



**WOLVERINE**  
worldwide



**INVESTOR PRESENTATION**  
third quarter 2020, ending september 26, 2020



A person is hiking up a trail, using a trekking pole. They are wearing a blue jacket and a backpack. The background shows a mountainous landscape with some trees and a clear sky.

# Forward Looking Statements

This presentation contains forward-looking statements, including statements regarding the Company's Global Growth Agenda and its strong operational platform. In addition, words such as "estimates," "anticipates," "believes," "forecasts," "step," "plans," "predicts," "focused," "projects," "outlook," "is likely," "expects," "intends," "should," "will," "confident," variations of such words, and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions ("Risk Factors") that are difficult to predict with regard to timing, extent, likelihood, and degree of occurrence. Risk Factors include, among others: the effects of the COVID-19 pandemic on the Company's business, operations, financial results and liquidity, including the duration and magnitude of such effects, which will depend on numerous evolving factors that the Company cannot currently accurately predict or assess, including: the duration and scope of the pandemic; the negative impact on global and regional markets, economies and economic activity, including the duration and magnitude of its impact on unemployment rates, consumer discretionary spending and levels of consumer confidence; actions governments, businesses and individuals take in response to the pandemic; the effects of the pandemic, including all of the foregoing, on the Company's distributors, manufacturers, suppliers, joint venture partners, wholesale customers and other counterparties, and how quickly economies and demand for the Company's products recover after the pandemic subsides; changes in general economic conditions, employment rates, business conditions, interest rates, tax policies and other factors affecting consumer spending in the markets and regions in which the Company's products are sold; the inability for any reason to effectively compete in global footwear, apparel and consumer-direct markets; the inability to maintain positive brand images and anticipate, understand and respond to changing footwear and apparel trends and consumer preferences; the inability to effectively manage inventory levels; increases or changes in duties, tariffs, quotas or applicable assessments in countries of import and export; foreign currency exchange rate fluctuations; currency restrictions; capacity constraints, production disruptions, quality issues, price increases or other risks associated with foreign sourcing; the cost and availability of raw materials, inventories, services and labor for contract manufacturers; labor disruptions; changes in relationships with, including the loss of, significant wholesale customers; risks related to the significant investment in, and performance of, the Company's consumer-direct operations; risks related to expansion into new markets and complementary product categories; the impact of seasonality and unpredictable weather conditions; changes in general economic conditions and/or the credit markets on the Company's distributors, suppliers and retailers; increases in the Company's effective tax rates; failure of licensees or distributors to meet planned annual sales goals or to make timely payments to the Company; the risks of doing business in developing countries, and politically or economically volatile areas; the ability to secure and protect owned intellectual property or use licensed intellectual property; the impact of regulation, regulatory and legal proceedings and legal compliance risks, including compliance with federal, state and local laws and regulations relating to the protection of the environment, environmental remediation and other related costs, and litigation or other legal proceedings relating to the protection of the environment or environmental effects on human health; the potential breach of the Company's databases or other systems, or those of its vendors, which contain certain personal information, payment card data or proprietary information, due to cyberattack or other similar events; problems affecting the Company's distribution system, including service interruptions at shipping and receiving ports; strategic actions, including new initiatives and ventures, acquisitions and dispositions, and the Company's success in integrating acquired businesses, and implementing new initiatives and ventures; the risk of impairment to goodwill and other intangibles; changes in future pension funding requirements and pension expenses; and additional factors discussed in the Company's reports filed with the Securities and Exchange Commission and exhibits thereto. The foregoing Risk Factors, as well as other existing Risk Factors and new Risk Factors that emerge from time to time, may cause actual results to differ materially from those contained in any forward-looking statements. Given these or other risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Furthermore, the Company undertakes no obligation to update, amend, or clarify forward-looking statements.

This presentation includes non-GAAP financial measures which are indicated by footnote references. Pages 22 and 23 at the end of this presentation include reconciliations of the non-GAAP financial measures to the most comparable GAAP financial measures.

# Contact Us

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**Mike Stornant**  
Chief Financial Officer

**Brett Parent**  
VP, Strategy & Investor Relations



A man in a grey t-shirt and black shorts is running on a treadmill in a performance testing lab. In the background, a woman with blonde hair is standing near a camera on a tripod. In the foreground, a man is leaning over a desk, looking at multiple computer monitors displaying data. The room has large windows and various pieces of equipment.

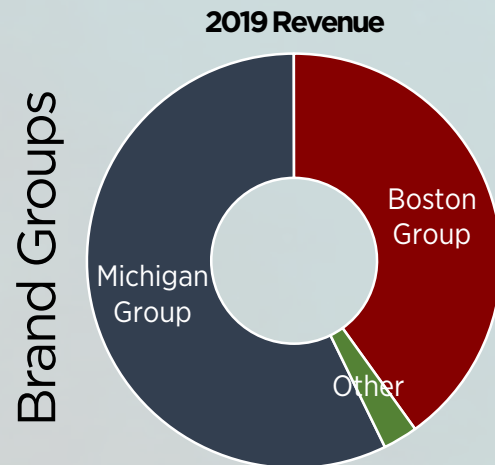
# Who is Wolverine Worldwide



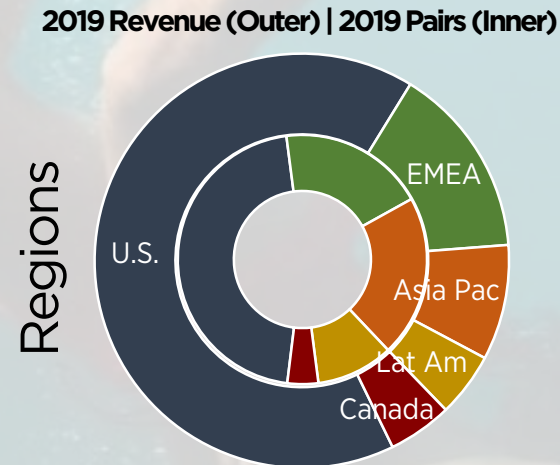
# Overview

**Vision:** To build a family of the most admired performance & lifestyle brands on earth

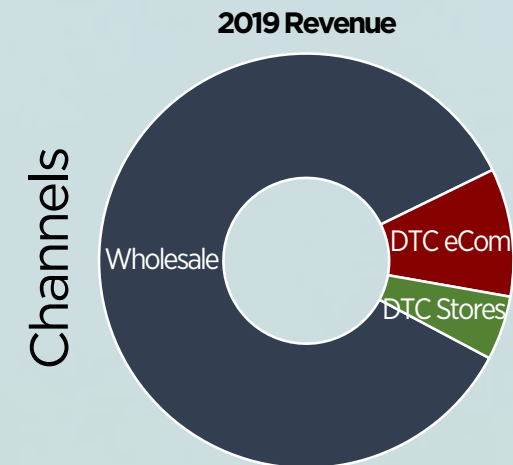
**\$2.27B**  
2019 Revenue



**>50%**  
pairs sold outside  
the U.S. in 2019



**10%**  
revenue in DTC eCom in  
2019 – and growing rapidly





# 3Q20 Highlights

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## Financial Results

- **Revenue** was \$493.1M, down 14.1% versus the prior year and better than expected
- **eCommerce** grew 56.4% versus the prior year
- **Adjusted EPS**<sup>1</sup> of \$0.35, compared to \$0.68 in the prior year, was better than expected
- **Operating cash flow** of \$96.5M, compared to \$12.1M in the prior year, was better than expected
- **Inventory** down 22.0% versus the prior year





# Key Strengths

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**1**

## **Brands + Product**

- Portfolio of 12 performance and lifestyle brands
- Well positioned in hiking, running, and work categories
- Category leaders
- Innovative, on-trend product

**2**

## **Diversified Business**

- Product categories
- Consumer demographics
- Regions & markets
- Distribution channels – led by eCommerce

**3**

## **Financial Strength**

- Consistent cash flow generation
- Strong balance sheet
- Nimble cost structure
- Relatively low fixed cost model

**4**

## **Strong Operational Platform**

- Shared centers-of-excellence – such as eCommerce
- Robust and agile supply chain

**5**

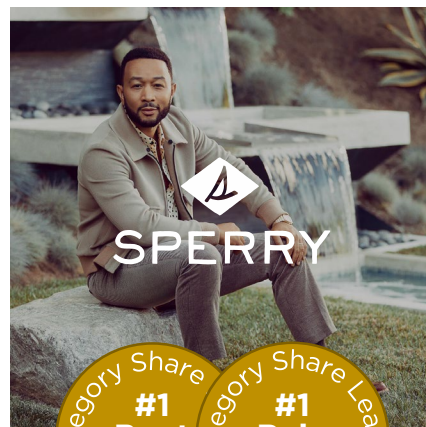
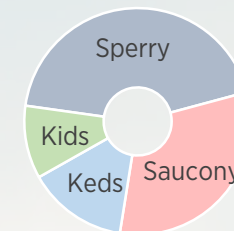
## **Experienced Management**

- Industry experience
- Leadership longevity



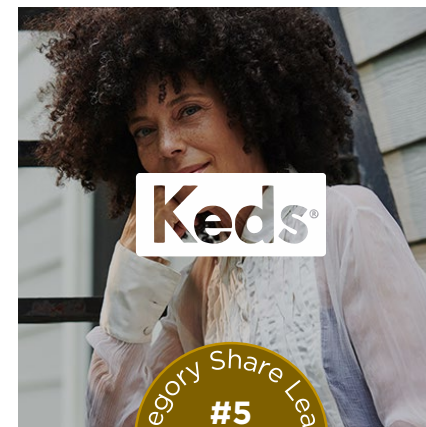
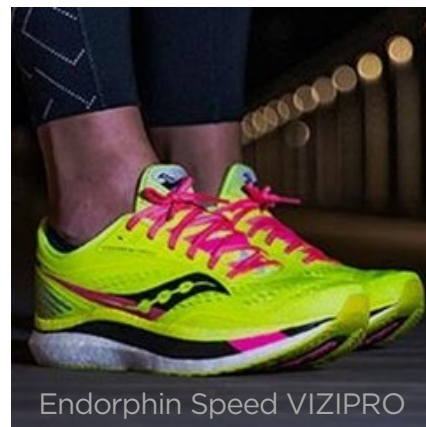
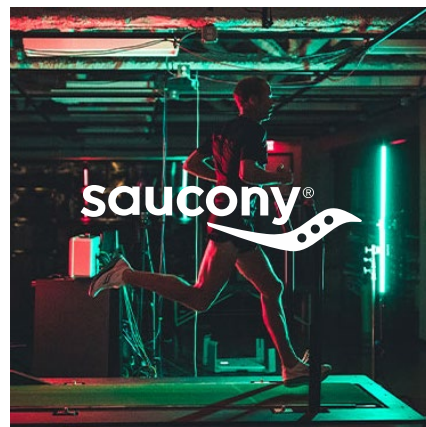
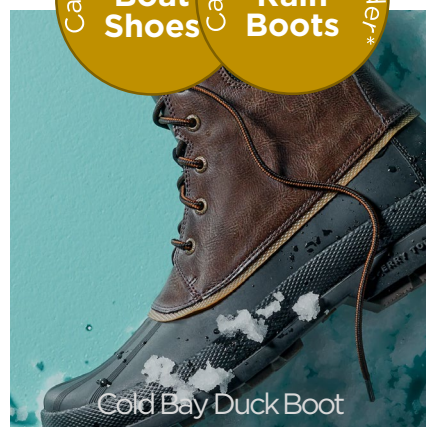
# 1 Brands + Product

Boston  
Group  
2019 Revenue

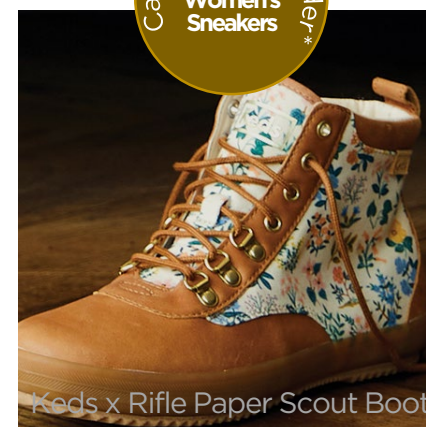


Category Share  
**#1**  
Boat  
Shoes

Category Share  
**#1**  
Rain  
Boots\*



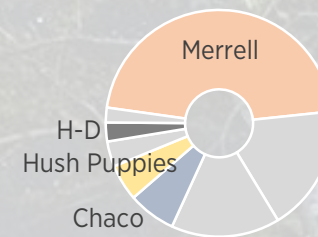
Category Share  
**#5**  
Women's  
Sneakers\*





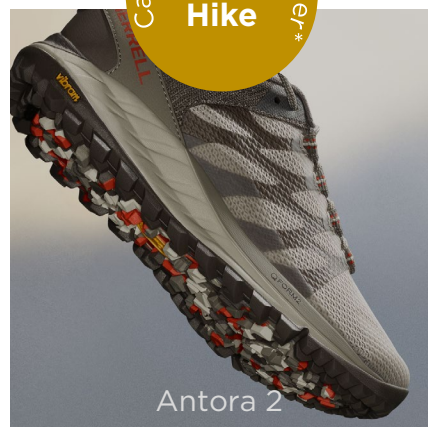
# 1 Brands + Product

Michigan  
Group  
2019 Revenue

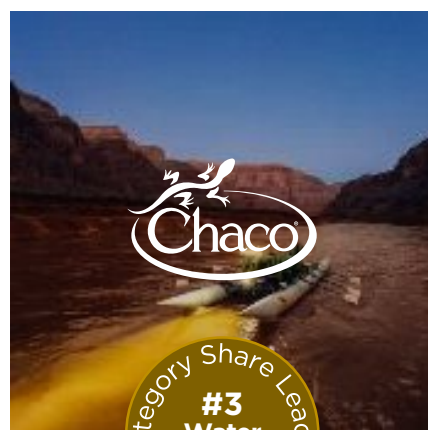


**MERRELL**

Category Share Leader\*  
**#1**  
Hike

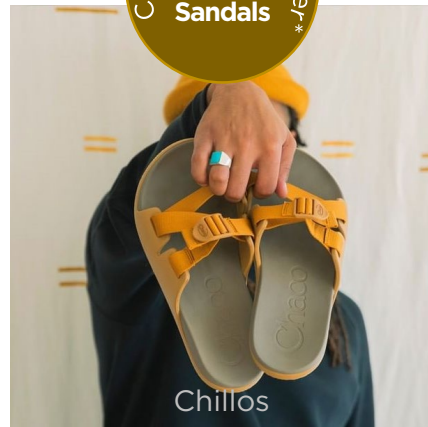


Antora 2

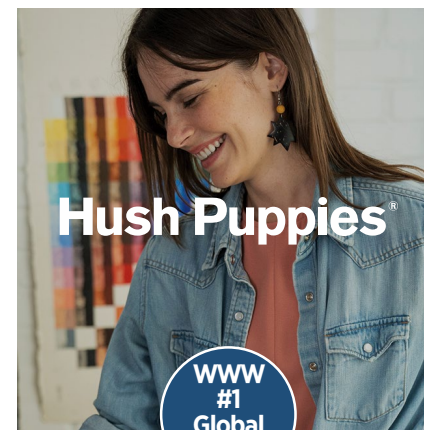


**Chaco**

Category Share Leader\*  
**#3**  
Water  
Sandals

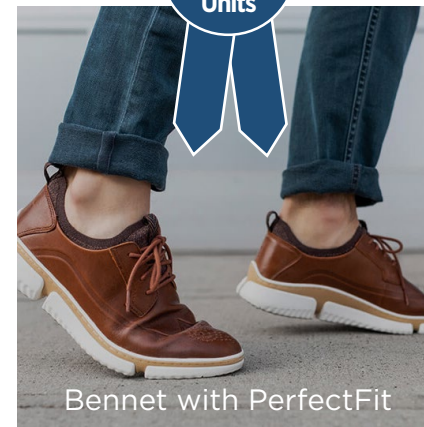


Chillos



**Hush Puppies**

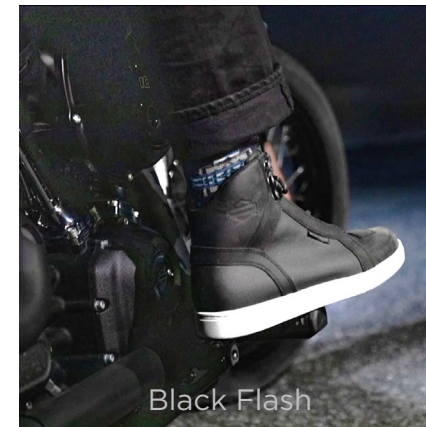
WWW  
**#1**  
Global  
Units



Bennet with PerfectFit



**MOTORCYCLES**  
HARLEY-DAVIDSON  
FOOTWEAR

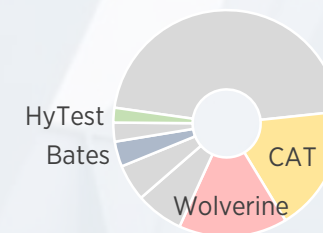


Black Flash

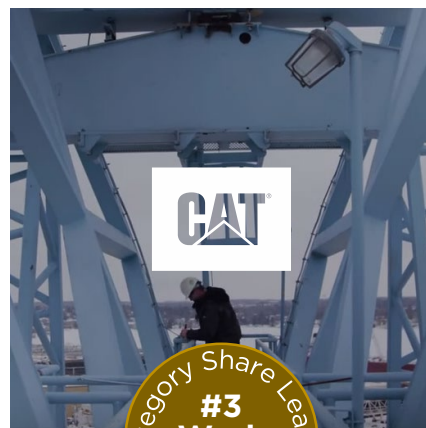
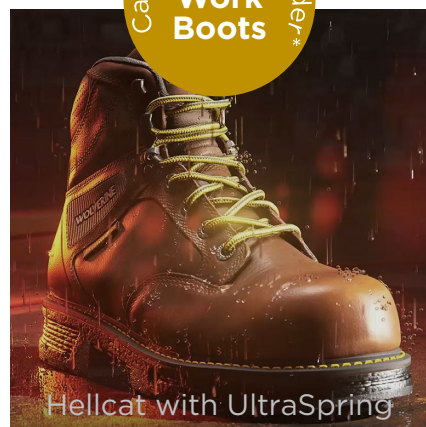


# 1 Brands + Product

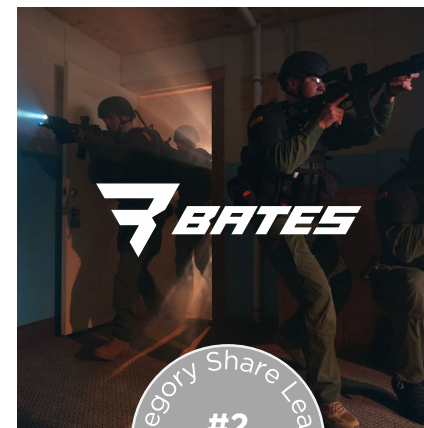
Michigan  
Group  
2019 Revenue



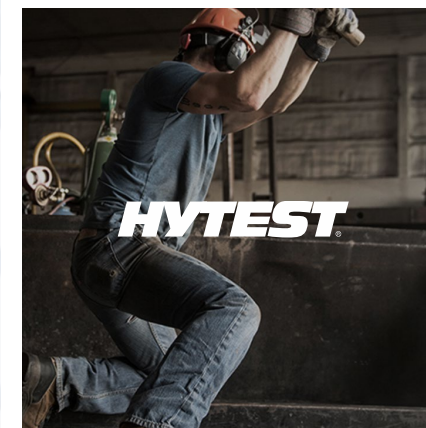
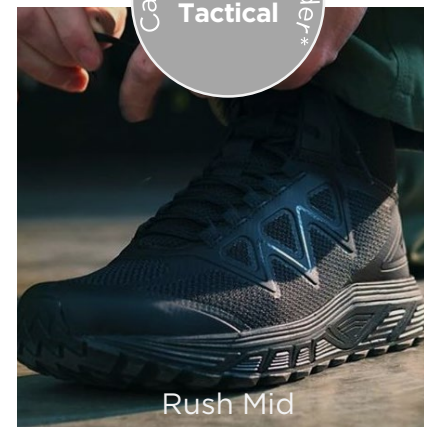
Category Share Leader\*  
**#1**  
Work  
Boots



Category Share Leader\*  
**#3**  
Work  
Boots

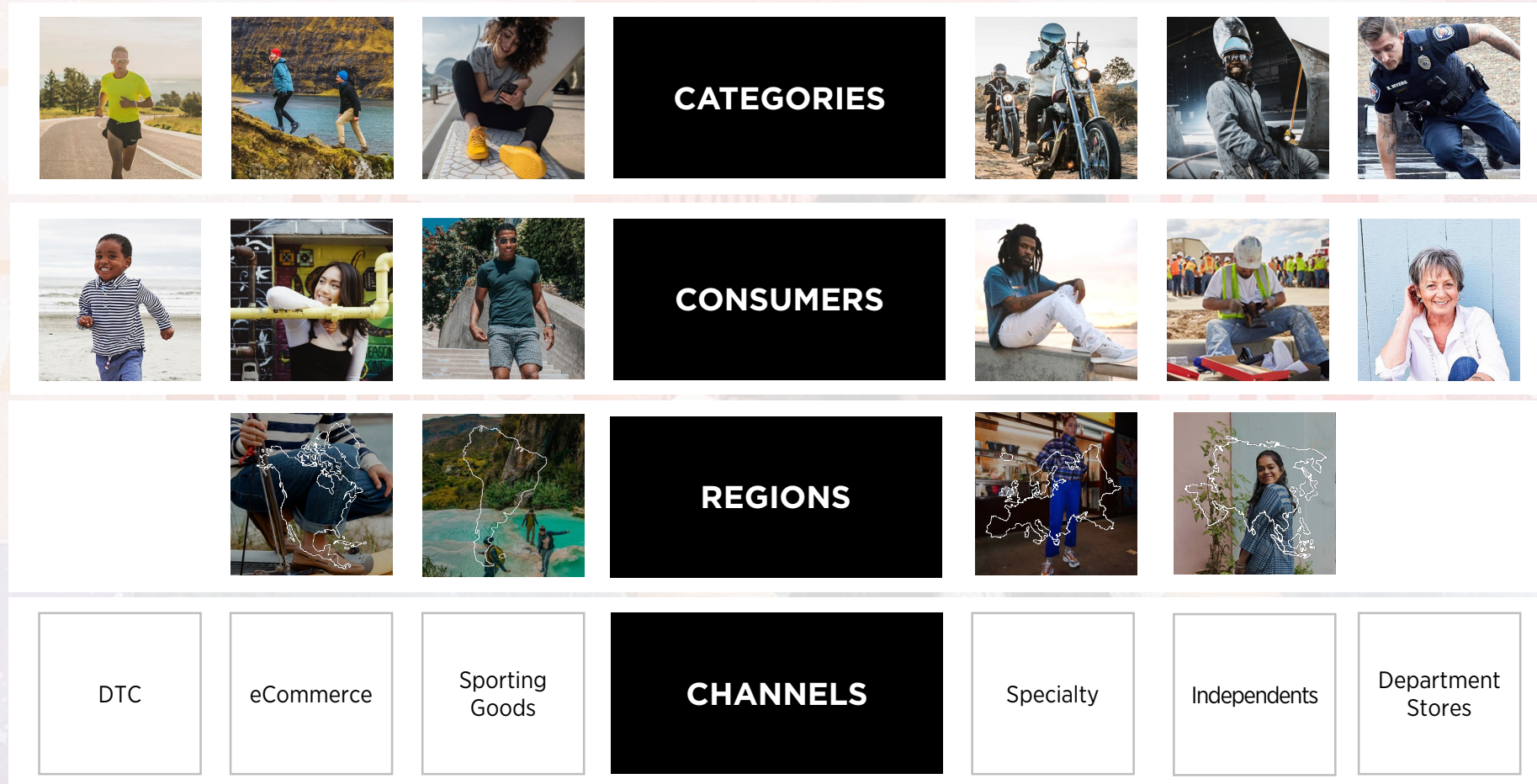


Category Share Leader\*  
**#2**  
Tactical



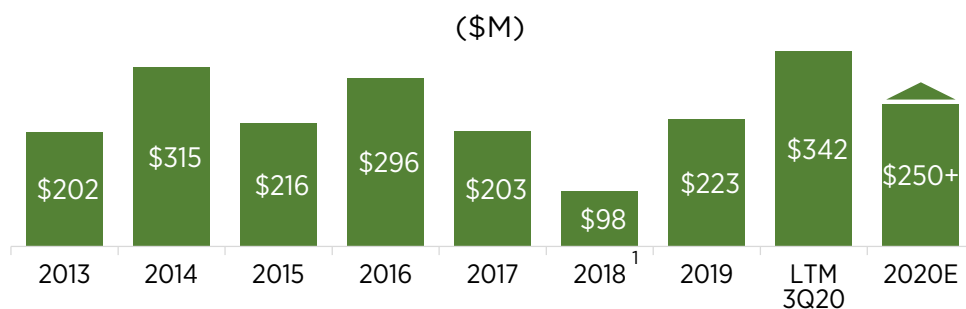


## 2 Diversified Business



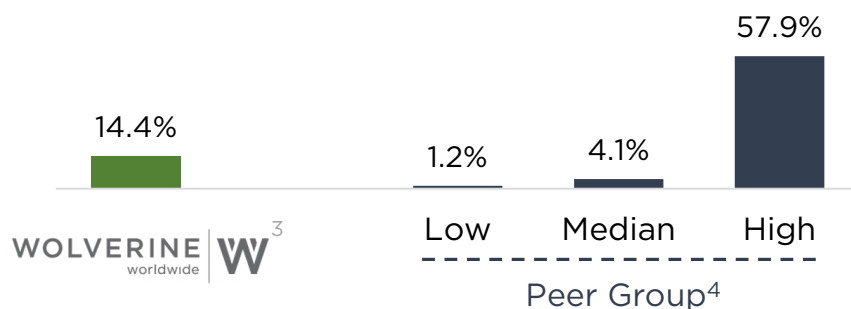
# 3 Financial Strength

## Consistent Operating Cash Flows

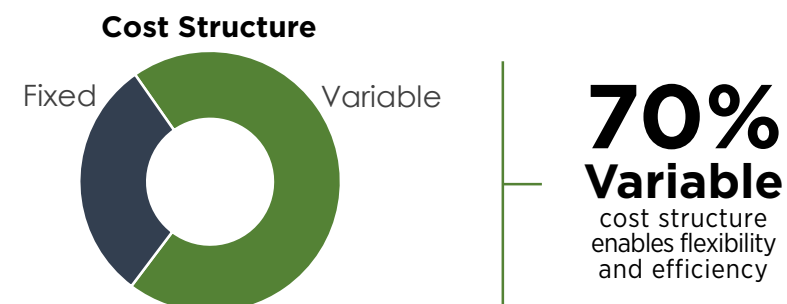


## Free Cash Flow Yield<sup>2</sup>

LTM as of Q3 2020



## Nimble & Efficient Cost Structure



### Business Model Components

Wholesale foundation  
eCommerce focus  
International distributor model

### Cost Structure Benefits

Low capex requirements  
Few fixed store leases  
Low fixed op expenses

1) 2018 was impacted by voluntary pension contributions (\$60M) and the wind down of our AR factoring program (\$70M)  
2) Free Cash Flow Yield is a non-GAAP measure and is calculated as LTM free cash flow per share divided by stock price.  
Peer Group Source: latest available company filings per Factset 10/20/2020

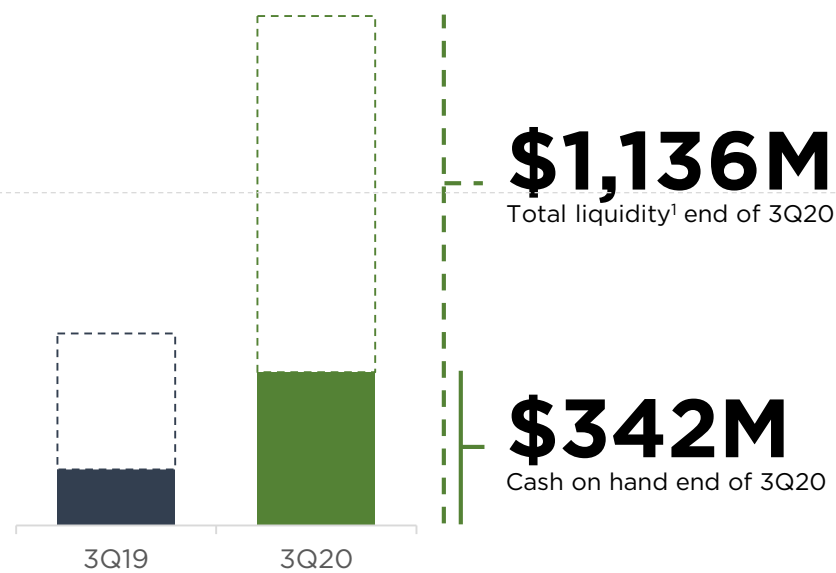
3) See page 23 for calculation of WWW Free Cash Flow Yield  
4) Peer group includes DECK, VFC, COLM, UAA, NKE, TPR, GCO, SHOO and CAL and is based on ICR's recommended relevant peer group for WWW



# 3 Financial Strength

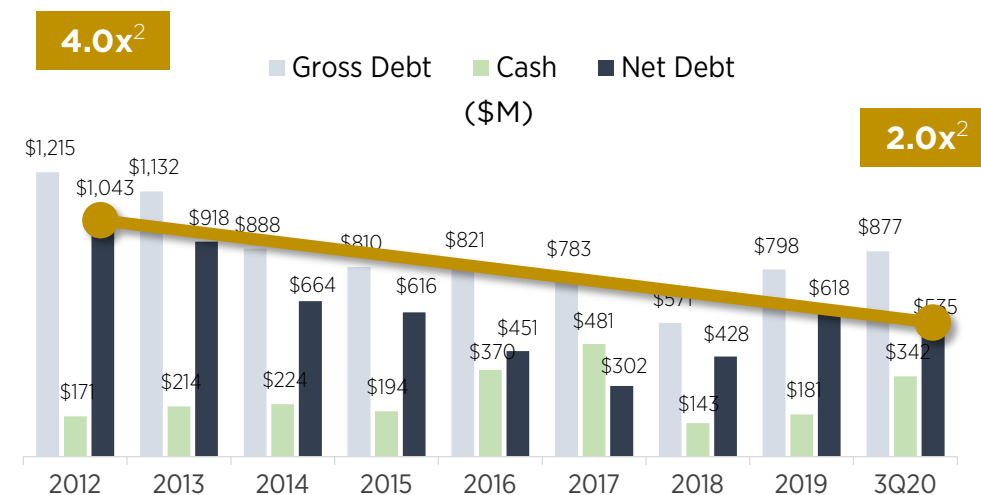
## Strong Cash & Liquidity

The Company possesses elevated levels of cash and liquidity as a result of proactive measures taken earlier this year given the current environment's uncertainty.



## Healthy Balance Sheet

The Company remains significantly deleveraged compared to 2012 – and well below the bank-defined 4.5x ratio required by its credit agreement.



Gross debt, cash, and net debt are based on the financial statements included in the Company's SEC filings

1) Total liquidity is defined as cash plus available borrowing on revolver less outstanding letters of credit

2) Leverage ratio is defined per the Company's credit agreement

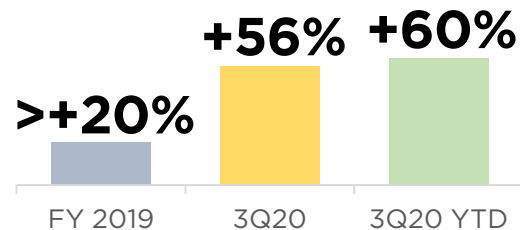
# 4 Strong Operational Platform

The Company possesses a strong operational platform to support and drive elements of the brands' businesses as well as facilitate best-practice sharing, including several centers-of-excellence such as its eCommerce team and a robust and agile supply chain.

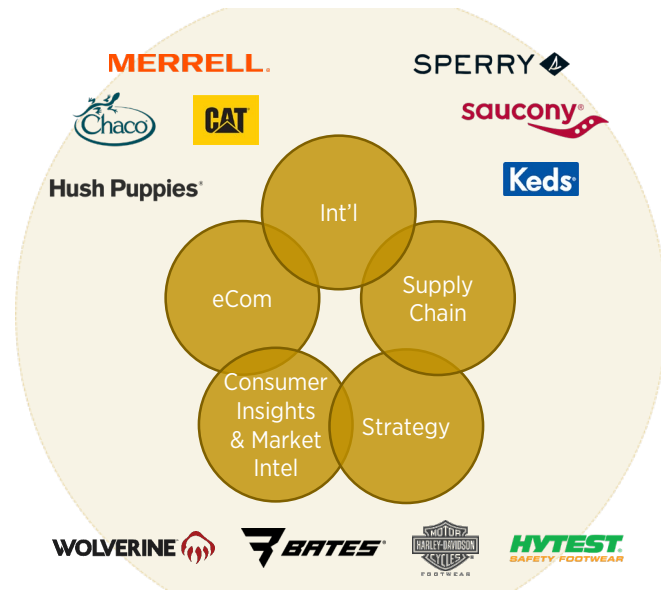
## eCommerce

- Strategic focus for several years
- Key element of *Global Growth Agenda*

DTC eCommerce  
Revenue Growth  
(Versus Comparable Period in Prior Year)



## Centers-of-Excellence



## Supply Chain

- Longstanding factory relationships
- Diversified geographic sourcing base

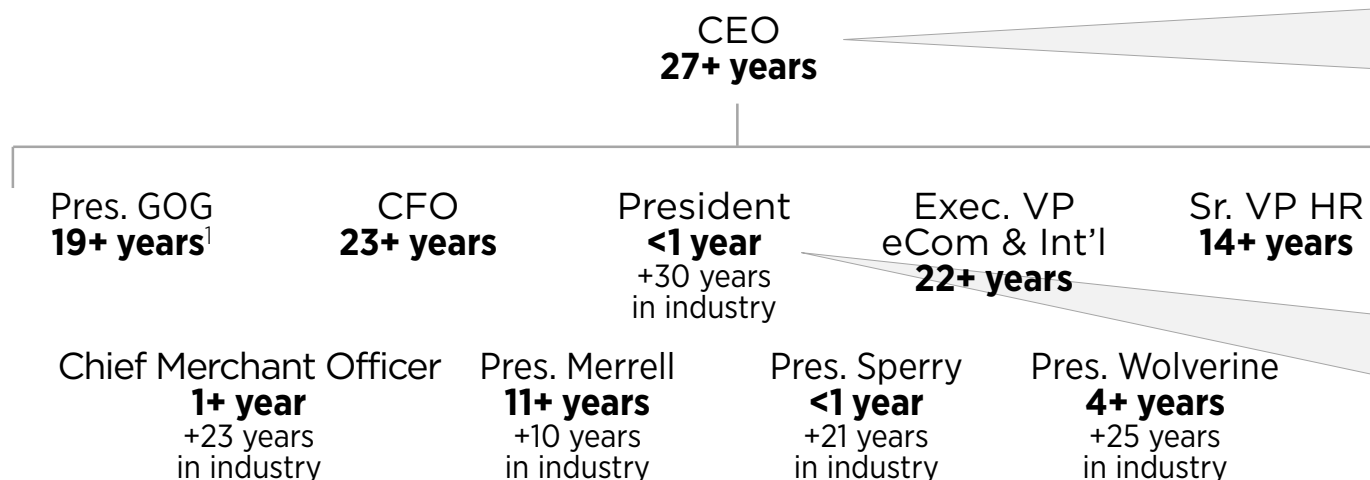
**<20%**  
of global products  
expected to be  
sourced from China  
in 2020, down from  
approximately 40%  
in 2019

**Pivoted**  
in 1Q20 to reduce  
planned 2020  
inventory receipts by  
**\$300M**



# 5 Experienced Management

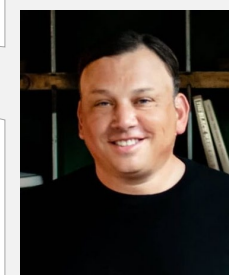
## Leadership Longevity at WWW & Industry Experience



Blake Krueger

*CEO &  
Chairman of  
the Board*

- CEO for 13+ years



Brendan Hoffman

*President*

- Prior CEO experience with digital, consumer, and merchandising focus on DTC and brand side

1) Includes time spent at acquired businesses (Collective Brands and Saucony)

# Go-to-Market & Distribution

## Direct-to-Consumer

**36** Owned eCom Sites

**92** Owned Stores

**15%**  
of 2019  
global  
revenue

## U.S. Wholesale

amazon

Zappos

Dillard's

DICK'S  
SPORTING GOODS

Academy  
SPORTS+OUTDOORS

DSW  
DESIGNER SHOE WAREHOUSE

REI  
COOP

Cabela's  
WORLD'S FOREMOST OUTFITTER

TSC

**Online** is the largest channel, with each channel contributing **less than 15%** of revenue<sup>1</sup>

## Rest of World

**4,000+**

**wholesale customers**  
of WWW's owned  
business in 13 countries,  
primarily in Western Europe<sup>2</sup>

**300+**

**independent distributors** across  
EMEA, Asia Pacific,  
and Latin America<sup>2</sup>

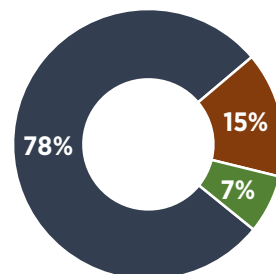
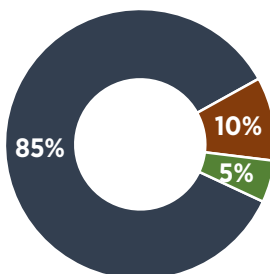
Other business models include **licensee distributors** and **joint ventures**

## Revenue by Channel

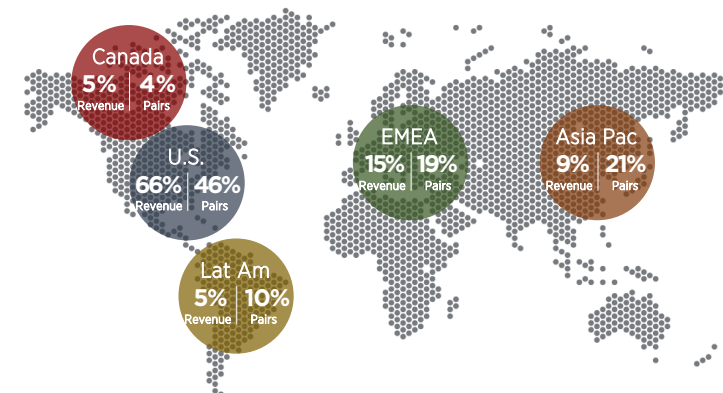
2019 Global Revenue

2019 U.S. Revenue

■ Wholesale ■ DTC eCom ■ DTC Stores



## 2019 Sales by Region



**54%**  
of pairs  
outside  
the U.S.  
(34% of  
revenue)

1) Revenue contribution figures by channel pertains to full-year 2019  
2) Wholesale customer and distributor figures as of end of 2019





# Our Vision



# Global Growth Agenda

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## Powerful Product Engine

- Relentless and frequent introduction of craveable product
- Stronger consumer insights and use of digital tools to style test products more quickly and effectively
- Speed-to-market initiatives and deployment of digital product development tools to design and sample products more quickly and efficiently

## Digital Direct Offense

- Engaging consumers with pinnacle brand and shopping experiences online
- Constant flow of compelling digital content and storytelling
- Global expansion of our eCommerce platforms
- Direct consumer dialog and testing to inform decisions

## International Expansion

- Repatriation of strategic distributor markets (Saucony Italy)
- Bolstered resources to strengthen regional teams, especially in China
- Regional merchandising to enhance development of market-right product
- Expanded network of core partners and continuous evaluation of business models (China JV / Italy repatriation)

# Digital Direct Offense

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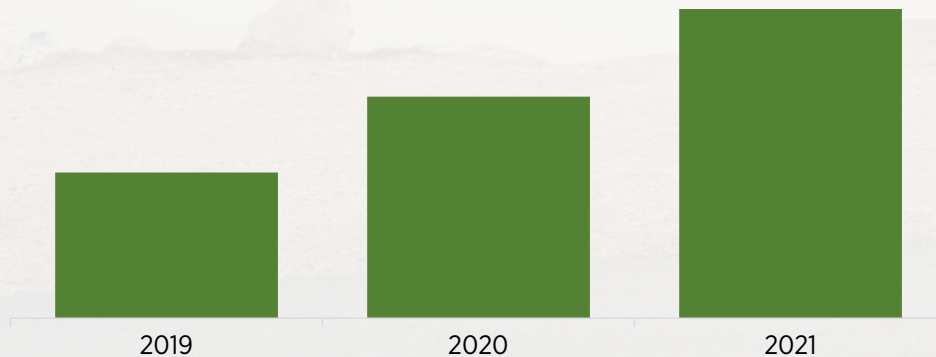
## eCommerce Revenue

**+60%**

Revenue vs LY  
3Q20 YTD

**\$500M**

Aspirational Target  
2021 Revenue



## Strategic Rationale

- Expands profit margins
- Amplifies and accelerates flow of consumer data – enabling faster, smarter decisions
- Enables increased control over brand and product marketing stories
- Benefits to speed-to-market, demand planning, inventory management, etc.
- Makes our brands better wholesale partners



A person is standing on a large, light-colored rock in a desert landscape. They are wearing white Chaco Chillos sandals and dark pants. The background shows a vast desert with low mountains and sparse vegetation under a clear blue sky. The sun is low on the horizon, creating a warm, golden light. The text "Financial Highlights" is overlaid in a white serif font within a dark rectangular frame.

# Financial Highlights

# FY19 & 3Q20 Financials

(In millions, except per share data)				
	Q3 2020		Change vs Q3 2019	
Michigan Group	\$	287.3	-9.9%	
Boston Group		193.8	-19.7%	
Other		12.0	-15.4%	
<b>Total Revenue</b>	<b>\$</b>	<b>493.1</b>	<b>-14.1%</b>	
<b>Constant \$*</b>			<b>-14.6%</b>	
Gross Profit		202.0	-17.0%	
Gross Margin		41.0%	-140bps	
Adjusted Operating Profit*		52.3	-35.3%	
Adjusted Operating Margin		10.6%	-350bps	
<b>Adjusted EPS*</b>	<b>\$</b>	<b>0.35</b>	<b>-47.9%</b>	
	FY 2019		Change vs FY 2018	
	\$	1,299.6	2.2%	
		910.9	1.6%	
		63.1	-11.7%	
<b>Total Revenue</b>	<b>\$</b>	<b>2,273.7</b>	<b>1.5%</b>	
<b>Constant \$*</b>			<b>2.3%</b>	
Gross Profit		923.8	0.3%	
Gross Margin		40.6%	-50bps	
Adjusted Operating Profit*		262.6	-1.9%	
Adjusted Operating Margin		11.5%	-50bps	
<b>Adjusted EPS*</b>	<b>\$</b>	<b>2.25</b>	<b>3.7%</b>	

\* See pages 22 and 23 for reconciliations to the most comparable GAAP measures



# GAAP to Non-GAAP Adjustments

## RECONCILIATION OF REPORTED REVENUE TO ADJUSTED REVENUE ON A CONSTANT CURRENCY BASIS\* (Unaudited) (In millions)

REVENUE	GAAP Basis	Foreign Exchange Impact	Constant Currency Revenue	Prior Year GAAP Basis	Constant Currency Growth	Reported Growth
Fiscal 2020 Q3	\$ 493.1	\$ (2.5)	\$ 490.6	\$ 574.3	-14.6%	-14.1%
2019	\$ 2,273.7	\$ 16.7	\$ 2,290.4	\$ 2,239.2	2.3%	1.5%

## RECONCILIATION OF REPORTED OPERATING MARGIN TO ADJUSTED OPERATING MARGIN\* (Unaudited) (In millions)

	GAAP Basis	Adjustments	As Adjusted
Operating Profit - Fiscal 2020 Q3	\$ 42.6	\$ 9.7	\$ 52.3
Operating Margin	8.6%		10.6%
Operating Profit - Fiscal 2019 Q3	\$ 68.3	\$ 12.5	\$ 80.8
Operating Margin	11.9%		14.1%

Q3 2020 adjustments reflect \$1.9 million of environmental and other related costs net of recoveries, expenses related to the COVID-19 pandemic including \$5.5 million of severance expenses and \$2.3 million of other costs. Q3 2019 adjustments reflect \$9.1 million of environmental and other related costs, \$2.5 million of reorganization costs, \$0.6 million of business development related costs and \$0.3 million of other costs.

## RECONCILIATION OF REPORTED OPERATING MARGIN TO ADJUSTED OPERATING MARGIN\* (Unaudited) (In millions)

	GAAP Basis	Adjustments	As Adjusted
Operating Profit - Fiscal 2019	\$ 171.0	\$ 91.6	\$ 262.6
Operating Margin	7.5%		11.5%
Operating Profit - Fiscal 2018	\$ 251.9	\$ 15.8	\$ 267.7
Operating Margin	11.2%		12.0%

2019 Adjustments reflect \$83.5 million of environmental and other related costs net of a settlement of \$8.1 million of other costs. 2018 adjustments include \$15.3 million of environmental and related costs and \$0.5 million of other costs.

# GAAP to Non-GAAP Adjustments

## RECONCILIATION OF REPORTED DILUTED EPS TO ADJUSTED DILUTED EPS\* (Unaudited) (In millions)

	GAAP Basis	Adjustments	As Adjusted
EPS - Fiscal 2020 Q3	\$ 0.27	\$ 0.08	\$ 0.35
EPS - Fiscal 2019 Q3	\$ 0.57	\$ 0.11	\$ 0.68
EPS - Fiscal 2019	\$ 1.44	\$ 0.81	\$ 2.25
EPS - Fiscal 2018	\$ 2.05	\$ 0.12	\$ 2.17

Q3 2020 adjustments reflect environmental and other related costs net of recoveries, expenses related to the COVID-19 pandemic including severance expenses, inventory reserves, freight costs and other COVID-19 related costs. Q3 2019 adjustments reflect environmental and other related costs, reorganization costs, business development related costs and other costs.

Fiscal 2019 adjustments reflect environmental and other related costs net of a settlement, business development costs and reorganization costs. Fiscal 2018 adjustments include the impact of environmental and related costs, pension settlement costs and foreign currency remeasurement gain recorded in the second quarter.

\*To supplement the consolidated condensed financial statements presented in accordance with Generally Accepted Accounting Principles ("GAAP"), the Company describes what certain financial measures would have been if environmental and other related costs net of recoveries, costs related to the COVID-19 pandemic including credit loss expenses, severance expenses and other related costs, reorganization expenses, debt extinguishment costs, new store inventories and incremental tariff costs within inventories were excluded. The Company believes these non-GAAP measures provide useful information to both management and investors to increase comparability to the prior period by adjusting for certain items that may not be indicative of core operating measures and to better identify trends in our business. The adjusted financial results are used by management to, and allow investors to, evaluate the operating performance of the Company on a comparable basis.

The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. The Company believes providing constant currency information provides investors with valuable supplemental information regarding results of operations, consistent with how the Company evaluates performance. The constant currency information is used by management to evaluate the operating performance of the Company on a comparable basis. The Company calculates constant currency by converting the current-period local currency financial results using the prior period exchange rates and comparing these adjusted amounts to our current period reported results.

\*The Company also provides Cash Flow Yield which compares the free cash flow estimate (operating cash flows less capital expenditures) per share to the market value per share as a means of measuring performance and operations.

Management does not, nor should investors, consider such non-GAAP financial measures in isolation from, or as a substitution for, financial information prepared in accordance with GAAP. A reconciliation of all non-GAAP measures included in this press release, to the most directly comparable GAAP measures are found in the financial tables above.

## RECONCILIATION OF OPERATING CASH FLOW TO FREE CASH FLOW AND CALCULATION OF FCF YIELD\* (Unaudited) (In millions except for per share data and stock price)

	Cash from Operations	Additions to PP&E	Free Cash Flows
Q3 2020	\$ 96.5	\$ (0.7)	\$ 97.1
Q2 2020	\$ 115.6	\$ 3.0	\$ 112.6
Q1 2020	(76.6)	3.6	(80.2)
Q4 2019	206.5	5.7	200.8
Last 12 months	\$ 342.0	\$ 11.6	\$ 330.3
Shares OS at Q3 2020			81.5
FCF per share			\$ 4.05
Closing price on October 20, 2020			\$ 28.06
FCF Yield			14.4%



An aerial photograph of a mountain landscape. A paved trail winds through a green valley, flanked by dense evergreen forests. Three people are running on the trail. A large, dark, rocky outcrop dominates the right side of the frame. In the background, more mountains are visible under a cloudy sky. A white 'W' logo is centered in the image.

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