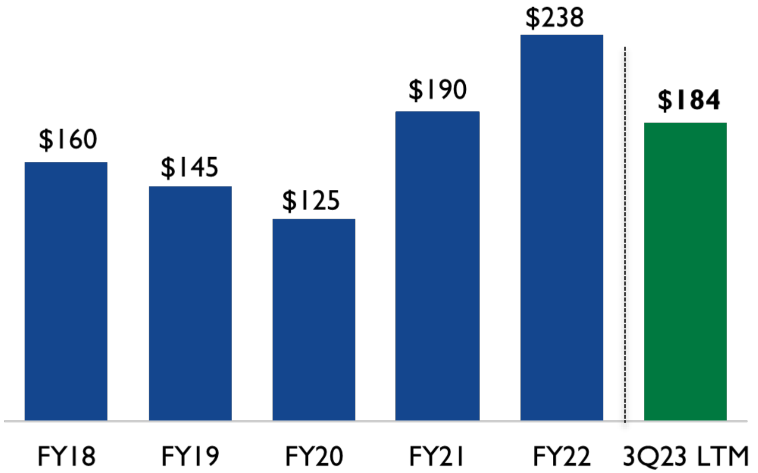
- ✓ Average net selling prices for finished steel down 2% sequentially

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

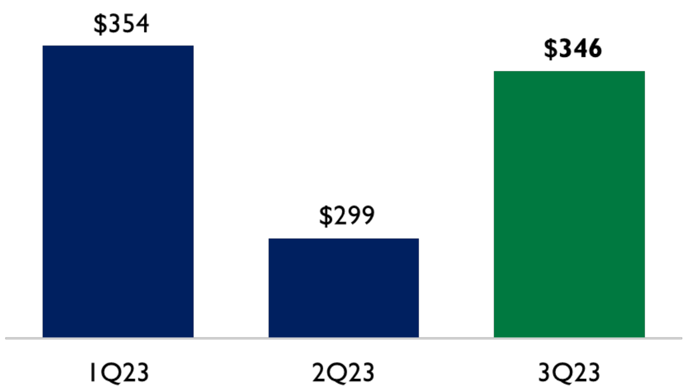
- ✓ Launched GRN Steel™, a line of net-zero carbon emissions products

Balance Sheet & Liquidity Position

Operating Cash Flow Trends
($ Millions)



Net Debt Trends
($ Millions)



Operating Cash Flow

- 3Q23 operating cash outflow of $(21) million, as cash flows associated with higher profitability were more than offset by an increase in working capital due primarily to the timing of shipments and collections
- Demonstrated ability to generate positive operating cash flow through the cycle

Balance Sheet & Liquidity

- Net debt to adjusted EBITDA ratio of 2.5x and net leverage ratio of 27%
- $800 million syndicated line of credit maturing in August 2027

Capital Allocation

- Capital expenditures of $27 million in 3Q23
- 117th consecutive quarterly dividend in 3Q23

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 SSI shareholders, adjusted diluted earnings (loss) per share from continuing operations attributable to SSI shareholders, 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 asset impairment charges, restructuring charges and other exit-related activities, legacy environmental matters (net of recoveries), business development costs not related to ongoing operations including pre-acquisition expenses, charges related to legal settlements, 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:

Adjusted Net Income (loss) from Continuing Operations Attributable to SSI shareholders ($ in thousands)	Quarter 3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	Fiscal Year 2022	2021
As reported	$ 13,693	$ 4,129	$ (17,719)	$ 10,389	$ 74,680	$ 37,586	$ 46,228	$ 168,883	$ 165,191
Charges for legacy environmental matters, net[1]	5,167	77	1,279	2,996	62	4,004	456	7,518	13,773
Asset impairment charges[2]	1,455	—	4,000	638	932	—	—	1,570	—
Restructuring charges and other exit-related activities	169	828	1,592	25	26	4	22	77	1,008
Business development costs	71	103	235	614	920	545	614	2,693	2,155
Charges related to legal settlements[3]	—	—	—	—	590	—	—	590	400
Income tax (benefit) expense allocated to adjustments[4]	(1,324)	(1,151)	(1,714)	(113)	(557)	(1,073)	(249)	(1,992)	(3,712)
Adjusted	$ 19,231	$ 3,986	$ (12,327)	$ 14,549	$ 76,653	$ 41,066	$ 47,071	$ 179,339	$ 178,815

Adjusted Diluted Earnings (loss) Per Share from Continuing Operations Attributable to SSI ($ per share)	Quarter 3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	Fiscal Year 2022[6]	2021
As reported	$ 0.48	$ 0.14	$ (0.64)	$ 0.36	$ 2.52	$ 1.27	$ 1.55	$ 5.72	$ 5.66
Charges for legacy environmental matters, net[1]	0.18	—	0.05	0.10	—	0.13	0.02	0.25	0.47
Asset impairment charges[2]	0.05	—	0.14	0.02	0.03	—	—	0.05	—
Restructuring charges and other exit-related activities	0.01	0.03	0.06	—	—	—	—	—	0.03
Business development costs	—	—	0.01	0.02	0.03	0.02	0.02	0.09	0.07
Charges related to legal settlements[3]	—	—	—	—	0.02	—	—	0.02	0.01
Income tax (benefit) expense allocated to adjustments[4]	(0.05)	(0.04)	(0.06)	—	(0.02)	(0.04)	(0.01)	(0.07)	(0.13)
Adjusted[5]	$ 0.67	$ 0.14	$ (0.44)	$ 0.50	$ 2.59	$ 1.38	$ 1.58	$ 6.07	$ 6.13

(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) For the third quarter of fiscal 2023, asset impairment charges included $1 million ($0.05 per share) reported within "Other loss, net" on the Unaudited Condensed Consolidated Statement of Operations.

(3) Charges related to legal settlements in fiscal 2022 and 2021 relate to a claim by a utility provider for past charges.

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

(5) May not foot due to rounding.

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

Non-GAAP Financial Measures

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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)	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Total Debt	$ 351	$ 310	$ 358	$ 249	$ 322	$ 262	$ 260
Less cash and cash equivalents	(5)	(11)	(4)	(44)	(16)	(18)	(19)
Net Debt[1]	$ 346	$ 299	$ 354	$ 205	$ 306	$ 244	$ 241
Total Debt	$ 351	$ 310	$ 358	$ 249	$ 322	$ 262	$ 260
Total Equity	940	928	929	958	968	905	875
Total Capital[1]	$ 1,290	$ 1,239	$ 1,286	$ 1,207	$ 1,290	$ 1,166	$ 1,134
Less cash and cash equivalents	(5)	(11)	(4)	(44)	(16)	(18)	(19)
Net Capital[1]	$ 1,286	$ 1,227	$ 1,283	$ 1,163	$ 1,274	$ 1,148	$ 1,115
Total Debt to Total Capital	27.2 %	25.0 %	27.8 %	20.6 %	25.0 %	22.4 %	22.9 %
Impact excluding cash and cash equivalents from both Total Debt and Total Capital	(0.3)%	(0.7)%	(0.2)%	(3.0)%	(1.0)%	(1.2)%	(1.3)%
Net Leverage Ratio[1]	26.9 %	24.3 %	27.6 %	17.6 %	24.0 %	21.2 %	21.6 %

(1) May not foot due to rounding.

Non-GAAP Financial Measures

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Adjusted EBITDA and Adjusted EBITDA Per Ferrous Ton

Adjusted EBITDA – Earnings before interest, taxes, depreciation, amortization, adjustments for business development costs not related to ongoing operations, charges related to legal settlements, charges for legacy environmental matters (net of recoveries), restructuring charges and other exit-related activities, asset impairment charges and discontinued operations (net of tax), 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)	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21
Net income (loss)	$ 13,608	$ 4,272	$ (17,556)	$ 11,051	$ 75,504	$ 38,165	$ 47,276	$ 43,796	$ 65,436	$ 45,679	$ 15,064
Plus loss (income) from discontinued operations, net of tax	233	(224)	69	37	46	(29)	29	21	46	(30)	42
Plus interest expense	5,146	4,908	3,324	3,042	2,223	1,901	1,372	898	1,383	1,224	1,780
Plus tax expense (benefit)	7,221	(513)	(6,032)	1,390	20,037	12,073	11,097	6,346	14,401	11,469	5,719
Plus depreciation & amortization	22,540	22,399	21,451	20,487	18,750	18,596	17,220	14,978	14,326	14,469	14,826
Charges (recoveries) for legacy environmental matters, net(1)	5,167	77	1,279	2,996	62	4,004	456	12,874	353	(2,214)	2,760
Plus asset impairment charges(2)	1,455	—	4,000	638	932	—	—	—	—	—	—
Restructuring charges and other exit-related activities	169	828	1,592	25	26	4	22	26	104	814	64
Plus business development costs	71	103	235	614	920	545	614	1,350	805	—	—
Plus charges related to legal settlements(3)	—	—	—	—	590	—	—	—	400	—	—
Adjusted EBITDA	$ 55,610	$ 31,850	$ 8,362	$ 40,280	$ 119,090	$ 75,259	$ 78,086	$ 80,289	$ 97,254	$ 71,411	$ 40,255
Estimated average inventory accounting impact	1,981	9,926	(1,595)	(29,388)	4,820	1,297	588	4,662	8,283	9,596	2,246
Adjusted EBITDA excluding estimated average inventory accounting	$ 53,629	$ 21,924	$ 9,957	$ 69,668	$ 114,270	$ 73,962	$ 77,498	$ 75,627	$ 88,971	$ 61,815	$ 38,009
Total Ferrous Volumes (LT, in thousands)	1,157	1,263	851	1,268	1,129	1,071	1,148	1,163	1,215	977	1,053
Adjusted EBITDA per Ferrous Ton Sold ($/LT)	48	25	10	32	105	70	68	69	80	73	38
Adjusted EBITDA excluding estimated average inventory accounting per Ferrous Ton Sold ($/LT)	46	17	12	55	101	69	67	65	73	63	36

(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) For the third quarter of fiscal 2023, asset impairment charges included $1 million ($0.05 per share) reported within "Other loss,net" on the Unaudited Condensed Consolidated Statement of Operations.

(3) Charges related to legal settlements in fiscal 2022 and 2021 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)	3Q23	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Cash flows from operating activities	$ 184,200	$ 237,676	$ 190,064	$ 124,597	$ 144,740	$ 159,676	$ 100,370	$ 99,240	$ 144,628	$ 141,252	$ 39,289
Exit-related gains, asset impairments and accelerated depreciation, net	(254)	—	—	(971)	(23)	1,000	407	(1,790)	(6,502)	(566)	—
Write-off of debt issuance costs	—	—	—	—	—	—	—	(768)	—	—	—
Inventory write-down	(575)	(3,199)	—	—	(775)	(38)	—	(710)	(3,031)	—	—
Deferred income taxes	(268)	(25,052)	(6,884)	(15,096)	(14,613)	37,995	(2,278)	(507)	1,988	3,815	59,102
Undistributed equity in earnings of joint ventures	2,537	2,740	4,006	834	1,452	1,953	3,674	819	1,490	1,196	1,183
Share-based compensation expense	(12,909)	(18,517)	(18,213)	(10,033)	(17,300)	(18,965)	(10,847)	(10,437)	(10,481)	(14,506)	(11,475)
Excess tax benefit from share-based payment arrangements	—	—	—	—	—	—	—	—	343	194	343
Gain (loss) on disposal of assets	358	(824)	(717)	(530)	1,545	(56)	(448)	465	2,875	1,126	(131)
Unrealized foreign exchange (loss) gain, net	(11)	(78)	(127)	67	(148)	104	(361)	109	1,909	(240)	(1,583)
Credit loss, net	(218)	(40)	—	(66)	(74)	(323)	(126)	(131)	264	(449)	(584)
Changes in current assets and current liabilities	(55,134)	46,885	72,813	(34,246)	(1,182)	34,081	10,666	(19,317)	(76,736)	(39,011)	53,654
Changes in other operating assets and liabilities	(13,381)	9,028	(12,368)	(2,854)	(1,901)	(6,987)	(4,958)	(405)	2,252	(2,550)	(2,699)
Interest expense	16,420	8,538	5,285	8,669	8,266	8,983	8,081	8,889	9,191	10,595	9,623
Tax expense (benefit)	2,066	44,597	37,935	166	17,670	(17,590)	1,322	735	(12,615)	2,583	(56,943)
Charges for legacy environmental matters, net(1)	9,519	7,518	13,773	4,097	2,419	7,268	2,648	(3,863)	(1,009)	1,750	1,759
Restructuring charges and other exit-related activities	2,614	77	1,008	8,993	365	(661)	(109)	6,782	13,008	6,830	7,906
Business development costs	1,023	2,693	2,155	1,619	—	—	—	—	—	—	—
Loss (gain) from discontinued operations, net of tax	115	83	79	95	248	(346)	390	1,348	7,227	2,809	4,242
Charges related to legal settlements(2)	—	590	400	73	2,330	—	—	—	—	—	—
Depreciation and amortization from discontinued operations	—	—	—	—	—	—	—	—	(821)	(1,335)	(861)
Recoveries related to the resale or modification of previously contracted shipments	—	—	—	—	—	(417)	(1,144)	(694)	6,928	—	—
Adjusted EBITDA	$ 136,102	$ 312,715	$ 289,209	$ 85,414	$ 143,019	$ 205,677	$ 107,287	$ 79,765	$ 80,908	$ 113,493	$ 102,825
Total Ferrous Volumes (LT, in thousands)	4,538	4,616	4,408	3,954	4,319	4,299	3,628	3,289	3,708	4,309	4,506
Adjusted EBITDA per Ferrous Ton Sold ($/LT)	$ 30	$ 68	$ 66	$ 22	$ 33	$ 48	$ 30	$ 24	$ 22	$ 26	$ 23
Debt	350,808	248,562	74,953	104,419	105,096	107,376	145,124	192,518	228,156	319,365	381,837
Cash and cash equivalents	(4,511)	(43,803)	(27,818)	(17,887)	(12,377)	$ (4,723)	$ (7,287)	$ (26,819)	(22,755)	(25,672)	(13,481)
Net debt	$ 346,297	$ 204,759	$ 47,135	$ 86,532	$ 92,719	$ 102,653	$ 137,837	$ 165,699	$ 205,401	$ 293,693	$ 368,356
Debt to cash flows from operating activities ratio	1.9	1.0	0.4	0.8	0.7	0.7	1.4	1.9	1.6	2.3	9.7
Net debt to adjusted EBITDA ratio	2.5	0.7	0.2	1.0	0.6	0.5	1.3	2.1	2.5	2.6	3.6

(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) Charges related to legal settlements in fiscal 2022 and 2021 relate to a claim by a utility provider for past charges.

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	Quarter							Fiscal Year	
($ in thousands)	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	2022	2021
As reported	$ 68,527	$ 63,957	$ 64,228	$ 69,237	$ 77,672	$ 61,081	$ 55,267	$ 263,257	$ 242,463
Charges for legacy environmental matters, net(1)	(5,167)	(77)	(1,279)	(2,996)	(62)	(4,004)	(456)	(7,518)	(13,773)
Business development costs	(71)	(103)	(235)	(614)	(920)	(545)	(614)	(2,693)	(2,155)
Adjusted	$ 63,289	$ 63,777	$ 62,714	$ 65,627	$ 76,690	$ 56,532	$ 54,197	$ 253,046	$ 226,535

(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.

Historical Segment Operating Statistics

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The following provides consolidated operating statistics:

	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	Fiscal Year[1] 2022	Fiscal Year 2021
Ferrous volumes (LT, in thousands)									
Domestic[2]	548	444	432	477	490	408	430	**1,806**	**1,500**
Export	609	819	418	791	639	663	718	**2,810**	**2,908**
Total[2][7]	1,157	1,263	851	1,268	1,129	1,071	1,148	**4,616**	**4,408**
Ferrous selling prices ($/LT)[3]									
Domestic	$ 414	$ 359	$ 313	$ 389	$ 516	$ 418	$ 431	**$ 438**	**$ 364**
Export	$ 414	$ 368	$ 356	$ 387	$ 552	$ 455	$ 450	**$ 457**	**$ 385**
Average	$ 413	$ 367	$ 340	$ 387	$ 541	$ 445	$ 446	**$ 452**	**$ 381**
Nonferrous volumes (pounds, in thousands)[2][4]	207,714	164,796	162,720	185,634	201,413	147,145	153,227	**687,419**	**593,378**
Nonferrous average price ($/pound)[3][4]	$ 1.01	$ 0.99	$ 0.90	$ 1.05	$ 1.12	$ 1.10	$ 1.05	**$ 1.08**	**$ 0.88**
Cars purchased (in thousands)[5]	78	72	69	76	84	73	80	**312**	**338**
Auto part stores at period end	50	50	51	51	50	50	50	**51**	**50**
Finished steel average sales price ($/ST)[3]	$ 924	$ 943	$ 1,015	$ 1,118	$ 1,129	$ 1,045	$ 979	**$ 1,075**	**$ 737**
Sales volume (ST, in thousands)									
Rebar	97	84	101	96	99	73	74	**343**	**353**
Coiled products	43	24	16	28	35	32	25	**119**	**132**
Merchant bar and other	2	1	1	1	1	1	—	**3**	**3**
Finished steel products sold[7]	142	109	118	125	135	106	99	**465**	**488**
Rolling mill utilization[6]	97%	75%	81%	93%	96%	86%	78%	**88%**	**78%**

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) Average sales price and volume information excludes 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