



**WOLVERINE**  
worldwide



**ICR CONFERENCE**  
January 11, 2023

# Forward Looking Statements

This presentation does not present all necessary information for an understanding of the Company's full year and fourth quarter fiscal 2022 results and the Company's financial condition as of December 31, 2022. The expected results described in this presentation are preliminary and unaudited estimates based on information available to management as of the date of this presentation, and are subject to change, including potentially material changes. For example, the adjusted results do not include non-GAAP measures as described below or any potential future inventory liquidation or other potential reserves still being finalized. As the Company completes its year-end financial close process and finalizes its financial statements, it will be required to make significant judgments. This presentation contains forward-looking statements, including statements regarding: the Company's 2022 fourth quarter and full year financial guidance; sale processes for Keds and Wolverine Leathers; inventory position; growth pillars; and new brand group structure; 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 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 results of the sales processes regarding the Keds brand and Wolverine Leathers business; the Company's ability to realize the expected benefits of its new brand group structure; 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, inflationary pressures 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; supply chain and capacity constraints, production disruptions, quality issues, price increases or other risks associated with foreign sourcing; the cost, including the effect of inflationary pressures, 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.

## **Non-GAAP Information**

This presentation includes non-GAAP financial measures which are indicated by footnote references. This presentation contains certain non-GAAP information, including constant currency revenue growth, adjusted diluted earnings per share, and operating free cash flow. Measures referred to in this deck as "adjusted" financial results are non-GAAP measures that exclude the impact of environmental and other related costs net of recoveries, costs associated with Sweaty Betty® integration, separation and reorganization costs related to the Company's recent workforce reduction, and impairment costs related to intangible assets. The Company is not providing a reconciliation of its forward-looking full year and fourth quarter, fiscal 2022 non-GAAP preliminary expected results with respect to constant currency revenue growth, adjusted diluted earnings per share, and operating free cash flow because it does not currently have sufficient information to accurately estimate all of the variables and individual adjustments for such reconciliation. As such, the Company cannot, without unreasonable effort, estimate on a forward-looking basis the impact these variables and individual adjustments will have on its reported results.

# Fourth Quarter and Full Year 2022 Pre-announcement for the ICR Conference

“During the fourth quarter, we achieved our revenue, inventory management and cash flow goals,” said Brendan Hoffman, President and CEO. “The acceleration of our inventory reduction efforts is expected to pressure fourth-quarter earnings toward the low end of our guidance. We are executing well against a 100-day action plan that establishes near-term operational improvements needed to set the foundation for growth and profit improvement moving forward. The continued liquidation of end-of-life inventory is critical to this plan and we are encouraged by the progress made and options available to further clear these goods in early 2023.”

## 2022 Fourth Quarter & Full Year Results

Full Year Revenue of \$2.685B representing approximately 11% growth or 14% growth on a constant currency<sup>1</sup> basis.

Fourth Quarter Revenue of \$665M representing approximately 5% growth and 8% growth on a constant currency<sup>1</sup> basis.

Fiscal 2022 and fourth quarter adjusted diluted earnings<sup>1</sup> at the low end of our previous guidance, pending the year-end financial close.

## Inventory Update

Year-end inventory of approximately \$805M, down from \$880M at the end of Q3. The year-end inventory includes approximately \$40M for Keds and Wolverine Leathers, two businesses that are each currently in an active sale process.

## Liquidity Update

Year-end Net Debt of \$1.0B down from \$1.3B at the end of the third quarter and fourth quarter operating free cash flow<sup>1</sup> in the range of \$280 to \$300 million.

“Since our announcement on December 9, we have moved quickly on the sale of our Keds and Wolverine Leathers business,” stated Mike Stornant, Executive Vice President and CFO. “Both are now in very active processes with potential strategic buyers and we are encouraged by the progress.”



1) Constant Currency data, adjusted diluted earnings, and operating free cash flow are non GAAP metrics. Please see slide 2 for disclosures about the non GAAP information included within this presentation

# Wolverine Worldwide 2022 Guidance

**MERRELL.**



**Hush Puppies**



**WOLVERINE**



**BATES**

**HYTEST**  
SAFETY FOOTWEAR

**SPERRY**

**saucony**

**Keds**

**Sweaty Betty**

2022 Full year revenue of \$2.685B representing approximately 11% growth

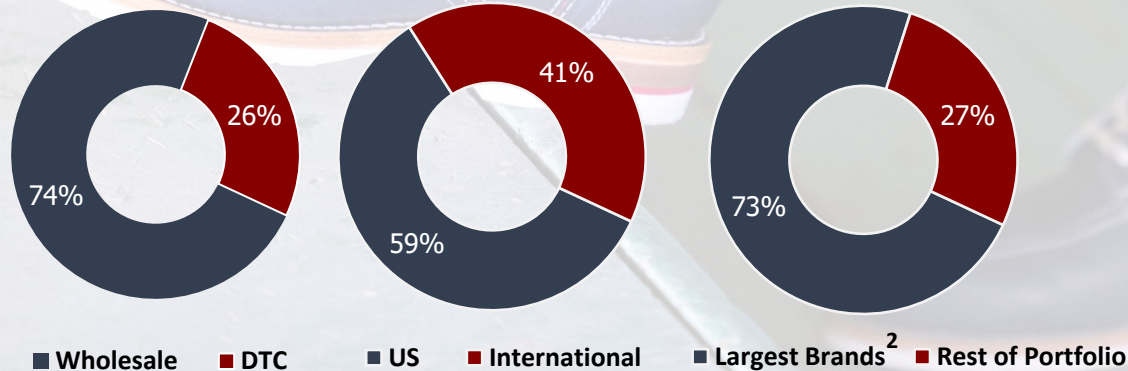
2022 Full year constant currency<sup>1</sup> revenue growth of approximately 14%

Merrell, Saucony and Wolverine achieved all-time record revenue

Top 5 brands = 73% of revenue

DTC Penetration expanded to 26% of Revenue vs. 15% in 2019

## Revenue by Channel, Region & Brand



## Revenue Growth Outlook FY22

- MERRELL.** + Mid-teens growth
- saucony** + High single digit growth
- SPERRY** Down low-teens
- WOLVERINE** + High single digit growth
- Sweaty Betty** Down mid-teens<sup>3</sup>

1) Constant Currency data is a non-GAAP metric. Please see slide 2 for disclosures about the non-GAAP information included within this presentation

2) Largest brands: Merrell, Saucony, Sperry, Wolverine & Sweaty Betty

3) Sweaty Betty FY 2022 proforma growth rate assuming it was acquired on January 2, 2021

# New Brand Group Structure and Reportable Segments

- Reorganized the brand group structure into the Active, Work, and Lifestyle Groups, to leverage common product and consumer categories, align with the Company's view of its global portfolio, and provide increased transparency to investors;
- Appointed new leaders of these brand groups, to better position each brand for success; and
- Established a Profit Improvement Office to accelerate cost savings and efficiencies that will accelerate operating margin expansion and provide capacity for future investments.

## ACTIVE

MERRELL



Sweaty Betty

saucony

*The footwear brands report to Chris Hufnagel and Sweaty Betty continues to report to Brendan Hoffman. This group includes brands with the highest future growth potential.*

## WORK

WOLVERINE



HYTEST  
SAFETY FOOTWEAR



BATES



*The work segment reports to Tom Kennedy and this group includes brands that will produce stable growth while contributing profit and cash flow to support our highest-growth brands.*

## LIFESTYLE

SPERRY

Hush Puppies®

Keds®

*The lifestyle segment reports to Katherine Cousins. This group represents our turnaround brands. Combined, the group delivers positive cash flow but the brands are not achieving their potential. We are evaluating the best go-forward options for each brand.*

A man and a woman are hiking across a rocky, desert landscape under a clear blue sky. The man, on the left, is wearing an orange jacket, grey pants, and a backpack. The woman, on the right, is wearing a white long-sleeved shirt, a green vest, shorts, and a cap. They are walking towards the right side of the frame. The terrain is rugged with reddish-brown rock formations and sparse vegetation.

# Key Strengths & Growth Pillars

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# Key Strengths

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## Brands + Product

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

## Diversified Business

- Product categories
- Regions & markets
- Distribution channels – led by eCommerce
- Broad consumer base

## Financial Strength

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

## Strong Operational Platform

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

## Experienced Management

- Industry experience
- Leadership longevity

# 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

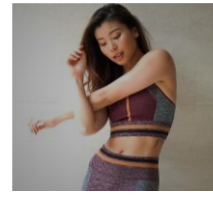
## Accelerated International Growth

- 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

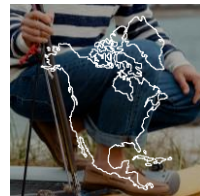
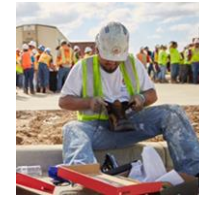
# Diversified Business



CATEGORIES



CONSUMERS



REGIONS



DTC

eCommerce


Sporting Goods

CHANNELS

Specialty

Independents

Department Stores

A photograph of three men standing in a bar. The man on the left wears a grey tweed jacket, light-colored cargo trousers, and black leather boots with a green watch. The man in the center wears a tan duffle coat, a white sweater, blue jeans, and black leather boots. The man on the right wears a plaid jacket, blue jeans, and black leather boots. They are holding drinks and standing on a patterned rug in front of a wooden bar.

# Appendix

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# Historical Quarterly Recast<sup>1</sup> of New Brand Groups and Reportable Segments

(In millions)	(unaudited)						
	Quarter Ended						
	April 3, 2021	July 3, 2021	October 2, 2021	January 1, 2022	April 2, 2022	July 2, 2022	October 1, 2022
Revenue:							
Active	\$283.1	\$343.7	\$352.5	\$340.4	\$346.1	\$428.3	\$398.2
Work	116.7	140.6	141.9	149.5	138.5	139.5	157.8
Lifestyle	97.4	126.3	126.4	126.9	108.1	121.1	117.7
Other	13.5	21.3	15.9	18.8	22.1	24.7	17.7
<b>Total</b>	<b>\$510.7</b>	<b>\$631.9</b>	<b>\$636.7</b>	<b>\$635.6</b>	<b>\$614.8</b>	<b>\$713.6</b>	<b>\$691.4</b>
Segment operating profit (loss):							
Active	\$56.3	\$72.6	\$62.8	\$37.6	\$53.2	\$72.7	\$54.9
Work	23.1	28.1	27.0	25.4	25.5	28.0	28.2
Lifestyle	12.9	20.4	15.9	18.4	13.2	16.6	13.4
Other	1.3	2.6	2.1	2.4	2.5	4.4	2.8
Corporate	(35.5)	(59.9)	(65.3)	(92.5)	(74.8)	46.2	(40.5)
<b>Total</b>	<b>\$58.1</b>	<b>\$63.8</b>	<b>\$42.5</b>	<b>(\$8.7)</b>	<b>\$19.6</b>	<b>\$167.9</b>	<b>\$58.8</b>

1) Recast segment information (a) is being provided for illustrative purposes only; (b) is unaudited and may change based on the Company's audit; (c) reflects only the manner in which the operating segment results are reported and does not reflect any changes in the Company's previously reported consolidated financials for any period; and (d) does not reflect any subsequent information or events, other than as required to reflect the change in segments. See Form 8-K/A filed with the Securities Exchange Commission on November 10, 2022 for additional detail on historical recast of new brand groups and reportable segments

# Contact Us

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