

DICK'S SPORTING GOODS Q2 2022 HIGHLIGHTS

INDUSTRY-LEADING OMNI-CHANNEL EXPERIENCE

STORES ENABLED **OVER 90%** OF TOTAL SALES, SERVING BOTH IN-STORE ATHLETES AND PROVIDING **OVER 800** FORWARD POINTS OF DISTRIBUTION FOR OMNI-CHANNEL FULFILLMENT



APPROXIMATELY **80%** OF OUR ACTIVE ATHLETES LOOK TO DICK'S FOR A MULTI-BRANDED SHOPPING EXPERIENCE

SCORECARD

OVER **25 MILLION** ACTIVE SCORECARD LOYALTY MEMBERS, WHO GENERATED OVER **70%** OF SALES

140 MILLION+

TOTAL ATHLETES IN OUR DATABASE



STRUCTURALLY HIGHER SALES AND PROFITABILITY COMPARED TO PRE-COVID

NET SALES OF **\$3.1 BILLION** INCREASED **38%** VS. Q2 2019

COMP SALES DECLINED **5.1%**, SEQUENTIALLY ACCELERATING FROM Q1 2022



MERCHANDISE MARGIN INCREASED **439** BASIS POINTS VS. Q2 2019 DUE TO FOUNDATIONAL CHANGES IN OUR BUSINESS

EBT MARGIN OF **13.7%**, APPROXIMATELY DOUBLE OUR Q2 2019 RATE



DILUTED EPS OF **\$3.25** AND NON-GAAP DILUTED EPS OF **\$3.68***, APPROXIMATELY EQUAL TO OUR ENTIRE FISCAL YEAR OF 2019

EVERY SEASON STARTS AT



RAISED FULL YEAR 2022 OUTLOOK**

REFLECTS Q2 RESULTS AND IMPROVED INVENTORY POSITION FOR THE BACK-TO-SCHOOL SEASON, WHILE CONTINUING TO INCORPORATE AN APPROPRIATE LEVEL OF CAUTION GIVEN THE MACROECONOMIC BACKDROP

EXPECT DILUTED EPS OF **\$8.85 TO \$10.55**

EXPECT NON-GAAP DILUTED EPS OF **\$10.00 TO \$12.00***

EXPECT COMPARABLE STORE SALES OF **-6% TO -2%**

OUR INVENTORY IS **HEALTHY AND WELL-POSITIONED** WITH IMPROVED IN-STOCK LEVELS IN KEY CATEGORIES



REPURCHASED **\$319 MILLION** OF COMMON STOCK AND **\$100 MILLION** AGGREGATE PRINCIPAL OF CONVERTIBLE SENIOR NOTES



ENDED WITH CASH OF APPROXIMATELY **\$1.90** BILLION

* Represents a non-GAAP financial measure. See the following pages for a reconciliation of this measure to the most directly comparable GAAP measure.

** The 2022 full year guidance is as of August 23, 2022 and is subject to the risks identified within our cautionary statements relating to forward-looking information on the following page.

CAUTIONARY STATEMENT RELATED TO FORWARD-LOOKING INFORMATION

This investor presentation contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified as those that may predict, forecast, indicate or imply future results or performance and by forward-looking words such as “believe”, “anticipate”, “expect”, “estimate”, “predict”, “intend”, “plan”, “project”, “goal”, “will”, “will be”, “will continue”, “will result”, “could”, “may”, “might” or any variations of such words or other words with similar meanings. These statements are subject to risks and uncertainties and change based on various important factors, many of which may be beyond the Company's control. The Company's future performance and actual results may differ materially from those expressed or implied in such forward-looking statements. Forward-looking statements should not be relied upon by investors as a prediction of actual results. Forward-looking statements include statements regarding, among other things, our inventory is healthy and well-positioned, the Company's future performance, including 2022 outlook for sales, earnings, and capital expenditures; share repurchases; and dividends.

Factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statements include, but are not limited to: current macroeconomic conditions, including the uncertain impact of inflation, elevated fuel prices, the risk of recession, whether caused by COVID-19 or the conflict in Ukraine or otherwise; supply chain disruptions and labor market challenges due to COVID-19 and other factors, including factory closures and port congestions, which are resulting in rising container and transportation costs; changes in consumer discretionary spending; investments in omni-channel and technology growth not producing the anticipated benefits within the expected time-frame or at all; risks relating to vertical brands including GameChanger; investments in business transformation initiatives and strategic plans not producing the anticipated benefits within the expected time-frame or at all; inventory turn; changes in the competitive market and increasing competition amongst retailers, including an increase in promotional activity; changes in consumer demand or shopping patterns and the ability to identify new trends and have the right trending products in stores and online; weather-related disruptions and seasonality of the Company's business; changes in existing tax, labor, foreign trade and other laws and regulations, including those imposing new taxes, surcharges, or tariffs; our ability to optimize our store lease portfolio and our distribution and fulfillment network; unauthorized disclosure of sensitive or confidential customer information; website downtime, disruptions or other problems with the eCommerce platform, including interruptions, delays or downtime caused by high volumes of users or transactions, deficiencies in design or implementation, or platform enhancements; disruptions or other problems with information systems; whether we exchange additional Convertible Senior Notes; increasing direct competition from vendors, and increasing product costs due to various reasons, including foreign trade issues, currency exchange rate fluctuations, and increasing prices for raw materials due to inflation; our ability to hire and retain quality teammates, including store managers and sales associates; the loss of key personnel; negative reactions from customers, vendors and shareholders regarding Company policy changes and positions related to social and political issues; and developments with sports leagues, professional athletes or sports superstars.

For additional information on these and other factors that could affect the Company's actual results, see the risk factors set forth in the Company's filings with the Securities and Exchange Commission (“SEC”), including the most recent Annual Report filed with the SEC on March 23, 2022. The Company disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release, except as required by applicable law or regulation. Forward-looking statements included in this release are made as of the date of this release.



NON-GAAP NET INCOME AND EARNINGS PER SHARE RECONCILIATIONS

Non-GAAP Financial Measures

In addition to reporting the Company's financial results in accordance with generally accepted accounting principles ("GAAP"), the Company reports certain financial results that differ from what is reported under GAAP. These non-GAAP financial measures include non-GAAP income before income taxes, consolidated non-GAAP net income, non-GAAP earnings per diluted share, non-GAAP diluted shares outstanding, and net capital expenditures, which management believes provides investors with useful supplemental information to evaluate the Company's ongoing operations and to compare with past and future periods. Furthermore, management believes that adjustments related to the Convertible Senior Notes and convertible bond hedge provide a more complete view of the economics of the instruments upon future conversion. Management also uses these non-GAAP measures internally for forecasting, budgeting, and measuring its operating performance. These measures should be viewed as supplementing, and not as an alternative or substitute for, the Company's financial results prepared in accordance with GAAP. The methods used by the Company to calculate its non-GAAP financial measures may differ significantly from methods used by other companies to compute similar measures. As a result, any non-GAAP financial measures presented herein may not be comparable to similar measures provided by other companies. A reconciliation of the Company's non-GAAP measures to the most directly comparable GAAP financial measures are provided below and on the Company's website at investors.DICKS.com.

Non-GAAP Net Income and Earnings Per Share Reconciliations

(in thousands, except per share amounts)

	13 Weeks Ended July 30, 2022				
	Net income	After tax interest from Convertible Senior Notes ⁽²⁾	Numerator used to compute earnings per diluted share	Weighted average diluted shares	Earnings per diluted share
GAAP Basis	\$ 318,502	\$ 7,992	\$ 326,494	100,389	\$ 3.25
% of Net Sales	10.23%	0.26%	10.49%		
Convertible Senior Notes ⁽¹⁾	-	(7,992)	(7,992)	(13,881)	
Non-GAAP Basis	\$ 318,502	\$ -	\$ 318,502	86,508	\$ 3.68
% of Net Sales	10.23%	- %	10.23%		

(1)

Adjustment eliminates the impact of assumed share settlement of the Convertible Senior Notes as required by the if-converted method. Due to the Company's intent to settle the Convertible Senior Notes' principal in cash and the shares the Company expects to receive under its convertible bond hedge, which is designed to offset dilution, the Company does not expect the Convertible Senior Notes will have a dilutive effect upon conversion. Accordingly, the Company believes reflecting the notes as debt more closely represents the economics of the transaction upon future conversion.

(2)

The provision for income taxes for non-GAAP adjustments was calculated at 26%, which approximates the Company's blended tax rate.



NON-GAAP NET INCOME AND EARNINGS PER SHARE RECONCILIATIONS

Non-GAAP Net Income and Earnings Per Share Reconciliations

(in thousands, except per share amounts)

	52 Weeks Ended February 1, 2020							
	Gross profit	Selling, general and administrative expenses	Income from operations	Gain on sale of subsidiaries	Income before income taxes	Net income ⁽⁵⁾	Diluted shares outstanding during period	Earnings per diluted share
GAAP Basis	\$ 2,554,558	\$ 2,173,677	\$ 375,613	\$ (33,779)	\$ 407,704	\$ 297,462	89,066	\$ 3.34
% of Net Sales	29.19%	24.84%	4.29%	(0.39)%	4.66%	3.40%		
Hunt restructuring charges ⁽¹⁾	13,135	(44,588)	57,723	-	57,723	50,072		
Gain on sale of subsidiaries ⁽²⁾	-	-	-	33,779	(33,779)	(24,996)		
Non-cash asset impairments ⁽³⁾	-	(15,253)	15,253	-	15,253	11,287		
Litigation contingency settlement ⁽⁴⁾	-	6,411	(6,411)	-	(6,411)	(4,744)		
Non-GAAP Basis	\$ 2,567,693	\$ 2,120,247	\$ 442,178	\$ -	\$ 440,490	\$ 329,081	89,066	\$ 3.69
% of Net Sales	29.34%	24.23%	5.05%	- %	5.03%	3.76%		

⁽¹⁾ Hunt restructuring charges of \$57.7 million included \$35.7 million of non-cash impairments of a trademark and store assets, a \$13.1 million write-down of inventory and an \$8.9 million charge related to our exit from eight Field & Stream stores in the third quarter, which were subleased to Sportsman's Warehouse.

⁽²⁾ Gain on sale of Blue Sombrero and Affinity Sports subsidiaries.

⁽³⁾ Non-cash impairment charges to reduce the carrying value of a corporate aircraft to its fair market value, which was subsequently sold.

⁽⁴⁾ Favorable settlement of a previously accrued litigation contingency.

⁽⁵⁾ Except for the impairment of the trademark, the provision for income taxes for non-GAAP adjustments was calculated at 26%, which approximated the Company's blended tax rate. The trademark impairment charge of \$28.3 million was not deductible for tax purposes.



NON-GAAP NET INCOME AND EARNINGS PER SHARE RECONCILIATIONS

Reconciliation of Non-GAAP Earnings Per Diluted Share Guidance

(in millions, except per share amounts)

	52 Weeks Ended January 28, 2023									
	Low End					High End				
	Net income	After tax interest from Convertible Senior Notes ⁽²⁾	Numerator used to compute earnings per diluted share	Weighted average diluted shares	Earnings per diluted share	Net income	After tax interest from Convertible Senior Notes ⁽²⁾	Numerator used to compute earnings per diluted share	Weighted average diluted shares	Earnings per diluted share
GAAP Basis	\$ 880	\$ 22	\$ 902	102	\$ 8.85	\$ 1,056	\$ 22	\$ 1,078	102	\$ 10.55
Convertible Senior Notes ⁽¹⁾	-	(22)	(22)	(14)		-	(22)	(22)	(14)	
Non-GAAP Basis	\$ 880	\$ -	\$ 880	88	\$ 10.00	\$ 1,056	\$ -	\$ 1,056	88	\$ 12.00

⁽¹⁾ Adjustment eliminates the impact of assumed share settlement of the Convertible Senior Notes as required by the if-converted method. Due to the Company's intent to settle the Convertible Senior Notes' principal in cash and the shares the Company expects to receive under its convertible bond hedge, which is designed to offset dilution, the Company does not expect the Convertible Senior Notes will have a dilutive effect upon conversion. Accordingly, the Company believes reflecting the notes as debt more closely represents the economics of the transaction upon future conversion.

⁽²⁾ The provision for income taxes for non-GAAP adjustments was calculated at 26%, which approximates the Company's blended tax rate.

