

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): May 5, 2020

Johnson Outdoors Inc.

(Exact Name of Registrant as Specified in Charter)

Wisconsin
(State or Other Jurisdiction of Incorporation)

0-16255
(Commission File Number)

39-1536083
(I.R.S. Employer Identification Number)

555 Main Street, Racine, Wisconsin 53403
(Address of Principal Executive Offices) (Zip Code)

(262) 631-6600
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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.

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, \$.05 par value per share	JOUT	NASDAQ Global Select Market SM

Section 2 - Financial Information

Item 2.02. Results of Operations and Financial Condition.

On May 5, 2020, Johnson Outdoors Inc. (the “Company”) issued a press release announcing results for the second fiscal quarter ended March 27, 2020 (the “Press Release”). A copy of the Press Release is being furnished as Exhibit 99.1 to this Report.

The information in this Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that Section, nor shall such information be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise stated in such filing.

Section 9 - Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibit is being furnished herewith:

[99.1 Press Release Dated May 5, 2020.](#)

SIGNATURE

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

Johnson Outdoors Inc.

Date: May 5, 2020

By: /s/ David W. Johnson
David W. Johnson
Vice President and Chief Financial Officer

JOHNSON OUTDOORS INC.

Exhibit Index to Current Report on Form 8-K

Exhibit Number

[99.1](#) [Press Release Dated May 5, 2020.](#)

Johnson Outdoors Reports Fiscal Second Quarter Results

RACINE, Wis., May 05, 2020 (GLOBE NEWSWIRE) -- **Johnson Outdoors Inc. (Nasdaq: JOUT)**, a leading global innovator of outdoor recreation equipment and technology, today reported lower sales and net income during the Company's 2020 second fiscal quarter ending March 27, 2020. Year-to-date revenue and net income compared favorably to the prior year fiscal six-month period.

Following a temporary suspension of operations at some of the Company's locations, on April 22, 2020, the Company resumed production and shipments in its North American operations in compliance with government-ordered procedures and public health safety guidelines for COVID-19. During the temporary suspension, all facilities were deep-cleaned and sanitized, and strict operating procedures and protocols, consistent with CDC guidelines, were put in place, along with good personal hygiene directives. Employees' benefits were unaffected during the suspension. Employees with positions conducive to working from home have been and will continue to do so.

"During this unsettling time, we are taking steps to protect the health and safety of our people and ensure the future for Johnson Outdoors. Government mandates in response to COVID-19 have overlapped with our primary selling season, and the third quarter is expected to be significantly impacted as a result. However, as stay-at-home orders are lifted, Johnson Outdoors will be there ready to help people have a great outdoor experience," said Helen Johnson-Leipold, Chairman and Chief Executive Officer. "Importantly, our unwavering commitment to building a thriving enterprise long-term remains stronger than ever. Now, as always, consumer-driven innovation will play a critical role in helping us overcome challenging times and emerge stronger and better positioned for the future."

SECOND QUARTER RESULTS

Sales in the second fiscal quarter reflect shipments in anticipation of the primary retail-selling period for the outdoor recreation industry's warm-weather products. Net sales decreased 8 percent to \$163.1 million in the current fiscal second quarter compared with \$177.7 million in the previous year quarter. Government-mandated "stay-at-home" orders resulted in temporary suspensions across Company operations around the world during the quarter and were a key contributing factor to the year-over-year unfavorable comparison in total Company net sales. While each unit experienced a different degree of impact from COVID-19, other factors affecting unit results were:

- Fishing revenue declined 3 percent to \$134 million due to the pacing of new product introductions in the prior year quarter.
- Camping sales decreased 7 percent to \$8.8 million as strong growth in Jetboil[®] could not offset lower sales in other categories.
- Diving revenue dropped 29 percent due to the impact on dive markets across Europe, Asia-Pacific and North America as a result of the COVID-19 pandemic.
- Watercraft Recreation sales fell 38 percent due largely to COVID-19 impacts on production and demand.

Total Company operating profit in the fiscal second quarter was \$31.8 million compared to \$27.8 million in the prior year fiscal second quarter. Gross margin improved to 46.1 percent from 44.5 percent, due primarily to stronger pricing and improved mix in the current year quarter. Operating expense declined \$7.9 million driven primarily by a \$5.5 million favorable impact from valuation adjustments to the Company's deferred compensation plan assets, which are totally offset in Other Income, and a \$3.4 million reduction in incentive compensation costs. Net income was \$20.4 million, or \$2.02 per diluted share, in the current quarter versus \$21.9 million, or \$2.18 per diluted share, in the previous year quarter.

YEAR-TO-DATE RESULTS

Fiscal 2020 year-to-date net sales were \$291.1 million, a 3 percent increase over last year's first fiscal six-month period, driven by strong first quarter sales. Total Company operating profit increased 14 percent to \$38.6 million compared with the prior fiscal year-to-date period. Gross margin improved to 44.2 percent in the first fiscal six-months versus 43.8 percent in the prior fiscal year-to-date period. Operating expenses increased slightly in the current year period, where increased sales volume-related expenses were largely offset by the items noted above for the quarter. Net income during the first fiscal six months was \$26.8 million, or \$2.66 per diluted share, versus \$25.4 million, or \$2.53 per diluted share, in the prior fiscal year-to-date period. The Company's effective tax rate increased slightly year-over-year to 27.5 percent.

OTHER FINANCIAL INFORMATION

The Company reported cash and short-term investments of \$131.3 million as of March 27, 2020, a 93 percent increase over \$68.2 million as of March 29, 2019. Depreciation and amortization were flat year-over-year at \$6.8 million. Capital spending was \$7.8 million in the first fiscal six months compared to \$8.2 million in the previous year-to-date period.

"We have cut travel and non-essential spending, deferred capital expenditures and are working to scale operations consistent with demand. In addition, the Board of Directors and Executives have voluntarily taken reductions in pay," said David W. Johnson, Vice President and Chief Financial Officer. "Looking forward, our debt-free balance sheet remains strong, and our healthy cash position will be beneficial as we work through challenges ahead, while continuing to make smart investments in strengthening the business and driving value for our shareholders."

WEBCAST

The Company will host a conference call and audio web cast at 11:00 a.m. Eastern Time on Tuesday, May 5, 2020. A live listen-only web cast of the conference call may be accessed at Johnson Outdoors' home page. A replay of the call will be available for 30 days on the Internet.

About Johnson Outdoors Inc.

JOHNSON OUTDOORS is a leading global innovator of outdoor recreation equipment and technologies that inspire more people to experience the awe of the great outdoors. The company designs, manufactures and markets a portfolio of winning, consumer-preferred brands across four categories: Watercraft Recreation, Fishing, Diving and Camping. Johnson Outdoors' iconic brands include: Old Town[®] canoes and kayaks; Ocean Kayak[™]; Carlisle[®] paddles; Minn Kota[®] fishing motors, batteries and anchors; Cannon[®] downriggers; Humminbird[®] marine electronics and charts; SCUBAPRO[®] dive equipment; Jetboil[®] outdoor cooking systems; and, Eureka![®] camping and hiking equipment.

Visit Johnson Outdoors at <http://www.johnsonoutdoors.com>

Safe Harbor Statement

Certain matters discussed in this press release are "forward-looking statements," intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical fact are considered forward-looking statements. These statements may be identified by the use of forward-looking words or phrases such as "anticipate," "believe," "confident," "could," "expect," "intend," "may," "planned," "potential," "should," "will," "would" or the negative of those terms or other words of similar meaning. Such forward-looking statements are subject to certain risks and uncertainties, which could cause actual results or outcomes to differ materially from those currently anticipated. Factors that could affect actual results or outcomes include the matters described under the caption "Risk Factors" in Item 1A of the Company's Form 10-K filed with the Securities and Exchange Commission on December 6, 2019, the update to such "Risk Factors" section in Part II, Item 1A in the Company's Form 10-Q to be filed with the Securities and Exchange Commission on May 5, 2020 and the following: changes in economic conditions, consumer confidence levels and discretionary spending patterns in key markets; uncertainties stemming from changes in U.S. trade policies, tariffs, and the reaction of other countries to such changes; the global outbreaks of disease, such as the COVID-19 pandemic beginning in late 2019 and spreading across the globe in early 2020, which may affect market and economic conditions, along with wide-ranging impacts on employees, customers and various aspects of operations; the Company's success in implementing its strategic plan, including its targeted sales growth platforms, innovation focus and its increasing digital presence; litigation costs related to actions of and disputes with third parties, including competitors; the Company's continued success in its working capital management and cost-structure reductions; the Company's success in integrating strategic acquisitions; the risk of future write-downs of goodwill or other long-lived assets; the ability of the Company's customers to meet payment obligations; the impact of actions of the Company's competitors with respect to product development or enhancement or the introduction of new products into the Company's markets; movements in foreign currencies, interest rates or commodity costs; fluctuations in the prices of raw materials or the availability of raw materials or components used by the Company; any disruptions in the Company's supply chain as a result of material fluctuations in the Company's order volumes and requirements for raw materials and other components necessary to manufacture and produce the Company's products; the success of the Company's suppliers and customers and the impact of any consolidation in the industries of the Company's suppliers and customers; the ability of the Company to deploy its capital successfully; unanticipated outcomes related to outsourcing certain manufacturing processes; unanticipated outcomes related to litigation matters; and adverse weather conditions. Shareholders, potential investors and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included herein are only made as of the date of this filing. The Company assumes no obligation, and disclaims any obligation, to update such forward-looking statements to reflect subsequent events or circumstances.

Johnson Outdoors Inc.

(thousands, except per share amounts)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	March 27 2020	March 29 2019	March 27 2020	March 29 2019
Operating Results				
Net sales	\$ 163,084	\$ 177,707	\$ 291,138	\$ 282,147
Cost of sales	87,952	98,578	162,394	158,699
Gross profit	75,132	79,129	128,744	123,448
Operating expenses	43,338	51,285	90,149	89,626
Operating profit	31,794	27,844	38,595	33,822
Interest (income) expense, net	(449)	(281)	(1,069)	(784)
Other expense (income), net	3,866	(1,895)	2,698	255
Income before income taxes	28,377	30,020	36,966	34,351
Income tax expense	7,990	8,097	10,149	8,907

Net income	\$	20,387	\$	21,923	\$	26,817	\$	25,444
Diluted average common shares outstanding		10,060		10,028		10,047		10,015
Diluted net income per common share	\$	2.02	\$	2.18	\$	2.66	\$	2.53

Segment Results

Net sales:								
Fishing	\$	133,955	\$	138,229	\$	233,233	\$	217,026
Camping		8,849		9,529		16,363		15,349
Watercraft Recreation		6,064		9,851		10,873		14,176
Diving		14,261		20,085		30,720		35,623
Other/eliminations		(45)		13		(51)		(27)
Total	\$	163,084	\$	177,707	\$	291,138	\$	282,147

Operating profit (loss):								
Fishing	\$	32,917	\$	34,590	\$	47,935	\$	46,012
Camping		709		419		775		(267)
Watercraft Recreation		(1,639)		(516)		(3,202)		(2,008)
Diving		(812)		1,423		(607)		716
Other		619		(8,072)		(6,306)		(10,631)
Total	\$	31,794	\$	27,844	\$	38,595	\$	33,822

Balance Sheet Information (End of Period)

Cash and cash equivalents					\$	131,256	\$	68,205
Accounts receivable, net						106,629		124,750
Inventories, net						107,680		116,231
Total current assets						353,342		316,273
Total assets						504,304		427,993
Total current liabilities						102,623		102,585
Total liabilities						157,202		127,292
Shareholders' equity						347,102		300,701

FOR MORE INFORMATION
CONTACT:

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Patricia Penman, VP – Marketing Services & Global Communications

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