



**WOLVERINE**  
worldwide



# INVESTOR PRESENTATION

fourth quarter 2021, ending January 1, 2022



# Forward Looking Statements

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This presentation contains forward-looking statements, including statements regarding: the Company's growth pillars; plans regarding its brands' purposes; 2022 outlook and expected key drivers of growth in 2022; ; its capital allocation priorities, strategic acquisition approach; and the expected benefits of the Company's focus on DTC eCommerce. 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 and could cause the Company's performance to differ materially from what is expressed in the forward-looking statements. Risk Factors include, among others: the potential 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; 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; changes 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 25 and 26 at the end of this presentation include reconciliations of the non-GAAP financial measures to the most comparable GAAP financial measures.





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

**Our Mission:**  
To empower, engage, and inspire our  
consumers —  
every step of the way



# 2021 at a Glance



## 2021 Highlights

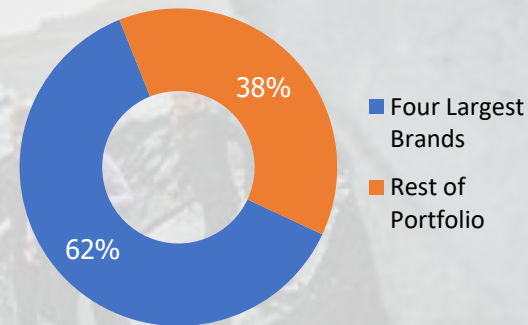
Revenue	\$2.41 Billion	+35% +28% <sup>(2)</sup>
Adjusted <sup>(3)</sup> EPS	\$2.09	+125% +113% <sup>(2)</sup>

- ✓ Merrell, Saucony and Wolverine all-time record revenue
- ✓ Legacy results exceed pre-pandemic FY19
- ✓ Acquired Sweaty Betty in August
- ✓ Successful CEO transition



## Four Largest Brands

### Revenue Mix



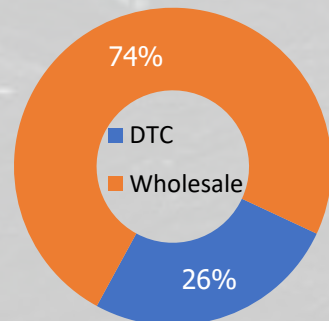
### Revenue Growth FY21

<b>MERRELL</b>	<b>+22%</b>
<b>saucony</b>	<b>+57%</b>
<b>SPERRY</b>	<b>+25%</b>
<b>Sweaty Betty</b>	<b>+40%<sup>(1)</sup></b>



## DTC

### Revenue Mix

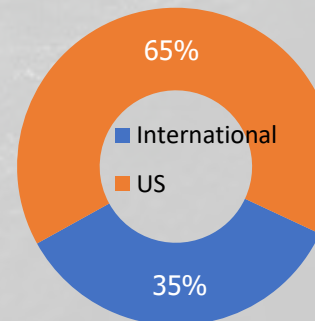


- ✓ Penetration increased from 15% in 2019 to 26% in 2021
- ✓ Revenue grew 47% in 2021  
(Organic revenue increased 23%)
- ✓ eCommerce conversion rate and active consumer list size up double-digits versus 2020



## International

### Revenue Mix



- ✓ 35% of the business with over 50% revenue growth  
(Organic revenue increased 34%)
- ✓ On a unit volume basis, International was 43% of total
- ✓ Over 60% growth in China led by Merrell & Saucony JV

1) Sweaty Betty FY 2021 pro forma growth rate based on WWW calendar year  
 2) Organic growth figures  
 3) See pages 25 and 26 for reconciliations to the most comparable GAAP measures



# Growth Pillars

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## **DTC Focus, Digital Priority**

- 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
- Outpaced growth with third party digital customers and distributors

## **Powerful Product Engine**

- Increased supply base capacity to support growth in demand
- 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

## **Accelerated International Growth**

- Strengthening regional teams, especially in China
- Regional merchandising to enhance development of market-right product
- Expanding network of core partners and continuous evaluation of business models
- Investing in digital capabilities in new markets



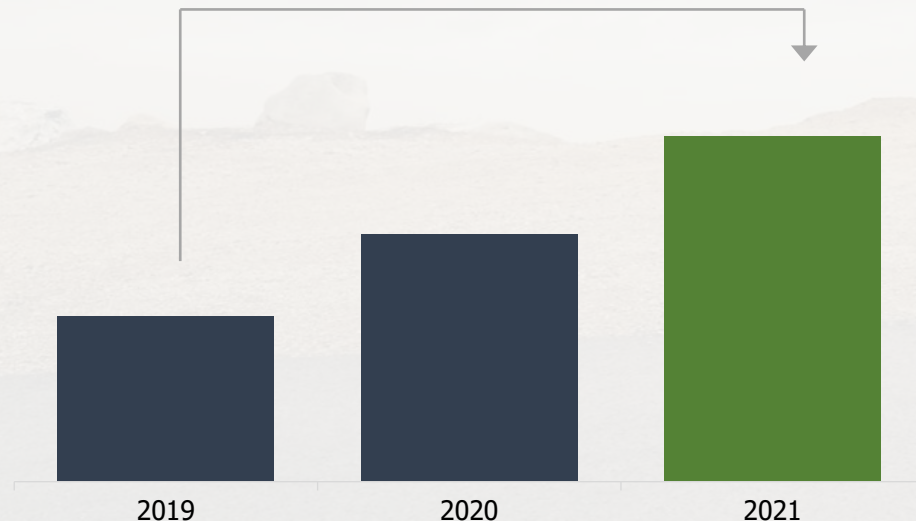
# DTC Focus + Digital Priority

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## DTC eCommerce Revenue

**More than 2X**

2021 Revenue versus 2019



## Strategic Rationale

- 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, and inventory management
- Makes our brands better wholesale partners, armed with heightened consumer expertise, trend-right product, and elevated digital content
- Expands profit-per-pair sold



# Key Strengths

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1

## Brands + Product

- Portfolio of 13 performance and lifestyle brands
- Well positioned in hiking, running, athletic apparel and work categories
- Category leaders

2

## Diversified Business

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

3

## Financial Strength

- Strong balance sheet
- Nimble cost structure
- Relatively low fixed cost model
- Capacity to invest in organic growth

4

## Strong Operational Platform

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

5

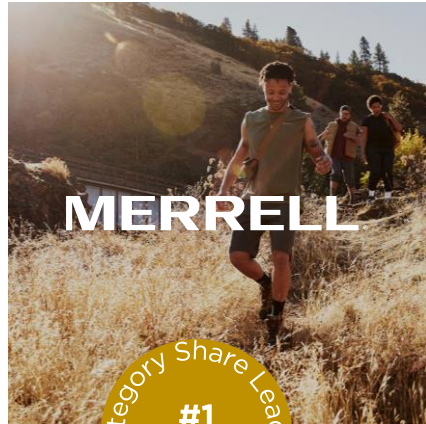
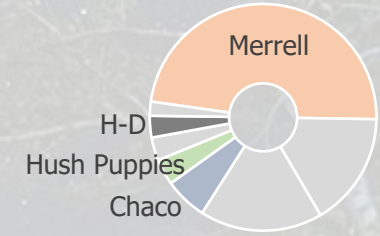
## Experienced Management

- Industry experience
- Leadership longevity

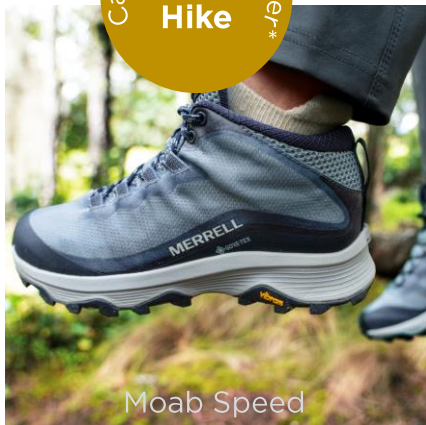


# 1 Brands + Product

Michigan  
Group  
2021 Revenue



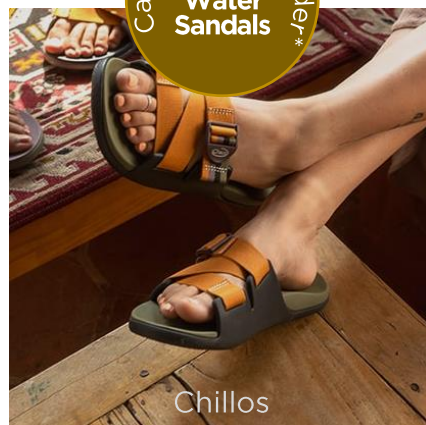
Category Share Leader\*  
**#1**  
Hike



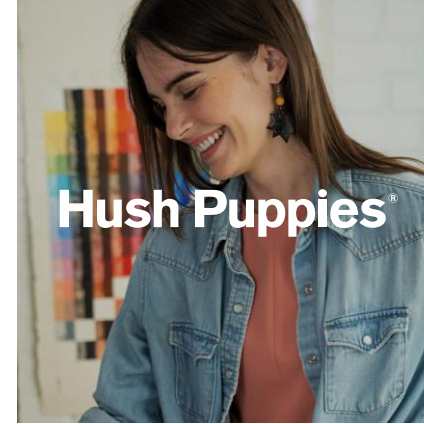
Moab Speed



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



Chillos



Brite Jells



Colwell Riding Boot



# MERRELL® Record revenue in 2021 with +22% growth

## Financial Performance:

### Full Year 2021

*Revenue +22%*

*DTC Revenue +28%*

- *eCommerce +22%*
- *Stores +47%*

## Brand Purpose: **THE TRAIL AHEAD**

At Merrell, we believe in sharing the simple power of the outside – no matter who you are, where you came from, who you love, or how you move. We're committed to building a better tomorrow by creating more inclusive, welcoming, and equitable spaces in the outdoors.

## Key Franchises:



Moab



Moab Speed



Nova/Antora



Hydro Moc



Alpine

## 2022 Newness:



Moab 3



Bravada 2



Antora 2  
Galactic



Thermo Rogue  
3

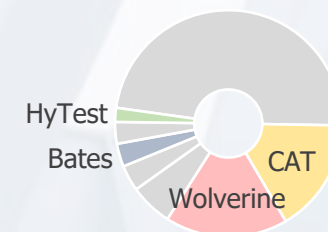


Hut Moc 2

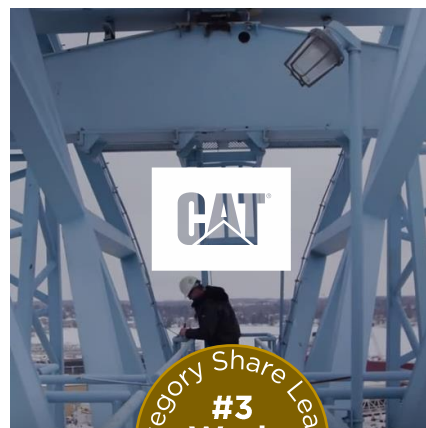
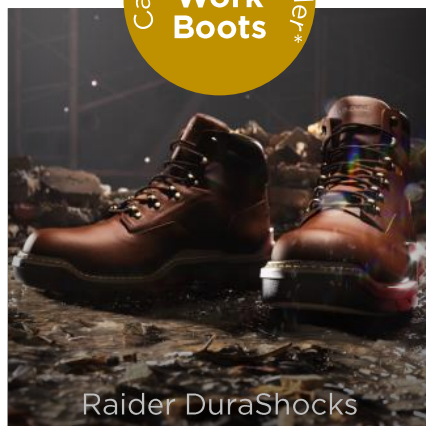


# 1 Brands + Product

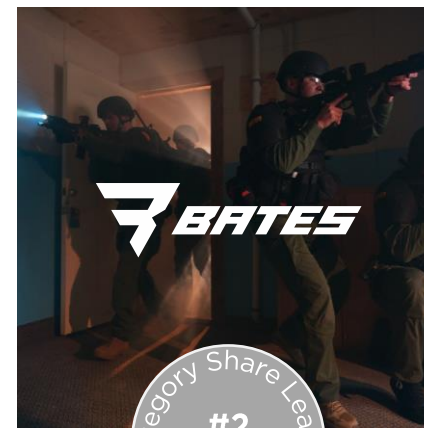
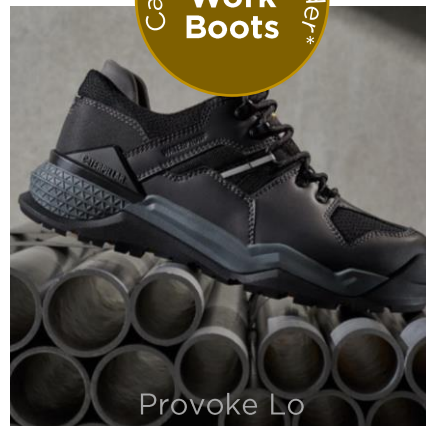
Michigan  
Group  
2021 Revenue



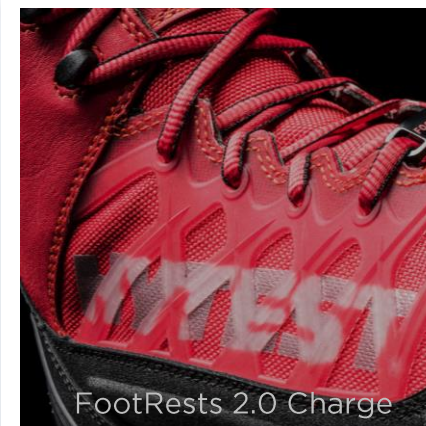
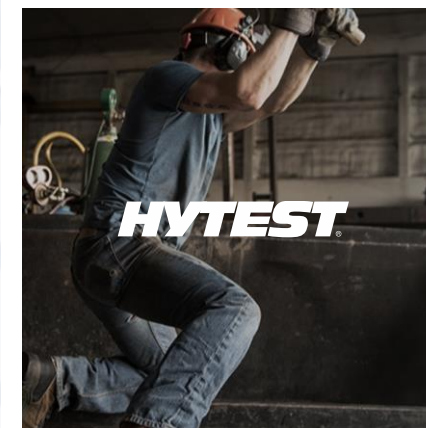
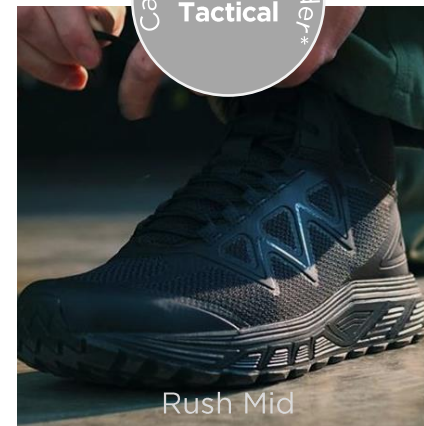
Category Share Leader\*  
**#1**  
Work  
Boots



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



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





# WOLVERINE Record revenue in 2021 with 28% growth

## Financial Performance:

2021 Full Year

Revenue +28%

- eCommerce +17%

## Brand Purpose:

**We exist to support the people who forge their own path; men and women who stop at nothing to build the future they want**

## Key Franchises:



## 2022 Newness:

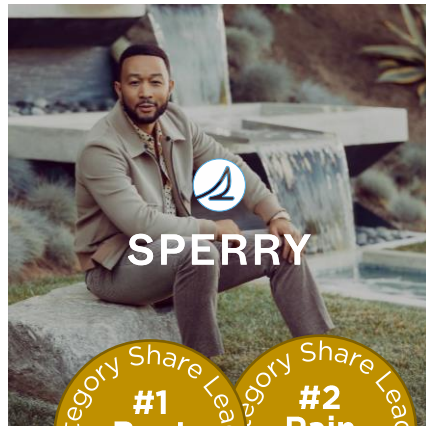
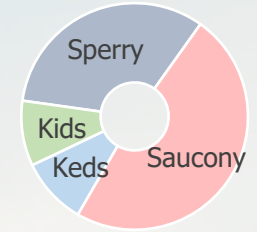
- UltraSpring technology focus across big launches in Hellcat (core work), Rev (OccuSafety), Guide (Outdoor), and Forge (Work Casual). Introducing the Raider Revolution with Durashocks, and also launching new colorways in the BLVD collection.
- Kicked off 2022 with purpose-led product collaboration with Uncommon Construction and will anniversary previous collaborations in fresh new ways, while introducing new mainstream partners throughout 2022.



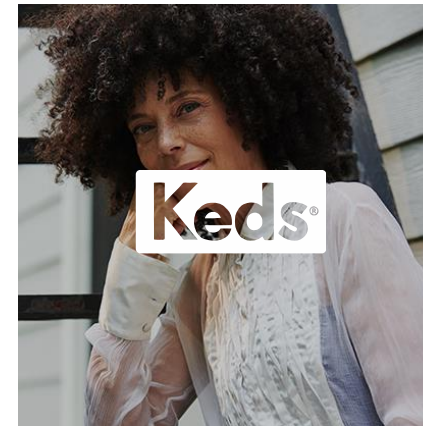
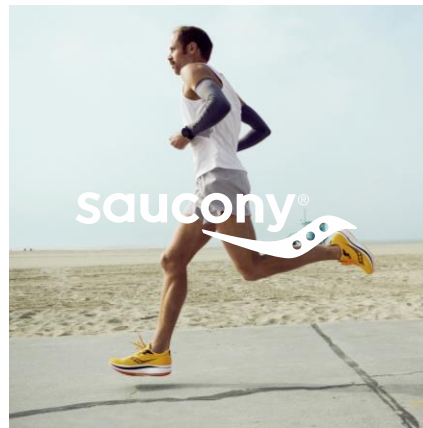


# 1 Brands + Product

Boston  
Group  
2021 Revenue



Category Share Leader\*  
**#1 Boat Shoes**  
Category Share Leader\*  
**#2 Rain Boots**







## Record revenue in 2021 with +57% growth

### Financial Performance:

#### Full Year 2021

*Revenue +57%*

*DTC Revenue +51%*

- *eCommerce +52%*
- *Stores +47%*

### Brand Purpose: **RUN FOR GOOD**

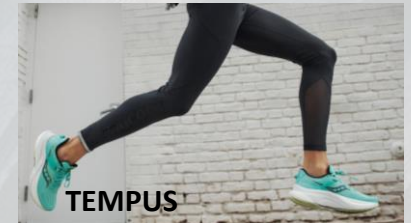
We exist to inspire and serve all humans to live their best life by providing access to running, self-expression and creating a better world.

### Key Franchises

- Peregrine, Kinvara, Ride, Guide, Triumph,
- Endorphin Collection (Pro, Speed, Shift)
- Jazz & Shadow (Originals)

### 2022 Newness:

- Tempus, Endorphin Trail, Endorphin Edge, Shadow 500 Premium







# SPERRY

## Marked improvement delivering +25% growth

### Financial Performance:

#### 2021 Full Year

*Revenue +25%*

*DTC Revenue +24%*

- *eCommerce +13%*
- *Stores +48%*

### Brand Purpose:

#### **ALL FOR WATER & WATER FOR ALL**

We believe in the power of water. And we will always work to share, celebrate, and protect it.

**Sustainability:** Creating a more sustainable future by building products, programs, and partnerships that are designed to protect our water.

**Diversity & Inclusion:** Working towards a better future where everyone has access to and is welcome on the water.

### Key Franchises:

- Boat, Moc-Sider, Float, Torrent, Saltwater Duck boots

### 2022 Newness:

- Boat, Plushwave 2.0, Duck Float, Plushwave 3D, Sperry Sport

BOAT  
PLUSHWAVE 2.0



DUCK FLOAT



PLUSHWAVE 3D



SPERRY SPORT



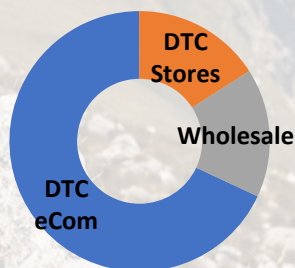


# Sweaty Betty Continued DTC excellence and apparel expertise

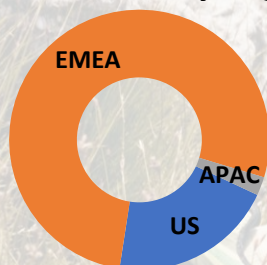
## Financial Performance:

**40% Pro forma Growth<sup>1</sup>**

2021 Revenue<sup>1</sup> by Channel



2021 Revenue<sup>1</sup> by Region



## Brand Purpose: **EMPOWERING WOMEN THROUGH FITNESS AND BEYOND**

Our on-the-go community treats every day like it's made for moving, and we're always pushing to do better too. Like crafting clothes from responsibly sourced materials and recycled bottles; caring for both your body and the planet.

## Key Franchises:

- Power Leggings

## 2022 Newness:

- Sand Wash Pants, After Class Hoody, Free Fall Parka, Super Soft Franchise



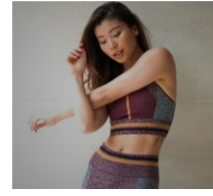
<sup>1</sup>) FY 2021 Sweaty Betty pro forma revenue and growth based on WWW Calendar year, channel and region splits



## 2 Diversified Business



### CATEGORIES



### CONSUMERS



### REGIONS



DTC

eCommerce

Sporting  
Goods

### CHANNELS

Specialty

Independents

Department  
Stores



# 3 Financial Strength

## Capital Allocation and Acquisition Approach

### TSR Focus

We are focused on delivering strong TSR for our shareholders

- Our strong financial model and growth pillars are managed with a focus on maximizing shareholder return
- Targeting a “top-quartile” valuation multiple with continued organic growth

### Capital Allocation Priorities

Our priorities for capital include:

- Investment in **organic growth** – particularly in **eCommerce**
- Continue to pay down **debt**
- Return capital to shareholders via **dividend** payments and share repurchases
- Pursue strategic **repatriation** of certain distributor markets and **acquisition** opportunities

### Leverage & Liquidity

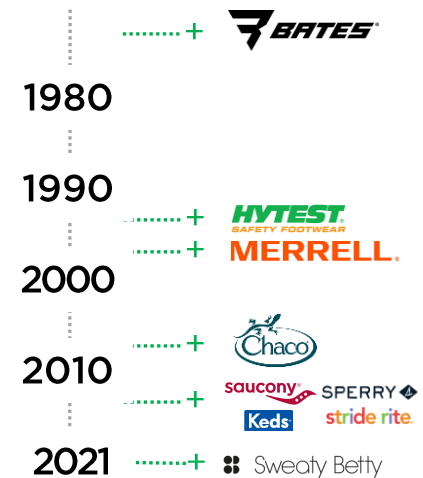
Approximately \$900M of Total liquidity including cash and borrowings under the Company’s revolving line of credit

- Provides sufficient dry powder to fuel organic investments and sustain planned shareholder distributions

2.3x Credit Agreement Defined Leverage as of Q4 2021

- \$967M gross debt which is up \$244M compared to 2020 reflecting the impact of the Sweaty Betty acquisition
- Strong history of deleveraging after acquisition activities

### Acquisition History





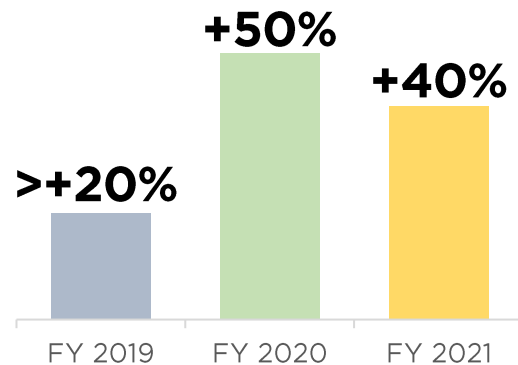
## 4 Strong Operational Platform

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

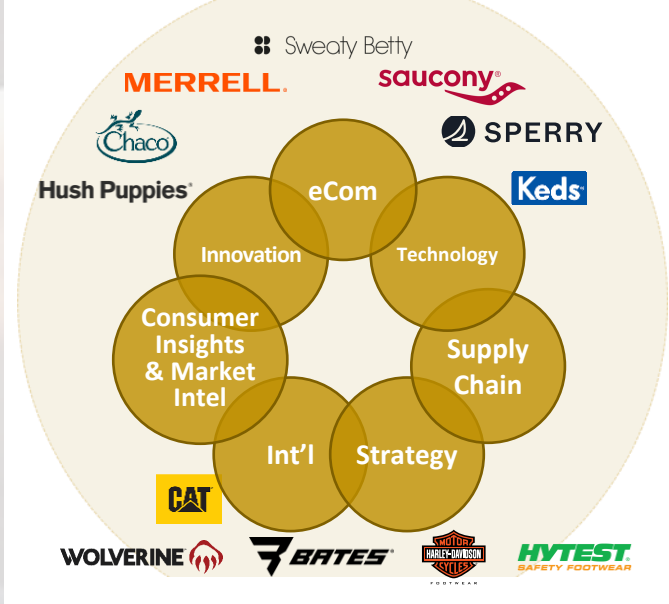
### eCommerce

- Strategic focus for several years
- Key element of *Growth Pillars*

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



### Centers-of-Excellence



### Supply Chain



Longstanding factory relationships



Diversified geographic sourcing base



Dual-sourcing on core products



Increasing capacity levels to support growth



# 5 Experienced Management

## Leadership Longevity at WWW

**President & CEO**  
Joined WWW in 2021 with  
30+ years in industry

President  
International Group  
4 years

Executive  
Vice President GOG  
24 years

Chief Financial  
Officer  
26 years

Senior Vice  
President HR  
17 years

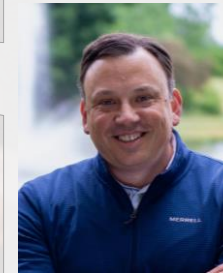
President  
eCom  
1 year

President  
Merrell  
14 years

President  
Saucony  
4 years

President  
Sperry  
1 year

President  
Wolverine  
7 years



**Brendan Hoffman**

President & CEO

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



**Blake Krueger**

Executive Chairman

- Retired CEO (15 years); Executive Chairman



# Go-to-Market & Distribution

**Global Online Sales  
Across All Channels<sup>1</sup>**  
More than  
**40%**  
of 2021 Revenue

## U.S. Wholesale

amazon

DICK'S  
SPORTING GOODS

REI  
COOP

Zappos  
z.com

Academy  
SPORTS+OUTDOORS

Cabela's  
WORLD'S FOREMOST OUTFITTER

Dillard's

DSW  
DESIGNER SHOE WAREHOUSE

TSC

## Rest of World

**170** countries and territories in which products are marketed globally<sup>2</sup>

Business models include **owned markets, distributors, licensees, and joint ventures**

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

**Retail Partners:**  
    
 

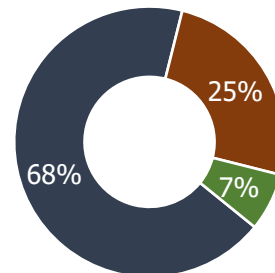
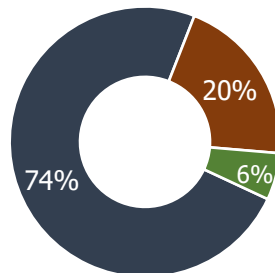
**300+**

## Revenue by Channel

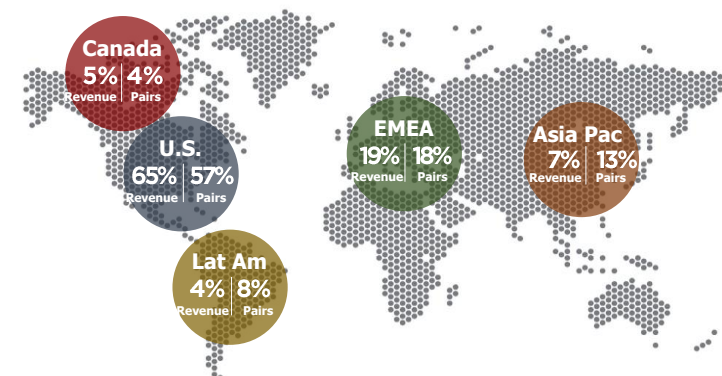
2021 Global Revenue

2021 U.S. Revenue

■ Wholesale ■ DTC eCom ■ DTC Stores



## 2021 Sales by Region



**43%**  
of pairs  
outside  
the U.S.  
(35% of  
revenue)

1) Represents owned online business and the estimated online business of our wholesale customers and International distributor partners  
2) Countries and territories and distributor figures as of end of 2021





# Financial Highlights



# 4Q21 Highlights

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## Revenue

**\$635.6M**

+25%  
+9%<sup>(2)</sup>

## Adjusted<sup>(1)</sup> Gross Margin

**43.0%**

+160 bps  
+10 bps<sup>(2)</sup>

## Adjusted<sup>(1)</sup> Operating Margin

**7.7%**

+110 bps  
+50 bps<sup>(2)</sup>

## Adjusted<sup>(1)</sup> EPS

**\$0.41**

+94%  
+48%<sup>(2)</sup>



# 2022 Financial Highlights

## Revenue

**\$2.77B - \$2.85B**

+15% to +18%

## Gross Margin

**43.5% - 44.0%**

## Adjusted<sup>(1)</sup> Operating Margin

**Approximately  
11.0%**

## Adjusted<sup>(1)</sup> EPS

**\$2.50 - \$2.65**

+19% to +27%

- Brands well positioned in **performance-focused categories**, including Hiking, Running, and Work
- Four largest brands, making up 2/3 of the business, are all launching new products related to their **biggest product franchises** in 2022
- Focus and investment in **direct-to-consumer eCommerce**, which grew **40%** in 2021 and more than doubled versus 2019 (+109.4%)
- Order **backlog** from retail partners is very strong (as of February 2022)
- We have built and continue to pursue more **flexibility in our supply network**:
  - Secured 40% more production capacity
  - Committed to early production on core inventory
  - Production orders placed and confirmed for 2022 are up over 75% compared to the same point in time last year



# 4Q21 and FY21 Financials

(In millions, except per share data)				
	Q4 2021	Change vs Q4 2020	FY 2021	FY 2021 vs 2020
Michigan Group	\$ 322.0	7.9%	\$ 1,298.9	23.6%
Boston Group	218.1	10.4%	935.8	34.5%
Sweaty Betty & Other	95.5	607.4%	180.2	305.2%
<b>Total Revenue</b>	<b>\$ 635.6</b>	<b>24.7%</b>	<b>2,414.9</b>	<b>34.8%</b>
<b>Constant \$*</b>		<b>24.6%</b>		<b>33.4%</b>
Gross Profit	262.4	28.3%	1,029.9	40.0%
<i>Gross Margin</i>	41.3%	120bps	42.6%	150bps
Adjusted Operating Profit*	49.1	46.3%	256.9	91.9%
<i>Adjusted Operating Margin</i>	7.7%	110bps	10.6%	310bps
<b>Reported EPS</b>	<b>\$ (0.18)</b>		<b>\$ 0.81</b>	
<b>Adjusted EPS*</b>	<b>\$ 0.41</b>	<b>93.8%</b>	<b>\$ 2.09</b>	<b>124.7%</b>

\* See pages 25 and 26 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 2021 Q4	\$635.6	-\$0.5	\$635.1	\$509.6	24.6%	24.7%
Fiscal 2021	\$2,414.9	-\$25.3	\$2,389.6	\$1,791.1	33.4%	34.8%
Fiscal 2020	\$1,791.1	\$0.5	\$1,791.6	\$2,273.7	-21.2%	-21.2%

## RECONCILIATION OF REPORTED GROSS MARGIN TO ADJUSTED GROSS MARGIN (Unaudited) (In millions)

	GAAP Basis	Adjustments <sup>1</sup>	As Adjusted
Gross Profit - Fiscal 2021 Q4	\$ 262.4	\$ 11.0	\$ 273.4
<i>Gross Margin</i>	41.3%		43.0%
Gross Profit - Fiscal 2020 Q4	\$ 204.6	\$ 6.3	\$ 210.9
<i>Gross Margin</i>	40.1%		41.4%
Gross Profit - Fiscal 2021	\$ 1,029.9	\$ 35.2	\$ 1,065.1
<i>Gross Margin</i>	42.6%		44.1%
Gross Profit - Fiscal 2020	\$ 735.6	\$ 8.3	\$ 743.9
<i>Gross Margin</i>	41.1%		41.5%

1) Q4 2021 adjustments reflect \$4.1 million of air freight and other charges related to production and shipping delays caused by the COVID-19 pandemic and \$6.9 million of costs associated with the acquisition of Sweaty Betty®. Q4 2020 adjustments reflect expenses related to the COVID-19 pandemic including \$3.2 million of inventory charges and \$3.1 million of air freight charges related to production delays.

2021 adjustments reflect \$26.1 million of air freight and other charges related to production and shipping delays caused by the COVID-19 pandemic and \$9.1 million of costs associated with the acquisition of Sweaty Betty®. 2020 adjustments reflect expenses related to the COVID-19 pandemic including \$4.4 million of inventory charges and \$3.9 million of air freight charges related to production delays.

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

	GAAP Basis	Adjustments <sup>1</sup>	As Adjusted
Operating Profit - Fiscal 2021 Q4	\$ (8.7)	\$ 57.8	\$ 49.1
<i>Operating Margin</i>	-1.4%		7.7%
Operating Profit - Fiscal 2020 Q4	\$ (204.1)	\$ 237.6	\$ 33.5
<i>Operating Margin</i>	-40.1%		6.6%
Operating Profit - Fiscal 2021	\$ 155.7	\$ 101.2	\$ 256.9
<i>Operating Margin</i>	6.4%		10.6%
Operating Profit - Fiscal 2020	\$ (137.1)	\$ 271.0	\$ 133.9
<i>Operating Margin</i>	-7.7%		7.5%

1) Q4 2021 adjustments reflect \$44.4 million of environmental and other related costs net of recoveries, \$9.3 million of costs associated with the acquisition of Sweaty Betty® and \$4.1 million of air freight charges and other costs related to production and shipping delays caused by the COVID-19 pandemic. Q4 2020 adjustments reflect \$222.2 million for a non-cash impairment of the Sperry® trade name, \$11.1 million of expenses related to the COVID-19 pandemic including \$0.7 million of severance expenses, \$3.6 million of facility exit costs, \$3.2 million of inventory charges, \$3.1 million of air freight charges related to production delays and \$0.5 million of other related costs and \$4.3 million of environmental and other related costs net of recoveries.

2021 adjustments reflect \$56.4 million of environmental and other related costs net of recoveries, \$26.1 million of air freight charges and other costs related to production and shipping delays caused by the COVID-19 pandemic and \$18.7 million of costs associated with the acquisition of Sweaty Betty®. 2020 adjustments reflect \$222.2 million for a non-cash impairment of the Sperry® trade name, \$37.7 million of expenses related to the COVID-19 pandemic including \$10.9 million of severance expenses, \$8.5 million of credit loss expenses, \$4.9 million of inventory charges, \$3.9 million of air freight charges related to production delays, \$3.6 million of facility exit costs and \$5.9 million of other costs, and \$11.1 million of environmental and other related costs net of recoveries.



# GAAP to Non-GAAP Adjustments

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

	GAAP Basis	Adjustments	As Adjusted
EPS - Fiscal 2021 Q4	\$ (0.18)	\$ 0.59	\$ 0.41
EPS - Fiscal 2020 Q4	\$ (2.10)	\$ 2.31	\$ 0.21
EPS - Fiscal 2021	\$ 0.81	\$ 1.28	\$ 2.09
EPS - Fiscal 2020	\$ (1.70)	\$ 2.63	\$ 0.93

Q4 2021 adjustments reflect costs associated with the acquisition of Sweaty Betty®, air freight charges and other costs related to production and shipping delays caused by the COVID-19 pandemic, non-cash impairment related to one of the Company's joint ventures and environmental and other related costs net of recoveries. Q4 2020 adjustments reflect a non-cash impairment of the Sperry® trade name, expenses related to the COVID-19 pandemic, and environmental and other related costs net of recoveries.

2021 adjustments reflect debt extinguishment costs, costs associated with the acquisition of the Sweaty Betty®, air freight and other costs related to production and shipping delays caused by the COVID-19 pandemic, environmental and other related costs net of recoveries and non-cash impairment related to one of the Company's joint ventures. 2020 adjustments reflect a non-cash impairment of the Sperry® trade name, expenses related to the COVID-19 pandemic, and environmental and other related costs net of recoveries.

\*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, costs associated with the acquisition of the Sweaty Betty® brand, environmental and other related costs net of recoveries, costs related to the COVID-19 pandemic including air freight costs, credit loss expenses, severance expenses and other related costs, reorganization expenses and debt extinguishment costs were excluded. The Company also describes what certain financial measures would have been if the previously described financial measures also excluded the results of Sweaty Betty®. The Company believes these non-GAAP measures provide useful information to both management and investors by increasing 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 the Company's 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 valuable supplemental information regarding results of operations, consistent with how the Company evaluates performance. 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 the Company's current period reported results.

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.

## 2022 GUIDANCE RECONCILIATION TABLES RECONCILIATION OF REPORTED OPERATING MARGIN GUIDANCE TO ADJUSTED OPERATING MARGIN GUIDANCE, REPORTED DILUTED EPS GUIDANCE TO ADJUSTED DILUTED EPS GUIDANCE (Unaudited) (In millions, except earnings per share)

	GAAP Basis	Adjustments <sup>1</sup>	As Adjusted
Operating Margin - Fiscal 2022 Full Year	10.2%	0.8%	11.0%
Dilutive EPS - Fiscal 2022 Full Year	\$2.30 - \$2.45	\$ 0.20	\$2.50 - \$2.65

1) 2022 adjustments reflect estimated environmental and other related costs net of recoveries and estimated Sweaty Betty® integration costs.



# Contact Us

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