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

FORM 10-Q

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

For the quarterly period ended March 30, 2019

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)	(IRS 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)

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 x 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 x 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	x	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 x

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

There were 88,754,695 shares of common stock, $1 par value, outstanding as of April 26, 2019.

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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 consumer-direct 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;
- capacity constraints, production disruptions, quality issues, price increases or other risks associated with foreign sourcing;
- the cost 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 consumer-direct operations;
- risks related to expansion into new markets and complementary product categories as well as consumer-direct operations;
- the impact of seasonality and unpredictable weather conditions;
- changes in general economic conditions and/or the credit markets on the Company’s distributors, suppliers and retailers;
- increases 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;
- the potential 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 event;
- problems affecting the Company’s 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, and implementing new initiatives and ventures;
- the risk of impairment to goodwill and other intangibles;
- the success of the Company’s restructuring and realignment initiatives; 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 29, 2018 (the “2018 Form 10-K”). 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 March 30, 2019	Quarter Ended March 31, 2018
Revenue	**$ 523.4**	$ 534.1
Cost of goods sold	**303.2**	306.2
Gross profit	**220.2**	227.9
Selling, general and administrative expenses	**164.0**	163.7
Environmental and other related costs	**3.8**	2.7
Operating profit	**52.4**	61.5
Other expenses:		
Interest expense, net	**6.9**	7.2
Other income, net	**(1.3)**	(0.6)
Total other expenses	**5.6**	6.6
Earnings before income taxes	**46.8**	54.9
Income tax expense	**6.2**	8.3
Net earnings	**40.6**	46.6
Less: net earnings (loss) attributable to noncontrolling interests	**0.1**	(0.1)
Net earnings attributable to Wolverine World Wide, Inc.	**$ 40.5**	$ 46.7
Net earnings per share (see Note 3):		
Basic	**$ 0.44**	$ 0.49
Diluted	**$ 0.43**	$ 0.48
Comprehensive income	**$ 43.4**	$ 46.1
Less: comprehensive income attributable to noncontrolling interests	**0.3**	0.2
Comprehensive income attributable to Wolverine World Wide, Inc.	**$ 43.1**	$ 45.9
Cash dividends declared per share	**$ 0.10**	$ 0.08

See accompanying notes to consolidated condensed financial statements.

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

(In millions, except share data)	March 30, 2019	December 29, 2018	March 31, 2018
ASSETS			
Current assets:			
Cash and cash equivalents	**$ 80.6**	$ 143.1	$ 257.1
Accounts receivable, less allowances:			
March 30, 2019 – $25.7			
December 29, 2018 – $26.6			
March 31, 2018 – $33.6	**375.5**	361.2	295.3
Inventories:			
Finished products, net	**359.2**	301.4	278.7
Raw materials and work-in-process, net	**14.8**	16.2	11.8
Total inventories	**374.0**	317.6	290.5
Prepaid expenses and other current assets	**45.4**	45.8	37.5
Total current assets	**875.5**	867.7	880.4
Property, plant and equipment:			
Gross cost	**385.6**	381.8	394.5
Accumulated depreciation	**(252.6)**	(250.9)	(260.8)
Property, plant and equipment, net	**133.0**	130.9	133.7
Lease right-of-use assets, net	**157.2**	—	—
Other assets:			
Goodwill	**425.9**	424.4	429.3
Indefinite-lived intangibles	**604.5**	604.5	604.5
Amortizable intangibles, net	**70.7**	71.9	75.6
Deferred income taxes	**3.4**	3.1	4.5
Other	**81.1**	80.6	76.0
Total other assets	**1,185.6**	1,184.5	1,189.9
Total assets	**$ 2,351.3**	$ 2,183.1	$ 2,204.0

See accompanying notes to consolidated condensed financial statements.

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

(In millions, except share data)	March 30, 2019	December 29, 2018	March 31, 2018
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	**$ 112.6**	$ 202.3	$ 97.2
Accrued salaries and wages	**16.9**	31.9	17.5
Other accrued liabilities	**98.0**	106.4	120.0
Lease liabilities	**28.6**	—	—
Current maturities of long-term debt	**10.0**	7.5	41.2
Borrowings under revolving credit agreements and other short-term notes	**326.0**	125.0	0.8
Total current liabilities	**592.1**	473.1	276.7
Long-term debt, less current maturities	**435.3**	438.0	630.3
Accrued pension liabilities	**92.1**	92.0	142.0
Deferred income taxes	**108.6**	107.9	84.4
Lease liabilities, noncurrent	**147.3**	—	—
Other liabilities	**58.6**	80.5	113.3
Stockholders' equity:			
Wolverine World Wide, Inc. stockholders' equity:			
Common stock – par value $1, authorized 320,000,000 shares; shares issued (including shares in treasury):			
March 30, 2019 – 107,881,756 shares			
December 29, 2018 – 107,609,206 shares			
March 31, 2018 – 106,825,575 shares	**107.9**	107.6	106.8
Additional paid-in capital	**208.0**	201.4	163.1
Retained earnings	**1,201.2**	1,169.7	1,039.4
Accumulated other comprehensive loss	**(85.7)**	(88.3)	(84.1)
Cost of shares in treasury:			
March 30, 2019 – 19,152,384 shares			
December 29, 2018 – 15,905,681 shares			
March 31, 2018 – 12,048,223 shares	**(520.0)**	(404.4)	(273.7)
Total Wolverine World Wide, Inc. stockholders' equity	**911.4**	986.0	951.5
Noncontrolling interest	**5.9**	5.6	5.8
Total stockholders' equity	**917.3**	991.6	957.3
Total liabilities and stockholders' equity	**$ 2,351.3**	$ 2,183.1	$ 2,204.0

See accompanying notes to consolidated condensed financial statements.

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

(In millions)	Quarter Ended March 30, 2019	Quarter Ended March 31, 2018
OPERATING ACTIVITIES		
Net earnings	**$ 40.6**	$ 46.6
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization	**7.2**	7.8
Deferred income taxes	**(0.4)**	(0.5)
Stock-based compensation expense	**6.6**	7.9
Pension contribution	**—**	(0.3)
Pension and SERP expense	**1.4**	1.5
Cash payments related to restructuring costs	**(0.1)**	(3.1)
Environmental and other related costs, net of cash payments	**(1.0)**	(0.9)
Other	**(5.9)**	0.3
Changes in operating assets and liabilities:		
Accounts receivable	**(13.6)**	(23.9)
Inventories	**(56.3)**	(13.6)
Other operating assets	**0.5**	8.2
Accounts payable	**(89.6)**	(65.3)
Income taxes payable	**(0.5)**	(0.9)
Other operating liabilities	**(21.3)**	(25.1)
Net cash used in operating activities	**(132.4)**	(61.3)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(7.8)**	(3.4)
Other	**(0.1)**	(0.7)
Net cash used in investing activities	**(7.9)**	(4.1)
FINANCING ACTIVITIES		
Net borrowings under revolving credit agreements and other short-term notes	**201.0**	0.3
Payments on long-term debt	**—**	(111.3)
Payments of debt issuance costs	**(0.3)**	—
Cash dividends paid	**(7.9)**	(5.8)
Purchases of common stock for treasury	**(103.1)**	(42.5)
Employee taxes paid under stock-based compensation plans	**(16.3)**	(7.9)
Proceeds from the exercise of stock options	**4.1**	8.1
Net cash provided by (used in) financing activities	**77.5**	(159.1)
Effect of foreign exchange rate changes	**0.3**	0.6
Decrease in cash and cash equivalents	**(62.5)**	(223.9)
Cash and cash equivalents at beginning of the year	**143.1**	481.0
Cash and cash equivalents at end of the quarter	**$ 80.6**	$ 257.1

See accompanying notes to consolidated condensed financial statements.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of 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
	Wolverine World Wide, Inc. Stockholders' Equity						
Balance at December 30, 2017	$ 106.4	$ 149.2	$ 992.2	$ (75.2)	$ (223.0)	$ 5.6	$ 955.2
Net earnings (loss)			46.7			(0.1)	46.6
Other comprehensive income (loss)				(0.8)		0.3	(0.5)
Shares forfeited, net of shares issued under stock incentive plans (104,227 shares)	(0.1)	(1.7)					(1.8)
Shares issued for stock options exercised, net (524,353 shares)	0.5	7.6					8.1
Stock-based compensation expense		7.9					7.9
Cash dividends declared ($0.08 per share)			(7.6)				(7.6)
Issuance of treasury shares (1,815 shares)		0.1			—		0.1
Purchase of common stock for treasury (1,509,664 shares)					(44.6)		(44.6)
Purchases of shares under employee stock plans (195,233 shares)					(6.1)		(6.1)
Change in accounting principle			8.1	(8.1)			—
Balance at March 31, 2018	$ 106.8	$ 163.1	$ 1,039.4	$ (84.1)	$ (273.7)	$ 5.8	$ 957.3
Balance at December 29, 2018	$ 107.6	$ 201.4	$ 1,169.7	$ (88.3)	$ (404.4)	$ 5.6	$ 991.6
Net earnings			**40.5**			**0.1**	**40.6**
Other comprehensive income				**2.6**		**0.2**	**2.8**
Shares issued, net of shares forfeited under stock incentive plans (9,243 shares)	**—**	**(3.8)**					**(3.8)**
Shares issued for stock options exercised, net (263,307 shares)	**0.3**	**3.8**					**4.1**
Stock-based compensation expense		**6.6**					**6.6**
Cash dividends declared ($0.10 per share)			**(9.0)**				**(9.0)**
Purchase of common stock for treasury (2,891,761 shares)					**(103.1)**		**(103.1)**
Purchases of shares under employee stock plans (356,880 shares)					**(12.5)**		**(12.5)**
Balance at March 30, 2019	**$ 107.9**	**$ 208.0**	**$ 1,201.2**	**$ (85.7)**	**$ (520.0)**	**$ 5.9**	**$ 917.3**

See accompanying notes to consolidated condensed financial statements.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements
Quarters Ended March 30, 2019 and March 31, 2018
(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; children's 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*®, *Keds*®, *Merrell*®, *Saucony*®, *Sperry*®, *Stride Rite*® and *Wolverine*®. The Company's products are marketed worldwide through owned operations and through licensing and distribution arrangements with third parties. 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*™.

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 footnotes 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 footnotes included in the Company's 2018 Form 10-K.

As described in Note 2, the Company adopted ASU 2016-02, *Leases*, at the beginning of the first quarter of fiscal 2019. Under the modified retrospective method, comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. As described in Note 16, the Company realigned certain brands into a new operating segment during the first quarter of fiscal 2019. All prior period disclosures have been restated to reflect the new reportable operating segments.

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 2019 and 2018 both 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's business is subject to seasonal influences that can cause significant differences in revenue, earnings and cash flows from quarter to quarter; however, the differences have followed a consistent pattern in recent years.

2. NEW ACCOUNTING STANDARDS

The Financial Accounting Standards Board ("FASB") issued the following Accounting Standards Update ("ASU") that the Company adopted during 2019. The following is a summary of the effect of adoption of this new standard.

Standard	Description	Effect on the Financial Statements or Other Significant Matters
ASU 2016-02, *Leases* (as amended by ASUs 2018-01, 2018-10, 2018-11, 2018-20 and 2019-01)	The core principle is that a lessee shall recognize a lease liability in its statement of financial position for the present value of all future lease payments. A lessee would also recognize a right-of-use asset representing its right to use the underlying asset for the lease term. Under a new transition method, a reporting entity will apply the new lease requirements as of the effective date and continue to report comparative periods presented in the financial statements under GAAP in effect during the comparable periods.	The Company adopted ASU 2016-02 at the beginning of the first quarter using the modified retrospective approach and elected the package of practical expedients for its existing leases. The Company recognized a lease liability of $178.1 million, which was equal to the present value of the future lease payments for its portfolio of operating leases. The Company recognized a right-of-use asset of $157.3 million, which is equal to the lease liabilities adjusted for the balance of accrued rent and unamortized lease incentives as of the effective date. The adoption of ASU 2016-02 did not have a material impact on the Company's results of operations or cash flows. See Note 8 for additional information on the adoption of this standard and disclosures regarding the Company's leases.

The FASB has issued the following ASU that has not yet been adopted by the Company. The following is a summary of the planned adoption period and anticipated impact of adopting this new standard.

Standard	Description	Planned Period of Adoption	Effect on the Financial Statements or Other Significant Matters
ASU 2016-13, *Measurement of Credit Losses on Financial Instruments* (as amended by ASU 2018-19)	Seeks to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date by replacing the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to determine credit loss estimates.	Q1 2020	The Company is evaluating the impacts of the new standard on its existing financial instruments, including trade receivables.

3. EARNINGS PER SHARE

The Company calculates earnings per share in accordance with FASB ASC Topic 260, *Earnings Per Share* ("ASC 260"). ASC 260 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting, and, therefore, need to be included in the earnings allocation in computing earnings per share under the two-class method. Under the guidance in ASC 260, the Company's unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities and must be included in the computation of earnings per share pursuant to the two-class method.

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

(In millions, except per share data)	Quarter Ended March 30, 2019	Quarter Ended March 31, 2018
Numerator:		
Net earnings attributable to Wolverine World Wide, Inc.	**$ 40.5**	$ 46.7
Adjustment for earnings allocated to non-vested restricted common stock	**(0.8)**	(0.9)
Net earnings used in calculating basic and diluted earnings per share	**39.7**	45.8
Denominator:		
Weighted average shares outstanding	**91.0**	95.7
Adjustment for non-vested restricted common stock	**(1.0)**	(2.0)
Shares used in calculating basic earnings per share	**90.0**	93.7
Effect of dilutive stock options	**1.8**	1.9
Shares used in calculating diluted earnings per share	**91.8**	95.6
Net earnings per share:		
Basic	**$ 0.44**	$ 0.49
Diluted	**$ 0.43**	$ 0.48

For the quarters ended March 30, 2019 and March 31, 2018, 33,614 and 101,321 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:

(In millions)	Quarter Ended March 30, 2019	Quarter Ended March 31, 2018
Goodwill balance at beginning of the year	$ 424.4	$ 429.8
Foreign currency translation effects	**1.5**	(0.5)
Goodwill balance at end of the quarter	**$ 425.9**	$ 429.3

The Company's indefinite-lived intangible assets, which comprise trade names and trademarks, totaled $604.5 million as of March 30, 2019 and December 29, 2018. The carrying value of the Company's *Sperry*® trade name was $518.2 million as of March 30, 2019. If the operating results for *Sperry*® were to decline in future periods compared to current projections, the Company may need to record a non-cash impairment charge.

5. ACCOUNTS RECEIVABLE

The Company has an agreement with a financial institution to sell selected trade accounts receivable on a recurring, nonrecourse basis that expires in the fourth quarter of 2019. Under the agreement, up to $150.0 million of accounts receivable may be sold to the financial institution and remain outstanding at any point in time. After the sale, the Company does not retain any interests in the accounts receivable and removes them from its consolidated condensed balance sheet but continues to service and collect the outstanding accounts receivable on behalf of the financial institution. The Company recognizes a servicing asset or servicing liability, initially measured at fair value, each time it undertakes an obligation to service the accounts receivable under the agreement. The fair value of this obligation resulted in a nominal servicing liability as of the end of the first quarter of 2018. For receivables sold under the agreement, 90% of the stated amount is paid for in cash to the Company at the time of sale, with the remainder paid to the Company at the completion of the collection process. During the third quarter of fiscal 2018, the Company discontinued selling accounts receivables under the agreement. The Company continued to service the outstanding receivables until they were collected.

The following is a summary of the stated amount of accounts receivable that was sold as well as fees charged by the financial institution.

(In millions)	Quarter Ended March 30, 2019	Quarter Ended March 31, 2018
Accounts receivable sold	**$ —**	$ 112.6
Fees charged	**—**	0.5

The fees charged are recorded in other expense. Net proceeds of this program are classified in operating activities in the consolidated condensed statements of cash flows. This program reduced the Company's accounts receivable by $71.0 million as of March 31, 2018.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue Recognition and Performance Obligations

The Company recognizes revenue in accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers*. Revenue is recognized upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration to be received in exchange for those goods or services. The Company identifies the performance obligation in the contract, determines the transaction price, allocates the transaction price to the performance obligations and recognizes revenue upon completion of the performance obligation. Revenue is recognized net of variable consideration and any taxes collected from customers, which are subsequently remitted to governmental authorities.

The Company holds agreements to license symbolic intellectual property with minimum guarantees or fixed consideration. The Company has $39.9 million of remaining fixed transaction price under its license agreements as of March 30, 2019, which it expects to recognize per the terms of its contracts over the course of time through December 2024. 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.

The Company provides disaggregated revenue by sales channel, including the wholesale and consumer-direct sales channels, reconciled to the Company's reportable operating 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.

	Quarter Ended March 30, 2019			Quarter Ended March 31, 2018		
(In millions)	Wholesale	Consumer-Direct	Total	Wholesale	Consumer-Direct	Total
Wolverine Michigan Group	**$ 272.3**	**$ 30.4**	**$ 302.7**	$ 271.5	$ 24.4	$ 295.9
Wolverine Boston Group	**175.5**	**29.3**	**204.8**	194.2	24.8	219.0
Other	**15.0**	**0.9**	**15.9**	17.8	1.4	19.2
Total	**$ 462.8**	**$ 60.6**	**$ 523.4**	$ 483.5	$ 50.6	$ 534.1

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 quarters ended March 30, 2019 and March 31, 2018, related to the Company's contract liabilities, was nominal.

The Company's contract balances are as follows:

(In millions)		**March 30, 2019**		December 29, 2018		March 31, 2018
Product returns reserve	**$**	**10.9**	$	13.6	$	13.3
Customer rebates liability		**11.3**		12.8		10.6
Customer markdowns reserve		**4.8**		4.0		6.3
Other sales incentives reserves		**2.5**		2.3		4.2
Customer advances liability		**3.5**		3.8		5.4

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 would affect net revenue and earnings in the period such variances become known.

7. DEBT

Total debt consists of the following obligations:

(In millions)		**March 30, 2019**		December 29, 2018		March 31, 2018
Term Loan A, due December 6, 2023	**$**	**200.0**	$	200.0	$	426.9
Senior Notes, 5.000% interest, due September 1, 2026		**250.0**		250.0		250.0
Borrowings under revolving credit agreements and other short-term notes		**326.0**		125.0		0.8
Capital lease obligation		**—**		0.4		0.4
Unamortized debt issuance costs		**(4.7)**		(4.9)		(5.8)
Total debt	**$**	**771.3**	$	570.5	$	672.3

On December 6, 2018, the Company amended its credit agreement (as amended, the "Credit Agreement"). The Credit Agreement includes a $200.0 million term loan facility ("Term Loan A") and an $800.0 million Revolving Credit Facility, both with maturity dates of December 6, 2023. The Credit Agreement's debt capacity is limited to an aggregate debt amount (including outstanding term loan principal and revolver commitment amounts in addition to permitted incremental debt) not to exceed $1,750.0 million, unless certain specified conditions set forth in the Credit Agreement are met. Term Loan A requires quarterly principal payments with a balloon payment due on December 6, 2023. The scheduled principal payments due over the next 12 months total $10.0 million as of March 30, 2019 and are recorded as current maturities of long-term debt on the consolidated condensed balance sheets.

The Revolving Credit Facility allows the Company to borrow up to an aggregate amount of $800.0 million, which includes a $200.0 million foreign currency subfacility under which borrowings may be made, subject to certain conditions, in Canadian dollars, British pounds, euros, Hong Kong dollars, Swedish kronor, Swiss francs and such additional currencies as are determined in accordance with the Credit Agreement. The Revolving Credit Facility also includes a $50.0 million swingline subfacility and a $50.0 million letter of credit subfacility. The Company had outstanding letters of credit under the Revolving Credit Facility of $2.3 million, $2.5 million and $2.5 million as of March 30, 2019, December 29, 2018 and March 31, 2018, respectively. These outstanding letters of credit reduce the borrowing capacity under the Revolving Credit Facility.

The interest rates applicable to amounts outstanding under Term Loan A and to U.S. dollar denominated amounts outstanding under the Revolving Credit Facility will be, 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 0.750%, 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 1.750% (all capitalized terms used in this sentence are as defined in the Credit Agreement). The Company has an interest rate swap arrangement that reduces the Company's exposure to fluctuations in interest rates on its variable rate debt. At March 30, 2019, Term Loan A and the Revolving Credit Facility had weighted-average interest rates of 3.31% and 3.78%, respectively.

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 Credit Agreement also contains 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 Credit Agreement requires compliance with the following financial covenants: a maximum Consolidated Leverage Ratio; a maximum Consolidated Secured Leverage Ratio; and a minimum Consolidated Interest Coverage Ratio (all capitalized terms used in this paragraph are as defined in the Credit Agreement). As of March 30, 2019, the Company was in compliance with all covenants and performance ratios under the Credit Agreement.

The Company has $250.0 million of senior notes outstanding that are due on September 1, 2026 (the "Senior Notes"). The Senior Notes bear interest at 5.00% with the related interest payments 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 $4.0 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 March 30, 2019 and December 29, 2018 and $0.8 million as of March 31, 2018.

Prior to fiscal 2019, the Company had a capital lease obligation. As a result of the adoption of ASU 2016-02, *Leases*, the capital lease is now classified as a financing lease and is no longer included in long term debt.

The Company included in interest expense the amortization of deferred financing costs of $0.4 million and $1.0 million for the quarters ended March 30, 2019 and March 31, 2018, respectively.

8. LEASES

The Company adopted ASU 2016-02, *Leases*, at the beginning of the first quarter of 2019 using the modified retrospective approach applied to all leases as of the date of application. The Company elected the package of practical expedients for leases existing as of the effective date under which it did not reassess whether contracts contain leases under the new definition of a lease, the lease classification or whether previously capitalized initial direct costs would qualify for capitalization under ASU 2016-02. In addition, the Company did not elect the hindsight practical expedient for considering judgments and estimates relating to its existing leases such as determining the remaining lease term.

Description of Leases

The Company's leases consist primarily of corporate offices, retail stores, distribution centers, showrooms, vehicles and office equipment. The Company leases assets in the normal course of business to meet its current and future needs while providing flexibility to its operations. The Company enters into contracts with third parties to lease specifically identified assets. Most of the Company's leases have contractually specified renewal periods. Most retail store leases have early termination clauses that the Company can elect if stipulated sales amounts are not achieved. The Company determines the lease term for each lease based on the terms of each contract and factors in renewal and early termination options if such options are reasonably certain to be exercised.

Accounting for Leases

Under FASB ASC Topic 842, *Leases*, the Company has elected the practical expedient to account for lease components and nonlease components associated with individual leases as a single lease component for all of its leases. In addition, the Company has elected to account for multiple lease components as a single lease component. The Company's leases may include variable lease costs such as payments based on changes to an index, payments based on a percentage of retail store sales, and maintenance, utilities, shared marketing or other service costs that are paid directly to the lessor under terms of the lease. The Company recognizes variable lease payments when the amounts are incurred and determinable. The Company has elected to account for leases less than one year as short-term leases and accordingly does not recognize a right-of-use asset or lease liability for these leases. The Company recognizes rent expense on a straight-line basis over the lease term.

The Company subleases certain portions of leased offices and distribution centers that exceed the Company's current operational needs. Since the Company utilizes the majority of the leased space and retains the obligation to the lessor, the underlying leases continue to be accounted for as operating leases. Sublease income is recognized on a straight-line basis over the term of the sublease, and beginning in fiscal 2019, is recognized in Other income, net on the consolidated condensed statements of operations and comprehensive income.

The Company recognizes a lease liability in current and noncurrent liabilities equal to the present value of the fixed future lease payments using an incremental borrowing rate as of the commencement date of each lease. The incremental borrowing rate is based on interest rate that the Company would normally pay to borrow on a collateralized basis over a similar term and amount equal to the lease payments. The weighted-average discount rate for operating leases as of March 30, 2019 is 5.1%. The Company also recognizes a right-of-use asset, which is equal to the lease liability as of March 30, 2019 adjusted for the remaining balance of accrued rent and unamortized lease incentives.

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

(In millions)	Quarter Ended March 30, 2019
Operating lease cost	**$ 8.0**
Variable lease cost	**3.5**
Short-term lease cost	**0.2**
Sublease income	**(1.0)**
Total lease cost	**$ 10.7**

The weighted-average remaining lease term for operating leases as of March 30, 2019 is 10.7 years. Future undiscounted cash flows for operating leases for the fiscal periods subsequent to March 30, 2019 are as follows:

(In millions)	Operating Leases
Remainder of 2019	$ 21.6
2020	29.0
2021	26.5
2022	23.9
2023	17.7
Thereafter	111.6
Total future payments	230.3
Less: imputed interest	54.4
Recognized lease liability	$ 175.9

The Company made cash payments of $9.6 million for operating lease liabilities during the quarter ended March 30, 2019. During the quarter ended March 30, 2019, the Company entered into new leases that resulted in the noncash recognition of right-of-use assets and lease liabilities of $5.1 million. In addition, the Company entered into real estate leases which will commence subsequent to March 30, 2019 with future undiscounted rental payments of $6.9 million. The Company has a financing lease with future payments of $0.4 million and a remaining term of 2.8 years.

9. DERIVATIVE FINANCIAL INSTRUMENTS

The Company follows FASB ASC Topic 815, *Derivatives and Hedging* ("ASC 815"), which requires that all derivative instruments be recorded on the consolidated condensed balance sheets at fair value by establishing criteria for designation and effectiveness of hedging relationships. The Company does not hold or issue financial instruments for trading purposes.

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 545 days, as of March 30, 2019, December 29, 2018 and March 31, 2018, 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 AOCI 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 July 13, 2020. This agreement, which exchanges floating rate 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 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. In accordance with ASC

815, the Company has formally documented the relationship between the interest rate swap and the variable rate borrowings, as well as its risk management objective and strategy for undertaking the hedge transaction. This process included linking the derivative to the specific liability or asset on the balance sheet. The Company also assessed at the hedge's inception, 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 Company has a cross currency swap to minimize the impact of exchange rate fluctuations. The hedging instrument, which, unless otherwise terminated, will mature on September 1, 2021, has been designated as a hedge of a net investment in a foreign operation. The Company will pay 2.75% on the euro-denominated notional amount and receive 5.00% on the U.S. dollar notional amount, with an exchange of principal at maturity. Changes in fair value related to movements in the foreign currency exchange spot rate are recorded in accumulated other comprehensive income (loss) ("AOCI"), offsetting the currency translation adjustment related to the underlying net investment that is also recorded in AOCI. All other changes in fair value are recorded in interest expense. In accordance with ASC 815, the Company has formally documented the relationship between the cross-currency swap and the Company's investment in its euro-denominated subsidiary, as well as its risk management objective and strategy for undertaking the hedge transaction. This process included linking the derivative to its net investment on the balance sheet. The Company also assessed at the hedge's inception, and continues to assess on an ongoing basis, whether the derivative used in the hedging transaction is highly effective in offsetting changes in expected cash flows of the hedged item.

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

(Dollars in millions)	**March 30, 2019**	December 29, 2018	March 31, 2018
Foreign exchange contracts:			
Hedge contracts	**$ 235.3**	$ 220.3	$ 198.9
Non-hedge contracts	**—**	4.8	5.5
Interest rate swaps	**162.5**	181.3	442.0
Cross currency swap	**79.8**	95.8	106.4

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

(In millions)	**March 30, 2019**	December 29, 2018	March 31, 2018
Financial assets:			
Foreign exchange contracts - hedge	**$ 7.0**	$ 8.7	$ 0.9
Interest rate swaps	**0.9**	1.6	2.3
Financial liabilities:			
Foreign exchange contracts - hedge	**$ (1.0)**	$ —	$ (3.1)
Cross currency swap	**(5.1)**	(8.2)	(19.0)

10. STOCK-BASED COMPENSATION

The Company recognized compensation expense of $6.6 million and $7.9 million and related income tax benefits of $1.3 million and $1.6 million for grants under its stock-based compensation plans for the quarters ended March 30, 2019 and March 31, 2018, 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.

During the quarter ended March 30, 2019, the Company issued 482,893 restricted awards at a weighted average grant date fair value of $34.81 per award. During the quarter ended March 31, 2018, the Company issued 502,775 restricted awards at a weighted average grant date fair value of $31.87 per award.

During the quarter ended March 30, 2019, the Company issued 329,089 performance awards at a weighted average grant date fair value of $37.65 per award. During the quarter ended March 31, 2018, the Company issued 335,315 performance awards at a weighted average grant date fair value of $31.85 per award.

11. RETIREMENT PLANS

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

(In millions)	Quarter Ended March 30, 2019	Quarter Ended March 31, 2018
Service cost pertaining to benefits earned during the period	**$ 1.4**	$ 1.6
Interest cost on projected benefit obligations	**3.8**	4.1
Expected return on pension assets	**(4.4)**	(5.0)
Net amortization loss	**0.6**	0.8
Net pension expense	**$ 1.4**	$ 1.5

The non-service cost components of net pension expense is recorded in the Other income, net line item on the consolidated condensed statements of operations and comprehensive income. The Company made contributions to its pension plans of $0.3 million for the quarter ended March 31, 2018.

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 quarters ended March 30, 2019 and March 31, 2018 were 13.2% and 15.1%, respectively. The lower effective tax rate in the current year period reflects the positive net impact from discrete items.

The Company is subject to periodic audits by domestic and foreign tax authorities. Currently, the Company is undergoing routine periodic audits in both domestic and foreign 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 2014 in the majority of tax jurisdictions.

13. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

AOCI 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 March 30, 2019 and March 31, 2018 is as follows:

(In millions)	Foreign currency translation adjustments	Derivatives	Pension adjustments	Total
Balance of AOCI as of December 30, 2017	$ (32.7)	$ (13.9)	$ (28.6)	$ (75.2)
Other comprehensive income (loss) before reclassifications [1]	(0.2)	(3.2)	—	(3.4)
Amounts reclassified from AOCI	—	2.7 [2]	0.8 [3]	3.5
Income tax expense (benefit)	—	(0.8)	(0.1)	(0.9)
Net reclassifications	—	1.9	0.7	2.6
Net current-period other comprehensive income (loss) [1]	(0.2)	(1.3)	0.7	(0.8)
Reclassifications to retained earnings [4]	$ —	$ (2.1)	$ (6.0)	$ (8.1)
Balance of AOCI as of March 31, 2018	$ (32.9)	$ (17.3)	$ (33.9)	$ (84.1)
Balance of AOCI as of December 29, 2018	$ (53.0)	$ 0.9	$ (36.2)	$ (88.3)
Other comprehensive income (loss) before reclassifications [1]	**2.4**	**1.3**	**—**	**3.7**
Amounts reclassified from AOCI	**—**	**(1.8)** [2]	**0.6** [3]	**(1.2)**
Income tax expense (benefit)	**—**	**0.2**	**(0.1)**	**0.1**
Net reclassifications	**—**	**(1.6)**	**0.5**	**(1.1)**
Net current-period other comprehensive income (loss) [1]	**2.4**	**(0.3)**	**0.5**	**2.6**
Balance of AOCI as of March 30, 2019	**$ (50.6)**	**$ 0.6**	**$ (35.7)**	**$ (85.7)**

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

(2) Amounts related to foreign currency derivatives are included in cost of goods sold. Amounts related to interest rate swaps and the cross-currency swap are included in interest expense.

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

(4) Amounts reclassified to retained earnings upon adoption of ASU 2017-12, *Targeted Improvements to Accounting for Hedging Activities* and ASU 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*.

14. FAIR VALUE MEASUREMENTS

The Company follows FASB ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), which provides a consistent definition of fair value, focuses on exit price, prioritizes the use of market-based inputs over entity-specific inputs for measuring fair value and establishes a three-tier hierarchy for fair value measurements. ASC 820 requires fair value measurements to be classified and disclosed in one of the following three categories:

Level 1: Fair value is measured using quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Fair value is measured using either direct or indirect inputs, other than quoted prices included within Level 1, which are observable for similar assets or liabilities.

Level 3: Fair value is measured using valuation techniques in which one or more significant inputs are unobservable.

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)	**March 30, 2019**	December 29, 2018	March 31, 2018
Financial assets:			
Derivatives	**$ 7.9**	$ 10.3	$ 3.2
Financial liabilities:			
Derivatives	**$ (6.1)**	$ (8.2)	$ (22.1)

The fair value of foreign currency forward exchange contracts represents the estimated receipts or payments necessary to terminate the contracts. The interest rate swaps are valued based on the current forward rates of the future cash flows. The fair value of the cross-currency swap is determined using the current forward rates and changes in the spot rate.

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, excluding capital leases, are as follows:

(In millions)	**March 30, 2019**	December 29, 2018	March 31, 2018
Carrying value	**$ 771.3**	$ 570.1	$ 671.9
Fair value	**782.2**	566.8	681.4

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 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™.

The United States Centers for Disease Control and Prevention has concluded that studies of the health effects of PFOA and PFOS are “inconsistent and inconclusive,” but 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. Lifetime health advisories, while not enforceable, serve as guidance and are benchmarks for determining if concentrations of chemicals in tap water from public utilities are safe for public consumption. In January 2018, the Michigan Department of Environmental Quality (“MDEQ”) 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.

The Company has been served with two regulatory actions including a civil action filed by the MDEQ under the federal Resource Conservation and Recovery Act of 1976 (“RCRA”), Part 201 of the Michigan Natural Resources and Environmental Protection Act (“NREPA”) and Part 31 of NREPA, and a Unilateral Administrative Order issued by the EPA under the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”) Section 106. The Company has also been served with individual lawsuits and three putative class action lawsuits.

Regulatory and Civil Actions of EPA and MDEQ

On January 10, 2018, the MDEQ filed a civil action against the Company under the federal RCRA and Parts 201 and 31 of 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 contributed to the disposal of solid wastes that was done in a way that resulted in releases of PFAS at levels that resulted in detections exceeding applicable Michigan cleanup criteria for PFOA and PFOS (the "MDEQ Action"). Plainfield and Algoma Townships have intervened in the MDEQ Action alleging claims under RCRA, CERCLA, Part 201 of NREPA, and common law nuisance.

The MDEQ Action seeks to require the Company to investigate the location and extent of PFAS in the environment, develop and implement plans for the continued sampling and analysis of impacts to drinking water wells from PFAS released or disposed of by the Company, and provide alternative drinking water supplies to homes impacted by PFAS for which the Company is allegedly responsible. The MDEQ Action further seeks to require the Company to connect users of drinking water wells to municipal drinking water supplies to address allegedly unacceptable risks posed by a release or threat of release of PFAS attributable to the Company. On December 19, 2018, the Company filed a third-party complaint against the 3M Company seeking, among other things, recovery of the Company's remediation and other costs incurred in defense of the MDEQ Action.

The Company is working with the MDEQ to analyze the Tannery property, House Street site and other relevant disposal sites, test nearby residential drinking water wells and coordinate communications to impacted homeowners. The Company's current remediation efforts have included, among other items, providing alternate drinking water to impacted homes, including bottled water and water filtration systems, sampling residential wells, installing and sampling monitoring wells and collecting and analyzing soil and sediment samples. The Company continues to collect and analyze this data on a continuing basis with the MDEQ and EPA.

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). The effective date of the Order was February 1, 2018. The Order pertains to the Company's Tannery and House Street sites and directs the Company to conduct specified removal actions to abate actual or threatened releases of hazardous substances at or from the sites. On February 1, 2018, the Company filed its Notice of Intent to Comply with the EPA Order, which outlined the Company's position on certain aspects of the proposed Order. In its response, the Company has agreed to comply with the terms of the Order, but has identified inaccuracies and shortcomings in the Order that challenge the legal basis for the Order. Pursuant to the Order, in May and June of 2018, the Company submitted to the EPA its final removal work plans for performing the removal actions at the Tannery and House Street sites. The Company has also provided the EPA with other submittals required by the Order, including a Sampling and Analysis Plan, Health and Safety Plan, Quality Assurance Project Plan, monthly progress reports and other technical reports.

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

Individual and Class Action Litigation

Individual lawsuits and three putative class action lawsuits have been filed against the Company that raise a variety of claims, including claims related to property, remediation, and human health effects. In addition, the current owner of a former landfill and gravel mining operation has sued the Company seeking damages and cost recovery for property damage allegedly caused by the Company's disposal of tannery waste containing PFAS (collectively with the individual lawsuits and putative class actions, the "Litigation Matters"). Assessing potential liability with respect to the Litigation Matters at this time, however, is difficult. The Litigation Matters are in various stages of discovery and preliminary motions. In addition, there is minimal direct and relevant precedent for these types of claims related to PFAS, and the science regarding the human health effects of PFAS exposure in the environment remains inconclusive and inconsistent, thereby creating additional uncertainties. Due to these factors, combined with the complexities and uncertainties of litigation, the Company is unable to conclude that adverse verdicts resulting from the Litigation Matters are probable, and therefore no amounts are currently reserved for these claims. The Company intends to continue to vigorously defend itself against these claims.

In addition, in December 2018 the Company filed a lawsuit against certain of its historic liability insurers, seeking their participation in Wolverine's defense and remediation efforts.

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 and intellectual property. 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 and liabilities that have been 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 an environmental remediation reserve established by the Company:

(In millions)	Quarter Ended March 30, 2019	Quarter Ended March 31, 2018
Remediation liability at beginning of the year	**$ 22.6**	$ 31.1
Changes in estimate	**—**	0.9
Amounts paid	**(2.3)**	(2.8)
Remediation liability at the end of the quarter	**$ 20.3**	$ 29.2

The reserve balance as of March 30, 2019 comprises $9.2 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 $11.1 million expected to be paid over the course of up to 28 years, recorded in other liabilities.

The Company establishes a reserve for estimated environmental remediation costs based upon the evaluation of currently-available facts with respect to each individual site. The liabilities are recognized on an undiscounted basis when they are probable and reasonably estimable, generally no later than the completion of feasibility studies or the Company's commitment to a plan of action. Liabilities for estimated costs of environmental remediation are based primarily upon third-party environmental studies, other internal analysis and the extent of the contamination and the nature of required remedial actions at each site. No estimated recoveries from legacy insurance policies or other responsible parties are included in the reserve.

The Company's remediation activity at the Tannery property, House Street site and other relevant disposal sites 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. 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

Minimum future royalty and advertising obligations for the fiscal periods subsequent to March 30, 2019 under the terms of certain licenses held by the Company are as follows:

(In millions)	2019	2020	2021	2022	2023	Thereafter
Minimum royalties	$ 1.0	$ 1.5	$ 1.7	$ 1.8	$ —	$ —
Minimum advertising	2.7	3.2	3.3	3.4	3.5	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 $0.5 million for the quarters ended March 30, 2019 and March 31, 2018, 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 $0.4 million and $0.8 million for the quarters ended March 30, 2019 and March 31, 2018, respectively.

16. BUSINESS SEGMENTS

The Company's portfolio of brands is organized into the following two operating segments, which the Company has determined to be reportable operating segments. During the first quarter of 2019, the brands that were formerly aligned with the Wolverine Outdoor & Lifestyle Group and Wolverine Heritage Group were realigned into a new operating segment, the Wolverine Michigan Group. The change was to align our brands under key leadership to best support innovation and efficiency. All prior-period disclosures have been restated to reflect these new reportable operating segments.

- **Wolverine Michigan Group**, consisting of *Merrell*® footwear and apparel, *Cat*® footwear, *Wolverine*® footwear and apparel, *Chaco*® footwear, *Hush Puppies*® footwear and apparel, *Bates*® uniform footwear, *Harley-Davidson*® footwear and *HyTest*® safety footwear; and
- **Wolverine Boston Group**, consisting of *Sperry*® footwear and apparel, *Saucony*® footwear and apparel, *Keds*® footwear and apparel, and the Kids footwear business, which includes the *Stride Rite*® licensed business, as well as kids' footwear offerings from *Saucony*®, *Sperry*®, *Keds*®, *Merrell*®, *Hush Puppies*® and *Cat*®.

The reportable segments are engaged in designing, manufacturing, sourcing, marketing, licensing and distributing branded footwear, apparel and accessories. Revenue for the reportable operating 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 consumer-direct businesses.

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 and multi-branded consumer-direct retail stores. The Corporate category consists of unallocated corporate expenses, such as environmental and other related costs. The Company's operating segments are determined based on how the Company internally reports and evaluates financial information used to make operating decisions. The operating segment managers all report directly to the chief operating decision maker.

Company management uses various financial measures to evaluate the performance of the reportable operating segments. The following is a summary of certain key financial measures for each reportable operating segment.

	Quarter Ended	
(In millions)	**March 30, 2019**	March 31, 2018
Revenue:		
Wolverine Michigan Group	**$ 302.7**	$ 295.9
Wolverine Boston Group	**204.8**	219.0
Other	**15.9**	19.2
Total	**$ 523.4**	$ 534.1
Operating profit (loss):		
Wolverine Michigan Group	**$ 58.5**	$ 65.3
Wolverine Boston Group	**32.0**	36.8
Other	**0.8**	0.9
Corporate	**(38.9)**	(41.5)
Total	**$ 52.4**	$ 61.5

(In millions)	**March 30, 2019**	December 29, 2018	March 31, 2018
Total assets:			
Wolverine Michigan Group	**$ 775.0**	$ 626.8	$ 591.0
Wolverine Boston Group	**1,365.0**	1,282.2	1,235.8
Other	**48.5**	50.0	42.5
Corporate	**162.8**	224.1	334.7
Total	**$ 2,351.3**	$ 2,183.1	$ 2,204.0
Goodwill:			
Wolverine Michigan Group	**$ 144.3**	$ 143.8	$ 146.1
Wolverine Boston Group	**281.6**	280.6	283.2
Total	**$ 425.9**	$ 424.4	$ 429.3

17. SUBSEQUENT EVENTS

On April 30, 2019, the Company acquired Sportlab S.R.L., which is a current distributor of Saucony® footwear in Italy. In addition to $11.7 million paid on April 30, 2019, the Company will make additional payments for trade receivables and an earnout provision. The earnout provision will be calculated on the extent by which a specified revenue target is missed or exceeded during fiscal 2019. Due to the close proximity of the closing date of the transaction to the Form 10-Q filing, the Company is unable to provide the initial accounting impacts of the acquisition at this time.

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 vision statement is "***to build a family of the most admired performance and lifestyle brands on earth***." 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 consumer-direct footprint; and delivering supply chain excellence.

The Company's brands are marketed in approximately 200 countries and territories, 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. As of March 30, 2019, the Company operated 80 retail stores in the United States and Canada and 40 consumer-direct websites.

2019 FINANCIAL OVERVIEW

- Revenue was $523.4 million for the first quarter of 2019, representing a decline of 2.0%, or $10.7 million, compared to the first quarter of 2018. The Boston Group's revenue declined 6.5%, which was partially offset by a 2.3% revenue increase from the Michigan Group. The Boston Group's revenue decrease was driven by lower wholesale demand for *Saucony*® and lower boat shoe demand for *Sperry*®. The Michigan Group's revenue increase was driven by continued strength in the Work category, which positively impacted 2019 first-quarter results for *Cat*®, *Wolverine*® and *HyTest*®. Changes in foreign exchange rates decreased revenues by $5.8 million during the first quarter of 2019.
- Gross margins in the first quarters of 2019 and 2018 were 42.1% and 42.7%, respectively. The current-year decline was due to customer bankruptcies impacting royalties paid and business model changes for certain international wholesale customers.
- The effective tax rates in the first quarters of 2019 and 2018 were 13.2% and 15.1%, respectively. The lower effective tax rate in 2019 reflects the positive net impact of discrete items.
- Diluted earnings per share for the first quarters of 2019 and 2018 were $0.43 per share and $0.48 per share, respectively.
- Compared to the first quarter of 2018, inventory increased $83.5 million, or 28.7%. This was due to lower than anticipated revenue for certain brands, as well as incremental purchases to facilitate growth during the remainder of 2019.
- The Company repurchased $103.1 million of shares during the first quarter of 2019 at an average price of $35.65 per share.
- The Company declared cash dividends of $0.10 per share and $0.08 per share in the first quarters of 2019 and 2018, respectively.

RESULTS OF OPERATIONS

(In millions, except per share data)	Quarter Ended March 30, 2019	Quarter Ended March 31, 2018	Percent Change
Revenue	**$ 523.4**	$ 534.1	(2.0)%
Cost of goods sold	**303.2**	306.2	(1.0)
Gross profit	**220.2**	227.9	(3.4)
Selling, general and administrative expenses	**164.0**	163.7	0.2
Environmental and other related costs	**3.8**	2.7	40.7
Operating profit	**52.4**	61.5	(14.8)
Interest expense, net	**6.9**	7.2	(4.2)
Other income, net	**(1.3)**	(0.6)	(116.7)
Earnings before income taxes	**46.8**	54.9	(14.8)
Income tax expense	**6.2**	8.3	(25.3)
Net earnings	**40.6**	46.6	(12.9)
Less: net earnings (loss) attributable to noncontrolling interests	**0.1**	(0.1)	200.0
Net earnings attributable to Wolverine World Wide, Inc.	**$ 40.5**	$ 46.7	(13.3)%
Diluted earnings per share	**$ 0.43**	$ 0.48	(10.4)%

REVENUE

Revenue was $523.4 million for the first quarter of 2019, representing a decline of 2.0%, or $10.7 million, compared to the first quarter of 2018. The Boston Group's revenue declined 6.5%, which was partially offset by a 2.3% revenue increase from the Michigan Group. The Boston Group's revenue decrease was driven by lower wholesale demand for *Saucony*® and lower boat shoe demand for *Sperry*®. The Michigan Group's revenue increase was driven by continued strength in the Work category, which positively impacted 2019 first-quarter results for *Cat*®, *Wolverine*® and *HyTest*®. Changes in foreign exchange rates decreased revenues by $5.8 million during the first quarter of 2019.

GROSS MARGIN

Gross margin was 42.1% in the first quarter of 2019 compared to 42.7% in the first quarter of 2018. The current-year decline was due to product mix, business model changes for certain international wholesale customers and customer bankruptcies impacting royalties paid.

OPERATING EXPENSES

Operating expenses increased by $1.4 million, from $166.4 million in the first quarter of 2018 to $167.8 million in the first quarter of 2019. The change was driven by higher distribution costs ($2.2 million), higher product development costs ($0.9 million) and higher environmental and other related costs ($1.1 million), partially offset by lower general and administrative costs ($3.0 million).

INTEREST, OTHER AND INCOME TAXES

Net interest expense was $6.9 million in the first quarter of 2019 compared to $7.2 million in the first quarter of 2018. The decrease was driven by more favorable interest rates as a result of the debt refinancing during the fourth quarter of 2018, partially offset by higher interest expense resulting from the Company making draws on its Revolving Credit Facility, which largely occurred in the second half of the first quarter of 2019.

Other income was $1.3 million in the first quarter of 2019 compared to $0.6 million in the first quarter of 2018. The change was driven by the absence of fees in 2019 associated with accounts receivable factoring ($0.5 million in 2018) and the inclusion of sublease income in 2019 ($1.0 million) due to the implementation of ASU 2016-02 during the first quarter of fiscal 2019, which, in prior periods, is included in operating costs. The increase in other income was partially offset by lower transaction services fee income ($0.9 million) related to a service agreement between the Company and a third party.

The effective tax rates in the first quarters of 2019 and 2018 were 13.2% and 15.1%, respectively. The lower effective tax rate in 2019 reflects the positive net impact of discrete items.

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REPORTABLE OPERATING SEGMENTS

The Company's portfolio of brands is organized into the following two operating segments, which the Company has determined to be reportable operating segments. During the first quarter of 2019, the brands that were formerly aligned with the Wolverine Outdoor & Lifestyle Group and Wolverine Heritage Group were realigned into a new operating segment, the Wolverine Michigan Group. The change was to align our brands under key leadership to best support innovation and efficiency. All prior period disclosures have been restated to reflect these new reportable operating segments.

- **Wolverine Michigan Group**, consisting of *Merrell*® footwear and apparel, *Cat*® footwear, *Wolverine*® footwear and apparel, *Chaco*® footwear, *Hush Puppies*® footwear and apparel, *Bates*® uniform footwear, *Harley-Davidson*® footwear and *HyTest*® safety footwear; and
- **Wolverine Boston Group**, consisting of *Sperry*® footwear and apparel, *Saucony*® footwear and apparel, *Keds*® footwear and apparel, and the Kids footwear business, which includes the *Stride Rite*® licensed business, as well as kids' footwear offerings from *Saucony*®, *Sperry*®, *Keds*®, *Merrell*®, *Hush Puppies*® and *Cat*®.

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 and multi-branded consumer-direct retail stores. The Corporate category consists of unallocated corporate expenses, such as environmental and other related costs.

The reportable operating segment results are as follows:

	Quarter Ended			
(In millions)	**March 30, 2019**	March 31, 2018	Change	Percent Change
REVENUE				
Wolverine Michigan Group	**$ 302.7**	$ 295.9	$ 6.8	2.3 %
Wolverine Boston Group	**204.8**	219.0	(14.2)	(6.5)
Other	**15.9**	19.2	(3.3)	(17.2)
Total	**$ 523.4**	$ 534.1	$ (10.7)	(2.0)%

	Quarter Ended			
(In millions)	**March 30, 2019**	March 31, 2018	Change	Percent Change
OPERATING PROFIT (LOSS)				
Wolverine Michigan Group	**$ 58.5**	$ 65.3	$ (6.8)	(10.4)%
Wolverine Boston Group	**32.0**	36.8	(4.8)	(13.0)
Other	**0.8**	0.9	(0.1)	(11.1)
Corporate	**(38.9)**	(41.5)	2.6	6.3
Total	**$ 52.4**	$ 61.5	$ (9.1)	(14.8)%

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

Wolverine Michigan Group

The Michigan Group's revenue increased $6.8 million, or 2.3%, in the first quarter of 2019 compared to the first quarter of 2018. The change in revenue included growth of over 30% from *Cat*®, high-single digit growth from *Wolverine*® and mid-teens growth from *Hy-Test*®, partially offset by a mid-teens decline from *Hush Puppies*®, a high-single digit decline from *Chaco*® and a low-single digit decline from *Merrell*®. The *Wolverine*® increase is due to continued strength in the Work category. The *Cat*® increase is due to strength in the Work category and business model changes in certain international markets. The decline from *Merrell*® is due to a key European customer converting to private label. The *Chaco*® decline is due to lower at-once orders, late deliveries of Spring product and lower close-out revenue.

The Michigan Group's operating profit decreased $6.8 million, or 10.4%, in the first quarter of 2019 compared to the first quarter of 2018. The change was due to a 150-basis-point decline in gross margin and a $5.3 million increase in selling, general and administrative costs. The gross margin decline was driven by the bankruptcy of an international distributor and business model changes. The selling, general and administrative costs increase was due to increased advertising and product development costs.

Wolverine Boston Group

The Boston Group's revenue decreased $14.2 million, or 6.5%, in the first quarter of 2019 compared to the first quarter of 2018. The change in revenue included a low-teens decline from *Sperry*® and a high-teens decline from *Saucony*®, partially offset by an increase of over 20% from *Keds*® and a low-single digit increase in the Kids footwear business. The *Sperry*® decline was due to a 30% decline in the Boat Shoe category. The *Saucony*® decline was due to lower demand for products in the U.S. wholesale channel and certain international third-party markets. The revenue decline for the Boston Group was partially offset by growth in eCommerce, which saw strength across all Boston Group brands and resulted in growth of over 29%.

The Boston Group's operating profit decreased $4.8 million, or 13.0%, in the first quarter of 2019 compared to the first quarter of 2018 due to the revenue decline.

Other

The Other category's revenue decreased $3.3 million, or 17.2%, in the first quarter of 2019 compared to the first quarter of 2018. The change reflected a high-single digit decline within the performance leathers business and a low-forties percentage decline from third-party sourcing commission revenue.

LIQUIDITY AND CAPITAL RESOURCES

(In millions)	**March 30, 2019**	December 29, 2018	March 31, 2018
Cash and cash equivalents	**$ 80.6**	$ 143.1	$ 257.1
Debt [(1)]	**771.3**	570.5	672.3
Available revolving credit facility [(2)]	**471.7**	672.5	597.5

(1) Prior to 2019, Debt includes capital lease obligations.

(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.

	Quarter Ended	
(In millions)	**March 30, 2019**	March 31, 2018
Net cash used in operating activities	**$ (132.4)**	$ (61.3)
Net cash used in investing activities	**(7.9)**	(4.1)
Net cash provided by (used in) financing activities	**77.5**	(159.1)
Additions to property, plant and equipment	**7.8**	3.4
Depreciation and amortization	**7.2**	7.8

Liquidity

Cash and cash equivalents of $80.6 million as of March 30, 2019 were $176.5 million lower compared to March 31, 2018. The decrease is due primarily to share repurchases of $235.3 million and voluntary contributions to the Company's pension plans of $60.4 million, partially offset by net borrowings under the Credit Agreement of $99.1 million and cash provided by operating activities during the previous four quarters of $26.4 million. The Company had $471.7 million of borrowing capacity available under the Revolving Credit Facility as of March 30, 2019. Cash and cash equivalents located in foreign jurisdictions totaled $79.7 million as of March 30, 2019.

Cash flow from operating activities and borrowings on the Revolving Credit Facility are 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, repurchase the Company's common stock and pursue acquisitions.

A detailed discussion of environmental remediation costs is found in Note 15 to the condensed consolidated 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 March 30, 2019, the Company has a reserve of $20.3 million, of which $9.2 million is expected to be paid in the next 12 months and is recorded as a current obligation in other accrued liabilities with the remaining $11.1 million recorded in other liabilities expected to be paid over the course of up to 28 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. 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.

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 quarter of 2019, an increase in net working capital represented a use of cash of $180.8 million. Working capital balances were unfavorably impacted by a decrease in accounts payable of $89.6 million, an increase in inventories of $56.3 million, a decrease in other operating liabilities of $21.3 million and an increase in accounts receivable of $13.6 million. These changes in working capital balances reflect the seasonality of the Company's business and timing of payments.

Investing Activities

The Company made capital expenditures of $7.8 million and $3.4 million in the first quarter of 2019 and 2018, respectively, driven by building improvements and information system enhancements.

Financing Activities

As of March 30, 2019, the Company was in compliance with all covenants and performance ratios under the Credit Agreement.

The Company's debt at March 30, 2019 totaled $771.3 million compared to $570.5 million at December 29, 2018. The increase was due to funding stock repurchases and increases in working capital requirements.

The Company repurchased $103.1 million and $42.5 million of shares in the first quarter of 2019 and 2018, respectively. The Company may purchase up to an additional $324.5 million of shares under its existing common stock repurchase program that expires in 2020. The Company also paid $16.3 million in the first quarter of 2019 in connection with employee taxes related to stock incentive plans.

The Company declared a cash dividend of $0.10 per share and $0.08 per share, or $9.0 million and $7.6 million, for the first quarter of 2019 and 2018, respectively. A quarterly dividend of $0.10 per share was declared on May 2, 2019 to shareholders of record on July 1, 2019.

CRITICAL ACCOUNTING POLICIES

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 in its Management Discussion and Analysis of Financial Conditions and Results of Operations in its 2018 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 FASB ASC 815, 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 AOCI until the hedged item is recognized in earnings.

The Company conducts wholesale operations outside of the U.S. in Canada, continental Europe, United Kingdom, Colombia, Hong Kong, China and Mexico where the functional currencies are primarily the Canadian dollar, euro, British pound, Colombian peso, 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 March 30, 2019, and March 31, 2018, the Company had outstanding forward currency exchange contracts to purchase primarily U.S. dollars in the amounts of $235.3 million and $198.9 million, respectively, with maturities ranging up to 531 and 545 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. The Company has a cross currency swap, which has been designated as a hedge of a net investment in a foreign operation. As of March 30, 2019, the hedge had a notional amount of $79.8 million and will mature on September 1, 2021. At March 30, 2019, a weaker U.S. dollar compared to certain foreign currencies increased the value of these investments in net assets by $2.4 million from their value as of December 29, 2018. As of March 31, 2018, a stronger U.S. dollar compared to certain foreign currencies decreased the value of these investments in net assets by $0.2 million from their value at December 30, 2017.

The Company is exposed to interest rate changes primarily as a result of interest expense on borrowings used to finance acquisitions and working capital requirements. As of March 30, 2019, the Company’s total variable-rate debt was $526.0 million and the Company held one interest rate swap agreement, denominated in U.S. dollars, that effectively converted $162.5 million 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 March 30, 2019 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. Risk Factors

There have been no material changes in the assessment of the Company’s risk factors from those set forth in its 2018 Form 10-K.

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 first quarter of 2019.

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 1 (December 30, 2018 to February 2, 2019)				
Common Stock Repurchase Program[(1)]	—	$ —	—	$ 27,617,711
Employee Transactions[(2)]	6,003	$ 33.75	—	
Period 2 (February 3, 2019 to March 2, 2019)				
Common Stock Repurchase Program[(1)]	945,456	$ 36.02	945,456	$ 393,558,732
Employee Transactions[(2)]	458,700	$ 35.02	—	
Period 3 (March 3, 2019 to March 30, 2019)				
Common Stock Repurchase Program[(1)]	1,946,305	$ 35.48	1,946,305	$ 324,512,903
Employee Transactions[(2)]	—	$ —	—	
Total for Quarter Ended March 30, 2019				
Common Stock Repurchase Program[(1)]	2,891,761	$ 35.65	2,891,761	$ 324,512,903
Employee Transactions[(2)]	464,703	$ 35.00	—	

(1) The Company’s Board of Directors approved a common stock repurchase program on August 8, 2016 that authorizes the repurchase of up to $300.0 million in common stock over a four-year period. On February 11, 2019, the Company’s Board of Directors approved a common stock repurchase program that authorizes the repurchase of an additional $400.0 million of common stock over a four-year period incremental to the $27.6 million remaining under the previous repurchase program. The annual amount of any stock repurchases is restricted under the terms of the Company's Credit Agreement and senior notes indenture.

(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 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 May 8, 2019.
10.1	2019 Form of Restricted Stock Unit Agreement.*
10.2	Form of Performance Stock Unit Award Agreement (2019 - 2021 performance period).*
31.1	Certification of Chairman, 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.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

* Management contract or compensatory plan or arrangement.

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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.

May 9, 2019	/s/ Blake W. Krueger
Date	Blake W. Krueger Chairman, Chief Executive Officer and President (Principal Executive Officer and Duly Authorized Signatory for Registrant)
May 9, 2019	/s/ Michael D. Stornant
Date	Michael D. Stornant Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer and Duly Authorized Signatory for Registrant)

Exhibit 10.1

Restricted Stock Unit Agreement #

RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (the "**Agreement**") is made as of the award date set forth in the grant (the "**Grant Date**"), between WOLVERINE WORLD WIDE, INC., a Delaware corporation ("**Wolverine**"), and the employee identified in the grant ("**Employee**").

The Wolverine World Wide, Inc. Stock Incentive Plan of 2016, as amended and restated and as it may be further amended from time to time (the "**Plan**") is administered by the Compensation Committee of Wolverine's Board of Directors (the "**Committee**"). The Committee has determined that Employee is eligible to participate in the Plan and has awarded restricted stock units to Employee, subject to the terms and conditions contained in this Agreement and in the Plan.

The Committee has awarded to Employee restricted stock units of Wolverine subject to the terms, conditions and restrictions contained in this Agreement and in the Plan (the "**Restricted Stock Unit Award**"). Employee acknowledges receipt of a copy of the Plan and accepts this restricted stock unit award subject to all of the terms, conditions, and provisions of this Agreement and the Plan.

1. Award. Wolverine hereby awards to Employee the Restricted Stock Unit Award consisting of the number of restricted stock units as set in the grant (the "**Restricted Stock Units**"), which shall be eligible to vest in in accordance with the terms of this Agreement and the Plan. Each Restricted Stock Unit shall represent the conditional right to receive, without payment but subject to the terms, conditions and limitations set forth in this Agreement and in the Plan, on the applicable vesting date one share of common stock of the Company ("**Common Stock**") or, at the option of the Committee, a cash payment in an amount equal to the Fair Market Value (as defined in the Plan) of a share of Common Stock on the date of vesting multiplied by the number of shares of Common Stock that vest hereunder, subject to any applicable withholdings required by applicable laws.

2. Transferability. Until the Restricted Stock Units vest as set forth in this Agreement, the Plan provides that Restricted Stock Units are generally not transferable by Employee except by will or according to the laws of descent and distribution, and further provides that all rights with respect to the Restricted Stock Units are exercisable during Employee's lifetime only by Employee, Employee's guardian, or legal representative.

3. Vesting. ***Except as otherwise provided in this Agreement, the Restricted Stock Units shall vest as follows: twenty percent (20%) at the end of the first, twenty percent (20%) at the end of the second, thirty percent (30%) at the end of the third, and thirty (30%) at the end of the fourth year anniversary of the Grant Date, respectively.***

4. Termination of Employment Status.

(a) If Employee's employment with Wolverine or any of its Subsidiaries is terminated prior to the date on which the Restricted Stock Units vest hereunder, any then unvested Restricted Stock Units shall be automatically forfeited with no consideration due to Employee.

(b) Notwithstanding the above, if Employee's employment with Wolverine or its Subsidiaries terminates due to Employee's (a) death; (b) Disability; or (c) Retirement, any then unvested Restricted Stock Units will immediately vest in full.

(c) Upon a Change in Control, unvested Restricted Stock Units will vest, if at all, in accordance with Section 13(b)(ii) of the Plan. Employee's rights under this sub-Section (c) are in addition to any other rights Employee has under this Section 4.

(d) If, in connection with a Change in Control, the Restricted Stock Units are not assumed or continued, or a new award is not substituted for the Restricted Stock Units by the acquirer or survivor (or an affiliate of the acquirer or survivor) in accordance with the provisions of Section 13(b) of the Plan, the Restricted Stock Units will automatically vest in full upon the occurrence of such Change in Control.

5. Settlement. On or within sixty (60) days following the vesting date of the Restricted Stock Units, Wolverine will deliver shares of Common Stock and/or pay cash, as applicable, in respect of such vested Restricted Stock Units, unless such payment or delivery is deferred in a manner consistent with Section 409A of the Code.

6. Employment by Wolverine. The Agreement and the Restricted Stock Unit Award under this Agreement shall not impose upon Wolverine or any Subsidiary any obligation to retain Employee in its employ for any given period or upon any specific terms of employment. Wolverine or any Subsidiary may at any time dismiss Employee from employment, free from any liability or claim under the Plan or this Agreement, unless otherwise expressly provided in any written agreement with Employee. By accepting this Award, Employee reaffirms the obligations of any Employee Confidentiality, Intellectual Property Protection, and Restrictive Covenant Agreement or similar agreement, previously entered into between Wolverine and Employee.

7. Stockholder Rights. Employee (or Employee's permitted transferees) shall not have any voting and liquidation rights with respect to the Restricted Stock Units or the underlying Common Stock represented thereby unless and until shares of Common Stock are actually issued to Employee upon vesting of the Restricted Stock Units, in accordance with the terms of this Agreement. Employee shall be paid a dividend equivalent ("**Dividend Equivalent**") in the form of cash, with respect to any cash dividend, and additional Restricted Stock Units, with respect to any stock dividend, as of each dividend payment date, if any, prior to the vesting of the Restricted Stock Award (or portion thereof), on which dividends are paid on Common Stock underlying outstanding Restricted Stock Units. Such Dividend Equivalent shall be computed by multiplying the amount of the cash dividend or the amount of the stock dividend, as applicable, declared and paid per share of Common Stock by the number of Restricted Stock Units held by Employee on the record date for the payment of such dividend. Any stock dividends declared on the Common Stock underlying the Restricted Stock Units prior to vesting of the award (or any portion of the award) will be credited by the Company for Employee's account and will be paid, if at all, to Employee on the applicable vesting date with respect to the applicable Restricted Stock Units to which such dividends relate. Any cash Dividend Equivalent will be paid within seven days of the payment date of such cash dividend, and, for the avoidance of doubt, will be paid on unvested Restricted Stock Units. Upon vesting of the Restricted Stock Units and issuance to Employee of underlying shares of Common Stock, if applicable, Employee shall have all stockholder rights, including the right to transfer the underlying shares of Common Stock, subject to such conditions as Wolverine may reasonably specify to ensure compliance with applicable federal, provincial and state securities laws.

8. Withholding. Wolverine or one of its subsidiaries shall be entitled to (a) withhold and deduct from Employee's future wages (or from other amounts that may be due and owing to Employee from Wolverine or a Subsidiary), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any and all applicable federal, state and local withholding and employment-related tax requirements attributable to the Restricted Stock Units award under this Agreement, including, without limitation, the award, vesting, or settlement of Restricted Stock Units and any Dividend Equivalents; or (b) require Employee promptly to remit the amount of such withholding to Wolverine or a Subsidiary before taking any action with respect to the Restricted Stock Units. Unless the Committee provides otherwise, withholding may be satisfied by withholding shares of Common Stock to be received by Employee pursuant to this Agreement or by delivery to Wolverine or a Subsidiary of previously owned Common Stock of Wolverine.

9. Section 409A of the Code.

(a) If Employee is deemed on the date of his or her termination of employment to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B), then, with regard to any payment that is considered nonqualified deferred compensation under Section 409A of the Code, to the extent applicable, payable on account of a "separation from service", to the extent required in order to avoid any accelerated taxation or the imposition of an additional tax, interest or penalty under Section 409A of the Code, such payment will be made or provided on the date that is the earlier of (i) the expiration of the six-month period measured from the date of such "separation from service" and (ii) the date of the Participant's death (the "**Delay Period**"). Upon the expiration of the Delay Period, all payments delayed pursuant to this Section (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such delay) will be paid on the first business day following the expiration of the Delay Period in a lump sum and any remaining payments due under the Award will be paid in accordance with the normal payment dates specified for them in this Agreement. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid any accelerated taxation or the imposition of an additional tax, interest or penalty under Section 409A of the Code, Employee shall not be considered to have terminated employment with the Company or any affiliate for purposes of this Restricted Stock Unit Award until Employee would be considered to have incurred a "separation from service" from the Company and its affiliates within the meaning of Section 409A of the Code (after giving effect to the presumptions contained therein).

(b) For purposes of Section 409A of the Code, each payment made hereunder will be treated as a separate payment.

(c) With regard to any payment considered to be nonqualified deferred compensation under Section 409A of the Code, to the extent applicable, that is payable upon a Change in Control or other similar event, to the extent required in order to avoid any accelerated taxation or the imposition of an additional tax, interest or penalty under Section 409A of the Code, no amount will be payable unless such change in control constitutes a "change in control event" within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations.

(d) This Restricted Stock Unit Award is intended to comply with, or be exempt from, the requirements of Section 409A of the Code and shall be interpreted consistent with this intent. Notwithstanding the foregoing, neither the Company, any affiliate of the Company, the Committee, nor any other person shall have any liability to Employee with respect to the foregoing.

10. Effective Date. This Restricted Stock Unit Award shall be effective as of the Grant Date.

11. Agreement Controls. The Plan is hereby incorporated in this Agreement by reference. Capitalized terms not defined in this Agreement shall have those meanings provided in the Plan. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the provisions of the Agreement shall control.

WOLVERINE WORLD WIDE, INC.

/s/ Michael D. Stornant

Michael D. Stornant
Sr Vice President and Chief Financial Officer

Exhibit 10.2

FORM OF PERFORMANCE RESTRICTED STOCK UNIT AWARD AGREEMENT

Performance Restricted Stock Unit Agreement #

PERFORMANCE RESTRICTED STOCK UNIT AWARD AGREEMENT

This Performance Restricted Stock Unit Award Agreement (together with Attachment 1 hereto, the "**Agreement**") is made as of the award date set forth in the grant (the "**Grant Date**"), by and between WOLVERINE WORLD WIDE, INC., a Delaware corporation ("**Wolverine**" or the "**Company**"), and the employee identified in the grant ("**Employee**").

Wolverine maintains a Stock Incentive Plan of 2016 (as amended and restated and as it may be further amended from time to time, the "**Plan**") that is administered by the Compensation Committee of Wolverine's Board of Directors (the "**Committee**"), under which the Committee may award restricted stock units as all or part of a long-term incentive award.

The Committee has determined (i) that Employee is eligible to participate in the Plan and receive a long-term incentive award, (ii) Employee's participation level, and (iii) the performance criteria for the award. The Committee has awarded to Employee restricted stock units of Wolverine subject to the terms, conditions and restrictions contained in this Agreement and in the Plan (the "**Restricted Stock Unit Award**"). Employee acknowledges receipt of a copy of the Plan and accepts this Restricted Stock Unit Award subject to all such terms, conditions and restrictions.

1. Award. Wolverine hereby awards to Employee the Restricted Stock Unit Award consisting of a target number of restricted stock units as set forth in the grant (the "**Restricted Stock Units**"), which shall be eligible to vest in accordance with the terms of this Agreement and the Plan. The ultimate "**Incentive Award**" received by Employee will be the number of Restricted Stock Units that vest hereunder as determined by the Committee. Each Restricted Stock Unit represents the conditional right to receive, without payment but subject to the terms, conditions and limitations set forth in this Agreement and in the Plan, one share of common stock of the Company ("**Common Stock**") in accordance with this Agreement. On the Payout Date (as defined in Attachment 1), the Company shall deliver to Employee a number of shares of Common Stock in respect of the Restricted Stock Units that vest hereunder, together with any Dividend Equivalents (as defined below) thereon, or, at the option of the Company, a cash payment in an amount equal to the Fair Market Value on the Payout Date multiplied by the number of shares of Common Stock in respect of the Restricted Stock Units that vest hereunder, together with any Dividend Equivalents thereon, subject to any applicable withholdings required by applicable law.

2. Transferability. Until the Restricted Stock Units vest as set forth in Section 3 below and Attachment 1, the Plan provides that Restricted Stock Units are generally not transferable by Employee except by will or according to the laws of descent and distribution. The Plan further provides that all rights with respect to the Restricted Stock Units are exercisable during Employee's lifetime only by Employee, Employee's guardian or legal representative.

3. Vesting. Except as otherwise provided in this Agreement or by action of the Committee to reduce the number of Restricted Stock Units that would otherwise vest hereunder, the Restricted Stock Units shall vest as set forth in Attachment 1.

4. Termination of Employment Status.

(a) Except as set forth in subsection (b) or Section 5 below, Employee:

(i) must be an employee of the Company or one of its subsidiaries at the time the Committee certifies the achievement of the Performance Period performance criteria for the vesting of any portion of the Restricted Stock Unit Award (the performance criteria being Cumulative BVA, Cumulative EPS, and TSR Percentile Ranking, as defined in Attachment 1); and

(ii) shall forfeit the entire unvested Restricted Stock Unit Award if, before such certification, Employee's employment with Wolverine or its subsidiaries terminates (the "**Employment Termination**") or the Committee terminates the Restricted Stock Unit Award (an "**Award Termination**").

(b) If the Employment Termination is:

(i) due to Employee's:

(1) Disability;
(2) death; or
(3) Retirement; or

(ii) due to such other circumstances as the Committee in its discretion allows;

then the number of Restricted Stock Units which shall vest at the end of the Performance Period shall be calculated as set forth in subsection (c), subject to reduction by the Committee in its discretion. If there is an Award Termination, the Committee may in its discretion allow some or all of the Restricted Stock Units to vest, calculated as set forth in subsection (c), subject to reduction by the Committee in its discretion.

(c) As soon as reasonably practicable following the end of the Performance Period, the Committee shall calculate, as set forth in Attachment 1, the number of Restricted Stock Units that would have vested based on the attainment of the performance criteria if Employee's employment or Restricted Stock Units had not been terminated prior to the certification. The remainder of the Restricted Stock Units shall be automatically forfeited.

5. Change in Control. If, prior to the Performance Period End Date (as defined in Attachment 1), a Change in Control occurs, to the extent the Restricted Stock Units are outstanding immediately prior to such Change in Control, they shall vest in accordance with Section 13(b)(iii) of the Plan.

6. Employment by Wolverine. The Agreement and the Restricted Stock Unit Award shall not impose upon Wolverine or any of its Subsidiaries any obligation to retain Employee in its employ for any given period or upon any specific terms of employment. Wolverine or any of its Subsidiaries may at any time dismiss Employee from employment, free from any liability or claim under the Plan or this Agreement, unless otherwise expressly provided in any written agreement with Employee. By accepting this Award, Employee reaffirms the obligations of any Employee Confidentiality, Intellectual Property Protection, and Restrictive Covenant Agreement or similar agreement, previously entered into between Wolverine and Employee.

7. Stockholder Rights. Employee (or Employee's permitted transferees) shall not have any voting and liquidation rights with respect to the Restricted Stock Units or the underlying Common Stock represented thereby unless and until shares of Common Stock are actually issued to Employee upon vesting of the Restricted Stock Units in accordance with the terms of this Agreement. Employee shall be entitled to receive a dividend equivalent ("**Dividend Equivalent**") in the form of cash, with respect to any cash dividend that is declared and paid on the Common Stock underlying the Restricted Stock Units prior to the Payout Date, with the amount that is paid to Employee in respect of the Dividend Equivalents equal to the aggregate cash dividends declared and paid per share of Common Stock during the period beginning on the Grant Date and ending immediately prior to the Payout Date multiplied by the number of Restricted Stock Units that vest hereunder in

accordance with Appendix 1. For greater certainty, no Dividend Equivalent shall be payable to Employee in respect of any unvested Restricted Stock Units that are forfeited. Upon vesting of the Restricted Stock Units and issuance to Employee of underlying Common Stock, if applicable, Employee shall have all stockholder rights, including the right to transfer the underlying Common Stock, subject to such conditions as Wolverine may reasonably specify to ensure compliance with applicable federal and state securities laws.

8. Withholding. Wolverine and any of its Subsidiaries shall be entitled to (a) withhold and deduct from Employee's future wages (or from other amounts that may be due and owing to Employee from Wolverine or a Subsidiary, including amounts under this Agreement), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any and all applicable federal, state and local withholding and employment-related tax requirements attributable to the Restricted Stock Units Award under this Agreement, including, without limitation, the award, vesting or settlement of Restricted Stock Units and any Dividend Equivalents; or (b) require Employee promptly to remit the amount of such withholding to Wolverine or a Subsidiary before taking any action with respect to the Restricted Stock Units. Unless the Committee provides otherwise, withholding may be satisfied by withholding shares of Common Stock to be received by Employee pursuant to this Agreement or by delivery to Wolverine or a Subsidiary of previously owned Common Stock of Wolverine.

9. Effective Date. This grant of Restricted Stock Units shall be effective as of the Grant Date set forth in the grant.

10. Agreement Controls. The Plan is hereby incorporated in this Agreement by reference. Capitalized terms not defined in this Agreement shall have those meanings provided in the Plan. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the provisions of the Agreement shall control.

WOLVERINE WORLD WIDE, INC.
COMPENSATION COMMITTEE

ATTACHMENT 1 TO RESTRICTED STOCK UNITS AWARD AGREEMENT

The number of Restricted Stock Units that will vest is equal to the number resulting from the formula set forth immediately below, but not in excess of 600% of the target number of Restricted Stock Units (“the Maximum RSU Amount”), subject to any exercise of negative discretion of the Committee.

1. The number of Restricted Stock Units that will vest under this Attachment 1 and this Agreement, as determined by the Committee, is equal to:

[(Overall Award Percentage x Target Value)/Market Price] x the Adjustment Factor

rounded up to the nearest whole number (but not in excess of the Maximum RSU Amount) where:

Overall Award Percentage will be the sum of (i) the BVA Award Percentage multiplied by the BVA Factor, and (ii) the EPS Award Percentage multiplied by the EPS Factor.

(a) BVA Award Percentage will be calculated as follows:

If the Cumulative BVA is < Threshold BVA, BVA Award Percentage = 0%

If the Cumulative BVA is ≥ Threshold BVA and < Target BVA, BVA Award Percentage =

$$\left(\left[\left[\frac{\text{(Cumulative BVA - Threshold BVA)}}{\text{(Target BVA - Threshold BVA)}}\right] \text{x } 0.5\right] +0.5\right) x100$$

If the Cumulative BVA is ≥ Target BVA and < Goal BVA, BVA Award Percentage =

$$\left(\left[\left[\frac{\text{(Cumulative BVA - Target BVA)}}{\text{(Goal BVA - Target BVA)}}\right] \text{x } 0.5\right] +1.0\right) x100$$

If the Cumulative BVA is ≥ Goal BVA and < Stretch BVA, BVA Award Percentage =

$$\left(\left[\left[\frac{\text{(Cumulative BVA - Goal BVA)}}{\text{(Stretch BVA - Goal BVA)}}\right] \text{x } 0.5\right] +1.5\right) x100$$

If the Cumulative BVA is ≥ Stretch BVA, BVA Award Percentage = Award Cap

(b) EPS Award Percentage will be calculated as follows:

If the Cumulative EPS is < Threshold EPS, EPS Award Percentage = 0%

If the Cumulative EPS is ≥ Threshold EPS and < Target EPS, EPS Award Percentage =

$$\left(\left[\left[\frac{\text{(Cumulative EPS - Threshold EPS)}}{\text{(Target EPS - Threshold EPS)}}\right] \text{x } 0.5\right] +0.5\right) x100$$

If the Cumulative EPS is ≥ Target EPS and < Goal EPS, EPS Award Percentage =

$$\left(\left[\left[\frac{\text{(Cumulative EPS - Target EPS)}}{\text{(Goal EPS - Target EPS)}}\right] \text{x } 0.5\right] +1.0\right) x100$$

If the Cumulative EPS is ≥ Goal EPS and < Stretch EPS, EPS Award Percentage =

$$\left(\left[\left[\frac{\text{(Cumulative EPS - Goal EPS)}}{\text{(Stretch EPS - Goal EPS)}}\right] \text{x } 0.5\right] +1.5\right) x100$$

If the Cumulative EPS is ≥ Stretch EPS, EPS Award Percentage = Award Cap

2. The number of Restricted Stock Units that vest based on performance as determined under Section 1 above will be adjusted by the following "**Adjustment Factor**":

a. If the TSR Percentile Rank is greater than or equal to 75.00, then the number of Restricted Stock Units that vest will be a number equal to the number of Restricted Stock Units that would vest based on performance as determined under Section 1 above, multiplied by an Adjustment Factor of 1.25 (e.g., if 100 Restricted Stock Units would vest under Section 1 prior to applying the Adjustment Factor, 125 would vest), subject to the Maximum RSU Amount.
b. If the TSR Percentile Rank is greater than 25.01 and less than 74.99, the Adjustment Factor is 1.0 (e.g., there shall be no adjustment to the number of Restricted Stock Units that vest based on performance as determined under Section 1 above).
c. If the TSR Percentile Rank is less than or equal to 25.00, then the number of Restricted Stock Units that vest based on performance as determined under Section 1 above will be a number equal to the number of Restricted Stock Units that would vest based on performance as determined under Section 1 above, multiplied by an Adjustment Factor of 0.75 (e.g., if 100 Restricted Stock Units would vest under Section 1 prior to applying the Adjustment Factor, 75 would vest).

The other defined terms shall have the following meanings for the purpose of this Agreement:

Award Cap	200%
Award Recipient	An employee of the Company to whom the Compensation Committee of the Board of Directors or the Board of Directors grants a Performance Restricted Unit Award, for such portion of the Performance Period as the Committee determines.
BVA	An economic value added measurement that equals the operating income for a Fiscal Year reduced by (i) a provision for income taxes equal to the operating income multiplied by the Company's total effective tax rate for the same Fiscal Year; and (ii) a capital charge equal to a 13-point average of "**net operating assets**" at the beginning and end of a Fiscal Year (with "net operating assets" defined as the net of trade receivables (net of reserves), inventory (net of reserves), other current assets, property, plant and equipment, trade payables and accrued liabilities) multiplied by 10%, as adjusted by resolution of the Compensation Committee within the first 90 days of the Performance Period.
Cumulative BVA	The sum of the BVA for each of the Fiscal Years in the Performance Period.
Cumulative EPS	The sum of the EPS for each of the Fiscal Years in the Performance Period.

EPS	The total after-tax profits for a Fiscal Year divided by the fully-diluted weighted average shares outstanding during the Fiscal Year, as adjusted by resolution of the Compensation Committee within the first 90 days of the Performance Period.
Fiscal Year	The fiscal year of the Company for financial reporting purposes as the Company may adopt from time to time.
Market Price	The Fair Market Value on the Grant Date.
Payout Date	The date determined by the Committee upon the vesting of Restricted Stock Units for the issuance and delivery of Common Stock and, if applicable, any cash payment, to which such Payout Date relates, which date shall be as soon as practicable, but in no event more than sixty (60) days following the date of vesting (or, if earlier, within 30 days following the date of a Change in Control, to the extent provided in Section 5 of this Agreement and the Plan).
Performance Period	The three year period beginning on the first day of the Company's 2019 Fiscal Year and ending on the last day of the Company's 2021 Fiscal Year.
Performance Period End Date	The last day of the Company's 2021 Fiscal Year.
Russell 3000 Companies	The companies making up the Russell 3000 Consumer Discretionary Index as of the first day of the Performance Period.
Target Value	Subject to the forfeiture provisions of Section 4 of the Agreement, the Target Value shall be the sum of the highest dollar target amount granted each year of the Performance Period, multiplied by a fraction, the numerator of which is months employed and participating for that year of the Performance Period and the denominator of which is 12. For clarification, the dollar target amount is only counted once for corresponding cycle grant year in cases where grants are made on the same date for multiple performance periods. Partial months employed/participating shall only be included in the numerator, above, if Employee is employed/participating for the majority of days in such month.
Total Shareholder Return	The change in value expressed as a percentage of a given dollar amount invested in a company's most widely publicly traded stock over the Performance Period, taking into account both stock price appreciation (or depreciation) and the reinvestment of dividends (including the cash value of non-cash dividends) in such stock of the company. The thirty (30) calendar- day average closing price of shares of Common Stock and the stock of the Russell 3000 Companies (i.e., the average closing prices over the period of trading days occurring in the thirty (30) calendar days prior to the first day of the Performance Period and ending on the first day of the Performance Period and the average closing prices over the period of trading days occurring in the final thirty (30) calendar days ending on the Performance Period End Date) will be used to value shares of Common Stock and the stock of the Russell 3000 Companies. Dividend reinvestment will be calculated using the closing price of a share of Common Stock or the stock of the applicable Russell 3000 company on the ex-dividend date or, if no trades were reported on such date, the latest preceding date for which a trade was reported. If a company that is included in the Russell 3000 Consumer Discretionary Index as of the first day of the Performance Period ceases to be publicly traded (other than through bankruptcy) during the Performance Period, or if it publicly announced that any such company will be acquired, whether or not such acquisition occurs during the Performance Period, such company shall not be treated as Russell 3000 Company for purposes of the determinations herein and such company's Total Shareholder Return shall not be included for purposes of the calculations herein. Companies that were in the Russell 3000 Consumer Discretionary Index on the first day of the Performance Period but that exit due to bankruptcy before the end of the Performance Period remain Russell 3000 Companies and are assigned a Total Shareholder Return value of - 100%. Companies that exit the Russell 3000 Consumer Discretionary Index before the end of the Performance Period but remain publicly-traded throughout the Performance Period remain Russell 3000 Companies.

TSR Percentile Rank	The percentage of Total Shareholder Return values among the Russell 3000 Companies at the Performance Period End Date that are equal to or lower than the Company's Total Shareholder Return at the Performance Period End Date, provided that if the Company's Total Shareholder Return falls between the Total Shareholder Return of two of the Russell 3000 Companies the TSR Percentile Rank shall be adjusted by interpolating the Company's Total Shareholder Return on a straight line basis between the Total Shareholder Return of the two Russell 3000 Companies that are closest to the Company's. For purposes of the TSR Percentile Rank calculation, the Company will be excluded from the group of Russell 3000 Companies.
BVA Factor	As set by the Compensation Committee within the first 90 days of the Performance Period.
Threshold BVA	As set by the Compensation Committee within the first 90 days of the Performance Period.
Target BVA	As set by the Compensation Committee within the first 90 days of the Performance Period.
Goal BVA	As set by the Compensation Committee within the first 90 days of the Performance Period.
Stretch BVA	As set by the Compensation Committee within the first 90 days of the Performance Period.
EPS Factor	As set by the Compensation Committee within the first 90 days of the Performance Period.
Threshold EPS	As set by the Compensation Committee within the first 90 days of the Performance Period.
Target EPS	As set by the Compensation Committee within the first 90 days of the Performance Period.
Goal EPS	As set by the Compensation Committee within the first 90 days of the Performance Period.
Stretch EPS	As set by the Compensation Committee within the first 90 days of the Performance Period.

Exhibit 31.1

CERTIFICATION

I, Blake W. Krueger, 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: May 9, 2019

/s/ Blake W. Krueger

Blake W. Krueger
Chairman, Chief Executive Officer and President
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: May 9, 2019

/s/ Michael D. Stornant

Michael D. Stornant

Senior 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 quarter ended March 30, 2019 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: May 9, 2019

/s/ Blake W. Krueger

Blake W. Krueger
Chairman, Chief Executive Officer and President
(Principal Executive Officer)

/s/ Michael D. Stornant

Michael D. Stornant
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)