# Q3 FY24
# Earnings Results

JULY 10, 2024



# 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; expected benefits from the acquisition transaction; acquired business not performing as expected; assuming unexpected risks, liabilities and obligations of the acquired business; disruption to the parties' business as a result of the announcement and acquisition transaction; integration of acquired business and operations into the company; 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 materially differ 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, 2023 which the Company filed with the SEC on October 23, 2023, and in the Company's Quarterly Report on Form 10-Q for the period ended May 31, 2024, which the Company expects to file with the SEC on July 10, 2024.

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 July 10, 2024, 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.

Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.



# Q3 FY24 Results

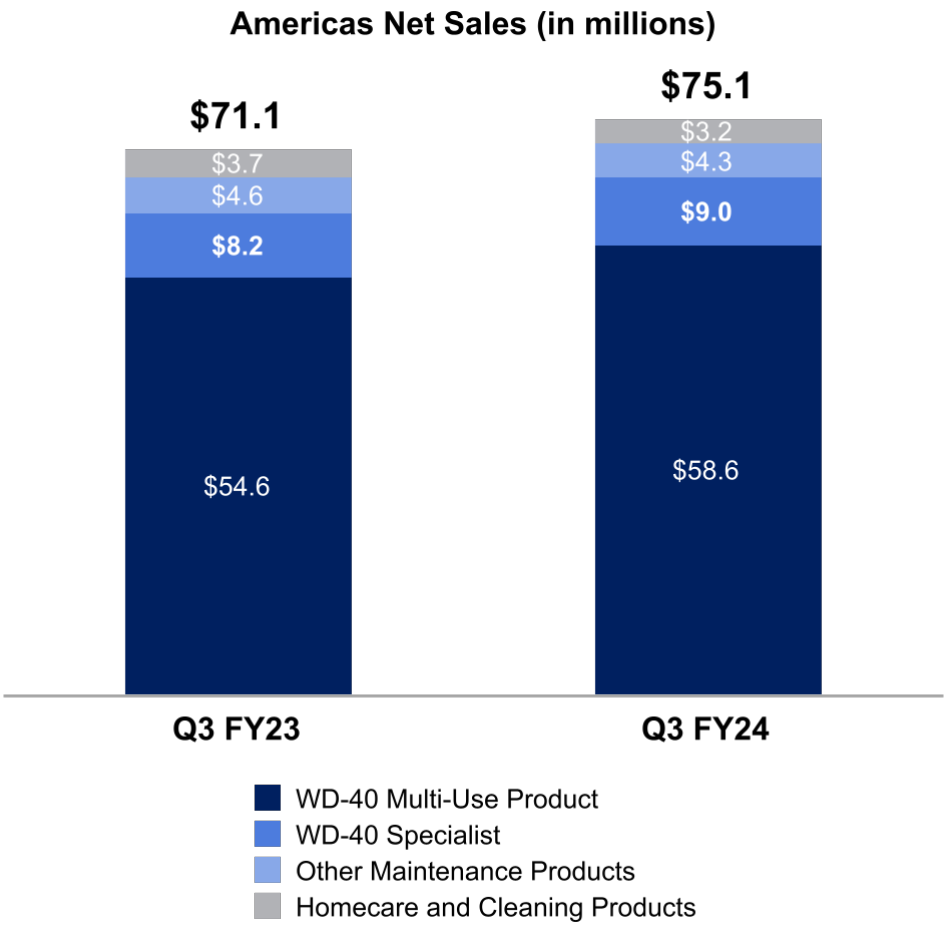
# Q3 FY24 Results

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

| Financial Results<br>As reported | Q3 FY24 | Q3 FY23 | % Change |
|---|---|---|---|
| Net Sales | $155.0 | $141.7 | 9% |
| Gross Margin | 53.1% | 50.6% | +250 bps |
| Operating Income | $27.2 | $25.7 | 6% |
| Net Income | $19.8 | $18.9 | 5% |
| EPS (Diluted) | $1.46 | $1.38 | 6% |

- Non-GAAP constant currency net sales of $153.5 million, an increase of 8% over prior year
- Currency impact driven primarily by EIMEA segment, which makes up 38% of Q3 FY24 global net sales

# Americas Segment



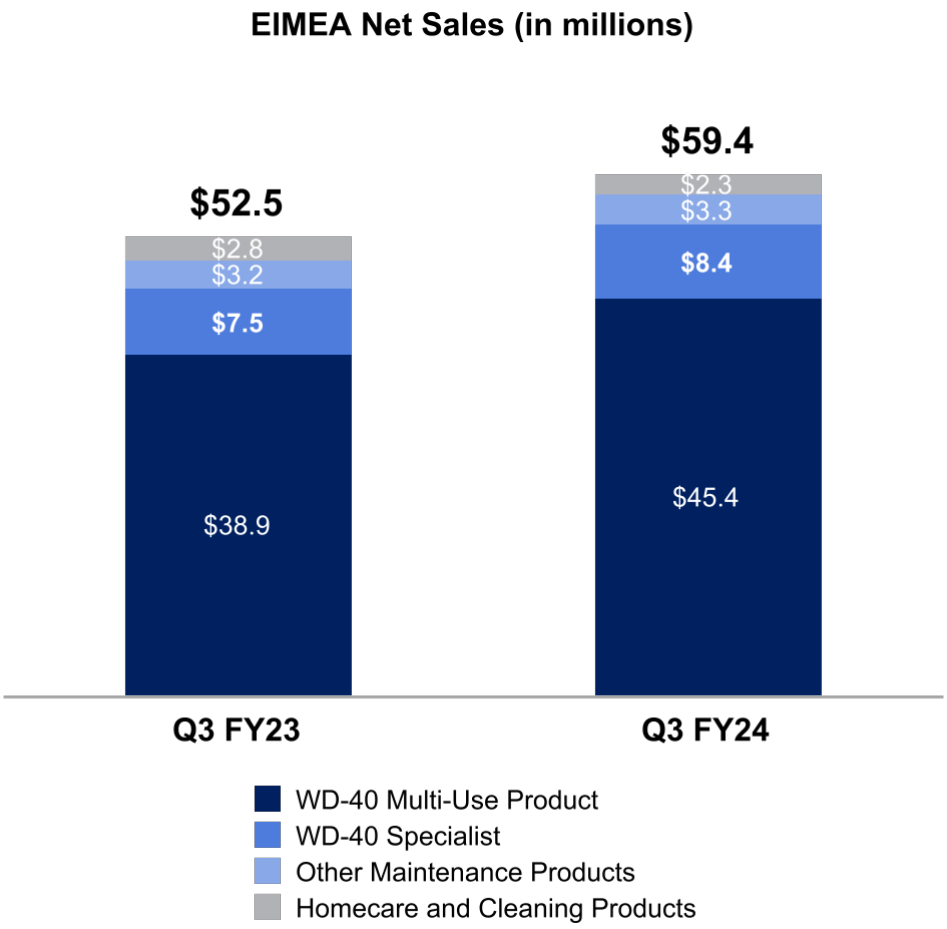

## Americas – Q3 FY23 vs. Q3 FY24

- Total reported segment sales ▲ 6%
  - Segment = 49% of global net sales
  - WD-40® Multi-Use Product sales ▲ 7%
  - WD-40 Specialist® sales ▲ 10%
  - In constant currency sales ▲ 5%
- Maintenance product (MP) sales:
  - U.S. MP sales ▼ 1%
  - Latin America MP sales ▲ 47%
  - Canadian MP sales ▼ 9%
- Gross margin 50.6% ▲ 240 bps



1. Americas segment includes the United States, Latin America and Canada.
2. Net sales total may not aggregate due to rounding.

# EIMEA Segment



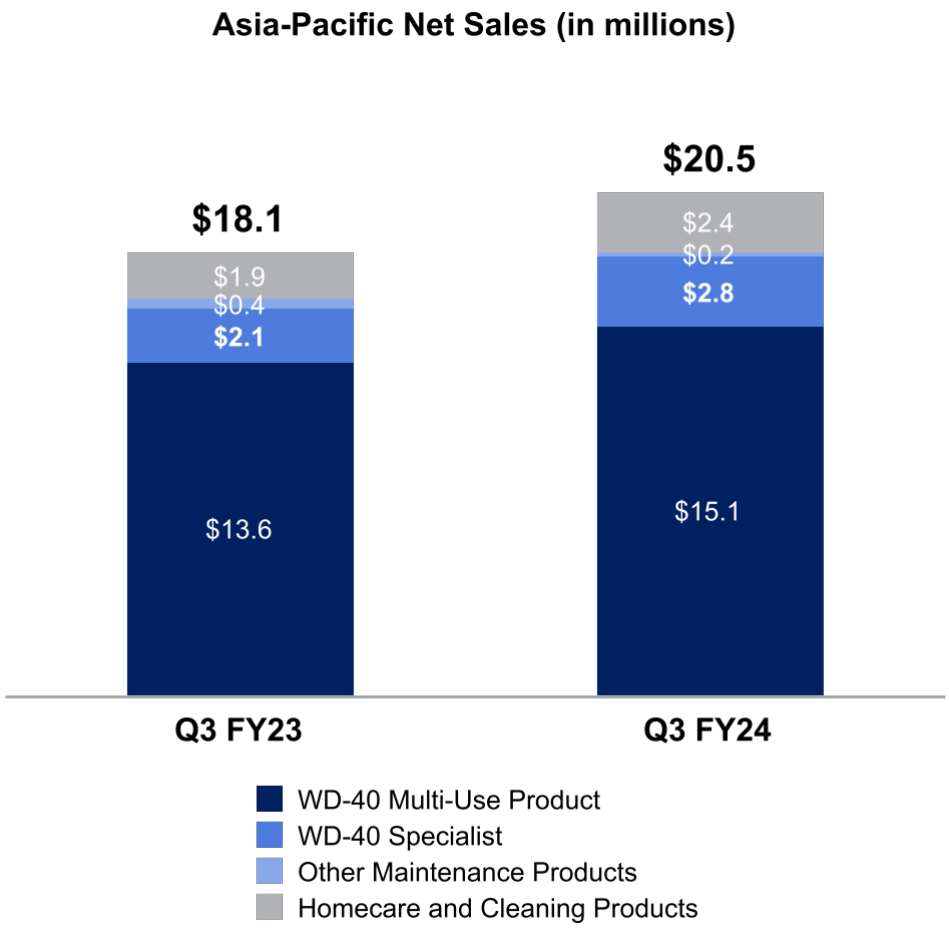

## EIMEA – Q3 FY23 vs. Q3 FY24

- Total reported segment sales ▲ 13%
  - Segment = 38% of global net sales
  - WD-40® Multi-Use Product sales ▲ 17%
  - WD-40 Specialist® sales ▲ 11%
  - In constant currency sales ▲ 10%
- Maintenance product (MP) sales:
  - EIMEA MP sales ▲ 15%
- Gross margin 54.8% ▲ 280 bps



1. EIMEA segment includes Europe, India, the Middle East, and Africa.
2. Net sales total may not aggregate due to rounding.

# Asia-Pacific Segment




## Asia-Pacific – Q3 FY23 vs. Q3 FY24

- Total reported Asia-Pacific sales ▲ 14%
  - Segment = 13% of global net sales
  - WD-40® Multi-Use Product sales ▲ 11%
  - WD-40 Specialist® sales ▲ 30%
  - In constant currency sales ▲ 16%
- Maintenance product (MP) sales:
  - Australia MP sales ▲ 2%
  - China MP sales ▲ 29%
  - Asia distributor market MP sales ▲ 7%
- Gross margin 57.6% ▲ 130 bps



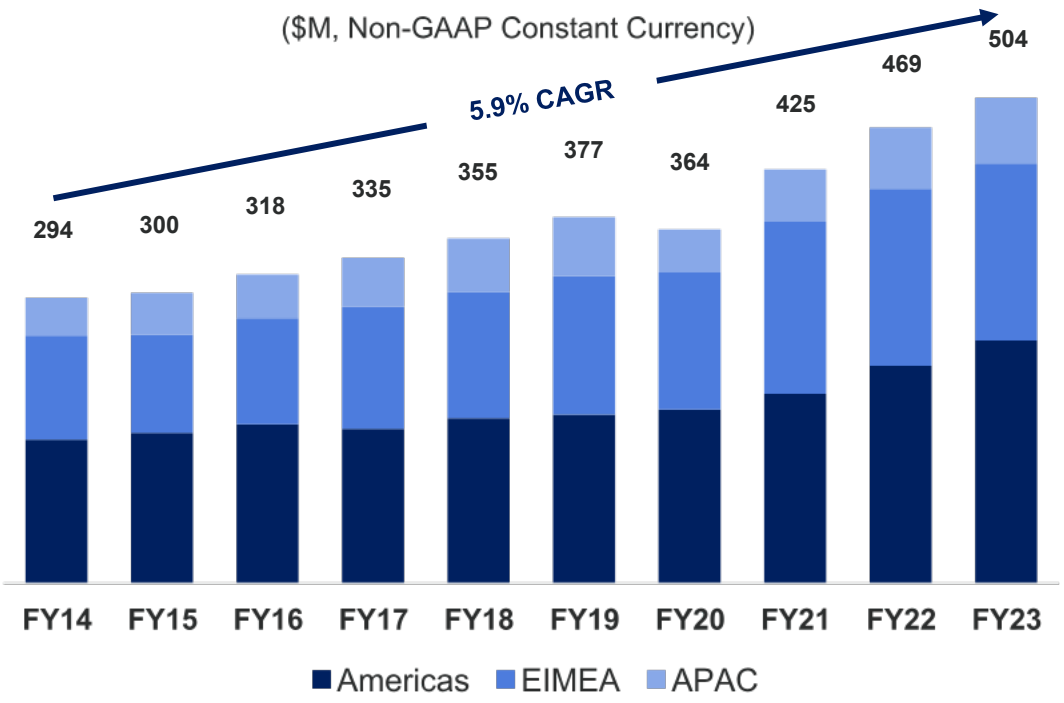
1. Asia-Pacific segment includes Australia, China and Asia distributors.
2. Net sales total may not aggregate due to rounding.




# Growth Aspirations

# Strong Historical Growth with Clear Runway Ahead

## Maintenance Product Net Sales[1]




## Maintenance Products 10-year Sales CAGR

**6.0%**
EIMEA

**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 | EIMEA | APAC | Total Company |
|---|---|---|---|
| **50%** of global net sales* | **36%** of global net sales* | **14%** of global net sales* | CAGR Target **mid-to-high single digits** |
| CAGR Target **5-8%** | CAGR Target **8-11%** | CAGR Target **10-13%** | |

* Percentage of net sales for FY23, which ended August 31, 2023. See appendix for descriptions and reconciliations of this non-GAAP measure.
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 Four-by-Four Strategic Framework

## Four Must-Win Battles

| 01 | 02 | 03 | 04 |
|---|---|---|---|
| Lead Geographic Expansion | Accelerate Premiumization | Drive WD-40 Specialist Growth | 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



# Must-Win Battles – Year-to-Date

## Must-Win Battles YTD Results

### 01 Lead Geographic Expansion

- WD-40 Multi-Use Product ▲ 11%
  - Americas ▲ 7%
  - EIMEA ▲ 18%
  - APAC ▲ 5%

### 02 Accelerate Premiumization

- WD-40 Smart Straw and EZ Reach products ▲ 14%

### 03 Drive WD-40 Specialist Growth

- WD-40 Specialist ▲ 11%
  - Americas ▲ 6%
  - EIMEA ▲ 15%
  - APAC ▲ 15%

### 04 Turbo-Charge Digital Commerce

- E-commerce sales ▲ 18%

## Must-Win Battles Long-term Targets

***Estimated long-term growth opportunity >$1B[(1)]***

***Targeting CAGR of >10%***

***Targeting CAGR of >15%***

***Increase brand awareness and engagement online***

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.




# Business Model

# Our Business Model Enables Long-term Value Creation

| | |
|---|---|
| GDP+ | Generate Mid-to-High-Single Digit Revenue Growth |
| 50→55% | Achieve Gross Margin Target |
| 35→30% | Manage Cost Of Doing Business |
| 20→25% | Drive Adjusted EBITDA Margin |
| Low Capital Requirements | Invest in Brands and People |



**ROIC 25%+**

**Annual dividends** targeted at >50% of earnings



See appendix for descriptions and reconciliations of these non-GAAP measures.

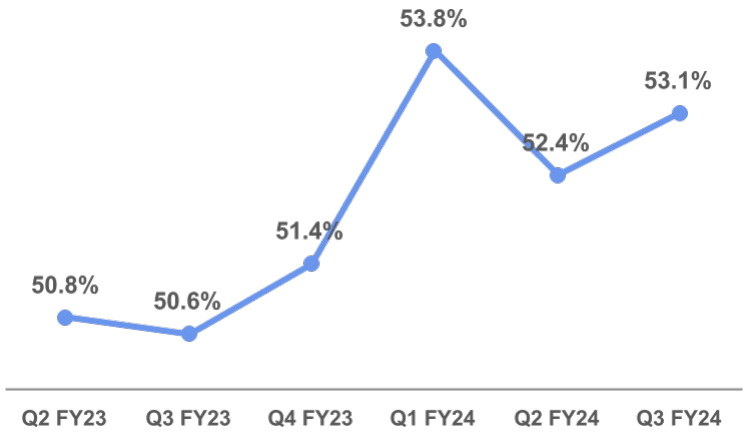
# Gross Margin Detail – Q3 FY24

**Gross margin improved by 250 basis points over prior year period primarily due to the following favorable impacts:**

| Gross Margin Drivers<br>As reported | Change vs. Prior Year<br>(basis points) |
|---|---|
| Sales mix and other misc. mix impacts | +160 |
| Lower costs of specialty chemicals | +110 |
| Warehousing, distribution, freight, misc. input costs | +70 |

| Gross Margin vs. Prior Year | |
|---|---|
| Q3 FY24 | Q3 FY23 |
| 53.1% | 50.6% |

## Gross Margin Trend

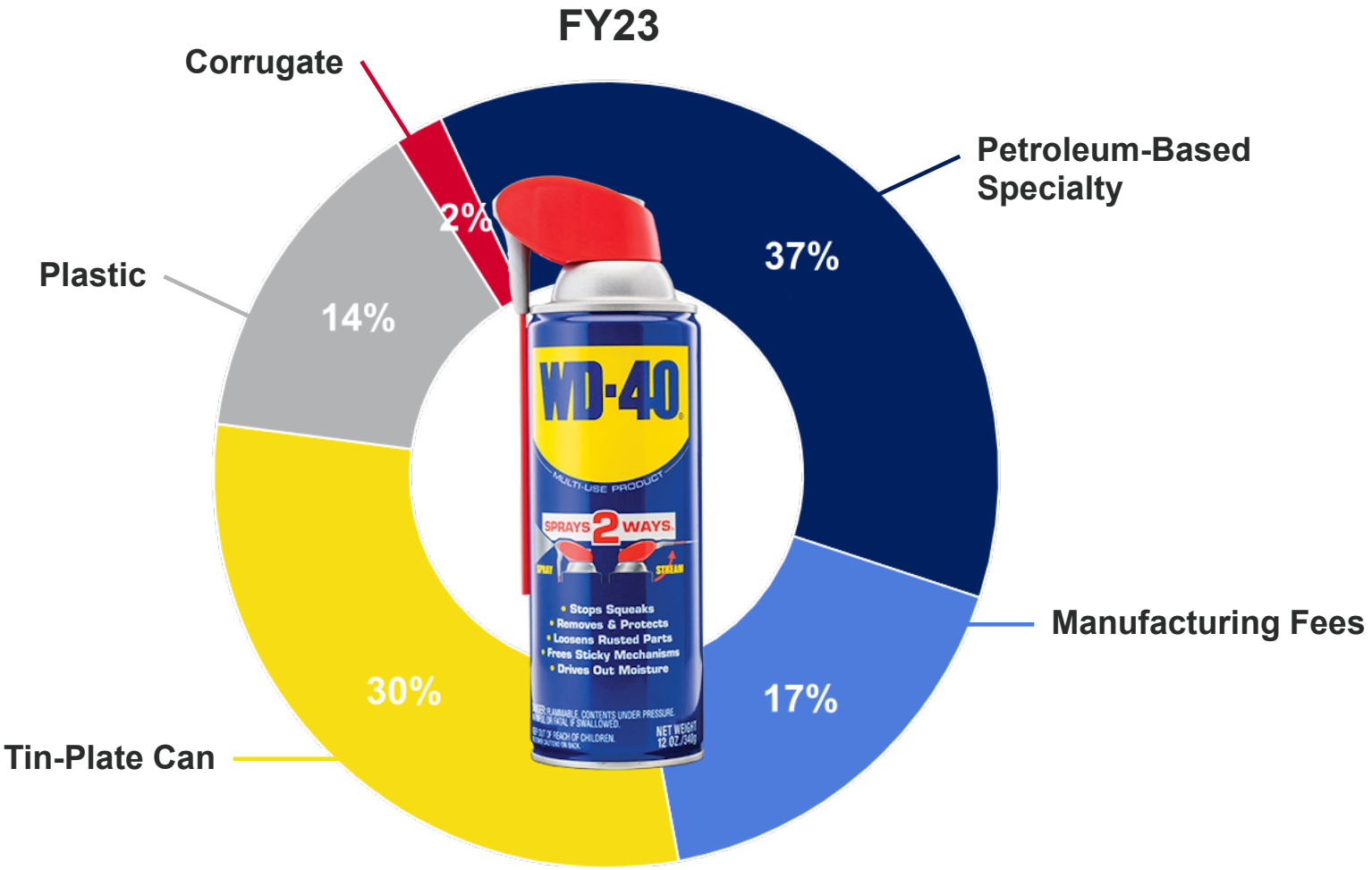



**Actions to improve gross margin:**

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

# What Makes Up the Cost of a Can?

## Approximate Cost Breakdown Of A Typical Can Of WD-40® Multi-Use Product Manufactured in the United States






Data as of August 2023. Represents average input costs over 6-month period of a typical 12 ounce can of WD-40 Multi-Use Product manufactured in the United States. Current manufacturing fees and input costs typically take approximately 90-150 days to be reflected in the Company's consolidated statement of operations due to production and inventory lifecycles.




# FY 2024 Guidance

# Reiterated 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 51.5% and 53% |
| A&P Investment | Between 5% and 6% of net sales |
| Provision For Income Tax | Between 23% and 24% |
| Net Income | Increased to between $67.7 and $71.8 million |
| Diluted EPS | Between $5.00 and $5.30 based on 13.6 million shares outstanding |

As of July 10, 2024. This guidance is expressed in good faith and is based on management's current view of anticipated results. Unanticipated inflationary headwinds and other unforeseen events may further affect the Company's financial results. Net sales presented on a non-GAAP constant currency basis use weighted average FY23 foreign currency exchange rates. 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.




# Appendix

# Sales Impact – Consolidated Net Sales Changes

## Changes from Prior Year Fiscal Period

*($ in millions)*

| Price, Volume and FX Impact | Q1 FY24 | Q2 FY24 | Q3 FY24 | Year to Date |
|---|---|---|---|---|
| Increase (decrease) in average selling price[1] | $ 4.1 | $ 3.6 | $ (1.2) | $ 6.5 |
| Increase in sales volume[1] | $ 7.6 | $ 2.3 | $ 13.1 | $ 23.0 |
| Currency impact on current period – non-GAAP | $ 3.8 | $ 3.0 | $ 1.5 | $ 8.3 |
| Increase in net sales | $ 15.5 | $ 8.9 | $ 13.4 | $ 37.8 |

1. Management's estimates of changes in net sales attributable to volumes and the average selling price of our products are impacted by differences in sales mix related to products, markets and distribution channels from period to period.

# Foreign Currency Translation Impact or "Constant Currency" – Q3 FY24

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

| Financial Results<br>As reported | Q3 FY24 | Q3 FY23 | % Change |
|---|---|---|---|
| Net Sales | $155.0 | $141.7 | 9% |
| Gross Margin | 53.1% | 50.6% | +250 bps |
| Operating Income | $27.2 | $25.7 | 6% |
| Net Income | $19.8 | $18.9 | 5% |
| EPS (Diluted) | $1.46 | $1.38 | 6% |

| Financial Results<br>**Non-GAAP: constant currency** | Q3 FY24 CC* | Q3 FY23 | % Change |
|---|---|---|---|
| Net Sales | $153.5 | $141.7 | 8% |
| Operating Income | $26.8 | $25.7 | 5% |
| Net Income | $19.6 | $18.9 | 4% |
| EPS (Diluted) | $1.45 | $1.38 | 5% |

*FY24 results translated at FY23 foreign currency exchange rates. See appendix for descriptions and reconciliations of these non-GAAP measures.
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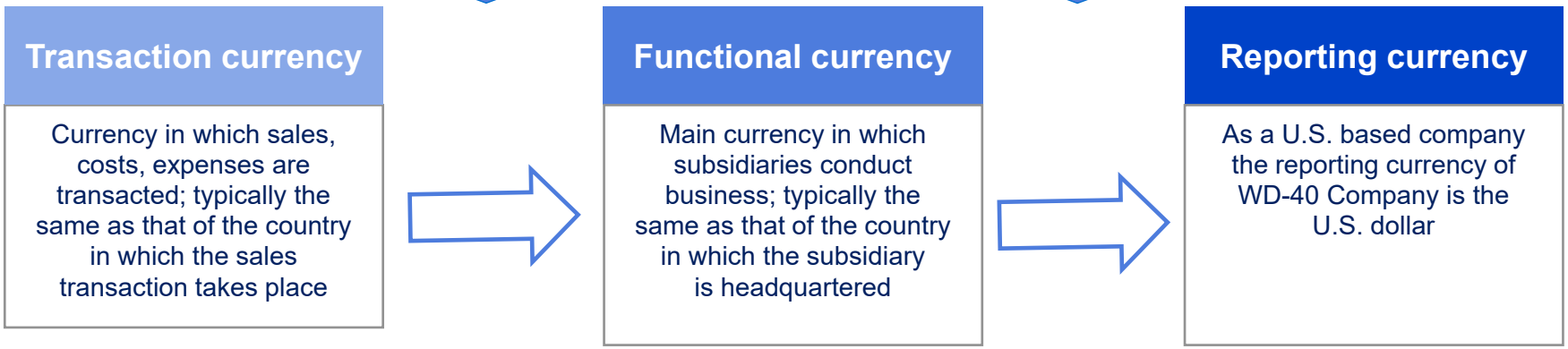
# Foreign Currency Impact

**Transaction Impact**

*Conversion from transaction currency to subsidiaries' functional currency*

**Translation Impact**

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



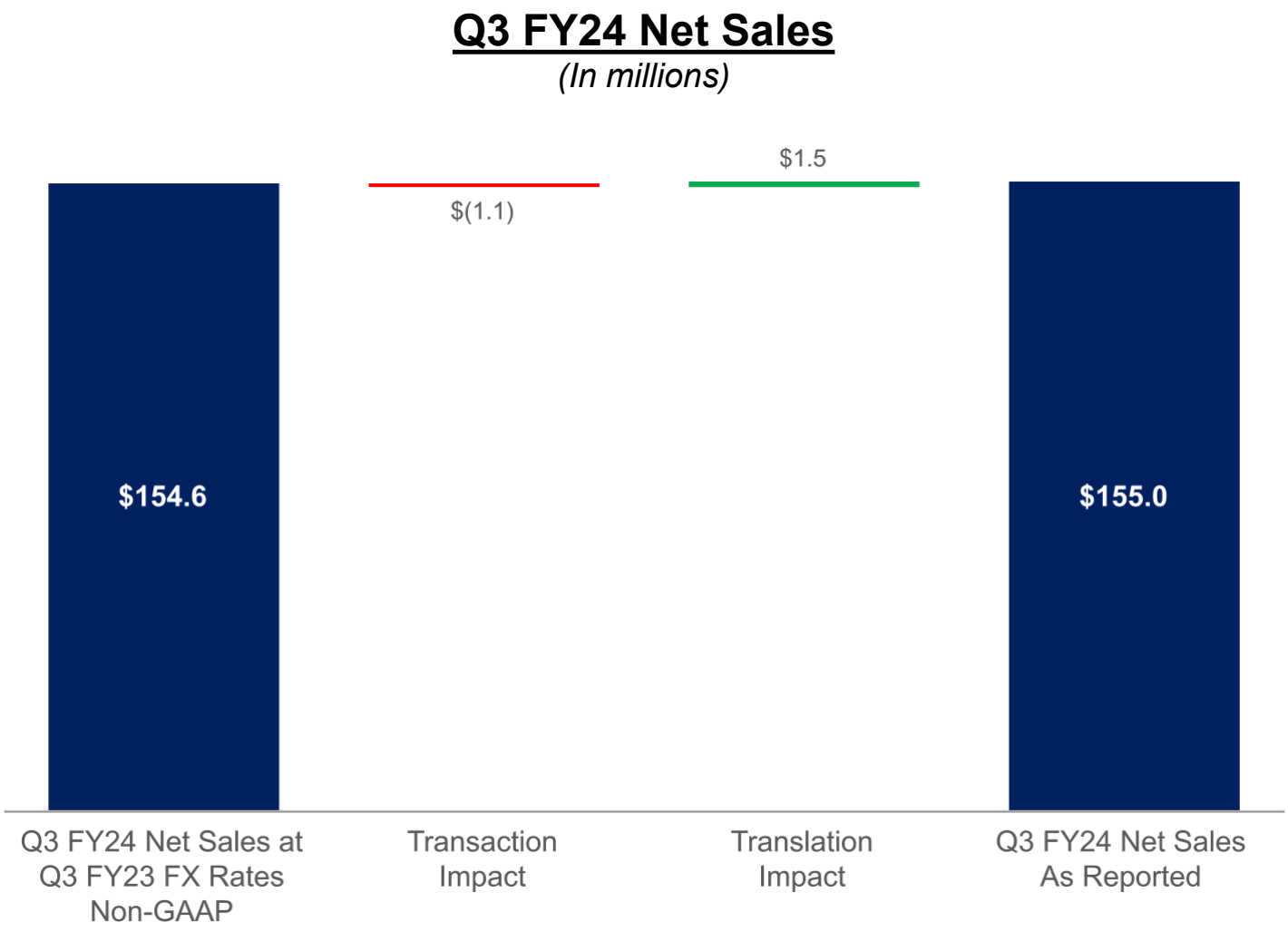

**Subsidiary**
***(Non-Functional Currency)***

UK – USD & EUR

**Subsidiary**
***(Functional Currency)***

UK – GBP
CANADA – CAD
AUSTRALIA – AUD
CHINA – CNY
MEXICO – MXN
BRAZIL – BRL

# Additional Foreign Currency Exchange Impact – Q3 FY24




*In total, changes in FX rates increased net sales by **~$0.4M** in Q3 FY24*

# Non-GAAP Reconciliation

This presentation contains certain non-GAAP (generally accepted accounting principles in the United States of America) measures, that management believes provide our stockholders with additional insights into WD-40 Company's results of operations and how it runs its business. Cost of doing business is defined as total operating expenses less amortization of definite-lived intangible assets, impairment charges related to intangible assets, amortization of implementation costs associated with cloud computing arrangements ("cloud computing amortization") and depreciation in operating departments. Adjusted EBITDA is defined as net income before interest, income taxes, depreciation, amortization of definite-lived intangible assets, and cloud computing amortization. Beginning in fiscal year 2024, cloud computing amortization is included in cost of doing business and Adjusted EBITDA calculations. Cloud computing amortization is recognized in selling, general and administrative expenses in the Company's condensed consolidated statements of operations. Reconciliations of these non-GAAP financial measures to the WD-40 Company financials as prepared under U.S. GAAP are as follows:

| | Three Months Ended May 31, | |
|---|---|---|
| **Cost of doing business:** | **2024** | **2023** |
| Total operating expenses – GAAP | $ 55,212 | $ 46,105 |
| Amortization[1] | (640) | (250) |
| Depreciation (in operating departments) | (1,111) | (1,052) |
| Cost of doing business – non-GAAP | $ 53,461 | $ 44,803 |
| Net sales | $ 155,045 | $ 141,717 |
| Cost of doing business as a percentage of net sales – non-GAAP | 34% | 32% |
| | | |
| **Adjusted EBITDA:** | | |
| Net income – GAAP | $ 19,842 | $ 18,895 |
| Provision for income taxes | 6,005 | 5,477 |
| Interest income | (136) | (69) |
| Interest expense | 1,182 | 1,597 |
| Amortization[1] | 640 | 250 |
| Depreciation | 2,200 | 1,825 |
| Adjusted EBITDA | $ 29,733 | $ 27,975 |
| Net sales | $ 155,045 | $ 141,717 |
| Adjusted EBITDA as a percentage of net sales – non-GAAP | 19% | 20% |

1. Includes amortization of definite-lived intangible assets and cloud computing amortization.

Note: Percentages may not aggregate to Adj. 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 Adj. EBITDA calculation.

# 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
## (in millions)

| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MP Net Sales U.S. GAAP | **$ 258.1** | **$ 278.8** | **$ 286.5** | **$ 320.9** | **$ 337.8** | **$ 333.3** | **$ 340.0** | **$ 342.3** | **$ 372.4** | **$ 386.6** | **$ 369.4** | **$ 448.8** | **$ 485.3** | **$ 503.6** |
| Favorable (Unfavorable) Impact using FY23 Rates | $ (28.0) | $ (36.4) | $ (33.6) | $ (36.4) | $ (44.1) | $ (33.6) | $ (22.3) | $ (7.4) | $ (17.6) | $ (9.9) | $ (5.1) | $ (23.6) | $ (16.7) | $ — |
| MP Net Sales – Non-GAAP (using FY23 rates)[1] | $ 230.1 | $ 242.4 | $ 252.9 | $ 284.5 | $ 293.8 | $ 299.7 | $ 317.7 | $ 334.9 | $ 354.8 | $ 376.8 | $ 364.3 | $ 425.3 | $ 468.6 | $ 503.6 |

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
WD-40
SPECIALIST
WHITE LITHIUM GREASE
WD-40
SPECIALIST
CONTACT CLEANER
WD-40
SPECIALIST
GEL LUBE
WD-40
SPECIALIST
DRY LUBE
WD-40
SPECIALIST
SILICONE
WD-40
SPECIALIST
PENETRANT
EZ-REACH