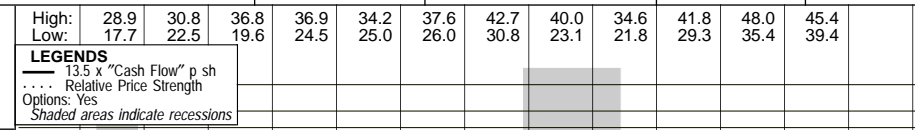


# WD-40 COMPANY NDQ-WDFC

RECENT PRICE **44.19** P/E RATIO **19.2** (Trailing: 21.8) (Median: 18.0) RELATIVE P/E RATIO **1.23** DIV'D YLD **2.7%**

**VALUE LINE**

**TIMELINESS** 4 Lowered 1/13/12  
**SAFETY** 2 Raised 4/3/09  
**TECHNICAL** 3 Raised 3/16/12  
**BETA** .75 (1.00 = Market)

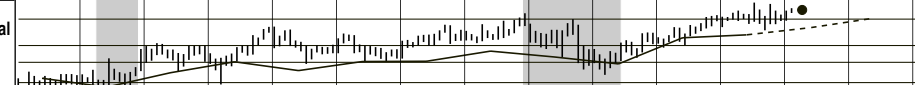


High: 28.9 30.8 36.8 36.9 34.2 37.6 42.7 40.0 34.6 41.8 48.0 45.4  
 Low: 17.7 22.5 19.6 24.5 25.0 26.0 30.8 23.1 21.8 29.3 35.4 39.4

Target Price Range  
 2015 2016 2017

**2015-17 PROJECTIONS**

Price	60	Gain	(+35%)	Ann'l Total Return	10%
High	60	Low	45	Gain	(Nil)
Options to Buy	0	Options to Sell	0	Options to Buy	0
Options to Buy	0	Options to Sell	0	Options to Buy	0



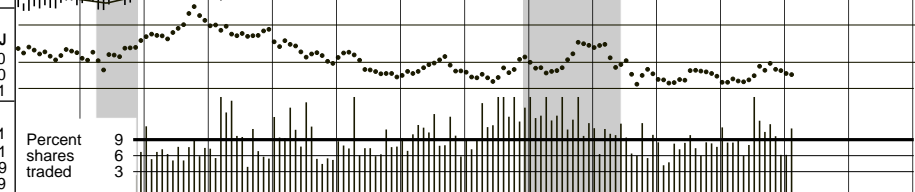
% TOT. RETURN 2/12  
 THIS STOCK VLARITH: INDEX  
 1 yr. 8.7 -0.4  
 3 yr. 91.0 163.8  
 5 yr. 56.8 31.7

**Insider Decisions**

M	J	A	S	O	N	D	J
to Buy	0	0	0	0	0	0	0
Options to Buy	0	0	3	0	1	1	0
Options to Sell	0	0	3	0	1	0	1

**Institutional Decisions**

2Q2011	3Q2011	4Q2011	
to Buy	54	47	51
to Sell	60	63	59
Hlds(000)	11997	11485	11009



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1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
8.48	8.86	9.24	9.38	9.89	11.11	13.18	14.24	14.65	15.77	16.90	18.27	19.24	17.66	19.27	20.55	<b>22.80</b>	<b>24.05</b>	Sales per sh <sup>A</sup>	<b>29.05</b>
1.49	1.52	1.54	1.67	1.55	1.41	1.65	1.86	1.69	1.87	1.87	2.09	1.96	1.82	2.42	2.49	<b>2.70</b>	<b>3.00</b>	"Cash Flow" per sh	<b>3.70</b>
1.38	1.38	1.40	1.41	1.33	1.08	1.57	1.75	1.50	1.67	1.67	1.83	1.69	1.58	2.15	2.14	<b>2.30</b>	<b>2.55</b>	Earnings per sh <sup>B</sup>	<b>3.25</b>
1.24	1.25	1.28	1.28	1.28	1.18	.94	.80	.80	.84	.88	1.00	1.00	1.00	1.00	1.08	<b>1.14</b>	<b>1.22</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>1.50</b>
.09	.10	.08	.08	.14	.10	.07	.12	.14	.19	.17	.15	.35	.18	.11	.18	<b>.20</b>	<b>.30</b>	Cap'l Spending per sh	<b>.50</b>
3.05	3.30	3.52	3.60	3.42	3.51	5.06	6.29	6.79	7.79	9.17	9.99	10.46	11.78	12.29	<b>12.95</b>	<b>13.80</b>	Book Value per sh <sup>D</sup>	<b>18.70</b>	
15.44	15.56	15.63	15.60	15.43	15.72	16.45	16.73	16.55	16.69	16.98	16.85	16.48	16.53	16.69	16.37	<b>15.80</b>	<b>15.60</b>	Common Shs Outst'g <sup>E</sup>	<b>15.50</b>
16.1	19.3	20.0	18.5	15.5	19.0	16.2	15.4	21.0	17.7	18.1	18.5	20.4	17.7	15.3	18.8	<b>16.5</b>	<b>16.5</b>	Avg Ann'l P/E Ratio	<b>16.5</b>
1.01	1.11	1.04	1.05	1.01	.97	.88	.88	1.11	.94	.98	.98	1.23	1.18	.97	1.18	<b>1.10</b>	<b>1.10</b>	Relative P/E Ratio	<b>1.10</b>
5.6%	4.7%	4.6%	4.9%	6.2%	5.7%	3.7%	3.0%	2.5%	2.8%	2.9%	3.0%	2.9%	3.6%	3.0%	2.7%	<b>2.7%</b>	<b>2.7%</b>	Avg Ann'l Div'd Yield	<b>2.5%</b>

**CAPITAL STRUCTURE as of 11/30/11**

Total Debt \$32.0 mill. Due in 5 Yrs \$32.0 mill.  
 LT Debt None. LT Interest None

Lease, Uncapitalized Annual rentals \$1.6 mill.  
 No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 15,977,176 shs.  
 as of 1/4/12  
 MARKET CAP: \$700 million (Small Cap)

216.8	238.1	242.5	263.2	286.9	307.8	317.1	292.0	321.5	336.4	<b>360</b>	<b>375</b>	Sales (\$mill) <sup>A</sup>	<b>450</b>
20.4%	22.1%	19.7%	19.4%	17.4%	17.1%	15.1%	17.4%	18.7%	17.9%	<b>18.0%</b>	<b>18.5%</b>	Operating Margin	<b>20.0%</b>
1.8	1.8	2.4	3.0	3.5	3.6	3.8	3.7	4.2	4.4	<b>5.5</b>	<b>6.0</b>	Depreciation (\$mill)	<b>7.5</b>
25.4	29.3	25.6	28.1	28.3	31.5	28.5	26.3	36.1	36.4	<b>37.5</b>	<b>41.0</b>	Net Profit (\$mill)	<b>50.0</b>
31.1%	33.9%	34.0%	35.2%	34.8%	33.2%	34.3%	31.4%	32.6%	31.9%	<b>33.0%</b>	<b>33.0%</b>	Income Tax Rate	<b>33.0%</b>
11.7%	12.3%	10.6%	10.7%	9.9%	10.2%	9.0%	9.0%	11.2%	10.8%	<b>10.4%</b>	<b>10.9%</b>	Net Profit Margin	<b>11.1%</b>
32.4	50.6	41.7	54.5	71.8	76.7	64.9	72.6	90.6	89.0	<b>100</b>	<b>105</b>	Working Cap'l (\$mill)	<b>140</b>
95.0	85.0	75.0	64.3	53.6	42.9	32.1	21.4	10.7	10.7	<b>Nil</b>	<b>Nil</b>	Long-Term Debt (\$mill)	<b>25.0</b>
83.2	105.2	112.4	130.1	155.7	168.3	164.0	172.9	196.5	201.2	<b>205</b>	<b>215</b>	Shr. Equity (\$mill)	<b>290</b>
15.9%	17.2%	15.4%	15.7%	14.2%	15.4%	14.9%	14.1%	17.6%	18.1%	<b>18.5%</b>	<b>19.5%</b>	Return on Total Cap'l	<b>16.0%</b>
30.5%	27.9%	22.8%	21.6%	18.2%	18.7%	17.4%	15.2%	18.4%	18.1%	<b>18.5%</b>	<b>19.5%</b>	Return on Shr. Equity	<b>17.0%</b>
11.1%	15.2%	10.7%	10.9%	8.7%	8.9%	7.2%	5.6%	9.9%	9.0%	<b>9.0%</b>	<b>10.0%</b>	Retained to Com Eq	<b>9.0%</b>
63%	45%	53%	50%	52%	53%	59%	63%	46%	50%	<b>50%</b>	<b>48%</b>	All Div'ds to Net Prof	<b>46%</b>

**CURRENT POSITION (SMILL.)**

Cash Assets	75.9	56.9	67.1
Receivables	47.8	58.3	49.3
Inventory (Avg Cst)	13.0	17.6	23.0
Other	13.7	10.4	10.2
Current Assets	150.4	143.2	149.6
Accts Payable	18.9	19.4	22.2
Debt Due	10.7	10.7	32.0
Other	30.2	24.1	23.8
Current Liab.	59.8	54.2	78.0

**BUSINESS:** WD-40 Company makes and markets three multi-purpose lubricants. The main product is a petroleum-based spray lubricant, *WD-40*, which also prevents rust and displaces moisture. Another is *3-IN-ONE* oil, which has multiple household and industrial applications. *Blue Works* targets the industrial market. The new *WD-40 Specialist* line features problem-solving products aimed at

the trade and doer enthusiast. Other wares include, heavy-duty hand cleaners *LAVA* and *SOLVOL*, and household cleaners. Has 334 employees. Officers & Directors own 8.1% of common; 3 institutions, 27.8%. (11/11 Proxy). Chrmn.: Neal E. Schmale. Pres. & CEO: Garry Ridge. Add: 1061 Cudahy Place, San Diego, CA 92110. Tel. 619-275-1400. Internet: www.wd40.com.

**ANNUAL RATES**

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Sales	6.5%	4.0%	7.0%
"Cash Flow"	4.0%	4.5%	8.5%
Earnings	4.5%	4.0%	9.0%
Dividends	-2.0%	4.0%	6.5%
Book Value	12.5%	8.0%	8.5%

**Fiscal Year Ends**

Nov.30	Feb.28	May.31	Aug.31	Full Fiscal Year	
2009	83.6	61.0	68.8	77.8	292.0
2010	77.7	80.6	82.5	80.7	321.5
2011	80.9	79.2	85.5	90.8	336.4
2012	85.0	87.0	93.0	95.0	360
2013	88.0	90.0	97.0	100	375

**Fiscal Year Ends**

Nov.30	Feb.28	May.31	Aug.31	Full Fiscal Year	
2009	.46	.25	.41	.46	1.58
2010	.56	.64	.54	.41	2.15
2011	.53	.53	.47	.61	2.14
2012	.42	.55	.61	.72	2.30
2013	.54	.58	.67	.76	2.55

**Cal-endar**

Mar.31	Jun.30	Sep.30	Dec.31	Full Year	
2008	.25	.25	.25	.25	1.00
2009	.25	.25	.25	.25	1.00
2010	.25	.25	.25	.27	1.02
2011	.27	.27	.27	.27	1.08
2012	.29				

**Despite a slow start, WD-40 management expects good results in fiscal 2012 (ends August 31st).** When final totals are tallied, company officials estimate sales may well have risen 5% to 10%, and share net will have improved to \$2.28 to \$2.40. The bottom line figures to be helped by international market (62% of sales) growth. U.S. sales ought to be bolstered by the February launch of the *WD-40 Specialist* product line. Strength in these areas is likely to extend into fiscal 2013.

**Several international markets are experiencing double-digit sales growth.** These include Asia, China, Australia, Northern and Eastern Europe, along with the Middle East. We note that the company sells through distributors in Eastern and Northern Europe, the Middle East, and Africa, and they have placed orders in advance of the November, 2011 price increases. Additionally, *Wd-40* is researching new markets, such as the sub-Saharan Africa.

**The *WD-40 Specialist* line was successfully introduced nationwide, and in select European countries.** Last fall, the new line was shipped to a key custom-

er, who reordered quickly. That led other major customers to order the five items before the January national launch. The new products are a rust-release penetrant spray; a water-resistant silicon lubricant; a protective white lithium grease; a long-term corrosion inhibitor; and a rust-remover soak. Two of these items were developed through partnership or licensing agreements. There are several other products being developed.

**The company's North American supply chain is being redesigned.** This project includes consolidation of *WDFC's* third party packaging facilities, and the restructuring of the distribution center network. When these activities are completed, probably by fiscal yearend, they ought to cut *WDFC's* supply chain costs by at least \$1 million.

**At this juncture, investors need not rush in.** Based on recent earnings comparisons, *WD-40* stock is pegged to underperform the year-ahead market. Also, it is trading near its 3- to 5-year Target Price Range, thereby limiting capital appreciation potential over that period.

Jerome H. Kaplan March 30, 2012

(A) Fiscal year ends August 31st. (B) Primary earnings through 1997, then diluted. Next earnings report due April 5th. Excludes nonrecurring (losses) gains: '02, (4c); '03, (4c); '05, (2c); '06, (1c). (C) Dividends historically paid in January, April, July, and October. (D) Incl. intangibles. At 8/31/11: 125.4 mill. (E) In millions.