



**WELBILT**<sup>®</sup>  
*Bringing innovation to the table*

# 2021 Q2 Earnings Call

August 3, 2021

# Forward-Looking Statements

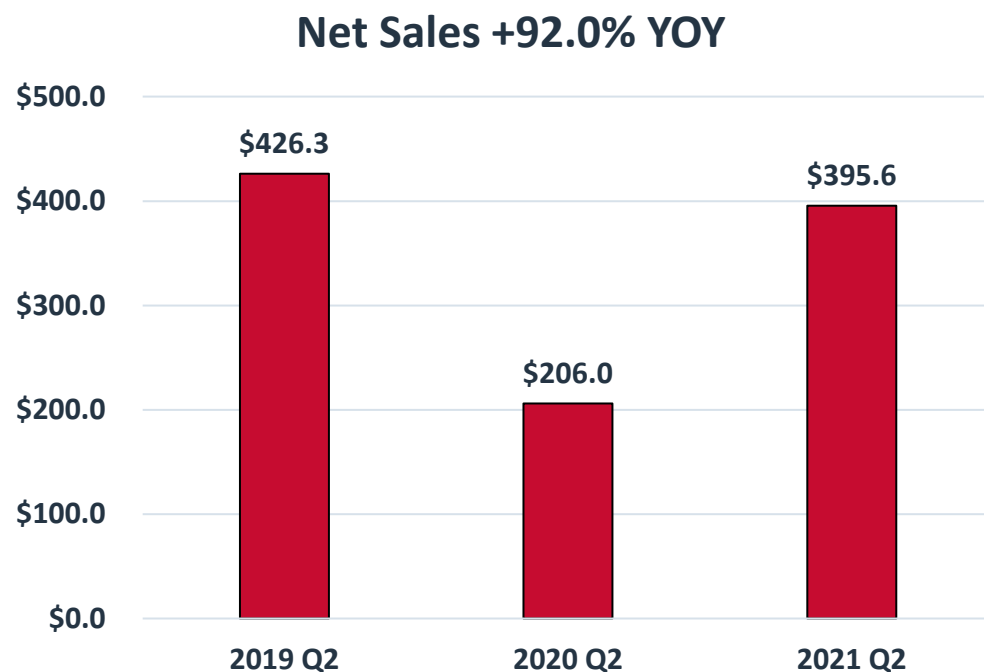
Certain statements in this presentation constitute “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Statements contained in this presentation that are not historical facts are forward-looking statements and include, for example, the Company’s expectations regarding future results, the impact of COVID-19 on our business, including on customer demand, supply chains and production, ability to meet working capital needs and cash requirements over the next 12 months, ability to realize cost savings from reductions in force and other cost saving measures, compliance with the financial covenants under our credit facility, ability to obtain financial and tax benefits from the CARES Act, risks related to the proposed transaction with Ali Holdings S.r.l., descriptions of our Transformation Program, operating and strategic plans and any assumptions on which those programs, 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 Reports 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 U.S. GAAP measures can be found in our earnings release for the second quarter of 2021, which is available in the Investor Relations section of our website, [www.welbilt.com](http://www.welbilt.com), together with this presentation.

# 2021 Q2 Financial Highlights

(US\$ in millions except per share amounts)

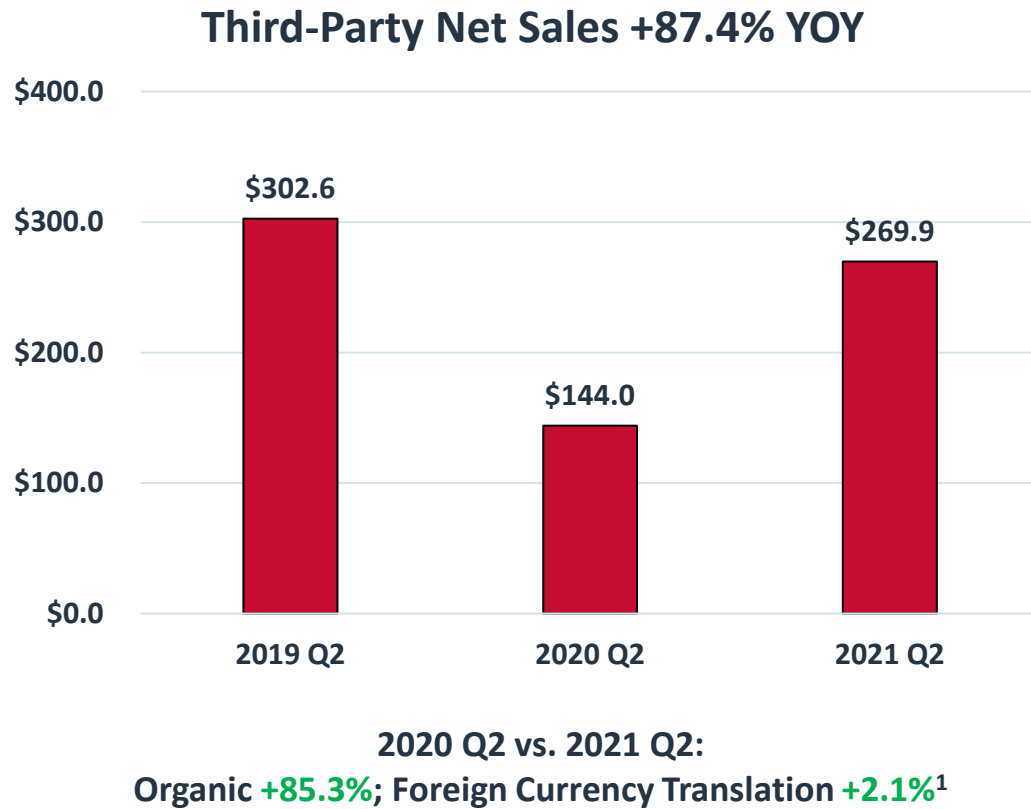


**2020 Q2 vs. 2021 Q2:**  
**Organic +85.8%; Foreign Currency Translation +6.2% <sup>1</sup>**

	Q2 2020	Q2 2021	Δ
Adjusted Operating EBITDA <sup>1</sup>	\$19.8	\$73.5	+271.2%
Adjusted Operating EBITDA margin <sup>1</sup>	9.6%	18.6%	+900 bps
Adjusted Diluted Net Earnings (Loss) Per Share <sup>1</sup>	(\$0.07)	\$0.22	---
Free Cash Flow <sup>1</sup>	\$3.2	\$31.9	+896.9%

# 2021 Q2 Segment Sales - Americas

(US\$ in millions)



## Highlights:

+ General market

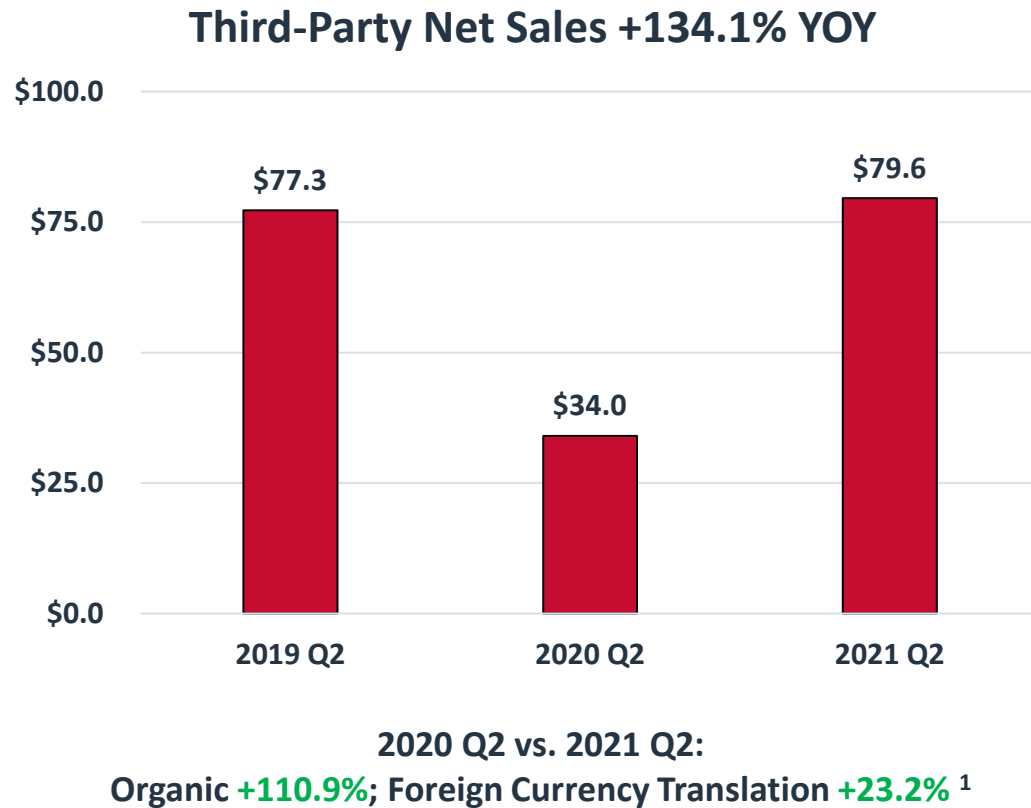
+ Large chains

+ KitchenCare<sup>®</sup> aftermarket sales

- Large chain sales benefited from improved rollout activity across many of our brands
- Strong general market sales growth across multiple brands
- KitchenCare aftermarket sales to master distributors and ice machine distributors increased

# 2021 Q2 Segment Sales - EMEA

(US\$ in millions)



## Highlights:

+ General market

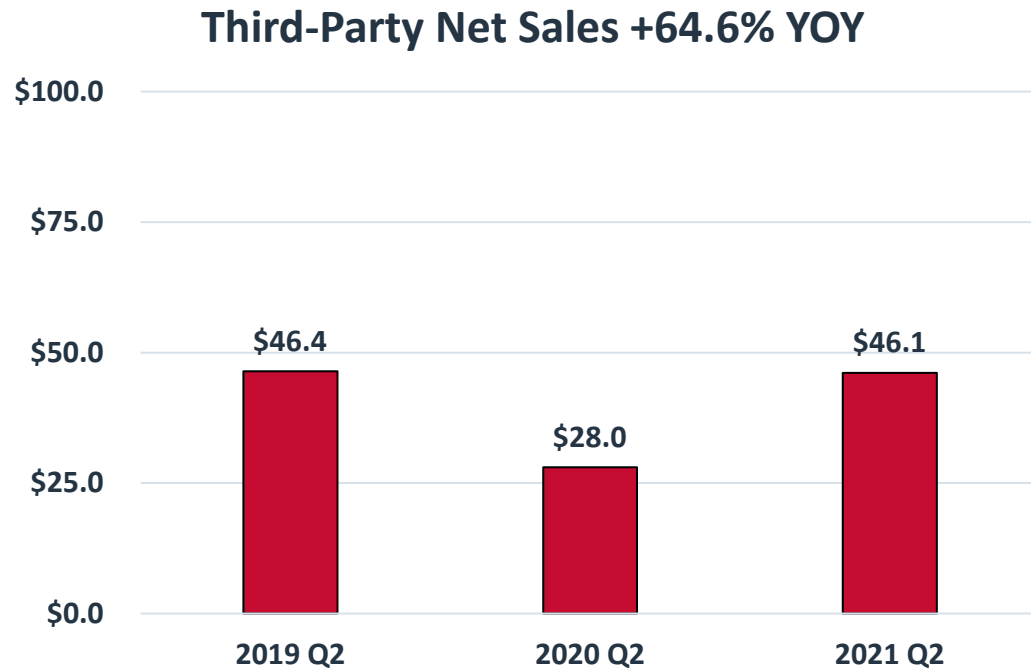
+ Large chains

+ KitchenCare<sup>®</sup> aftermarket sales

- Large chains increased equipment purchases to support expansion plans
- General market increased as local dine-out restrictions eased and restaurants reopened
- KitchenCare increased as more kitchens reopened, leading to increased equipment utilization rates

# 2021 Q2 Segment Sales - APAC

(US\$ in millions)



2020 Q2 vs. 2021 Q2:  
Organic **+57.9%**; Foreign Currency Translation **+6.7%**<sup>1</sup>

## Highlights:

+ General market

+ Large chains

+ KitchenCare<sup>®</sup> aftermarket sales

- Sales growth in dollar terms led by China and Australia
- Southeast Asia returned to growth but still weaker than rest of region

# Transformation Program Progress

Category	Progress
Procurement	<ul style="list-style-type: none"> <li>- Most RFQ responses from vendors have been reviewed, product qualification and testing will continue into 2022</li> <li>- Savings continued to ramp but are being largely offset by inflationary headwinds, positive pricing helping to protect P&amp;L</li> <li>- Focus on “VAVE” initiatives to drive additional savings</li> </ul>
Manufacturing Sites + KitchenCare	<ul style="list-style-type: none"> <li>- Productivity gains continuing to emerge in most sites although progress slowed with some component shortages; still bringing more automation and process changes to bear in 2021</li> <li>- Additional headcount expected through 2021 to help meet demand while retaining productivity gains</li> <li>- Consolidation of 2<sup>nd</sup> Shreveport manufacturing plant into primary plant expected to be completed in 2022</li> <li>- Consolidation of manufacturing facility in EMEA expected to be completed by end of 2021</li> </ul>
2021 Savings Targets	<ul style="list-style-type: none"> <li>- Q2 in-period savings of approximately \$3.3 million inclusive of \$4.2 million inflation impact (run-rate savings of \$13 million)</li> <li>- Pace of savings lagging original timeline due to COVID-19; 2021 procurement dollar savings being offset by inflation; 2021 manufacturing savings likely to be slower due to component shortages and logistics challenges; expect to hit original targets in later 2022 with anticipated easing of inflation and supply disruption, and return of volumes to pre-pandemic levels</li> </ul>
Transformation Program Expense	<ul style="list-style-type: none"> <li>- 2021 Q2: \$1.3 million external costs, \$0.1 million Transformation-related restructuring costs, combined \$1.4 million</li> <li>- Since inception: \$62.1 million external costs, \$9.1 million Transformation-related restructuring costs, combined \$71.2 million</li> <li>- Incremental spending has largely concluded; expect total Transformation Program expense to be less than \$75 million</li> </ul>

# 2021 Q2 Adjusted Operating EBITDA<sup>1</sup> Margin Highlights

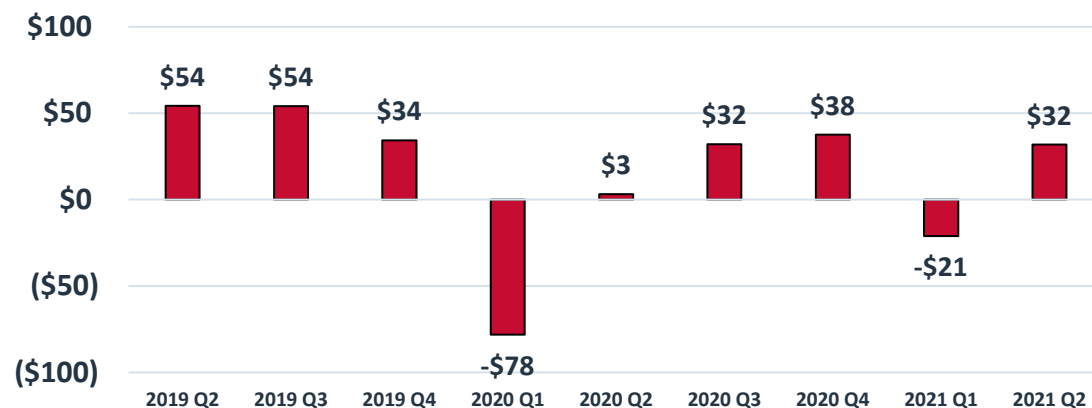
Q2 2020 Adjusted Operating EBITDA <sup>1</sup> margin	9.6%
- <i>Volume/net pricing</i>	+1,200 bps
- <i>Material costs and tariffs</i>	(150 bps)
- <i>Other manufacturing: labor and overhead</i>	340 bps
- <i>SG&amp;A</i>	(530 bps)
- <i>FX/other</i>	+40 bps
Q2 2021 Adjusted Operating EBITDA <sup>1</sup> margin	18.6%



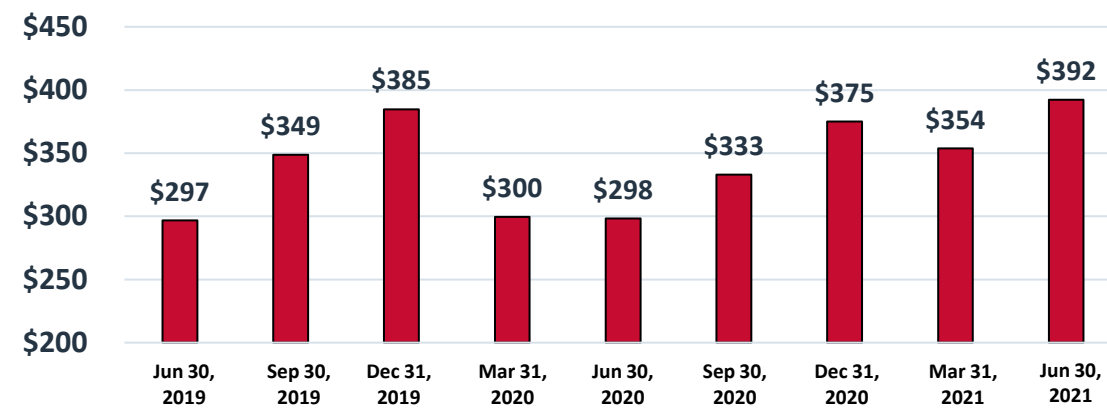
# 2021 Q2 Free Cash Flow<sup>1</sup> and Capital Structure

US\$ in millions

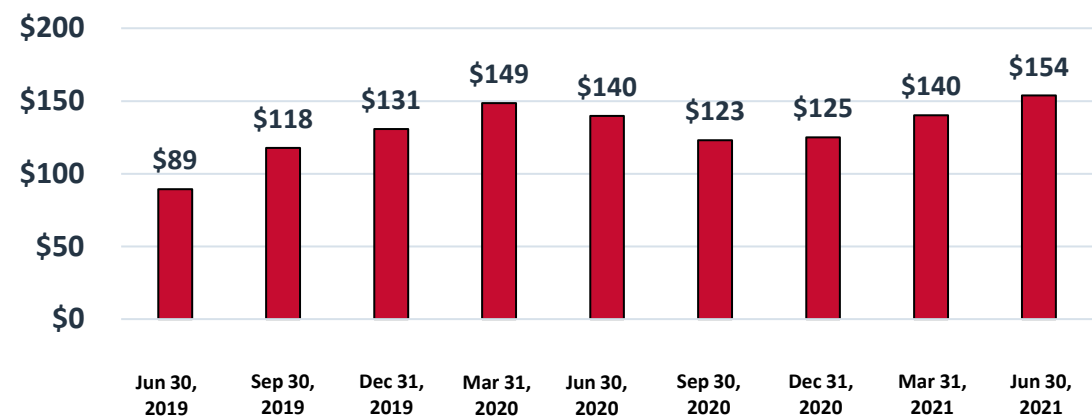
### Free Cash Flow <sup>1</sup>



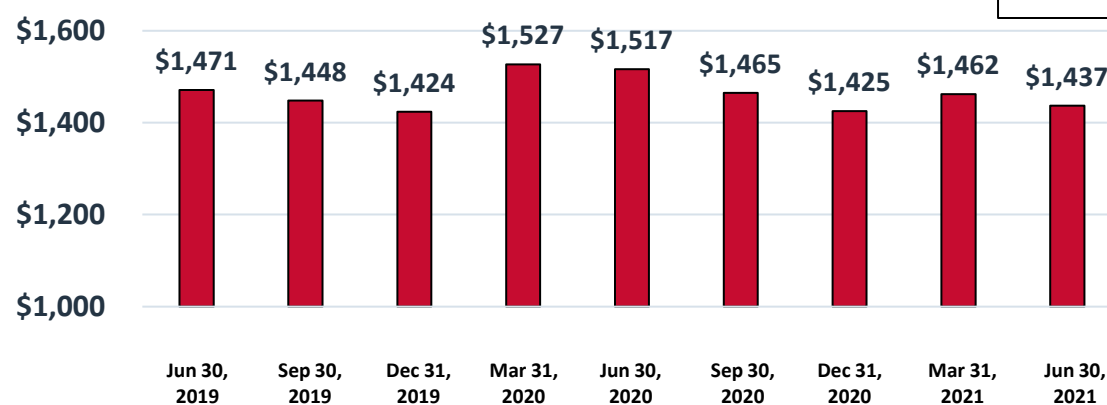
### Total Liquidity <sup>2</sup>



### Cash & Short-term Investments



### Total Debt



<sup>1</sup> See Welbilt's 2021 Q2 earnings release for the reconciliations from GAAP to non-GAAP measures.

<sup>2</sup> Total Liquidity is defined as Cash & Short-term Investments plus availability on the Revolving Credit Facility.

<sup>3</sup> Net debt to Adjusted EBITDA per terms of Credit Agreement.

# Updated Thoughts on 2021

- On July 8, 2021, we issued a Form 8-K that included Updated Welbilt Management Forecasted Financial Information that included 2021 net sales of \$1,482 million and 2021 Adjusted Operating EBITDA of \$267 million that we reiterated today.
- We believe overall demand will continue to improve with shipments gradually catching up to and surpassing incoming orders as supplier and logistics inefficiencies slowly improve over the next several quarters. The current strong pricing environment is expected to continue to offset inflationary pressures.
- Performance and forecast supports our comfort with our liquidity and covenants over the balance of the year.
- We are balancing our financial resources to both:
  - ✓ Advance our Transformation Program to permanently improve our cost structure (long-term labor productivity, material cost reductions, SG&A efficiency),
  - ✓ While also advancing other key strategic initiatives (digital and new product innovation investments).



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