



## Illustrative Table of Potential Dilutive Impact of Convertible Senior Notes due 2025 and Call Spread July 19, 2022

UNAUDITED

In Q1 2020, we issued \$575 million aggregate principal amount of 3.25% convertible senior notes due 2025 (the “Convertible Senior Notes”). The current conversion rate applicable to the Convertible Senior Notes is 30.828 shares of our common stock per \$1,000 principal amount of Convertible Senior Notes, which is equivalent to a conversion price of approximately \$32.44 per share of our common stock. The conversion rate is subject to customary adjustments upon the occurrence of certain events, such as the payment of dividends. These Convertible Senior Notes have a dilutive effect on GAAP earnings per diluted share (“EPS”) while the Convertible Senior Notes are outstanding, but once converted or settled, we anticipate there will be no actual dilution as we intend to repay the principal amount in cash and entered into a bond hedge that is intended to offset dilution resulting from the conversion feature of the Convertible Senior Notes. The bond hedge is not included in the calculation of GAAP EPS as it is anti-dilutive.

In Q1 2020, we also sold warrants for approximately 17.6 million shares of our common stock, which represents the number of shares of our common stock which may be issued upon conversion of the Convertible Senior Notes in full (based on the current conversion rate of 30.828 shares of our common stock per \$1,000 principal amount of Convertible Senior Notes). The warrants have a current strike price of approximately \$48.06. These warrants could separately have a dilutive effect on GAAP EPS to the extent that the market price per share of our common stock exceeds the strike price and could cause actual dilution.

During fiscal 2022, we exchanged a total of \$200.0 million in aggregate principal amount of the Convertible Senior Notes for a combination of cash and shares of our common stock and terminated a proportionate amount of the aforementioned convertible bond hedge and warrant agreements. Following these transactions, as of July 19, 2022, approximately \$375.0 million aggregate principal amount of the Convertible Senior Notes remain outstanding and approximately 11.6 million shares underlie the Convertible Senior Notes, the convertible bond hedge and the warrants.

The following table illustrates the potential dilutive shares of our common stock that would be included in the calculation of our future GAAP and Non-GAAP EPS following the exchange transactions assuming various hypothetical quarterly average market prices of our common stock at the current conversion rate. As mentioned above, we expect total actual dilution at conversion or settlement to be reduced by the effect of our bond hedge and our repayment of the Convertible Senior Notes principal in cash.

*Shares in millions*

Hypothetical Quarterly Average Share Price <sup>(1)</sup>	If-Converted Method Additional Shares <sup>(2)</sup>	Net Shares from Warrants	Total Dilutive Potential Shares, under U.S. GAAP <sup>(3)</sup>	Net Shares from Bond Hedge <sup>(4)</sup>	Payment of principal in cash <sup>(5)</sup>	Total Expected Dilution at Maturity - Non- GAAP <sup>(6)</sup>
\$ 32.44	11.6	-	11.6	-	(11.6)	-
\$ 40.00	11.6	-	11.6	(2.2)	(9.4)	-
\$ 50.00	11.6	0.4	12.0	(4.1)	(7.5)	0.4
\$ 60.00	11.6	2.3	13.9	(5.3)	(6.3)	2.3
\$ 70.00	11.6	3.6	15.2	(6.2)	(5.4)	3.6
\$ 80.00	11.6	4.6	16.2	(6.9)	(4.7)	4.6
\$ 90.00	11.6	5.4	16.9	(7.4)	(4.2)	5.4
\$ 100.00	11.6	6.0	17.6	(7.8)	(3.8)	6.0
\$ 110.00	11.6	6.5	18.1	(8.2)	(3.4)	6.5
\$ 120.00	11.6	6.9	18.5	(8.4)	(3.1)	6.9
\$ 130.00	11.6	7.3	18.8	(8.7)	(2.9)	7.3

(1) - Although dilution continues beyond \$130 per share, we have not presented further data

(2) - Total shares underlying the Convertible Senior Notes, required to be included in diluted EPS pursuant to U.S. GAAP

(3) - Represents incremental shares to be included in determination of diluted EPS, pursuant to U.S. GAAP.

(4) - The bond hedge only offsets the actual dilution from the Convertible Senior Notes upon conversion, settlement or exchange.

(5) - The Company currently intends to pay the principal of the Convertible Senior Notes in cash.

(6) - Assuming principal is settled in cash, these are the number of shares that represent the actual expected dilution from the Convertible Senior Notes at conversion, settlement or exchange.

**The table above is for illustrative purposes and does not represent our forecast of future stock performance.**

## **Forward-Looking Statements Involving Risks and Uncertainties**

This document contains forward-looking statements regarding concerning the expectations, anticipations, intentions, beliefs or strategies of DICK’S Sporting Goods regarding the future, including the total potential dilutive shares that would be included in the calculation of GAAP EPS. Forward-looking statements represent the current expectations of DICK’S Sporting Goods regarding future events and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those implied by the forward-looking statements and there can be no assurance that future developments affecting DICK’S Sporting Goods will be those that it has anticipated. Among those risks and uncertainties are market conditions, including market interest rates, the trading price and volatility of our common stock and risks relating to our business, including the anticipated impact to consumer demand and supply chain due to the spread of the coronavirus (COVID-19), risks that we undergo a corporate event that causes a “make-whole fundamental change” with respect to the Notes, and other risks described in periodic reports that DICK’S Sporting Goods files from time to time with the Securities and Exchange Commission (the “SEC”). For additional information on these and other factors that could affect the actual results of DICK’S Sporting Goods, see the risk factors set forth in DICK’S filings with the SEC, including the most recent Annual Report filed on March 23, 2022. DICK’S Sporting Goods disclaims and does not undertake any obligation to update or revise any forward-looking statement in this document, except as required by applicable law or regulation. Forward-looking statements included in this document are made as of the date hereof.