



NEWS RELEASE

# Wolverine Worldwide Exceeds First Quarter Revenue and Earnings Expectations and Posts Record Gross Margin

5/8/2024

Company reaffirms earnings guidance and updates revenue outlook for full year to reflect recent business model changes

ROCKFORD, Mich.--(BUSINESS WIRE)-- Wolverine World Wide, Inc. (NYSE: WWW) today reported financial results for the first quarter ended March 30, 2024.

"We delivered better-than-expected revenue and earnings in the first quarter, and we are beginning to see proof points emerge as early validation of our strategy and execution – including record gross margin in the quarter, acceleration in our direct-to-consumer business, improving order trends across our wholesale operations, and a healthier balance sheet," said Chris Hufnagel, President and Chief Executive Officer of Wolverine Worldwide. "We're executing our turnaround and transformation with pace and continue to make meaningful progress towards realizing the full potential of our brands, platforms, and teams. While we have more work to do, I'm encouraged by the great work of our teams and the power of our brand-building model – focused squarely on creating awesome products, telling amazing stories, and driving the business each and every day."

## FINANCIAL HIGHLIGHTS

Financial results for 2024, and comparable results from 2023, in each case, for our ongoing business exclude the impact of Keds, which was sold in February 2023, the U.S. Wolverine Leathers business, which was sold in August 2023, the non-U.S. Wolverine Leathers business, which was sold in December 2023, and the Sperry business, which was sold in January 2024. Tables have been provided in the back of this release showing the impact of these

adjustments on financial results for 2024 and 2023.

## FIRST-QUARTER 2024 FINANCIAL HIGHLIGHTS

|  | March 30,<br>2024 | April 1, 2023  | Y/Y Change | Constant<br>Currency<br>Change |
|--|-------------------|----------------|------------|--------------------------------|
| (in millions)  |                   |                |            |                                |
| <b>Reported Segment Revenue Results:</b>               |                   |                |            |                                |
| Active Group   | \$289.8           | \$385.9        | (24.9)%    | (25.6)%                        |
| Work Group   | \$90.1            | \$114.5        | (21.3)%    | (21.7)%                        |
| Other  | \$15.0            | \$99.0         | (84.8)%    | (84.8)%                        |
| <b>Total Revenue</b>                                   | <b>\$394.9</b>    | <b>\$599.4</b> | (34.1)%    | (34.6)%                        |
| <b>Ongoing Total Revenue</b>                           | <b>\$390.8</b>    | <b>\$517.5</b> | (24.5)%    | (25.1)%                        |
| <b>Supplemental Revenue Information</b>                |                   |                |            |                                |
| Merrell  | \$133.0           | \$180.3        | (26.2)%    | (26.6)%                        |
| Saucony  | \$100.1           | \$132.6        | (24.5)%    | (24.7)%                        |
| Wolverine  | \$41.2            | \$51.7         | (20.3)%    | (20.3)%                        |
| Sweaty Betty   | \$45.2            | \$47.5         | (4.8)%     | (8.1)%                         |
| International - Reported                               | \$178.5           | \$260.6        | (31.5)%    |                                |
| International - Ongoing                                | \$178.5           | \$239.1        | (25.3)%    |                                |
| Direct-to-Consumer - Reported                          | \$106.4           | \$126.5        | (15.9)%    |                                |
| Direct-to-Consumer - Ongoing                           | \$103.6           | \$110.5        | (6.2)%     |                                |
| <b>Reported Financial Metrics</b>                      |                   |                |            |                                |
| Gross Margin   | 45.9%             | 39.4%          | 650 bps    |                                |
| Selling, General & Administrative                      | \$184.5           | \$191.0        | (3.4)%     |                                |
| Operating Margin                                       | (0.8)%            | 7.6%           | (840) bps  |                                |
| Diluted Earnings Per Share                             | (\$0.19)          | \$0.23         | 182.6%     |                                |
| <b>Non-GAAP and Ongoing Business Financial Metrics</b> |                   |                |            |                                |
| Adjusted Gross Margin                                  | 46.5%             | 41.1%          | 540 bps    |                                |
| Adjusted Selling, General & Administrative             | \$162.2           | \$180.8        | (10.3)%    |                                |
| Adjusted Operating Margin                              | 5.0%              | 6.1%           | (110) bps  |                                |
| Adjusted Diluted Earnings Per Share                    | \$0.05            | \$0.11         | (54.5)%    |                                |
| Constant Currency Earnings Per Share                   | \$0.09            | \$0.11         | (18.2)%    |                                |

**Gross margin** improved significantly due to lower supply chain costs, lower sales of end-of-life inventory, less promotional eCommerce sales and favorable distribution channel mix.

**Inventory** at the end of the quarter was \$354.3 million and was down \$371.6 million or approximately 51.2% compared to the prior year and down \$19.3 million from the prior year end.

**Net Debt** at the end of the quarter was \$685 million, down \$380 million compared to the prior year and down \$55 million from the prior year end.

## FULL-YEAR 2024 OUTLOOK

“The Company exceeded first quarter revenue expectations with well-balanced performance across the portfolio,” said Mike Stornant, Executive Vice President and Chief Financial Officer. “We drove 540 basis points of gross margin expansion from a healthy sales mix and our profit improvement actions initiated last year. We also continued to strengthen the balance sheet by reducing inventory for our ongoing business by \$251 million year-over-year and

net debt by \$55 million since year-end 2023 – both nicely ahead of our plan. We remain on track to achieve our financial objectives for the year, and we are encouraged by the progress we have made in such a short time frame.”

Full year 2024 outlook is as follows:

- Revenue from our ongoing business is now expected to be approximately \$1.68 billion to \$1.73 billion, which is adjusted for the new licensing model recently announced on May 1 for our Merrell and Saucony kids business. This range represents a decline compared to 2023 of approximately 15.7% to 13.2% and constant currency decline of approximately 15.5% and 13.0%.
- Gross margin is expected to be approximately 44.5% up 460 basis points compared to 2023.
- Operating margin is expected to be approximately 5.7% and adjusted operating margin is expected to be approximately 7.0%, up 310 basis points compared to 2023.
- The effective tax rate is expected to be approximately 18%.
- Diluted earnings per share are expected to be between \$0.43 and \$0.63, and adjusted diluted earnings per share are expected to be between \$0.65 and \$0.85. These full-year EPS projections include an approximate \$0.10 negative impact from foreign currency exchange rate fluctuations.
- Diluted weighted average shares are expected to be approximately 80 million.
- Inventory is now expected to decline by at least \$75 million by year end.
- Net Debt at year end is now expected to be approximately \$565 million, a reduction of \$175 million from the prior year end.

## NON-GAAP FINANCIAL MEASURES

Measures referred to in this release as “adjusted” financial results and the financial results of the “ongoing business” are non-GAAP measures. Adjusted financial results exclude environmental and other related costs net of recoveries, non-cash impairment of long-lived assets, reorganization costs, and gain on the sale of businesses, trademarks and long-lived assets. The financial results of the ongoing business exclude financial results from the Sperry business, Keds business and Wolverine Leathers business. The Company also presents constant currency information, which is a non-GAAP measure that excludes the impact of fluctuations in foreign currency exchange rates. The Company calculates constant currency basis 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. The Company believes providing each of these non- GAAP measures provides valuable supplemental information regarding its results of operations, consistent with how the Company evaluates performance.

The Company has provided a reconciliation of each of the above non-GAAP financial measures to the most directly comparable GAAP financial measure. The Company believes these non-GAAP measures provide useful information

to both management and investors because they increase the comparability of current period results to prior period results by adjusting for certain items that may not be indicative of core operating results and enable better identification of 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 substitute for, financial information prepared in accordance with GAAP.

## EARNINGS CALL INFORMATION

The Company will host a conference call today at 8:30 a.m. ET to discuss these results and current business trends. The conference call will be broadcast live and accessible under the “Investor Relations” tab at **[www.wolverineworldwide.com](http://www.wolverineworldwide.com)**. A replay of the conference call will be available on the Company’s website for a period of approximately 30 days.

## ABOUT WOLVERINE WORLDWIDE

Founded in 1883, Wolverine World Wide, Inc. (NYSE:WWW) is one of the world’s leading marketers and licensors of branded casual, active lifestyle, work, outdoor sport, athletic, children’s and uniform footwear and apparel. The Company’s diverse portfolio of highly recognized brands includes Merrell®, Saucony®, Sweaty Betty®, Hush Puppies®, Wolverine®, Chaco®, Bates®, HYTEST®, and Stride Rite®. Wolverine Worldwide is also the global footwear licensee of the popular brands Cat® and Harley-Davidson®. Based in Rockford, Michigan, for more than 140 years, the Company’s products are carried by leading retailers in the U.S. and globally in approximately 170 countries and territories. For additional information, please visit our website, **[www.wolverineworldwide.com](http://www.wolverineworldwide.com)**.

## FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements, including statements regarding the Company’s turnaround and transformation; the Company’s outlook for 2024 including, among others: reported, adjusted and constant currency revenue; reported and adjusted gross margin; reported and adjusted operating margin; reported and adjusted net earnings; effective tax rate; reported and adjusted diluted earnings per share; diluted weighted average shares; and net debt; as well as statements regarding the Company’s progress towards realizing the full potential of its brands, platforms and teams, and the Company’s commitment to delivering long-term sustainable growth and greater value for shareholders. 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: 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; changes in duties, tariffs, quotas or applicable assessments in countries of import and export; foreign currency exchange rate fluctuations; currency restrictions; supply chain or other 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; the impact of changes in general economic conditions and/or the credit markets on the Company's manufacturers, distributors, suppliers, joint venture partners and wholesale customers; 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; risks of 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 supply chain and distribution system, including service disruptions 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; risks relating to stockholder activism; the potential effects of outbreaks of COVID-19 or future health crises on the Company's business, operations, financial results and liquidity; 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.

WOLVERINE WORLD WIDE, INC.  
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS  
(Unaudited)  
(In millions, except earnings per share)

|   | Quarter Ended |          |
|---|---------------|----------|
|   | March 30,     | April 1, |
|   | 2024          | 2023     |
| Revenue   | \$ 394.9      | \$ 599.4 |
| Cost of goods sold  | 213.5         | 363.1    |
| Gross profit  | 181.4         | 236.3    |
| Gross margin  | 45.9%         | 39.4%    |
| Selling, general and administrative expenses                            | 176.8         | 212.0    |
| Gain on sale of business, trademarks and long-lived assets              | —             | (20.1)   |
| Impairment of long-lived assets   | 6.1           | —        |
| Environmental and other related costs (income), net of recoveries       | 1.6           | (0.9)    |
| Operating expenses  | 184.5         | 191.0    |
| Operating expenses as a % of revenue                                    | 46.7%         | 31.9%    |
| Operating profit (loss), net  | (3.1)         | 45.3     |
| Operating margin  | (0.8)%        | 7.6%     |
| Interest expense, net   | 12.0          | 15.8     |
| Other expense (income), net   | (0.8)         | 1.2      |
| Total other expenses  | 11.2          | 17.0     |
| Earnings (loss) before income taxes                                     | (14.3)        | 28.3     |
| Income tax expense (benefit)  | (0.6)         | 10.3     |
| Effective tax rate  | 4.1%          | 36.3%    |
| Net earnings (loss)   | (13.7)        | 18.0     |
| Less: net earnings (loss) attributable to noncontrolling interests      | 0.8           | (1.0)    |
| Net earnings (loss) attributable to Wolverine World Wide, Inc.          | \$ (14.5)     | \$ 19.0  |
| Diluted earnings (loss) per share                                       | \$ (0.19)     | \$ 0.23  |
| Supplemental information:   |               |          |
| Net earnings (loss) used to calculate diluted earnings (loss) per share | \$ (14.8)     | \$ 18.6  |
| Shares used to calculate diluted earnings (loss) per share              | 79.8          | 79.2     |

WOLVERINE WORLD WIDE, INC.  
CONSOLIDATED CONDENSED BALANCE SHEETS  
(Unaudited)  
(In millions)

|                           | March 30, | April 1, |
|---------------------------|-----------|----------|
|                           | 2024      | 2023     |
| <b>ASSETS</b>             |           |          |
| Cash and cash equivalents | \$ 169.7  | \$ 116.2 |
| Accounts receivables, net | 231.2     | 251.2    |
| Inventories, net          | 354.3     | 725.9    |

|   |            |            |
|---|------------|------------|
| Current assets held for sale                    | —          | 22.1       |
| Other current assets                            | 70.7       | 87.2       |
| Total current assets                            | 825.9      | 1,202.6    |
| Property, plant and equipment, net              | 92.6       | 140.5      |
| Lease right-of-use assets                       | 112.9      | 172.2      |
| Goodwill and other indefinite-lived intangibles | 599.3      | 743.3      |
| Other noncurrent assets                         | 222.3      | 158.1      |
| Total assets                                    | \$ 1,853.0 | \$ 2,416.7 |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>     |            |            |
| Accounts payable and other accrued liabilities  | \$ 418.8   | \$ 536.6   |
| Lease liabilities                               | 36.5       | 39.3       |
| Current maturities of long-term debt            | 10.0       | 10.0       |
| Borrowings under revolving credit agreements    | 265.0      | 450.0      |
| Total current liabilities                       | 730.3      | 1,035.9    |
| Long-term debt                                  | 581.9      | 720.8      |
| Lease liabilities, noncurrent                   | 126.6      | 150.9      |
| Other noncurrent liabilities                    | 154.1      | 164.6      |
| Stockholders' equity                            | 260.1      | 344.5      |
| Total liabilities and stockholders' equity      | \$ 1,853.0 | \$ 2,416.7 |

WOLVERINE WORLD WIDE, INC.

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited)

(In millions)

|   | Quarter Ended     |                  |
|---|-------------------|------------------|
|   | March 30,<br>2024 | April 1,<br>2023 |
| <b>OPERATING ACTIVITIES:</b>  |                   |                  |
| Net earnings (loss)   | \$ (13.7)         | \$ 18.0          |
| Adjustments to reconcile net earnings (loss) to net cash used in operating activities:    |                   |                  |
| Depreciation and amortization   | 7.1               | 8.5              |
| Deferred income taxes   | —                 | (3.8)            |
| Stock-based compensation expense  | 4.1               | 4.5              |
| Pension and SERP expense  | (0.2)             | 0.4              |
| Impairment of long-lived assets   | 6.1               | —                |
| Environmental and other related costs, net of cash payments                               | (10.0)            | (1.3)            |
| Gain on sale of business, trademarks and long-lived assets                                | —                 | (20.1)           |
| Other   | (2.6)             | (1.4)            |
| Changes in operating assets and liabilities   | (28.0)            | (102.6)          |
| Net cash used in operating activities   | (37.2)            | (97.8)           |
| <b>INVESTING ACTIVITIES:</b>  |                   |                  |
| Additions to property, plant and equipment  | (5.1)             | (7.3)            |
| Proceeds from sale of business, trademarks and long-lived assets, net of cash disposed of | 92.5              | 81.9             |
| Other   | (2.0)             | (0.1)            |
| Net cash provided by investing activities   | 85.4              | 74.5             |
| <b>FINANCING ACTIVITIES:</b>  |                   |                  |
| Payments under revolving credit agreements  | (146.0)           | (225.0)          |
| Borrowings under revolving credit agreements  | 106.0             | 250.0            |
| Proceeds from company-owned insurance policies  | 7.0               | —                |
| Payments on long-term debt  | (24.2)            | (2.5)            |
| Cash dividends paid   | (8.1)             | (8.4)            |
| Employee taxes paid under stock-based compensation plans                                  | (1.6)             | (5.5)            |
| Proceeds from the exercise of stock options   | —                 | 0.1              |
| Net cash provided by (used in) financing activities                                       | (66.9)            | 8.7              |
| Effect of foreign exchange rate changes   | 3.8               | (0.3)            |
| Decrease in cash and cash equivalents   | (14.9)            | (14.9)           |
| Cash and cash equivalents at beginning of the year  | 184.6             | 135.5            |

Cash and cash equivalents at end of the quarter

\$ 169.7      \$ 120.6

The following tables contain information regarding the non-GAAP financial measures used by the Company in the presentation of its financial results:

WOLVERINE WORLD WIDE, INC.

Q1 2024 RECONCILIATION TABLES

RECONCILIATION OF REPORTED REVENUE TO ADJUSTED  
REVENUE ON A CONSTANT CURRENCY BASIS\*

(Unaudited)

(In millions)

|              | GAAP Basis      | Foreign         | Constant          | GAAP Basis      | Reported       | Constant       |
|--------------|-----------------|-----------------|-------------------|-----------------|----------------|----------------|
|              | 2024-Q1         | Exchange        | Currency          | 2023-Q1         | Change         | Currency       |
| REVENUE      |                 | Impact          | Basis 2024-<br>Q1 |                 |                | Change         |
| Active Group | \$ 289.8        | \$ (2.6)        | \$ 287.2          | \$ 385.9        | (24.9)%        | (25.6)%        |
| Work Group   | 90.1            | (0.5)           | 89.6              | 114.5           | (21.3)%        | (21.7)%        |
| Other        | 15.0            | —               | 15.0              | 99.0            | (84.8)%        | (84.8)%        |
| Total        | <u>\$ 394.9</u> | <u>\$ (3.1)</u> | <u>\$ 391.8</u>   | <u>\$ 599.4</u> | <u>(34.1)%</u> | <u>(34.6)%</u> |

RECONCILIATION OF REPORTED REVENUE  
TO ADJUSTED REVENUE\*

(Unaudited)

(In millions)

|                          | GAAP Basis | Divestiture<br>(1) | As Adjusted |
|--------------------------|------------|--------------------|-------------|
| Revenue - Fiscal 2024 Q1 | \$ 394.9   | \$ 4.1             | \$ 390.8    |
| Revenue - Fiscal 2023 Q1 | \$ 599.4   | \$ 81.9            | \$ 517.5    |



(1) Q1 2024 adjustments reflect the Sperry business results included in the consolidated condensed statement of operations. Q1 2023 adjustments reflect results for the Sperry business, Keds business and Wolverine Leathers business included in the consolidated condensed statement of operations.

## RECONCILIATION OF REPORTED GROSS MARGIN TO ADJUSTED GROSS MARGIN \*

(Unaudited)

(In millions)

|                               | <u>GAAP Basis</u> | <u>Divestiture<br/>(1)</u> | <u>As Adjusted</u> |
|-------------------------------|-------------------|----------------------------|--------------------|
| Gross Profit - Fiscal 2024 Q1 | \$ 181.4          | \$ 0.2                     | \$ 181.6           |
| Gross margin                  | 45.9%             |                            | 46.5%              |
| Gross Profit - Fiscal 2023 Q1 | \$ 236.3          | \$ (23.7)                  | \$ 212.6           |
| Gross margin                  | 39.4%             |                            | 41.1%              |

(1) Q1 2024 adjustments reflect the Sperry business results included in the consolidated condensed statement of operations. Q1 2023 adjustments reflect results for the Sperry business, Keds business and Wolverine Leathers business included in the consolidated condensed statement of operations.

## RECONCILIATION OF REPORTED SELLING, GENERAL AND ADMINISTRATIVE EXPENSES TO ADJUSTED SELLING, GENERAL AND ADMINISTRATIVE EXPENSES\*

(Unaudited)

(In millions)

|   | <u>GAAP Basis</u> | <u>Adjustment<br/>(1)</u> | <u>Divestiture<br/>(2)</u> | <u>As Adjusted</u> |
|---|-------------------|---------------------------|----------------------------|--------------------|
| Selling, general and administrative expenses - Fiscal 2024 Q1 | \$ 184.5          | \$ (13.7)                 | \$ (8.6)                   | \$ 162.2           |
| Selling, general and administrative expenses - Fiscal 2023 Q1 | \$ 191.0          | \$ 16.3                   | \$ (26.5)                  | \$ 180.8           |

(1) Q1 2024 adjustments reflect \$6.1 million for impairments of long-lived assets, \$6.0 million of reorganization costs and \$1.6 million of environmental and other related costs net of recoveries. Q1 2023 adjustments reflect the \$20.1 million gain on the divestiture of the Keds business and \$0.9

million of environmental and other related costs net of recoveries, partially offset by \$4.7 million of reorganization costs.  
(2) Q1 2024 adjustments reflect the Sperry business and Wolverine Leathers business results included in the consolidated condensed statement of operations. Q1 2023 adjustments reflect results for the Sperry business, Keds business and Wolverine Leathers business included in the consolidated condensed statement of operations.

## RECONCILIATION OF REPORTED OPERATING MARGIN

### TO ADJUSTED OPERATING MARGIN\*

(Unaudited)

(In millions)

|                                   | GAAP Basis | Adjustments<br>(1) | Divestiture<br>(2) | As Adjusted |
|-----------------------------------|------------|--------------------|--------------------|-------------|
| Operating Profit - Fiscal 2024 Q1 | \$ (3.1)   | \$ 13.7            | \$ 8.8             | \$ 19.4     |
| Operating margin                  | (0.8)%     |                    |                    | 5.0%        |
| Operating Profit - Fiscal 2023 Q1 | \$ 45.3    | \$ (16.3)          | \$ 2.8             | \$ 31.8     |
| Operating margin                  | 7.6%       |                    |                    | 6.1%        |

(1) Q1 2024 adjustments reflect \$6.1 million for impairments of long-lived assets, \$6.0 million of reorganization costs and \$1.6 million of environmental and other related costs net of recoveries. Q1 2023 adjustments reflect the \$20.1 million gain on the divestiture of the Keds business and \$0.9 million of environmental and other related costs net of recoveries, partially offset by \$4.7 million of reorganization costs.

(2) Q1 2024 adjustments reflect the Sperry business and Wolverine Leathers business results included in the consolidated condensed statement of operations. Q1 2023 adjustments reflect results for the Sperry business, Keds business and Wolverine Leathers business included in the consolidated condensed statement of operations.

## RECONCILIATION OF REPORTED DILUTED EPS TO ADJUSTED

### DILUTED EPS ON A CONSTANT CURRENCY BASIS\*

(Unaudited)

|                      | GAAP Basis | Adjustments<br>(1) | Divestiture<br>(2) | As Adjusted | Foreign<br>Exchange<br>Impact | As Adjusted<br>EPS On a<br>Constant<br>Currency<br>Basis |
|----------------------|------------|--------------------|--------------------|-------------|-------------------------------|--|
| EPS - Fiscal 2024 Q1 | \$ (0.19)  | \$ 0.14            | \$ 0.10            | \$ 0.05     | \$ 0.04                       | \$ 0.09  |
| EPS - Fiscal 2023 Q1 | \$ 0.23    | \$ (0.15)          | \$ 0.03            | \$ 0.11     |                               |  |

- (1) Q1 2024 adjustments reflect impairments of long-lived assets, reorganization costs and environmental and other related costs net of recoveries. Q1 2023 adjustment reflects the gain on the divestiture of the Keds business and environmental and other related costs net of recoveries, partially offset by reorganization costs.
- (2) Q1 2024 adjustments reflect the Sperry business and Wolverine Leathers business results included in the consolidated condensed statement of operations. Q1 2023 adjustments reflect results for the Sperry business, Keds business and Wolverine Leathers business included in the consolidated condensed statement of operations.

## RECONCILIATION OF REPORTED INVENTORY TO ADJUSTED INVENTORY\*

(Unaudited)

(In millions)

|                     | GAAP Basis | Divestiture<br>(1) | As Adjusted |
|---------------------|------------|--------------------|-------------|
| Inventory - 2024 Q1 | \$ 354.3   | \$ —               | \$ 354.3    |
| Inventory - 2023 Q4 | \$ 373.6   | \$ —               | \$ 373.6    |
| Inventory - 2023 Q3 | \$ 563.8   | \$ 100.6           | \$ 463.2    |
| Inventory - 2023 Q2 | \$ 647.9   | \$ 113.3           | \$ 534.6    |
| Inventory - 2023 Q1 | \$ 725.9   | \$ 120.5           | \$ 605.4    |

(1) Adjustments reflect the Sperry business and consolidated China joint ventures inventory included in the consolidated condensed balance sheet.

## DIVESTITURE

## FINANCIAL SUMMARY

(Unaudited)

(In millions, except per share amounts)

In order to provide visibility regarding the financial impact of completed divestitures, the Company has provided additional information within the supplemental table below. The items included in the tables represent amounts that are reflected in the reported fiscal 2024 and 2023 results that are related to businesses the Company has sold. The Company believes providing the following information is helpful to better understand the impact of the divestitures on the Company's ongoing business.

|                                 |           |         |           |           | 2024      |
|---------------------------------|-----------|---------|-----------|-----------|-----------|
|                                 | Q1        | Q2      | Q3        | Q4        | YTD       |
| Revenue - Impact                |           |         |           |           |           |
| Sperry business (1)             | \$ 4.1    | \$ —    | \$ —      | \$ —      | \$ 4.1    |
| Total Revenue - Impact          | \$ 4.1    | \$ —    | \$ —      | \$ —      | \$ 4.1    |
| Operating profit - Impact       |           |         |           |           |           |
| Sperry business (1)             | \$ (8.2)  | \$ —    | \$ —      | \$ —      | \$ (8.2)  |
| Wolverine Leathers business (2) | (0.6)     | —       | —         | —         | (0.6)     |
| Total Operating profit - Impact | \$ (8.8)  | \$ —    | \$ —      | \$ —      | \$ (8.8)  |
| Net earnings per share - Impact | \$ (0.10) | \$ —    | \$ —      | \$ —      | \$ (0.10) |
|                                 |           |         |           |           | 2023      |
|                                 | Q1        | Q2      | Q3        | Q4        | Full-Year |
| Revenue - Impact                |           |         |           |           |           |
| Sperry business (1)             | \$ 62.9   | \$ 57.4 | \$ 46.2   | \$ 40.7   | \$ 207.2  |
| Wolverine Leathers business (2) | 12.5      | 10.9    | 8.2       | 5.5       | 37.1      |
| Keds business (3)               | 6.5       | —       | —         | —         | 6.5       |
| Total Revenue - Impact          | \$ 81.9   | \$ 68.3 | \$ 54.4   | \$ 46.2   | \$ 250.8  |
| Operating profit - Impact       |           |         |           |           |           |
| Sperry business (1)             | \$ (2.3)  | \$ 0.2  | \$ (4.0)  | \$ (4.2)  | \$ (10.3) |
| Wolverine Leathers business (2) | 1.4       | 0.8     | 1.1       | —         | 3.3       |
| Keds business (3)               | (1.9)     | —       | —         | —         | (1.9)     |
| Total Operating profit - Impact | \$ (2.8)  | \$ 1.0  | \$ (2.9)  | \$ (4.2)  | \$ (8.9)  |
| Net earnings per share - Impact | \$ (0.03) | \$ 0.01 | \$ (0.03) | \$ (0.04) | \$ (0.09) |

(1)The Sperry ® business reflects the revenue and operating profit from sale of Sperry ® products through the sale of the Sperry ® business effective January 10, 2024. The amounts also include revenue and operating profit associated with Sperry ® stores not included in the divestiture which the Company has closed or is in the process of closing, costs associated with Sperry ® employees not included in the divestiture transaction and costs incurred winding down the Sperry ® business that are not covered by the transition service agreement. The Sperry ® business revenue and operating profit will not reoccur after the Company closes all of the Sperry ® stores that were not divested and completes the transition of the Sperry ® business and employees.

(2)The Wolverine Leathers business line item reflects revenue and operating profit from the Wolverine Leathers business that will not reoccur after the Wolverine Leathers business is sold. The Company divested the U.S. Wolverine Leathers business in August 2023 and divested the non-U.S. Wolverine Leathers business in December 2023. The Wolverine Leathers costs incurred in 2024 are associated with employees not included in the divestiture transaction.

(3)The Keds ® business line item reflects the revenue and operating profit from sale of Keds ® products that will not reoccur after the Company's first period in fiscal 2023 as a result of the sale of the global Keds ® business effective February 4, 2023.

RECONCILIATION OF 2023 REPORTED REVENUE  
TO ADJUSTED REVENUE FOR COMPARISON  
TO 2024 GUIDANCE\*  
(Unaudited)  
(In millions)

|                       |                   | Keds and<br>Leathers       | Sperry                     |                    |
|-----------------------|-------------------|----------------------------|----------------------------|--------------------|
|                       | <u>GAAP Basis</u> | <u>Divestiture<br/>(1)</u> | <u>Divestiture<br/>(2)</u> | <u>As Adjusted</u> |
| Revenue - Fiscal 2023 | \$ 2,242.9        | \$ 43.6                    | \$ 207.2                   | \$ 1,992.1         |

(1)Adjustments reflect the Keds business and Wolverine Leathers business results included in the consolidated condensed statement of operations.  
(2)Adjustments reflect the Sperry business results included in the consolidated condensed statement of operations.

RECONCILIATION OF REPORTED 2023 OPERATING MARGIN  
TO ADJUSTED OPERATING MARGIN FOR COMPARISON  
TO 2024 GUIDANCE\*  
(Unaudited)  
(In millions)

|                                       |                   |                            | Keds and<br>Leathers       | Sperry                     |                    |
|---------------------------------------|-------------------|----------------------------|----------------------------|----------------------------|--------------------|
|                                       | <u>GAAP Basis</u> | <u>Adjustments<br/>(1)</u> | <u>Divestiture<br/>(2)</u> | <u>Divestiture<br/>(3)</u> | <u>As Adjusted</u> |
| Operating Profit (Loss) - Fiscal 2023 | \$ (68.2)         | \$ 137.1                   | \$ (1.4)                   | \$ 10.3                    | \$ 77.8            |
| Operating margin                      | (3.0)%            |                            |                            |                            | 3.9%               |

(1)Adjustments reflect \$185.3 million for a non-cash impairment of long-lived assets, \$47.1 million of reorganization costs, \$5.5 million of costs associated with divestitures, partially offset by \$90.4 million gain on the sale of businesses, trademarks and long-lived assets and \$10.4 million of environmental and other related costs net of recoveries.  
(2)Adjustments reflect the Keds business and Wolverine Leathers business results included in the consolidated condensed statement of operations.  
(3)Adjustments reflect the Sperry business results included in the consolidated condensed statement of operations.

RECONCILIATION OF REPORTED 2023 DILUTED EPS TO ADJUSTED  
DILUTED EPS FOR COMPARISON  
TO 2024 GUIDANCE\*

(Unaudited)

|                   |                   |                            | Keds and<br>Leathers<br>Divestiture<br>(2) | Sperry<br>Divestiture<br>(3) |                    |
|-------------------|-------------------|----------------------------|--|------------------------------|--------------------|
|                   | <u>GAAP Basis</u> | <u>Adjustments<br/>(1)</u> |  |                              | <u>As Adjusted</u> |
| EPS - Fiscal 2023 | \$ (0.51)         | \$ 0.57                    | \$ (0.01)                                  | \$ 0.10                      | \$ 0.15            |

(1) Adjustments reflect non-cash impairment of long-lived assets, reorganization costs, costs associated with divestitures, debt modification costs, partially offset by gain on the sale of businesses, trademarks and long-lived assets, environmental and other related costs net of recoveries, and SERP curtailment gain.

(2) Adjustments reflect the Keds business and Wolverine Leathers business results included in the consolidated condensed statement of operations.

(3) Adjustments reflect the Sperry business results included in the consolidated condensed statement of operations.

## 2024 GUIDANCE RECONCILIATION TABLES

### RECONCILIATION OF REPORTED GUIDANCE TO ADJUSTED GUIDANCE,

### REPORTED DILUTED EPS GUIDANCE TO ADJUSTED DILUTED EPS

### GUIDANCE AND SUPPLEMENTAL INFORMATION\*

(Unaudited)

(In millions, except earnings per share)

|   | <u>GAAP Basis</u>    | <u>Divestiture<br/>Adjustments<br/>(1)</u> | <u>Other<br/>Adjustments<br/>(2)</u> | <u>As Adjusted</u>   |
|---|----------------------|--|--------------------------------------|----------------------|
| Revenue - Fiscal 2024 Full Year                           | \$1,684 -<br>\$1,734 | \$(4)                                      |                                      | \$1,680 -<br>\$1,730 |
| Gross Margin - Fiscal 2024 Full Year                      | 44.4%                | 0.1%                                       |                                      | 44.5%                |
| Operating Margin - Fiscal 2024 Full Year                  | 5.7%                 | 0.6%                                       | 0.7%                                 | 7.0%                 |
| Dilutive EPS - Fiscal 2024 Full Year                      | \$0.43 - \$0.63      | \$0.10                                     | \$0.12                               | \$0.65 - \$0.85      |
| Fiscal 2024 Full Year Supplemental information:           |                      |  |                                      |                      |
| Net Earnings  | \$35 - \$51          | \$8  | \$10                                 | \$53 - \$69          |
| Net Earnings used to calculate diluted earnings per share | \$34 - \$50          | \$8  | \$10                                 | \$52 - \$68          |
| Shares used to calculate diluted earnings per share       | 79.9                 |  |                                      | 79.9                 |

\*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, non-cash impairment of long-lived assets and reorganization costs. The financial results of the ongoing business for 2023 and the first quarter of 2024 exclude financial results from the Sperry business, the Keds business and Wolverine Leathers business. Adjusted inventory excludes the Sperry business and the Company's China joint ventures. The adjusted 2024 outlook excludes financial results from the Sperry business and Sperry® stores that were not divested, which the Company is closing in 2024. 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 the Company's core ongoing operating business results and to better identify trends in the Company's ongoing 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.

For purposes of providing clarity on year-over-year revenue comparisons, the below table adjusts 2023 revenue for divestitures and business model changes.

## DIVESTITURE AND BUSINESS MODEL CHANGES

### RECONCILIATION OF 2023 REPORTED REVENUE

#### TO ADJUSTED REVENUE\*

(Unaudited)

(In millions)

|  | Q1       | Q2       | Q3       | Q4       | FY         |
|--|----------|----------|----------|----------|------------|
| Revenue - Fiscal 2023                                | \$ 599.4 | \$ 589.1 | \$ 527.7 | \$ 526.7 | \$ 2,242.9 |
| Adjustment for divestitures (1)                      |          |          |          |          |            |
| Leathers   | (12.5)   | (10.9)   | (8.2)    | (5.5)    | (37.1)     |
| Keds   | (6.5)    | —        | —        | —        | (6.5)      |
| Sperry   | (62.9)   | (57.4)   | (46.2)   | (40.7)   | (207.2)    |
| Ongoing business (2)                                 | \$ 517.5 | \$ 520.8 | \$ 473.3 | \$ 480.5 | \$ 1,992.1 |
| Adjustments for 2023 business model changes (3)      | (13.0)   | (13.5)   | (16.9)   | (13.9)   | (57.3)     |
| Adjustments for 2024 business model changes (4)      | —        | (6.7)    | (7.5)    | (3.3)    | (17.5)     |
| Ongoing business adjusted for business model changes | \$ 504.5 | \$ 500.6 | \$ 448.9 | \$ 463.3 | \$ 1,917.3 |

(1) Divestitures: Keds sold in February 2023, Leathers US sold August 2023, Leathers non-US sold December 2023, Sperry sold in January 2024.

(2) Ongoing business excludes the impact of Wolverine Leathers, Keds and Sperry.

(3) Business model changes occurring in 2023 provided for enhanced comparability, include the impact of Hush Puppies North America transition to licensing model, Hush Puppies IP sale, and China joint venture converted to distributor model.

(4) Business model changes occurring in 2024 provided for enhanced comparability, include the impact of Merrell and Saucony Kids transition to licensing model.

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Source: Wolverine World Wide, Inc.