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 September 30, 2023

OR

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

For the transition period from __________ to __________

Commission File Number: 001-06024

WOLVERINE WORLD WIDE, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**38-1185150**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9341 Courtland Drive N.E., **Rockford**, **Michigan**	**49351**
(Address of principal executive offices)	(Zip Code)

(616) 866-5500
(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, $1 Par Value	WWW	New York Stock Exchange

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 ☒

There were 79,532,461 shares of common stock, $1 par value, outstanding as of October 23, 2023.

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FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements," which are statements relating to future, not past, events. In this context, forward-looking statements often address management's current beliefs, assumptions, expectations, estimates and projections about future business and financial performance, national, regional or global political, economic and market conditions, and the Company itself. Such statements often contain words such as "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "is likely," "plans," "predicts," "projects," "should," "will," variations of such words, and similar expressions. Forward-looking statements, by their nature, address matters that are, to varying degrees, uncertain. Uncertainties that could cause the Company's performance to differ materially from what is expressed in forward-looking statements include, but are not limited to, the following:

- changes in general economic conditions, employment rates, business conditions, interest rates, tax policies and other factors affecting consumer spending in the markets and regions in which the Company's products are sold;
- the inability for any reason to effectively compete in global footwear, apparel and direct-to-consumer markets;
- the inability to maintain positive brand images and anticipate, understand and respond to changing footwear and apparel trends and consumer preferences;
- the inability to effectively manage inventory levels;
- increases or changes in duties, tariffs, quotas or applicable assessments in countries of import and export;
- foreign currency exchange rate fluctuations;
- currency restrictions;
- supply chain and capacity constraints, production disruptions, including reduction in operating hours, labor shortages, and facility closures resulting in production delays at the Company's manufacturers, quality issues, price increases or other risks associated with foreign sourcing;
- the cost, including the effect of inflationary pressures and availability of raw materials, inventories, services and labor for contract manufacturers;
- labor disruptions;
- changes in relationships with, including the loss of, significant wholesale customers;
- risks related to the significant investment in, and performance of, the Company's direct-to-consumer operations;
- risks related to expansion into new markets and complementary product categories as well as direct-to-consumer operations;
- the impact of seasonality and unpredictable weather conditions;
- the impact of changes in general economic conditions and/or the credit markets on the Company's manufacturers, distributors, suppliers, joint venture partners and wholesale customers;
- changes in the Company's effective tax rates;
- failure of licensees or distributors to meet planned annual sales goals or to make timely payments to the Company;
- the risks of doing business in developing countries and politically or economically volatile areas;
- the ability to secure and protect owned intellectual property or use licensed intellectual property;
- the impact of regulation, regulatory and legal proceedings and legal compliance risks, including compliance with federal, state and local laws and regulations relating to the protection of the environment, environmental remediation and other related costs, and litigation or other legal proceedings relating to the protection of the environment or environmental effects on human health;
- risks of breach of the Company's databases or other systems, or those of its vendors, which contain certain personal information, payment card data or proprietary information, due to cyberattack or other similar events;
- problems affecting the Company's supply chain and distribution system, including service interruptions at shipping and receiving ports;
- strategic actions, including new initiatives and ventures, acquisitions and dispositions, and the Company's success in integrating acquired businesses, including *Sweaty Betty*®, and implementing new initiatives and ventures;
- risks related to stockholder activism;
- the potential effects of outbreaks of COVID-19 or future health crises on the Company's business, operations, financial results and liquidity;
- the risk of impairment to goodwill and other intangibles;
- the success of the Company's restructuring and realignment initiatives undertaken from time to time; and
- changes in future pension funding requirements and pension expenses.

These or other uncertainties could cause a material difference between an actual outcome and a forward-looking statement. The uncertainties included here are not exhaustive and are described in more detail in Part I, Item 1A: "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the "2022 Form 10-K"), filed with the SEC on February, 23, 2023. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. The Company does not undertake an obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Operations and Comprehensive Income
(Unaudited)

(In millions, except per share data)	Quarter Ended September 30, 2023	Quarter Ended October 1, 2022	Year-To-Date Ended September 30, 2023	Year-To-Date Ended October 1, 2022
Revenue	**$ 527.7**	$ 691.4	**$ 1,716.2**	$ 2,019.8
Cost of goods sold	**312.3**	413.6	**1,036.7**	1,173.6
Gross profit	**215.4**	277.8	**679.5**	846.2
Selling, general and administrative expenses	**203.3**	216.8	**610.8**	657.3
Gain on sale of businesses, trademarks, and intangible assets	**(57.7)**	—	**(77.8)**	(90.0)
Impairment of long-lived assets	**40.2**	—	**55.8**	—
Environmental and other related costs, net of recoveries	**2.3**	2.2	**(28.0)**	32.6
Operating profit	**27.3**	58.8	**118.7**	246.3
Other expenses:				
Interest expense, net	**15.5**	12.5	**47.4**	31.3
Other expense, net	**2.4**	2.7	**3.2**	2.2
Total other expense, net	**17.9**	15.2	**50.6**	33.5
Earnings before income taxes	**9.4**	43.6	**68.1**	212.8
Income tax expense	**0.4**	4.8	**16.7**	41.1
Net earnings	**$ 9.0**	$ 38.8	**$ 51.4**	$ 171.7
Less: net earnings (loss) attributable to noncontrolling interests	**0.4**	(0.2)	**(0.2)**	(1.6)
Net earnings attributable to Wolverine World Wide, Inc.	**$ 8.6**	$ 39.0	**$ 51.6**	$ 173.3
Net earnings per share (see Note 3):				
Basic	**$ 0.11**	$ 0.49	**$ 0.64**	$ 2.12
Diluted	**$ 0.11**	$ 0.48	**$ 0.64**	$ 2.12
Comprehensive income (loss)	**$ (0.2)**	$ 13.5	**$ 39.8**	$ 110.1
Less: comprehensive income (loss) attributable to noncontrolling interests	**0.2**	(0.6)	**(0.2)**	(2.4)
Comprehensive income (loss) attributable to Wolverine World Wide, Inc.	**$ (0.4)**	$ 14.1	**$ 40.0**	$ 112.5
Cash dividends declared per share	**$ 0.10**	$ 0.10	**$ 0.30**	$ 0.30

See accompanying notes to consolidated condensed financial statements.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Consolidated Condensed Balance Sheets
(Unaudited)

(In millions, except share data)	September 30, 2023	December 31, 2022	October 1, 2022
ASSETS			
Current assets:			
Cash and cash equivalents	**$ 160.4**	$ 131.5	$ 136.4
Accounts receivable, less allowances of $13.3, $11.1 and $23.0	**272.0**	241.7	440.0
Finished products, net	**561.7**	743.2	871.1
Raw materials and work-in-process, net	**2.1**	2.0	9.8
Total inventories	**563.8**	745.2	880.9
Prepaid expenses and other current assets	**84.9**	79.0	94.5
Current assets held for sale	**16.1**	67.9	—
Total current assets	**1,097.2**	1,265.3	1,551.8
Property, plant and equipment, net of accumulated depreciation of $254.6, $236.1 and $228.4	**126.5**	136.2	126.0
Lease right-of-use assets, net	**148.7**	174.7	165.0
Goodwill	**465.4**	485.0	526.5
Indefinite-lived intangibles	**237.0**	274.0	658.6
Amortizable intangibles, net	**57.4**	67.4	67.7
Deferred income taxes	**26.3**	24.5	0.8
Other assets	**72.8**	65.6	74.2
Total assets	**$ 2,231.3**	$ 2,492.7	$ 3,170.6
LIABILITIES AND STOCKHOLDERS’ EQUITY			
Current liabilities:			
Accounts payable	**$ 197.2**	$ 272.2	$ 317.9
Accrued salaries and wages	**21.8**	32.3	26.5
Other accrued liabilities	**210.9**	322.9	203.4
Lease liabilities	**38.7**	39.1	33.5
Current maturities of long-term debt	**10.0**	10.0	10.0
Borrowings under revolving credit agreements	**370.0**	425.0	740.0
Current liabilities held for sale	**3.1**	8.8	—
Total current liabilities	**851.7**	1,110.3	1,331.3
Long-term debt, less current maturities	**716.3**	723.0	725.2
Accrued pension liabilities	**71.7**	72.9	103.0
Deferred income taxes	**34.0**	35.3	116.4
Lease liabilities, noncurrent	**141.3**	153.6	147.5
Other liabilities	**53.6**	58.6	73.0
Stockholders’ equity:			
Common stock – par value $1, authorized 320,000,000 shares; 112,939,664, 112,202,078, and 112,170,049 shares issued	**112.9**	112.2	112.2
Additional paid-in capital	**330.7**	325.4	318.7
Retained earnings	**934.5**	907.2	1,277.1
Accumulated other comprehensive loss	**(144.5)**	(132.9)	(159.7)
Cost of shares in treasury; 33,407,203, 33,413,204, and 33,414,974 shares	**(891.2)**	(891.3)	(891.4)
Total Wolverine World Wide, Inc. stockholders’ equity	**342.4**	320.6	656.9
Noncontrolling interest	**20.3**	18.4	17.3
Total stockholders’ equity	**362.7**	339.0	674.2
Total liabilities and stockholders’ equity	**$ 2,231.3**	$ 2,492.7	$ 3,170.6

See accompanying notes to consolidated condensed financial statements.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows
(Unaudited)

(In millions)	Year-To-Date Ended September 30, 2023	October 1, 2022
OPERATING ACTIVITIES		
Net earnings	**$ 51.4**	$ 171.7
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	**26.3**	25.2
Deferred income taxes	**(1.6)**	2.5
Stock-based compensation expense	**11.8**	26.4
Pension and SERP expense	**1.2**	7.0
Impairment of long-lived assets	**55.8**	—
Environmental and other related costs, net of cash payments and recoveries received	**(68.8)**	(35.8)
Gain on sale of businesses, trademarks and intangible assets	**(77.8)**	(90.0)
Other	**(1.1)**	(4.9)
Changes in operating assets and liabilities:		
Accounts receivable	**(25.1)**	(133.5)
Inventories	**178.5**	(533.5)
Other operating assets	**(11.7)**	(15.1)
Accounts payable	**(74.7)**	109.2
Income taxes payable	**5.6**	5.7
Other operating liabilities	**(62.8)**	(25.1)
Net cash provided by (used in) operating activities	**7.0**	(490.2)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(18.5)**	(23.5)
Proceeds from sale of businesses, trademarks, intangible assets and other assets	**136.0**	90.0
Investment in joint ventures	**—**	(2.8)
Other	**(1.3)**	4.5
Net cash provided by investing activities	**116.2**	68.2
FINANCING ACTIVITIES		
Payments under revolving credit agreements	**(620.0)**	(153.0)
Borrowings under revolving credit agreements	**565.0**	668.0
Payments on long-term debt	**(7.5)**	(7.5)
Payments of debt issuance costs	**(0.9)**	—
Cash dividends paid	**(24.5)**	(24.7)
Purchases of common stock for treasury	**—**	(81.3)
Employee taxes paid under stock-based compensation plans	**(5.8)**	(7.4)
Proceeds from the exercise of stock options	**0.1**	1.4
Contributions from noncontrolling interests	**2.1**	7.0
Net cash provided by (used in) financing activities	**(91.5)**	402.5
Effect of foreign exchange rate changes	**(2.5)**	(5.8)
Increase (decrease) in cash and cash equivalents	**29.2**	(25.3)
Cash and cash equivalents at beginning of the year	**135.5**	161.7
Cash and cash equivalents at end of the quarter	**$ 164.7**	$ 136.4

Cash and cash equivalents at the end of the third quarter of 2023 in the consolidated condensed statements of cash flows includes $4.3 million of Wolverine Leathers business related cash and cash equivalents that are classified as held for sale as of September 30, 2023 that are not included in cash and cash equivalents in the consolidated condensed balance sheets. The cash and cash equivalents at beginning of the year balance includes $4.0 million of Wolverine Leathers business related cash and cash equivalents that were classified as held for sale as of December 31, 2022.

See accompanying notes to consolidated condensed financial statements.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Stockholders' Equity
(Unaudited)

	Wolverine World Wide, Inc. Stockholders' Equity						
(In millions, except share and per share data)	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Non-controlling Interest	Total
Balance at July 2, 2022	$ 112.1	$ 311.9	$ 1,246.1	$ (134.8)	$ (891.4)	$ 17.9	$ 661.8
Net earnings (loss)			39.0			(0.2)	38.8
Other comprehensive loss				(24.9)		(0.4)	(25.3)
Shares issued, net of shares forfeited under stock incentive plans (20,672 shares)	0.1	(0.3)					(0.2)
Stock-based compensation expense		7.1					7.1
Cash dividends declared ($0.10 per share)			(8.0)				(8.0)
Balance at October 1, 2022	$ 112.2	$ 318.7	$ 1,277.1	$ (159.7)	$ (891.4)	$ 17.3	$ 674.2
Balance at July 1, 2023	**$ 112.9**	**$ 326.8**	**$ 933.8**	**$ (135.5)**	**$ (891.2)**	**$ 20.1**	**$ 366.9**
Net earnings			**8.6**			**0.4**	**9.0**
Other comprehensive loss				**(9.0)**		**(0.2)**	**(9.2)**
Stock-based compensation expense		**4.0**					**4.0**
Cash dividends declared ($0.10 per share)			**(7.9)**				**(7.9)**
Issuance of treasury shares (2,374 shares)		**(0.1)**			**—**		**(0.1)**
Balance at September 30, 2023	**$ 112.9**	**$ 330.7**	**$ 934.5**	**$ (144.5)**	**$ (891.2)**	**$ 20.3**	**$ 362.7**

See accompanying notes to consolidated condensed financial statements.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Stockholders' Equity
(Unaudited)

	Wolverine World Wide, Inc. Stockholders' Equity						
(In millions, except share and per share data)	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Non-controlling Interest	Total
Balance at January 1, 2022	$ 111.6	$ 298.9	$ 1,128.2	$ (98.9)	$ (810.2)	$ 14.8	$ 644.4
Net earnings (loss)			173.3			(1.6)	171.7
Other comprehensive loss				(60.8)		(0.8)	(61.6)
Shares issued, net of shares forfeited under stock incentive plans (463,473 shares)	0.5	(8.0)					(7.5)
Shares issued for stock options exercised, net (74,482 shares)	0.1	1.4					1.5
Stock-based compensation expense		26.4					26.4
Cash dividends declared ($0.30 per share)			(24.4)				(24.4)
Issuance of treasury shares (4,203 shares)		—			0.1		0.1
Purchase of common stock for treasury (3,815,164 shares)					(81.3)		(81.3)
Capital contribution from noncontrolling interest						$ 7.0	$ 7.0
Other						$ (2.1)	$ (2.1)
Balance at October 1, 2022	$ 112.2	$ 318.7	$ 1,277.1	$ (159.7)	$ (891.4)	$ 17.3	$ 674.2
Balance at December 31, 2022	$ 112.2	$ 325.4	$ 907.2	$ (132.9)	$ (891.3)	$ 18.4	$ 339.0
Net earnings (loss)			**51.6**			**(0.2)**	**51.4**
Other comprehensive income (loss)				**(11.6)**		**—**	**(11.6)**
Shares issued, net of shares forfeited under stock incentive plans (731,544 shares)	**0.7**	**(6.5)**					**(5.8)**
Shares issued for stock options exercised, net (6,042 shares)	**—**	**0.1**					**0.1**
Stock-based compensation expense		**11.8**					**11.8**
Cash dividends declared ($0.30 per share)			**(24.3)**				**(24.3)**
Issuance of treasury shares (6,001 shares)		**(0.1)**			**0.1**		**—**
Capital contribution from noncontrolling interest						**2.1**	**2.1**
Balance at September 30, 2023	**$ 112.9**	**$ 330.7**	**$ 934.5**	**$ (144.5)**	**$ (891.2)**	**$ 20.3**	**$ 362.7**

See accompanying notes to consolidated condensed financial statements.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements
(Unaudited)

1. BASIS OF PRESENTATION

Nature of Operations

Wolverine World Wide, Inc. (the “Company”) is a leading designer, marketer and licensor of a broad range of quality casual footwear and apparel; performance outdoor and athletic footwear and apparel; kids’ footwear; industrial work shoes, boots and apparel; and uniform shoes and boots. The Company’s portfolio of owned and licensed brands includes: *Bates*®, *Cat*®, *Chaco*®, *Harley-Davidson*®, *Hush Puppies*®, *HYTEST*®, *Merrell*®, *Saucony*®, *Sperry*®, *Stride Rite*®, *Sweaty Betty*® and *Wolverine*®. The Company’s products are marketed worldwide through owned operations, through licensing and distribution arrangements with third parties, and joint ventures. The Company also operates retail stores and eCommerce sites to market both its own brands and branded footwear and apparel from other manufacturers, as well as a leathers division that markets *Wolverine Performance Leathers*™.

Effective February 4, 2023, the Company completed the sale of the *Keds*® business. See Note 18 for further discussion.

In the third quarter of fiscal 2023, the Company entered into a multi-year licensing agreement of the *Hush Puppies*® brand in the United States and Canada. As part of this agreement, the Company agreed to sell inventory and provide certain transition services to the licensee. In addition, the Company completed the sale of *Hush Puppies*® trademarks, patents, copyrights, and domains in China, Hong Kong, and Macau. Wolverine will continue to own the *Hush Puppies*® brand throughout the rest of the world. See Note 18 for further discussion.

Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information and with the instructions to the Quarterly Report on Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. GAAP for a complete presentation of the financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included in the accompanying financial statements. For further information, refer to the consolidated financial statements and notes included in the Company’s 2022 Form 10-K.

Fiscal Year

The Company’s fiscal year is the 52 or 53-week period that ends on the Saturday nearest to December 31. Fiscal years 2023 and 2022 each have 52 weeks. The Company reports its quarterly results of operations on the basis of 13-week quarters for each of the first three fiscal quarters and a 13 or 14-week period for the fiscal fourth quarter. References to particular years or quarters refer to the Company’s fiscal years ended on the Saturday nearest to December 31 or the fiscal quarters within those years.

Seasonality

The Company experiences moderate fluctuations in sales volume during the year, as reflected in quarterly revenue. The Company expects current seasonal sales patterns to continue in future years. The Company also experiences some fluctuation in its levels of working capital, typically reflecting an increase in net working capital requirements near the end of the first and third fiscal quarters as inventory builds to support peak shipping periods. Historically, cash provided by operating activities is higher in the second half of the fiscal year due to collection of wholesale channel receivables and direct-to-consumer sales being higher during the holiday season. The Company meets its working capital requirements through internal operating cash flows and, as needed, borrowings under its revolving credit facility, as discussed in more detail under the caption "Liquidity and Capital Resources" in Item 2: "Management's Discussion and Analysis of Financial Condition and Results of Operations". The Company's working capital could also be impacted by other events, including pandemics.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or an asset group may not be recoverable. Each impairment test is based on a comparison of the carrying amount of the asset or asset group to the future undiscounted net cash flows expected to be generated by the asset or asset group. Assets are considered impaired if the carrying amount exceeds fair value. The impairment amount recognized is the amount by which the carrying amount of the assets exceeds their fair value.

In the second quarter of 2023, the Company incurred $15.6 million in non-cash impairment charges on certain Corporate U.S. office long-lived property, plant and equipment and right-of-use assets, primarily resulting from divestiture activities and consolidation of U.S. offices, to adjust the carrying amount of the assets to estimated fair value. Fair value was estimated based on the discounted cash flows of estimated rental income from subleases net of estimated expenses. In the third quarter of 2023, the Company incurred $1.9 million in non-cash impairment charges on certain *Sperry®* retail store assets where the estimated future cash flows did not support the net book value of the assets. The following table provides details related to asset impairment charges recorded during 2023:

	Quarter Ended	Year-To-Date Ended
(In millions)	**September 30, 2023**	**September 30, 2023**
Lease right-of-use assets impairment	**$ —**	**$ 12.1**
Property, plant and equipment impairment	**1.9**	**5.4**
Indefinite-lived trade name impairment [(1)]	**38.3**	**38.3**
Total impairment	**$ 40.2**	**$ 55.8**

[(1)] See Note 4 for information related to the Indefinite-lived trade name impairment recorded in the third quarter of fiscal 2023.

2. NEW ACCOUNTING STANDARDS

The Financial Accounting Standards Board ("FASB") has issued the following Accounting Standards Update ("ASU") that the Company has adopted. The following is a summary of the new standard.

Standard	Description	Effect on the Financial Statements
ASU 2020-04, Reference Rate Reform (Topic 848); Facilitation of the Effects of Reference Rate Reform on Financial Reporting (as amended by ASU 2021-01 and ASU 2022-06).	Provides practical expedients for contract modifications and certain hedging relationships associated with the transition from reference rates that are expected to be discontinued.	The Company adopted ASU 2020-04 during the second quarter of 2023 on a prospective basis. The Company amended its amended senior credit facility to use SOFR as an alternative to LIBOR. The adoption of the ASU did not have a material effect on the consolidated financial statements.

3. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share.

	Quarter Ended		Year-To-Date Ended	
(In millions, except per share data)	**September 30, 2023**	October 1, 2022	**September 30, 2023**	October 1, 2022
Numerator:				
Net earnings attributable to Wolverine World Wide, Inc.	**$ 8.6**	$ 39.0	**$ 51.6**	$ 173.3
Adjustment for earnings allocated to non-vested restricted common stock	**(0.2)**	(0.8)	**(1.2)**	(3.4)
Net earnings used in calculating basic and diluted earnings per share	**$ 8.4**	$ 38.2	**$ 50.4**	$ 169.9
Denominator:				
Weighted average shares outstanding	**79.5**	78.7	**79.4**	80.0
Effect of dilutive stock options	**—**	0.2	**—**	0.2
Shares used in calculating diluted earnings per share	**79.5**	78.9	**79.4**	80.2
Net earnings per share:				
Basic	**$ 0.11**	$ 0.49	**$ 0.64**	$ 2.12
Diluted	**$ 0.11**	$ 0.48	**$ 0.64**	$ 2.12

For the quarter and year-to-date ended September 30, 2023, 1,964,421 and 2,042,094 outstanding stock options, respectively, have not been included in the denominator for the computation of diluted earnings per share because they were anti-dilutive.

For the quarter and year-to-date ended October 1, 2022, 1,422,302 and 1,126,353 outstanding stock options, respectively, have not been included in the denominator for the computation of diluted earnings per share because they were anti-dilutive.

4. GOODWILL AND INDEFINITE-LIVED INTANGIBLES

The changes in the carrying amount of goodwill are as follows:

	Year-To-Date Ended	
(In millions)	**September 30, 2023**	October 1, 2022
Goodwill balance at beginning of the year	**$ 485.0**	$ 556.6
Sale of business (see Note 18)	**(20.4)**	—
Foreign currency translation effects	**0.8**	(30.1)
Goodwill balance at end of the quarter	**$ 465.4**	$ 526.5

The Company's indefinite-lived intangible assets, which comprise trade names and trademarks, totaled $237.0 million, $274.0 million, and $658.6 million as of September 30, 2023, December 31, 2022, and October 1, 2022, respectively. In the third quarter of 2023, due to the continued lower current year performance of the *Sperry®* brand, the Company determined that a triggering event had occurred requiring impairment testing of the *Sperry®* trade name. Based on the results of the impairment testing, the Company recognized impairment charges of $38.3 million to the *Sperry®* trade name. The impairment charge was due to reductions in future cash flow assumptions mainly due to decreases in anticipated future performance and an increase in the discount rate used in the valuation. In conjunction with the *Sperry®* trade name impairment trigger identified, the Company performed a quantitative impairment analysis of the Lifestyle reporting unit and concluded the reporting unit was not impaired. The estimated fair value of the Lifestyle reporting unit exceeded the carrying value by 30%.

In the fourth quarter of 2022, the Company recognized impairment charges of $191.0 million and $189.3 million related to the *Sperry®* and *Sweaty Betty®* trade names, respectively, and recognized a $48.4 million goodwill impairment charge related to the *Sweaty Betty®* reporting unit.

The risk of future non-cash impairment of the *Sperry®* and *Sweaty Betty®* trade names and *Sweaty Betty®* goodwill is dependent on whether actual results differ from the key assumptions used in the determination of each trade name's fair value and the *Sweaty Betty®* reporting unit's fair value, such as revenue growth, earnings before interest, taxes depreciation and amortization margin, discount rate, and assumed tax rate, or if macroeconomic conditions deteriorate and adversely affect the values of the Company's *Sperry®* and *Sweaty Betty®* trade names and the *Sweaty Betty®* reporting unit. A future impairment charge of the *Sperry®* trade name or *Sweaty Betty®* trade name and the *Sweaty Betty®* reporting unit goodwill could have an adverse material effect on the Company's consolidated financial results. The carrying values of the Company's *Sperry®* and *Sweaty Betty®* trade names indefinite-lived assets were $67.0 million and $95.3 million, respectively, as of September 30, 2023.

5. ACCOUNTS RECEIVABLE

The Company and certain of its subsidiaries sell, on a continuous basis without recourse, their trade receivables to Rockford ARS, LLC ("Rockford ARS"), a wholly-owned bankruptcy-remote subsidiary of the Company. On December 7, 2022, Rockford ARS entered into a receivables purchase agreement ("RPA") to sell up to $175.0 million of receivables to certain purchasers (the "Purchasers") on a recurring basis in exchange for cash (referred to as "capital" in the RPA) equal to the gross receivables transferred. The parties intend that the transfers of receivables to the Purchasers constitute purchases and sales of receivables. Rockford ARS has guaranteed to each Purchaser the prompt payment of sold receivables, and has granted a security interest in its assets for the benefit of the Purchasers. Under the RPA, which matures on December 5, 2025 each Purchaser's share of capital accrues yield at a floating rate plus an applicable margin. The Company is the master servicer under the RPA, and is responsible for administering and collecting receivables.

The proceeds of the RPA are classified as operating activities in the Company's consolidated condensed statements of cash flows. Cash received from collections of sold receivables may be used to fund additional purchases of receivables on a revolving basis or to return all or any portion of outstanding capital of the Purchasers. Subsequent collections of the pledged receivables, which have not been sold, will be classified as operating cash flows at the time of collection. Total receivables sold under the RPA were $144.7 million and $510.3 million for the quarter and year-to-date ended September 30, 2023, respectively. Total cash collections under the RPA were $148.7 million and $521.5 million in the quarter and year-to-date ended September 30, 2023, respectively. The fair value of the sold receivables approximated book value due to their credit quality and short-term nature, and as a result, no gain or loss on sale of receivables was recorded.

As of the fiscal quarter ended September 30, 2023, the amount sold to the Purchasers under the RPA was $131.5 million, which was derecognized from the consolidated condensed balance sheets. As collateral against sold receivables, Rockford ARS maintains a certain level of unsold receivables, which was $61.5 million as of the fiscal quarter ended September 30, 2023.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue Recognition and Performance Obligations

The Company reports disaggregated revenue by sales channel, including the wholesale and direct-to-consumer sales channels, reconciled to the Company's reportable segments. The wholesale channel includes royalty revenues due to the similarity in the Company's oversight and management, customer base, the performance obligation (footwear and apparel goods) and point in time completion of the performance obligation. The direct-to-consumer sales channel includes sales from the Company's owned retail stores and from the Company's owned eCommerce sites.

	Quarter Ended September 30, 2023			Quarter Ended October 1, 2022		
(In millions)	Wholesale	Direct-to-Consumer	Total	Wholesale	Direct-to-Consumer	Total
Active Group	**$ 225.2**	**$ 103.4**	**$ 328.6**	$ 288.7	$ 109.5	$ 398.2
Work Group	**111.4**	**11.6**	**123.0**	145.4	12.4	157.8
Lifestyle Group	**42.8**	**20.0**	**62.8**	81.7	36.0	117.7
Other	**11.7**	**1.6**	**13.3**	15.8	1.9	17.7
Total Revenue	**$ 391.1**	**$ 136.6**	**$ 527.7**	$ 531.6	$ 159.8	$ 691.4

	Year-To-Date Ended September 30, 2023			Year-To-Date Ended October 1, 2022		
(In millions)	Wholesale	Direct-to-Consumer	Total	Wholesale	Direct-to-Consumer	Total
Active Group	**$ 800.4**	**$ 297.4**	**$ 1,097.8**	$ 849.5	$ 323.1	$ 1,172.6
Work Group	**322.4**	**32.9**	**355.3**	398.1	37.7	435.8
Lifestyle Group	**162.0**	**61.0**	**223.0**	244.8	102.1	346.9
Other	**35.9**	**4.2**	**40.1**	60.0	4.5	64.5
Total Revenue	**$ 1,320.7**	**$ 395.5**	**$ 1,716.2**	$ 1,552.4	$ 467.4	$ 2,019.8

The Company has agreements to license symbolic intellectual property with minimum guarantees or fixed consideration. The Company was due $15.2 million of remaining fixed transaction price under its license agreements as of September 30, 2023, which it expects to recognize per the terms of its contracts over the course of time through December 2028. The Company has elected to omit the remaining variable consideration under its license agreements given the Company recognizes revenue equal to what it has the right to invoice and that amount corresponds directly with the value to the customer of the Company's performance to date.

Reserves for Variable Consideration

Revenue is recorded at the net sales price ("transaction price"), which includes estimates of variable consideration for which reserves are established. Components of variable consideration include trade discounts and allowances, product returns, customer markdowns, customer rebates and other sales incentives relating to the sale of the Company's products. These reserves, as detailed below, are based on the amounts earned, or to be claimed on the related sales. These estimates take into consideration a range of possible outcomes, which are probability-weighted in accordance with the expected value method for relevant factors such as current contractual and statutory requirements, specific known market events and trends, industry data and forecasted customer buying and payment patterns. Overall, these reserves reflect the Company's best estimates of the amount of consideration to which it is entitled based on the terms of the respective underlying contracts. Revenue recognized during the fiscal periods presented related to the Company's contract liabilities was nominal.

The Company's contract balances are as follows:

(In millions)	**September 30, 2023**	December 31, 2022	October 1, 2022
Product returns reserve	**$ 10.8**	$ 15.3	$ 11.6
Customer markdowns reserve	**4.6**	2.6	2.2
Other sales incentives reserve	**3.4**	3.3	3.7
Customer rebates liability	**14.0**	19.8	18.2
Customer advances liability	**4.9**	9.1	5.3

The amount of variable consideration included in the transaction price may be constrained and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized under the contract will not occur in a future period. Actual amounts of consideration ultimately received may differ from initial estimates. If actual results in the future vary from initial estimates, the Company subsequently adjusts these estimates, which affects net revenue and earnings in the period such variances become known.

7. DEBT

Total debt consists of the following obligations:

(In millions)	September 30, 2023	December 31, 2022	October 1, 2022
Term Facility, due October 21, 2026	**$ 182.5**	$ 190.0	$ 192.5
Senior Notes, 4.000% interest, due August 15, 2029	**550.0**	550.0	550.0
Borrowings under revolving credit agreements	**370.0**	425.0	740.0
Unamortized deferred financing costs	**(6.2)**	(7.0)	(7.3)
Total debt	**$ 1,096.3**	$ 1,158.0	$ 1,475.2

The Company's credit agreement provides for a term loan A facility (the "Term Facility") and for a revolving credit facility (the "Revolving Facility" and, together with the Term Facility, the "Senior Credit Facilities"). The maturity date of the loans under the Senior Credit Facilities is October 21, 2026. The credit agreement provides for a debt capacity of up to an aggregate debt amount (including outstanding term loan principal and revolver commitment amounts in addition to permitted incremental debt) not to exceed $2.0 billion unless certain specified conditions set forth in the Credit Agreement are met.

The Term Facility requires quarterly principal payments with a balloon payment due on October 21, 2026. The scheduled principal payments due under the Term Facility over the next 12 months total $10.0 million as of September 30, 2023 and are recorded as current maturities of long-term debt on the consolidated condensed balance sheets.

The Revolving Facility allows the Company to borrow up to an aggregate amount of $1.0 billion. The Revolving Facility also includes a $100.0 million swingline subfacility and a $50.0 million letter of credit subfacility. The Company had outstanding letters of credit under the Revolving Facility of $6.6 million, $5.7 million and $5.6 million as of September 30, 2023, December 31, 2022 and October 1, 2022, respectively. These outstanding letters of credit reduce the borrowing capacity under the Revolving Facility.

The interest rates applicable to amounts outstanding under Term Facility and to U.S. dollar denominated amounts outstanding under the Revolving Facility are, at the Company's option, either (1) the Alternate Base Rate plus an Applicable Margin as determined by the Company's Consolidated Leverage Ratio, within a range of 0.125% to 1.000%, or (2) the Eurocurrency Rate plus an Applicable Margin as determined by the Company's Consolidated Leverage Ratio, within a range of 1.125% to 2.000% (all capitalized terms used in this sentence are as defined in the Credit Agreement). At September 30, 2023, the Term Facility and the Revolving Facility had a weighted-average interest rate of 6.38%.

The obligations of the Company pursuant to the Credit Agreement are guaranteed by substantially all of the Company's material domestic subsidiaries and secured by substantially all of the personal and real property of the Company and its material domestic subsidiaries, subject to certain exceptions.

The Senior Credit Facilities also contain certain affirmative and negative covenants, including covenants that limit the ability of the Company and its Restricted Subsidiaries to, among other things: incur or guarantee indebtedness; incur liens; pay dividends or repurchase stock; enter into transactions with affiliates; consummate asset sales, acquisitions or mergers; prepay certain other indebtedness; or make investments, as well as covenants restricting the activities of certain foreign subsidiaries of the Company that hold intellectual property related assets. Further, the Senior Credit Facilities require compliance with the following financial covenants: a maximum Consolidated Leverage Ratio and a minimum Consolidated Interest Coverage Ratio (all capitalized terms used in this paragraph are as defined in the Senior Credit Facilities). As of September 30, 2023, the Company was in compliance with all covenants and performance ratios under the Senior Credit Facilities.

On June 30, 2023, the Company entered into the Fourth Amendment (the "Amendment") to its credit agreement, dated as of July 31, 2012. The Amendment provides the Company with near-term financial flexibility by adjusting the maximum Consolidated Leverage Ratio allowed under the credit agreement through the end of fiscal 2023. Financial covenant thresholds will revert to pre-existing levels in the first quarter of fiscal 2024.

The Company's $550.0 million 4.000% senior notes issued on August 26, 2021 are due on August 15, 2029. Related interest payments are due semi-annually. The senior notes are guaranteed by substantially all of the Company's domestic subsidiaries.

The Company has a foreign revolving credit facility with aggregate available borrowings of $2.0 million that are uncommitted and, therefore, each borrowing against the facility is subject to approval by the lender. There were no borrowings against this facility as of September 30, 2023, December 31, 2022 and October 1, 2022.

The Company included in interest expense the amortization of deferred financing costs of $0.6 million and $1.6 million for the quarter and year-to-date ended September 30, 2023, respectively. The Company included in interest expense the amortization of deferred financing costs of $0.5 million and $1.5 million for the quarter and year-to-date ended October 1, 2022, respectively.

8. LEASES

The following is a summary of the Company's lease cost.

	Quarter Ended		Year-To-Date Ended	
(In millions)	**September 30, 2023**	October 1, 2022	**September 30, 2023**	October 1, 2022
Operating lease cost	**$ 10.0**	$ 8.6	**$ 30.5**	$ 26.4
Variable lease cost	**3.9**	3.8	**10.9**	11.4
Short-term lease cost	**0.7**	0.6	**2.6**	2.2
Sublease income	**(1.3)**	(2.0)	**(4.5)**	(6.2)
Total lease cost	**$ 13.3**	$ 11.0	**$ 39.5**	$ 33.8

The following is a summary of the Company's supplemental cash flow information related to leases.

	Quarter Ended		Year-To-Date Ended	
(In millions)	**September 30, 2023**	October 1, 2022	**September 30, 2023**	October 1, 2022
Cash paid for operating lease liabilities	**$ 10.0**	$ 11.1	**$ 32.6**	$ 30.3
Operating lease assets obtained in exchange for lease liabilities	**4.2**	9.7	**9.6**	59.0

The Company did not enter into any real estate leases with commencement dates subsequent to September 30, 2023.

9. DERIVATIVE FINANCIAL INSTRUMENTS

The Company utilizes foreign currency forward exchange contracts designated as cash flow hedges to manage the volatility associated primarily with U.S. dollar inventory purchases made by non-U.S. wholesale operations in the normal course of business. These foreign currency forward exchange hedge contracts extended out to a maximum of 531 days, 524 days, and 524 days as of September 30, 2023, December 31, 2022 and October 1, 2022, respectively. If, in the future, the foreign exchange contracts are determined not to be highly effective or are terminated before their contractual termination dates, the Company would remove the hedge designation from those contracts and reclassify into earnings the unrealized gains or losses that would otherwise be included in accumulated other comprehensive income (loss) within stockholders' equity.

The Company also utilizes foreign currency forward exchange contracts that are not designated as hedging instruments to manage foreign currency transaction exposure. Foreign currency derivatives not designated as hedging instruments are offset by foreign exchange gains or losses resulting from the underlying exposures of foreign currency denominated assets and liabilities.

The Company has an interest rate swap arrangement, which unless otherwise terminated, will mature on May 30, 2025. This agreement, which exchanges floating rate interest payments for fixed rate interest payments over the life of the agreement without the exchange of the underlying notional amounts, has been designated as a cash flow hedge of the underlying debt. The notional amount of the interest rate swap arrangement is used to measure interest to be paid or received and does not represent the amount of exposure to credit loss. The differential paid or received on the interest rate swap arrangement is recognized as interest expense, net. In accordance with FASB Accounting Standards Codification ("ASC") Topic 815, *Derivatives and Hedging*, the Company has formally documented the relationship between the interest rate swap and the variable rate borrowing, as well as its risk management objective and strategy for undertaking the hedge transactions. This process included linking the derivative to the specific liability or asset on the balance sheet. The Company also assessed at the inception of the hedge, and continues to assess on an ongoing basis, whether the derivative used in the hedging transaction is highly effective in offsetting changes in the cash flows of the hedged item.

The notional amounts of the Company's derivative instruments are as follows:

(Dollars in millions)	September 30, 2023	December 31, 2022	October 1, 2022
Foreign exchange hedge contracts	**$ 267.8**	$ 334.2	$ 376.3
Interest rate swap	**109.6**	176.2	240.6

The recorded fair values of the Company's derivative instruments are as follows:

(In millions)	September 30, 2023	December 31, 2022	October 1, 2022
Financial assets:			
Foreign exchange hedge contracts	**$ 4.3**	$ 7.5	$ 32.3
Interest rate swap	**3.0**	6.1	7.2
Financial liabilities:			
Foreign exchange hedge contracts	**$ (0.3)**	$ (1.3)	$ —

Foreign exchange hedge contract financial assets are recorded to prepaid expenses and other current assets and financial liabilities are recorded to other accrued liabilities on the consolidated balance sheets. Interest rate swap financial assets are recorded to other assets and financial liabilities are recorded to other liabilities on the consolidated condensed balance sheets.

10. STOCK-BASED COMPENSATION

The Company recognized compensation expense of $4.0 million and $11.8 million, and related income tax benefits of $0.8 million and $2.3 million, for grants under its stock-based compensation plans for the quarter and year-to-date ended September 30, 2023, respectively. The Company recognized compensation expense of $7.1 million and $26.4 million, and related income tax benefits of $1.4 million and $5.1 million, for grants under its stock-based compensation plans for the quarter and year-to-date ended October 1, 2022, respectively.

The Company grants restricted stock or units ("restricted awards"), performance-based restricted stock or units ("performance awards") and stock options under its stock-based compensation plans.

The Company granted restricted awards and performance awards as follows:

	Year-To-Date Ended September 30, 2023		Year-To-Date Ended October 1, 2022	
(In millions)	Company Shares Issued	Weighted-Average Grant Date Fair Value	Company Shares Issued	Weighted-Average Grant Date Fair Value
Restricted Awards	**1,412,030**	**$ 14.90**	965,341	$ 26.06
Performance Awards	**680,737**	**$ 15.16**	393,647	$ 29.90

11. RETIREMENT PLANS

The following is a summary of net pension and Supplemental Executive Retirement Plan ("SERP") expense recognized by the Company.

	Quarter Ended		Year-To-Date Ended	
(In millions)	**September 30, 2023**	October 1, 2022	**September 30, 2023**	October 1, 2022
Service cost pertaining to benefits earned during the period	**$ 0.7**	$ 1.3	**$ 2.3**	$ 4.0
Interest cost on projected benefit obligations	**4.4**	3.3	**13.3**	9.9
Expected return on pension assets	**(4.6)**	(5.1)	**(13.9)**	(15.4)
Net amortization loss	**(0.1)**	2.9	**(0.5)**	8.5
Net pension expense	**$ 0.4**	$ 2.4	**$ 1.2**	$ 7.0

The non-service cost components of net pension expense is recorded in the Other expense, net line item on the consolidated condensed statements of operations and comprehensive income.

12. INCOME TAXES

The Company maintains management and operational activities in overseas subsidiaries, and its foreign earnings are taxed at rates that are different than the U.S. federal statutory income tax rate. A significant amount of the Company's earnings are generated by its Canadian, European and Asian subsidiaries and, to a lesser extent, in jurisdictions that are not subject to income tax.

The Company intends to permanently reinvest all non-cash undistributed earnings outside of the U.S. and has therefore not established a deferred tax liability on that amount of foreign unremitted earnings. However, if these non-cash undistributed earnings were repatriated, the Company would be required to accrue and pay applicable U.S. taxes and withholding taxes payable to various countries. It is not practicable to estimate the amount of the deferred tax liability associated with these non-cash unremitted earnings due to the complexity of the hypothetical calculation.

The Company's effective tax rates for the quarter and year-to-date ended September 30, 2023 were 4.6% and 24.5%, respectively. The Company's effective tax rates for the quarter and year-to-date ended October 1, 2022 were 10.9% and 19.3%, respectively. The decrease in the effective tax rate between 2023 and 2022 for the quarter-to-date period is due to income mix changes between jurisdictions with differing tax rates, partially offset by discrete tax expenses in the current year compared to discrete benefits in the prior year. The increase in the effective tax rate between 2023 and 2022 for the year-to-date period is due to discrete tax expenses in the current year compared to discrete tax benefits in the prior year, partially offset by income mix changes between jurisdictions with differing tax rates.

The Company is subject to periodic audits by U.S. federal, state, local and non-U.S. tax authorities. Currently, the Company is undergoing routine periodic audits in both U.S. federal, state, local and non-U.S. tax jurisdictions. It is reasonably possible that the amounts of unrecognized tax benefits could change in the next 12 months as a result of the audits; however, any payment of tax is not expected to be significant to the consolidated condensed financial statements. The Company is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2017 in the majority of tax jurisdictions.

13. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income (loss) represents net earnings and any revenue, expenses, gains and losses that, under U.S. GAAP, are excluded from net earnings and recognized directly as a component of stockholders' equity.

The change in accumulated other comprehensive income (loss) during the quarters ended September 30, 2023 and October 1, 2022 is as follows:

(In millions)	Foreign currency translation	Derivatives	Pension	Total
Balance at July 2, 2022	$ (115.9)	$ 9.8	$ (28.7)	$ (134.8)
Other comprehensive income (loss) before reclassifications [1]	(40.9)	17.4	—	(23.5)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(4.7) [2]	2.9 [3]	(1.8)
Income tax expense (benefit)	—	1.1	(0.7)	0.4
Net reclassifications	—	(3.6)	2.2	(1.4)
Net current-period other comprehensive income (loss) [1]	(40.9)	13.8	2.2	(24.9)
Balance at October 1, 2022	$ (156.8)	$ 23.6	$ (26.5)	$ (159.7)
Balance at July 1, 2023	$ (125.0)	$ (8.5)	$ (2.0)	$ (135.5)
Other comprehensive income (loss) before reclassifications [1]	**(13.1)**	**8.9**	**—**	**(4.2)**
Amounts reclassified from accumulated other comprehensive income (loss)	**—**	**(6.1)** [2]	**(0.1)** [3]	**(6.2)**
Income tax expense (benefit)	**—**	**1.4**	**—**	**1.4**
Net reclassifications	**—**	**(4.7)**	**(0.1)**	**(4.8)**
Net current-period other comprehensive income (loss) [1]	**(13.1)**	**4.2**	**(0.1)**	**(9.0)**
Balance at September 30, 2023	**$ (138.1)**	**$ (4.3)**	**$ (2.1)**	**$ (144.5)**

[1] Other comprehensive income (loss) is reported net of taxes and noncontrolling interest.

(2) Amounts related to foreign currency derivatives deemed to be highly effective are included in cost of goods sold. Amounts related to foreign currency derivatives that are no longer deemed to be highly effective are included in other income. Amounts related to the interest rate swap are included in interest expense.

(3) Amounts reclassified are included in the computation of net pension expense.

The change in accumulated other comprehensive income (loss) during the year-to-date periods ended September 30, 2023 and October 1, 2022 is as follows:

(In millions)	Foreign currency translation	Derivatives	Pension	Total
Balance at January 1, 2022	$ (56.8)	$ (8.9)	$ (33.2)	$ (98.9)
Other comprehensive income (loss) before reclassifications [1]	(100.0)	39.1	—	(60.9)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(8.7) [2]	8.5 [3]	(0.2)
Income tax expense (benefit)	—	2.1	(1.8)	0.3
Net reclassifications	—	(6.6)	6.7	0.1
Net current-period other comprehensive income (loss) [1]	(100.0)	32.5	6.7	(60.8)
Balance at October 1, 2022	$ (156.8)	$ 23.6	$ (26.5)	$ (159.7)
Balance at December 31, 2022	$ (133.1)	$ 1.9	$ (1.7)	$ (132.9)
Other comprehensive income (loss) before reclassifications [1]	**(9.2)**	**6.0**	**—**	**(3.2)**
Amounts reclassified from accumulated other comprehensive income (loss)	**4.2**	**(16.2)** [2]	**(0.5)** [3]	**(12.5)**
Income tax expense (benefit)	**—**	**4.0**	**0.1**	**4.1**
Net reclassifications	**4.2**	**(12.2)**	**(0.4)**	**(8.4)**
Net current-period other comprehensive income (loss) [1]	**(5.0)**	**(6.2)**	**(0.4)**	**(11.6)**
Balance at September 30, 2023	**$ (138.1)**	**$ (4.3)**	**$ (2.1)**	**$ (144.5)**

(1) Other comprehensive income (loss) is reported net of taxes and noncontrolling interest.

(2) Amounts related to foreign currency derivatives deemed to be highly effective are included in cost of goods sold. Amounts related to foreign currency derivatives that are no longer deemed to be highly effective are included in other income. Amounts related to the interest rate swap are included in interest expense.

(3) Amounts reclassified are included in the computation of net pension expense.

14. FAIR VALUE MEASUREMENTS

The Company measures certain financial assets and liabilities at fair value on a recurring basis. For additional information regarding the Company's fair value policies, refer to Note 1 in the Company's 2022 Form 10-K.

Recurring Fair Value Measurements

The following table sets forth financial assets and liabilities measured at fair value in the consolidated condensed balance sheets and the respective pricing levels to which the fair value measurements are classified within the fair value hierarchy.

	Fair Value Measurements		
	Quoted Prices With Other Observable Inputs (Level 2)		
(In millions)	**September 30, 2023**	December 31, 2022	October 1, 2022
Financial assets:			
Derivatives	**$ 7.3**	$ 13.6	$ 39.5
Financial liabilities:			
Derivatives	**$ (0.3)**	$ (1.3)	$ —

The fair value of foreign currency forward exchange contracts represents the estimated receipts or payments necessary to terminate the contracts. The interest rate swap was valued based on the current forward rates of the future cash flows.

Nonrecurring Fair Value Measurements

Indefinite-lived intangible assets and goodwill are tested annually, or if a triggering event occurs that indicates an impairment loss may have been incurred, using fair value measurements with unobservable inputs (Level 3). In the third quarter of fiscal 2023, after completion of impairment testing, the Company recognized impairment charges of $38.3 million to the *Sperry*® trade name. Refer to Note 4, "Goodwill and Other Intangibles" for additional discussion on the *Sperry*® trade name impairment.

Fair Value Disclosures

The Company's financial instruments that are not recorded at fair value consist of cash and cash equivalents, accounts and notes receivable, accounts payable, borrowings under revolving credit agreements and other short-term and long-term debt. The carrying amount of these financial instruments is historical cost, which approximates fair value, except for the debt. The carrying value and the fair value of the Company's debt are as follows:

(In millions)	**September 30, 2023**	December 31, 2022	October 1, 2022
Carrying value	**$ 1,096.3**	$ 1,158.0	$ 1,475.2
Fair value	**971.9**	1,042.9	1,355.2

The fair value of the fixed rate debt was based on third-party quotes (Level 2). The fair value of the variable rate debt was calculated by discounting the future cash flows to its present value using a discount rate based on the risk-free rate of the same maturity (Level 3).

15. LITIGATION AND CONTINGENCIES

Litigation

The Company operated a leather tannery in Rockford, Michigan from the early 1900s through 2009 (the "Tannery"). The Company also owns a parcel on House Street in Plainfield Township that the Company used for the disposal of Tannery byproducts until about 1970 (the "House Street" site). Beginning in the late 1950s, the Company used 3M Company's Scotchgard™ in its processing of certain leathers at the Tannery. Until 2002 when 3M Company changed its Scotchgard™ formula, Tannery byproducts disposed of by the Company at the House Street site and other locations may have contained PFOA and/or PFOS, two chemicals in the family of compounds known as per- and polyfluoroalkyl substances (together, "PFAS"). PFOA and PFOS help provide non-stick, stain-resistant, and water-resistant qualities, and were used for many decades in commercial products like firefighting foams and metal plating, and in common consumer items like food wrappers, microwave popcorn bags, pizza boxes, Teflon™, carpets and Scotchgard™.

In May 2016, the Environmental Protection Agency ("EPA") announced a lifetime health advisory level of 70 parts per trillion ("ppt") combined for PFOA and PFOS, which the EPA reduced in June 2022 to 0.004 ppt and 0.02 ppt for PFOA and PFOS, respectively. In January 2018, the Michigan Department of Environmental Quality ("MDEQ", now known as the Michigan Department of Environment, Great Lakes, and Energy ("EGLE")) enacted a drinking water criterion of 70 ppt combined for PFOA and PFOS, which set an official state standard for acceptable concentrations of these contaminants in groundwater used for drinking water purposes. On August 3, 2020, Michigan changed the standards for PFOA and PFOS in drinking water to 8 and 16 ppt, respectively, and set standards for four other PFAS substances.

Civil and Regulatory Actions of EGLE and EPA

On January 10, 2018, EGLE filed a civil action against the Company in the U.S. District Court for the Western District of Michigan under the federal Resource Conservation and Recovery Act of 1976 ("RCRA") and Parts 201 and 31 of the Michigan Natural Resources and Environmental Protection Act ("NREPA") alleging that the Company's past and present handling, storage, treatment, transportation and/or disposal of solid waste at the Company's properties has resulted in releases of PFAS at levels exceeding applicable Michigan cleanup criteria for PFOA and PFOS (the "EGLE Action"). Plainfield and Algoma Townships intervened in the EGLE Action alleging claims under RCRA, NREPA, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") and common law nuisance.

On February 3, 2020, the parties entered into a consent decree resolving the EGLE Action, which was approved by U.S. District Judge Janet T. Neff on February 19, 2020 (the "Consent Decree"). Under the Consent Decree, the Company agreed to pay for an extension of Plainfield Township's municipal water system to more than 1,000 properties in Plainfield and Algoma Townships, subject to an aggregate cap of $69.5 million. The Company also agreed to continue maintaining water filters for certain homeowners, resample certain residential wells for PFAS, continue remediation at the Company's Tannery property and House Street site, and conduct further investigations and monitoring to assess the presence of PFAS in area groundwater. The Company's activities under the Consent Decree are not materially impacted by either the drinking water standards that became effective on August 3, 2020, or the EPA's revised advisory levels issued in June 2022.

On December 19, 2018, the Company filed a third-party complaint against 3M Company seeking, among other things, recovery of the Company's remediation and other costs incurred in defense of the EGLE Action ("the 3M Action"). On June 20, 2019, the 3M Company filed a counterclaim against the Company in response to the 3M Action, seeking, among other things, contractual and common law indemnity and contribution under CERCLA and Part 201 of NREPA. On February 20, 2020, the Company and 3M Company entered into a settlement agreement resolving the 3M Action, under which 3M Company paid the Company a lump sum amount of $55.0 million during the first quarter of 2020.

On January 10, 2018, the EPA entered a Unilateral Administrative Order (the "Order") under Section 106(a) of CERCLA, 42 U.S.C. § 9606(a) with an effective date of February 1, 2018. The Order pertained to specified removal actions at the Company's Tannery and House Street sites, including certain time critical removal actions subsequently identified in an April 29, 2019 letter from the EPA, to abate the actual or threatened release of hazardous substances at or from the sites. On October 28, 2019, the EPA and the Company entered into an Administrative Settlement and Order on Consent ("AOC") that supersedes the Order and addresses the agreed-upon removal actions outlined in the Order. The Company has completed the activities required by the AOC, and is awaiting the final review and determination from the EPA.

The Company discusses its reserve for remediation costs in the environmental liabilities section below.

Individual and Class Action Litigation

Beginning in late 2017, individual lawsuits and three putative class action lawsuits were filed against the Company that raise a variety of claims, including claims related to property, remediation, and human health effects. The three putative class action lawsuits were subsequently refiled in the U.S. District Court for the Western District of Michigan as a single consolidated putative class action lawsuit. 3M Company has been named as a co-defendant in the individual lawsuits and consolidated putative class action lawsuit. In addition, the current owner of a former landfill and gravel mining operation sued the Company seeking damages and cost recovery for property damage allegedly caused by the Company's disposal of tannery waste containing PFAS (this suit collectively with the individual lawsuits and putative class action, the "Litigation Matters").

On January 11, 2022, the Company and 3M Company entered into a master settlement agreement with the law firm representing certain of the plaintiffs in the individual lawsuits included in the Litigation Matters, and each of these plaintiffs subsequently agreed to participate in the settlement. These plaintiffs' lawsuits were dismissed with prejudice on or around April 25, 2022.

On December 9, 2021, the Company and 3M Company reached a settlement in principle to resolve certain of the remaining individual lawsuits included in the Litigation Matters, and the parties entered into definitive settlement agreements in March 2022. These plaintiffs' lawsuits were dismissed with prejudice on June 14, 2022. The last remaining individual action was dismissed without prejudice on June 24, 2022.

In addition, in September 2022, the parties to the putative class action filed a motion for preliminary approval of a proposed class action settlement seeking to resolve the putative class action plaintiffs' claims. On March 29, 2023, the court presiding over the putative class action granted final approval of the proposed settlement and dismissed the lawsuit with prejudice.

The last remaining Litigation Matter, the lawsuit filed by the current owner of a former landfill and gravel mining operations, was pending in Michigan state court but has been administratively stayed by the Court.

There were no developments during the first three quarters of 2023 that required the Company to change the amount accrued for the Litigation Matters described above. The Company made related payments of $37.8 million in connection with the Litigation Matters described above during the first three quarters of 2023. As of September 30, 2023, the Company had recorded liabilities of $2.7 million for certain of the Litigation Matters described above which are recorded as other accrued liabilities in the consolidated condensed balance sheets.

In December 2018, the Company filed a lawsuit against certain of its historic liability insurers, seeking to compel them to provide a defense against the Litigation Matters on the Company's behalf and coverage for remediation efforts undertaken by, and indemnity provided by, the Company. The Company recognized certain recoveries from legacy insurance policies in 2023 and 2022 and continues pursuing additional recoveries through the lawsuit.

Other Litigation

The Company is also involved in litigation incidental to its business and is a party to legal actions and claims, including, but not limited to, those related to employment, intellectual property, and consumer related matters. Some of the legal proceedings include claims for compensatory as well as punitive damages. While the final outcome of these matters cannot be predicted with certainty, considering, among other things, the meritorious legal defenses available to the Company and reserves for liabilities that the Company has recorded, along with applicable insurance, it is management's opinion that the outcome of these items are not expected to have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Environmental Liabilities

The following is a summary of the activity with respect to the environmental remediation reserve established by the Company:

	Year-To-Date Ended	
(In millions)	**September 30, 2023**	October 1, 2022
Remediation liability at beginning of the year	$ 74.1	$ 85.7
Changes in estimate	**(21.0)**	—
Amounts paid	**(9.5)**	(21.3)
Remediation liability at the end of the quarter	**$ 43.6**	$ 64.4

The reserve balance as of September 30, 2023 includes $22.8 million that is expected to be paid within the next twelve months and is recorded as a current obligation in other accrued liabilities, with the remaining $20.8 million expected to be paid over the course of up to 25 years, recorded in other liabilities.

The Company's remediation activity at the Tannery property, House Street site and other relevant operations or disposal sites is ongoing. Although the Consent Decree has made near-term costs more clear, it is difficult to estimate the long-term cost of environmental compliance and remediation given the uncertainties regarding the interpretation and enforcement of applicable environmental laws and regulations, the extent of environmental contamination and the existence of alternative cleanup methods. Future developments may occur that could materially change the Company's current cost estimates, including, but not limited to: (i) changes in the information available regarding the environmental impact of the Company's operations and products; (ii) changes in environmental regulations, changes in permissible levels of specific compounds in drinking water sources, or changes in enforcement theories and policies, including efforts to recover natural resource damages; (iii) new and evolving analytical and remediation techniques; (iv) changes to the form of remediation; (v) success in allocating liability to other potentially responsible parties; and (vi) the financial viability of other potentially responsible parties and third-party indemnitors. For locations at which remediation activity is largely ongoing, the Company cannot estimate a possible loss or range of loss in excess of the associated established reserves for the reasons described above. The Company adjusts recorded liabilities as further information develops or circumstances change.

Minimum Royalties and Advertising Commitments

The Company has future minimum royalty and advertising obligations due under the terms of certain licenses held by the Company. These minimum future obligations for the fiscal periods subsequent to September 30, 2023 are as follows:

(In millions)	2023	2024	2025	2026	2027	Thereafter
Minimum royalties	$ —	$ —	$ —	$ —	$ —	$ —
Minimum advertising	—	3.9	3.3	3.3	3.4	3.6

Minimum royalties are based on both fixed obligations and assumptions regarding the Consumer Price Index. Royalty obligations in excess of minimum requirements are based upon future sales levels. In accordance with these agreements, the Company incurred royalty expense of $0.5 million and $1.2 million for the quarter and year-to-date ended September 30, 2023, respectively. For the quarter and year-to-date ended October 1, 2022, the Company incurred royalty expense in accordance with these agreements of $0.7 million and $1.9 million, respectively.

The terms of certain license agreements also require the Company to make advertising expenditures based on the level of sales of the licensed products. In accordance with these agreements, the Company incurred advertising expense of $1.3 million and $5.0 million for the quarter and year-to-date ended September 30, 2023, respectively. For the quarter and year-to-date ended October 1, 2022, the Company incurred advertising expense in accordance with these agreements of $1.9 million and $4.8 million, respectively.

16. BUSINESS SEGMENTS

The Company's portfolio of brands are organized into the following three reportable segments. During the fourth quarter of 2022, the Company announced changes to its reportable segments as a result of changes in how its Chief Operating Decision

Maker, the Company's Chief Executive Officer, allocates resources to and assess performance of the Company's operating segments. All prior period disclosures have been retrospectively adjusted to reflect the new reportable segments.

- **Active Group,** consisting of *Merrell*® footwear and apparel, *Saucony*® footwear and apparel, *Sweaty Betty*® activewear, and *Chaco*® footwear;
- **Work Group,** consisting of *Wolverine*® footwear and apparel, *Cat*® footwear, *Bates*® uniform footwear, *Harley-Davidson*® footwear and *HYTEST*® safety footwear; and
- **Lifestyle Group**, consisting of *Sperry*® footwear and *Hush Puppies*® footwear and apparel as well as *Keds*® footwear prior to the divestiture of the brand, effective February 4, 2023.

The Company's operating segments are the Work Group, Lifestyle Group, Active Group, and *Sweaty Betty*®. *Sweaty Betty*® and the Active Group were evaluated and combined into one reportable segment because they meet the similar economic characteristics and qualitative aggregation criteria set forth in the relevant accounting guidance.

Kids' footwear offerings from *Saucony*®, *Sperry*®, *Merrell*®, *Hush Puppies*® and *Cat*® as well as *Keds*® prior to divestiture of the brand effective February 4, 2023 are included with the applicable brand.

The Company also reports “Other” and “Corporate” categories. The Other category consists of the Company’s leather marketing operations, sourcing operations that include third-party commission revenues, multi-branded direct-to-consumer retail stores and the *Stride Rite*® licensed business. The Corporate category consists of gains on the sale of businesses and trademarks, unallocated corporate expenses, such as corporate employee costs, corporate facility costs, reorganization activities, impairment of long-lived assets and environmental and other related costs.

The reportable segments are engaged in designing, manufacturing, sourcing, marketing, licensing and distributing branded footwear, apparel and accessories. Revenue for the reportable segments includes revenue from the sale of branded footwear, apparel and accessories to third-party customers; revenue from third-party licensees and distributors; and revenue from the Company’s direct-to-consumer businesses. The Company’s reportable segments are determined based on how the Company internally reports and evaluates financial information used to make operating decisions.

Company management uses various financial measures to evaluate the performance of the reportable segments. The following is a summary of certain key financial measures for the respective fiscal periods indicated.

	Quarter Ended		Year-to-Date Ended	
(In millions)	**September 30, 2023**	October 1, 2022	**September 30, 2023**	October 1, 2022
Revenue:				
Active Group	**$ 328.6**	$ 398.2	**$ 1,097.8**	$ 1,172.6
Work Group	**123.0**	157.8	**355.3**	435.8
Lifestyle Group	**62.8**	117.7	**223.0**	346.9
Other	**13.3**	17.7	**40.1**	64.5
Total	**$ 527.7**	$ 691.4	**$ 1,716.2**	$ 2,019.8
Segment operating profit (loss):				
Active Group	**$ 32.7**	$ 54.9	**$ 124.6**	$ 180.8
Work Group	**15.4**	28.2	**45.7**	81.7
Lifestyle Group	**5.4**	13.4	**18.6**	43.2
Other	**2.8**	2.8	**9.3**	9.7
Corporate	**(29.0)**	(40.5)	**(79.5)**	(69.1)
Operating profit	**27.3**	58.8	**118.7**	246.3
Interest expense, net	**15.5**	12.5	**47.4**	31.3
Other expense, net	**2.4**	2.7	**3.2**	2.2
Earnings before income taxes	**$ 9.4**	$ 43.6	**$ 68.1**	$ 212.8

(In millions)		September 30, 2023		December 31, 2022		October 1, 2022
Total assets:						
Active Group	$	**1,270.0**	$	1,331.5	$	1,697.4
Work Group		**322.4**		375.7		452.0
Lifestyle Group		**336.5**		514.8		760.9
Other		**64.5**		58.6		67.0
Corporate		**237.9**		212.1		193.3
Total	$	**2,231.3**	$	2,492.7	$	3,170.6
Goodwill:						
Active Group	$	**314.9**	$	314.4	$	358.0
Work Group		**59.8**		59.6		58.7
Lifestyle Group		**77.1**		97.4		96.2
Other		**13.6**		13.6		13.6
Total	$	**465.4**	$	485.0	$	526.5

17. VARIABLE INTEREST ENTITIES AND RELATED PARTY TRANSACTIONS

Assets and Liabilities of Consolidated VIEs

The Company has joint ventures that source and market the Company’s footwear and apparel products in China. Based upon the criteria set forth in FASB ASC 810, *Consolidation*, the Company has determined two of the joint ventures are variable interest entities (VIEs) of which the Company is the primary beneficiary and, as a result, the Company consolidates these VIEs. The primary beneficiary determination is based on the relationship between the Company and the VIE, including contractual agreements between the Company and the VIE.

Specifically, the Company has the power to direct the activities that are considered most significant to the entities’ performance and the Company has the obligation to absorb losses and the right to receive benefits that are significant to the entities. The other equity holder’s interests are reflected in “net loss attributable to noncontrolling interests” in the consolidated condensed statement of operations and “Noncontrolling interest” in the consolidated condensed balance sheets. Assets held by these VIEs are only available to settle obligations of the respective entities. Holders of liabilities of these VIEs do not have recourse to the Company.

The following is a summary of these VIE’s assets and liabilities included in the Company’s consolidated condensed balance sheets.

(In millions)		September 30, 2023		December 31, 2022		October 1, 2022
Cash	$	**4.1**	$	5.8	$	8.9
Accounts receivable		**8.4**		19.7		11.3
Inventory		**36.1**		16.0		16.3
Other current assets		**4.0**		2.4		1.7
Noncurrent assets		**0.9**		0.8		2.9
Total assets	$	**53.5**	$	44.7	$	41.1
Current liabilities	$	**11.8**	$	9.6	$	5.8
Noncurrent liabilities		**0.1**		1.6		—
Total liabilities	$	**11.9**	$	11.2	$	5.8

Nonconsolidated VIEs

The Company also has two joint ventures that are VIEs that are not consolidated as the Company does not have the power to direct the most significant activities that impact the VIEs' economic performance. The two VIEs distribute footwear and apparel products in the Asia Pacific region. The following is a summary of carrying amounts of assets included in the Company’s consolidated condensed balance sheets as of September 30, 2023, December 31, 2022 and October 1, 2022, respectively, related to VIEs for which the Company is not the primary beneficiary. The Company's maximum exposure to loss is the same as the carrying amounts.

The following is a summary of the carrying amounts of assets included in the Company's Consolidated Condensed Balance Sheets.

(In millions)	September 30, 2023	December 31, 2022	October 1, 2022
Equity method investments [1]	**$ 7.9**	$ 8.1	$ 8.9

[1] Equity method investments are included in "Other Assets" on the consolidated condensed balance sheets.

Related Party Transactions

In the normal course of business, the Company enters into transactions with related party equity affiliates. Related party transactions consist of the sale of goods, made at arm's length, and other arrangements. For the quarter and year-to-date ended September 30, 2023, the Company recognized net sales to equity affiliates totaling $16.8 million and $41.1 million, respectively. For the quarter and year-to-date ended October 1, 2022, the Company recognized net sales to equity affiliates totaling $9.5 million and $20.5 million, respectively.

The following table summarizes related party transactions included in the consolidated condensed balance sheets.

(In millions)	September 30, 2023	December 31, 2022	October 1, 2022
Accounts receivable due from related parties	**$ 8.4**	$ 18.1	$ 11.3
Long term liabilities due to related parties	**—**	—	—
Long term assets due from related parties	**—**	1.6	2.4

18. DIVESTITURES AND ASSETS AND LIABILITIES HELD FOR SALE

Divestiture of Keds® Business

On February 7, 2023 the Company entered into an Asset Purchase Agreement with Designer Brands, Inc. (the "Buyer") pursuant to which the Buyer agreed to purchase the global *Keds®* business. The sale was effective February 4, 2023, in accordance with the terms and conditions of the Asset Purchase Agreement.

The following table summarizes the net gain recognized in connection with the divestiture:

(In millions)	
Net proceeds	**$ 83.4**
Net assets disposed	**(65.9)**
Direct costs to sell	**(1.6)**
AOCI reclassification adjustment, foreign currency translation	**4.2**
Gain on sale of business	**$ 20.1**

The Company determined that the divestiture of the *Keds®* business did not represent a strategic shift that had or will have a major effect on the Consolidated Results of Operations, and therefore results were not classified as discontinued operations. The proceeds from the sales were used to reduce outstanding revolver borrowings.

Divestiture of U.S. Wolverine Leathers Business

On August 23, 2023, the Company completed the sale of its U.S. Wolverine Leathers business to its long-time customer, New Balance. The Company received $4.0 million in cash for the sale and recognized a gain on sale of $1.9 million. The assets sold, which were included in the Other segment category, consist of $2.1 million in inventory.

Divestiture of Hush Puppies intellectual property in China, Hong Kong, and Macau

On September 1, 2023, the Company entered into an asset purchase agreement to sell the *Hush Puppies®* trademarks, patents, copyrights and domains in China, Hong Kong and Macau to its current sublicensee, Beijing Jiaman Dress Co., Ltd. for cash of $58.8 million and recognized a gain on sale of $55.8 million. The gain on sale is net of transaction related fees of $3.0 million.

The transaction closed on September 14, 2023. The Company will continue to own the *Hush Puppies*® brand throughout the rest of the world.

Assets and Liabilities Held for Sale

During the fourth quarter of 2022, the Company announced that it had initiated a formal process to divest the Wolverine Leathers business. As noted above, the Company completed the sale of its U.S. Wolverine Leathers business. The Company continues to explore alternatives for the non-U.S. Wolverine Leathers business. The Company has determined that the non-U.S. Wolverine Leathers business meets the criteria to be classified as held for sale, and therefore has reclassified the related assets and liabilities as held for sale on the consolidated condensed balance sheets.

The following is a summary of the major categories of assets and liabilities that have been classified as held for sale on the consolidated condensed balance sheets at September 30, 2023:

(In millions)	September 30, 2023
Cash and cash equivalents	**$ 4.3**
Accounts receivables, net	**3.0**
Inventories	**8.8**
Total assets held for sale	**$ 16.1**
Accounts payable	**$ 2.8**
Accrued liabilities	**0.3**
Total liabilities held for sale	**$ 3.1**

The Company determined that the planned divestiture of the non-U.S. Wolverine Leathers business does not represent a strategic shift that had or will have a major effect on the consolidated condensed results of operations, and therefore results of this business were not classified as discontinued operations.

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

The following is a discussion of the Company’s results of operations and liquidity and capital resources. This section should be read in conjunction with the Company’s consolidated condensed financial statements and related notes included elsewhere in this Quarterly Report.

BUSINESS OVERVIEW

The Company is a leading global designer, marketer and licensor of branded footwear, apparel and accessories. The Company’s strategic vision is to build and grow high-energy footwear, apparel and accessories brands that inspire and empower consumers to explore and enjoy their active lives. The Company seeks to fulfill this vision by offering innovative products and compelling brand propositions; complementing its footwear brands with strong apparel and accessories offerings; expanding its global direct-to-consumer footprint; and delivering supply chain excellence.

The Company’s brands are marketed in approximately 170 countries and territories at September 30, 2023, including through owned operations in the U.S., Canada, the United Kingdom and certain countries in continental Europe and Asia Pacific. In other regions (Latin America, portions of Europe and Asia Pacific, the Middle East and Africa), the Company relies on a network of third-party distributors, licensees and joint ventures. At September 30, 2023, the Company operated 165 retail stores in the U.S., Europe and Canada and 56 direct-to-consumer eCommerce sites.

Effective February 4, 2023, the Company completed the sale of the *Keds®* business. On May 10, 2023, the Company announced that it is exploring strategic alternatives for the *Sperry®* business while it continues the foundational work needed to position the brand for long-term success.

In the third quarter of fiscal 2023, the Company entered into a multi-year licensing agreement of the *Hush Puppies®* brand in the United States and Canada. In addition, the Company completed the sale of *Hush Puppies®* trademarks, patents, copyrights, and domains in China, Hong Kong, and Macau.

Known Trends Impacting Our Business

Macroeconomic conditions and supply chain disruptions continue to adversely affect the Company’s business results. During the third quarter of 2022, inventory transit times improved ahead of plan, resulting in challenges managing the timing of inventory flow, which led to the Company having excess inventory. Elevated inventory levels have resulted, and continue to result, in storage and process capacity pressures at the Company’s U.S. distribution centers. The Company has incurred additional inventory carrying costs including costs for outside storage and other inventory related holding costs. The Company decreased inventory purchases and increased promotional activity during the fourth quarter of 2022 and the first three quarters of 2023 to reduce excess inventory. These actions resulted in inventories declining in the first three quarters of 2023 by $181.4 million, compared to the fourth quarter of 2022. As of the end of the third quarter of 2023, the Company had $16.6 million of inventory in-transit, which represents a decrease of $125.9 million as compared to the end of the fourth quarter of 2022. As inventory transit and product purchase timelines continue to move towards pre-pandemic levels, the Company expects that the flow of seasonal product and our inventory levels will normalize by the end of fiscal 2023.

Inflation and other macroeconomic pressures in the U.S. and the global economy such as rising interest rates, energy prices and recession fears are creating a complex and challenging retail environment for the Company and our customers as consumers generally seek discounted merchandise and reduce discretionary spending, which in turn impacts wholesale customer orders. Inflationary pressures are increasing logistics costs, including labor costs, raw materials costs and product input costs, which continue to adversely affect the Company’s results. These increased costs, combined with higher promotional activity, contributed to gross margin contraction of 230 basis points for the first three quarters of 2023 compared to the first three quarters of 2022. These impacts were partially offset by selective price increases taken in prior quarters by certain brands and products. The Company expects to continue to evaluate future pricing of its products. In addition, the strengthening of the U.S. dollar relative to other major currencies negatively impacted the Company’s financial results in the third quarter of 2023.

For a more complete discussion of the risks the Company encounters in our business, please refer to Item 1A, “Risk Factors” in the Company’s 2022 Form 10-K.

2023 FINANCIAL OVERVIEW

- Revenue was $527.7 million for the third quarter of 2023, representing a decrease of 23.7% compared to the third quarter of 2022.
- Gross margin was 40.8% in the third quarter of 2023 compared to 40.2% in the third quarter of 2022.
- The effective tax rates in the third quarters of 2023 and 2022 were 4.6% and 10.9%, respectively.

- Diluted earnings per share for the third quarter of 2023 was $0.11 per share compared to $0.48 per share for the third quarter of 2022.
- The Company declared cash dividends of $0.10 per share in the third quarters of both 2023 and 2022.
- Cash flow provided by operating activities was $7.0 million for the first three quarters of 2023 compared to cash flow used in operating activities of $490.2 million for the first three quarters of 2022.
- Compared to the third quarter of 2022, inventory decreased $317.1 million, or 36.0%.

RESULTS OF OPERATIONS

	Quarter Ended			Year-To-Date Ended		
(In millions, except per share data)	**September 30, 2023**	October 1, 2022	Percent Change	**September 30, 2023**	October 1, 2022	Percent Change
Revenue	**$ 527.7**	$ 691.4	(23.7)%	**$ 1,716.2**	$ 2,019.8	(15.0)%
Cost of goods sold	**312.3**	413.6	(24.5)	**1,036.7**	1,173.6	(11.7)
Gross profit	**215.4**	277.8	(22.5)	**679.5**	846.2	(19.7)
Selling, general and administrative expenses	**203.3**	216.8	(6.2)	**610.8**	657.3	(7.1)
Gain on sale of businesses, trademarks, and intangible assets	**(57.7)**	—	*	**(77.8)**	(90.0)	13.6
Impairment of long-lived assets	**40.2**	—	*	**55.8**	—	*
Environmental and other related costs, net of recoveries	**2.3**	2.2	4.5	**(28.0)**	32.6	(185.9)
Operating profit	**27.3**	58.8	(53.6)	**118.7**	246.3	(51.8)
Interest expense, net	**15.5**	12.5	24.0	**47.4**	31.3	51.4
Other expense, net	**2.4**	2.7	(11.1)	**3.2**	2.2	45.5
Earnings before income taxes	**9.4**	43.6	(78.4)	**68.1**	212.8	(68.0)
Income tax expense	**0.4**	4.8	(91.7)	**16.7**	41.1	(59.4)
Net earnings	**9.0**	38.8	(76.8)	**51.4**	171.7	(70.1)
Less: net earnings (loss) attributable to noncontrolling interests	**0.4**	(0.2)	300.0	**(0.2)**	(1.6)	87.5
Net earnings attributable to Wolverine World Wide, Inc.	**$ 8.6**	$ 39.0	(77.9)	**$ 51.6**	$ 173.3	(70.2)
Diluted earnings per share	**$ 0.11**	$ 0.48	(77.1)%	**$ 0.64**	$ 2.12	(69.8)%

* Percentage change not meaningful

REVENUE

Revenue was $527.7 million for the third quarter of 2023, representing a decline of $163.7 million compared to the third quarter of 2022. The change in revenue reflected a $69.6 million, or 17.5%, decline from the Active Group, a $34.8 million, or 22.1%, decline from the Work Group, and a $54.9 million, or 46.6%, decline from the Lifestyle Group. The Active Group's revenue decrease was primarily driven by a decrease of $50.4 million from *Merrell*®, $18.9 million from *Saucony*® and $7.5 million from *Chaco*®, partially offset by an increase of $7.2 million from *Sweaty Betty*®. The Work Group's revenue decrease was primarily driven by a decrease of $28.1 million from *Cat*®, $4.0 million from *Harley-Davidson*® and $2.8 million from *Wolverine*®. The Lifestyle Group's revenue decline was primarily driven by a decrease of $32.7 million from *Sperry*® and $21.3 million from *Keds*®, which was sold during the first quarter of 2023. Changes in foreign exchange rates increased revenue by $6.9 million during the third quarter of 2023. Direct-to-consumer revenue decreased during the third quarter of 2023 by $23.2 million, or 14.5%, compared to the third quarter of 2022.

Revenue was $1,716.2 million for the first three quarters of 2023, representing a decline of $303.6 million compared to the first three quarters of 2022. The change in revenue reflected a $74.8 million, or 6.4%, decrease from the Active Group, a $80.5 million, or 18.5%, decrease from the Work Group, and a $123.9 million, or 35.7%, decrease from the Lifestyle Group. The Active Group's revenue decrease was primarily driven by a decrease of $56.4 million from *Merrell*®, $22.7 million from *Chaco*® and $2.3 million from *Sweaty Betty*®, partially offset by an increase of $6.6 million from *Saucony*®. The Work Group's revenue decrease was primarily driven by a decrease of $40.1 million from *Cat*®, $26.3 million from *Wolverine*®, $12.5 million from *Harley-Davidson*® and $5.1 million from *Bates*®. The Lifestyle Group's revenue decline was primarily driven by a decrease of $67.5 million from *Keds*®, which was sold during the first quarter of 2023, and $59.7 million from *Sperry*®, partially offset by an increase of $3.3 million from *Hush Puppies*®. Changes in foreign exchange rates decreased revenue by

$0.4 million during the first three quarters of 2023. Direct-to-consumer revenue decreased during the first three quarters of 2023 by $71.9 million, or 15.4%, compared to the first three quarters of 2022.

GROSS MARGIN

Gross margin was 40.8% in the third quarter of 2023 compared to 40.2% in the third quarter of 2022. The gross margin increase in the third quarter was primarily driven by favorable product mix changes in the Company’s wholesale channel (100 basis points), partially offset by increased closeout sales (40 basis points).

Gross margin was 39.6% in the first three quarters of 2023 compared to 41.9% during the first three quarters of 2022. The gross margin decrease in the first three quarters of 2023 was primarily driven by unfavorable product cost changes in the Company’s wholesale channel (100 basis points), unfavorable average selling price and product costs changes in the Company’s direct-to-consumer channel (60 basis points), and increased closeout sales (50 basis points).

OPERATING EXPENSES

Operating expenses decreased $30.9 million, from $219.0 million in the third quarter of 2022 to $188.1 million in the third quarter of 2023. The decrease was primarily driven by the gain on the sale of businesses, trademarks, and intangible assets ($57.7 million), lower advertising costs ($14.0 million), lower incentive compensation costs ($5.9 million), lower product development costs ($1.5 million), lower general and administrative costs ($1.5 million), and lower selling costs ($1.3 million), partially offset by the impairment of intangible assets ($38.3 million), higher reorganization costs ($8.5 million), higher divestiture costs ($2.1 million) and the impairment of long-lived assets ($1.9 million). Environmental and other related costs were $2.3 million and $2.2 million in the third quarter of 2023 and 2022, respectively.

Operating expenses decreased $39.1 million, from $599.9 million in the first three quarters of 2022 to $560.8 million in the first three quarters of 2023. The decrease was primarily driven by the gain on the sale of businesses, trademarks, and intangible assets ($77.8 million), lower environmental and other related costs, net of insurance recoveries ($60.6 million), lower advertising costs ($33.4 million), lower incentive compensation costs ($23.9 million), lower selling costs ($5.8 million), lower product development costs ($3.1 million), and prior year Sweaty Betty integration costs that did not reoccur ($1.2 million), partially offset by the prior year gain recorded on the sale of the *Champion* trademarks for footwear in the United States and Canada ($90.0 million), the impairment of intangible assets ($38.3 million), the impairment of long-lived assets ($17.5 million), higher reorganization costs ($15.8 million), higher general and administrative costs ($3.0 million), and higher divestiture costs ($2.1 million). Environmental and other related costs were $6.0 million and $44.7 million in the first three quarters of 2023 and 2022, respectively.

INTEREST, OTHER AND INCOME TAXES

Net interest expense was $15.5 million in the third quarter of 2023 compared to $12.5 million in the third quarter of 2022. Net interest expense was $47.4 million in the first three quarters of 2023 compared to $31.3 million in the first three quarters of 2022. The increase in interest expense for both the quarter-to-date and year-to-date periods is due to higher average revolver borrowings and higher average interest rates on the Company’s outstanding debt.

Other expense was $2.4 million in the third quarter of 2023, compared to other expense of $2.7 million in the third quarter of 2022. Other expense was $3.2 million in the first three quarters of 2023, compared to other expense of $2.2 million in the first three quarters of 2022.

The effective tax rates in the third quarter of 2023 and 2022 were 4.6% and 10.9%, respectively. The effective tax rates in the first three quarters of 2023 and 2022 were 24.5% and 19.3%, respectively. The decrease in the effective tax rate between 2023 and 2022 for the quarter-to-date period is due to income mix changes between jurisdictions with differing tax rates, partially offset by discrete tax expenses in the current year compared to discrete benefits in the prior year. The increase in the effective tax rate between 2023 and 2022 for the year-to-date period is due to discrete tax expenses in the current year compared to discrete tax benefits in the prior year, partially offset by income mix changes between jurisdictions with differing tax rates.

REPORTABLE SEGMENTS

The Company’s portfolio of brands are organized into the following three reportable segments. During the fourth quarter of 2022, the Company announced changes to its reportable segments as a result of changes in how its Chief Operating Decision Maker, the Company's Chief Executive Officer, allocates resources to and assess performance of the Company's operating segments. All prior period disclosures have been retrospectively adjusted to reflect the new reportable segments.

- **Active Group,** consisting of *Merrell*® footwear and apparel, *Saucony*® footwear and apparel, *Sweaty Betty*® activewear, and *Chaco*® footwear;

- **Work Group,** consisting of *Wolverine*® footwear and apparel, *Cat*® footwear, *Bates*® uniform footwear, *Harley-Davidson*® footwear and *HYTEST*® safety footwear; and
- **Lifestyle Group,** consisting of *Sperry*® footwear and *Hush Puppies*® footwear and apparel as well as *Keds*® footwear prior to the divestiture of the brand, effective February 4, 2023.

Kids' footwear offerings from *Saucony*®, *Sperry*®, *Merrell*®, *Hush Puppies*® and *Cat*® as well as *Keds*® prior to the divestiture of the brand, effective February 4, 2023 are included with the applicable brand.

The Company also reports "Other" and "Corporate" categories. The Other category consists of the Company's leather marketing operations, sourcing operations that include third-party commission revenues, multi-branded direct-to-consumer retail stores and the *Stride Rite*® licensed business. The Corporate category consists of unallocated corporate expenses, such as corporate employee costs, corporate facility costs, reorganization activities, impairment of long-lived assets and environmental and other related costs.

The reportable segment results are as follows:

	Quarter Ended				Year-To-Date Ended			
(In millions)	**September 30, 2023**	October 1, 2022	Change	Percent Change	**September 30, 2023**	October 1, 2022	Change	Percent Change
REVENUE								
Active Group	**$ 328.6**	$ 398.2	$ (69.6)	(17.5)%	**$ 1,097.8**	$ 1,172.6	$ (74.8)	(6.4)%
Work Group	**123.0**	157.8	(34.8)	(22.1)	**355.3**	435.8	(80.5)	(18.5)
Lifestyle Group	**62.8**	117.7	(54.9)	(46.6)	**223.0**	346.9	(123.9)	(35.7)
Other	**13.3**	17.7	(4.4)	(24.9)	**40.1**	64.5	(24.4)	(37.8)
Total	**$ 527.7**	$ 691.4	$ (163.7)	(23.7)	**$ 1,716.2**	$ 2,019.8	$ (303.6)	(15.0)
OPERATING PROFIT (LOSS)								
Active Group	**$ 32.7**	$ 54.9	$ (22.2)	(40.4)	**$ 124.6**	$ 180.8	$ (56.2)	(31.1)
Work Group	**15.4**	28.2	(12.8)	(45.4)	**45.7**	81.7	(36.0)	(44.1)
Lifestyle Group	**5.4**	13.4	(8.0)	(59.7)	**18.6**	43.2	(24.6)	(56.9)
Other	**2.8**	2.8	—	—	**9.3**	9.7	(0.4)	(4.1)
Corporate	**(29.0)**	(40.5)	11.5	28.4	**(79.5)**	(69.1)	(10.4)	(15.1)
Total	**$ 27.3**	$ 58.8	$ (31.5)	(53.6)%	**$ 118.7**	$ 246.3	$ (127.6)	(51.8)%

Further information regarding the reportable segments can be found in Note 16 to the consolidated condensed financial statements.

Active Group

The Active Group's revenue decreased $69.6 million, or 17.5%, in the third quarter of 2023 compared to the third quarter of 2022. The revenue decline was primarily driven by decreases of $50.4 million from *Merrell*®, $18.9 million from *Saucony*® and $7.5 million from *Chaco*® partially offset by an increase of $7.2 million from *Sweaty Betty*®. The *Merrell*® decrease was primarily due to the softening of hike category sales, following growth in the prior year, and high inventory levels at retail customers, which has adversely impacted order patterns. The *Saucony*® decrease is primarily due to softer consumer demand in the U.S. wholesale and eCommerce channels. The *Chaco*® decrease was primarily due to softer consumer demand and high inventory levels at retail customers. The *Sweaty Betty*® increase was primarily due to higher direct-to-consumer revenue resulting from new stores and improved order fulfillment in the U.S. wholesale channel.

The Active Group's revenue decreased $74.8 million, or 6.4%, in the first three quarters of 2023 compared to the first three quarters of 2022. The revenue decline was primarily driven by decreases of $56.4 million from *Merrell*®, $22.7 million from *Chaco*®, and $2.3 million from *Sweaty Betty*®, partially offset by an increase of $6.6 million from *Saucony*®. The *Merrell*® decrease is primarily due to softer consumer demand in International, U.S. wholesale, and eCommerce channels. The *Chaco*® decrease was primarily due to softer consumer demand and high inventory levels at retail customers. The *Sweaty Betty*® decrease was primarily due to softer consumer demand in direct-to-consumer sales channels reflecting the challenging UK economic environment. The *Saucony*® increase was primarily driven by the strength and expanded sales of core technical road and trail product franchises, which include the Guide, Triumph and Endorphin series, and strength in international markets, partially offset by softer consumer demand in the U.S. wholesale and eCommerce channels.

The Active Group's operating profit decreased $22.2 million, or 40.4%, in the third quarter of 2023 compared to the third quarter of 2022. The operating profit decrease was due to revenue decreases, partially offset by a 40 basis point increase in gross margin and a $6.8 million decrease in selling, general and administrative expenses. The increase in gross margin in the current year period was due to favorable product mix changes in the Company’s wholesale channel. The decrease in selling, general and administrative expenses in the current year periods was primarily due to lower advertising costs and selling expenses.

The Active Group’s operating profit decreased $56.2 million, or 31.1%, in the first three quarters of 2023 compared to the first three quarters of 2022. The operating profit decrease was due to revenue decreases and a 350 basis point decrease in gross margin, partially offset by a $16.0 million decrease in selling, general and administrative expenses. The decrease in gross margin in the current year period was due to increased closeout sales and higher promotional activity in the Company’s direct-to-consumer channel. The decrease in selling, general and administrative expenses in the current year periods was primarily due to lower advertising costs and selling expenses.

Work Group

The Work Group’s revenue decreased $34.8 million, or 22.1%, during the third quarter of 2023 compared to the third quarter of 2022. The revenue decline was primarily driven by a decrease of $28.1 million from *Cat*®, $4.0 million from *Harley-Davidson*®, and $2.8 million from *Wolverine*®. The Work Group’s revenue decreased $80.5 million, or 18.5%, during the first three quarters of 2023 compared to the first three quarters of 2022. The revenue decline was primarily driven by a decrease of $40.1 million from *Cat*®, $26.3 million from *Wolverine*®, $12.5 million from *Harley-Davidson*®, and $5.1 million from *Bates*®. The *Cat*® decrease was primarily due to softer consumer demand across all regions. The *Wolverine*® decrease was primarily due to softer consumer demand in U.S. wholesale and high inventory levels at retail customers resulting in a continually heightened promotional environment. The *Harley-Davidson*® decrease was primarily due to lower at-once shipments and declines in top dealer accounts. The *Bates*® decrease was primarily due to softer consumer demand in U.S. wholesale and direct-to-consumer channels.

The Work Group’s operating profit decreased $12.8 million, or 45.4%, in the third quarter of 2023 compared to the third quarter of 2022. The operating profit decrease was due to revenue decreases and a 120 basis point decrease in gross margin, partially offset by a $0.8 million decrease in selling, general and administrative expenses. The Work Group’s operating profit decreased $36.0 million, or 44.1%, in the first three quarters of 2023 compared to the first three quarters of 2022. The operating profit decrease was due to revenue decreases and a 230 basis point decrease in gross margin, partially offset by a $1.3 million decrease in selling, general and administrative expenses. The decrease in gross margin in the current year periods was due to increased closeout sales, product mix and unfavorable average selling price and higher promotional activity in the Company’s direct-to-consumer channel. The decrease in selling, general and administrative expenses in the current year periods was primarily due to lower advertising costs and selling expenses.

Lifestyle Group

The Lifestyle Group’s revenue decreased $54.9 million, or 46.6%, during the third quarter of 2023 compared to the third quarter of 2022. The revenue decline was driven by a decrease of $32.7 million from *Sperry*® and $21.3 million from *Keds*®. The Lifestyle Group’s revenue decreased $123.9 million, or 35.7%, during the first three quarters of 2023 compared to the first three quarters of 2022. The revenue decrease was driven by a decrease of $67.5 million from *Keds*® and $59.7 million from *Sperry*®, partially offset by an increase of $3.3 million from *Hush Puppies*®. The *Keds*® decrease is due to the divestiture of the business effective February 4, 2023. The *Sperry*® decline was primarily driven by softer consumer demand in the U.S. wholesale channel and direct-to-consumer sales channels, due to lower traffic. The *Hush Puppies*® increase was primarily due to the launch of a strategic distribution partnership with DSW in North America during the spring of fiscal 2022 and the strength of the brand’s lifestyle head-to-toe product offering internationally, with a focus on casual, comfort and color.

The Lifestyle Group’s operating profit decreased $8.0 million, or 59.7%, in the third quarter of 2023 compared to the third quarter of 2022. The operating profit decrease was due to revenue decreases, partially offset by a 240 basis point increase in gross margin and a $13.1 million decrease in selling, general and administrative expenses. The increase in gross margin in the current year period was primarily due to the divestiture of the lower margin *Keds*® business. The decrease in selling, general and administrative expenses in the current year period was primarily due to lower advertising costs, selling expenses and the divestiture of the *Keds*® business.

The Lifestyle Group’s operating profit decreased $24.6 million, or 56.9%, in the first three quarters of 2023 compared to the first three quarters of 2022. The operating profit decrease was due to revenue decreases and a 150 basis point decrease in gross margin, partially offset by a $32.6 million decrease in selling, general and administrative expenses. The decrease in gross margin in the current year period was due to increased closeout sales and higher promotional activity in the Company’s direct-to-consumer channel. The decrease in selling, general and administrative expenses in the current year period was primarily due to lower advertising costs, selling expenses and the divestiture of the *Keds*® business.

Other

The Other category's revenue decreased $4.4 million, or 24.9%, in the third quarter of 2023 compared to the third quarter of 2022. The revenue decline was primarily driven by a $5.8 million decrease from the performance leathers business. The Other category's revenue decreased $24.4 million, or 37.8%, in the first three quarters of 2023 compared to the first three quarters of 2022. The revenue decrease was primarily driven by a $18.7 million decrease from the performance leathers business.

Corporate

Corporate expenses decreased $11.5 million in the third quarter of 2023 compared to the third quarter of 2022, primarily due to gain on sale of businesses, trademarks, and intangible assets ($57.7 million), lower employee costs ($3.3 million) and lower incentive compensation costs ($2.7 million), partially offset by the impairment of long-lived assets ($40.2 million), higher reorganization costs ($8.5 million), and costs incurred associated with divestitures ($2.1 million) .

Corporate expenses increased $10.4 million in the first three quarters of 2023 compared to the first three quarters of 2022, primarily due to the 2022 gain recorded on the sale of the Champion trademarks for footwear in the United States and Canada ($90.0 million), the impairment of long-lived assets ($55.8 million), and higher reorganization costs ($15.8 million), partially offset by the gain on sale of businesses, trademarks, and intangible assets ($77.8 million), lower environmental and other related costs, net of insurance recoveries ($60.6 million), lower incentive compensation costs ($16.8 million), and lower employee costs ($3.6 million).

LIQUIDITY AND CAPITAL RESOURCES

(In millions)	**September 30, 2023**	December 31, 2022	October 1, 2022
Cash and cash equivalents [(1)]	**$ 164.7**	$ 135.5	$ 136.4
Debt	**1,096.3**	1,158.0	1,475.2
Available revolving credit facility [(2)]	**623.4**	569.3	254.4

(1) Cash and cash equivalents at September 30, 2023 in the consolidated condensed statements of cash flows includes $4.3 million of Wolverine Leathers business related cash and cash equivalents that are classified as held for sale and are not included in cash and cash equivalents in the consolidated condensed balance sheets. Cash and cash equivalents at December 31, 2022 includes $4.0 million of Wolverine Leathers business related cash and cash equivalents that were classified as held for sale.

(2) Amounts are net of both borrowings, if any, and outstanding standby letters of credit in accordance with the terms of the revolving credit facility.

Liquidity

Cash and cash equivalents of $164.7 million as of September 30, 2023 were $28.3 million higher compared to October 1, 2022. The increase is due primarily to cash provided by operating activities of $318.3 million, proceeds from divestitures of $136.0 million, and proceeds from company-owned life insurance policies of $30.5 million, partially offset by borrowings less repayments of debt of $380.0 million, cash dividends paid of $32.6 million, additions to property, plant and equipment of $31.5 million and shares acquired related to employee stock plans of $6.1 million. The Company had $623.4 million of borrowing capacity available under the revolving facility as of September 30, 2023. Cash and cash equivalents located in foreign jurisdictions totaled $143.5 million as of September 30, 2023.

Cash flow from operating activities is expected to be sufficient to meet the Company's working capital needs for the foreseeable future. Any excess cash flow from operating activities is expected to be used to fund organic growth initiatives, reduce debt, pay dividends and for general corporate purposes.

The Company did not repurchase shares during the first three quarters of 2023 and repurchased $81.3 million of shares in the first three quarters of 2022. The common stock repurchase program expired in September 2023.

A detailed discussion of environmental remediation costs is found in Note 15 to the consolidated condensed financial statements. The Company has established a reserve for estimated environmental remediation costs based upon an evaluation of currently available facts with respect to each individual site. As of September 30, 2023, the Company had a reserve of $43.6 million, of which $22.8 million is expected to be paid in the next 12 months and is recorded as a current obligation in other accrued liabilities, and the remaining $20.8 million is recorded in other liabilities and is expected to be paid over the course of up to 25 years. The Company's remediation activity at its former Tannery site and sites where the Company disposed of Tannery byproducts is ongoing. It is difficult to estimate the cost of environmental compliance and remediation given the uncertainties regarding the interpretation and enforcement of applicable environmental laws and regulations, the extent of environmental contamination and the existence of alternative cleanup methods.

Note 15 to the consolidated condensed financial statements also includes a detailed discussion of environmental litigation matters. As of September 30, 2023, the Company had recorded liabilities of $2.7 million for certain of the Litigation Matters described above which are recorded as other accrued liabilities in the consolidated condensed balance sheets.

Developments may occur that could materially change the Company's current cost estimates. The Company adjusts recorded liabilities as further information develops or circumstances change.

Financing Arrangements

The Company's credit agreement provides for a term loan A facility (the "Term Facility") and for a revolving credit facility (the "Revolving Facility" and, together with the Term Facility, the "Senior Credit Facilities"). The maturity date of the loans under the Senior Credit Facilities is October 21, 2026. The credit agreement provides for a debt capacity of up to an aggregate debt amount (including outstanding term loan principal and revolver commitment amounts in addition to permitted incremental debt) not to exceed $2.0 billion unless certain specified conditions set forth in the Credit Agreement are met. The Revolving Facility allows the Company to borrow up to an aggregate amount of $1.0 billion.

The Company's $550.0 million 4.000% senior notes issued on August 26, 2021 are due on August 15, 2029. Related interest payments are due semi-annually. The senior notes are guaranteed by substantially all of the Company's domestic subsidiaries.

As of September 30, 2023, the Company was in compliance with all covenants and performance ratios under the Senior Credit Facilities.

On June 30, 2023 the Company entered into the Fourth Amendment (the "Amendment") to its credit agreement, dated as of July 31, 2012. The Amendment provides the Company with near-term financial flexibility by adjusting the maximum Consolidated Leverage Ratio allowed under the credit agreement through the end of fiscal 2023. Financial covenant thresholds will revert to pre-existing levels in the first quarter of fiscal 2024.

The Company's debt at September 30, 2023 totaled $1,096.3 million compared to $1,158.0 million at December 31, 2022. The reduced debt position primarily resulted from proceeds received from sale of businesses and trademarks.

Cash Flows

The following table summarizes cash flow activities:

	Year-To-Date Ended	
(In millions)	**September 30, 2023**	October 1, 2022
Net cash provided by (used in) operating activities	**$ 7.0**	$ (490.2)
Net cash provided by investing activities	**116.2**	68.2
Net cash provided by (used in) financing activities	**(91.5)**	402.5
Additions to property, plant and equipment	**(18.5)**	(23.5)
Depreciation and amortization	**26.3**	25.2

Operating Activities

The principal source of the Company's operating cash flow is net earnings, including cash receipts from the sale of the Company's products, net of costs of goods sold.

For the first three quarters of 2023, a decrease in net working capital represented a source of cash of $9.8 million. Working capital balances were favorably impacted by a decrease in inventories of $178.5 million and an increase in income taxes payable of $5.6 million, partially offset by an increase in accounts receivable of $25.1 million, a decrease in other operating liabilities of $62.8 million, a decrease in accounts payable of $74.7 million, and an increase in other operating assets of $11.7 million. Operating cash flows included depreciation and amortization expense adjustment of $26.3 million, impairment of long-lived assets of $55.8 million, stock-based compensation expense adjustment of $11.8 million, pension expense adjustment of $1.2 million, environmental and other related costs, net of cash payments and recoveries cash outflow of $68.8 million, and gain on sale of divestitures of $77.8 million.

Investing Activities

The Company made capital expenditures of $18.5 million and $23.5 million in the first three quarters of 2023 and 2022, respectively, for building improvements, eCommerce site enhancements, new retail stores, distribution operations improvements and information system enhancements. The current year investing activity includes proceeds from divestitures of $136.0 million.

Financing Activities

The current year activity includes net payments under the Revolving Facility of $55.0 million. The Company paid $7.5 million in principal payments associated with its financing arrangements during the first three quarters of 2023 and 2022, respectively. The Company paid $5.8 million and $7.4 million during the first three quarters of 2023 and 2022, respectively, in connection with shares or units withheld to pay employee taxes related to awards under stock incentive plans and received $0.1 million and $1.4 million in proceeds from the exercise of stock options during the first three quarters of 2023 and 2022, respectively. The Company did not repurchase shares in the first three quarters of 2023 and repurchased $81.3 million of shares in the first three quarters of 2022.

The Company declared cash dividends of $0.30 per share during the first three quarters of 2023 and 2022. Dividends paid in the first three quarters of 2023 and 2022 totaled $24.5 million, and $24.7 million respectively. A quarterly dividend of $0.10 per share was declared on November 1, 2023 to shareholders of record on January 2, 2024.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Company’s consolidated condensed financial statements, which have been prepared in accordance with U.S. GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, management evaluates these estimates. Estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Historically, actual results have not been materially different from the Company’s estimates. However, actual results may differ materially from these estimates under different assumptions or conditions.

The Company has identified the critical accounting policies used in determining estimates and assumptions in the amounts reported. For information regarding our critical accounting policies refer to Part II, Item 7: “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” in the Company’s 2022 Form 10-K. Management believes there have been no material changes in those critical accounting policies.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

The Company faces market risk to the extent that changes in foreign currency exchange rates affect the Company’s foreign assets, liabilities and inventory purchase commitments. The Company manages these risks by attempting to denominate contractual and other foreign arrangements in U.S. dollars. The Company does not believe that there has been a material change in the nature of the Company’s primary market risk exposures, including the categories of market risk to which the Company is exposed and the particular markets that present the primary risk of loss to the Company. As of the date of this Quarterly Report on Form 10-Q, the Company does not know of any material change in the near-term in the general nature of its primary market risk exposure.

Under the provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 815, *Derivatives and Hedging*, the Company is required to recognize all derivatives on the balance sheet at fair value. Derivatives that are not qualifying hedges must be adjusted to fair value through earnings. If a derivative is a qualifying hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings or recognized in accumulated other comprehensive income (loss) until the hedged item is recognized in earnings.

The Company conducts wholesale operations outside of the U.S. in Canada, continental Europe, United Kingdom, Hong Kong, China and Mexico where the functional currencies are primarily the Canadian dollar, euro, British pound, Hong Kong dollar, Chinese renminbi and Mexican peso, respectively. The Company utilizes foreign currency forward exchange contracts to manage the volatility associated primarily with U.S. dollar inventory purchases made by non-U.S. wholesale operations in the normal course of business as well as to manage foreign currency translation exposure. As of September 30, 2023 and October 1, 2022, the Company had outstanding forward currency exchange contracts to purchase primarily U.S. dollars in the amounts of $267.8 million and $376.3 million, respectively, with maturities ranging up to 531 and 524 days, respectively.

The Company also has sourcing locations in Asia, where financial statements reflect the U.S. dollar as the functional currency. However, operating costs are paid in the local currency. Revenue generated by the Company from third-party foreign licensees is calculated in the local currencies but paid in U.S. dollars. Accordingly, the Company’s reported results are subject to foreign currency exposure for this stream of revenue and expenses. Any associated foreign currency gains or losses on the settlement of local currency amounts are reflected within the Company's consolidated condensed statement of operations and comprehensive income.

Assets and liabilities outside the U.S. are primarily located in the United Kingdom, Canada and the Netherlands. The Company’s investments in foreign subsidiaries with a functional currency other than the U.S. dollar are generally considered long-term. As of September 30, 2023, a stronger U.S. dollar compared to certain foreign currencies decreased the value of these investments in net assets by $9.2 million from their value as of December 31, 2022. As of October 1, 2022, a stronger U.S. dollar compared to certain foreign currencies decreased the value of these investments in net assets by $100.0 million from their value as of January 1, 2022.

The Company is exposed to interest rate changes primarily as a result of interest expense on the term loan borrowings and any borrowings under the Revolving Facility. The Company’s total variable-rate debt was $552.5 million at September 30, 2023 and the Company held a forward dated interest rate swap agreement, denominated in U.S. dollars, that effectively converts $109.6 million of this amount to fixed-rate debt.

The Company does not enter into contracts for speculative or trading purposes, nor is it a party to any leveraged derivative instruments.

ITEM 4. Controls and Procedures

An evaluation was performed 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, and as of the time of such evaluation, the Company’s management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company’s disclosure controls and procedures, as defined in Securities Exchange Act Rule 13a-15(e), were effective as of the end of the period covered by this report. There have been no changes during the quarter ended September 30, 2023 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

The Company is involved in litigation and various legal matters arising in the normal course of business, including certain environmental compliance activities. For a discussion of legal matters, refer to Note 15 to the Company's consolidated condensed financial statements.

ITEM 1A. Risk Factors

There have been no material changes in the assessment of the Company's risk factors from those set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 23, 2023.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information regarding the Company's purchases of its own common stock during the third quarter of 2023.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Amount that May Yet Be Purchased Under the Plans or Programs
Period 7 (July 2, 2023 to August 5, 2023)				
Common Stock Repurchase Program[1]	—	—	—	$ 366,524,492
Employee Transactions[2]	8,857	12.74	—	
Period 8 (August 6, 2023 to September 2, 2023)				
Common Stock Repurchase Program[1]	—	—	—	$ 366,524,492
Employee Transactions[2]	292	8.41	—	
Period 9 (September 3, 2023 to September 30, 2023)				
Common Stock Repurchase Program[1]	—	—	—	$ —
Employee Transactions[2]	—	—	—	
Total for the Third Quarter Ended September 30, 2023				
Common Stock Repurchase Program[1]	—	—	—	$ —
Employee Transactions[2]	9,149	12.60	—	

(1) On September 11, 2019, the Company's Board of Directors approved a common stock repurchase program that authorized the repurchase of $400.0 million of common stock over a four-year period, incremental to the $113.4 million available as of that date for repurchases under the previous program. Since that date, the Company repurchased $146.9 million of common stock. The annual amount of any stock repurchases is restricted under the terms of the Company's Senior Credit Facilities and senior notes indenture. The common stock repurchase program expired on September 11, 2023.

(2) Employee transactions include: (1) shares delivered or attested to in satisfaction of the exercise price and/or tax withholding obligations by holders of employee stock options who exercised options, and (2) restricted shares and units withheld to offset statutory minimum tax withholding that occurs upon vesting of restricted shares and units. The Company's employee stock compensation plans provide that the shares delivered or attested to, or withheld, shall be valued at the closing price of the Company's common stock on the date the relevant transaction occurs.

ITEM 5. Other Information

(c) During the quarter ended September 30, 2023, no director or Section 16 officer of the Company adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement, in each case, as defined in Item 408(a) of Regulation S-K.

ITEM 6. Exhibits

Exhibits filed as a part of this Form 10-Q are incorporated by reference herein.

Exhibit Number	Document
3.1	Amended and Restated Certificate of Incorporation. Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on April 24, 2014.
3.2	Amended and Restated By-laws. Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 7, 2022.
10.1	Employment Agreement between Christopher E. Hufnagel and the Company, dated September 7, 2023.*
31.1	Certification of Chief Executive Officer and President under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Senior Vice President, Chief Financial Officer and Treasurer under Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification pursuant to 18 U.S.C. §1350.
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, formatted in Inline XBRL: (i) Consolidated Condensed Statements of Operations and Comprehensive Income; (ii) Consolidated Condensed Balance Sheets; (iii) Consolidated Condensed Statements of Cash Flows; (iv) Consolidated Condensed Statements of Stockholders' Equity; and (v) Notes to Consolidated Condensed Financial Statements.
104	The cover page of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, formatted in Inline XBRL (included in Exhibit 101).

* Management contract or compensatory plan or arrangement

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.

WOLVERINE WORLD WIDE, INC.

November 9, 2023	/s/ Christopher E. Hufnagel
Date	Christopher E. Hufnagel President and Chief Executive Officer (Principal Executive Officer and Duly Authorized Signatory for Registrant)
November 9, 2023	/s/ Michael D. Stornant
Date	Michael D. Stornant Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer and Duly Authorized Signatory for Registrant)

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement"), dated as of September 7, 2023, is entered into by and between Wolverine World Wide, Inc., a Delaware corporation (the "Company"), and Christopher E. Hufnagel, an individual ("Employee").

RECITALS

A. The Company wishes to employ Employee as its President and Chief Executive Officer; and

B. Employee wishes to accept employment with the Company upon the terms and conditions set forth in this Agreement.

AGREEMENT

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. The Company shall employ Employee, and Employee accepts employment with the Company, upon the terms and conditions set forth in this Agreement. Employee's term of employment hereunder shall commence on August 6, 2023 (the "Effective Time") and continue until the first anniversary of the Effective Time (the "Employment Period"); provided that, unless earlier terminated, the Employment Period shall automatically renew on the first anniversary of the Effective Time and on each anniversary thereafter for a period of one (1) year unless either party shall give written notice of non-extension to the other party not later than sixty (60) days prior to the end of then-current Employment Period. The Company or Employee may terminate this Agreement and Employee's employment at any time during the Employment Period as provided in Section 4 hereof.

2. Position and Duties.

(a) During the Employment Period, Employee shall serve as the President and Chief Executive Officer of the Company, and shall have the usual and customary duties, responsibilities and authority of such position. Employee acknowledges and agrees that he shall perform his duties and responsibilities faithfully and to the best of his abilities in a businesslike manner and in accordance with the Company's Employee Handbook and Code of Business Conduct.

(b) Employee shall report solely to the Board of Directors of the Company (the "Board"), shall work on a full-time basis for the Company and shall devote his entire business time, attention, skills and energies to the business and affairs of the Company. During the Employment Period, Employee shall not engage in any business activity which, in the reasonable judgment of the Board, conflicts with the duties of Employee hereunder, whether or not such activity is pursued for gain, profit or other pecuniary advantage; provided that, as long as such activities do not interfere with Employee's duties hereunder, Employee may (i) with the prior written approval of the Board, serve on the board of one (1) for-profit company that does not compete with the Company, and (ii) participate in charitable, civic, educational, professional, community and industry affairs. Employee agrees that he shall promptly report any conflict in writing to the Board, disclosing any outside business or investment opportunities made available to Employee in which the Company may or might have an interest where the Company does or may do business.

(c) The Company shall take such action as may be necessary to appoint Employee as a member of the Board as of the Effective Time, and to nominate (and re-nominate) Employee for re-election as a member of the Board as of any date during the Employment Period on which Employee's term as a Board member would otherwise expire (including recommending to the Company's stockholders in the Company's annual Proxy Statement that they vote to continue Employee's membership on the Board, as applicable).

3. Base Salary and Benefits.

(a) Base Salary. During the Employment Period and commencing as of the Effective Time, Employee's base salary shall be increased to a rate of $1,000,000.00 per annum (the "Base Salary"), which shall be payable in regular installments in accordance with the Company's general payroll practices. Annual compensation review and increases, if any, will be subject to approval by the Board.

(b) Annual Incentive Plan. During the Employment Period, Employee shall be enrolled in the Company's Executive Short-Term Incentive Plan (the "AIP") at the target rate of 120% of the Base Salary, prorated for the period of 2023 following the Effective Time. Although there is no guarantee of any bonus payout, achievement of financial targets established by the Board and personal objectives (such targets and objectives to be established in consultation with Employee) could yield a bonus with a maximum payout of 200% of the Employee's target bonus. Any bonus under this section, if earned, will be paid in accordance with the terms of the AIP or successor plan.

(c) Three-Year Incentive Plan. The Company will recommend to the Compensation Committee of the Board (the "Compensation Committee") that Employee continue to be enrolled in the Company's Executive Long-Term Incentive Plan and be granted stock awards thereunder in February 2024 commensurate with his grade and position level as set forth in greater detail in the Position Tally Sheet furnished to the Employee by the Company as of August 8, 2023. There is no guarantee of an award and the payout of the award is subject to achievement of the Company's financial targets as determined by the Board (such targets to be established in consultation with Employee). If a payout is earned, payment will be in the form of performance units of Company stock, granted in accordance with the Company's Stock Incentive Plan of 2016 or successor plan. All grants under this Section 3(c) are subject to Employee executing a grant agreement provided by the Company in form consistent with prior grant agreements.

(d) Annual Equity Grants. At the February 2024 meeting of the Compensation Committee, the Company will recommend that Employee be granted time-based stock awards commensurate with his grade and position level. Currently, time-based restricted stock units vest one-third on each of the first three successive grant anniversary dates. All grants under this Section 3(d) are subject to Employee executing grant agreements provided by the Company in form consistent with prior grant agreements.

(e) Initial Equity Grants. As soon as practicable (and in any event at the next regularly scheduled Compensation Committee following the Effective Time, which is scheduled for October 30, 2023, as of the date of this Agreement), the Compensation Committee shall meet to act in good faith on the recommendation by the Company that Employee be granted time-based restricted stock units with a value at grant of $500,000 in recognition of his newly promoted grade and position level as President and Chief Executive Officer. These units will vest one-third on each of the first three successive grant anniversary dates. All grants under this Section 3(e) are subject to Employee executing grant agreements provided by the Company in form consistent with prior grant agreements.

(f) Vacation. During the Employment Period, Employee shall be entitled to four (4) weeks of paid vacation in accordance with Company policy.

(g) Expenses. The Company shall reimburse Employee for all reasonable expenses incurred by him in the course of performing his duties under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses ("Business Expenses"), subject to the Company's requirements with respect to reporting and documentation of such expenses. The Company shall pay or reimburse Employee's legal fees incurred in connection with the negotiation and execution of this Agreement, provided that evidence of such fees shall be provided to the Company and that the amount of such payment or reimbursement shall not exceed $10,000.

(h) Benefits. Employee will be eligible to participate in such health care, insurance, retirement, and other employee benefit plans as are generally made available by the Company to their employees, subject to the terms of said plan or plans. The terms of such plans are subject to change or termination at any time, with or without notice, at the discretion of the Company.

4. Termination. The Employment Period shall terminate as follows.

(a) Termination by Employee without Good Reason. In the event that Employee terminates his employment for any reason other than for Good Reason, Employee must provide the Company sixty (60) days' advance written notice of such resignation. The Company shall have the right to waive the notice period and accept such resignation, effective immediately upon the Company's waiver of notice.

(b) Termination by Employee for Good Reason. Employee may terminate his employment hereunder for Good Reason. "Good Reason" means (i) a material diminution in Employee's duties under this Agreement or a reduction of Employee's title, (ii) a material breach by the Company of this Agreement (including the failure (other than as a result of Employee's death or Disability or Termination for Cause) to nominate and re-nominate Employee to the Board (and failure to make related recommendations to the Company's stockholders) as contemplated by Section 2(c) hereof), (iii) relocation of Employee's principal place of employment to a location that is more than fifty (50) miles from the Company's corporate headquarters as of the Effective Time, without Employee's consent, (iv) termination of this Agreement under Section 1 by the Company serving a notice of non-extension or (v) a reduction in the Base Salary, unless such reduction is part of an across the board reduction for senior executives of the Company; provided that any such action shall not constitute Good Reason unless (A) Employee provides written notice to the Company of any such action within thirty (30) days of the date on which such action first occurs and provides the Company with thirty (30) days to remedy such action (the "Cure Period"), (B) the Company fails to remedy such action within the Cure Period, and (C) Employee resigns within thirty (30) days of the expiration of the Cure Period.

(c) Termination by the Company.

(i) Termination by the Company for Cause. The Company may terminate Employee's employment for Cause ("Termination for Cause"). "Cause" shall mean any of the following:

(1) Any intentional act of fraud, embezzlement, theft or breach of fiduciary duty with respect to the Company or its subsidiaries;

(2) Employee's (1) intentional act of dishonesty or misrepresentation with respect to the Company or its subsidiaries; or (2) gross negligence or willful misconduct in the performance of his duties to the Company (other than any such failure resulting from Employee's Disability, or Employee's resignation for Good Reason), in each of the foregoing clauses (1) and (2) above which is material to the Company;

(3) Material failure or refusal to follow any reasonable directive of the Board, consistent with the terms of this Agreement;

(4) Employee's material (1) breach of any noncompetition, nonsolicitation, confidentiality or other covenant with the Company under Exhibit A of this Agreement or otherwise;(2) breach of any material written policy of the Company, a copy of which such material written policy has been made available to Employee; or (3) breach of this Agreement; or

(5) Employee's conviction of or indictment for or entering of a guilty plea or plea of no contest or nolo contendere with

respect to any felony or any crime involving an act of moral turpitude.

Notwithstanding the foregoing, Employee shall not be deemed to have been terminated for Cause unless and until the Company (1) provides Employee with a notice from the Board specifying the grounds for a Termination for Cause (and providing an opportunity to cure the conduct if such conduct is curable within ten (10) days), and (2) a copy of a resolution adopted by an affirmative vote of not less than a majority of the independent directors of the Board at a meeting of the Board called and held for the purpose (after notice to Employee and an opportunity for Employee, with counsel, to be heard before the Board), finding that in the good faith opinion of the majority of the independent directors of the Board that Executive has been guilty of conduct set forth above, setting forth the particulars in detail. A determination of Cause by the Board shall not be binding upon or entitled to deference by any finder of fact in the event of a dispute, it being the intent of the parties that such finder of fact shall make an independent determination of whether the termination was for "Cause" as defined above. No act or failure to act on the part of Employee shall be considered "willful" unless done or omitted to be done by Employee not in good faith and without reasonable belief that Employee's action(s) or omission(s) was in the best interests of the Company.

Subject to the foregoing, the Company may terminate this Agreement pursuant to a Termination for Cause at any time immediately upon notice to Employee.

(ii) Termination by the Company without Cause. The Company may terminate Employee's employment without Cause (i.e. for any reason other than those described in Subsections 4(b), and 4(c)) ("Termination without Cause") at any time upon written notice to Employee.

(d) Death and Disability. Employee's employment shall terminate immediately upon Employee's death and the Company may terminate this Agreement upon 30 days prior written notice to Employee if, by virtue of a physical or mental condition, Employee is unable to perform the essential functions of his work under this Agreement, with or without reasonable accommodation, for a period of 180 days in any 365 day period ("Disability").

(e) Obligations upon Termination.

(i) In the event of a resignation by Employee without Good Reason, as described in Subsection 4(a), all of the parties' respective rights and obligations hereunder shall immediately terminate upon the expiration of the notice period required under Section 4(a) or upon notice by the Company waiving such notice, except that (A) Employee's obligations and the Company's rights under Sections 5 through 9 of this Agreement shall survive such termination and (B) the Company shall pay to Employee only the accrued but unpaid Base Salary and any unreimbursed Business Expenses as of the date of termination, and all vested or accrued benefits under the Company's benefits plans, programs and arrangements (collectively, the "Accrued Benefits").

(ii) In the event of Employee's death, as described in Subsection 4(d), or a Termination for Cause, as described in Subsection 4(c)(i), all of the parties' respective rights and obligations hereunder shall immediately terminate in the case of death and terminate upon the effective date of such termination in the case of Termination for Cause pursuant to Subsection 4(c)(i), except that (A) Employee's obligations and the Company's rights under Sections 5 through 9 of this Agreement shall survive such termination and (B) the Company shall pay to Employee (or his estate, as applicable) only the Accrued Benefits.

(iii) In the event of a Termination without Cause, as described in Subsection 4(c)(ii), or Employee's resignation for Good Reason pursuant to Section 4(b), all of the parties' respective rights and obligations hereunder shall terminate upon the effective date of such termination pursuant to Subsection 4(c)(ii) or Subsection 4(b) as the case may be, except that:

(A) Employee's obligations and the Company's rights under Sections 5 through 9 of this Agreement shall survive such termination;

(B) the Company shall pay to Employee the Accrued Benefits;

(C) the Company shall pay Employee, as severance, an amount equal to twenty-four (24) months of Employee's then-current Base Salary payable in regular biweekly installments in accordance with the Company's general payroll practices; and

(D) If enrolled in the Company's group health plan as of the date of termination, Employee will be eligible for continued health care coverage, as permitted under the federal Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"). Provided Employee timely elects to continue receiving group medical coverage and/or dental coverage pursuant to COBRA, the Company shall pay for Employee's COBRA coverage for up to the maximum number of months allowable under COBRA for Employee after the date of termination, not to exceed twenty-four (24) months. The Company's obligation to pay for Employee's COBRA coverage, however, shall be reduced by the amount that Employee will pay toward such coverage, which shall be equal to the amount of Employee's medical and/or dental coverage premiums as of the date of termination. Employee will be required to pay Employee's share of the COBRA contributions directly to the Company's COBRA administrator each month. To the extent that Employee begins new employment on or before twenty-four (24) months after the date of termination, Employee shall immediately notify the Company of such employment. In the event Employee becomes eligible for coverage through a new employer, Employee shall elect such coverage. Upon Employee becoming eligible for such coverage, the Company's obligation to pay for COBRA coverage shall immediately cease.

(E) The Company shall pay Employee an amount equal to the bonus Employee would have been eligible to receive at target performance for the fiscal year in which termination takes place, multiplied by a fraction, the numerator of which is the number of days Employee is employed by the Company in such fiscal year through the date of termination and the denominator of which is 365.

(F) The Employee (x) shall be considered to have Retired for purposes of determining pro rata vesting of outstanding performance-based awards granted under the Company's Stock Incentive Plan of 2016 (as amended and restated) or successor plan (the "Plan"), with the "retirement" date being Employee's termination date, and (y) shall be entitled to pro rata vesting of outstanding time-based restricted stock unit awards granted under the Plan that would have vested over the twelve month period after the Employee's termination date had the Employee remained employed with the Company.

(G) The Company will pay for outplacement assistance for the Employee through Right Management using the Professional Management Program for Senior Managers and Directors or the equivalent program available at the Employee's termination date (or, in the event Right Management is unwilling or unable to provide such outplacement assistance, a program of similar content and quality offered through a comparable vendor) in a lump sum on the termination date equal to a period of twelve (12) months of such outplacement assistance.

Any payments under Sections (C), (D), (E), (F) or (G) are collectively referred to as the "Severance Payment"). The payment of the Severance Payment under this Subsection 4(e)(iii) shall be conditioned upon Employee's effective execution of a release of claims against the Company in a form attached hereto as Exhibit B. The Company shall specify a period, not to exceed 45 days following termination, during which Employee may review and consider such release, provided that if such period spans two calendar years, then the Severance Payment shall not be made (or commence to be made) until the second calendar year, regardless of the year in which the release is signed and returned. Payment of the Severance Payment will cease immediately upon Employee's material breach beyond the applicable cure period (if such breach is capable of being cured) of any of the restrictive covenants in the Agreement, in addition to all other remedies available to the Company.

(iv) In the event of Disability, as described in Subsection 4(d), all of the parties' respective rights and obligations hereunder shall immediately terminate upon the effective date of such termination pursuant to Subsection 4(d), except that (A) Employee's obligations and the Company's rights under Sections 5 through 9 of this Agreement shall survive such termination; and (B) the Company shall pay to Employee the Accrued Benefits.

(v) Except as otherwise required by law (e.g., COBRA) or as specifically provided herein, all of Employee's rights to salary, severance, fringe benefits and bonuses hereunder (if any) shall cease upon termination for any reason.

(vi) Upon termination of Employee's employment hereunder for any reason, Employee shall promptly resign from all other positions with the Company and its affiliates.

(vii) In the event Employee is obligated to repay any amounts to the Company under this Agreement or otherwise, Employee hereby authorizes the Company to deduct such amounts from any sums the Company is obligated to pay Employee under this Agreement or otherwise, to the extent permitted by law (provided that, in all events, any such deduction shall comply with Section 409A of the Code to the extent applicable). Employee agrees to repay the Company for any balance remaining after any such deductions are made within thirty (30) days after termination. In the event Employee fails to repay the Company in accordance with the terms of this Agreement and the Company decides to take legal action to collect and recover such amount, Employee agrees to reimburse the Company for all costs incurred by the Company, including but not limited to reasonable attorneys' fees and court costs.

5. Confidentiality, Intellectual Property Protection, and Restrictive Covenants.

(a) Employee acknowledges and agrees that he will be subject to the confidentiality, intellectual property protection, restrictive covenant, and other provisions set forth in Exhibit A to this Agreement, the provisions of which are incorporated into this Agreement.

6. Enforcement.

(a) If Employee breaches or threatens to commit a breach of any of the covenants set forth in Exhibit A, then the Company shall have the right and remedy to have the covenants in Exhibit A specifically enforced against Employee, including temporary restraining orders and injunctions by any court of competent jurisdiction, in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security), or, in the case of a breach by Employee of the provisions of Exhibit A, require Employee to account for all compensation, profits, moneys, accruals, increments or other benefits derived or received as a result of any transactions constituting a breach of the covenants contained therein, it being agreed by Employee that any breach or threatened breach by Employee of Exhibit A would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. The prevailing party is entitled to its attorneys' fees and costs incurred in relation to any action addressing Exhibit A. In addition, the Company shall not be required to post any bond or other surety as a condition to the issuance of any temporary restraining order or injunction, and Employee irrevocably waives any such requirement of any statute or applicable law.

(b) If, during the enforcement of any or all of the covenants and provisions set forth in Exhibit A, any court of competent jurisdiction enters a final judgment that declares that the duration, scope, or area restrictions stated therein are unreasonable under circumstances then existing, are invalid, or are otherwise unenforceable, then the parties hereto agree that the maximum enforceable duration, scope, or area reasonable under such circumstances shall be substituted for the stated duration, scope, or area, and that the court making the determination of invalidity or unenforceability shall have the power to revise the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes the closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified to cover the maximum duration, scope, or area permitted by law.

7. Insurance. The Company may, for its own benefit, maintain "key man" life and disability insurance policies covering Employee. Employee will reasonably cooperate with the Company and provide such information or other reasonable assistance as the Company or insurance company may reasonably request in connection with the Company obtaining and maintaining such policies.

8. Representations and Warranties. Employee hereby represents and warrants to the Company that (a) the execution, delivery and performance of this Agreement by Employee does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which Employee is a party or any judgment, order or decree to which Employee is subject, (b) Employee is not and will not be a party to or bound by any employment agreement, consulting agreement, non-compete agreement, confidentiality agreement or similar agreement with any other person or entity that is inconsistent with the provisions of this Agreement and (c) this Agreement is a valid and binding obligation of Employee.

9. Cooperation. In connection with any termination of Employee's employment with the Company, Employee agrees to assist the Company, as reasonably requested by the Company, in its succession planning efforts to facilitate a smooth transition of Employee's job responsibilities to Employee's successor. In addition, upon the receipt of reasonable notice from the Company (including through outside counsel), Employee agrees that while employed by the Company and thereafter, Employee will respond and provide information with regard to matters of which Employee has knowledge as a result of Employee's employment with the Company, and will provide reasonable assistance to the Company, its affiliates and their respective

representatives in defense of all claims that may be made against the Company or its affiliates, and will assist the Company and its affiliates in the prosecution of all claims that may be made by the Company or its affiliates, to the extent that such claims may relate to the period of Employee's employment with the Company; provided that once Employee is no longer employed by the Company, such cooperation shall be reasonably scheduled so as not to conflict with Employee's other obligations. Employee agrees to inform the Company if Employee becomes aware of any lawsuit involving such claims that has been filed against the Company or its affiliates. Except as otherwise provided herein, Employee also agrees to inform the Company (to the extent that Employee is legally permitted to do so) if Employee is asked to assist in any investigation of the Company or its affiliates (or their actions), regardless of whether a lawsuit or other proceeding has then been filed against the Company or its affiliates with respect to such investigation. However, in no event shall Employee have any obligations to the Company or its affiliates under the preceding sentence to the extent such investigation is brought by the Equal Employment Opportunity Commission ("EEOC"), Department of Justice, the Securities and Exchange Commission (the "SEC"), Congress, and any agency Inspector General, or any other federal regulatory or law enforcement agency or legislative body, or any self-regulatory organization if Employee is advised by counsel not to so inform the Company because doing so would result in a violation of law. For the avoidance of doubt, nothing in this Section 9 that purports to impose obligations on Employee restricts or prevents employee from reporting a possible violation of any federal law or regulation to any government agency or entity including but not limited to the EEOC, the National Labor Relations Board, the Department of Justice, the SEC, Congress, and any agency Inspector General, or making disclosures that are protected under the whistleblower provisions of any law; or initiate, provide information to, testify at, participate, or otherwise assist, in any investigation or proceeding brought by any federal regulatory or law enforcement agency or legislative body, such as the EEOC and SEC, or any self-regulatory organization, relating to an alleged violation of any federal, state, or municipal law.

Upon presentation of appropriate documentation, the Company shall pay or reimburse Employee for all reasonable out-of-pocket travel, duplicating or telephonic expenses incurred by the Executive in complying with this Section.

10. Notices. All notices, requests, demands, and other communications hereunder shall be in writing (which shall include electronic communications by email and facsimile) and shall be delivered (a) in person or by courier or overnight service, (b) mailed by first class registered or certified mail, postage prepaid, return receipt requested, or (c) by email or facsimile transmission, as follows:

If to Employee:

Christopher E. Hufnagel
[redacted]

If to the Company:

Wolverine World Wide, Inc.

9341 Courtland Drive NE
Rockford, Michigan 49351
Attention: General Counsel

or to such other address as the parties hereto may designate in writing to the other in accordance with this Section 10. Any party may change the address to which notices are to be sent by giving written notice of such change of address to the other parties in the manner above provided for giving notice. If delivered personally or by courier, the date on which the notice, request, instruction or document is delivered shall be the date on which such delivery is made and if delivered by email, facsimile transmission or regular mail as aforesaid, the date on which such notice, request, instruction or document is received shall be the date of delivery.

11. General Provisions.

(a) Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(b) Complete Agreement. This Agreement represents the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes and cancels all other contracts, agreements, representations and understandings between the parties or their affiliates, whether written or oral, expressed or implied (including, without limitation, any offer letter); provided, that the Executive Severance Agreement between Employee and the Company, remains in full force and effect. This Agreement shall bind and inure to the benefit of each party, their parent companies, subsidiaries and affiliates, and each of their respective officers, directors, shareholders, investors, business associates, owners, partners, employees, representatives, agents, contractors and assigns. This Agreement may not be modified or amended except in writing signed by authorized representatives of both parties. The terms of this Agreement are the result of negotiations in which each party had the opportunity to review and revise any term herein. Consequently, this Agreement shall not be construed for or against either party as a result of the manner in which it was drafted.

(c) Successors and Assigns. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of Employee and the Company and its respective successors, permitted assigns, personal representatives, heirs and estates, as the case may be; provided, however, that the rights and obligations of Employee under this Agreement shall not be assigned without the prior written consent of the Company and the Company may assign the rights and obligations of this Agreement in its sole discretion, and such assignment by the Company will not constitute a termination under Section 4.

(d) Governing Law. THIS AGREEMENT, AND ALL CLAIMS, DISPUTES AND CONTROVERSIES RELATED HERETO OR ARISING HEREFROM, SHALL BE GOVERNED BY, AND CONSTRUED, APPLIED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES. NO DEFENSE, COUNTERCLAIM OR RIGHT OF SET-OFF GIVEN OR ALLOWED BY THE LAWS OF ANY OTHER STATE OR JURISDICTION, OR ARISING OUT OF THE ENACTMENT, MODIFICATION OR REPEAL OF ANY LAW, REGULATION, ORDINANCE OR DECREE OF ANY FOREIGN JURISDICTION, BE INTERPOSED IN ANY ACTION HEREON. THE PROVISIONS OF THIS AGREEMENT SHALL BE ENFORCEABLE NOTWITHSTANDING THE EXISTENCE OF ANY CLAIM OR CAUSE OF ACTION OF EMPLOYEE AGAINST COMPANY, WHETHER PREDICATED ON THIS AGREEMENT OR OTHERWISE.

(e) Jurisdiction; Waiver of Jury Trial. EMPLOYEE HEREBY VOLUNTARILY, UNCONDITIONALLY AND IRREVOCABLY AGREES AND SUBMITS TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS OF THE STATE OF MICHIGAN AND APPELLATE COURTS FROM ANY THEREOF FOR ANY CLAIM, ACTION OR DISPUTE ARISING OUT OF OR RELATED TO THIS AGREEMENT, AND WAIVES AND AGREES NOT TO ASSERT ANY DEFENSE THAT ANY SUCH COURT LACKS JURISDICTION, VENUE IS IMPROPER, OR THE FORUM IS INCONVENIENT. EMPLOYEE AND COMPANY HEREBY IRREVOCABLY AND KNOWINGLY WAIVE (TO THE FULLEST EXTENT PERMITTED BY LAW) ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING, WITHOUT LIMITATION, ANY COUNTERCLAIM) ARISING OUT OF THIS AGREEMENT OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO, INCLUDING, WITHOUT LIMITATION, ANY ACTION OR PROCEEDING: (I) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH, OR (II) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS AGREEMENT. COMPANY AND EMPLOYEE AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

(f) Withholdings. All payments hereunder are subject to withholding for applicable federal, state and local income and employment taxes and any other deductions authorized by Employee or required by law.

(g) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and Employee, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

(h) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(i) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(j) Business Days. If any time period for giving notice or taking action hereunder expires on a day which is not a business day in the State of Michigan, the time period for giving notice or taking action shall be automatically extended to the immediately following business day.

(k) Survival of Representations, Warranties and Agreements. All representations, warranties and agreements contained herein shall survive in perpetuity the consummation of the transactions contemplated hereby. For the avoidance of doubt, Employee's obligations under Exhibit A shall survive termination of this Agreement for any reason (including, without limitation, upon nonrenewal of the agreement by either party).

(l) Section 409A. To the extent applicable, this Agreement shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the Internal Revenue Code of 1986, as amended, and the Department of Treasury regulations and other interpretive guidelines issued thereunder (collectively, "Section 409A"). Notwithstanding any provision to the contrary in this Agreement: (i) no amount that constitutes deferred compensation as defined in Section 409A shall be payable in connection with Employee's termination of employment shall be paid to Employee unless the termination of Employee's employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations, and if Employee incurs a termination of employment that does not constitute a separation from service, as so defined, Employee's right to such payments shall vest but payment shall be deferred until the date on which Employee incurs a separation from service, or die; (ii) if, on the date on which Employee incurs a separation from service, Employee is a "specified employee" as defined in Section 409A, any amount that constitutes deferred compensation and that becomes payable by reason of such separation from service (including any amount described in clause (i)) shall be deferred until the earlier of the first day of the seventh month following the month that includes the separation from service or Employee's death; (iii) for purposes of Section 409A, Employee's right to receive installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments; and (iv) to the extent that any reimbursement of expenses or in-kind benefits constitutes "deferred compensation" under Section 409A, such reimbursement or benefit shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year.

(m) Nouns and Pronouns. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice-versa.

(n) Construction. Where specific language (such as the word "including") is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party hereto.

(o) Attorneys' Fees. In the event of any dispute relating to this Agreement, the court shall award the prevailing party its reasonable legal fees and expenses it incurred in connection with such dispute.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the date first written above.

WOLVERINE WORLD WIDE, INC.

By: /s/ Tom Long
Name: Tom Long
Title: Chairman

CHRISTOPHER E. HUFNAGEL

By: /s/ Christopher Hufnagel
Name: Christopher Hufnagel

EXHIBIT A

EMPLOYEE CONFIDENTIALITY, INTELLECTUAL PROPERTY PROTECTION, AND RESTRICTIVE COVENANT PROVISIONS

As a condition of Employee's new employment with the Company, receipt of the compensation now and hereafter paid to Employee by the Company, and access to the Company's Confidential Information (as defined herein), Employee agrees to the following provisions related to Employee Confidentiality, Intellectual Property Protection, and Restrictive Covenants.

1. NON-DISCLOSURE & CONFIDENTIALITY:

1.1 Definition of Confidential Information: The term "Confidential Information" includes, but is not limited to, all trade secrets and other confidential and/or proprietary knowledge, research, scientific data, or information of the Company and/or third parties with whom the Company does business, and shall include whether or not such information is reduced to writing or other tangible medium of expression, including – but not limited to – documents, or other media, including removable, portable storages devices, including but not limited to USB drives, blueprints, drawings, photographs, charts, graphs, notebooks, tapes or printouts, sound recordings, and other printed, typewritten, or handwritten documents (collectively "Company Documents"), whether such Company Documents have been prepared by the Company, you, or by others, and whether such Company Documents are stored or saved on Company servers, Company cloud storage, or personal devices, including:

(i) information concerning the Company's business, operations, affairs, financial condition, and projections;

(ii) compilations or lists of customer/prospective customers names, addresses, other identifying information (i.e. telexes, telephone numbers, fax numbers, email addresses, profiles, data, prospects, and site information;), and names of all suppliers, sources, buyers, lenders, banks, sellers, borrowers, trusts introduced to Employee by the Company;

(iii) information concerning products, product design, product development, sourcing, plans, policies, programs, procedures, sales estimates, accounting reports, departmental manuals, methods of and plans to obtain new business goodwill, financial information, bank recommendations or preferences, statistical and accounting data, ideas, marketing techniques, strategies, programs, work assignments and capabilities, purchasing information, price lists, pricing policies, quoting procedures, financial information, pricing strategies, and other confidential materials or information relating to the manner in which the Company develops and markets its products and services and otherwise conducts its business;

(iv) information concerning computer systems, management information systems, customized computer software, source codes, object codes, digital media, optical media, flow charts, drawings, diagrams, bills of material, equipment, prototypes, models, other tangible or intangible manifestations, databases, inventions, know-how, scientific or technical information, designs, processes, procedures, data, formulas, improvements, concepts, reports, or specifications related to Company's business;

(v) information regarding plans for research, research results, development of new products or acquisition of new/future products, product enhancements, research designs, techniques, or studies;

(vi) confidential profiles, data, prospects, and site information;

(vii) any and all ideas which are derived from or relate to Employee's access to or knowledge of any of the above enumerated materials and information owned by the Company or its customers; and

(viii) Notwithstanding the foregoing, Confidential Information excludes (a) information concerning Employee's wages, hours, benefits, and other terms and conditions of employment; (b) information publicly known or which becomes publicly known through no unauthorized act of Employee; (c) information disclosed to Employee by a third party not in violation of any obligations of this Agreement; (d) information required to be disclosed pursuant to a valid subpoena, provided that Employee provides the Company with timely written notice of such requirement and the Confidential Information to be disclosed as far in advance of its disclosure as is practicable, and, upon the Company's written request; or (e) information required to be disclosed pursuant to applicable law.

If you have any questions as to whether certain information is Confidential Information, consult the Company's General Counsel.

1.2 Business Relationships and Goodwill: The Company has a substantial and legitimate business interest in maintaining Confidential Information. Employee acknowledges and agrees that this Agreement creates a special relationship of trust and confidence between Employee and the Company as well as the Company's current and prospective customers, vendors, suppliers, and investors. Employee further acknowledges and agrees that there is a high risk and opportunity for any person given such responsibility and Confidential Information to unfairly disclose use and/or misappropriate the relationship and goodwill existing between the Company and the Company's current and prospective customers, vendors, suppliers, and investors. Employee therefore acknowledges and agrees that it is fair and reasonable for the Company to take steps to protect itself from the risk of such disclosure, use and/or misappropriation. Thus, at all times during Employee's work with the Company and thereafter, Employee will hold in strictest confidence and will not disclose, use, distribute, disseminate, publish, divulge, directly or indirectly, at any time during or after his or her employment, any of the Company's Confidential Information (as defined above), to any person, firm, corporation, association, or other business entity, either for their own or someone else's personal benefit except as such disclosure, use, distribution, dissemination, or publication may be required in connection with Employee’s work for the Company or unless the Company expressly authorizes the same in writing.

1.3 Information Received from Third Parties: Employee understands that the Company has received, and in the future will receive from third parties, Confidential Information subject to a duty on the Company’s part to maintain the confidentiality of that information and to use it only for certain limited purposes. During Employee’s work with the Company and thereafter, Employee will hold all such information in the strictest confidence and will not disclose it to anyone (other than personnel of the Company who need to know such information in connection with their work for the Company). Employee further agrees not to use any such information except in connection with Employee’s work for the Company unless expressly authorized by the Company in writing.

1.4 Former Employer Confidential Information: Employee agrees that during employment with the Company, Employee will not use, disclose, or induce the Company to use any proprietary information or trade secrets of any former employer or other person or entity with which Employee has an obligation to keep in confidence. Employee further agrees not to bring onto the Company’s premises or transfer onto the Company’s technology systems any unpublished document, proprietary information, or trade secrets belonging to any such third party unless disclosure to, and use by, the Company has been consented to in writing by such third party.

1.5 Identification and Protection of Confidential Information: Employee recognizes that failure to mark any of the Confidential Information as confidential or proprietary shall not affect its status as Confidential Information under the terms of this Agreement. Employee agrees that Employee shall keep all such Confidential Information confidential and agrees to take reasonable steps to ensure that information is not inadvertently disclosed to unauthorized persons.

1.6 Return of Confidential Information Upon Termination: All Company documents and electronic information shall be the sole property of the Company. Employee agrees that during Employee’s employment by the Company, Employee will not remove or electronically transmit any Confidential Information from the business premises of the Company or deliver any Confidential Information to any person or entity outside the Company, except as Employee is required to do in connection with performing the duties of Employee’s employment. Employee further agrees that, immediately upon the termination of Employee’s employment by Employee or by the Company for any reason, or during Employee’s employment if so requested by the Company, Employee will return within two (2) days all Confidential Information, apparatus, equipment, and other physical property, or any reproduction of such property, except only (i) Employee’s personal copies of records relating to Employee’s compensation; and (ii) Employee’s copy of this Agreement.

1.7 Non-Disparagement: Employee agrees not to make, or cause any other person to make, any public statement that criticizes or disparages the Company or any of its subsidiaries, executive officers, employees, directors or products. The Company agrees not to make, or cause any other person to make, any public statement that criticizes or disparages Employee. Nothing set forth herein shall be interpreted to prohibit Employee or the Company from making any such statements on a non-public basis during the Employment Period in furtherance of their duties (including with respect to personnel reviews and similar discussions), responding publicly to incorrect public statements, making truthful statements when required by law, subpoena, court order, or the like and/or from responding to any inquiry about this Agreement or its underlying facts and circumstances by any regulatory or investigatory organization and/or from making any truthful statements in the course of any litigation.

2. INTELLECTUAL PROPERTY PROTECTION

2.1 Definition of Intellectual Property: The term "Intellectual Property" means all tangible and intangible property including, without limitation, writings, works of authorship, literary property, copyrights, Moral Rights (as defined below) programs, software, programming tools and designs, trademarks, service marks, logos, trade names, trade secrets, patents, designs, algorithms, know-how, ideas, concepts, methods, inventions (whether or not fully developed or reduced to practice), formulae, processes, techniques, applications, domain names, universal locator addresses, telephone numbers and similar identifiers, and any other similar property, whether or not registered, relating to the Company's business.

2.2 Intellectual Property Disclosure and Assignment: It is hereby acknowledged that Employee's responsibilities may include the making of technical, product, and managerial contributions of value to the Company. Without further compensation, Employee will promptly and fully disclose in confidence to the Company all inventions, improvements, designs, original works of authorship, formulas, processes, compositions of matter, computer software programs, databases, mask works, and trade secrets that Employee makes or conceives or first reduces to practice or creates, either alone or jointly with others, during his/her employment and within the course and scope of Employee's employment, whether or not patentable, copyrightable or protectable as trade secrets (the "Inventions").

2.3 Pre-Existing Materials: Employee will inform the Company in writing before incorporating any inventions, discoveries, ideas, original works of authorship, developments, improvements, trade secrets and other proprietary information or intellectual property rights owned by Employee prior to, or separate from, Employee's employment with the Company ("Prior Inventions"), into any Invention or otherwise utilizing any such Prior Invention in the course of Employee's employment with the Company; and the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, transferable worldwide license (with the right to grant and authorize sublicenses) to make, have made, use, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform, and otherwise exploit such Prior Inventions, without restriction, including, without limitation, as part of or in connection with such Invention, and to practice any method related thereto. Employee will not incorporate any inventions, discoveries, ideas, original works of authorship, developments, improvements, trade secrets and other proprietary information or intellectual property rights owned by any third- party into any Invention without the third-party and Company's prior written permission. Furthermore, Employee represents and warrants that if any Prior Inventions are included on Exhibit A, they will not materially affect Employee's ability to perform all obligations under this Agreement.

2.4 Assistance: Employee shall assist the Company in obtaining and protecting the rights in any such Inventions as provided herein. Employee will also disclose to the Company's General Counsel all things that would be Inventions if made during Employee's employment, conceived, reduced to practice, or developed by Employee within six (6) months of the termination of Employee's employment with the Company or Employee's departure. Such disclosures shall be received by the Company in confidence (to the extent they are not assigned in (i) below) and do not extend the assignment made in Section (i) below. Employee will not disclose Inventions to any person outside the Company unless Employee is requested to do so by management personnel of the Company.

(i) Work for Hire; Assignment of Inventions: Employee acknowledges and agrees that any copyrightable works prepared by Employee during his or her employment and within the scope of Employee's employment are "works for hire" under the Copyright Act and that the Company will be considered the author and owner of such copyrightable works. Employee agrees that all Inventions created by Employee, alone or jointly with others, during his or her employment that: (a) are developed using equipment, supplies, facilities, or Confidential Information of the Company; (b) result from work performed by Employee for the Company; or (c) relate to the Company's business or actual or demonstrably anticipated research and development, will be the sole and exclusive property of the Company and hereby irrevocably assigns, and agrees to assign, to the Company all right, title, and interest in them (the "Assigned Inventions"). Employee agrees to make and maintain adequate and current written records, in a form specified by the Company, of all Assigned Inventions. Employee understands that this assignment is intended to, and does, extend to subject matters currently in existence, those in development, as well as those which have not yet been created. Employee acknowledges and agrees that subject to the limitations of this Section, if Employee uses any Prior Inventions in the scope of Employee's employment or includes them in any product or service of the Company, Employee hereby grants to the Company a perpetual, irrevocable, nonexclusive, worldwide, royalty-free license to use, disclose, make, sell, copy, distribute, modify and/or create works based on, perform or display such Prior Inventions and to sublicense third parties with the same rights.

(ii) Employee has provided to the Company's General Counsel (using the form attached as Exhibit A) a complete list of all Inventions or improvements to which Employee claims ownership and that Employee desires to remove from the operation of this Agreement, and Employee acknowledges and agrees that such list is complete. If no such list is provided to the Company's General Counsel, Employee represents that Employee has no such Inventions and improvements at the time of signing this Agreement. If, in the course of employment with the Company, Employee incorporates into a Company product, process, or machine such an existing Invention or improvement owned by Employee or in which Employee has an interest, the Company is hereby granted and shall have a non-exclusive, royalty-free, irrevocable, perpetual, worldwide license to make, have made, modify, use, and sell such Invention or improvement as part of or in connection with such product, process or machine.

(iii) Assignment of Other Rights. In addition to the foregoing assignment of the Assigned Inventions to the Company, Employee hereby irrevocably transfers and assigns to the Company: (a) all worldwide patents, patent applications, copyrights, mask works, trade secrets, and other Intellectual Property rights, including but not limited to rights in databases, in any Assigned Inventions, along with any registrations of or applications to register such rights; and (b) any and all "Moral Rights" (as defined below) that Employee may have in or with respect to any Assigned Inventions. Employee also hereby forever waives and agrees never to assert any and all Moral Rights that Employee may have in or with respect to any Assigned Inventions, even after termination of Employee's work on behalf of the Company. "Moral Rights" mean any rights to claim authorship of or credit on any Assigned Inventions, to object to or prevent the modification or destruction of any Assigned Inventions or Prior Inventions licensed to Company, or to withdraw from circulation or control the publication or distribution of any Assigned Inventions or Prior Inventions licensed to Company under this Section, and any similar right, existing under judicial or statutory law of any country or subdivision thereof in the world, or under any treaty, regardless of whether or not such right is denominated or generally referred to as a "Moral Right." Employee forever hereby waives and agrees never to assert any Moral Rights Employee may have in any copyrightable work that is assigned to the Company as a result of this Paragraph, even after any termination of Employee's employment with Company, regardless of whether the termination is voluntary or involuntary.

2.5 Notice Under Defend Trade Secrets Act of 2016: Employee is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that he/she will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Employee is further notified that if he/she files a lawsuit for retaliation by an employer for reporting a suspected violation of law, he/she may disclose the employer's trade secrets to his/her attorney and use the trade secret information in the court proceeding if he/she: (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order.

3. DUTY OF LOYALTY, NON-SOLICITATION & NON-COMPETITION

3.1 No Conflicts of Interest: Employee agrees that, during Employee's employment with the Company, Employee will not engage in any other employment, occupation, consulting, or other business activity directly related to the business in which the Company is now involved or becomes involved during Employee's employment without the Company's written consent, nor will Employee engage in any other activities that conflict with Employee's obligations to the Company including but not limited to assisting any person or entity in competing with the Company, in preparing to compete with the Company, or in hiring any employees or consultants of the Company. Notwithstanding the foregoing, this does not prevent Employee from owning 5% or less of the outstanding equity securities of any publicly traded company.

3.2 Corporate Opportunities: Employee acknowledges that during the course of Employee’s employment by the Company, Employee may be offered or become aware of business or investment opportunities in which Company may or might have an interest where the Company does or may do business (a “Corporate Opportunity”) and that Employee has a duty to advise Company of any such Corporate Opportunities before acting upon them. Accordingly, Employee agrees that Employee will disclose to the Company any Corporate Opportunity offered to Employee or of which Employee has becomes aware.

3.3 Non-Solicitation: Employee agrees that during Employee’s employment with the Company and for a period of one (1) year after the Separation Date (as defined below), Employee shall not, without the Company’s prior written consent, directly or indirectly: (a) solicit, hire, cause, or induce, or attempt to solicit, hire, cause, or induce any employee, agent, representative, or contractor, of the Company who was an employee, agent, representative, or contactor of the Company as of the Separation Date, to terminate such person’s relationship with the Company or to become employed by any business or person other than the Company; (b) authorize, condone, solicit, or assist in the taking of such actions by any third party, including but not limited to a recruiter or future employer of Employee; provided, however, that with respect to this Section, a general solicitation or advertisement not specifically targeted to or reasonably expected to specifically target such individuals will not be deemed in and of itself to violate the prohibitions of this Agreement; or (c) solicit sales, orders, or other business from, or conduct business with, any Company Customer (as defined below) with respect to products, services or business that are similar or competitive with the products, services or business of the Company; or (d) interfere or attempt to interfere with any transaction, agreement, prospective agreement, business opportunity or business relationship in which Company or any affiliate was involved during the two (2) years prior to the Separation Date. Employee acknowledges and agrees that the restriction in this Section is reasonable in light of Employee’s responsibilities with the Company and the scope of the Company’s business.

“Customer” is defined as any person, company, or business that placed a wholesale order for any of the Company’s products during the two (2) years prior to the Separation Date.

“Separation Date” is defined as the date Employee’s employment with the Company terminates.

3.4 Non-Competition: Employee agrees that for the period beginning on Employee’s hire date and continuing for one (1) year after the Separation Date (the “Restriction Period”), Employee will not engage, directly or indirectly, as an owner, manager, proprietor, contractor, more than five percent (5%) shareholder, partner, officer, employee or otherwise (collectively, “Employment”) where such Employment (a) involves any of the same or similar activities or functions as Employee performed, supervised, or managed for the Company at any time during the two (2) years preceding the Separation Date, and (b) is for or on behalf of any business that, directly or indirectly, (i) is engaged in the design, development, manufacturing, marketing, or retail or wholesale sale of footwear or apparel competitive with or substantially similar to the footwear or apparel designed, developed, manufactured, marketed, or sold by the Company, or (ii) is engaged in any line of business substantially similar to the lines of business engaged in by the Company (clauses (i) and (ii) each being a “Competitor”), where such Competitor did business in any state or country where the Company or its distributors, licensees, or partners did business during Employee’s employment. Employee acknowledges and agrees that the restriction in this Section is reasonable in light of Employee’s responsibilities with the Company and the scope of the Company’s business.

3.5 Tolling: In the event Employee breaches this covenant not to compete, the Restriction Period set forth in Section 3.4 shall automatically toll from the date of the first breach, and all subsequent breaches, until the resolution of the breach through private settlement, judicial or other action, including all appeals. The Restriction Period shall continue upon the effective date of any such judicial settlement or other resolution. The Company has the option, in its sole discretion, to waive (but only in writing) all or any portion of the Restriction Period or to limit the definition of Competitor. Employee agrees to disclose to the Company the name of any subsequent employer during the Restriction Period, wherever located and regardless of whether such employer is a Competitor.

EXHIBIT B

SEPARATION AND RELEASE AGREEMENT

[See attached]

Exhibit 31.1

CERTIFICATION

I, Christopher E. Hufnagel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wolverine World Wide, 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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023

/s/ Christopher E. Hufnagel
Christopher E. Hufnagel
President and Chief Executive Officer
Wolverine World Wide, Inc.

Exhibit 31.2

CERTIFICATION

I, Michael D. Stornant, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wolverine World Wide, 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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023

/s/ Michael D. Stornant

Michael D. Stornant
Executive Vice President, Chief Financial Officer and Treasurer
Wolverine World Wide, Inc.

Exhibit 32

CERTIFICATIONS

Solely for the purpose of complying with 18 U.S.C. § 1350, each of the undersigned hereby certifies in his capacity as an officer of Wolverine World Wide, Inc. (the "Company") that the Quarterly Report of the Company on Form 10-Q for the year-to-date ended September 30, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such report fairly presents, in all material respects, the financial condition of the Company at the end of such period and the results of operations of the Company for such period.

Date: November 9, 2023

/s/ Christopher E. Hufnagel
Christopher E. Hufnagel
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Michael D. Stornant
Michael D. Stornant
Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)