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

FORM 10-Q

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

For the quarterly period ended September 28, 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)	(I.R.S. Employer Identification No.)
9341 Courtland Drive N.E. , Rockford , Michigan	**49351**
(Address of principal executive offices)	(Zip Code)

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

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 80,875,736 shares of common stock, $1 par value, outstanding as of October 25, 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 undertaken from time to time; and
- changes in future pension funding requirements and pension expenses.

These or other uncertainties could cause a material difference between an actual outcome and a forward-looking statement. The uncertainties included here are not exhaustive and are described in more detail in Part I, Item 1A: "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 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 September 28, 2019	Quarter Ended September 29, 2018	Year-To-Date Ended September 28, 2019	Year-To-Date Ended September 29, 2018
Revenue	$ 574.3	$ 558.6	$ 1,666.3	$ 1,659.6
Cost of goods sold	331.0	326.5	972.4	965.4
Gross profit	243.3	232.1	693.9	694.2
Selling, general and administrative expenses	165.9	161.6	498.6	488.6
Environmental and other related costs	9.1	2.1	19.1	7.6
Operating profit	68.3	68.4	176.2	198.0
Other expenses:				
Interest expense, net	8.2	5.8	21.8	18.7
Other income, net	(0.9)	(1.3)	(3.2)	(7.2)
Total other expenses	7.3	4.5	18.6	11.5
Earnings before income taxes	61.0	63.9	157.6	186.5
Income tax expense	12.4	5.0	28.2	25.5
Net earnings	48.6	58.9	129.4	161.0
Less: net earnings (loss) attributable to noncontrolling interests	(0.1)	0.1	—	0.2
Net earnings attributable to Wolverine World Wide, Inc.	$ 48.7	$ 58.8	$ 129.4	$ 160.8
Net earnings per share (see Note 3):				
Basic	$ 0.57	$ 0.62	$ 1.46	$ 1.69
Diluted	$ 0.57	$ 0.60	$ 1.44	$ 1.65
Comprehensive income	$ 45.6	$ 60.8	$ 128.8	$ 163.3
Less: comprehensive income (loss) attributable to noncontrolling interests	(0.5)	0.3	(0.3)	0.4
Comprehensive income attributable to Wolverine World Wide, Inc.	$ 46.1	$ 60.5	$ 129.1	$ 162.9
Cash dividends declared per share	$ 0.10	$ 0.08	$ 0.30	$ 0.24

See accompanying notes to consolidated condensed financial statements.

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

(In millions, except share data)	September 28, 2019	December 29, 2018	September 29, 2018
ASSETS			
Current assets:			
Cash and cash equivalents	**$ 125.2**	$ 143.1	$ 228.1
Accounts receivable, less allowances:			
September 28, 2019 – $24.0			
December 29, 2018 – $26.6			
September 29, 2018 – $29.7	**357.3**	361.2	364.0
Inventories:			
Finished products, net	**410.0**	301.4	309.2
Raw materials and work-in-process, net	**7.7**	16.2	15.2
Total inventories	**417.7**	317.6	324.4
Prepaid expenses and other current assets	**48.4**	45.8	32.2
Total current assets	**948.6**	867.7	948.7
Property, plant and equipment:			
Gross cost	**399.1**	381.8	393.7
Accumulated depreciation	**(256.1)**	(250.9)	(262.3)
Property, plant and equipment, net	**143.0**	130.9	131.4
Lease right-of-use assets, net	**163.9**	—	—
Other assets:			
Goodwill	**437.0**	424.4	427.5
Indefinite-lived intangibles	**604.5**	604.5	604.5
Amortizable intangibles, net	**79.6**	71.9	73.1
Deferred income taxes	**3.2**	3.1	4.0
Other	**88.7**	80.6	79.9
Total other assets	**1,213.0**	1,184.5	1,189.0
Total assets	**$ 2,468.5**	$ 2,183.1	$ 2,269.1

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)	September 28, 2019	December 29, 2018	September 29, 2018
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	**$ 155.6**	$ 202.3	$ 139.5
Accrued salaries and wages	**25.5**	31.9	32.2
Other accrued liabilities	**116.0**	106.4	124.4
Lease liabilities	**33.5**	—	—
Current maturities of long-term debt	**10.0**	7.5	60.0
Borrowings under revolving credit agreements and other short-term notes	**493.3**	125.0	1.5
Total current liabilities	**833.9**	473.1	357.6
Long-term debt, less current maturities	**430.7**	438.0	601.0
Accrued pension liabilities	**92.3**	92.0	81.2
Deferred income taxes	**112.0**	107.9	99.4
Lease liabilities, noncurrent	**151.0**	—	—
Other liabilities	**54.7**	80.5	67.6
Stockholders' equity:			
Wolverine World Wide, Inc. stockholders' equity:			
Common stock – par value $1, authorized 320,000,000 shares; shares issued (including shares in treasury):			
September 28, 2019 – 108,058,005 shares			
December 29, 2018 – 107,609,206 shares			
September 29, 2018 – 107,587,377 shares	**108.1**	107.6	107.6
Additional paid-in capital	**221.3**	201.4	190.6
Retained earnings	**1,273.2**	1,169.7	1,138.3
Accumulated other comprehensive loss	**(88.6)**	(88.3)	(81.2)
Cost of shares in treasury:			
September 28, 2019 – 26,992,711 shares			
December 29, 2018 – 15,905,681 shares			
September 29, 2018 – 12,746,435 shares	**(731.1)**	(404.4)	(299.0)
Total Wolverine World Wide, Inc. stockholders' equity	**782.9**	986.0	1,056.3
Noncontrolling interest	**11.0**	5.6	6.0
Total stockholders' equity	**793.9**	991.6	1,062.3
Total liabilities and stockholders' equity	**$ 2,468.5**	$ 2,183.1	$ 2,269.1

See accompanying notes to consolidated condensed financial statements.

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

(In millions)	Year-To-Date Ended September 28, 2019	Year-To-Date Ended September 29, 2018
OPERATING ACTIVITIES		
Net earnings	**$ 129.4**	$ 161.0
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	**23.3**	22.6
Deferred income taxes	**0.3**	12.3
Stock-based compensation expense	**17.3**	21.2
Pension contribution	**—**	(60.7)
Pension and SERP expense	**4.2**	4.0
Cash payments related to restructuring costs	**(0.1)**	(4.8)
Environmental and other related costs, net of cash payments	**(3.7)**	(6.3)
Net loss on sale of assets	**—**	0.3
Other	**(9.4)**	6.5
Changes in operating assets and liabilities:		
Accounts receivable	**0.3**	(95.4)
Inventories	**(94.8)**	(49.2)
Other operating assets	**(1.2)**	(3.2)
Accounts payable	**(46.9)**	(21.8)
Income taxes payable	**9.3**	8.2
Other operating liabilities	**(12.0)**	(28.7)
Net cash provided by (used in) operating activities	**16.0**	(34.0)
INVESTING ACTIVITIES		
Business acquisition, net of cash acquired	**(15.1)**	—
Additions to property, plant and equipment	**(28.7)**	(15.3)
Proceeds from sale of assets	**0.1**	2.2
Investment in joint ventures	**(8.5)**	—
Other	**(1.2)**	(1.7)
Net cash used in investing activities	**(53.4)**	(14.8)
FINANCING ACTIVITIES		
Net borrowings under revolving credit agreements and other short-term notes	**368.3**	1.0
Payments on long-term debt	**(5.0)**	(122.6)
Payments of debt issuance costs	**(0.3)**	—
Cash dividends paid	**(25.4)**	(21.0)
Purchases of common stock for treasury	**(314.2)**	(69.9)
Employee taxes paid under stock-based compensation plans	**(16.7)**	(8.1)
Proceeds from the exercise of stock options	**7.0**	23.2
Contributions from noncontrolling interests	**5.7**	—
Net cash provided by (used in) financing activities	**19.4**	(197.4)
Effect of foreign exchange rate changes	**0.1**	(6.7)
Decrease in cash and cash equivalents	**(17.9)**	(252.9)
Cash and cash equivalents at beginning of the year	**143.1**	481.0
Cash and cash equivalents at end of the quarter	**$ 125.2**	$ 228.1

See accompanying notes to consolidated condensed financial statements.

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

(In millions, except share and per share data)	Wolverine World Wide, Inc. Stockholders' Equity: Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Non-controlling Interest	Total
Balance at June 30, 2018	$ 107.3	$ 177.1	$ 1,087.1	$ (82.9)	$ (279.0)	$ 5.7	$ 1,015.3
Net earnings			58.8			0.1	58.9
Other comprehensive income				1.7		0.2	1.9
Shares forfeited, net of shares issued under stock incentive plans (13,836 shares)	—	(0.1)					(0.1)
Shares issued for stock options exercised, net (321,546 shares)	0.3	6.5					6.8
Stock-based compensation expense		7.0					7.0
Cash dividends declared ($0.08 per share)			(7.6)				(7.6)
Issuance of treasury shares (3,005 shares)		0.1			—		0.1
Purchase of common stock for treasury (529,966 shares)					(20.0)		(20.0)
Balance at September 29, 2018	$ 107.6	$ 190.6	$ 1,138.3	$ (81.2)	$ (299.0)	$ 6.0	$ 1,062.3
Balance at June 29, 2019	108.0	213.2	1,232.8	(86.0)	(624.3)	11.5	$ 855.2
Net earnings (loss)			**48.7**			**(0.1)**	**48.6**
Other comprehensive loss				**(2.6)**		**(0.4)**	**(3.0)**
Shares forfeited, net of shares issued under stock incentive plans (1,917 shares)	**0.1**	**(0.2)**					**(0.1)**
Shares issued for stock options exercised, net (62,114 shares)	**—**	**1.2**					**1.2**
Stock-based compensation expense		**7.1**					**7.1**
Cash dividends declared ($0.10 per share)			**(8.3)**				**(8.3)**
Issuance of treasury shares (1,831 shares)		**—**			**0.1**		**0.1**
Purchase of common stock for treasury (4,250,070 shares)					**(106.8)**		**(106.8)**
Purchases of shares under employee stock plans (3,440 shares)					**(0.1)**		**(0.1)**
Balance at September 28, 2019	**$ 108.1**	**$ 221.3**	**$ 1,273.2**	**$ (88.6)**	**$ (731.1)**	**$ 11.0**	**$ 793.9**

See accompanying notes to consolidated condensed financial statements.

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

	Wolverine World Wide, Inc. Stockholders' Equity						
(In millions, except share and per share data)	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Non-controlling Interest	Total
Balance at December 30, 2017	$ 106.4	$ 149.2	$ 992.2	$ (75.2)	$ (223.0)	$ 5.6	$ 955.2
Net earnings			160.8			0.2	161.0
Other comprehensive income				2.1		0.2	2.3
Shares forfeited, net of shares issued under stock incentive plans (135,700 shares)	(0.1)	(1.8)					(1.9)
Shares issued for stock options exercised, net (1,317,628 shares)	1.3	21.9					23.2
Stock-based compensation expense		21.2					21.2
Cash dividends declared ($0.24 per share)			(22.8)				(22.8)
Issuance of treasury shares (6,006 shares)		0.1			0.1		0.2
Purchase of common stock for treasury (2,207,909 shares)					(69.9)		(69.9)
Purchases of shares under employee stock plans (199,391 shares)					(6.2)		(6.2)
Change in accounting principle			8.1	(8.1)			—
Balance at September 29, 2018	$ 107.6	$ 190.6	$ 1,138.3	$ (81.2)	$ (299.0)	$ 6.0	$ 1,062.3
Balance at December 29, 2018	$ 107.6	$ 201.4	$ 1,169.7	$ (88.3)	$ (404.4)	$ 5.6	$ 991.6
Net earnings			**129.4**			**—**	**129.4**
Other comprehensive loss				**(0.3)**		**(0.3)**	**(0.6)**
Shares issued, net of shares forfeited under stock incentive plans (36,588 shares)	**0.1**	**(4.1)**					**(4.0)**
Shares issued for stock options exercised, net (412,211 shares)	**0.4**	**6.6**					**7.0**
Stock-based compensation expense		**17.3**					**17.3**
Cash dividends declared ($0.30 per share)			**(25.9)**				**(25.9)**
Issuance of treasury shares (5,831 shares)		**0.1**			**0.2**		**0.3**
Purchase of common stock for treasury (10,730,962 shares)					**(314.2)**		**(314.2)**
Purchases of shares under employee stock plans (361,899 shares)					**(12.7)**		**(12.7)**
Capital contribution from noncontrolling interest						**5.7**	**5.7**
Balance at September 28, 2019	**$ 108.1**	**$ 221.3**	**$ 1,273.2**	**$ (88.6)**	**$ (731.1)**	**$ 11.0**	**$ 793.9**

See accompanying notes to consolidated condensed financial statements.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements
Quarters Ended September 28, 2019 and September 29, 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 Updates ("ASU") that the Company has adopted during fiscal 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 was 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 Accounting Standards Codification ("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 September 28, 2019	Quarter Ended September 29, 2018	Year-To-Date Ended September 28, 2019	Year-To-Date Ended September 29, 2018
Numerator:				
Net earnings attributable to Wolverine World Wide, Inc.	**$ 48.7**	$ 58.8	**$ 129.4**	$ 160.8
Adjustment for earnings allocated to non-vested restricted common stock	**(1.0)**	(1.2)	**(2.6)**	(3.4)
Net earnings used in calculating basic earnings per share	**47.7**	57.6	**126.8**	157.4
Adjustment for earnings reallocated from non-vested restricted common stock	**—**	—	**0.1**	0.1
Net earnings used in calculating diluted earnings per share	**$ 47.7**	$ 57.6	**$ 126.9**	$ 157.5
Denominator:				
Weighted average shares outstanding	**83.5**	94.9	**87.3**	95.2
Adjustment for non-vested restricted common stock	**(0.5)**	(1.7)	**(0.7)**	(1.8)
Shares used in calculating basic earnings per share	**83.0**	93.2	**86.6**	93.4
Effect of dilutive stock options	**0.9**	2.1	**1.4**	2.0
Shares used in calculating diluted earnings per share	**83.9**	95.3	**88.0**	95.4
Net earnings per share:				
Basic	**$ 0.57**	$ 0.62	**$ 1.46**	$ 1.69
Diluted	**0.57**	0.60	**1.44**	1.65

For the quarter and year-to-date ended September 28, 2019, 1,228,157 and 131,004 outstanding stock options, respectively, have not been included in the denominator for the computation of diluted earnings per share because they were anti-dilutive.

For the quarter and year-to-date ended September 29, 2018, 18,779 and 24,250 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)	Year-To-Date Ended September 28, 2019	Year-To-Date Ended September 29, 2018
Goodwill balance at beginning of the year	$ 424.4	$ 429.8
Acquisition of a business (see Note 17)	**12.3**	—
Foreign currency translation effects	**0.3**	(2.3)
Goodwill balance at end of the quarter	**$ 437.0**	$ 427.5

The Company's indefinite-lived intangible assets, which comprise trade names and trademarks, totaled $604.5 million as of September 28, 2019, December 29, 2018 and September 29, 2018. The carrying value of the Company's *Sperry®* trade name was $518.2 million as of September 28, 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 fiscal 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 third quarter of 2018. For receivables sold under the agreement, 90% of the stated amount is paid 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 September 29, 2018	Year-To-Date Ended September 29, 2018
Accounts receivable sold	$ 40.1	$ 264.3
Fees charged	0.2	1.3

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 $7.5 million as of September 29, 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 $35.2 million of remaining fixed transaction price under its license agreements as of September 28, 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 September 28, 2019			Quarter Ended September 29, 2018		
(In millions)	Wholesale	Consumer-Direct	Total	Wholesale	Consumer-Direct	Total
Wolverine Michigan Group	**$ 279.5**	**$ 39.3**	**$ 318.8**	$ 291.1	$ 36.6	$ 327.7
Wolverine Boston Group	**203.5**	**37.8**	**241.3**	183.7	30.9	214.6
Other	**12.9**	**1.3**	**14.2**	14.4	1.9	16.3
Total	**$ 495.9**	**$ 78.4**	**$ 574.3**	$ 489.2	$ 69.4	$ 558.6

	Year-To-Date Ended September 28, 2019			Year-To-Date Ended September 29, 2018		
(In millions)	Wholesale	Consumer-Direct	Total	Wholesale	Consumer-Direct	Total
Wolverine Michigan Group	**$ 829.1**	**$ 110.6**	**$ 939.7**	$ 842.2	$ 95.5	$ 937.7
Wolverine Boston Group	**570.7**	**106.1**	**676.8**	577.3	87.4	664.7
Other	**46.3**	**3.5**	**49.8**	51.3	5.9	57.2
Total	**$ 1,446.1**	**$ 220.2**	**$ 1,666.3**	$ 1,470.8	$ 188.8	$ 1,659.6

Reserves for Variable Consideration

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

The Company's contract balances are as follows:

(In millions)	**September 28, 2019**	December 29, 2018	September 29, 2018
Product returns reserve	**$ 9.5**	$ 13.6	$ 13.7
Customer markdowns reserve	**3.6**	4.0	4.9
Other sales incentives reserve	**1.9**	2.3	2.5
Customer rebates liability	**10.8**	12.8	14.0
Customer advances liability	**5.4**	3.8	3.9

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

7. DEBT

Total debt consists of the following obligations:

(In millions)	**September 28, 2019**	December 29, 2018	September 29, 2018
Term Loan A, due December 6, 2023	**$ 195.0**	$ 200.0	$ 415.6
Senior Notes, 5.00% interest, due September 1, 2026	**250.0**	250.0	250.0
Borrowings under revolving credit agreements and other short-term notes	**493.3**	125.0	1.5
Capital lease obligation	**—**	0.4	0.4
Unamortized deferred financing costs	**(4.3)**	(4.9)	(5.0)
Total debt	**$ 934.0**	$ 570.5	$ 662.5

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 September 28, 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 $3.9 million, $2.5 million and $2.5 million as of September 28, 2019, December 29, 2018 and September 29, 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 two interest rate swap arrangements that reduce the Company's exposure to fluctuations in interest rates on its variable rate debt. At September 28, 2019, Term Loan A and the Revolving Credit Facility had weighted-average interest rates of 3.24% and 3.20%, 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 and a minimum Consolidated Interest Coverage Ratio (all capitalized terms used in this paragraph are as defined in the Credit Agreement). As of September 28, 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. Borrowings against this facility were $0.3 million, $0.0 million and $1.5 million as of September 28, 2019, December 29, 2018 and September 29, 2018, respectively.

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 $1.2 million for the quarter and year-to-date ended September 28, 2019, respectively. The Company included in interest expense the amortization of deferred financing costs of $0.6 million and $2.2 million for the quarter and year-to-date ended September 29, 2018, respectively.

8. LEASES

The Company adopted ASU 2016-02, *Leases*, at the beginning of the first quarter of fiscal 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 September 28, 2019 is 5.2%. The Company also recognizes a right-of-use asset, which is equal to the lease liability as of September 28, 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	Year-To-Date Ended
	September 28, 2019	
Operating lease cost	**$ 8.1**	**$ 24.3**
Variable lease cost	**3.6**	**10.9**
Short-term lease cost	**0.3**	**0.9**
Sublease income	**(1.0)**	**(2.9)**
Total lease cost	**$ 11.0**	**$ 33.2**

The weighted-average remaining lease term for operating leases as of September 28, 2019 is 10.3 years. Future undiscounted cash flows for operating leases for the fiscal periods subsequent to September 28, 2019 are as follows:

(In millions)	Operating Leases
Remainder of 2019	$ 8.7
2020	32.1
2021	29.3
2022	26.7
2023	19.9
Thereafter	122.3
Total future payments	239.0
Less: imputed interest	54.5
Recognized lease liability	$ 184.5

The Company made cash payments of $24.4 million for operating lease liabilities during the year-to-date ended September 28, 2019. During the year-to-date ended September 28, 2019, the Company entered into new or amended leases that resulted in the noncash recognition of right-of-use assets and lease liabilities of $25.0 million. In addition, the Company entered into real estate leases which will commence subsequent to September 28, 2019 with future undiscounted rental payments of $4.8 million. The Company has a financing lease with future payments of $0.3 million and a remaining term of 2.3 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 545 days, 524 days and 545 days, as of September 28, 2019, December 29, 2018 and September 29, 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 accumulated other comprehensive income (loss) ("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 two interest rate swap arrangements, which unless otherwise terminated, will mature on July 13, 2020 and December 6, 2023, respectively. These agreements, which exchange floating rate for fixed rate interest payments over the life of the agreements without the exchange of the underlying notional amounts, have been designated as cash flow hedges of the underlying debt. The notional amounts of the interest rate swap arrangements are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss. The differential paid or received on the interest rate swap arrangements is recognized as interest expense. In accordance with ASC 815, the Company has formally documented the relationship between the interest rate swaps and the variable rate borrowing, as well as its risk management objective and strategy for undertaking the hedge transactions. This process included linking the derivative to the specific liability or asset on the balance sheet. The Company also assessed at the inception of each hedge, and continues to assess on an ongoing basis, whether the derivatives used in the hedging transactions are 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 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)	**September 28, 2019**	December 29, 2018	September 29, 2018
Foreign exchange contracts:			
Hedge contracts	**$ 237.7**	$ 220.3	$ 215.5
Non-hedge contracts	**—**	4.8	8.1
Interest rate swaps	**366.2**	181.3	376.1
Cross currency swap	**79.8**	95.8	95.8

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

(In millions)	**September 28, 2019**	December 29, 2018	September 29, 2018
Financial assets:			
Foreign exchange contracts - hedge	**$ 6.3**	$ 8.7	$ 3.9
Interest rate swaps	**—**	1.6	3.6
Financial liabilities:			
Foreign exchange contracts - hedge	**$ (0.2)**	$ —	$ (0.2)
Interest rate swaps	**(3.0)**	—	—
Cross currency swap	**(2.1)**	(8.2)	(12.1)

10. STOCK-BASED COMPENSATION

The Company recognized compensation expense of $7.1 million and $17.3 million, and related income tax benefits of $1.5 million and $3.5 million, for grants under its stock-based compensation plans for the quarter and year-to-date ended September 28, 2019, respectively. The Company recognized compensation expense of $7.0 million and $21.2 million, and related income tax benefits of $1.4 million and $4.3 million, for grants under its stock-based compensation plans for the quarter and year-to-date ended September 29, 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 year-to-date ended September 28, 2019, the Company issued 547,169 restricted awards at a weighted average grant date fair value of $34.80 per award. During the year-to-date ended September 29, 2018, the Company issued 601,320 restricted awards at a weighted average grant date fair value of $31.78 per award.

During the year-to-date ended September 28, 2019, the Company issued 344,433 performance awards at a weighted average grant date fair value of $37.33 per award. During the year-to-date ended September 29, 2018, the Company issued 384,657 performance awards at a weighted average grant date fair value of $32.13 per award.

11. RETIREMENT PLANS

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

	Quarter Ended		Year-To-Date Ended	
(In millions)	**September 28, 2019**	September 29, 2018	**September 28, 2019**	September 29, 2018
Service cost pertaining to benefits earned during the period	**$ 1.3**	$ 1.5	**$ 4.1**	$ 4.6
Interest cost on projected benefit obligations	**3.8**	4.1	**11.4**	12.4
Expected return on pension assets	**(4.4)**	(5.4)	**(13.3)**	(15.5)
Net amortization loss	**0.7**	0.8	**2.0**	2.5
Net pension expense	**$ 1.4**	$ 1.0	**$ 4.2**	$ 4.0

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 $60.7 million for the year-to-date ended September 29, 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 quarter and year-to-date ended September 28, 2019 were 20.3% and 17.9%, respectively. The Company's effective tax rates for the quarter and year-to-date ended September 29, 2018 were 7.8% and 13.7%, respectively. The increase in the effective tax rate for the current year periods is due primarily to the favorable impact on the prior year tax rate for voluntary pension contributions made in 2018.

The Company is subject to periodic audits by U.S. federal, state, local and non-U.S. tax authorities. Currently, the Company is undergoing routine periodic audits in both U.S. federal, state, local and non-U.S. tax jurisdictions. It is reasonably possible that the amounts of unrecognized tax benefits could change in the next 12 months as a result of the audits; however, any payment of tax is not expected to be significant to the consolidated condensed financial statements. The Company is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 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 AOCI during the quarters ended September 28, 2019 and September 29, 2018 is as follows:

(In millions)	Foreign currency translation adjustments	Derivatives	Pension adjustments	Total
Balance of AOCI as of June 30, 2018	$ (45.7)	$ (4.0)	$ (33.2)	$ (82.9)
Other comprehensive income (loss) before reclassifications [1]	1.0	(0.2)	—	0.8
Amounts reclassified from AOCI	—	0.8 [2]	0.8 [3]	1.6
Income tax expense (benefit)	—	(0.5)	(0.2)	(0.7)
Net reclassifications	—	0.3	0.6	0.9
Net current-period other comprehensive income (loss) [1]	1.0	0.1	0.6	1.7
Balance of AOCI as of September 29, 2018	$ (44.7)	$ (3.9)	$ (32.6)	$ (81.2)
Balance of AOCI as of June 29, 2019	$ (48.0)	$ (2.8)	$ (35.2)	$ (86.0)
Other comprehensive income (loss) before reclassifications [1]	**(5.6)**	**5.5**	**—**	**(0.1)**
Amounts reclassified from AOCI	**—**	**(4.2)** [2]	**0.7** [3]	**(3.5)**
Income tax expense (benefit)	**—**	**1.1**	**(0.1)**	**1.0**
Net reclassifications	**—**	**(3.1)**	**0.6**	**(2.5)**
Net current-period other comprehensive income (loss) [1]	**(5.6)**	**2.4**	**0.6**	**(2.6)**
Balance of AOCI as of September 28, 2019	**$ (53.6)**	**$ (0.4)**	**$ (34.6)**	**$ (88.6)**

(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.

The change in AOCI during the year-to-date ended September 28, 2019 and September 29, 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]	(12.0)	7.4	—	(4.6)
Amounts reclassified from AOCI	—	6.7 [2]	2.5 [3]	9.2
Income tax expense (benefit)	—	(2.0)	(0.5)	(2.5)
Net reclassifications	—	4.7	2.0	6.7
Net current-period other comprehensive income (loss) [1]	(12.0)	12.1	2.0	2.1
Reclassifications to retained earnings [4]	—	(2.1)	(6.0)	(8.1)
Balance of AOCI as of September 29, 2018	$ (44.7)	$ (3.9)	$ (32.6)	$ (81.2)
Balance of AOCI as of December 29, 2018	$ (53.0)	$ 0.9	$ (36.2)	$ (88.3)
Other comprehensive income (loss) before reclassifications [1]	**(0.6)**	**4.7**	**—**	**4.1**
Amounts reclassified from AOCI	**—**	**(7.7)** [2]	**2.0** [3]	**(5.7)**
Income tax expense (benefit)	**—**	**1.7**	**(0.4)**	**1.3**
Net reclassifications	**—**	**(6.0)**	**1.6**	**(4.4)**
Net current-period other comprehensive income (loss) [1]	**(0.6)**	**(1.3)**	**1.6**	**(0.3)**
Balance of AOCI as of September 28, 2019	**$ (53.6)**	**$ (0.4)**	**$ (34.6)**	**$ (88.6)**

(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)	**September 28, 2019**	December 29, 2018	September 29, 2018
Financial assets:			
Derivatives	**$ 6.3**	$ 10.3	$ 7.5
Financial liabilities:			
Derivatives	**$ (5.3)**	$ (8.2)	$ (12.3)

The fair value of foreign currency forward exchange contracts represents the estimated receipts or payments necessary to terminate the contracts. The two 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)	**September 28, 2019**	December 29, 2018	September 29, 2018
Carrying value	**$ 934.0**	$ 570.1	$ 662.1
Fair value	**952.8**	566.8	668.7

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

15. LITIGATION AND CONTINGENCIES

Litigation

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

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. On April 22, 2019, the MDEQ was reorganized into the Michigan Department of Environment, Great Lakes, and Energy (“EGLE”).

The Company has been served with two regulatory actions including a civil action filed by the EGLE 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. The three putative class action lawsuits were subsequently refiled as a single consolidated putative class action lawsuit.

Civil and Regulatory Actions of EGLE and EPA

On January 10, 2018, EGLE filed a civil action against the Company in the U.S District Court for the Western District of Michigan under 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 "EGLE Action"). Plainfield and Algoma Townships have intervened in the EGLE Action alleging claims under RCRA, CERCLA, Part 201 of NREPA, and common law nuisance.

The EGLE 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 EGLE 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 EGLE Action. On June 20, 2019, the 3M Company filed a counterclaim against the Company in response to the Company’s third-party complaint in the EGLE Action, seeking, among other things, contractual and common law indemnity and contribution under CERCLA and Part 201 of NREPA. In July 2019, the Court ordered all parties to the EGLE Action (including the 3M Company as a third-party defendant) to participate in confidential mediation. Initial mediation sessions were held in September 2019, and the parties remain engaged in discussions.

The Company is working with the EGLE 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, collecting and analyzing soil and sediment samples and designing and installing a groundwater extraction and treatment system at the Tannery property. The Company continues to collect and analyze this data on a continuing basis with the EGLE 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 pertained to the Company's Tannery and House Street sites and directed the Company to conduct specified removal actions, including certain time critical removal actions subsequently identified in an April 29, 2019 letter from the EPA, to abate the actual or threatened release of hazardous substances at or from the sites. On October 28, 2019, the EPA and the Company entered into an Administrative Settlement and Order on Consent (“AOC”) that supersedes the Order and addresses the agreed-upon removal actions outlined in the Order. The Company has already completed some of these activities and submitted work plans for completion of the remaining items.

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. The three putative class action lawsuits were subsequently refiled in the U.S. District Court for the Western District of Michigan as a single consolidated putative class action lawsuit. The 3M Company, which sold Scotchgard containing PFAS to the Company, has been named as a co-defendant in the individual lawsuits and consolidated putative class action lawsuit. In addition, the current owner of a former landfill and gravel mining operation 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 action, 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 related 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:

	Year-To-Date Ended	
(In millions)	**September 28, 2019**	September 29, 2018
Remediation liability at beginning of the year	**$ 22.6**	$ 31.1
Changes in estimate	**—**	0.9
Amounts paid	**(7.8)**	(8.6)
Remediation liability at the end of the quarter	**$ 14.8**	$ 23.4

The reserve balance as of September 28, 2019 comprises $10.5 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 $4.3 million expected to be paid over the course of up to 27 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 September 28, 2019 under the terms of certain licenses held by the Company are as follows:

(In millions)	2019	2020	2021	2022	2023	Thereafter
Minimum royalties	$ —	$ 1.5	$ 1.7	$ 1.8	$ —	$ —
Minimum advertising	0.3	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 $0.6 million and $1.6 million for the quarter and year-to-date ended September 28, 2019, respectively. For the quarter and year-to-date ended September 29, 2018, the Company incurred royalty expense in accordance with these agreements of $0.6 million and $1.7 million, respectively.

The terms of certain license agreements also require the Company to make advertising expenditures based on the level of sales of the licensed products. In accordance with these agreements, the Company incurred advertising expense of $0.9 million and $2.8 million for the quarter and year-to-date ended September 28, 2019, respectively. For the quarter and year-to-date ended September 29, 2018, the Company incurred advertising expense in accordance with these agreements of $0.5 million and $2.2 million, 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 fiscal 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		Year-To-Date Ended	
(In millions)	**September 28, 2019**	September 29, 2018	**September 28, 2019**	September 29, 2018
Revenue:				
Wolverine Michigan Group	**$ 318.8**	$ 327.7	**$ 939.7**	$ 937.7
Wolverine Boston Group	**241.3**	214.6	**676.8**	664.7
Other	**14.2**	16.3	**49.8**	57.2
Total	**$ 574.3**	$ 558.6	**$ 1,666.3**	$ 1,659.6
Operating profit (loss):				
Wolverine Michigan Group	**$ 66.0**	$ 69.4	**$ 183.8**	$ 195.2
Wolverine Boston Group	**46.5**	37.6	**115.7**	120.0
Other	**0.7**	0.4	**3.0**	2.9
Corporate	**(44.9)**	(39.0)	**(126.3)**	(120.1)
Total	**$ 68.3**	$ 68.4	**$ 176.2**	$ 198.0

(In millions)	**September 28, 2019**	December 29, 2018	September 29, 2018
Total assets:			
Wolverine Michigan Group	**$ 814.8**	$ 626.8	$ 650.3
Wolverine Boston Group	**1,404.6**	1,282.2	1,264.1
Other	**43.8**	50.0	45.2
Corporate	**205.3**	224.1	309.5
Total	**$ 2,468.5**	$ 2,183.1	$ 2,269.1
Goodwill:			
Wolverine Michigan Group	**$ 143.1**	$ 143.8	$ 144.4
Wolverine Boston Group	**293.9**	280.6	283.1
Total	**$ 437.0**	$ 424.4	$ 427.5

17. BUSINESS ACQUISITIONS

On April 30, 2019, the Company acquired assets and assumed liabilities from Sportlab S.R.L. ("Sportlab"), the distributor of *Saucony®* footwear in Italy. Total purchase consideration of $25.1 million includes cash paid, extinguishment of Sportlab's accounts payable balance that was due to the Company at the time of acquisition and contingent consideration. The contingent consideration is based on sales activity from the date of the acquisition through the remainder of fiscal 2019 and is valued based on the order backlog at the acquisition date. The maximum amount of contingent consideration for which the Company would be liable is $5.7 million and if earned, would be paid in the first quarter of fiscal 2020. The detailed amounts of each component of the purchase consideration are as follows:

(In millions)	Purchase Consideration
Cash paid	**$ 15.1**
Extinguishment of Sportlab's accounts payable balance	**4.6**
Contingent consideration	**5.4**
Total purchase consideration	**$ 25.1**

The Company accounted for the acquisition under the provisions of FASB ASC Topic 805, *Business Combinations*. The related assets acquired and liabilities assumed were recorded at fair value on the acquisition date. The operating results for the acquired *Saucony®* distribution business are included in the Company's consolidated condensed results of operations beginning April 30, 2019, and are included in the Wolverine Boston Group reporting group for segment reporting purposes.

The preliminary allocation of the purchase price through September 28, 2019 was:

(In millions)	Initial Valuation
Accounts receivable	$ **1.8**
Inventories	**6.2**
Goodwill	**12.3**
Amortizable intangibles	**12.9**
Total assets acquired	**33.2**
Deferred income taxes	**3.6**
Other liabilities	**4.5**
Total liabilities assumed	**8.1**
Net assets acquired	$ **25.1**

The allocation of the purchase price above is considered preliminary and was based upon valuation information available and estimates and assumptions made at September 28, 2019. The Company is still in the process of verifying data and finalizing information related to the valuation and recording of identifiable intangible assets, deferred taxes. uncertain tax positions, remaining contingent consideration and the resulting effects on the amount of recorded goodwill.

The excess of the purchase price over the fair value of the net assets acquired, amounting to $12.3 million, was preliminarily recorded as goodwill in the condensed consolidated balance sheet and was assigned to the Wolverine Boston Group operating segment. The goodwill that was recognized is attributable to the efficiencies to be gained by integrating operations with the *Saucony*® distribution business purchased from Sportlab. Other intangible assets acquired include order backlog, valued at $1.7 million, and customer relationship assets, valued at $11.2 million, which have estimated useful lives of 7 months and 14 years, respectively.

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 170 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 September 28, 2019, the Company operated 94 retail stores in the United States and Canada and 41 consumer-direct websites.

2019 FINANCIAL OVERVIEW

- Revenue was $574.3 million for the third quarter of 2019, representing growth of 2.8% compared to the third quarter of 2018. The change in revenue reflected a 2.7% decline from the Michigan Group and a 12.4% increase from the Boston Group. Changes in foreign exchange rates decreased revenue by $4.7 million during the third quarter of 2019.
- Gross margin was 42.4% in the third quarter of 2019 compared to 41.6% in the third quarter of 2018.
- The effective tax rates in the third quarters of 2019 and 2018 were 20.3% and 7.8%, respectively.
- Diluted earnings per share for the third quarters of 2019 and 2018 were $0.57 per share and $0.60 per share, respectively.
- The Company declared cash dividends of $0.10 per share and $0.08 per share in the third quarters of 2019 and 2018, respectively.
- The Company repurchased $106.8 million of shares in the third quarter of 2019 at an average price of $25.13 per share.

RESULTS OF OPERATIONS

(In millions, except per share data)	Quarter Ended			Year-To-Date Ended		
	September 28, 2019	September 29, 2018	Percent Change	**September 28, 2019**	September 29, 2018	Percent Change
Revenue	**$ 574.3**	$ 558.6	2.8 %	**$ 1,666.3**	$ 1,659.6	0.4 %
Cost of goods sold	**331.0**	326.5	1.4	**972.4**	965.4	0.7
Gross profit	**243.3**	232.1	4.8	**693.9**	694.2	—
Selling, general and administrative expenses	**165.9**	161.6	2.7	**498.6**	488.6	2.0
Environmental and other related costs	**9.1**	2.1	333.3	**19.1**	7.6	151.3
Operating profit	**68.3**	68.4	(0.1)	**176.2**	198.0	(11.0)
Interest expense, net	**8.2**	5.8	41.4	**21.8**	18.7	16.6
Other income, net	**(0.9)**	(1.3)	30.8	**(3.2)**	(7.2)	55.6
Earnings before income taxes	**61.0**	63.9	(4.5)	**157.6**	186.5	(15.5)
Income tax expense	**12.4**	5.0	148.0	**28.2**	25.5	10.6
Net earnings	**48.6**	58.9	(17.5)	**129.4**	161.0	(19.6)
Less: net earnings (loss) attributable to noncontrolling interests	**(0.1)**	0.1	(200.0)	**—**	0.2	(100.0)
Net earnings attributable to Wolverine World Wide, Inc.	**$ 48.7**	$ 58.8	(17.2)%	**$ 129.4**	$ 160.8	(19.5)%
Diluted earnings per share	**$ 0.57**	$ 0.60	(5.0)%	**$ 1.44**	$ 1.65	(12.7)%

REVENUE

Revenue was $574.3 million for the third quarter of 2019, representing an increase of 2.8% compared to the third quarter of 2018. The change in revenue reflected a 2.7% decline from the Michigan Group and a 12.4% increase from the Boston Group. The Michigan Group's revenue decline was driven by high-teens declines from *Cat*® and *Chaco*®, partially offset by high-single digit increase from *Merrell*®. The Boston Group's revenue increase was driven by a low-teens increase for *Sperry*® and a mid-teens increase for *Saucony*®. Changes in foreign exchange rates decreased revenue by $4.6 million during the third quarter of 2019.

Revenue was $1,666.3 million in the first three quarters of 2019, an increase of 0.4% from the first three quarters of 2018. The change in revenue reflected an increase of 0.2% from the Michigan Group and a 1.8% increase from the Boston Group. The Michigan Group's revenue increase was driven by mid-single digit growth from *Merrell*® and high-single digit growth from *Cat*®, partially offset by a mid-teens decline for *Chaco*®. The Boston Group's revenue increase was driven by mid-teens growth for *Keds*®. Changes in foreign exchange rates decreased revenue by $14.9 million during the first three quarters of 2019.

GROSS MARGIN

Gross margin was 42.4% in the third quarter of 2019 compared to 41.6% in the third quarter of 2018. Gross margin was 41.6% in the first three quarters of 2019 compared to 41.8% during the first three quarters of 2018. The increase in the third quarter of 2019 resulted from favorable product mix and the acquisition of a distributor in Italy, partially offset by business model changes for certain international wholesale customers and higher closeout sales. The decrease in the first three quarters of 2019 resulted from unfavorable product mix and business model changes for certain international wholesale customers, partially offset by the acquisition of a distributor in Italy, a higher mix of higher gross margin consumer-direct revenue and reduced markdowns.

OPERATING EXPENSES

Operating expenses increased $11.3 million, from $163.7 million in the third quarter of 2018 to $175.0 million in the third quarter of 2019. The increase was driven by higher environmental and other related costs ($7.0 million), higher general and administrative costs ($3.9 million), higher selling costs ($2.7 million), higher reorganization costs ($2.5 million) and higher distribution costs ($1.3 million), partially offset by lower advertising costs ($4.1 million) and lower employee incentive compensation costs ($1.5 million).

Operating expenses increased $21.5 million, from $496.2 million in the first three quarters of 2018 to $517.7 million in the first three quarters of 2019. The increase is due to higher environmental and other related costs ($11.5 million), higher general and administrative costs ($7.2 million), higher distribution costs ($5.3 million), higher selling costs ($4.5 million), higher business development costs ($3.0 million) and higher reorganization costs ($2.5 million), partially offset by lower employee incentive compensation costs ($9.5 million) and lower advertising costs ($3.1 million).

INTEREST, OTHER AND INCOME TAXES

Net interest expense was $8.2 million in the third quarter of 2019 compared to $5.8 million in the third quarter of 2018. Net interest expense was $21.8 million in the first three quarters of 2019 compared to $18.7 million in the first three quarters of 2018. Interest expense increased by $1.1 million during the third quarter of 2019 due primarily to higher average debt balances in 2019. Interest income was $1.3 million lower in third quarter of 2019 as a result of lower cash balances compared to 2018. The increase in net interest expense for the first three quarters of 2019 was due to lower interest income ($3.7 million) as a result of lower cash balances, partially offset by reduced interest expense ($0.6 million) due primarily to lower amortization expense on deferred financing fees.

Other income was $0.9 million in the third quarter of 2019, compared to $1.3 million in the third quarter of 2018. The decrease was driven by higher non-service pension costs ($0.6 million), partially offset by the inclusion of sublease income in 2019 ($1.0 million) due to the implementation of ASU 2016-02 during the first quarter of 2019. Other income was $3.2 million in the first three quarters of 2019 compared to $7.2 million in the first three quarters of 2018. This decline was driven by a foreign currency remeasurement gain in 2018 ($5.9 million), which was partially offset by the inclusion of sublease income in 2019 due to the implementation of ASU 2016-02 during the first quarter of 2019 ($2.9 million).

The effective tax rates in the third quarters of 2019 and 2018 were 20.3% and 7.8%, respectively. The effective tax rates in the first three quarters of 2019 and 2018 were 17.9% and 13.7%, respectively. The increase in the effective tax rate for the current year periods is due primarily to the favorable impact on the prior year tax rate for voluntary pension contributions made in 2018.

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:

(In millions)	Quarter Ended September 28, 2019	September 29, 2018	Change	Percent Change	Year-To-Date Ended September 28, 2019	September 29, 2018	Change	Percent Change
REVENUE								
Wolverine Michigan Group	**$ 318.8**	$ 327.7	$ (8.9)	(2.7)%	**$ 939.7**	$ 937.7	$ 2.0	0.2 %
Wolverine Boston Group	**241.3**	214.6	26.7	12.4	**676.8**	664.7	12.1	1.8
Other	**14.2**	16.3	(2.1)	(12.9)	**49.8**	57.2	(7.4)	(12.9)
Total	**$ 574.3**	$ 558.6	$ 15.7	2.8 %	**$ 1,666.3**	$ 1,659.6	$ 6.7	0.4 %

(In millions)	Quarter Ended September 28, 2019	September 29, 2018	Change	Percent Change	Year-To-Date Ended September 28, 2019	September 29, 2018	Change	Percent Change
OPERATING PROFIT (LOSS)								
Wolverine Michigan Group	**$ 66.0**	$ 69.4	$ (3.4)	(4.9)%	**$ 183.8**	$ 195.2	$ (11.4)	(5.8)%
Wolverine Boston Group	**46.5**	37.6	8.9	23.7	**115.7**	120.0	(4.3)	(3.6)
Other	**0.7**	0.4	0.3	75.0	**3.0**	2.9	0.1	3.4
Corporate	**(44.9)**	(39.0)	(5.9)	(15.1)	**(126.3)**	(120.1)	(6.2)	(5.2)
Total	**$ 68.3**	$ 68.4	$ (0.1)	(0.1)%	**$ 176.2**	$ 198.0	$ (21.8)	(11.0)%

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 decreased $8.9 million, or 2.7%, in the third quarter of 2019 compared to the third quarter of 2018. The revenue decrease included high-teens declines from *Cat*® and *Chaco*® and a mid-teens decline from *Hush Puppies*®, partially offset by high-single digit growth from *Merrell*®. The *Cat*® decline is due to shipments scheduled for the third quarter of 2019 that shipped in the second quarter of 2019. The *Chaco*® decline is due to higher inventories at retail and competitive pricing pressure on certain key sandal offerings. The *Hush Puppies*® decline is due to slow sell through at retail in the U.S. and declines in Canada and Latin America. The *Merrell*® increase is due to growth in most geographic regions and growth in the Lifestyle, Work and Nature's Gym categories and strong eCommerce growth in the high-teens.

The Michigan Group's revenue increased $2.0 million, or 0.2%, in the first three quarters of 2019 compared to the first three quarters of 2018. This growth included a mid-single digit increase from *Merrell*® and a high-single digit increase from *Cat*®, partially offset by mid-teens declines from *Chaco*® and *Hush Puppies*®. The *Cat*® increase for the first three quarters was due to strength in the Work category, business model changes for certain international customers and growth in Europe and Latin America. The *Merrell*® increase was due to increased wholesale demand in the U.S., growth in Latin America and Asia Pacific and strong eCommerce growth in the mid-twenties. The *Chaco*® decline was due to the late start to Spring, high inventory levels at retailers and competitive pricing pressure on certain key sandal offerings. The *Hush Puppies*® decline was due to late deliveries of product and lower demand in the U.S. due to slow sell through at retail and declines in Canada, Europe and Latin America.

The Michigan Group's operating profit declined $3.4 million in the third quarter of 2019 compared to the third quarter of 2018. This decline was due to the group's lower revenue and a 50 basis point gross margin decline due to product mix and higher close-out sales. In the first three quarters of 2019, the Michigan Group's operating profit declined $11.4 million, or 5.8%, compared to the first three quarters of 2018. The change was driven by a 70 basis point decline in gross margin and a $5.7 million increase in selling, general and administrative costs. The gross margin decline was due to the bankruptcy of an international distributor, product mix and business model changes for certain international distributors. The increase in selling, general and administrative expenses was due to higher distribution and product development costs, investments in eCommerce growth and new *Merrell*® stores.

Wolverine Boston Group

The Boston Group's revenue increased by $26.7 million, or 12.4%, during the third quarter of 2019 compared to the third quarter of 2018. The increase was due to a low-teens increase in *Sperry*®, a mid-teens increase in *Saucony*® and a high-teens increase in the Kids footwear business. The *Sperry*® increase in the third quarter was due to growth in the U.S. wholesale business from strong boot sales, strong low-twenties eCommerce growth and new retail store openings. The *Saucony*® increase in the third quarter was due to the acquisition of the *Saucony*® distributor in Italy and strong low-thirties eCommerce growth. The Kids increase was due to strength in the *Sperry*® and *Merrell*® kids business and low-forties eCommerce growth.

The Boston Group's revenue increased by $12.1 million, or 1.8%, during the first three quarters of 2019 compared to the first three quarters of 2018. This resulted from a mid-teens increase from *Keds*® and a high-single digit increase in the Kids footwear business, partially offset by a low-single digit decline in *Saucony*®. The increase in *Keds*® was due to growth in the U.S. wholesale business, growth in Asia and strong eCommerce growth in the high-twenties. The Kids increase was due to strength in the Sperry and *Merrell*® kids business and low-sixties eCommerce growth. The decrease for *Saucony*® was due to lower demand for products in the U.S. wholesale channel and in certain international third-party markets, partially offset by the acquisition of the *Saucony*® distributor in Italy.

The Boston Group's operating profit increased $8.9 million in the third quarter of 2019 compared to the third quarter of 2018 due primarily to the increase in revenue for the quarter and a 120 basis point gross margin improvement due to the acquisition of the *Saucony*® distributor in Italy and lower close-out sales, partially offset by higher selling, general and administrative expense due to the Italy acquisition and new *Sperry*® stores. The Boston Group's operating profit declined $4.3 million in the first three quarters of 2019 compared to the first three quarters of 2018. This was due primarily higher selling, general and administrative expense of $10.7 million due to the acquisition of the *Saucony*® distributor in Italy, new *Sperry*® stores and higher distribution and advertising costs, partially offset by the group's higher revenue and gross margin improvement.

Other

The Other category's revenue decreased $2.1 million, or 12.9%, in the third quarter of 2019 compared to the third quarter of 2018. This decline reflected lower revenue from third-party sourcing commission revenue. During the first three quarters of 2019, the Other category's revenue declined $7.4 million, or 12.9%, compared to the first three quarters of 2018. The decline reflected lower third-party sourcing commission revenue, a decrease in sales at multi-branded stores and a low-single digit decline in the performance leathers business due to lower demand.

LIQUIDITY AND CAPITAL RESOURCES

(In millions)	**September 28, 2019**	December 29, 2018	September 29, 2018
Cash and cash equivalents	**$ 125.2**	$ 143.1	$ 228.1
Debt [(1)]	**934.0**	570.5	662.5
Available revolving credit facility [(2)]	**303.1**	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.

	Year-To-Date Ended	
(In millions)	**September 28, 2019**	September 29, 2018
Net cash provided by (used in) operating activities	**$ 16.0**	$ (34.0)
Net cash used in investing activities	**(53.4)**	(14.8)
Net cash provided by (used in) financing activities	**19.4**	(197.4)
Additions to property, plant and equipment	**28.7**	15.3
Depreciation and amortization	**23.3**	22.6

Liquidity

Cash and cash equivalents of $125.2 million as of September 28, 2019 were $102.9 million lower compared to September 29, 2018. The decrease is due primarily to share repurchases of $419.0 million, increased investing activity of $60.8 million and cash dividends paid of $33.0 million, partially offset by increased net borrowings under the Credit Agreement of $272.4 million and cash provided by operating activities during the previous four quarters of $147.5 million. The Company had $303.1 million of borrowing capacity available under the Revolving Credit Facility as of September 28, 2019. Cash and cash equivalents located in foreign jurisdictions totaled $81.8 million as of September 28, 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 consolidated condensed financial statements. The Company has established a reserve for estimated environmental remediation costs based upon an evaluation of currently available facts with respect to each individual site. As of September 28, 2019, the Company had a reserve of $14.8 million, of which $10.5 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 $4.3 million recorded in other liabilities expected to be paid over the course of up to 27 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 three quarters of 2019, an increase in net working capital represented a use of cash of $145.3 million. Working capital balances were unfavorably impacted by an increase in inventories of $94.8 million, by a decrease in accounts payable of $46.9 million and a decrease in other operating liabilities of $12.0 million, partially offset by an increase in income taxes payable of $9.3 million. The increase in inventory is due primarily to the Company's strategy to mitigate potential changes in tariffs on imported footwear, anticipated growth in sales and new stores.

Investing Activities

The Company made capital expenditures of $28.7 million and $15.3 million in the first three quarters of 2019 and 2018, respectively, for building improvements, new retail stores and information system enhancements. During the second quarter of 2019, the Company made cash investments of $15.1 million related to a business acquisition and $8.5 million related to investments in joint ventures. See Note 17 for additional information regarding the acquisition.

Financing Activities

On December 6, 2018, the Company amended its Credit Agreement. The Credit Agreement includes a $200.0 million 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.

As of September 28, 2019, the Company was in compliance with all covenants and performance ratios under the Credit Agreement.

The Company's debt at September 28, 2019 totaled $934.0 million compared to $570.5 million at December 29, 2018. The increase was due primarily to stock repurchases and to fund a business acquisition and investments in joint ventures.

The Company repurchased $314.2 million and $69.9 million of shares in the first three quarters of 2019 and 2018, respectively. The Company may purchase up to an additional $513.4 million of shares under its existing common stock repurchase program that expires in 2023. The Company also paid $16.7 million in the first three quarters of 2019 in connection with shares or units withheld to pay employee taxes related to stock incentive plans.

The Company declared a cash dividend of $0.10 per share and $0.08 per share, or $8.3 million and $7.6 million, for the third quarters of 2019 and 2018, respectively. A quarterly dividend of $0.10 per share was declared on November 1, 2019 to shareholders of record on January 2, 2020.

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 September 28, 2019 and September 29, 2018, the Company had outstanding forward currency exchange contracts to purchase primarily U.S. dollars in the amounts of $237.7 million and $215.5 million, respectively, with maturities ranging up to 545 days.

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

Assets and liabilities outside the U.S. are primarily located in the United Kingdom, Canada and the Netherlands. The Company's investments in foreign subsidiaries with a functional currency other than the U.S. dollar are generally considered long-term. As of September 28, 2019, a stronger U.S. dollar compared to certain foreign currencies decreased the value of these investments in net assets by $0.6 million from their value as of December 29, 2018. As of September 29, 2018, a stronger U.S. dollar compared to certain foreign currencies decreased the value of these investments in net assets by $12.0 million from their value at December 30, 2017. The Company has a cross currency swap, which has been designated as a hedge of a net investment in a foreign operation. As of September 28, 2019, the hedge had a notional amount of $79.8 million and will mature on September 1, 2021.

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 September 28, 2019, the Company's total variable-rate debt was $688.3 million and the Company held two interest rate swap agreements, denominated in U.S. dollars, that effectively converted $366.2 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 September 28, 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 third 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 7 (June 30, 2019 to August 3, 2019)				
Common Stock Repurchase Program[1]	1,000	$ 26.01	1,000	$ 220,165,985
Employee Transactions[2]	7,950	$ 27.46	—	
Period 8 (August 4, 2019 to August 31, 2019)				
Common Stock Repurchase Program[1]	3,967,203	$ 25.03	3,967,203	$ 120,848,303
Employee Transactions[2]	249	$ 23.43	—	
Period 9 (September 1, 2019 to September 28, 2019)				
Common Stock Repurchase Program[1]	281,867	$ 26.46	281,867	$ 513,389,908
Employee Transactions[2]	492	$ 26.69	—	
Total for Quarter Ended September 28, 2019				
Common Stock Repurchase Program[1]	4,250,070	$ 25.13	4,250,070	$ 513,389,908
Employee Transactions[2]	8,691	$ 27.30	—	

(1) On February 11, 2019, the Company’s Board of Directors approved a common stock repurchase program that authorized the repurchase of $400.0 million of common stock over a four-year period. On September 11, 2019, the Company’s Board of Directors approved a new common stock repurchase program that authorizes the repurchase of $400.0 million of common stock over a four-year period, incremental to the $113.4 million remaining under the previous 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.
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	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended September 28, 2019, formatted in Inline XBRL: (i) Consolidated Condensed Statements of Operations and Comprehensive Income; (ii) Consolidated Condensed Balance Sheets; (iii) Consolidated Condensed Statements of Cash Flows; (iv) Consolidated Condensed Statements of Stockholders' Equity; and (v) Notes to Consolidated Condensed Financial Statements.
104	The cover page of the Company's Quarterly Report on Form 10-Q for the quarter ended September 28, 2019, formatted in Inline XBRL (included in Exhibit 101).

SIGNATURES

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

WOLVERINE WORLD WIDE, INC.

November 7, 2019	/s/ Blake W. Krueger
Date	Blake W. Krueger Chairman, Chief Executive Officer and President (Principal Executive Officer and Duly Authorized Signatory for Registrant)
November 7, 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 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: November 7, 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: November 7, 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 September 28, 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: November 7, 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)