



# 2018 Q3 Earnings Call

November 5, 2018

## Forward-Looking Statements

Certain statements in this presentation constitute “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Statements contained in this presentation that are not historical facts are forward-looking statements and include, for example, the Company’s expectations regarding future results, the Company’s full-year financial outlook, descriptions of our operating and strategic plans and any assumptions on which those expectations, outlook or plans are based. Such forward-looking statements involve known and unknown risks and uncertainties, and our actual results could differ materially from future results expressed or implied in these forward-looking statements. The forward-looking statements included in this presentation are based on our current beliefs and expectations and speak only as of the date hereof. These statements are not guarantees or indicative of future performance. Important assumptions, risks, uncertainties and factors that could cause actual results to differ materially from those forward-looking statements are described in more detail under the caption "Risk Factors" in our most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q and in our other filings with the Securities and Exchange Commission. We do not intend, and, except as required by law, we undertake no obligation, to update any of our forward-looking statements after the date of this presentation to reflect any future events or circumstances. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

## Non-GAAP Financial Measures

The Company uses certain non-GAAP financial measures in this presentation. These non-GAAP financial measures should not be considered as an alternative to our financial information presented in accordance with U.S. GAAP as they have important limitations as analytical tools. Reconciliations of these non-GAAP financials measures to the most comparable GAAP measures can be found in our press release for the third quarter of 2018, which is available at [www.welbilt.com](http://www.welbilt.com), together with this presentation.

# 2018 Third Quarter Results

Delivers sales, Adjusted Operating EBITDA and Adjusted EPS growth over prior year<sup>1</sup>

US\$ in millions (except per share data)

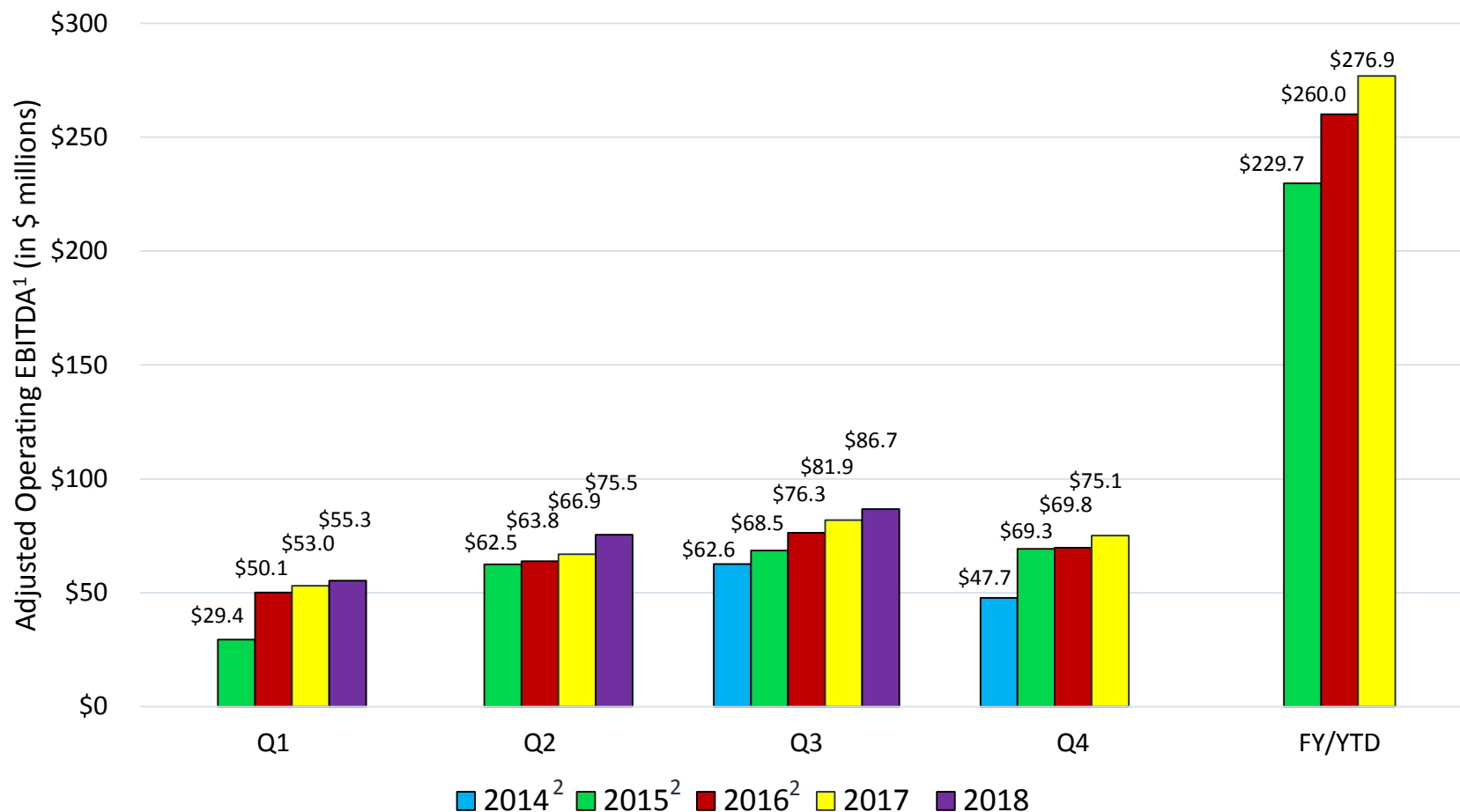
	<u>2018 Q3</u>	<u>2017 Q3</u>	<u>Δ</u>
- Organic Net Sales <sup>1</sup>	\$394.7	\$380.4	+3.8%
- Impact from acquisition <sup>2</sup>	\$20.7	---	+5.4%
- FX translation impact <sup>2</sup>	(\$2.5)	---	(0.7%)
<b>Net sales</b>	<b>\$412.9</b>	<b>\$380.4</b>	<b>+8.5%</b>
<b>Adjusted Operating EBITDA<sup>1</sup></b>	<b>\$86.7</b>	<b>\$81.9</b>	<b>+5.9%</b>
<b>Adjusted Operating EBITDA margin<sup>1</sup></b>	<b>21.0%</b>	<b>21.5%</b>	<b>(50 bps)</b>
- <i>Organic business contribution</i>			<i>(20 bps)</i>
- <i>Crem acquisition contribution</i>			<i>(30 bps)</i>
<b>Amortization expense</b>	<b>\$9.9</b>	<b>\$7.9</b>	
<b>Interest expense</b>	<b>\$23.3</b>	<b>\$21.7</b>	
<b>Effective tax rate<sup>1,3</sup></b>	<b>32.2%</b>	<b>31.8%</b>	
<b>Adjusted Net Earnings<sup>1</sup></b>	<b>\$35.2</b>	<b>\$30.8</b>	<b>14.3%</b>
<b>Adjusted Diluted EPS<sup>1</sup></b>	<b>\$0.25</b>	<b>\$0.22</b>	<b>13.6%</b>

<sup>1</sup> See Welbilt's 2018 Q3 earnings release for the reconciliations from GAAP to non-GAAP measures and revisions to 2017 results.

<sup>2</sup> Reflects percentage impact of adjusting items between net sales and Organic Net Sales.

<sup>3</sup> 2018 effective tax rate includes a \$2.6M charge from the Tax Cuts and Jobs Act, which is excluded from Adjusted Net Earnings and Adjusted Diluted EPS.

# 13 Consecutive Quarters of YOY Adjusted Operating EBITDA<sup>1</sup> Growth



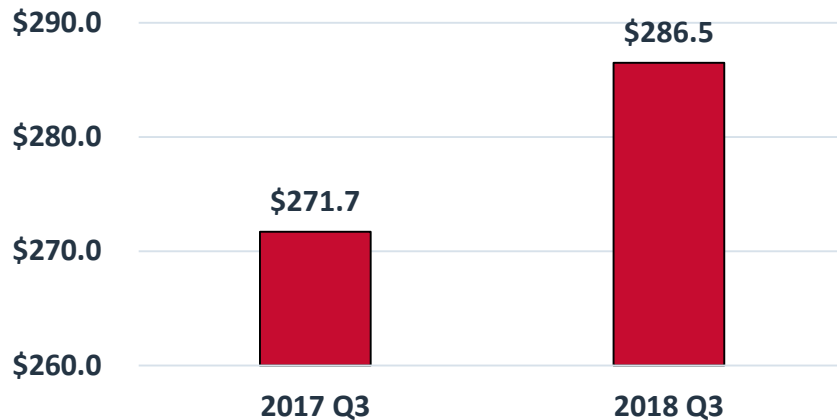
<sup>1</sup> See Welbilt's 2018 Q3 earnings release for the reconciliations from GAAP to non-GAAP measures.

<sup>2</sup> Amounts presented for the years 2014, 2015 and 2016 and the respective quarters within those years do not include the impact of adoption of accounting guidance in Accounting Standards Update ("ASU") 2017-07 related to the presentation of net periodic pension and postretirement benefit costs. The impact of this ASU results in the reclassification of certain costs from "Selling, general and administrative expenses" to "Other expense – net" in the consolidated statement of operations.

# 2018 Q3 Segment Organic Net Sales<sup>1</sup>

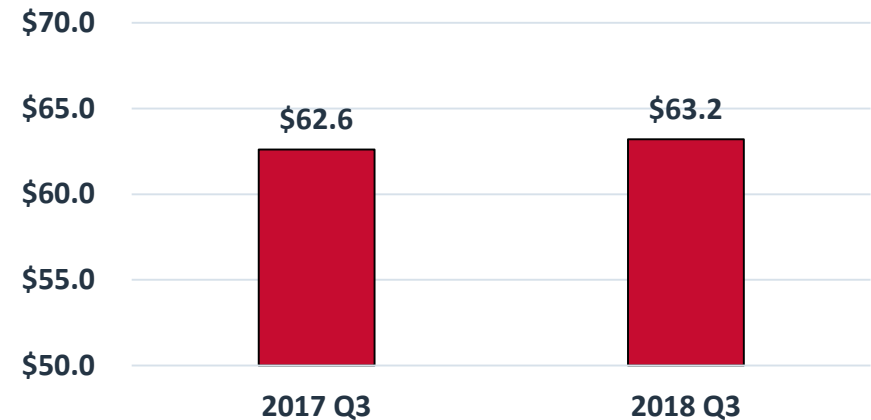
(US\$ in millions)

Americas (Q3: +5.4%, YTD: +6.0%)



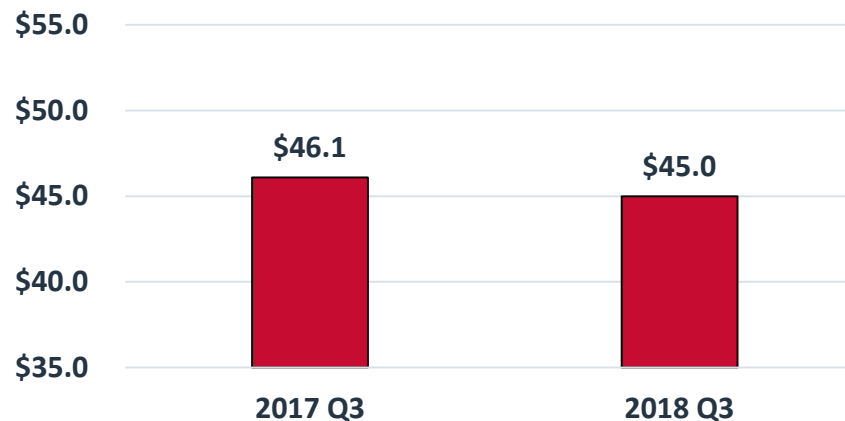
↓ Cold-side ↑ Hot-side ↑ KitchenCare

EMEA (Q3: +1.0%, YTD: +1.1%)



↑ Cold-side ↓ Hot-side ↓ KitchenCare

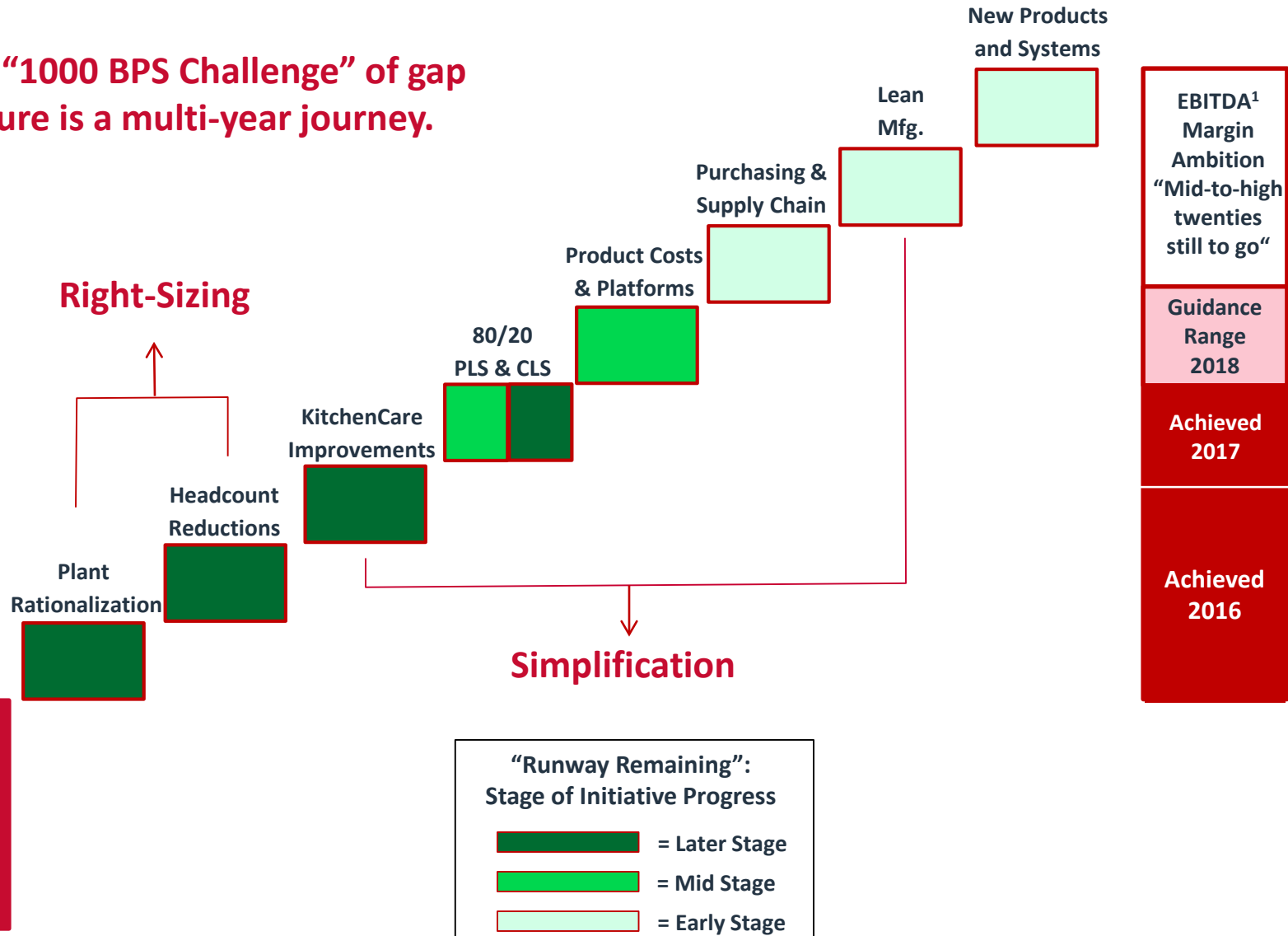
APAC (Q3: -2.4%, YTD: +1.2%)



↓ Cold-side ↑ Hot-side ↓ KitchenCare ↓ Fabristeel

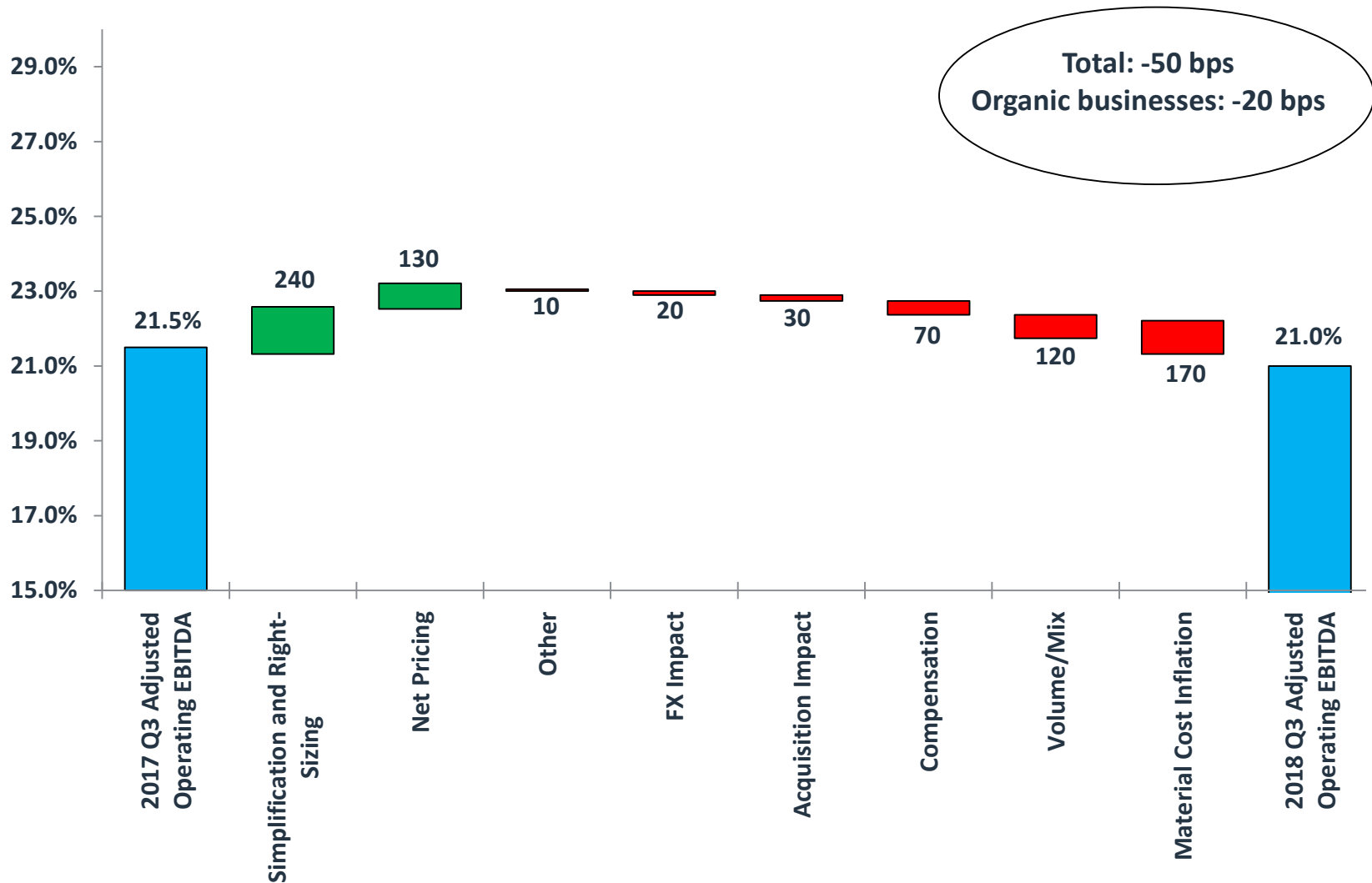
# The Levers that will Bridge the Gap to our Margin Ambition

The “1000 BPS Challenge” of gap closure is a multi-year journey.



<sup>1</sup> See Welbilt’s 2018 Q3 earnings release for the reconciliations from GAAP to non-GAAP measures.

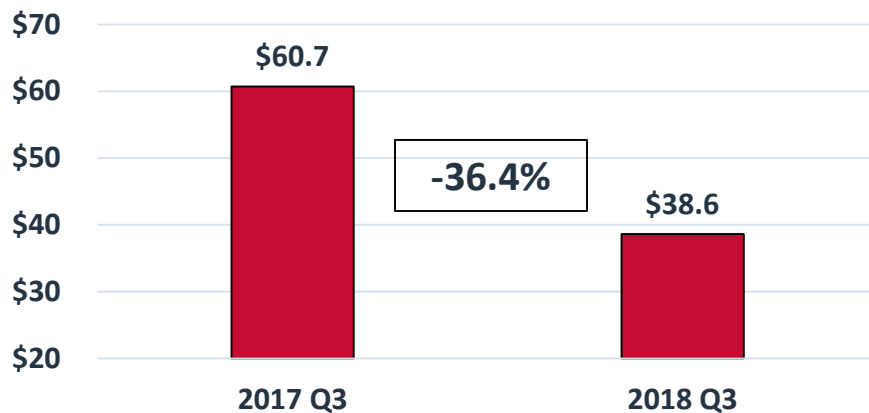
# 2018 Q3 Adjusted Operating EBITDA<sup>1</sup> Margin



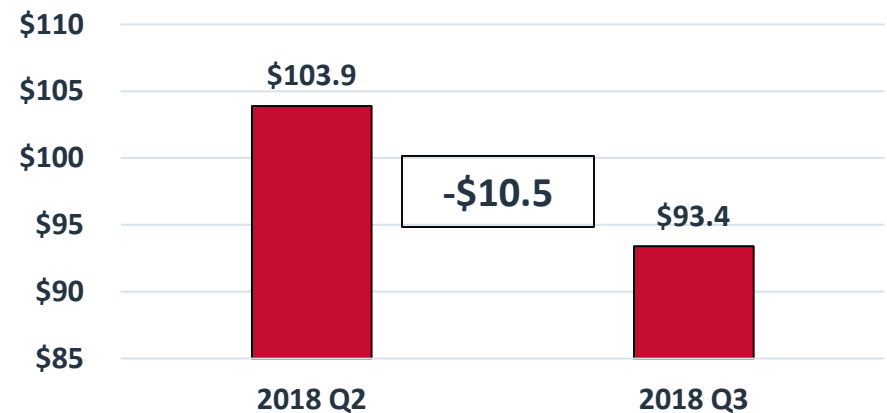
# 2018 Q3 Free Cash Flow<sup>1</sup> and Capital Structure

US\$ in millions

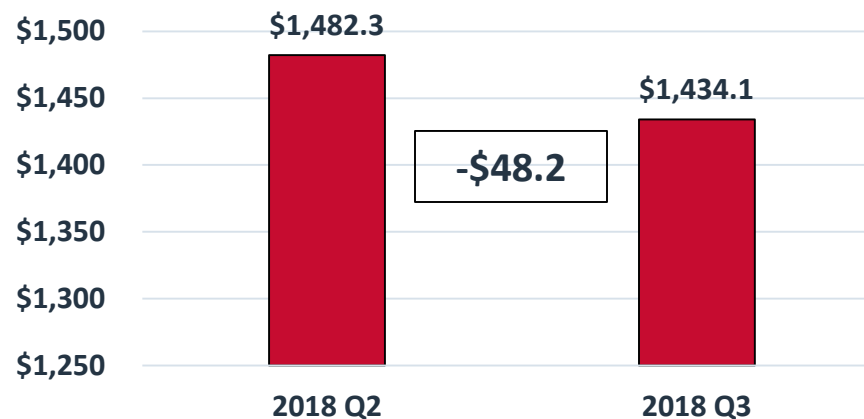
## Free Cash Flow<sup>1</sup>



## Cash



## Debt





# 2018 Full-Year Guidance Details

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## Organic Net Sales growth

Now between 3% and 5%

- General market in Americas remains stable for balance of year
  - Large chain sales remain positive
- 

## Adjusted Operating EBITDA margin

Now between 18.1% and 19.1%

- Continued mix headwinds
  - Section 301 tariffs
- 

## Adjusted Diluted EPS

Now between \$0.73 and \$0.81 per share

- Effective tax rate of 26% to 28%, excluding Q3 TCJA charge of \$2.6M
- Assumes 141.4 million fully diluted shares outstanding
- Includes \$0.02 from Crem acquisition

(excludes restructuring, gains or losses from impairment or disposal of assets, acquisition transaction/integration costs, debt extinguishment expenses, foreign currency transaction gains and losses, and discrete tax adjustments related to the 2017 Tax Cuts and Jobs Act)

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# Q&A