
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 December 27, 2024

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 January 24, 2025, 9,125,764 shares of Class A and 1,207,760 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	
	December 27, 2024	December 29, 2023
Net sales	\$ 107,649	\$ 138,644
Cost of sales	75,466	85,790
Gross profit	32,183	52,854
Operating expenses:		
Marketing and selling	30,384	30,342
Administrative management, finance and information systems	14,476	14,401
Research and development	7,562	8,065
Total operating expenses	52,422	52,808
Operating (loss) profit	(20,239)	46
Interest income	(1,033)	(1,198)
Interest expense	47	38
Other income, net	(326)	(4,693)
(Loss) profit before income taxes	(18,927)	5,899
Income tax (benefit) expense	(3,637)	1,944
Net (loss) income	\$ (15,290)	\$ 3,955
Weighted average common shares - Basic:		
Class A	9,039	8,988
Class B	1,208	1,208
Participating securities	23	24
Weighted average common shares - Dilutive	10,270	10,220
Net (loss) income per common share - Basic:		
Class A	\$ (1.49)	\$ 0.39
Class B	\$ (1.49)	\$ 0.35
Net (loss) income per common share - Diluted:		
Class A	\$ (1.49)	\$ 0.38
Class B	\$ (1.49)	\$ 0.38

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

JOHNSON OUTDOORS INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(unaudited)

<i>(thousands)</i>	Three Months Ended	
	December 27, 2024	December 29, 2023
Net (loss) income	\$ (15,290)	\$ 3,955
Other comprehensive (loss) income:		
Foreign currency translation	(4,915)	3,059
Unrealized (loss) gain on available-for-sale securities, net of tax	(1)	102
Change in pension plans, net of tax	9	7
Total other comprehensive (loss) income	(4,907)	3,168
Total comprehensive (loss) income	\$ (20,197)	\$ 7,123

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>	December 27, 2024	September 27, 2024	December 29, 2023
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 95,270	\$ 145,498	\$ 80,461
Short term investments	6,347	16,541	29,094
Accounts receivable, net	68,297	40,649	83,043
Inventories	201,606	209,788	267,321
Other current assets	16,532	16,252	16,305
Total current assets	388,052	428,728	476,224
Investments	—	—	4,668
Property, plant and equipment, net of accumulated depreciation of \$195,989, \$192,890 and \$180,947, respectively	96,666	96,922	94,369
Right of use assets	48,248	47,547	51,852
Deferred income taxes	29,813	23,420	18,754
Goodwill	10,451	—	11,189
Other intangible assets, net	9,781	8,320	8,448
Other assets	29,857	30,275	27,179
Total assets	\$ 612,868	\$ 635,212	\$ 692,683
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 33,491	\$ 36,077	\$ 43,403
Current lease liability	8,161	7,528	7,284
Accrued liabilities:			
Salaries, wages and benefits	15,602	12,408	18,348
Accrued warranty	12,113	10,211	10,986
Income taxes payable	1,548	2,109	—
Accrued discounts and returns	6,980	7,430	9,232
Accrued customer programs	3,852	4,200	3,934
Other	9,914	10,481	10,880
Total current liabilities	91,661	90,444	104,067
Non-current lease liability	41,897	41,806	46,239
Deferred income taxes	1,803	1,913	2,008
Retirement benefits	1,570	1,645	1,653
Deferred compensation liability	28,666	29,092	27,337
Other liabilities	6,987	6,888	7,509
Total liabilities	172,584	171,788	188,813
Shareholders' equity:			
Common stock:			
Class A shares issued and outstanding: 9,119,752, 9,093,978 and 9,076,240, respectively	457	456	455
Class B shares issued and outstanding: 1,207,760, 1,207,760 and 1,207,760, respectively	61	61	61
Capital in excess of par value	90,852	90,146	88,830
Retained earnings	350,940	369,592	410,182
Accumulated other comprehensive income	1,057	5,964	6,491
Treasury stock at cost, shares of Class A common stock: 49,001, 42,654 and 30,003, respectively	(3,083)	(2,795)	(2,149)
Total shareholders' equity	440,284	463,424	503,870
Total liabilities and shareholders' equity	\$ 612,868	\$ 635,212	\$ 692,683

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

JOHNSON OUTDOORS INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(unaudited)

Three Months Ended December 27, 2024						
<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 27, 2024	10,301,738	\$ 517	\$ 90,146	\$ 369,592	\$ 5,964	\$ (2,795)
Net loss	—	—	—	(15,290)	—	—
Dividends declared	—	—	—	(3,362)	—	—
Award of non-vested shares	32,121	1	(1)	—	—	—
Stock-based compensation	—	—	507	—	—	—
Currency translation adjustment	—	—	—	—	(4,915)	—
Unrealized loss on available-for-sale securities, net of tax	—	—	—	—	(1)	—
Change in pension plans, net of tax of \$3	—	—	—	—	9	—
Non-vested stock forfeitures	(3,690)	—	200	—	—	(200)
Purchase of treasury stock at cost	(2,657)	—	—	—	—	(88)
BALANCE AT DECEMBER 27, 2024	10,327,512	\$ 518	\$ 90,852	\$ 350,940	\$ 1,057	\$ (3,083)

Three Months Ended December 29, 2023						
<i>(thousands except for shares)</i>	Shares	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock
BALANCE AT SEPTEMBER 29, 2023	10,250,949	\$ 514	\$ 88,234	\$ 409,574	\$ 3,323	\$ (1,908)
Net income	—	—	—	3,955	—	—
Dividends declared	—	—	—	(3,347)	—	—
Award of non-vested shares	37,712	2	(2)	—	—	—
Stock-based compensation	—	—	598	—	—	—
Currency translation adjustment	—	—	—	—	3,059	—
Unrealized gain on available-for-sale securities, net of tax	—	—	—	—	102	—
Change in pension plans, net of tax of \$3	—	—	—	—	7	—
Purchase of treasury stock at cost	(4,661)	—	—	—	—	(241)
BALANCE AT DECEMBER 29, 2023	10,284,000	\$ 516	\$ 88,830	\$ 410,182	\$ 6,491	\$ (2,149)

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>	Three Months Ended	
	December 27, 2024	December 29, 2023
CASH USED FOR OPERATING ACTIVITIES		
Net (loss) income	\$ (15,290)	\$ 3,955
Adjustments to reconcile net (loss) income to net cash used for operating activities:		
Depreciation	4,675	4,945
Amortization of intangible assets	128	82
Amortization of deferred financing costs	9	9
Stock based compensation	507	598
Loss (Gain) on disposal of productive assets	19	(1,917)
Deferred income taxes	(6,471)	(349)
Change in operating assets and liabilities:		
Accounts receivable, net	(27,931)	(39,474)
Inventories, net	8,561	(4,093)
Accounts payable and accrued liabilities	(596)	(770)
Other current assets	(331)	(862)
Other long-term liabilities	(990)	4,474
Other, net	801	(285)
	(36,909)	(33,687)
CASH (USED FOR) PROVIDED BY INVESTING ACTIVITIES		
Payments for purchase of businesses	(12,180)	—
Proceeds from maturity of short-term investments	9,764	7,500
Proceeds from sale of productive assets	—	2,189
Capital expenditures	(4,084)	(5,004)
	(6,500)	4,685
CASH USED FOR FINANCING ACTIVITIES		
Dividends paid	(3,362)	(3,347)
Purchases of treasury stock	(88)	(241)
	(3,450)	(3,588)
Effect of foreign currency rate changes on cash	(3,369)	1,197
Decrease in cash and cash equivalents	(50,228)	(31,393)
CASH AND CASH EQUIVALENTS		
Beginning of period	145,498	111,854
End of period	\$ 95,270	\$ 80,461
Supplemental Disclosure:		
Cash paid for taxes	\$ 1,080	\$ 1,093
Cash paid for interest	35	28
Non-cash treasury stock activity	200	—

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 December 27, 2024 and December 29, 2023, and their results of operations for the three month periods then ended and cash flows for the three 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 27, 2024 which was filed with the Securities and Exchange Commission on December 11, 2024.

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 credit losses of \$3,587, \$3,543 and \$1,108 as of December 27, 2024, September 27, 2024 and December 29, 2023, respectively. The determination of the allowance for credit losses 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 credit losses 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 credit losses 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 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 month periods ended December 27, 2024, basic net loss per share for Class A and Class B shares was the same because there were no cumulative undistributed earnings and basic loss per share for Class A and Class B shares has been presented using the two class method described above. For the three month periods ended December 29, 2023, 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 as 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

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“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 or no undistributed income because distributions through dividends exceed net income, 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 month periods ended December 27, 2024, the effect of non-vested restricted stock units is excluded from the diluted income per share calculation as their inclusion would have been anti-dilutive. For the three month periods ended December 29, 2023, 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 59,564 and 63,061 for the three months ended December 27, 2024 and December 29, 2023, 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 97,763 and 65,228 for the three months ended December 27, 2024 and December 29, 2023, respectively.

Dividends per share

Dividends per share for the three month periods ended December 27, 2024 and December 29, 2023 were as follows:

	Three Months Ended	
	December 27, 2024	December 29, 2023
Dividends declared per common share:		
Class A	\$ 0.33	\$ 0.33
Class B	\$ 0.30	\$ 0.30

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 322,657 shares of the Company’s Class A common stock available for future grant to non-employee directors and key executives at December 27, 2024. 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.

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 within a period ranging from one to four years from the date of grant for stock granted to officers and employees, based on the terms of the agreement with such officer or employee. 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.

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A summary of non-vested stock activity for the three months ended December 27, 2024 related to the Company's stock ownership plans is as follows:

	Shares	Weighted Average Grant Price
Non-vested stock at September 27, 2024	56,389	\$ 59.69
Non-vested stock grants	28,764	33.14
Restricted stock vested	(5,085)	88.49
Forfeitures	(3,690)	54.20
Non-vested stock at December 27, 2024	76,378	48.03

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 1,609 and 2,330 during the three month periods ended December 27, 2024 and December 29, 2023, respectively.

Stock compensation expense, net of forfeitures, related to non-vested stock was \$354 and \$428 for the three month periods ended December 27, 2024 and December 29, 2023, respectively. Unrecognized compensation cost related to non-vested stock as of December 27, 2024 was \$1,951, which amount will be amortized to expense through December 2027 or adjusted for changes in future estimated or actual forfeitures.

The fair value of restricted stock vested during the three month periods ended December 27, 2024 and December 29, 2023 was \$169 and \$409, 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, and subject to satisfaction of applicable performance criteria, 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 three months ended December 27, 2024 follows:

	Number of RSUs	Weighted Average Grant Price
RSUs at September 27, 2024	84,192	\$ 64.58
RSUs granted	57,792	33.14
RSUs vested and canceled due to performance targets not being met	(17,041)	101.22
RSU's forfeited	(3,690)	54.20
RSUs at December 27, 2024	121,253	44.76

Stock compensation expense, net of forfeitures, related to RSUs was \$115 and \$139 for the three month periods ended December 27, 2024 and December 29, 2023, respectively. Unrecognized compensation cost related to non-vested RSUs as of December 27, 2024 was \$1,755, which amount will be amortized to expense through September 2027 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. Because performance criteria was not met, the RSUs expiring in the period ended December 27, 2024 were canceled so shares tendered back to the Company for this purpose were 0 during the three month period ended December 27, 2024. Shares tendered back to the Company for the reimbursement of withholding taxes were and 2,331 during the three month period ended December 29, 2023.

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The fair value of restricted stock units recognized as a tax deduction during the three month periods ended December 27, 2024 and December 29, 2023 was \$0 and \$1,015, 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 December 27, 2024, the Company issued 0 shares of Class A common stock and recognized \$38 of income in connection with the Employees' Stock Purchase Plan. During the three month period ended December 29, 2023, the Company issued 0 shares of Class A common stock and recognized \$31 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 December 27, 2024, the Company had approximately 150 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 months ended December 27, 2024 and December 29, 2023 were as follows:

	Three months ended	
	December 27, 2024	December 29, 2023
Lease Cost		
Operating lease costs	\$ 2,624	\$ 2,465
Short-term lease costs	567	627
Variable lease costs	49	43
Total lease cost	\$ 3,240	\$ 3,135

Included in the amounts in the table above was rent expense to related parties of \$314 and \$314 for the three months ended December 27, 2024 and December 29, 2023, respectively.

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As of December 27, 2024, 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 December 27, 2024. As of December 27, 2024, 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:

	Three months ended	
	December 27, 2024	December 29, 2023
Operating leases:		
Operating lease ROU assets	\$ 48,248	\$ 51,852
Current operating lease liabilities	8,161	7,284
Non-current operating lease liabilities	41,897	46,239
Total operating lease liabilities	\$ 50,058	\$ 53,523
Weighted average remaining lease term (in years)	10.73	11.50
Weighted average discount rate	3.35 %	3.19 %
Cash paid for amounts included in the measurement of lease liabilities	\$ 2,508	\$ 2,268
ROU assets obtained in exchange for lease liabilities	\$ 3,228	\$ 2,061

Future minimum rental commitments under non-cancelable operating leases with an initial lease term in excess of one year at December 27, 2024 were as follows:

Year	Related parties included in total	Total
Remainder of 2025	\$ 986	\$ 7,597
2026	1,348	8,744
2027	226	7,096
2028	—	4,766
2029	—	3,497
Thereafter	—	29,759
Total undiscounted lease payments	2,560	61,459
Less: Imputed interest	(39)	(11,401)
Total net lease liability	\$ 2,521	\$ 50,058

6 INCOME TAXES

For the three months ended December 27, 2024 and December 29, 2023, the Company's earnings before income taxes, income tax expense and effective income tax rate were as follows:

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<i>(thousands, except tax rate data)</i>	Three Months Ended	
	December 27, 2024	December 29, 2023
(Loss) profit before income taxes	\$ (18,927)	\$ 5,899
Income tax (benefit) expense	(3,637)	1,944
Effective income tax rate	19.2 %	33.0 %

The decrease in the effective tax rate for the three months ended December 27, 2024 compared to the three months ended December 29, 2023 was primarily related to a change in the geographic mix of profits or losses from a tax perspective for the current year period, as compared to the prior year period. The Company's effective tax rate is impacted by valuation allowances in certain foreign tax jurisdictions and, as a result, changes in the geographic source of Company profits or losses between periods can, in certain instances, have varying impacts on the Company's effective tax rate during a particular period.

The Company maintains valuation allowances when it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances from period to period are included in the tax provision in the period of change. In determining whether a valuation allowance is required, the Company considers such factors as prior earnings history, expected future earnings, carry-back and carry-forward periods, and tax strategies that could potentially enhance the likelihood of realization of a deferred tax asset. Due to recent operating losses in the U.S., the Company has evaluated the realizability of U.S. net deferred tax assets. The evaluation concluded that the U.S. deferred tax assets are realizable. The Company will continue to monitor the need for a valuation allowance on its U.S. deferred tax assets.

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 December 27, 2024 and December 29, 2023 were:

December 27, 2024	December 29, 2023
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 2025 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:

	December 27, 2024	September 27, 2024	December 29, 2023
Raw materials	\$ 103,447	\$ 103,780	\$ 120,695
Finished goods	98,159	106,008	146,626
	\$ 201,606	\$ 209,788	\$ 267,321

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8 GOODWILL

The changes in goodwill during the three months ended December 27, 2024 and December 29, 2023 were as follows:

	December 27, 2024	December 29, 2023
Balance at beginning of period	\$ —	\$ 11,172
Acquisitions	10,451	—
Amount attributable to movements in foreign currency rates	—	17
Balance at end of period	\$ 10,451	\$ 11,189

The goodwill at December 27, 2024 relates to the acquisition of Endless Summer Technologies Proprietary, Ltd. See Note 18 below for additional information on the acquisition.

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 12) 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 three months ended December 27, 2024 and December 29, 2023.

	December 27, 2024	December 29, 2023
Balance at beginning of period	\$ 10,211	\$ 11,741
Expense accruals for warranties issued during the period	4,044	1,243
Less current period warranty claims paid	(2,142)	(1,998)
Balance at end of period	\$ 12,113	\$ 10,986

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 December 27, 2024, September 27, 2024, or December 29, 2023.

Revolver

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 request an increase of 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

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Amendment to this credit facility that extended its expiration date from November 15, 2022, to July 15, 2026. On January 29, 2025, the Company entered into a Second Amendment to this credit facility that reduced the Revolver to \$50,000 (but maintained the accordion feature) and modified the terms of the Credit Agreement as disclosed below for the period from the amendment date until the earlier of (1) the Company's compliance with both a 3.00x maximum leverage ratio and a 3.50x minimum interest coverage ratio for the trailing twelve month period or (2) delivery of the Company's fiscal 2025 financial statements and compliance certificate (the "Second Amendment Period"):

- suspension of application of the maximum leverage and minimum interest coverage ratios during the Second Amendment Period;
- the Company and its subsidiaries must maintain a \$50,000 minimum cash balance;
- acquisition, dividends, repurchases and distributions permitted, provided the Company and its subsidiaries maintain a \$50,000 minimum cash balance;
- monthly financial reporting if the facility availability is less than or equal to 95%; and
- the granting of a security interest in the Company's personal property assets if the facility availability is less than or equal to 95%.

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 Credit 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), the First Amendment, (a copy 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), and the aforementioned Second Amendment (a copy of which is filed with this Report as Exhibit 10.1).

The interest rate is based on the Secured Overnight Financing Rate ("SOFR") plus an applicable margin. 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 December 27, 2024 and December 29, 2023 were approximately 5.5% and 6.5%, respectively. During the Second Amendment Period, the interest rate on borrowings under the Revolver will equal SOFR plus a 1.75% applicable margin.

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, except as noted above during the Second Amendment Period.

Other Borrowings

The Company had no unsecured revolving credit facilities at its foreign subsidiaries as of December 27, 2024 or December 29, 2023. The Company utilizes letters of credit primarily as security for the payment of future claims under its workers' compensation insurance, which totaled approximately \$67 and \$67 as of December 27, 2024 and December 29, 2023, respectively.

12 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.
- 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.

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The carrying amounts of accounts receivable, accounts payable and accrued expenses approximated their fair values at December 27, 2024, September 27, 2024 and December 29, 2023 due to the short term maturities of these instruments. See Note 13 for discussion of fair value of cash and cash equivalents. 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.

Marketable Securities

Marketable securities are classified as available-for-sale, with fair values determined using significant other observable inputs, which include quoted prices in markets that are not active, quoted prices of similar securities, recently executed transactions, broker quotations, and other inputs that are observable.

The following table summarizes the Company's financial assets measured at fair value as of December 27, 2024:

	Level 1	Level 2	Level 3	Total
Assets:				
Rabbi trust assets	\$ 28,665	\$ —	\$ —	\$ 28,665
Marketable securities	—	6,347	—	6,347
Total	\$ 28,665	\$ 6,347	\$ —	\$ 35,012

The following table summarizes the Company's financial assets measured at fair value as of September 27, 2024:

	Level 1	Level 2	Level 3	Total
Assets:				
Rabbi trust assets	\$ 29,059	\$ —	\$ —	\$ 29,059
Marketable securities	—	16,541	—	16,541
Total	\$ 29,059	\$ 16,541	\$ —	\$ 45,600

The following table summarizes the Company's financial assets measured at fair value as of December 29, 2023:

	Level 1	Level 2	Level 3	Total
Assets:				
Rabbi trust assets	\$ 25,818	\$ —	\$ —	\$ 25,818
Marketable securities	—	33,762	—	33,762
Total	\$ 25,818	\$ 33,762	\$ —	\$ 59,580

The effect of changes in the fair value of financial instruments on the accompanying Condensed Consolidated Statements of Operations for the three month periods ended December 27, 2024 and December 29, 2023 was:

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	Location of income recognized in Statement of Operations	Three Months Ended	
		December 27, 2024	December 29, 2023
Rabbi trust assets	Other (expense) income, net	\$ (1,488)	\$ 2,672

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 three month periods ended December 27, 2024 or December 29, 2023.

13 CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES

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 cash equivalents. Cash equivalents are stated at cost which approximates market value.

During the third quarter of fiscal 2023, the Company invested in marketable securities. The Company has classified all marketable securities as available-for-sale which requires the securities to be reported at estimated fair value, with unrealized gains and losses, net of tax, reported as a separate component of accumulated other comprehensive income in the Condensed Consolidated Statements of Shareholders' Equity.

At December 27, 2024, cost for marketable securities was determined using the specific identification method. A summary of the amortized costs and fair values of the Company's marketable securities at the end of the period presented is shown in the following table. All of the Company's marketable securities are classified as Level 2, as defined by FASB ASC 820, with fair values determined using significant other observable inputs, which include quoted prices in markets that are not active, quoted prices of similar securities, recently executed transactions, broker quotations, and other inputs that are observable.

The following table summarizes the Company's marketable securities measured at fair value as of December 27, 2024:

	Amortized Cost	Fair Value	Gross unrealized gains	Gross unrealized losses
Fixed rate US Government Bonds	\$ —	\$ —	\$ —	\$ —
Fixed rate Canadian Government Bonds	6,325	6,347	22	—
Total	\$ 6,325	\$ 6,347	\$ 22	\$ —

The following table summarizes the Company's marketable securities measured at fair value as of September 27, 2024:

	Amortized Cost	Fair Value	Gross unrealized gains	Gross unrealized losses
Fixed rate US Government Bonds	\$ 7,493	\$ 7,496	\$ 3	\$ —
Fixed rate Canadian Government Bonds	9,025	9,045	20	—
Total	\$ 16,518	\$ 16,541	\$ 23	\$ —

The following table summarizes the Company's marketable securities measured at fair value as of December 29, 2023:

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	Amortized Cost	Fair Value	Gross unrealized gains	Gross unrealized losses
Fixed rate US Government Bonds	\$ 22,365	\$ 22,371	\$ 6	\$ —
Fixed rate Canadian Government Bonds	11,423	11,391	—	32
Total	\$ 33,788	\$ 33,762	\$ 6	\$ 32

Proceeds from the maturities of available for sale securities were \$9,764 and \$7,500 for the three month periods ended December 27, 2024 and December 29, 2023, respectively. There were no sales or purchases of available-for-sale securities for the three month periods ended December 27, 2024 or December 29, 2023. No unrealized gains or losses were reclassified out of accumulated other comprehensive income during the same periods.

The future contractual maturities of the marketable securities held at December 27, 2024 are as follows: \$6,347 within one year, classified as Short-Term Investments on the Condensed Consolidated Balance Sheets, and \$0 greater than one year, but less than five years, classified as Investments on the Condensed Consolidated Balance Sheets.

14 NEW ACCOUNTING PRONOUNCEMENTS
Recently issued accounting pronouncements

In November 2024, the Financial Accounting Standards Board (FASB), issued Accounting Standards Update (ASU) 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*. ASU 2024-03 is intended to improve disclosures and provide more detailed information about a public entity's expenses, specifically amounts related to purchases of inventory, employee compensation, depreciation, intangible asset amortization, and selling expenses, along with qualitative descriptions of certain other types of expenses. This guidance in this ASU is effective in fiscal 2028, and interim periods in fiscal 2029, with early adoption permitted. The Company is currently reviewing this ASU and its potential impact on its financial statements and disclosures.

In March 2024, the United States Securities and Exchange Commission (SEC) issued Final Rulemaking Release No. 33-11275: *The Enhancement and Standardization of Climate-Related Disclosures for Investors*. This release is intended to improve consistency, completeness and transparency related to climate risks and events. The disclosure requirements related to this new rule will be phased in, and effective for the Company beginning in fiscal 2027 on a prospective basis. The Company is currently evaluating the potential impact of this release on its financial statements and disclosures.

In December 2023, the FASB, issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this ASU are effective for the Company in fiscal 2026 on a prospective basis, with early adoption permitted. The Company is currently evaluating the potential impact of this guidance on its financial statements and disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. ASU 2023-07 is intended to improve the disclosures about a public entity's reportable segments and address requests from investors for additional, more detailed information about a reportable segment's expenses. The amendments in this ASU are effective in fiscal 2025, and interim periods in fiscal 2026, on a retrospective basis, with early adoption permitted. The Company is currently evaluating the potential impact of this guidance 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

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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 December 27, 2024, the right to returns asset was \$1,384 and the accrued returns liability was \$3,679. At December 29, 2023, the right to returns asset was \$1,108 and the accrued returns liability was \$2,723. 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 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. 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, Canada and the Pacific Basin.

The Company has historically reported "Camping" and "Watercraft Recreation" segments separately. As of December 27, 2024, the Company combined these two segments into one segment, "Camping & Watercraft Recreation", consistent with the manner in which its chief operating decision maker ("CODM") assesses performance and makes resource allocations. The operating segment change was for financial reporting purposes only and did not impact or result in changes to operations of the business segments, nor did it impact the Company's consolidated financial statements, but it did impact our previous segment footnote disclosure and the table below, including the corresponding items of segment information in prior year.

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.

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

	Three Months Ended		
	December 27, 2024	December 29, 2023	September 27, 2024
Net sales:			
Fishing:			
Unaffiliated customers	\$ 82,433	\$ 110,361	
Interunit transfers	39	131	
Camping & Watercraft Recreation:			
Unaffiliated customers	9,443	10,683	
Interunit transfers	8	43	
Diving			
Unaffiliated customers	15,680	17,474	
Interunit transfers	4	4	
Other / Corporate	93	126	
Eliminations	(51)	(178)	
Total	\$ 107,649	\$ 138,644	
Operating profit (loss):			
Fishing	\$ (8,261)	\$ 11,529	
Camping & Watercraft Recreation:	(646)	(1,720)	
Diving	(908)	(578)	
Other / Corporate	(10,424)	(9,185)	
	\$ (20,239)	\$ 46	
Total assets (end of period):			
Fishing	\$ 341,990	\$ 407,992	\$ 325,882
Camping & Watercraft Recreation:	69,383	75,074	69,516
Diving	90,543	83,334	77,465
Other / Corporate	110,952	126,283	162,349
	\$ 612,868	\$ 692,683	\$ 635,212

Other Segment Information

During the three month periods ended December 27, 2024 and December 29, 2023, two customers of the Company's Fishing and Camping & Watercraft Recreation segments each accounted for more than 10% of the Company's consolidated revenues, which amounted to combined net sales of approximately \$32,875 and \$54,147, respectively, of the Company's consolidated revenues.

During the first quarter of fiscal 2024, the Fishing segment of the Company sold a building, which resulted in a gain of approximately \$1,900, which was recorded in Other income, net in the accompanying Condensed Consolidated Statements of Operations.

17 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in Accumulated Other Comprehensive Income ("AOCI") by component, net of tax, for the three months ended December 27, 2024 were as follows:

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	Foreign Currency Translation Adjustment	Unrealized gain (loss) on available-for sale securities	Unamortized Loss on Defined Benefit Pension Plans	Accumulated Other Comprehensive Income (Loss)
Balance at September 27, 2024	\$ 6,056	\$ 17	\$ (109)	\$ 5,964
Other comprehensive loss before reclassifications	(4,915)	(1)	—	(4,916)
Amounts reclassified from accumulated other comprehensive income	—	—	11	11
Tax effects	—	—	(2)	(2)
Balance at December 27, 2024	\$ 1,141	\$ 16	\$ (100)	\$ 1,057

The changes in AOCI by component, net of tax, for the three months ended December 29, 2023 were as follows:

	Foreign Currency Translation Adjustment	Unrealized gain (loss) on available-for sale securities	Unamortized Loss on Defined Benefit Pension Plans	Accumulated Other Comprehensive Income (Loss)
Balance at September 29, 2023	\$ 3,581	\$ (121)	\$ (137)	\$ 3,323
Other comprehensive income before reclassifications	3,059	138	—	3,197
Amounts reclassified from accumulated other comprehensive income	—	—	10	10
Tax effects	—	(36)	(3)	(39)
Balance at December 29, 2023	\$ 6,640	\$ (19)	\$ (130)	\$ 6,491

The reclassifications out of AOCI for the three months ended December 27, 2024 and December 29, 2023 were as follows:

	Three Months Ended		Statement of Operations Presentation
	December 27, 2024	December 29, 2023	
Unamortized loss on defined benefit pension plans:			
Amortization of loss	\$ 11	\$ 10	Other income and expense
Tax effects	(2)	(3)	Income tax expense
Total reclassifications for the period	\$ 9	\$ 7	

18 ACQUISITIONS

On October 25, 2024, the Company acquired all the outstanding common stock of Endless Summer Technologies Proprietary, Ltd ("EST") and related patents and other assets used in EST's business and operations in a purchase transaction with EST's sole shareholder (the "Seller"). EST, based in Durban, South Africa, has been a long term supplier of products to the Company and it specializes in the design, development and manufacturing of scuba equipment through unique application of existing, new and emerging technologies. The EST acquisition is included in the Company's Diving segment, and is expected to provide new innovative products, unlock synergies and enhance operating efficiencies for the Diving segment.

The approximately \$12,180 acquisition cost was funded with existing cash. Approximately \$1,650 of the purchase price was paid into segregated escrow accounts which were set aside to fund (1) any potential downward purchase price adjustment tied to cash, debt and net working capital levels as of the closing or (2) potential indemnity claims that may be made by the Company against the Seller in connection with the inaccuracy of certain representations and warranties made by the Seller or related to the breach or nonperformance of certain other actions, agreements or conditions related to the acquisition, for a period of 24 months from the acquisition date. The Company cannot estimate the probability or likelihood of bringing such an indemnity claim against the Seller or any related costs at this time. The remaining escrow balance, if any, net of any indemnity claim then pending, will be released to the Seller once the 24 month period has lapsed.

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The Company is currently in the process of determining the fair value of the assets acquired and the liabilities assumed in this acquisition and anticipates completing the valuation of intangibles and other assets, including any final cash, debt, net working capital adjustments and the related tax effects, within this fiscal year. The goodwill is expected to be tax deductible in the United States over 15 years. The following table summarizes the provisional fair values of the assets acquired and liabilities assumed, and the resulting goodwill acquired at the date of acquisition:

Recognized amounts of identifiable assets acquired and liabilities assumed	
Accounts receivable	\$ 245
Inventories	2,261
Other current assets	72
Property, plant and equipment	502
Identifiable intangible assets	1,439
Less, accounts payable and accruals	(1,044)
Less, other current liabilities	(636)
Less, long term liabilities	(1,110)
Total identifiable net assets	1,729
Goodwill	10,451
Net assets acquired	\$ 12,180

Pro forma financial information has not been presented because such amounts are not material to the unaudited condensed consolidated financial statements.

Transaction costs incurred for the acquisition to date were approximately \$610, of which approximately \$110 was recognized during the three months ended December 27, 2024, which are included in Administrative management, finance and information systems expenses in the accompanying Condensed Consolidated Statements of Operations.

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 month periods ended December 27, 2024 and December 29, 2023. 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 27, 2024 which was filed with the Securities and Exchange Commission on December 11, 2024.

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,

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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 for the fiscal year ended September 27, 2024 which was filed with the Securities and Exchange Commission on December 11, 2024 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 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®, 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.

Highlights

Net sales of \$107,649 for the first quarter of fiscal 2025 decreased \$30,995, or 22%, from the same period in the prior year. The decrease between quarterly periods was primarily due to ongoing market challenges in many of the Company's product categories, a cautious retail and trade environment, as well as increasing competitive pressure, which resulted in weaker demand and revenue across all segments of the Company's outdoor recreation products. Unfavorable overhead absorption due to the lower sales volumes and unfavorable product mix more than offset the Company's cost saving initiatives and contributed to an 8.2 point decline in gross margin, as well as a \$20,285 decrease in operating profit in the current year quarter versus the prior year quarter.

As of December 27, 2024, the Company has combined the previously reported "Camping" and "Watercraft Recreation" segments into one segment, referred to as "Camping & Watercraft Recreation".

During the first quarter of fiscal 2025, the Company's Diving segment acquired a scuba equipment manufacturer for \$12,180, which is expected to provide new innovative products, unlock synergies and enhance operating efficiencies for this segment.

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See “Note 18 – Acquisitions” of the notes to the accompanying Condensed Consolidated Financial Statements for additional information.

Seasonality

The Company’s business is seasonal in nature. The first fiscal quarter traditionally falls prior to 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.

Quarter Ended	Fiscal Year					
	2024		2023		2022	
	Net Sales	Operating Loss	Net Sales	Operating Profit (Loss)	Net Sales	Operating Profit
December	23 %	— %	27 %	47 %	21 %	21 %
March	30 %	1 %	30 %	97 %	26 %	23 %
June	29 %	1 %	28 %	149 %	27 %	36 %
September	18 %	98 %	15 %	(193)%	26 %	20 %
	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	
	December 27, 2024	December 29, 2023
Net sales:		
Fishing	\$ 82,472	\$ 110,492
Camping & Watercraft Recreation	9,451	10,726
Diving	15,684	17,478
Other / Corporate / Eliminations	42	(52)
Total	\$ 107,649	\$ 138,644
Operating (loss) profit:		
Fishing	\$ (8,261)	\$ 11,529
Camping & Watercraft Recreation	(646)	(1,720)
Diving	(908)	(578)
Other / Corporate / Eliminations	(10,424)	(9,185)
Total	\$ (20,239)	\$ 46

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 December 27, 2024 were \$107,649, a decrease of \$30,995, or 22%, compared to \$138,644 for the three months ended December 29, 2023. Foreign currency translation had a negligible impact on current year first quarter net sales compared to the prior year’s first quarter net sales.

Net sales for the three months ended December 27, 2024 for the Fishing business were \$82,472, a decrease of \$28,020, or 25%, from \$110,492 during the first fiscal quarter of the prior year. Challenging consumer and trade dynamics, increased competitive pressure, and strong sell-in of new products in last year’s quarter all contributed to the sales decline between quarters.

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Net sales for the Camping & Watercraft Recreation business were \$9,451 for the first quarter of the current fiscal year, a decrease of \$1,275, or 12%, from the prior year net sales during the same period of \$10,726. The decrease is mainly attributable to declines in overall consumer demand for products in this market, primarily in the overall kayak industry.

Net sales for Diving for the first quarter of fiscal 2025 were \$15,684, which declined \$1,794, or 10%, compared to net sales of \$17,478 for the three months ended December 29, 2023. The decline in sales over the prior year quarter was driven primarily by continued soft market demand across all geographic regions. Foreign currency translation had a favorable impact of less than 1% on sales in this segment versus the prior year quarter.

Cost of Sales

Cost of sales for the three months ended December 27, 2024 of \$75,466 decreased \$10,324 compared to \$85,790 for the three months ended December 29, 2023, mainly due to the decrease in sales volumes, and the unfavorable mix of higher cost product between quarters.

Gross Profit Margin

For the three months ended December 27, 2024, gross profit as a percentage of net sales was 29.9% compared to 38.1% in the three month period ended December 29, 2023. The decline in gross profit percentage over the prior year quarter was primarily due to unfavorable overhead absorption as a result of lower sales volumes, promotional pricing on end-of-life products and changes in product mix toward lower margin products between quarters.

Operating Expenses

Operating expenses were \$52,422 for the three months ended December 27, 2024, compared to \$52,808 for the three months ended December 29, 2023, for a decrease of \$386 between quarters. Decreased sales volumes and a \$2,590 decrease in expense related to the Company's deferred compensation plan were nearly offset by increased professional services and warranty expenses between periods.

Operating Loss/Profit

Operating loss on a consolidated basis for the three month period ended December 27, 2024 was \$20,239, compared to operating profit of \$46 in the first quarter of the prior fiscal year. As discussed above, the decrease in operating profit between quarters is driven by lower sales volumes.

Interest

Interest expense was \$47 and \$38 for the three months ended December 27, 2024 and December 29, 2023, respectively.

Interest income was \$1,033 and \$1,198 for the three months ended December 27, 2024 and December 29, 2023, respectively.

Other Expense (Income), net

Other income was \$326 for the three months ended December 27, 2024 compared to \$4,693 in the prior year period. The main driver of the \$4,367 decrease over the prior year quarter was a \$2,590 decrease in net investment gains and earnings on the assets related to the Company's non-qualified deferred compensation plan in the current year quarter over the prior year quarter. Additionally, the prior year included a gain on the sale of building of approximately \$1,900. For the three months ended December 27, 2024, foreign currency exchange gains were \$203 compared to losses of \$191 for the three months ended December 29, 2023.

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 month period ended June 28, 2024 was a tax benefit of 19.2%, due to the decline in profit before taxes, as well as geographic mix of profits and losses.

Net Loss/Income

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Net loss for the three months ended December 27, 2024 was \$15,290, or \$1.49 per diluted common class A and B share, compared to net income of \$3,955, or \$0.38 per diluted common class A and B share, for the first quarter of the prior fiscal year.

Liquidity and Financial Condition

Cash and cash equivalents and short term investments totaled \$101,617 as of December 27, 2024, compared to \$109,555 as of December 29, 2023. The Company's debt to total capitalization ratio was 0% as of December 27, 2024 and December 29, 2023. The Company's total debt balance was \$0 as of each of December 27, 2024 and December 29, 2023. 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 credit losses, were \$68,297 as of December 27, 2024, a decrease of \$14,746 compared to \$83,043 as of December 29, 2023. The decrease is consistent with the decreased sales volumes year over year. Inventories were \$201,606 as of December 27, 2024, a decrease of \$65,715, compared to \$267,321 as of December 29, 2023. The decrease is consistent with the Company's ongoing efforts to reduce inventory balances. Accounts payable were \$33,491 at December 27, 2024 compared to \$43,403 as of December 29, 2023.

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>	Three months ended	
	December 27, 2024	December 29, 2023
Cash (used for) provided by:		
Operating activities	\$ (36,909)	\$ (33,687)
Investing activities	(6,500)	4,685
Financing activities	(3,450)	(3,588)
Effect of foreign currency rate changes on cash	(3,369)	1,197
Decrease in cash and cash equivalents	\$ (50,228)	\$ (31,393)

Operating Activities

Cash used for operations totaled \$36,909 for the three months ended December 27, 2024 compared to \$33,687 during the corresponding period of the prior fiscal year. The decrease in cash provided by operations over the prior year three month period was due primarily to lower income on decreased sales volumes between quarters, offset in part by cash provided by working capital reductions between quarters. Depreciation and amortization charges were \$4,803 for the three month period ended December 27, 2024 compared to \$5,027 for the corresponding period of the prior year.

Investing Activities

Cash used for investing activities totaled \$6,500 for the three months ended December 27, 2024 compared to cash provided by investing activities of \$4,685 for the corresponding period of the prior fiscal year. Current year cash used for investing activities reflects \$12,180 paid to acquire a business, partially offset by maturity of investments of \$9,764. The prior year period included proceeds from maturity of investments of \$7,500, as well as proceeds from the sale of a building of \$2,189. Capital expenditures were \$4,084 in the three months ended December 27, 2024, compared to \$5,004 in the prior year to date period which included investments in expansion of Fishing facilities to accommodate additional production. Any additional capital expenditures in fiscal 2025 are expected to be funded by working capital.

Financing Activities

Cash used for financing activities totaled \$3,450 for the three months ended December 27, 2024 compared to \$3,588 for the three month period ended December 29, 2023 and, for both periods, represents the payment of dividends and purchase of treasury stock. The Company had no debt during either three month period ended December 27, 2024 and December 29, 2023. See Note 11 "Indebtedness" to the accompanying Condensed Consolidated Financial Statements for additional information on our credit facilities.

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As of December 27, 2024 the Company held approximately \$58,043 of cash, cash equivalents and short-term investments in bank accounts in foreign taxing jurisdictions.

Contractual Obligations and Off Balance Sheet Arrangements

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 December 27, 2024.

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 \$67 and \$67 as of December 27, 2024 and December 29, 2023, 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 27, 2024 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 11, 2024. There were no significant changes to the Company's critical accounting policies and estimates during the three months ended December 27, 2024.

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 27, 2024, 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 11, 2024. There have been no significant changes to our market risk in the three months ended December 27, 2024.

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

JOHNSON OUTDOORS INC.

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.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in our Form 10-K for the fiscal year ending September 27, 2024 as filed with the Securities and Exchange Commission on December 11, 2024.

Item 5. Other Information

(a) Matters Required to be Disclosed on a Form 8-K.

Item 1.01 of Form 8-K: Effective as of January 29, 2025, the Company and certain of its subsidiaries entered into a Second Amendment to Amended and Restated Credit Agreement dated as of January 29, 2025 among the Company, certain of the Company's subsidiaries named therein, PNC Bank, National Association, as lender and as administrative agent, PNC Capital Markets LLC, as sole lead arranger and bookrunner, and the other lender named therein (the "Second Amendment"). The Second Amendment amends the Company's Amended and Restated Credit Agreement dated as of November 15, 2017, as previously amended, among the Company, certain of the Company's subsidiaries named therein, PNC Bank, National Association, as lender and as administrative agent, PNC Capital Markets LLC, as sole lead arranger and bookrunner, and the other lender named therein (as amended, the "Revolving Credit Agreement" or "Revolver" or the "Credit Agreement"). The Second Amendment contains the following changes to the Revolver which are only effective until the earlier of (1) the Company's compliance with both a 3.00x maximum leverage ratio and a 3.50x minimum interest coverage ratio for the trailing twelve month period or (2) delivery of the Company's fiscal 2025 financial statements and compliance certificate (the "Second Amendment Period"):

- suspension of application of the maximum leverage and minimum interest coverage ratios during the Second Amendment Period;
- the Company and its subsidiaries must maintain a \$50,000 minimum cash balance;
- acquisition, dividends, repurchases and distributions permitted, provided the Company and its subsidiaries maintain a \$50,000 minimum cash balance;
- monthly financial reporting if the facility availability is less than or equal to 95%; and
- the granting of a security interest in the Company's personal property assets if the facility availability is less than or equal to 95%.

During the Second Amendment Period, the interest rate on borrowings under the Revolver will equal SOFR plus a 1.75% applicable margin. This description of the Second Amendment and the Credit Agreement does not purport to be complete and is qualified in its entirety by the terms and conditions of the original Credit 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), the First Amendment (a copy 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) and the Second Amendment, a copy of which is attached hereto as Exhibit 10.1, and which is incorporated herein by reference.

(c) Trading Plans.

During the three month period ended December 27, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K, nor did the Company during such fiscal quarter adopt or terminate any "Rule 10b5-1 trading arrangement".

Item 6. Exhibits

See Exhibit Index to this Form 10-Q report.

JOHNSON OUTDOORS INC.

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: February 3, 2025

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)

JOHNSON OUTDOORS INC.

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.)
10.1	Second Amendment dated January 29, 2025 to Amended and Restated Credit Agreement dated as of November 15, 2017 among the Company, certain of the Company's subsidiaries named therein, PNC Bank, National Association, as lender and as administrative agent, PNC Capital Markets LLC, as sole lead arranger and bookrunner, and the other lender named therein.
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 December 27, 2024 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 (Loss) 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 December 27, 2024, 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.

SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

This **SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT** (this “Amendment”), dated as of January 29, 2025 (the “Second Amendment Effective Date”), is made by and among **JOHNSON OUTDOORS INC.**, a Wisconsin corporation, **JOHNSON OUTDOORS WATERCRAFT INC.**, a Delaware corporation, **JOHNSON OUTDOORS MARINE ELECTRONICS, INC.**, an Alabama corporation, **JOHNSON OUTDOORS DIVING LLC**, a Delaware limited liability company, **UNDER SEA INDUSTRIES, INC.**, a Delaware corporation, and **JOHNSON OUTDOORS GEAR, INC.**, a Delaware corporation (each a “**Borrower**” and collectively “**Borrowers**”), each of the Lenders (as defined in the Credit Agreement) party hereto, and **PNC BANK, NATIONAL ASSOCIATION**, in its capacity as administrative agent for the Lenders under the Credit Agreement referred to below (hereinafter referred to in such capacity as the “**Administrative Agent**”).

WITNESSETH:

WHEREAS, the Borrowers, the Lenders and the Administrative Agent entered into the Amended and Restated Credit Agreement dated as of November 15, 2017, as amended pursuant to that certain First Amendment to Amended and Restated Credit Agreement by and among the Borrowers, the Administrative Agent and the Lenders, dated as of July 15, 2021, and as amended pursuant to that certain LIBOR Index Replacement and Conforming Changes Notice and Amendment Letter dated as of June 14, 2023, which was delivered by Administrative Agent to Borrower Agent (as so amended and as may be further amended, restated, modified or supplemented from time to time, the “**Credit Agreement**”), pursuant to which the Lenders have extended credit to the Borrowers;

WHEREAS, the Borrowers have requested that certain amendments be made as set forth in more detail herein; and

WHEREAS, the Administrative Agent and the Lenders party to this Amendment (constituting Required Lenders) are willing to consent to the requested amendments to the Credit Agreement as provided in, and on the terms and conditions contained in, this Amendment.

NOW, THEREFORE, in consideration of their mutual covenants and agreements hereafter set forth, and intending to be legally bound, the parties hereto agree as follows:

ARTICLE I

Section 1.1 **Defined Terms**. Unless otherwise defined herein, capitalized terms used herein shall have the meanings, if any, assigned to such terms in the Credit Agreement.

Section 1.2 **Amendments to Credit Agreement**. Effective as of the Second Amendment Effective Date, the Credit Agreement shall be amended as follows:

(a) Section 1.1 [Certain Definitions] of the Credit Agreement is amended to add the following defined terms in the appropriate alphabetical order:

Assets shall have the meaning specified in Section 12.2.1 of this Agreement.

Attachment shall mean the automatic attachment of the security interest granted to the Administrative Agent by the Borrowers under Section 12.2.1 hereof, which security interest shall automatically attach to the Assets if the Springing Trigger Event occurs during the Covenant Relief Period.

Cash Equivalents shall mean (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or Canada (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America or Canada, as applicable), in each case maturing within one year from the date of acquisition thereof; (b) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000; and (c) money market funds that comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940.

Covenant Relief Period shall mean the period from and including December 27, 2024 to the Covenant Relief End Date.

Covenant Relief End Date shall mean the earlier of (i) the date on which Borrowers provide Administrative Agent with a Compliance Certificate demonstrating compliance with the financial covenants set forth in Sections 8.2.14 [Maximum Leverage Ratio] and 8.2.15 [Minimum Interest Coverage Ratio] of the Credit Agreement and no Potential Default or Event of Default shall have occurred and be continuing as of such date, and (ii) the date on which Borrowers deliver to Administrative Agent a Compliance Certificate and accompanying financial statements for the fiscal quarter ending October 3, 2025, and no Potential Default or Event of Default shall have occurred and be continuing as of such date.

Second Amendment Effective Date shall mean January 29, 2025.

Springing Trigger Event shall mean the Revolving Facility Usage exceeds five percent (5%) of the Revolving Credit Commitments.

UCC shall mean the Uniform Commercial Code as from time to time in effect in the State of New York; provided, however, that, if, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the Administrative Agent's security interest in any Assets is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" means the Uniform Commercial Code as from time to time in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for the purposes of definitions related to such provisions; provided, further, that, if the UCC is amended after the date hereof, such amendment will not be given effect for the purposes of this Agreement to the extent such amendment would limit or eliminate any property or asset of a debtor from being Assets.

(b) Section 8.2.5 [Dividends, Stock Repurchases and Related Distributions] of the Credit Agreement is hereby amended to reflect that the Loan Parties may not make or pay any dividends or distributions under Section 8.2.5(ii) during the Covenant Relief Period unless they are in compliance with the Minimum Cash-on-Hand covenant set forth in Section 8.2.19.

(c) Section 8.2.6 [Liquidations, Mergers, Consolidations, Acquisitions] of the Credit Agreement is hereby amended to reflect that the Loan Parties may not enter into a Permitted Acquisition during the Covenant Relief Period unless they are in compliance with the Minimum Cash-on-Hand covenant set forth in Section 8.2.19.

(d) Section 8.2.14 [Maximum Leverage Ratio] of the Credit Agreement is hereby amended to reflect that the Leverage Ratio shall not be measured during the Covenant Relief Period.

(e) Section 8.2.15 [Minimum Interest Coverage Ratio] of the Credit Agreement is hereby amended to reflect that the Interest Coverage Ratio shall not be measured during the Covenant Relief Period.

(f) Section 8.2.16 [Limitation on Negative Pledges] of the Credit Agreement is hereby retitled to be called [Negative Pledge] and is hereby amended and restated to read as follows:

8.2.16 Negative Pledge. No Loan Party shall (a) encumber, pledge, mortgage, grant a security interest in, assign, sell, lease or otherwise dispose of or transfer, whether by sale, merger, consolidation, liquidation, dissolution or otherwise, any of its property or revenues, whether now owned or hereafter acquired, nor (b) enter into or suffer to exist or to become effective any agreement that prohibits or limits the ability of such Loan Party to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, to secure the Obligations, other than, in each case (i) this Agreement and the other Loan Documents, (ii) with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with a disposition of assets permitted under this Agreement of all or substantially all of the equity interests or assets of such Subsidiary, (iii) any agreements governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (iv) customary provisions restricting assignment of any licensing agreement (in which a Loan Party is the licensee) with respect to a contract entered into by a Loan Party in the ordinary course of business and (v) customary provisions restricting subletting, sublicensing or assignment of any intellectual property license or any lease governing any leasehold interests of a Loan Party.

(g) A new Section 8.2.19 [Minimum Cash-on-Hand] is hereby added to the Credit Agreement to read as follows:

8.2.19 Minimum Cash-on-Hand. During each of the fiscal quarters ending December 27, 2024, March 28, 2025, and June 27, 2025, the Loan Parties shall not permit unrestricted cash and Cash Equivalents of the Loan Parties and their Subsidiaries to be less than \$50,000,000. Compliance with this Minimum Cash-on-Hand covenant for the fiscal quarters ending December 27, 2024, March 28, 2025 and June 27, 2025, shall be reported to Administrative Agent and Lenders in the form of the Compliance Certificate which is required to be provided for such quarters pursuant to Section 8.3.3 [Certificate of Borrowers]. In the event the Loan Parties desire to (i) enter into a Permitted Acquisition pursuant to Section 8.2.6 of the Credit Agreement or (ii) make or pay a distribution or dividend pursuant to Section 8.2.5(ii) of the Credit Agreement during the Covenant Relief Period, in order to do so, the Loan Parties and their Subsidiaries must have a minimum unrestricted cash and Cash Equivalents of not less than \$50,000,000.

(h) Section 8.3.1 of the Credit Agreement is hereby amended to reflect that in the event the Springing Trigger Event occurs during the Covenant Relief Period, the internal financial statements required to be provided under this Section 8.3.1 shall be provided on a monthly basis, within 30 calendar days after the end of each month. This monthly reporting shall be in addition to the quarterly reporting which is otherwise required pursuant to this Section 8.3.1 which shall be accompanied by a Compliance Certificate as provided in the Credit Agreement.

(i) A new Article 12 [Security for the Obligations] is hereby added to the Credit Agreement to read as follows:

12. SECURITY FOR THE OBLIGATIONS.

12.1 Obligations Unsecured. The Obligations shall be unsecured, subject to the provisions of Section 12.2 below.

12.2 Springing Security Interest. The Obligations are subject to and secured by a springing Security Interest as follows:

12.2.1 Grant of Security Interest. Effective immediately upon the occurrence of a Springing Trigger Event during the Covenant Relief Period, each of the Loan Parties hereby grants (or, by executing the a Borrower Joinder or Guarantor Joinder hereto, grants) to the Administrative Agent for itself and for the benefit of the Lenders, a continuing security interest in and to and a pledge, as the case may be, of all of the tangible and intangible, personal property and assets of such Loan Party, whether now owned or existing or hereafter acquired or arising and wheresoever located including, without limitation: (a) all Accounts and Chattel Paper, (b) all Inventory and Goods, (c) all Equipment and Fixtures, (d) all General Intangibles and Intellectual Property, (e) all Investment Property and all Letter-of-Credit Rights, (f) all Deposit Accounts and any and all deposits or other sums at any time credited by or due from the Lenders to such Loan Party, another depository account, or other Account, (g) all Instruments, Documents, documents of title, policies and certificates of insurance, choses in action, cash or other property, to the extent owned by the Loan Parties or in which a Loan Party has an interest, (h) all Supporting Obligations, (i) all property of such Loan Party which now or hereafter is at any time in the possession or control of any of the Lenders or in transit by mail or carrier to or from any of the Lenders or in the possession of any Person acting in a Lender's behalf without regard to whether such Lender received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise or whether such Lender had conditionally released the same, and any and all balances, sums, proceeds and credits of such Loan Party with such Lender, (j) all accessions to, all substitutions and replacements for, and all Products and Proceeds of the herein above-referenced property of such Loan Party including, but not limited to, proceeds of any insurance, indemnity, warranty or guaranty payable to the Loan Party, and (k) all books, records, and other property (including, but not limited to, credit files, programs, printouts, computer software, and disks, magnetic tape and other magnetic media, and other materials and records) of such Loan Party pertaining to any such above-referenced property of such Loan Party (collectively, the "**Assets**"). The capitalized terms Accounts, Chattel Paper, Deposit Account, Document, Equipment, Fixture, General Intangibles, Goods, Instruments, Inventory, Investment Property, Letter-of-Credit Rights, Proceeds, Software and Supporting Obligations shall have the meanings as assigned to those terms in the UCC. "Intellectual Property" shall mean all Software and all inventions, all designs, all patents, all applications therefor, all trademarks, service marks, and trade names, all registrations and applications therefor, all copyrights, all registrations therefor, and any licenses thereof, in each case, whether now existing or hereafter arising or acquired. "Products" shall mean property directly or indirectly resulting from any manufacturing, processing, assembling or commingling of any Inventory.

Such continuing security interest and pledge in the Assets (the "**Security Interest**") shall be in addition to any other security interest or Lien in the tangible or intangible, personal property and assets of any Person securing the Obligations; provided, however, that, with respect to General Intangibles or Equipment of a Loan Party, to the extent that: (i) any such General Intangible is subject by reason of the terms of the instrument or agreement creating such General Intangible itself (and not any third party agreement) to a valid and effective contractual restriction prohibiting the creation or a security interest without the consent of another Person or otherwise requires the consent of such Person to permit such creation or (ii) any such item of Equipment is subject to a Purchase Money Security Interest permitted by Section 8.2.2 of this Agreement prohibiting the creation of any other security interest in such item of Equipment without the consent of another Person, then, the above stated grant of a security interest to the Administrative Agent shall not be effective as to such General Intangible or item of Equipment until such time as consent has been obtained from such Person; provided, further that, upon the occurrence of an Event of Default which is continuing and has not been waived in accordance with Section 11.1 hereof, such Loan Party will, upon the written request of the Administrative Agent, use commercially reasonable efforts to obtain such consent.

12.2.2 Condition for Attachment of Security Interest, Liens, and Pledges. If at any time during the Covenant Relief Period a Springing Trigger Event occurs, the Security Interest and Lien described in Section 12.2.1 above shall automatically attach to the Assets, without further action of the Administrative Agent or the Loan Parties.

12.2.3 Obligations Secured. Upon Attachment, the Security Interest granted by the Loan Parties in this Section 12.2 shall immediately secure the prompt payment and performance of the Obligations (including Obligations of any Loan Party to pay the obligations of other Borrowers owing to the Lenders) (collectively the "Secured Obligations").

12.2.4 Agreement of Loan Parties. Upon Attachment, the Loan Parties immediately shall, upon written notice from Administrative Agent, deliver or cause to be delivered to Administrative Agent such Loan Documents and other documents and agreements, including but not limited to security agreements, pledge agreements, and such modifications to this Agreement and to the Loan Documents as shall be necessary in Administrative Agent's sole discretion to create, in favor of Administrative Agent for the benefit of the Lenders, a first position perfected security interest Lien (subject to Permitted Liens) in the Assets to secure repayment of the Obligations. Loan Parties shall further deliver evidence that adequate insurance covering all Assets is in full force and effect.

12.2.5 Completion of Documents. The Loan Parties hereby appoint the Administrative Agent as its attorney-in-fact to perform any action required to be taken or to execute any document or agreement required to be executed by the Loan Parties under this Section 12.2, and to carry out the requirements and intent of such section, including but not limited to the execution of all documents and agreements, including any Loan Documents necessary to carry out the requirements of this Section 12.2. The powers of attorney described in this paragraph are (a) only exercisable by the Administrative Agent if the Loan Parties breach their obligations under this Section 12.2 and (b) coupled with an interest and are irrevocable.

12.2.6 Perfection. Upon Attachment, each of the Loan Parties is deemed to have authorized the filing of such financing statements as the Administrative Agent determines necessary or appropriate to perfect the security interest in the Assets, and each Loan Party shall promptly take such actions and execute and deliver such assignments or other instruments, control agreements or documents, in each case as the Administrative Agent may request in good faith, as being necessary to evidence, perfect, or record the Administrative Agent's security interest in the Assets. Each of the Loan Parties hereby authorizes the Administrative Agent on behalf of the Administrative Agent and the Lenders and the Issuing Lender to execute and file any such financing statement or continuation statement on such Loan Party's behalf. The parties acknowledge that a carbon, photographic, or other reproduction of this Agreement shall be sufficient as a financing statement to the extent permitted by law.

12.2.7 Costs and Expenses. All costs and expenses incurred by the Administrative Agent in connection with this Section 12.2, including, but not limited to all legal fees, filing fees and all other costs associated with carrying out the requirements and the intent of Section 12.2 shall upon demand by Administrative Agent be reimbursed by Borrowers.

12.2.8 Partial Releases. Each of the Lenders hereby irrevocably authorize the Administrative Agent, at its option and in its discretion, to release any Lien granted to or held by the Administrative Agent upon any property covered by this Agreement or the other Loan Documents which release is permitted by the terms of this Agreement.

12.2.9 Changes Affecting Perfection. The Loan Parties shall not, and shall not permit any Subsidiary thereof to, without giving the Administrative Agent at least twenty (20) days written prior notice thereof: (a) make any change in the location of its chief executive office, principal place of business or the office where its records pertaining to its Accounts and General Intangibles are kept, and (b) make any change in its name or corporate structure, adopt new trade names, assumed names or fictitious names or otherwise add any name under which a Loan Party does business.

12.2.10 Release of Collateral. If Attachment has occurred, upon the earlier of (a) full payment of all the Notes and all other Obligations of the Loan Parties hereunder and under any Loan Documents, and (b) written request of the Borrower Agent, if the Covenant Relief End Date has occurred and no Event of Default or Potential Default then exists, the Administrative Agent agrees (and all Lenders hereby consent) that the Security Interest shall terminate and the Administrative Agent shall release the Liens in the Assets by filing all financing statement termination statements and taking such other acts to effectuate the termination of the Security Interest, all at the Loan Parties' expense

12.3 Inspection; Verification. Commencing upon Attachment and ending upon the release of the collateral pursuant to Section 12.2.10 above: (a) during regular business hours and after reasonable notice to the Borrower Agent, the Administrative Agent (by any of its officers, employees, agents, representatives, or designees, including a Lender) shall have the right, at the Loan Parties' expense, to inspect the Assets and to inspect and audit, all books, records, journals, orders, receipts, or other correspondence related thereto (and to make extracts or copies thereof as the Administrative Agent may request) and to inspect the premises upon which any of the Assets is located for the purpose of verifying the amount, quality, quantity, value, and condition of, or any other matter relating to, the Assets; provided, however, that subject to the following proviso, the aggregate number of such inspections shall not exceed one (1) in any calendar year; provided, further, however, that during any period commencing upon the occurrence of an Event of Default and continuing for one year after the waiver (if any) in accordance with Section 11.1 hereof of such Event of Default, the Administrative Agent may exercise such access and other rights, at the Borrowers' expense, at any time and as often as the Administrative Agent deems such action necessary or desirable; and (b) in addition to inspections as outlined above (and only to the extent exercised concurrently with such inspection), the Administrative Agent or its designee shall have the right, upon reasonable notice to and consultation with the Borrower Agent, to make test verifications of the Accounts and other Assets and physical verifications of the Inventory and other tangible items of the Assets at the expense of the Borrowers and in any manner and through any commercially reasonable medium that the Administrative Agent considers advisable, and the Loan Parties agree to furnish all such assistance and information as the Administrative Agent may require in connection therewith. Any inspection pursuant hereto shall, at the option of the Loan Parties, occur in the presence of an officer of the Loan Parties.

12.4 Protection of Assets; Reimbursement. Commencing upon Attachment and ending upon the release of the collateral pursuant to Section 12.2.10 above: (a) all reasonable insurance expenses and all reasonable expenses of protecting, storing, warehousing, insuring, handling, maintaining, and shipping any Assets, any and all excise, property, sales, use, or other taxes imposed by any federal, state, or local authority on any of the Assets, or in respect of the sale thereof, or otherwise in respect of each Loan Party's business operations which, if unpaid, could result in the imposition of any Lien upon the Assets, shall be borne and paid by such Loan Party, subject to the provisions of Section 8.1.2; (b) if a Loan Party fails to pay any portion thereof promptly when due, except as may otherwise be permitted under this Agreement or under any of the other Loan Documents, the Administrative Agent, at its option, may, but shall not be required to pay the same; provided, such amount remains unpaid for ten (10) Business Days after the Administrative Agent has notified the Borrower Agent of such failure; and (c) all sums so paid or incurred by the Administrative Agent for any of the foregoing and any and all other sums for which such Loan Party may become liable under this Agreement and all costs and expenses (including reasonable attorneys' fees and paralegals' fees, legal expenses, and court costs, expenses and other charges related thereto) which the Administrative Agent may incur in protecting the Assets or any of its rights or remedies under this Agreement or any other agreement between the parties to this Agreement or in respect of any of the transactions to be had under this Agreement shall be repayable on demand and upon the expiration of five (5) calendar days after such demand such Loan Party shall be deemed to have delivered a Loan Request in the relevant amount, whereupon such amount shall become a Revolving Credit Loan. Unless otherwise provided by Law, the Administrative Agent shall not be liable or responsible in any way for the safekeeping of any of the Assets or for any loss or damage thereto or for any diminution in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency, or other Person whomsoever.

12.5 Reinstatement. The provisions of Article 12 of this Agreement shall remain in full force and effect and continue to be effective in respect of a Loan Party should any petition be filed by or against such Loan Party for liquidation or reorganization, should such Loan Party become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any part of such Loan Party's assets or should any other Relief Proceeding relating to such Loan Party be instituted, and shall continue to be effective or be reinstated, as the case may be, if at any time after Attachment payment and performance of the Obligations, or any part thereof, is pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned after Attachment, the Obligations shall, to the extent permitted by applicable law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

(j) Schedule 1.1(A) of the Credit Agreement is hereby amended to reflect that on the Second Amendment Effective Date, for purposes of determining the Applicable Margin, the Applicable Commitment Fee Rate and the Applicable Letter of Credit Fee Rate, the rates in Level V shall apply and shall remain in effect until the end of the Covenant Relief End Date.

(k) As of the Second Amendment Effective Date, the Credit Agreement shall be amended to reflect that the aggregate Revolving Credit Commitments of all Lenders shall be \$50,000,000 and Part 1 of Schedule 1.1(B) of the Credit Agreement is hereby amended and restated so as to reflect the modifications set forth in the Part 1 of Schedule 1.1(B) which is attached hereto.

(l) Exhibit 8.3.3 [Compliance Certificate] of the Credit Agreement is hereby amended so as to reflect the modifications set forth in the Exhibit 8.3.3 which is attached hereto and made a part of this Amendment.

ARTICLE II

Section 2.1 No Other Amendments. Except as amended hereby, the terms and provisions of the Credit Agreement remain unchanged, are and shall remain in full force and effect unless and until modified or amended in writing in accordance with their terms, and are hereby ratified and confirmed. Except as expressly provided herein, this Amendment shall not constitute an amendment, waiver, consent or release with respect to any provision of any Loan Document, a waiver of any Potential Default or Event of Default under any Loan Document, or a waiver or release of any of the Lenders' or Administrative Agent's rights and remedies (all of which are hereby reserved).

Section 2.2 Representations and Warranties. Each Loan Party hereby represents and warrants to the Lenders and the Administrative Agent as of the date of this Amendment as follows:

(a) the execution, delivery and performance by such Loan Party of this Amendment have been duly authorized by all necessary corporate or other organizational action and do not and will not (i) result in any breach of (A) the terms and conditions of the certificate of incorporation, bylaws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents of any Loan Party or (B) any Law or any material agreement or instrument or order, writ, judgment, injunction or decree to which any Loan Party is a party or by which it is bound or to which it is subject, or (ii) result in the creation or enforcement of any Lien, charge or encumbrance whatsoever upon any property (now or hereafter acquired) of any Loan Party (other than Liens granted under the Loan Documents);

(b) this Amendment has been duly executed and delivered by such Loan Party, and this Amendment, the Credit Agreement and each other Loan Document (in each case, as amended hereby) constitutes a legal, valid and binding obligation of each such Loan Party, enforceable against each such Loan Party in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws from time to time in effect which affect the enforcement of creditors' rights in general and the availability of equitable remedies;

(c) the representations and warranties of such Loan Party contained in Article 6 of the Credit Agreement and in each other Loan Document are true and correct in all material respects on and as of the date of this Amendment, except to the extent that such representations and warranties specifically relate to an earlier date, in which case they shall remain true and correct in all material respects as of such earlier date, and except that for purposes of this clause (c), the representations and warranties contained in Section 6.1.6 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Sections 8.3.1 and 8.3.2 of the Credit Agreement, as applicable;

(d) immediately before and after the effectiveness of this Amendment, no Potential Default or Event of Default has occurred and is continuing; and

(e) since December 27, 2024, nothing shall have occurred (and neither the Administrative Agent nor the Lenders shall have become aware of any facts or conditions not previously known) which results in a Material Adverse Change.

Section 2.3 **Conditions to Effectiveness**. This Amendment shall become effective upon satisfaction of the following conditions precedent, each in form and substance reasonably satisfactory to the Administrative Agent, its legal counsel and each of the Lenders party hereto:

(a) **Amendment**. The Administrative Agent shall have received executed counterparts of this Amendment signed on behalf of (A) each Loan Party and (B) the Lenders party hereto consisting of the Required Lenders.

(b) **Officer's Certificate**. The Administrative Agent shall have received a Certificate executed by an Authorized Officer of each of the Loan Parties attesting that the representations and warranties of the Loan Parties contained in Article 6 of the Credit Agreement including as amended by the modifications and additional representations and warranties of this Amendment, and of each Loan Party in each of the other Loan Documents shall be true and accurate in all material respects on and as of the date hereof with the same effect as though such representations and warranties had been made on and as of such date, and that each of the Loan Parties has performed and complied with all covenants and conditions hereof and thereof, and that no Event of Default or Potential Default shall have occurred and be continuing or shall exist, and no material litigation is pending and no Material Adverse Change has occurred.

(c) **Secretary's Certificates**. There shall be delivered to the Administrative Agent for the benefit of each Lender a certificate dated the date hereof and signed by the Secretary or an Assistant Secretary of each of the Loan Parties, certifying as appropriate as to:

(i) all action taken by each Loan Party in connection with this Amendment and the other Loan Documents;

(ii) the names of the officer or officers authorized to sign this Amendment and the other Loan Documents and the true signatures of such officer or officers and specifying the Authorized Officers permitted to act on behalf of each Loan Party for purposes of this Amendment and the true signatures of such officers, on which the Administrative Agent and each Lender may conclusively rely; and

(iii) copies of its organizational documents, including its certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement or limited liability company certificate and operating agreement, as the case may be, as in effect on the date hereof (or a certification that the same have not been amended or otherwise modified since the same were last certified to the Administrative Agent and the Lenders, and remain in full force and effect on the date hereof) and, in the case of the certificate of incorporation of the Borrower, certified by the appropriate state official where such document is filed in a state office (or, in the event that no change has been made to such organizational documents previously delivered to the Administrative Agent, so certified by the Secretary or Assistant Secretary of such Loan Party), together with certificates from the appropriate state officials as to the continued existence and good standing of the Borrower in the state of its formation.

(d) Lien Searches. Administrative Agent shall have received uniform commercial code and lien searches on each Loan Party in the jurisdiction of formation for each Loan Party, which search results shall be dated within at least 30 days prior to the Second Amendment Effective Date and which search results shall not reveal any Liens other than Permitted Liens.

(e) Legal Details. All legal details and proceedings in connection with the transactions contemplated by this Amendment and the other Loan Documents shall be in form and substance satisfactory to the Administrative Agent and counsel for the Administrative Agent, and the Administrative Agent shall have received all such other counterpart originals or certified or other copies of such documents and proceedings in connection with such transactions, in form and substance satisfactory to the Administrative Agent and its counsel, as the Administrative Agent or its counsel may reasonably request. Without limiting the generality of the foregoing, the Loan Parties and Lenders hereby (i) agree that, for all purposes of this Amendment, electronic images of this Amendment or any other Loan Documents (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waive any argument, defense or right to contest the validity or enforceability of the Amendment or any other Loan Documents based solely on the lack of paper original copies of such Amendment and Loan Documents, including with respect to any signature pages thereto.

(f) Fees. The Borrowers shall have paid all fees, costs and expenses for which the Administrative Agent and the Lenders are entitled to be paid or reimbursed in accordance with the fee letter dated January 23, 2025, between the Borrowers and the Administrative Agent, including but not limited to the fees and expenses of the Administrative Agent's legal counsel.

Section 2.4 Miscellaneous.

(a) This Amendment shall become effective as provided in Section 2.3.

(b) The Credit Agreement, as amended by this Amendment, is in all respects ratified, approved and confirmed, and shall, as so amended, remain in full force and effect. From and after the date that the amendments herein described take effect, all reference to the "Agreement" in the Credit Agreement and in the other Loan Documents, shall be deemed to be references to the Credit Agreement as amended by this Amendment.

(c) This Amendment shall be deemed to be a contract under the laws of the State of New York, and for all purposes shall be governed by, construed and enforced in accordance with the laws of said State.

(d) Except as amended hereby, all of the terms and conditions of the Credit Agreement and the other Loan Documents shall remain in full force and effect. Borrowers, the other Loan Parties, each Lender, and Administrative Agent acknowledge and agree that this Amendment is not intended to constitute, nor does it constitute, a novation, interruption, suspension of continuity, satisfaction, discharge or termination of the obligations, loans, liabilities, or indebtedness under the Credit Agreement or the other Loan Documents.

(e) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic means (including .pdf) shall be effective as delivery of a manually executed counterpart of this Amendment.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Amendment as of the day and year first above written.

BORROWERS:

JOHNSON OUTDOORS INC.

By: /s/ Jonathan M. Rothe
Name: Jonathan M. Rothe
Title: Assistant Treasurer

JOHNSON OUTDOORS WATERCRAFT INC.

By: /s/ Jonathan M. Rothe
Name: Jonathan M. Rothe
Title: Secretary and Treasurer

JOHNSON OUTDOORS MARINE ELECTRONICS, INC.

By: /s/ Jonathan M. Rothe
Name: Jonathan M. Rothe
Title: Secretary

JOHNSON OUTDOORS DIVING LLC

By: /s/ Jonathan M. Rothe
Name: Jonathan M. Rothe
Title: Secretary

BORROWERS (continued):

UNDER SEA INDUSTRIES, INC.

By: /s/ Jonathan M. Rothe

Name: Jonathan M. Rothe

Title: President

JOHNSON OUTDOORS GEAR, INC.

By: /s/ Jonathan M. Rothe

Name: Jonathan M. Rothe

Title: Secretary and Treasurer

PNC BANK, NATIONAL ASSOCIATION,
individually and as Administrative Agent

By: /s/ Joseph Vehec

Name: Joseph Vehec

Title: Senior Vice President

ASSOCIATED BANK, N.A.

By: /s/ Daniel Holzauer

Name: Daniel Holzauer

Title: SVP – Team Leader

SCHEDULE 1.1(B)

COMMITMENTS OF LENDERS AND ADDRESSES FOR NOTICES

Part 1 - Commitments of Lenders and Addresses for Notices to Lenders

Lender	Amount of Commitment for Revolving Credit Loans	Ratable Share
Name: PNC Bank, National Association Address: 411 E. Wisconsin Avenue Milwaukee, WI 53202 Attention: Joseph Vehec Telephone: (414) 270-5691 Telecopy: (414) 226- 2353	\$33,333,333.33	66.666666667%
Name: Associated Bank, N.A. Address: 330 East Kilbourn Avenue Milwaukee, WI 53202 Attention: Daniel Holzhauer Telephone: (414) 283-2361 Telecopy: (414) 283-2300	\$16,666,666.67	33.333333333%
Total	\$50,000,000.00	100.000000000%

QUARTERLY COMPLIANCE CERTIFICATE

This certificate is delivered pursuant to Section 8.3.3 of that certain Amended and Restated Credit Agreement dated as of November 15, 2017, as amended to date (the "**Credit Agreement**") by and among Johnson Outdoors Inc., a Wisconsin corporation, Johnson Outdoors Watercraft Inc., a Delaware corporation, Johnson Outdoors Marine Electronics, Inc., an Alabama corporation, Johnson Outdoors Diving LLC, a Delaware limited liability company, Under Sea Industries, Inc., a Delaware corporation, Johnson Outdoors Gear, Inc., a Delaware corporation and each of the other borrowers from time to time party thereto (each a "**Borrower**" and collectively, the "**Borrowers**"), the Lenders party thereto (the "**Lenders**"), the Guarantors party thereto (the "**Guarantors**") and PNC Bank, National Association, as Administrative Agent for the Lenders (the "**Administrative Agent**"). Unless otherwise defined herein, terms defined in the Credit Agreement are used herein with the same meanings.

The undersigned officer, _____, the _____ [President/Chief Executive Officer/Chief Financial Officer/Assistant Treasurer] of the Borrower Agent, in such capacity, does hereby certify on behalf of the Borrowers as of the quarter/year ended _____, 20__ (the "**Report Date**"), as follows:

(1) Maximum Leverage Ratio (Section 8.2.14). As of the Report Date¹, the Leverage Ratio of the Loan Parties is _____, which ratio is not greater than 3.00 to 1.00. Supporting calculations for the Leverage Ratio are set forth on Exhibit A attached hereto and made a part hereof.

(2) Minimum Interest Coverage Ratio (Section 8.2.15). As of the Report Date², the Interest Coverage Ratio of the Loan Parties is _____, which ratio is not less than 3.50 to 1.00. Supporting calculations for the Interest Coverage Ratio are set forth on Exhibit A attached hereto and made a part hereof.

(3) Minimum Cash-on-Hand (Section 8.2.19)³. As of the Report Date, the unrestricted cash and Cash Equivalents of the Loan Parties and their Subsidiaries is _____ (which shall not be less than \$50,000,000).

(4) Representations, Warranties and Covenants. The representations and warranties contained in Section 6 of the Credit Agreement and in the other Loan Documents are true and correct in all material respects, provided, however, that to the extent any such representation or warranty is already qualified by materiality or Material Adverse Change, such representation or warranty shall be true and correct in all respects on and as of the date of this certificate with the same effect as though such representations and warranties had been made on the date hereof (except representations and warranties which expressly relate solely to an earlier date or time), and the Borrowers have performed and complied with all covenants and conditions of the Credit Agreement. [Schedule __ is updated to include the information on the attached schedule. The change represented by the updated information is not prohibited under Article 8 of the Credit Agreement.]

¹ Not tested during the Covenant Relief Period.

² Not tested during the Covenant Relief Period.

³ To be reported for fiscal quarters ending December 27, 2024, March 28, 2025 and June 27, 2025 and if the Loan Parties desire to make a Permitted Acquisition or make certain distributions during the Covenant Relief Period.

(5) Event of Default or Potential Default. No Event of Default or Potential Default exists as of the date hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has executed this Certificate this ____ day of _____, 20__.

BORROWER AGENT:

JOHNSON OUTDOORS INC., a Wisconsin corporation

By: _____
Name: _____
Title: _____

Exhibit A – Supporting calculations for Financial Covenants

(See attached)

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. 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: February 3, 2025

/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: February 3, 2025

/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 December 27, 2024 (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
February 3, 2025

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 December 27, 2024 (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
February 3, 2025

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.
