



WOLVERINE
worldwide



2Q20 EARNINGS CALL
second quarter 2020, ending june 27, 2020

Forward Looking Statements

This presentation contains forward-looking statements, including statements regarding the Company's expectations regarding its operating cash flow for the full year and its ability to generate cash flow in various economic environments. 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 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 event; 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. Slide 8 at the end of this presentation include reconciliations of the non-GAAP financial measures to the most comparable GAAP financial measures.

Q2 Highlights

Financial Results

- **Revenue** was \$349.1M, down 38.6% versus the prior year and better than expected
- **eCommerce** grew 96.0% versus the prior year – with Merrell, Saucony, Wolverine, and Cat Footwear all growing well over 100%
- **Gross margin** was 42.2%, an expansion of 170 basis points versus the prior year
- **Adjusted EPS**¹ of \$0.08, compared to \$0.52 in the prior year, was better than expected
- **Operating cash flow** of \$115.6M, compared to \$136.3M in the prior year, was significantly better than expected
- **Inventory** down 5.0% versus the prior year

Brand Positioning

Consumer search data² indicates a **meaningful increase** in interest for **Hiking** – and an **even larger increase** for **Running**



HIKING
+13%²



RUNNING
+28%²

1) See page 8 for reconciliations to the most comparable GAAP measures
2) Google Trend data for "Hiking" and "Running" for 12/29/19-7/25/20 versus 12/30/18-7/27/19

3) NPD data for 12 months ending February, 2020
4) Runner's World Spring 2020 Editor's Choice award for the Saucony Triumph 17
5) Merrell.com and Saucony.com eCommerce revenue year-over-year change for Q2

Key Strengths

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

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

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

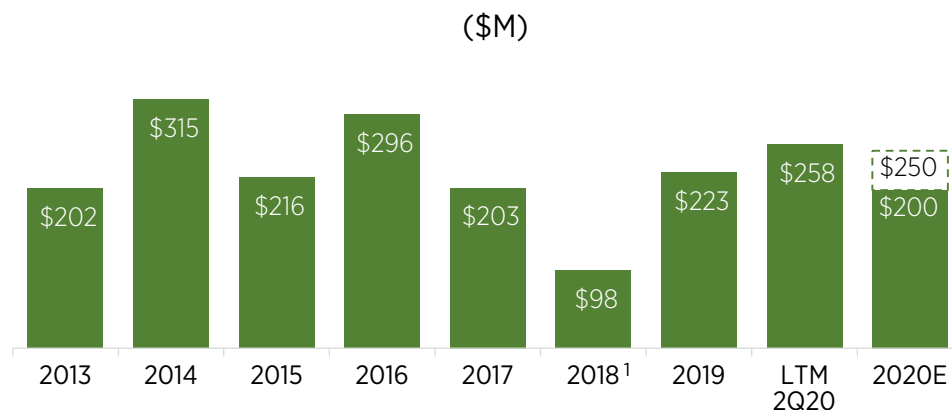
Experienced Management

- Industry experience
- Leadership longevity

Consistent & Strong Cash Flow

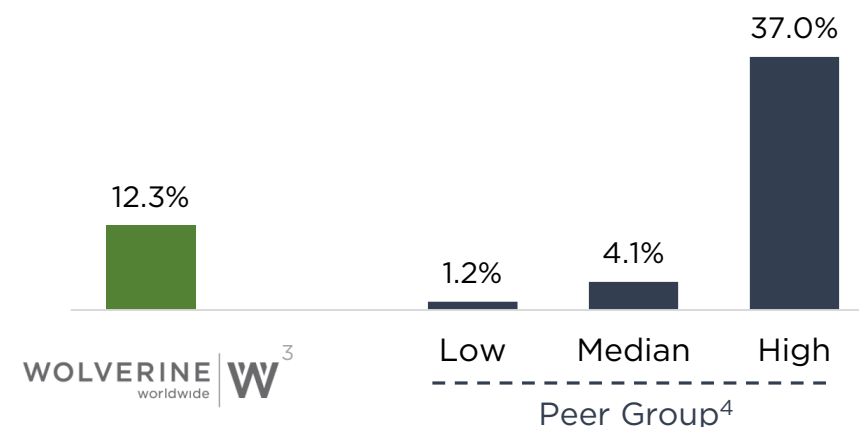
Operating Cash Flow

The Company has delivered strong operating cash flow – even in challenging conditions – which is expected to continue with **\$200M to \$250M in 2020**



Free Cash Flow Yield² Peer Comparison

The Company ranks in the **top third** of its peer set on free cash flow yield performance



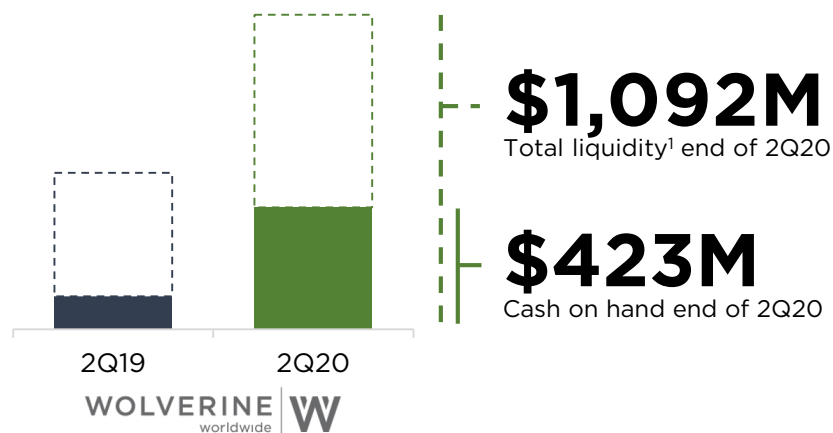
1) 2018 was impacted by voluntary pension contributions (\$60M) and the wind down of our AR factoring program (\$70M)
2) Source: latest available company filings per FactSet; Free Cash Flow Yield is calculated as LTM free cash flow per share divided by stock price

3) See slide 8 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

Significant Cash & Liquidity

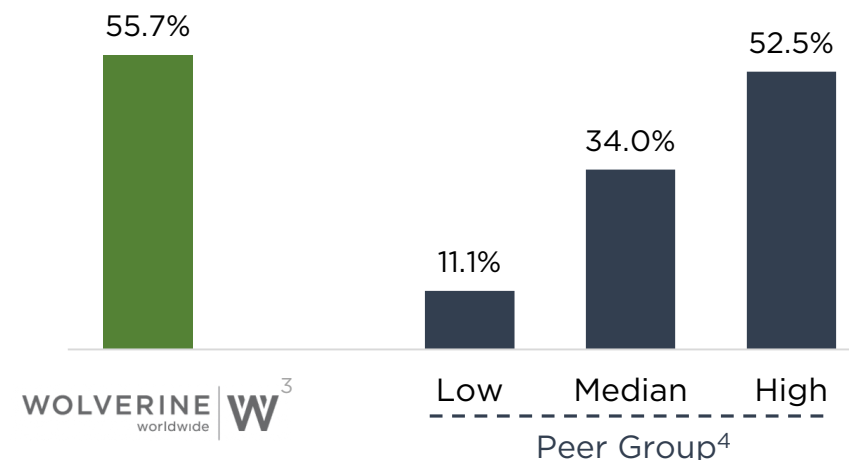
Cash & Total Liquidity¹

The Company has increased its cash and liquidity out of an abundance of caution to navigate the current **market conditions** and to support **future investment**



Liquidity Ratio² Peer Comparison

The Company **leads** its peer set in terms of liquidity relative to its revenue volume

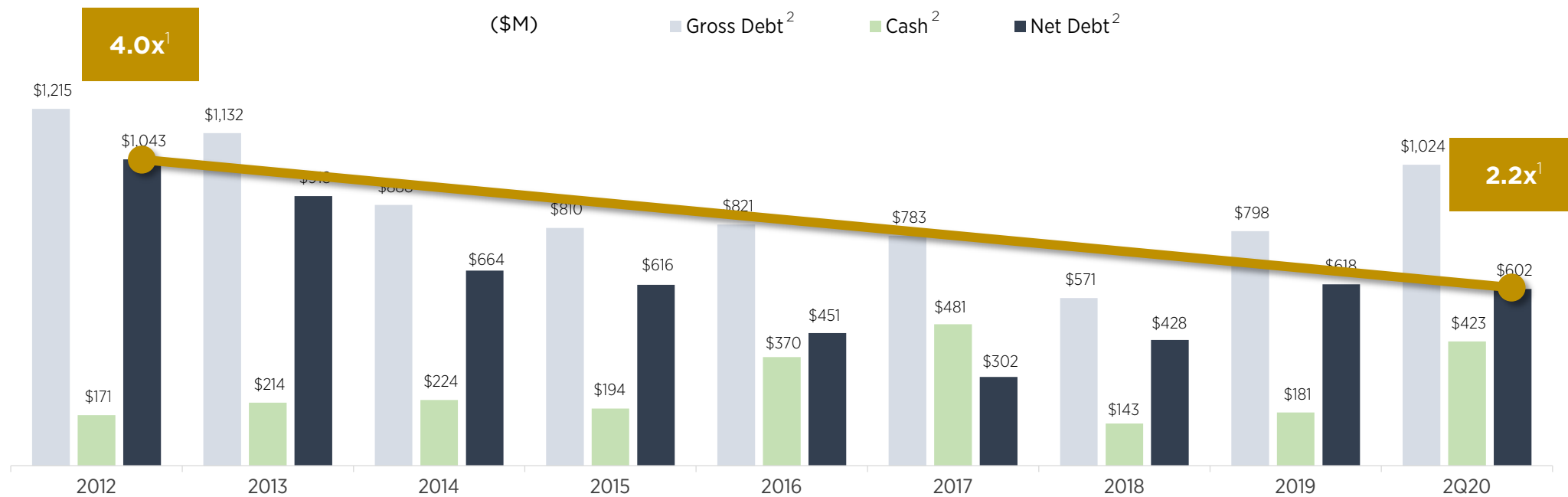


1) Total liquidity is defined as cash plus available borrowing on revolver less outstanding letters of credit
2) Source: latest available company filings per FactSet; Liquidity ratio is defined as the sum of cash plus available borrowing on revolver divided by LTM revenue

3) WWW numbers as of Q2 2020
4) Peer group includes DECK, VFC, COLM, UAA, NKE, SKX, TPR, GCO, SHOO and CAL and is based on ICR's recommended relevant peer group for WWW

Focus on Deleveraging

The Company remains **significantly deleveraged** versus 2012 and **well below** the bank-defined 4.5x ratio required by its credit agreement



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

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

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 Q2	\$ (0.02)	\$ 0.10	\$ 0.08
EPS - Fiscal 2019 Q2	\$ 0.45	\$ 0.07	\$ 0.52

Q2 2020 adjustments reflect environmental and other related costs net of a recovery, expenses related to the COVID-19 pandemic, including credit loss expenses, severance and other related costs, reorganization expenses and debt extinguishment costs. Q2 2019 adjustments reflect the impact of environmental and related costs and business development related costs.

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

	Cash from Operations	Additions to PP&E	Free Cash Flows
Q2 2020	\$ 115.6	\$ 3.0	\$ 112.6
Q1 2020	(76.6)	3.6	(80.2)
Q4 2019	206.5	5.7	200.8
Q3 2019	12.2	10.5	1.7
Last 12 Months	\$ 257.7	\$ 22.8	\$ 234.9
Shares OS at Q2 2020			81.9
FCF per share			\$ 2.87
Closing price on August 3, 2020			\$ 23.42
FCF Yield			12.3%

*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 a recovery, costs related to the COVID-19 pandemic including credit loss expenses, severance expenses and other related costs, reorganization expenses and debt extinguishment costs 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.

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.



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