

WOLVERINE worldwide | W

Investor Presentation | Q3 2019



FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements, including statements regarding: the Company's revenue growth during the rest of fiscal 2019 and focus on leveraging its strong liquidity and financial position to drive shareholder returns; and the Company's fiscal 2019 outlook and guidance. In addition, words such as "guidance," "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: 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; the success of the Company's restructuring and realignment initiatives; 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. Slides 19 and 20 at the end of this presentation include tables and footnotes that will reconcile non-GAAP disclosures to GAAP.

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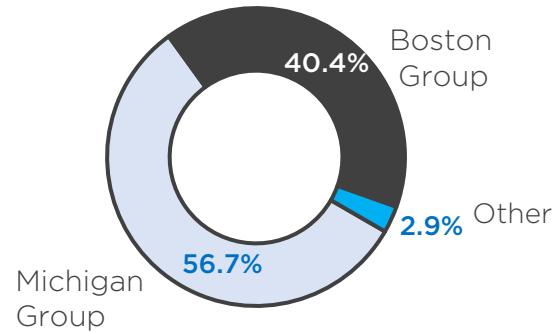
WHO WE ARE

Business model that mitigates risk through geographic diversification, multiple consumer targets, and a variety of distribution channels

Industry-leading portfolio of performance and lifestyle brands

Strong balance sheet

LTM Revenue: \$2.25 billion



OUR VISION

To build a family of the most admired performance and lifestyle brands on Earth

Experienced management team with deep bench strength

Strong operational platform

Scalable global infrastructure

Recent acceleration of growth, led by 3 biggest brands growing at a combined rate of **more than 10%** in 2H19

OUR BRANDS

Michigan Group	       
Boston Group	   

Industry-leading portfolio of performance and lifestyle brands with **over 1,000 years** of combined brand heritage

MICHIGAN GROUP

MERRELL.



Zion

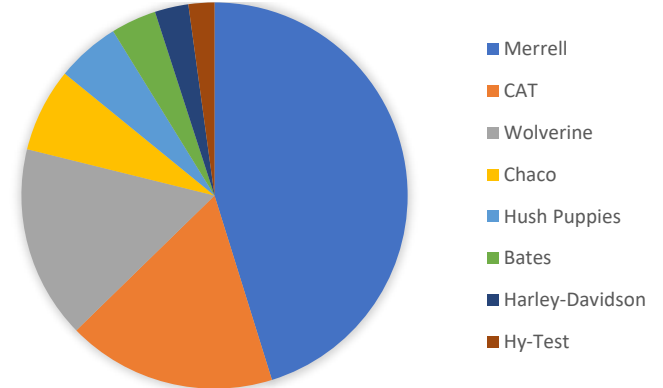


**Bare Access
XTR**



Haven

LTM Revenue by brand



Z/Ronin



Ramble



Borealis Quilt

Hush Puppies



Davis Chukka



Expert Knit



Bailey Chukka

Headquartered in Rockford, MI

Home of Merrell, the largest brand in the portfolio



Steinman



Barrister



Burdon

Strong product pipeline highlighted by the new products listed above

MICHIGAN GROUP (continued)

	 <p>190 Rush</p>  <p>Ramparts USA</p>  <p>1000 Mile x Vic Mensa</p>	<p>The Michigan Group includes five brands that sell into the WORK category</p> <p>Work is approaching 20% of our global revenues</p> <p>Work continues to be a significant growth opportunity for the Company</p>
	 <p>Stormer</p>  <p>Kinetic ICE+</p>  <p>Hex</p>	
	 <p>8" Ultra Lite</p>  <p>Raide Mid</p>  <p>Maneuver Waterproof Zip</p>	
	 <p>FootRests 2.0 Met Guard</p>  <p>FootRests 2.0 Women's Xergy</p>  <p>Alastor Athletic</p>	

Merrell and CAT were early adopters of the new Brand Growth Model; both expecting strong growth in 2019

BOSTON GROUP



A/O
2 Eye



Striper II CVO
Washable



Saltwater Boot



Triumph ISO



Guide ISO



Aya



Champion



Scout Boot



Triple Up



Sperry
A/O Lug

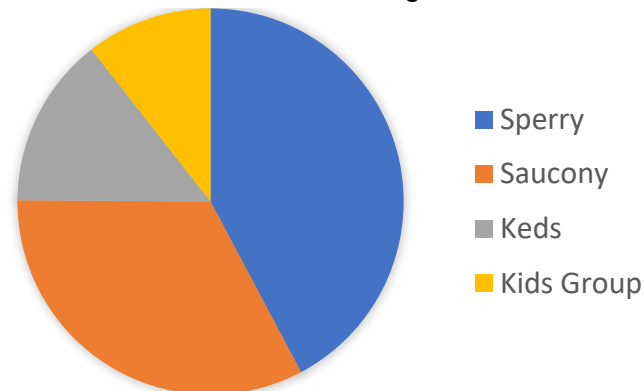


Saucony
Flash Glow



Merrell
Snow Crush

LTM Revenue by brand











Headquartered in Waltham,
MA

Home of Sperry and
Saucony, the 2nd and 3rd
largest brands in the
portfolio

Strong diversified portfolio led by **Sperry** with **Saucony** returning to growth

MARKET SHARE LEADERS

#1 MARKET SHARE	HIKE	BOAT	WORK BOOTS	MILITARY/ TACTICAL
	MERRELL.	 SPERRY <i>Since 1935</i>	WOLVERINE 	

OTHER CATEGORY LEADERS	OUTDOOR/ WATER SANDALS	WINTER/ RAIN BOOTS	WORK BOOTS	TRAIL RUNNING	SNEAKERS
	#2 	#3  SPERRY <i>Since 1935</i>	#3 	#4 saucony 	#5  SPERRY <i>Since 1935</i>

Source: NPD sell-through data as of Q3 2019 for US markets

Diversified portfolio of market share leading brands

GLOBAL GROWTH AGENDA

Powerful Product Creation Engine	Digital-Direct Offense	International Expansion
<ul style="list-style-type: none"> - New Chief Merchant position and global product creation process - Relentless and frequent introduction of craveable product - Improved creative design capabilities - Stronger consumer insights - More streamlined product development process - Speed to market initiatives 	<ul style="list-style-type: none"> - Strengthened collaboration with 3P digital players - Constant flow of compelling new media content - Improved social prospecting - Improved customer website experience - Global expansion of our eCom platforms - Reduced fulfillment times on eCommerce purchases 	<ul style="list-style-type: none"> - Regional merchandising to enhance development of market-right product - Bolstered resources to strengthen regional teams, especially in China - Repatriation of Distributor markets (Saucony Italy) - Expanded network of core partners and continuous evaluation of international business model (China JVs/ Italy repatriation)

Expect to invest nearly **\$80 million** in 2019 including approximately **\$38 million** behind the **GLOBAL GROWTH AGENDA** and approximately **\$40 million** of capital investment to accelerate growth in global markets

2019 KEY EVENTS

CONTINUED SIGNIFICANT INVESTMENT IN DIRECT-TO-CONSUMER

Owned eCommerce is a strong growth driver
(eCom up **23%** YTD)

Opened **16** Sperry Outlet stores YTD in premium locations
(Retail up **5.5%** YTD)



MERRELL



Entered into a JV Partnership with leading Chinese sportswear and running footwear company, **Xtep**, to grow Merrell and Saucony in mainland **China, Hong Kong** and **Macau**



Acquired Saucony's **Italian** distributor to further **strengthen** the company's owned market presence and **maximize growth** opportunities for the brand

RETURNED CAPITAL TO SHAREHOLDERS

Purchased **\$314M** of WWW stock YTD

Increased quarterly dividend by **25%** in Q1 2019, following a **33%** increase last year

We continue to invest in the **Global Growth Agenda** to drive long-term revenue growth and drive shareholder return

HOW WE GO TO MARKET

U.S. WHOLESALE



DIRECT-TO-CONSUMER

94 **41**

Owned Stores*

Owned eCom sites

Accounted for **13%**
of revenue for 2018

*5 additional Sperry and Merrell Outlet
stores to be opened in Q4 2019

2018 SALES BY REGION/CHANNEL

Region Summary

	Revenue	Pairs
USA	68%	45%
International	32%	55%
Canada	5%	5%
EMEA	14%	20%
Latin America	5%	10%
Asia Pacific	8%	20%

Over 50% of units sold outside the US

Channel Summary

	Revenue
Wholesale	87%
eCommerce	9%
Stores	4%

DTC growing as a % of total revenue

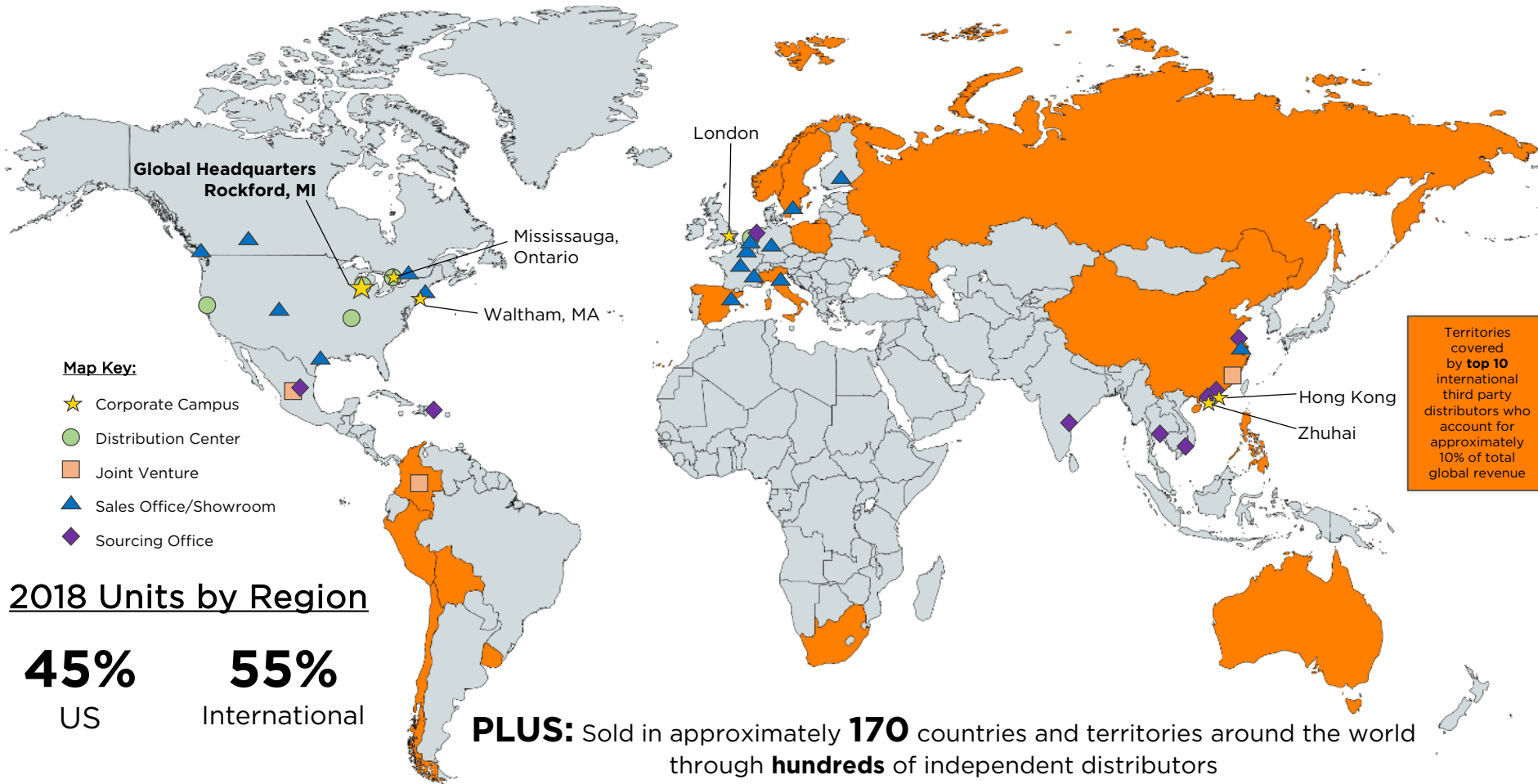
REST OF WORLD DISTRIBUTION

Owned distribution to
over **4,000** customers in
13 countries, primarily in
Western Europe

Over **300** independent
distributors across
EMEA, Asia Pacific and
Latin America

Other methods include sales through **licensee distributors** and **joint ventures**, as well as **leathers** business

WOLVERINE “WORLD WIDE” GLOBAL FOOTPRINT



Diversified factory base: Less than 50% of product entering US is sourced from China; expected to aggressively reduce exposure in 2019

3Q19 FINANCIAL OVERVIEW

(In millions, except per share data)

	Change vs.		Full Year	Change vs.
	Q3 2019	Q3 2018	2018	vs 2017 ⁽¹⁾
Michigan Group	\$ 318.8	-2.7%	\$ 1,272.2	5.5%
Boston Group	241.3	12.4%	895.5	0.2%
Other	14.2	-12.9%	71.5	-15.6%
Total Revenue	\$ 574.3	2.8%	\$ 2,239.2	2.5%
Constant \$ Growth⁽⁸⁾		3.6%		2.3%
Gross Profit	\$ 243.6	4.9%	\$ 921.3	-1.0%
<i>Gross Margin⁽²⁾</i>	42.4%	80 bps	41.1%	150 bps
Adjusted Operating Profit ^(3,4)	\$ 80.8	14.6%	\$ 267.7	1.9%
<i>Adjusted Operating Margin^(3,4)</i>	14.1%	150 bps	12.0%	80 bps
Adjusted EPS⁽⁵⁾	\$ 0.68	9.6%	\$ 2.17	32.3%

Q3 revenue **growth** led by combined growth of **OVER 10%** from **Merrell, Sperry** and **Saucony**

2019 OUTLOOK

(As reported on November 7, 2019)

	<u>4Q19</u>	<u>FY19</u>	
Revenue (in millions)	\$615	\$2,280	Full year revenue guidance represents C\$ growth of approximately 3% vs 2018 C\$ revenue growth expected to be nearly 7% in Q4
Gross Margin	39.5%	41.0%	2019 gross margin expected to be about flat , but improving 100 bps in 2H
Operating Margin, Reported	10.0%	10.5%	Operating margin includes approximately \$38 million of ongoing investments to support the Company's GLOBAL GROWTH AGENDA
Operating Margin, Adjusted ⁽⁶⁾	11.5%	12.0%	
Effective Income Tax Rate	20.0%	19.0%	Additional \$40 million of capital investment to accelerate growth in global markets
EPS, Reported	\$0.53	\$1.96	Cash flows from operations projected to be approximately \$190 million
EPS, Adjusted ⁽⁷⁾	\$0.59	\$2.25	

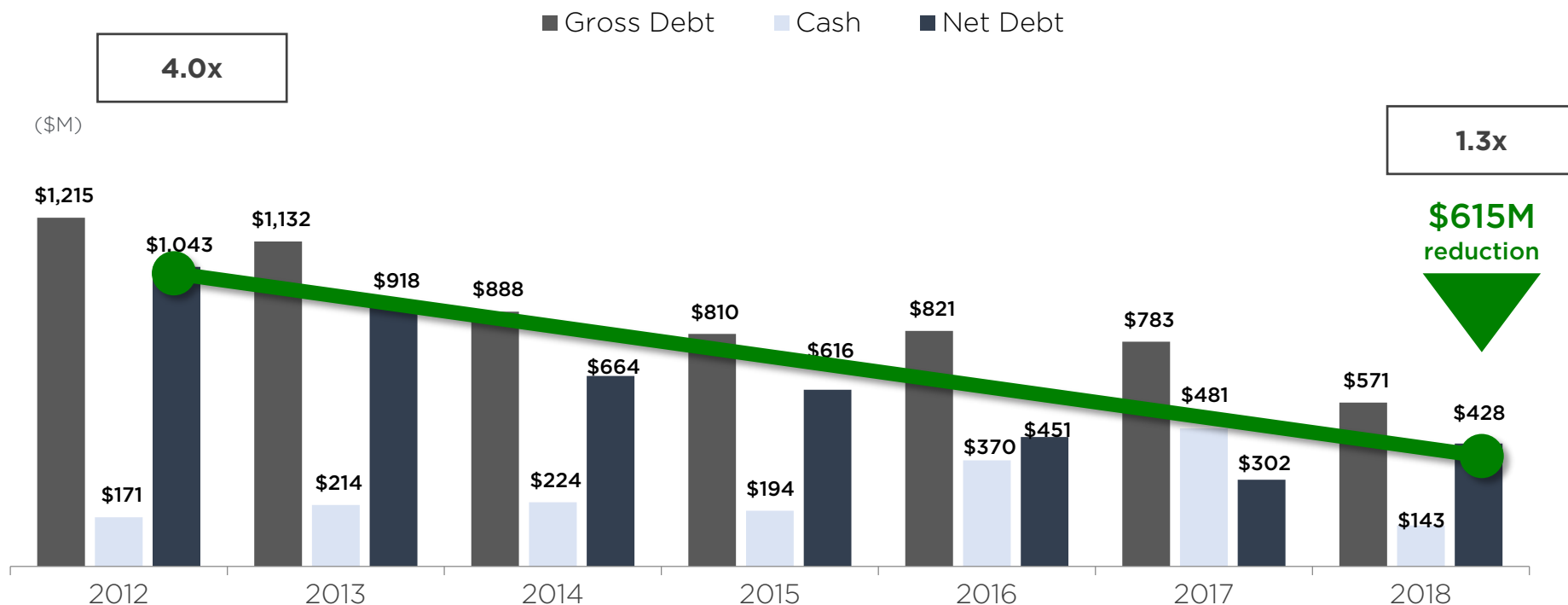
Merrell, Sperry and **Saucony** expected to continue **HSD growth** on a combined C\$ basis in Q4

PRIORITIES FOR \$1.1B OF “DRY POWDER” & STRONG CASH FLOW

1	Organic Growth	<ul style="list-style-type: none"> Expect nearly \$80 million in 2019 including approximately \$38 million behind the GLOBAL GROWTH AGENDA and approximately \$40 million of capital investment to accelerate growth in global markets
2	Return of Capital	<ul style="list-style-type: none"> Increased quarterly dividend 25% in Q1 following last year's 33% dividend increase Repurchased \$107 million of shares in Q3, now \$314 million YTD; \$513 million remaining on current authorizations
3	Pay Down Debt	<ul style="list-style-type: none"> \$175 million of voluntary debt pay downs in 2018 Amended credit facility in Q4 2018 to reduce pricing, improve liquidity, and give greater flexibility with uses of cash
4	M&A	<ul style="list-style-type: none"> Consistent effort in evaluating potential acquisition opportunities Will remain disciplined regarding valuation

Significant capacity to drive shareholder return

SIGNIFICANT DELEVERAGE IN RECENT YEARS



Leverage ratio of **2.48x** as of Q3 2019

Note: leverage ratio is defined per the Company's credit agreement; gross and net debt are based on the Company's reported financial statements.

Strong cash flow & leverage ratio provides significant flexibility to execute future actions to drive shareholder return

RELATIVE PERFORMANCE

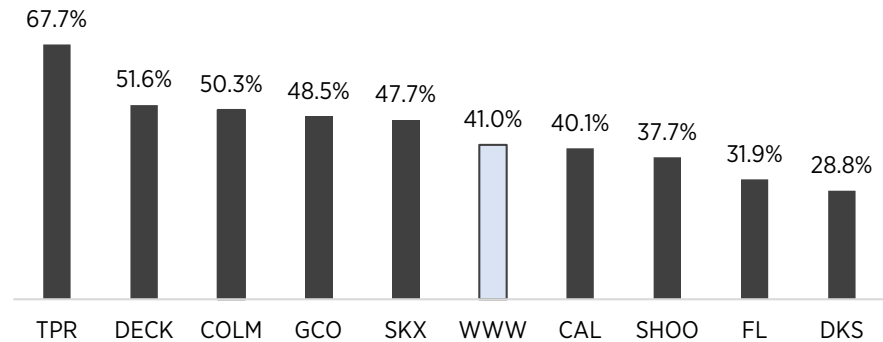
Compared to footwear industry peers

TSR FOCUS

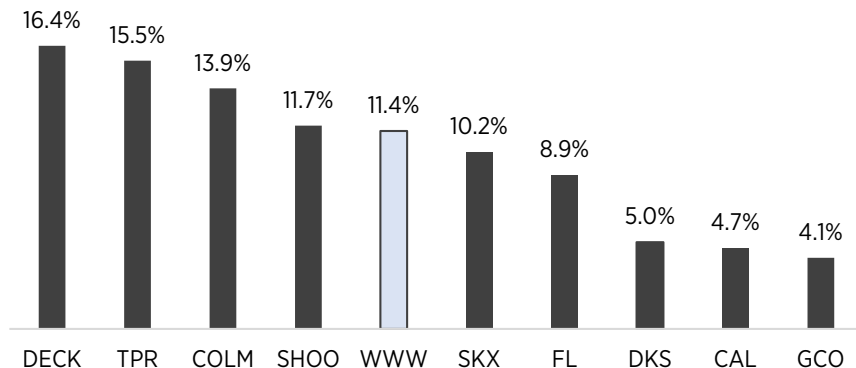
Targeting “top-quartile” valuation multiple with continued organic growth

Priority uses of capital supplement TSR

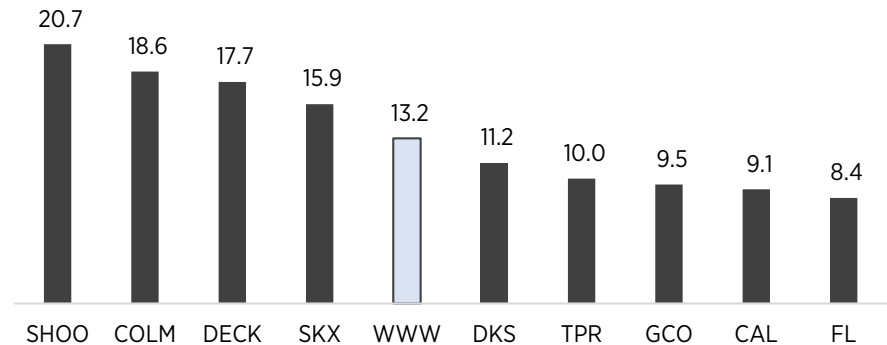
ADJUSTED GROSS MARGIN-LTM



ADJUSTED OPERATING MARGIN-LTM



PRICE/NTM EPS



Amounts publicly available per Bloomberg as of 11/21/2019

GAAP TO NON-GAAP ADJUSTMENTS

Reconciliation of Revenue to Underlying Revenue* (In Millions)

	GAAP Basis Fiscal 2018	GAAP Basis Fiscal 2017	Adjustments ⁽¹⁾	Fiscal 2017 Underlying Basis	Underlying Growth
Michigan Group	\$ 1,272.2	\$ 1,267.8	\$ (62.0)	\$ 1,205.8	5.5%
Boston Group	\$ 895.5	\$ 988.8	\$ (94.9)	\$ 893.9	0.2%
Other	\$ 71.5	\$ 93.4	\$ (8.7)	\$ 84.7	-15.6%
Total	<u>\$ 2,239.2</u>	<u>\$ 2,350.0</u>	<u>\$ (165.6)</u>	<u>\$ 2,184.4</u>	<u>2.5%</u>

1 - Indicates reported revenue adjusted for the impact of retail store closures, the transition of Stride Rite® to a license business model, the sale of Sebago® and the sale of the Department of Defense business.

Reconciliation of Reported Gross Margin to Adjusted Gross Margin* (In Millions)

	GAAP Basis	Adjustments ⁽²⁾	As Adjusted
Gross Profit - Fiscal 2018	\$ 921.3		\$ 921.3
Gross Margin	41.1%		41.1%
Gross Profit - Fiscal 2017	\$ 914.4	\$ 16.5	\$ 930.9
Gross Margin	38.9%		39.6%

2 - Adjustments include \$9.0 million of restructuring costs and \$7.5 million of incremental inventory markdowns.

Reconciliation of Reported Operating Margin to Adjusted Operating Margin* (Unaudited) (In millions)

	GAAP Basis	Adjustments ⁽³⁾	As Adjusted
Operating Profit - Fiscal 2019 Q3	\$ 68.3	\$ 12.5	\$ 80.8
Operating Margin	11.9%		14.1%
Operating Profit - Fiscal 2018 Q3	\$ 68.4	\$ 2.1	\$ 70.5
Operating Margin	12.2%		12.6%

3 - Q3 2019 adjustments reflect \$9.1 million of environmental and related costs and \$2.5 million of reorganization costs, \$0.6 million of business development related costs and \$0.3 million of other costs. Q3 2018 adjustments reflect \$2.1 million of environmental and related costs.

Reconciliation of Reported Operating Margin to Adjusted Operating Margin* (Unaudited) (In millions)

	GAAP Basis	Adjustments ⁽⁴⁾	As Adjusted
Operating Profit - Fiscal 2018	\$ 251.9	\$ 15.8	\$ 267.7
Operating Margin	11.2%		12.0%
Operating Profit - Fiscal 2017	\$ 31.6	\$ 231.1	\$ 262.7
Operating Margin	1.3%		11.2%

4 - 2018 adjustments include \$15.3 million of environmental and related costs and \$0.5 million of other costs. 2017 adjustments include \$81.9 million of restructuring and other related costs, \$37.8 million of organizational transformation costs, \$7.5 million of incremental store inventory mark-downs, \$68.6 million for impairment of intangible assets and \$35.3 million of environmental and other related costs.

GAAP TO NON-GAAP ADJUSTMENTS

Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS* (Unaudited)

	GAAP Basis	Adjustments ⁽⁵⁾	As Adjusted
EPS - Fiscal 2019 Q3	\$ 0.57	\$ 0.11	\$ 0.68
EPS - Fiscal 2018 Q3	\$ 0.60	\$ 0.02	\$ 0.62
EPS - Fiscal 2018	\$ 2.05	\$ 0.12	\$ 2.17
EPS - Fiscal 2017	\$ -	\$ 1.64	\$ 1.64

5 - The 2019 adjustments reflect the impact of environmental and related costs, reorganization costs, business development related costs and other costs.

2018 adjustments include the impact of environmental and related costs, pension settlement costs, a foreign currency remeasurement gain that is not expected to reoccur and other costs. 2017 adjustments include the impact of restructuring and other related costs, organizational transformation costs, incremental store inventory mark-downs, impairment of intangible assets and other related costs and the impact of tax reform.

Reconciliation of Fiscal 2019 Operating Margin Guidance to Adjusted Operating Margin Guidance* (Unaudited) (In millions)

	GAAP Basis	Adjustments ⁽⁶⁾	As Adjusted
Operating margin guidance - Fiscal 2019 Q4	10.0%	1.5%	11.5%
Operating margin guidance - Fiscal 2019	10.5%	1.5%	12.0%

6 - Adjustments include the impact of estimated environmental and related costs, estimated costs related to business development activities, estimated reorganization and other costs.

Reconciliation of Fiscal 2019 Diluted EPS Guidance to Adjusted Diluted EPS Guidance* (Unaudited)

	GAAP Basis	Adjustments ⁽⁷⁾	As Adjusted
EPS - Fiscal 2019 Q4	\$ 0.53	\$ 0.06	\$ 0.59
EPS - Fiscal 2019	\$ 1.96	\$ 0.29	\$ 2.25

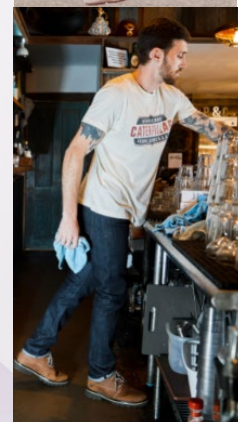
7 - The adjustment includes estimated environmental and other related costs, estimated costs related to business development activities, estimated costs related to reorganization, the impact of tax reform and other costs.

	GAAP Basis	Adjustments ⁽⁸⁾	Underlying Revenue	Foreign-Exchange Impact	Constant Currency Revenue
Revenue - Fiscal 2018	\$ 2,239.2		\$ 2,239.2	\$ (4.1)	\$ 2,235.1
Growth (decline)	-4.7%		2.5%		2.3%
Revenue - Fiscal 2017	\$ 2,350.0	\$ (165.6)	\$ 2,184.4		\$ 2,184.4
Revenue - 2019-Q3	\$ 574.3		\$ 574.3	\$ 4.6	\$ 578.9
Growth (decline)	2.8%		2.8%		3.6%
Revenue - 2018-Q3	\$ 558.6		\$ 558.6		\$ 558.6

8 - Indicates reported revenue adjusted for the impact of retail store closures, the transition of Stride Rite* to a license business model, the sale of Sebago* and the sale of the Department of Defense business.

*To supplement the consolidated financial statements presented in accordance with Generally Accepted Accounting Principles ("GAAP"), the Company describes what certain financial measures would have been if restructuring and other related costs, incremental inventory mark-downs, organizational transformation costs which include gains or losses from divestitures and environmental and other related costs, pension settlement costs and a foreign currency remeasurement gain that is not expected to reoccur 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 presentation, to the most directly comparable GAAP measures are found in the financial tables above.



Notes

Notes

