UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended November 30, 2022

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 000-06936
Commission Company Name: WD 40 CO

WD-40 COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**95-1797918**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9715 Businesspark Avenue, San Diego, California	**92131**
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: **(619) 275-1400**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Common stock, par value $0.001 per share	WDFC	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

The number of outstanding shares of the registrant's common stock, par value $0.001 per share, as of January 3, 2023 was 13,587,596.

WD-40 COMPANY
QUARTERLY REPORT ON FORM 10-Q
For the Quarter Ended November 30, 2022

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PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

WD-40 COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited and in thousands, except share and per share amounts)

	November 30, 2022	August 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 36,882	$ 37,843
Trade and other accounts receivable, net	87,285	89,930
Inventories	119,067	104,101
Other current assets	12,122	17,766
Total current assets	255,356	249,640
Property and equipment, net	65,658	65,977
Goodwill	95,277	95,180
Other intangible assets, net	5,362	5,588
Operating lease right-of-use assets	8,435	7,559
Deferred tax assets, net	629	679
Other assets	10,776	9,672
Total assets	$ 441,493	$ 434,295
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 31,826	$ 32,852
Accrued liabilities	24,728	27,161
Accrued payroll and related expenses	14,251	11,583
Short-term borrowings	42,537	39,173
Income taxes payable	301	51
Total current liabilities	113,643	110,820
Long-term borrowings	107,902	107,139
Deferred tax liabilities, net	10,715	10,528
Long-term operating lease liabilities	6,629	5,999
Other long-term liabilities	11,234	11,185
Total liabilities	250,123	245,671
Commitments and Contingencies (Note 11)		
Stockholders' equity:		
Common stock — authorized 36,000,000 shares, $0.001 par value; 19,896,477 and 19,888,807 shares issued at November 30, 2022 and August 31, 2022, respectively; and 13,587,596 and 13,602,346 shares outstanding at November 30, 2022 and August 31, 2022, respectively	20	20
Additional paid-in capital	168,092	165,973
Retained earnings	459,439	456,076
Accumulated other comprehensive loss	(34,873)	(36,209)
Common stock held in treasury, at cost — 6,308,881 and 6,286,461 shares at November 30, 2022 and August 31, 2022, respectively	(401,308)	(397,236)
Total stockholders' equity	191,370	188,624
Total liabilities and stockholders' equity	$ 441,493	$ 434,295

See accompanying notes to condensed consolidated financial statements.

WD-40 COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited and in thousands, except per share amounts)

	Three Months Ended November 30,	
	2022	2021
Net sales	$ 124,893	$ 134,746
Cost of products sold	60,638	66,276
Gross profit	64,255	68,470
Operating expenses:		
Selling, general and administrative	39,984	38,423
Advertising and sales promotion	5,339	5,624
Amortization of definite-lived intangible assets	253	363
Total operating expenses	45,576	44,410
Income from operations	18,679	24,060
Other income (expense):		
Interest income	44	25
Interest expense	(1,169)	(620)
Other income (expense), net	150	(329)
Income before income taxes	17,704	23,136
Provision for income taxes	3,707	4,581
Net income	$ 13,997	$ 18,555
Earnings per common share:		
Basic	$ 1.03	$ 1.35
Diluted	$ 1.02	$ 1.34
Shares used in per share calculations:		
Basic	13,590	13,716
Diluted	13,609	13,752

See accompanying notes to condensed consolidated financial statements.

WD-40 COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited and in thousands)

	Three Months Ended November 30,	
	2022	2021
Net income	$ 13,997	$ 18,555
Other comprehensive income (loss):		
Foreign currency translation adjustment	1,336	(1,893)
Total comprehensive income	$ 15,333	$ 16,662

See accompanying notes to condensed consolidated financial statements.

WD-40 COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Unaudited and in thousands, except share and per share amounts)

	Common Stock		Additional Paid-in	Retained	Accumulated Other Comprehensive	Treasury Stock		Total Stockholders'
	Shares	Amount	Capital	Earnings	Income (Loss)	Shares	Amount	Equity
Balance at August 31, 2022	19,888,807	$ 20	$ 165,973	$ 456,076	$ (36,209)	6,286,461	$ (397,236)	$ 188,624
Issuance of common stock under share-based compensation plan, net of shares withheld for taxes	7,670	-	(600)					(600)
Stock-based compensation			2,719					2,719
Cash dividends ($0.78 per share)				(10,634)				(10,634)
Acquisition of treasury stock						22,420	(4,072)	(4,072)
Foreign currency translation adjustment					1,336			1,336
Net income				13,997				13,997
Balance at November 30, 2022	19,896,477	$ 20	$ 168,092	$ 459,439	$ (34,873)	6,308,881	$ (401,308)	$ 191,370

	Common Stock		Additional Paid-in	Retained	Accumulated Other Comprehensive	Treasury Stock		Total Stockholders'
	Shares	Amount	Capital	Earnings	Income (Loss)	Shares	Amount	Equity
Balance at August 31, 2021	19,856,865	$ 20	$ 163,737	$ 430,735	$ (26,030)	6,147,899	$ (368,080)	$ 200,382
Issuance of common stock under share-based compensation plan, net of shares withheld for taxes	30,072	-	(4,246)					(4,246)
Stock-based compensation			2,891					2,891
Cash dividends ($0.72 per share)				(9,905)				(9,905)
Acquisition of treasury stock						32,000	(7,386)	(7,386)
Foreign currency translation adjustment					(1,893)			(1,893)
Net income				18,555				18,555
Balance at November 30, 2021	19,886,937	$ 20	$ 162,382	$ 439,385	$ (27,923)	6,179,899	$ (375,466)	$ 198,398

See accompanying notes to condensed consolidated financial statements.

WD-40 COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited and in thousands)

	Three Months Ended November 30,	
	2022	2021
Operating activities:		
Net income	$ 13,997	$ 18,555
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,896	1,987
Net gains on sales and disposals of property and equipment	122	9
Deferred income taxes	271	738
Stock-based compensation	2,719	2,891
Unrealized foreign currency exchange losses (gains)	(1,481)	541
Provision for credit losses	30	30
Changes in assets and liabilities:		
Trade and other accounts receivable	2,847	(7,980)
Inventories	(14,203)	(13,054)
Other assets	4,573	(1,793)
Operating lease assets and liabilities, net	26	2
Accounts payable and accrued liabilities	(3,336)	4,126
Accrued payroll and related expenses	2,627	(7,324)
Other long-term liabilities and income taxes payable	349	325
Net cash provided by (used in) operating activities	10,437	(947)
Investing activities:		
Purchases of property and equipment	(1,458)	(2,434)
Proceeds from sales of property and equipment	158	72
Net cash used in investing activities	(1,300)	(2,362)
Financing activities:		
Treasury stock purchases	(4,072)	(7,386)
Dividends paid	(10,634)	(9,905)
Repayments of long-term senior notes	(400)	(400)
Net proceeds from revolving credit facility	3,364	-
Shares withheld to cover taxes upon conversions of equity awards	(600)	(4,246)
Net cash used in financing activities	(12,342)	(21,937)
Effect of exchange rate changes on cash and cash equivalents	2,244	(1,196)
Net decrease in cash and cash equivalents	(961)	(26,442)
Cash and cash equivalents at beginning of period	37,843	85,961
Cash and cash equivalents at end of period	$ 36,882	$ 59,519
Supplemental disclosure of noncash investing activities:		
Accrued capital expenditures	$ 315	$ 294

See accompanying notes to condensed consolidated financial statements.

WD-40 COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1. The Company

WD-40 Company (the "Company"), incorporated in Delaware and based in San Diego, California, is a global marketing organization dedicated to creating positive lasting memories by developing and selling products that solve problems in workshops, factories and homes around the world. The Company owns a wide range of brands that include maintenance products and homecare and cleaning products: WD-40® Multi-Use Product, WD-40 Specialist®, 3-IN-ONE®, GT85®, X-14®, 2000 Flushes®, Carpet Fresh®, no vac®, Spot Shot®, 1001®, Lava® and Solvol®.

The Company's products are sold in various locations around the world. Maintenance products are sold worldwide in markets throughout North, Central and South America, Asia, Australia, Europe, the Middle East and Africa. Homecare and cleaning products are sold primarily in North America, the United Kingdom ("U.K.") and Australia. The Company's products are sold primarily through warehouse club stores, hardware stores, automotive parts outlets, industrial distributors and suppliers, mass retail and home center stores, value retailers, grocery stores, online retailers, farm supply, sport retailers, and independent bike dealers.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Consolidation

The condensed consolidated financial statements included herein have been prepared by the Company, without audit, according to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") have been condensed or omitted pursuant to such rules and regulations. The August 31, 2022 year-end condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by U.S. GAAP.

In the opinion of management, the unaudited financial information for the interim periods shown reflects all adjustments necessary for a fair statement thereof and such adjustments are of a normal recurring nature. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2022, which was filed with the SEC on October 24, 2022.

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could materially differ from those estimates. Operating results for interim periods are not necessarily indicative of operating results for an entire fiscal year.

The COVID-19 pandemic has adversely impacted global economic conditions and has contributed to significant volatility in financial markets beginning in early calendar year 2020. Although the Company's estimates consider current conditions, the inputs into certain of the Company's significant and critical accounting estimates include judgments and assumptions about the economic implications of the COVID-19 pandemic and how management expects them to change in the future, as appropriate. It is reasonably possible that actual results experienced may differ materially from the Company's estimates in future periods, which could materially affect our results of operations and financial condition.

Foreign Currency Forward Contracts

In the normal course of business, the Company employs established policies and procedures to manage its exposure to fluctuations in foreign currency exchange rates. The Company utilizes foreign currency forward contracts to limit its exposure to net asset balances held in non-functional currencies, primarily at its U.K. subsidiary. The Company regularly monitors its foreign currency exchange rate exposures to ensure the overall effectiveness of its foreign currency hedge positions. While the Company engages in foreign currency hedging activity to reduce its risk, for accounting purposes, none of its foreign currency forward contracts are designated as hedges.

Foreign currency forward contracts are carried at fair value, with net realized and unrealized gains and losses recognized in other income (expense), net in the Company's consolidated statements of operations. Cash flows from settlements of foreign currency forward contracts are included in operating activities in the consolidated statements of cash flows. Foreign currency forward contracts in an asset position at the end of the reporting period are included in other current assets, while foreign currency forward contracts in a liability position at the end of the reporting period are included in accrued liabilities in the Company's consolidated balance sheets. At November 30, 2022, the Company had no outstanding foreign currency forward contracts. Unrealized net gains and losses related to foreign currency forward contracts were not significant at November 30, 2022 and August 31, 2022. Realized net gains and losses related to foreign currency forward contracts were not significant for the three months ended November 30, 2022 and 2021. Both unrealized and realized net gains and losses are recorded in other income (expense), net on the Company's condensed consolidated statements of operations.

Fair Value of Financial Instruments

Accounting Standards Codification ("ASC") 820, "*Fair Value Measurements and Disclosures"*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company categorizes its financial assets and liabilities measured at fair value into a hierarchy that categorizes fair value measurements into the following three levels based on the types of inputs used in measuring their fair value:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities;
Level 2: Observable market-based inputs or observable inputs that are corroborated by market data; and
Level 3: Unobservable inputs reflecting the Company's own assumptions.

Under fair value accounting, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company has no assets or liabilities that are measured at fair value in the financial statements on a recurring basis, except for foreign currency forward contracts, into which the Company enters from time to time, and are classified as Level 2 within the fair value hierarchy. The carrying values of cash equivalents and short-term borrowings are recorded at cost, which approximates their fair values, primarily due to their short-term nature. In addition, the carrying value of borrowings held under the Company's revolving credit facility approximates fair value, based on Level 2 inputs, due to the variable nature of underlying interest rates, which generally reflect market conditions. The Company's fixed rate long-term borrowings consist of senior notes and are recorded at carrying value. The Company estimates that the fair value of its senior notes, based on Level 2 inputs, was approximately $60.8 million as of November 30, 2022, which was determined based on a discounted cash flow analysis using current market interest rates for instruments with similar terms, compared to their carrying value of $68.0 million. During the three months ended November 30, 2022, the Company did not record any significant nonrecurring fair value measurements for assets or liabilities in periods subsequent to their initial recognition.

Note 3. Inventories

Inventories are stated at the lower of cost or net realizable value and cost is determined based on a first-in, first-out method or, for a portion of raw materials inventory, the average cost method.

Inventories consisted of the following (in thousands):

	November 30, 2022	August 31, 2022
Product held at third-party contract manufacturers	$ 6,000	$ 7,915
Raw materials and components	17,723	13,952
Work-in-process	408	881
Finished goods	94,936	81,353
Total	$ 119,067	$ 104,101

Note 4. Property and Equipment and Capitalized Cloud-Based Software Implementation Costs

Property and equipment, net, consisted of the following (in thousands):

	November 30, 2022	August 31, 2022
Machinery, equipment and vehicles	$ 44,489	$ 44,533
Buildings and improvements	26,521	27,958
Computer and office equipment	6,106	5,757
Internal-use software	9,884	9,591
Furniture and fixtures	2,693	2,669
Capital in progress	10,333	10,135
Land	4,164	4,240
Subtotal	104,190	104,883
Less: accumulated depreciation and amortization	(38,532)	(38,906)
Total	$ 65,658	$ 65,977

As of November 30, 2022 and August 31, 2022, the Company's condensed consolidated balance sheets included $7.6 million and $6.5 million, respectively, of capitalized cloud-based implementation costs recorded as other assets within the Company's condensed consolidated balance sheets. These balances primarily consist of capitalized costs related to the new cloud-based enterprise resource planning system which we are in the process of implementing. Accumulated amortization associated with cloud-based implementation costs were $0.5 million as of both November 30, 2022 and August 31, 2022. Amortization expense associated with these assets were not significant during the three months ended November 30, 2022 or 2021.

Note 5. Goodwill and Other Intangible Assets

Goodwill

The following table summarizes the changes in the carrying amounts of goodwill by segment (in thousands):

	Americas	EMEA	Asia-Pacific	Total
Balance as of August 31, 2022	$ 85,402	$ 8,569	$ 1,209	$ 95,180
Translation adjustments	10	87	-	97
Balance as of November 30, 2022	$ 85,412	$ 8,656	$ 1,209	$ 95,277

There were no indicators of impairment identified as a result of the Company's review of events and circumstances related to its goodwill subsequent to December 1, 2021, the date of its most recent annual goodwill impairment test, which was a qualitative assessment conducted during the second quarter of fiscal year 2022. Based on the results of the annual goodwill impairment test, the estimated fair value of each of the Company's reporting units exceeded their respective carrying values so significantly that an impairment charge to the Company's goodwill balances is remote and, thus, a quantitative analysis was not required. To date, there have been no impairment losses identified and recorded related to the Company's goodwill.

Definite-lived Intangible Assets

The Company's definite-lived intangible assets, which include the Spot Shot, Carpet Fresh, 1001, EZ REACH and GT85 trade names, are included in other intangible assets, net in the Company's condensed consolidated balance sheets.

The following table summarizes the definite-lived intangible assets and the related accumulated amortization (in thousands):

	November 30, 2022	August 31, 2022
Gross carrying amount	$ 35,382	$ 35,166
Accumulated amortization	(30,020)	(29,578)
Net carrying amount	$ 5,362	$ 5,588

There has been no impairment charge for the three months ended November 30, 2022 and there were no indicators of impairment identified as a result of the Company's review of events and circumstances related to its existing definite-lived intangible assets.

Changes in the carrying amounts of definite-lived intangible assets by segment for the three months ended November 30, 2022 are summarized below (in thousands):

	Americas	EMEA	Asia-Pacific	Total
Balance as of August 31, 2022	$ 4,437	$ 1,151	$ -	$ 5,588
Amortization expense	(207)	(46)	-	(253)
Translation adjustments	-	27	-	27
Balance as of November 30, 2022	$ 4,230	$ 1,132	$ -	$ 5,362

The estimated amortization expense for the Company's definite-lived intangible assets is not significant in any future individual fiscal year.

Note 6. Accrued and Other Liabilities

Accrued liabilities consisted of the following (in thousands):

	November 30, 2022	August 31, 2022
Accrued advertising and sales promotion expenses	$ 13,286	$ 13,563
Accrued professional services fees	1,648	1,979
Accrued sales taxes and other taxes	1,456	995
Deferred revenue	2,403	4,988
Short-term operating lease liability	1,951	1,703
Other	3,984	3,933
Total	$ 24,728	$ 27,161

Accrued payroll and related expenses consisted of the following (in thousands):

	November 30, 2022	August 31, 2022
Accrued incentive compensation	$ 2,546	$ 2,524
Accrued payroll	4,777	4,001
Accrued profit sharing	4,055	2,758
Accrued payroll taxes	2,351	1,779
Other	522	521
Total	$ 14,251	$ 11,583

Note 7. Debt

As of November 30, 2022, the Company held borrowings under two separate agreements as detailed below.

Note Purchase and Private Shelf Agreement

The Company holds borrowings under its Note Purchase and Private Shelf Agreement, as amended (the "Note Agreement") by and among the Company, PGIM, Inc. ("Prudential"), and certain affiliates and managed accounts of Prudential (the "Note Purchasers"). As of November 30, 2022, the Company had outstanding balances on its series A, B and C notes issued under this Note Agreement.

Credit Agreement

The Company's Amended and Restated Credit Agreement, as amended (the "Credit Agreement") with Bank of America, N.A. consists of a revolving commitment for borrowing by the Company up to $150.0 million with a sublimit of $100.0 million for WD-40 Company Limited, a wholly owned operating subsidiary of the Company for Europe, the Middle East, Africa and India.

On November 29, 2021, the Company entered into its most recent amendment to the Credit Agreement (the "LIBOR Amendment") with Bank of America, N.A. The LIBOR Amendment changed the Company's index rates under the Credit Agreement for Pound Sterling and U.S. Dollar borrowings from the London Interbank Offered Rate as administered by ICE Benchmark Administration to the Sterling Overnight Index Average Reference Rate and the Bloomberg Short-term Bank Yield Index rate, respectively, as well as certain definitions and clarifications within the Credit Agreement to accommodate the change in index rates. The impact of the LIBOR Amendment was insignificant to the Company's consolidated financial statements.

Short-term and long-term borrowings under the Company's Credit Agreement and Note Agreement consisted of the following (in thousands):

	Issuance	Maturities	November 30, 2022	August 31, 2022
Credit Agreement – revolving credit facility [1]	Various	9/30/2025	$ 82,439	$ 77,912
Note Agreement				
Series A Notes – 3.39% fixed rate[2]	11/15/2017	2021-2032	16,000	16,400
Series B Notes – 2.50% fixed rate[3]	9/30/2020	11/15/2027	26,000	26,000
Series C Notes – 2.69% fixed rate[3]	9/30/2020	11/15/2030	26,000	26,000
Total borrowings			150,439	146,312
Short-term portion of borrowings			(42,537)	(39,173)
Total long-term borrowings			$ 107,902	$ 107,139

(1) The Company can refinance any draw under the line of credit with successive short-term borrowings through the maturity date. Outstanding draws for which management has the ability and intent to refinance with successive short-term borrowings for a period of at least twelve months are classified as long-term. As of November 30, 2022, $40.7 million on this facility is classified as long-term and is denominated in Euros and Pound Sterling, whereas $41.7 million is classified as short-term and is denominated entirely in U.S. Dollar. Euro and Pound Sterling denominated draws will fluctuate in U.S. Dollars from period to period due to changes in foreign currency exchange rates.

(2) Principal payments are required semi-annually in May and November of each year in equal installments of $0.4 million through May 15, 2032, resulting in $0.8 million classified as short-term. The remaining outstanding principal in the amount of $8.4 million will become due on November 15, 2032.

(3) Interest on notes is payable semi-annually in May and November of each year with no principal due until the maturity date.

Both the Note Agreement and the Credit Agreement contain representations, warranties, events of default and remedies, as well as affirmative, negative and other financial covenants customary for these types of agreements. These covenants include, among other things, certain limitations on the ability of the Company and its subsidiaries to incur indebtedness, create liens, dispose of assets, make investments, declare, make or incur obligations to make certain restricted payments, including payments for the repurchase of the Company's capital stock and enter into certain merger or consolidation transactions. The Credit Agreement includes, among other limitations on indebtedness, a $125.0 million limit on other unsecured indebtedness.

Each agreement also includes a most favored lender provision which requires that any time any other lender has the benefit of one or more financial or operational covenants that is different than, or similar to, but more restrictive than those contained in its own agreement, those covenants shall be immediately and automatically incorporated by reference to the other lender's agreement. Both the Note Agreement and the Credit Agreement require the Company to adhere to the same financial covenants. For the financial covenants, the definition of consolidated EBITDA includes the add back of non-cash stock-based compensation to consolidated net income when arriving at consolidated EBITDA. The terms of the financial covenants are as follows:

- The consolidated leverage ratio cannot be greater than three and a half to one. The consolidated leverage ratio means, as of any date of determination, the ratio of (a) consolidated funded indebtedness as of such date to (b) consolidated EBITDA for the most recently completed four fiscal quarters.
- The consolidated interest coverage ratio cannot be less than three to one. The consolidated interest coverage ratio means, as of any date of determination, the ratio of (a) consolidated EBITDA for the most recently completed four fiscal quarters to (b) consolidated interest charges for the most recently completed four fiscal quarters

As of November 30, 2022, the Company was in compliance with all debt covenants under both the Note Agreement and the Credit Agreement.

Note 8. Share Repurchase Plan

On October 12, 2021, the Company's Board of Directors ("Board") approved a new share repurchase plan. Under the plan, which became effective on November 1, 2021, the Company is authorized to acquire up to $75.0 million of its outstanding shares through August 31, 2023. The timing and amount of repurchases are based on terms and conditions as may be acceptable to the Company's Chief Executive Officer and Chief Financial Officer, subject to present loan covenants and in compliance with all laws and regulations applicable thereto. During the period from November 1, 2021 through November 30, 2022, the Company repurchased 160,982 shares at an average price of $206.38 per share, for a total cost of $33.2 million under this $75.0 million plan. During the three months ended November 30, 2022, the Company repurchased 22,420 shares at an average price of $181.60 per share, for a total cost of $4.1 million under this $75.0 million plan.

Note 9. Earnings per Common Share

The table below reconciles net income to net income available to common stockholders (in thousands):

	Three Months Ended November 30,	
	2022	2021
Net income	$ 13,997	$ 18,555
Less: Net income allocated to participating securities	(54)	(64)
Net income available to common stockholders	$ 13,943	$ 18,491

The table below summarizes the weighted-average number of common shares outstanding included in the calculation of basic and diluted EPS (in thousands):

	Three Months Ended November 30,	
	2022	2021
Weighted-average common shares outstanding, basic	13,590	13,716
Weighted-average dilutive securities	19	36
Weighted-average common shares outstanding, diluted	13,609	13,752

For the three months ended November 30, 2022 and 2021, weighted-average stock-based equity awards outstanding that are non-participating securities in the amount of 7,471 and 5,145, respectively, were excluded from the calculation of diluted EPS under the treasury stock method as they were anti-dilutive.

Note 10. Revenue Recognition

Disaggregation of Revenue

The following table presents our revenues by segment and major source (in thousands):

	Three Months Ended November 30, 2022:			
	Americas	EMEA	Asia-Pacific	Total
Maintenance products	$ 53,571	$ 38,729	$ 24,012	$ 116,312
HCCP [1]	4,443	2,043	2,095	8,581
Total net sales	$ 58,014	$ 40,772	$ 26,107	$ 124,893

	Three Months Ended November 30, 2021:			
	Americas	EMEA	Asia-Pacific	Total
Maintenance products	$ 51,984	$ 55,443	$ 18,603	$ 126,030
HCCP [1]	4,304	2,112	2,300	8,716
Total net sales	$ 56,288	$ 57,555	$ 20,903	$ 134,746

(1) Homecare and cleaning products ("HCCP")

Contract Balances

Contract liabilities consist of deferred revenue related to undelivered products. Deferred revenue is recorded when payments have been received from customers for undelivered products. Revenue is subsequently recognized when revenue recognition criteria are met, generally when control of the product transfers to the customer. The Company had contract liabilities of $2.4 million and $5.0 million as of November 30, 2022 and August 31, 2022, respectively. All of the $5.0 million that was included in contract liabilities as of August 31, 2022 was recognized to revenue during the three months ended November 30, 2022. These contract liabilities are recorded in accrued liabilities on the Company's condensed consolidated balance sheets. Contract assets are recorded if the Company has satisfied a performance obligation but does not yet have an unconditional right to consideration. The Company did not have any contract assets as of November 30, 2022 and August 31, 2022. The Company has an unconditional right to payment for its trade and other accounts receivable on the Company's condensed consolidated balance sheets. These receivables are presented net of an allowance for doubtful accounts, which were insignificant at both November 30, 2022 and August 31, 2022.

Note 11. Commitments and Contingencies

Purchase Commitments

The Company has ongoing relationships with various suppliers (contract manufacturers) that manufacture the Company's products and third-party distribution centers that warehouse and ship the Company's products to customers. The contract manufacturers maintain title and control of certain raw materials and components, materials utilized in finished products, and the finished products themselves until shipment to the Company's third-party distribution centers or customers in accordance with agreed upon shipment terms. Although the Company has definitive minimum purchase obligations included in the contract terms with certain of its contract manufacturers, when such obligations have been included, they have either been immaterial or the minimum amounts have been such that they are well below the volume of goods that the Company has historically purchased. In the ordinary course of business, supply needs are communicated by the Company to its contract manufacturers based on orders and short-term projections, ranging from two months to six months. The Company is committed to purchase the products produced by the contract manufacturers based on the projections provided.

Upon the termination of contracts with contract manufacturers, the Company obtains certain inventory control rights and is obligated to work with the contract manufacturer to sell through all product held by or manufactured by the contract manufacturer on behalf of the Company during the termination notification period. If any inventory remains at the contract manufacturer at the termination date, the Company is obligated to purchase such inventory, which may include raw materials,

components and finished goods. The amounts for inventory purchased under termination commitments have been immaterial.

In addition to the commitments to purchase products from contract manufacturers described above, the Company may also enter into commitments with other manufacturers to purchase finished goods and components to support innovation and renovation initiatives and/or supply chain initiatives. As of November 30, 2022, no such commitments were outstanding.

Litigation

From time to time, the Company is subject to various claims, lawsuits, investigations and proceedings arising in the ordinary course of business, including but not limited to, product liability litigation and other claims and proceedings with respect to intellectual property, breach of contract, labor and employment, tax and other matters. As of November 30, 2022, there were no unasserted claims or pending proceedings for claims against the Company that the Company believes will result in a probable loss. As to claims that the Company believes may result in a reasonably possible loss, the Company believes that no reasonably possible outcome of any such claim will have a materially adverse impact on the Company's financial condition, results of operations or cash flows.

Indemnifications

As permitted under Delaware law, the Company has agreements whereby it indemnifies senior officers and directors for certain events or occurrences while the officer or director is, or was, serving at the Company's request in such capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company maintains Director and Officer insurance coverage that mitigates the Company's exposure with respect to such obligations. As a result of the Company's insurance coverage, management believes that the estimated fair value of these indemnification agreements is minimal. Thus, no liabilities have been recorded for these agreements as of November 30, 2022.

From time to time, the Company enters into indemnification agreements with certain contractual parties in the ordinary course of business, including agreements with lenders, lessors, contract manufacturers, marketing distributors, customers and certain vendors. All such indemnification agreements are entered into in the context of the particular agreements and are provided in an attempt to properly allocate risk of loss in connection with the consummation of the underlying contractual arrangements. Although the maximum amount of future payments that the Company could be required to make under these indemnification agreements is unlimited, management believes that the Company maintains adequate levels of insurance coverage to protect the Company with respect to most potential claims arising from such agreements and that such agreements do not otherwise have value separate and apart from the liabilities incurred in the ordinary course of the Company's business. Thus, no liabilities have been recorded with respect to such indemnification agreements as of November 30, 2022.

Note 12. Income Taxes

The Company uses an estimated annual effective tax rate, which is based on expected annual income, statutory tax rates and tax planning opportunities available in the various jurisdictions in which the Company operates, to determine its quarterly provision for income taxes. Certain significant or unusual items are separately recognized in the quarter in which they occur and can be a source of variability in the effective tax rates from quarter to quarter.

The provision for income taxes was 20.9% and 19.8% of income before income taxes for the three months ended November 30, 2022 and 2021, respectively. The increase in the effective income tax rate from period to period was primarily due to tax shortfalls from the settlements of stock-based equity awards, partially offset by a one-time tax-deductible charitable donation. The Company recorded tax shortfalls related to settlements of stock-based equity awards of $0.7 million during the first quarter of fiscal year 2023 compared to insignificant tax benefits related to these types of settlements in the first quarter of fiscal year 2022, resulting in a 5.1% unfavorable impact on the Company's effective tax rate from period to period. Partially offsetting this unfavorable impact was a one-time tax benefit associated with the Company's donation of its former corporate headquarters building to a local San Diego community foundation that occurred in the first quarter of fiscal year 2023, resulting in a 4.2% favorable impact on the Company's effective tax rate. The building, net of its tax basis, is estimated to result in a charitable donation of $3.5 million and an approximate tax benefit of $0.7 million.

The Company is subject to taxation in the U.S. and in various state and foreign jurisdictions. Due to expired statutes, the Company's federal income tax returns for years prior to fiscal year 2018 are not subject to examination by the U.S. Internal Revenue Service. Generally, for the majority of state and foreign jurisdictions where the Company does business, periods prior to fiscal year 2018 are no longer subject to examination. The Company is currently under audit in various state jurisdictions for fiscal years 2018 through 2019. Estimated unrecognized tax benefits related to income tax positions affected by the resolution of tax examinations or expiring statutes of limitation within the next twelve months were not significant. Audit outcomes and the timing of settlements are subject to significant uncertainty.

Note 13. Business Segments and Foreign Operations

The Company evaluates the performance of its segments and allocates resources to them based on sales and income from operations. The Company is organized on the basis of geographical area into the following three segments: the Americas; EMEA; and Asia-Pacific. Unallocated corporate expenses are general corporate overhead expenses not directly attributable to the business segments and are reported separate from the Company's identified segments. The corporate overhead costs include expenses for the Company's accounting and finance, information technology, human resources, research and development, quality control and executive management functions, as well as all direct costs associated with public company compliance matters including legal, audit and other professional services costs.

Summary information about reportable segments is as follows (in thousands):

For the Three Months Ended	Americas	EMEA	Asia-Pacific	Unallocated Corporate [1]	Total
November 30, 2022:					
Net sales	$ 58,014	$ 40,772	$ 26,107	$ -	$ 124,893
Income from operations	$ 12,772	$ 6,283	$ 9,617	$ (9,993)	$ 18,679
Depreciation and amortization expense	$ 878	$ 897	$ 45	$ 76	$ 1,896
Interest income	$ 4	$ 9	$ 31	$ -	$ 44
Interest expense	$ 890	$ 279	$ -	$ -	$ 1,169
November 30, 2021:					
Net sales	$ 56,288	$ 57,555	$ 20,903	$ -	$ 134,746
Income from operations	$ 12,017	$ 14,213	$ 7,302	$ (9,472)	$ 24,060
Depreciation and amortization expense	$ 1,043	$ 784	$ 74	$ 86	$ 1,987
Interest income	$ -	$ -	$ 25	$ -	$ 25
Interest expense	$ 498	$ 121	$ 1	$ -	$ 620

(1) Unallocated corporate expenses are general corporate overhead expenses not directly attributable to any one of the business segments. These expenses are reported separately from the Company's identified segments and are included in Selling, General and Administrative expenses on the Company's condensed consolidated statements of operations.

The Company's Chief Operating Decision Maker does not review assets by segment as part of the financial information provided, and therefore, no asset information is provided in the above table.

Note 14. Subsequent Event

Dividend Declaration

On December 13, 2022, the Company's Board approved a 6% increase in the regular quarterly cash dividend, increasing it from $0.78 per share to $0.83 per share. The $0.83 per share dividend declared on December 13, 2022 is payable on January 31, 2023 to stockholders of record on January 13, 2023.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

As used in this report, the terms "we," "our," and *"us" refer to WD-40 Company and its wholly-owned subsidiaries, unless the context suggests otherwise. Amounts and percentages in tables and discussions may not total due to rounding.*

The following information is provided as a supplement to, and should be read in conjunction with, the unaudited condensed consolidated financial statements and notes thereto included in Part I—Item 1 of this Quarterly Report and the audited consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended August 31, 2022, which was filed with the Securities and Exchange Commission ("SEC") on October 24, 2022.

Use of Non-GAAP Constant Currency

In order to show the impact of changes in foreign currency exchange rates on our results of operations, we have included constant currency disclosures, where necessary, in the Overview and Results of Operations sections which follow. Constant currency disclosures represent the translation of our current fiscal year revenues, expenses and net income from the functional currencies of our subsidiaries to U.S. Dollars using the exchange rates in effect for the corresponding period of the prior fiscal year. Results on a constant currency basis are not in accordance with accounting principles generally accepted in the United States of America ("non-GAAP") and should be considered in addition to, not as a substitute for, results prepared in accordance with U.S. GAAP. We use results on a constant currency basis as one of the measures to understand our operating results and evaluate our performance in comparison to prior periods in order to enhance the visibility of the underlying business trends, excluding the impact of translation arising from foreign currency exchange rate fluctuations. Management believes this non-GAAP financial measure provides investors with additional financial information that should be considered when assessing our underlying business performance and trends. However, reference to constant currency basis should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with U.S. GAAP.

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for certain forward-looking statements. This report contains forward-looking statements, which reflect our current views with respect to future events and financial performance. These forward-looking statements are generally identified with words such as "believe," "expect," "intend," "plan," "could," "may," "aim," "anticipate," "target," "estimate" and similar expressions.

These forward-looking statements include, but are not limited to, discussions about future financial and operating results, including: growth expectations for maintenance products; expected levels of promotional and advertising spending; anticipated input costs for manufacturing and the costs associated with distribution of our products; plans for and success of product innovation, the impact of new product introductions on the growth of sales; anticipated results from product line extension sales; expected tax rates and the impact of tax legislation and regulatory action; the length and severity of the current COVID-19 pandemic and its impact on the global economy and our financial results; changes in the political conditions or relations between the United States and other nations, the impacts from inflationary trends and supply chain constraints; and forecasted foreign currency exchange rates and commodity prices. We undertake no obligation to revise or update any forward-looking statements.

Actual events or results may differ materially from those projected in forward-looking statements due to various factors, including, but not limited to, those identified in Part I—Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the fiscal year ended August 31, 2022, and in Part II—Item 1A, "Risk Factors" of this Quarterly Report on Form 10-Q.

Overview

The Company

WD-40 Company (the "Company"), based in San Diego, California, is a global marketing organization dedicated to creating positive lasting memories by developing and selling products that solve problems in workshops, factories and homes around the world. We own a wide range of well-known brands that include maintenance products and homecare and cleaning

products: WD-40® Multi-Use Product, WD-40 Specialist®, 3-IN-ONE®, GT85®, X-14®, 2000 Flushes®, Carpet Fresh®, no vac®, Spot Shot®, 1001®, Lava® and Solvol®.

Our products are sold in various locations around the world. Maintenance products are sold worldwide in markets throughout North, Central and South America, Asia, Australia, Europe, the Middle East and Africa. Homecare and cleaning products are sold primarily in North America, the United Kingdom ("U.K.") and Australia. We sell our products primarily through warehouse club stores, hardware stores, automotive parts outlets, industrial distributors and suppliers, mass retail and home center stores, value retailers, grocery stores, online retailers, farm supply, sport retailers, and independent bike dealers.

Highlights

The following summarizes the financial and operational highlights for our business during the three months ended November 30, 2022:

- *Consolidated net sales decreased $9.8 million, or 7%, compared to the corresponding period of the prior fiscal year. Increases in the average selling price of our products positively impacted net sales by approximately $26.3 million from period to period, primarily due to sales price increases implemented across all segments over the last twelve months. These favorable impacts were more than offset by decreases in sales volume, which unfavorably impacted net sales by approximately $26.6 million from period to period. Changes to net sales attributable to volumes and average selling price of our products are impacted by differences in sales mix related to products, markets and distribution channels from period to period. In addition, changes in foreign currency exchange rates from period to period had an unfavorable impact of $9.5 million on consolidated net sales for the first quarter of fiscal year 2023. On a constant currency basis, net sales would have decreased less than 1% from period to period. This unfavorable impact from changes in foreign currency exchange rates mainly came from our EMEA segment, which accounted for 33% of our consolidated sales for the three months ended November 30, 2022.*

- *Gross profit as a percentage of net sales increased to 51.4% compared to 50.8% for the corresponding period of the prior fiscal year primarily due to the positive impacts of price increases implemented over the last twelve months, offset by ongoing global supply chain challenges, including the increased cost of raw materials and constraints that began during the COVID-19 pandemic. These ongoing challenges have resulted in increased inflation rates globally. See the Impact of COVID-19 on Our Business section which follows for details, including actions the Company continues to take in response to these challenges.*

- *Consolidated net income decreased $4.6 million, or 25%, compared to the corresponding period of the prior fiscal year. Changes in foreign currency exchange rates from period to period had an unfavorable impact of $1.2 million on consolidated net income for the first quarter of fiscal year 2023. Thus, on a constant currency basis, net income would have decreased $3.3 million, or 18%, from period to period.*

- *Diluted earnings per common share were $1.02 versus $1.34 in the prior fiscal year period.*

Our strategic initiatives and the areas where we will continue to focus our time, talent and resources in future periods include: (i) building a business for the future; (ii) attracting, developing and engaging outstanding tribe members; (iii) striving for operational excellence; (iv) growing WD-40 Multi-Use Product; (v) growing WD-40 Specialist product line; and (vi) expanding and supporting portfolio opportunities that help us grow.

Significant Developments

Impact of COVID-19 on Our Business

Our financial results and operations continue to be impacted by the COVID-19 pandemic that began during our fiscal year 2020. The ongoing COVID-19 pandemic has impacted global economies, the rate of inflation, supply chains, distribution networks and consumer behavior around the world. We have experienced both favorable and unfavorable impacts to our financial results and our operations as a result of the direct and indirect effects of the COVID-19 pandemic. For example, sales have been negatively impacted at varying times in the regions in which we operate due to health and safety restrictions

required by local governmental authorities. Such restrictions continue to sporadically impact various regions, particularly in certain countries within our Asia-Pacific segment. Fluctuations in global economic conditions may impact end-user demand for our products in certain regions at varying times and are difficult to predict. These changes in demand may significantly impact our financial results from period to period.

In addition, global supply chain issues have resulted in increased raw material costs and other input costs, higher competition for freight resources, and labor constraints within manufacturing and distribution networks. This inflationary environment started to negatively impact our gross margin and financial results in fiscal year 2021 and these trends have continued to increase our cost of goods sold since that time. Some of the supply chain challenges that we have experienced in recent fiscal years include general aerosol production capacity constraints and competition for such capacity by other companies who also utilize third-party manufacturers for their aerosol production. These challenges have periodically resulted in us not being able to meet demand for our products by customers and end-users in certain markets at various times. We have continued to actively manage periodic supply chain constraints and transportation disruptions and implement various initiatives with our existing third-party manufacturers as well as identifying and onboarding new third-party manufacturers, particularly in the Americas and EMEA segments. In addition, we have taken actions to increase inventory levels of certain raw materials, components and finished goods, given the current challenges within supply chain and increased lead times required by suppliers. As a result of these initiatives, we experienced increases in the capacity and flexibility of our supply chain throughout fiscal year 2022 and this has improved further as we have started our fiscal year 2023, particularly in the Americas segment. Although we are not able to estimate the costs or impacts associated with potential future supply chain disruptions, we believe that the changes we continue to implement as a result of the pandemic will have a positive lasting impact on our ability to better manage any future disruptions. However, some of the additional costs resulting from these recent supply chain constraints, including costs resulting from maintenance of higher inventory levels, as well as the inflationary environment that is impacting our raw material costs, are expected to unfavorably impact our cost of goods sold for as long as such conditions exist.

To offset the unfavorable impact of increased costs to our gross margin, price increases have been implemented across all of our markets and geographies in fiscal year 2022 and in the first fiscal quarter of 2023 and we intend to implement further price increases in certain regions for the remainder of fiscal year 2023. Although we are seeing the favorable impacts of these price increases, sales volumes are often impacted unfavorably in the short term as customers and end users adjust to increased sales prices. The severity and duration of the COVID-19 pandemic and its effects on our supply chain, changes in end-user demand and the current inflationary environment remain uncertain and it is not possible to estimate the extent to which these conditions will impact our financial results and operations in future periods.

See our risk factors disclosed in Part I—Item 1A, “Risk Factors,” in our Annual Report on Form 10-K for the fiscal year ended August 31, 2022, which was filed with the SEC on October 24, 2022 for further information on risks associated with pandemics, including COVID-19.

The Impact of Russian Military Action in Ukraine

On February 24, 2022, Russian forces launched significant military action against Ukraine, which has resulted in conflict and disruption in the region. In response to this action taken by Russia, the U.S. and other countries immediately imposed various economic sanctions against Russia. These geopolitical tensions continued throughout the first quarter of fiscal year 2023 and this event has continued to impact global economies, particularly in Europe. It is uncertain when conditions will improve or whether additional governmental sanctions will be enacted in future periods. The direct and indirect impacts of this evolving situation and its effect on global economies in future periods are difficult to predict. We suspended selling our products to markets in Russia and Belarus beginning in March 2022, which had an unfavorable impact on our sales. In addition, we were temporarily unable to sell our products in Ukraine due to the disruption in the country, but sales to Ukraine resumed in the first quarter of fiscal year 2023. Prior to the suspension of sales in Russia and Belarus, our net sales to these two regions were approximately 3% to 4% of consolidated net sales, the majority of which is related to Russia. We do not have facilities, third-party manufacturing partners, employees or inventory in these affected regions. Additionally, the only activities we conducted in these regions prior to the suspension of sales were through local marketing distributors. Write-offs of previously existing accounts receivable from those marketing distributors affected by the crisis have not been significant to date and are not expected to become significant in future periods.

As a result of this conflict, commodity markets remain subject to heightened levels of uncertainty, especially as they relate to the price of crude oil, which increased significantly in the immediate aftermath of the sanctions against Russia. Increases

in crude oil prices unfavorably impact the cost of our products, as well as the cost of the transportation and distribution of our products. The length and severity of the recent increases in the price of crude oil are highly unpredictable and may unfavorably impact our cost of goods sold for as long as these conditions exist.

Results of Operations

Three Months Ended November 30, 2022 Compared to Three Months Ended November 30, 2021

Operating Items

The following table summarizes operating data for our consolidated operations (in thousands, except percentages and per share amounts):

	Three Months Ended November 30,			
			Change from Prior Year	
	2022	2021	Dollars	Percent
Net sales:				
Maintenance products	$ 116,312	$ 126,030	$ (9,718)	(8)%
HCCP [1]	8,581	8,716	(135)	(2)%
Total net sales	124,893	134,746	(9,853)	(7)%
Cost of products sold	60,638	66,276	(5,638)	(9)%
Gross profit	64,255	68,470	(4,215)	(6)%
Operating expenses	45,576	44,410	1,166	3%
Income from operations	$ 18,679	$ 24,060	$ (5,381)	(22)%
Net income	$ 13,997	$ 18,555	$ (4,558)	(25)%
EPS – diluted	$ 1.02	$ 1.34	$ (0.32)	(24)%
Shares used in diluted EPS	13,609	13,752	(143)	(1)%

(1) Homecare and cleaning products ("HCCP")

Net Sales by Segment

The following table summarizes net sales by segment (in thousands, except percentages):

	Three Months Ended November 30,			
			Change from Prior Year	
	2022	2021	Dollars	Percent
Americas	$ 58,014	$ 56,288	$ 1,726	3%
EMEA	40,772	57,555	(16,783)	(29)%
Asia-Pacific	26,107	20,903	5,204	25%
Total	$ 124,893	$ 134,746	$ (9,853)	(7)%

Americas Sales

The following table summarizes net sales by product line for the Americas segment, which includes the U.S., Canada and Latin America (in thousands, except percentages):

	Three Months Ended November 30,			
			Change from Prior Year	
	2022	2021	Dollars	Percent
Maintenance products	$ 53,571	$ 51,984	$ 1,587	3%
HCCP	4,443	4,304	139	3%
Total	$ 58,014	$ 56,288	$ 1,726	3%
% of consolidated net sales	**46%**	**42%**		
CC Net sales – non-GAAP [1]	$ 58,179	$ 56,288	$ 1,891	3%
Currency impact on current period – non-GAAP	$ (165)			

(1) Current fiscal year constant currency ("CC") net sales translated at the foreign currency exchange rates in effect for the corresponding period of the prior fiscal year, compared to prior period actual net sales.

Increases in the average selling price of our products positively impacted net sales by approximately $13.6 million in the Americas segment, primarily due to sales price increases implemented over the last twelve months. These favorable impacts were offset by a decrease in sales volume which unfavorably impacted net sales by approximately $11.7 million from period to period. Changes to net sales attributable to volumes and the average selling price of our products are impacted by differences in sales mix related to products, markets and distribution channels from period to period.

Americas Sales – Three Months Ended – November 30, 2022 Compared to November 30, 2021

Net sales of maintenance products in the Americas segment increased due to the following:

- United States ("U.S.") sales increased $5.6 million, or 15%, primarily due to increased sales of WD-40 Specialist, WD-40 Multi-Use Product and 3-IN-ONE products. WD-40 Specialist products are sourced at certain third-party manufacturers that were impacted significantly by global supply chain constraints in the prior period. However, adjustments we have made in our supply chain to increase the production capacity of our most significant products, including WD-40 Specialist, improved the availability of these products from period to period. WD-40 Specialist sales increased by $2.9 million, or 85%, primarily due to these improvements that resulted in increased sales volume, as well as price increases implemented during the last twelve months. WD-40 Multi-Use Product sales increased by $1.6 million, or 5%, primarily due to price increases from period to period, as well as our improved supply chain capacity. Although these price increases and improved supply chain capacity positively impacted sales of WD-40 Multi-Use Product, the overall impact was significantly offset by a lower level of customer orders and promotional programs as customers adjust to the price increases, which resulted in decreased sales volume. 3-IN-ONE product sales increased by $1.1 million, or 71%, primarily due to improved supply chain capacity and price increases from period to period.
- Latin America sales decreased $4.1 million, or 31%, primarily due to the timing of marketing distributor orders from period to period. Sales were unfavorably impacted due to marketing distributors purchasing a higher level of our product in advance of a price increase that went into effect in late fiscal year 2022, which lowered purchases from these customers during the first quarter of fiscal year 2023. Conversely, sales in the first quarter of fiscal year 2022 were favorably impacted due to significant purchase activity in advance of an earlier price increase that went into effect in November 2021.
- Canada sales remained relatively consistent period over period primarily due to the favorable impact of price increases which were mostly offset by unfavorable changes in foreign currency exchanges rates and weaker economic conditions that resulted in lower levels of demand.

Net sales of homecare and cleaning products in the Americas increased primarily due to the following:

- The favorable impact of price increases and the improvement in the capacity and flexibility of our supply chain, which were partially offset by lower demand for certain brands from period to period.
- While each of our homecare and cleaning products have continued to generate positive cash flows, we have generally experienced flat or slightly decreased sales for many of these products in recent periods.

For the three months ended November 30, 2022, 78% of sales came from the U.S., and 22% of sales came from Canada and Latin America combined compared to the distribution for the three months ended November 30, 2021 when 70% of sales came from the U.S., and 30% of sales came from Canada and Latin America.

EMEA Sales

The following table summarizes net sales by product line for the EMEA segment, which includes Europe, the Middle East, Africa and India (in thousands, except percentages):

	Three Months Ended November 30,			
			Change from Prior Year	
	2022	2021	Dollars	Percent
Maintenance products	$ 38,729	$ 55,443	$ (16,714)	(30)%
HCCP	2,043	2,112	(69)	(3)%
Total [1]	$ 40,772	$ 57,555	$ (16,783)	(29)%
% of consolidated net sales	**33%**	**43%**		
CC Net sales – non-GAAP [2]	$ 48,787	$ 57,555	$ (8,768)	(15)%
Currency impact on current period – non-GAAP	$ (8,015)			

(1) While our reporting currency is the U.S. Dollar, the functional currency of our U.K. subsidiary, the entity in which the EMEA results are generated, is Pound Sterling. Although the functional currency of this subsidiary is Pound Sterling, approximately 50% of its sales are generated in Euro and approximately 15% are generated in U.S. Dollar. As a result, the Pound Sterling sales and earnings for the EMEA segment can be negatively or positively impacted from period to period upon translation from these currencies depending on whether the Euro and U.S. Dollar are weakening or strengthening against the Pound Sterling.

(2) Current fiscal year constant currency net sales translated at the foreign currency exchange rates in effect for the corresponding period of the prior fiscal year, compared to prior period actual net sales.

Increases in the average selling price of our products positively impacted net sales by approximately $9.5 million in the EMEA segment, primarily due to sales price increases implemented over the last twelve months. These favorable impacts were more than offset by decreases in sales volume, which unfavorably impacted net sales by approximately $18.3 million from period to period. Of this $18.3 million impact attributable to volume declines, $5.0 million relates to our suspension of sales in Russia discussed below. Changes to net sales attributable to volumes and the average selling price of our products are impacted by differences in sales mix related to products, markets and distribution channels from period to period. In addition, changes in foreign currency exchange rates had an unfavorable impact of $8.0 million on net sales for the first quarter of fiscal year 2023.

The countries and regions in Europe where we sell through a direct sales force include the U.K., Italy, France, Iberia (which includes Spain and Portugal) and the Germanics sales region (which includes Austria, Denmark, Switzerland, Belgium and the Netherlands). The regions in the EMEA segment where we sell through local distributors include the Middle East, Africa, India, Eastern and Northern Europe.

EMEA Sales – Three Months Ended – November 30, 2022 Compared to November 30, 2021

Net sales decreased in the EMEA segment primarily due to the following:

Direct Markets – EMEA (70% of net sales QTD FY2023 vs 63% QTD FY2022)

- Sales in our direct markets decreased $7.7 million, or 21%, primarily due to unfavorable changes in foreign currency exchanges rates of $5.7 million as a result of the weakening of the Pound Sterling, the functional currency of our U.K. subsidiary, against the U.S. Dollar.
- Direct market sales also decreased due to lower levels of customer orders of maintenance products in France, Iberia, Germany, Italy and the United Kingdom, partially offset by the favorable impact of price increases from period to period.
- In most direct markets, these volume decreases were due to reduced demand compared to the prior period, driven by weaker market and economic conditions as well as a lower level of customer orders and promotional programs as customers adjust to these price increases implemented in late fiscal year 2022 and first quarter of fiscal year 2023.

Marketing Distributors – EMEA (30% of net sales QTD FY2023 vs 37% QTD FY2022)

- Distributor market sales decreased $9.1 million, or 43%, in EMEA markets wherein we utilize a marketing distributor model ("distributor markets"), in which products are sold to marketing distributors who in turn sell to wholesalers and retailers.
- Sales in Russia decreased $5.0 million from period to period due to the ongoing effects of the Russian military action in Ukraine. See *The Impact of Russian Military Action in Ukraine* described in the "Significant Developments" section above for further information regarding the suspension of our sales to Russian markets.
- In addition, sales in our distributor markets were unfavorably impacted by $2.3 million due to the weakening of the Pound Sterling, the functional currency of our U.K. subsidiary, against the U.S. Dollar. However, this unfavorable impact to sales in distributor markets was partially offset by the favorable impacts of certain sales denominated in currencies other than the Pound Sterling, which strengthened against the Pound Sterling from period to period.
- Sales in distributor markets also decreased due to lower sales volumes of maintenance products in most distributor markets, particularly Poland and India, which were down $1.1 million and $1.0 million, respectively.
- The decreases in distributor market sales were partially offset by price increases implemented over the last twelve months.

Asia-Pacific Sales

The following table summarizes net sales by product line for the Asia-Pacific segment, which includes Australia, China and other countries in the Asia region (in thousands, except percentages):

	Three Months Ended November 30,			
			Change from Prior Year	
	2022	2021	Dollars	Percent
Maintenance products	$ 24,012	$ 18,603	$ 5,409	29%
HCCP	2,095	2,300	(205)	(9)%
Total	$ 26,107	$ 20,903	$ 5,204	25%
% of consolidated net sales	**21%**	**15%**		
CC Net sales – non-GAAP [1]	$ 27,469	$ 20,903	$ 6,566	31%
Currency impact on current period – non-GAAP	$ (1,362)			

(1) Current fiscal year constant currency ("CC") net sales translated at the foreign currency exchange rates in effect for the corresponding period of the prior fiscal year, compared to prior period actual net sales.

Increases in the average selling price of our products positively impacted net sales by approximately $3.1 million in the Asia-Pacific segment, primarily due to sales price increases implemented over the last twelve months. In addition, an increase in sales volume favorably impacted net sales by approximately $3.5 million from period to period. Changes to net sales attributable to volumes and the average selling price of our products are impacted by differences in sales mix related to products, markets and distribution channels from period to period. Changes in foreign currency exchange rates had an unfavorable impact of $1.4 million on net sales for the first quarter of fiscal year 2023.

Asia-Pacific Sales – Three Months Ended – November 30, 2022 Compared to November 30, 2021

Net sales in the Asia-Pacific segment increased primarily due to the following:

- Asia distributor markets sales increased $3.8 million, or 41%, primarily due to higher sales of WD-40 Multi-Use Product as a result of successful promotional programs and the continued easing of COVID-19 lockdown measures, which resulted in increased demand and higher sales in most countries in the region. In addition, net sales increased due to the favorable impact of price increases from period to period, as well as customers purchasing product in advance of anticipated additional price increases.
- China sales increased $1.3 million, or 22%, due to the success of promotional programs in the first quarter of fiscal year 2023. Sales were also favorably impacted by the timing of shipments related to customer orders placed in late fiscal year 2022 resulting from a successful promotional program in that fiscal year; certain products related to these orders were not shipped until early fiscal year 2023. In addition, net sales increased due to the favorable impacts of price increases. These favorable impacts were partially offset by unfavorable changes in foreign currency exchange rates. On a constant currency basis, sales in China would have increased $2.0 million, or 34%.
- Australia sales remained consistent from period to period, as the favorable impact of price increases was almost completely offset by the unfavorable impact of changes in foreign currency exchange rates and decreased sales levels of homecare and cleaning products. On a constant currency basis, sales in Australia would have increased $0.7 million, or 12%.

Gross Profit

The following general information regarding the timing and nature of our product costs is important when assessing fluctuations in our gross margin from period to period:

- There is often a delay of one quarter or more before changes in costs of raw materials, such as specialty chemicals used in the formulation of our products, impact cost of products sold due to production and inventory life cycles;
- In general, the timing of advertising, promotional and other discounts may cause fluctuations in gross margin from period to period. Advertising, promotional and other discounts that are given to our customers are recorded as a reduction to sales, whereas advertising and sales promotional costs associated with promotional activities that we pay to third parties are recorded as advertising and sales promotion expenses;
- In the EMEA segment, the majority of our cost of goods sold is denominated in Pound Sterling whereas sales are generated in Pound Sterling, Euro and the U.S. Dollar. The strengthening or weakening of the Euro and U.S. Dollar against the Pound Sterling may result in foreign currency related changes to the gross margin percentage in the EMEA segment from period to period; and
- Our gross profit and gross margin may not be comparable to those of other consumer product companies, since some of these companies include all costs related to distribution of their products in cost of products sold, whereas we exclude the portion associated with amounts paid to third parties for shipment to our customers from our distribution centers and contract manufacturers and include these costs in selling, general and administrative expenses. These costs totaled $4.2 million and $4.8 million for the three months ended November 30, 2022 and 2021, respectively.
- For further information pertaining to recent trends and economic conditions affecting gross margin, please see the section titled *"Significant Developments"*.

The following table summarizes gross margin and gross profit (in thousands, except percentages):

	Three Months Ended November 30,			
	2022	2021	Change from Prior Year	
Gross profit	$ 64,255	$ 68,470	$ (4,215)	
Gross margin	51.4%	50.8%	60	bps [1]

(1) Basis points ("bps") change in gross margin.

Gross Margin - Three Months Ended – November 30, 2022 Compared to November 30, 2021

Gross margin increased 60 bps primarily due to the following favorable impacts, partially offset by unfavorable impacts:

Favorable/(Unfavorable)	*Explanations*
860 bps	Sales price increases implemented in all three segments at varying times during the last twelve months.
90 bps	Changes in foreign currency exchange rates in the EMEA segment.
60 bps	Favorable sales mix and other miscellaneous mix impacts
(360) bps	Higher costs of aerosol cans.
(330) bps	Higher costs of specialty chemicals used in the formulation of our products.
(120) bps	Increases in miscellaneous other input costs.
(100) bps	Higher filling fees paid to our third-party contract manufacturers, primarily in the Americas segment.
(80) bps	Higher warehousing, distribution and freight costs associated with supply chain constraints as a result of the ongoing COVID-19 pandemic, the worsening inflationary environment and initiatives to increase production capacity while these constraints exist.

Selling, General and Administrative ("SG&A") Expenses

	Three Months Ended November 30,			
			Change from Prior Year	
(in thousands)	2022	2021	Dollars	Percent
SG&A expenses	$ 39,984	$ 38,423	$ 1,561	4%
% of net sales	32.0%	28.5%		

SG&A Expenses – Three Months Ended – November 30, 2022 Compared to November 30, 2021

The increase in SG&A expenses was primarily due to increases in travel and meeting expense of $2.1 million due to the reduction in travel restrictions related to COVID-19 from period to period, resulting in a higher level of travel and meetings by employees. In addition, employee-related costs increased by $1.0 million due increased headcount and annual compensation increases, which was partially offset by lower incentive compensation accruals. In addition, professional services fees increased $0.8 million in support of our strategic initiatives in the Americas and EMEA segments, as well as the ongoing implementation of our new information system and increased cloud-based software usage and license fees. Other miscellaneous expenses also increased $0.5 million from period to period. These increases to SG&A expenses were partially offset by changes in foreign currency exchange rates from period to period resulting in a decrease of $2.8 million in SG&A expenses.

We continued our research and development investment, the majority of which is associated with our maintenance products, in support of our focus on innovation and renovation of our products. Research and development costs were $1.3 million for both the three months ended November 30, 2022 and 2021. Our research and development team engages in consumer research, product development, current product improvements and testing activities. This team leverages its development capabilities by collaborating with a network of outside resources including our current and prospective third-party contract

manufacturers. The level and types of expenses incurred within research and development can vary from period to period depending upon the types of activities being performed.

Advertising and Sales Promotion ("A&P") Expenses

	Three Months Ended November 30,			
			Change from Prior Year	
(in thousands)	2022	2021	Dollars	Percent
A&P expenses	$ 5,339	$ 5,624	$ (285)	(5)%
% of net sales	4.3%	4.2%		

A&P Expenses – Three Months Ended – November 30, 2022 Compared to November 30, 2021

Although A&P expenses decreased from period to period, A&P expenses as a percentage of net sales remained relatively constant. The decrease in A&P expenses was primarily due to favorable changes in foreign currency exchange currency from period to period of $0.5 million primarily in the EMEA segment.

As a percentage of net sales, A&P expenses may fluctuate period to period based upon the type of marketing activities we employ and the period in which the costs are incurred. Total promotional costs recorded as a reduction to sales was $6.5 million and $6.9 million for three months ended November 30, 2022 and 2021, respectively. Therefore, our total investment in A&P activities totaled $11.8 million and $12.5 million for the three months ended November 30, 2022 and 2021, respectively.

Income from Operations by Segment

The following table summarizes income from operations by segment (in thousands, except percentages):

	Three Months Ended November 30,			
			Change from Prior Year	
	2022	2021	Dollars	Percent
Americas	$ 12,772	$ 12,017	$ 755	6%
EMEA	6,283	14,213	(7,930)	(56)%
Asia-Pacific	9,617	7,302	2,315	32%
Unallocated corporate	(9,993)	(9,472)	(521)	(6)%
Total	$ 18,679	$ 24,060	$ (5,381)	(22)%

Americas

Americas Operating Income – Three Months Ended – November 30, 2022 Compared to November 30, 2021

Income from operations for the Americas increased to $12.8 million, up $0.8 million, or 6%, due to a $1.7 million increase in sales and a higher gross margin, partially offset by higher operating expenses. Gross margin for the Americas segment increased from 48.7% to 50.7% primarily due to the favorable impact of price increases over the last twelve months, offset by increases in the costs of petroleum-based specialty chemicals, aerosol cans and filling fees at our third-party manufacturers due to inflationary impacts. In addition, higher warehousing, distribution and freight costs unfavorably impacted gross margin. The increase in operating expenses from period to period was primarily due to higher travel and meeting expense, as well as higher salary and other employee costs, offset by lower incentive compensation accruals. Operating income as a percentage of net sales increased from 21.3% to 22.0% period over period.

EMEA

EMEA Operating Income – Three Months Ended – November 30, 2022 Compared to November 30, 2021

Income from operations for the EMEA segment decreased to $6.3 million, down $7.9 million, or 56%, primarily due to a $16.8 million decrease in sales and lower gross margin, partially offset by a decrease in operating expenses. Gross margin for the EMEA segment decreased from 51.5% to 50.6% primarily due to the combined unfavorable impacts of fluctuations in foreign currency exchange rates and the increased costs of aerosol cans and petroleum-based specialty chemicals. In addition, gross margin was also unfavorably impacted by increases in discounts provided to our customers, as well as increased warehousing, distribution and freight costs, due to supply chain constraints and inflationary impacts. These unfavorable impacts to gross margin were significantly offset by price increases that were implemented over the last twelve months. Operating expenses decreased $1.1 million primarily due to lower A&P expenses, and lower accrued incentive compensation, as well as lower freight costs as a result of lower sales volumes. Operating income as a percentage of net sales decreased from 24.7% to 15.4% period over period.

Asia-Pacific

Asia-Pacific Operating Income – Three Months Ended – November 30, 2022 Compared to November 30, 2021

Income from operations for the Asia-Pacific segment increased to $9.6 million, up $2.3 million, or 32%, primarily due to a $5.2 million increase in sales, partially offset by an increase in operating expenses. Gross margin for the Asia-Pacific segment decreased slightly from 54.5% to 54.4% primarily due to the unfavorable impacts of increases to the cost of petroleum-based specialty chemicals and fluctuations in foreign currency exchange rates. These unfavorable impacts to gross margin were almost completely offset by price increases that were implemented during the last twelve months. Operating expenses increased $0.5 million from period to period primarily due to higher A&P expenses and higher miscellaneous expenses. Operating income as a percentage of net sales increased from 34.9% to 36.8% period over period.

Non-Operating Items

The following table summarizes non-operating income and expenses for our consolidated operations (in thousands):

	Three Months Ended November 30,		
	2022	2021	Change
Interest income	$ 44	$ 25	$ 19
Interest expense	$ 1,169	$ 620	$ 549
Other income (expense), net	$ 150	$ (329)	$ 479
Provision for income taxes	$ 3,707	$ 4,581	$ (874)

Interest Income

Interest income was not significant during the three months ended November 30, 2022 and 2021.

Interest Expense

Interest expense increased $0.5 million for the three months ended November 30, 2022 compared to the corresponding period of the prior fiscal year primarily due to higher aggregate outstanding balances on our revolving credit agreement from period over period and changes in interest rates.

Other Income (Expense), Net

Other income (expense), net was not significant during the three months ended November 30, 2022 and 2021. Other income (expense), net changed by $0.5 million for the three months ended November 30, 2022 compared to the corresponding period of the prior fiscal year primarily due to fluctuations in the foreign currency exchange rates for both the U.S. Dollar and the Euro against the Pound Sterling.

Provision for Income Taxes

The provision for income taxes was 20.9% and 19.8% of income before income taxes for the three months ended November 30, 2022 and 2021, respectively. The increase in the effective income tax rate from period to period was primarily due to tax shortfalls from the settlements of stock-based equity awards, partially offset by a one-time tax-deductible charitable donation. The Company recorded tax shortfalls related to settlements of stock-based equity awards of $0.7 million during the first quarter of fiscal year 2023 compared to insignificant tax benefits related to these types of settlements in the first quarter of fiscal year 2022, resulting in a 5.1% unfavorable impact on the Company's effective tax rate from period to period. Partially offsetting this unfavorable impact was a one-time tax benefit associated with the Company's donation of its former corporate headquarters building to a local San Diego community foundation that occurred in the first quarter of fiscal year 2023, resulting in a 4.2% favorable impact on the Company's effective tax rate. The building, net of its tax basis, is estimated to result in a charitable donation of $3.5 million and an approximate tax benefit of $0.7 million.

Net Income

Net income was $14.0 million, or $1.02 per common share on a fully diluted basis, for the three months ended November 30, 2022 compared to $18.6 million, or $1.34 per common share on a fully diluted basis, for the corresponding period of the prior fiscal year. Changes in foreign currency exchange rates from period to period had an unfavorable impact of $1.3 million on consolidated net income for the first quarter of fiscal year 2023. Thus, on a constant currency basis, net income would have decreased $3.3 million, or 18%, from period to period.

Performance Measures and Non-GAAP Reconciliations

In managing our business operations and assessing our financial performance, we supplement the information provided by our financial statements with certain non-GAAP performance measures. These performance measures are part of our current 55/30/25 business model, which includes gross margin, cost of doing business, and earnings before interest, income taxes, depreciation and amortization ("EBITDA"), the latter two of which are non-GAAP performance measures. Cost of doing business is defined as total operating expenses less amortization of definite-lived intangible assets, impairment charges related to intangible assets and depreciation in operating departments, and EBITDA is defined as net income before interest, income taxes, depreciation and amortization. We target our gross margin to be at or above 55% of net sales, our cost of doing business to be at 30% of net sales, and our EBITDA to be at or above 25% of net sales. Results for these performance measures may vary from period to period depending on various factors, including economic conditions and our level of investment in activities for the future such as those related to quality assurance, regulatory compliance, and intellectual property protection in order to safeguard our WD-40 brand. Our financial results and operations continue to be impacted by increased global supply chain constraints and an inflationary environment, both of which have significantly lowered our gross margin percentage over the last twelve months and moved us well below our target of 55%. Although we have been implementing strategic sales price increases across all segments at varying times in response to increased costs, it will take time before the full impact of these sales price increases are reflected in our reported results. In addition, it is difficult to determine how long these supply chain and inflationary conditions will exist and if they will worsen or improve over time. However, the targets for gross margin and these other performance measures are long-term in nature and we expect to make progress towards achieving them over time. For more detailed information pertaining to recent trends and economic conditions and the actions we are taking to respond to them, please see the section titled "Significant Developments".

The following table summarizes the results of these performance measures:

	Three Months Ended November 30,	
	2022	2021
Gross margin – GAAP	51%	51%
Cost of doing business as a percentage of net sales – non-GAAP	36%	32%
EBITDA as a percentage of net sales – non-GAAP [(1)]	17%	19%

(1) Percentages may not aggregate to EBITDA percentage due to rounding and because amounts recorded in other income (expense), net on our consolidated statement of operations are not included as an adjustment to earnings in the EBITDA calculation.

We use the performance measures above to establish financial goals and to gain an understanding of our comparative performance from period to period. We believe that these measures provide our stockholders with additional insights into how we run our business. We believe these measures also provide investors with additional financial information that should be considered when assessing our underlying business performance and trends. These non-GAAP financial measures are supplemental in nature and should not be considered in isolation or as alternatives to net income, income from operations or other financial information prepared in accordance with GAAP as indicators of our performance or operations. The use of any non-GAAP measure may produce results that vary from the GAAP measure and may not be comparable to a similarly defined non-GAAP measure used by other companies. Reconciliations of these non-GAAP financial measures to our financial statements as prepared in accordance with GAAP are as follows:

Cost of Doing Business (in thousands, except percentages)

	Three Months Ended November 30,	
	2022	**2021**
Total operating expenses – GAAP	$ 45,576	$ 44,410
Amortization of definite-lived intangible assets	(253)	(363)
Depreciation (in operating departments)	(965)	(1,098)
Cost of doing business	$ 44,358	$ 42,949
Net sales	$ 124,893	$ 134,746
Cost of doing business as a percentage of net sales – non-GAAP	36%	32%

EBITDA (in thousands, except percentages)

	Three Months Ended November 30,	
	2022	**2021**
Net income – GAAP	$ 13,997	$ 18,555
Provision for income taxes	3,707	4,581
Interest income	(44)	(25)
Interest expense	1,169	620
Amortization of definite-lived intangible assets	253	363
Depreciation	1,643	1,623
EBITDA	$ 20,725	$ 25,717
Net sales	$ 124,893	$ 134,746
EBITDA as a percentage of net sales – non-GAAP	17%	19%

Liquidity and Capital Resources

Overview

Our financial condition and liquidity remain strong. Although there continues to be uncertainty related to the ongoing and anticipated impact of the COVID-19 pandemic and inflationary environment on our future results, we believe our efficient business model and the steps that we have taken position us to manage our business through the situation as it continues to develop. We continue to manage all aspects of our business including, but not limited to, monitoring our liquidity, the financial health of our customers, suppliers and other third-party relationships, implementing gross margin enhancement strategies and developing new opportunities for growth.

Our principal sources of liquidity are cash generated from operations and cash currently available from our existing unsecured revolving credit facility under the Credit Agreement with Bank of America. We use proceeds of the revolving credit facility

primarily for our general working capital needs. We also hold borrowings under the Note Agreement. See Note 7 – Debt for additional information on these agreements.

We have historically held a balance of outstanding draws on our line of credit in either U.S. Dollars in the Americas segment, or in Euros and Pound Sterling in the EMEA segment. Euro and Pound Sterling denominated draws will fluctuate in U.S. Dollars from period to period due to changes in foreign currency exchange rates. We regularly convert many of our draws on our line of credit to new draws with new maturity dates and interest rates. We have the ability to refinance any draws under the line of credit with successive short-term borrowings through the September 30, 2025 maturity date of the Credit Agreement. Outstanding draws for which we have both the ability and intent to refinance with successive short-term borrowings for a period of at least twelve months are classified as long-term. As of November 30, 2022, $40.7 million of the outstanding balance under our line of credit resides in the EMEA segment and is denominated in Euros and Pounds Sterling and classified long-term, whereas $41.7 million is denominated in U.S. Dollars and classified as short-term. In the United States, we held $68.0 million in fixed rate long-term borrowings as of November 30, 2022, consisting of senior notes under our Note Agreement. We paid $0.4 million in principal payments on our Series A Notes during the first three months of fiscal year 2023. There were no other letters of credit outstanding or restrictions on the amount available on our line of credit or notes. Per the terms of both the Note Agreement and the Credit Agreement, our consolidated leverage ratio cannot be greater than three and a half to one and our consolidated interest coverage ratio cannot be less than three to one. See Note 7 – Debt for additional information on these financial covenants. At November 30, 2022, we were in compliance with all material debt covenants. We continue to monitor our compliance with all debt covenants and, at the present time, we believe that the likelihood of being unable to satisfy all material covenants is remote. At November 30, 2022, we had a total of $36.9 million in cash and cash equivalents. We do not foresee any ongoing issues with repaying our borrowings and we closely monitor the use of this credit facility.

We believe that our future cash from domestic and international operations, together with our access to funds available under our unsecured revolving credit facility, will provide adequate resources to fund short-term and long-term operating requirements, capital expenditures, dividend payments, acquisitions, new business development activities and share repurchases. On October 12, 2021, our Board of Directors approved a new share repurchase plan. Under the plan, which became effective on November 1, 2021, we are authorized to acquire up to $75.0 million of our outstanding shares through August 31, 2023, of which $41.8 million remains available for the repurchase of shares of common stock as of November 30, 2022.

Cash Flows

The following table summarizes our cash flows by category for the periods presented (in thousands):

	Three Months Ended November 30,		
	2022	2021	Change
Net cash provided by (used in) operating activities	$ 10,437	$ (947)	$ 11,384
Net cash used in investing activities	(1,300)	(2,362)	1,062
Net cash used in financing activities	(12,342)	(21,937)	9,595
Effect of exchange rate changes on cash and cash equivalents	2,244	(1,196)	3,440
Net decrease in cash and cash equivalents	$ (961)	$ (26,442)	$ 25,481

Operating Activities

Net cash provided by operating activities was $10.4 million for the three months ended November 30, 2022 compared to net cash used in operating activities of $0.9 million for the prior period resulting in a net change of $11.4 million. Cash flows from operating activities depend heavily on operating performance and changes in working capital. Our primary source of operating cash flows for the three months ended November 30, 2022 was net income of $14.0 million, which decreased approximately $4.6 million from period to period.

Changes in our working capital, which increased net cash provided by operating activities was primarily attributable to decreases in trade accounts receivable balances during the first three months of the fiscal year compared to increases in trade accounts receivable during the first three months of the prior fiscal year. This was primarily due to a decrease in sales from

period to period. In addition, net cash provided by operating activities increased due to lower earned incentive payouts in the first quarter of fiscal year 2023 compared to the same period of the prior fiscal year as well as decreases in other current assets from period to period primarily due to a lower income tax receivable balance, as well as lower deposits and miscellaneous prepaid expenses. These changes were partially offset by decreases in accounts payable and accrued liabilities balances during the first three months of the fiscal year compared to increases in accounts payable and accrued liabilities during the first three months of the prior fiscal year.

Investing Activities

Net cash used in investing activities decreased $1.1 million to $1.3 million for the three months ended November 30, 2022, primarily due to a lower level of manufacturing-related capital expenditures within the United States and the United Kingdom from period to period.

Financing Activities

Net cash used in financing activities decreased $9.6 million to $12.3 million for the three months ended November 30, 2022. This change was primarily due to decreases in shares withheld to cover taxes on conversion of equity rewards of $3.6 million primarily due to lower settlements of stock-based equity awards from period to period. Additionally, cash used in financing activities was decreased by proceeds provided by our autoborrow agreement of $3.4 million during the first three months of the fiscal year, whereas no draws were made on our autoborrow agreement in the corresponding period of the prior fiscal year. In addition, treasury stock purchases decreased by $3.3 million. Offsetting these decreases in cash outflows from period to period were increases in dividends paid to our stockholders of $0.7 million.

Effect of Exchange Rate Changes

All of our foreign subsidiaries currently operate in currencies other than the U.S. Dollar and a significant portion of our consolidated cash balance is denominated in these foreign functional currencies, particularly at our U.K. subsidiary, which operates in Pound Sterling. As a result, our cash and cash equivalents balances are subject to the effects of the fluctuations in these functional currencies against the U.S. Dollar at the end of each reporting period. The net effect of exchange rate changes on cash and cash equivalents, when expressed in U.S. Dollar terms, was an increase in cash of $2.2 million for the three months ended November 30, 2022 as compared to a decrease in cash of $1.2 million for the three months ended November 30, 2021. These changes were primarily due to fluctuations in various foreign currency exchange rates from period to period, but the majority is related to the fluctuations in the Pound Sterling against the U.S. Dollar.

Commercial Commitments

We have ongoing relationships with various third-party suppliers (contract manufacturers) that manufacture our products and third-party distribution centers which warehouse and ship our products to customers. The contract manufacturers maintain title and control of certain raw materials and components, materials utilized in finished products, and of the finished products themselves until shipment to our customers or third-party distribution centers in accordance with agreed upon shipment terms. Although we have definitive minimum purchase obligations in the contract terms with certain of our contract manufacturers, when such obligations have been included, they have either been immaterial or the minimum amounts have been such that they are well below the volume of goods that we have historically purchased. In addition, in the ordinary course of business, we communicate supply needs to our contract manufacturers based on orders and short-term projections, ranging from two to six months. We are committed to purchase the products produced by the contract manufacturers based on the projections provided.

Upon the termination of contracts with contract manufacturers, we obtain certain inventory control rights and are obligated to work with the contract manufacturer to sell through all product held by or manufactured by the contract manufacturer on our behalf during the termination notification period. If any inventory remains at the contract manufacturer at the termination date, we are obligated to purchase such inventory, which may include raw materials, components and finished goods. The amounts for inventory purchased under termination commitments have been immaterial.

In addition to the commitments to purchase products from contract manufacturers described above, we may also enter into commitments with other manufacturers to purchase finished goods and components to support innovation initiatives and/or supply chain initiatives. As of November 30, 2022, no such commitments were outstanding.

Share Repurchase Plan

The information required by this item is incorporated by reference to Part I—Item 1, "Notes to Condensed Consolidated Financial Statements" Note 8 — Share Repurchase Plan, included in this report.

Dividends

On December 13, 2022, the Company's Board approved a 6% increase in the regular quarterly cash dividend, increasing it from $0.78 per share to $0.83 per share. The $0.83 per share dividend declared on December 13, 2022 is payable on January 31, 2023 to stockholders of record on January 13, 2023.

Critical Accounting Policies and Estimates

Our discussion and analysis of our operating results and financial condition is based upon our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States of America.

Critical accounting policies are those that involve subjective or complex judgments, often as a result of the need to make estimates. The following areas all require the use of judgments and estimates: revenue recognition, accounting for income taxes and impairment of definite-lived intangible assets. Estimates in each of these areas are based on historical experience and various judgments and assumptions that we believe are appropriate. Actual results may differ materially from these estimates.

There have been no material changes in our critical accounting policies and estimates from those disclosed in Part II—Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Note 2 to our consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended August 31, 2022, which was filed with the SEC on October 24, 2022.

Recently Issued Accounting Standards

There have been no recently issued accounting standards that will have a material impact on our consolidated financial statements and related disclosures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The information required by this item is incorporated by reference to Part II—Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," in our Annual Report on Form 10-K for the fiscal year ended August 31, 2022, which was filed with the SEC on October 24, 2022.

Item 4. Controls and Procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"). The term disclosure controls and procedures means controls and other procedures of a company that are designed to ensure the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures. The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures as of November 30, 2022, the end of the period covered by this report (the Evaluation Date), and they have concluded that, as of the Evaluation Date, such controls and procedures were effective at ensuring that required information will be disclosed on a timely basis in the Company's reports filed under the Exchange Act. Although management believes the Company's existing disclosure controls and procedures are adequate to enable the Company to comply with its disclosure obligations, management continues to review and update such controls and

procedures. The Company has a disclosure committee, which consists of certain members of the Company's senior management.

There were no changes in our internal control over financial reporting during the three months ended November 30, 2022 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

The information required by this item is incorporated by reference to the information set forth in Part I—Item 1, "Notes to Condensed Consolidated Financial Statements" Note 11 — Commitments and Contingencies, included in this report.

Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in Part I—Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the fiscal year ended August 31, 2022, which was filed with the SEC on October 24, 2022. The risks described in our Annual Report are not the only risks facing our Company. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, could also materially adversely affect our operating results, financial condition or future business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On October 12, 2021, the Company's Board of Directors approved a new share repurchase plan. Under the plan, which became effective on November 1, 2021, the Company is authorized to acquire up to $75.0 million of its outstanding shares through August 31, 2023. The timing and amount of repurchases are based on terms and conditions as may be acceptable to the Company's Chief Executive Officer and Chief Financial Officer, subject to present loan covenants and in compliance with all laws and regulations applicable thereto. During the period from September 1, 2022 through November 30, 2022, the Company repurchased 22,420 shares at a total cost of $4.1 million under this $75.0 million plan.

The following table provides information with respect to all purchases made by the Company during the three months ended November 30, 2022. All purchases listed below were made in the open market at prevailing market prices. Purchase transactions during the first quarter of fiscal year 2023 were executed pursuant to trading plans adopted by the Company pursuant to Rule 10b5-1 and Rule 10b-18 under the Securities Exchange Act of 1934.

Period	Total # of Shares Purchased		Average Price Paid Per Share	Total Shares Purchased as Part of Publicly Announced Plans & Programs		Max $ Value of Shares That May Yet Be Purchased Under the Plans & Programs
September 1 – September 30	12,400	$	184.69	12,400	$	43,554,173
October 1 – October 31	10,020	$	177.79	10,020	$	41,772,561
November 1 – November 30	-	$	-	-	$	41,772,561
	22,420	$	181.60	22,420		

Item 6. Exhibits

Exhibit No.	Description
3(a)	Certificate of Incorporation, incorporated by reference from the Registrant's Form 10-K filed October 21, 2020, Exhibit 3(a) thereto.
3(b)	Amended and Restated Bylaws of WD-40 Company, incorporated by reference from the Registrant's Form 8-K filed August 16, 2018, Exhibit 3.1 thereto.
10(a)	Form of Change in Control Severance Agreement between WD-40 Company and Executive Officers.
31(a)	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(b)	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32(a)	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32(b)	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from WD-40 Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 2022, formatted in iXBRL (inline eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Operations; (iii) the Condensed Consolidated Statements of Comprehensive Income; (iv) the Condensed Consolidated Statements of Stockholders' Equity; (v) the Condensed Consolidated Statements of Cash Flows; and (vi) Notes to the Condensed Consolidated Financial Statements.
104	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL and contained in Exhibit 101.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WD-40 COMPANY
Registrant

Date: January 9, 2023

By: /s/ STEVEN A. BRASS

Steven A. Brass
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ SARA K. HYZER

Sara K. Hyzer
Vice President, Finance
Treasurer and Chief Financial Officer

By: /s/ RAE ANN PARTLO

Rae Ann Partlo
Vice President, Corporate Controller and
Principal Accounting Officer

Exhibit 10(a)

AMENDED AND RESTATED CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS AMENDED AND RESTATED CHANGE IN CONTROL SEVERANCE AGREEMENT ("Agreement") is made as of the __ day of _____, 20__ (the "Effective Date"), between WD-40 COMPANY (hereinafter the "Company") and _____ (hereinafter the "Executive").

RECITALS:

WHEREAS, the Company has determined that the Executive is among that group of key managers whose services and participation in management may be critical in any period of transition, such as at the time of any change in control of the Company or in the face of any proposed corporate reorganization or acquisition, friendly or hostile, affecting the Company;

WHEREAS, the board of directors of the Company (the "Board") has determined that it is appropriate and in the best interests of the Company and its stockholders that provisions be made to encourage the Executive's continued attention and undistracted dedication to the Executive's duties in the potentially disturbing circumstances of a possible change in control of the Company, by providing the Executive with some degree of personal financial security under such circumstances;

WHEREAS, the Company and Executive are parties to that certain Change of Control Severance Agreement dated as of _____ (the "Prior Agreement"); and

WHEREAS, the parties desire to amend and restate the Prior Agreement on the terms set forth herein.

NOW THEREFORE, the parties agree as follows:

1. Change in Control. For purposes of this Agreement, "Change in Control" shall mean:

(a) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company (excluding an acquisition by virtue of the exercise of a conversion privilege), (B) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (C) any acquisition by any corporation

pursuant to a reorganization, merger or consolidation, if, following such reorganization, merger or consolidation, the conditions described in subclauses (i), (ii) and (iii) of subparagraph (c) of this sentence are satisfied; or

(b) if individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds of the directors then constituting the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest subject to Rule 14a-11 of Regulation 14A promulgated under the Exchange Act or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) a reorganization, merger or consolidation, unless following such reorganization, merger or consolidation (i) more than 60% of, respectively, the then-outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such reorganization, merger, or consolidation in substantially the same proportions as their ownership, immediately prior to such reorganization, merger or consolidation, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be (for purposes of determining whether such percentage test is satisfied, there shall be excluded from the number of shares and voting securities of the resulting corporation owned by the Company's stockholders, but not from the total number of outstanding shares and voting securities of the resulting corporation, any shares or voting securities received by any such stockholder in respect of any consideration other than shares or voting securities of the Company); (ii) no Person (excluding the Company, any employee benefit plan (or related trust) of the Company, any qualified employee benefit plan of such corporation resulting from such reorganization, merger or consolidation and any Person beneficially owning, immediately prior to such reorganization, merger or consolidation, directly or indirectly, 20% or more of the Outstanding Company Common Stock or Outstanding Company Voting Securities, as the case may be) beneficially owns, directly or indirectly, 30% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation or the combined voting power of the then-outstanding voting securities of such corporation entitled to vote generally in the election of directors; and (iii) at least a majority of the members of the board of directors of the corporation resulting from such reorganization, merger or consolidation were members of the Incumbent Board at the time of the execution of the initial agreement providing for such reorganization, merger or consolidation; or

(d)(i) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company or (ii) the first to occur of (A) the sale or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets of the

Company, or (B) the approval by the stockholders of the Company of any such sale or disposition, other than, in each case, any such sale or disposition to a corporation, with respect to which immediately thereafter, (1) more than 60% of, respectively, the then-outstanding shares of common stock of such corporation and the combined voting power of the then-outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be (for purposes of determining whether such percentage test is satisfied, there shall be excluded from the number of shares and voting securities of the transferee corporation owned by the Company's stockholders, but not from the total number of outstanding shares and voting securities of the transferee corporation, any shares or voting securities received by any such stockholder in respect of any consideration other than shares or voting securities of the Company); (2) no Person (excluding the Company, any employee benefit plan (or related trust) of the Company, any qualified employee benefit plan of such transferee corporation and any Person beneficially owning, immediately prior to such sale or other disposition, directly or indirectly, 20% or more of the Outstanding Company Common Stock or Outstanding Company Voting Securities, as the case may be) beneficially owns, directly or indirectly, 30% or more of, respectively, the then-outstanding shares of common stock of such transferee corporation and the combined voting power of the then-outstanding voting securities of such transferee corporation entitled to vote generally in the election of directors; and (3) at least a majority of the members of the board of directors of such transferee corporation were members of the Incumbent Board at the time of the execution of the initial agreement or action of the board providing for such sale or other disposition of assets of the Company.

Notwithstanding the foregoing, if a Change in Control would give rise to a payment or settlement event with respect to any payment or benefit under this Agreement that constitutes "nonqualified deferred compensation," the transaction or event constituting the Change in Control must also constitute a "change in control event" (as defined in Treasury Regulation Section 1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such payment or benefit, to the extent required by Section 409A.

2. Termination Following a Change in Control.

(a) The Executive shall be entitled to the compensation provided for in Paragraph 3 if all of the following conditions are satisfied:

(i) there is a Change in Control of the Company while the Executive is still an employee of the Company;

(ii) the Executive's employment with the Company is terminated within two years after the Change in Control; and

(iii) the Executive's termination of employment is not a result of (A) the Executive's death; (B) the Executive's Disability (as defined in subparagraph 2(b) below); (C) the Executive's Retirement (as defined in subparagraph 2(c) below); (D) the Executive's termination by the Company for Cause (as defined in subparagraph 2(d) below); or (E) the Executive's decision to terminate employment other than for Good Reason (as defined in subparagraph 2(e) below).

(b) If, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been unable, with or without a reasonable accommodation, to perform the Executive's duties with the Company on a full time basis for six months and if, within 30 days after a Notice of Termination (as defined in subparagraph 2(f)) is thereafter given by the Company, the Executive shall not have returned to the full time performance of the Executive's duties, the Company may terminate the Executive's employment for "Disability".

(c) The term "Retirement" as used in this Agreement shall mean Executive's termination of employment (for any reason other than termination by the Company for Cause: (i) after attainment of age sixty-five (65) or (ii) after attainment of age fifty-five (55) provided that Executive has continuously been an employee or consultant to the Company for not less than ten (10) years.

(d) The Company may terminate the Executive's employment for Cause before or after a Change in Control. For purposes of this Agreement only, "Cause" shall mean: (i) the Executive's commission of acts subject to prosecution as a felony involving moral turpitude; (ii) the Executive's material breach of fiduciary duty as an executive officer of the Company which has resulted, or is likely to result, in material economic damage to the Company; or (iii) the Executive's willful gross misconduct or willful gross neglect of duties (other than any such neglect resulting from the Executive's incapacity due to physical or mental illness or any such neglect after the issuance of a Notice of Termination by the Executive for Good Reason, as such terms are defined in subparagraphs (e) and (f) below and as they may apply under this Paragraph 2); provided that no act or failure to act by the Executive will constitute "Cause" under clause (ii) if the Executive believed in good faith that such act or failure to act was in the best interest of the Company.

Any termination of the Executive's employment by the Company for Cause shall be authorized by a vote of at least a majority of the independent members of the Board (as they may be determined by the Board from time to time) within 12 months of a majority of such independent members of the Board having actual knowledge of the event or circumstances providing a basis for such termination. In the case of clauses (i) and (ii) of the second sentence of this subparagraph (d), the Executive shall be given notice by the Board specifying in detail the particular act or failure to act on which the Board is relying in proposing to terminate the Executive for Cause and offering the Executive an opportunity, on a date at least 14 days after receipt of such notice, to have a hearing, with counsel, before a majority of the independent members of the Board, including each of the members of the Board who authorized the termination for Cause. The Executive shall not be terminated for Cause if, within 30 days after the date of the Executive's hearing before the Board (or if the Executive waives a hearing, within 30 days after receiving notice of the proposed termination), the Executive has corrected the particular act or failure to act specified in the notice given under clause (ii) of the second sentence of this subparagraph (d), and by so correcting such

act or failure to act the Executive has reduced the economic damage the act or failure to act has allegedly caused the Company to a level which is no longer material or has eliminated the probability that such act or failure to act is likely to result in material economic damage to the Company. No termination for Cause shall take effect until the expiration of the correction period described in the preceding sentence and the determination by a majority of the independent members of the Board that the Executive has failed to correct the act or failure to act in accordance with the terms of the preceding sentence. Other than as specified herein, the decision of a majority of the independent members of the Board of Directors with respect to any determination of the grounds for termination of the Executive's employment for Cause shall be binding absent evidence of bad faith or manifest injustice.

(e) The Executive may terminate the Executive's employment for Good Reason at any time following a Change in Control. For purposes of this Agreement, "Good Reason" shall mean, after any Change in Control and without the Executive's express written consent, any of the following:

(i) a significant diminution in the Executive's duties and responsibilities, or the assignment to the Executive by the Company of duties inconsistent with the Executive's position, duties, responsibilities or status with the Company immediately prior to a Change in Control of the Company, or any removal of the Executive from or any failure to re-elect the Executive to any of such positions, except in connection with the termination of employment for Disability, Retirement or Cause or as a result of the Executive's death or by the Executive other than for Good Reason;

(ii) a reduction by the Company in the Executive's annual rate of base salary as in effect immediately prior to a Change in Control or the Company's failure to increase (within 12 months of the Executive's last adjustment in annual rate of base salary) the Executive's annual rate of base salary after a Change in Control of the Company in an amount which at least equals, on a percentage basis, the average percentage increase in the annual rate of base salary most recently or then currently being effected for all other executive officers of the Company;

(iii) (A) any failure by the Company to continue in effect any benefit plan or arrangement (including, without limitation, medical, dental, and other established benefit plans ("Welfare Benefit Plans"), group life insurance and retirement plans) in which the Executive is participating at the time of a Change in Control of the Company (all hereinafter referred to as "Benefit Plans") unless the Executive receives benefits through another plan or arrangement providing the Executive with benefits, when considered in the aggregate, that are no less favorable than the benefits under all Benefit Plans available to the Executive at the time of a Change in Control, or (B) the taking of any action by the Company which would adversely affect the Executive's participation in or materially reduce the Executive's benefits under the Benefit Plans or otherwise deprive the Executive of any material fringe benefit or perquisite of office enjoyed by the Executive at the time of a Change in Control of the Company considered in the aggregate with all benefits so provided to the Executive;

(iv) (A) any failure by the Company to continue in effect any incentive plan or arrangement (including, without limitation, the Company's incentive bonus and contingent

bonus arrangements and credits and the right to receive performance awards and similar long and short-term incentive compensation benefits) in which the Executive is participating at the time of a Change in Control of the Company (hereinafter referred to as "Incentive Plans"), (B) the taking of any action by the Company which would adversely affect the Executive's participation in any such Incentive Plan or reduce the Executive's benefits under any such Incentive Plan, unless in the case of either subclause (A) or (B) above, there is substituted a comparable plan or program that is economically equivalent, in terms of the benefit offered to the Executive, to the Incentive Plan being altered, reduced, affected or ended, or (C) any failure by the Company with respect to any fiscal year to make an award to the Executive pursuant to each such Incentive Plan or such substituted comparable plan or program in accordance with its terms or otherwise in a manner consistent with awards or benefits provided to other executive officers of the Company;

(v) (A) any failure by the Company to continue in effect any plan or arrangement to receive securities of the Company (including, without limitation, the Company's stock option plans and other equity incentive plans as authorized by the Board for the senior executive officers) in which the Executive is participating at the time of a Change in Control of the Company (hereinafter referred to as "Securities Plans"), or the taking of any action by the Company which would adversely affect the Executive's participation in or materially reduce the Executive's benefits under any such Securities Plan or (B) any failure by the Company in any fiscal year to grant stock options, stock appreciation rights or securities awards to the Executive pursuant to such Securities Plans or otherwise in a manner consistent with awards or grants provided to other executive officers of the Company; and provided further that the material terms and conditions of such stock options, stock appreciation rights, and securities awards granted to the Executive after the Change in Control (including, but not limited to, the exercise price, vesting schedule, period and methods of exercise, expiration date, forfeiture provisions and other restrictions) are substantially similar to the material terms and conditions of the stock options, stock appreciation rights, and securities awards granted to the Executive under the Securities Plans immediately prior to the Change in Control of the Company;

(vi) a relocation of the Company's principal executive offices to a location more than 100 miles outside of San Diego, California, or the Executive's relocation more than 100 miles from the location at which the Executive performed the Executive's duties prior to a Change in Control of the Company, except for required travel by the Executive on the Company's business to an extent substantially consistent with the Executive's business travel obligations at the time of a Change in Control of the Company;

(vii) any failure by the Company to provide the Executive with the number of annual paid vacation days to which the Executive is entitled for the year in which a Change in Control of the Company occurs;

(viii) any material breach by the Company of any provision of this Agreement;

(ix) any failure by the Company to obtain the assumption of this Agreement by any successor or assign of the Company;

(x) the Company or its successor no longer is required to have its common stock registered pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended; or

(xi) any purported termination of the Executive's employment by the Company pursuant to subparagraphs 2(b), 2(c) or 2(d) which is not effected pursuant to a Notice of Termination satisfying the requirements of subparagraph 2(f) below (and, if applicable, subparagraph 2(d) above), and for purposes of this Agreement, no such purported termination shall be effective.

For purposes of this subparagraph (e), an isolated, immaterial, and inadvertent action not taken in bad faith by the Company in violation of clauses (i) – (v), (vii) or (xi) of this subparagraph that is remedied by the Company promptly after receipt of notice thereof given by the Executive shall not be considered Good Reason for the Executive's termination of employment with the Company. In the event the Executive terminates the Executive's employment for Good Reason hereunder, then notwithstanding that the Executive may also be considered retired for purposes of any Company Benefit Plans (other than the Supplemental Retirement Benefit Plan or other non-qualified plan providing similar benefits), Incentive Plans or Securities Plans, the Executive shall be deemed to have terminated employment for Good Reason for purposes of this Agreement.

(f) Any termination of the Executive's employment by the Company pursuant to subparagraphs 2(b), 2(c) or 2(d), or by the Executive pursuant to subparagraph 2(e) above, shall be communicated by a Notice of Termination to the other party hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate those specific termination provisions in this Agreement relied upon and which sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. For purposes of this Agreement, no such purported termination by the Company shall be effective without such Notice of Termination.

(g) "Date of Termination" shall mean (i) if the Executive's employment is terminated by the Company for Disability, 30 days after Notice of Termination is given to the Executive (provided that the Executive shall not have returned to the performance of the Executive's duties on a full time basis during such 30 day period), (ii) if the Executive's employment is terminated by the Executive for Good Reason, the date specified in the Notice of Termination, and (iii) if the Executive's employment is terminated by the Company for any other reason, the date on which a Notice of Termination is given; provided, however, that if within 30 days after any Notice of Termination is given to the Executive by the Company, the Executive notifies the Company that a dispute exists concerning the termination, the Date of Termination shall be a date no earlier than the date on which the Notice of Termination is given, but otherwise, if the termination is to be effective, as of the date so determined, whether by mutual written agreement of the parties or upon final judgment, order or decree of a court of competent jurisdiction.

3. Severance Compensation Upon Termination of Employment Following a Change in Control.

(a) If, pursuant to subparagraph 2(a), the Executive is entitled to the compensation provided for in this Paragraph 3, then, subject to the provisions of Paragraph 7 below and Paragraph 3(d) below, the Company shall pay to the Executive in a lump sum cash payment, the following:

(i) the Change in Control Severance Amount as defined in subparagraph 3(b) below within five days following, but not earlier than, the day following the sixth month anniversary of the Date of Termination; plus

(ii) the Executive's earned but unpaid base annual salary through the period ending on the Date of Termination within the time required by law for the payment of wages upon termination of employment; plus

(iii) interest, if any, on the amounts payable pursuant to clauses (i) and (ii) above calculated from the Date of Termination until paid (including interest calculated for the six month period from the Date of Termination to the date of payment pursuant to clause (i) or from the Date of Termination to the date of payment pursuant to clause (ii) if not paid when due) at a rate equal to the prime rate as published in the Wall Street Journal on the Date of Termination plus three percentage points, compounded annually.

(b) "Change in Control Severance Amount" shall mean an amount equal to the sum of (i) two times the greater of (A) the Executive's base annual salary in effect as of the Date of Termination or (B) the average of the Executive's base annual salary paid for the five full fiscal years ending prior to the Date of Termination (or, if less, the number of full fiscal years during which the Executive has been employed by the Company prior to the Date of Termination), plus (ii) two times the greater of (A) the annual cash bonus awarded by the Board to the Executive with respect to the Company's most recent fiscal year ending prior to the Date of Termination or (B) the average of the annual cash bonus amounts awarded by the Board to the Executive with respect to the Company's most recent five fiscal years ending prior to the Date of Termination (or, if less, the number of full fiscal years during which the Executive has been employed by the Company prior to the Date of Termination).

(c) If, pursuant to subparagraph 2(a), the Executive is entitled to the compensation provided in this Paragraph 3, then, subject to the provisions of Paragraph 7 below and Paragraph 3(d) below, the Executive will be entitled to continued participation in all Welfare Benefit Plans (as defined in subparagraph 2(e)(iii) above) in which the Executive was participating on the Date of Termination, such continued participation to be at Company cost and otherwise on the same basis as Company employees generally, until the earlier of (i) the date, or dates, the Executive receives equivalent coverage and benefits under the plans and programs of a subsequent employer (such coverages and benefits to be determined on a coverage-by-coverage or benefit-by-benefit basis) or (ii) two years from the Date of Termination; provided (A) if the Executive is precluded from continuing participation in any Welfare Benefit Plan as provided in this sentence, the Executive shall be paid a taxable monthly cash payment equal to the after-tax economic

equivalent of the benefits provided under the plan or program in which the Executive is unable to participate for the period specified in this sentence, and (B) the economic equivalent of any benefit foregone shall be deemed to be the lowest cost that would be incurred by the Executive in obtaining such benefit (including family or dependent coverage, if applicable) on an individual basis.

(d) As a condition to Executive's receipt of any post-termination benefits pursuant to this Paragraph 3, Executive shall execute and not revoke a general release of all claims in favor of the Company and its affiliates (the "Release") in form and substance reasonably satisfactory to the Company (which may include an agreement not to disparage the Company, non-solicit provisions and other standard terms and conditions). In the event the Release does not become effective within the fifty-five (55) day period following the Executive's Date of Termination, Executive shall not be entitled to the aforesaid payments and benefits. In no event will severance payments or benefits pursuant to this Paragraph 3 be paid or provided until the Release becomes effective and irrevocable.

4. Company Right to Terminate Employment With or Without Cause; No Obligation of Executive to Mitigate Damages; No Effect On Other Contractual Rights.

(a) Notwithstanding anything to the contrary herein, the Executive shall serve the Company as an at-will employee and the Company may terminate the Executive's employment at any time, with our without Cause subject to the Executive's right to payment of the severance compensation provided for herein, if applicable. The Executive hereby acknowledges that this agreement does not guarantee continued employment with the Company for any period of time and upon termination of the Executive's employment, the Executive shall have no claim for compensation or other benefits pursuant to this Agreement except as specifically set forth herein.

(b) The Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by the Executive as the result of employment by another employer after the Date of Termination or otherwise.

(c) The provisions of this Agreement, and any payment provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish the Executive's existing rights, or rights which would accrue solely as a result of the passage of time, under any Benefit Plan, Incentive Plan or Securities Plan, or other contract, plan or agreement with or of the Company.

5. Options, Securities Awards, And Incentive Awards. In the event of a Change in Control of the Company, then notwithstanding the terms and conditions of any Securities Plan or other plan, agreement or arrangement, (i) if any Securities Plan will not be continued as to the securities of the Company or as to substantially equivalent publicly traded securities of the Company or any successor entity, or (ii) if the Executive's employment is terminated and the Executive is entitled to the compensation provided for in Paragraph 3, then the Company agrees to accelerate, vest, and make immediately exercisable in full all unexercisable installments of all options to acquire securities of the Company, to vest all unvested awards of securities of the

Company and to waive any resale or other restrictions or rights of repurchase applicable to securities underlying such options or applicable to awards of securities of the Company in each case, which are held by the Executive on the date of such Change in Control or termination of employment, as applicable, to the extent that the Executive may not otherwise be able to realize the expected benefits thereof upon continued employment by the Company or a publicly traded successor entity. Such options or other awards shall be payable in accordance with the terms of the applicable plan, agreement or arrangement and the award agreement governing such options or other awards.

6. Termination. This Agreement shall continue in effect for a period of two (2) years and shall automatically renew for successive two (2) year periods from the earlier of (a) the next scheduled termination date, unless the Board provides the Executive with a notice of non-renewal at least 6 months before the next scheduled termination date, or (b) the effective date of a Change in Control.

7. Best Pay Provision.

(a) In the event that any payment or benefit received or to be received by Executive pursuant to the terms of any plan, arrangement or agreement (including any payment or benefit received in connection with a change in ownership or control or the termination of Executive's employment) (all such payments and benefits being hereinafter referred to as the "Total Payments") would be subject (in whole or part) to the excise tax (the "Excise Tax") imposed under Section 4999 of the Code, then the Total Payments shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (after subtracting the amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). Except to the extent that an alternative reduction order would result in a greater economic benefit to Executive on an after-tax basis, the Parties intend that the Total Payments shall be reduced in the following order: (w) reduction of any cash severance payments otherwise payable to Executive that are exempt from Section 409A of the Code, (x) reduction of any other cash payments or benefits otherwise payable to Executive that are exempt from Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code, (y) reduction of any other payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting and payment with respect to any equity award that is exempt from Section 409A of the Code, and (z) reduction of any payments attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code; provided, in case of clauses (x), (y) and (z), that reduction of any payments or benefits attributable to the acceleration of vesting of Company equity awards shall be first applied to equity awards with later vesting dates; provided, further, that, notwithstanding the foregoing, any such reduction shall be undertaken in a manner that complies

with and does not result in the imposition of additional taxes on Executive under Section 409A of the Code. The foregoing reductions shall be made in a manner that results in the maximum economic benefit to Executive on an after-tax basis and, to the extent economically equivalent payments or benefits are subject to reduction, in a pro rata manner.

(b) Determinations. All determinations regarding the application of this Paragraph 7 shall be made by an independent accounting firm or consulting group with nationally recognized standing and substantial expertise and experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax retained by the Company prior to the date of the applicable change in ownership or control (the "280G Firm"). For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments shall be taken into account which (x) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, or (y) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, (ii) no portion of the Total Payments the receipt or enjoyment of which Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the 280G Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. All determinations related to the calculations to be performed pursuant to this "Section 280G Treatment" section shall be done by the 280G Firm. The 280G Firm will be directed to submit its determination and detailed supporting calculations to both Executive and the Company within fifteen (15) days after notification from either the Company or Executive that Executive may receive payments which may be "parachute payments." Executive and the Company will each provide the 280G Firm access to and copies of any books, records, and documents as may be reasonably requested by the 280G Firm, and otherwise cooperate with the 280G Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Agreement. The fees and expenses of the 280G Firm for its services in connection with the determinations and calculations contemplated by this Agreement will be borne solely by the Company.

8. Successors. The Company will require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive, expressly, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. Any failure of the Company to obtain such agreement prior to the effectiveness of any such succession or assignment shall be a material breach of this Agreement and shall entitle the Executive to terminate the Executive's employment for Good Reason and receive the compensation provided for in Paragraph 3 above (subject to compliance with the notice and cure provisions set forth in the definition of "Good Reason"). As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor or assign to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Paragraph 8 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

9. Survivorship. The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations and to the extent that any performance is required following termination of this Agreement.

10. Notices. Any notice, request, demand or other communication required or permitted hereunder shall be in writing and shall be deemed to be properly given when personally served, when deposited in the United States mail, postage prepaid, or when communicated by facsimile or email, addressed to the Company at its head office location or the Executive at the Executive's last known address. Either party may change its address by written notice in accordance with this paragraph.

11. Benefit of Agreement. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts are still payable to the Executive hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee or other designee or, if there be no such designee, to the Executive's estate.

12. Applicable Law; Venue. Except to the extent governed by the laws of the United States, this Agreement is to be governed by and construed under the laws of the State of California. Any suit brought hereon shall be brought in the state or federal courts sitting in San Diego County, California, the parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

13. Captions and Paragraph Headings. Captions and paragraph headings used herein are for convenience only and are not a part of this Agreement and shall not be used in the interpretation of this Agreement.

14. Invalid Provisions. Should any provision of this Agreement for any reason be declared invalid, void or unenforceable by a court of competent jurisdiction, the validity and binding effect of any remaining portion shall not be affected, and the remaining portions of this Agreement shall remain in full force and effect as if this Agreement had been executed with said provision eliminated.

15. Entire Agreement. This Agreement contains the entire agreement of the parties. It supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the matters covered herein, including, without limitation, the Prior Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise relating to the matters covered herein and not contained in this Agreement shall be valid or binding. This Agreement may not be modified or amended by oral agreement, but only by any agreement in writing signed by an authorized officer of the Company and the Executive.

16. Attorney's Fees. If any action, including arbitration, is brought to enforce this Agreement or to determine the relative rights and obligations of either of the parties and a ruling is obtained in favor of either party, regardless of which party institutes the action, the prevailing party will be entitled to reasonable attorney's fees.

17. Section 409A.

(a) The intent of the Company and Executive is that the payments and benefits under this Agreement comply with or be exempt from Section 409A of the Code ("Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If the Company and the Executive agree in good faith that the payments and benefits under this Agreement would not comply with Section 409A, the parties hereto shall reasonably and in good faith attempt to modify this Agreement to comply with Section 409A while endeavoring to maintain the intended economic benefits hereunder.

(b) Notwithstanding anything in this Agreement to the contrary, (i) any compensation or benefits payable under this Agreement that is designated under this Agreement as payable upon the Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service").

(c) Notwithstanding anything in this Agreement to the contrary, if the Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which the Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of the Executive's benefits shall not be provided to the Executive prior to the earlier of (x) the expiration of the six-month period measured from the date of the Executive's Separation from Service with the Company or (y) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(d) To the extent that any reimbursements under this Agreement are subject to Section 409A, (A) any such reimbursements payable to the Executive shall be paid to the Executive no later than December 31 of the year following the year in which the expense was incurred, (B) the Executive shall submit the Executive's reimbursement request promptly following the date the expense is incurred, (C) the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and (D) the Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(e) The Executive's right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct

payment as permitted under Section 409A. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A.

Exhibit 31(a)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven A. Brass, certify that:

1. I have reviewed this report on Form 10-Q of WD-40 Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize, and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: January 9, 2023

/s/ STEVEN A. BRASS

Steven A. Brass
Chief Executive Officer

Exhibit 31(b)

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sara K. Hyzer, certify that:

1. I have reviewed this report on Form 10-Q of WD-40 Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize, and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: January 9, 2023

/s/ SARA K. HYZER

Sara K. Hyzer
Vice President, Finance, Treasurer and Chief Financial Officer

Exhibit 32(a)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven A. Brass, Chief Executive Officer of WD-40 Company (the "Company"), have reviewed the Quarterly Report on Form 10-Q of the Company for the quarter ended November 30, 2022 (the "Report"). For purposes of Section 1350 of Title 18, United States Code, I certify that to the best of my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 9, 2023

/s/ STEVEN A. BRASS

Steven A. Brass
Chief Executive Officer

Exhibit 32(b)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Sara K. Hyzer, Chief Financial Officer of WD-40 Company (the "Company"), have reviewed the Quarterly Report on Form 10-Q of the Company for the quarter ended November 30, 2022 (the "Report"). For purposes of Section 1350 of Title 18, United States Code, I certify that to the best of my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 9, 2023

/s/ SARA K. HYZER

Sara K. Hyzer
Vice President, Finance, Treasurer and Chief Financial Officer