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

FORM 10-K

(Mark One)

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

For the fiscal year ended August 31, 2023

or

☐ **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

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

Title of each class
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☑

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, or a smaller reporting company, or an emerging growth company. See the 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

Yes ☐ No ☑

The aggregate market value (closing price) of the voting stock held by non-affiliates of the registrant as of February 28, 2023 was approximately $2,341,691,922.

As of October 16, 2023, there were 13,556,684 shares of the registrant's common stock outstanding.

Documents Incorporated by Reference:

The Proxy Statement for the annual meeting of stockholders on December 12, 2023 is incorporated by reference into Part III, Items 10 through 14 of this Annual Report on Form 10-K.

WD-40 COMPANY

ANNUAL REPORT ON FORM 10-K
For the Fiscal Year Ended August 31, 2023

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PART I

Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. All statements other than those that are purely historical are forward-looking statements which reflect our current views with respect to future events and financial performance.

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; changes in the political conditions or relations between the United States and other nations, the impacts from inflationary trends and supply chain constraints; changes in interest rates; and forecasted foreign currency exchange rates and commodity prices. We undertake no obligation to revise or update any forward-looking statements. These forward-looking statements are generally identified with words such as "believe," "expect," "intend," "plan," "project," "could," "may," "aim," "anticipate," "target," "estimate" and similar expressions. 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 Item 1A of this report. As used in this report, the terms "we," "our," "us" and "the Company" 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.

Item 1. Business

Overview

WD-40 Company 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 was founded in 1953 and is headquartered in San Diego, California.

For more than four decades, we sold only one product, WD-40® Multi-Use Product, a maintenance product which acts as a lubricant, rust preventative, penetrant and moisture displacer. Over the last several decades, we have evolved and expanded our product offerings through both research and development activities and through the acquisition of several brands worldwide. As a result, we have built a family of brands and product lines that deliver high quality performance at a good value to our end users.

We currently market and sell our products in more than 176 countries and territories worldwide 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.

Our sales come from two product groups – maintenance products and homecare and cleaning products. 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 are currently conducting a strategic review regarding the future of our homecare and cleaning products. The principal driver of our sales growth is focused on our maintenance products and making them available in more places, for more people, who will find more uses, more frequently.

Our future is guided by a long-term four-by-four strategic framework tied to our purpose and our values. There are two main elements of our strategic framework.

The first element of our four-by-four strategic framework, which we refer to as our Must-Win Battles, focuses on increasing sales of our maintenance products. Our Must-Win Battles include:

1. growing WD-40 Multi-Use Product sales through geographic expansion;
2. growing sales and gross margin through the premiumization of WD-40 Multi-Use Product;
3. growing the WD-40 Specialist® product line through category leadership; and

4. accelerating our capabilities in building our brand digitally and maximizing our global digital commerce presence.

The second element of our four-by-four strategic framework, which we refer to as our Strategic Enablers, focuses on operational excellence. Our Strategic Enablers include:

1. ensuring a people-first mindset where we can attract, develop and engage outstanding employees;
2. building a sustainable business for the future;
3. achieving operational excellence in supply chain; and
4. driving productivity via enhanced systems.

These make up our four-by-four strategic framework and are where we will continue to focus our time, talent and resources.

We continue to be focused and committed to innovation and renovation of our products. We see innovation and renovation as important factors to the long-term growth of our brands and product lines, and intend to continue to work on future products, product lines, product packaging, and product delivery systems, as well as promotional innovations and renovations to expand our product portfolio to help us grow. We are also focused on expanding our current brands in existing markets with new product development. Our research and development team supports new product development and current product improvement for our brands. Over the years, our research and development team has made an impact on most of our brands through our innovation activities. Key innovations for our products include, but are not limited to, WD-40 EZ-Reach® Flexible Straw, WD-40 Smart Straw®, WD-40 Trigger Pro®, WD-40 Specialist®, WD-40 Specialist® Degreaser & Cleaner EZ-Pods, WD-40® Precision Pen, WD-40 BIKE®, 3-IN-ONE RVcare® and 3-IN-ONE® Professional Garage Door Lube.

Our homecare and cleaning products, particularly those in the U.S. and the U.K., are considered harvest brands which continue to provide positive returns but are becoming a smaller part of the business as sales of the maintenance products grow with the execution of our four Must Win Battles within our strategic framework. We are exploring options to further de-emphasize our homecare and cleaning brands, particularly those in the U.S. and U.K. De-emphasizing these brands over time will create opportunities for our workforce to bring an even greater focus to our higher margin maintenance products. Although we are evaluating strategic alternatives for certain of our homecare and cleaning products we have continued to sell products within these brands but with a reduced level of marketing investment.

Human Capital Resources

Our purpose can only be achieved with the efforts of our 613 employees who create positive lasting memories for our stakeholders, including end users of our products who solve problems in factories, workshops, and homes around the world. Our workforce is distributed globally in 17 countries, with approximately 36% in the Americas, 42% in EMEA, 14% in Asia-Pacific, and 8% corporate employees. Women make up approximately 44% of our global workforce. The average tenure of our global workforce is eight years.

A strategic enabler of our business is to be an employer of choice with a people-first mindset. This competitive advantage enables us to attract, develop and engage outstanding employees. One of the primary responsibilities of our leaders, whom we refer to as coaches, is to support the development needs of our employees to achieve their performance goals. We offer various learning opportunities to allow employees to grow from both a technical and leadership standpoint. Consistently living our company values grants each of us the freedom to make autonomous decisions in the best interest of all stakeholders. We are committed to celebrating the diversity of our individual characteristics that make us unique and creating a culture where everyone experiences a sense of belonging.

Our organizational culture is a competitive advantage, and we prioritize it as such. We care about understanding the views, perspectives and experiences of our end-users and employees. This is foundational in maintaining and growing the WD-40 Company brand and business. Our language, norms, and traditions result in psychological safety, learning, and goal achievement. This includes a total rewards strategy that ensures each employee can sustain their well-being today and into the future.

Our workforce is comprised of the following functions: marketing, sales, customer service, finance and accounting, legal, information technology, human resources, supply chain and logistics, innovation, research and development, quality, and other technical fields. Increasingly, employees collaborate globally with their functional peers or in squads focused on common goals. Success is accelerated through this global collaboration and learning.

The pandemic inspired us to launch what we call “Work from Where”, a philosophy to support the work-life integration of our global workforce. This “Work from Where” philosophy enables our coaches and employees to use our values in their decision-making to align on where work is completed.

The Compensation Committee of our Board of Directors provides oversight of our relevant people-management practices. Our approach to compensation aligns the interests of every employee with the creation of company value over time. We completed a study in February 2020 to examine gender pay differences to determine if there were occasions of compensation decisions not being based on job-related criteria. This study identified no biased decision-making, as any differences were explainable by job-related criteria. The next study will be completed in late calendar year 2023. We will continue to conduct equitable pay studies going forward. We invite you to review our ESG report (located on our Internet site at www.wd40company.com) for more information about corporate responsibility, our workforce, programs, and initiatives. Nothing on our website, including but not limited to our ESG report, shall be deemed incorporated by reference into this Annual Report on Form 10-K.

Products

Maintenance Products

Included in our maintenance products are both multi-purpose maintenance products and specialty maintenance products. These maintenance products are sold worldwide and they provide end users with a variety of product and delivery system options.

Our signature product is WD-40 Multi-Use Product in the blue and yellow can with the little red top. It is included within the maintenance product category and accounts for a significant majority of our sales. We have various products and product lines which we currently sell under the WD-40 Brand and they are as follows:

WD-40® Multi-Use Product – The WD-40 Multi-Use Product is a market leader in many countries among multi-purpose maintenance products and is sold as an aerosol spray with various unique delivery systems, a non-aerosol trigger spray, a precision pen, and in liquid-bulk form through mass retail stores, hardware stores, automotive parts outlets, online retailers, warehouse club stores and industrial distributors and suppliers. The WD-40 Multi-Use Product is sold worldwide in North, Central and South America, Asia, Australia, Europe, the Middle East and Africa. WD-40 Multi-Use Product has a wide variety of consumer uses in, for example, household, marine, automotive, construction, repair, sporting goods and gardening applications, in addition to numerous industrial applications.

WD-40 Specialist® product line – WD-40 Specialist consists of a line of professional-grade specialty maintenance products that includes penetrants, degreasers, corrosion inhibitors, greases, lubricants and rust removers that are aimed at professionals and consumer enthusiasts. These products are also sold with various unique delivery systems. The WD-40 Specialist product line is sold primarily in the U.S. and many countries in Europe, as well as parts of Canada, Latin America, Australia and Asia. Within the WD-40 Specialist product line, we also sell bike-specific products across all our segments, motorbike-specific products in Europe, lawn and garden specific products in Australia, and automotive specific products in Asia.

We also have the following additional brands which are included within our maintenance products group:

3-IN-ONE® – The 3-IN-ONE brand consists of multi-purpose drip oil, specialty drip oils, and spray lubricant products, as well as other specialty maintenance products. The multi-purpose drip oil is a lubricant with unique spout options that allow for precise applications to small mechanisms and assemblies, tool maintenance and threads on screws and bolts. 3-IN-ONE Oil is the market share leader among drip oils in many countries. It also has wide industrial applications in such areas as locksmithing, HVAC, marine, farming and construction. In addition to the drip oil line of products, the 3-IN-ONE brand also includes professional-grade aerosol maintenance products, such as 3-IN-ONE RVcare products, 3-IN-ONE Garage Door Lubricant and 3-IN-ONE Lock Dry Lube. The long legacy, brand awareness and high quality of the 3-IN-ONE brand and its established distribution network have enabled these products to gain international acceptance. 3-IN-ONE products are sold primarily in the U.S., Europe, Canada, Latin America and Australia.

GT85® – The GT85 brand is a multi-purpose bike maintenance product line that consists of professional spray maintenance products and lubricants which are sold primarily in the bike market through the automotive and industrial channels in the U.K.

Homecare and Cleaning Products

We sell our homecare and cleaning products in certain locations worldwide and they include a portfolio of well-known brands as follows:

2000 Flushes® – The 2000 Flushes brand is a line of long-lasting automatic toilet bowl cleaners. It includes a variety of formulas, including the Bleach and Blue plus Bleach that has a unique EPA-approved "kills bacteria" claim. 2000 Flushes is sold primarily in the U.S. and Canada through grocery and mass retail channels as well as through online retailers.

Spot Shot® – The Spot Shot brand is sold as an aerosol and a liquid trigger carpet stain and odor eliminator. The brand also includes environmentally friendly products such as Spot Shot Instant Carpet Stain & Odor Eliminator and Spot Shot Pet Instant Carpet Stain & Odor Eliminator, which have non-toxic and biodegradable formulas. Spot Shot products are sold primarily through grocery and mass retail channels, online retailers, warehouse club stores and hardware and home center stores in the U.S., Canada and the United Kingdom. Spot Shot products are sold in the U.K. under the 1001® brand name.

Carpet Fresh® – The Carpet Fresh brand is a line of room and rug deodorizers sold as powder and aerosol quick-dry foam products. These products are sold primarily through grocery, mass, and value retail channels as well as through online retailers in the U.K. and Australia. Although Carpet Fresh brand products are also sold in the U.S., they are sold by a third party under a licensing agreement. In the U.K., these products are sold under the 1001® brand name. In Australia, they are sold under the no vac® brand name.

1001® – The 1001 brand includes carpet and household cleaners and rug and room deodorizers which are sold primarily through mass retail, grocery and home center stores in the U.K.

Lava®/Solvol® – The Lava and Solvol brands consist of heavy-duty hand cleaner products which are sold in bar soap and liquid form through hardware, grocery, industrial, automotive and mass retail channels as well as through online retailers. Lava is sold primarily in the U.S., while Solvol is sold exclusively in Australia.

X-14® – The X-14 brand is a line of quality automatic toilet bowl cleaners. X-14 is sold primarily in the U.S. through grocery and mass retail channels as well as through online retailers.

Sales and Marketing

Our sales do not reflect any significant degree of seasonality. However, it is common for our sales to fluctuate from period to period or year to year due to various factors including, but not limited to, new or lost distribution, the timing of customer orders particularly in distributor markets, the number of product offerings carried by a customer and the level of promotional activities and programs being run at customer locations. New or lost distribution occurs when we gain or lose customers, when we gain or lose store count for a customer or when our products are added to new locations within a store or removed from existing locations. From time to time, as part of new product offering launches, we may gain access to entirely new distribution channels. The number of product offerings refers to the number of brands and/or the number of products within each of those brands that our customers offer for sale to end users. The level of promotional activities and programs relates to the number of events or volumes of purchases by customers in support of off-shelf or promotional display activities. Changes in any one of these three factors or a combination of them can cause our sales levels to increase or decrease from period to period. Promotional activities can also be impacted by customers adjusting to price increases and other market disruptions. It is also common and/or possible that we could lose distribution or product offerings and experience a decrease in promotional activities and programs in one period and subsequently regain this business in a future period. We are accustomed to such fluctuations and manage this as part of our normal business activities.

Manufacturing

We outsource our finished goods manufacturing directly or through our marketing distributors to various third-party manufacturers. We or our marketing distributors use contract manufacturers in the U.S., Mexico, Brazil, Argentina, Colombia, the U.K., Italy, Poland, Australia, China, South Korea and India. Although we have definitive minimum purchase obligations included in the contract terms with certain contract manufacturers, when such obligations have been included, they have either been immaterial or the minimum amounts have been such that they are below the volume of goods that we have historically purchased. Supply needs are communicated by us to our contract manufacturers, and we are committed to purchasing the products manufactured based on orders and short-term projections, ranging from two months

to six months, provided to the contract manufacturers. We also formulate and manufacture concentrate used in our WD-40 products at certain of our own facilities and at third-party contract manufacturers.

In addition to the commitments to purchase products from contract manufacturers described above, we may also enter into commitments with other manufacturers from time to time to purchase finished goods and components to support innovation and renovation initiatives and/or supply chain initiatives.

Sources and Availability of Components and Raw Materials

We rely on a limited number of third-party contract manufacturers and component suppliers, including single or sole-sourced suppliers, for certain of our raw materials, packaging, product components and other necessary supplies. Where possible and where it makes business sense, we work with secondary or multiple suppliers to qualify additional supply sources. Historically, except for limited circumstances during the COVID-19 pandemic, we have been able to obtain adequate capacity and raw materials. The primary components and raw materials for most of our products include specialty chemicals and aerosol cans, which are manufactured from commodities that are subject to market price fluctuations. The availability of these components and raw materials is affected by a variety of supply and demand factors, including global market conditions, plant capacity utilization, and natural disasters. We have been experiencing input cost inflation that has impacted the cost of certain raw materials and freight services over the last several years. As a result, we took actions to increase prices with our customers to help mitigate some of these inflationary pressures. We also have and continue to implement cost savings initiatives to help mitigate those pressures. Our business results depend on the effective management and remedy of any supply disruptions. We expect these components and raw materials to continue to be readily available in the future and we have developed sourcing alternatives and risk mitigation plans. We expect some level of challenging market conditions to persist in fiscal year 2024, as described above.

Research and Development

We recognize the importance of innovation and renovation to our long-term success and are focused on and committed to research and new product development activities, primarily in our maintenance product group. Our product development team engages in consumer research, product development, current product improvement and testing activities. The product development team also leverages its development capabilities by partnering with a network of outside resources including our current and prospective outsource suppliers. In addition, the research and development team engages in activities and product development efforts which are necessary to ensure that we meet all regulatory requirements for the formulation of our products. Our research and development team currently conducts global testing at a laboratory facility that we lease in New Jersey.

Competition

The markets for our products, particularly those related to our homecare and cleaning products, are highly competitive. Our products compete both within their own product classes as well as within product distribution channels, competing with many other products for store placement and shelf space. Competition in international markets varies by country. We are aware of many competing products, some of which sell for lower prices or are produced and marketed by companies with greater financial resources than those of our Company. We rely on the awareness of our brands among consumers, the value offered by those brands as perceived by consumers, product innovation and renovation and our multiple channel distributions as our primary strategies. New products typically encounter intense competition, which may require advertising and promotional support and activities. When or if a new product achieves consumer acceptance, ongoing advertising and promotional support may be required in order to maintain its relative market position.

Trademarks and Patents

We own a number of patents, but rely primarily upon our established trademarks, brand names and marketing efforts, including advertising and sales promotions, to compete effectively. The WD-40 brand, 3-IN-ONE, Lava, Solvol, X-14, 2000 Flushes, Carpet Fresh and no vac, Spot Shot, GT85, and 1001 trademarks are registered or have pending registrations in various countries throughout the world.

WD-40 Company, the WD-40® logo, WD-40® Multi-Use Product, WD-40 Specialist®, WD-40 BIKE®, 3-IN-ONE®, GT85®, 2000 Flushes®, no vac®, 1001®, Spot Shot®, Lava®, Solvol®, X-14®, and Carpet Fresh® and other trademarks or service marks of WD-40 Company or its subsidiaries are the property of WD-40 Company or its subsidiaries. Other service marks, trademarks, and tradenames referred to in this Annual Report on Form 10-K are the property of their respective

owners. Except as set forth above and solely for convenience, the trademarks and tradenames in this Annual Report on Form 10-K are generally referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

Financial Information about Foreign and Domestic Operations

For detailed information about our foreign and domestic operations, including net sales by reportable segment and long-lived assets by geography, refer to Note 16 – Business Segments and Foreign Operations of the consolidated financial statements, included in Item 15 of this report.

Access to SEC Filings

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are available through the Investors section of our website at www.wd40company.com. These reports can be accessed free of charge from our website as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the Securities and Exchange Commission ("SEC"). Information contained on our website is not included as a part of, or incorporated by reference into, this report. The SEC also maintains an internet site (www.sec.gov) that contains our reports.

Item 1A. Risk Factors

The following risks and uncertainties, as well as other factors described elsewhere in this report or in other SEC filings by the Company, could adversely affect the Company's business, financial condition and results of operations. Additional risks and uncertainties that are not currently known to the Company or that are not currently believed by the Company to be material may also harm the Company's business, financial condition and results of operations.

Global economic conditions may negatively impact our financial condition and results of operations.

Adverse developments in the global economy or a reduction in industrial outputs, consumer spending or confidence could significantly decrease purchases of our products by our customers and end users. Consumer purchases of discretionary items, which could include our maintenance products and homecare and cleaning products, may decline during periods where disposable income is reduced or there is economic uncertainty, which would negatively impact our financial condition and results of operations. During unfavorable or uncertain economic times, end users may also increase purchases of lower-priced or non-branded products and our competitors may increase their level of promotional activities to maintain sales volumes, both of which may negatively impact our financial condition and results of operations.

In addition, our sales and operating results may be affected by uncertain or changing economic and market conditions, including inflation, deflation, prolonged weak consumer demand, political instability, public health crises or other changes that may affect the principal markets, trade channels, and industrial segments in which we conduct our business. Public health crises, including epidemics or pandemics, may affect the principal markets, trade channels, and industrial segments in which we conduct our business. For example, the impact of the COVID-19 pandemic caused significant disruptions that impacted global financial markets and supply chains for an extended period of time. Supply chains globally continue to be strained due to increased competition for production line capacity, freight and logistics resources, as well as labor shortages, and shortages of certain materials. These constraints periodically impacted the ability of our third-party manufacturers to procure certain raw materials needed to manufacture our products and impacted our ability to meet the demand for our products at certain times. In addition, global supply chain issues and other macroeconomic factors have resulted in an inflationary environment that has led to increased raw material costs and other input costs. The additional costs resulting from this inflationary environment and the constraints in our supply chain and distribution networks may continue to unfavorably impact our gross margin and operating results in future periods for as long as such constraints and challenges exist.

The severity and duration of the current inflationary environment remain uncertain and it is not possible to predict the extent to which these conditions will impact our financial results and operations in future periods. It is also uncertain how changes in inflationary conditions will impact demand from our customers and end-users. If demand from our customers and end-users decreases in future periods, this could adversely impact our financial results.

If economic or market conditions in certain of our key global markets deteriorate, we may experience material adverse effects on our business, financial condition and results of operations. Adverse economic and market conditions could also harm our business by negatively affecting the parties with whom we do business, including our customers, retailers, distributors and wholesalers, and third-party contract manufacturers and suppliers. Such conditions could impair the ability of our customers to pay for products they have purchased from us. As a result, allowances for credit losses and write-offs of accounts receivable from our customers may increase. In addition, our third-party contract manufacturers and their suppliers may experience financial difficulties or business disruptions that could negatively affect their operations and their ability to supply us with finished goods and the raw materials, packaging, and components required for our products.

Our business and financial results could suffer if we are unable to attract, retain and motivate talented employees, including senior management, and maintain our corporate culture.

Our success depends on our continuing ability to attract, engage and develop highly qualified people. Our future performance depends in significant part on maintaining high levels of employee engagement and nurturing our values and culture. We believe that our company culture is a critical driver of our success and we invest substantial time and resources in building, maintaining and evolving our culture. Any failure to preserve and evolve our culture could negatively affect our future success, including our ability to retain and recruit employees. Our success also depends on the continued service of our executive officers, key employees and other talented people. Further, our ability to successfully execute organizational changes, including succession planning and the transition of our executive officers and key employees, is critical to the continued success of our business. The unexpected loss of the services of key employees or executive officers could have a material adverse effect on our business and prospects. In addition, current economic conditions have led to an unusually competitive labor market in which experienced personnel are in high demand. Since the competition for such talent is intense there can be no assurance that we can retain our key employees or attract, assimilate and retain employees who are fully engaged in the future. If we are unable to implement and successfully manage the initiatives associated with our strategic framework in accordance with our business plans, our business and financial results could be adversely affected. Moreover, there is no certainty that the implementation of the initiatives associated with our strategic framework will advance our business or financial results as intended.

If the success and reputation of one or more of our leading brands erodes, our business, financial condition and results of operations could be negatively impacted.

Our financial success is directly dependent on the success and reputation of our brands, particularly our WD-40 Brand. The success and reputation of our brands can suffer if marketing plans or product development and improvement initiatives, including the release of new products or innovative packaging, do not have the desired impact on the brands' image or do not attract customers as intended. Our brands can also be adversely impacted due to the activities and pressures placed on them by our competitors. Further, our business, financial condition and results of operations could be negatively impacted if one of our leading brands suffers damage to its reputation due to real or perceived quality or safety issues. Quality issues, which can lead to large scale recalls of our products, can be due to causes such as product contamination, regulatory non-compliance, packaging errors, incorrect ingredients or components in our product or low-quality ingredients in our products due to suppliers delivering items that do not meet our specifications. Product quality issues, which could include lower product efficacy due to formulation changes attributable to regulatory requirements, could also result in decreased customer confidence in our brands and a decline in product quality could result in product liability claims. In addition, our brand value depends on our ability to maintain a positive consumer perception of our corporate integrity and brand culture. Negative claims or publicity involving us, our products, or any of our key employees could damage our reputation and brand image, regardless of whether such claims have merit. This risk is compounded by the increasing use of social and digital media and networking sites by consumers and the speed by which information and opinions are disseminated. If we are unable to anticipate or respond to various challenges in the marketplace, including trends in the market and changing consumer demands and sentiment, our financial results may be negatively impacted. Although we dedicate significant resources to prevent brand erosion and preserve our reputation and the reputation of our brands, there can be no assurance that such efforts will be successful.

Sales unit volume growth may be difficult to achieve.

Our ability to achieve sales volume growth will depend on our ability to (i) execute the initiatives associated with our strategic framework, (ii) drive growth in new markets by making targeted end users aware of our products and expanding distribution, (iii) drive growth within our existing markets through innovation, renovation and enhanced merchandising and marketing of our established brands, and (iv) capture market share from our competitors. It is more difficult for us to achieve sales volume growth in developed markets where our products are widely used as compared to developing or

emerging markets where our products have been newly introduced or are not as well known by consumers. To protect our existing market share or capture additional market share from our competitors, we may need to increase our investments related to promotions and advertising or introduce and establish new products or product lines. In addition, we periodically implement sales price increases within certain markets or for certain product lines in response to increased costs associated with components, raw materials, manufacturing and distribution. For example, we implemented significant sales price increases during fiscal years 2022 and 2023 in response to significant increases in our cost of goods sold caused by the current inflationary environment. Sales price increases may slow sales volume growth or create declines in volume in the short term as customers and end users adjust to sales price increases or purchase alternative products at lower prices. We may lose a portion of our consumer base with steep price actions. In addition, the continued prominence and growth of the online retail sales channel has presented both us and our customers that sell our products online with the challenge of balancing online and physical store retailing methods. Alternative retail channels could potentially become more prevalent than the traditional retailers upon whom we rely for the majority of our business and operating profit. As a result of changes in end-user preference, some sales are shifting more to these online retail sales channels, and this may present a challenge in our markets where we have a less developed e-commerce business. Although we are engaged in e-commerce with respect to our products, if we are not successful in expanding sales in such alternative retail channels or we experience challenges with operating in such channels, our financial condition and results of operations may be negatively impacted. In addition, a change in the strategies of our existing customers, including shelf simplification, the discontinuation of certain product offerings or the shift in shelf space to competitors' products could reduce our sales and potentially offset sales volume increases achieved as a result of other sales growth initiatives. If we are unable to increase market share in our existing product lines by developing product improvements, investing adequately in our existing brands, building usage among new customers, developing, acquiring or successfully launching new products or product line extensions, or successfully penetrating emerging and developing markets and sales channels globally, we may not achieve our sales volume growth objectives.

Cost volatility in finished goods, components, raw materials, transportation and other supplies or services could harm our financial condition and results of operations.

Volatility in the cost of finished goods, which may be driven by cost volatility for components, raw materials and third-party manufacturing fees, as well as volatility in the cost of transportation and other supplies or services may harm our financial condition and results of operations. Specialty chemicals and aerosol cans, which constitute a significant portion of the costs for many of our maintenance products, have experienced significant price volatility in the past, and may continue to do so in the future. In particular, volatility in the price of oil impacts the cost of specialty chemicals, many of which are indexed to the price of regional crude oil or related refined products. Fluctuations in oil and diesel fuel prices have also historically impacted the cost of transporting our products, compounded recently by increased regulations imposed on the freight industry and additional macroeconomic factors which have resulted in increased freight costs. For example, the COVID-19 pandemic resulted in global supply chain constraints and transportation disruptions that led to increased competition for freight resources, higher fees charged by our third-party manufacturers, increased raw material costs and other input costs that negatively impacted our results of operations. In addition, other macroeconomic factors have resulted in an inflationary environment that has compounded these impacts and led to further increases in raw material costs, manufacturing and distribution costs, and other input costs. When there are significant increases in the costs of components, raw materials, third-party manufacturing fees and other expenses, and we are not able to increase the prices of our products or achieve other cost savings to an extent that they will offset such cost increases, our gross margin and operating results will be negatively impacted.

In addition, if we increase our sales prices in response to increases in the cost of such raw materials, and those raw material costs later decline significantly, we may not be able to sustain our sales prices at these higher levels. As component and raw material costs are the principal contributors to the cost of goods sold for all of our products, any significant fluctuation in the costs of components and raw materials could have a material impact on the gross margins realized on our products. Sustained increases in the cost of raw materials, components, fees from our third-party contract packagers, transportation and other necessary supplies or services, or significant volatility in such costs, could have a material adverse effect on our financial condition and results of operations.

Global operations outside the U.S. expose us to uncertain conditions, foreign currency exchange rate risk and other risks in international markets.

Our sales outside of the U.S. were approximately 61% of consolidated net sales in fiscal year 2023. As a result, our ability to execute our strategic initiatives will continue to face substantial risks associated with having increased global operations outside the U.S., including:

- economic or political instability in any of our global markets;
- challenges associated with conducting business in foreign jurisdictions, including those related to our understanding of and compliance with business laws and regulations in such foreign jurisdictions;
- increasing tax complexity or changes in tax law associated with operating in multiple tax jurisdictions;
- a dispersed employee base and requirements for compliance with varied employment regulations and labor laws, including health and safety regulations and wage and hour laws, in countries outside the U.S.;
- varying and complex privacy laws in foreign jurisdictions; and
- the imposition of tariffs or trade restrictions and costs, burdens and restrictions associated with other governmental actions.

These risks could have a significant impact on our ability to sell our products on a competitive basis in global markets outside the United States. In addition, continued developments in global political climates have introduced greater uncertainty with respect to tax policies, trade relations, tariffs and government regulations affecting trade between the U.S. and other countries. For example, on February 24, 2022, Russian forces launched significant military action against Ukraine, which has resulted in conflict and disruption in the region since that time. In response to this action taken by Russia, the U.S. and other countries immediately imposed various economic sanctions against Russia. These geopolitical tensions have continued, and 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 has had an unfavorable impact on our sales. As a result of this conflict, commodity markets remain subject to heightened levels of volatility, especially as they relate to the price of crude oil, which increased significantly in the immediate aftermath of the sanctions against Russia. The volatility in crude oil prices could unfavorably impact the cost of our products, as well as the cost of the transportation and distribution of our products. The duration and severity of such 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. These developments, as well as the risks outlined above, could have a material adverse effect on our business, financial condition and results of operations.

Approximately 46% of our revenues in fiscal year 2023 were generated in currencies other than the U.S. Dollar, which is our reporting currency. In addition, all our foreign operating subsidiaries have functional currencies other than the U.S. Dollar, and our largest subsidiary is in the U.K. and generates significant sales in Pounds Sterling and Euros. As a result, we are exposed to foreign currency exchange rate risk with respect to our sales, expenses, profits, cash and cash equivalents, other assets and liabilities denominated in currencies other than the U.S. Dollar. Our financial results are negatively impacted when the foreign currencies in which our subsidiary offices operate weaken relative to the U.S. Dollar. Although we use instruments to hedge certain foreign currency risks, primarily those associated with our U.K. subsidiary and net assets denominated in non-functional currencies, we are not fully protected against foreign currency fluctuations and, therefore, our reported earnings may be affected by changes in foreign currency exchange rates. Moreover, any favorable impacts to profit margins or financial results from fluctuations in foreign currency exchange rates are likely to be unsustainable over time.

Additionally, our global operations outside the U.S. are subject to risks relating to appropriate compliance with legal and regulatory requirements in local jurisdictions, potential difficulties in staffing and managing local operations, potentially higher incidence of fraud or corruption, credit risk of local customers and distributors and potentially adverse tax consequences. As we further develop and grow our business operations outside the U.S., we are exposed to additional complexities and risks, particularly in China, Mexico and other emerging markets. In many foreign countries, particularly in those with developing economies, business practices that are prohibited by the U.S. Foreign Corrupt Practices Act (“FCPA”), the U.K. Bribery Act or other applicable anti-corruption laws and regulations may be prevalent. Evolving

privacy and anti-trust laws and regulations in Europe, the U.S. and other jurisdictions present additional risks. Any failure to comply with these laws, even if inadvertent, could result in significant penalties or otherwise harm our reputation and business. Although we have adopted policies and contract terms to mandate compliance with these laws, there can be no assurance that all our employees, contractors and agents will comply with our requirements. Violations of these laws could be costly and disrupt our business, which could have a material adverse effect on our business, financial condition and results of operations.

Reliance on a limited base of third-party contract manufacturers, logistics providers and suppliers of raw materials and components may result in disruption to our business and this could adversely affect our financial condition and results of operations.

We rely on a limited number of third-party contract manufacturers, logistics providers and suppliers, including single or sole source suppliers for certain raw materials, packaging, product components and other supplies. We do not have direct control over the management or business of these third parties, except indirectly through terms negotiated in service or supply contracts. As a result, we face substantial risks associated with our reliance on third-party manufacturers, suppliers, and/or logistics providers, including but not limited to the following areas:

- changes to the terms of doing business with these providers or the production capacity they allocate to our products;
- disagreements or the inability to maintain good relationships with these providers, including the failure of these providers to be aligned with our company values;
- financial difficulties experienced by these providers;
- consolidation of third-party packagers, which could reduce competition in the industry and increase our costs for their services or result in the acquiring company declining to manufacture our products;
- significant disruptions in the production or transportation of our products due to events having regional or global impacts on economic activity, such as public health emergencies, natural disasters or extreme weather conditions;
- significant disruptions in the production or transportation of our products due to competition for materials, components, labor or services from third-party vendors;
- concentration of inventory increasing exposure to risks associated with fire, natural disasters, theft and logistics disruptions to customer order fulfillment; or
- inability to successfully implement new manufacturing processes associated with new facilities or new product lines.

In addition, if we are unable to contract with third-party manufacturers or suppliers for the quantity and quality levels needed for our business, we could experience disruptions in production and our financial results could be adversely affected. In particular, the COVID-19 pandemic, extreme weather events and other macroeconomic factors have resulted in significant supply chain constraints and transportation disruptions at times. Some of the challenges that we have experienced include general aerosol-related production capacity constraints and competition for such capacity by other companies who utilize the same third-party manufacturers for their aerosol production. These challenges have periodically resulted in us not being able to meet the demand for our products by customers and end-users in certain markets where demand for aerosols has, for certain products, outpaced the available production capacity in the region. We have been actively working on various initiatives in partnership with our third-party manufacturers and we have identified and onboarded new third-party manufacturers in recent years in order to increase the capacity and resilience of our supply chain to meet strong end-user demand. When we onboard new third-party manufacturers, it comes with inherent risks and in the current economic environment, it also potentially comes with higher costs. In addition, actions we have taken to increase inventory levels of certain raw materials and finished goods, given the current challenges within supply chain and increased lead times required by suppliers, have led to higher transportation, storage and distribution costs. We are not able to estimate the degree of the impact or the costs associated with potential future disruptions within our supply chain and distribution networks as these supply chain issues are being resolved.

Malfunctions or implementation issues related to the critical information systems that we use for the daily operations of our business, cyberattacks and data breaches could adversely affect our ability to conduct business.

To conduct our business, we rely extensively on information technology systems, networks and services, many of which are managed, hosted and provided by third-party service providers. We cannot guarantee that our security measures will prevent cyberattacks resulting in breaches of our own or our third-party service providers' databases and systems. Techniques used in these attacks change frequently and may be difficult to detect for periods of time. Although we have policies and procedures in place governing (i) the timely investigation of cybersecurity incidents, (ii) the timely disclosure of any related material nonpublic information resulting from a material cybersecurity incident, and (iii) the safeguarding against insider trading of directors, officers, and other corporate insiders between the period of investigation and the public disclosure of such an incident; cybersecurity incidents themselves, such as the release of sensitive data from our databases and systems, could adversely affect our business, financial condition and results of operations. The increasing number of information technology security threats and the development of more sophisticated cyberattacks, including ransomware, pose a potential risk to the security of our information technology systems and networks, as well as to the confidentiality, availability and integrity of our data. In addition, the increased use of remote work infrastructures also increases the possible cybersecurity risks. Further, such incidents could also materially increase the costs that we already incur to protect against such risks. While we maintain cyber insurance, our coverage may not be adequate for liabilities or costs actually incurred, and we cannot be certain that any insurer will not deny coverage of a future claim. We also cannot be certain that such insurance will continue to be available to us on economically reasonable terms, if at all, in future periods.

In addition, system failure, malfunction or loss of data that is housed in our critical information systems or our third-party service providers' critical information systems could disrupt our ability to timely and accurately process transactions and produce key financial reports, including information on our operating results, financial position and cash flows. Our information systems could be damaged or cease to function properly due to a number of other reasons as well, including catastrophic events and power outages. Although we have certain business continuity plans in place to address such service interruptions, there is no guarantee that these business continuity plans will provide alternative processes in a timely manner. As a result, we may experience interruptions in our ability to manage our daily operations and this could adversely affect our business, financial condition and results of operations.

We are currently implementing new information systems within our enterprise resource planning framework at certain of our offices. If we encounter difficulties in executing and completing the implementation of these critical information systems, or if the implementation takes longer than intended, we may experience interruptions in our ability to manage our daily operations and report financial results timely and we may experience significant incremental costs, which could adversely affect our business, financial condition and results of operations. We are implementing these new information systems for certain of our offices because the system they are currently using is not widely used by other companies. In addition, the company that owns and supports this application may not be able to provide the same level of support as that of larger information systems companies. If the company that owns and supports this application in the U.S. were to cease its operations or were unable to provide support for this application prior to the implementation of our new critical information systems, it could adversely affect our daily operations or our business, financial condition and results of operations.

Our ability to achieve our environmental, social and governance and sustainability initiatives are subject to emerging risks and the outcomes may not achieve the anticipated benefits or align with new regulations and stakeholders' expectations.

There has been an increasing focus from stakeholders and regulators related to environmental, social and governance ("ESG") matters across all industries in recent years. ESG standard setting and stakeholder expectations continue to evolve. Criteria used to evaluate ESG practices and metrics may change rapidly at any time, which could result in increased expectations of public companies and may cause us to undertake costly initiatives to satisfy any new requirements. Non-compliance with these emerging regulations or a failure to address stakeholder and societal expectations may result in potential cost increases, litigation, fines, penalties, production and sales restrictions, brand or reputational damage, loss of customers, failure to retain and attract talent, lower valuation and higher investor activism activities.

The increased attention directed towards publicly traded companies surrounding ESG matters includes the recent release of proposed rules by the SEC that could require companies to enhance and standardize disclosures related to climate change, specifically those associated with physical risks and transitional risks. Physical risks include acute risks associated with extreme weather events or chronic risks associated with gradual shifts in climate or weather. Transition risks are the risks that may arise from the adoption of climate-related regulatory policies, including those that may be necessary to achieve

the national climate goals in the United States and other countries, or risks associated with changing stakeholder expectations and demands. Any failure or perceived failure, whether or not valid, to pursue and fulfill our ESG initiatives and objectives or to satisfy various ESG reporting standards timely could negatively impact our financial condition and results of operations.

On January 5, 2023, the European Commission's Corporate Sustainability Reporting Directive ("CSRD") became effective. The CSRD expands the number of companies required to publicly report ESG-related information and defines the ESG-related information that companies are required to report in accordance with European Sustainability Reporting Standards ("ESRS"). While CSRD rules are prescriptive for the types of data to be reported, the standards to quantify and qualify such data are still evolving and uncertain, and may impose increased costs on us related to complying with our reporting obligations and increase risks of non-compliance with ESRS and the CSRD. We are closely monitoring the rules and regulations related to CSRD and its impact, if any, on us.

Government laws and regulations, including environmental laws and regulations, could result in material costs or otherwise adversely affect our financial condition and results of operations.

The manufacturing, chemical composition, packaging, storage, distribution and labeling of our products and the way our business operations are conducted must comply with an extensive array of state, federal and international laws and regulations. If we are not successful in complying with the requirements of all such regulations, we could be fined or other actions could be taken against us by the applicable governing body, including the possibility of a required product recall. Any such regulatory action could adversely affect our financial condition and results of operations. It is also possible that governments and regulatory agencies will increase regulation, including the adoption of further regulations relating to the transportation, storage or use of certain chemicals, to enhance homeland security or protect the environment and such increased regulation could negatively impact our ability to obtain raw materials, components and/or finished goods or could result in increased costs.

Some of our products have chemical compositions that are controlled by various state, federal and international laws and regulations that are subject to change. We are required to comply with these laws and regulations and we seek to anticipate regulatory developments that could impact our ability to continue to produce and market our products. We invest in research and development to maintain product formulations that comply with such laws and regulations. There can be no assurance that we will not be required to alter the chemical composition of one or more of our products in a way that will have an adverse effect upon the product's efficacy or marketability. A delay or other inability on our part to complete product research and development and successfully reformulate our products in response to any such regulatory requirements could have a material adverse effect on our business, financial condition and results of operations.

We are subject to an SEC rule mandated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that requires management to conduct annual due diligence to determine whether certain minerals and metals, known as "conflict minerals", are contained in our products and, if so, whether they originate from the Democratic Republic of Congo or adjoining countries. Although we have concluded that our current products do not contain such "conflict minerals" in our annual evaluations to date, if we were to conclude that these materials exist within our products in future periods, we may have difficulty verifying the origin of such materials for purposes of disclosures required by the SEC rules.

We are also subject to numerous environmental laws and regulations that impose various environmental controls on our business operations, including, among other things, the discharge of pollutants into the air and water, the handling, use, treatment, storage and clean-up of solid and hazardous wastes and the investigation and remediation of soil and groundwater affected by hazardous substances. Such laws and regulations may otherwise relate to various health and safety matters that impose burdens upon our operations. These laws and regulations also impose strict, retroactive and joint and several liability for the costs of, and damages resulting from, cleaning up current sites, past spills, disposals and other releases of hazardous substances. We believe that our expenditures related to environmental matters have not had, and are not currently expected to have, a material adverse effect on our financial condition, results of operations or cash flows. However, the environmental laws under which we operate are complicated, may become more stringent and may be applied retroactively. Accordingly, there can be no assurance that we will not be required to incur additional expenditures to remain in or to achieve compliance with environmental laws in the future or that any such additional expenditures will not have a material adverse effect on our business, financial condition or results of operations.

In addition, certain countries and other jurisdictions in which we operate have data protection and anti-trust laws that impose strict regulations on us. Non-compliance with any of these regulations may result in significant penalties being

imposed on us. Many international and local governmental authorities are considering increased legislative and regulatory requirements concerning protection of personal data which may impact us and increase our costs to comply with these requirements in future periods.

Additional laws and regulations require that we carefully manage our supply chain for the production, distribution and sale of goods. Our failure to comply with any of these regulations or our inability to adequately predict the way these local regulations are interpreted and applied to our business by the applicable enforcement agencies could have a materially adverse effect on our business, financial condition and results of operations.

Failure to maximize or to successfully assert our intellectual property rights or our infringement on the intellectual property rights of others could impact our competitiveness or otherwise adversely affect our financial condition and results of operations.

We rely on trademark, trade secret protection, patent and copyright laws to protect our intellectual property rights. Although we maintain a global enforcement program to protect our intellectual property rights, there can be no assurance that these intellectual property rights will be maximized or that they can be successfully asserted. If other companies or entities infringe on our intellectual property rights or take part in counterfeiting activities, they may dilute the value of our brands in the marketplace, which could diminish the value that consumers associate with our brands and harm our sales.

There is a risk that we will not be able to obtain and protect our own intellectual property rights or, where appropriate, license intellectual property rights necessary to support new product introductions or product lines dependent upon such licensed rights. We cannot be certain that these rights, if obtained, will not be withdrawn, invalidated, circumvented or challenged in the future, and we could incur significant costs in connection with legal actions to defend and preserve our intellectual property rights. In addition, even if such rights are obtained in the U.S., the laws of some of the other countries in which our products are or may be sold might not protect intellectual property rights to the same extent as the laws of the United States, or they may be difficult to enforce. Our failure to protect or successfully assert our intellectual property rights or failure to protect our other proprietary information could make us less competitive and this could have a material adverse effect on our business, financial condition and results of operations.

Trade secret protection, particularly for our most valuable product formulation for the WD-40 Multi-Use Product, requires specific agreements, policies and procedures to assure the secrecy of information classified as a trade secret. If such agreements, policies and procedures are not effective enough to maintain the secrecy of our trade secrets or if chemical disclosure regulations do not allow for continued protection of essential elements of our trade secret formulations, the loss of trade secret protection could have a material adverse effect on our business, financial condition or results of operations.

If we are found to have violated the trademark, copyright, patent or other intellectual property rights of others, such a finding could result in the need to cease the use of a trademark, trade secret, copyrighted work or patented invention in our business and an obligation to pay a substantial amount for past infringement. It could also be necessary to pay a substantial amount in the future if the holders of such rights are willing to permit us to continue to use the intellectual property rights. Either having to cease use or pay such amounts could make us less competitive and could have a material adverse impact on our business, financial condition and results of operations.

Our operating results and financial performance may not meet expectations, which could adversely affect our stock price.

We cannot be sure that our operating results and financial performance, which include sales, net income, earnings per common share, gross margin and cash flows, will meet expectations. If our assumptions and estimates are incorrect or if we do not achieve all of our key goals or strategic initiatives, then our actual performance could vary materially from our internal expectations and those of the market. Failure to meet or exceed these expectations could cause the market price of our stock to decline. In addition, the trading market for our common stock is influenced by the research and reports that securities analysts, industry analysts and other third parties publish about us or our business. We do not have any control over these reports or analysts. If securities or industry analysts adversely change their recommendations regarding our common stock or if any of these analysts cease coverage of us in their reports, our stock price and trading volume could decline. Our operating results and financial performance may be negatively influenced by several factors, many of which are discussed in this Item 1A “Risk Factors”.

In addition, sales volume growth, whether due to acquisitions or internal growth, can place burdens on management resources and financial controls that, in turn, can have a negative impact on our operating results and financial condition.

To some extent, we plan our expense levels in anticipation of future revenues; if actual revenues fall short of these expectations, operating results may be adversely affected by reduced operating margins or operating profits due to actual expense levels that are higher than might otherwise have been appropriate.

We face competition in our markets which could lead to reduced sales and profitability.

We encounter competition from similar and alternative products, many of which are produced and marketed by major national or multinational companies. In addition, we frequently discover products in certain markets that are counterfeit reproductions of our WD-40 products as well as products otherwise bearing an infringing trade dress. The availability of counterfeits and other infringing products, particularly in China and other emerging markets, could adversely impact our sales and potentially damage the value and reputation of our brands.

Our products generally compete on the basis of brand recognition, product performance, price, quality or other benefits to consumers and meeting end users' needs. Advertising, promotions, merchandising and packaging also have a significant impact on consumer purchasing decisions. A newly introduced consumer product, whether improved or recently developed, usually encounters intense competition requiring substantial expenditures for advertising, sales and consumer promotion. If a product gains consumer acceptance, it normally requires continued advertising, promotional support and product improvements in order to maintain its relative market position.

Some of the competitors for our homecare and cleaning products are larger and have financial resources greater than ours. These competitors may be able to spend more aggressively on advertising and promotional activities, introduce competing products more quickly and respond more effectively to changing business and economic conditions than us.

Competitive activity may require us to increase our investment in marketing or reduce our sales prices and this may lead to reduced profit margins, a loss of market share or loss of distribution, each of which could have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that we will be able to compete successfully against current and future competitors or that competitive pressures faced by us or the infringement of our products and brands will not have a material adverse effect on our business, financial condition and results of operations.

Dependence on key customers could adversely affect our business, financial condition and results of operations.

We sell our products through a network of domestic and international mass retail, trade supply and consumer retailers as well as through industrial distributors and suppliers. The retail industry has historically been the subject of consolidation, and as a result, the development of large chain stores has taken place. Today, the retail channel is comprised of several of these large chain stores that capture the bulk of the market share. Since many of our customers have been part of consolidations in the retail industry, these limited customers account for a large percentage of our net sales. Although we expect that a significant portion of our revenues will continue to be derived from this limited number of customers, our largest individual customer contributed to less than 10% of our consolidated net sales in fiscal year 2023. However, changes in the strategies of our largest customers may have an adverse impact on our sales. Such changes in customer strategy may include, but are not limited to: a reduction in willingness to transport and store goods of certain hazardous material ratings, a reduction in the number of brands they carry, or a shift in shelf space in favor of "private label" or competitors' products. The loss of, or reduction in, orders from any of our most significant customers could have a material adverse effect on our brand values, business, financial condition and results of operations. Large customers may seek price reductions, added support or promotional concessions. If we agree to such customer demands and/or requests, it could negatively impact our ability to maintain existing profit margins.

In addition, our business is based primarily upon individual sales orders, and we typically do not enter into long-term contracts with our customers. Accordingly, these customers could reduce their purchasing levels or cease buying products from us at any time and for any reason. We are also subject to changes in customer purchasing patterns or the level of promotional activities. These types of changes may result from changes in the manner in which customers purchase and manage inventory levels, or display and promote products within their stores. Other potential factors such as customer disputes regarding shipments, fees, merchandise condition or related matters may also impact operating results. If we cease doing business with a significant customer or if sales of our products to a significant customer materially decrease, our business, financial condition and results of operations may be harmed.

We may not successfully develop, introduce and/or establish new products and line extensions.

Our future performance and growth depend, in part, on our ability to successfully develop, introduce and/or establish new products as both brand extensions and/or line extensions. We cannot be certain that we will successfully achieve those goals. We compete in several product categories where there are frequent introductions of new products and line extensions and such product introductions often require significant investment and support. Our ability to understand end user needs and preferences is key to maintaining and improving the competitiveness of our product offerings. The development and introduction of new products, as well as the renovation of current products and product lines, require substantial and effective research, development and marketing expenditures, which we may be unable to recoup if the new or renovated products do not gain widespread market acceptance. There are inherent risks associated with new product development and marketing efforts, including product development or launch delays, product performance issues during development, changing regulatory frameworks that affect the new products in development and the availability of key raw materials included in such products. These inherent risks could result in the failure of new products and product line extensions to achieve anticipated levels of market acceptance, additional costs resulting from failed product introductions and the product not being first to market. As we continue to focus on innovation and renovation of our products, our business, financial condition or results of operations could be materially adversely affected if we are not able to effectively develop and introduce new or renovated products and line or brand extensions.

If we are unable to successfully identify, complete or realize the benefits from strategic business developments, acquisitions, divestitures, joint ventures or investments, our financial results could be materially adversely affected.

We may increase growth through business development activities such as acquisitions, joint ventures, licensing and/or other strategic partnerships in the U.S. and internationally. However, if we are not able to identify, acquire and successfully integrate acquired products or companies or successfully manage joint ventures or other strategic partnerships, we may not be able to maximize these opportunities. The failure to properly manage business development activities because of difficulties in the assimilation of operations and products, the diversion of management's attention from other business concerns, the loss of key employees or other factors could have a material adverse effect on our business, financial condition and results of operations. In addition, there can be no assurance that our business development activities will be profitable at their inception or that they will achieve sales levels and profitability that justify the investments made.

Future acquisitions, joint ventures or strategic partnerships could also result in the incurrence of debt, potentially dilutive issuances of equity securities, contingent liabilities, amortization expenses related to certain intangible assets, unanticipated regulatory complications and/or increased operating expenses, all of which could materially adversely affect our results of operations and financial condition. In addition, to the extent that the economic benefits associated with any of our business development activities diminish in the future, we may be required to record impairments to goodwill, intangible assets or other assets associated with such activities, which could also materially adversely affect our business, financial condition and results of operations.

In addition, we may consider divesting of businesses or brands that do not meet our strategic objectives or do not meet our growth or profitability targets. We may not be able to complete desired divestitures on terms favorable to us, if at all. If we do complete such desired divestitures, gains or losses on the sales of, or lost operating income from, those businesses or brands may affect our profitability and margins.

Changes in marketing distributor relationships that are not managed successfully by us could result in a disruption in the affected markets.

We distribute our products throughout the world in one of two ways: the direct distribution model, in which products are sold directly by us to wholesalers and retailers in the U.S., Canada, Mexico, Australia, China, the U.K. and a number of other countries, including those throughout Europe; and the marketing distributor model, in which products are sold to marketing distributors who in turn sell to wholesalers and retailers. The marketing distributor model is generally used in countries where we do not have direct Company-owned operations. Instead, we partner with local companies who perform the sales, marketing and distribution functions. We invest time and resources into these relationships. Should our relationship with new or existing marketing distributors be unsuccessful, our sales within such a marketing distributor's territory could be adversely impacted until such time as a suitable replacement can be found and our key marketing strategies are implemented. There is a risk that changes in such marketing distributor relationships, including a change in key marketing distributor personnel or a transition to the direct distribution model, if not managed successfully, could result in a disruption in the affected markets and that such disruption could have a material adverse effect on our business, financial condition and results of operations. Additionally, in some countries, local laws may require substantial payments to terminate existing marketing distributor relationships, which could also have a material adverse effect on our business, financial condition and results of operations.

Product liability claims and other litigation and/or regulatory action could adversely affect our sales and operating results.

The use of our products may expose us to liability claims resulting from such use and potential enforcement actions, including the risk of recall. Claims could be based on allegations that, among other things, our products are improperly labeled or that statements we make on our labels are not accurate, contain contaminants, provide inadequate instructions regarding their use or inadequate warnings concerning their use or interactions with other substances. Product liability claims could result in negative publicity that could harm our sales and operating results. We maintain product liability insurance to protect us from loss attributable to product liability claims, but the extent of such loss could exceed available limits of insurance or could arise out of circumstances under which such insurance coverage is unavailable. Other business activities may also expose us to litigation risks, including risks that may not be covered by insurance such as contract disputes. If successful claims are asserted by regulatory agencies or third parties against us for non-compliance or uninsured liabilities or liabilities more than applicable limits of insurance coverage, our business, financial condition and results of operations may be adversely affected. If one of our products were determined to be defective, we could be required to recall the product, which could result in significant expenses, adverse publicity and loss of revenues. Even if we are successful in defending against such claims, litigation could result in substantial cost and be a distraction to our management and employees.

Additionally, our products may be associated with competitor products or other products in the same category that may be alleged to have caused harm to consumers. As a result of this association, we may be named in unwarranted legal actions. The potential costs to defend such claims may materially affect our business, financial condition and results of operations.

Resolution of income tax matters may impact our financial condition and results of operations.

Significant judgment is required in determining our effective income tax rate and in evaluating tax positions, particularly those related to uncertain tax positions. We provide for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement standards prescribed by the accounting standard for uncertain tax positions. Changes in uncertain tax positions or other adjustments resulting from tax audits and settlements with taxing authorities, including related interest and penalties, impact our effective tax rate. When particular tax matters arise, a number of years may elapse before such matters are audited and resolved, or the statute of limitations expires resulting in the release of the liability. Resolution of such matters or the expiration of the statute of limitations would be recognized as a reduction to our effective tax rate in the year of resolution. Any resolution of a tax matter may require the adjustment of tax assets or tax liabilities or the use of cash in the year of resolution. For additional information on such matters, see Part IV – Item 15, “Exhibits, Financial Statement Schedules” Note 13 – Income Taxes, in this report.

Changes in tax rules may also materially affect our future financial results or the way we conduct our business. The “*Tax Cuts and Jobs Act*” (the “Tax Act”) became effective beginning January 1, 2018. The Tax Act significantly changed U.S. tax law and tax rates, as well as mandated the application of a one-time “toll tax” on unremitted foreign earnings, among other things.

International tax changes that occur in the locations where we operate can also materially affect future financial results or operations. For example, we have significant operations in Europe that are subject to income tax rates and laws in multiple jurisdictions. A significant portion of our European income is subject to taxation in the U.K. because our European subsidiary is headquartered in the U.K. In June of 2021 an Act of Parliament received Royal Assent, changing the U.K. corporate tax rate from 19% to 25% effective on April 1, 2023, resulting in an increase in our effective tax rate.

The Tax Act and Inflation Reduction Act have authorized the U.S. Department of the Treasury to issue regulations with respect to the new provisions. We cannot predict how subsequent changes in the Tax Act, regulations, or other guidance issued under each, including conforming or non-conforming state tax rules, might affect our business, financial condition and results of operations. In addition, there can be no assurance that U.S. tax laws, including the corporate income tax rate, will not undergo significant additional changes in the future.

Goodwill and intangible assets are subject to impairment risk.

We assess the potential impairment of our goodwill during the second quarter of each fiscal year and otherwise when events or changes in circumstances indicate that an impairment condition may exist. We also assess our definite-lived intangible assets for potential impairment when events and circumstances indicate that the carrying amount of the asset may not be recoverable or its estimated remaining useful life may no longer be appropriate. Indicators such as

underperformance relative to historical or projected future operating results, changes in our strategy for our overall business or use of acquired assets, unexpected negative industry or economic trends, decline in our stock price for a sustained period, decreased market capitalization relative to net book values, unanticipated technological change or competitive activities, loss of key distribution, change in consumer demand, loss of key personnel and acts by governments and courts may signal that an asset has become impaired.

The assessment for possible impairment of our goodwill and intangible assets involves judgments on several significant estimates and assumptions, including macroeconomic conditions, overall category growth rates, sales growth rates, cost containment and margin expansion and expense levels for advertising and promotions and general overhead, all of which are developed from a market participant standpoint. We may be required to record a significant charge in our consolidated financial statements during the period in which any impairment of our goodwill or intangible assets is identified and this could materially adversely affect our financial condition and results of operations. Strategic divestitures of certain businesses or brands could negatively impact our profitability as a result of a reduction in sales and operating income, or a decrease in cash flows subsequent to such divestiture. It may be necessary to recognize impairment charges as a result of a divestiture. Changes in management estimates and assumptions as they relate to valuation of goodwill and intangible assets could affect our financial condition or results of operations in the future. Our review of events and circumstances during fiscal year 2023 included consideration of the current inflationary environment and the impact of Russian military action in Ukraine. For additional information, see Part IV – Item 15, “Exhibits, Financial Statement Schedules” Note 5 – Goodwill and Other Intangible Assets, in this report.

We may not have sufficient cash to service our indebtedness or to pay cash dividends.

Our debt consists of fixed rate senior notes and a revolving credit facility. We use income from operations to make interest and principal payments on our debt. Our borrowing agreements include covenants to maintain certain financial ratios and to comply with other financial terms and conditions. Although we have historically paid out a large part of our earnings to stockholders in the form of regular quarterly cash dividends, we may not have sufficient cash to do so in the future.

We may incur substantial debt in the future for general business and development activities. In addition, we may continue to use available cash balances to execute share repurchases under approved share buy-back plans. To the extent that we are required to seek additional financing to support certain of these activities, such financing may not be available in sufficient amounts or on terms acceptable to us, if at all. If we are unable to obtain such financing or to service our existing or future debt with our operating income, or if available cash balances are affected by future business performance, unstable global economic conditions, liquidity, capital needs, alternative investment opportunities or debt covenants, we could be required to reduce, suspend or eliminate our dividend payments to our stockholders. We may also elect to suspend share repurchases depending on available cash balances or concerns that we may have on future cash balances.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Americas

We own and occupy an office located in San Diego, California which houses both corporate employees and employees in our Americas segment. We also lease a regional sales office in Miami, Florida, a research and development office and laboratory in Pine Brook, New Jersey and office space in Toronto, Ontario, Canada and Monterrey, Nuevo León, Mexico. In addition, we lease certain warehouse space and equipment at third-party manufacturer and distributor facilities throughout the U.S.

EMEA

We own and occupy an office as well as a plant facility located in Milton Keynes, United Kingdom. We also lease space for our branch offices in Germany, France, Italy, Spain, Portugal and the Netherlands. In addition, we lease warehouse space at a third-party distributor facility in Denmark.

Asia-Pacific

We lease office space in Epping, New South Wales, Australia; Shanghai, China; and Kuala Lumpur, Malaysia.

Item 3. Legal Proceedings

The information required by this item is incorporated by reference to the information set forth in Item 15 of Part IV, "Exhibits, Financial Statement Schedules" Note 12 — Commitments and Contingencies, in the accompanying notes to the consolidated financial statements included in this report.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is traded on the NASDAQ Global Select Market under the trading symbol WDFC. On October 16, 2023, the last reported sales price of our common stock on the NASDAQ Global Select Market was $203.64 per share, and there were 13,556,684 shares of common stock outstanding held by approximately 549 holders of record.

Dividends

We have historically paid regular quarterly cash dividends on our common stock. On December 13, 2022, our Board of Directors ("Board") approved a 6% increase in the regular quarterly cash dividend, increasing it from $0.78 per share to $0.83 per share. On October 6, 2023, our Board declared a cash dividend of $0.83 per share payable on October 31, 2023 to stockholders of record on October 20, 2023.

Our Board presently intends to continue the payment of regular quarterly cash dividends on our common stock. Our ability to pay dividends could be affected by future business performance, liquidity, capital needs, alternative investment opportunities and debt covenants.

Purchases of Equity Securities By the Issuer and Affiliated Purchasers

On October 12, 2021, our Board approved a share buy-back plan (the "2021 Repurchase Plan"). Under the 2021 Repurchase Plan, which became effective on November 1, 2021, we were authorized to acquire up to $75.0 million of our outstanding shares through August 31, 2023.

On June 19, 2023, our Board approved a new share repurchase plan (the "2023 Repurchase Plan"). Under the 2023 Repurchase Plan, which became effective on September 1, 2023, we are authorized to acquire up to $50.0 million of our outstanding shares through August 31, 2025. The timing and amount of repurchases are based on terms and conditions as may be acceptable to our Chief Executive Officer and Chief Financial Officer, subject to present loan covenants and in compliance with all laws and regulations applicable thereto.

Item 6. Selected Financial Data

Reserved pursuant to amendments in SEC Release No. 33-10890 that eliminate the selected financial data requirements under Item 301 of Regulation S-K.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide the reader of our financial statements with a narrative from the perspective of management on our financial condition, results of operations, liquidity and certain other factors that may affect future results. This MD&A includes the following sections: Overview, Highlights, Results of Operations, Performance Measures and Non-GAAP Reconciliations, Liquidity and Capital Resources, Critical Accounting Policies and Estimates, and Recently Issued Accounting Standards. The MD&A is provided as a supplement to, and should be read in conjunction with, our audited consolidated financial statements and the related notes included in Item 15 of this report.

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.

Overview

The Company

WD-40 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 fiscal year ended August 31, 2023:

- *Consolidated net sales increased $18.4 million, or 4%, for fiscal year 2023 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 $81.9 million from period to period, primarily due to sales price increases implemented across all segments at varying times during the current and prior fiscal year. These favorable impacts were partially offset by decreases in sales volume, which unfavorably impacted net sales by approximately $45.8 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 $17.7 million on consolidated net sales for fiscal year 2023. On a constant currency basis, net sales would have increased by $36.1 million, or 7% for fiscal year 2023 compared to the prior fiscal year. This unfavorable impact from changes in foreign currency exchange rates mainly came from our EMEA segment, which accounted for 36% of our consolidated sales for the fiscal year ended August 31, 2023.*

- *Gross profit as a percentage of net sales increased to 51.0% for fiscal year 2023 compared to 49.1% for the prior fiscal year, primarily due to the positive impacts of price increases implemented at varying times during the current and prior fiscal year, offset by ongoing global supply chain challenges, including the increased cost of raw materials and changes in consumer behavior as a result of inflation. See the Impact of Global Supply Chain Constraints and Inflation on Our Business section which follows for details, including actions we continue to take in response to these challenges.*

- *Consolidated net income decreased $1.3 million, or 2%, for fiscal year 2023 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 $2.4 million on consolidated net income for fiscal year 2023. Thus, on a constant currency basis, net income would have increased by $1.1 million, or 2%, for fiscal year 2023 compared to the prior fiscal year.*

- *Diluted earnings per common share for fiscal year 2023 were $4.83 versus $4.90 in the prior fiscal year.*

Significant Developments

Impact of Global Supply Chain Constraints and Inflation on Our Business

Our financial results and operations continue to be impacted by certain ongoing macroeconomic factors that have been affecting global economies, the rate of inflation, supply chains, distribution networks and consumer behavior around the world.

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. In response to these global supply chain issues, we implemented various initiatives. These initiatives included improvements within our existing third-party manufacturer network, as well as identifying and onboarding new third-party manufacturers, particularly in the Americas and EMEA segments. As a result of these initiatives, we experienced increases in the capacity and flexibility of our supply chain and were able to reduce our inventory levels since they peaked during the first quarter of fiscal year 2023. Although it is not possible to estimate the costs or impacts associated with potential future supply chain disruptions or the inflationary environment that continues to impact our raw material costs, we believe that the changes we continue to implement will have a positive impact on our ability to better manage any future disruptions.

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 years 2022 and 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 these conditions and their 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,” for further information on these risks.

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 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. It is not possible to predict the direct and indirect impacts of this evolving situation and its effect on global economies in future periods. We suspended selling our products to markets in Russia and Belarus beginning in March 2022, which had and continues to have an unfavorable impact on our business. 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 located 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 volatility increases in the price of crude oil are highly unpredictable and may impact our cost of goods sold for as long as these conditions exist.

Results of Operations

Fiscal Year Ended August 31, 2023 Compared to Fiscal Year Ended August 31, 2022

Operating Items

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

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2023	2022	Dollars	Percent
Net sales:				
Maintenance products	$ 503,558	$ 485,326	$ 18,232	4 %
Homecare and cleaning products	33,697	33,494	203	1 %
Total net sales	537,255	518,820	18,435	4 %
Cost of products sold	263,035	264,055	(1,020)	0 %
Gross profit	274,220	254,765	19,455	8 %
Operating expenses	184,496	167,435	17,061	10 %
Income from operations	$ 89,724	$ 87,330	$ 2,394	3 %
Net income	$ 65,993	$ 67,329	$ (1,336)	(2)%
Earnings per common share – diluted	$ 4.83	$ 4.90	$ (0.07)	(1)%

Net Sales by Segment

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

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2023	2022	Dollars	Percent
Americas	$ 266,772	$ 240,233	$ 26,539	11 %
EMEA	190,818	204,688	(13,870)	(7)%
Asia-Pacific	79,665	73,899	5,766	8 %
Total	$ 537,255	$ 518,820	$ 18,435	4 %

Americas Sales

The following table summarizes net sales by product line for the Americas segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2023	2022	Dollars	Percent
Maintenance products	$ 250,348	$ 223,470	$ 26,878	12 %
Homecare and cleaning products	16,424	16,763	(339)	(2)%
Total	$ 266,772	$ 240,233	$ 26,539	11 %
% of consolidated net sales	**50 %**	**47 %**		
CC Net sales – non-GAAP [1]	$ 266,018	$ 240,233	$ 25,785	11 %
Currency impact on current period – non-GAAP	$ 754			

(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.

The following table summarizes management's estimates of effects on net sales of changes in price, volume and foreign currency exchange rate impacts for the Americas segment (in millions):

	Change from Prior Year				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Increase in average selling price[1]	$ 13.6	$ 12.0	$ 11.0	$ 3.5	$ 40.1
(Decrease) increase in sales volume[1]	(11.7)	(3.8)	(1.5)	2.6	(14.4)
Currency impact on current period – non-GAAP	(0.2)	0.2	0.2	0.6	0.8
Increase in net sales	$ 1.7	$ 8.4	$ 9.7	$ 6.7	$ 26.5

(1) Management's estimates of changes in 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 – Fiscal Year Ended – August 31, 2023 Compared to August 31, 2022

Net sales of maintenance products in the Americas segment increased primarily due to the following (by region):

- U.S. sales increased $30.8 million, or 17%. WD-40 Multi-Use Product sales increased by $31.0 million, or 19%, primarily due to price increases implemented throughout the prior fiscal year, which had a significant impact on net sales during fiscal year 2023. In addition, net sales were positively impacted by improved supply chain capacity. WD-40 Specialist and 3-IN-ONE products are sourced at certain third-party manufacturers that were impacted significantly by global supply chain constraints in the prior period, particularly in the first half of fiscal year 2022. However, adjustments we have made in our supply chain to increase the production capacity of our most significant products, including WD-40 Specialist and 3-IN-ONE, improved the availability of these products from period to period. WD-40 Specialist and 3-IN-ONE sales increased by $5.5 million, or 24%, and $3.7 million, or 49%, respectively, primarily due to these improvements that resulted in increased sales volume, as well as price increases implemented during the last twelve months.

- Latin America sales decreased $3.6 million, or 8%, primarily due to weaker economic conditions in many countries within this region, as well as the timing of marketing distributor orders from period to period. Sales were unfavorably impacted period to period due to marketing distributors purchasing a higher level of our product in advance of price increases that went into effect in late fiscal year 2022 for some regions in Latin America. This resulted in certain marketing distributors carrying a higher level of our product than usual leading into fiscal year 2023, which was combined with lower demand due to weaker economic conditions in these regions that limited the level of orders from these distributors during the fiscal year 2023. These unfavorable impacts were partially offset by higher sales in our direct market in Mexico, primarily due to favorable impacts of changes in foreign

currency exchange rates and price increases from period to period, partially offset by lower sales volumes as a result of lower demand.

- Canada sales decreased $0.6 million, or 4%, due to unfavorable changes in foreign currency exchange rates and weaker economic conditions that resulted in lower levels of demand and decreased sales volume. In the prior fiscal year, we experienced a higher level of demand in the industrial channel of Western Canada as a result of increased activity levels of end-users in the oil industry due to market conditions within the industry at that time. Demand in the industrial channel of Western Canada was significantly lower in fiscal year 2023. These unfavorable impacts were partially offset by price increases from period to period.

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

- The unfavorable impact of lower demand for certain brands was partially offset by price increases and the improvement in the capacity and flexibility of our supply chain 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 Americas segment, 78% of sales came from the U.S., and 22% of sales came from Canada and Latin America combined for the fiscal year ended August 31, 2023 compared to the prior fiscal year when 74% of sales came from the U.S., and 26% of sales came from Canada and Latin America combined.

EMEA Sales

The following table summarizes net sales by product line for the EMEA segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2023	2022	Dollars	Percent
Maintenance products	$ 181,501	$ 196,524	$ (15,023)	(8)%
Homecare and cleaning products	9,317	8,164	1,153	14 %
Total	$ 190,818	$ 204,688	$ (13,870)	(7)%
% of consolidated net sales	**36 %**	**39 %**		
CC Net sales – non-GAAP [(1)]	$ 205,715	$ 204,688	$ 1,027	1 %
Currency impact on current period – non-GAAP	$ (14,897)			

(1) 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.

The following table summarizes management's estimates of effects on net sales of changes in price, volume and foreign currency exchange rate impacts for the EMEA segment (in millions):

	Change from Prior Year				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Increase in average selling price[1]	$ 9.5	$ 11.1	$ 9.7	$ 6.0	$ 36.3
Decrease in sales volume[1] – Russian markets	(5.0)	(3.3)	-	-	(8.3)
Decrease in sales volume[1] – All other markets	(13.2)	(10.2)	(3.5)	(0.1)	(27.0)
Currency impact on current period – non-GAAP	(8.0)	(4.9)	(3.2)	1.2	(14.9)
(Decrease) increase in net sales	$ (16.7)	$ (7.3)	$ 3.0	$ 7.1	$ (13.9)

(1) Management's estimates of changes in 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.

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 – Fiscal Year Ended – August 31, 2023 Compared to August 31, 2022

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

Direct Markets – EMEA (72% of net sales YTD FY2023 vs 67% YTD FY2022)

- Sales in our direct markets decreased $1.6 million, or 1%. Changes in foreign currency exchange rates unfavorably impacted net sales by $10.6 million as a result of the weakening of the Pound Sterling, the functional currency of our U.K. subsidiary, against the U.S. Dollar.

- In addition, decreases in sales volume in most direct markets within Europe unfavorably impacted sales period to period. 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 the price increases implemented in late fiscal year 2022 and the first half of fiscal year 2023. These unfavorable impacts due to volume declines in Europe were offset by increases in sales volumes within the United Kingdom.

- The unfavorable impacts were partially offset by price increases across all direct markets.

Distributor Markets – EMEA (28% of net sales YTD FY2023 vs 33% YTD FY2022)

- Distributor market sales decreased $12.3 million, or 18%, in EMEA.

- Sales in Russia decreased $8.3 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 $4.3 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 impact of certain sales denominated other than in 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 India, Kuwait, Poland, and Pakistan which were down $1.5 million, $1.2 million, $0.7 million and $0.6 million, respectively.

- The decreases in distributor market sales were partially offset by price increases implemented over the last twelve months and favorable changes in sales mix.

Asia-Pacific Sales

The following table summarizes net sales by product line for the Asia-Pacific segment (in thousands, except percentages):

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2023	2022	Dollars	Percent
Maintenance products	$ 71,709	$ 65,332	$ 6,377	10 %
Homecare and cleaning products	7,956	8,567	(611)	(7)%
Total	$ 79,665	$ 73,899	$ 5,766	8 %
% of consolidated net sales	**14 %**	**14 %**		
CC Net sales – non-GAAP [1]	$ 83,221	$ 73,899	$ 9,322	13 %
Currency impact on current period – non-GAAP	$ (3,556)			

(1) 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.

The following table summarizes management's estimates of effects on net sales of changes in price, volume and foreign currency exchange rate impacts for the Asia-Pacific segment (in millions):

	Change from Prior Year				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Increase in average selling price[1]	$ 3.1	$ 0.9	$ 0.6	$ 0.9	$ 5.5
Increase (decrease) in sales volume[1]	3.5	(1.0)	5.5	(4.1)	3.9
Currency impact on current period – non-GAAP	(1.4)	(0.8)	(0.8)	(0.6)	(3.6)
Increase (decrease) in net sales	$ 5.2	$ (0.9)	$ 5.3	$ (3.8)	$ 5.8

(1) Management's estimates of changes in 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.

Asia-Pacific Sales – Fiscal Year Ended – August 31, 2023 Compared to August 31, 2022

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

- Asia distributor markets sales increased $4.0 million, or 13%, primarily due to higher sales in the fiscal year 2023 due to the absence of COVID-19 lockdown measures, that had severely limited the production of our products by our third-party manufacturer located in Shanghai, China. In addition, sales increased as a result of successful promotional programs and customers that purchased product in advance of price increases implemented in the first half of fiscal year 2023, all of which resulted in increased demand and higher sales volumes in most countries in the region early in fiscal year 2023. Sales were also favorably impacted by price increases implemented over the last twelve months.

- China sales increased $2.4 million, or 12%, due to the success of promotional programs in fiscal year 2023, which increased sales volume from period to period. In addition, sales were favorably impacted by price increases during the prior fiscal year as well as the easing of COVID-19 lockdown measures in Shanghai during the comparative period that severely limited the production of our products by our third-party manufacturer located in the region. 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 $4.3 million, or 21%.

- Australia sales decreased $0.6 million, or 3% primarily due to the unfavorable impact of changes in foreign currency exchange rates and lower sales volumes, primarily due to lower demand of homecare and cleaning products in the region. On a constant currency basis, sales in Australia would have increased $1.1 million, or 5% due to the favorable impact of price increases.

Gross Profit

The following general information is important when assessing our gross margin:

- There is often a delay 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. Such delays increase with higher production and inventory levels;

- 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 $17.1 million and $18.6 million for the fiscal years ended August 31, 2023 and 2022, 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):

	Fiscal Year Ended August 31,			
	2023	2022	Change from Prior Year	
Gross profit	$ 274,220	$ 254,765	$ 19,455	
Gross margin	51.0 %	49.1 %	190	bps [1]

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

Gross Margin – Fiscal Year Ended – August 31, 2023 Compared to August 31, 2022

Gross margin increased 190 bps primarily due to the following favorable impacts, significantly offset by unfavorable impacts:

Favorable/(Unfavorable)	*Explanations*
720 bps	Sales price increases implemented in all three segments at varying times during the current and prior fiscal year.
60 bps	Changes in foreign currency exchange rates in the EMEA segment.
(290) bps	Higher costs of aerosol cans.
(260) bps	Higher costs of specialty chemicals used in the formulation of our products.
(90) bps	Higher filling fees paid to our third-party contract manufacturers, primarily in the Americas segment.

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

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2023	2022	Dollars	Percent
SG&A expenses	$ 154,684	$ 138,658	$ 16,026	12 %
% of net sales	28.8 %	26.7 %		

SG&A Expenses – Fiscal Year Ended – August 31, 2023 Compared to August 31, 2022

The increase in SG&A expenses was primarily due to increases in employee-related costs of $13.0 million due to increased headcount and annual compensation increases, as well as higher incentive compensation accruals. Travel and meeting expense also increased SG&A by $4.2 million due to the reduction in travel restrictions related to COVID-19 from period to period. In addition, professional services fees increased $3.4 million in support of the initiatives associated with our strategic framework in the Americas and EMEA segments, including the ongoing implementation of our new information system and increased cloud-based software usage and license fees. In addition, sales commissions increased $0.5 million primarily due to higher sales in the Americas segment. Other miscellaneous expenses increased $0.9 million, primarily as a result of higher overhead expenses. These increases to SG&A expenses were partially offset by favorable changes in foreign currency exchange rates, which reduced SG&A expenses by $5.0 million. In addition, freight expense decreased $1.0 million from period to period.

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 for the fiscal years ended August 31, 2023 and 2022 were $6.2 million and $5.1 million, respectively. 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

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2023	2022	Dollars	Percent
A&P expenses	$ 28,807	$ 27,343	$ 1,464	5 %
% of net sales	5.4 %	5.3 %		

A&P Expenses – Fiscal Year Ended – August 31, 2023 Compared to August 31, 2022

The increase in A&P expenses was primarily due to a higher level of promotional programs and marketing support in the Americas segment. This increase was also partially attributable to us investing more in the promotion of new product innovations such as WD-40 Specialist Degreaser & Cleaner EZ-Pods and WD-40 Precision Pen.

Total promotional costs recorded as a reduction to sales were $29.1 million and $28.1 million for the fiscal years ended August 31, 2023 and 2022, respectively. Therefore, our total investment in A&P activities totaled $57.9 million and $55.4 million for the fiscal years ended August 31, 2023 and 2022, respectively.

Income from Operations by Segment

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

	Fiscal Year Ended August 31,			
			Change from Prior Year	
	2023	2022	Dollars	Percent
Americas	$ 60,797	$ 54,198	$ 6,599	12 %
EMEA	39,456	42,058	(2,602)	(6)%
Asia-Pacific	25,887	22,590	3,297	15 %
Unallocated corporate [(1)]	(36,417)	(31,516)	(4,901)	(16)%
Total	$ 89,723	$ 87,330	$ 2,393	3 %

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

Americas

Americas Operating Income – Fiscal Year Ended – August 31, 2023 Compared to August 31, 2022

Income from operations for the Americas increased to $60.8 million, up $6.6 million, or 12%, due to a $26.5 million increase in sales and a higher gross margin, partially offset by higher operating expenses. Gross margin for the Americas segment increased from 47.3% to 48.9% primarily due to the favorable impact of price increases implemented during the last twelve months, offset by increases in the costs of petroleum-based specialty chemicals and concentrate costs at our third-party manufacturers due to inflationary impacts. Operating expenses increased $10.4 million due to higher employee-related costs as a result of increased headcount and higher accrued incentive compensation. In addition, operating expenses increased due to a higher level of professional services expense, travel and meeting expense and A&P expense. Operating income as a percentage of net sales increased from 22.6% to 22.8% period over period.

EMEA

EMEA Operating Income – Fiscal Year Ended – August 31, 2023 Compared to August 31, 2022

Income from operations for the EMEA segment decreased to $39.5 million, down $2.6 million, or 6%, primarily due to a $13.9 million decrease in sales, which was slightly offset by a higher gross margin. Gross margin for the EMEA segment increased from 49.6% to 52.2% primarily due to price increases that were implemented over the last twelve months, significantly offset by the increased costs of aerosol cans and petroleum-based specialty chemicals. Operating expenses increased $0.6 million as higher travel and meeting expense and higher employee-related costs were mostly offset by lower level of A&P and freight expenses. Operating income as a percentage of net sales increased from 20.5% to 20.7% period over period.

Asia-Pacific

Asia-Pacific Operating Income – Fiscal Year Ended – August 31, 2023 Compared to August 31, 2022

Income from operations for the Asia-Pacific segment increased to $25.9 million, up $3.3 million, or 15%, primarily due to a $5.8 million increase in sales and a higher gross margin, partially offset by an increase in operating expenses. Gross margin for the Asia-Pacific segment increased from 53.6% to 55.3% primarily due to the favorable impact of price increases that were implemented during the current and prior fiscal year, partially offset by the increased cost of petroleum-based specialty chemicals and higher fill fees paid to our third-party contract manufacturers. Operating expenses increased $1.2 million from period to period primarily due to higher A&P expenses and travel and meetings expense. Operating income as a percentage of net sales increased from 30.6% to 32.5% period over period.

Non-Operating Items

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

	Fiscal Year Ended August 31,		
	2023	2022	Change
Interest income	$ 231	$ 102	$ 129
Interest expense	$ 5,614	$ 2,742	$ 2,872
Other (expense) income, net	$ 822	$ (582)	$ 1,404
Provision for income taxes	$ 19,170	$ 16,779	$ 2,391

Interest Income

Interest income was not significant for both the fiscal years ended August 31, 2023 and 2022.

Interest Expense

Interest expense increased primarily due to an increased weighted average outstanding balance on our revolving credit facility and higher interest rates related to draws on this credit facility.

Other (Expense) Income, Net

Other income (expense), net changed by $1.4 million from period to period which was primarily due to net foreign currency losses during fiscal year 2022 as compared to net foreign currency exchange gains in fiscal year 2023 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 22.5% of income before income taxes for the fiscal year ended August 31, 2023 compared to 19.9% for the prior fiscal year. The increase in the effective income tax rate from period to period was primarily due to higher tax rates in certain foreign jurisdictions, as well as tax shortfalls from the settlements of stock-based equity awards and increases in interest expense related to uncertain tax positions. The increase was partially offset by a decrease in nondeductible performance-based compensation expense.

Net Income

Net income was $66.0 million, or $4.83 per common share on a fully diluted basis, for fiscal year 2023 compared to $67.3 million, or $4.90 per common share on a fully diluted basis, for the prior fiscal year. Changes in foreign currency exchange rates year over year had an unfavorable impact of $2.4 million on net income for fiscal year 2023. Thus, on a constant currency basis, net income for fiscal year 2023 would have been $68.4 million.

Results of Operations

Fiscal Year Ended August 31, 2022 Compared to Fiscal Year Ended August 31, 2021

For discussion related to changes in financial condition and the results of operations for fiscal year 2022 compared to fiscal year 2021, refer to Part II—Item 7. 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 SEC on October 24, 2022.

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 55% of net sales, our cost of doing business to be 30% of net sales, and our EBITDA to be 25% of net sales. Results for these performance measures may vary from period to period depending on various factors, including economic conditions such as the inflationary environment we have experienced in the last several fiscal years, and our level of investment in activities for the future such as those related to quality assurance, regulatory compliance, information technology, sustainability, and intellectual property protection in order to safeguard our WD-40 brand. Our targets for gross margin and these other performance measures are long-term in nature and we expect to make progress towards 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:

	Fiscal Year Ended August 31,		
	2023	2022	2021
Gross margin – GAAP	51 %	49 %	54 %
Cost of doing business as a percentage of net sales – non-GAAP	33 %	31 %	35 %
EBITDA as a percentage of net sales – non-GAAP [1]	18 %	18 %	20 %

(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):

	Fiscal Year Ended August 31,		
	2023	2022	2021
Total operating expenses – GAAP	$ 184,496	$ 167,435	$ 174,898
Amortization of definite-lived intangible assets	(1,005)	(1,434)	(1,449)
Depreciation (in operating departments)	(4,147)	(4,369)	(4,311)
Cost of doing business – non-GAAP	$ 179,344	$ 161,632	$ 169,138
Net sales	$ 537,255	$ 518,820	$ 488,109
Cost of doing business as a percentage of net sales – non-GAAP	33 %	31 %	35 %

EBITDA (in thousands, except percentages):

	Fiscal Year Ended August 31,		
	2023	2022	2021
Net income – GAAP	$ 65,993	$ 67,329	$ 70,229
Provision for income taxes	19,170	16,779	16,270
Interest income	(231)	(102)	(81)
Interest expense	5,614	2,742	2,395
Amortization of definite-lived intangible assets	1,005	1,434	1,449
Depreciation	7,146	6,860	5,570
EBITDA	$ 98,697	$ 95,042	$ 95,832
Net sales	$ 537,255	$ 518,820	$ 488,109
EBITDA as a percentage of net sales – non-GAAP	18 %	18 %	20 %

Liquidity and Capital Resources

Overview

Our financial condition and liquidity remain strong. Although there continues to be uncertainty related to adverse global economic conditions, volatility in financial markets, the current inflationary environment and their impacts on our future results, we believe our efficient business model positions us to manage our business through such situations. 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, N.A. 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 8 – 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 Pounds 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 August 31, 2023, $42.9 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 $10.0 million is denominated in U.S. Dollars and classified as short-term. In the United States, we held $67.6 million in fixed rate long-term borrowings as of August 31, 2023, consisting of senior notes under our Note Agreement. We paid $0.8 million in principal payments on our Series A Notes during 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 8 – Debt for additional information on these financial covenants. At August 31, 2023, 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 August 31, 2023, we had a total of $48.1 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 approved a share repurchase plan (the “2021 Repurchase Plan”). Under the

2021 Repurchase Plan, which became effective on November 1, 2021, we were authorized to acquire up to $75.0 million of our outstanding shares through August 31, 2023. On June 19, 2023, our Board approved a share repurchase plan (the "2023 Repurchase Plan"). Under the 2023 Repurchase Plan, which became effective on September 1, 2023, we are authorized to acquire up to $50.0 million of our outstanding shares through August 31, 2025.

Cash Flows

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

	Fiscal Year Ended August 31,		
	2023	2022	2021
Net cash provided by operating activities	$ 98,391	$ 2,604	$ 84,714
Net cash used in investing activities	(6,216)	(7,691)	(14,460)
Net cash used in financing activities	(85,048)	(38,011)	(40,749)
Effect of exchange rate changes on cash and cash equivalents	3,173	(5,020)	(6)
Net increase (decrease) in cash and cash equivalents	$ 10,300	$ (48,118)	$ 29,499

Operating Activities

Net cash provided by operating activities increased $95.8 million to $98.4 million for fiscal year 2023. Cash flows from operating activities depend heavily on operating performance and changes in working capital. Our primary source of operating cash flows for fiscal year ended August 31, 2023 was net income of $66.0 million, which decreased $1.3 million from period to period. Changes in our working capital, which increased net cash provided by operating activities, were primarily attributable to a decrease in inventory during the fiscal year 2023 compared to a significant increase in inventory in the corresponding period of the prior fiscal year, which resulted in a $72.6 million favorable impact period over period to our cash provided by operating activities. In the prior fiscal year, we took deliberate actions to increase inventory levels of certain raw materials, components and finished goods due to challenges within supply chain and increased lead times required by suppliers. This building of our inventory continued into the first quarter of fiscal year 2023 and we have experienced increases in the capacity and flexibility of our supply chain as a direct result of these actions. Although our inventory levels remain at balances that are higher than historical levels, inventory has decreased since the first quarter of 2023 through the end of fiscal year 2023. In addition, net cash provided by operating activities increased from period to period due to lower increases in other assets. Net cash provided by operating activities also increased due to lower incentive compensation payouts in fiscal year 2023 compared to the prior fiscal year.

Investing Activities

Net cash used in investing activities decreased $1.5 million to $6.2 million for fiscal year 2023, primarily due to a lower level of manufacturing-related capital expenditures within the U.S. and the U.K. from period to period.

Financing Activities

Net cash used in financing activities increased $47.0 million to $85.0 million for fiscal year 2023. This change was primarily due to net repayments on our revolving credit facility of $28.3 million during the fiscal year, compared to net proceeds of $38.4 million in the prior fiscal year. Increases in dividends paid to our stockholders also increased cash used in financing activities by $2.6 million. Offsetting these increases in cash outflows from period to period was a decrease in treasury stock purchases of $18.7 million, as well as a decrease of $3.6 million in shares withheld to cover taxes on conversion of equity awards.

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 Pounds 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 $3.2 million in fiscal year 2023, while such changes resulted in a decrease in cash of $5.0 million for fiscal year 2022, and were not significant

in fiscal year 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.

Cash Flows

Fiscal Year Ended August 31, 2022 Compared to Fiscal Year Ended August 31, 2021

For discussion related to changes in the consolidated statements of cash flows for fiscal year 2022 compared to fiscal year 2021, refer to Part II—Item 7. 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 SEC on October 24, 2022.

Share Repurchase Plans

The information required by this item is incorporated by reference to Part IV—Item 15, "Exhibits, Financial Statement Schedules" Note 9 — Share Repurchase Plans, included in this report.

Dividends

We have historically paid regular quarterly cash dividends on our common stock. On December 13, 2022, our Board approved a 6% increase in the regular quarterly cash dividend, increasing it from $0.78 per share to $0.83 per share. On October 6, 2023, our Board declared a cash dividend of $0.83 per share payable on October 31, 2023 to stockholders of record on October 20, 2023. Our ability to pay dividends could be affected by future business performance, liquidity, capital needs, alternative investment opportunities and loan covenants.

Contractual Obligations

We hold borrowings under our Note Purchase and Private Shelf Agreement with fixed repayment requirements and under a Revolving Credit Facility that has variable underlying interest rates. For additional details on these borrowings, including ability and intent assessment on our credit facility agreement with Bank of America, N.A., refer to the information set forth in Part IV—Item 15, "Exhibits, Financial Statement Schedules", Note 8 – Debt.

Additionally, we have ongoing relationships with various suppliers (contract manufacturers) that manufacture our products, and third-party distribution centers that 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 the finished products themselves until shipment to our third-party distribution centers or customers 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 August 31, 2023, no such commitments were outstanding.

At August 31, 2023, the liability recorded for uncertain tax positions, excluding associated interest and penalties, was approximately $9.3 million. For additional details on our uncertain tax positions, refer to the information set forth in Part IV—Item 15, "Exhibits, Financial Statement Schedules" Note 13 – Income Taxes. We have estimated that up to $0.4 million of unrecognized tax benefits related to income tax positions may be affected by the resolution of tax examinations or expiring statutes of limitation within the next twelve months.

Critical Accounting Policies and Estimates

Our results of operations and financial condition, as reflected in our consolidated financial statements, have been prepared in accordance with accounting principles generally accepted in the United States of America. Preparation of financial statements requires us to make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues and expenses and the disclosures of contingent assets and liabilities. We use historical experience and other relevant factors when developing estimates and assumptions and these estimates and assumptions are continually evaluated. Note 2 to our consolidated financial statements included in Item 15 of this report includes a discussion of our significant accounting policies. The accounting policies discussed below are the ones we consider to be most critical to an understanding of our consolidated financial statements because their application places the most significant demands on our judgment. Our financial results may have varied from those reported had different assumptions been used or other conditions prevailed.

Revenue Recognition

Sales are recognized as revenue at a point in time upon transferring control of the product to the customer. This typically occurs when products are shipped or delivered, depending on when risks of loss and title have passed to the customer per the terms of the contract. For certain of our sales we must make judgments and certain assumptions in order to determine when delivery has occurred. Through an analysis of end-of-period shipments for these particular sales, we estimate the time of transit and delivery of product to our customers to determine whether revenue should be recognized during the current reporting period for such shipments. Differences in judgments or estimates related to the lengthening or shortening of the estimated delivery time used could result in material differences in the timing of revenue recognition.

Sales are recorded net of allowances for damaged goods and other sales returns, sales incentives, trade promotions and cash discounts. We apply a five-step approach in determining the amount and timing of revenue to be recognized which includes the following: (1) identifying the contract with a customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations in the contract and (5) recognizing revenue when the performance obligation is satisfied.

In determining the transaction price, management evaluates whether the price is subject to refunds or adjustments related to variable consideration to determine the net consideration to which we expect to be entitled. We record estimates of variable consideration as a reduction of sales in the consolidated statements of operations. Variable consideration primarily includes rebates/other discounts (cooperative marketing programs, volume-based discounts, shelf price reductions and allowances for shelf space, charges from customers for services they provided to us related to the sale and penalties/fines charged to us by our customers for failing to adhere to contractual obligations), coupon offers, cash discount allowances, and sales returns. These estimates are based on the expected value method considering all reasonably available information, including current and past trade promotion spending patterns, status of trade promotion activities and the interpretation of historical spending trends by customer and category, customer agreements and/or currently known factors that arise in the normal course of business. We review our assumptions and adjust these estimates accordingly on a quarterly basis. Our consolidated financial statements could be materially impacted if the actual promotion rates are different from the estimated rates. If our accrual estimates for sales incentives at August 31, 2023 were to differ by 10%, the impact on net sales would be approximately $1.3 million.

Accounting for Income Taxes

Current income tax expense is the amount of income taxes expected to be payable for the current year. A deferred income tax liability or asset is established for the expected future tax consequences resulting from the differences in financial reporting and tax bases of assets and liabilities. Based on changes in the related tax law as well as forecasted results, a valuation allowance is provided if it is more likely than not that some or all of the deferred tax assets will not be realized. In addition to valuation allowances, we provide for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement standards prescribed by the authoritative guidance on income taxes. Amounts for uncertain tax positions are adjusted in periods when new information becomes available or when positions are effectively settled. We recognize accrued interest and penalties related to uncertain tax positions as a component of income tax expense.

We are required to make assertions on whether our foreign subsidiaries will invest their undistributed earnings indefinitely and these assertions are based on the capital needs of the foreign subsidiaries. Generally, unremitted earnings of our foreign subsidiaries are not considered to be indefinitely reinvested. However, there is an exception regarding specific statutory remittance restrictions imposed on our China subsidiary. Costs associated with repatriating unremitted foreign earnings,

including U.S. state income taxes and foreign withholding taxes, are immaterial to our consolidated financial statements. For additional information on income tax matters, see Part IV—Item 15, "Exhibits, Financial Statement Schedules" Note 13 — Income Taxes, included in this report.

Recently Issued Accounting Standards

Information on Recently Issued Accounting Standards that could potentially impact our consolidated financial statements and related disclosures is incorporated by reference to Part IV—Item 15, "Exhibits, Financial Statement Schedules" Note 2 — Basis of Presentation and Summary of Significant Accounting Policies, included in this report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Risk

We are exposed to a variety of risks, including foreign currency exchange rate fluctuations. In the normal course of business, we employ established policies and procedures to manage our exposure to fluctuations in foreign currency values.

All of our international subsidiaries operate in functional currencies other than the U.S. Dollar. As a result, we are exposed to foreign currency related risk when the financial statements of our international subsidiaries are translated for consolidation purposes from functional currencies to U.S. Dollars. This foreign currency risk can affect sales, expenses and profits as well as assets and liabilities that are denominated in currencies other than the U.S. Dollar. We do not enter into any hedging activities to mitigate this foreign currency translation risk.

Our U.K. subsidiary, whose functional currency is Pounds Sterling, utilizes foreign currency forward contracts to limit our exposure to net asset balances held in non-functional currencies. We regularly monitor our foreign exchange exposures to ensure the overall effectiveness of our foreign currency hedge positions. While we engage in foreign currency hedging activity to reduce our risk, for accounting purposes, none of our foreign currency forward contracts are designated as hedges.

Commodity Price Risk

Specialty chemicals and aerosol cans constitute a significant portion of the cost of many of our maintenance products. Volatility in the price of oil directly impacts the cost of specialty chemicals which are indexed to the price of crude oil. If there are significant increases in the costs of crude oil, our gross margins and operating results will be negatively impacted. We do not currently have a strategy or policy to enter into transactions to hedge crude oil price volatility, but we regularly review this policy based on market conditions and other factors.

Interest Rate Risk

As of August 31, 2023, we had a $52.9 million outstanding balance on our existing $150.0 million revolving credit facility agreement with Bank of America, N.A. This $150.0 million revolving credit facility is subject to interest rate fluctuations. Under the terms of the credit facility agreement, we may borrow loans in U.S. Dollars or in foreign currencies from time to time until September 30, 2025. In addition, we had $67.6 million in fixed rate borrowings consisting of senior notes under our note purchase agreements as of August 31, 2023. For additional details on our long-term borrowings as of August 31, 2023, refer to the information set forth in Part IV—Item 15, "Exhibits, Financial Statement Schedules" and Note 8 – Debt. Interest rates associated with this revolving credit facility are based on the following rates:

- Bloomberg Short-term Bank Yield Index Rate (U.S. Dollar borrowings)
- Sterling Overnight Index Average Reference Rate (Pound Sterling borrowings)
- Euro Interbank Offered Rate (Euro borrowings)

As of August 31, 2023, our primary interest rate exposure was from changes in interest rates which affect the variable rate on our revolving credit facility. Based on the outstanding balance on our revolving credit facility as of August 31, 2023, the annualized effect of a one percentage point increase in variable interest rates would have resulted in a pretax reduction of our earnings and cash flows of approximately $0.5 million in fiscal year 2023. As of August 31, 2023, our weighted average cost of short-term debt, including both fixed and variable rate borrowings, was 5.6%.

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements at August 31, 2023 and 2022 and for each of the three fiscal years in the period ended August 31, 2023, and the Report of Independent Registered Public Accounting Firm, are included in Item 15 of this report.

Quarterly Financial Data (Unaudited)

Pursuant to amendments in SEC Release No. 33-10890, we have omitted historical quarterly financial data for our business over the last two fiscal year periods as there has not been any retrospective change to the information previously reported.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure 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 August 31, 2023, 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.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, management conducted an evaluation of the effectiveness of its internal control over financial reporting based upon the framework in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on that evaluation, management concluded that its internal control over financial reporting is effective as of August 31, 2023.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP, independent registered public accounting firm, who audited and reported on the consolidated financial statements of WD-40 Company included in Item 15 of this report, has audited the effectiveness of WD-40 Company's internal control over financial reporting as of August 31, 2023, as stated in their report included in Item 15 of this report.

Changes in Internal Control over Financial Reporting

There were no changes to the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter ended August 31, 2023, that materially affected, or would be reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

During the three months ended August 31, 2023, except for one of the Company's directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) (collectively, "Section 16 Filers"), none of the Company's Section 16 Filers informed the Company of the adoption, modification or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K. On June 14, 2023, Patricia Q. Olsem's Rule 10b5-1 trading arrangement terminated pursuant to its terms, i.e., upon the earlier of November 7, 2023 or the execution of all trades of all orders.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Certain information required by this item is set forth in sections under the headings "Security Ownership of Certain Beneficial Owners and Management," "Director Nominees," and "Related Party Transactions Review and Oversight" in our Proxy Statement to be filed with the Securities and Exchange Commission in connection with the 2023 Annual Meeting of Stockholders on December 12, 2023 ("Proxy Statement"), which information is incorporated by reference herein. Information regarding executive officers is also incorporated by reference to the "Information Regarding our Executive Officers" section of our Proxy Statement.

The Registrant has a code of ethics (as defined in Item 406 of Regulation S-K under the Exchange Act) applicable to its principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions. The code of ethics is represented by the Registrant's Code of Conduct applicable to all employees and directors. A copy of the Code of Conduct may be found on the Registrant's internet website on the Corporate Governance link from the Investors page at www.wd40company.com.

Item 11. Executive Compensation

Information required by this item is incorporated by reference to sections of the Proxy Statement under the headings "Director Compensation" (and the table following such section), "Compensation Committee – Compensation Committee Interlocks and Insider Participation," "Compensation Discussion and Analysis," "Compensation Committee Report," "Executive Compensation" (and the compensation tables following such section), "Summary Compensation Table," "Supplemental Death Benefit Plans and Supplemental Insurance Benefits," "Change of Control Severance Agreements" and "CEO Pay Ratio."

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Certain information required by this item is incorporated by reference to the Proxy Statement under the heading "Security Ownership of Certain Beneficial Owners and Management."

Equity Compensation Plan Information

The following table provides information regarding shares of our common stock authorized for issuance under equity compensation plans as of August 31, 2023:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	137,829 (1)	$ -	172,878
Equity compensation plans not approved by security holders	n/a	n/a	n/a
	137,829 (1)	$ -	172,878

(1) Includes 79,816 securities to be issued pursuant to outstanding restricted stock units; 33,949 securities to be issued pursuant to outstanding market share units ("MSUs") based on 100% of the target number of MSU shares to be issued upon achievement of the applicable performance measure specified for such MSUs; 2,916 securities to be issued pursuant to outstanding deferred performance units ("DPUs"); and 21,148 securities to be issued pursuant to outstanding performance share units ("PSUs") based on 100% of the maximum number of PSU shares to be issued upon achievement of the applicable performance measure specified for such PSUs.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this item is incorporated by reference to the Proxy Statement under the headings "Director Independence" and "Audit Committee – Related Party Transactions Review and Oversight."

Item 14. Principal Accountant Fees and Services

Information required by this item is incorporated by reference to the Proxy Statement under the heading “Ratification of Appointment of Independent Registered Public Accounting Firm.”

PART IV

Item 15. Exhibits, Financial Statement Schedules

		Page
(a)	Documents filed as part of this report	
(1)	Report of Independent Registered Public Accounting Firm (PCAOB ID: 238)	F-1
	Consolidated Balance Sheets	F-3
	Consolidated Statements of Operations	F-4
	Consolidated Statements of Comprehensive Income	F-5
	Consolidated Statements of Stockholders' Equity	F-6
	Consolidated Statements of Cash Flows	F-7
	Notes to Consolidated Financial Statements	F-8

(2) Financial statement schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.
(3) Exhibits

Exhibit No.	Description
	Articles of Incorporation and Bylaws.
3(a)	Certificate of Incorporation,incorporated by reference from the Registrant's Form 10-K filed October 22, 2018, 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 June 23, 2023, Exhibit 3.2 thereto.
	Material Contracts.
	Executive Compensation Plans and Arrangements (Exhibits 10(a) through 10(t) are management contracts and compensatory plans or arrangements required to be filed as exhibits pursuant to Item 15(b)).
10(a)	WD-40 Company 2016 Stock Incentive Plan, incorporated by reference from the Registrant's Proxy Statement filed November 3, 2016, Appendix A thereto.
10(b)	WD-40 Directors' Compensation Policy and Election Plan dated October 5, 2023.
10(c)	Form of Indemnity Agreement between the Registrant and its executive officers and directors, incorporated by reference from the Registrant's Form 10-K filed October 22, 2013, Exhibit 10(d) thereto.
10(d)	Form of Restricted Stock Unit Agreement for grants of Restricted Stock Units to Executive Officers in fiscal year 2021, incorporated by reference from the Registrant's Form 10-K filed October 21, 2020, Exhibit 10(g) thereto.
10(e)	Form of Market Share Unit Award Agreement for grants of Market Share Units to Executive Officers in fiscal year 2021 incorporated by reference from the Registrant's Form 10-K filed October 21, 2020, Exhibit 10(h) thereto.
10(f)	Form of Performance Share Unit Restricted Stock Award Agreement for grants of Performance Share Units to Executive Officers in fiscal year 2021, incorporated by reference from the Registrant's Form 10-K filed October 21, 2020, Exhibit 10(i) thereto.
10(g)	Form of Restricted Stock Unit Agreement for grants of Restricted Stock Units to Executive Officers in fiscal year 2022, incorporated by reference from the Registrant's Form 10-K filed October 22, 2021, Exhibit 10(j) thereto.

10(h)	Form of Market Share Unit Award Agreement for grants of Market Share Units to Executive Officers in fiscal year 2022, incorporated by reference from the Registrant's Form 10-K filed October 22, 2021, Exhibit 10(k) thereto.
10(i)	Form of Performance Share Unit Restricted Stock Award Agreement for grants of Performance Share Units to Executive Officers in fiscal year 2022, incorporated by reference from the Registrant's Form 10-K filed October 22, 2021, Exhibit 10(l) thereto.
10(j)	Transition and Release Agreement, dated March 11, 2022, between WD-40 Company and Garry O. Ridge, incorporated by reference from the Registrant's Form 8-K filed March 16, 2022, Exhibit 10.1 thereto.
10(k)	FY 2022 Restricted Stock Unit Award Agreement, dated March 11, 2022, between WD-40 Company and Garry O. Ridge, incorporated by reference from the Registrant's Form 8-K filed March 16, 2022, Exhibit 10.2 thereto.
10(l)	Form of Restricted Stock Unit Agreement for grants of Restricted Stock Units to Executive Officers in fiscal year 2023, incorporated by reference from the Registrant's Form 10-K filed October 24, 2022, Exhibit 10(o) thereto.
10(m)	Form of Market Share Unit Award Agreement for grants of Market Share Units to Executive Officers in fiscal year 2023, incorporated by reference from the Registrant's Form 10-K filed October 24, 2022, Exhibit 10(p) thereto.
10(n)	Form of Performance Share Unit Restricted Stock Award Agreement for grants of Performance Share Units to Executive Officers in fiscal year 2023, incorporated by reference from the Registrant's Form 10-K filed October 24, 2022, Exhibit 10(q) thereto.
10(o)	Form of Restricted Stock Unit Agreement for grants of Restricted Stock Units to Executive Officers in fiscal year 2024.
10(p)	Form of Market Share Unit Award Agreement for grants of Market Share Units to Executive Officers in fiscal year 2024.
10(q)	Form of Performance Share Unit Restricted Stock Award Agreement for grants of Performance Share Units to Executive Officers in fiscal year 2024.
10(r)	WD-40 Company 2017 Performance Incentive Compensation Plan, incorporated by reference from the Registrant's Proxy Statement filed November 2, 2017, Appendix A thereto.
10(s)	Form of WD-40 Company Supplemental Death Benefit Plan applicable to certain executive officers of the Registrant, incorporated by reference from the Registrant's Form 10-K filed October 24, 2016, Exhibit 10(i) thereto.
10(t)	Form of Change in Control Severance Agreement between WD-40 Company and Executive Officers, incorporated by reference from the Registrant's Form 10-Q filed January 9, 2023, Exhibit 10(a) thereto.
10(u)	Credit Agreement dated March 16, 2020 among WD-40 Company and Bank of America, incorporated by reference from the Registrant's Form 8-K filed March 20, 2020, Exhibit 10(a) thereto.
10(v)	Form of Acknowledgement Letter Agreement dated April 8, 2020 among WD-40 Company and Bank of America, incorporated by reference from the Registrant's Form 10-Q filed April 9, 2020, Exhibit 10(d) thereto.
10(w)	Libor Transition Agreement dated November 29, 2021 among the Company and Bank of America, N.A., incorporated by reference from the Registrant's Form 8-K filed December 1, 2021, Exhibit 10(a) thereto.
10(x)	First Amendment to Credit Agreement dated September 30, 2020 among WD-40 Company and Bank of America, N.A., incorporated by reference from the Registrant's Form 8-K filed October 6, 2020, Exhibit 10(a) thereto.
10(y)	Note Purchase and Private Shelf Agreement dated November 15, 2017 among WD-40 Company and Prudential and certain Note Purchasers, incorporated by reference from the Registrant's Form 8-K filed November 17, 2017, Exhibit 10(a) thereto.

10(z)	First Amendment to Note Purchase Agreement dated February 23, 2018 among WD-40 Company and Prudential and certain Note Purchasers, incorporated by reference from the Registrant's Form 8-K filed February 27, 2018, Exhibit 10(b) thereto.
10(aa)	Second Amendment to Note Purchase and Private Shelf Agreement dated March 16, 2020 among WD-40 Company and Prudential and certain Note Purchasers, incorporated by reference from the Registrant's Form 8-K filed March 20, 2020, Exhibit 10(b) thereto.
10(ab)	Form of Limited Consent Letter Agreement dated April 8, 2020 among WD-40 Company and Prudential and certain Note Purchasers, incorporated by reference from the Registrant's Form 10-Q filed April 9, 2020, Exhibit 10(e) thereto.
10(ac)	Third Amendment to Note Purchase and Private Shelf Agreement dated September 30, 2020 among WD-40 Company and Prudential and certain Note Purchasers, incorporated by reference from the Registrant's Form 8-K filed October 6, 2020, Exhibit 10(e) thereto.
10(ad)	Series B Senior Notes dated September 30, 2020, incorporated by reference from the Registrant's Form 8-K filed October 6, 2020, Exhibit 10(f) thereto.
10(ae)	Series C Senior Notes dated September 30, 2020, incorporated by reference from the Registrant's Form 8-K filed October 6, 2020, Exhibit 10(g) thereto.
21	Subsidiaries of the Registrant.
23	Consent of Independent Registered Public Accounting Firm dated October 23, 2023.
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.
97	Policy for Recovery of Erroneously Awarded Compensation of WD-40 Company, incorporated by reference from the Registrant's Form 8-K filed June 23, 2023, Exhibit 10.1 thereto.
101	The following materials from WD-40 Company's Annual report on Form 10-K for the fiscal year ended August 31, 2023 formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statements of Operations, (ii) the Consolidated Statements of Comprehensive Income, (ii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Balance Sheet, (v) the Consolidated Statements of Stockholders' Equity, and (vi) Notes to the Consolidated Financial Statements.
104	The cover page from the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2023, formatted in iXBRL and contained in Exhibit 101.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

WD-40 COMPANY
Registrant

/s/ SARA K. HYZER

SARA K. HYZER
Vice President, Finance and and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)
Date: October 23, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ STEVEN A. BRASS
STEVEN A. BRASS
President, Chief Executive Officer and Director
(Principal Executive Officer)
Date: October 23, 2023

/s/ CYNTHIA BURKS
CYNTHIA B. BURKS, Director
Date: October 23, 2023

/s/ TREVOR I. MIHALIK
TREVOR I. MIHALIK, Director
Date: October 23, 2023

/s/ DANIEL T. CARTER
DANIEL T. CARTER, Director
Date: October 23, 2023

/s/ GRACIELA I. MONTEAGUDO
GRACIELA I. MONTEAGUDO, Director
Date: October 23, 2023

/s/ ERIC P. ETCHART
ERIC P. ETCHART, Director
Date: October 23, 2023

/s/ DAVID B. PENDARVIS
DAVID B. PENDARVIS, Director
Date: October 23, 2023

/s/ LARA L. LEE
LARA L. LEE, Director
Date: October 23, 2023

/s/ GREGORY A. SANDFORT
GREGORY A. SANDFORT, Director
Date: October 23, 2023

/s/ EDWARD O. MAGEE, JR.
EDWARD O. MAGEE, JR., Director
Date: October 23, 2023

/s/ ANNE G. SAUNDERS
ANNE G. SAUNDERS, Director
Date: October 23, 2023

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of WD-40 Company

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of WD-40 Company and its subsidiaries (the "Company") as of August 31, 2023 and 2022, and the related consolidated statements of operations, of comprehensive income, of stockholders' equity and of cash flows for each of the three years in the period ended August 31, 2023, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of August 31, 2023, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of August 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended August 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 31, 2023, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and

directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition – Product Sales

As described in Notes 2 and 11 to the consolidated financial statements, product sales make up a majority of the Company's net sales of $537.3 million for the year ended August 31, 2023. The Company generates revenue from sales of its products to customers. Product sales include maintenance products and homecare and cleaning products. As disclosed by management, sales are recognized as revenue at a point in time upon transferring control of the product to the customer, which typically occurs when products are shipped or delivered, depending on when risks of loss and title have passed to the customer per the terms of the contract. The Company recognizes revenue related to the sale of these products in an amount reflecting the consideration to which it expects to be entitled.

The principal consideration for our determination that performing procedures relating to revenue recognition for product sales is a critical audit matter is a high degree of auditor effort involved in performing procedures related to the Company's revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to product sales revenue recognition, including controls over the recording of product sales at the point in time upon transferring control to the customer. These procedures also included, among others (i) testing the revenue recognized for a sample of revenue transactions by obtaining and inspecting source documents, such as purchase orders, invoices, proof of shipment or delivery, and cash receipts and (ii) confirming a sample of outstanding customer invoice balances as of August 31, 2023 and, for confirmations not returned, obtaining and inspecting source documents, such as purchase orders, invoices, proof of shipment or delivery, and subsequent cash receipts.

/s/ PricewaterhouseCoopers LLP

San Diego, California
October 23, 2023

We have served as the Company's auditor since at least 1972. We have not been able to determine the specific year we began serving as auditor of the Company.

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

	August 31, 2023	August 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 48,143	$ 37,843
Trade and other accounts receivable, net	98,039	89,930
Inventories	86,522	104,101
Other current assets	15,821	17,766
Total current assets	248,525	249,640
Property and equipment, net	66,791	65,977
Goodwill	95,505	95,180
Other intangible assets, net	4,670	5,588
Operating lease right-of-use assets	7,820	7,559
Deferred tax assets, net	1,201	679
Other assets	13,454	9,672
Total assets	$ 437,966	$ 434,295
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 30,826	$ 32,852
Accrued liabilities	30,000	27,161
Accrued payroll and related expenses	16,722	11,583
Short-term borrowings	10,800	39,173
Income taxes payable	494	51
Total current liabilities	88,842	110,820
Long-term borrowings	109,743	107,139
Deferred tax liabilities, net	10,305	10,528
Long-term operating lease liabilities	5,832	5,999
Other long-term liabilities	13,066	11,185
Total liabilities	227,788	245,671
Commitments and Contingencies (Note 12)		
Stockholders' equity:		
Common stock — authorized 36,000,000 shares, $0.001 par value; 19,905,815 and 19,888,807 shares issued at August 31, 2023 and 2022, respectively; and 13,563,434 and 13,602,346 shares outstanding at August 31, 2023 and 2022, respectively	20	20
Additional paid-in capital	171,546	165,973
Retained earnings	477,488	456,076
Accumulated other comprehensive income (loss)	(31,206)	(36,209)
Common stock held in treasury, at cost — 6,342,381 and 6,286,461 shares at August 31, 2023 and 2022, respectively	(407,670)	(397,236)
Total stockholders' equity	210,178	188,624
Total liabilities and stockholders' equity	$ 437,966	$ 434,295

See accompanying notes to consolidated financial statements.

WD-40 COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Fiscal Year Ended August 31,		
	2023	2022	2021
Net sales	$ 537,255	$ 518,820	$ 488,109
Cost of products sold	263,035	264,055	224,370
Gross profit	274,220	254,765	263,739
Operating expenses:			
Selling, general and administrative	154,684	138,658	145,493
Advertising and sales promotion	28,807	27,343	27,956
Amortization of definite-lived intangible assets	1,005	1,434	1,449
Total operating expenses	184,496	167,435	174,898
Income from operations	89,724	87,330	88,841
Other income (expense):			
Interest income	231	102	81
Interest expense	(5,614)	(2,742)	(2,395)
Other income (expense), net	822	(582)	(28)
Income before income taxes	85,163	84,108	86,499
Provision for income taxes	19,170	16,779	16,270
Net income	$ 65,993	$ 67,329	$ 70,229
Earnings per common share:			
Basic	$ 4.84	$ 4.91	$ 5.11
Diluted	$ 4.83	$ 4.90	$ 5.09
Shares used in per share calculations:			
Basic	13,578	13,668	13,698
Diluted	13,604	13,696	13,733

See accompanying notes to consolidated financial statements.

WD-40 COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Fiscal Year Ended August 31,		
	2023	2022	2021
Net income	$ 65,993	$ 67,329	$ 70,229
Other comprehensive income (loss):			
Foreign currency translation adjustment	5,003	(10,179)	2,178
Total comprehensive income	$ 70,996	$ 57,150	$ 72,407

See accompanying notes to consolidated financial statements.

WD-40 COMPANY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share and per share amounts)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at August 31, 2020	19,812,685	$ 20	$ 157,850	$ 398,731	$ (28,208)	6,147,899	$ (368,080)	$ 160,313
Issuance of common stock under share-based compensation plan, net of shares withheld for taxes	44,180		(3,668)					(3,668)
Stock-based compensation			9,555					9,555
Cash dividends ($2.78 per share)				(38,225)				(38,225)
Foreign currency translation adjustment					2,178			2,178
Net income				70,229				70,229
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	31,942		(4,461)					(4,461)
Stock-based compensation			6,697					6,697
Cash dividends ($3.06 per share)				(41,988)				(41,988)
Repurchases of common stock						138,562	(29,156)	(29,156)
Foreign currency translation adjustment					(10,179)			(10,179)
Net income				67,329				67,329
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	17,008		(861)					(861)
Stock-based compensation			6,434					6,434
Cash dividends ($3.27 per share)				(44,581)				(44,581)
Repurchases of common stock						55,920	(10,434)	(10,434)
Foreign currency translation adjustment					5,003			5,003
Net income				65,993				65,993
Balance at August 31, 2023	19,905,815	$ 20	$ 171,546	$ 477,488	$ (31,206)	6,342,381	$ (407,670)	$ 210,178

See accompanying notes to consolidated financial statements.

WD-40 COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Year Ended August 31,		
	2023	2022	2021
Operating activities:			
Net income	$ 65,993	$ 67,329	$ 70,229
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	8,151	8,294	7,019
Net gains on sales and disposals of property and equipment	(90)	(311)	(249)
Deferred income taxes	(1,254)	596	(1,334)
Stock-based compensation	6,434	6,697	9,555
Unrealized foreign currency exchange (gains) losses, net	(1,702)	1,035	(511)
Provision for credit losses	391	143	210
Write-off of inventories	713	595	800
Changes in assets and liabilities:			
Trade and other accounts receivable	(5,339)	(7,443)	(6,595)
Inventories	19,367	(53,260)	(14,574)
Other assets	(1,367)	(12,578)	(5,343)
Operating lease assets and liabilities, net	49	(32)	15
Accounts payable and accrued liabilities	(213)	5,208	15,485
Accrued payroll and related expenses	4,965	(13,133)	10,702
Other long-term liabilities and income taxes payable	2,293	(536)	(695)
Net cash provided by operating activities	98,391	2,604	84,714
Investing activities:			
Purchases of property and equipment	(6,871)	(8,303)	(15,059)
Proceeds from sales of property and equipment	655	612	599
Net cash used in investing activities	(6,216)	(7,691)	(14,460)
Financing activities:			
Treasury stock purchases	(10,434)	(29,156)	-
Dividends paid	(44,581)	(41,988)	(38,225)
Proceeds from issuance of long-term senior notes	-	-	52,000
Repayments of long-term senior notes	(800)	(800)	(800)
Net (repayments) proceeds from revolving credit facility	(28,372)	38,394	(50,056)
Shares withheld to cover taxes upon conversion of equity awards	(861)	(4,461)	(3,668)
Net cash used in financing activities	(85,048)	(38,011)	(40,749)
Effect of exchange rate changes on cash and cash equivalents	3,173	(5,020)	(6)
Net increase (decrease) in cash and cash equivalents	10,300	(48,118)	29,499
Cash and cash equivalents at beginning of period	37,843	85,961	56,462
Cash and cash equivalents at end of period	$ 48,143	$ 37,843	$ 85,961
Supplemental cash flow information:			
Accrued capital expenditures	$ 80	$ 960	$ 1,123
Cash paid for:			
Interest	$ 5,522	$ 2,687	$ 2,319
Income taxes, net of tax refunds received	$ 12,811	$ 18,345	$ 19,254

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 hardware stores, automotive parts outlets, industrial distributors and suppliers, mass retail and home center stores, value retailers, grocery stores, online retailers, warehouse club stores, farm supply, sport retailers, and independent bike dealers.

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

Basis of Consolidation

The 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 accounting principles generally accepted in the United States of America ("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 differ from those estimates.

Global economic conditions have been adversely impacted and financial markets have experienced significant volatility in recent years. Although the Company's current 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 factors that have been subject to such volatility 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 its results of operations and financial condition.

Cash and Cash Equivalents

Cash equivalents are highly liquid investments purchased with an original maturity of three months or less.

Trade Accounts Receivable and Allowance for Credit Losses

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for credit losses is the Company's best estimate of the amount of probable credit losses in existing accounts receivable. The Company determines the allowance for credit losses based on historical write-off experience and the identification of specific balances deemed uncollectible. Trade accounts receivable are charged against the allowance when the Company believes it is probable that the trade accounts receivable will not be recovered. The Company does not have any off-balance sheet credit exposure related to its customers. Allowance for credit losses related to the Company's trade accounts receivable was not significant at August 31, 2023 and 2022.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined primarily based on a first-in, first-out method or, for a portion of raw materials inventory, the average cost method. When necessary, the Company adjusts the carrying value of its inventory to the lower of cost or net realizable value, including any costs to sell or dispose of such

inventory. Appropriate consideration is given by the Company to obsolescence, excessive inventory levels, product deterioration and other factors when evaluating net realizable value for the purposes of determining the lower of cost or net realizable value.

Included in inventories are amounts for certain raw materials and components that the Company has provided to its third-party contract manufacturers but that remain unpaid to the Company as of the balance sheet date. The Company's contract manufacturers package products to the Company's specifications and, upon order from the Company, ship ready-to-sell inventory to either the Company's third-party distribution centers or directly to its customers. The Company transfers certain raw materials and components to these contract manufacturers for use in the manufacturing process. Contract manufacturers are obligated to pay the Company for these raw materials and components. Amounts receivable from the contract manufacturers as of the balance sheet date related to transfers of these raw materials and components by the Company to its contract manufacturers are generally considered product held at third-party contract manufacturers and are included in inventories in the accompanying consolidated balance sheets.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method based upon estimated useful lives of ten to forty years for buildings and improvements, three to fifteen years for machinery and equipment, three to five years for vehicles, three to ten years for furniture and fixtures, three to seven years for R&D lab equipment and office equipment and three to five years for computer equipment. Depreciation expense totaled $7.1 million, $6.9 million and $5.6 million for fiscal years 2023, 2022 and 2021, respectively. These amounts include equipment depreciation expense which is recognized as cost of products sold and totaled $3.0 million, $2.5 million, and $1.2 million in fiscal years 2023, 2022, and 2021, respectively.

Internal-Use Software and Cloud Computing Arrangements

The Company capitalizes costs related to computer software obtained or developed for internal use. Software obtained for internal use has generally been enterprise-level business and finance software that the Company customizes to meet its specific operational needs. Costs incurred in the application development phase are capitalized as property and equipment in the Company's consolidated balance sheets and are depreciated using the straight-line method over their estimated useful lives.

The Company also enters into certain cloud-based software hosting arrangements. In evaluating whether cloud computing arrangements include an embedded internal-use software license, management considers whether the Company has the contractual right to take possession of the software during the hosting period without significant penalty and whether it is feasible to either i) run the software on the Company's hardware, or ii) contract with another party unrelated to the vendor to host the software. If management determines a cloud computing arrangement includes an embedded software license, the Company accounts for the software license element of the arrangement consistent with the acquisition of other internal-use software licenses. If a cloud computing arrangement does not include a software license, the Company accounts for the arrangement as a service contract. For such cloud computing service contracts, the Company capitalizes certain implementation costs such as the configuration, coding and customization of the software. Capitalizable cloud computing arrangement costs are generally consistent with those incurred during the application development stage for internal-use software, however, these costs are capitalized as "other assets" in the Company's consolidated balance sheets. The Company amortizes these capitalized cloud computing implementation costs into selling, general and administrative expenses using the straight-line method over the fixed, non-cancellable term of the associated hosting arrangement, plus any reasonably certain renewal periods.

The useful lives of the Company's internal-use software and capitalized cloud computing implementation costs are generally three to five years. However, the useful lives of major information system installations such as implementations of enterprise resource planning ("ERP") systems and certain related software are determined on an individual basis and may exceed five years depending on the estimated period of use. The Company applies the same impairment model to both internal-use software and capitalized cloud computing implementation costs.

Leases

To determine if a contract contains a lease, the Company assesses its contracts and determines if there is an identified asset for which the Company has obtained the right to control, as defined in ASC 842. Right-of-use ("ROU") assets and lease liabilities are recognized based on the present value of lease payments over the lease term with lease expense recognized

over the term of the lease. For leases that do not contain a readily determinable implicit rate, the Company determines the present value of the lease liability at the lease commencement date using its estimated secured incremental borrowing rate, determined by using a portfolio approach based on the rate of interest the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The Company uses the unsecured borrowing rate and risk-adjusts that rate to approximate a collateralized rate in the currency of the lease. The Company records ROU assets and lease liabilities on its consolidated balance sheets for leases with an expected term greater than one year.

Lease agreements may contain rent escalation clauses, renewal or termination options, and rent holidays, amongst other features. ROU assets include amounts for scheduled rent increases. The lease term includes the committed, non-cancelable period of the lease and options to renew, extend or terminate the lease when it is reasonably certain the Company will exercise those options, and is reviewed in subsequent periods if a triggering event occurs. The Company has made the accounting policy election to use certain ongoing practical expedients made available by ASC 842 to: (i) not separate lease components from non-lease components for real estate – office buildings, machinery and equipment, lab equipment, office equipment, furniture and fixtures, IT equipment and third-party manufacturing facilities; and (ii) exclude leases with an initial term of twelve months or less ("short-term" leases) from the consolidated balance sheets and recognize related lease payments in the consolidated statements of operations on a straight-line basis over the lease term.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of tangible and intangible assets acquired. The carrying value of goodwill is reviewed for possible impairment in accordance with the authoritative guidance on goodwill, intangibles and other. The Company assesses possible impairments to goodwill at least annually during its second fiscal quarter and otherwise when events or changes in circumstances indicate that an impairment condition may exist. In performing the annual impairment test of its goodwill, the Company considers the fair value concepts of a market participant and the highest and best use for its intangible assets. In addition to the annual impairment test, goodwill is evaluated each reporting period to determine whether events and circumstances would more likely than not reduce the fair value of a reporting unit below its carrying value.

When testing goodwill for impairment, the Company first assesses qualitative factors to determine whether it is necessary to perform a quantitative goodwill impairment test. If, after assessing qualitative factors, the Company determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing a quantitative test is unnecessary. Otherwise, a quantitative test is performed to identify the potential impairment and to measure the amount of goodwill impairment, if any. The Company also performs a quantitative assessment periodically, regardless of the results of the qualitative assessments. Any required impairment losses are recorded as a reduction in the carrying amount of the related asset and charged to results of operations. No goodwill impairments were identified by the Company during fiscal years 2023, 2022 or 2021.

Subsequent Measurement of Long-lived Assets

The Company's long-lived assets consist of property and equipment and definite-lived intangible assets. Long-lived assets are depreciated or amortized, as applicable, on a straight-line basis over their estimated useful lives. The Company assesses for potential impairments to its long-lived assets when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and/or its remaining useful life may no longer be appropriate. Any required impairment loss would be measured as the amount by which the asset's carrying amount exceeds its fair value, which is the amount at which the asset could be bought or sold in a current transaction between willing market participants and would be recorded as a reduction in the carrying amount of the related asset and a charge to results of operations. An impairment loss would be recognized when the sum of the expected future undiscounted net cash flows is less than the carrying amount of the asset. No impairments to its long-lived assets were identified by the Company during fiscal years 2023, 2022 or 2021.

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. As of August 31, 2023, the Company had no assets or liabilities that are measured at fair value in the financial statements on a recurring basis, with the exception of the foreign currency forward contracts, which 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 $60.1 million as of August 31, 2023, 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 $67.6 million. During the fiscal years ended August 31, 2023, 2022 and 2021, the Company did not record any significant nonrecurring fair value measurements for assets or liabilities in periods subsequent to their initial recognition.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents and trade accounts receivable. The Company's policy is to place its cash in high credit quality financial institutions, in investments that include demand deposits, term deposits and callable time deposits. The Company's trade accounts receivable are derived from customers located in North America, South America, Asia-Pacific, Europe, the Middle East, Africa and India. The Company limits its credit exposure from trade accounts receivable by performing on-going credit evaluations of customers, as well as insuring its trade accounts receivable in selected markets.

Concentration of Supplier Risk

The Company relies on a limited number of suppliers, including single or sole source suppliers for certain of its raw materials, packaging, product components and other necessary supplies. Historically, except for limited circumstances during the COVID-19 pandemic, the Company has been able to obtain adequate supplies of these materials which are used in the production of its maintenance products and homecare and cleaning products in a timely manner from existing sources and has been able to access adequate production capacity at its third-party manufacturers. Where possible and where it makes business sense, the Company works with secondary or multiple suppliers to qualify additional supply sources.

Insurance Coverage

The Company carries insurance policies to cover insurable risks such as property damage, business interruption, product liability, cyber liability, workers' compensation and other risks, with coverage and other terms that it believes to be adequate and appropriate. These policies may be subject to applicable deductible or retention amounts, coverage limitations and exclusions. The Company does not maintain self-insurance with respect to its material risks; therefore, the Company has not provided for self-insurance reserves as of August 31, 2023 and 2022.

Revenue Recognition

The Company generates revenue from sales of its products to customers in its Americas, EMEA and Asia-Pacific segments. Product sales for the Company include maintenance products and homecare and cleaning products. The Company recognizes revenue related to the sale of these products when it satisfies a performance obligation in an amount reflecting the consideration to which it expects to be entitled. Sales are recorded net of allowances for damaged goods and other sales returns, sales incentives, trade promotions and cash discounts. The Company applies a five-step approach in determining the amount and timing of revenue to be recognized which includes the following: (1) identifying the contract with a customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4)

allocating the transaction price to the performance obligations in the contract and (5) recognizing revenue when the performance obligation is satisfied.

Contracts with customers are renewable periodically and contain terms and conditions with respect to payment, delivery, sales incentives, warranty and supply, but do not require mandatory purchase commitments. In the absence of a specific sales agreement with a customer, the Company's standard terms and conditions at the time of acceptance of purchase orders apply to the sales transaction. The Company's standard terms and conditions are either included in a standalone document or on the Company's price lists or both, and these standard terms and conditions are provided to the customer prior to the sales transaction. The Company considers the customer purchase orders, governed by specific sales agreements or the Company's standard terms and conditions, to be the contract with the customer. The Company considers each transaction to sell products as separate and distinct, with no additional promises made, and as a result, all of the Company's sales are single performance obligation arrangements for which the transaction price is equivalent to the stated price of the product, net of any variable consideration for items such as sales returns, discounts, rebates and other sales incentives. The Company recognizes sales at a point in time upon transferring control of its product to the customer. This typically occurs when products are shipped or delivered, depending on when risks of loss and title have passed to the customer per the terms of the contract.

Taxes imposed by governmental authorities on the Company's revenue, such as sales taxes and value added taxes, are excluded from net sales. Sales commissions are paid to certain third-parties based upon specific sales levels achieved during a defined time period. Since the Company's contracts related to these sales commissions do not exceed one year, the Company has elected as a practical expedient to expense these payments as incurred. The Company also elected the practical expedient related to shipping and handling fees which allows the Company to account for freight costs as fulfillment activities instead of assessing such activities as performance obligations. The Company's freight costs are sometimes paid by the customer, while other times, the freight costs are included in the sales price. The Company does not account for freight costs as a separate performance obligation, but rather as an activity performed to transfer the products to its customers.

Variable Consideration – Sales Incentives

In determining the transaction price, the Company evaluates whether the price is subject to refund or adjustment related to variable consideration to determine the net consideration to which the Company expects to be entitled. The Company records estimates of variable consideration, which primarily includes rebates/other discounts (cooperative marketing programs, volume-based discounts, shelf price reductions and allowances for shelf space, charges from customers for services they provided to us related to the sale and penalties/fines charged to us by customers associated with failing to adhere to contractual obligations), coupon offers, cash discount allowances, and sales returns, as a reduction of sales in its consolidated statements of operations. These estimates are based on the expected value method considering all reasonably available information, including current and past trade promotion spending patterns, status of trade promotion activities, the interpretation of historical spending trends by customer and category, customer agreements and/or currently known factors that arise in the normal course of business. The Company reviews its assumptions and adjusts these estimates accordingly on a quarterly basis.

Rebates and Other Discounts

The Company offers various on-going trade promotion programs with customers and provides other discounts to customers that require management to estimate and accrue for the expected costs of such programs or discounts. These programs include cooperative marketing, volume-based discounts, shelf price reductions, consideration and allowances given to retailers for shelf space and/or favorable display positions in their stores and other promotional activities. Other discounts include items such as charges from customers for services they provide related to the sale of WD-40 Company products and penalties/fees associated with WD-40 Company failing to adhere to contractual obligations (e.g., errors on purchase orders, errors on shipment, late deliveries, etc.). Costs related to rebates, cooperative advertising and other promotional activities and other discounts are recorded as a reduction to sales upon delivery of the Company's products to its customers.

The Company offers certain of its customers a cash discount program to incentivize them to pay the invoice earlier than the normal payment date on the invoice. Although payment terms vary, most customers typically pay within 30 to 90 days of invoicing.

Coupons

Coupon costs are based upon historical redemption rates and are recorded as a reduction to sales as incurred, which is when the coupons are circulated. Coupon redemption liabilities, which are included in accrued liabilities on the Company's consolidated balance sheets, were not significant at August 31, 2023 and 2022. Coupons recorded as a reduction to sales were not significant during fiscal years 2023 and 2022, respectively.

Sales Returns

The Company recognizes revenue net of allowances for estimated returns, which is generally based on historical return rates, with a corresponding reduction to cost of products sold. Although the Company typically does not have definitive sales return provisions included in the contract terms with its customers, when such provisions have been included, they have not been significant. The Company presents its provision for sales returns on a gross basis as a liability. The Company's refund liability for sales returns is included in accrued liabilities and represents the amount expected to be owed to the customers for product returns.

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. Contract liabilities are recorded in accrued liabilities on the Company's 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 has an unconditional right to payment for its trade and other accounts receivable on the Company's consolidated balance sheets.

Cost of Products Sold

Cost of products sold primarily includes the cost of products manufactured on the Company's behalf by its third-party contract manufacturers, net of volume and other rebates. Cost of products sold also includes the costs to manufacture WD-40 concentrate, which is done at the Company's own facilities or at third-party contract manufacturers. When the concentrate is manufactured by the Company, cost of products sold includes direct labor, direct materials and supplies; in-bound freight costs related to purchased raw materials and finished product; and depreciation of machinery and equipment used in the manufacturing process. In addition, cost of products sold includes fees charged to the Company by its third-party distribution centers to warehouse and administer finished products once they are received from the Company's third-party contract manufacturers.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include costs related to selling the Company's products, such as the cost of the sales force and broker commissions; shipping and handling costs paid to third-party companies to distribute finished goods from the Company's third-party contract manufacturers and distribution centers to its customers; other general and administrative costs related to the Company's business such as general overhead, legal and accounting fees, insurance, and depreciation; and employee-related and various other costs to support marketing, human resources, finance, supply chain, information technology and research and development activities.

Shipping and Handling Costs

Shipping and handling costs associated with the movement of finished goods from third-party contract manufacturers to the Company's third-party distribution centers and from one third-party distribution center to another are capitalized in the cost of inventory and subsequently included in cost of sales when the sale to the customer is recognized in the statement of operations. Shipping and handling costs associated with out-bound transportation are included in selling, general and administrative expenses and are recorded at the time of shipment of product to the Company's customers. Out-bound shipping and handling costs were $17.1 million, $18.6 million and $16.5 million for fiscal years 2023, 2022 and 2021, respectively.

Advertising and Sales Promotion Expenses

Advertising and sales promotion expenses are expensed as incurred. Advertising and sales promotion expenses include costs associated with promotional activities that the Company pays to third parties, which include costs for advertising (television, print media and internet), administration of coupon programs, consumer promotions, product demonstrations, public relations, agency costs, package design expenses and market research costs as well as market and sales data analyses. Advertising and sales promotion expenses also include product samples which are given to customers and are initiated by the Company and costs associated with shared marketing fund programs that the Company has in place with its marketing distributor customers. Total advertising and sales promotion expenses were $28.8 million, $27.3 million and $28.0 million for fiscal years 2023, 2022 and 2021, respectively.

Research and Development

The Company is involved in research and development efforts that include the ongoing development or innovation of new products and the improvement, extension or renovation of existing products or product lines. All research and development costs are expensed as incurred and are included in selling, general and administrative expenses. Research and development expenses were $6.2 million, $5.1 million and $5.6 million in fiscal years 2023, 2022 and 2021, respectively. These expenses include costs associated with general research and development activities, as well as those associated with internal staff, overhead, design testing, market research and consultants.

Income Taxes

Current income tax expense is the amount of income taxes expected to be payable for the current year. A deferred income tax liability or asset is established for the expected future tax consequences resulting from the differences in financial reporting and tax basis of assets and liabilities. A valuation allowance is provided if it is more likely than not that some or all of the deferred tax assets will not be realized. In addition to valuation allowances, the Company provides for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement standards prescribed by the authoritative guidance on income taxes. Amounts for uncertain tax positions are adjusted in periods when new information becomes available or when positions are effectively settled. The Company recognizes accrued interest and penalties related to uncertain tax positions as a component of income tax expense.

The Company is required to make assertions on whether its foreign subsidiaries will invest their undistributed earnings indefinitely and these assertions are based on the capital needs of the foreign subsidiaries. Generally, unremitted earnings of the Company's foreign subsidiaries are not considered to be indefinitely reinvested. However, there is an exception regarding specific statutory remittance restrictions imposed on the Company's China subsidiary. Costs associated with repatriating unremitted foreign earnings, including U.S. state income taxes and foreign withholding taxes, are immaterial to the Company's consolidated financial statements. For additional information on income tax matters, see Part IV—Item 15, "Exhibits, Financial Statement Schedules" Note 13 — Income Taxes, included in this report.

Foreign Currency

The Company translates the assets and liabilities of its foreign subsidiaries into U.S. Dollars at current rates of exchange in effect at the end of the reporting period. Income and expense items are translated at rates that approximate the rates in effect at the transaction date. Gains and losses from translation are included in accumulated other comprehensive income or loss. Gains or losses resulting from foreign currency transactions (transactions denominated in a currency other than the entity's functional currency) are included as other income in the Company's consolidated statements of operations. The Company had $0.5 million in net gains and $1.1 million in net losses in foreign currency transactions in fiscal years 2023 and 2022, respectively. The Company's net losses in foreign currency transactions were not significant in fiscal year 2021.

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 August 31, 2023, the Company had a notional amount of $2.6 million outstanding in foreign currency forward contracts, which matured in September 2023. Unrealized net gains and losses related to foreign currency forward contracts were not significant at August 31, 2023 or 2022. Realized net losses related to foreign currency forward contracts were not significant for the fiscal years ended August 31, 2023 and 2022. Both unrealized and realized net gains and losses are recorded in other income on the Company's consolidated statements of operations.

Earnings per Common Share

Unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities that are required to be included in the computation of earnings per common share pursuant to the two-class method. Accordingly, the Company's outstanding unvested, if any, and outstanding vested stock-based equity awards that provide such nonforfeitable rights to dividend equivalents are included as participating securities in the calculation of earnings per common share ("EPS") pursuant to the two-class method.

The Company calculates EPS using the two-class method, which provides for an allocation of net income between common stock and other participating securities based on their respective participation rights to share in dividends. Basic EPS is calculated by dividing net income available to common stockholders for the period by the weighted-average number of common shares outstanding during the period. Net income available to common stockholders for the period includes dividends paid to common stockholders during the period plus a proportionate share of undistributed net income allocable to common stockholders for the period; the proportionate share of undistributed net income allocable to common stockholders for the period is based on the proportionate share of total weighted-average common shares and participating securities outstanding during the period.

Diluted EPS is calculated by dividing net income available to common stockholders for the period by the weighted-average number of common shares outstanding during the period increased by the weighted-average number of potentially dilutive common shares (dilutive securities) that were outstanding during the period if the effect is dilutive. Dilutive securities are comprised of various types of stock-based equity awards granted under the Company's prior and current equity incentive plans.

Stock-based Compensation

The Company accounts for stock-based equity awards exchanged for employee and non-employee director services in accordance with the authoritative guidance for share-based payments. Stock-based equity awards are measured at the estimated grant date fair value and expensed on a straight-line basis, net of forfeitures recognized as they occur, over the requisite service period. The requisite service period of employee awards generally ranges from about one to three years, although awards of certain employees may have shorter requisite service periods as a result of retirement, death and disability provisions. Nonemployee director awards vest immediately at the grant date. Compensation expense related to the Company's stock-based equity awards is recorded as selling, general and administrative expenses in the Company's consolidated statements of operations.

The Company does not currently grant stock options. The fair values of restricted stock unit awards and performance share unit awards are based on the fair value of the Company's common stock on the date that such awards are granted. The fair value of market share unit awards is determined using a Monte Carlo simulation model. For the performance share unit awards, the Company adjusts the compensation expense over the service period based upon the expected achievement level of the applicable performance condition. As the grant date fair value of market share unit awards reflects the probabilities of the actual number of such awards expected to vest, compensation expense for such awards is not adjusted based on the expected achievement level of the applicable performance condition. The Company records any excess tax benefits or deficiencies from settlements of its stock-based equity awards within the provision for income taxes on the Company's consolidated statements of operations in the reporting periods in which the settlement of the equity awards occur.

Segment Information

The Company discloses certain information about its business segments, which are determined consistent with the way the Company's Chief Operating Decision Maker organizes and evaluates financial information internally for making operating

decisions and assessing performance. In addition, the Chief Operating Decision Maker assesses and measures revenue based on product groups.

Recently Adopted Accounting Standards

None.

Note 3. Inventories

Inventories consisted of the following (in thousands):

	August 31, 2023	August 31, 2022
Product held at third-party contract manufacturers	$ 6,680	$ 7,915
Raw materials and components	11,924	13,952
Work-in-process	497	881
Finished goods	67,421	81,353
Total	$ 86,522	$ 104,101

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

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

	August 31, 2023	August 31, 2022
Machinery, equipment and vehicles	$ 49,804	$ 44,533
Buildings and improvements	27,555	27,958
Computer and office equipment	6,151	5,757
Internal-use software	11,277	9,591
Furniture and fixtures	3,027	2,669
Capital in progress	7,937	10,135
Land	4,220	4,240
Subtotal	109,971	104,883
Less: accumulated depreciation and amortization	(43,180)	(38,906)
Total	$ 66,791	$ 65,977

As of August 31, 2023 and 2022, the Company's consolidated balance sheets included $11.0 million and $6.5 million, respectively, of capitalized cloud-based implementation costs recorded as other assets within the Company's consolidated balance sheets. These balances primarily consist of capitalized costs related to the new cloud-based enterprise resource planning system which the Company is in the process of implementing. Accumulated amortization associated with these assets was $0.7 million as of August 31, 2023, and was $0.5 million as of August 31, 2022. Amortization expense associated with these assets was not significant during the fiscal years 2023 or 2022.

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, 2021	$ 85,476	9,184	1,209	95,869
Translation adjustments	(74)	(615)	—	(689)
Balance as of August 31, 2022	85,402	8,569	1,209	95,180
Translation adjustments	34	291	-	325
Balance as of August 31, 2023	$ 85,436	$ 8,860	$ 1,209	$ 95,505

During the second quarter of fiscal year 2023, the Company performed its annual goodwill impairment test. The annual goodwill impairment test was performed at the reporting unit level as of the Company's most recent goodwill impairment testing date, December 1, 2022. During the fiscal year 2023 annual goodwill impairment test, the Company performed a qualitative assessment of each reporting unit to determine whether it was more likely than not that the fair value of a reporting unit was less than its carrying amount. In performing this qualitative assessment, the Company assessed relevant events and circumstances that may impact the fair value and the carrying amount of each of its reporting units. Factors that were considered included, but were not limited to, the following: (1) macroeconomic conditions, including the impacts of the COVID-19 pandemic; (2) industry and market conditions; (3) historical financial performance and expected financial performance; (4) other entity specific events, such as changes in management or key personnel; and (5) events affecting the Company's reporting units, such as a change in the composition of net assets or any expected dispositions. Based on the results of this qualitative assessment, the Company determined that 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. The Company also concluded that 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, 2022 through August 31, 2023. As a result, the Company concluded that no impairment of its goodwill existed as of August 31, 2023. 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 consolidated balance sheets. The following table summarizes the definite-lived intangible assets and the related accumulated amortization (in thousands):

	August 31, 2023	August 31, 2022
Gross carrying amount	$ 35,877	$ 35,166
Accumulated amortization	(31,207)	(29,578)
Net carrying amount	$ 4,670	$ 5,588

There has been no impairment charge for the period ended August 31, 2023 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 are summarized below (in thousands):

	Americas	EMEA	Asia-Pacific	Total
Balance as of August 31, 2021	$ 5,495	1,749	-	$ 7,244
Amortization expense	(1,058)	(376)	-	(1,434)
Translation adjustments	-	(222)	-	(222)
Balance as of August 31, 2022	4,437	1,151	-	5,588
Amortization expense	(813)	(192)	-	(1,005)
Translation adjustments	-	87	-	87
Balance as of August 31, 2023	$ 3,624	$ 1,046	$ -	$ 4,670

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

Note 6. Leases

The Company leases real estate for its regional sales offices, a research and development facility, and offices located at its international subsidiaries and branch locations. The Company also leases an automobile fleet in the United States. In addition, the Company has identified warehouse leases within certain third-party distribution center service contracts and a lease of a blending room within a third-party manufacturing contract. All other leases are insignificant to the Company's consolidated financial statements.

Right-of-use assets and lease liabilities consisted of the following (in thousands):

	August 31, 2023	August 31, 2022
Assets:		
Operating lease right-of-use assets	$ 7,820	$ 7,559
Liabilities:		
Current operating lease liabilities[(1)]	2,144	1,703
Long-term operating lease liabilities	5,832	5,999
Total operating lease liabilities	$ 7,976	$ 7,702

(1) Current operating lease liabilities are classified in accrued liabilities on the Company's consolidated balance sheets.

The Company's maturities of its operating lease liabilities, including early termination and renewal options that management is reasonably certain to exercise, are as follows as of August 31, 2023 (in thousands):

	Operating Leases
Fiscal year 2024	2,387
Fiscal year 2025	1,510
Fiscal year 2026	1,247
Fiscal year 2027	913
Fiscal year 2028	798
Thereafter	2,051
Total undiscounted future cash flows	$ 8,906
Less: Interest	(930)
Present value of lease liabilities	$ 7,976

The Company recorded $2.1 million and $2.0 million in lease expense during the fiscal years ended August 31, 2023 and 2022, respectively. This lease expense was included in selling, general and administrative expenses. The Company recorded $0.5 million of lease expense classified within cost of products sold for the fiscal year ended August 31, 2023, and $0.3 million for the fiscal year ended August 31, 2022. During the fiscal year ended August 31, 2023 and 2022, the Company paid cash of $2.4 million and $2.1 million related to lease liabilities, respectively. Variable lease expense under the Company's lease agreements was not significant for both the fiscal years ended August 31, 2023 and 2022. As of August 31, 2023, the weighted-average remaining lease term was 5.9 years and the weighted-average discount rate was 3.4% for the Company's operating leases. As of August 31, 2022, the weighted-average remaining lease term was 6.5 years and the weighted-average discount rate was 3.1% for the Company's operating leases. The Company had $3.8 million of prepaid deposits for a future right to use a blending facility recorded in other current assets on the Company's consolidated balance sheets as of August 31, 2023, which converted to an ROU asset after August 31, 2023. In addition, the Company had approximately $1.6 million of leases that commenced after August 31, 2023 that created rights and obligations to the Company. These leases are not included in the preceding schedules.

The Company had no significant short-term leases as of August 31, 2023. The Company obtained additional ROU assets of $1.7 million in exchange for lease obligations related to renewals of existing leases during fiscal year 2023. As of August 31, 2023 and 2022, finance leases were not significant and all leases recorded on the Company's consolidated balances sheets were operating leases. Residual value guarantees, restrictions, covenants, sublease income, net gains or losses from sale and leaseback transactions, and transactions with related parties associated with leases were also not significant.

Note 7. Accrued and Other Liabilities

Accrued liabilities consisted of the following (in thousands):

	August 31, 2023	August 31, 2022
Accrued advertising and sales promotion expenses	$ 14,472	$ 13,563
Accrued professional services fees	1,924	1,979
Accrued sales taxes and other taxes	2,618	995
Deferred revenue	4,552	4,988
Short-term operating lease liability	2,144	1,703
Other	4,290	3,933
Total	$ 30,000	$ 27,161

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

	August 31, 2023	August 31, 2022
Accrued incentive compensation	$ 6,698	$ 2,524
Accrued payroll	4,298	4,001
Accrued profit sharing	3,561	2,758
Accrued payroll taxes	1,650	1,779
Other	515	521
Total	$ 16,722	$ 11,583

Note 8. Debt

As of August 31, 2023, 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 August 31, 2023, 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 (calendar year)	August 31, 2023	August 31, 2022
Credit Agreement – revolving credit facility [1][3]	Various	9/30/2025	52,943	$ 77,912
Note Agreement				
Series A Notes – 3.39% fixed rate[2]	11/15/2017	2023-2032	15,600	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			120,543	146,312
Short-term portion of borrowings			(10,800)	(39,173)
Total long-term borrowings			$ 109,743	$ 107,139

(1) The Company has the ability to refinance any draw under the line of credit with successive short-term borrowings through the maturity date. Outstanding draws for which management has 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 August 31, 2023, $42.9 million on this facility is classified as long-term and is denominated in Euros and Pounds Sterling. $10.0 million is classified as short-term and is denominated entirely in U.S. Dollars. 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 August 31, 2023, the Company was in compliance with all debt covenants under both the Note Agreement and the Credit Agreement.

Note 9. Share Repurchase Plan

On October 12, 2021, the Company's Board approved a share repurchase plan (the "2021 Repurchase Plan"). Under the 2021 Repurchase Plan, which became effective on November 1, 2021, the Company was authorized to acquire up to $75.0 million of its outstanding shares through August 31, 2023. During fiscal year 2023, the Company repurchased 55,920 shares at an average price of $186.09 per share, for a total cost of $10.4 million. Throughout the course of the 2021 Repurchase Plan, the Company repurchased 194,482 shares at an average price of $203.42 per share, for a total cost of $39.6 million.

On June 19, 2023, the Company's Board approved a share repurchase plan (the "2023 Repurchase Plan"). Under the 2023 Repurchase Plan, which became effective on September 1, 2023, the Company is authorized to acquire up to $50.0 million of its outstanding shares through August 31, 2025. 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.

Note 10. Earnings per Common Share

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

	Fiscal Year Ended August 31,		
	2023	2022	2021
Net income	$ 65,993	$ 67,329	$ 70,229
Less: Net income allocated to participating securities	(272)	(251)	(277)
Net income available to common stockholders	$ 65,721	$ 67,078	$ 69,952

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

	Fiscal Year Ended August 31,		
	2023	2022	2021
Weighted-average common shares outstanding, basic	13,578	13,668	13,698
Weighted-average dilutive securities	26	28	35
Weighted-average common shares outstanding, diluted	13,604	13,696	13,733

For the fiscal year ended August 31, 2023, weighted-average stock-based equity awards outstanding that are non-participating securities in the amount of 4,551 were excluded from the calculation of diluted EPS under the treasury stock method as they were anti-dilutive. For the fiscal year ended August 31, 2022, weighted-average stock-based equity awards outstanding that are non-participating securities in the amount of 8,724 were excluded from the calculation of diluted EPS under the treasury stock method as they were anti-dilutive. There were no anti-dilutive stock-based equity awards outstanding for the fiscal year ended August 31, 2021.

Note 11. Revenue

The following table presents the Company's revenues by segment and major source (in thousands):

	Fiscal Year Ended August 31, 2023				Fiscal Year Ended August 31, 2022			
	Americas	EMEA	Asia-Pacific	Total	Americas	EMEA	Asia-Pacific	Total
Maintenance products	$ 250,348	$ 181,501	$ 71,709	$ 503,558	$ 223,470	$ 196,524	$ 65,332	$ 485,326
HCCP [1]	16,424	9,317	7,956	33,697	16,763	8,164	8,567	33,494
Total net sales	$ 266,772	$ 190,818	$ 79,665	$ 537,255	$ 240,233	$ 204,688	$ 73,899	$ 518,820

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

The Company recorded approximately $33.3 million and $32.8 million in rebates/other discounts as a reduction to sales during fiscal years 2023 and 2022, respectively. The Company had a $11.1 million and $8.7 million balance in rebate/other discount liabilities as of August 31, 2023 and 2022, respectively, which are included in accrued liabilities on the Company's consolidated balance sheets.

The Company recorded approximately $5.6 million and $5.2 million in cash discounts as a reduction to sales during fiscal years 2023 and 2022, respectively. The Company had a $0.6 million and $0.5 million balance in the allowance for cash discounts as of August 31, 2023 and 2022, respectively.

The Company had contract liabilities, which consist of deferred revenue related to undelivered products, of $4.6 million and $5.0 million as of August 31, 2023 and 2022, respectively. All of the $5.0 million that was included in contract liabilities as of August 31, 2022 was recognized to revenue during fiscal year 2023. 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 August 31, 2023 and 2022. The Company has an unconditional right to payment for all trade and other accounts receivable on the Company's consolidated balance sheets.

The Company's refund liability for sales returns was not significant as of August 31, 2023 and 2022. The Company records an amount to other current assets for the value of inventory that represents the right to recover products from customers associated with sales returns, which was not significant as of August 31, 2023 and 2022.

Note 12. 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 August 31, 2023, 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 August 31, 2023, 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 August 31, 2023.

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 August 31, 2023.

Note 13. Income Taxes

Income before income taxes consisted of the following (in thousands):

	Fiscal Year Ended August 31,		
	2023	2022	2021
United States	$ 49,871	$ 47,427	$ 40,949
Foreign [1]	35,292	36,681	45,550
Income before income taxes	$ 85,163	$ 84,108	$ 86,499

(1) Included in these amounts are income before income taxes for the EMEA segment of $25.6 million, $30.3 million and $38.8 million for the fiscal years ended August 31, 2023, 2022 and 2021, respectively.

The provision for income taxes consisted of the following (in thousands):

	Fiscal Year Ended August 31,		
	2023	2022	2021
Current:			
Federal	$ 9,973	$ 7,487	$ 5,871
State	1,039	861	1,007
Foreign	9,023	8,114	10,944
Total current	20,035	16,462	17,822
Deferred:			
United States	(806)	6	(1,201)
Foreign	(59)	311	(351)
Total deferred	(865)	317	(1,552)
Provision for income taxes	$ 19,170	$ 16,779	$ 16,270

Deferred tax assets and deferred tax liabilities consisted of the following (in thousands):

	August 31, 2023	August 31, 2022
Deferred tax assets:		
Accrued payroll and related expenses	$ 1,110	$ 881
Reserves and accruals	1,436	1,178
Research and development expenses	1,125	-
Stock-based compensation expense	2,394	2,366
Uncertain tax positions and related interest	991	560
Uniform capitalization	2,383	2,657
Tax credit carryforwards	3,918	3,512
Other	2,673	2,630
Total gross deferred tax assets	16,030	13,784
Valuation allowance	(3,960)	(3,628)
Total net deferred tax assets	12,070	10,156
Deferred tax liabilities:		
Property and equipment, net	(4,215)	(4,122)
Amortization of tax goodwill and intangible assets	(15,415)	(14,931)
Other	(1,544)	(952)
Total deferred tax liabilities	(21,174)	(20,005)
Net deferred tax liabilities	$ (9,104)	$ (9,849)

The Company had state net operating loss ("NOL") carryforwards of $5.3 million as of August 31, 2023 and 2022, which generated a net deferred tax asset of $0.4 million as of August 31, 2023 and 2022. The state NOL carryforwards, if unused, will expire between fiscal year 2024 and 2043. The Company also had tax credit carryforwards of $3.9 million and $3.5 million as of August 31, 2023 and 2022, respectively, of which $3.6 million and $3.3 million, respectively, is attributable to U.K. tax credit carryforwards, which do not expire. Future utilization of the U.K. tax credit carryforwards and certain state credit carryforwards is uncertain and is dependent upon several factors that may not occur, including the generation of future taxable income in certain jurisdictions. At this time, management cannot conclude that it is "more likely than not" that the related deferred tax assets will be realized. Accordingly, a valuation allowance has been recorded against the related deferred tax asset associated with the U.K. tax credit carryforwards and certain state carryforwards.

A reconciliation of the statutory federal income tax rate to the Company's effective tax rate is as follows (in thousands):

	Fiscal Year Ended August 31,		
	2023	2022	2021
Amount computed at U.S. statutory federal tax rate	$ 17,884	$ 17,662	$ 18,165
Effect of foreign operations	1,583	317	629
Net benefit from GILTI/FDII	(2,071)	(2,002)	(1,764)
Expense (benefit) from stock compensation	538	(204)	(1,813)
Uncertain tax positions and related interest	1,377	273	222
Other	(141)	733	831
Provision for income taxes	$ 19,170	$ 16,779	$ 16,270

The provision for income taxes was 22.5% and 19.9% of income before income taxes for the fiscal years ended August 31, 2023 and 2022, respectively. The increase in the effective income tax rate from period to period was primarily due to higher tax rates in certain foreign jurisdictions, as well as tax shortfalls from the settlements of stock-based equity awards and increases in interest expense related to uncertain tax positions. The increase was partially offset by a decrease in nondeductible performance-based compensation expense.

Reconciliations of the beginning and ending amounts of the Company's gross unrecognized tax benefits, excluding interest and penalties, are as follows (in thousands):

	Fiscal Year Ended August 31,	
	2023	2022
Unrecognized tax benefits – beginning of fiscal year	$ 9,251	$ 9,314
Net increases (decreases) – prior period tax positions	-	-
Net increases – current period tax positions	191	200
Expirations of statute of limitations for assessment	(167)	(263)
Unrecognized tax benefits – end of fiscal year	$ 9,275	$ 9,251

Gross unrecognized tax benefits totaled $9.3 million for the fiscal years ended August 31, 2023 and 2022 of which $9.1 million would affect the Company's effective income tax rate if recognized. Interest and penalties related to uncertain tax positions included in tax expense was $1.8 million for fiscal year ending August 31, 2023 and $0.3 million for fiscal year ending August 31, 2022, primarily related to the toll tax liability reserve. The total balance of accrued interest and penalties related to uncertain tax positions was $3.4 million and $1.6 million for the fiscal years ended August 31, 2023 and 2022, respectively. Total unrecognized tax benefits including interest were $12.7 million and $10.9 million as of August 31, 2023 and 2022, respectively, and are recorded in other long-term liabilities in the Company's consolidated balance sheets.

The Company is subject to taxation in the U.S. and in various state and foreign jurisdictions. Due to expired statutes and closed audits, 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. The Company is currently under audit in various state jurisdictions for fiscal years 2018 through 2022. Generally, for the majority of state and foreign jurisdictions where the Company does business, periods prior to fiscal year 2019 are no longer subject to examination. The Company has estimated that up to $0.4 million of unrecognized tax benefits related to income tax positions may be affected by the resolution of tax examinations or expiring statutes of limitation within the next twelve months. Audit outcomes and the timing of settlements are subject to significant uncertainty. Income taxes receivable of $1.1 million and $5.0 million are recorded in the Company's consolidated balance sheets as of August 31, 2023 and 2022, respectively. Income taxes receivable are included in other current assets, which also consists of miscellaneous prepaid expenses and deposits.

Note 14. Stock-based Compensation

As of August 31, 2023, the Company had one stock incentive plan, the WD-40 Company 2016 Stock Incentive Plan (the "2016 Plan"), which was approved by the Company's stockholders effective as of December 13, 2016. The 2016 Plan permits the granting of various stock-based equity awards, including non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other stock-

based awards to employees, directors and consultants. To date through August 31, 2023, the Company had granted awards of restricted stock units ("RSUs"), market share units ("MSUs"), deferred performance units ("DPUs") and performance share units ("PSUs") under the 2016 Plan. Additionally, as of August 31, 2023, there were still certain outstanding awards which had been granted under the Company's prior stock incentive plan. The 2016 Plan is administered by the Board of Directors (the "Board") or the Compensation Committee or other designated committee of the Board (the "Committee"). All stock-based equity awards granted under the 2016 Plan are subject to the specific terms and conditions as determined by the Committee at the time of grant of such awards in accordance with the various terms and conditions specified for each award type per the 2016 Plan. The total number of shares of common stock authorized for issuance pursuant to grants of awards under the 2016 Plan is 1,000,000. As of August 31, 2023, 172,878 shares of common stock remained available for future issuance pursuant to grants of awards under the 2016 Plan. The shares of common stock to be issued pursuant to awards under the 2016 Plan may be authorized shares not previously issued, or treasury shares. The Company has historically issued new authorized shares not previously issued upon the settlement of the various stock-based equity awards under its equity incentive plans.

Vesting of the RSUs granted to nonemployee directors is immediate, with shares to be issued pursuant to the vested RSUs upon termination of each nonemployee director's service as a director of the Company. Vesting of the one-time grant of RSUs granted to certain key executives of the Company in March 2008 in settlement of these key executives' benefits under the Company's supplemental employee retirement plan agreements was over a period of three years from the date of grant, with shares to be issued pursuant to the vested RSUs six months following the day after each executive officer's separation from service from the Company. Vesting of the RSUs granted to certain high level employees is over a period of three years from the date of grant, subject to potential earlier vesting in the event of retirement of the holder of the award in accordance with the award agreement, with shares to be issued pursuant to the vested RSUs at the time of vest. The nonemployee director RSU holders and the executive officer March 2008 grant date RSU holders are entitled to receive dividend equivalents with respect to their RSUs, payable in cash as and when dividends are declared by the Board.

Vesting of the MSUs granted to certain high level employees follows a performance measurement period of three fiscal years commencing with the Company's fiscal year in which the MSU awards are granted (the "Measurement Period"). Shares will be issued pursuant to the vested MSUs following the conclusion of the applicable MSU Measurement Period after the Committee's certification of achievement of the applicable performance measure for such awards and the vesting of the MSU awards and the applicable percentage of the target number of MSU shares to be issued. The recipient must remain employed with the Company for vesting purposes until the date on which the Committee certifies achievement of the applicable performance measure for the MSU awards, subject to potential pro-rata vesting in the event of earlier retirement of the holder of the award in accordance with the award agreement.

During fiscal year 2021, PSU awards were granted for the first time under the 2016 Plan in October 2020 and granting of new DPUs was discontinued by the Company. No DPUs were granted in or after fiscal year 2021. Although certain vested DPU awards granted in prior periods remain outstanding due to a deferred settlement feature contained within these award agreements, the expense associated with these awards has been fully recognized in prior periods. Many features of the Company's PSU award agreements are similar to the discontinued DPU awards with the exception of the timing and terms of issuances. Vested DPUs contain a deferred settlement feature wherein the awards must be held until termination of employment, prior to which the recipients are entitled to dividend equivalents, with vested shares to be issued six months following each such recipient's separation from service from the Company. Vested PSUs are issuable prior to separation from service but contain a period of restriction, wherein the recipient cannot sell or otherwise dispose of the stock until six months following separation from service from the Company. Vesting of the PSUs granted to certain high level employees follows a performance measurement period of one fiscal year that is the same fiscal year in which the PSU awards are granted (the "Measurement Year"). A number of PSUs equal to the applicable percentage of the maximum number of PSUs awarded will be confirmed as vested and issuable following the conclusion of the applicable PSU Measurement Year after the Committee's certification of achievement of the applicable performance measure for such awards. The recipient must remain employed with the Company for vesting purposes until August 31 of the Measurement Year, subject to potential pro-rata vesting in the event of earlier retirement of the holder of the award in accordance with the award agreement.

Stock-based compensation expense is amortized on a straight-line basis over the requisite service period for the entire award. Stock-based compensation expense related to the Company's stock-based equity awards is as follows by award type (in thousands):

	Fiscal Year Ended August 31,		
	2023	2022	2021
RSU compensation expense	$ 4,254	$ 4,153	$ 3,656
MSU compensation expense	2,180	2,544	2,294
PSU compensation expense [1]	-	-	3,605
Total	$ 6,434	$ 6,697	$ 9,555

(1) PSU awards contain performance conditions for which accrual of expense is based on the probable outcome of the performance conditions. PSUs pertaining to the measurement year of fiscal year 2021 vested at 100% since the performance conditions were fully achieved. Vesting of PSUs pertaining to the measurement years of fiscal years 2023 and 2022 was deemed not probable at the end of each respective fiscal year and the PSUs were subsequently forfeited.

The Company recorded deferred tax assets related to such stock-based compensation of $1.3 million, $1.5 million and $2.0 million for the fiscal years ended August 31, 2023, 2022 and 2021, respectively. As of August 31, 2023, the total unamortized compensation cost related to non-vested stock-based equity awards was $1.0 million and $2.4 million for RSUs and MSUs, respectively, which the Company expects to recognize over remaining weighted-average vesting periods of 1.80 and 1.88 years for RSUs and MSUs, respectively. No unamortized compensation cost for DPUs or PSUs remained as of August 31, 2023.

Restricted Stock Units

The estimated fair value of each of the Company's RSU awards was determined on the date of grant based on the closing market price of the Company's common stock on the date of grant for those RSUs which are entitled to receive dividend equivalents with respect to the RSUs, or based on the closing market price of the Company's common stock on the date of grant less the grant date present value of expected dividends during the vesting period for those RSUs which are not entitled to receive dividend equivalents with respect to the RSUs.

A summary of the Company's restricted stock unit activity is as follows (in thousands, except share and per share amounts):

Restricted Stock Units	Number of Units	Weighted-Average Grant Date Fair Value Per Unit	Aggregate Intrinsic Value
Outstanding at August 31, 2022	78,604	$ 148.28	
Granted	23,732	$ 167.05	
Converted to shares of common stock	(22,032)	$ 182.16	
Forfeited	(488)	$ 192.24	
Outstanding at August 31, 2023	79,816	$ 144.24	$ 17,150
Vested at August 31, 2023	50,319	$ 118.94	$ 10,812

The weighted-average grant date fair value of all RSUs granted during the fiscal years ended August 31, 2023, 2022 and 2021 was $167.05, $217.03 and $208.29, respectively. The total intrinsic value of all RSUs converted to shares of common stock was $3.7 million, $3.0 million and $8.5 million for the fiscal years ended August 31, 2023, 2022 and 2021, respectively.

The income tax benefits from RSUs converted to shares of common stock totaled $0.8 million, $0.6 million and $1.9 million for the fiscal years ended August 31, 2023, 2022 and 2021, respectively.

Market Share Units

The MSUs are market performance-based awards that vest with respect to the applicable percentage of the target number of MSU shares based on relative total stockholder return ("TSR") for the Company as compared to the total return for the Russell 2000® Index (the "Index") over the performance Measurement Period. The ultimate number of MSUs that vest may range from 0% to 200% of the original target number of shares depending on the relative achievement of the TSR performance measure at the end of the Measurement Period. The grant date fair value of MSUs are estimated using a Monte Carlo simulation model and are expensed over the requisite service period rendered. Assumptions and estimates utilized in the model include expected volatilities of the Company's stock and the Index, the Company's risk-free interest rate and expected dividends. The probabilities of the actual number of MSUs expected to vest and resultant actual number of shares of common stock expected to be awarded are reflected in the grant date fair values of the various MSU awards; therefore, the compensation expense for the MSU awards is not adjusted based on the actual number of such MSU awards to ultimately vest.

The following weighted-average assumptions for MSU grants for the last three fiscal years were used in the Monte Carlo simulation model:

	Fiscal Year Ended August 31,		
	2023	2022	2021
Expected volatility	37.5 %	32.7 %	28.5 %
Risk-free interest rate	4.3 %	0.6 %	0.2 %
Expected dividend yield	0.0 %	0.0 %	0.0 %

The expected volatility utilized is based on the historical volatilities of the Company's common stock and the Index in order to model the stock price movements. The volatility used was calculated over the most recent 2.89-year period for MSUs granted during the fiscal year ended August 31, 2023 and over the most recent 2.89 and 2.88-year periods for MSUs granted during each of the fiscal years ended August 31, 2022 and 2021, respectively, which were the remaining terms of the performance Measurement Period at the dates of grant. The risk-free interest rates used are based on the implied yield available on a U.S. Treasury zero-coupon bill with a remaining term equivalent to the remaining performance Measurement Period. The expected dividend yield of zero was used in the Monte Carlo simulation model for the purposes of computing the relative TSR of the Company compared to the Index since it is the mathematical equivalent to reinvesting dividends in each issuing entity over the performance Measurement Period.

A summary of the Company's market share unit activity is as follows (in thousands, except share and per share amounts):

Market Share Units	Number of Units	Weighted-Average Grant Date Fair Value Per Unit	Aggregate Intrinsic Value
Outstanding at August 31, 2022	37,201	$ 212.66	
Granted	13,695	$ 184.15	
Forfeited	(16,947)	$ 218.88	
Outstanding at August 31, 2023[1]	33,949	$ 198.05	$ 7,295

(1) This figure represents the total number of shares underlying MSU grants assuming achievement of the target number of shares at 100%. As the ultimate number of shares that vest could be as high as 200% of the target, the Company may be required to issue additional shares to satisfy outstanding MSU award grants.

The weighted-average grant date fair value of all MSUs granted during the fiscal years ended August 31, 2023, 2022 and 2021 was $184.15, $232.99 and $184.96, respectively. There were no conversions of MSUs to shares of common stock for the fiscal year ended August 31, 2023. The total intrinsic value of all MSUs converted to shares of common stock was $4.4 million and $5.9 million for the fiscal years ended August 31, 2022 and 2021, respectively.

The income tax benefits from MSUs converted to shares of common stock totaled $0.9 million for the fiscal year ended August 31, 2022 and $1.3 million for the fiscal year ended August 31, 2021.

Deferred Performance Units

During fiscal year 2021, the Company discontinued the granting of new DPU awards. Although certain vested DPU awards granted in prior periods remain outstanding due to the deferred settlement feature contained within these award agreements, the expense associated with these awards has been fully recognized in prior periods. DPU awards converted to shares of common stock issued to recipients following separation from service from the Company were not material to the Company's consolidated financial statements and related disclosures during fiscal years 2023, 2022 and 2021.

Performance Share Units

The PSU awards provide for performance-based vesting over a measurement period of the fiscal year in which the PSU awards are granted. The performance vesting provisions of the PSUs are based on relative achievement within an established performance measure range of the Company's reported earnings before interest, income taxes, depreciation in operating departments, and amortization computed on a consolidated basis for the Measurement Year, before deduction of the stock-based compensation expense for the Vested PSUs and excluding other non-operating income and expense amounts ("Adjusted Global EBITDA"). The ultimate number of PSUs that vest may range from 0% to 100% of the original maximum number of PSUs awarded depending on the relative achievement of the Adjusted Global EBITDA performance measure at the end of the Measurement Year.

The estimated fair value of each of the Company's PSU awards was determined on the date of grant based on the closing market price of the Company's common stock on the date of grant less the grant date present value of expected dividends during the vesting period for the PSUs, which are not entitled to receive dividend equivalents with respect to the unvested PSUs.

A summary of the Company's performance share unit activity is as follows (in thousands, except share and per share amounts):

Performance Share Units	Number of Units	Weighted-Average Grant Date Fair Value Per Unit	Aggregate Intrinsic Value
Outstanding at August 31, 2022	17,826	$ 227.24	
Granted	21,990	$ 170.16	
Forfeited	(18,668)	$ 224.67	
Outstanding at August 31, 2023[1]	21,148	$ 170.16	$ 4,544

(1) PSUs pertaining to the measurement year of fiscal year 2023 were forfeited in October 2023 since performance conditions were not achieved. Performance is certified annually in October by the Committee subsequent to the Company's fiscal year end and PSUs are forfeited, or vest, depending on performance achievement.

The weighted-average grant date fair value of all PSUs granted during the fiscal years ended August 31, 2023, 2022, and 2021 was $170.16, $227.24 and $197.51, respectively. This form of PSU awards was granted for the first time in October 2020. There were no conversions of PSUs to shares of common stock for the fiscal year ended August 31, 2023. The total intrinsic value of all PSUs converted to common shares was $4.0 million for the fiscal year ended August 31, 2022.

The income tax benefit from PSUs converted to shares of common stock totaled $0.8 million for the fiscal year ended August 31, 2022. There were no conversions of PSUs to shares of common stock for the fiscal year ended August 31, 2021.

Note 15. Other Benefit Plans

The Company has a WD-40 Company Profit Sharing/401(k) Plan and Trust (the "Profit Sharing/401(k) Plan") whereby regular U.S. employees who have completed certain minimum service requirements can defer a portion of their income through contributions to a trust. The Profit Sharing/401(k) Plan provides for Company contributions to the trust, as approved by the Board, as follows: 1) matching contributions to each participant up to 50% of the first 6.6% of compensation contributed by the participant; 2) fixed non-elective contributions in the amount equal to 10% of eligible compensation; and 3) a discretionary non-elective contribution in an amount to be determined by the Board up to 5% of eligible compensation. The Company's contributions are subject to overall employer contribution limits and may not exceed the amount deductible for income tax purposes. The Profit Sharing/401(k) Plan may be amended or discontinued at any time by the Company. The Company's contribution expense for the Profit Sharing/401(k) Plan was $4.6 million for fiscal year 2023, $4.1 million for fiscal year 2022 and $3.9 million for fiscal year 2021.

The Company's international subsidiaries have similar benefit plan arrangements, dependent upon the local applicable laws and regulations. The plans provide for Company contributions to an appropriate third-party plan, as approved by each subsidiary's board of directors. The Company's contribution expense related to the international plans was $2.1 million for the fiscal year ended August 31, 2023, $2.1 million for the fiscal year ended August 31, 2022 and $1.9 million for the fiscal year ended August 31, 2021.

Note 16. 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. Segment data does not include inter-segment revenues. 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. 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.

	Americas	EMEA	Asia-Pacific	Unallocated Corporate [1]	Total
Fiscal Year Ended August 31, 2023					
Net sales	$ 266,772	$ 190,818	$ 79,665	$ -	$ 537,255
Income from operations	$ 60,797	$ 39,456	$ 25,888	$ (36,417)	$ 89,724
Depreciation and amortization expense	$ 3,656	$ 3,987	$ 204	$ 304	$ 8,151
Interest income	$ 4	$ 111	$ 116	$ -	$ 231
Interest expense	$ 3,834	$ 1,775	$ 5	$ -	$ 5,614
Fiscal Year Ended August 31, 2022					
Net sales	$ 240,233	$ 204,688	$ 73,899	$ -	$ 518,820
Income from operations	$ 54,198	$ 42,058	$ 22,590	$ (31,516)	$ 87,330
Depreciation and amortization expense	$ 4,320	$ 3,356	$ 275	$ 343	$ 8,294
Interest income	$ 2	$ -	$ 100	$ -	$ 102
Interest expense	$ 2,165	$ 574	$ 3	$ -	$ 2,742
Fiscal Year Ended August 31, 2021					
Net sales	$ 214,601	$ 208,252	$ 65,256	$ -	$ 488,109
Income from operations	$ 51,591	$ 53,003	$ 19,121	$ (34,874)	$ 88,841
Depreciation and amortization expense	$ 3,219	$ 3,174	$ 307	$ 319	$ 7,019
Interest income	$ 1	$ 5	$ 75	$ -	$ 81
Interest expense	$ 1,909	$ 481	$ 5	$ -	$ 2,395

(1) These expenses are reported separately from the Company's identified segments and are included in selling, general and administrative expenses on the Company's 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.

Net sales by product group are as follows (in thousands):

	Fiscal Year Ended August 31,		
	2023	2022	2021
Maintenance products	$ 503,558	$ 485,326	$ 448,817
Homecare and cleaning products	33,697	33,494	39,292
Total	$ 537,255	$ 518,820	$ 488,109

Net sales and long-lived assets by geographic area are as follows (in thousands):

	Fiscal Year Ended August 31,		
	2023	2022	2021
Net Sales by Geography:			
United States	$ 207,629	$ 176,863	$ 164,946
International	329,626	341,957	323,163
Total	$ 537,255	$ 518,820	$ 488,109
Long-lived Assets by Geography [1]:			
United States	$ 33,263	$ 35,375	$ 37,204
International	33,528	30,602	32,941
Total	$ 66,791	$ 65,977	$ 70,145

(1) Includes tangible assets and property and equipment, net, attributed to the geographic location in which such assets are located.

Note 17. Subsequent Event

Dividend Declaration

On October 6, 2023, the Board declared a cash dividend of $0.83 per share payable on October 31, 2023 to stockholders of record on October 20, 2023.

Exhibit 10(b)

WD-40 Directors' Compensation Policy and Election Plan
(adopted and effective October 5, 2023)

The WD-40 Corporate Governance Committee has proposed, and the Board of Directors ("Board") has adopted, this Directors' Compensation Policy and Election Plan for non-employee directors (the "Election Plan").

RESTRICTED STOCK UNITS

Each new non-employee director joining the Board after the adoption of this Election Plan will receive restricted stock units ("RSUs") with a fair market value on the date of grant of $97,000 as soon as practicable upon joining the Board. RSUs shall be granted by the Board under the Amended and Restated WD-40 Company 2016 Stock Incentive Plan (the "Incentive Plan"). Vesting will be immediate and the RSUs will be settled in the common stock of WD-40 Company (the "Company") upon termination of the director's service on the Board for any reason, including upon death, resignation, retirement or removal from office ("Termination".) These vested RSUs will be entitled to dividend equivalents payable in cash as and when declared on the Company's common stock in accordance with the Incentive Plan. The award agreements issued with respect to the RSUs shall not permit the director to accelerate or otherwise obtain benefits (other than the dividend equivalent payments) with respect to the RSUs until Termination. Except for annual base compensation elected to be paid in RSUs that will have a different vesting schedule, all RSUs awarded pursuant to this Election Plan shall be subject to award agreements having the same terms and conditions for vesting, time of payment, dividend equivalents and acceleration prohibition as provided for hereinabove and all references to RSUs in this Election Plan shall refer to RSUs subject to such award agreements.

Each continuing non-employee director will receive annually an award of RSUs with a fair market value of $97,000 on the date of grant. The RSUs will be granted by the Board under the Incentive Plan at the organizational meeting of the Board immediately following the annual meeting of stockholders in December ("annual meeting") of each year.

The award of RSUs to non-employee directors at the organizational meeting shall represent, in part, the full measure of compensation earned by each director for services rendered in the month of December from and after such meeting.

ANNUAL BASE COMPENSATION AND ELECTION OF PAYMENT IN CASH AND/OR BY AWARD OF RSUs

Annual base compensation for non-employee directors for services rendered during the calendar year beginning on January 1st following the Company's annual meeting through the date of the next annual meeting shall be $60,000 ("Base Compensation"). Such amount does not include board committee fees, donation from the Director Contribution Fund, reimbursement for travel expenses or continuing education. No separate compensation shall be payable for special meetings of the directors.

Compensation for Directors to be Elected at the Annual Meeting

Base Compensation for each non-employee director will be paid, at his or her written election, in cash and/or RSUs. Non-employee directors may elect to receive all or a portion of Base Compensation in cash in increments of $1,000 and shall make this election by the date of the annual meeting. Cash compensation to be paid, if any, shall be paid on or about March 1 of the following year. RSUs having a fair market value as of the date of grant equal to the amount of Base Compensation not elected to be received in cash will be granted by the Board under the Incentive

Plan immediately following the annual meeting, at which time, the director's election shall become irrevocable.

Compensation for Directors Appointed During Year

Non-employee directors appointed during the year to fill a vacancy on the Board will receive annual base compensation according to the following schedule:

Appointment at or prior to the second quarter meeting (March):	$60,000
Appointment at or prior to the third quarter meeting (June):	$45,000
Appointment at or prior to the fourth quarter meeting (October):	$30,000

Payment of the pro-rated annual base compensation, along with pro-rated non-employee Board Chair, Lead Director or committee service fees (see "Non-Employee Board Chair or Lead Director Compensation" and "Committee Compensation" below), shall be made on or before the first day of the second month following appointment to the Board provide such new director has provided his or her election timely. Prior to the effective date of the new director's election or appointment to the Board, the director may elect to receive all or part of the annual base compensation in cash or RSUs in increments of $1,000 and RSUs shall be awarded in the manner provided for elections with respect to the receipt of annual base compensation as set forth above. The RSUs are to be granted by the full Board under the Incentive Plan at the next meeting of the Board following receipt of the director's election in the same manner in which RSUs are awarded to directors pursuant to their annual compensation elections. The new non-employee director's election shall be irrevocable upon the effective date of his or her service as a director.

Compensation for Directors Leaving During Year

If deemed practical by the Corporate Governance Committee, a departing non-employee director will be paid for the pro-rata portion of time actually served and may be required to return a pro rata portion of compensation received or to forfeit a pro rata portion of RSUs awarded pursuant to the foregoing election provisions, as such required return of compensation or forfeiture may be determined by the Corporate Governance Committee in its reasonable discretion.

IRC SECTION 409A PLAN

The foregoing provisions relating to the grant of RSUs under the Incentive Plan and a director's election to receive all or part of the Base Compensation in cash are intended to constitute a binding plan for purposes of Section 409A of the Internal Revenue Code.

NON-EMPLOYEE BOARD CHAIR OR LEAD DIRECTOR COMPENSATION

The Board's non-employee Board Chair or Lead Director will receive $30,000 as additional cash compensation annually. Such compensation shall be paid on or about March 1. This amount will be pro-rated for partial year service as non-employee Board Chair or Lead Director as set forth below and shall be made on or before the first day of the second month following appointment to the position.

Appointment at or prior to the second quarter meeting (March):	$22,500
Appointment at or prior to the third quarter meeting (June):	$15,000
Appointment at or prior to the fourth quarter meeting (October):	$7,500

COMMITTEE COMPENSATION

Annual Committee service fees are as stated below:

AUDIT		COMPENSATION		CORPORATE GOV.		FINANCE	
Member	Chair	Member	Chair	Member	Chair	Member	Chair
$11,000	$20,000	$6,000	$14,000	$5,000	$11,000	$6,000	$12,000

Payment of annual committee service fees shall be made in lump sum on or about March 1 of each year covering committee services provided from the beginning of the calendar year following each annual meeting to the next annual meeting.

Amounts will be pro-rated for partial year service as set forth below and shall be made on or before the first day of the second month following appointment to the committee.

	AUDIT		**COMPENSATION**		**CORP. GOV.**		**FINANCE**	
Timing of Appointment	Member	Chair	Member	Chair	Member	Chair	Member	Chair
At or prior to Q2 meeting (March)	$8,250	$15,000	$4,500	$10,500	$3,750	$8,250	$4,500	$9,000
At or prior to Q3 meeting (June)	$5,500	$10,000	$3,000	$7,000	$2,500	$5,500	$3,000	$6,000
At or prior to Q4 meeting (October)	$2,750	$5,000	$1,500	$3,500	$1,250	$2,750	$1,500	$3,000

ADDITIONAL BENEFITS

Charitable Donations

Subject to the availability of funds in the Company's Director Contributions Fund, each non-employee director may designate $7,000 annually to a qualified (501(c)(3)) charitable organization. Newly elected non-employee directors will be eligible to make charitable funding designations for the fiscal year following the fiscal year in which they are elected. Any continuing director who serves any part of a fiscal year shall be entitled to designate $7,000 for that year.

Continuing Education and Travel Reimbursements

Each non-employee director will be reimbursed up to a total of $3,500 per year for education expenses, including appropriate travel costs. There will be no "carry-forward" if the amount is not utilized during the year.

Reimbursement shall be up to a total of $10,000 in any year if a director engages in international travel to visit company worksites or travel with company personnel. Directors are encouraged to share their learning from educational programs with the Board.

/s/ PHENIX Q. KIAMILEV

Phenix Kiamilev

General Counsel and Corporate Secretary of WD-40 Company

Exhibit 10(o)

WD-40 COMPANY
2016 STOCK INCENTIVE PLAN

FY 20__ RESTRICTED STOCK UNIT AWARD GRANT NOTICE AND ACCEPTANCE

Number of RSUs: The Total "Vest Quantity" Shown Above
Period of Restriction: Three Year Vesting
Vesting / Settlement Dates: See Below

FY 20__ RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to your Restricted Stock Unit Award Grant Notice and Acceptance ("Grant Notice") and this FY 20__ Restricted Stock Unit Award Agreement ("Agreement"), WD-40 Company, a Delaware corporation (the "Company"), has awarded to you Restricted Stock Units ("RSUs") under the WD-40 Company 2016 Stock Incentive Plan (as amended from time to time, the "Plan") with respect to the number of Shares of the Company's Common Stock indicated in your Grant Notice. Defined terms not explicitly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan.

The details of your RSUs are as follows:

1. Number of Shares; Adjustment. The number of Shares to be issued to you upon settlement of your RSUs as referenced in your Grant Notice may be adjusted from time to time upon changes in capitalization of the Company pursuant to Section 18 of the Plan.

2. No Payment of Dividend Equivalents. Dividend Equivalents are not payable with respect to your RSUs. Following the issuance of Shares upon settlement of your RSUs as provided for herein, you will then be entitled to receive dividends as and when declared upon the Shares by the Company.

3. Vesting. Your RSUs vest over a period of three years from the date of grant. The number of RSUs vesting on each vesting date is set forth on your Grant Notice. The vesting date for each fiscal year (the "vesting year") will be the earlier of the date that is the 3rd business day following the Company's public release of its annual earnings for the immediately preceding fiscal year or November 15 of the vesting year as specified in your Grant Notice (each such annual vesting date, a "Scheduled Vesting Date"). Except as otherwise provided for herein or in the Plan or a written agreement between you and the Company, RSUs that are not vested as of the effective date of the termination of your employment with the Company or a Subsidiary for any reason ("Termination of Employment"), including resignation or termination by the Company or Subsidiary, shall be forfeited.

4. Vesting on Retirement, Death or Disability. All of your RSUs shall be immediately vested and the Shares issuable with respect to those RSUs shall be issued to you as provided for in Paragraph 6 of this Agreement in the event of your Termination of Employment by reason of death, Disability or Retirement (as hereinafter defined). "Retirement," for purposes of this Agreement, means your Termination of Employment (for any reason other than termination by the Company or a Subsidiary for Cause): (i) after attainment of age sixty-five (65), or (ii) after attainment of age fifty-five (55) provided that you have been in Continuous Service with the Company or a Subsidiary for not less than ten (10) years. "Disability," for purposes of this Agreement, means a permanent and total disability under Section 22(e)(3) of the Code, provided that such disability also qualifies as a "disability" for purposes of Section 409A of the Code ("Section 409A").

5. Change in Control Vesting. The provisions of Section 19 of the Plan shall apply in the event of a Change in Control of the Company. Accelerated vesting of your RSUs upon Termination of Employment for "good reason" following a Change in Control shall also be provided for if specifically provided for in a written employment or severance agreement between you and the Company. In the event your RSUs vest pursuant to Section 19 of the Plan, the Shares issuable in respect of your vested RSUs shall be issued to you as provided for in Paragraph 6 of this Agreement.

6. Delivery of Shares. Subject to Paragraphs 7, 10 and 14 of this Agreement, the Shares issuable to you upon vesting of your RSUs shall be settled solely in an equivalent number of whole Shares issued to you within thirty (30) days following the earliest to occur of (each a "Settlement Date"):

(a) if this is a Section 409A Compliant Award (as defined below):

(i) the Scheduled Vesting Date on which the RSUs with respect to which such Shares are issuable vest pursuant to the terms of this Agreement;

(ii) in the event of your Termination of Employment (other than by reason of your death) prior to the final Scheduled Vesting Date, the date that is six (6) months and one day following the effective date of your Termination of Employment; or

(iii) in the event of your death prior to the final Scheduled Vesting Date, the day of your death (which Shares shall be issued to your designated Beneficiary (as hereinafter defined); or

(b) if this is not a Section 409A Compliant Award:

(i) the Scheduled Vesting Date on which the RSUs with respect to which such Shares are issuable vest pursuant to the terms of this Agreement;

(ii) in the event of your Termination of Employment (other than by reason of your death) prior to the final Scheduled Vesting Date, the effective date of your Termination of Employment;

(iii) in the event of your death prior to the final Scheduled Vesting Date, the day of your death (which Shares shall be issued to your designated Beneficiary (as hereinafter defined); or

(iv) to the extent the RSUs vest upon a Change in Control of the Company pursuant to Section 19 of the Plan, the date of the Change in Control.

7. Securities Law Compliance. Notwithstanding anything to the contrary contained herein, Shares may not be issued upon settlement of this award unless the Shares are then registered under the Securities Act of 1933, as amended (the "Securities Act") or, if such Shares are not then so registered, the Committee or the Board has determined that such issuance would be exempt from the registration requirements of the Securities Act. The issuance of such Shares must also comply with other applicable laws and regulations governing such Shares, and the issuance of such Shares may be delayed if the Committee or the Board determines that such issuance would not be in compliance with such laws and regulations, provided that issuance of the Shares shall be completed as soon as reasonably practicable following the first date on which the Company anticipates or should reasonably anticipate that issuing the Shares would not cause a violation or such earlier date as required to avoid causing this award to fail to be exempt from or to otherwise comply with Section 409A.

8. Transferability. Your vested RSUs are not transferable, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party (your "Beneficiary") who, in the event of your death, shall then be entitled to receive the Shares upon settlement of this award payable as of the date of your death, if any.

9. Agreement Not a Service Contract or Obligation to Continue Service. This Agreement is not an employment or service contract, and nothing in this Agreement shall be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company or Subsidiary as an employee for any period of time. In addition, nothing in this Agreement shall obligate the Company or a Subsidiary to continue your employment for any period of time.

10. Withholding Obligations.

(a) At the time of issuance of the Shares issuable upon settlement of this award (or earlier, if applicable), to the extent required by law or applicable regulation, the Company shall withhold from the Shares otherwise issuable to you a number of whole Shares having a Fair Market Value as of the Settlement Date (or earlier, if applicable), equal to the minimum amount of taxes required to be withheld by law. The Fair Market Value of the withheld whole number of Shares that is in excess of the minimum amount of taxes required to be withheld shall be added to the deposit for your U.S. federal income tax withholding or, if you are an international

taxpayer, such amount shall be added to the largest deposit of withheld tax required to be made by the Company on your behalf.

(b) Your Shares may not be issued unless the tax withholding obligations of the Company, if any, are satisfied. Accordingly, the Company shall have no obligation to issue any Shares until such tax withholding obligations are satisfied or otherwise provided for. Upon notice of the requirement for recovery from you of any amount due as a tax withholding obligation, you agree to promptly remit to the Company or Subsidiary the full amount due.

11. Compensation Recovery. By executing this Agreement, you agree that all compensation received by you, including Awards under the Plan (including, without limitation, any proceeds, gains or other economic benefit actually or constructively received by you upon receipt or exercise of this Award or upon the receipt or resale of any Shares underlying this Award), shall be subject to reduction, cancellation, forfeiture and/or recoupment to the extent necessary to comply with any compensation recovery policy adopted by the Company, including, without limitation, the Policy for Recovery of Erroneously Awarded Compensation (as amended from time to time, the "Policy"), or any other Applicable Law, or to the extent that such forfeiture or repayment may be required by any other Applicable Law, notwithstanding any other agreement to the contrary. No recovery of compensation under any compensation recovery policy or Applicable Law will be an event that triggers or contributes to any right of a Participant to resign for "good reason" (or similar term) under the Plan or any other agreement with the Company or an Affiliate. You agree that you are not entitled to indemnification in connection with any forfeiture or repayment of any compensation recovery policy or requirement under Applicable Law and expressly waive any rights to such indemnification under the Company's organizational documents or otherwise.

12. Notices. Any notices provided for in the Plan or this Agreement shall be given electronically or in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

13. Governing Plan Document. This Agreement is subject to all the provisions of the Plan, the provisions of which are incorporated by reference in this Agreement. This Agreement is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of this Agreement and those of the Plan, the provisions of the Plan shall control.

14. Code Section 409A Compliance. To the extent applicable, it is intended that this award and the Plan comply with the requirements of Section 409A of the Code and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service. Any provision that would cause the Plan or this award to fail to satisfy Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A. Notwithstanding anything to the contrary in this Agreement, if this is not a Section 409A Compliant Award, in no event will the Shares issuable pursuant to this award be issued later than March 15th of the calendar year following the calendar year in which the RSUs have vested.

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

(b) Notwithstanding anything in this Agreement to the contrary, if you are deemed by the Company at the time of your 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 you are entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of the Shares issuable to you pursuant to this award shall not be provided to you prior to the earlier of (x) the expiration of the six-month period measured from the date of your Separation from Service with the Company or (y) the date of your death. Within thirty (30) days following the expiration of the applicable foregoing period, all Shares deferred pursuant to the preceding sentence shall be issued to you (or your estate or beneficiaries), and any remaining Shares due to you under this Agreement shall be paid as otherwise provided herein.

(c) Your right to receive any installment payments under this Agreement 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.

(d) 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.

(e) This award will be a "Section 409A Compliant Award" if (i) you will be eligible for Retirement at any time prior to the final Scheduled Vesting Date, (ii) you are a party to a Change in Control Severance Agreement with the Company as applicable for Executive Officers at any time prior to the final Scheduled Vesting Date, or (iii) this award otherwise constitutes "nonqualified deferred compensation" for purposes of Section 409A.

END OF RESTRICTED STOCK UNIT AGREEMENT

(Refer to RSU Award Grant Notice and Acceptance for Specific Grant Information)

Exhibit 10(p)

WD-40 COMPANY
2016 STOCK INCENTIVE PLAN

FY 20__ MARKET SHARE UNIT AWARD GRANT NOTICE AND ACCEPTANCE

Target Number of MSUs: The "Vest Quantity" Shown Above
Performance Measurement Year End: August 31, 20__
Vesting Date: Certification Date
Settlement Date: See Below

FY 20__ MARKET SHARE UNIT AWARD AGREEMENT

Pursuant to your Market Share Unit Award Grant Notice and Acceptance ("Grant Notice") and this FY 20__ Market Share Unit Award Agreement ("Agreement"), WD-40 Company, a Delaware corporation (the "Company"), has awarded to you Performance Shares (referred to herein as Market Share Units or "MSUs") under the WD-40 Company 2016 Stock Incentive Plan (as amended from time to time, the "Plan") with respect to the "Target Number" of Shares of the Company's Common Stock indicated in your Grant Notice. Defined terms not explicitly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan.

The details of your MSUs are as follows:

1. Number of Shares; Adjustment. The number of Shares to be issued to you upon settlement of your MSUs as referenced in your Grant Notice will be determined under the performance vesting provisions in Paragraph 3 of this Agreement equal to a percentage (the "Applicable Percentage") of the Target Number of MSUs set forth in your Grant Notice. The Target Number of MSUs prior to performance vesting, or the resulting number of MSUs that vest determined upon performance vesting, may be adjusted from time to time upon changes in capitalization of the Company pursuant to Section 18 of the Plan.

2. No Payment of Dividend Equivalents. Dividend Equivalents are not payable with respect to your MSUs. Following the issuance of Shares to you upon settlement of your award as provided for herein, you will then be entitled to receive dividends as and when declared upon the Shares by the Company.

3. Performance Vesting. Your MSUs will be eligible to vest following a performance measurement period of three full fiscal years (the "Measurement Period") ending as of the Company's fiscal year end for the second full fiscal year following the date of grant (the "Measurement Year"). Following the conclusion of the Measurement Year, the Committee shall meet, either at its regularly scheduled quarterly meeting or at a special meeting of the Committee called prior to the Company's release of its annual earnings for the Measurement Year, but in all events within sixty (60) days following the end of the Measurement Year, to review performance attained and compare it to the performance measure set forth on **Exhibit A** attached hereto. The Committee will certify the Relative TSR achieved and the Applicable Percentage of the Target Number of MSUs to vest and resulting number of Shares to be issued to you (the date of such certification, the "Certification Date"). Except as otherwise provided for herein with respect to pro-rata vesting upon Retirement (as defined below) or in the event of your termination of employment by reason of death or Disability (as defined below) or as otherwise provided for herein or in the Plan or a written agreement between you and the Company, in the event of your termination of employment with the Company or a Subsidiary for any reason ("Termination of Employment"), including resignation or termination by the Company or a Subsidiary, prior to the Certification Date, all of your MSUs will be forfeited.

4. Vesting on Retirement, Death or Disability. In the event of your Termination of Employment by reason of your death, Disability or Retirement prior to the Certification Date, a pro-rated portion of your MSUs will remain eligible to vest pursuant to this Agreement (a) on the Certification Date based on achievement of the performance measure and determination of the Applicable Percentage as determined pursuant to Paragraph 3 or (b) if earlier, upon a Change in Control as provided in Paragraph 6 below, as applicable. If such Termination of Employment by reason of your death, Disability or Retirement occurs following a Change in Control that occurs prior to the Final Payment Date, such pro-rated vesting will be applied to the RSUs (as defined below) issued to you, if any, following such Change in Control pursuant to Paragraph 6 below. For purposes of such pro-rata vesting, the Target Number of MSUs will be adjusted according to the pro-rata portion of the Measurement

Period for which you were employed (which pro-ration will be determined on a pro-rata monthly basis, including full credit for partial months elapsed through the effective date of your Termination of Employment). "Retirement", for purposes of this Agreement, means your Termination of Employment (for any reason other than termination by the Company or a Subsidiary for Cause): (i) after attainment of age sixty-five (65), or (ii) after attainment of age fifty-five (55) provided that you have been in Continuous Service with the Company or a Subsidiary for not less than ten (10) years. "Disability," for purposes of this Agreement, means a permanent and total disability under Section 22(e)(3) of the Code, provided that such disability also qualifies as a "disability" for purposes of Section 409A of the Code ("Section 409A"). In the event of your Termination of Employment prior to Retirement by reason of your voluntary resignation or termination by the Company or a Subsidiary for reasons other than Cause, the Committee shall have discretion to provide for pro-rata vesting as provided for hereinabove.

5. Delivery of Shares. Subject to Paragraphs 7, 10 and 14 of this Agreement, your vested MSUs shall be settled solely in a number of whole Shares issued to you within thirty (30) days following the earliest to occur of the following (the "Settlement Date"):

(a) if this is a Section 409A Compliant Award (as defined below), the earlier of the date that is the 3rd business day following the Company's public release of its annual earnings for the Measurement Year or November 15 of the fiscal year immediately following the Measurement Year (the "Final Payment Date"); or

(b) if this is not a Section 409A Compliant Award:

(i) the Final Payment Date;

(ii) in the event of your Termination of Employment prior to a Change in Control and prior to the Final Payment Date, the date of a Change in Control occurring following your Termination of Employment;

(iii) in the event of your Termination of Employment following a Change in Control but prior to the Final Payment Date, the effective date of your Termination of Employment;

(iv) to the extent any portion of your MSUs vest upon a Change in Control of the Company pursuant to Section 19 of the Plan or Paragraph 6 below, the date of the Change in Control.

6. Change in Control Vesting. Except as provided for herein, the provisions of Section 19 of the Plan shall apply to your MSUs in the event of a Change in Control of the Company (as defined in the Plan). In the event of a Change in Control prior to the end of the Measurement Year, for purposes of determining the level of performance achieved as of the date of the Change in Control, the Measurement Year shall be deemed to have ended immediately prior to the effective date of the Change in Control. In such event, the Measurement Share Value and the Measurement Index Value (each as defined in **Exhibit A**) shall be determined based on the closing price for the Shares and the closing Index value as of the date of the Change in Control (not based on average amounts as provided for in **Exhibit A**). In addition, in the event of a Change in Control, the proportionate number of the Target Number of MSUs not subject to vesting on the date of the Change in Control based on the level of performance achieved as of the date of the Change in Control shall be converted into time-based Restricted Stock Units ("RSUs") that will vest on the Final Payment Date, subject to your continued employment through such date, subject to Paragraph 4 above, Section 19(a)(ii) of the Plan or as otherwise provided for in a written agreement between you and the Company.

If a Change in Control occurs after the end of the Measurement Year, but before the Certification Date has occurred, and you were employed by the Company on the date of the Change in Control, you will have the right to receive Shares in respect of your vested MSUs as provided in Paragraph 5 above, or the dollar value equivalent thereof, at the Company's option, determined in accordance with the vesting provisions of Paragraph 3 of this Agreement (which determination shall occur no later than the date of such Change in Control).

7. Securities Law Compliance. Notwithstanding anything to the contrary contained herein, Shares may not be issued upon settlement of this award unless the Shares are then registered under the Securities Act of 1933, as amended (the "Securities Act") or, if such Shares are not then so registered, the Committee or the Board has determined that such issuance would be exempt from the registration requirements of the Securities Act. The issuance of such Shares must also comply with other applicable laws and regulations governing such Shares, and

the issuance of such Shares may be delayed if the Committee or the Board determines that such issuance would not be in compliance with such laws and regulations, provided that issuance of the Shares shall be completed as soon as reasonably practicable following the first date on which the Company anticipates or should reasonably anticipate that issuing the Shares would not cause a violation or such earlier date as required to avoid causing this award to fail to be exempt from or to otherwise comply with Section 409A of the Code.

8. Transferability. Your MSUs are not transferable, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party (your "Beneficiary") who, in the event of your death, shall then be entitled to receive the Shares issuable upon settlement of this award as of the date of your death, if any.

9. Agreement Not a Service Contract or Obligation to Continue Service. This Agreement is not an employment or service contract, and nothing in this Agreement shall be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company or Subsidiary as an employee for any period of time. In addition, nothing in this Agreement shall obligate the Company or a Subsidiary to continue your employment for any period of time.

10. Satisfaction of Tax Withholding Obligations.

(a) At the time of issuance of Shares to you pursuant to the settlement of this award (or earlier, if applicable), to the extent required by law or applicable regulation, the Company shall withhold from the Shares otherwise issuable to you a number of whole Shares having a Fair Market Value as of the Settlement Date, equal to the minimum amount of taxes required to be withheld by law. The Fair Market Value of the withheld whole number of Shares that is in excess of the minimum amount of taxes required to be withheld shall be added to the deposit for your U.S. federal income tax withholding or, if you are an international taxpayer, such amount shall be added to the largest deposit of withheld tax required to be made by the Company or a Subsidiary on your behalf.

(b) Your Shares may not be issued unless the tax withholding obligations of the Company or Subsidiary, if any, are satisfied. Accordingly, the Company shall have no obligation to issue a certificate for such Shares until such tax withholding obligations are satisfied or otherwise provided for. Upon notice of the requirement for recovery from you of any amount due as a tax withholding obligation, you agree to promptly remit to the Company or Subsidiary the full amount due.

11. Compensation Recovery. By executing this Agreement, you agree that all compensation received by you, including Awards under the Plan (including, without limitation, any proceeds, gains or other economic benefit actually or constructively received by you upon receipt or exercise of this Award or upon the receipt or resale of any Shares underlying this Award), shall be subject to reduction, cancellation, forfeiture and/or recoupment to the extent necessary to comply with any compensation recovery policy adopted by the Company, including, without limitation, the Policy for Recovery of Erroneously Awarded Compensation (as amended from time to time, the "Policy"), or any other Applicable Law, or to the extent that such forfeiture or repayment may be required by any other Applicable Law, notwithstanding any other agreement to the contrary. No recovery of compensation under any compensation recovery policy or Applicable Law will be an event that triggers or contributes to any right of a Participant to resign for "good reason" (or similar term) under the Plan or any other agreement with the Company or an Affiliate. You agree that you are not entitled to indemnification in connection with any forfeiture or repayment of any compensation recovery policy or requirement under Applicable Law and expressly waive any rights to such indemnification under the Company's organizational documents or otherwise.

12. Notices. Any notices provided for in the Plan or this Agreement shall be given electronically or in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

13. Governing Plan Document. This Agreement is subject to all the provisions of the Plan, the provisions of which are incorporated by reference in this Agreement. This Agreement is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Except as specifically provided for herein, in the event of any conflict between the provisions of this Agreement and those of the Plan, the provisions of the Plan shall control.

14. Code Section 409A Compliance. To the extent applicable, it is intended that this award and the Plan comply with the requirements of Section 409A of the Code and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service. Any provision that would cause the Plan or this award to fail to satisfy Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A. Notwithstanding anything to the contrary in this Agreement, if this is not a Section 409A Compliant Award, in no event will any Shares issuable pursuant to this award be issued later than March 15th of the calendar year following the calendar year in which corresponding portion of the award has vested.

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

(b) Notwithstanding anything in this Agreement to the contrary, if you are deemed by the Company at the time of your 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 you are entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of the Shares issuable to you pursuant to this award shall not be provided to you prior to the earlier of (x) the expiration of the six-month period measured from the date of your Separation from Service with the Company or (y) the date of your death. Within thirty (30) days following the expiration of the applicable foregoing period, all Shares deferred pursuant to the preceding sentence shall be issued to you (or your estate or beneficiaries), and any remaining Shares due to you under this Agreement shall be paid as otherwise provided herein.

(c) Your right to receive any installment payments under this Agreement 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.

(d) 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.

(e) This award will be a "Section 409A Compliant Award" if (i) you will be eligible for Retirement at any time prior to the Final Payment Date, (ii) you are a party to an executive Change in Control Severance Agreement with the Company as applicable for Executive Officers at any time prior to the Final Payment Date, or (iii) this award otherwise constitutes "nonqualified deferred compensation" for purposes of Section 409A.

END OF MARKET SHARE UNIT AGREEMENT

(Refer to MSU Award Grant Notice and Acceptance for Specific Grant Information)

EXHIBIT A

PERFORMANCE VESTING

Subject to Section 5 of the Market Share Unit Award Agreement, the MSUs shall vest with respect to the Applicable Percentage of the Target Number of MSUs set forth in the following applicable Executive Officer or Senior Management Employee table based on relative total stockholder return ("TSR") for the Company over the Measurement Period as compared to the total return ("Return") for the Russell 2000 Index (the "Index") as reported for total return (with dividends reinvested) by Russell Investments. For purposes of computing the relative TSR for the Company as compared to the Return for the Index, dividends paid with respect to the Shares shall be treated as having been reinvested as of the ex-dividend date for each declared dividend, as further described below. TSR for the Company shall equal the percentage change (positive or negative) of the "Measurement Share Value" (as defined below) as compared to the "Base Share Value" (as defined below). The Return for the Index shall equal the percentage change (positive or negative) of the "Measurement Index Value" (as defined below) as compared to the "Base Index Value" (as defined below). The relative TSR ("Relative TSR") represents the absolute percentage point difference between the TSR for the Company and the Return for the Index.

Executive Officer

Relative TSR (absolute percentage point difference)	Applicable Percentage
≥ 20%	200%
15%	175%
10%	150%
5%	125%
0%	100%
-5%	75%
-10%	50%
>-10%	0%

Senior Management Employee

Relative TSR (absolute percentage point difference)	Applicable Percentage
> 10%	150%
10%	150%
5%	125%
Equal	100%
-5%	75%
-10%	50%
>-10%	0%

The Applicable Percentage will be determined on a straight line sliding scale from the minimum 50% Applicable Percentage achievement level to the applicable maximum 200% or 150% % Applicable Percentage achievement level as noted in the applicable Executive Officer or Senior Management Employee table above. For purposes of determining relative achievement, actual results are to be rounded to the nearest tenth of one percent and rounded upward from the midpoint, in all events in a positive direction. For example, if the Relative TSR is 4.94% (the absolute difference between the TSR for the Company and the Return for the Index over the Measurement Period being 4.94 percentage points), Relative TSR will be 4.9% and the Applicable Percentage will be 124.5%. The number of Shares to be issued on the Settlement Date is to be rounded to the nearest whole share and rounded upward from the midpoint.

"Base Share Value" shall represent the average computed value of one (1) share of the Company's common stock (as increased, if applicable, by additional shares theoretically acquired with reinvested dividends, as further described below), determined with reference to the daily closing price for the Company's Shares over a period of all market trading days within the ninety (90) calendar days ending on the last day of the Company's fiscal year ended immediately prior to the date of grant (the "Base Value Averaging Period").

For purposes of determining the Base Share Value, the daily value of one (1) share shall be computed based on the closing price for the Company's Shares for each market trading day until the next following ex-dividend date, if any. On the ex-dividend date, if any, and thereafter through the end of the Base Value Averaging Period, the daily value shall be based on one (1) share plus a number of shares that would theoretically be acquired on the ex-dividend date, at the closing price for the Company's Shares on the ex-dividend date, with the dividend declared with respect to the share. In the same manner, the number of shares shall be increased for computing the daily value on a compounded basis for each successive dividend, if any, declared prior to the end of the Base Value Averaging Period. A simple average of all of the daily values so computed shall represent the Base Share Value.

"Base Index Value" shall represent the average closing value of the Index over a period of all market trading days within the Base Value Averaging Period.

"Measurement Share Value" shall represent the average computed value of one (1) share of the Company's common stock (as increased, if applicable, by additional shares theoretically acquired with reinvested dividends over the Measurement Period, including dividends reinvested for purposes of computing the Base Share Value, as further described below), determined with reference to the daily closing price for the Company's Shares over a period of all market trading days within ninety (90) calendar days ending on the last day of the Measurement Year (the "Measurement Value Averaging Period").

For purposes of determining the Measurement Share Value, the number of shares as of the first day of the Measurement Value Averaging Period shall first be determined by adding theoretically reinvested dividend shares over the entire Measurement Period to the number of shares used in computation of the Base Share Value as of the end of the Base Value Averaging Period. Such reinvested dividend shares shall be added on a compounded basis as of each successive ex-dividend date for dividends declared with respect to the Company's Shares in the same manner as described for computation of the Base Share Value. Beginning on the first day of the Measurement Share Averaging Period, the daily value of the shares thus accumulated through dividend reinvestment shall be computed based on the closing price for the Company's Shares for each market trading day until the next following ex-dividend date. On successive ex-dividend dates, if any, and thereafter through the end of the Measurement Share Averaging Period, the daily value shall be based on the increased number of shares accumulated as of each such ex-dividend date. A simple average of all of the daily values so computed shall represent the Measurement Share Value.

"Measurement Index Value" shall represent the average closing value of the Index over a period of all market trading days within the Measurement Value Averaging Period.

Exhibit 10(q)

WD-40 COMPANY
2016 STOCK INCENTIVE PLAN

FY 20__ PERFORMANCE SHARE UNIT RESTRICTED STOCK AWARD GRANT NOTICE AND ACCEPTANCE

Maximum Number of PSUs: The "Vest Quantity" Shown Above
Performance Measurement Year End: August 31, 20__
Vesting Date: August 31, 20__, Subject to Compensation Committee Certification of Performance Achievement
Settlement Date: See Below
Grant Date: October __, 20__

FY 20__ PERFORMANCE SHARE UNIT AWARD AGREEMENT

Pursuant to your Performance Share Unit Restricted Stock Award Grant Notice and Acceptance ("Grant Notice") and this Performance Share Unit Award Agreement ("Agreement"), WD-40 Company, a Delaware corporation (the "Company"), has awarded to you Performance Share Units ("PSUs") under the WD-40 Company 2016 Stock Incentive Plan (as amended from time to time, the "Plan") with respect to the "Maximum Number" of Shares of the Company's Common Stock indicated in your Grant Notice. Defined terms not explicitly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan.

The details of your PSUs are as follows:

1. Number of Shares; Adjustment. The number of Shares to be issued to you upon settlement of your PSUs as referenced in your Grant Notice will be determined under the performance vesting provisions in Paragraph 3 of this Agreement equal to a percentage (the "Applicable Percentage") of the Maximum Number of PSUs set forth in your Grant Notice. The Maximum Number of PSUs prior to performance vesting, or the resulting number of Shares determined upon performance vesting, may be adjusted from time to time upon changes in capitalization of the Company pursuant to Section 18 of the Plan.

2. No Payment of Dividend Equivalents. Dividend Equivalents are not payable with respect to your PSUs. Following the issuance of Shares to you upon settlement of your award as provided for herein, you will then be entitled to receive dividends as and when declared upon the Shares by the Company.

3. Performance Vesting. Your PSUs will be eligible to vest following a performance measurement period of one year that is the current fiscal year of the Company (the "Measurement Year"). Following the conclusion of the Measurement Year, the Committee shall meet, either at its regularly scheduled quarterly meeting or at a special meeting of the Committee called prior to the Company's release of its annual earnings for the Measurement Year, but in all events within sixty (60) days following the end of the Measurement Year, to review performance attained and compare it to the performance measure set forth on **Exhibit A** attached hereto. The Committee will certify the Adjusted Global EBITDA achieved and the Applicable Percentage of the Maximum Number of PSUs to vest and resulting number of Shares to be issued to you (the date of such certification, the "Certification Date"). Except as otherwise provided for herein with respect to pro-rata vesting upon Retirement (as defined below) or in the event of your termination of employment by reason of death or Disability (as defined below), or as otherwise provided for herein or in the Plan or a written agreement between you and the Company, in the event of your termination of employment with the Company or a Subsidiary for any reason ("Termination of Employment"), including resignation or termination by the Company or a Subsidiary, prior to August 31 of the Measurement Year, your PSUs will be forfeited.

4. Vesting on Retirement, Death or Disability. In the event of your Termination of Employment by reason of your death, Disability or Retirement prior to August 31 of the Measurement Year and prior to a Change in Control, a pro-rated portion of your PSUs will remain eligible to vest pursuant to this Agreement (a) on the Certification Date based on achievement of the performance measure and determination of the Applicable Percentage as determined pursuant to Paragraph 3 or (b) if earlier, upon a Change in Control as provided in Paragraph 5 below, as applicable. If such Termination of Employment by reason of your death, Disability or

Retirement occurs following a Change in Control that occurs prior to August 31 of the Measurement Year, such pro-rated vesting will be applied to the RSUs (as defined below) issued to you following such Change in Control pursuant to Paragraph 5 below. Such pro-ration will be determined on a pro-rata monthly basis, including full credit for partial months during the Measurement Year elapsed through the effective date of your Termination of Employment. "Retirement", for purposes of this Agreement, means your Termination of Employment (for any reason other than termination by the Company or a Subsidiary for Cause): (i) after attainment of age sixty-five (65), or (ii) after attainment of age fifty-five (55) provided that you have been in Continuous Service with the Company or a Subsidiary for not less than ten (10) years. "Disability," for purposes of this Agreement, means a permanent and total disability under Section 22(e)(3) of the Code, provided that such disability also qualifies as a "disability" for purposes of Section 409A of the Code ("Section 409A"). In the event of your Termination of Employment prior to Retirement by reason of your voluntary resignation or termination by the Company or a Subsidiary for reasons other than Cause, the Committee shall have discretion to provide for pro-rata vesting as provided for hereinabove.

5. Change in Control Vesting. Except as provided for herein, the provisions of Section 19 of the Plan shall apply to your PSUs in the event of a Change in Control of the Company (as defined in the Plan). For purposes of applying Section 19(a)(iii) of the Plan, in the event of a Change in Control prior to the end of the Measurement Year, a portion of the award equal to (a) 50% of the Maximum Number of PSUs multiplied by (b) a fraction representing the number of full or partial months during the Measurement Year elapsed through the date of the Change in Control, shall be treated as time-based Restricted Stock Units ("RSUs") that will vest on August 31 of the Measurement Year, subject to your continued employment through such date, and further subject to Paragraph 4 above, Section 19(a)(ii) of the Plan or as otherwise provided for in a written agreement between you and the Company, and any remaining PSUs shall be forfeited.

If a Change in Control occurs after the end of the Measurement Year, but before the Final Payment Date has occurred, you will have the right to receive Shares in respect of vested PSUs as provided in Paragraph 6 below, or the dollar value equivalent thereof, at the Company's option, with such number of vested PSUs to be determined in accordance with the vesting provisions of Paragraph 3 of this Agreement (which determination shall occur no later than the date of such Change in Control), and any resulting vested PSUs will be deemed vested for all purposes as of the date of such Change in Control.

6. Delivery of Shares. Subject to Paragraphs 5, 7, 8, 11 and 15 of this Agreement, your vested PSUs shall be settled solely in a number of whole Shares (which Shares shall be Restricted Stock (as defined below) to the extent provided in Paragraph 7 below) issued to you within thirty (30) days following the earliest to occur of (the "Settlement Date"):

(a) the earlier of the date that is the 3rd business day following the Company's public release of its annual earnings for the Measurement Year or November 15 of the fiscal year immediately following the Measurement Year (the "Final Payment Date");

(b) in the event of your Termination of Employment following a Change in Control but prior to the Final Payment Date, the effective date of your Termination of Employment; or

(c) to the extent any portion of your PSUs vest upon a Change in Control of the Company pursuant to Section 19 of the Plan or Paragraph 5 above, the date of the Change in Control.

7. Restricted Stock. The Shares issued to you upon settlement of your vested PSUs on the Settlement Date shall be subject to the restrictions in this Paragraph 7 until your Termination of Employment ("Restricted Stock"). During such period of restriction, the Restricted Stock may not be sold, transferred or disposed of by you, other than by will or by the laws of descent and distribution. In the event of a Change in Control, the restrictions upon sale, transfer or disposition of your Restricted Stock shall be removed as of the closing or expiration of such transaction so that the Restricted Stock may be tendered for acceptance of any cash or exchange offer made in connection with such transaction. In addition, in the event this award is settled in Shares on or following the date of a Change in Control, the restrictions in this Paragraph 7 shall not apply to any such Shares issued upon settlement of this award. Each Share of Restricted Stock shall bear the following restrictive endorsements which may be removed at such time as the restrictions have expired:

"The shares represented by this certificate are subject to transfer restrictions in accordance with the terms of a Performance Share Unit Restricted Stock Award Agreement between the holder

and the Corporation, a copy of which may be obtained without charge by written request delivered to the Corporation."

8. Securities Law Compliance. Notwithstanding anything to the contrary contained herein, Shares may not be issued upon settlement of this award unless the Shares are then registered under the Securities Act of 1933, as amended (the "Securities Act") or, if such Shares are not then so registered, the Committee or the Board has determined that such issuance would be exempt from the registration requirements of the Securities Act. The issuance of such Shares must also comply with other applicable laws and regulations governing such Shares, and the issuance of such Shares may be delayed if the Committee or the Board determines that such issuance would not be in compliance with such laws and regulations, provided that issuance of the Shares shall be completed as soon as reasonably practicable following the first date on which the Company anticipates or should reasonably anticipate that issuing the Shares would not cause a violation or such earlier date as required to avoid causing this award to fail to be exempt from or to otherwise comply with Section 409A of the Code.

9. Transferability. Your PSUs are not transferable, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party (your "Beneficiary") who, in the event of your death, shall then be entitled to receive the Shares issuable upon settlement of this award payable as a result of your death, if any.

10. Agreement Not a Service Contract or Obligation to Continue Service. This Agreement is not an employment or service contract, and nothing in this Agreement shall be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company or Subsidiary as an employee for any period of time. In addition, nothing in this Agreement shall obligate the Company or a Subsidiary to continue your employment for any period of time.

11. Satisfaction of Tax Withholding Obligations.

(a) At the time of issuance of Shares to you pursuant to the settlement of this award (or earlier, if applicable) to the extent required by law or applicable regulation, the Company shall withhold from the Shares otherwise issuable to you a number of whole Shares having a Fair Market Value as of the Settlement Date equal to the minimum amount of taxes required to be withheld by law. The Fair Market Value of the withheld whole number of Shares that is in excess of the minimum amount of taxes required to be withheld shall be added to the deposit for your U.S. federal income tax withholding or, if you are an international taxpayer, such amount shall be added to the largest deposit of withheld tax required to be made by the Company or a Subsidiary on your behalf.

(b) Your Shares may not be issued unless the tax withholding obligations of the Company or Subsidiary, if any, are satisfied. Accordingly, the Company shall have no obligation to issue a certificate for such Shares until such tax withholding obligations are satisfied or otherwise provided for. Upon notice of the requirement for recovery from you of any amount due as a tax withholding obligation, you agree to promptly remit to the Company or Subsidiary the full amount due.

12. Compensation Recovery. By executing this Agreement, you agree that all compensation received by you, including Awards under the Plan (including, without limitation, any proceeds, gains or other economic benefit actually or constructively received by you upon receipt or exercise of this Award or upon the receipt or resale of any Shares underlying this Award), shall be subject to reduction, cancellation, forfeiture and/or recoupment to the extent necessary to comply with any compensation recovery policy adopted by the Company, including, without limitation, the Policy for Recovery of Erroneously Awarded Compensation (as amended from time to time, the "Policy"), or any other Applicable Law, or to the extent that such forfeiture or repayment may be required by any other Applicable Law, notwithstanding any other agreement to the contrary. No recovery of compensation under any compensation recovery policy or Applicable Law will be an event that triggers or contributes to any right of a Participant to resign for "good reason" (or similar term) under the Plan or any other agreement with the Company or an Affiliate. You agree that you are not entitled to indemnification in connection with any forfeiture or repayment of any compensation recovery policy or requirement under Applicable Law and expressly waive any rights to such indemnification under the Company's organizational documents or otherwise.

13. Notices. Any notices provided for in the Plan or this Agreement shall be given electronically or in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

14. Governing Plan Document. This Agreement is subject to all the provisions of the Plan, the provisions of which are incorporated by reference in this Agreement. This Agreement is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Except as specifically provided for herein, in the event of any conflict between the provisions of this Agreement and those of the Plan, the provisions of the Plan shall control.

15. Code Section 409A Compliance. To the extent applicable, it is intended that this award and the Plan comply with the requirements of Section 409A of the Code and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service. Any provision that would cause the Plan or this award to fail to satisfy Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A. Notwithstanding anything to the contrary in this Agreement, in no event will any Shares issuable pursuant to this award be issued later than March 15th of the calendar year following the calendar year in which corresponding portion of the award has vested.

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

(b) Notwithstanding anything in this Agreement to the contrary, if you are deemed by the Company at the time of your 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 you are entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of the Shares issuable to you pursuant to this award shall not be provided to you prior to the earlier of (x) the expiration of the six-month period measured from the date of your Separation from Service with the Company or (y) the date of your death. Within thirty (30) days following the expiration of the applicable foregoing period, all Shares deferred pursuant to the preceding sentence shall be issued to you (or your estate or beneficiaries), and any remaining Shares due to you under this Agreement shall be paid as otherwise provided herein.

(c) Your right to receive any installment payments under this Agreement 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.

(d) 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.

END OF PERFORMANCE SHARE UNIT AGREEMENT

(Refer to PSU Award Grant Notice and Acceptance for Specific Grant Information)

EXHIBIT A

PERFORMANCE VESTING

In accordance with Paragraph 3 of the Performance Share Unit Award Agreement, the PSUs shall vest with respect to the Applicable Percentage of the Maximum Number of PSUs set forth in the following table, based on relative achievement within an established performance measure range of the Company's reported earnings before interest, income taxes, depreciation (in operating departments) and amortization computed on a consolidated basis ("Global EBITDA") for the Measurement Year, before deduction of the stock-based compensation expense for the vested PSUs awarded to all Plan participants for the Measurement Year and excluding other non-operating income and expense amounts ("Adjusted Global EBITDA").

Adjusted Global EBITDA	Applicable Percentage
≥ $	100%
$	5%
< $	0%
$*	0%

* Implied zero percentage achievement level.

The Applicable Percentage will be determined on a straight-line sliding scale from the implied zero percentage achievement level to the maximum 100% Applicable Percentage achievement level but the Applicable Percentage shall not be less than 5%. For purposes of determining the Applicable Percentage, the calculated percentage is to be rounded to the nearest tenth of one percent and rounded upward from the midpoint. The number of vested PSUs is to be rounded to the nearest whole unit and rounded upward from the midpoint.

For purposes of computing Global EBITDA the Company's earnings are to be determined in accordance with the Company's then applicable Generally Accepted Accounting Principles (currently U.S. GAAP) subject to such adjustments approved by the Committee or the Board at the time the Adjusted Global EBITDA amounts in the table above were approved.

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

The Registrant has the following wholly-owned subsidiaries which, except as indicated, do business under their respective legal names:

Name	Place of Incorporation
WD-40 Manufacturing Company	California, USA
WD-40 Company (Canada) Ltd.	Ontario, Canada
WD-40 Holdings Limited	London, England
WD-40 Company Limited	London, England
WD-40 Company (Australia) Pty. Limited	New South Wales, Australia
WD-40 Co. México, S. de R.L. de C.V.	Monterrey, N.L., Mexico
HPD Laboratories, Inc.	Delaware, USA
Heartland Corporation	Kansas, USA
Wu Di (Shanghai) Industrial Co., Ltd.	Shanghai, China
WD-40 Company (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-222479 and 333-151149) of WD-40 Company of our report dated October 23, 2023 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

San Diego, California
October 23, 2023

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 Annual Report on Form 10-K 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: October 23, 2023

/s/ STEVEN A. BRASS

Steven A. Brass
President and 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 Annual Report on Form 10-K 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: October 23, 2023

/s/ SARA K. HYZER

Sara K. Hyzer
Vice President, Finance 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 Annual Report on Form 10-K of the Company for the fiscal year ended August 31, 2023 (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: October 23, 2023

/s/ STEVEN A. BRASS

Steven A. Brass
President and 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 Annual Report on Form 10-K of the Company for the fiscal year ended August 31, 2023 (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: October 23, 2023

/s/ SARA K. HYZER

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