Schnitzer

NASDAQ: SCHN

Financial Results

Third Quarter Fiscal 2022

June 29, 2022

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 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 pandemics, epidemics, or other public health emergencies, such as the coronavirus disease 2019 (“COVID-19”) pandemic; 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 and inflation; 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 potential impact of adopting new accounting pronouncements; 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; 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, as supplemented by our subsequently filed Quarterly Reports on Form 10-Q. Examples of these risks include: the impact of pandemics, epidemics, or other public health emergencies, such as the COVID-19 pandemic; the impact of equipment upgrades, equipment failures, and facility damage on production; potential environmental cleanup costs related to the Portland Harbor Superfund site or other locations; the cyclicality and impact of general economic conditions; changing conditions in global markets including the impact of sanctions and tariffs, quotas, and other trade actions and import restrictions; 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; inability to obtain or renew business licenses and permits; the impact of goodwill impairment charges; the impact of long-lived asset and equity investment impairment charges; failure to realize or delays in realizing expected benefits from investments in processing and manufacturing technology improvements; 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; increases in the relative value of the U.S. dollar; the impact of inflation and foreign currency fluctuations; 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; 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.

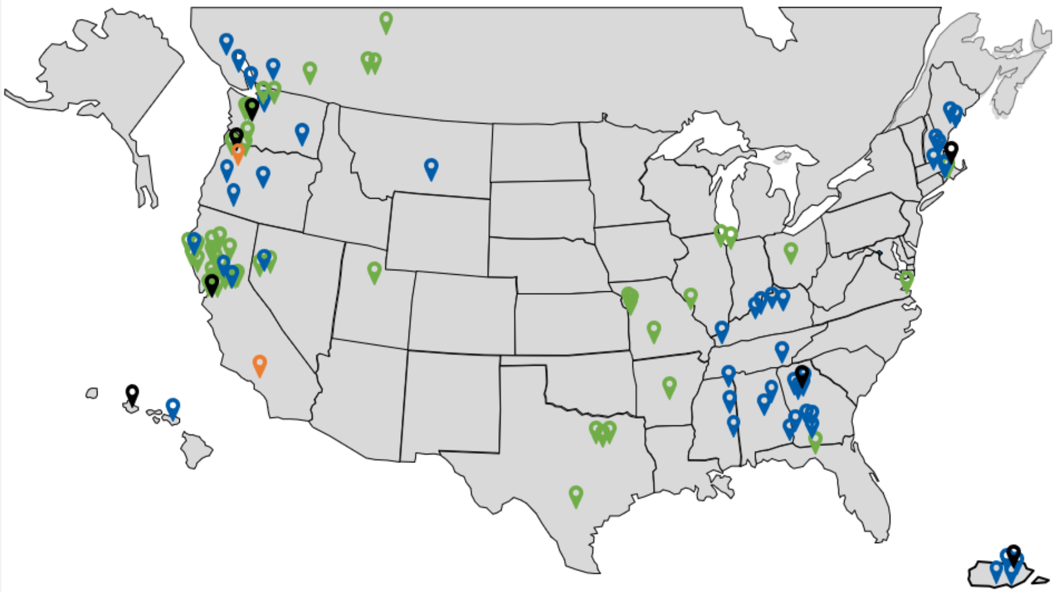
NON-GAAP FINANCIAL MEASURES

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

About Schnitzer

Schnitzer



Metals Location Autos Location Shredder Location Steel Mill & Operations

50 Retail Auto Parts Stores | **54 Metals Recycling Facilities** | **7 Deep-Water Ports** | **1 Steel Mill**

Environmental Benefits of Our Business Model
(FY21)

4.4 million tons of ferrous scrap metal recycled

593 million pounds of nonferrous scrap metal recycled

488 thousand tons of finished steel produced from recycled scrap

338 thousand end-of-life vehicles purchased and recycled

4.4 million recycled auto parts sold retail from end-of-life vehicles

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

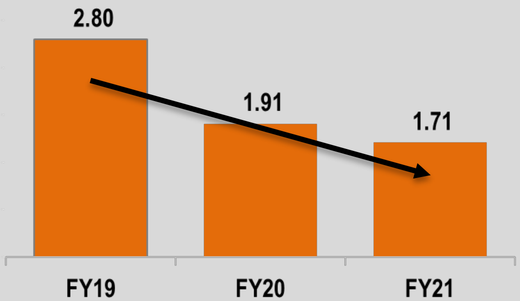
*Company data based on fiscal 2021 information; store and facility count as of June 29, 2022

Recycling Today for a Sustainable Tomorrow

Schnitzer

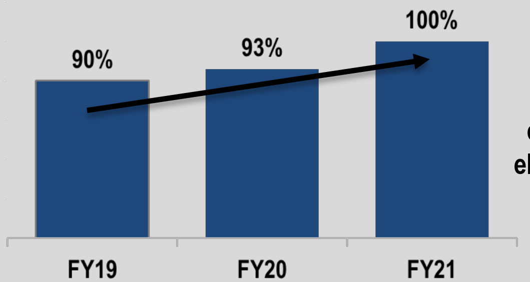
SSI Multi-Year Sustainability Progress

Safety TCIR[1][2] - SSI



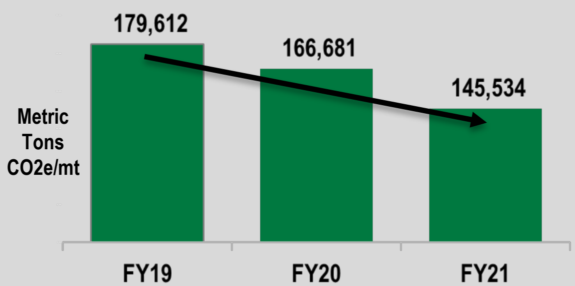
↓ 39%
Achieved safest year on record in FY21

Net Carbon Free Electricity Use



Achieved 100% net carbon-free electricity use in FY21[3]

GHG Emissions

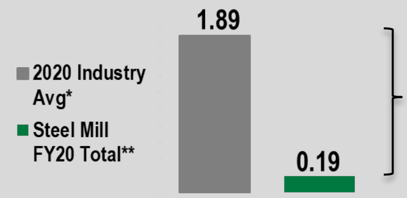


↓ 19%
Scope 1 & 2 emissions below FY19 base

Steel Mill Relative Performance

GHG Emissions

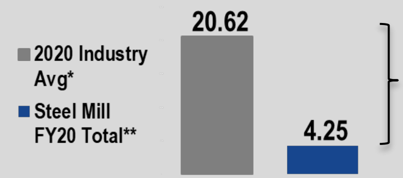
Scope 1-3
Metric Tons CO2e/mt



90% lower than industry average

Energy Use

Energy Intensity
Gigajoules/mt



79% lower than industry average

Water Use

Water Intensity
Cubic Meters/mt

94% lower than industry average

CO2 Emissions

CO2e Emissions
Using 1 Ton of Recycled Metals Versus 1 Ton of Corresponding Virgin Material in the Manufacturing Process

↓ 58% LESS
CO2e emissions***

(1) TCIR is defined as the number of OSHA recordable incidents per 100 full-time workers during a one-year period. (2) COVID-19 cases for which contact tracing could not identify a source of exposure outside of work are included in OSHA reporting in accordance with OSHA reporting requirements using a designated special code for the nature of the illness. These cases are excluded from the TCIR and LTIR metrics shown above. (3) Includes renewable energy credit purchases and utility green tariffs.

*World Steel Association **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. ***Using 1 ton of recycled metals versus 1 ton of corresponding virgin material in the steel manufacturing process- 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.”

Sustainability Roadmap

Schnitzer

2022 WORLD'S MOST ETHICAL COMPANIES® WWW.ETHISPHERE.COM 8-TIME HONOREE

GLOBAL 100 2022 THE WORLD'S MOST SUSTAINABLE CORPORATIONS ©

MSCI ESG RATINGS AA

CCC	B	BB	BBB	A	AA	AAA

AMERICA'S MOST RESPONSIBLE COMPANIES 2022 Newsweek statista

Sustainability Yearbook
Member 2022
S&P Global

2019-2021

- Announced first set of multi-year sustainability goals on emissions, electricity use and other key areas
- FY21 was the third consecutive year of achieving a historical best in our Company's TCIR results
- Achieved 100% net carbon-free electricity use in FY21

2022-2024

- Deploy an enterprise-wide ISO 14001 certified EMS
- Achieve profitability improvement target of $15/ton using sustainability-based initiatives*
- Maintain 100% net carbon-free electricity use

2025

- Achieve a 1.00 TCIR
- Support communities with at least 10,000 hours of VTO
- Achieve a 25% employee participation rate in our wellness program
- Reduce Scope 1 and 2 GHG emissions from recycling operations by 25%
- Maintain 100% net carbon-free electricity use
- Incorporate 100% of facilities within our ISO 14001 certified EMS

2028

- Achieve a 70% employee participation rate in our retirement benefits program
- Maintain 100% net carbon-free electricity use

2050

- Achieve net zero GHG emissions for all operations (steel manufacturing, metals recycling and retail auto parts stores), subject to realizations of industry advancements in low-carbon technologies
- Maintain 100% net carbon-free electricity use

2019 Base Year

*Achieve operating income target of $8/ton from new advanced metal recovery technology and $7/ton from ferrous volume growth. Assumes achievement of 5.3 million ton ferrous volume target.

Third Quarter Fiscal 2022 Highlights

Schnitzer

Outstanding Financial Results

- Adjusted EBITDA per ferrous ton of $105, best Q3 in Company's history
- Adjusted EPS of $2.59, almost double sequentially

Strong Operational Performance

- Ferrous sales volumes up 5% sequentially
- Nonferrous sales volumes up 37% sequentially
- Finished steel sales volumes up 27% sequentially

Progress on Strategic Initiatives

- Acquisition of Encore Recycling's operating assets expands existing Southeast franchise and adds first regional shredder
- Continuing rollout of advanced metal recovery technology on the East and West Coasts to increase recovery of higher value metals, such as copper and aluminum

	3Q22	2Q22		3Q21	
Adjusted EPS from Cont. Operations	**$2.59**	$1.38	↑	$2.20	↑
Adjusted EBITDA ($ millions)	**$119**	$75	↑	$97	↑
Adjusted EBITDA per Ferrous Ton	**$105**	$70	↑	$80	↑

	3Q22	2Q22		3Q21	
Ferrous Sales Volumes (000s LT)	**1,129**	1,071	↑	1,215	↓
Nonferrous Sales Volumes (M Lbs)	**201**	147	↑	156	↑
Finished Steel Sales Volumes (000s ST)	**135**	106	↑	153	↓

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.

Drivers for Recycled Metals Demand

Schnitzer

Drivers for Recycled Metals Demand

- Increasing global demand for recycled metals, supported by decarbonization trends
- Global EAF production growth
- Greater customer and supplier focus on sustainability, recycling and landfill diversion
- Increased metal intensity of lower carbon-based technologies
- U.S. production onshoring
- Historical underinvestment in mining for nonferrous materials
- U.S. Infrastructure spending

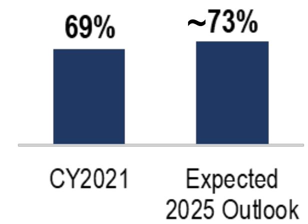
EAF as a Percentage of Total Steelmaking Production

(% of Total Crude Steel Production)

Expected Outlook

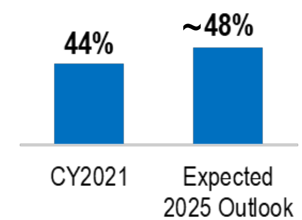
U.S.

> 10Mt of new EAF capacity by 2024 announced



European Union

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

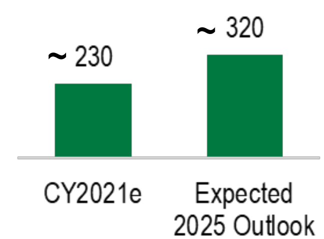


Scrap Usage in Steelmaking

(Million tonnes)

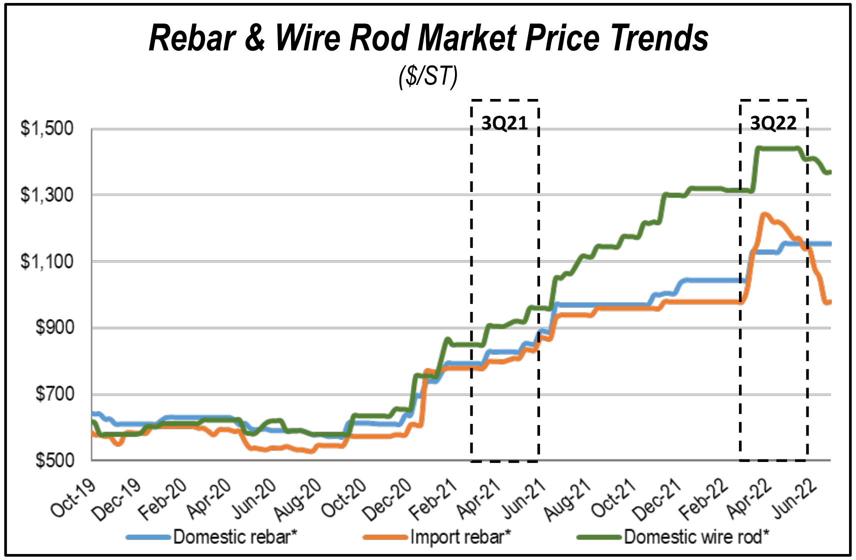
China

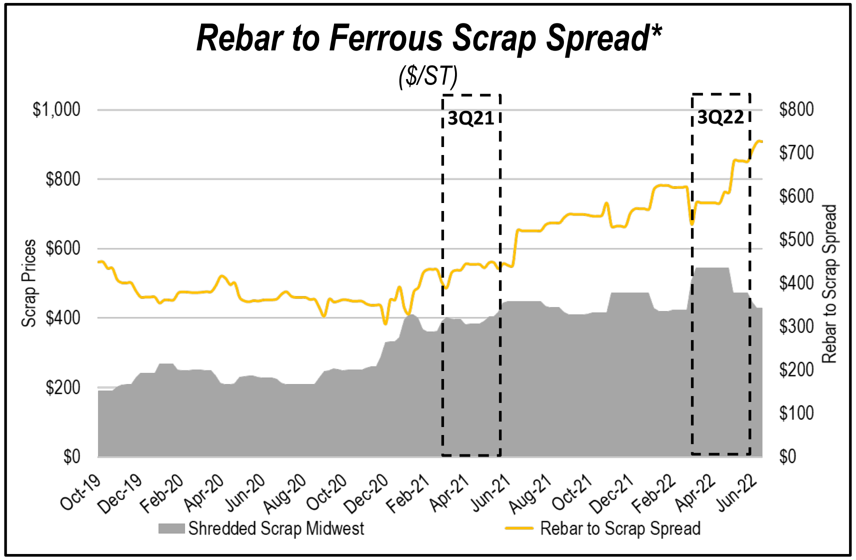
Targeting scrap usage in steelmaking of 30% (~320Mt) by 2025

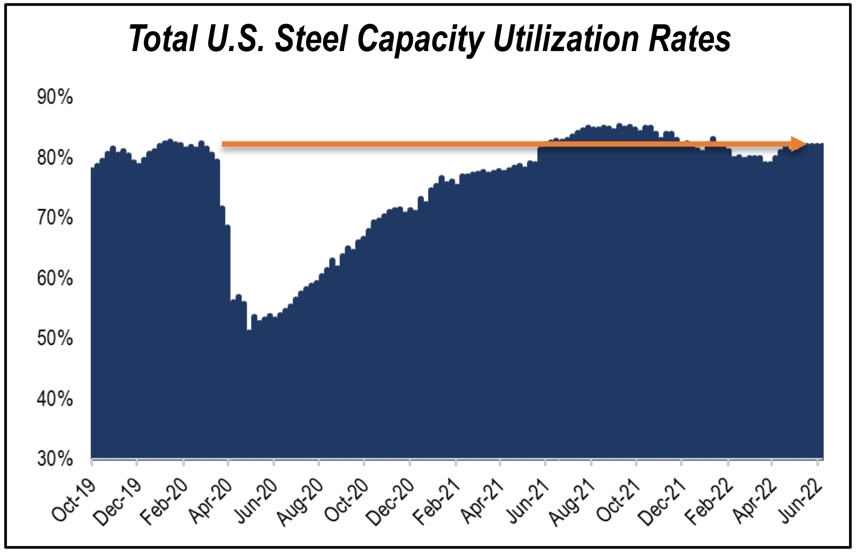


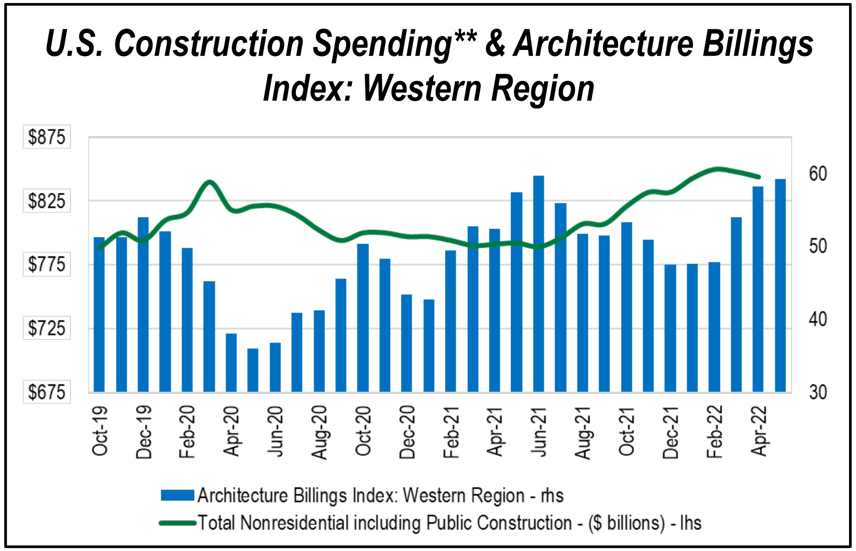
Sources: Company estimates, World Steel Association

Finished Steel Market Price Trends







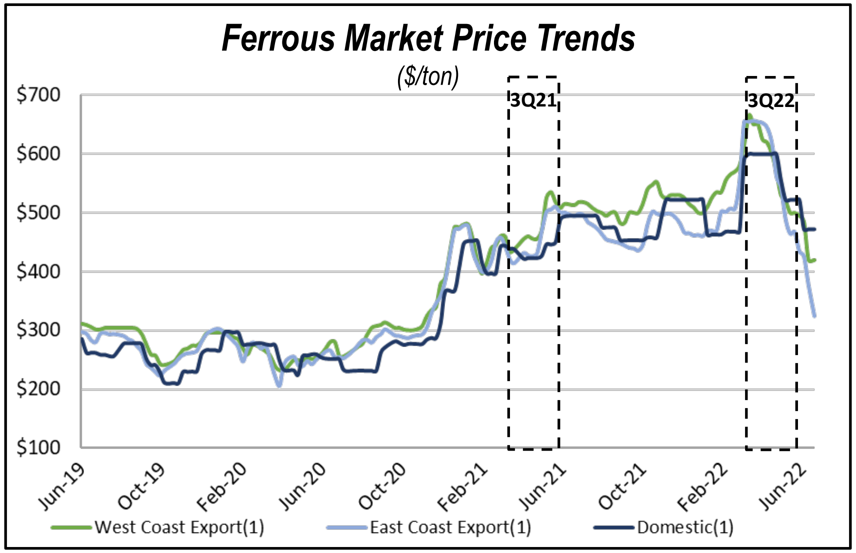


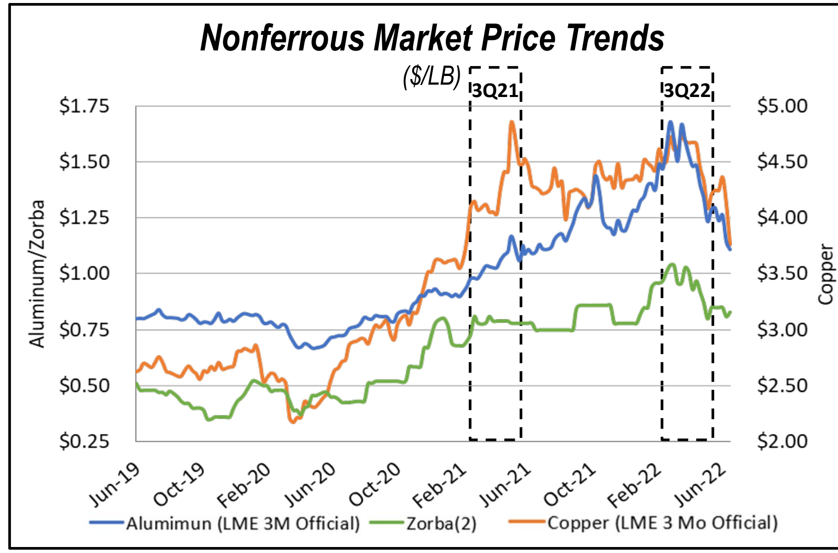
Sources: Platts, Argus, AMM, American Iron and Steel Institute, U.S. Census Bureau, American Institute of Architects

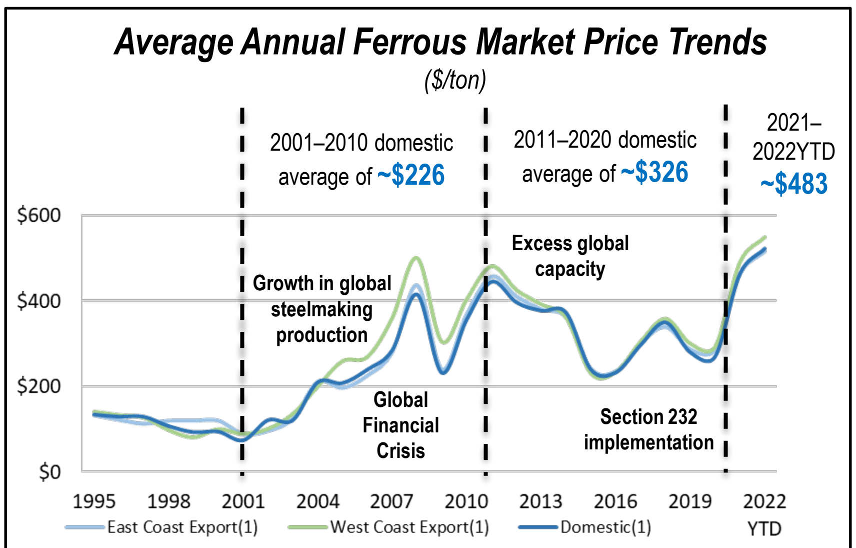
*Rebar to Ferrous Scrap Spread is the difference between the domestic Ex-Mill US Midwest rebar price and the Shredded US Midwest scrap price.

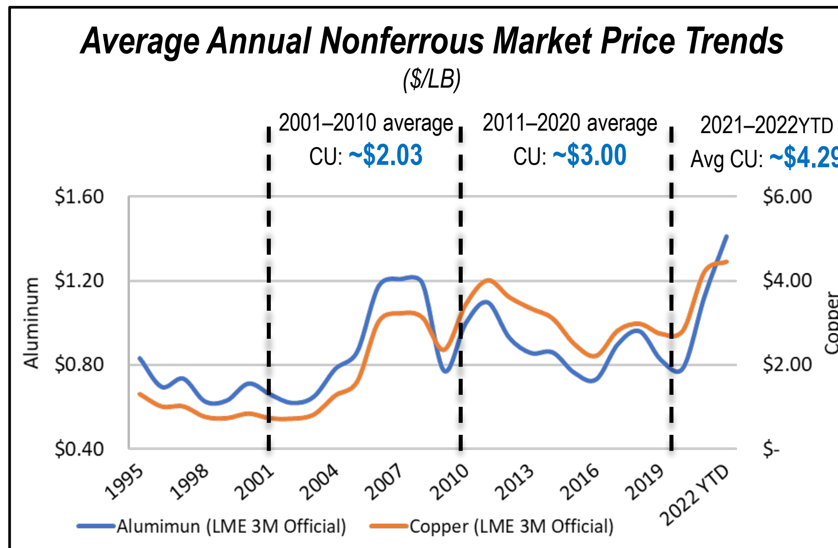
**Comprises private non-residential and public construction

Metals Market Price Trends









Sources: Platts, Argus, AMM, kitco.com, matthey.com, Global Trade Tracker

(1) West Coast and East Coast prices are based on HMS CFR price and Domestic prices are based on Midwest delivered shred

(2) Zorba based on Aluminum scrap Zorba min 99/3 cif China USD/lb

Strategic Actions for Continued Growth

Schnitzer

Industry Dynamics	Increasing global demand for recycled metals, supported by decarbonization trends	Global EAF production growth	Greater customer and supplier focus on sustainability, recycling and landfill diversion	Continued focus on operational efficiency
Strategic Initiative	***Deploy Advanced Metal Recovery Technology***	***Increase Ferrous Volumes***	***Expand Products & Recycling Services***	***Implement Productivity Initiatives***
Targeted Benefits	→ Increase recovery of higher value metals and higher throughput → Expansion of customer base and increased product optionality	→ Ferrous sales volumes target of 5.3 million tons by end of FY23 → Creates operating leverage	→ Grow customer base → Support customers in meeting their recycling and sustainability goals	→ Increase yields, reduce costs and improve efficiencies in processing, procurement and pricing
Progress	✓ Total of 13 systems: – 4 fully operational – 4 in commissioning or ramp-up ✓ Targeting construction completion by early CY23*	✓ Current ferrous volume annualized run-rate of 4.8 million tons**	✓ In FY22 launched GRN Steel™, a line of net zero carbon emissions steel products ✓ Increased nonferrous product range and optionality to reach broader customer base	✓ Achieved $19 million in realized benefits in FY21

*The timeline and achievement of expected benefits is subject to risks and uncertainties, including construction and equipment lead times, system design and performance, permit issuance and the achievement of volume targets.

**Annualized ferrous volumes include full year contribution of Columbus Recycling and Encore Recycling acquisitions.

Expansion of Southeast Footprint with Encore Acquisition

- Transaction closed in April 2022
- Acquired 2 full-service recycling facilities, including metal shredding operation and recycled auto-parts center
  - Acquisition brings Schnitzer's operations in the U.S. Southeast to a total of 24 facilities
  - First shredder in SSI's Southeast operations
- In CY21, Encore Recycling processed approximately 90,000 ferrous tons, 14 million nonferrous pounds and 20,000 end-of life vehicles
- Purchase price of approximately $55 million
- Synergies from integrated shredding and advanced nonferrous recovery operations in the region

U.S. Southeast Region

- Acquired Encore operating facilities – April 2022
- Acquired Columbus operating facilities – October 2021
- Existing Schnitzer operating facilities

Advanced Metal Recovery Technology Initiatives

Schnitzer

Technology, Product Optionality

Non-Fe Material from Shredder Production

Primary Nonferrous Recovery Systems (7)

Nonferrous Products

Zorba
Zurik
Insulated Copper Wire

Advanced Aluminum Separation Systems (2)

Advanced Copper Separation Systems (4)

Producing Higher Value Products

Twitch (Aluminum)	Brass
Copper	Stainless
Zinc	Mixed Heavies

Refinery Grade Copper
Mixed Heavies
Stainless

Expected Investment - Total expected investment of ~$120 million, including approximately $100 million spent to date

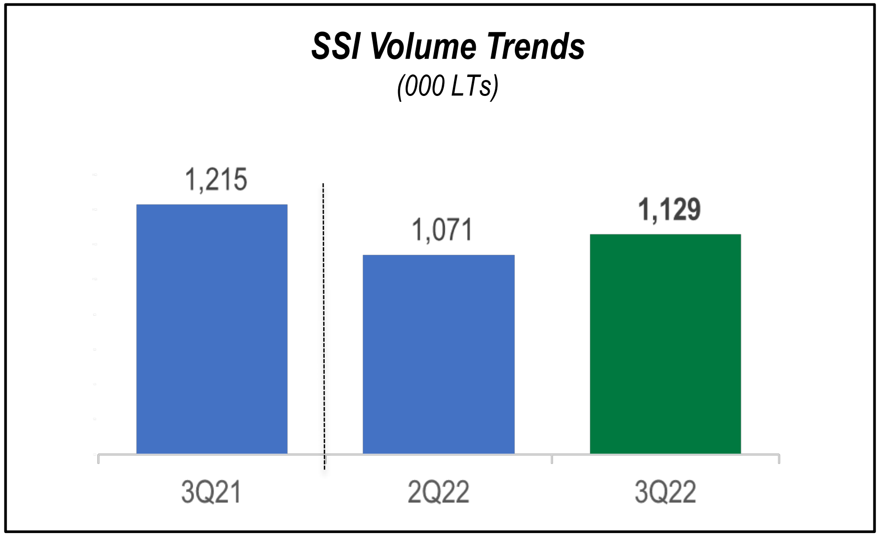
Sustainability Benefits - Higher metal recovery, increased material separation, greater waste diversion from landfills, reduction in air emissions, use of recycled water and energy efficiency improvements

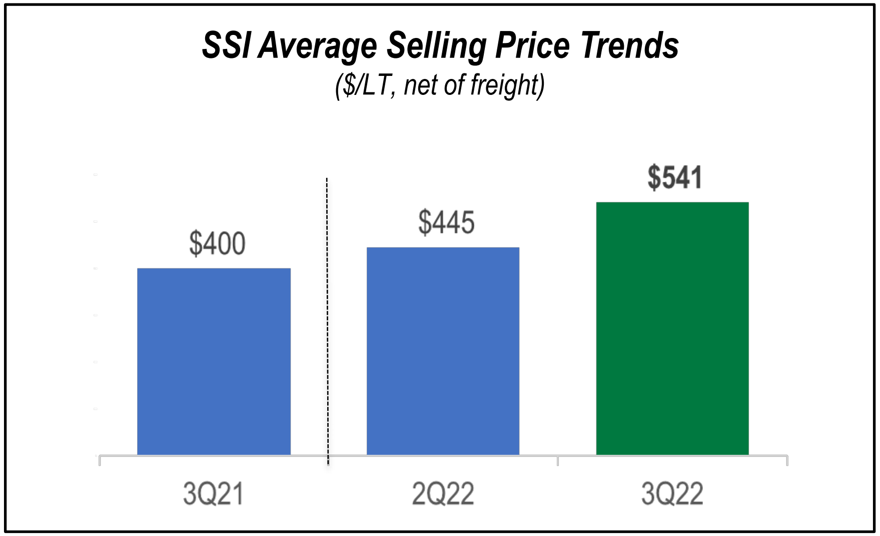
Product Enhancement & Increased Optionality - More furnace-ready products, including twitch, brass, zinc, stainless steel, copper and other metals

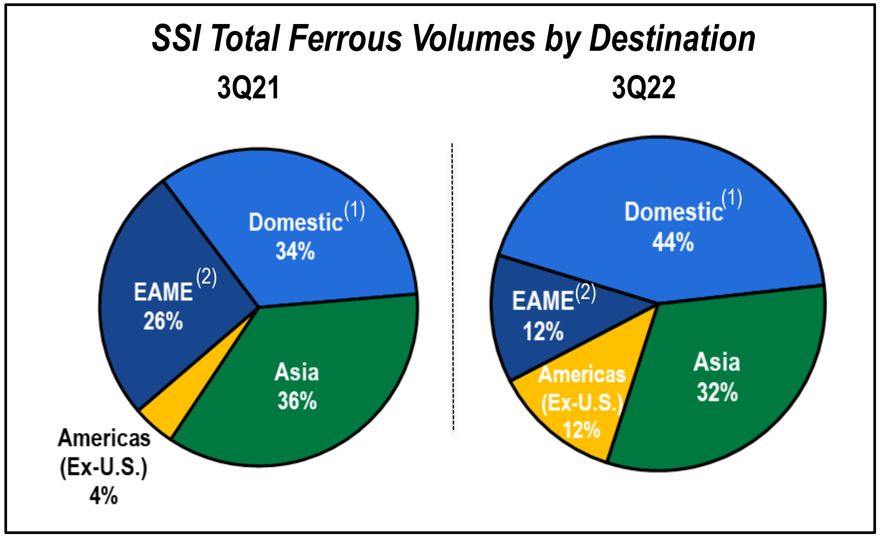
Expected Benefits – Full run-rate benefits of $10 of EBITDA per ferrous ton targeted for FY24*

* The timeline and achievement of expected benefits is subject to risks and uncertainties, including construction and equipment lead times, system design and performance, permit issuance and the achievement of volume targets.

Ferrous Market Dynamics



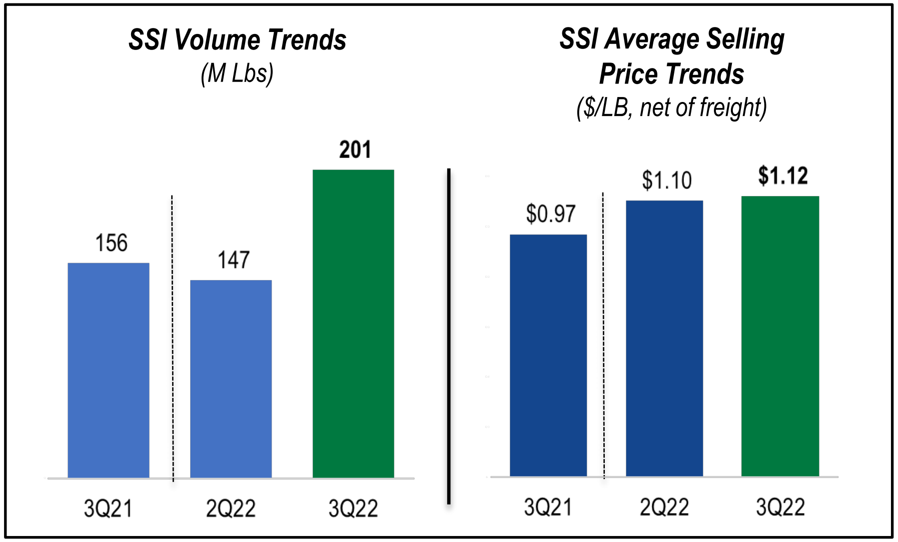


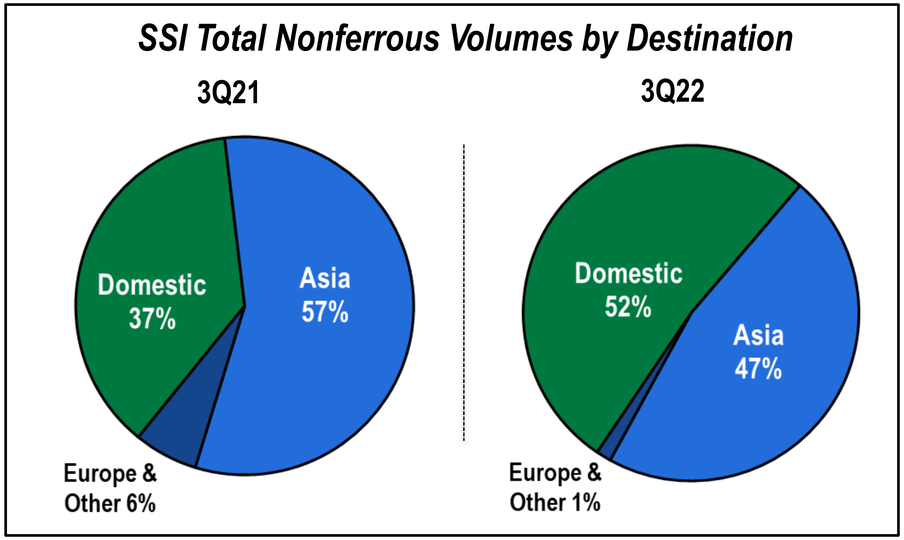


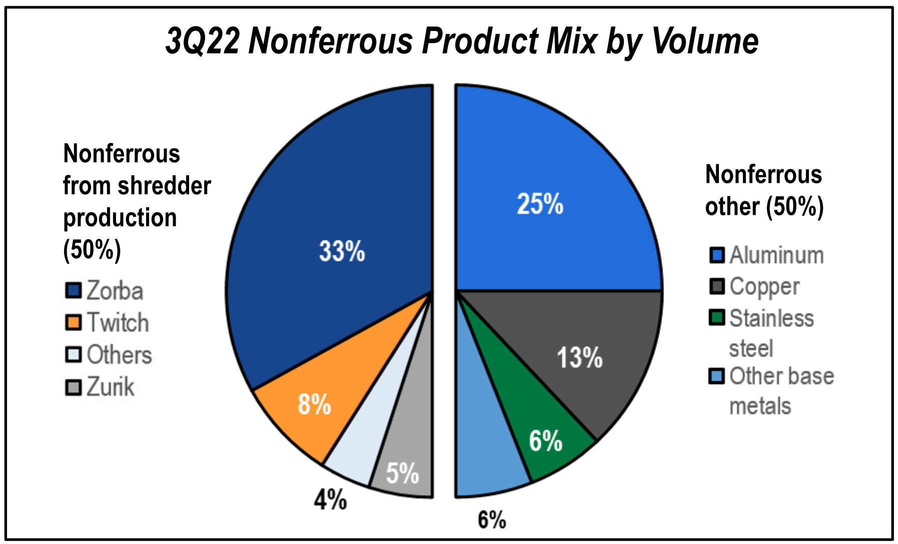
- Adjusted EBITDA per ferrous ton of $105 in 3Q22
  - Best Q3 in Company's history
- Average net ferrous selling prices up 22% sequentially
- 3Q22 ferrous volumes up 5% sequentially, despite delayed contracting and shipping of four bulk cargos
  - Increased domestic sales volumes
  - Includes contributions from Columbus Recycling and Encore Recycling

(1) Domestic includes volumes to our steel mill for finished steel production. (2) Europe (including Turkey), Africa and Middle East.
Note: For a reconciliation to U.S. GAAP of adjusted EBITDA per ferrous ton, see appendix.

Nonferrous Market Dynamics

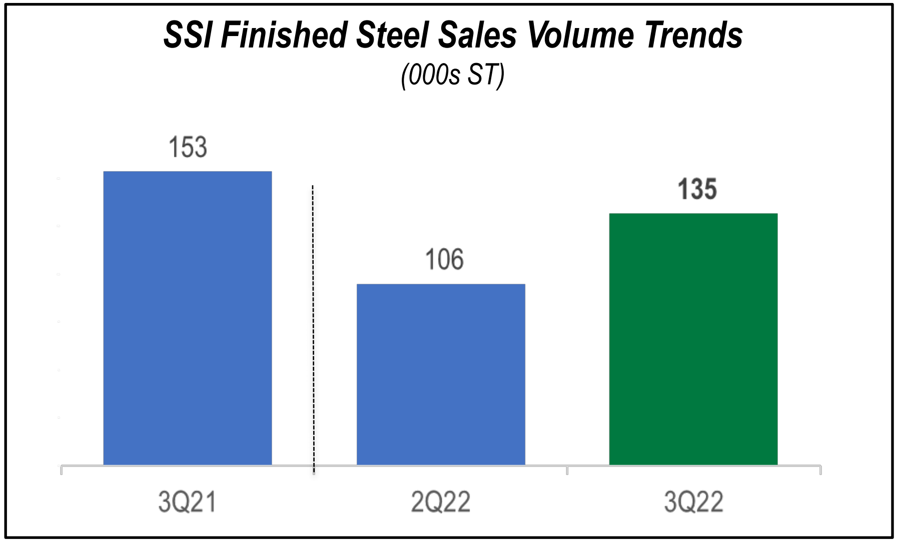


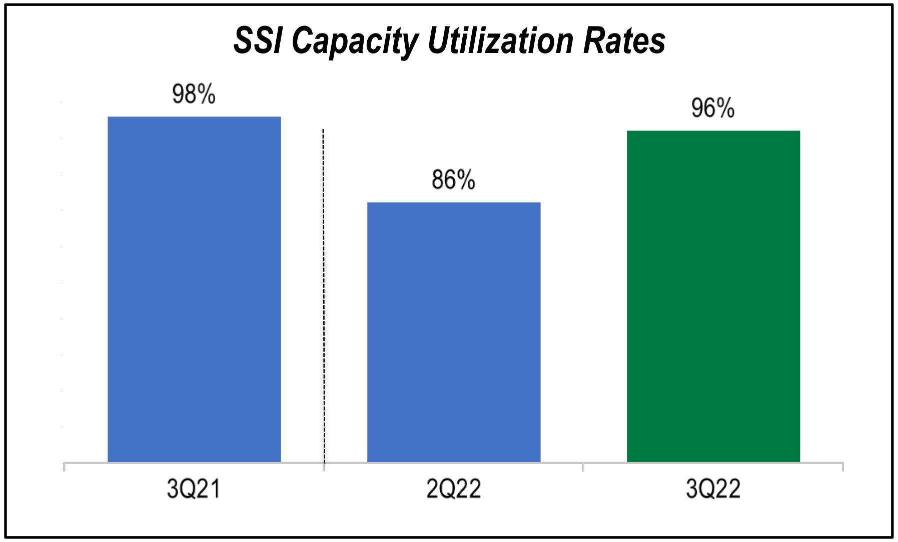


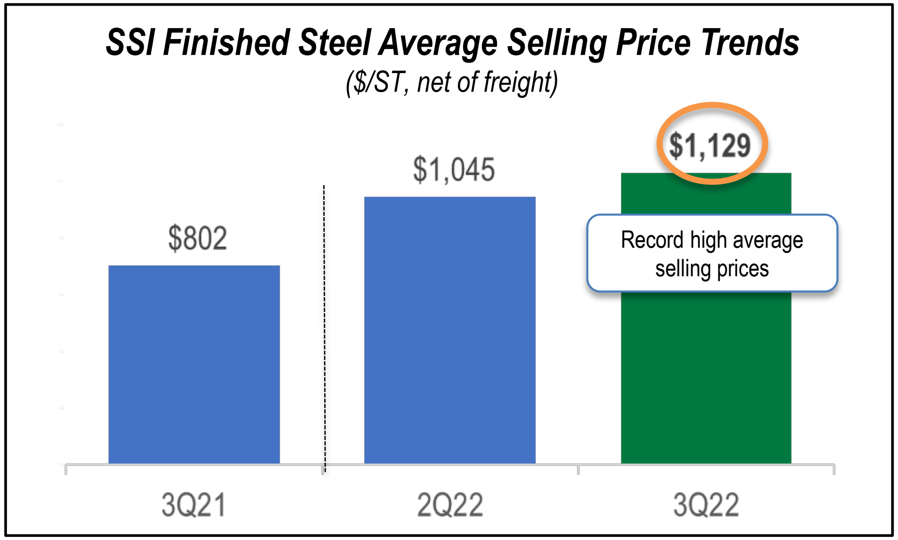


- 3Q22 nonferrous volumes up 37% sequentially and 29% year-over-year
  - Increased domestic sales volumes
  - Includes contributions from Columbus Recycling and Encore Recycling
- Average net selling prices for nonferrous were flat sequentially and up 15% year-over-year
- Highly diversified product mix, including sales of recycled copper, aluminum and other nonferrous metals

Finished Steel Market Dynamics

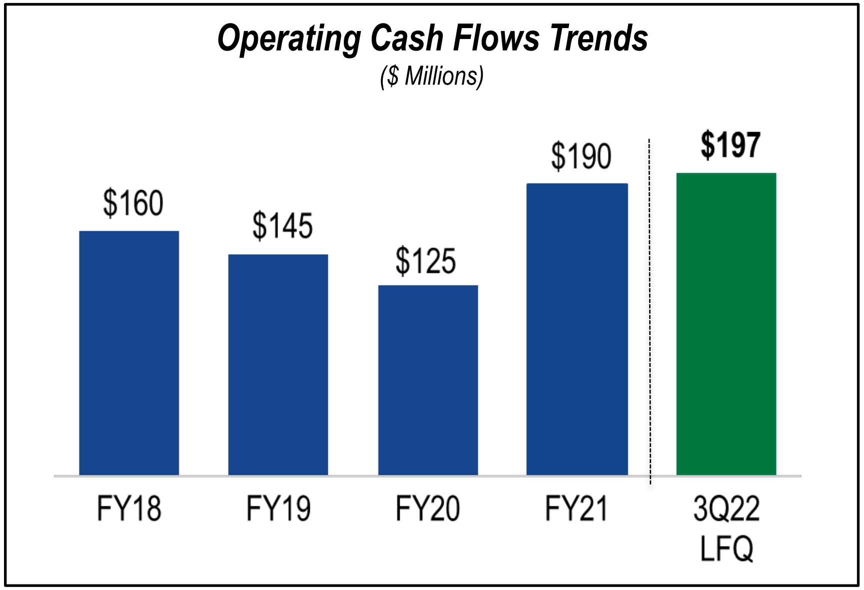


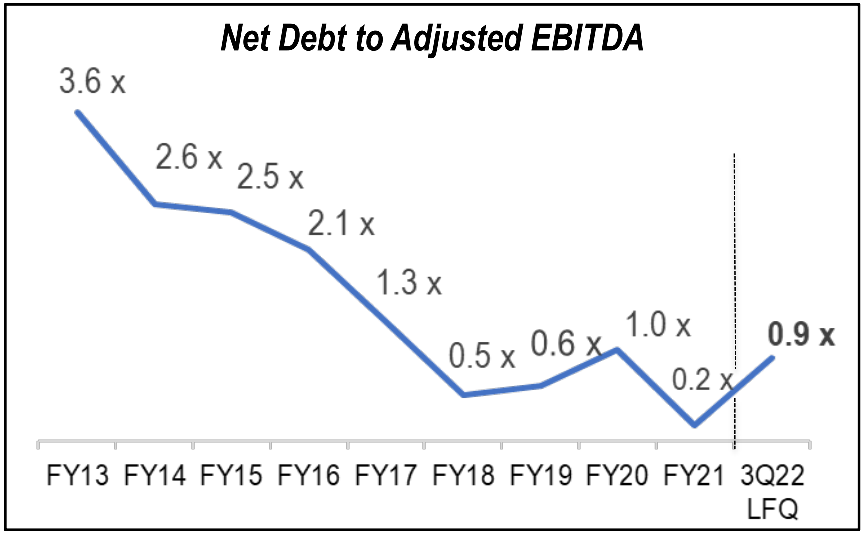




- 3Q22 finished steel volumes up 27% sequentially
- Average selling prices in 3Q22 reached highest levels on record
- Average utilization rate of 96% in 3Q22
- Launched GRN Steel™, a line of net-zero carbon emissions products

Strong Balance Sheet & Liquidity Position





Cash Flow & Liquidity

- 3Q22 operating cash flow of $45 million
- $700 million credit facility matures in August 2023

Strong Balance Sheet

- Net debt to adjusted EBITDA ratio of 0.9x
- Net leverage ratio of 24%

Capital Allocation

- Capital expenditures of $29 million in 3Q22
- Acquisition of assets of Encore Recycling
- 113th consecutive quarterly dividend
- Repurchased 244 thousand shares or approximately 0.9% of total outstanding shares in 3Q22

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.

Delivering Value Through the Cycle

3Q22 Results	▪ **Best Q3 adjusted EBITDA per ton in Company's history** driven by favorable market conditions and benefits from strategic actions ▪ **Robust operating cash flow** performance driven by profitability more than offsetting higher working capital
Market Outlook	▪ **Solid demand** for finished steel products and strong West Coast markets expected to continue, driven by non-residential and infrastructure projects ▪ Despite current market headwinds**, positive structural trends drive demand for recycled metals,** including global EAF production growth, the transition to lower carbon and more metal intensive technologies, and a growing emphasis on recycling and landfill diversion

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

Q&A

APPENDIX

Non-GAAP Financial Measures

This presentation contains performance based on adjusted diluted earnings per share from continuing operations attributable to SSI shareholders, adjusted operating income (loss), adjusted EBITDA and adjusted EBITDA per ferrous ton 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 legacy environmental matters (net of recoveries), business development costs not related to ongoing operations including pre-acquisition expenses, charges related to non-ordinary course legal settlements, restructuring charges and other exit-related activities, asset impairment charges, and the income tax (benefit) expense 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:

Consolidated Operating Income (Loss) ($ in thousands)	Quarter 3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20	Fiscal Year 2021	2020
As reported	$ 97,844	$ 52,165	$ 59,821	$ 50,995	$ 81,380	$ 58,584	$ 22,770	$ 10,779	$ (3,706)	$ 7,691	$ (7,910)	$ 213,729	$ 6,854
Asset impairment charges	932	—	—	—	—	—	—	1,408	2,227	402	1,692	—	5,729
Business development costs	920	545	614	1,350	805	—	—	27	791	801	—	2,155	1,619
Charges related to legal settlements(1)	590	—	—	—	400	—	—	—	73	—	—	400	73
Charges (recoveries) for legacy environmental matters, net(2)	62	4,004	456	12,874	353	(2,214)	2,760	275	2,078	451	1,293	13,773	4,097
Restructuring charges and other exit-related activities	26	4	22	26	104	814	64	1,183	2,710	4,633	467	1,008	8,993
Adjusted	$ 100,374	$ 56,718	$ 60,913	$ 65,245	$ 83,042	$ 57,184	$ 25,594	$ 13,672	$ 4,173	$ 13,978	$ (4,458)	$ 231,065	$ 27,365

(1) Charges related to legal settlements in the three and nine months ended May 31, 2022 and 2021 relate to a claim with a utility provider for past charges.

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

Non-GAAP Financial Measures

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

Net Income from Continuing Operations Attributable to SSI shareholders ($ in thousands)	Quarter 3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	Fiscal Year 2021
As reported	$ 74,680	$ 37,586	$ 46,228	$ 42,806	$ 63,681	$ 44,558	$ 14,146	$ 165,191
Asset impairment charges	932	—	—	—	—	—	—	—
Business development costs	920	545	614	1,350	805	—	—	2,155
Charges related to legal settlements(1)	590	—	—	—	400	—	—	400
Charges (recoveries) for legacy environmental matters, net(2)	62	4,004	456	12,874	353	(2,214)	2,760	13,773
Restructuring charges and other exit-related activities	26	4	22	26	104	814	64	1,008
Income tax (benefit) expense allocated to adjustments(3)	(557)	(1,073)	(249)	(3,057)	(340)	334	(649)	(3,712)
Adjusted	$ 76,653	$ 41,066	$ 47,071	$ 53,999	$ 65,003	$ 43,492	$ 16,321	$ 178,815

Diluted Earnings Per Share from Continuing Operations Attributable to SSI Shareholders ($ per share)	Quarter 3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	Fiscal Year 2021
As reported	$ 2.52	$ 1.27	$ 1.55	$ 1.43	$ 2.16	$ 1.54	$ 0.50	$ 5.66
Asset impairment charges	0.03	—	—	—	—	—	—	—
Business development costs	0.03	0.02	0.02	0.05	0.03	—	—	0.07
Charges related to legal settlements(1)	0.02	—	—	—	0.01	—	—	0.01
Charges (recoveries) for legacy environmental matters, net(2)	—	0.13	0.02	0.43	0.01	(0.08)	0.10	0.47
Restructuring charges and other exit-related activities	—	—	—	—	—	0.03	—	0.03
Income tax (benefit) expense allocated to adjustments(3)	(0.02)	(0.04)	(0.01)	(0.10)	(0.01)	0.01	(0.02)	(0.13)
Adjusted(4)	$ 2.59	$ 1.38	$ 1.58	$ 1.81	$ 2.20	$ 1.51	$ 0.57	$ 6.13

(1) Charges related to legal settlements in the three and nine months ended May 31, 2022 and 2021 relate to a claim with a utility provider for past charges.

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

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

(4) May not foot due to rounding.

Non-GAAP Financial Measures

Schnitzer

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 ($ in thousands)	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21
Total Debt	$ 321,872	$ 261,577	$ 259,716	$ 74,953	$ 153,773	$ 170,813	$ 143,343
Less cash and cash equivalents	(16,125)	(17,823)	(19,081)	(27,818)	(17,927)	(11,326)	(7,258)
Net Debt[1]	$ 305,747	$ 243,754	$ 240,635	$ 47,135	$ 135,846	$ 159,487	$ 136,085
Total Debt	$ 321,872	$ 261,577	$ 259,716	$ 74,953	$ 153,773	$ 170,813	$ 143,343
Total Equity	967,870	904,649	874,756	839,779	802,583	734,039	688,548
Total Capital	$ 1,289,742	$ 1,166,226	$ 1,134,472	$ 914,732	$ 956,356	$ 904,852	$ 831,891
Less cash and cash equivalents	(16,125)	(17,823)	(19,081)	(27,818)	(17,927)	(11,326)	(7,258)
Net Capital[1]	$ 1,273,617	$ 1,148,403	$ 1,115,391	$ 886,914	$ 938,429	$ 893,526	$ 824,633
Total Debt to Total Capital Ratio	25.0%	22.4%	22.9%	8.2%	16.1 %	18.9 %	17.2 %
Impact excluding cash and cash equivalents from both Total Debt and Total Capital	(1.0)%	(1.2)%	(1.3)%	(2.9)%	(1.6)%	(1.0)%	(0.7)%
Net Leverage Ratio[1]	24.0%	21.2%	21.6%	5.3%	14.5 %	17.8 %	16.5 %

(1) May not foot due to rounding.

Non-GAAP Financial Measures

Schnitzer

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)	Quarter 3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
Net income (loss)	$ 75,504	$ 38,165	$ 47,276	$ 43,796	$ 65,436	$ 45,679	$ 15,064	$ 4,578	$ (4,717)	$ 4,504	$ (6,565)
Plus loss (income) from discontinued operations, net of tax	46	(29)	29	21	46	(30)	42	55	69	(1)	(28)
Plus interest expense	2,223	1,901	1,372	898	1,383	1,224	1,780	3,270	2,656	1,320	1,423
Plus tax expense (benefit)	20,037	12,073	11,097	6,346	14,401	11,469	5,719	2,734	(1,804)	1,770	(2,534)
Plus depreciation & amortization	18,750	18,596	17,220	14,978	14,326	14,469	14,826	14,958	14,743	14,385	14,087
Plus asset impairment charges	932	—	—	—	—	—	—	1,408	2,227	402	1,692
Plus business development costs	920	545	614	1,350	805	—	—	27	791	801	—
Plus charges related to legal settlements[1]	590	—	—	—	400	—	—	—	73	—	—
Charges (recoveries) for legacy environmental matters, net[2]	62	4,004	456	12,874	353	(2,214)	2,760	275	2,078	451	1,293
Restructuring charges and other exit-related activities	26	4	22	26	104	814	64	1,183	2,710	4,633	467
Adjusted EBITDA[3]	$ 119,090	$ 75,259	$ 78,086	$ 80,289	$ 97,254	$ 71,411	$ 40,255	$ 28,488	$ 18,826	$ 28,265	$ 9,835
Estimated average inventory accounting impact	4,820	1,297	588	4,662	8,283	9,596	2,246	1,799	(2,580)	3,748	(4,376)
Adjusted EBITDA excluding estimated average inventory accounting	$ 114,270	$ 73,962	$ 77,498	$ 75,627	$ 88,971	$ 61,815	$ 38,009	$ 26,689	$ 21,406	$ 24,517	$ 14,211
Total Ferrous Volumes (LT, in thousands)	1,129	1,071	1,148	1,163	1,215	977	1,053	1,063	927	988	976
Adjusted EBITDA per Ferrous Ton Sold ($/LT)	105	70	68	69	$ 80	$ 73	$ 38	$ 27	$ 20	$ 29	$ 10
Adjusted EBITDA excluding estimated average inventory accounting per Ferrous Ton Sold ($/LT)	101	69	67	65	$ 73	$ 63	$ 36	$ 25	$ 23	$ 25	$ 15

(1) Charges related to legal settlements in the three and nine months ended May 31, 2022 and 2021 relate to a claim with a utility provider for past charges, and in fiscal 2020 relate to the settlement of a wage and hour class action lawsuit.

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

(3) May not foot due to rounding.

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)	**3Q22**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Cash flows from operating activities	$ 197,478	$ 190,064	$ 124,597	$ 144,740	$ 159,676	$ 100,370	$ 99,240	$ 144,628	$ 141,252	$ 39,289	$ 244,790
Exit-related gains, asset impairments and accelerated depreciation, net	—	—	(971)	(23)	1,000	407	(1,790)	(6,502)	(566)	—	—
Write-off of debt issuance costs	—	—	—	—	—	—	(768)	—	—	—	—
Inventory write-down	(3,199)	—	—	(775)	(38)	—	(710)	(3,031)	—	—	—
Deferred income taxes	(19,342)	(6,884)	(15,096)	(14,613)	37,995	(2,278)	(507)	1,988	3,815	59,102	(8,321)
Undistributed equity in earnings of joint ventures	3,464	4,006	834	1,452	1,953	3,674	819	1,490	1,196	1,183	2,307
Share-based compensation expense	(18,272)	(18,213)	(10,033)	(17,300)	(18,965)	(10,847)	(10,437)	(10,481)	(14,506)	(11,475)	(8,793)
Excess tax benefit from share-based payment arrangements	—	—	—	—	—	—	—	343	194	343	817
(Loss) gain on disposal of assets	(1,957)	(717)	(530)	1,545	(56)	(448)	465	2,875	1,126	(131)	135
Unrealized foreign exchange (loss) gain, net	(183)	(127)	67	(148)	104	(361)	109	1,909	(240)	(1,583)	334
Credit loss, net	4	—	(66)	(74)	(323)	(126)	(131)	264	(449)	(584)	(688)
Changes in current assets and current liabilities	111,192	72,813	(34,246)	(1,182)	34,081	10,666	(19,317)	(76,736)	(39,011)	53,654	(119,033)
Changes in other operating assets and liabilities	6,032	(12,368)	(2,854)	(1,901)	(6,987)	(4,958)	(405)	2,252	(2,550)	(2,699)	(375)
Interest expense	6,394	5,285	8,669	8,266	8,983	8,081	8,889	9,191	10,595	9,623	11,880
Tax expense (benefit)	49,553	37,935	166	17,670	(17,590)	1,322	735	(12,615)	2,583	(56,943)	14,039
Charges for legacy environmental matters, net[1]	17,396	13,773	4,097	2,419	7,268	2,648	(3,863)	(1,009)	1,750	1,759	1,480
Business development costs	3,429	2,155	1,619	—	—	—	—	—	—	—	—
Restructuring charges and other exit-related activities	78	1,008	8,993	365	(661)	(109)	6,782	13,008	6,830	7,906	5,012
Charges related to legal settlements[2]	590	400	73	2,330	—	—	—	—	—	—	—
Loss (gain) from discontinued operations, net of tax	67	79	95	248	(346)	390	1,348	7,227	2,809	4,242	—
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	$ 352,724	$ 289,209	$ 85,414	$ 143,019	$ 205,677	$ 107,287	$ 79,765	$ 80,908	$ 113,493	$ 102,825	$ 143,584
Total Ferrous Volumes (LT, in thousands)	4,512	4,408	3,954	4,319	4,299	3,628	3,289	3,708	4,309	4,506	5,324
Adjusted EBITDA per Ferrous Ton Sold ($/LT)	$ 78	$ 66	$ 22	$ 33	$ 48	$ 30	$ 24	$ 22	$ 26	$ 23	$ 27
Debt	321,872	74,953	104,419	105,096	107,376	145,124	192,518	228,156	319,365	381,837	335,312
Cash and cash equivalents	(16,125)	(27,818)	(17,887)	(12,377)	(4,723)	$ (7,287)	$ (26,819)	$ (22,755)	(25,672)	(13,481)	(89,863)
Net debt	$ 305,747	$ 47,135	$ 86,532	$ 92,719	$ 102,653	$ 137,837	$ 165,699	$ 205,401	$ 293,693	$ 368,356	$ 245,449
Debt to cash flows from operating activities ratio	1.6	0.4	0.8	0.7	0.7	1.4	1.9	1.6	2.3	9.7	1.4
Net debt to adjusted EBITDA ratio	0.9	0.2	1.0	0.6	0.5	1.3	2.1	2.5	2.6	3.6	1.7

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

(2) Charges related to legal settlements in the three and nine months ended May 31, 2022 and 2021 relate to a claim with 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.

Historical Segment Operating Statistics

The following provides consolidated operating statistics:

	Quarter							Fiscal Year[1]
	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	2021
Ferrous volumes (LT, in thousands)[2]								
Domestic[3]	490	408	430	309	412	391	388	**1,500**
Export	639	663	718	854	803	586	665	**2,908**
Total[5]	1,129	1,071	1,148	1,163	1,215	977	1,053	**4,408**
Ferrous selling prices ($/LT)[4]								
Domestic	$ 516	$ 418	$ 431	$ 453	$ 395	$ 349	$ 242	**$ 364**
Export	$ 552	$ 455	$ 450	$ 446	$ 401	$ 399	$ 276	**$ 385**
Average	$ 541	$ 445	$ 446	$ 449	$ 400	$ 387	$ 269	**$ 381**
Nonferrous volumes (pounds, in thousands)[2]	201,413	147,145	153,227	163,586	155,657	135,899	138,236	**593,378**
Nonferrous average price ($/pound)[4][6]	$ 1.12	$ 1.10	$ 1.05	$ 1.01	$ 0.97	$ 0.83	$ 0.64	**$ 0.88**
Cars purchased (in thousands)[7]	84	73	80	89	91	80	78	**338**
Auto part stores at period end	50	50	50	50	50	50	50	**50**
Finished steel average sales price ($/ST)[4]	$ 1,129	$ 1,045	$ 979	$ 920	$ 802	$ 690	$ 621	**$ 737**
Sales volume (ST, in thousands)								
Rebar	99	73	74	50	106	103	94	**353**
Coiled products	35	32	25	14	47	32	39	**132**
Merchant bar and other	1	1	-	1	-	1	1	**3**
Finished steel products sold[5]	135	106	99	65	153	136	134	**488**
Rolling mill utilization[8]	96%	86%	78%	28%	98%	88%	97%	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) Domestic includes volumes delivered to our steel mill for finished steel production.

(4) Price information is shown after netting the cost of freight incurred to deliver the product to the customer.

(5) May not foot due to rounding.

(6) Excludes platinum group metals ("PGMs") in catalytic converters.

(7) Cars purchased by auto stores only.

(8) Rolling mill utilization is based on effective annual production capacity under current conditions of 580 thousand tons of finished steel products.