



Q4 & FY23 Earnings Results

OCTOBER 19, 2023



Forward-Looking Statements

Historical financial and operating data in this presentation reflect the consolidated results of WD-40 Company and its subsidiaries (collectively, the “Company”). The Company markets maintenance products (“MP”) under the WD-40®, 3-IN-ONE®, and GT85® brand names. The WD-40 brand portfolio also includes the WD-40® Multi-Use Product, the WD-40 Specialist®, and WD-40 BIKE® product lines. The Company markets the homecare and cleaning products (“HCCP”) under the following brands: X-14®, and 2000 Flushes® automatic toilet bowl cleaners, Carpet Fresh®, and no vac® rug and room deodorizers, Spot Shot®, aerosol and liquid carpet stain removers, 1001® household cleaners and rug and room deodorizers, and Lava® and Solvol® heavy-duty hand cleaners.

Except for the historical information contained herein, this presentation contains “forward-looking statements” within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Our forward-looking statements are generally identified with words such as “believe,” “expect,” “intend,” “plan,” “project,” “could,” “may,” “aim,” “anticipate,” “target,” “estimate” and similar expressions. Such statements reflect the Company’s current expectations with respect to currently available operating, financial and economic information. These forward-looking statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those anticipated in or implied by the forward-looking statements.

Our forward-looking statements include, but are not limited to, discussions about future financial and operating results; growth expectations for maintenance products; expected levels of promotional and advertising spending; anticipated input costs for manufacturing and the costs associated with distribution of our products; plans for and success of product innovation; the impact of new product introductions on the growth of sales; anticipated results from product line extension sales; expected tax rates and the impact of tax legislation and regulatory action; changes in the political conditions or relations between the United States and other nations; the impacts from inflationary trends and supply chain constraints; changes in interest rates; and forecasted foreign currency exchange rates and commodity prices.

The Company’s expectations, beliefs and forecasts are expressed in good faith and are believed by the Company to have a reasonable basis, but there can be no assurance that the Company’s expectations, beliefs or forecasts will be achieved or accomplished.

Actual events or results may differ materially from those projected in forward-looking statements due to various factors, including, but not limited to, those identified in Part I—Item 1A, “Risk Factors,” in the Company’s Annual Report on Form 10-K for the fiscal year ended August 31, 2022 which the Company filed with the SEC on October 24, 2022, and those identified in Part I—Item 1A, “Risk Factors,” in the Company’s Annual Report on Form 10-K for the fiscal year ended August 31, 2023, which the Company expects to file with the Securities and Exchange Commission (“SEC”) on October 23, 2023.

All forward-looking statements included in this presentation should be considered in the context of these risks. These statements reflect the Company’s expectations as of October 19, 2023, and the Company undertakes no obligation to update or revise any such statements, whether as a result of new information, future events or otherwise. Investors and prospective investors are cautioned not to place undue reliance on these forward-looking statements.



Q4 FY23 Results

Q4 FY23 Results

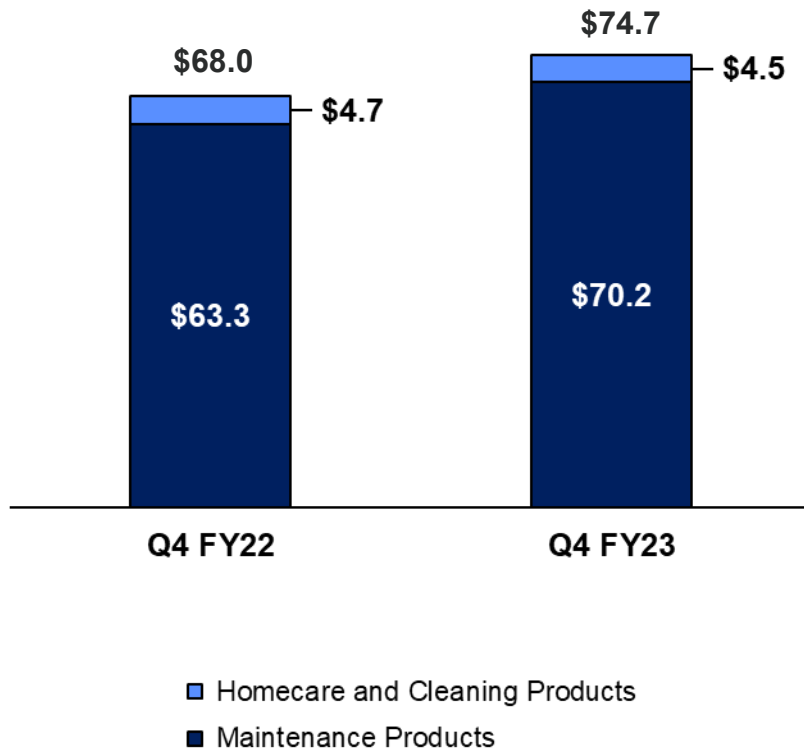
(\$M except EPS, gross margin and % change)

Financial Results As reported	Q4 FY23	Q4 FY22	% Change
Net Sales	\$140.5	\$130.4	8%
Gross Margin	51.4%	47.4%	+400 bps
Operating Income	\$23.2	\$19.5	19%
Net Income	\$16.6	\$14.8	12%
EPS (Diluted)	\$1.21	\$1.08	12%

- Q4 FY23 changes in currency positively impacted net sales by \$1.2 million
- Non-GAAP constant currency net sales of \$139.2 million, growth of 7% over prior year
- Currency impact driven primarily by EMEA segment, which makes up 36% of Q4 FY23 global net sales

Americas Segment

Americas Net Sales (in millions)

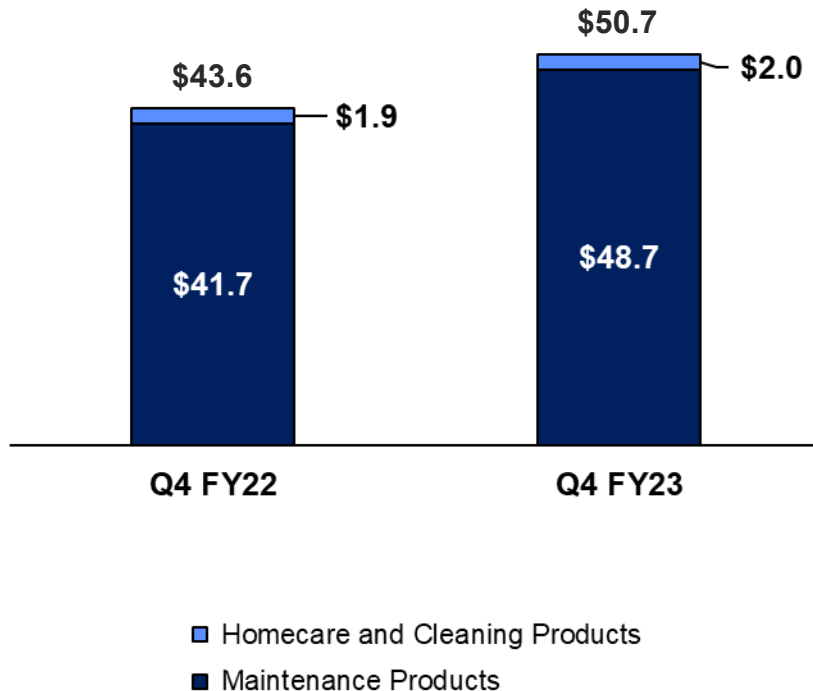


Americas – Q4 FY22 vs. Q4 FY23

- Total reported segment sales ▲ 10%
 - Segment = 53% of global net sales
 - Maintenance product sales ▲ 11%
 - WD-40 Specialist sales ▲ 10%
 - HCCP sales ▼ 4%
- Maintenance Product (MP) sales:
 - U.S. MP sales ▲ 18%
 - Latin America MP sales ▼ 12%
 - Canadian MP sales ▼ 3%
- Gross margin 49.0% ▲ 110 bps

EMEA Segment

EMEA Net Sales
(in millions)



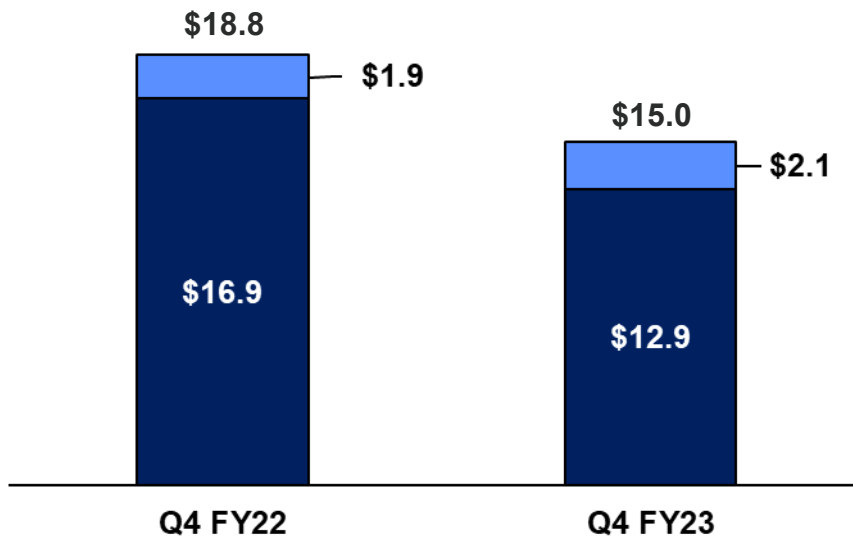
EMEA – Q4 FY22 vs. Q4 FY23

- Total reported segment sales ▲ 16%
 - Segment = 36% of global net sales
 - Maintenance product sales ▲ 17%
 - WD-40 Specialist sales ▲ 28%
 - HCCP sales ▲ 5%
 - In constant currency sales ▲ 13%
- EMEA direct market sales ▲ 19%
 - 73% sales from direct markets
- EMEA distributor market sales ▲ 9%
 - 27% sales from distributor markets
- Gross margin 53.6% ▲ 860 bps

Asia-Pacific Segment

Asia-Pacific Net Sales

(in millions)



- Homecare and Cleaning Products
- Maintenance Products

Asia-Pacific – Q4 FY22 vs. Q4 FY23

- Total reported Asia-Pacific sales ▼ 20%
 - Segment = 11% of global net sales
 - Maintenance product sales ▼ 24%
 - WD-40 Specialist sales ▼ 16%
 - HCCP sales ▲ 10%
- Australia sales ▼ 1%
 - In constant currency sales ▲ 5%
- China sales ▼ 4%
 - In constant currency sales ▲ 2%
- Asia distributor market sales ▼ 38%
- Gross margin 55.7% ▲ 460 bps



FY23 Results

FY23 Results

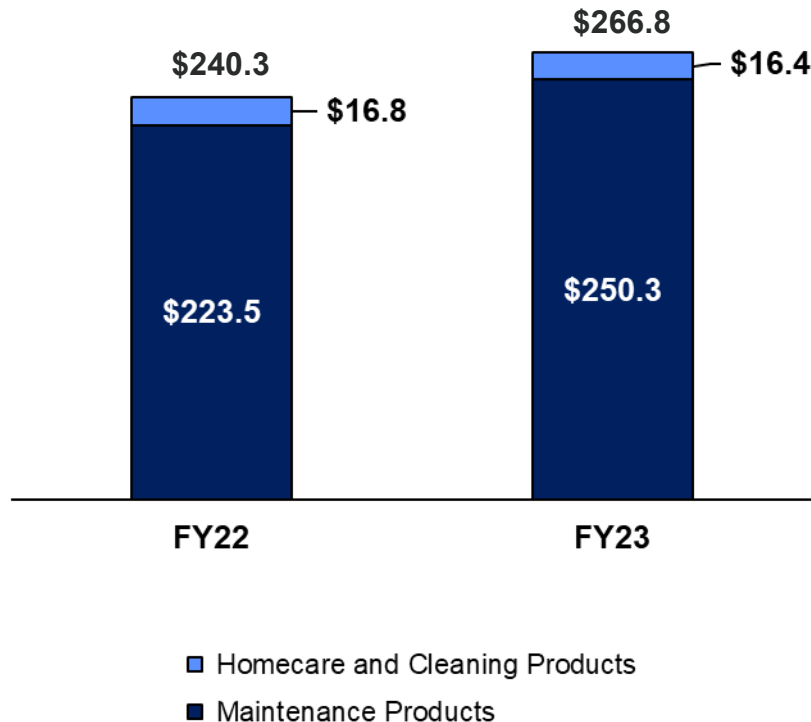
(\$M except EPS, gross margin and % change)

Financial Results As reported	FY23	FY22	% Change
Net Sales	\$537.3	\$518.8	4%
Gross Margin	51.0%	49.1%	+190 bps
Operating Income	\$89.7	\$87.3	3%
Net Income	\$66.0	\$67.3	-2%
EPS (Diluted)	\$4.83	\$4.90	-1%

- FY23 changes in currency negatively impacted net sales by \$17.7 million
- Non-GAAP constant currency net sales of \$554.9 million, growth of 7% over prior year
- Currency impact driven primarily by EMEA segment, which makes up 36% of FY23 global net sales

Americas Segment

Americas Net Sales (in millions)

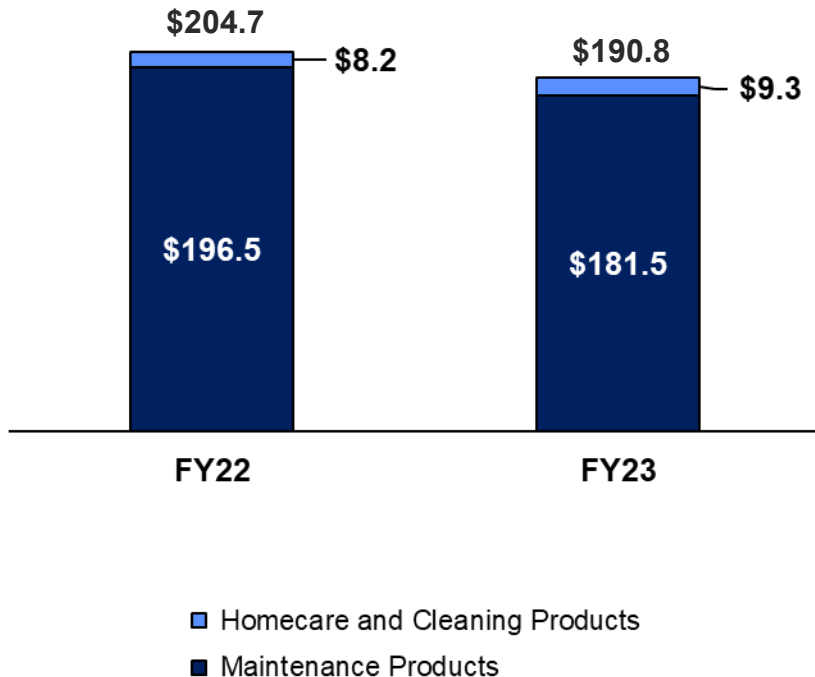


Americas – FY22 vs. FY23

- Total reported segment sales ▲ 11%
 - Segment = 50% of global net sales
 - Maintenance product sales ▲ 12%
 - WD-40 Specialist sales ▲ 18%
 - HCCP sales ▼ 2%
- Maintenance Product (MP) sales:
 - U.S. MP sales ▲ 19%
 - Latin America MP sales ▼ 8%
 - Canadian MP sales ▼ 4%
- Gross margin 48.9% ▲ 160 bps

EMEA Segment

EMEA Net Sales (in millions)

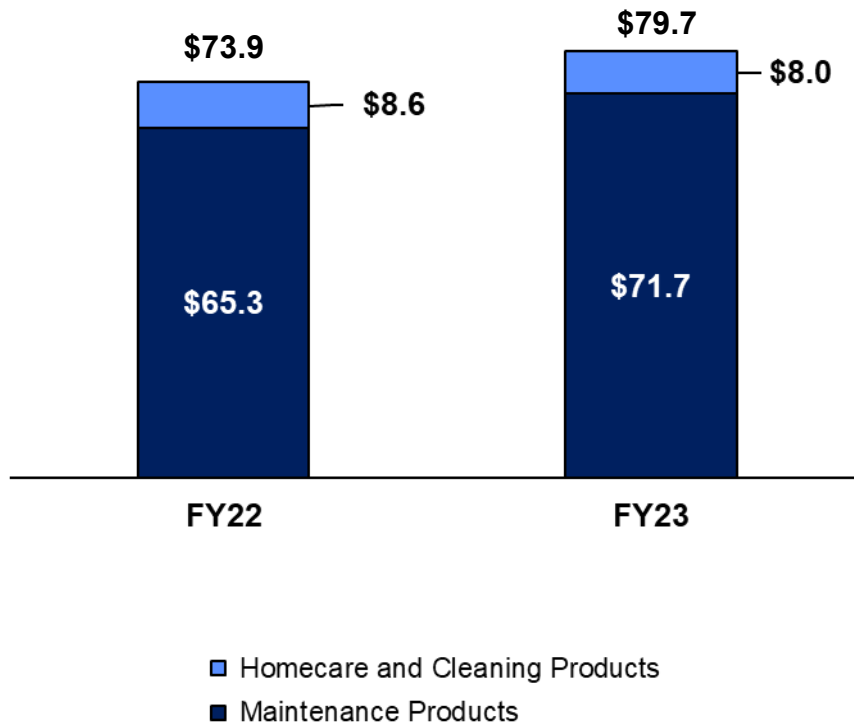


EMEA – FY22 vs. FY23

- Total reported segment sales ▼ 7%
 - Segment = 36% of global net sales
 - Maintenance product sales ▼ 8%
 - WD-40 Specialist sales ▲ 7%
 - HCCP sales ▲ 14%
 - In constant currency sales ▲ 1%
- EMEA direct market sales ▼ 1%
 - 72% segment sales from direct markets
- EMEA distributor market sales ▼ 18%
 - 28% segment sales from distributor markets
- Gross margin 52.2% ▲ 260 bps

Asia-Pacific Segment

Asia-Pacific Net Sales (in millions)



Asia-Pacific – FY22 vs. FY23

- Total reported Asia-Pacific sales ▲ 8%
 - Segment = 15% of global net sales
 - Maintenance product sales ▲ 10%
 - WD-40 Specialist sales ▲ 3%
 - HCCP sales ▼ 7%
- Australia sales ▼ 3%
 - In constant currency sales ▲ 5%
- China sales ▲ 12%
 - In constant currency sales ▲ 21%
- Asia distributor market sales ▲ 13%
- Gross margin 55.3% ▲ 170 bps

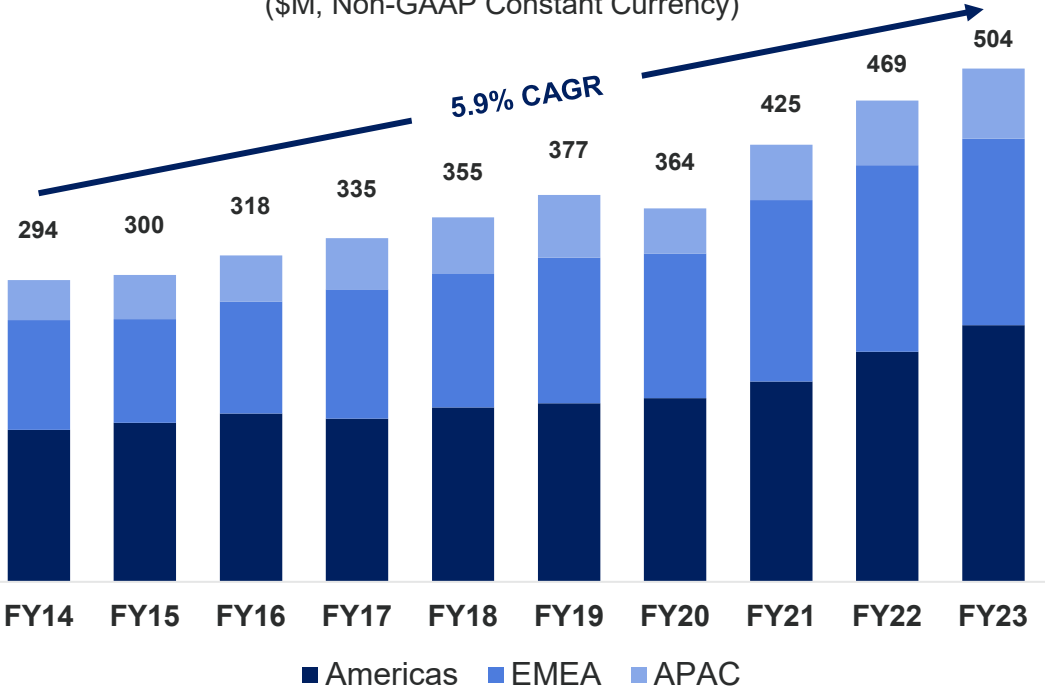


Growth Aspirations

Strong Historical Growth with Clear Runway Ahead

Maintenance Product Net Sales¹

(\$M, Non-GAAP Constant Currency)



Maintenance Products 10-year Sales CAGR

6.0%

EMEA

6.4%

APAC

5.7%

Americas

1) FY23 maintenance product net sales presented as reported; all prior years presented on a constant currency basis using FY23 foreign currency exchange rates. See appendix for descriptions and reconciliations of these non-GAAP measures. Maintenance product net sales compound annual growth rate (CAGR) targets calculated from FY13 baseline maintenance product sales, on a constant currency basis using FY23 foreign currency exchange rates, of \$284M.



Long-Term Growth Targets for Maintenance Products

Non-GAAP Constant Currency

Long-Term Growth Ambition By Segment

Americas

50%
of global net sales*

CAGR Target
5-8%

EMEA

36%
of global net sales*

CAGR Target
8-11%

APAC

14%
of global net sales*

CAGR Target
10-13%

Total Company

CAGR Target
**mid-to-high
single digits**

* Percentage of net sales for FY23, which ended August 31, 2023.
Note: Compound annual growth rate (CAGR) targets associated with our trade blocs are on a non-GAAP constant currency basis and reflect our long-term growth expectations, which may not always align with short-term trends and results.



Our Business Model Enables Long-term Value Creation

GDP+

Generate Mid-to-High-Single Digit Revenue Growth

50→55%

Achieve Gross Margin Target

30←35%

Manage Cost Of Doing Business

20→25%

Drive EBITDA Margin

Low Capital Requirements

Invest in Brands and People



**ROIC
25%+**

Annual dividends
targeted at >50%
of earnings

Our Four-by-Four Strategic Framework

Four Must-Win Battles

01

**Lead Geographic
Expansion**

02

**Accelerate
Premiumization**

03

**Drive WD-40
Specialist Growth**

04

**Turbo-Charge
Digital Commerce**

Four Strategic Enablers

01 | **Ensure a People-First Mindset**

02 | **Build a Sustainable Business For the Future**

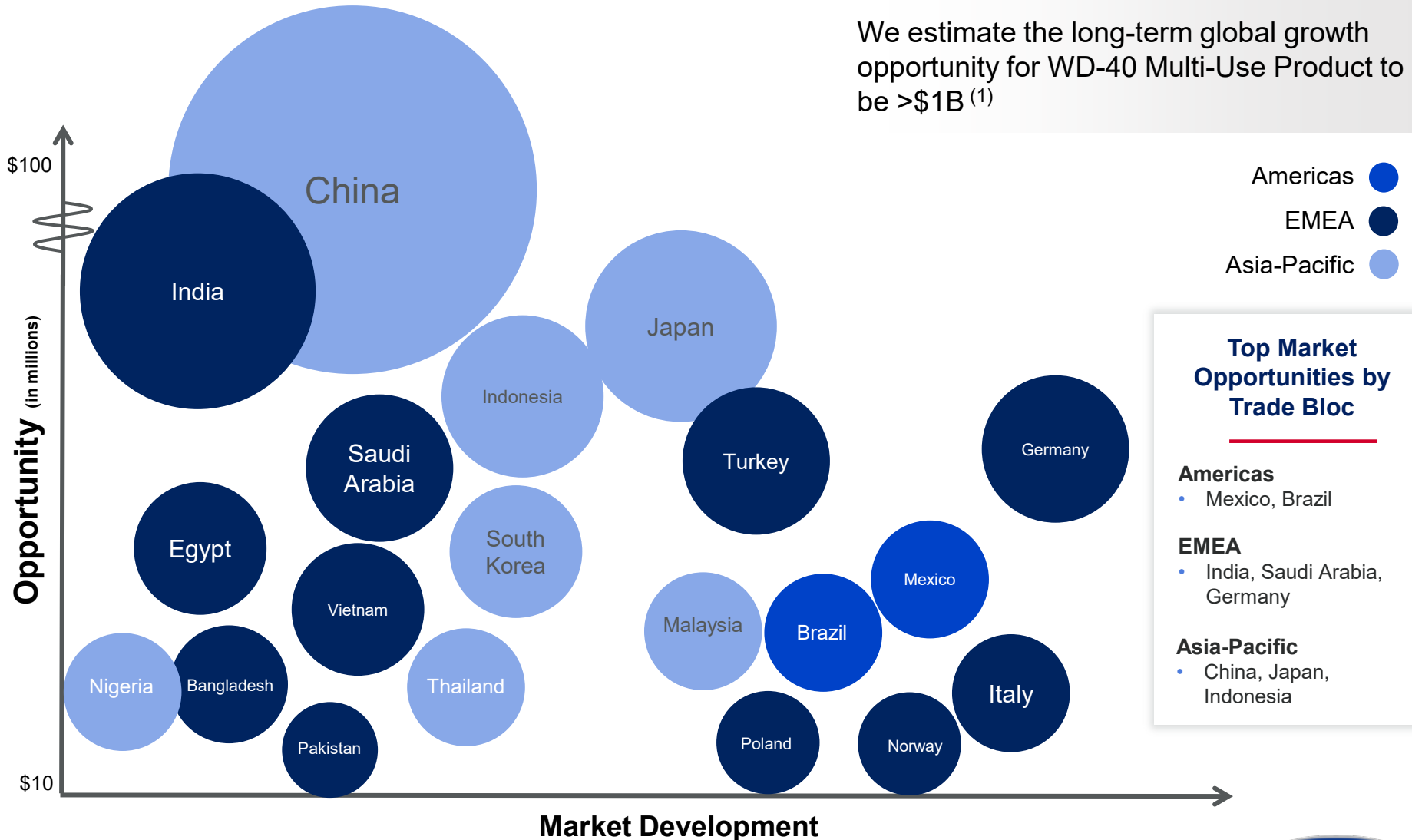
03 | **Achieve Operational Excellence in Supply Chain**

04 | **Drive Productivity via Enhanced Systems**

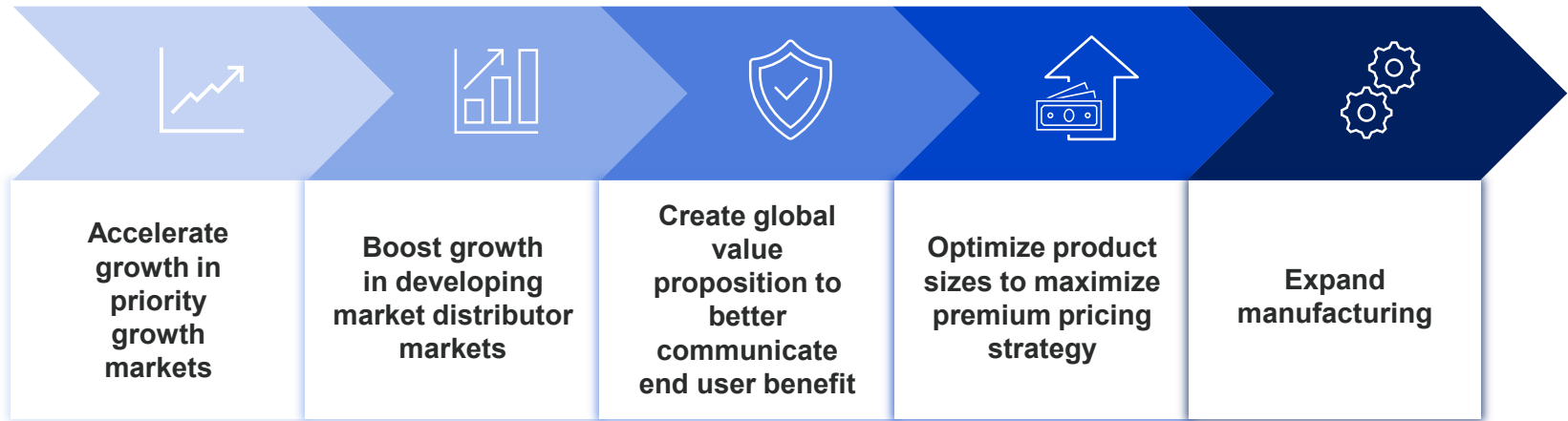


01 Lead Geographic Expansion | Utilize Proven Playbook to Extend Market Position Across Regions

We estimate the long-term global growth opportunity for WD-40 Multi-Use Product to be >\$1B ⁽¹⁾



02 Accelerate Premiumization | Improve End User Experience, Drive Sales Growth, and Expand Margins



Classic Can



Next Generation Smart Straw®



EZ-Reach® Flexible Straw

Premiumized Products 5-year Net Sales CAGR¹

7.3%

Targeting a compound annual growth rate for net sales of premiumized products of >10%

19 1) Premiumized products are defined as WD-40 Multi-Use Product products with Smart Straw, Next Generation Smart Straw, or EZ-REACH Flexible Straw delivery systems installed on them. Premiumized products 5-year CAGR calculated from FY18 baseline premiumized product sales of \$140M and FY23 premiumized product sales of \$200M. Premiumized product net sales in reported currency.



03 Drive WD-40 Specialist Growth | Attain Leading Global Position Among Multi-Purpose Maintenance Products

Category Leadership by Leveraging the Core through Range Extension

- WD-40 Specialist is geared towards one use rather than multi-use, and is incremental to revenue
- Allows for additional market share capture
- Modernizes and refreshes the brand

WD-40 Specialist
5-year Net Sales
CAGR¹

14.2%

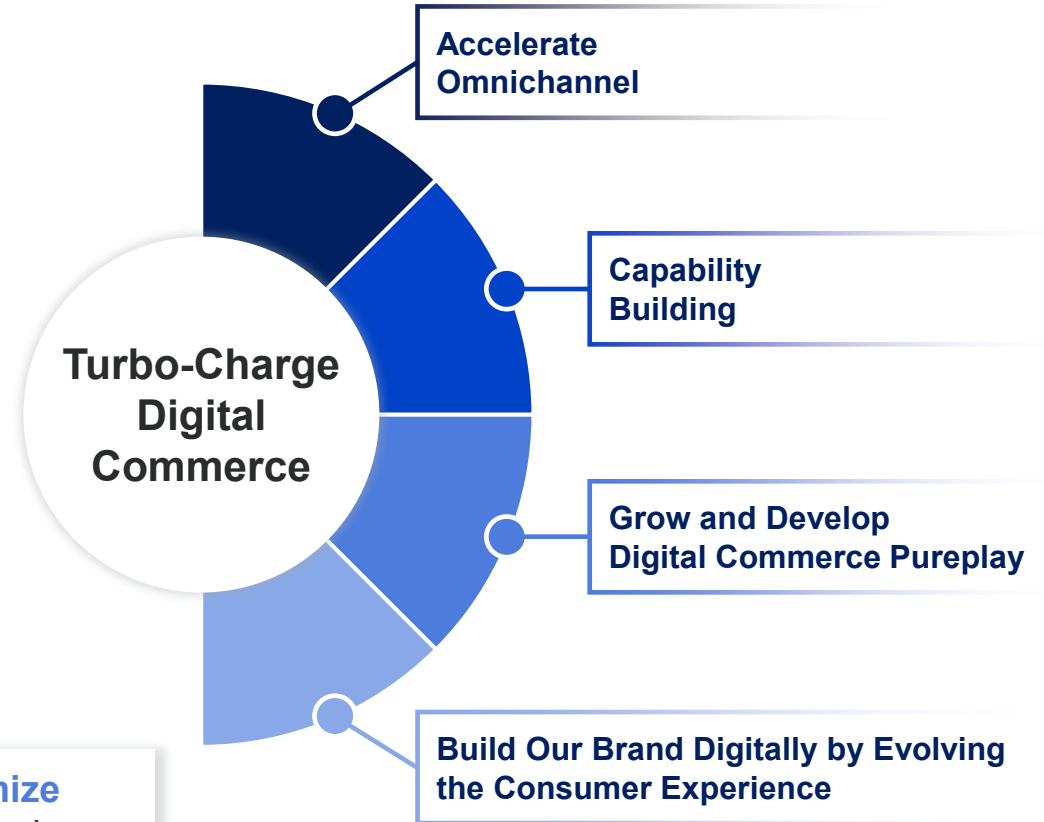


Targeting a compound annual growth rate for WD-40 Specialist of >15%

04 Turbo-Charge Digital Commerce | Leverage Digital as an Accelerant of All Must-Win Battles



Expand digital brand building and maximize global presence, effectively reaching, engaging, and converting existing and new end users at scale



Increase brand awareness and engagement online

Enabler #1 | Ensure a People-First Mindset

Attract, Develop, and Engage Outstanding Talent

KEY TARGETS



>90%

Employee
Engagement¹



>54%

Better Together
Score²



>89%

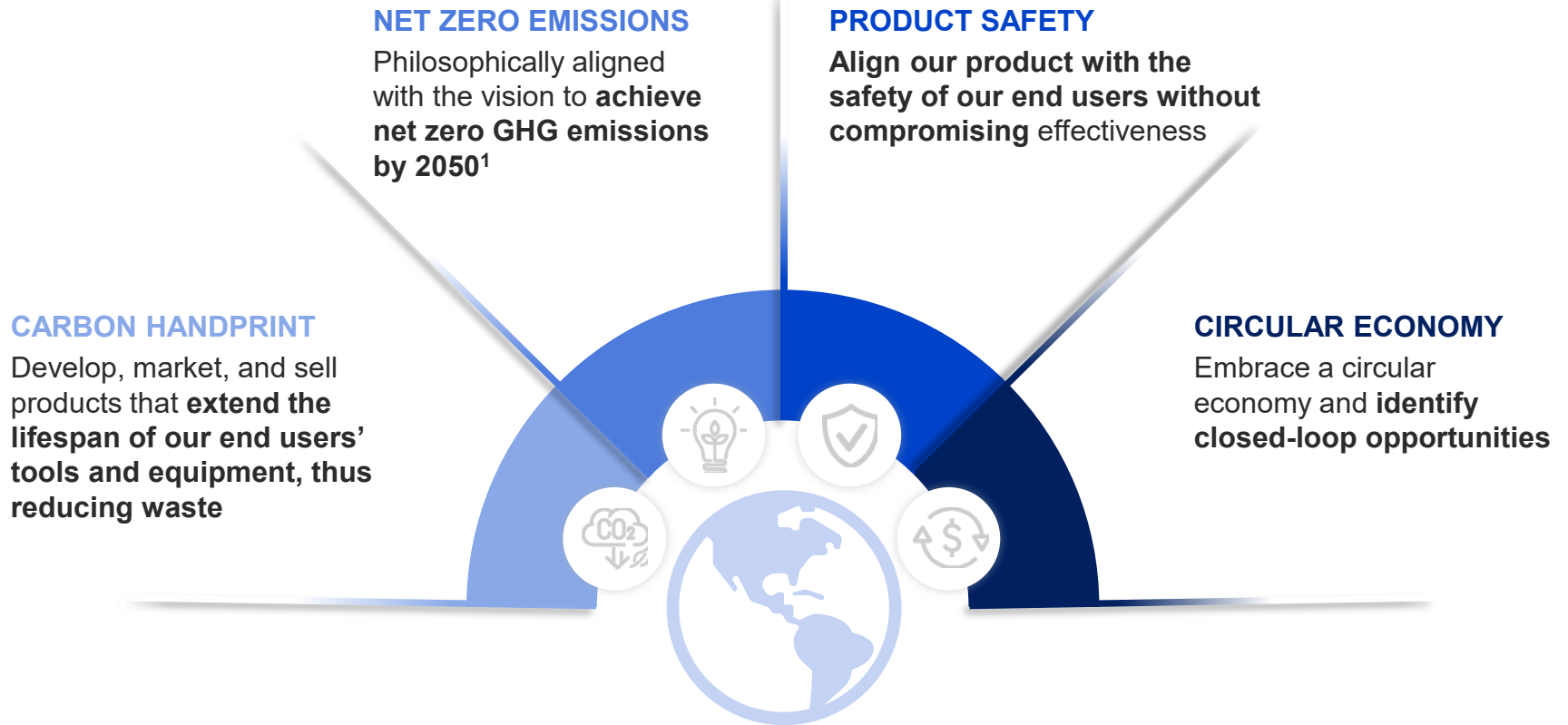
Employee
Retention Rate

By building and nurturing an **inclusive** and **diverse, purpose-driven, learning** and **teaching** organization, we will **succeed together** while **excelling as individuals**



Be an employer of choice where people feel purpose and belonging

Enabler #2 | Build a Sustainable Business for the Future



Be the leader in our category with high-performing, clean, and sustainable products

Enabler #3 | Achieve Operational Excellence in Supply Chain



BUILD BALANCED GLOBAL OUTSOURCED SUPPLY CHAIN

- Support volume growth plans with production capacity
- Foster culture of operational excellence in global Supply Chain

PROGRESS ESG IN THE GLOBAL SUPPLY CHAIN

- Standardize suite of sustainability and emissions measures
- Partner with suppliers on joint sustainability goals

INTEGRATED END-TO-END PLANNING

- Increase forecast accuracy through enhanced global processes
- Achieve on-time delivery of >95%
- Achieve inventory on hand of <90 days

GROW WITH COMMERCIAL INNOVATION

- Support customer experience in different segments through differentiated service offerings
- Agile capabilities in developing processes

People, capacity, and capabilities to drive sustainable profitable growth

Enabler #4 | Drive Productivity via Enhanced Systems

SYSTEMS

Drive global economies of scale within our overall infrastructure to ensure scalability of systems while also streamlining and simplifying our work



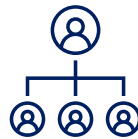
PROJECT MANAGEMENT

Partner with the business (by Trading Bloc) to identify process improvements and innovative approaches to realize efficiencies

**IDENTIFY AND
IMPLEMENT
IMPROVED
PERFORMANCE
SOLUTIONS**

STRUCTURE AND PEOPLE

Align our structure to best support our business goals and provide increased career opportunities for our 600+ employees



DATA AND ANALYTICS

Standardize, consolidate, and centralize our data to allow for consistent, accurate and easy accessibility

Boost efficiency through enhanced solutions, processes, and data



FY 2024 Guidance

Fiscal Year 2024 Guidance

Sales Growth (Constant Currency Basis)	Between 6% and 12%
Net Sales (Constant Currency Basis)	Between \$570 and \$600 million
Gross Margin	Between 51% and 53%
A&P Investment	Between 5% and 6% of net sales
Provision For Income Tax	Between 24% and 25%
Net Income	Between \$65 and \$70 million
Diluted EPS	Between \$4.78 and \$5.15 based on 13.6 million shares outstanding



Appendix

Sales Impact – Consolidated Net Sales Changes

Changes from Prior Year Fiscal Period

(\$ in millions)

Price, Volume and FX Impact	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
Increase in average selling price ⁽¹⁾	\$ 26.2	\$ 24.0	\$ 21.3	\$ 10.4	\$ 81.9
(Decrease) in sales volume ⁽¹⁾ – Russian markets	\$ (5.0)	\$ (3.3)	\$ -	\$ -	\$ (8.3)
(Decrease) increase in sales volume ⁽¹⁾ – All other markets	\$ (21.4)	\$ (15.0)	\$ 0.5	\$ (1.6)	\$ (37.5)
Currency impact on current period – non-GAAP	\$ (9.6)	\$ (5.5)	\$ (3.8)	\$ 1.2	\$ 17.7
(Decrease) increase in net sales	\$ (9.8)	\$ 0.2	\$ 18.0	\$ 10.0	\$ 18.4

Gross Margin Detail – Q4 FY23

Gross margin improved by 400 basis points over prior year primarily due to the following favorable impacts:

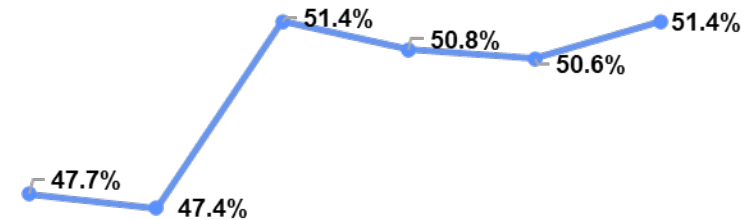
Gross Margin Drivers	Change vs. Prior Year (basis points)
As reported	
Price increases	+460
Warehousing, distribution, freight, misc. input costs	+70

These changes were significantly offset by the following unfavorable impacts:

Gross Margin Drivers	Change vs. Prior Year (basis points)
As reported	
Higher costs of aerosol cans	-80
Higher costs of specialty chemicals	-10
Higher filling fees	-50

Gross Margin vs. Prior Year	
Q4 FY23	Q4 FY22
51.4%	47.4%

Gross Margin Trend



Q3 FY22 Q4 FY22 Q1 FY23 Q2 FY23 Q3 FY23 Q4 FY23

Actions to improve gross margin:

- Premiumization
- Geographic expansion and market mix
- Product mix
- Cost optimization
- Tactical prices increases

Gross Margin Detail – FY23

Gross margin improved by 190 basis points over prior year primarily due to the following favorable impacts:

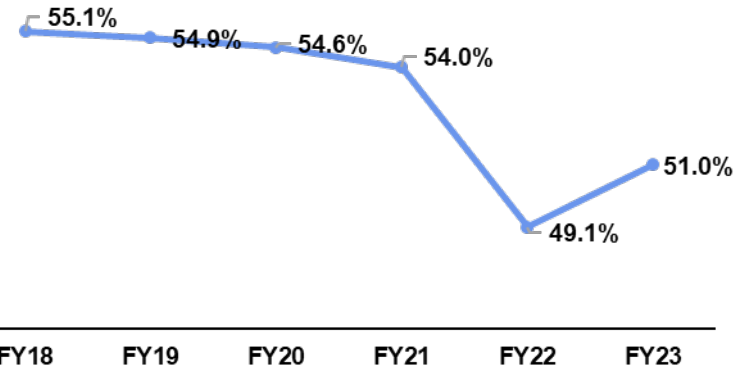
Gross Margin Drivers	Change vs. Prior Year (basis points)
As reported	
Price increases	+720
Changes in FX	+60

These changes were significantly offset by the following unfavorable impacts:

Gross Margin Drivers	Change vs. Prior Year (basis points)
As reported	
Higher costs of aerosol cans	-290
Higher costs of specialty chemicals	-260
Higher filling fees	-90

Gross Margin vs. Prior Year	
<u>FY23</u>	<u>FY22</u>
51.0%	49.1%

Gross Margin Trend



Actions to improve gross margin:

- Premiumization
- Geographic expansion and market mix
- Product mix
- Cost optimization
- Tactical prices increases

Foreign Currency Translation Impact or “Constant Currency” – Q4 FY23

(\$ in millions; except EPS, gross margin and % change)

Financial Results As reported	Q4 FY23	Q4 FY22	% Change
Net Sales	\$140.5	\$130.4	8%
Gross Margin	51.4%	47.4%	+400 bps
Operating Income	\$23.2	\$19.5	19%
Net Income	\$16.6	\$14.8	12%
EPS (Diluted)	\$1.21	\$1.08	12%

Financial Results Non-GAAP: constant currency	Q4 FY23 CC*	Q4 FY22	% Change
Net Sales	\$139.2	\$130.4	7%
Operating Income	\$22.8	\$19.5	17%
Net Income	\$16.3	\$14.8	10%
EPS (Diluted)	\$1.20	\$1.08	11%

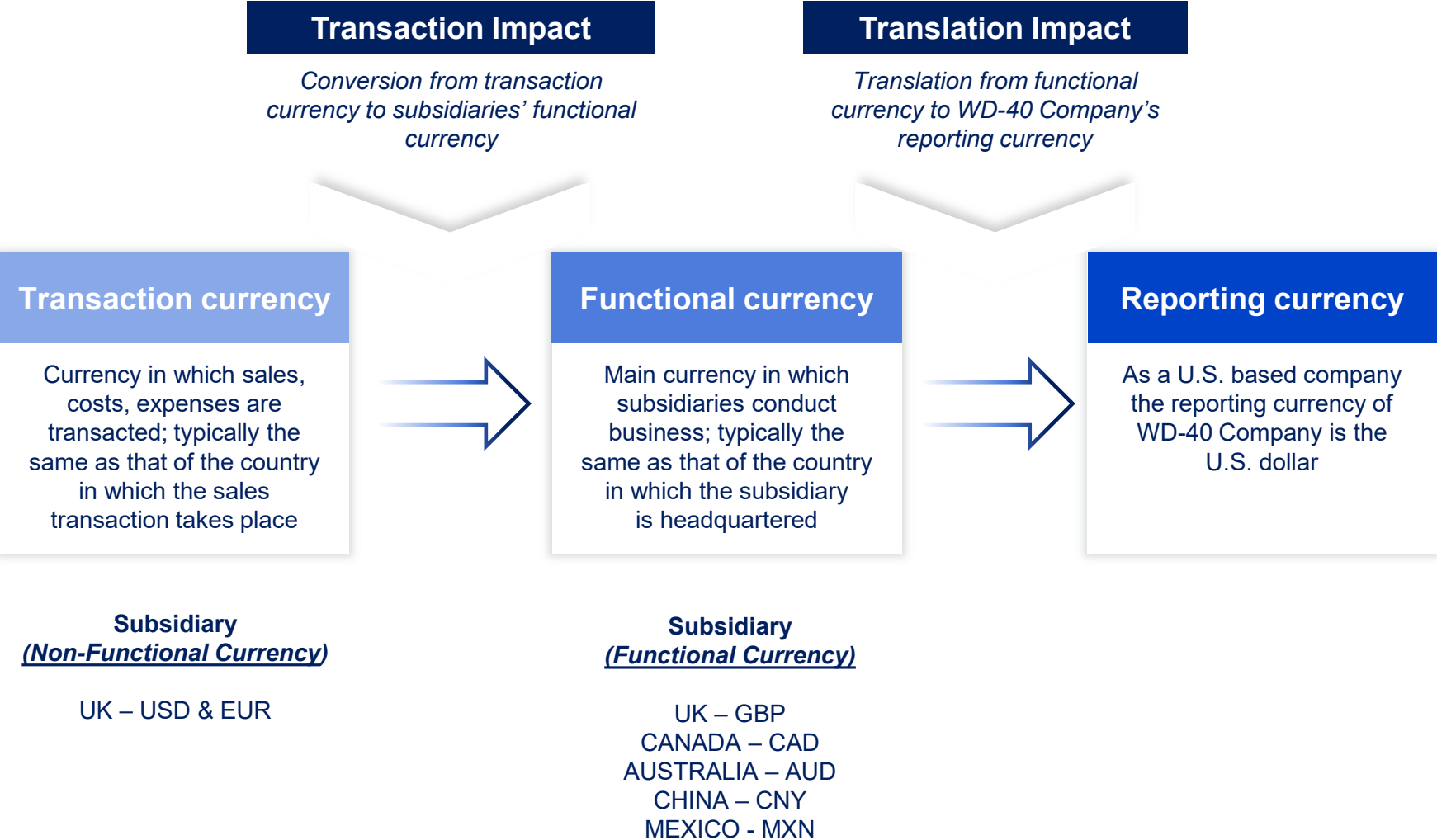
Foreign Currency Translation Impact or “Constant Currency” – FY23

(\$ in millions; except EPS, gross margin and % change)

Financial Results As reported	FY23	FY22	% Change
Net Sales	\$537.3	\$518.8	4%
Gross Margin	51.0%	49.1%	+190 bps
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Net Income	\$66.0	\$67.3	-2%
EPS (Diluted)	\$4.83	\$4.90	-1%

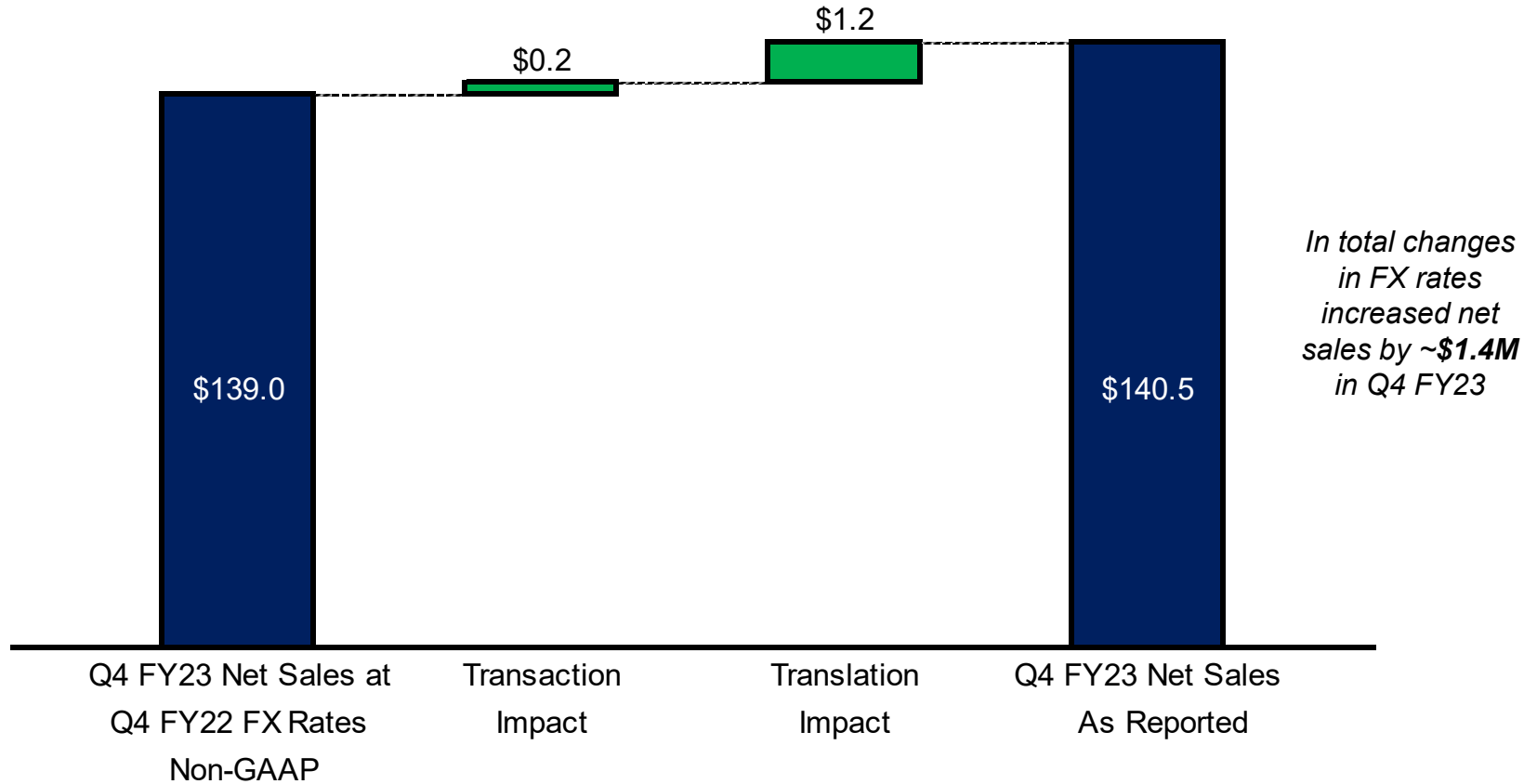
Financial Results Non-GAAP: constant currency	FY23 CC*	FY22	% Change
Net Sales	\$555.0	\$518.8	7%
Operating Income	\$93.0	\$87.3	7%
Net Income	\$68.4	\$67.3	2%
EPS (Diluted)	\$5.05	\$4.90	3%

Foreign Currency Impact

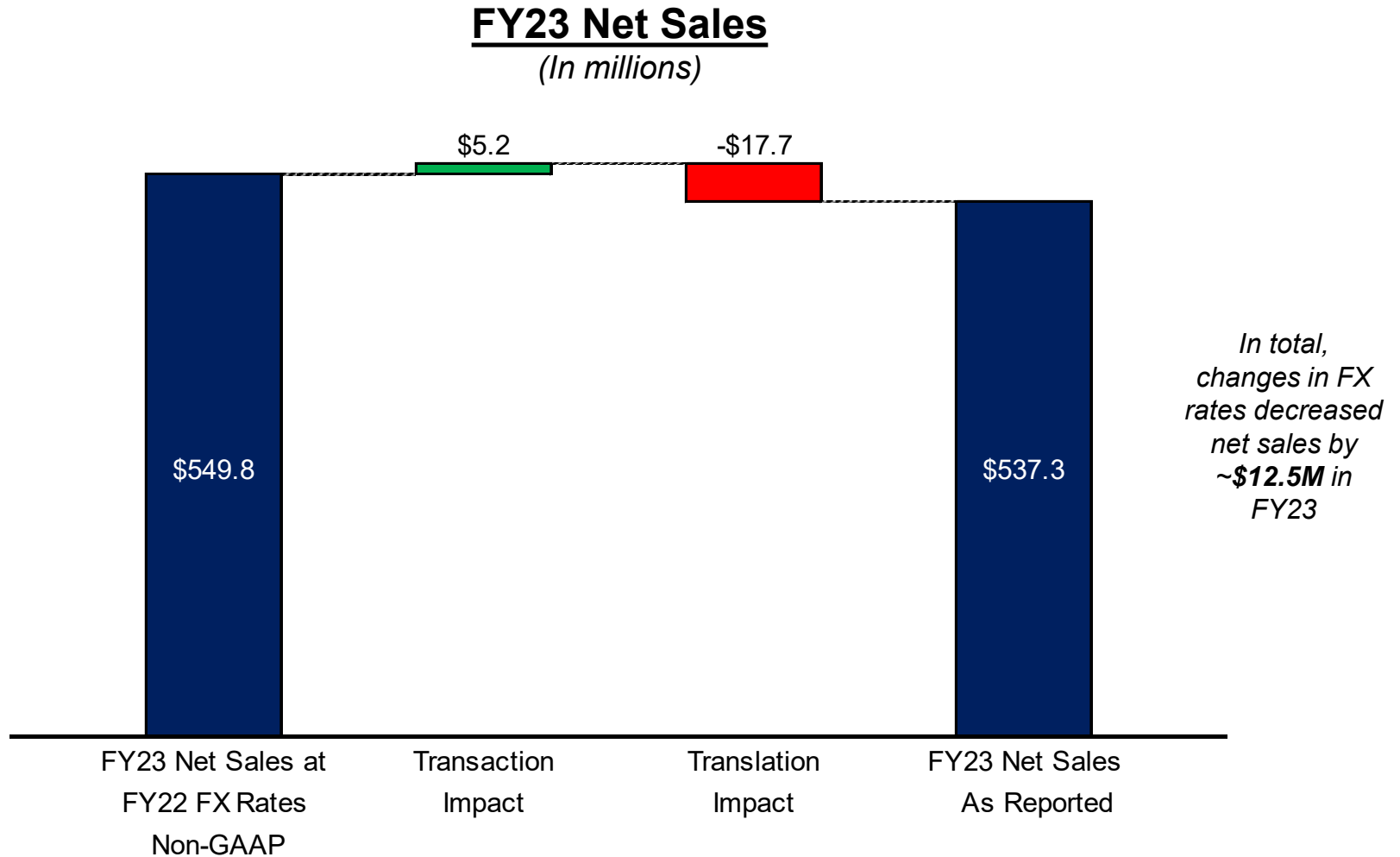


Additional Foreign Currency Exchange Impact – Q4 FY23

Q4 FY23 Net Sales (In millions)



Additional Foreign Currency Exchange Impact – FY23



Non-GAAP Reconciliation

This presentation contains certain non-GAAP (generally accepted accounting principles in the United States of America) measures, that our management believes provide our stockholders with additional insights into WD-40 Company's results of operations and how it runs its business. Our management uses these non-GAAP financial measures in order to establish financial goals and to gain an understanding of the comparative performance of the Company from year to year or quarter to quarter. The non-GAAP measures referenced in this presentation, which include EBITDA (earnings before interest, income taxes, depreciation and amortization), the cost of doing business (total operating expenses less amortization of definite-lived intangible assets, impairment charges related to intangible assets and depreciation in operating departments), and constant currency are supplemental in nature and should not be considered in isolation or as alternatives to net sales, net income, income from operations or other financial information prepared in accordance with GAAP as indicators of the Company's performance or operations. Reconciliations of these non-GAAP financial measures to the WD-40 Company financials as prepared under GAAP are as follows:

Cost of Doing Business:

	Three Months Ended August 31,	
	2023	2022
Total operating expenses – GAAP	\$ 48,890	\$ 42,249
Amortization of definite-lived intangible assets	(252)	(353)
Depreciation (in operating departments)	(1,096)	(1,051)
Cost of doing business – non-GAAP	<u>\$ 47,542</u>	<u>\$ 40,845</u>
Net sales	140,452	130,421
Cost of doing business as a percentage of net sales – non-GAAP	34 %	31 %

EBITDA:

	Three Months Ended August 31,	
	2023	2022
Net income – GAAP	\$ 16,575	\$ 14,786
Provision for income taxes	5,645	3,483
Interest income	(67)	(29)
Interest expense	1,346	840
Amortization of definite-lived intangible assets	252	353
Depreciation	1,960	1,801
EBITDA	<u>\$ 25,711</u>	<u>\$ 21,234</u>
Net sales	\$ 140,452	\$ 130,421
EBITDA as a percentage of net sales – non-GAAP	18 %	16 %

Non-GAAP Reconciliation

In order to show the impact of changes in foreign currency exchange rates on our results of operations, we have included constant currency disclosures, where necessary, in this presentation. Constant currency disclosures represent the translation of our current fiscal year revenues, expenses and net income from the functional currencies of our subsidiaries to U.S. Dollars using the exchange rates in effect for the corresponding period of the prior fiscal year. Results on a constant currency basis are not in accordance with accounting principles generally accepted in the United States of America ("non-GAAP") and should be considered in addition to, not as a substitute for, results prepared in accordance with U.S. GAAP. We use results on a constant currency basis as one of the measures to understand our operating results and evaluate our performance in comparison to prior periods in order to enhance the visibility of the underlying business trends, excluding the impact of translation arising from foreign currency exchange rate fluctuations. Management believes this non-GAAP financial measure provides investors with additional financial information that should be considered when assessing our underlying business performance and trends. However, reference to constant currency basis should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with U.S. GAAP.

U.S GAAP to Constant Currency (Non-GAAP) Reconciliation FY23 Weighted Average Foreign Exchange Rates Applied to Prior Year Net Sales

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
MP Net Sales - U.S. GAAP	\$258,096	\$278,763	\$286,480	\$320,884	\$337,825	\$333,305	\$339,974	\$342,296	\$372,391	\$386,643	\$369,444	\$448,817	\$485,326	\$503,558
Favorable (Unfavorable) Impact using FY23 Rates	\$(27,986)	\$(36,364)	\$(33,621)	\$(36,401)	\$(44,067)	\$(33,602)	\$(22,294)	\$(7,366)	\$(17,575)	\$(9,879)	\$(5,145)	\$(23,562)	\$(16,677)	\$ (0)
MP Net Sales - Non-GAAP (using FY23 rates) ¹	\$230,110	\$242,398	\$252,859	\$284,482	\$293,758	\$299,703	\$317,680	\$334,930	\$354,816	\$376,765	\$364,300	\$425,255	\$468,649	\$503,558

- 1) Changes in foreign currency exchange rates impact year-over-year changes in net sales. FY23 maintenance product ("MP") net sales presented as reported; all years prior to FY23 presented on a constant currency basis using weighted average FY23 foreign currency exchange rates to translate such prior years' local currency results. MP net sales on a constant currency basis is a financial measure calculated not in accordance with generally accepted accounting principles in the U. S. ("non-GAAP") and should be considered in addition to, not as a substitute for, results prepared in accordance with U.S. GAAP. We use results on a constant currency basis as one of the measures to understand our sales activity and operating results and evaluate our performance in comparison to prior periods to enhance the visibility of the underlying business trends, excluding the impact of translation from foreign currency exchange rate fluctuations. Reference to constant currency basis should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with U.S. GAAP.

WD-40

COMPANY

