

JOHNSON OUTDOORS INC
Form 10-Q
May 04, 2012

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

FORM 10-Q

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

For the quarterly period ended March 30, 2012

OR

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

For the transition period from _____ to _____

Commission file number 0-16255

JOHNSON OUTDOORS INC.
(Exact name of Registrant as specified in its charter)

Wisconsin
(State or other jurisdiction of
incorporation or organization)

39-1536083
(I.R.S. Employer Identification No.)

555 Main Street, Racine, Wisconsin 53403
(Address of principal executive offices)

(262) 631-6600
(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one): Large accelerated filer Accelerated filer Non-accelerated filer (do not check if a smaller reporting company) Smaller reporting company .

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Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [] No [X]

As of April 27, 2012, 8,671,146 shares of Class A and 1,215,842 shares of Class B common stock of the Registrant were outstanding.

JOHNSON OUTDOORS INC.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

JOHNSON OUTDOORS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended		Six Months Ended	
	March 30	April 1	March 30	April 1
(thousands, except per share data)	2012	2011	2012	2011
Net sales	\$ 128,726	\$ 128,864	\$ 208,902	\$ 207,564
Cost of sales	78,199	75,931	127,274	123,951
Gross profit	50,527	52,933	81,628	83,613
Operating expenses:				
Marketing and selling	25,281	27,500	45,666	46,808
Administrative management, finance and information systems	11,200	10,485	22,038	19,576
Litigation settlement recovery	(3,500)	-	(3,500)	-
Research and development	3,565	3,524	7,162	7,140
Total operating expenses	36,546	41,509	71,366	73,524
Operating profit	13,981	11,424	10,262	10,089
Interest income	(10)	(18)	(31)	(47)
Interest expense	817	1,011	1,413	1,864
Other (income) expense, net	(104)	343	(1,296)	337
Income before income taxes	13,278	10,088	10,176	7,935
Income tax expense	5,995	1,602	5,837	686
Net income	\$ 7,283	\$ 8,486	\$ 4,339	\$ 7,249
Weighted average common shares - Basic:				
Class A	8,162	8,044	8,136	8,041
Class B	1,216	1,216	1,216	1,216
Dilutive stock options	4	29	11	36
Weighted average common shares - Dilutive	9,382	9,289	9,363	9,293
Net income per common share - Basic:				
Class A	\$ 0.75	\$ 0.89	\$ 0.45	\$ 0.76
Class B	\$ 0.68	\$ 0.80	\$ 0.40	\$ 0.69
Net income per common share - Diluted:				
Class A	\$ 0.74	\$ 0.87	\$ 0.44	\$ 0.75
Class B	\$ 0.74	\$ 0.87	\$ 0.44	\$ 0.75

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

JOHNSON OUTDOORS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(thousands, except share data)	March 30 2012 (unaudited)	September 30 2011 (audited)	April 1 2011 (unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 29,649	\$ 44,514	\$ 28,580
Accounts receivable, net	111,357	47,209	112,902
Inventories	79,304	68,462	84,754
Deferred income taxes	9,674	9,732	1,601
Other current assets	3,824	6,528	4,541
Total current assets	233,808	176,445	232,378
Property, plant and equipment, net of accumulated depreciation of \$94,776, \$97,229, and \$93,384, respectively	34,982	35,158	33,029
Deferred income taxes	15,074	19,531	3,829
Goodwill	14,596	14,651	13,919
Other intangible assets, net	5,043	5,403	5,558
Other assets	9,377	8,168	10,699
Total assets	\$ 312,880	\$ 259,356	\$ 299,412
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term notes payable and revolving credit lines	\$ 39,776	\$ -	\$ 56,498
Current maturities of long-term debt	3,091	3,494	1,333
Accounts payable	39,467	28,339	32,473
Accrued liabilities:			
Salaries, wages and benefits	10,800	14,286	11,328
Accrued warranty	5,618	5,155	6,122
Income taxes payable	2,078	1,635	1,362
Other	14,417	12,091	18,209
Total current liabilities	115,247	65,000	127,325
Long-term debt, less current maturities	8,604	11,478	14,609
Deferred income taxes	245	348	719
Retirement benefits	9,880	10,074	7,987
Other liabilities	10,476	8,931	9,770
Total liabilities	144,452	95,831	160,410
Shareholders' equity:			
Preferred stock: none issued			
Common stock:			
Class A shares issued and outstanding:	433	428	426
March 30, 2012, 8,671,146			
September 30, 2012, 8,567,549			
April 1, 2011, 8,516,404			
Class B shares issued and outstanding:	61	61	61
March 30, 2012, 1,215,842			
September 30, 2012, 1,215,842			
April 1, 2011, 1,216,464			

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Capital in excess of par value	62,793	61,521	60,694
Retained earnings	87,022	82,683	57,288
Accumulated other comprehensive income	18,119	18,832	20,534
Treasury stock at cost, shares of Class A common stock: 0, 0, and 172, respectively	-	-	(1)
Total shareholders' equity	168,428	163,525	139,002
Total liabilities and shareholders' equity	\$ 312,880	\$ 259,356	\$ 299,412

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

JOHNSON OUTDOORS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(thousands)	March 30 2012	Six Months Ended April 1 2011
CASH USED FOR OPERATING ACTIVITIES		
Net income	\$ 4,339	\$ 7,249
Adjustments to reconcile net income to net cash used for operating activities:		
Depreciation	5,292	4,405
Amortization of intangible assets	319	373
Amortization of deferred financing costs	122	138
Stock based compensation	920	720
Amortization of deferred loss on interest rate swap	484	612
Deferred income taxes	153	(58)
Change in operating assets and liabilities:		
Accounts receivable, net	(64,215)	(65,064)
Inventories, net	(11,024)	(11,705)
Accounts payable and accrued liabilities	15,238	10,877
Other current assets	1,160	1,513
Other non-current assets	(1,342)	(606