Q3 FY22 EARNINGS RESULTS

July 7, 2022



FORWARD-LOOKING STATEMENTS

Historical financial and operating data in this presentation reflect the consolidated results of WD-40 Company, its subsidiaries and its legal entities. WD-40 Company markets maintenance products ("MP") under the WD-40®, 3-IN-ONE® and GT85® brand names. Currently included in the WD-40 brand are the WD-40 Multi-Use Product and the WD-40 Specialist® and WD-40 BIKE® product lines. WD-40 Company markets the following homecare and cleaning ("HCCP") brands: X-14® automatic toilet bowl cleaners, 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 meaning of the Private Securities Litigation Reform Act of 1995. 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 are generally identified with words such as "believe," "expect," "intend," "plan," "could," "may," "aim," "anticipate," "target," "estimate" and similar expressions.

Our forward-looking statements include, but are not limited to, discussions about future financial and operating results, including: 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; the length and severity of the current COVID-19 pandemic and its impact on the global economy and the Company's financial results; changes in the political conditions or relations between the United States and other nations; the impacts from inflationary trends and supply chain constraints; 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, 2021 which the Company filed with the SEC on October 22, 2021 and in the Company's Quarterly Report on Form 10-Q for the period ended May 31, 2022 which the Company expects to file with the Securities and Exchange Commission on July 7, 2022.

All forward-looking statements included in this presentation should be considered in the context of these risks. All forward-looking statements reflect the Company's expectations as of July 7, 2022, and the Company undertakes no obligation to update or revise any forward-looking 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.

STRATEGIC INITIATIVES

STRATEGIC INITIATIVES



1. Build a Business for the Future
Build an enduring business that we will be proud to pass onto the next generation. By using our purpose and values as a decision-making filter, we will make infinite-minded decisions that create and protect long-term stakeholder value.

Desired Outcome[1]

Fully integrate ESG factors into our business



2. Attract, Develop and Engage Outstanding Tribe Members
We know our people make us great. By building and nurturing an inclusive and diverse, purpose-driven, learning and teaching organization, our tribe members will succeed together while excelling as individuals.

Grow employee engagement to greater than 95 percent



3. Strive for Operational Excellence
Foster a culture of continuous improvement in which operational excellence is the responsibility of every tribe member. Operational excellence means optimizing collaboration, resources, systems and processes as well as prioritizing the use of our time, talent, treasure and technology.

Execute the 55/30/25 business model



4. Grow WD-40® Multi-Use Product
Grow the WD-40 Multi-Use Product line through continued geographic and digital expansion, increased market penetration, educating end-users about new uses, and the development of new and unique delivery systems that make the product easier to use.

Grow WD-40 Multi-Use Product to ~$525 million in net sales by 2025



5. Grow the WD-40 Specialist® Product Line
Leverage the WD-40® Brand by developing new products and categories which build and reinforce the core brand positioning and create growth through continued geographic and digital expansion.

Grow WD-40 Specialist to ~$125 million in net sales by 2025



6. Expand and Support Portfolio Opportunities that Help Us Grow
Expand 3-IN-ONE, GT85 or future maintenance brands with portfolio opportunities that fit well within our unique multi-channel distribution network. Support homecare and cleaning brands that provide healthy profit returns.

Grow to ~$50 million in net sales by 2025

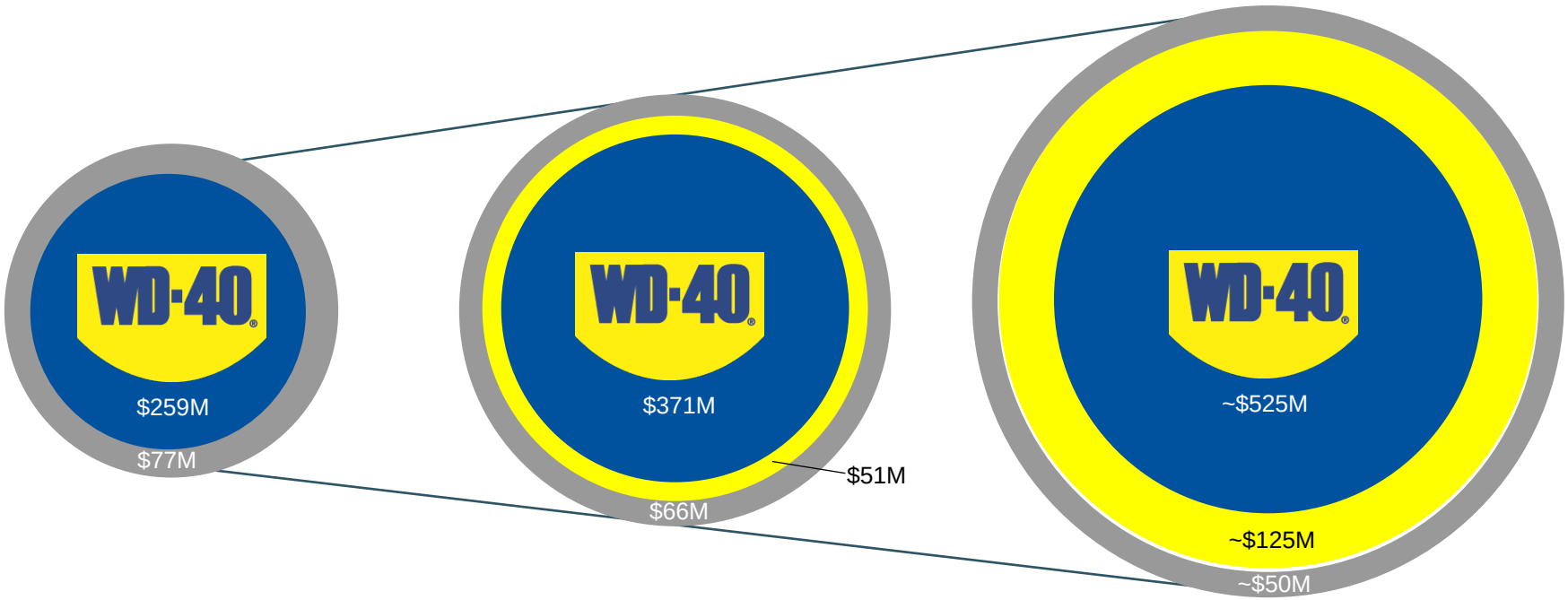
1) See note (1), page 14.

REVENUE GROWTH ASPIRATIONS

FY 2011
Reported Revenue
$336M

FY 2021
Reported Revenue
$488M

2025 Growth Aspirations
Anticipated Revenue Target
$650M – $700M(1)



Revenue Generated by WD-40 Multi-Use Product

Revenue Generated by WD-40 Specialist(2)

Revenue Generated by Strategic Initiative #6(3)

1) Our growth aspirations for revenue are based on the Company's current expectations, beliefs and forecasts to strive to meet the higher end of our anticipated 2025 revenue targets. They are expressed in good faith and are believed by the Company to have a reasonable basis, but there can be no assurance that they will be achieved or accomplished. Historical revenue numbers have not been adjusted for changes in foreign currency exchange rates.
2) WD-40 BIKE is included in the FY21 reported revenue and future revenue projections for WD-40 Specialist.
3) Strategic Initiative #6 includes WD-40 Company products under the following brands: 3-IN-ONE, GT85, no vac, Spot Shot, 1001, X-14, Carpet Fresh, 2000 Flushes, Lava and Solvol.

GROWTH AMBITION BY SEGMENT

Americas

44% of global sales*

Targeting a compound annual growth rate of **5-8%**

EMEA

43% of global sales*

Targeting a compound annual growth rate of **8-11%**

Asia-Pacific

13% of global sales*

Targeting a compound annual growth rate of **10-13%**

Total Company

Targeting a compound annual growth in the **mid-to-high single digits**

Primary Growth Drivers:

- Geographic expansion of WD-40 Multi-Use Product
- Premiumization through conversion to Smart Straw Next Generation and EZ-REACH
- Increased penetration of WD-40 Specialist
- Heightening focus on digital commerce

* Percentage of sales number for the year ended 8/31/21.

Q3 FY22 RESULTS

Q3 FY22 RESULTS

($ in millions; except EPS, gross profit and % change)	Q3 FY22	Q3 FY21	% Change
Net Sales	$123.7	$136.4	-9%
Gross Profit (%)	47.7%	53.1%	-540 bps
Operating Income	$19.0	$27.3	-31%
Net Income	$14.5	$21.0	-31%
EPS (Diluted)	$1.07	$1.52	-30%

- Overall, changes in foreign currency exchange rates had an unfavorable impact on net sales in Q3 FY22.
- When you take both translation (or “constant currency”) and transaction exposure into consideration, the impacts of foreign currency exchange rates decreased our total net sales by approximately $4.3 million in Q3 FY22.
- Net income and EPS were unfavorably impacted in Q3 FY22 primarily due to lower gross margin and higher operating expenses associated with the current inflationary environment.

FOREIGN CURRENCY IMPACT

Transaction Impact

Translation Impact

Transaction currency
Currency in which sales, costs, expenses are transacted; typically the same as that of the country in which the sales transaction takes place

Subsidiary
(Non-Functional Currency)

UK – USD & EUR

Conversion from transaction currency to subsidiaries' functional currency

Functional currency
Main currency in which subsidiaries conduct business; typically the same as that of the country in which the subsidiary is headquartered

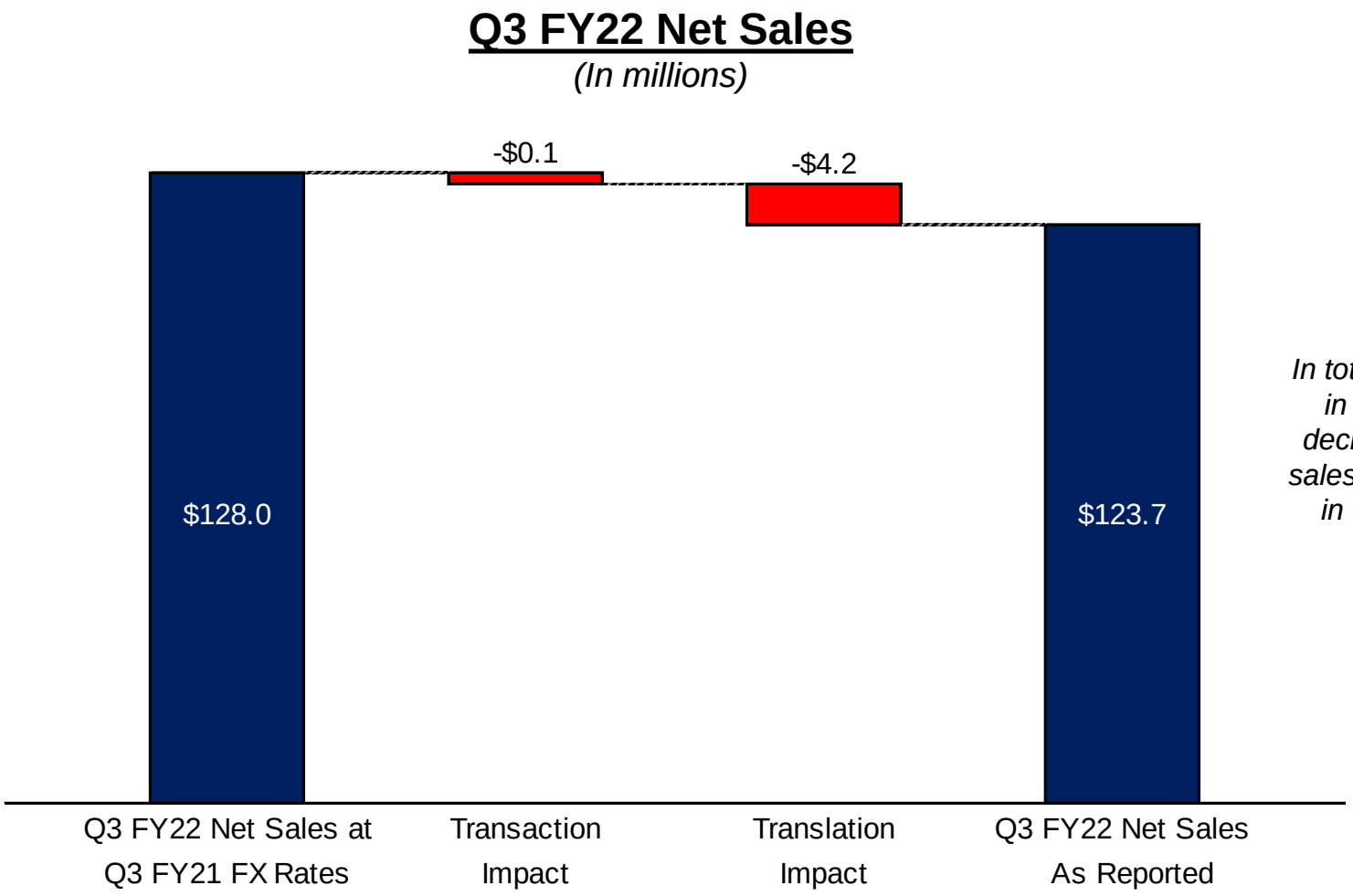
Subsidiary
(Functional Currency)

UK – GBP
CANADA – CAD
AUSTRALIA – AUD
CHINA – CNY
MEXICO - MXN

Translation from functional currency to WD-40 Company's reporting currency

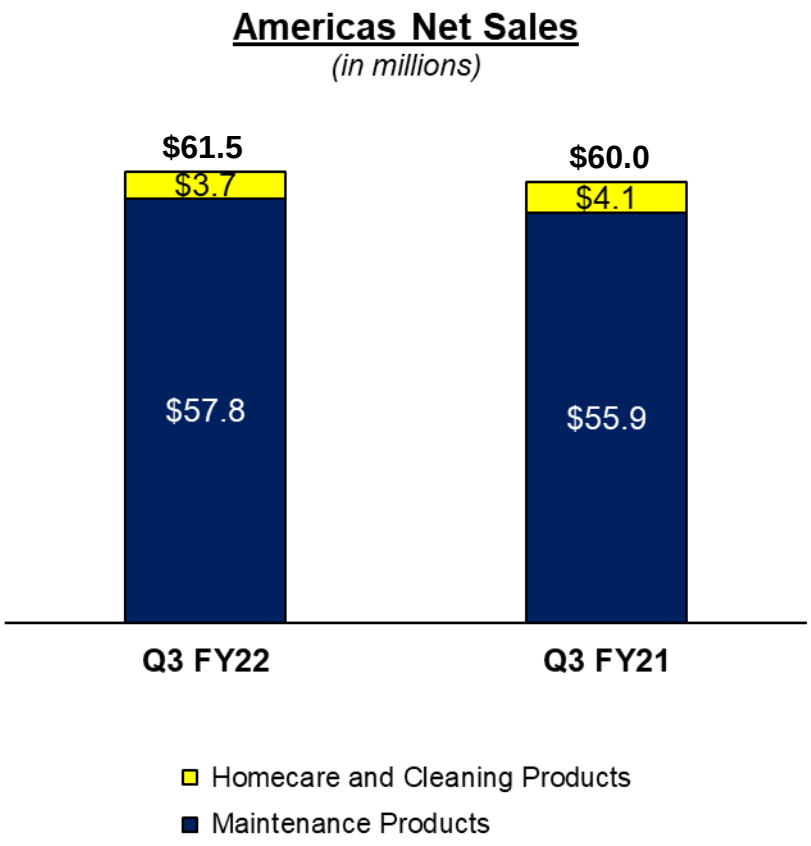
Reporting currency
As a U.S. based company the reporting currency of WD-40 Company is the U.S. dollar

Q3 FY22 FOREIGN CURRENCY EXCHANGE IMPACT



*In total changes in FX rates decreased net sales by ~**$4.3M** in Q3 FY22*

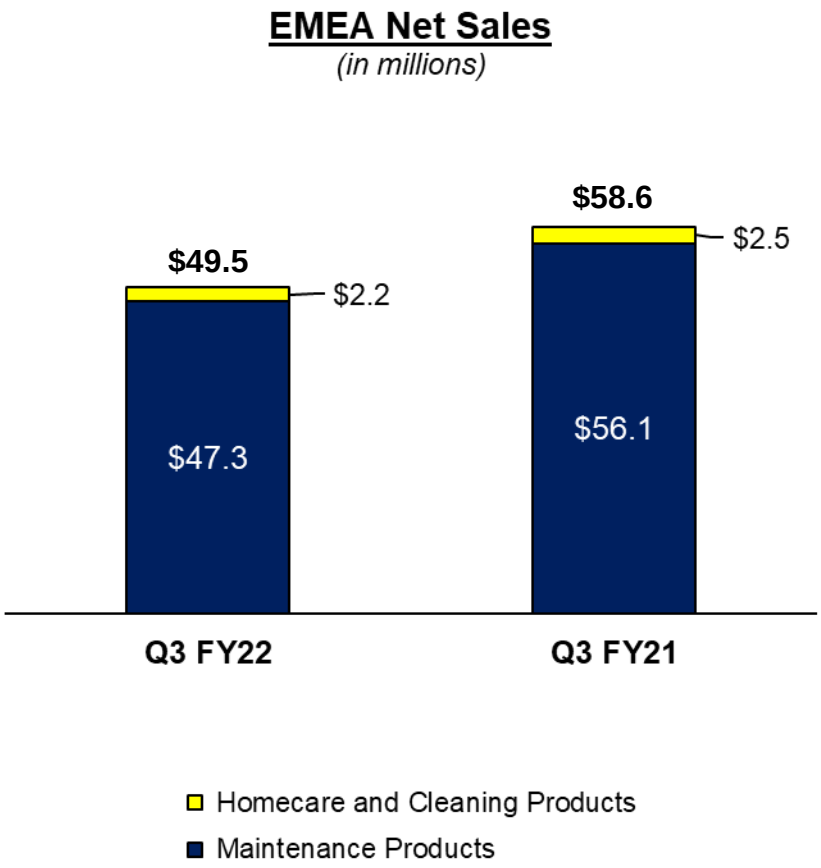
AMERICAS SEGMENT



Americas – Q3 FY22 vs. Q3 FY21

- Total reported segment sales ▲ 2%
  - Segment made up 50% of global sales
  - Maintenance product sales ▲ 3%
  - WD-40 Specialist sales ▲ 63%
  - HCCP sales ▼ 11%
- Maintenance Product (MP) sales:
  - U.S. MP sales flat
  - Latin America MP sales ▲ 10%
  - Canadian MP sales ▲ 23%

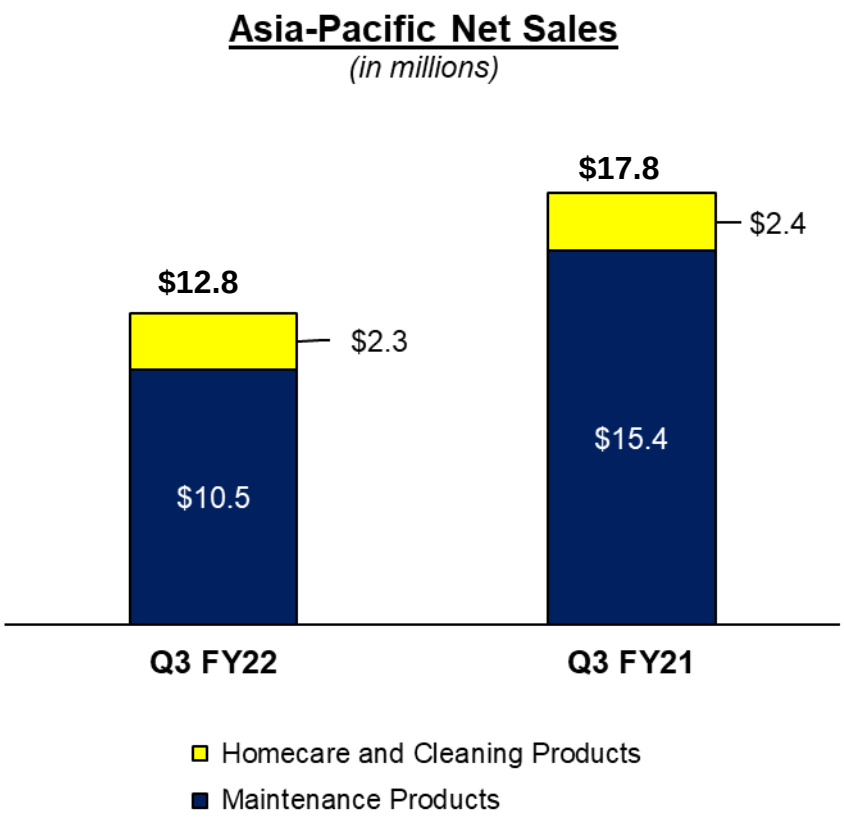
EMEA SEGMENT



EMEA – Q3 FY22 vs. Q3 FY21

- Total reported segment sales ▼ 16%
  - Segment made up 40% of global sales
  - Maintenance product sales ▼ 16%
  - WD-40 Specialist sales ▼ 13%
  - HCCP sales ▼ 14%
  - In constant currency (GBP) sales ▼ 9%
- EMEA direct market sales ▼ 13%
  - In transaction currency sales ▼ 5%
  - Decline due to decreased demand in certain regions of EMEA compared to record prior period
  - 71% of segment sales came from direct markets
- EMEA distributor market sales ▼ 21%
  - Suspension of sales in Russia resulted in 19% decline in EMEA distributer market sales
  - 29% of segment sales came from distributor markets

ASIA-PACIFIC SEGMENT



Asia-Pacific – Q3 FY22 vs. Q3 FY21

- Total reported Asia-Pacific sales ▼ 28%
  - Segment made up 10% of global sales
  - Maintenance product sales ▼ 32%
  - WD-40 Specialist sales ▼ 7%
  - HCCP sales ▼ 2%
- Australia sales ▲ 4%
  - In functional currency (AUD) sales ▲ 12%
- China sales ▼ 25%
  - Decline due to COVID-related lockdown measures
  - In functional currency (RMB) sales ▼ 25%
- Asia distributor market sales ▼ 56%
  - Decline due to our inability to ship product due to COVID-related lockdown measures

MUST-WIN BATTLES

OUR MUST-WIN BATTLES

Must-Win Battle #1

Geographic Expansion

Must-Win Battle #2

Premiumization

Must-Win Battle #3

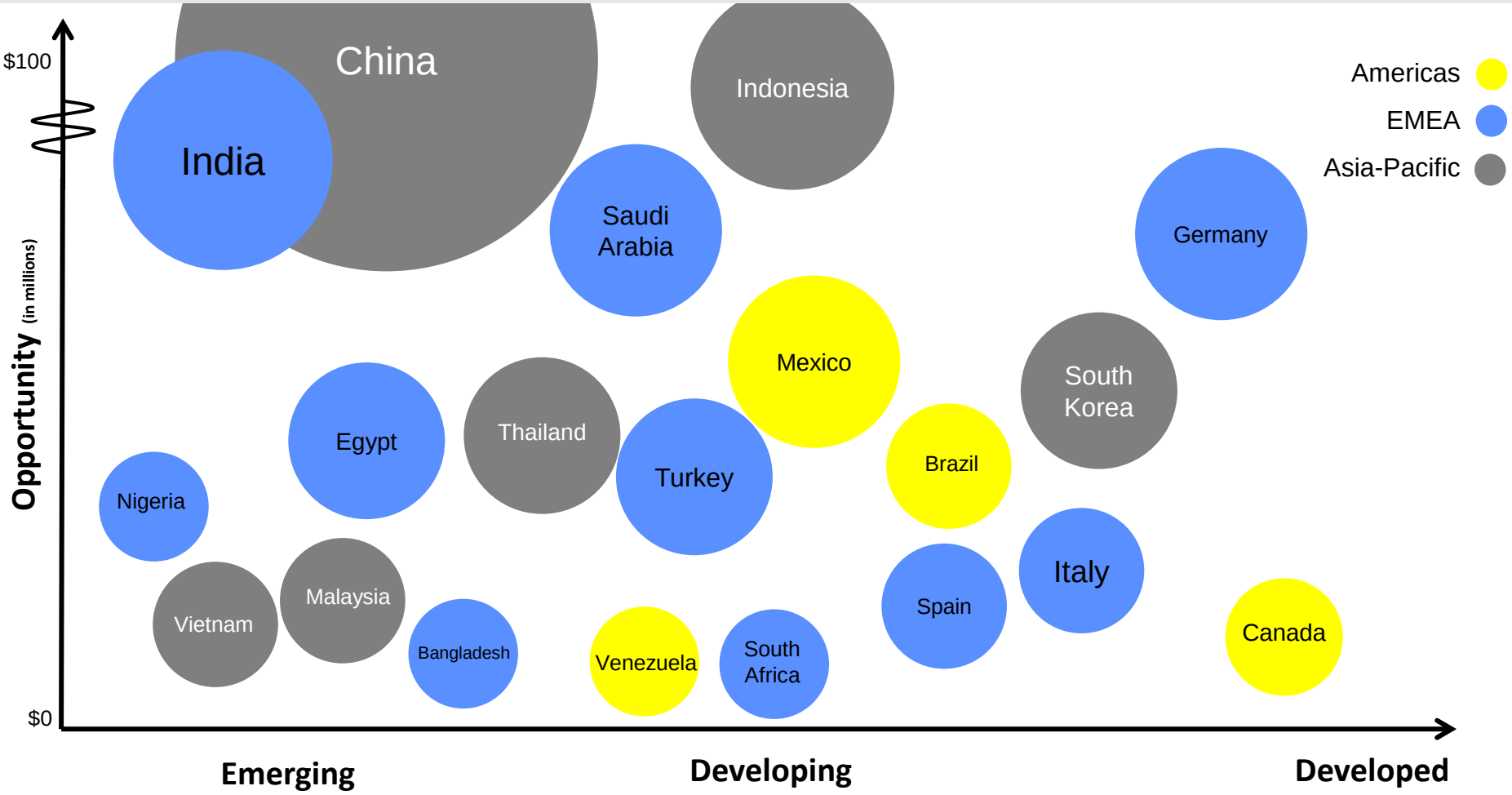
Drive WD-40 Specialist Growth

Must-Win Battle #4

Digital Commerce

MUST-WIN BATTLE #1 - GEOGRAPHIC EXPANSION

We estimate the potential global market opportunity for WD-40 Multi-Use Product to be ~$1.0B [1]



1) Based on Industrial Value Added (IVA) / Purchase Price Parity (PPP) third-party benchmarking. WD-40 Company's estimated IVA/PPP figure is calculated using country GDP (PPP) data, which is a country's GDP converted into 'international dollars' using the PPP index, then multiplied by the country's IVA (% GDP) figure.

MUST-WIN BATTLE #2 - PREMIUMIZATION



Classic Can



Smart Straw®



Next Generation Smart Straw®



EZ-Reach® Flexible Straw

- At the end of FY21, **sales of premiumized products represented 49%** WD-40 Multi-Use Product global sales
- Our objective is to **grow Smart Straw penetration to >60%** of WD-40 Multi-Use Product global sales

Premiumization of the blue and yellow can with the little red top creates opportunities for revenue growth and gross margin expansion

MUST-WIN BATTLE #3 – WD-40 SPECIALIST



Our new WD-40 Specialist packaging creates a stronger brand presence for both WD-40 Multi-Use Product and WD-40 Specialist, aligning them as the blue and yellow **brand** with the little red top

MUST-WIN BATTLE #4 – DIGITAL COMMERCE

Our global digital ambition is to engage with end-users at scale, becoming the global leader in our category on the digital platforms they use, making it easy to access, learn about, and purchase our brands online.

Creating positive lasting memories….ONLINE

55/30/25 BUSINESS MODEL

Q3 FY22 GROSS MARGIN

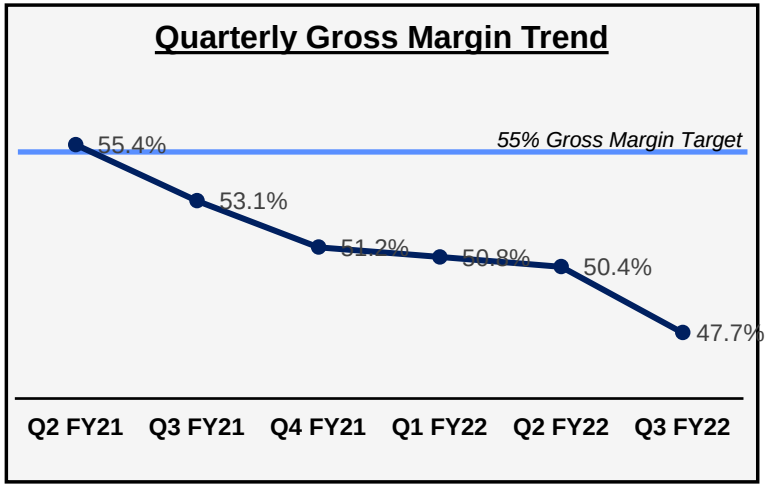
Gross margin decreased by 540 basis points primarily due to the following unfavorable impacts:

Gross Margin Drivers	Change vs. Prior Year (basis points)
Higher specialty chemical costs	400 bps
Higher costs of aerosol cans	220 bps
Higher warehousing, distribution and freight	150 bps
Higher filling fees	130 bps
Higher misc. costs	90 bps

These changes were partially offset by the following favorable impacts:

Gross Margin Drivers	Change vs. Prior Year (basis points)
Price Increases	490 bps

Gross Margin vs. Prior Year	
Q3 FY22	**Q3 FY21**
47.7%	53.1%

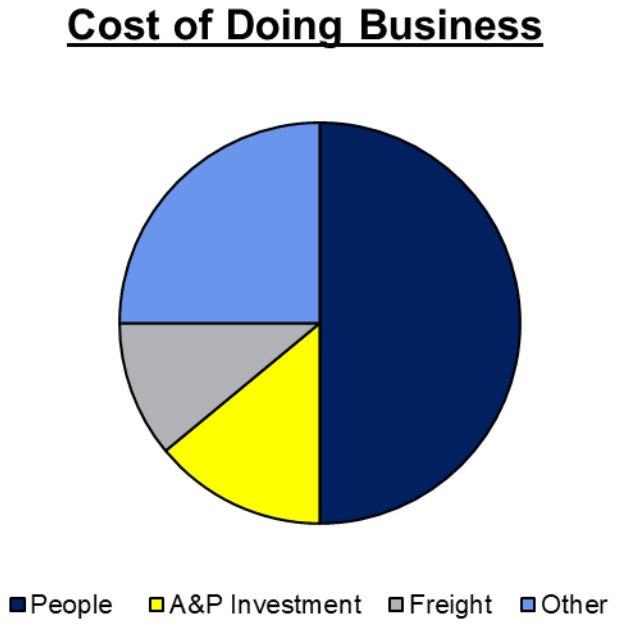


Actions we are taking to improve gross margin:

- Price increases across all markets and geographies (tactical)
- Geographic expansion (strategic)
- Premiumization (strategic)
- Product mix (strategic)

COST OF DOING BUSINESS

- Q3 FY22 cost of doing business was 31%, down from 32% compared to Q3 FY21
- Cost of doing business comes from three primary areas:
  - People costs, including earned incentive accruals
  - Marketing, advertising and promotion
  - Freight costs to get products to customers
- Investments in digital commerce, research and development, brand awareness, innovation, intellectual property protection, information systems, and regulatory and quality assurance remain a high priority.



Revenue growth is the most important factor in achieving the "30" target

55/30/25 RESULTS

55/30/25 Business Model	Target	Q3 FY22 Actuals	Q3 FY21 Actuals	Q3 FY20 Actuals
Gross Margin	55%	48%	53%	54%
Cost of Doing Business	30%	31%	32%	32%
EBITDA	25%	17%	21%	22%

* See appendix for descriptions and reconciliations of these non-GAAP measures.
Note: Percentages may not aggregate to EBITDA percentage due to rounding and because amounts recorded in other income (expense), net on the Company's consolidated statement of operations are not included as an adjustment to earnings in the Company's EBITDA calculation.

GUIDANCE

UPDATED FISCAL YEAR 2022 GUIDANCE

Sales Growth	Between 6% and 9%
Net Sales	Between $519 and $532 million
Gross Margin	Around 50%
A&P Investment	Between 5.0% and 5.5% of net sales
Provision for Income Tax	Between 20% and 21%
Net Income	Between $69.0 and $70.1 million
Diluted EPS	Between $5.02 and $5.10 based on 13.7 million shares outstanding

Changes to guidance indicated in BLUE.

As of 7/7/22. This guidance is expressed in good faith and is based on management's current view of anticipated results. This guidance does not include any future acquisitions or divestitures or the impact of fluctuating foreign currency exchange rates. Unanticipated inflationary headwinds, COVID-19 related lockdowns in China, and other unforeseen events may further impact the Company's financial results.

APPENDIX

FOREIGN CURRENCY TRANSLATION IMPACT OR "CONSTANT CURRENCY"

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

Financial Results **As reported**	**Q3 FY22**	**Q3 FY21**	**% Change**
Net Sales	$123.7	$136.4	-9%
Gross Profit (%)	47.7%	53.1%	-540 bps
Operating Income	$19.0	$27.3	-31%
Net Income	$14.5	$21.0	-31%
EPS (Diluted)	$1.07	$1.52	-30%

Financial Results **Constant currency basis**	**Q3 FY22 CC***	**Q3 FY21**	**% Change**
Net Sales	$127.8	$136.4	-6%
Operating Income	$19.7	$27.3	-28%
Net Income	$15.1	$21.0	-28%
EPS (Diluted)	$1.10	$1.52	-28%

*FY22 results translated at FY21 foreign currency exchange rates.

NON-GAAP RECONCILIATION

(1) This presentation contains certain non-GAAP (accounting principles generally accepted 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) and the cost of doing business, are supplemental in nature and should not be considered in isolation or as alternatives to 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:

	Three Months Ended May 31,	
	2022	2021
Total operating expenses - GAAP	$ 40,001	$ 45,137
Amortization of definite-lived intangible assets	(358)	(364)
Depreciation (in operating departments)	(1,108)	(1,098)
Cost of doing business	$ 38,535	$ 43,675
Net sales	$ 123,667	$ 136,405
Cost of doing business as a percentage of net sales - non-GAAP	31%	32%

EBITDA:

	Three Months Ended May 31,	
	2022	2021
Net income - GAAP	$ 14,480	$ 21,006
Provision for income taxes	3,820	5,904
Interest income	(27)	(21)
Interest expense	669	615
Amortization of definite-lived intangible assets	358	364
Depreciation	1,700	1,444
EBITDA	$ 21,000	$ 29,312
Net sales	$ 123,667	$ 136,405
EBITDA as a percentage of net sales - non-GAAP	17%	21%

Note: Percentages may not aggregate to EBITDA percentage due to rounding and because amounts recorded in other income (expense), net on the Company's consolidated statement of operations are not included as an adjustment to earnings in the Company's EBITDA calculation.


WD-40
COMPANY