



**WELBILT**<sup>®</sup>  
*Bringing innovation to the table*

# 2021 Q1 Earnings Call

May 6, 2021

# Forward-Looking Statements

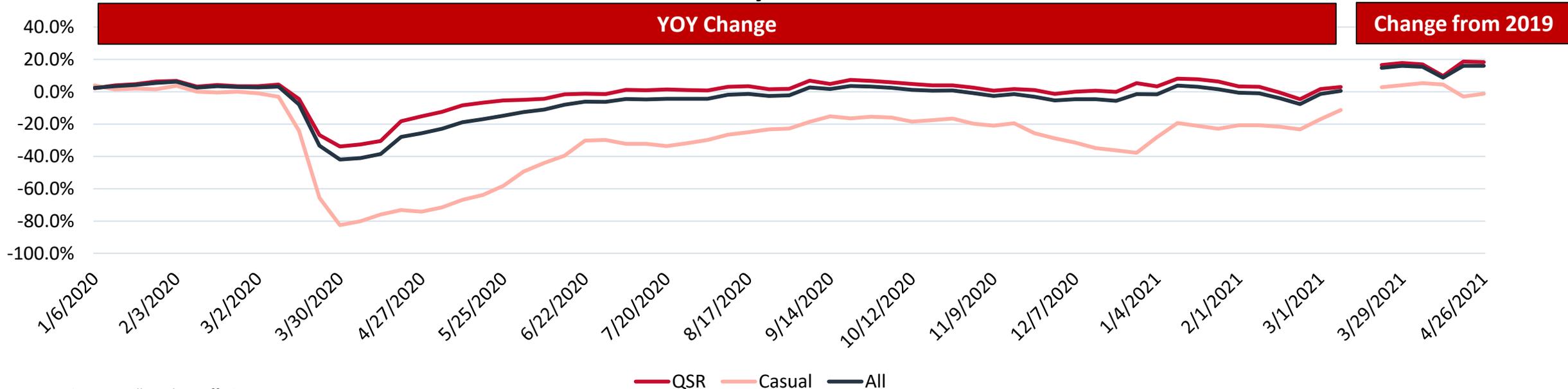
Certain statements in this presentation constitute “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Statements contained in this presentation that are not historical facts are forward-looking statements and include, for example, the Company’s expectations regarding future results, the impact of COVID-19 on our business, including on customer demand, supply chains and production, ability to meet working capital needs and cash requirements over the next 12 months, ability to realize savings from reductions in force and other cost saving measures, compliance with the financial covenants under our credit facility, ability to obtain financial and tax benefits from the CARES Act, risks related to the proposed transaction with The Middleby Corporation, descriptions of our Transformation Program, operating and strategic plans and any assumptions on which those programs, expectations, outlook or plans are based. Such forward-looking statements involve known and unknown risks and uncertainties, and our actual results could differ materially from future results expressed or implied in these forward-looking statements. The forward-looking statements included in this presentation are based on our current beliefs and expectations and speak only as of the date hereof. These statements are not guarantees or indicative of future performance. Important assumptions, risks, uncertainties and factors that could cause actual results to differ materially from those forward-looking statements are described in more detail under the caption "Risk Factors" in our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and in our other filings with the Securities and Exchange Commission. We do not intend, and, except as required by law, we undertake no obligation, to update any of our forward-looking statements after the date of this presentation to reflect any future events or circumstances. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

## Non-GAAP Financial Measures

The Company uses certain non-GAAP financial measures in this presentation. These non-GAAP financial measures should not be considered as an alternative to our financial information presented in accordance with U.S. GAAP as they have important limitations as analytical tools. Reconciliations of these non-GAAP financials measures to the most comparable U.S. GAAP measures can be found in our earnings release for the first quarter of 2021, which is available in the Investor Relations section of our website, [www.welbilt.com](http://www.welbilt.com), together with this presentation.

# Current Market Environment

## MillerPulse Weekly Same-Store Sales

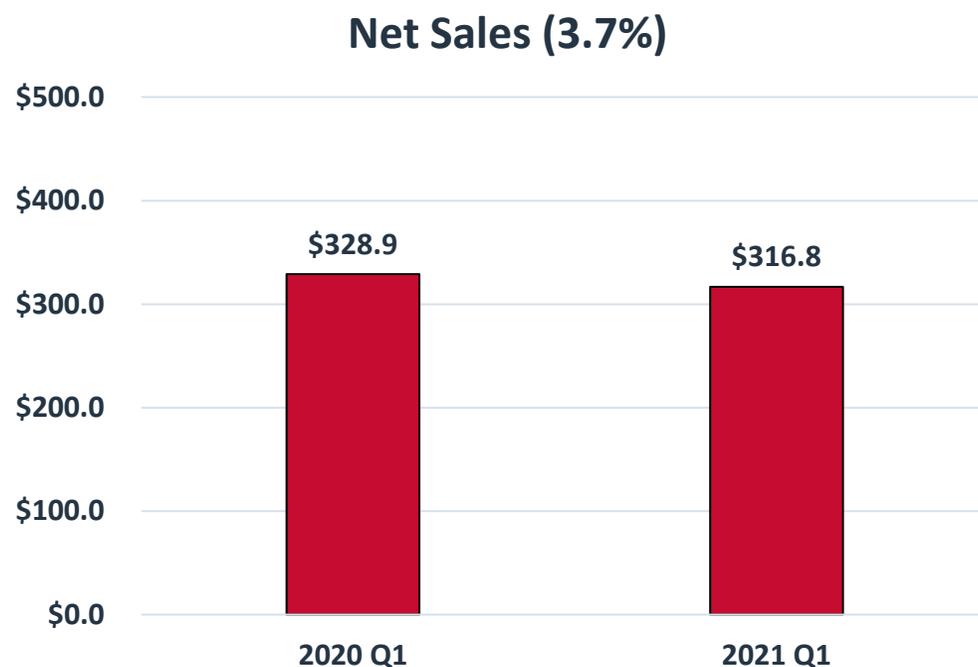


Source: MillerPulse, Jefferies

- NRA's February Restaurant Performance Index was at 100.1, it's highest reading since the beginning of the pandemic.
- Much of EMEA continues to have restrictions on dining away from home or on indoor dining, or still has curfews in place. The U.K. recently began loosening restrictions. Most countries are allowing takeout and delivery.
- APAC remains mixed, with some areas operating with no restrictions (China, Australia) and others with various levels of restrictions.

# 2021 Q1 Financial Highlights

(US\$ in millions except per share amounts)

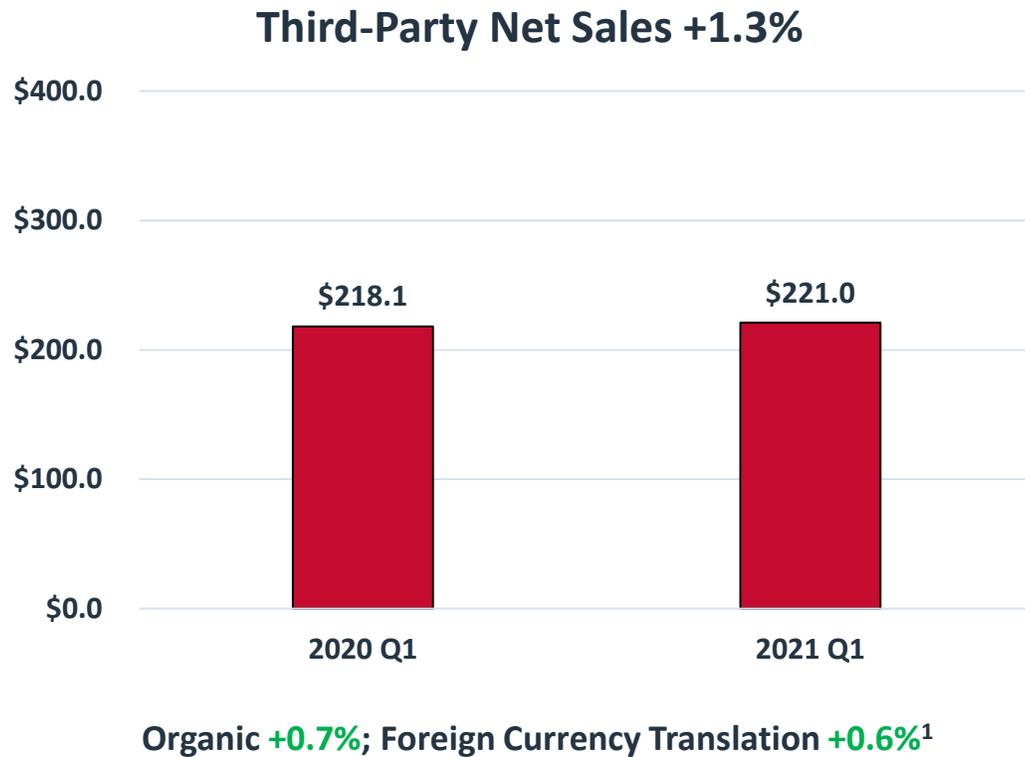


Organic (6.0%); Foreign Currency Translation +2.3%<sup>1</sup>

	Q1 2020	Q1 2021	Δ
Adjusted Operating EBITDA <sup>1</sup>	\$45.5	\$49.8	+9.5%
Adjusted Operating EBITDA margin <sup>1</sup>	13.8%	15.7%	+190 bps
Adjusted Diluted Net Earnings Per Share <sup>1</sup>	\$0.01	\$0.08	700.0%
Free Cash Flow <sup>1</sup>	(\$78.1)	(\$21.1)	+73.0%

# 2021 Q1 Segment Sales - Americas

(US\$ in millions)



## Highlights:

- General market

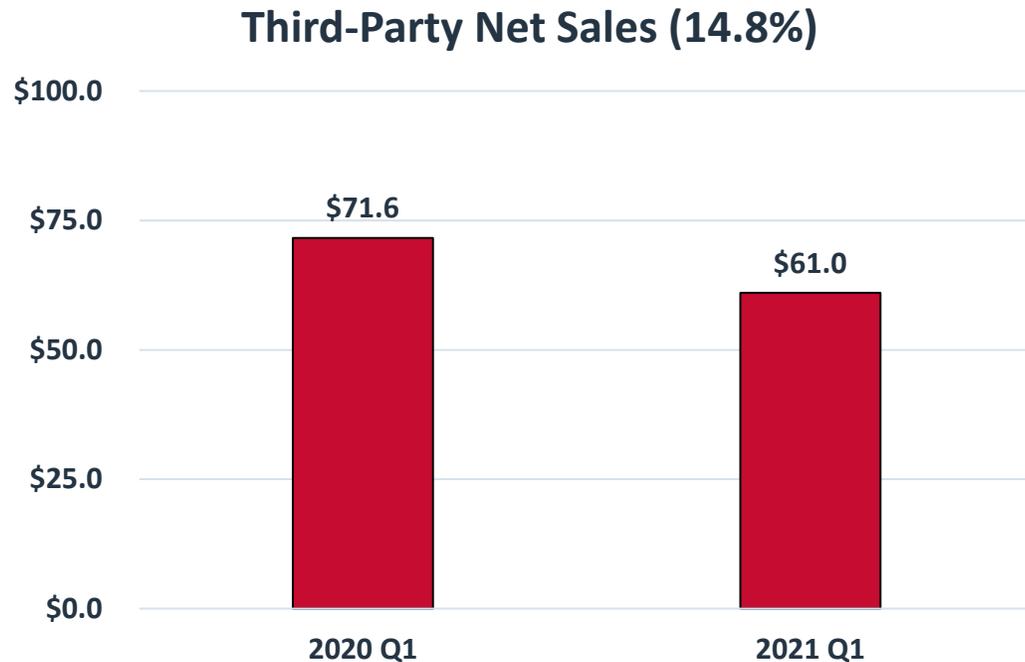
+ Large chains

+ KitchenCare<sup>®</sup> aftermarket sales

- Large chain sales benefited from improved rollout activity across many of our brands
- C-Stores supported a smaller decline in general market with small rollouts of beverage equipment and ovens
- KitchenCare aftermarket sales increased for first time since the beginning of the pandemic

# 2021 Q1 Segment Sales - EMEA

(US\$ in millions)



Organic (22.1%); Foreign Currency Translation +7.3%<sup>1</sup>

## Highlights:

- General market

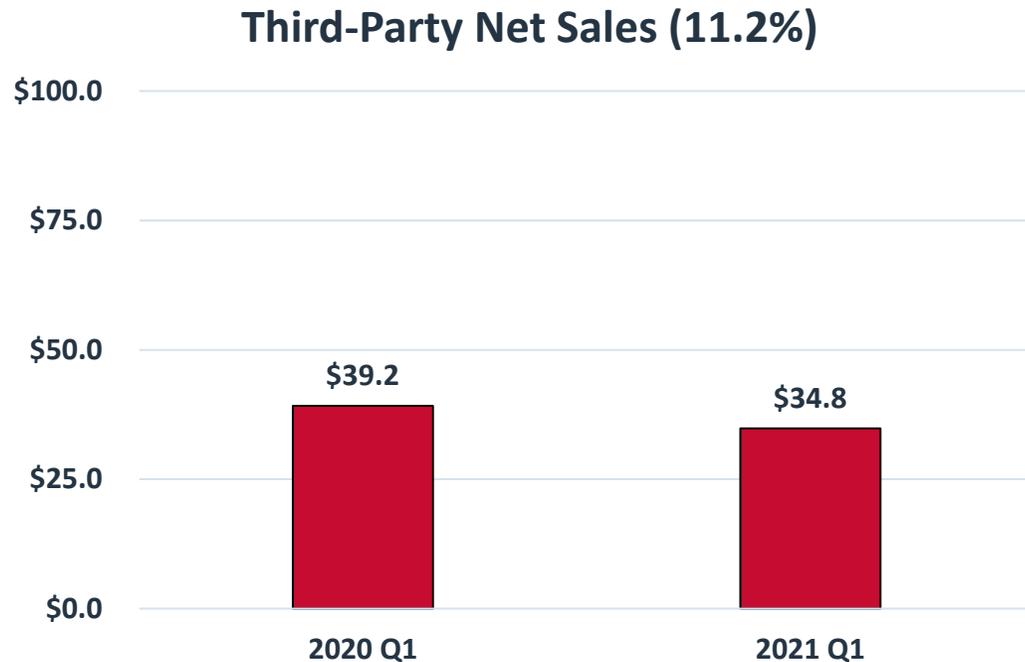
+ Large chains

- KitchenCare<sup>®</sup> aftermarket sales

- Large chains open for takeout and delivery, preparing for reopening of region
- General market decreased due to local dine-out restrictions
- KitchenCare decreased due to local dine-out restrictions, which resulted in fewer kitchens being open in the quarter

# 2021 Q1 Segment Sales - APAC

(US\$ in millions)



Organic (14.0%); Foreign Currency Translation +2.8%<sup>1</sup>

## Highlights:

- General market

↔ Large chains

↔ KitchenCare® aftermarket sales

- Sales in China and Australia increased year-over-year
- Southeast Asia remains weak
- General market sales impacted by lower Fabristeel project sales

# Transformation Program Progress

Category	Progress
Procurement	<ul style="list-style-type: none"> <li>- Most RFQ responses from vendors have been reviewed, product qualification and testing will continue in 2021</li> <li>- Savings continued to ramp with some benefits still capitalized into inventory, while P/L reflects some transitional costs</li> <li>- Focus on “VAVE” initiatives to drive additional savings</li> </ul>
Manufacturing Sites + KitchenCare	<ul style="list-style-type: none"> <li>- Productivity gains emerging in most sites (some substantial) despite lower volumes and partial shifts; still bringing more automation and process changes to bear in 2021</li> <li>- Relocation of lines, site redesign expenses and other disruptions raising costs during transition window</li> <li>- Additional headcount reductions expected through 2021</li> <li>- Consolidation of 2<sup>nd</sup> Shreveport manufacturing plant into primary plant expected to be completed by end of 2021 Q2</li> <li>- Consolidation of manufacturing facility in EMEA expected to be completed by end of 2021</li> </ul>
2020 Savings Targets	<ul style="list-style-type: none"> <li>- Q1 in-period savings of approximately \$4 million (run-rate savings of \$16 million)</li> <li>- Pace of savings has been slower than anticipated due to COVID-19; 2021 procurement dollar savings to P/L delayed by lower volumes and inventory effects; 2021 manufacturing savings likely to be slower due to delayed receipt of new fabrication equipment along with lower volumes to leverage – likely to improve through year</li> </ul>
<b>Transformation activities expected to be completed by end of 2021 but it will take longer to achieve full savings and margin improvement due to COVID-19</b>	
Transformation Program Expense	<ul style="list-style-type: none"> <li>- 2021 Q1: \$2.2 million external costs, \$0.1 million Transformation-related restructuring costs, combined \$2.3 million</li> <li>- Since inception: \$60.8 million external costs, \$8.9 million Transformation-related restructuring costs, combined \$69.8 million</li> <li>- Pace of external spending has begun ramping down; expect total Transformation Program expense to be between \$70 to \$75 million</li> </ul>

# New Products Providing Enhanced Sanitation Solutions



Merco® Order Pickup Solutions  
Powered by Apex



AeroTherm™ Portable Air Purifier  
Powered by Trotec



Nuovair Roll-In Blast Chiller (shown paired with  
Convotherm® 20.20 Combi Oven)

Partnering with innovative companies to provide value-added new products that supplement our internal new product development efforts

# 2021 Q1 Adjusted Operating EBITDA<sup>1</sup> Margin Highlights

Q1 2020 Adjusted Operating EBITDA <sup>1</sup> margin	13.8%
- <i>Volume/net pricing</i>	<i>(20 bps)</i>
- <i>Material costs and tariffs</i>	<i>+30 bps</i>
- <i>Other manufacturing: labor and overhead</i>	<i>+50 bps</i>
- <i>SG&amp;A</i>	<i>+90 bps</i>
- <i>FX/other</i>	<i>+40 bps</i>
Q1 2021 Adjusted Operating EBITDA <sup>1</sup> margin	15.7%

# 2021 Q1 Free Cash Flow<sup>1</sup> and Capital Structure

US\$ in millions

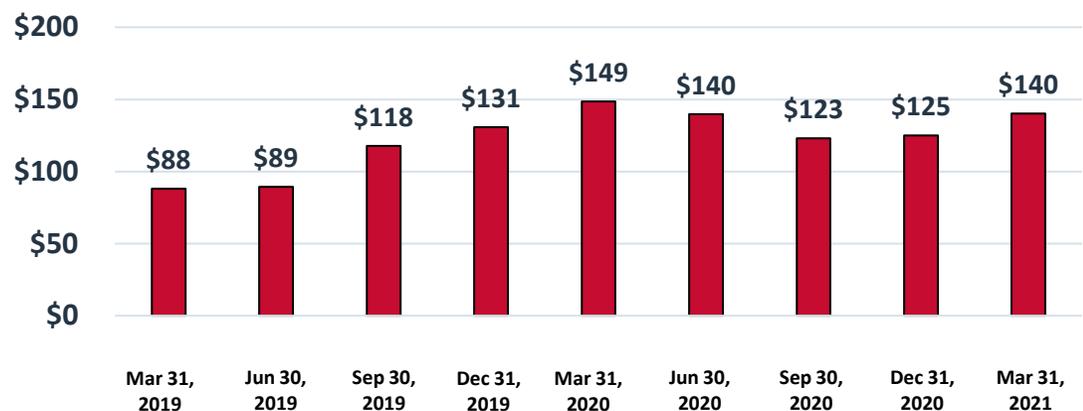
### Free Cash Flow<sup>1</sup>



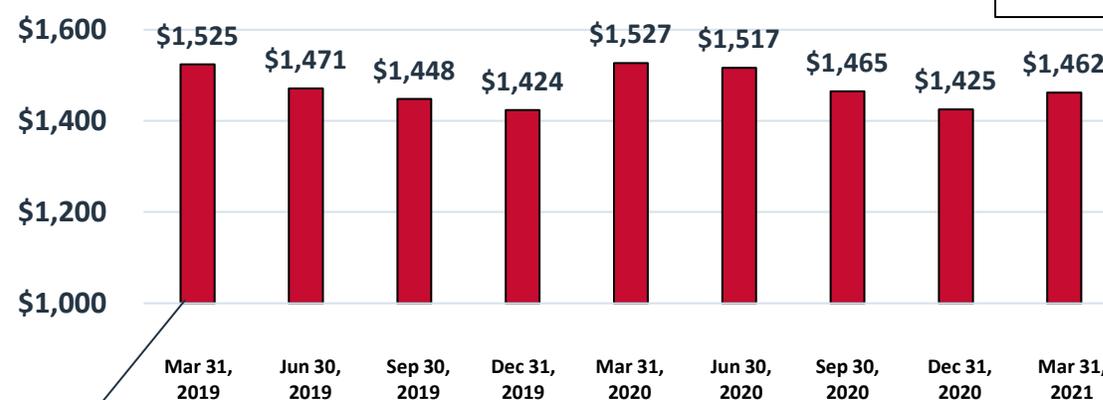
### Total Liquidity<sup>2</sup>



### Cash & Short-term Investments



### Total Debt



March 31, 2019 impacted by termination of off-balance sheet AR Securitization facility balance of \$97M moving to revolver

<sup>1</sup> See Welbilt's 2021 Q1 earnings release for the reconciliations from GAAP to non-GAAP measures.

<sup>2</sup> Total Liquidity is defined as Cash & Short-term Investments plus availability on the Revolving Credit Facility.

<sup>3</sup> Net debt to Adjusted EBITDA per terms of Credit Agreement.



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