

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

FORM 10-Q

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

For the quarterly period ended March 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 0-16255

JOHNSON OUTDOORS INC.

(Exact name of Registrant as specified in its charter)

Wisconsin

(State or other jurisdiction of incorporation or organization)

39-1536083

(I.R.S. Employer Identification No.)

555 Main Street, Racine, Wisconsin 53403

(Address of principal executive offices)

(262) 631-6600

(Registrant's telephone number, including area code)

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

Title of each class

Class A Common Stock, \$.05 par value per share

Trading Symbol

JOUT

Name of each exchange on which registered

NASDAQ Global Select MarketSM

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 28, 2023, 9,045,664 shares of Class A and 1,207,798 shares of Class B common stock of the Registrant were outstanding.

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JOHNSON OUTDOORS INC.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

<i>(thousands, except per share data)</i>	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Net sales	\$ 202,115	\$ 189,623	\$ 380,452	\$ 343,147
Cost of sales	126,780	121,038	242,338	213,931
Gross profit	75,335	68,585	138,114	129,216
Operating expenses:				
Marketing and selling	40,583	35,691	74,081	63,923
Administrative management, finance and information systems	15,022	10,249	31,306	22,479
Research and development	8,340	7,216	15,865	13,625
Total operating expenses	63,945	53,156	121,252	100,027
Operating profit	11,390	15,429	16,862	29,189
Interest income	(735)	(102)	(1,562)	(195)
Interest expense	38	49	75	87
Other (income) expense, net	(7,861)	2,272	(9,765)	1,498
Profit before income taxes	19,948	13,210	28,114	27,799
Income tax expense	5,087	3,310	7,374	7,043
Net income	\$ 14,861	\$ 9,900	\$ 20,740	\$ 20,756
Weighted average common shares - Basic:				
Class A	8,970	8,914	8,954	8,902
Class B	1,208	1,208	1,208	1,208
Participating securities	20	28	17	32
Weighted average common shares - Dilutive	10,198	10,150	10,179	10,142
Net income per common share - Basic:				
Class A	\$ 1.47	\$ 0.99	\$ 2.05	\$ 2.07
Class B	\$ 1.33	\$ 0.90	\$ 1.86	\$ 1.88
Net income per common share - Diluted:				
Class A	\$ 1.45	\$ 0.97	\$ 2.02	\$ 2.04
Class B	\$ 1.45	\$ 0.97	\$ 2.02	\$ 2.04

The accompanying notes are an integral part of the condensed consolidated financial statements.

JOHNSON OUTDOORS INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

<i>(thousands)</i>	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Net income	\$ 14,861	\$ 9,900	\$ 20,740	\$ 20,756
Other comprehensive income (loss):				
Foreign currency translation	507	168	3,444	(255)
Defined benefit pension plan:				
Change in pension plans, net of tax of \$3, \$6, \$6 and \$11, respectively	8	16	16	32
Total other comprehensive income (loss)	515	184	3,460	(223)
Total comprehensive income	\$ 15,376	\$ 10,084	\$ 24,200	\$ 20,533

The accompanying notes are an integral part of the condensed consolidated financial statements.

JOHNSON OUTDOORS INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

<i>(thousands, except share data)</i>	March 31, 2023	September 30, 2022	April 1, 2022
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 107,648	\$ 129,803	\$ 113,186
Accounts receivable, net	144,600	91,919	119,517
Inventories	236,671	248,649	235,220
Other current assets	7,371	9,945	11,232
Total current assets	496,290	480,316	479,155
Property, plant and equipment, net of accumulated depreciation of \$171,961, \$171,843 and \$170,277, respectively	93,740	89,125	80,155
Right of use assets	54,080	56,625	47,225
Deferred income taxes	11,478	11,411	13,142
Goodwill	11,169	11,160	11,235
Other intangible assets, net	8,505	8,372	8,504
Other assets	25,620	22,922	29,373
Total assets	\$ 700,882	\$ 679,931	\$ 668,789
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 51,855	\$ 53,796	\$ 56,720
Current lease liability	7,148	7,223	6,080
Accrued liabilities:			
Salaries, wages and benefits	18,506	20,806	18,712
Accrued warranty	11,129	9,639	12,083
Income taxes payable	2,438	3,186	4,027
Accrued discounts and returns	8,647	5,214	6,768
Accrued customer programs	4,736	4,726	4,871
Other	11,147	10,123	9,848
Total current liabilities	115,606	114,713	119,109
Non-current lease liability	48,413	50,680	42,233
Deferred income taxes	1,867	1,752	1,653
Retirement benefits	1,635	1,563	1,482
Deferred compensation liability	24,148	21,466	27,790
Other liabilities	1,806	1,743	1,936
Total liabilities	193,475	191,917	194,203
Shareholders' equity:			
Common stock:			
Class A shares issued and outstanding: 9,047,113, 8,984,253 and 8,960,104, respectively	453	451	450
Class B shares issued and outstanding: 1,207,798, 1,207,798 and 1,207,882, respectively	61	61	61
Capital in excess of par value	87,150	87,351	84,978
Retained earnings	417,274	402,821	385,229
Accumulated other comprehensive income	4,080	620	7,163
Treasury stock at cost, shares of Class A common stock: 20,149, 45,961 and 46,045, respectively	(1,611)	(3,290)	(3,295)
Total shareholders' equity	507,407	488,014	474,586
Total liabilities and shareholders' equity	\$ 700,882	\$ 679,931	\$ 668,789

The accompanying notes are an integral part of the condensed consolidated financial statements.

JOHNSON OUTDOORS INC.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(unaudited)

Six Months Ended March 31, 2023						
<i>(thousands except for shares)</i>	Shares	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock
BALANCE AT SEPTEMBER 30, 2022	10,192,051	\$ 512	\$ 87,351	\$ 402,821	\$ 620	\$ (3,290)
Net income	—	—	—	5,879	—	—
Dividends declared	—	—	—	(3,126)	—	—
Award of non-vested shares	56,799	2	(1,381)	—	—	1,379
Stock-based compensation	—	—	953	—	—	—
Currency translation adjustment	—	—	—	—	2,937	—
Change in pension plans, net of tax of \$3	—	—	—	—	8	—
Purchase of treasury stock at cost	(7,613)	—	—	—	—	(444)
BALANCE AT DECEMBER 30, 2022	10,241,237	\$ 514	\$ 86,923	\$ 405,574	\$ 3,565	\$ (2,355)
Net income	—	—	—	14,861	—	—
Dividends declared	—	—	—	(3,161)	—	—
Award of non-vested shares	13,674	—	(744)	—	—	744
Stock-based compensation	—	—	971	—	—	—
Currency translation adjustment	—	—	—	—	507	—
Change in pension plans, net of tax of \$3	—	—	—	—	8	—
BALANCE AT MARCH 31, 2023	10,254,911	\$ 514	\$ 87,150	\$ 417,274	\$ 4,080	\$ (1,611)

Six Months Ended April 1, 2022						
<i>(thousands except for shares)</i>	Shares	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock
BALANCE AT OCTOBER 1, 2021	10,127,200	\$ 509	\$ 82,899	\$ 370,501	\$ 7,386	\$ (2,790)
Net income	—	—	—	10,856	—	—
Dividends declared	—	—	—	(3,005)	—	—
Award of non-vested shares	34,422	1	(2)	—	—	—
B to A conversion	—	—	(154)	—	—	154
Stock-based compensation	—	—	1,126	—	—	—
Currency translation adjustment	—	—	—	—	(423)	—
Change in pension plans, net of tax of \$5	—	—	—	—	16	—
Purchase of treasury stock at cost	(4,577)	—	—	—	—	(461)
BALANCE AT DECEMBER 31, 2021	10,157,045	\$ 510	\$ 83,869	\$ 378,352	\$ 6,979	\$ (3,097)
Net income	—	—	—	9,900	—	—
Dividends declared	—	—	—	(3,023)	—	—
Award of non-vested shares	13,493	1	—	—	—	—
Stock-based compensation	—	—	959	—	—	—
Currency translation adjustment	—	—	—	—	168	—
Change in pension plans, net of tax of \$6	—	—	—	—	16	—
Non-vested stock forfeitures	(2,040)	—	150	—	—	(150)
Purchase of treasury stock at cost	(512)	—	—	—	—	(48)
BALANCE AT APRIL 1, 2022	10,167,986	\$ 511	\$ 84,978	\$ 385,229	\$ 7,163	\$ (3,295)

The accompanying notes are an integral part of the condensed consolidated financial statements.

JOHNSON OUTDOORS INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<i>(thousands)</i>	Six Months Ended	
	March 31, 2023	April 1, 2022
CASH USED FOR OPERATING ACTIVITIES		
Net income	\$ 20,740	\$ 20,756
Adjustments to reconcile net income to net cash used for operating activities:		
Depreciation	7,697	6,785
Amortization of intangible assets	132	129
Amortization of deferred financing costs	17	17
Stock based compensation	1,924	2,085
Gain on disposal of productive assets	(6,568)	(1)
Deferred income taxes	(4)	(4)
Change in operating assets and liabilities:		
Accounts receivable, net	(52,917)	(48,241)
Inventories, net	7,270	(68,853)
Accounts payable and accrued liabilities	1,118	(16,579)
Other current assets	2,616	1,613
Other non-current assets	(10)	—
Other long-term liabilities	(117)	(2,558)
Other, net	7	203
	(18,095)	(104,648)
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Proceeds from sale of productive assets	14,990	2
Capital expenditures	(13,998)	(15,724)
	992	(15,722)
CASH USED FOR FINANCING ACTIVITIES		
Dividends paid	(6,266)	(6,019)
Purchases of treasury stock	(444)	(509)
	(6,710)	(6,528)
Effect of foreign currency rate changes on cash	1,658	(364)
Decrease in cash and cash equivalents	(22,155)	(127,262)
CASH AND CASH EQUIVALENTS		
Beginning of period	129,803	240,448
End of period	\$ 107,648	\$ 113,186
Supplemental Disclosure:		
Non-cash treasury stock activity	\$ 2,123	\$ —
Non-cash dividends	21	9
Cash paid for taxes	8,493	12,422
Cash paid for interest	57	59

The accompanying notes are an integral part of the condensed consolidated financial statements.

JOHNSON OUTDOORS INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(unaudited)

1 BASIS OF PRESENTATION

The condensed consolidated financial statements included herein are unaudited. In the opinion of management, these statements contain all adjustments (consisting of only normal recurring items) necessary to present fairly the financial position of Johnson Outdoors Inc. and subsidiaries (collectively, the "Company") as of March 31, 2023 and April 1, 2022, and their results of operations for the three and six month periods then ended and cash flows for the six month periods then ended. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2022 which was filed with the Securities and Exchange Commission on December 9, 2022.

Due to seasonal variations and other factors, some of which are described herein, including related to the aftereffects of the COVID-19 pandemic and the ensuing related disruptions to the global supply chains and logistics infrastructure, and the current inflationary environment (especially as it relates to the cost of raw materials and purchased components), the results of operations for the three and six months ended March 31, 2023 are not necessarily indicative of the results to be expected for the Company's full 2023 fiscal year. The current economic and business environment, including as it relates to inflationary pressures, combined with the continued impact of the pandemic on the global supply chain (specifically with respect to the sourcing, timing, availability and cost of raw materials and components that are necessary to manufacture our products) is beyond our control and remains highly uncertain and cannot be predicted at this time. See "Seasonality" and "Coronavirus (COVID-19)" in the Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere herein for additional information.

The Company considers all short-term investments in interest-bearing accounts and all securities and other instruments with an original maturity of three months or less, to be equivalent to cash. Cash equivalents are stated at cost which approximates market value.

All monetary amounts, other than share and per share amounts, are stated in thousands.

2 ACCOUNTS RECEIVABLE

Accounts receivable are stated net of allowances for doubtful accounts of \$1,121, \$1,037 and \$1,504 as of March 31, 2023, September 30, 2022 and April 1, 2022, respectively. The increase in net accounts receivable to \$144,600 as of March 31, 2023 from \$91,919 as of September 30, 2022 is primarily attributable to the seasonal nature of the Company's business. The determination of the allowance for doubtful accounts is based on a combination of factors. In circumstances where specific collection concerns about a receivable exist, a reserve is established to value the affected account receivable at an amount the Company believes will be collected. For all other customers, the Company recognizes allowances for doubtful accounts based on historical experience of bad debts as a percent of accounts receivable outstanding for each business segment. Uncollectible accounts are written off against the allowance for doubtful accounts after collection efforts have been exhausted. The Company typically does not require collateral on its accounts receivable.

3 EARNINGS PER SHARE ("EPS")

Net income or loss per share of Class A common stock and Class B common stock is computed using the two-class method. Grants of restricted stock which receive non-forfeitable dividends are classified as participating securities and are required to be included as part of the basic weighted average share calculation under the two-class method.

Holders of Class A common stock are entitled to cash dividends equal to 110% of all dividends declared and paid on each share of Class B common stock. The Company grants shares of unvested restricted stock in the form of Class A shares, which carry the same distribution rights as the Class A common stock described above. As such, the undistributed earnings for each period are allocated to each class of common stock based on the proportionate share of the amount of cash dividends that each such class is entitled to receive.

Basic EPS

Basic net income or loss per share is computed by dividing net income or loss allocated to Class A common stock and Class B common stock by the weighted-average number of shares of Class A common stock and Class B common

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stock outstanding, respectively. In periods with cumulative year to date net income and undistributed income, the undistributed income for each period is allocated to each class of common stock based on the proportionate share of the amount of cash dividends that each such class is entitled to receive. In periods where there is a cumulative year to date net loss or no undistributed income because distributions through dividends exceed net income, Class B shares are treated as anti-dilutive and, therefore, net losses are allocated equally on a per share basis among all participating securities.

For the three and six month periods ended March 31, 2023 and April 1, 2022, basic income per share for the Class A and Class B shares has been presented using the two class method and reflects the allocation of undistributed income described above.

Diluted EPS

Diluted net income per share is computed by dividing allocated net income by the weighted-average number of common shares outstanding, adjusted for the effect of dilutive stock options, restricted stock units (“stock units” or “units”) and non-vested restricted stock. Anti-dilutive stock options, units and non-vested stock are excluded from the calculation of diluted EPS. The computation of diluted net income per share of Class A common stock assumes that Class B common stock is converted into Class A common stock. Therefore, diluted net income per share is the same for both Class A and Class B common shares. In periods where the Company reports a net loss, the effect of anti-dilutive stock options and units is excluded and diluted loss per share is equal to basic loss per share for both classes of stock.

For the three and six month periods ended March 31, 2023 and April 1, 2022, diluted net income per share reflects the effect of dilutive stock units and assumes the conversion of Class B common stock into Class A common stock.

Shares of non-vested stock that could potentially dilute earnings per share in the future which were not included in the fully diluted computation because they would have been anti-dilutive totaled 67,732 and 39,163 for the three months ended March 31, 2023 and April 1, 2022, respectively, and 64,061 and 38,540 for the six months ended March 31, 2023 and April 1, 2022, respectively. Stock units that could potentially dilute earnings per share in the future and which were not included in the fully diluted computation because they would have been anti-dilutive were 55,238 and 37,904 for the three months ended March 31, 2023 and April 1, 2022, respectively, and 58,605 and 33,966 for the six months ended March 31, 2023 and April 1, 2022, respectively.

Dividends per share

Dividends per share for the three and six month periods ended March 31, 2023 and April 1, 2022 were as follows:

	Three Months Ended		Six months ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Dividends declared per common share:				
Class A	\$ 0.31	\$ 0.30	\$ 0.62	\$ 0.60
Class B	\$ 0.28	\$ 0.27	\$ 0.56	\$ 0.55

4 STOCK-BASED COMPENSATION AND STOCK OWNERSHIP PLANS

The Company’s current stock ownership plans allow for issuance of stock options to acquire shares of Class A common stock by key executives and non-employee directors. Current plans also allow for issuance of shares of restricted stock, restricted stock units or stock appreciation rights in lieu of stock options.

Under the Company’s 2023 Non-Employee Director Stock Ownership Plan and the 2020 Long-Term Incentive Plan (the only plans where shares currently remain available for future equity incentive awards) there were a total of 451,211 shares of the Company’s Class A common stock available for future grant to non-employee directors and key executives at March 31, 2023. Share awards previously made under the Company's 2012 Non-Employee Director Stock Ownership Plan and its 2010 Long-Term Stock Incentive Plan, which no longer allow for additional share grants, also remain outstanding.

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Non-vested Stock

All shares of non-vested restricted stock awarded by the Company have been granted in the form of shares of Class A common stock at their fair market value on the date of grant and vest within one year from the date of grant for stock granted to directors and four years from the date of grant for stock granted to officers and employees. The fair value at date of grant is based on the number of shares granted and the average of the Company's high and low Class A common stock price on the date of grant or, if the Company's Class A shares did not trade on the date of grant, the average of the Company's high and low Class A common stock price on the last preceding date on which the Company's Class A shares traded.

A summary of non-vested stock activity for the six months ended March 31, 2023 related to the Company's stock ownership plans is as follows:

	Shares	Weighted Average Grant Price
Non-vested stock at September 30, 2022	58,136	\$ 73.37
Non-vested stock grants	27,259	59.18
Restricted stock vested	(14,790)	76.07
Non-vested stock at March 31, 2023	70,605	67.32

Non-vested stock grantees may elect to reimburse the Company for withholding taxes due as a result of the vesting of shares by tendering a portion of the vested shares back to the Company. Shares tendered back to the Company were 2,289 and 1,778 during the six month periods ended March 31, 2023 and April 1, 2022, respectively.

Stock compensation expense, net of forfeitures, related to non-vested stock was \$489 and \$266 for the three month periods ended March 31, 2023 and April 1, 2022, respectively, and \$945 and \$561 for the six month periods ended March 31, 2023 and April 1, 2022, respectively. Unrecognized compensation cost related to non-vested stock as of March 31, 2023 was \$3,249, which amount will be amortized to expense through December 2026 or adjusted for changes in future estimated or actual forfeitures.

The fair value of restricted stock vested during the six month periods ended March 31, 2023 and April 1, 2022 was \$1,029 and \$1,053, respectively.

Restricted Stock Units

All restricted stock units (RSUs) awarded by the Company have been granted in the form of units payable in shares of Class A common stock upon vesting. The units are valued at the fair market value of a share of Class A common stock on the date of grant and vest within one year from the date of grant for RSUs granted to directors, subject to satisfaction of applicable performance criteria, and three years from the date of grant for RSUs granted to employees. The fair value at the date of grant is based on the number of units granted and the average of the Company's high and low Class A common stock trading price on the date of grant or, if the Company's Class A shares did not trade on the date of grant, the average of the Company's high and low Class A common stock trading price on the last preceding date on which the Company's Class A shares traded.

A summary of RSU activity for the six months ended March 31, 2023 follows:

	Number of RSUs	Weighted Average Grant Price
RSUs at September 30, 2022	65,994	\$ 82.58
RSUs granted	36,484	56.54
RSUs vested	(26,742)	64.51
RSUs at March 31, 2023	75,736	76.42

Stock compensation expense, net of forfeitures, related to RSUs was \$449 and \$597 for the three month periods ended March 31, 2023 and April 1, 2022, respectively, and \$925 and \$1,325 for the six month periods ended March 31, 2023 and April 1, 2022, respectively. Unrecognized compensation cost related to non-vested RSUs as of March 31, 2023

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was \$2,202, which amount will be amortized to expense through September 2025 or adjusted for changes in future estimated or actual forfeitures.

RSU grantees may elect to reimburse the Company for withholding taxes due as a result of the vesting of units and issuance of unrestricted shares of Class A common stock by tendering a portion of such unrestricted shares back to the Company. Shares tendered back to the Company for this purpose were 5,324 and 2,799 during the six month periods ended March 31, 2023 and April 1, 2022, respectively.

The fair value of restricted stock units recognized as a tax deduction during the six month periods ended March 31, 2023 and April 1, 2022 was \$2,555 and \$2,849, respectively.

Compensation expense related to units earned by employees (as opposed to grants to outside directors) is based upon the attainment of certain Company financial goals related to cumulative net sales and cumulative operating profit over a three-year performance period. Awards are only paid if at least 80% of the target levels are met and maximum payouts are made if 120% or more of target levels are achieved. The payouts for achievement at the threshold levels of performance are equal to 50% of the target award amount. The payouts for achievement at maximum levels of performance are equal to 150% of the target award amount. To the extent earned, awards are issued in shares of Company Class A common stock after the end of the three-year performance period.

Employees' Stock Purchase Plan

The Company's shareholders have adopted the Johnson Outdoors Inc. 2009 Employees' Stock Purchase Plan, which was most recently amended on March 2, 2017, and which provides for the issuance of shares of Class A common stock at a purchase price of not less than 85% of the fair market value of such shares on the date of grant or on the date of purchase, whichever is lower.

During the three month period ended March 31, 2023, the Company issued 0 shares of Class A common stock and recognized \$33 of expense in connection with the Employees' Stock Purchase Plan. During the six month period ended March 31, 2023, the Company issued 0 shares of Class A common stock and recognized \$54 of expense in connection with the Plan. During the three month period ended April 1, 2022, the Company issued 0 shares of Class A common stock and recognized \$96 of expense in connection with the Plan. During the six month period ended April 1, 2022, the Company issued 0 shares of Class A common stock and recognized \$199 of expense in connection with the Plan.

5 LEASES

The Company leases certain facilities and machinery and equipment under long-term, non-cancelable operating leases. The Company determines if an arrangement is a lease at inception.

As of March 31, 2023, the Company had approximately 200 leases, with remaining terms ranging from less than one year to 16 years. Some of the leases contain variable payment terms, such as payments based on fluctuations in the Consumer Price Index (CPI). Some leases also contain options to extend or terminate the lease. To the extent the Company is reasonably certain to exercise these options, they have been considered in the calculation of the right-of-use ("ROU") assets and lease liabilities. Under current lease agreements, there are no residual value guarantees or restrictive lease covenants. In calculating the ROU assets and lease liabilities, several assumptions and judgments were made by the Company, including whether a contract is or contains a lease under the applicable definition, and the determination of the discount rate, which is assumed to be the incremental borrowing rate. The incremental borrowing rate is derived from information available to the Company at the lease commencement date based on lease length and location.

The components of lease expense recognized in the accompanying Condensed Consolidated Statements of Operations for the three and six months ended March 31, 2023 and April 1, 2022 were as follows:

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	Three months ended		Six months ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Lease Cost				
Operating lease costs	\$ 2,509	\$ 2,111	\$ 4,939	\$ 4,218
Short-term lease costs	598	545	1,127	959
Variable lease costs	44	43	85	88
Total lease cost	\$ 3,151	\$ 2,699	\$ 6,151	\$ 5,265

Included in the amounts in the table above was rent expense to related parties of \$314 and \$628 for the three and six months ended March 31, 2023, respectively, and \$290 and \$581 for the three and six months ended April 1, 2022, respectively.

As of March 31, 2023, the Company did not have any finance leases or sublease agreements. Additionally, the Company does not have any leases in which it is the lessor. While the Company extended or renewed various existing leases during the quarter, there were no significant new leases entered into during the quarter ended March 31, 2023. As of March 31, 2023, the Company did not have any significant operating lease commitments that have not yet commenced. Supplemental balance sheet, cash flow, and other information related to operating leases was as follows:

	Six months ended	
	March 31, 2023	April 1, 2022
Operating leases:		
Operating lease ROU assets	\$ 54,080	\$ 47,225
Current operating lease liabilities	7,148	6,080
Non-current operating lease liabilities	48,413	42,233
Total operating lease liabilities	\$ 55,561	\$ 48,313
Weighted average remaining lease term (in years)	12.07	11.86
Weighted average discount rate	3.18 %	3.09 %
Cash paid for amounts included in the measurement of lease liabilities	\$ 4,360	\$ 3,739

Future minimum rental commitments under non-cancelable operating leases with an initial lease term in excess of one year at March 31, 2023 were as follows:

Year	Related parties included in total		Total
Remainder of 2023	\$ 620	\$ 620	\$ 4,648
2024	1,270	1,270	8,399
2025	1,308	1,308	7,774
2026	1,348	1,348	6,010
2027	226	226	4,765
Thereafter	—	—	36,123
Total undiscounted lease payments	4,772	4,772	67,719
Less: Imputed interest	(136)	(136)	(12,158)
Total net lease liability	\$ 4,636	\$ 4,636	\$ 55,561

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6 INCOME TAXES

For the three and six months ended March 31, 2023 and April 1, 2022, the Company's earnings before income taxes, income tax expense and effective income tax rate were as follows:

<i>(thousands, except tax rate data)</i>	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Profit before income taxes	\$ 19,948	\$ 13,210	\$ 28,114	\$ 27,799
Income tax expense	5,087	3,310	7,374	7,043
Effective income tax rate	25.5 %	25.1 %	26.2 %	25.3 %

The increase in the effective tax rate for the three and six months ended March 31, 2023 compared to the three and six months ended April 1, 2022 was primarily due to the unfavorable tax expense impact of stock-based compensation awards in the current year period, compared to a tax benefit for similar awards in the prior year period.

The impact of the Company's operations in jurisdictions where a valuation allowance is assessed is removed from the overall effective tax rate methodology and recorded directly based on year to date results for the year for which no tax expense or benefit can be recognized. The significant tax jurisdictions that have a valuation allowance for the periods ended March 31, 2023 and April 1, 2022 were:

March 31, 2023	April 1, 2022
Indonesia	Indonesia
Switzerland	Switzerland

The Company regularly assesses the adequacy of its provisions for income tax contingencies in accordance with the applicable authoritative guidance on accounting for income taxes. As a result, the Company may adjust the reserves for unrecognized tax benefits due to the impact of changes in its assumptions or as a result of new facts and developments, such as changes to interpretations of relevant tax law, assessments from taxing authorities, settlements with taxing authorities and lapses of statutes of limitation. The Company's 2023 fiscal year tax expense is anticipated to be unchanged related to uncertain income tax positions.

In accordance with its accounting policy, the Company recognizes accrued interest and penalties related to unrecognized benefits as a component of income tax expense.

7 INVENTORIES

The Company values inventory at the lower of cost (determined using the first-in first-out method) or net realizable value. Inventories at the end of the respective periods consisted of the following:

	March 31, 2023	September 30, 2022	April 1, 2022
Raw materials	\$ 121,836	\$ 166,443	\$ 163,390
Work in process	—	230	214
Finished goods	114,835	81,976	71,616
	\$ 236,671	\$ 248,649	\$ 235,220

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8 GOODWILL

The changes in goodwill during the six months ended March 31, 2023 and April 1, 2022 were as follows:

	March 31, 2023	April 1, 2022
Balance at beginning of period	\$ 11,160	\$ 11,221
Amount attributable to movements in foreign currency rates	9	14
Balance at end of period	\$ 11,169	\$ 11,235

The Company evaluates the carrying value of goodwill for a reporting unit on an annual basis or more frequently when events and circumstances warrant such an evaluation. In conducting this analysis, the Company uses the income approach to compare the reporting unit's carrying value to its indicated fair value. Fair value is determined primarily by using a discounted cash flow methodology that requires considerable management judgment and long-term assumptions and is considered a Level 3 (unobservable) fair value determination in the fair value hierarchy (see Note 13) below.

9 WARRANTIES

The Company provides warranties on certain of its products as they are sold. The following table summarizes the Company's warranty activity for the six months ended March 31, 2023 and April 1, 2022.

	March 31, 2023	April 1, 2022
Balance at beginning of period	\$ 9,639	\$ 14,073
Expense accruals for warranties issued during the period	5,199	1,816
Less current period warranty claims paid	3,709	3,806
Balance at end of period	\$ 11,129	\$ 12,083

10 CONTINGENCIES

The Company is subject to various legal actions and proceedings in the normal course of business, including those related to commercial disputes, product liability, intellectual property and regulatory matters. The Company is insured against loss for certain of these matters. Although litigation is subject to many uncertainties and the ultimate exposure with respect to these matters cannot be ascertained, management does not believe the final outcome of any pending litigation will have a material adverse effect on the financial condition, results of operations, liquidity or cash flows of the Company.

11 INDEBTEDNESS

The Company had no debt outstanding at March 31, 2023, September 30, 2022, or April 1, 2022.

Revolvers

The Company and certain of its subsidiaries have entered into an unsecured credit facility with PNC Bank National Association and Associated Bank, N.A. ("the Lending Group"). This credit facility consists of a \$75 million Revolving Credit Facility among the Company, certain of the Company's subsidiaries, PNC Bank National Association, as lender and as administrative agent, and the other lender named therein (as amended, the "Credit Agreement" or "Revolver"). The Revolver provides for borrowing of up to an aggregate principal amount not to exceed \$75,000 with a \$50,000 accordion feature that gives the Company the option to increase the maximum financing availability (i.e., an aggregate borrowing amount of \$125,000) subject to the conditions of the Credit Agreement and subject to the approval of the lenders. On July 15, 2021, the Company entered into a First Amendment to this credit facility that extended its expiration date from November 15, 2022, to July 15, 2026. Other key provisions of the credit facility remained as outlined herein and the description herein is qualified in its entirety by the terms and conditions of the original Debt Agreement (a copy of which was filed as Exhibit 99.1 to the current report on Form 8-K dated and filed with the Securities and Exchange Commission on November 20, 2017) and the Amendment, (a copy

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of which was filed as Exhibit 10.1 to the current report on Form 8-K dated and filed with the Securities and Exchange Commission on July 16, 2021).

The interest rate on the Revolver is based on LIBOR plus an applicable margin, which margin resets each quarter. The applicable margin ranges from 1.00% to 1.75% and is dependent on the Company's leverage ratio for the trailing twelve month period. The interest rates on the Revolver at both March 31, 2023 and April 1, 2022 were approximately 5.9% and 1.4%, respectively.

The Credit Agreement restricts the Company's ability to incur additional debt, includes maximum leverage ratio and minimum interest coverage ratio covenants and is unsecured.

Other Borrowings

The Company had no unsecured revolving credit facilities at its foreign subsidiaries as of March 31, 2023 or April 1, 2022. The Company utilizes letters of credit primarily as security for the payment of future claims under its workers' compensation insurance, which totaled approximately \$173 and \$181 as of March 31, 2023 and April 1, 2022, respectively.

12 DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The following disclosures describe the Company's objectives in using derivative instruments, the business purpose or context for using derivative instruments, and how the Company believes the use of derivative instruments helps achieve the stated objectives. In addition, the following disclosures describe the effects of the Company's use of derivative instruments and hedging activities on its financial statements.

Foreign Exchange Risk

The Company has significant foreign operations, for which the functional currencies are denominated primarily in euros, Swiss francs, Hong Kong dollars and Canadian dollars. As the values of the currencies of the foreign countries in which the Company has operations increase or decrease relative to the U.S. dollar, the sales, expenses, profits, losses, assets and liabilities of the Company's foreign operations, as reported in the Company's consolidated financial statements, increase or decrease, accordingly. Approximately 13% of the Company's revenues for the six month period ended March 31, 2023 were denominated in currencies other than the U.S. dollar. Approximately 5% were denominated in euros, approximately 6% were denominated in Canadian dollars and approximately 1% were denominated in Hong Kong dollars, with the remaining 1% of revenues denominated in various other foreign currencies. Changes in foreign currency exchange rates can cause the Company to experience unexpected financial losses or cash flow needs.

The Company may mitigate a portion of the fluctuations in certain foreign currencies through the use of foreign currency forward contracts. Foreign currency forward contracts enable the Company to lock in the foreign currency exchange rate to be paid or received for a fixed amount of currency at a specified date in the future. The Company may use such foreign currency forward contracts to mitigate the risk associated with changes in foreign currency exchange rates on financial instruments and known commitments, including commitments for inventory purchases, denominated in foreign currencies. As of March 31, 2023 and April 1, 2022, the Company held no foreign currency forward contracts.

13 FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. A fair value hierarchy has been established based on three levels of inputs, of which the first two are considered observable and the last unobservable.

- Level 1 - Quoted prices in active markets for identical assets or liabilities. These are typically obtained from real-time quotes for transactions in active exchange markets involving identical assets or liabilities.
- Level 2 - Inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. These are typically obtained from readily-available pricing sources for comparable instruments.

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- Level 3 - Unobservable inputs, where there is little or no market activity for the asset or liability. These inputs reflect the reporting entity's own assumptions of the data that market participants would use in pricing the asset or liability, based on the best information available in the circumstances.

The carrying amounts of cash, cash equivalents, short term investments, accounts receivable, and accounts payable approximated their fair values at March 31, 2023, September 30, 2022 and April 1, 2022 due to the short term maturities of these instruments. When indicators of impairment are present, the Company may be required to value certain long-lived assets such as property, plant, and equipment, and other intangibles at their fair value.

Valuation Techniques

Rabbi Trust Assets

Rabbi trust assets are classified as trading securities and are comprised of marketable debt and equity securities that are marked to fair value based on unadjusted quoted prices in active markets. The rabbi trust assets are used to fund amounts the Company owes to certain officers and other employees under the Company's non-qualified deferred compensation plan. These assets are included in "Other assets" in the accompanying Company's Condensed Consolidated Balance Sheets, and the mark to market adjustments on the assets are recorded in "Other income, net" in the accompanying Condensed Consolidated Statements of Operations. The offsetting deferred compensation liability is also reported at fair value as "Deferred compensation liability" in the Company's accompanying Condensed Consolidated Balance Sheets. Changes in the liability are recorded in "Administrative management, finance and information systems" expense in the accompanying Condensed Consolidated Statements of Operations.

The following table summarizes the Company's financial assets measured at fair value as of March 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets:				
Rabbi trust assets	\$ 24,101	\$ —	\$ —	\$ 24,101

The following table summarizes the Company's financial assets measured at fair value as of September 30, 2022:

	Level 1	Level 2	Level 3	Total
Assets:				
Rabbi trust assets	\$ 21,436	\$ —	\$ —	\$ 21,436

The following table summarizes the Company's financial assets measured at fair value as of April 1, 2022:

	Level 1	Level 2	Level 3	Total
Assets:				
Rabbi trust assets	\$ 27,758	\$ —	\$ —	\$ 27,758

The effect of changes in the fair value of financial instruments on the accompanying Condensed Consolidated Statements of Operations for the three and six month periods ended March 31, 2023 and April 1, 2022 was:

	Location of income recognized in Statement of Operations	Three Months Ended		Six months ended	
		March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Rabbi trust assets	Other (income) expense, net	\$ (1,224)	\$ 2,144	\$ (2,608)	\$ 1,049

There were no assets or liabilities measured at fair value on a non-recurring basis in periods subsequent to their initial recognition for either of the six month periods ended March 31, 2023 or April 1, 2022.

14 NEW ACCOUNTING PRONOUNCEMENTS

Recently issued accounting pronouncements

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848)*. ASU 2020-04 is intended to provide optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by the discontinuation of the London Interbank Offered Rate (LIBOR) or by another reference rate expected to be discontinued. Subsequently in December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848)—Deferral of the Sunset Date of Topic 848*, which delayed the effective date to December 31, 2024. The Company does not expect this guidance to have a significant impact on its financial statements and disclosures.

15 REVENUES

Revenue is recognized when obligations under the terms of a contract with our customer are satisfied; generally this occurs with the transfer of control of our goods at a point in time based on shipping terms and transfer of title. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods. The amount of consideration received can vary, primarily because of customer incentive or rebate arrangements. The Company estimates variable consideration based on the expected value of total consideration to which customers are likely to be entitled based on historical experience and projected market expectations. Included in the estimate is an assessment as to whether any variable consideration is constrained. Revenue estimates are adjusted at the earlier of a change in the expected value of consideration or when the consideration becomes fixed. For all contracts with customers, the Company has not adjusted the promised amount of consideration for the effects of a significant financing component as the period between the transfer of the promised goods and the customer's payment is expected to be one year or less. Sales are made on normal and customary short-term credit terms, generally ranging from 30 to 90 days, or upon delivery of point of sale transactions. Sales, value add, and other taxes we collect concurrent with revenue-producing activities are excluded from revenue.

The Company enters into contractual arrangements with customers in the form of individual customer orders which specify the goods, quantity, pricing, and associated order terms. The Company does not have contracts which are satisfied over time. Due to the nature of these contracts, no significant judgment exists in relation to the identification of the customer contract, satisfaction of the performance obligation, or transaction price. The Company expenses incremental costs of obtaining a contract due to the short-term nature of the contracts.

Estimated costs of returns, allowances and discounts, based on historic experience, are accrued as a reduction to sales when revenue is recognized. The Company provides customers the right to return eligible products under certain circumstances. At March 31, 2023, the right to returns asset was \$897 and the accrued returns liability was \$2,401. At April 1, 2022, the right to returns asset was \$827 and the accrued returns liability was \$2,283. The Company also offers assurance-type warranties relating to its products sold to end customers that continue to be accounted for under ASC 460 *Guarantees*.

The Company generally accounts for shipping and handling activities as a fulfillment activity, consistent with the timing of revenue recognition; that is, when a customer takes control of the transferred goods. In the event that a customer were to take control of a product upon or after shipment, the Company has made an accounting policy election to treat such shipping and handling activities as a fulfillment cost. Shipping and handling fees billed to customers are included in "Net Sales," and shipping and handling costs are recognized within "Marketing and selling expenses" in the same period the related revenue is recognized.

The Company has a wide variety of seasonal, outdoor recreation products used primarily for fishing from a boat, diving, paddling, hiking and camping, that are sold to a variety of customers in multiple end markets. Nonetheless, the revenue recognition policies are similar among all the various products sold by the Company.

See Note 16 for required disclosures of disaggregated revenue.

16 SEGMENTS OF BUSINESS

The Company conducts its worldwide operations through separate business segments, each of which represents major product lines. Operations are conducted in the United States and various foreign countries, primarily in Europe,

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Canada and the Pacific Basin. During the three and six month period ended March 31, 2023, combined net sales to three customers of the Company's Fishing, Camping and Watercraft Recreation segments represented approximately \$76,679 and \$140,089, respectively, of the Company's consolidated revenues. During the three and six month periods ended April 1, 2022, combined net sales to one customer of the Company's Fishing, Camping and Watercraft Recreation segments represented approximately \$21,616 and \$48,921, respectively, of the Company's consolidated revenues.

Net sales and operating profit include both sales to customers, as reported in the Company's accompanying Condensed Consolidated Statements of Operations, and interunit transfers, which are priced to recover cost plus an appropriate profit margin. Total assets represent assets that are used in the Company's operations in each business segment at the end of the periods presented.

A summary of the Company's operations by business segment is presented below:

	Three Months Ended		Six Months Ended		September 30, 2022
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022	
Net sales:					
Fishing:					
Unaffiliated customers	\$ 155,009	\$ 129,134	\$ 292,830	\$ 237,315	
Interunit transfers	332	189	552	364	
Camping:					
Unaffiliated customers	13,712	19,155	25,319	33,273	
Interunit transfers	13	12	19	28	
Watercraft Recreation:					
Unaffiliated customers	12,824	23,008	22,457	37,606	
Interunit transfers	66	1	91	3	
Diving					
Unaffiliated customers	20,307	18,192	39,349	34,682	
Interunit transfers	1	2	18	3	
Other / Corporate	263	134	497	271	
Eliminations	(412)	(204)	(680)	(398)	
Total	\$ 202,115	\$ 189,623	\$ 380,452	\$ 343,147	
Operating profit (loss):					
Fishing	\$ 17,121	\$ 11,321	\$ 32,693	\$ 27,613	
Camping	2,071	5,119	2,824	7,869	
Watercraft Recreation	569	3,164	154	4,695	
Diving	1,444	1,209	1,457	1,662	
Other / Corporate	(9,815)	(5,384)	(20,266)	(12,650)	
	\$ 11,390	\$ 15,429	\$ 16,862	\$ 29,189	
Total assets (end of period):					
Fishing			\$ 407,540	\$ 375,637	\$ 382,850
Camping			53,475	58,574	59,247
Watercraft Recreation			40,018	44,613	33,496
Diving			81,120	72,070	76,475
Other / Corporate			118,729	117,895	127,863
			\$ 700,882	\$ 668,789	\$ 679,931

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During the second fiscal quarter of 2023, the Company sold the Military and Commercial Tent product lines of its Camping business segment to a third party in an asset sale for a purchase price of \$14,990. The net book value of the assets and liabilities sold was approximately \$8,350, resulting in a gain on sale of approximately \$6,640, which is recorded in Other (income) expense, net in the Company's accompanying Condensed Consolidated Statements of Operations. The purchase price and the net proceeds received by the Company related to this sale are subject to customary purchase price adjustment provisions and Company indemnity obligations set forth in the definitive purchase agreement. The sale did not include the Eureka! brand name or the Eureka! consumer/recreational Camping business line.

17 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in Accumulated Other Comprehensive Income ("AOCI") by component, net of tax, for the six months ended March 31, 2023 were as follows:

	Foreign Currency Translation Adjustment	Unamortized Loss on Defined Benefit Pension Plans	Accumulated Other Comprehensive Income (Loss)
Balance at September 30, 2022	\$ 791	\$ (171)	\$ 620
Other comprehensive loss before reclassifications	2,937	—	2,937
Amounts reclassified from accumulated other comprehensive income	—	11	11
Tax effects	—	(3)	(3)
Balance at December 30, 2022	\$ 3,728	\$ (163)	\$ 3,565
Other comprehensive loss before reclassifications	507	—	507
Amounts reclassified from accumulated other comprehensive income	—	11	11
Tax effects	—	(3)	(3)
Balance at March 31, 2023	\$ 4,235	\$ (155)	\$ 4,080

The changes in AOCI by component, net of tax, for the six months ended April 1, 2022 were as follows:

	Foreign Currency Translation Adjustment	Unamortized Loss on Defined Benefit Pension Plans	Accumulated Other Comprehensive Income (Loss)
October 1, 2021	\$ 7,606	\$ (220)	\$ 7,386
Other comprehensive income before reclassifications	(423)	—	(423)
Amounts reclassified from accumulated other comprehensive income	—	21	21
Tax effects	—	(5)	(5)
Balance at December 31, 2021	\$ 7,183	\$ (204)	\$ 6,979
Other comprehensive income before reclassifications	168	—	168
Amounts reclassified from accumulated other comprehensive income	—	22	22
Tax effects	—	(6)	(6)
Balance at April 1, 2022	\$ 7,351	\$ (188)	\$ 7,163

The reclassifications out of AOCI for the three and six months ended March 31, 2023 and April 1, 2022 were as follows:

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	Three Months Ended		Six Months Ended		Statement of Operations Presentation
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022	
Unamortized loss on defined benefit pension plans:					
Amortization of loss	\$ 11	\$ 22	\$ 22	\$ 43	Other income and expense
Tax effects	(3)	(6)	(6)	(11)	Income tax expense
Total reclassifications for the period	\$ 8	\$ 16	\$ 16	\$ 32	

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

This Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) includes comments and analysis relating to the results of operations and financial condition of Johnson Outdoors Inc. and its subsidiaries (collectively, the “Company”) as of and for the three and six month periods ended March 31, 2023 and April 1, 2022. All monetary amounts, other than share and per share amounts, are stated in thousands.

Our MD&A is presented in the following sections:

- Forward Looking Statements
- Trademarks
- Overview
- Results of Operations
- Liquidity and Financial Condition
- Contractual Obligations and Off Balance Sheet Arrangements
- Critical Accounting Policies and Estimates

This discussion should be read in conjunction with the Condensed Consolidated Financial Statements and related notes that immediately precede this section, as well as the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2022 which was filed with the Securities and Exchange Commission on December 9, 2022.

Forward Looking Statements

Certain matters discussed in this Form 10-Q are “forward-looking statements,” and the Company intends these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and is including this statement for purposes of those safe harbor provisions. These forward-looking statements can generally be identified as such because they include phrases such as the Company “expects,” “believes,” “anticipates,” “intends,” use of words such as “confident,” “could,” “may,” “planned,” “potential,” “should,” “will,” “would” or the negative of such words or other words of similar meaning. Similarly, statements that describe the Company’s future plans, objectives or goals are also forward-looking statements. 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 which was filed with the Securities and Exchange Commission on December 9, 2022 and the following: changes in economic conditions, consumer confidence levels and discretionary spending patterns in key markets; uncertainties stemming from political instability (and its impact on the economies in jurisdictions where the Company has operations); 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 which has affected, and may continue to affect, market and economic conditions, along with wide-ranging impacts on employees, customers and various aspects of our 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 writedowns 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, or the demand for those same raw

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materials and components by third parties, necessary to manufacture and produce the Company's products including related to shortages in procuring necessary raw materials and components to manufacture and produce such 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 and other factors impacting climate change legislation. 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.

Trademarks

We have registered the following trademarks, among others, which may be used in this report: Minn Kota®, Cannon®, Humminbird®, Eureka!®, Jetboil®, Old Town®, Ocean Kayak®, Carlisle®, and SCUBAPRO®.

Overview

The Company is a leading global manufacturer and marketer of branded seasonal outdoor recreation products used primarily for fishing, diving, paddling and camping. The Company's portfolio of well-known consumer brands has attained leading market positions due to continuous innovation, marketing excellence, product performance and quality. The Company's values and culture support innovation in all areas, promoting and leveraging best practices and synergies within and across its subsidiaries to advance the Company's strategic vision set by executive management and approved by the Company's Board of Directors. The Company is controlled by Helen P. Johnson-Leipold, the Company's Chairman and Chief Executive Officer, members of her family and related entities.

Coronavirus (COVID-19)

The COVID-19 pandemic drove consumer desire to engage in socially distant and safe activities outdoors. As a result, increased participation in outdoor recreation also increased demand for our products across many of our Company segments. During the first two quarters of fiscal 2023, however, demand in certain of our segments has substantially declined from the pandemic-driven market levels in prior periods.

Moreover, in addition to impacting demand for Company products, COVID-19 and the resulting macroeconomic dynamics also caused widely-documented supply chain and logistics disruptions across industries, as well as inflationary pressures (especially as it relates to raw material and purchased component prices). These factors have impacted the timing, sourcing, availability and cost of raw materials and components that are necessary to manufacture our products, all of which adversely impacted our margins and inventory levels during fiscal 2022. During the first half of fiscal 2023, the Company saw improvement in the availability of certain components necessary to complete finished products and converted a significant portion of its raw material inventory to finished goods available for shipping.

Highlights

Net sales of \$202,115 for the second quarter of fiscal 2023 increased \$12,492, or 7%, from the same period in the prior year. While sales increased overall, higher operating expenses drove a \$4,039 decrease in operating profit over the prior year quarter.

During the second fiscal quarter of 2023, the Company sold the Military and Commercial Tents product lines of its Camping business segment to a third party in an asset sale for a purchase price of \$14,990,000 which closed on March 17, 2023. The net book value of the assets and liabilities sold was approximately \$8,350,000, resulting in a gain on sale of approximately \$6,640,000, which is recorded in Other (income) expense, net in the Company's accompanying Condensed Consolidated Statements of Operations. The purchase price and the net proceeds received by the Company related to this sale are subject to customary purchase price adjustment provisions and Company indemnity obligations set forth in the definitive purchase agreement.

Seasonality

The Company's business is seasonal in nature. The second fiscal quarter traditionally falls within the Company's primary selling season for its warm-weather outdoor recreation products. The table below sets forth a historical view of the Company's seasonality during the last three fiscal years. Due to the timing of the COVID-19 outbreak, the Company's traditional seasonal sales pacing, where our heaviest sales volumes typically occurred during our second and third fiscal quarters, shifted during fiscal 2020. See "Coronavirus (COVID-19)" above for additional information regarding the impact of COVID-19.

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Quarter Ended	Fiscal Year					
	2022		2021		2020	
	Net Sales	Operating Profit	Net Sales	Operating Profit	Net Sales	Operating Profit
December	21 %	21 %	22 %	22 %	22 %	10 %
March	26 %	23 %	27 %	32 %	27 %	45 %
June	27 %	36 %	29 %	34 %	23 %	17 %
September	26 %	20 %	22 %	12 %	28 %	28 %
	100 %	100 %	100 %	100 %	100 %	100 %

Results of Operations

The Company's net sales and operating profit (loss) by business segment for the periods shown below were as follows:

	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Net sales:				
Fishing	\$ 155,341	\$ 129,323	\$ 293,382	\$ 237,679
Camping	13,725	19,167	25,338	33,301
Watercraft Recreation	12,890	23,009	22,548	37,609
Diving	20,308	18,194	39,367	34,685
Other / Corporate / Eliminations	(149)	(70)	(183)	(127)
Total	\$ 202,115	\$ 189,623	\$ 380,452	\$ 343,147
Operating profit (loss):				
Fishing	\$ 17,121	\$ 11,321	\$ 32,693	\$ 27,613
Camping	2,071	5,119	2,824	7,869
Watercraft Recreation	569	3,164	154	4,695
Diving	1,444	1,209	1,457	1,662
Other / Corporate / Eliminations	(9,815)	(5,384)	(20,266)	(12,650)
Total	\$ 11,390	\$ 15,429	\$ 16,862	\$ 29,189

See "Note 16 – Segments of Business" of the notes to the accompanying Condensed Consolidated Financial Statements for the definition of segment net sales and operating profit.

Net Sales

Consolidated net sales for the three months ended March 31, 2023 were \$202,115, an increase of \$12,492, or 7%, compared to \$189,623 for the three months ended April 1, 2022. Foreign currency translation had an unfavorable impact of less than 1% on current year second quarter net sales compared to the prior year's second quarter net sales.

Net sales for the three months ended March 31, 2023 for the Fishing business were \$155,341, an increase of \$26,018, or 20%, from \$129,323 during the second fiscal quarter of the prior year. The increase in sales over the prior year quarter is primarily attributable to increased supply and component availability versus the prior year quarter, resulting in the ability to fill more orders with distributors and retail partners, as well as higher sales levels due to product price increases (which represented approximately 30% of the increase in net sales between quarters).

Net sales for the Camping business were \$13,725 for the second quarter of the current fiscal year, a decrease of \$5,442, or 28%, from the prior year net sales during the same period of \$19,167 due to decreased sales of Jetboil and Eureka! consumer camping products, as demand declined from the increased levels seen during the pandemic. Due to the timing of the transaction, the sale

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of the Military and Commercial Tents product lines had a negligible effect on the decrease in segment sales quarter over quarter.

Net sales for the second quarter of fiscal 2023 for the Watercraft Recreation business were \$12,890, a decrease of \$10,119, or 44%, compared to \$23,009 in the prior year same period. Reductions in demand from the elevated levels seen during the pandemic drove the decline from the prior year.

Net sales for Diving, our most global business, for the second quarter of fiscal 2023 were \$20,308, an increase of \$2,114 or 12% versus \$18,194 for the three months ended April 1, 2022. As destination travel has rebounded, sales volumes have increased along with the increase in tourism, partially offset by an unfavorable foreign currency translation impact on sales in this segment of approximately 2% versus the prior year quarter.

For the six months ended March 31, 2023, consolidated net sales of \$380,452 increased \$37,305 or 11% compared to \$343,147 for the six months ended April 1, 2022. Foreign currency translation had an unfavorable impact of approximately 1% on net sales of the current year to date period versus the prior year to date period.

Net sales for the six months ended March 31, 2023 for the Fishing business were \$293,382, an increase of \$55,703, or 23% from \$237,679 during the same period of the prior year. In addition to price increases (which accounted for approximately 30% of the year over year increase in net sales), the increase over the prior year to date period was driven mainly by improved supply and component availability over the prior year to date period, resulting in our ability to satisfy demand for product orders.

Net sales for the Camping business were \$25,338 for the six months ended March 31, 2023, a decrease of \$7,963, or 24%, from the prior year net sales during the same period of \$33,301, due to decreased demand from the increased levels seen during the pandemic. Due to the timing of the transaction, the sale of the Military and Commercial Tents product lines had a negligible effect on the decrease in segment sales year over year.

Net sales for the six months ended March 31, 2023 for the Watercraft Recreation business were \$22,548, a decrease of \$15,061, or 40%, compared to \$37,609 in the prior year same period. Reductions in demand from the elevated levels seen during the pandemic drove the decline from the prior year.

Diving net sales were \$39,367 for the six months ended March 31, 2023 versus \$34,685 for the six months ended April 1, 2022, an increase of \$4,682, or 13%. The sales increase was largely due to increased demand for our products as the global tourism industry has started to recover from the pandemic. The impact of increased sales volumes was offset in part by the unfavorable effect of foreign currency translation of 4% versus the prior year to date period.

Cost of Sales

Cost of sales for the three months ended March 31, 2023 of \$126,780 increased \$5,742 compared to \$121,038 for the three months ended April 1, 2022. The increase year over year was driven primarily by increased sales volumes.

For the six months ended March 31, 2023, cost of sales was \$242,338 compared to \$213,931 in the same period of the prior year. The increase year over year was primarily driven by increased sales volumes. Additionally, while the Company began to see some relief in freight and material costs late in the first fiscal quarter of 2023, the cost of components, parts and other raw materials in inventory, in some cases at significantly higher price points than what was historically paid, also contributed to the increase in cost of sales over the prior year to date period.

Gross Profit Margin

For the three months ended March 31, 2023, gross profit as a percentage of net sales was 37.3% compared to 36.2% in the three month period ended April 1, 2022. Factors impacting the change in gross profit percentage between quarters included increased sales volumes and the implementation of price increases across product lines.

For the six months ended March 31, 2023, gross profit as a percentage of net sales was 36.3% compared to 37.7% in the prior six month period. Price increases and efficiencies from higher sales volumes were not significant enough to offset the negative gross profit impact of high inventory costs driven by the supply chain and logistics disruptions noted above, particularly in the first fiscal quarter of 2023.

Operating Expenses

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Operating expenses were \$63,945 for the three months ended March 31, 2023, compared to \$53,156 for the three months ended April 1, 2022. The increase of \$10,789 was primarily due to the impact of higher sales volume-driven expenses, as well as higher warranty, compensation, professional services and deferred compensation expense between quarters. More favorable market conditions on the Company's deferred compensation plan assets resulted in approximately \$3,300 of higher deferred compensation expense recorded in the Company's Corporate segment in the current year quarter as compared to the prior year quarter. This increase in expense was entirely offset by a gain in Other (income) expense, net related to marking these deferred compensation plan assets to market.

Operating expenses were \$121,252 for the six months ended March 31, 2023, compared to \$100,027 for the six months ended April 1, 2022. The increase of \$21,225 was primarily due to the impact of higher sales volume-driven expenses, as well as higher warranty, compensation, professional services and deferred compensation expense, between periods. For the year to date period, deferred compensation expense recorded in the Corporate segment increased approximately \$3,500 as compared to the prior year to date period, which was offset by a gain in Other (income) expense, net.

Operating Profit

Operating profit on a consolidated basis for the three month period ended March 31, 2023 was \$11,390, compared to an operating profit of \$15,429 in the second quarter of the prior fiscal year. Higher operating expenses in the current year quarter, as discussed above, was the primary driver of the decrease in operating profit between quarters.

Operating profit on a consolidated basis for the six months ended March 31, 2023 was \$16,862, compared to an operating profit of \$29,189 in the prior year to date period. The decrease year over year was driven primarily by higher material costs as well as the increase in operating expenses discussed above.

Interest

Interest expense was \$38 and \$49 for the three months ended March 31, 2023 and April 1, 2022, respectively. Interest expense was \$75 for the six months ended March 31, 2023 compared to \$87 for the six months ended April 1, 2022.

Interest income was \$735 and \$102 for the three months ended March 31, 2023 and April 1, 2022, respectively. Interest income was \$1,562 for the six months ended March 31, 2023 compared to \$195 for the six months ended April 1, 2022. The increase in interest income over the prior year periods was driven by increased interest rates.

Other Expense (Income), net

Other income was \$7,861 for the three months ended March 31, 2023 compared to other expense of \$2,272 in the prior year period. The main driver of the increase over the prior year quarter is the gain on the sale of the Military and Commercial Tents product lines of approximately \$6,640 recorded in the current year quarter. Additionally, net investment gains and earnings on the assets related to the Company's non-qualified deferred compensation plan were \$1,289 in the three month period ended March 31, 2023 compared to losses of \$2,046 in the three month period ended April 1, 2022. For the three months ended March 31, 2023, foreign currency exchange losses were \$46 compared to \$146 for the three months ended April 1, 2022.

For the six months ended March 31, 2023, other income was \$9,765 compared to other expense of \$1,498 in the six months ended April 1, 2022. The main driver of the increase over the prior year period is the gain on the sale of the Military and Commercial Tents product lines of approximately \$6,640 recorded in the current year period. Net investment gains and earnings on the assets related to the Company's non-qualified deferred compensation plan in the six months ended March 31, 2023 were \$2,824, compared to losses of \$702 in the six months ended April 1, 2022. Foreign currency exchange gains were \$230 for the six months ended March 31, 2023, compared to losses of \$513 for the six months ended April 1, 2022.

Income Tax Expense

The Company's provision for income taxes is based upon estimated annual effective tax rates in the tax jurisdictions in which the Company operates. The effective tax rate for the three and six month periods ended March 31, 2023 were 25.5% and 26.2%, respectively, compared to 25.1% and 25.3% in the corresponding periods of the prior year.

Net Income

Net income for the three months ended March 31, 2023 was \$14,861, or \$1.45 per diluted common class A and B share, compared to net income of \$9,900, or \$0.97 per diluted common class A and B share, for the second quarter of the prior fiscal year.

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Net income for the six months ended March 31, 2023 was \$20,740, or \$2.02 per diluted common class A and B share, compared to net income of \$20,756, or \$2.04 per diluted common class A and B share, for the six months ended April 1, 2022.

Liquidity and Financial Condition

Cash and cash equivalents totaled \$107,648 as of March 31, 2023, compared to cash and cash equivalents of \$113,186 as of April 1, 2022. The Company's debt to total capitalization ratio was 0% as of March 31, 2023 and April 1, 2022. The Company's total debt balance was \$0 as of each of March 31, 2023 and April 1, 2022. See "Note 11 – Indebtedness" in the notes to the Company's accompanying condensed consolidated financial statements for further discussion.

Accounts receivable, net of allowance for doubtful accounts, were \$144,600 as of March 31, 2023, an increase of \$25,083 compared to \$119,517 as of April 1, 2022. The increase is consistent with increased sales volumes year over year. Inventories were \$236,671 as of March 31, 2023, an increase of \$1,451, compared to \$235,220 as of April 1, 2022. Accounts payable were \$51,855 at March 31, 2023 compared to \$56,720 as of April 1, 2022.

The Company's cash flows from operating, investing and financing activities, as presented in the Company's accompanying Condensed Consolidated Statements of Cash Flows, are summarized in the following table:

<i>(thousands)</i>	Six months ended	
	March 31, 2023	April 1, 2022
Cash (used for) provided by:		
Operating activities	\$ (18,095)	\$ (104,648)
Investing activities	992	(15,722)
Financing activities	(6,710)	(6,528)
Effect of foreign currency rate changes on cash	1,658	(364)
Decrease in cash and cash equivalents	\$ (22,155)	\$ (127,262)

Operating Activities

Cash used for operations totaled \$18,095 for the six months ended March 31, 2023 compared to \$104,648 during the corresponding period of the prior fiscal year. The decrease in cash used for operations over the prior year six month period was due primarily to higher inventory purchases in the prior year period, due to the Company's decision to build and procure certain raw material and component inventory in its attempt to mitigate against potential pandemic-related shortages in meeting product demand. Depreciation and amortization charges were \$7,829 for the six month period ended March 31, 2023 compared to \$6,914 for the corresponding period of the prior year.

Investing Activities

Cash provided by investing activities totaled \$992 for the six months ended March 31, 2023 compared to cash used by investing activities of \$15,722 for the corresponding period of the prior fiscal year. Capital expenditures were \$13,998 in the six months ended March 31, 2023, compared to \$15,724 in the prior year to date period. The current year period includes proceeds of \$14,990 related to the Big Tents sale previously discussed. Any additional capital expenditures in fiscal 2023 are expected to be funded by working capital.

Financing Activities

Cash used for financing activities totaled \$6,710 for the six months ended March 31, 2023 compared to \$6,528 for the six month period ended April 1, 2022 and represents the payment of dividends and purchase of treasury stock. The Company had no debt during either quarter ended March 31, 2023 and April 1, 2022. See Note 11 "Indebtedness" to the accompanying Condensed Consolidated Financial Statements for additional information on our credit facilities.

As of March 31, 2023 the Company held approximately \$43,971 of cash and cash equivalents in bank accounts in foreign taxing jurisdictions.

Contractual Obligations and Off Balance Sheet Arrangements

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The Company has contractual obligations and commitments to make future payments including under operating leases and open purchase orders. There have been no changes outside of the ordinary course of business in the specified contractual obligations during the quarter ended March 31, 2023.

The Company utilizes letters of credit primarily as security for the payment of future claims under its workers compensation insurance. Letters of credit outstanding were approximately \$173 and \$181 as of March 31, 2023 and April 1, 2022, respectively.

The Company has no other off-balance sheet arrangements.

Critical Accounting Policies and Estimates

The Company's critical accounting policies and estimates are identified in the Company's Annual Report on Form 10-K for the fiscal year ending September 30, 2022 in *Management's Discussion and Analysis of Financial Condition and Results of Operations* under the heading "Critical Accounting Estimates", which was filed with the Securities and Exchange Commission on December 9, 2022. There were no significant changes to the Company's critical accounting policies and estimates during the six months ended March 31, 2023.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to market risk in foreign currency exchange rates, interest rates, commodity prices and inflation. For a discussion of exposure to market risk, refer to the Company's Annual Report on Form 10-K for the fiscal year ending September 30, 2022, in *Management's Discussion and Analysis of Financial Condition and Results of Operations* under the heading "Market Risk Management", which was filed with the Securities and Exchange Commission on December 9, 2022. There have been no significant changes to our market risk in the six months ended March 31, 2023.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that the information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is accumulated and communicated to its management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective at reaching a level of reasonable assurance. It should be noted that in designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost benefit relationship of possible controls and procedures. The Company has designed its disclosure controls and procedures to reach a level of reasonable assurance of achieving the desired control objectives.

There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II OTHER INFORMATION**Item 1. Legal Proceedings**

In the normal course of business, the Company may be involved in various legal proceedings from time to time. We do not believe we are currently involved in any claim or action the ultimate disposition of which would have a material adverse effect on our financial statements.

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Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in our Form 10-K as filed with the Securities and Exchange Commission on December 9, 2022.

Item 6. Exhibits

See Exhibit Index to this Form 10-Q report.

SIGNATURES

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

Signatures Dated: May 5, 2023

JOHNSON OUTDOORS INC.

/s/ Helen P. Johnson-Leipold

Helen P. Johnson-Leipold
Chairman and Chief Executive Officer
(Principal Executive Officer)

/s/ David W. Johnson

David W. Johnson
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

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Exhibit Index to Quarterly Report on Form 10-Q

<u>Exhibit Number</u>	<u>Description</u>
3.1	Articles of Incorporation of the Company as amended through February 17, 2000. (Filed as Exhibit 3.1(a) to the Company's Form 10-Q for the quarter ended March 31, 2000 and incorporated herein by reference.)
3.2	Bylaws of the Company as amended and restated through December 6, 2010. (Filed as Exhibit 3.2 to the Company's Form 10-K for the year ended October 1, 2010 and incorporated herein by reference.)
31.1	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32 ⁽¹⁾	Certification of Periodic Financial Report by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from Johnson Outdoors Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023 formatted in XBRL (eXtensible Business Reporting Language) and furnished electronically herewith: (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Operations; (iii) Condensed Consolidated Statements of Comprehensive Income; (iv) Condensed Consolidated Statements of Cash Flows; (v) Condensed Consolidated Statements of Shareholders' Equity and (vi) Notes to Condensed Consolidated Financial Statements. XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, formatted in Inline XBRL (included in Exhibit 101).

⁽¹⁾ This certification is not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Certification of Chief Executive Officer**Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934**

I, Helen P. Johnson-Leipold, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of Johnson Outdoors Inc.;
- 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) 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; 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 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: May 5, 2023

/s/ Helen P. Johnson-Leipold

Helen P. Johnson-Leipold
Chairman and Chief Executive Officer

Certification of Chief Financial Officer**Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934**

I, David W. Johnson, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of Johnson Outdoors Inc.;
- 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 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: May 5, 2023

/s/ David W. Johnson

David W. Johnson
Vice President and Chief Financial Officer
Treasurer

Written Statement of the Chairman and Chief Executive Officer**Pursuant to 18 U.S.C. Section 1350**

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chairman and Chief Executive Officer of Johnson Outdoors Inc. (the “Company”), hereby certify that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Helen P. Johnson-Leipold

Helen P. Johnson-Leipold
Chairman and Chief Executive Officer
May 5, 2023

Written Statement of the Vice President and Chief Financial Officer**Pursuant to 18 U.S.C. Section 1350**

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Vice President and Chief Financial Officer of Johnson Outdoors Inc. (the “Company”), hereby certify that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David W. Johnson

David W. Johnson
Vice President and Chief Financial Officer
Treasurer
May 5, 2023

The above certifications are made solely for the purpose of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.
