

DICK'S

SPORTING GOODS



2023 Annual Report





OUR BELIEF

We believe sports have the power to change lives.

OUR VALUES

- Dedication • Optimism
- Integrity • Authenticity

OUR COMMON PURPOSE

We create confidence and excitement by inspiring, supporting, and personally equipping all athletes to achieve their dreams.



Dear Fellow Shareholders:

Since our founding in 1948, DICK'S has believed in the power of sports to change lives. We bring this to life every day through the experience we provide for our customers, whom we call athletes, the differentiated product we offer, the stories we tell through our marketing to connect athletes deeply with our brand and – most importantly – our culture, which enables our teammates to thrive.

With these strategic pillars, we are actively creating and defining our future – and during this past year, it's evident just how far we've extended our leadership position. Our athletes continue to prioritize sports and healthy, active lifestyles, and they are increasingly looking to DICK'S Sporting Goods to meet these needs.

In 2023, we made meaningful progress on all fronts and delivered a strong year:

- We delivered record sales of approximately \$13 billion dollars.
- We continued to gain market share, with considerable growth in our largest and most important categories.
- We added nearly 7 million new athletes during the year and reached record highs in our active athlete database.
- We achieved full year comp sales of 2.4%, driven by growth in transactions.
- We delivered earnings per diluted share of \$12.18 and non-GAAP earnings per diluted share of \$12.91.

We are proud of these results, which we could not achieve without our exceptional teammates who bring their passion, hard work and dedication to our business every day. Our teammates are truly the force behind our success, and we are deeply grateful to the 55,000 teammates who serve our athletes through our stores, distribution centers, corporate headquarters and GameChanger.

Positioning Our Business for Growth

Industry leaders consistently innovate from a foundation of strength, positioning themselves ahead of the curve. With this mindset, we have been transforming our business with an intense focus on the athlete – what they want and need, how they want to experience sport, and how we can enable their journey.

Our team is working together seamlessly to deliver an enhanced experience wherever and whenever our athletes want to shop. Our stores remain the hub for this effort, serving our in-store athletes while also providing more than 800 forward points of distribution for omnichannel fulfillment. During 2023, our stores enabled over 90% of our total sales.

We continue to redefine sports retail by innovating with new experiences, services and concepts that resonate with our athletes. A great example of this is House of Sport, a concept we launched when Ed Stack, our Executive Chairman, challenged our team to imagine, and then create, the store that if put across the street from a current DICK'S store could put that DICK'S store out of business. Since we launched our first location in 2021, House of Sport has brought very strong engagement with our athletes, brand partners and communities and has delivered powerful financial results. Compared to a typical DICK'S store, athletes are traveling farther to visit House of Sport, increasing the time they spend in the store and visiting more frequently. Because of the engagement and experience at House of Sport, our national brand partners are providing access to unique and expanded assortments, while new and emerging brands see it as a platform for growth. For a new House of Sport, in year one, we expect approximately \$35 million in omnichannel sales and very strong profitability, with a target of approximately 20% EBITDA margins. At the end of 2024, we will have 20 House of Sport stores and by the end of 2027, we plan to have between 75 and 100 House of Sport locations.

Inspired by House of Sport, we are continuing to innovate with our next generation 50,000 square foot prototype, which completely revolutionizes our most typical 50K sq. ft. DICK'S store format. This store has a similar elevated assortment and service model as House of Sport, as well as premium experiences and enhanced visual expressions and format. It's delivering great results, and we're excited to open another 16 locations in 2024, building on the 11 we opened in 2023. This one-two punch of House of Sport and our next generation 50K format is the future of our DICK'S stores and will serve as the hub for our athletes' omnichannel experience.

We are also growing our Golf Galaxy brand. This past year, the Golf Galaxy footprint expanded to over 100 locations, including 14 Golf Galaxy Performance Centers, which offer an immersive experience for golf enthusiasts of all levels. We plan to open additional performance centers in 2024.

When we talk about drivers of innovation and success, in addition to enhancing our omnichannel athlete experience, we're committed to investing in our future by providing a highly differentiated product assortment, driving deep engagement with our brand, and creating a great environment for our teammates.

- Our product assortment: Our strong brand relationships have resulted in an industry-leading assortment and have made DICK'S the go-to destination for differentiated and on-trend product. We will continue to make big bets with our partners, while also actively seeking to work with new and emerging brands. At the same time, we will continue to invest in our highly profitable portfolio of powerhouse vertical brands, including VRST, DSG and CALIA, which are gaining meaningful traction with our athletes.
- Our brand engagement: We continue to invest in DICK'S brand building through impactful storytelling, particularly around the power of sport, our vertical brands, and our digital offering. We also have focused on our digital experience and use data science to leverage our extensive athlete database to drive more personalized marketing and increase loyalty among our athletes. We continue to innovate within the multibillion-dollar youth sports technology market and strengthen our relationships with athletes and their families through GameChanger, the premier scoring, streaming and statistics mobile app.
- Our teammate experience: Our teammates are our biggest differentiator. The culture and energy in our stores are infectious. Our team comes to win every day, and we are equally committed to them, ensuring that we are offering a best-in-class experience that also provides them with opportunities to grow and develop.

Investing in Youth Sports

We also will continue to invest in youth and in the power of sport through our Sports Matter program, where we, together with The DICK'S Sporting Goods Foundation, have helped more than two million kids gain access to sport and committed over \$190 million to support young athletes with equipment, registration fees, league costs and playing fields. Last year, for our 75th anniversary, we distributed 75 grants worth \$75,000 each to deserving programs. In 2024, as Sports Matter celebrates its own anniversary of 10 years, we will be awarding another two million dollars in grants.

Rewarding Shareholders

We have a long track record of investing in long-term growth opportunities, while still returning capital to our shareholders. During the year, we returned \$1 billion to shareholders, and in the first quarter of 2024, we declared a 10% increase in our quarterly dividend, equivalent to an expected annualized dividend of \$4.40 per share. This anticipated increase reflects our deep confidence in our business, as well as our ongoing focus on delivering shareholder value.

Defining Our Future

As we look forward in 2024, we are extremely optimistic about our future and the opportunities ahead. We have a talented and motivated team that is continuing to innovate our omnichannel approach, focusing on further improving service and satisfaction while driving higher sales and market share gains. We're guiding to another strong year and expect to grow both our sales and earnings through positive comps, higher merchandise margin and productivity gains. We are excited to serve our athletes whenever and wherever they need us – and to excite, inspire and personally equip them so that they can achieve their goals.

Thank you for your continued support and belief in our company.



Lauren R. Hobart

President and Chief Executive Officer

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

FORM 10-K

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

For the fiscal year ended February 3, 2024

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 No. 001-31463

DICK'S SPORTING GOODS, INC.

(Exact name of registrant as specified in its charter)

Delaware

16-1241537

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

345 Court Street, Coraopolis, PA 15108

(Address of principal executive offices)

(724) 273-3400

(Registrant's telephone number, including area code)

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

Title of each class

Trading Symbol(s)

Name of Each Exchange on which Registered

Common Stock, \$0.01 par value

DKS

The New York Stock Exchange

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting common equity held by non-affiliates of the registrant was \$8,013,407,380 as of July 28, 2023 based upon the closing price of the registrant's common stock on the New York Stock Exchange reported for July 28, 2023.

As of March 22, 2024, DICK'S Sporting Goods, Inc. had 58,877,702 shares of common stock, par value \$0.01 per share, and 23,570,633 shares of Class B common stock, par value \$0.01 per share, outstanding.

Documents Incorporated by Reference: Part III of this Annual Report on Form 10-K incorporates certain information from the registrant's definitive proxy statement for its Annual Meeting of Stockholders to be held on June 12, 2024 (the "2024 Proxy Statement").

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Forward-Looking Statements

We caution that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Annual Report on Form 10-K or made by our management involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond our control. Accordingly, our future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. Investors should not place undue reliance on forward-looking statements as a prediction of actual results. These statements can be identified as those that may predict, forecast, indicate or imply future results, performance or advancements 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. Forward-looking statements address, among other things, our belief that many consumers have made lasting lifestyle changes with an increased focus on health and fitness, sports, and outdoor activities, leading to structurally higher sales; current macroeconomic conditions, including the uncertain impact of inflationary pressures, the expiration of student loan payment deferments and elevated interest rates; supply chain disruptions, including factory closures and port congestion; changes in consumer demand for products in certain categories, including fitness and outdoor equipment; the adequacy of our cash flow; our ability to control expenses and manage inventory shrink; the impact of our business optimization efforts completed in 2023; plans to opportunistically open new stores in under-penetrated markets and leverage our real estate portfolio to capitalize on future opportunities in the near and intermediate term as our existing leases come up for renewal and our plans to add new retail concepts and experiential stores; plans to open additional DICK’S House of Sport stores in 2024; plans to provide our vertical brands with improved space in-store, increased marketing and expansion into additional product categories; our diversity goals; the belief that our inventory is healthy and well-positioned to meet the demands of our athletes in 2024; our belief that the Inflation Reduction Act will not materially impact our financial results, including our annual estimated effective tax rate and liquidity; projections of our future profitability; projected range of capital expenditures which we expect will be concentrated on new store development, relocations and remodels, improvements within our existing stores including converting 50 stores to premium full-service footwear decks, and continued investments in technology to enhance our store fulfillment, in-store pickup and other foundational capabilities; anticipated store openings and relocations; plans to return capital to stockholders through dividends and share repurchases; and our future results of operations and financial condition.

Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which may cause actual results to differ materially from those expressed or implied in the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in the section titled “Risk Factors” (Item 1A of this Form 10-K). In addition, we operate in a highly competitive and rapidly changing environment; therefore, new risk factors can arise, and it is not possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on our business or the extent to which any individual risk factor, or combination of risk factors, may cause results to differ materially from those contained in any forward-looking statement. The forward-looking statements included in this Annual Report on Form 10-K are made as of this date. We do not assume any obligation and do not intend to update or revise any forward-looking statements whether as a result of new information, future developments or otherwise except as may be required by securities laws.

PART I

ITEM 1. BUSINESS

General

DICK’S Sporting Goods, Inc. (together with its subsidiaries, referred to as “the Company”, “we”, “us” and “our” unless specified otherwise) is a leading omni-channel sporting goods retailer offering an extensive assortment of authentic, high-quality sports equipment, apparel, footwear and accessories. As of February 3, 2024, we operated 724 DICK’S Sporting Goods locations across the United States, serving and inspiring our customers, whom we refer to as athletes, to achieve their personal best through interactions with our dedicated employees, whom we refer to as our teammates, in-store experiences and unique specialty shop-in-shops. In addition to DICK’S Sporting Goods stores, we own and operate Golf Galaxy, Public Lands, Moosejaw and Going Going Gone! specialty concept stores and also offer our products online and through our mobile apps. We also own and operate DICK’S House of Sport and Golf Galaxy Performance Center, as well as GameChanger, a youth sports mobile app for scheduling, communications, live scorekeeping and video streaming.

We celebrated our 75th anniversary as a Company in 2023 and are proud of our growth and accomplishments since our inception. We were founded and incorporated in 1948 in New York under the name Dick’s Clothing and Sporting Goods, Inc. when Richard “Dick” Stack, the father of Edward W. Stack, our Executive Chairman, opened his original bait and tackle store in Binghamton, New York. Edward W. Stack joined his father’s business full-time in 1977 and in 1984 became President and Chief Executive Officer of the then two-store chain. In November 1997, we reincorporated as a Delaware corporation, and in April 1999 we changed our name to DICK’S Sporting Goods, Inc.

Our executive office is located at 345 Court Street, Coraopolis, Pennsylvania 15108 and our phone number is (724) 273-3400. Our website is located at dicks.com. The information on our website does not constitute a part of this Annual Report on Form 10-K. We include on the investor relations portion of our website (investors.dicks.com), free of charge, copies of our Annual and Quarterly Reports on Forms 10-K and 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

When used in this Annual Report on Form 10-K, unless the context otherwise requires or unless otherwise specified, any reference to “year” is to the Company’s fiscal year, which ends on the Saturday closest to the end of January each year.

Business Strategy

Since 1948, our Company has believed that sports have the power to change lives, and we are committed to bringing this belief to life through our athlete experience, brand engagement, differentiated product, and most importantly, our teammates. With this belief as our foundation, our common purpose is to create confidence and excitement by inspiring, supporting, and personally equipping all athletes to achieve their dreams. Driven by this common purpose and our commitment to all athletes, our mission is to:

- Create an environment where passionate and skilled teammates thrive;
- Create and build leading brands that serve and inspire athletes;
- Make a lasting impact on communities through sport; and
- Deliver shareholder value through growth and relentless improvement.

We believe that through this mission and our four key strategic pillars of athlete experience, teammate experience, differentiated product and brand engagement, we can be the best sports company in the world.

Strengthening and Evolving our Base

At DICK’S, we are reimagining the athlete experience and believe that innovation in our omni-channel athlete experience is at the heart of our growth strategies. We provide a wide range of in-store support services and have incorporated experiential in-store elements, powered by technology, to provide what we believe is an elevated athlete experience. Experiential in-store elements such as HitTrax[®] batting cages, Trackman[®] golf simulators and our premium full-service footwear decks inspire confidence in our athletes and reinforce the power of our expertise. We also provide our athletes with compelling visual presentation of our differentiated assortment by showcasing our key partners’ brands through branded shops, our House of Cleats footwear presentation and our soccer shops, which feature enhanced in-store elements including an elevated cleat shop, an expanded selection of licensed jerseys and soccer trial cages in select locations, which are all supported by specially trained in-store soccer experts to help better serve our athletes.

We continue to improve our service and selling culture, with an emphasis on engaging and inspiring our athletes. We provide our teammates with robust training to increase knowledge about our products, which builds confidence for our athletes through the power of our opinion and expertise. We equip our teammates with current technology to improve their productivity and enhance the athlete experience, including providing real-time product information, detailed product descriptions, inventory availability and alternative product recommendations as well as other metrics and communications while on the sales floor.

We believe we are creating the future of retail through our DICK’S House of Sport stores, which are built around experience, service, community and product. These stores provide experiential destinations for our athletes, drive strong engagement with our key brand partners, and continue to set us apart as a clear market leader within the sporting goods industry. Since 2021, we have opened twelve DICK’S House of Sport stores, with plans to open eight additional stores in 2024. By the end of 2027, we plan to have 75 to 100 DICK’S House of Sport stores nationwide.

We also launched our redesigned Golf Galaxy Performance Centers in 2021, which are equipped with Trackman golf technology and include an elevated staffing and service model to ensure our teammates become trusted advisors to golf enthusiasts of all levels. To date, we have opened 14 Golf Galaxy Performance Centers and we plan to have approximately 40 to 50 of these stores by 2027, including ten additional stores in 2024. We continue to develop and test new store prototypes and concepts to grow our business, while incorporating key learnings into the rest of our chain. For example, our next generation 50,000 square foot DICK’S store incorporates key athlete insights that we’ve gained from our DICK’S House of Sport stores, including premium experiences, an elevated service model and enhanced visual expressions.

Incubating and Growing New Concepts

In addition to innovating within our core business, we also incubate and grow new concepts. In 2021, we launched Public Lands, an omni-channel specialty concept for our outdoor athletes and in 2023, we acquired Moosejaw, a leading outdoor retailer, which we integrated with Public Lands to better serve the outdoor athlete in areas like bike, hike, paddle sports and camp. In addition to retail, we are building the first and best place to experience youth sports with GameChanger, a premier live streaming, scoring and statistics mobile app for youth sports, offered through a software-as-a-service platform on a subscription basis.

Deepening Brand Relationships and Differentiated Product

We carry a full range of products within each category, including premium items for the sports enthusiast. We believe our compelling industry-leading product assortment in each sporting goods category offers our athletes a wide range of good, better and best price points and enables us to address the needs of our athletes, from beginner to sports enthusiast, which distinguishes us from other large format sporting goods stores. We focus on those growth categories in which we believe an opportunity to gain market share exists. We support these growth categories with greater quantities of enthusiast product and improved presentation and in-stock positions.

We deliver a multi-brand experience to our athletes through our strong partnerships with industry leading national brands and our vertical brand assortment.

National brands

We carry a wide variety of well-known brands, including but not limited to adidas, Asics, Brooks, Callaway Golf, Carhartt, Columbia, Easton, Hoka, Jordan, New Balance, Nike, On, Patagonia, Peloton, PING, Stanley, TaylorMade, The North Face, Titleist, Under Armour and Yeti. We believe our ability to showcase an entire brand portfolio is valued by our strategic partners, and our relationships with key brands provide access to wider, deeper and exclusive product offerings that provide authenticity and credibility to our athletes and that further differentiate us from our competitors, such as our transformed footwear assortment offered through premium full-service footwear decks, which we have in over 80% of our DICK'S locations as of the end of 2023.

Vertical brands

Our vertical brands include brands that we own across hardlines and softlines and are available exclusively in our stores and online such as Alpine Design, CALIA, DSG, ETHOS, Fitness Gear, MAXFLI, Nishiki, Quest, Top-Flite, VRST, and Walter Hagen, as well as brands that we license from third parties including adidas (football), Cobra (golf), Marucci (baseball), Lotto (soccer equipment, footwear, socks), and Prince (tennis). These brands offer high-quality, on-trend products to our athletes with compelling technical and performance attributes while providing differentiation in our merchandise assortment at higher gross margins as compared to sales of similar products from national brands. Collectively, our vertical brands are our second largest brand, representing \$1.6 billion, or approximately 13%, of consolidated net sales in fiscal 2023. We consider our vertical brand strategy to be a key area of opportunity to increase productivity in our stores and online, and we have invested in research, development and procurement staff to support its growth.

World-Class Omni-Channel Operating Model

We believe that when our athletes connect with the DICK'S Sporting Goods brand, they expect a seamless shopping experience, regardless of the manner in which they choose to shop with us. Like our athletes, we view retail as an omni-channel experience that seamlessly integrates our stores and online channels.

Our stores remain at the core of our omni-channel platform. We believe our store base gives us a competitive advantage over our online-only competitors, as our physical presence allows us to better serve our athletes by creating strong engagement through interactive in-store elements, offering the convenience of accepting in-store returns or exchanges and expediting fulfillment of eCommerce orders, the ability to place online orders in our stores if we are out of stock in the retail store, buy-online, pick-up in store, curbside pickup and return, and same-day delivery capabilities with Instacart or DoorDash, all while offering direct, live access to well-trained and knowledgeable teammates. In fiscal 2023, approximately 80% of online sales were fulfilled directly by our stores, which serve as localized points of distribution, and they enabled over 90% of our total sales through online fulfillment and in-person sales.

We continually improve the functionality and performance of our eCommerce sites and mobile app, which has included a faster and more convenient checkout process with new payment options, greater visibility and accuracy of delivery dates, improved page responsiveness, enhanced integration of our ScoreCard loyalty program, new content development through our Pro Tips platform and localized website experiences. Additionally, we continue to leverage our omni-channel platform, fulfillment centers and our delivery partnership with FedEx, which have enabled us to provide our athletes with faster delivery times. We plan to continue investing in our athlete's omni-channel experience to best serve the athlete whenever, wherever and however they want.

Data-Powered Technology Company

We have an expansive dataset of over 160 million athletes who account for over 80% of total sales. This includes active members from our ScoreCard Rewards loyalty program. In 2019, we launched ScoreCard Gold, which provides our top-tier athletes with more ways to earn ScoreCard points and member-only benefits, including early access to sales and product launches. Our loyalty program has over 25 million active members who account for over 70% of total sales, which includes 7 million active Gold athletes who account for over 45% of total sales. Over the past three years, we've acquired over 20 million new athletes.

We leverage the robust data in our database to enhance the athlete experience by engaging our athletes through digital marketing and providing them with personalized offers and communications. We also use data science to improve the speed at which we deliver products to our athletes through optimized order routing and to enhance our in-stock and merchandise availability positions.

Culture and Common Purpose

As stated in our mission, we strive to create an environment where dedicated, optimistic, authentic and high-integrity teammates thrive. We believe our teammates' dedication to creating a positive experience for our athletes is part of what drives our success as a company, and we are committed to creating a great place to work for our teammates through competitive wages and benefits, promoting teammate safety, health and well-being, and providing learning and career development opportunities for all teammates.

Selling Channels

We offer products to our athletes through our retail stores and online, and although we sell through both of these channels, we believe that sales in one channel are not independent of the other. Regardless of the sales channel, we seek to provide our athletes with a seamless omni-channel shopping experience.

Retail Stores

Our DICK'S Sporting Goods, Golf Galaxy and other specialty concept stores, including Public Lands, are designed to create an exciting and interactive shopping environment for the sporting enthusiast that highlights our extensive product assortments and value-added services. Each of our DICK'S Sporting Goods stores unites several sports specialty stores under one roof and typically contains the following specialty shops: Team Sports, Athletic Apparel, Outdoor, Golf, Fitness and Footwear. We believe our "store-within-a-store" concept creates a unique shopping environment by combining the convenience, broad assortment and competitive prices of large format stores with the brand names, differentiated product selection and customer service of a specialty store. We monitor and evaluate store performance on an ongoing basis and reallocate space in our stores to categories and products that we believe can drive sales growth. In addition, we operate Going Going Gone! and Warehouse Sale stores, through which we are able to improve our clearance optimization through the consolidation of clearance inventory for omni-channel selling opportunities to better serve our value athletes.

We seek to expand our presence through the opening of new stores and believe that growing our store network and eCommerce business simultaneously will enable us to profitably grow the business by delivering an omni-channel shopping experience for our athletes. Approximately three-quarters of our DICK'S Sporting Goods stores will be up for lease renewal at our option over the next five years, which provides us with the opportunity to relocate, close, or renegotiate lease terms for these stores. In recent years, we have opportunistically opened new stores in under-penetrated markets and leveraged the significant flexibility within our existing real estate portfolio to capitalize on real estate opportunities as leases came up for renewal. While we plan to continue to leverage this flexibility to capitalize on future real estate opportunities, we plan to grow our square footage footprint in the upcoming year. Over the long-term, we plan to reposition our chain and grow our DICK'S House of Sport stores, Golf Galaxy Performance Centers and next generation 50,000 square foot DICK'S stores.

eCommerce

Through our websites, we seek to provide our athletes with in-depth product information and the ability to shop with us at any time. We continue to innovate our eCommerce sites and applications with customer experience enhancements, new releases of our mobile and tablet apps, and the development of omni-channel capabilities that further integrate our online presence with our brick and mortar stores to provide our athletes with an omni-channel shopping experience. Currently, we have return-to-store capabilities for online orders, the ability to place online orders in our stores if we are out of stock in the retail store, buy-online, pick-up in store, and curbside pickup and return capabilities. Our websites also give us the ability to ship online orders from our retail locations, which reduces delivery times for online orders and improves inventory productivity and availability.

Merchandising and Purchasing

During fiscal 2023, we purchased merchandise from approximately 1,500 vendors, with Nike, our largest vendor, representing approximately 24% of our merchandise purchases. No other vendor represented 10% or more of our fiscal 2023 merchandise purchases. We do not have long-term purchase contracts with any of our vendors; all of our purchases from vendors are made on a short-term purchase order basis.

The following table sets forth the approximate percentage of our sales attributable to the following categories for the fiscal years presented:

| Category | Fiscal Year | | |
|--------------------------|-------------|-------|-------|
| | 2023 | 2022 | 2021 |
| Hardlines ⁽¹⁾ | 38 % | 40 % | 44 % |
| Apparel | 33 % | 34 % | 34 % |
| Footwear ⁽²⁾ | 26 % | 24 % | 21 % |
| Other ⁽³⁾ | 3 % | 2 % | 1 % |
| Total | 100 % | 100 % | 100 % |

⁽¹⁾ Includes items such as sporting goods equipment, fitness equipment, golf equipment and fishing gear.

⁽²⁾ Includes athletic shoes for running, walking, tennis, fitness and cross training, basketball and hiking. In addition, this category also includes specialty footwear, including casual footwear and a complete line of cleats for team sports.

⁽³⁾ Includes our non-merchandise sales categories, including in-store services, shipping and GameChanger revenues.

Additional information about our sales categories is included within Part IV. Item 15. Exhibits and Financial Statement Schedules, Note 1 – Basis of Presentation and Summary of Significant Accounting Policies of this Annual Report on Form 10-K.

Distribution and Customer Fulfillment

We currently operate five regional distribution centers which enable us to supply stores with merchandise, and in 2024 we plan to begin construction on a new regional distribution center that we expect to open in 2026. Vendors ship floor-ready merchandise to our distribution centers, where it is processed and allocated directly to our stores or stored temporarily. Our distribution centers are also responsible for consolidating damaged or defective merchandise from our stores that is being returned to vendors. We have contracted with common carriers to deliver merchandise from all of our distribution centers to our stores, which generally facilitates prompt and efficient distribution to our stores to enhance in-stocks, minimize freight costs and improve inventory turnover. During 2023, our stores received over 90% of their merchandise through our distribution network; the remaining merchandise was shipped directly to our stores from our vendors.

We leverage our store and distribution center network, our dedicated eCommerce fulfillment center and direct shipping capabilities from our vendors to ensure merchandise delivery speed to our athletes and to minimize shipping costs.

Competition

The competition among retailers that sell sporting goods is highly fragmented, intensely competitive, and continually evolving. We compete with many retail formats, including large format sporting goods stores, traditional sporting goods stores, specialty stores, mass merchants and department stores, online retailers, and vendors selling directly to consumers through retail stores and online. We seek to attract athletes by offering a wide range of products that enable us to address the needs of all athletes, from beginner to enthusiast, and by utilizing distinctive merchandise presentation in stores to create a unique shopping environment. We differentiate ourselves from our competitors by showcasing our and key partners' brands through brand shops and giving access to wider, deeper and exclusive product offerings that provide authenticity and credibility to our athletes. We believe our store base gives us a competitive advantage over our online-only competitors, as our physical presence allows us to better serve our athletes by creating strong engagement. We also offer superior service both in-store and via a seamless omnichannel experience which includes buy-online, pick-up in store, curbside pickup and return, and same-day delivery capabilities with Instacart or DoorDash.

Seasonality

Our business is subject to seasonal influences, including the success of holiday selling season and the impact of unseasonable weather conditions. Although our highest sales and operating income results have historically occurred in the second and fourth fiscal quarters, our business has increasingly been less affected by seasonal fluctuations in recent years. However, results for any quarter are not necessarily indicative of the results that may be achieved for the fiscal year.

Proprietary Rights

We have a number of service marks and trademarks registered with the United States Patent and Trademark Office, including various versions of the following: "Alpine Design", "CALIA", "DICK'S", "DICK'S House of Sport", "DICK'S Sporting Goods", "DSG", "ETHOS", "Fitness Gear", "GameChanger", "Going Going Gone!", "Golf Galaxy", "The GolfWorks", "MAXFLI", "Monarch", "Nishiki", "Primed", "Public Lands", "Quest", "ScoreCard", "ScoreRewards", "Top-Flite", "VRST" and "Walter Hagen". We also have a number of registered domain names, including "dickssportinggoods.com", "dicks.com", "golfgalaxy.com", "publiclands.com", "goinggoinggone.com", "calia.com", "vrst.com", and "gamechanger.com". Our service marks, trademarks and other intellectual property are subject to risks and uncertainties that are described within Item 1A. "Risk Factors".

We have also entered into licensing agreements for brands that we do not own, which provide for exclusive and/or non-exclusive rights to use names such as "adidas" (football), "Cobra" (golf), "Lotto" (soccer equipment, footwear, socks), "Marucci" (baseball) and "Prince" (tennis) for specified product categories or certain products and, in some cases, specified sales channels. These licenses are long-term business relationships and contain customary termination provisions at the option of the licensor including, in some cases, termination upon our failure to purchase or sell a minimum volume of products and may include early termination fees. Our licenses are also subject to general risks and uncertainties common to licensing arrangements that are described within Item 1A. "Risk Factors".

Governmental Regulations

We must comply with various federal, state and local regulations, including regulations relating to consumer products and consumer protection, advertising and marketing, labor and employment, data protection and privacy, intellectual property, the environment and tax. Ensuring our compliance with these various laws and regulations, and keeping abreast of changes to the legal and regulatory landscape present in our industry, may cause us to expend considerable resources. For additional information, refer to risk factors within Item IA. "Risk Factors".

Social Responsibility

In addition to our common purpose of creating confidence and excitement by inspiring, supporting and personally equipping all athletes to achieve their dreams, we are committed to supporting youth sports in local communities. We sponsor thousands of teams in various sports and support the philanthropic efforts of our private corporate foundation, The DICK'S Sporting Goods Foundation. In partnership with The DICK'S Sporting Goods Foundation, in 2014 we launched our Sports Matter initiative, a philanthropic effort singularly focused on supporting youth sports. Through Sports Matter, we remain committed to addressing the barriers of participation in youth sports, including accessibility of equipment, safe recreational space to play, league costs to maintain youth sports programs in local communities and family registration fees often required for youth sport participation. Since the establishment of the Sports Matter initiative, the Company and The DICK'S Sporting Goods Foundation have committed over \$190 million to help thousands of youth sports teams and give more than two million young athletes across all 50 states the chance to play.

We also support The DICK'S Sporting Goods Foundation in expanding economic opportunities in local communities through programs established for education and the outdoors. During 2021, the DICK'S Sporting Goods Foundation entered into a long-term partnership with a public school district located outside of Pittsburgh, PA to help serve the needs of students, families and staff in the community and create access to holistic resources and programming to support their education and well-being. Additionally, in partnership with The DICK'S Sporting Goods Foundation, we established the Public Lands Fund in 2021, which provides grants to local and national non-profit organizations that protect and maintain public lands, break down the barriers of access to outdoor experiences, and improve inclusion and equity in the outdoors.

We are also dedicated to supporting our teammates professionally and personally, as they are the core of our organization. In 2021, we established the Teammate Relief Fund, a public charity that provides financial support to teammates and their immediate families facing unexpected financial difficulty beyond their control. The Teammate Relief Fund is available to all DICK'S teammates and is funded by DICK'S Sporting Goods and teammate donations.

Human Capital Management

As of February 3, 2024, we employed approximately 18,900 full-time and 36,600 part-time teammates. Total employment figures fluctuate throughout the year and typically peak during the fourth quarter in alignment with the holiday selling season. None of our teammates are covered by a collective bargaining agreement.

Wages and Benefits

In addition to offering our teammates competitive salaries and wages, we offer comprehensive health and retirement benefits to eligible teammates, which typically include all full-time hourly and salaried teammates. Our benefits include, but are not limited to, medical, dental, vision, disability and life insurance, flexible paid time off programs covering parental and family leave, hybrid work arrangements, and a company-matched retirement savings 401(k) plan that vests immediately and is open for all teammates.

We are committed to equal pay for equal work independent of gender and race when establishing and maintaining wages. We achieved 100% female-to-male unadjusted median pay ratio in 2021 and have maintained that ratio through 2023.

Safety, Health and Well-Being

We are committed to ensuring the safety, health and well-being of our teammates. We have robust policies, procedures and training in place to ensure a safe environment across our organization, including a comprehensive crisis management plan that allows us to respond immediately to critical incidents involving people, company assets, our business or our reputation. We provide support to our teammates to enable them to maintain and improve their professional and personal lives, which includes an employee assistance plan, an onsite health and fitness center, and a childcare facility at our corporate headquarters, which we refer to as our Customer Support Center ("CSC"). We also provide opportunities for volunteerism and launched the Teammate Relief Fund to offer additional support to our teammates experiencing hardship.

Training and Development

We empower our teammates to develop their careers and provide tools that are necessary for them to reach their personal and professional goals. We have created rotational development programs in various functional disciplines to develop leadership pipelines and offer various live and recorded training programs across the organization based on job role and function, including safety, compliance, leadership or other skills, as well as store manager onboarding programs. We also provide tuition reimbursement programs for all eligible teammates to pursue a job-related degree at an accredited college or university, and we offer a part-time MBA program online in partnership with a local university.

Diversity, Equity and Inclusion

We are committed to creating a workplace environment and culture that supports, celebrates and honors each individual and to promoting inclusion for all teammates. Doing so strengthens our ability to serve all of our athletes, drives innovation and growth, and enables us to attract and retain the best talent. Our Diversity, Equity, and Inclusion Council, formed in 2019, is comprised of a group of teammates from across our organization who represent diverse backgrounds, roles, experiences and communities, and was formed to help steer and support our diversity, equity, and inclusion efforts. Teammates with shared interests have come together in various resource groups to discuss shared experiences, increase awareness, offer mentorship to others and communicate with senior management. We use the feedback provided by our Diversity, Equity and Inclusion Council, various resource groups, and other surveys provided to our teammates to foster an inclusive workplace.

We have committed to increasing diversity at all levels of our organization. Consistent with this commitment, our Board of Directors includes women and people of color and reflects a diversity of background and experience in varying substantive areas relevant to our operations and industry.

Information About Our Executive Officers

The following table and accompanying narrative sets forth the name, age and business experience of our current Executive Officers as of March 15, 2024:

| <u>Name</u> | <u>Age</u> | <u>Position</u> |
|---------------------|------------|---|
| Edward W. Stack | 69 | Executive Chairman |
| Lauren R. Hobart | 55 | President and Chief Executive Officer |
| Navdeep Gupta | 51 | Executive Vice President - Chief Financial Officer |
| Julie Lodge-Jarrett | 48 | Executive Vice President - Chief People and Purpose Officer |
| Ray Sliva | 50 | Executive Vice President - Stores |
| Vlad Rak | 47 | Executive Vice President - Chief Technology Officer |
| Elizabeth H. Baran | 45 | Senior Vice President - General Counsel and Corporate Secretary |

Edward W. Stack is our Executive Chairman. From 1984 to January 2021, Mr. Stack served as our Chairman and Chief Executive Officer taking over operation of the Company after his father and our founder, Richard “Dick” Stack, retired from our then two-store chain. Mr. Stack has served us full-time since 1977 in a variety of positions, including President, Store Manager and Merchandise Manager.

Lauren R. Hobart became our President and Chief Executive Officer effective February 1, 2021 and has served as our President since May 2017. Ms. Hobart was appointed to the Company’s Board of Directors in January 2018. Ms. Hobart joined DICK’S Sporting Goods in February 2011 as our Senior Vice President and Chief Marketing Officer. In September 2015, Ms. Hobart was promoted to Executive Vice President and Chief Marketing Officer and in April 2017 to Executive Vice President - Chief Customer & Digital Officer. Prior to joining DICK’S Sporting Goods, Ms. Hobart spent 14 years with PepsiCo, Inc., most recently serving as Chief Marketing Officer for its carbonated soft drink portfolio in the United States. During her career at PepsiCo, Ms. Hobart held several other significant marketing roles and also spent several years in strategic planning and finance. Prior to joining PepsiCo, Ms. Hobart worked in commercial banking for JP Morgan Chase and Wells Fargo Bank. In addition, Ms. Hobart joined the Board of Directors of Marriott International, Inc. (NASDAQ: MAR) on March 15, 2023. Ms. Hobart also served as a member of the Board of Directors of YUM! Brands, Inc. (NYSE: YUM) from 2020 - 2022 and served as a member of the Board of Directors of Sonic Corp. (NASDAQ: SONC) from 2014 - 2018.

Navdeep Gupta became our Executive Vice President, Chief Financial Officer effective October 1, 2021 and served as our Senior Vice President, Chief Accounting Officer from November 2017 through September 2021. Prior to joining the Company, Mr. Gupta most recently served as the Senior Vice President of Finance at Advance Auto Parts, Inc., where he held numerous leadership roles from 2006 to 2017, including Chief Audit Executive, Vice President of Finance and Treasurer, and Director of Finance. Previously, Mr. Gupta held management roles at Sprint Nextel Corporation (now part of T-Mobile US, Inc.).

Julie Lodge-Jarrett became our Executive Vice President - Chief People and Purpose Officer in March 2024. Ms. Lodge-Jarrett joined DICK’S Sporting Goods in 2020 as Senior Vice President - Chief People and Purpose Officer and leads the overall talent and culture strategy for DICK’S, while also overseeing the organization’s philanthropy efforts through the DICK’S Foundation and Sports Matter Initiatives. Prior to joining DICK’S Sporting Goods, Ms. Lodge-Jarrett spent more than 21 years at Ford Motor Company where she held roles that included Chief Talent Officer; Chief Learning Officer; and HR VP, Greater China.

Ray Sliva became our Executive Vice President - Stores, in January 2023. Prior to joining DICK’S Sporting Goods, Mr. Sliva spent 23 years at Best Buy Co., Inc., where he most recently served as Chief People Officer and was responsible for leading a broad range of employee engagement initiatives. During his tenure at Best Buy, Mr. Sliva held various leadership roles including President of Retail, Senior Vice President of Retail Operations, Senior Vice President/Territory Manager, District Manager, Customer Experience Director, General Manager and District Human Resources Manager.

Vlad Rak became our Chief Technology Officer in April 2020. Prior to joining DICK’S Sporting Goods, Mr. Rak served as Senior Vice President & Chief Technology Officer at Merck & Co., Inc. from 2019 to 2020. Prior to that, Mr. Rak served as Vice President, Enterprise Architecture, Innovation, Platforms & Portfolio at Nike, Inc. from 2016 to 2019. Previously, Mr. Rak also held senior technology leadership roles at The Walt Disney Company and Wyndham Worldwide Corp. (now Travel & Leisure Co.). In April 2022, Mr. Rak joined the Board of Directors of Mastech Digital Inc (NYSEAMERICAN: MHH).

Elizabeth H. Baran became our Senior Vice President - General Counsel and Corporate Secretary in January 2024. Ms. Baran joined DICK'S Sporting Goods in 2010 and has served in a variety of leadership roles throughout her tenure. She is responsible for leading the legal, compliance, risk, internal audit and sustainability functions. Prior to joining DICK'S, Ms. Baran was in private practice with Troutman Pepper as a corporate, securities and M&A attorney where her clients included professional sports teams, international manufacturing companies, private equity groups and non-profits.

ITEM 1A. RISK FACTORS

Risks Related to Our Industry and Macroeconomic Conditions

Macroeconomic conditions may adversely affect consumer discretionary spending and our business, operations, liquidity, and financial results.

Our business depends on consumer discretionary spending, which can be adversely affected by many factors outside of the Company's control, including general economic conditions, such as inflation; elevated interest rates and recessionary pressures; adverse changes in consumer disposable income; the reinstatement of student loan payments; consumer confidence and perception of economic conditions, including the instability in the banking sector; geopolitical conflicts (including the conflicts in the Ukraine and the Middle East) and the threat or outbreak of further conflicts, terrorism or public unrest; wage and unemployment levels; consumer debt and the costs of basic necessities and other goods; pandemics, epidemics, contagious disease outbreaks and other public health concerns, which may result in a decrease in athlete traffic, comparable store sales, and average value per transaction and might cause us to utilize pricing strategies that will have a negative impact on our gross margins, all of which could negatively affect the Company's business, operations, liquidity, and financial results, particularly if consumer spending levels are depressed for a prolonged period of time.

Intense competition in the sporting goods industry and in retail could limit our growth and reduce our profitability.

The market for sporting goods retailers is highly fragmented, intensely competitive, and continually evolving. We compete with retailers from multiple categories and in multiple channels, including large formats; traditional and specialty formats; mass merchants; department stores; internet-based and direct-sell retailers; and from vendors that sell directly to customers. Our competitors include companies that have greater market presence (both brick and mortar and online), name recognition and financial, marketing, and other resources than we do. An inability to successfully respond to competitive pressures could have a material adverse effect on our results of operations or reputation. In addition, our industry is experiencing continued technological developments and innovations (including the use of artificial intelligence ("AI") and machine learning); if we are unable to provide enhancements and new features to our existing platforms or innovate quickly enough to keep pace with our industry peers, our business could be harmed.

Further, the ability of consumers to compare prices in real-time puts additional pressure on us to maintain competitive pricing. If we are unsuccessful in our varied marketing and advertising strategies, especially via online and social media platforms, we could lose athletes and our sales could decline. An inability to otherwise successfully respond to competitive pressures could have a material adverse effect on our results of operations, reputation or profitability.

Fluctuations in product costs and availability due to inflationary pressures, fuel price uncertainty, supply chain constraints, increases in commodity prices, labor shortages and other factors could negatively impact our business and results of operations.

Our product costs are affected, in part, by the costs and availability of component materials. A substantial increase in the prices of raw materials or commodities used in the products we sell, whether due to material shortages, supply chain disruptions or otherwise could increase the costs associated with manufacturing our products and the products that we purchase from our vendors. Significant increases in the prices of raw materials and commodities and our ability to pass these increases on to our athletes or manage increased costs by other means may affect our sales and profitability.

We rely upon third-party transportation to deliver products from vendors and our manufacturing facilities to our distribution centers, from our distribution centers to our stores, and directly to our athletes using our omni-channel platform. Consequently, our results may be adversely affected by those factors impacting transportation, including the price of fuel, slower transport times resulting from geopolitical conflicts (including the conflicts in Ukraine and the Middle East) and the threat or outbreak of further conflicts, terrorism or public unrest and other challenges impacting ocean trade routes, and the availability of aircraft, ships, trucks, trains, and qualified personnel to operate them. The price of fuel and demand for transportation services has fluctuated significantly in recent years and has resulted in increased transportation costs for us and our vendors.

Labor and employee shortages in the transportation industry could negatively affect transportation costs and our ability to supply our stores in a timely manner. Our business is also highly dependent on the shipping and trucking industry to deliver products to our distribution centers and our stores. Our results of operations may be adversely affected if we, or our vendors, are unable to secure adequate and timely transportation resources at competitive prices to fulfill our delivery schedules to our distribution centers or our stores. Further, difficulties in moving products manufactured overseas through established trade routes and then through the ports of North America, whether due to ongoing geopolitical conflict or other global or regional conflicts, port congestion or inaccessibility, government shutdowns, labor disputes, product regulations and/or inspections, changes in laws or other factors, including natural disasters, or health pandemics, could negatively affect our business.

A significant amount of our products are manufactured abroad, which subjects us to various international risks and costs, including foreign trade issues, currency exchange rate fluctuations, shipment delays and supply chain disruptions, and political instability, which could cause our sales and/or profitability to suffer.

Many of the products that we purchase as well as most of our vertical brand merchandise, are manufactured abroad. Foreign imports subject us to risk relating to changes in import duties and quotas, the introduction of U.S. taxes on imported goods or the extension of U.S. income taxes on our foreign suppliers' sales of imported goods through the adoption of destination-based income tax jurisdiction, loss of "most favored nation" status with the U.S., freight cost increases and economic and political uncertainties and conflict. We may also experience shipment delays caused by shipping port constraints (including inaccessibility to or delays on vital trade routes), labor strikes, work stoppages, acts of war, terrorism and global conflicts, or other supply chain disruptions, including those caused by extreme weather due to climate change or otherwise, natural disasters, and pandemics and other public health concerns.

If any of these or other factors, including heightened tensions between the U.S. and foreign nations, including China and Russia, as well as other regions of U.S. national security concern, such as the Middle East, were to cause a disruption of trade through the imposition of sanctions, additional tariffs, geopolitical risk, trade remedy action, trade route inaccessibility, or other restraints on trade from the countries in which our vendors' supplies or our vertical brand products' manufacturers are located, our inventory levels may be reduced and/or the cost of our products may increase. We may need to seek alternative suppliers or vendors, raise prices, or make changes to our operations, any of which could have a material adverse effect on our sales and profitability, results of operations and financial condition. Also, the prices charged by foreign manufacturers may be affected by the fluctuation of their local currency against the U.S. dollar and the price of raw materials, which could cause the cost of our products to increase and negatively impact our sales or profitability.

Risks Related to Our Operations and Reputation

If we are unable to predict or effectively react to changes in consumer demand or shopping patterns, we may lose athletes and our sales may decline.

Our success depends in part on our ability to anticipate and respond in a timely manner to changing consumer demand, preferences and trends, and shopping patterns, which are subject to continual change and evolution. We have adopted a fully omni-channel business model, as we strive to deliver a seamless shopping experience to our athletes through both online and in-store shopping experiences. For example, we must meet athletes' expectations with respect to, among other things, creating appealing and consistent online experiences while also offering localized assortments of merchandise to appeal to local/regional geographic and demographic tastes; offering differentiated and premium products and desirable in-store experiences; delivering elevated customer service; and providing fast, accurate and reliable delivery and pick-up, and convenient return options. Our athletes have expectations about how they shop in stores or through eCommerce or more generally engage with businesses across different channels or media (through online and other digital or mobile channels, including social media), which may vary across demographics and may evolve rapidly. If we are unable to provide an omni-channel shopping experience across all channels that aligns with our athletes' expectations and preferences, it could have an adverse impact on the results of our operations.

We often make advanced commitments to purchase products, which may make it more difficult for us to adapt to rapidly evolving changes in consumer preferences and trends. The COVID-19 pandemic created a shift in consumer demand, resulting in an increase in demand in certain categories due to the renewed interest and perceived importance of health and fitness, participation in socially distant and outdoor activities, and a shift toward athletic apparel, athleisure, and active lifestyle products. It is uncertain whether or the extent to which these trends will continue and whether any future pandemic or similar public health event would have the same or similar impact.

Furthermore, ongoing supply chain challenges as a result of geopolitical conflicts in Ukraine and the Middle East, and other factors may make it difficult to obtain certain in-demand products. Our sales could decline significantly if we misjudge the market for our new merchandise, which may result in significant merchandise markdowns and lower margins, missed opportunities for other products, and inventory write-downs.

Our vertical brand offerings and new specialty concept stores expose us to potential increased costs and certain additional risks.

We develop and offer our athletes vertical brand products that represent approximately 13% of our overall sales, generally carry higher margins than equivalent national brand products, and are not available from other retailers. We expend considerable resources to develop new brands and continually seek to improve and expand our current vertical brand offerings. Unexpected or increased costs or delays in development of the brand, excessive demands on management resources, legal or regulatory constraints, changes in consumer demands and shopping patterns regarding sporting goods, or a determination that consumer demand no longer supports the brand could cause us to curtail or abandon any of our new brands at any time, which could result in asset impairments and inventory write-downs. Additional risks relating to our vertical brand offerings include increased potential product liability and product recalls for which we do not have third-party indemnification and contractual rights or remedies (including product safety concerns); increased reputational risks related to the responsible domestic and international sourcing of our vertical brand products; increased costs for labor or raw materials used to manufacture products; our ability to successfully protect our proprietary rights (e.g., defending against counterfeit or unauthorized goods); our ability to successfully navigate and avoid claims related to the proprietary rights of third parties; our ability to anticipate consumer trends and styles; and our ability to utilize talent and other generational advertising techniques to reach the relevant market specific to each vertical brand.

We have also developed and may in the future develop and introduce new store concepts and formats or expand upon existing formats, which may require considerable resources, and there is no assurance that these initiatives will be successful. We have also included a variety of experiential opportunities in our current store concept offerings, such as climbing walls, fields, ice rinks, and other in-person activations. Issues that may pose potential risks for our new store concepts, formats and enhanced experiential opportunities include: increased potential liability for bodily injury to athletes or teammates; increased liability for property damage; increased costs for implementing, installing, building, repairing, and maintaining our experiential concepts or creating new concepts; our ability to attract and retain teammates with specific skill sets as it relates to experiential concepts; our ability to anticipate consumer trends or engaging activities; increased reputational risks related to community involvement, giving, and other activations at a localized level; increased risk related to competitors attempting to create similar concepts to gain market share; and our ability to successfully administer and comply with obligations under license agreements that we have with third-party licensors of certain brands.

Harm to our reputation could adversely impact our ability to attract and retain athletes and teammates.

Negative publicity or perceptions involving us or our brands, products, vendors, foreign manufacturers, spokespersons, influencers, marketing and other partners, or failure to detect, prevent, mitigate or address issues giving rise to reputational risk, could adversely impact our reputation, business, results of operations, and financial condition, and may adversely impact our ability to attract and retain athletes and teammates. Issues that might pose a reputational risk include: an inability to provide an omni-channel experience that meets the expectations of consumers; failure of our cybersecurity measures to protect against data breaches; failure of our data governance and privacy programs to protect against data misuse; product liability, recalls, and boycotts; our handling of issues relating to environmental, social, and governance (“ESG”) matters, including our response to ESG matters and the perceived transparency (or lack thereof) regarding our progress toward certain ESG goals and initiatives and ultimately, whether we are able to meet our published ESG goals and initiatives; our social media activity; failure to comply with applicable laws and regulations (including those in other countries where we manufacture goods); our policies related to the sale of firearms and accessories; public stances on controversial social or political issues; product sponsorship relationships, including those with celebrity and athlete spokespersons, influencers and other partnerships or group affiliations; our real estate strategy and selection of new store openings or relocations; concerns surrounding labor, environmental, workplace safety and other practices that may vary from U.S. standards in any of our foreign manufacturers, whether directly or indirectly; and any of the other risks enumerated in these risk factors. Furthermore, the prevalence of social media and a constant, on-demand news cycle may accelerate and in the short-term increase the potential scope of any negative publicity we or others might receive and could increase the negative impact of these issues on our reputation, business, results of operations, and financial condition.

Our strategic plans and initiatives may initially result in a negative impact on our financial results, and such plans and initiatives may not achieve the desired results within the anticipated time frame or at all.

Our ability to successfully implement and execute our strategic plans and initiatives depends on many factors, some of which are out of our control. Our focus on long-term strategic investments, including investments in our technology and other digital capabilities, (such as AI and machine learning), our eCommerce platform, improvements to the athlete experience in our stores and online, our supply chain, enhancements to our ScoreCard loyalty program, the continued development of our vertical brands and specialty store concepts, expansion of our real estate portfolio (including store remodels, experiential concepts and relocations), and improving teammate productivity through strategic talent investments and otherwise may require changes to our existing cost structure and/or significant capital investment and management attention at the expense of other business initiatives and may take longer than anticipated to achieve the desired return. Additionally, any new initiative is subject to certain risks, including athlete acceptance, competition, product differentiation, our ability to successfully implement technological initiatives, and the ability to attract and retain qualified personnel to support the initiative.

Further, strategies deployed to better resource for future growth and manage various cost categories may require expenditures in the short-term and otherwise may not achieve the desired savings results within the anticipated time frame, or at all.

An inability to execute our real estate strategy could affect our financial results.

Our financial performance depends on our ability to grow our DICK'S House of Sport, next generation 50,000 square foot DICK'S and Golf Galaxy Performance Center stores. There is no assurance that we will be able to locate, and obtain control of, adequate desirable real estate to support such growth. Additionally, our ability to negotiate favorable lease, purchase or operating terms depends on conditions in the real estate, capital and construction markets, including competition for desirable properties; our relationships with current and prospective landlords, property owners and shopping center or mall operators; construction costs; the availability of labor and materials; access to sufficient capital and/or financing vehicles, such as sale-leasebacks; local regulations; private restrictions; third party or political opposition; and other factors that are not within our control. We may incur costs that are excessive and cause operating margins and/or our return on investment to be below acceptable levels if we are unable to negotiate appropriate terms.

Our financial performance is further dependent on our ability to reposition and optimize our existing retail real estate portfolio, including opening new stores and relocating existing stores in desirable locations, and, where appropriate, consolidating the stores serving particular markets to maximize efficiencies; renewing or extending leases; restructuring leases to obtain more favorable renewal terms; refreshing and remodeling existing stores; if necessary, closing underperforming and poorly located stores; and where appropriate, repurposing real estate holdings to provide specialty concept opportunities or ancillary retail support to other stores in the market. If any aspect of our growth and/or repositioning strategy does not achieve the success we expect, in whole or in part, we may fail to meet our performance expectations.

Our stores are primarily located in shopping centers or malls in regional shopping areas. Accordingly, the success of our stores depends on several factors, including the sustained success and relevance of the shopping center, mall and/or retail node where the store is located; consumer demographics; consumer shopping habits and patterns; our ability to adjust store operating models to adapt to these changing patterns; the local competitive positioning; trade area demographics and economic factors for each location; the primary term lease commitment and long-term lease option coverage for each store; and the occupancy costs relative to market. Changes in consumer shopping habits and patterns, reduced customer traffic in the shopping centers, malls and/or retail nodes where our stores are located, financial difficulties of our landlords, property owners or the shopping center operators, anchor tenants or a significant number of other retailers, and vacancies or closures, could impact the profitability of our stores and increase the likelihood that our landlords, property owners or the shopping centers operators fail to fulfill their obligations and conditions under our lease agreements or governing documents. We may need to respond to declines in customer traffic or conversion rates by increasing markdowns or promotions to attract athletes and/or increasing marketing spend, which could adversely impact our financial results.

If an existing store is not profitable, we might be required to record an impairment charge and we may not be able to terminate the lease or sell the real estate associated with the underperforming store. Further, closing stores generally result in certain short-term economic consequences, such as, ongoing rent payment obligations or other expenses for the balance of the lease term or ownership period, termination charges in connection with a lease or, if the property is owned, costs, expenses and losses in connection with a sale or other asset disposition. We may remain liable for certain post-assignment or sublease obligations if the assignee, sublessee, or tenant, as applicable, does not perform.

Our business relies on our distribution and fulfillment network and our CSC. An inability to optimize this network or a disruption to the network, including delays or failures by independent third-party transportation providers, could cause us to lose merchandise, be unable to effectively deliver merchandise to our stores and athletes, and could adversely affect our financial condition and results of operations.

The ability to optimize our distribution and fulfillment network, which includes our distribution centers, eCommerce fulfillment center, and our stores that serve as forward distribution points, in a way that avoids disruptions and maximized efficiencies, is dependent on a variety of factors, many of which are beyond our control, including severe weather conditions, natural disasters, pandemics or other catastrophic events, problems with our information technology systems, labor or employee disagreements, supply chain disruptions or other shipping problems, and general economic and real estate conditions.

We may not be able to maintain our existing distribution and fulfillment network if the cost of the facilities increases or the location of a facility is no longer desirable. In those cases, we may not be able to locate suitable alternative sites or modify or enter into new leases on acceptable terms and we may need to increase reliance on our store network, third-party logistic fulfillment centers, our distribution centers, and vendors to help meet our fulfillment needs. An inability to optimize our distribution and fulfillment network, including the expiration of a lease or an unexpected lease termination at one of our facilities (without timely replacement of the applicable facility) or serious disruptions (including natural disasters or closures of distribution and fulfillment centers) at any of these facilities might impair our ability to adequately stock our stores, process returns of products to vendors and fulfill eCommerce orders at the speed expected by athletes, increase costs associated with shipping and delivery, damage a material portion of our inventory, and otherwise negatively affect our operations, sales, profitability, and reputation.

In addition, we rely on independent third-party transportation providers for substantially all of our merchandise shipments, including shipments to our stores and directly to athletes through our eCommerce platform. If we change shipping companies, we could face logistical difficulties that could adversely impact deliveries and we would incur costs and expend resources in connection with such change. Moreover, we may not be able to obtain terms as favorable as those received from the independent third-party transportation providers we currently use, which could have a material adverse impact on our business.

Unauthorized use or disclosure of sensitive or confidential athlete, teammate, vendor or Company information could result in substantial costs and reputational damage, harm to our business and standing with our athletes and could subject us to litigation and enforcement actions.

The protection of our data, including athlete and teammate data, is critical. We collect, receive, store, manage, transmit and delete confidential athlete data, including payment card and personally identifiable information, in the normal course of customer transactions, as well as other confidential and sensitive information, such as personal information about our teammates and our vendors, and confidential Company information. We also work with third-party vendors and service providers that provide technology, systems, and services that we use in connection with the collection, storage, and transmission of this information. We have implemented a cybersecurity function and governance process, and we regularly review and update our systems, processes, and procedures to protect against unauthorized access to or use of data and to prevent data loss, as well as detect, contain, and respond to data security incidents. Our processes for assessing, identifying, and managing material risks from cybersecurity and data threats are discussed within Item 1C. "Cybersecurity." Although we have taken measures to protect our confidential information and that of our athletes, teammates, and others, and ensure business continuity, we may be unable to anticipate security incidents or implement adequate measures, as cyber threats and the techniques used in cyberattacks are changing, developing, and evolving rapidly, including from emerging technologies such as advanced forms of artificial intelligence (AI) and machine learning. In addition, the intentional or negligent actions of third parties, business associates or teammates may undermine our existing security measures and allow unauthorized parties to obtain access to our data systems and misappropriate confidential data. Although we conduct regular trainings as part of our cybersecurity and data privacy efforts, the training does not guarantee prevention of successful cyberattacks.

While we have no knowledge of any material data security breaches to date, any compromise of our data security could result in a violation of applicable cybersecurity and/or privacy laws or standards, significant legal and financial exposure beyond the scope or limits of our insurance coverage, interruption of our operations, increased operating costs associated with remediation, equipment acquisitions or disposal, added personnel, and a loss of confidence in our security measures, which could harm our business, athlete experience, reputation or investor confidence.

Further, the data privacy and cybersecurity regulatory environment is constantly changing, with new and increasingly rigorous and complex requirements. Maintaining our compliance with those requirements, including state and local consumer privacy laws and federal cybersecurity disclosure requirements, may require significant effort and cost, require changes to our business practices, and limit our ability to obtain data used to provide a personalized customer experience or other marketing and advertising. In addition, failure to comply with applicable requirements could subject us to fines, sanctions, governmental investigations, lawsuits, or reputational damage.

Problems with our information systems could disrupt our operations and negatively impact our financial results and materially adversely affect our business operations.

We utilize several third-party information systems for core system needs of our business, including our use of an independent service provider for electronic payment processing. If any of these systems fail to function properly, it could disrupt our operations, including our ability to track, record and analyze the merchandise that we sell, process shipments of goods, process financial information or credit card transactions, deliver products or engage in similar normal business activities. If any of these independent service providers become unwilling or unable to provide these services to us or if the cost of using these providers increases, our business could be harmed.

Our information systems, including our back-up systems, are subject to damage or interruption from power outages; computer and telecommunications failures; malicious computer programs; denial-of-service attacks; security breaches (through cyberattacks from cyberattackers or sophisticated organizations or through negligent or intentional actions of teammates); catastrophic events; and usage errors by our teammates. Additionally, we have adopted a hybrid remote work environment which relies on the efficiency and functionality of our information systems. If our information systems and our back-up systems are damaged, breached or cease to function properly, we may have to make a significant investment to repair or replace them, and we may suffer loss of critical data and interruptions or delays in our business operations. Any material disruption, malfunction, or other similar problems in or with our core information systems could negatively impact our financial results and materially adversely affect our business operations.

In addition, the development, adoption, and use of generative AI technologies and machine learning are still in their early stages; ineffective or inadequate AI and machine learning development or deployment practices by us or by third parties, including vendors, could result in unintended consequences. For example, AI or machine learning algorithms that we use may be flawed or based on datasets that are biased, incomplete or insufficient. In addition, any latency, disruption, or failure in our AI or machine learning systems or infrastructure could result in operational delays or errors. Developing, testing, and deploying resource-intensive AI and machine learning systems may require additional investment and increase our costs.

We may be unable to attract, train, engage and retain key teammates and to adequately respond to teammate organizing efforts.

Our long-term success and ability to implement our strategic and business planning processes depends on our ability to attract, retain, train and develop key and qualified teammates in all areas of the organization, including store managers and sales associates, teammates who staff our distribution centers, executive and management level talent, and professionals to implement our technology and other strategic initiatives. Our ability to meet our labor needs while controlling labor costs is subject to numerous external factors, including market pressures with respect to prevailing wage rates, equity compensation, unemployment levels, and health and other insurance costs; adoption of new work models and policies regarding on-site and remote work; immigration, federal and state minimum wage requirements, and benefit costs; changing demographics; and our reputation within the labor market. If we are unable to attract and retain a workforce that meets our needs, our operations, service levels, support functions, and competitiveness could suffer, and our results could be adversely affected.

We also cannot predict whether any unionization or other organizing efforts could occur with our teammates. Any such efforts could increase our costs and negatively impact our operational flexibility. Our response to any such efforts could be perceived negatively and harm our business and reputation.

The loss of one or more of our key executives or the inability to successfully attract and retain executive officers or implement effective succession planning strategies could have a material adverse effect on our business.

Our long-term success and ability to implement our strategic and business planning processes depends in large part on our ability to continue to attract and retain executive management. All teammates, including members of our executive management and key personnel, are at-will employees, and we generally do not maintain key-person life insurance policies on our teammates. The loss of any one of our executive management, including our President & Chief Executive Officer, Lauren Hobart, or other key personnel could seriously harm our business. Additionally, effective succession planning for executive management and key personnel is vital to our long-term continued success. Failure to ensure effective transfer of knowledge, maintenance of our culture, setting of strategic direction, and smooth transitions involving executive management and key personnel could hinder our long-term strategies and success. Furthermore, our success depends on continued service from Edward W. Stack, our Executive Chairman, who began operating the Company in 1984 and continues to oversee our merchandising group and key strategic growth initiatives. Mr. Stack possesses detailed and in-depth knowledge of the issues, opportunities, and challenges that we and the industry face. If Mr. Stack no longer serves a role in our business, our results could be materially adversely affected.

The seasonality of certain categories of our operations, along with the current geographic concentrations of our stores, exposes us to certain seasonal influences and weather-related risks.

Our business is subject to seasonal influences and certain holidays and sports seasons during the year. Many of our stores are in geographic areas that experience seasonally cold weather, and we sell a significant amount of cold weather sporting goods and apparel. Historically, our highest sales and operating income results have occurred during our second and fourth fiscal quarters, which is partly due to golf and team sports sales during the second quarter and partly due to the winter holiday season and our strong sales of cold weather sporting goods and apparel in the fourth quarter. Results for any quarter are not necessarily indicative of the results that may be achieved for the fiscal year. However, poor performance during a quarter because of slow holiday seasons or unseasonable weather conditions, including unusually warm weather in the winter months or abnormally wet or cold weather in the spring or summer months, whether due to climate change or otherwise, could have a material adverse effect on our business, financial condition, and operating results for the entire fiscal year.

Furthermore, extreme weather conditions and natural disasters caused by climate change or otherwise and other catastrophic events in the areas in which our stores or distribution centers and fulfillment centers are located could negatively impact consumer shopping patterns, consumer confidence and disposable income, create interruptions to our business, or otherwise could have a negative effect on our financial performance. Natural disasters such as hurricanes, tornadoes and earthquakes, or a combination of these or other factors, could damage or destroy our facilities or make it difficult for customers to travel to our stores. Extreme weather conditions and/or natural disasters, or other catastrophic events in areas where we or our vendors have operations, including our stores and our distribution and eCommerce fulfillment centers, could result in disruption or delay of production and delivery of merchandise and products in our supply chain and cause staffing shortages in our stores, negatively affecting our business and results of operations.

We cannot provide any guaranty of future dividend payments or that we will continue to repurchase our common stock pursuant to our stock repurchase program.

Any determination to pay cash dividends on our common stock in the future will be based upon our financial condition, results of operations, business requirements, and the continuing determination from our Board of Directors that the declaration of dividends is in the best interests of our stockholders and is in compliance with all laws and agreements applicable to the dividend. Furthermore, although our Board of Directors has authorized a share repurchase program, we are not obligated to make any purchases under the program, and the Board may discontinue the program at any time.

If we are unable to protect against inventory shrink, our results of operations and financial condition could be adversely affected.

Our ability to effectively manage our inventory is a key component of the success of our business. We have historically experienced loss of inventory (also referred to as inventory shrinkage) due to damage, theft (including from organized retail crime), and other causes. We have recently experienced, and may continue to experience elevated levels of inventory shrink relative to historical levels, which have adversely affected, and could continue to adversely affect, our business, results of operations and financial condition. In addition, sustained high rates of inventory shrink at certain stores could impact the profitability of those stores and result in asset impairments.

We must also maintain the safety of our store teammates and athletes. Elevated levels of shrink or an unsafe store environment requires operational or strategic changes that may increase our costs and adversely impact our reputation and the teammate or athlete in-store experience.

Risks Related to Our Class B Common Stock and Other Anti-Takeover Mechanisms

We are controlled by holders of our Class B common stock, whose interests may differ from other stockholders.

Holders of our Class B common stock, who consist of our Executive Chairman, Mr. Edward W. Stack, his relatives, and various trusts established for the benefit of their families, control a majority of the combined voting power of our common stock and Class B common stock and would control the outcome of a vote on any corporate transaction or other matter submitted to our stockholders for approval. The interests of the holders of Class B common stock may differ from the interests of our other stockholders and they may take actions with which our other stockholders disagree.

The issuance of Class B common stock and other anti-takeover mechanisms could prevent or delay a change in control of our Company, even if such change in control would be beneficial to our stockholders.

Provisions of our Amended and Restated Certificate of Incorporation, as amended, and our Second Amended and Restated Bylaws as well as provisions of Delaware law could discourage, delay, or prevent a merger, acquisition, or other change in control of our Company, even if such change in control would be beneficial to our stockholders. These provisions include: authorizing the issuance of Class B common stock; authorizing the issuance of “blank check” preferred stock that could be issued by our Board of Directors to increase the number of outstanding shares and thwart a takeover attempt; prohibiting the use of cumulative voting for the election of directors; prohibiting stockholder action by partial written consent and requiring all stockholder actions to be taken at a meeting of our stockholders or by unanimous written consent if our Class B common stock is no longer outstanding; and establishing advance notice requirements for nominations for election to the Board of Directors or for proposing matters to be acted upon by stockholders at stockholder meetings. In addition, the Delaware General Corporation Law, to which we are subject, prohibits us, except under specified circumstances, from engaging in any mergers, significant sales of stock or assets or business combinations with any stockholder or group of stockholders who owns 15% or more of our common stock.

Risks Related to Third Parties and Legal and Regulatory Requirements

We depend on our suppliers, distributors, and manufacturers to provide us with sufficient quantities of quality products in a timely fashion.

In fiscal 2023, we purchased merchandise from approximately 1,500 vendors. Purchases from Nike represented approximately 24% of our total merchandise purchases. Although in fiscal 2023 purchases from no other vendor represented 10% or more of our total purchases, our dependence on suppliers involves risk. We might be unable to obtain merchandise that consumers demand in a timely manner if there are disruptions in our relationships with key suppliers, which could cause our revenue to materially decline. We generally do not have long-term written contracts with our suppliers that would require them to continue supplying us with merchandise. Key vendors may fail to deliver on their commitments or fail to supply us with sufficient products that comply with our safety and quality standards, whether because of supply chain disruptions or other causes, or fail to continue to develop new products that create consumer demand. Furthermore, vendors increasingly sell their products directly to customers or through broadened or alternative distribution channels, such as department stores, family footwear stores, or eCommerce companies. Many of our suppliers also provide us with incentives, such as return privileges, volume purchasing allowances and cooperative advertising, which are not guaranteed. A decline or discontinuation of these incentives could reduce or eliminate our profit margins.

We are subject to costs and risks associated with laws and regulations affecting our business.

We are subject to a wide array of laws and regulations that expose us to compliance and litigation risks that could negatively affect our operations and financial results. Some of the federal, state or local laws and regulations that affect us include those relating to consumer products, product liability and consumer protection; eCommerce (including AI and machine learning); data protection and data usage; privacy (including new and emerging privacy laws); advertisement and marketing; labor and employment (including employee safety); taxes, including changes to tax rates and new taxes, tariffs, and surcharges; knives, food items or other regulated products; accounting, corporate governance and securities, including adequate disclosure; custom or import; intellectual property; and social, environmental and/or climate change, including programs, transparency and reporting. Although no longer actively sold in our stores, we also remain subject to regulations relating to firearms and ammunition, due to our historical sale of those items. Establishing the necessary internal infrastructure to allow for the

monitoring and other compliance requirements required by these new laws and regulations and enforcement efforts requires expenditure of considerable Company resources.

Further, to the extent that another pandemic or similar public health event occurs, we could be subject to another period of store closures or other potential governmental regulations, whether at the local, state, or federal level(s) (including requiring a reduction in work force), which would likely have a significant adverse effect on our financial condition and results of operations.

Our sales and operating results could be adversely affected by product safety and labeling concerns.

If the products that we offer, whether via national brands or our vertical brands, do not meet applicable safety or labeling standards or our athletes' expectations regarding safety or labeling of products, we could experience decreased sales, increased costs, and/or be exposed to legal and reputational risk. Our vendors must comply with applicable product safety and labeling laws, and we are dependent on them to ensure that the products we buy comply with all safety and labeling standards. Negative customer perceptions regarding the safety, sourcing and labeling of the products we sell, and events that give rise to actual, potential, or perceived product safety or labeling concerns could expose us to government enforcement action and/or private litigation. Furthermore, reputational damage caused by real or perceived product safety or labeling concerns could have a negative impact on our sales and operating results.

We may be subject to various types of litigation and other claims, and our insurance may not be sufficient to cover damages related to those claims.

From time-to-time the Company or its subsidiaries may be involved in lawsuits or other claims arising in the ordinary course of business, including those related to federal or state wage and hour laws, product liability, consumer protection, advertising, employment, intellectual property, tort, privacy and data protection, disputes with property owners, landlords and vendors, company policies, workplace injuries and other matters. We may incur losses relating to claims filed against us, including costs associated with defending against such claims, and there is risk that any such claims or liabilities will exceed our insurance coverage, or affect our ability to retain adequate liability or workers' compensation insurance in the future. Even if a claim is unsuccessful or is not fully pursued, the negative publicity surrounding any such assertions could adversely affect our reputation. Due to the inherent uncertainties of litigation and other claims, we cannot accurately predict the ultimate outcome of any such matters.

We no longer sell firearms and ammunition in any of our stores, however, because we sold firearms and ammunition throughout our Company history, the risks discussed in this paragraph remain applicable as it is possible that inventory previously sold remains in circulation. These products are associated with an increased risk of injury and related lawsuits with respect to our compliance with Bureau of Alcohol, Tobacco, Firearms and Explosives ("ATF") and state laws and regulations. Any improper or illegal use by our athletes of ammunition or firearms sold by us could have a negative impact on our reputation and business. We may incur losses due to lawsuits, including potential class actions, relating to our performance of background checks on firearms purchases and compliance with other sales laws and regulations as mandated by state and federal law and related to our policies on the sale of firearms and ammunition, or due to lawsuits relating to the improper use of firearms or ammunition sold by us, including lawsuits by municipalities or other organizations attempting to recover costs from manufacturers and retailers of firearms and ammunition.

Our inability or failure to protect our intellectual property rights or any third parties claiming that we have infringed on their intellectual property rights could negatively impact our brand or have a negative impact on our operating results.

Our trademarks, service marks, copyrights, patents, trade secrets, domain names and other intellectual property, including exclusive licensing rights, are valuable assets that are critical to our success. Effective trademark and other intellectual property protection may not be available in every country in which our products are manufactured or may be made available. The unauthorized reproduction or other misappropriation of our intellectual property could diminish the value of our brands or goodwill and cause a decline in our revenue. In addition, any infringement or other intellectual property claim made against us could be time-consuming to address, result in costly litigation, cause product delays, require us to enter into royalty or licensing agreements or result in our loss of ownership or use of the intellectual property.

Changes to tax laws and regulations could adversely affect our financial results or condition.

Our effective income tax rates could be unfavorably impacted by several factors, including changes in the valuation of deferred tax assets and liabilities; other changes in applicable tax laws, regulations, treaties, interpretations, and other guidance, including the Inflation Reduction Act; changes in transfer pricing rules; and the outcome of income tax audits in various

jurisdictions. Current economic and political considerations make tax rules in the United States and other applicable jurisdictions subject to significant change. Changes in applicable tax laws and regulations, or their interpretation and application, including the possibility of retroactive effect, could affect our income tax expense and profitability.

Poor performance of professional sports teams within our core regions of operation, as well as league-wide lockouts, strikes or cancellations, retirement of or serious injury to key athletes or scandals involving such athletes could adversely affect our financial results.

We sell a significant amount of professional sports team merchandise, the success of which may be subject to fluctuations based on the success or failure of such teams or their key players. Poor performance by the professional sports teams within our core regions of operations; league-wide lockouts or strikes; and disruptions to, cancellations of, or negative publicity regarding sports leagues and major sporting events could cause our financial results to fluctuate year-over-year. In addition, to the extent we use individual athletes to market our products and advertise our stores or we sell merchandise branded by one or more athletes, the retirement or injury of such athletes or scandals in which they might be implicated could negatively impact our financial results.

Risks Related to Our Indebtedness and Strategic Transactions

We may pursue strategic alliances, acquisitions or investments and the failure of an alliance, acquisition or investment to produce the anticipated results or the inability to successfully integrate the acquired companies could have an adverse impact on our business.

From time-to-time, we may enter into strategic alliances or acquire or invest in complementary companies or businesses. The success of strategic alliances, acquisitions, and investments is based on our ability to make accurate assumptions regarding the valuation, operations, growth potential, integration and other factors relating to such businesses. Strategic alliances, acquisitions, and investments may result in the diversion of capital and our management's attention from other business issues and opportunities. We also may not be able to successfully integrate operations that we acquire, including their personnel, financial systems, supply chain and other operations, which could adversely affect our business. Furthermore, acquisitions may result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses or write-offs of goodwill or other intangibles, any of which could harm our financial condition. There can be no assurance that our strategic alliances, acquisitions, or investments will produce the anticipated results within the expected time frame or at all.

Our ability to operate and expand our business and to respond to changing business and economic conditions is dependent upon the availability of adequate capital. In addition to certain restrictions imposed by the terms of existing debt instruments, weakness in the capital markets could also negatively impact our access to capital.

The operation and growth of our business and our ability to respond to changing business and economic conditions depend on the availability of adequate capital, which in turn depends on cash flow generated by our business and, if necessary, the availability of equity or debt capital. Our revolving credit facility (the "Revolving Credit Facility") contains provisions that limit certain of our subsidiaries' ability to incur additional unsecured indebtedness, and our Revolving Credit Facility and the indenture that governs our 3.15% senior notes due 2032 (the "2032 Notes") and our 4.10% senior notes due 2052 (the "2052 Notes" and together with the 2032 Notes, the "Senior Notes") contain provisions that limit the Company's and certain of our subsidiaries' ability to incur secured indebtedness and our ability to sell all or substantially all of our assets, in each case subject to a number of exceptions and qualifications, the proceeds of which might otherwise be used to finance our operations. In the event of our insolvency, liquidation, dissolution or reorganization, the lenders under our Revolving Credit Facility and the holders of our Senior Notes would be entitled to payment in full from our assets before distributions, if any, were made to our stockholders.

If we are unable to generate sufficient cash flows from operations in the future, and if availability under our Revolving Credit Facility is not sufficient to meet our capital needs, we may have to obtain additional financing. Any future constriction of the credit and public capital markets, including debt markets, or deterioration of our financial condition due to internal or external factors, could restrict or limit our ability to access capital and could increase the cost of financing sources. We may not be able to obtain such refinancing or additional financing on favorable terms or at all. Our liquidity or access to capital could also be adversely affected by unforeseen changes in the financial markets and global economy.

Our indebtedness and liabilities could limit the cash flow available for our operations and we may not be able to generate sufficient cash to service all of our indebtedness. We may be forced to take certain actions to satisfy our obligations under our indebtedness or we may experience a financial failure.

Our ability to make scheduled payments on or to refinance our debt obligations, including the Senior Notes and our Revolving Credit Facility, will depend on our financial and operating performance. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the Senior Notes or the Revolving Credit Facility. We may not be able to take any of these actions, these actions may not be successful or may not permit us to meet our scheduled debt service obligations and these actions may not be permitted under the terms of our future debt agreements. In the absence of sufficient operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions or obtain sufficient proceeds from those dispositions to meet our debt service and other obligations then due.

Our current and future indebtedness could have negative consequences for our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

In addition, our Revolving Credit Facility contains certain restrictive covenants, including covenants that limit certain of our subsidiaries' ability to incur additional unsecured indebtedness, and our Revolving Credit Facility and the indenture that governs our Senior Notes contain provisions that limit the Company's and certain of our subsidiaries' ability to incur secured indebtedness and our ability to sell all or substantially all of our assets, in each case subject to a number of exceptions and qualifications, among other things. Any future indebtedness that we may incur may contain, restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in our other indebtedness becoming immediately payable in full.

Provisions in the indenture governing the Senior Notes could delay or prevent an otherwise beneficial takeover of us.

Certain provisions in the indenture governing the Senior Notes could make a third-party attempt to acquire us more difficult or expensive. For example, under the indenture governing the Senior Notes, if a takeover results in a change of control triggering event, then noteholders will have the right to require us to repurchase their Senior Notes for cash equal to 101% of the aggregate principal amount of such notes. In this and in other cases, our obligations under the indenture governing the Senior Notes could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that noteholders or holders of our common stock may view as favorable.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management/Strategy

The protection of our data, including athlete and teammate data, is critical to the Company's strategy of being a trusted advisor throughout the athlete and teammate experience. Cybersecurity is integrated into the Company's Enterprise Risk Management framework and is overseen by management and the Audit Committee.

The Company's Cybersecurity team, led by the Company's Chief Information Security Officer ("CISO"), works in close partnership with multiple internal constituencies to monitor and focus on current and emerging data security matters across the Company and with third parties while implementing and enabling industry-accepted cybersecurity risk management and compliance frameworks and programming, including the NIST Cybersecurity Framework. Internal and third-party risks are reviewed, monitored, and managed by the Company's Cybersecurity and Privacy teams, audited by an Internal Audit team and various external parties. The Company regularly engages third-party experts to assess the effectiveness of its cybersecurity programs. Additionally, the Company continually invests in skilled personnel; recurring training, processes, and procedures; insurance coverages; and numerous technologies to keep pace with current threats; trends; and an ever-evolving legal, regulatory, compliance, and risk landscape with respect to cybersecurity.

The Company has implemented a Cybersecurity Incident Response Plan (the "IR Plan") and framework to appropriately detect, contain and respond to cybersecurity incidents. The IR Plan identifies protocols for incident classification, the use of third-party service providers where applicable, processes for notification and internal escalation of information to senior management and the Audit Committee, and processes for materiality review. The IR Plan is reviewed and updated, as necessary, under the leadership of the Company's CISO. Additionally, the Company maintains processes to assess the risks associated with third parties that store, transmit, or process sensitive Company data.

While we have no knowledge of any material data security breaches to date, any compromise of our data security could result in a violation of applicable privacy and other laws or standards, significant legal and financial exposure beyond the scope or limits of our insurance coverage, interruption of our operations, increased operating costs associated with remediation, equipment acquisitions or disposal, added personnel, and a loss of confidence in our security measures, which could harm our business, athlete experience, reputation or investor confidence. See Item 1A. "Risk Factors" for more information on the Company's cybersecurity-related risks.

Governance

The Audit Committee provides oversight of our cybersecurity risk management, as the security of athlete and teammate data continue to be Company-wide priorities. Our cybersecurity risk management is led by our CISO, who has more than 24 years of experience leading cybersecurity capabilities and management of cybersecurity risk. The CISO reports to the Company's Chief Technology Officer, who reports directly to the Company's Chief Executive Officer. The CISO provides quarterly (or more often, if necessary) updates to the Audit Committee and periodic updates to the full Board, regarding existing and new cybersecurity risks, including how management is mitigating those risks. The CISO and the broader cybersecurity team is responsible for detecting, containing, and responding to cybersecurity incidents as documented within the IR Plan.

ITEM 2. PROPERTIES

We lease substantially all of our stores, which generally have initial lease terms of 10 to 15 years and contain multiple five-year renewal options and rent escalation provisions. We believe that our leases, when entered into, are at market rate rents. We generally select a new store site 12 to 24 months before its opening. Our stores are primarily located in shopping centers in regional shopping areas, as well as in freestanding locations and malls.

As of February 3, 2024, we operated 855 stores in 47 states. The following table sets forth the number of stores by state:

| State | DICK'S Sporting Goods ⁽¹⁾ | Specialty Concept Stores ⁽²⁾ | Total ⁽³⁾ |
|----------------------|--------------------------------------|---|----------------------|
| Alabama | 13 | 1 | 14 |
| Arizona | 9 | 3 | 12 |
| Arkansas | 4 | 1 | 5 |
| California | 57 | 7 | 64 |
| Colorado | 16 | 2 | 18 |
| Connecticut | 11 | 3 | 14 |
| Delaware | 3 | 1 | 4 |
| District of Columbia | 1 | — | 1 |
| Florida | 48 | 9 | 57 |
| Georgia | 23 | 3 | 26 |
| Idaho | 6 | 1 | 7 |
| Illinois | 32 | 5 | 37 |
| Indiana | 20 | 2 | 22 |
| Iowa | 7 | 2 | 9 |
| Kansas | 10 | 2 | 12 |
| Kentucky | 12 | 2 | 14 |
| Louisiana | 8 | — | 8 |
| Maine | 4 | — | 4 |
| Maryland | 17 | 3 | 20 |
| Massachusetts | 18 | 4 | 22 |
| Michigan | 21 | 5 | 26 |
| Minnesota | 10 | 4 | 14 |
| Mississippi | 7 | — | 7 |
| Missouri | 13 | 2 | 15 |
| Nebraska | 4 | 1 | 5 |
| Nevada | 4 | 2 | 6 |
| New Hampshire | 7 | — | 7 |
| New Jersey | 19 | 4 | 23 |
| New Mexico | 4 | — | 4 |
| New York | 43 | 3 | 46 |
| North Carolina | 31 | 7 | 38 |
| North Dakota | 1 | — | 1 |
| Ohio | 36 | 10 | 46 |
| Oklahoma | 7 | 2 | 9 |
| Oregon | 10 | 2 | 12 |
| Pennsylvania | 39 | 10 | 49 |
| Rhode Island | 2 | 1 | 3 |
| South Carolina | 11 | 3 | 14 |
| South Dakota | 1 | — | 1 |
| Tennessee | 17 | 3 | 20 |
| Texas | 48 | 9 | 57 |
| Utah | 5 | 2 | 7 |
| Vermont | 2 | — | 2 |
| Virginia | 27 | 6 | 33 |
| Washington | 16 | — | 16 |
| West Virginia | 6 | — | 6 |
| Wisconsin | 13 | 4 | 17 |
| Wyoming | 1 | — | 1 |
| Total | 724 | 131 | 855 |

⁽¹⁾ As of February 3, 2024, includes twelve DICK'S House of Sport stores, including nine new openings during fiscal 2023, which were either converted or relocated from prior store locations.

⁽²⁾ Includes our Golf Galaxy, Public Lands, Going Going Gone! and Moosejaw specialty concept stores. As of February 3, 2024, we operated 104 Golf Galaxy stores in 35 states, seven Public Lands stores in seven states, 17 Going Going Gone! stores in 15 states and three Moosejaw stores in three states. In some markets we operate DICK'S Sporting Goods stores adjacent to our specialty concept stores on the same property with a pass-through for our athletes. We refer to this format as a "combo store" and include combo store openings within both the DICK'S Sporting Goods and specialty concept store counts, as applicable. As of February 3, 2024, we operated 18 combo stores.

⁽³⁾ Excludes Warehouse Sale store locations that are temporary in nature, of which we operated 36 and 43 as of February 3, 2024 and January 28, 2023, respectively.

The following is a list of significant locations including the approximate square footage and whether the location is leased or owned:

| Facility Location | Type | Square Footage | Ownership |
|--------------------------|-------------------------------|-----------------------|------------------|
| Conklin, New York | Distribution and Fulfillment | 917,000 | Owned |
| Atlanta, Georgia | Distribution | 914,000 | Leased |
| Plainfield, Indiana | Distribution | 725,000 | Leased |
| Goodyear, Arizona | Distribution | 624,000 | Owned |
| Smithton, Pennsylvania | Distribution | 601,000 | Leased |
| Coraopolis, Pennsylvania | Customer Support Center (CSC) | 670,000 | Owned |

The land on which our CSC is built is subject to an underlying ground lease with Allegheny County Airport Authority, which expires in 2038. During 2024 we plan to begin construction on a new regional distribution center that is currently expected to be operational in 2026.

ITEM 3. LEGAL PROCEEDINGS

On February 16, 2024, *Plumbers and Pipefitters Local Union No. 719 Pension Trust Fund* filed a purported class action complaint against the Company and certain of our executive officers and directors in the United States District Court for the Western District of Pennsylvania (Case No. 2:24-cv-00196-KT), purportedly on behalf of all purchasers of our common shares between May 25, 2022 and August 21, 2023. The complaint alleges that the defendants violated Section 10(b) and Section 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, by making material misrepresentations and omissions about the Company's business and financial condition, including regarding the Company's inventory, margins, and business prospects. The complaint seeks relief including unspecified damages and an award of costs and expenses, including attorneys' fees. The Company does not believe the complaint states any meritorious claim and intends to defend this case vigorously. At this early stage of the proceedings, the Company cannot predict the ultimate outcome of the litigation.

We and our subsidiaries are involved in various other proceedings that are incidental to the normal course of our business. As of the date of this Annual Report on Form 10-K, we do not expect that any of such other proceedings will have a material adverse effect on our financial position or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and Dividend Policy

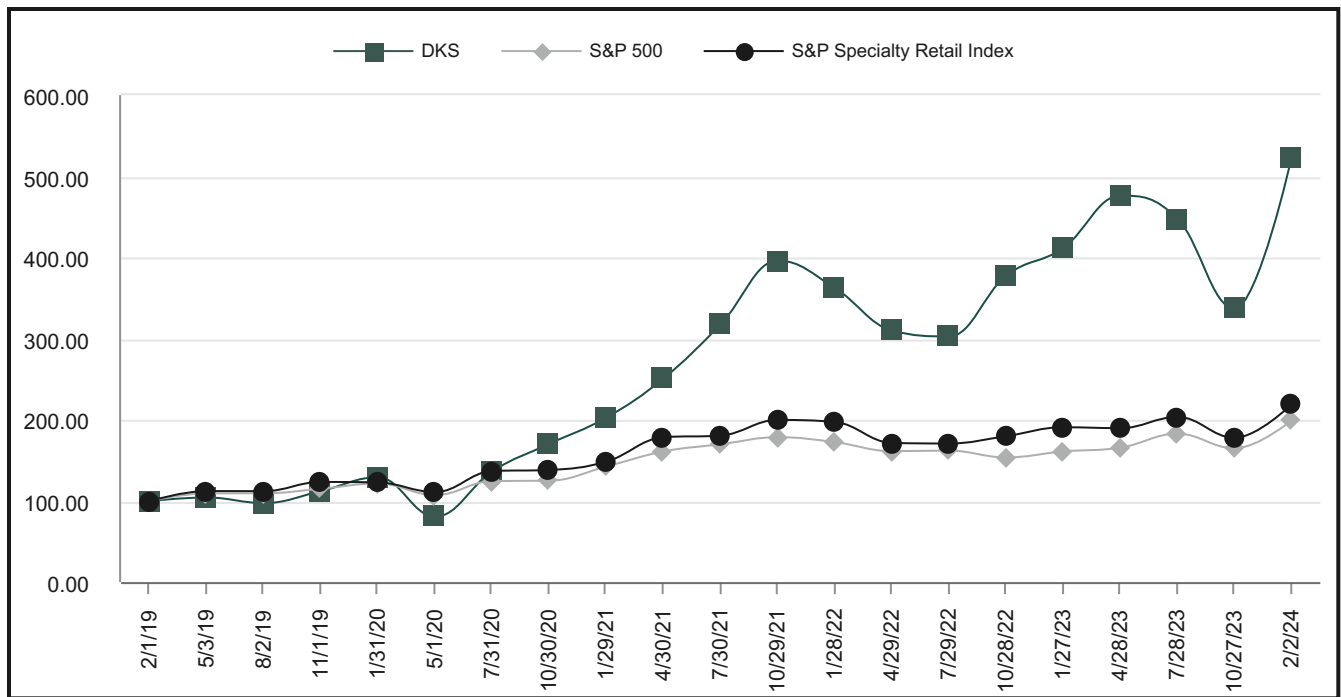
Shares of DICK’S Sporting Goods, Inc. common stock are listed and traded on the New York Stock Exchange (“NYSE”) under the symbol “DKS”. We also have shares of Class B common stock outstanding, which are not listed or traded on any stock exchange or other market. Shares of our Class B common stock can be converted on a one-for-one basis to shares of our common stock at any time at the holder’s option and are automatically converted upon the occurrence of certain events.

The declaration of dividends and the establishment of the per share amount, record dates and payment dates for any such future dividends are subject to the final determination of our Board of Directors, and are dependent upon multiple factors, including future earnings, cash flows, financial requirements and other considerations.

As of March 22, 2024, there were 231 and 16 registered holders of our common stock and Class B common stock, respectively.

Comparison of 5 Year Cumulative Total Return

The following graph compares the performance of our common stock with that of the Standard & Poor’s 500 Composite Stock Price Index (the “S&P 500”) and the S&P Specialty Retail Index for the periods indicated below. The graph assumes that \$100 was invested on February 1, 2019 in our common stock, the S&P 500 and the S&P Specialty Retail Index and that all dividends were reinvested.



Issuer Purchases of Equity Securities

The following table sets forth information with respect to common stock repurchases made during the three months ended February 3, 2024:

| Period | Total Number of Shares Purchased ^(a) | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ^(b) | Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs ^(b) |
|--|---|------------------------------|---|---|
| October 29, 2023 to November 25, 2023 | 557 | \$ 113.05 | — | \$ 779,565,161 |
| November 26, 2023 to December 30, 2023 | 3,946 | \$ 137.78 | — | \$ 779,565,161 |
| December 31, 2023 to February 3, 2024 | 2,431 | \$ 145.93 | — | \$ 779,565,161 |
| Total | 6,934 | \$ 138.65 | — | |

(a) Includes shares withheld from employees to satisfy minimum tax withholding obligations associated with the vesting of restricted stock during the period.

(b) Shares repurchased under our five-year \$2.0 billion share repurchase program, which was authorized by the Board of Directors on December 16, 2021.

The information set forth under Part III, Item 12. “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” is incorporated herein.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements and related notes appearing elsewhere in this Annual Report on Form 10-K. This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Refer to “Forward-Looking Statements” and Part I, Item 1A. “Risk Factors”.

Business Overview

We are a leading omni-channel sporting goods retailer offering an extensive assortment of authentic, high-quality sports equipment, apparel, footwear and accessories. In addition to DICK’S Sporting Goods stores, we own and operate Golf Galaxy, Public Lands, Moosejaw and Going Going Gone! specialty concept stores, and also offer our products online and through our mobile apps. We also own and operate DICK’S House of Sport and Golf Galaxy Performance Center, as well as GameChanger, a youth sports mobile app for scheduling, communications, live scorekeeping and video streaming. When used in this Annual Report on Form 10-K, unless the context otherwise requires or specifies, any reference to “year” is to our fiscal year, which ends on the Saturday closest to the end of January each year.

Through our strategic pillars of athlete experience, teammate experience, differentiated product and brand engagement, we have transformed our business to drive sustained profitable growth. As part of our strategy, we have meaningfully improved our merchandise assortment through strong relationships with our key brand partners, which provides access to highly differentiated product, and our vertical brands. We have also enhanced our store selling culture and service model and incorporated additional experiential elements and technology into our stores to engage our athletes. Lastly, we continue to innovate in our omni-channel athlete experience through our DICK’S House of Sport stores, Golf Galaxy Performance Centers and our next generation 50,000 square foot DICK’S store. Consumers have also made what we believe will be lasting lifestyle changes in recent years, prioritizing sport and maintaining healthy, active lifestyles, which has increased demand for our products.

As a result of our core strategies, foundational improvements and these strong secular consumer trends, net sales increased 48.4% in fiscal 2023 compared to fiscal 2019, while our pre-tax income as a percentage of net sales grew from 4.7% in fiscal 2019 to 10.2% in fiscal 2023. A key driver of our future omni-channel growth will include repositioning our portfolio to grow our DICK’S House of Sport stores, Golf Galaxy Performance Centers and next generation 50,000 square foot DICK’S stores.

Business Optimization

During 2023, we completed a business optimization to better align our talent, organizational design and spending in support of our most critical strategies while also streamlining our overall cost structure (the “Business Optimization”). As part of our Business Optimization, we eliminated certain positions primarily at our customer support center and optimized our outdoor business, which included the integration of our Moosejaw and Public Lands operations, decisions about their go-forward inventory assortment and a comprehensive review of their store portfolios and closure of ten Moosejaw stores. We incurred pre-tax charges of \$84.8 million from our Business Optimization, including \$46.1 million of non-cash impairments of store and intangible assets, \$26.7 million of severance-related costs and a \$12.0 million write-down of inventory.

Field & Stream Exit

During the fourth quarter of 2022, we decided to exit the Field & Stream brand (the “Field & Stream Exit”). We converted the remaining 17 Field & Stream stores, the majority of which were part of a DICK’S and Field & Stream combo store, to DICK’S House of Sport stores, expanded DICK’S Sporting Goods stores, or other specialty concept stores. We closed twelve of these stores for conversion during the fourth quarter of 2022 and incurred pre-tax charges totaling \$30.1 million, which included \$28.5 million of non-cash impairment of store assets, \$0.8 million of severance and a \$0.7 million write-down of inventory. Additionally, we sold the Field & Stream trademark in fiscal 2023 for proceeds near its carrying value.

Business Environment

The macroeconomic environment in which we operate remains dynamic as a result of numerous factors, including inflationary pressures, the expiration of student loan payment deferments, and the potential impact of elevated interest rates, which could impact consumer discretionary spending behavior and the promotional landscape in which we operate. In addition, disruption of supply chains, including factory closures and port congestion, resulted in apparel overages in fiscal 2022 from late arriving inventory and elevated container and transportation costs which began to moderate during the second half of fiscal 2022. We took actions during the third and fourth quarter of fiscal 2022 to address these targeted inventory overages.

Overview of current trends affecting 2023

- Within merchandise margin, we have experienced higher inventory shrink relative to historical levels, which has been noted throughout the retail industry. As a percentage of net sales, inventory shrink was approximately 50 basis points higher than 2022 on a full year basis. We expect inventory shrink in the first quarter of 2024 to remain higher than the comparable 2023 period, until the trend is reflected in the results of the current and prior year periods beginning in the second quarter of 2024.
- Following the moderation in elevated container and transportation costs that began in the second half of 2022, supply chain costs were lower in 2023. We do not expect meaningful year-over-year declines to continue in 2024.
- Following our Business Optimization actions, our selling, general and administrative expenses during the fourth quarter of 2023 have moderated by approximately 78 basis points as a percentage of net sales. In 2024, we expect selling, general and administrative expenses to leverage as a percentage of net sales, driven by the future benefits from our Business Optimization actions and our ongoing focus on improving productivity and reducing discretionary costs.

The Company’s current expectations described above include forward-looking statements. Please see the “Cautionary Statement Concerning Forward-Looking Statements” in this Form 10-K for information regarding important factors that may cause the Company’s actual results to differ from those currently projected and/or otherwise materially affect the Company.

How We Evaluate Our Operations

Senior management focuses on certain key indicators to monitor our performance, including:

- Comparable store sales performance – Our management considers comparable store sales, which includes online sales, to be an important indicator of our current performance. Comparable store sales results are important to leverage our costs, which include occupancy costs, store payroll and other store expenses. Comparable store sales also have a direct impact on our total net sales, net income, cash and working capital. A store is included in the comparable store sales calculation during the fiscal period that it commences its 14th full month of operations. Relocated stores are included in the comparable store sales calculation from the open date of the original location. Stores that were permanently closed during the applicable period have been excluded from comparable store sales results. For further discussion of our comparable store sales refer to the “Results of Operations” section herein.
- Earnings before taxes and the related operating margin – Our management views operating margin and earnings before taxes as key indicators of our performance. The key drivers of earnings before taxes are comparable store sales, gross profit, and our ability to control selling, general and administrative expenses.

- Cash flows from operating activities – Cash flow generation supports our general liquidity needs and funds capital expenditures for our omni-channel platform, which include investments in new and existing stores and our eCommerce channel, distribution and administrative facilities, continuous improvements to information technology tools, potential strategic acquisitions or investments that may arise from time-to-time and stockholder return initiatives, including cash dividends and share repurchases. We typically experience lower operating cash flows in our third fiscal quarter due to increased inventory purchases in advance of the holiday selling season and anticipated higher cash flows during our fourth fiscal quarter. For further discussion of our cash flows refer to the “Liquidity and Capital Resources” section herein.
- Quality of merchandise offerings – To measure effectiveness of our merchandise offerings, we monitor sell-throughs, inventory turns, gross margins and markdown rates at the department and style level. This analysis helps us manage inventory levels to reduce working capital requirements and deliver optimal gross margins by improving merchandise flow and establishing appropriate price points to minimize markdowns.
- Store productivity – To assess store-level performance, we monitor various indicators, including new store productivity, sales per square foot, store operating contribution margin and store cash flow.

Executive Summary

- Net sales increased 5.0% to \$12.98 billion during the 53 weeks ended February 3, 2024 from \$12.37 billion during the 52 weeks ended January 28, 2023, which included an increase in comparable store sales of 2.4% on a 52-week to 52-week basis and \$170.2 million of net sales during the 53rd week of fiscal 2023.
- We reported net income of \$1.05 billion, or \$12.18 per diluted share, in fiscal 2023, compared to \$1.04 billion, or \$10.78 per diluted share, during fiscal 2022.
 - Fiscal 2023 net income includes Business Optimization charges of \$62.8 million, net of tax, or \$0.73 per diluted share. Additionally, fiscal 2023 earnings per diluted share includes approximately \$0.19 from the 53rd week.
 - Fiscal 2022 net income included charges of \$22.3 million, net of tax, or \$0.25 per diluted share, related to the Field & Stream Exit. Additionally, earnings per diluted share for fiscal 2022 excluded \$27.1 million of interest expense, net of tax, and included 10.8 million diluted shares related to the convertible senior notes due 2025 (the “Convertible Senior Notes”), which together decreased earnings per diluted share by \$1.01. Although we were required to assume that our Convertible Senior Notes would be settled in shares of our common stock in accordance with the “if-converted method” under generally accepted accounting principles, we fully settled our Convertible Senior Notes without dilutive effect, due to cash payments for principal, shares received from our convertible bond hedge and share repurchases to offset the share settlement of the remaining \$59.1 million principal during the first quarter of fiscal 2023.
- In addition, during fiscal 2023, we:
 - Retired the remaining \$59.1 million of our aggregate principal amount outstanding of the Convertible Senior Notes and terminated the remaining convertible bond hedge and warrants for a collective issuance of 1.7 million shares of our common stock;
 - Declared and paid aggregate cash dividends on a quarterly basis for a total amount of \$4.00 per share on our common stock and Class B common stock; and
 - Repurchased 5.4 million shares of common stock under our share repurchase program for a total cost of \$648.6 million.

- The following table summarizes store openings and closings in fiscal 2023 and fiscal 2022:

| | Fiscal 2023 | | | Fiscal 2022 | | |
|--------------------------------|-----------------------|---|----------------------|-----------------------|---|----------------------|
| | DICK'S Sporting Goods | Specialty Concept Stores ⁽¹⁾ | Total ⁽²⁾ | DICK'S Sporting Goods | Specialty Concept Stores ⁽¹⁾ | Total ⁽²⁾ |
| Beginning stores | 728 | 125 | 853 | 730 | 131 | 861 |
| New stores | 1 | 10 | 11 | 4 | 9 | 13 |
| Acquired stores ⁽³⁾ | — | 12 | 12 | — | — | — |
| Closed stores | 5 | 16 | 21 | 6 | 15 | 21 |
| Ending stores | 724 ⁽⁴⁾ | 131 | 855 | 728 | 125 | 853 |
| Relocated stores | 18 | 2 | 20 | 3 | 1 | 4 |

⁽¹⁾ Includes our Golf Galaxy, Public Lands, Going Going Gone! and other specialty concept stores. As of February 3, 2024, we operated 104 Golf Galaxy stores, seven Public Lands stores, 17 Going Going Gone! stores and other specialty concept stores. As of January 28, 2023, we operated 98 Golf Galaxy stores, seven Public Lands stores, 15 Going Going Gone! stores and five Field & Stream stores. In some markets, we operate DICK'S Sporting Goods stores adjacent to our specialty concept stores on the same property with a pass-through for our athletes. We refer to this format as a "combo store" and include combo store openings within both the DICK'S Sporting Goods and specialty concept store reconciliations, as applicable. As of February 3, 2024, the Company operated 18 combo stores.

⁽²⁾ Excludes Warehouse Sale store locations that are temporary in nature, of which the Company operated 36 and 43 as of February 3, 2024 and January 28, 2023, respectively.

⁽³⁾ Represents Moosejaw store locations acquired by the Company during the first quarter of fiscal 2023, which average approximately 4,000 square feet per store. The Company closed ten of the previously acquired Moosejaw store locations during fiscal 2023.

⁽⁴⁾ As of February 3, 2024, includes twelve DICK'S House of Sport stores, including nine new openings during fiscal 2023, which were either converted or relocated from prior store locations.

Results of Operations

The following table presents, for the fiscal years indicated, selected items in the Consolidated Statements of Income as a percentage of our net sales, as well as the basis point change in percentage of net sales from fiscal 2023 to fiscal 2022:

| | Fiscal Year | | Basis Point Change in Percentage of Net Sales from Prior Year 2022 - 2023 ^(A) |
|---|-------------|---------------------|--|
| | 2023 | 2022 ^(A) | |
| Net sales ⁽¹⁾ | 100.00 % | 100.00 % | N/A |
| Cost of goods sold, including occupancy and distribution costs ⁽²⁾ | 65.08 | 65.36 | (28) |
| Gross profit | 34.92 | 34.64 | 28 |
| Selling, general and administrative expenses ⁽³⁾ | 24.68 | 22.68 | 200 |
| Pre-opening expenses ⁽⁴⁾ | 0.36 | 0.13 | 23 |
| Income from operations | 9.88 | 11.83 | (195) |
| Interest expense | 0.45 | 0.77 | (32) |
| Other income | (0.72) | (0.13) | (59) |
| Income before income taxes | 10.15 | 11.19 | (104) |
| Provision for income taxes | 2.09 | 2.75 | (66) |
| Net income | 8.06 % | 8.43 % | (37) |
| Other Data: | | | |
| Comparable store sales increase (decrease) | 2.4 % | (0.5)% | |
| Number of stores at end of period ⁽⁵⁾ | 855 | 853 | |
| Total square feet at end of period <i>(in millions)</i> ⁽⁵⁾ | 42.7 | 42.6 | |

- (A) Column does not add due to rounding.
- (1) Revenue from retail sales is recognized at the point of sale, net of sales tax. Revenue from eCommerce sales, including vendor-direct sales arrangements, is recognized upon shipment of merchandise. A provision for anticipated merchandise returns is provided through a reduction of sales and cost of goods sold in the period that the related sales are recorded. Revenue from gift cards and returned merchandise credits (collectively the “cards”) is deferred and recognized upon the redemption of the cards. The cards have no expiration date.
 - (2) Cost of goods sold includes: the cost of merchandise (inclusive of vendor allowances, inventory shrinkage and inventory write-downs for the lower of cost or net realizable value); freight; distribution; shipping; and store occupancy costs. We define merchandise margin as net sales less the cost of merchandise sold. Store occupancy costs include rent, common area maintenance charges, real estate and other asset-based taxes, general maintenance, utilities, depreciation and certain insurance expenses.
 - (3) Selling, general and administrative expenses include store and field support payroll and fringe benefits, advertising, bank card charges, operating costs associated with our internal eCommerce platform, information systems, marketing, legal, accounting, other store expenses and all expenses associated with operating our CSC.
 - (4) Pre-opening expenses, which consist primarily of rent, marketing, payroll, recruiting and other store preparation costs are expensed as incurred. Rent is recognized within pre-opening expense from the date the Company takes possession of a site through the date of store opening and during periods when stores are closed for remodeling.
 - (5) Excludes temporary Warehouse Sale store locations. Fiscal 2022 store count reflected the closure of twelve Field & Stream stores for which the associated square footage of each closed store was retained as we converted them into DICK’S House of Sport stores, expanded DICK’S Sporting Goods stores, or other specialty concept stores in 2023.

Note - As retailers vary in how they record costs of operating their stores and supply chain between cost of goods sold and selling, general and administrative expenses, our gross profit rate and selling, general and administrative expenses rate may not be comparable to other retailers. For additional information regarding the types of costs classified within cost of goods sold, selling, general and administrative expenses or any other financial statement line items presented herein, refer to Note 1 – Basis of Presentation and Summary of Significant Accounting Policies included in Part IV. Item 15. Exhibits and Financial Statement Schedules of this Annual Report on Form 10-K.

A discussion regarding our financial condition and results of operations for the year ended February 3, 2024 (Fiscal 2023) compared to the year ended January 28, 2023 (Fiscal 2022) is presented below. A discussion regarding our financial condition and results of operations for Fiscal 2022 compared to the year ended January 29, 2022 (Fiscal 2021) can be found under Item 7 of Part II of our Annual Report on Form 10-K for the fiscal year ended January 28, 2023, filed with the SEC on March 23, 2023.

Fiscal 2023 (53 weeks) Compared to Fiscal 2022 (52 weeks)

Net Sales

Net sales increased 5.0% to \$12.98 billion in 2023 from \$12.37 billion in 2022 due to a \$290.6 million, or 2.4% increase in comparable store sales on a 52-week to 52-week basis, as well as the inclusion of \$170.2 million of net sales from the 53rd week during fiscal 2023. The remaining \$155.4 million increase in net sales was primarily attributable to Moosejaw and temporary Warehouse Sale stores. The increase in comparable store sales included a 1.6% increase in transactions and a 0.8% increase in sales per transaction, and reflects growth in footwear, hydration and licensed apparel, offset by declines in fitness and outdoor-related categories including outerwear, equipment and hunt.

Income from Operations

Income from operations decreased to \$1,282.4 million in 2023 from \$1,463.0 million in 2022.

Gross profit increased to \$4,533.7 million in 2023 from \$4,284.6 million in 2022 and increased as a percentage of net sales by 28 basis points due primarily to lower supply chain costs, partially offset by lower merchandise margins. Supply chain costs decreased 80 basis points from last year, which included elevated costs as a result of global disruptions following the start of the COVID-19 pandemic. Merchandise margins decreased 61 basis points due to a 53 basis point increase in inventory shrink from increased theft and a \$12.0 million write-down of inventory related to our Business Optimization. This year also included higher markdowns from our decisive actions on excess product, which was offset by last year's actions to reduce targeted apparel inventory overages from late-arriving inventory. Occupancy costs, which after the cost of merchandise represents the largest item within our cost of goods sold, are generally fixed on a per store basis and fluctuate based on the number of stores that we operate. Our occupancy costs increased \$46.5 million compared to 2022 and leveraged by five basis points as a percent of net sales primarily due to sales from the 53rd week in 2023.

Selling, general and administrative expenses increased to \$3,204.1 million in the current year from \$2,805.5 million in 2022, and increased as a percentage of net sales by 200 basis points. The current year includes Business Optimization charges of \$72.8 million as well as a \$28.6 million expense increase related to changes in the investment values of our deferred compensation plans, which is fully offset in Other Income. Fiscal 2022 included Field & Stream Exit charges of \$29.3 million. The remaining 145 basis point increase was primarily due to \$191.7 million of investments in hourly wage rates, talent and technology to support our growth strategies and a \$66.0 million increase in marketing expenses due to higher brand-building marketing and marketing to support DICK'S House of Sport store grand openings.

Pre-opening expenses increased to \$47.3 million in the current year from \$16.1 million in 2022. Pre-opening expenses in any period fluctuate depending on the timing and number of new store openings and relocations. The current year period includes pre-opening expenses to support the opening of nine DICK'S House of Sport stores.

Interest Expense

Interest expense decreased to \$58.0 million in 2023 compared to \$95.2 million in 2022, primarily due to \$23.3 million of inducement charges related to the exchange of \$515.9 million aggregate principal amount of the Convertible Senior Notes in 2022 and lower interest expense following their retirement in April 2023.

Other Income

Other income increased to \$93.8 million in 2023 compared to \$15.9 million in 2022. This \$77.9 million increase in income was primarily driven by a \$52.3 million increase in interest income as a result of higher average interest rates on cash and cash equivalents and a \$28.6 million expense reduction from changes in our deferred compensation plan investment values primarily driven by performance in equity markets. The Company recognizes investment income or investment expense to reflect changes in deferred compensation plan investment values with an offsetting charge or reduction to selling, general and administrative costs for the same amount.

Income Taxes

Our effective tax rate decreased to 20.6% in the current year from 24.6% in 2022. The current year effective tax rate was favorably impacted by a \$37.9 million increase in excess tax benefits, resulting from a higher number of employee equity awards vesting and exercised in the current year at a higher share price than the prior year. Additionally, the prior year effective tax rate was unfavorably impacted by eliminated tax deductions from our bond hedge following our Convertible Senior Notes exchange transactions, which increased income tax expense by \$21.5 million.

Liquidity and Capital Resources

Our cash on hand as of February 3, 2024 was \$1.8 billion. We believe that we have sufficient cash flows from operations and cash on hand to operate our business for at least the next twelve months, supplemented by funds available under our unsecured \$1.6 billion Credit Facility, if necessary. We may require additional funding should we pursue strategic acquisitions, undertake share repurchases, pursue other investments or engage in store expansion rates in excess of historical levels. We had no revolving credit facility borrowings at any point during 2023.

The following sections describe the potential short and long-term impacts to our liquidity and capital requirements.

Leases

We lease substantially all of our stores, three of our distribution centers, and certain equipment under non-cancellable operating leases that expire at various dates through 2040. Approximately three-quarters of our DICK'S Sporting Goods stores will be up for lease renewal at our option over the next five years, and we plan to leverage the significant flexibility within our existing real estate portfolio to capitalize on future real estate opportunities. Refer to Part IV. Item 15. Exhibits and Financial Statement Schedules, Note 7 – Leases for further information.

Revolving Credit Facility

We have a \$1.6 billion Credit Facility, which includes a maximum amount of \$75 million to be issued in the form of letters of credit. Loans under the Credit Facility bear interest at an alternate base rate or an adjusted secured overnight financing rate plus, in each case, an applicable margin percentage. As of February 3, 2024, there were no borrowings outstanding under the Credit Facility, and we have total remaining borrowing capacity, after adjusting for \$16.1 million of standby letters of credit, of \$1.58 billion. We were in compliance with all covenants under the Credit Facility agreement at February 3, 2024. Refer to Part IV. Item 15. Exhibits and Financial Statement Schedules, Note 8 – Revolving Credit Facility for further information.

Senior Notes

As of February 3, 2024, we have \$750 million principal amount of senior notes due 2032 (the “2032 Notes”) and \$750 million principal amount of senior notes due 2052 outstanding (the “2052 Notes” and together with the 2032 Notes, the “Senior Notes”). Cash interest accrues at a rate of 3.15% per year on the 2032 Notes and 4.10% per year on the 2052 Notes, each of which are payable semi-annually in arrears on January 15 and July 15. Refer to Part IV. Item 15. Exhibits and Financial Statement Schedules, Note 9 – Senior Notes for further information.

As of February 3, 2024, our Senior Notes have long-term credit ratings by Moody's and Standard & Poor's rating agencies of Baa3 and BBB, respectively.

Convertible Senior Notes

Following our exchanges during 2022, we had an aggregate remaining principal amount of \$59.1 million of Convertible Senior Notes outstanding as of January 28, 2023. During the first quarter of 2023, we retired the remaining principal and accrued interest under the Convertible Senior Notes. Refer to Part IV. Item 15. Exhibits and Financial Statement Schedules, Note 10 – Convertible Senior Notes for further information.

Capital Expenditures

Our capital expenditures are primarily allocated toward the development of our omni-channel platform, including investments in new and existing stores and eCommerce technology, while we have also invested in our supply chain and corporate technology capabilities. In 2023, capital expenditures totaled \$587.4 million on a gross basis and \$520.4 million on a net basis, inclusive of construction allowances provided by landlords, which included the opening of nine DICK'S House of Sport stores and eleven Golf Galaxy Performance Centers.

We anticipate 2024 capital expenditures of approximately \$800 million, net of construction allowances provided by landlords. As we continue to reposition our store portfolio, these investments will be concentrated in new store development, relocations and remodels that will include eight DICK'S House of Sport stores, ten Golf Galaxy Performance Centers and 16 next generation 50,000 square foot DICK'S stores that will open in 2024 as well as, improvements within our existing stores including converting approximately 50 stores to premium full-service footwear decks. Additionally, we will begin construction on 15 DICK'S House of Sport stores that will open throughout 2025 and a new regional distribution center that we plan to open in 2026, while continuing to invest in technology to enhance our store fulfillment, in-store pickup and other foundational capabilities. Our 2024 capital expenditures plan also includes the purchase of certain real estate assets related to DICK'S House of Sport stores, for which we are evaluating potential sale-leaseback opportunities.

Share Repurchases

From time-to-time, we may opportunistically repurchase shares of our common stock under our \$2.0 billion share repurchase program authorized by our Board of Directors on December 16, 2021. In 2023, we repurchased 5.4 million shares of our common stock for \$648.6 million, a portion of which was repurchased to offset the dilution from our settlement of the remaining \$59.1 million principal outstanding of the Convertible Senior Notes in shares. As of February 3, 2024, the available amount remaining under the December 2021 authorization is \$779.6 million.

We currently anticipate 2024 share repurchases of approximately \$300 million. Any future share repurchase programs are subject to authorization by our Board of Directors and will be dependent upon future earnings, cash flows, financial requirements and other factors.

Dividends

In 2023, we paid \$351.2 million of dividends to our stockholders. On March 13, 2024, our Board of Directors declared a 10% increase in our quarterly cash dividend compared to the previous quarterly per share amount. The dividend of \$1.10 per share of common stock and Class B common stock is payable on April 12, 2024 to stockholders of record as of the close of business on March 29, 2024.

The declaration of future dividends and the establishment of the per share amount, record dates and payment dates for any such future dividends are subject to authorization by our Board of Directors and are dependent upon multiple factors including future earnings, cash flows, financial requirements and other considerations.

Supply Chain Financing

We have entered into supply chain financing arrangements with third-party financial institutions, whereby suppliers have the opportunity to settle outstanding payment obligations early at a discount. We do not have an economic interest in suppliers' voluntary participation and we do not provide any guarantees or pledge assets under these arrangements. Supplier invoices are settled with the third-party financial institutions in accordance with the original supplier payment terms and our rights and obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted by these arrangements. Liabilities associated with the funded participation in these arrangements, which is presented within accounts payable on the Consolidated Balance Sheet, were \$45.9 million and \$40.1 million as of February 3, 2024 and January 28, 2023, respectively.

Cash Flows

Changes in cash and cash equivalents for the last three fiscal years are as follows *(in thousands)*:

| | Fiscal Year Ended | | |
|--|-----------------------------|-----------------------------|-----------------------------|
| | February 3, 2024 | January 28, 2023 | January 29, 2022 |
| Net cash provided by operating activities | \$ 1,527,335 | \$ 921,881 | \$ 1,616,872 |
| Net cash used in investing activities | (614,676) | (392,894) | (343,979) |
| Net cash used in financing activities | (1,035,748) | (1,247,636) | (287,722) |
| Effect of exchange rate changes on cash and cash equivalents | (77) | (170) | (33) |
| Net (decrease) increase in cash and cash equivalents | <u>\$ (123,166)</u> | <u>\$ (718,819)</u> | <u>\$ 985,138</u> |

Operating Activities

Cash flows provided by operating activities increased \$605.5 million in 2023 compared to 2022. The increase was primarily due to working capital changes resulting from last year's inventory replenishment following supply chain disruptions caused by the COVID-19 pandemic, year-over-year changes in incentive compensation accruals and corresponding payments, higher construction allowances received from landlords due to our investments to enhance and grow our stores, and the timing of payments for marketing, payroll, deferred compensation plans and rent.

Investing Activities

Cash used in investing activities increased \$221.8 million to \$614.7 million in 2023 compared to 2022. Gross capital expenditures increased \$223.4 million primarily driven by investments in current and future stores, including nine DICK'S House of Sport stores and eleven Golf Galaxy Performance Centers that opened in 2023 as well as higher investments in store enhancements, including converting over 100 stores to premium full-service footwear decks, and technology. Cash used in investing activities in 2023 also includes our acquisition of Moosejaw, offset by proceeds received from the sale of our Field & Stream trademark and other intellectual property.

Financing Activities

Financing activities have historically consisted of capital return initiatives, including share repurchases and cash dividend payments, cash flows generated from stock option exercises and cash activity associated with our Credit Facility, or other financing sources. Cash used in financing activities decreased \$211.9 million during 2023 compared to 2022, primarily driven by the exchange of \$515.9 million aggregate principal amount of our Convertible Senior Notes in the prior year and changes in bank overdraft balances between periods, partially offset by higher cash payments for share repurchases, dividends and minimum tax withholding requirements in 2023 as a result of the vesting of employee equity awards.

Contractual Obligations and Commercial Commitments

We are party to contractual obligations that involve commitments to make payments to third parties in the ordinary course of business. Our future contractual obligations primarily consist of payments for operating leases, long-term debt and related interest payments, and other purchase obligations. Refer to Part IV. Item 15. Exhibits and Financial Statement Schedules, Note 7 – Leases and Note 9 – Senior Notes for amounts outstanding as of February 3, 2024 related to operating leases and long-term debt.

Other purchase obligations are for marketing commitments to promote our brand and products, including media and naming rights, technology-related commitments, licenses for trademarks and other ordinary course commitments. In the ordinary course of business, we enter into many contractual commitments, including purchase orders and commitments for products or services, but generally, such commitments represent annual or cancellable commitments. The amount of non-cancellable purchase commitments as of February 3, 2024 were approximately \$215 million.

Critical Accounting Policies and Use of Estimates

Our significant accounting policies are described in Part IV. Item 15. Exhibits and Financial Statement Schedules, Note 1 – Basis of Presentation and Summary of Significant Accounting Policies. Critical accounting policies and estimates are those that we believe are both (1) most important to the portrayal of our financial condition and results of operations and (2) require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Judgments and uncertainties affecting the application of such policies may result in materially different amounts being reported under different conditions or using different assumptions.

We consider the following policies to be the most critical in understanding the judgments that are involved in preparing our consolidated financial statements.

Inventory Obsolescence

We value inventory using the lower of weighted average cost and net realizable value, which is generally based on the selling price expectations of the merchandise. We regularly review inventories to determine if the carrying value of the inventory exceeds net realizable value and, when determined necessary, record a reserve to reduce the carrying value to net realizable value. Changes in customer merchandise preference, current and anticipated demand, consumer spending, weather patterns, economic conditions, business trends or merchandising strategies could cause our inventory to be exposed to obsolescence or slow-moving merchandise. A 10% change in our obsolete inventory reserves as of February 3, 2024, would have affected income before income taxes by approximately \$7.2 million in fiscal 2023.

Inventory Shrink

Shrink expense is accrued as a percentage of merchandise sales based on historical shrink trends. We perform physical inventories at our stores and distribution centers throughout the year. The shrink reserve represents the cumulative loss estimate for each of our locations since the last physical inventory date through the reporting date. Estimates by location and in the aggregate are impacted by internal and external factors and may vary significantly from actual results. A 10% change in our shrink reserves as of February 3, 2024, would have affected income before income taxes by approximately \$3.0 million in fiscal 2023.

Goodwill and Intangible Assets

Goodwill, indefinite-lived and other finite-lived intangible assets are reviewed for impairment on an annual basis, or whenever circumstances indicate that a decline in value may have occurred. Our evaluation for impairment requires accounting judgments and financial estimates in determining the fair value of the reporting unit or asset. If these judgments or estimates change in the future, we may be required to record impairment charges for these assets.

Our goodwill impairment test compares the fair value of each reporting unit to its carrying value. We determine the fair value of our reporting units using a combination of an income approach and a market approach. Estimates may differ from actual results due to, among other things, economic conditions, changes to our business models, or changes in operating performance. Significant differences between these estimates and actual results could result in future impairment charges and could materially affect our future financial results. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that reporting unit, goodwill is not impaired. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, an impairment charge is recorded to reduce the carrying value of the reporting unit to its fair value. As of February 3, 2024, we had no reporting units at risk of impairment and a 10% change in the fair value of our reporting units would not indicate a potential impairment of goodwill. The fair value of our reporting units has remained substantially in excess of their carrying value over the last three fiscal years.

Similar to our test for impairment of goodwill, the impairment test for indefinite-lived intangible assets involves comparing their estimated fair values to their carrying values. We estimate the fair value of indefinite-lived intangible assets, which are comprised primarily of trademarks and trade names, based on an income approach using the relief-from-royalty method, which assumes that, in lieu of ownership, a third-party would be willing to pay a royalty in order to derive a benefit from these types of assets. This approach is dependent on a number of factors, including estimates of future sales projections and growth, royalty rates in the category of intellectual property, discount rates and other variables. If actual results are not consistent with our estimates and assumptions used in estimating fair value, we may be exposed to material losses. We recognize an impairment charge when the estimated fair value of the intangible asset is less than its carrying value. See Part IV. Item 15. Exhibits and Financial Statement Schedules, Note 11 – Fair Value Measurements for further information. We recorded no significant impairments in fiscal 2023, 2022 or 2021.

Impairment of Long-Lived Assets

We review long-lived assets whenever events and circumstances indicate that the carrying value of these assets may not be recoverable based on estimated undiscounted future cash flows. Assets are reviewed at the lowest level for which independent cash flows can be identified, which is typically the store level. We use an income approach to determine the fair value of individual store locations, which requires discounting projected future cash flows over each store's remaining lease term. When determining the stream of projected future cash flows associated with an individual store location, we make assumptions about key store variables that incorporate local market conditions, including sales growth rates, gross margin and controllable expenses, such as store payroll. An impairment loss is recognized when the carrying amount of the store location is not recoverable and exceeds its fair value. During 2023, we recorded non-cash impairment charges from our Business Optimization. During 2022, we recorded non-cash impairment charges for store asset disposals at twelve Field & Stream stores that we closed in the period for conversion into DICK'S House of Sport stores or expanded DICK'S Sporting Goods stores. See Part IV. Item 15. Exhibits and Financial Statement Schedules, Note 11 – Fair Value Measurements for further information. There were no other significant long-lived assets impairment charges recognized during fiscal 2023, 2022 or 2021.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We maintain our Credit Facility to support potential liquidity and capital needs. The interest rate under our current Credit Facility is variable and is benchmarked to, at our option, an alternate base rate or an adjusted secured overnight financing rate (“SOFR”) plus, in each case, an applicable margin percentage. As of February 3, 2024 and January 28, 2023, there were no outstanding borrowings under the Credit Facility, and we did not draw on our Credit Facility during fiscal 2023 or fiscal 2022. Accordingly, a hypothetical 100 basis point increase or decrease in interest rates would not have materially affected our financial condition, results of operations or cash flows.

The cash coupons on our Senior Notes are fixed. Accordingly, interest expense related to these instruments is not affected by interest rate fluctuations. However, the fair value of our fixed rate debt will generally fluctuate with movements of interest rates. The fair value of our debt instruments with fixed interest rates is disclosed in Part IV. Item 15. Exhibits and Financial Statement Schedules, Note 11 – Fair Value Measurements.

Our cash equivalents generate interest income that is variable in relation to short-term interest rates. Accordingly, utilizing average cash equivalents balances during 2023, a hypothetical 100 basis point change in interest rates would have affected income before income taxes by approximately \$16 million.

Impact of Inflation

Inflationary factors such as increases in the cost of our products, overhead costs or wage rates may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, a high rate of inflation in the future may adversely impact consumer demand or have an adverse effect on our ability to maintain current levels of gross margin and selling, general and administrative expenses as a percentage of net sales if the selling prices of our products do not increase with inflation.

Seasonality and Quarterly Results

Our business is subject to seasonal influences, including the success of holiday selling season and the impact of unseasonable weather conditions. Although our highest sales and operating income results have historically occurred in the second and fourth fiscal quarters, our business has increasingly been less affected by seasonal fluctuations in recent years. However, results for any quarter are not necessarily indicative of the results that may be achieved for the fiscal year.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required to be filed hereunder are set forth on pages 46 through 71 of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company carried out an evaluation, under the supervision and with the participation of the Company’s management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, the Company’s management, including the Company’s Chief Executive Officer and the Chief Financial Officer concluded that, as of February 3, 2024, the Company’s disclosure controls and procedures were effective in ensuring that material information for the Company, including its consolidated subsidiaries, required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s (“SEC”) rules and forms, and that it is accumulated and communicated to management, including our principal executive and financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Report of Management on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes: maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of Company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of Company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

The Company's management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework and criteria established in *Internal Control—Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of February 3, 2024.

Deloitte & Touche LLP, an independent registered public accounting firm, has issued an attestation report on the Company's internal control over financial reporting included on the following page of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

During the fourth quarter of fiscal 2023, there were no changes in the Company's internal controls over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Inherent Limitations of Control Systems

There are inherent limitations in the effectiveness of any control system, including the potential for human error and the circumvention or overriding of the controls and procedures. Additionally, judgments in decision making can be faulty and breakdowns can occur because of a simple error or mistake. An effective control system can provide only reasonable, not absolute, assurance that the control objectives of the system are adequately met. Accordingly, our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our control system can prevent or detect all error or fraud. Finally, projections of any evaluation or assessment of effectiveness of a control system to future periods are subject to the risks that, over time, controls may become inadequate because of changes in an entity's operating environment or deterioration in the degree of compliance with policies and procedures.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of DICK’S Sporting Goods, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of DICK’S Sporting Goods, Inc. and subsidiaries (the “Company”) as of February 3, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of February 3, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended February 3, 2024, of the Company and our report dated March 28, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Report of Management on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Pittsburgh, Pennsylvania
March 28, 2024

ITEM 9B. OTHER INFORMATION

Trading Arrangements

During the quarter ended February 3, 2024, none of the Company's directors or "officers," as defined in Rule 16a-1(f) of the Exchange Act, adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" as each term is defined in Item 408 of Regulation S-K.

Amendment to Bylaws

The information set forth below is included herewith for the purpose of providing the disclosures required under "Item 5.03 – Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year" of Form 8-K.

On March 27, 2024, following a review of corporate law developments and market practice, the Board of Directors amended and restated the Company's Amended and Restated By-Laws (the "By-laws"). The amendments to the By-laws became effective immediately and include, among other changes:

- aligning the requirement regarding the availability of stockholder lists to reflect updates to Section 219 of the Delaware General Corporation Law, which no longer requires that stockholder lists be available during stockholder meetings and allows such lists to be made available electronically;
- updating the disclosure and notice content requirements for director nominations and stockholder proposals by stockholders, including: (1) requiring completion of written questionnaires and written representations and agreements by any such director nominees, and (2) requiring that a stockholder providing notice of a director nomination or stockholder proposal disclose information that would be required to be disclosed in a Schedule 13D or amendment thereto if such a statement were required to be filed under the Exchange Act;
- addressing the universal proxy rules adopted by the SEC by providing that director nominations by stockholders must include a representation that the stockholder intends to solicit the holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of directors and that a stockholder nominating directors must certify to the Company in writing that it has complied with the requirements of Rule 14a-19 promulgated under the Exchange Act;
- requiring that a stockholder soliciting proxies from other stockholders use a proxy card color other than white;
- adopting a by-law providing that, unless the Company consents to an alternative forum, the Delaware Court of Chancery (or other state court in Delaware, in the event the Court of Chancery lacked jurisdiction) would be the sole and exclusive forum for (1) any derivative litigation brought on behalf of the Company, (2) any action asserting breach of fiduciary duty against directors or officers or other employees of the Company, (3) any action against the Company or its officers or directors or other employees arising under the Delaware General Corporation Law or the Company's By-Laws or Certificate of Incorporation, and (4) any action otherwise related to the "internal affairs" of the Company, and the federal district courts of the United States would be the sole and exclusive forum for any claims under the Securities Act of 1933 related to any offering of the Company's securities; and
- making various other conforming, technical, and administrative changes.

The above summary description of the amendments to the By-laws is qualified in its entirety by reference to the full text of the Company's Second Amended and Restated By-laws, a copy of which is included as Exhibit 3.5 hereto and incorporated herein by reference.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

- (a) Information relative to Directors of the Company will be set forth under the section entitled “Item 1 - Election of Directors” in the Company’s definitive Proxy Statement for the 2024 Annual Meeting of Stockholders (“2024 Proxy Statement”) and is incorporated herein by reference.
- (b) Information with respect to Executive Officers of the Company is set forth in Part I, Item 1 “Business.”
- (c) Information with respect to compliance with Section 16(a) of the Securities Exchange Act of 1934 is set forth under the section entitled “Stock Ownership” in the 2024 Proxy Statement and is incorporated herein by reference.
- (d) The Company has adopted a code of ethics that applies to all of its employees, including its principal executive officer, principal financial officer, principal accounting officer, controller and other executive officers, and has adopted a separate code of ethics that applies to the Board of Directors, the complete text of which are available through the Investor Relations section of the Company’s website at investors.dicks.com. If the Company makes any amendments to either code of ethics other than technical, administrative, or other non-substantive amendments, or grants any waivers, including implicit waivers, from a provision of the Code of Conduct applicable to the Company’s principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions, the Company will disclose the nature of the amendment or waiver, its effective date and to whom it applies on its website or in a Current Report on Form 8-K filed with the SEC. The Company’s website does not form a part of this Annual Report on Form 10-K.
- (e) Information on our audit committee and audit committee financial experts will be set forth under the section entitled “Corporate Governance” in the 2024 Proxy Statement and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is set forth under the sections entitled “Executive Compensation”, “Compensation Tables”, “Corporate Governance” and “Item 1 - Election of Directors” in the Company’s 2024 Proxy Statement and is incorporated herein by reference. The information under the caption “Executive Compensation - Compensation Committee Report” shall not be deemed “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into a future filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates the information by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Part of the information required by this Item will be set forth under the caption “Stock Ownership” in the Company’s 2024 Proxy Statement and is incorporated herein by reference. The following table summarizes information, as of February 3, 2024, for the equity compensation plans of the Company pursuant to which grants of options, restricted stock, restricted stock units or other rights to acquire shares may be granted from time-to-time:

Equity Compensation Plan Information

| Plan Category | Number of Securities to be Issued Upon Exercise of Outstanding Options (a) | Weighted Average Exercise Price of Outstanding Options (b) | Number of Securities Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c) |
|---|--|--|---|
| Equity compensation plans approved by security holders ⁽¹⁾ | 2,060,026 | \$ 18.72 | 7,203,516 ⁽²⁾ |
| Equity compensation plans not approved by security holders | — | — | — |
| Total | 2,060,026 | | 7,203,516 |

- (1) Represents outstanding awards pursuant to the Company's 2012 Stock and Incentive Plan, as amended and restated (the "2012 Plan"). Represents shares of common stock. Shares of Class B Common Stock are not authorized for issuance under the 2012 Plan.
- (2) Shares of common stock that are subject to any award (e.g., options, stock appreciation rights, restricted stock, restricted stock units or performance stock) pursuant to the 2012 Plan will count against the aggregate number of shares of common stock that may be issued as one share for every share issued.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item will be set forth under the caption "Transactions with Related Persons" and "Board Independence" in the Company's 2024 Proxy Statement and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item will be set forth under the caption "Ratification of Independent Registered Public Accounting Firm – Audit and Non-Audit Fees and Independent Public Accountants" in the Company's 2024 Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report on Form 10-K:

- (1) Financial Statements. The Consolidated Financial Statements required to be filed hereunder are listed in the Index to Consolidated Financial Statements on page 43 of this Annual Report on Form 10-K.
- (2) Financial Statement Schedule. The consolidated financial statement schedule to be filed hereunder is included on page 79 of this Annual Report on Form 10-K. Other schedules have not been included because they are not applicable or because the information is included elsewhere in this report.
- (3) Exhibits. The Exhibits listed in the Index to Exhibits, which appears on pages 72 to 76 and is incorporated herein by reference, are filed as part of this Annual Report on Form 10-K. Certain Exhibits are incorporated by reference from documents previously filed by the Company with the SEC pursuant to Rule 12b-32 under the Securities Exchange Act of 1934, as amended.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of DICK'S Sporting Goods, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of DICK'S Sporting Goods, Inc. and subsidiaries (the "Company") as of February 3, 2024 and January 28, 2023, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows, for each of the three years in the period ended February 3, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of February 3, 2024 and January 28, 2023, and the results of its operations and its cash flows for each of the three years in the period ended February 3, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of February 3, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 28, 2024 expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Inventories, net – Obsolescence Reserve — Refer to Note 1 to the financial statements

Critical Audit Matter Description

The Company values inventory using the lower of weighted average cost and net realizable value. Net realizable value is generally based on the selling price expectations of the merchandise. The Company regularly reviews inventories to determine if the carrying value of the inventory exceeds net realizable value and when determined necessary, records a reserve to reduce the carrying value to net realizable value. Changes in customer merchandise preference, consumer spending, weather patterns, economic conditions, business trends or merchandising strategies could cause the Company's inventory to be exposed to obsolescence or slow-moving merchandise.

We identified the inventory obsolescence reserve as a critical audit matter because of the extent of audit judgment and effort required to evaluate management's estimate and assumptions due to the subjective nature of the estimate described above.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the inventory obsolescence reserve included the following, among others:

- We tested the effectiveness of controls over the inventory obsolescence reserve process, including controls over the inputs that are used in management's estimate.
- We evaluated the appropriateness and consistency of management's methods and assumptions used in developing their estimate of the inventory obsolescence reserve.
- We evaluated the appropriateness of specific inputs supporting management's estimate, including the age of on-hand inventory levels, historic inventory trends, and projected sales and gross margin rates used in the forecasted periods.
- We tested the mathematical accuracy of the Company's inventory obsolescence reserve calculation.
- We compared actual inventory sold below cost in recent years to the inventory obsolescence reserve estimated by the Company in recent years to evaluate management's ability to accurately estimate the inventory obsolescence reserve.

/s/ Deloitte & Touche LLP

Pittsburgh, Pennsylvania
March 28, 2024

We have served as the Company's auditor since 1998.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

| | Fiscal Year Ended | | |
|--|---------------------|---------------------|---------------------|
| | February 3, 2024 | January 28, 2023 | January 29, 2022 |
| Net sales | \$ 12,984,399 | \$ 12,368,198 | \$ 12,293,368 |
| Cost of goods sold, including occupancy and distribution costs | 8,450,664 | 8,083,640 | 7,581,482 |
| GROSS PROFIT | 4,533,735 | 4,284,558 | 4,711,886 |
| Selling, general and administrative expenses | 3,204,108 | 2,805,462 | 2,664,083 |
| Pre-opening expenses | 47,262 | 16,077 | 13,300 |
| INCOME FROM OPERATIONS | 1,282,365 | 1,463,019 | 2,034,503 |
| Interest expense | 58,023 | 95,220 | 57,839 |
| Other income | (93,809) | (15,949) | (17,774) |
| INCOME BEFORE INCOME TAXES | 1,318,151 | 1,383,748 | 1,994,438 |
| Provision for income taxes | 271,632 | 340,610 | 474,567 |
| NET INCOME | \$ 1,046,519 | \$ 1,043,138 | \$ 1,519,871 |
| EARNINGS PER COMMON SHARE: | | | |
| Basic | \$ 12.72 | \$ 13.43 | \$ 18.27 |
| Diluted | \$ 12.18 | \$ 10.78 | \$ 13.87 |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING: | | | |
| Basic | 82,302 | 77,672 | 83,183 |
| Diluted | 85,925 | 99,274 | 109,578 |

See accompanying notes to consolidated financial statements.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

| | Fiscal Year Ended | | |
|---|---------------------|---------------------|---------------------|
| | February 3, 2024 | January 28, 2023 | January 29, 2022 |
| NET INCOME | \$ 1,046,519 | \$ 1,043,138 | \$ 1,519,871 |
| OTHER COMPREHENSIVE LOSS: | | | |
| Foreign currency translation adjustment, net of tax | (77) | (170) | (33) |
| TOTAL OTHER COMPREHENSIVE LOSS | (77) | (170) | (33) |
| COMPREHENSIVE INCOME | <u>\$ 1,046,442</u> | <u>\$ 1,042,968</u> | <u>\$ 1,519,838</u> |

See accompanying notes to consolidated financial statements.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

| | February 3, 2024 | January 28, 2023 |
|---|---------------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 1,801,220 | \$ 1,924,386 |
| Accounts receivable, net | 114,877 | 71,286 |
| Income taxes receivable | 4,108 | 8,187 |
| Inventories, net | 2,848,797 | 2,830,917 |
| Prepaid expenses and other current assets | 121,047 | 128,410 |
| Total current assets | 4,890,049 | 4,963,186 |
| Property and equipment, net | 1,638,161 | 1,312,988 |
| Operating lease assets | 2,257,482 | 2,138,366 |
| Intangible assets, net | 56,663 | 60,364 |
| Goodwill | 245,857 | 245,857 |
| Deferred income taxes | 37,846 | 41,189 |
| Other assets | 185,694 | 230,246 |
| TOTAL ASSETS | \$ 9,311,752 | \$ 8,992,196 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 1,288,728 | \$ 1,206,066 |
| Accrued expenses | 551,369 | 508,573 |
| Operating lease liabilities | 492,856 | 546,755 |
| Income taxes payable | 54,508 | 29,624 |
| Deferred revenue and other liabilities | 364,933 | 350,428 |
| Total current liabilities | 2,752,394 | 2,641,446 |
| LONG-TERM LIABILITIES: | | |
| Revolving credit borrowings | — | — |
| Senior notes due 2032 and 2052 | 1,483,260 | 1,482,336 |
| Convertible senior notes | — | 58,271 |
| Long-term operating lease liabilities | 2,287,714 | 2,117,773 |
| Other long-term liabilities | 171,103 | 167,747 |
| Total long-term liabilities | 3,942,077 | 3,826,127 |
| COMMITMENTS AND CONTINGENCIES | | |
| STOCKHOLDERS' EQUITY: | | |
| Preferred stock, par value \$0.01 per share; 5,000,000 shares authorized | — | — |
| Common stock, par value \$0.01 per share; 200,000,000 shares authorized; 132,038,608 issued and 56,837,134 outstanding at February 3, 2024; 128,177,711 issued and 58,547,001 outstanding at January 28, 2023 | 568 | 585 |
| Class B common stock, par value \$0.01 per share; 40,000,000 shares authorized; 23,570,633 issued and outstanding at February 3, 2024 and January 28, 2023, respectively | 236 | 236 |
| Additional paid-in capital | 1,448,855 | 1,416,847 |
| Retained earnings | 5,588,914 | 4,878,404 |
| Accumulated other comprehensive loss | (329) | (252) |
| Treasury stock, at cost; 75,201,474 and 69,630,710 shares at February 3, 2024 and January 28, 2023, respectively | (4,420,963) | (3,771,197) |
| Total stockholders' equity | 2,617,281 | 2,524,623 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 9,311,752 | \$ 8,992,196 |

See accompanying notes to consolidated financial statements.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands, except per share data)

| | Common Stock | | Class B Common Stock | | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Treasury Stock | Total |
|---|--------------|--------|----------------------|--------|----------------------------|-------------------|--------------------------------------|----------------|-------------|
| | Shares | Amount | Shares | Amount | | | | | |
| BALANCE, January 30, 2021 | 61,195 | \$ 612 | 23,736 | \$ 237 | \$1,442,298 | \$ 3,064,702 | \$ (49) | \$ (2,168,266) | \$2,339,534 |
| Exchange of Class B common stock for common stock | 115 | 1 | (115) | (1) | — | — | — | — | — |
| Exercise of stock options | 657 | 6 | — | — | 26,342 | — | — | — | 26,348 |
| Restricted stock vested | 1,151 | 12 | — | — | (12) | — | — | — | — |
| Minimum tax withholding requirements | (341) | (3) | — | — | (32,594) | — | — | — | (32,597) |
| Net income | — | — | — | — | — | 1,519,871 | — | — | 1,519,871 |
| Stock-based compensation | — | — | — | — | 52,800 | — | — | — | 52,800 |
| Foreign currency translation adjustment, net of taxes of \$10 | — | — | — | — | — | — | (33) | — | (33) |
| Purchase of shares for treasury | (10,788) | (108) | — | — | — | — | — | (1,176,258) | (1,176,366) |
| Cash dividends declared, \$7.10 per common share | — | — | — | — | — | (627,971) | — | — | (627,971) |
| BALANCE, January 29, 2022 | 51,989 | \$ 520 | 23,621 | \$ 236 | \$1,488,834 | \$ 3,956,602 | \$ (82) | \$ (3,344,524) | \$2,101,586 |
| Adjustment for cumulative effect from change in accounting principle (ASU 2020-06) | — | — | — | — | (118,961) | 34,232 | — | — | (84,729) |
| Exchange of convertible senior notes due 2025 and partial unwind of convertible bond hedge and warrants | 9,782 | 98 | — | — | 16,643 | — | — | — | 16,741 |
| Exchange of Class B common stock for common stock | 50 | — | (50) | — | — | — | — | — | — |
| Exercise of stock options | 837 | 8 | — | — | 23,673 | — | — | — | 23,681 |
| Restricted stock vested | 1,285 | 13 | — | — | (13) | — | — | — | — |
| Minimum tax withholding requirements | (425) | (4) | — | — | (43,932) | — | — | — | (43,936) |
| Net income | — | — | — | — | — | 1,043,138 | — | — | 1,043,138 |
| Stock-based compensation | — | — | — | — | 50,603 | — | — | — | 50,603 |
| Foreign currency translation adjustment, net of taxes of \$54 | — | — | — | — | — | — | (170) | — | (170) |
| Purchase of shares for treasury | (4,971) | (50) | — | — | — | — | — | (426,673) | (426,723) |
| Cash dividends declared, \$1.95 per common share | — | — | — | — | — | (155,568) | — | — | (155,568) |
| BALANCE, January 28, 2023 | 58,547 | \$ 585 | 23,571 | \$ 236 | \$1,416,847 | \$ 4,878,404 | \$ (252) | \$ (3,771,197) | \$2,524,623 |
| Retirement of convertible senior notes due 2025 and termination of convertible bond hedge and warrants | 1,723 | 17 | — | — | 58,455 | — | — | — | 58,472 |
| Exercise of stock options | 615 | 6 | — | — | 15,199 | — | — | — | 15,205 |
| Restricted stock vested | 2,086 | 21 | — | — | (21) | — | — | — | — |
| Minimum tax withholding requirements | (695) | (7) | — | — | (98,910) | — | — | — | (98,917) |
| Net income | — | — | — | — | — | 1,046,519 | — | — | 1,046,519 |
| Stock-based compensation | — | — | — | — | 57,285 | — | — | — | 57,285 |
| Foreign currency translation adjustment, net of taxes of \$24 | — | — | — | — | — | — | (77) | — | (77) |
| Purchase of shares for treasury, including excise tax | (5,439) | (54) | — | — | — | — | — | (649,766) | (649,820) |
| Cash dividends declared, \$4.00 per common share | — | — | — | — | — | (336,009) | — | — | (336,009) |
| BALANCE, February 3, 2024 | 56,837 | \$ 568 | 23,571 | \$ 236 | \$1,448,855 | \$ 5,588,914 | \$ (329) | \$ (4,420,963) | \$2,617,281 |

See accompanying notes to consolidated financial statements.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

| | Fiscal Year Ended | | |
|---|---------------------|---------------------|---------------------|
| | February 3, 2024 | January 28, 2023 | January 29, 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net income | \$ 1,046,519 | \$ 1,043,138 | \$ 1,519,871 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 393,933 | 365,475 | 322,551 |
| Amortization of deferred financing fees and debt discount | 2,364 | 4,250 | 30,794 |
| Deferred income taxes | 3,343 | 23,100 | 16,451 |
| Stock-based compensation | 57,285 | 50,603 | 52,800 |
| Other, net | 9,332 | 15,306 | — |
| Changes in assets and liabilities: | | | |
| Accounts receivable | (4,236) | (13,558) | 2,011 |
| Inventories | 18,823 | (533,308) | (344,041) |
| Prepaid expenses and other assets | (18,220) | (9,690) | (16,047) |
| Accounts payable | 20,365 | 13,983 | 37,782 |
| Accrued expenses | (2,462) | (74,205) | 61,307 |
| Income taxes payable / receivable | 29,167 | 12,256 | (23,115) |
| Construction allowances provided by landlords | 67,061 | 36,100 | 40,195 |
| Deferred revenue and other liabilities | 25,190 | 22,689 | 20,648 |
| Operating lease assets and liabilities | (121,129) | (34,258) | (104,335) |
| Net cash provided by operating activities | <u>1,527,335</u> | <u>921,881</u> | <u>1,616,872</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Capital expenditures | (587,426) | (364,075) | (308,261) |
| Proceeds from sale of other assets | 27,500 | 14,261 | 9,671 |
| Other investing activities | (54,750) | (43,080) | (45,389) |
| Net cash used in investing activities | <u>(614,676)</u> | <u>(392,894)</u> | <u>(343,979)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Principal paid in connection with exchange of convertible senior notes | (137) | (515,865) | — |
| Transaction costs for debt issuance | — | — | (15,268) |
| Proceeds from senior notes due 2032 and 2052, net of debt discount | — | — | 1,496,671 |
| Payments on finance lease obligations | (823) | (740) | (726) |
| Proceeds from exercise of stock options | 15,205 | 23,681 | 26,348 |
| Minimum tax withholding requirements | (98,917) | (43,936) | (32,597) |
| Cash paid for treasury stock | (648,554) | (458,456) | (1,144,633) |
| Cash dividends paid to stockholders | (351,201) | (163,081) | (602,964) |
| Increase (decrease) in bank overdraft | 48,679 | (89,239) | (14,553) |
| Net cash used in financing activities | <u>(1,035,748)</u> | <u>(1,247,636)</u> | <u>(287,722)</u> |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | (77) | (170) | (33) |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | <u>(123,166)</u> | <u>(718,819)</u> | <u>985,138</u> |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | 1,924,386 | 2,643,205 | 1,658,067 |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | <u>\$ 1,801,220</u> | <u>\$ 1,924,386</u> | <u>\$ 2,643,205</u> |
| Supplemental disclosure of cash flow information: | | | |
| Accrued property and equipment | \$ 72,486 | \$ 30,222 | \$ 35,903 |
| Cash paid during the fiscal year for interest | \$ 57,486 | \$ 69,193 | \$ 22,899 |
| Cash paid during the fiscal year for income taxes | \$ 243,244 | \$ 306,612 | \$ 487,808 |
| Accrued treasury stock | \$ — | \$ — | \$ 31,733 |

See accompanying notes to consolidated financial statements.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Summary of Significant Accounting Policies

DICK'S Sporting Goods, Inc. (together with its subsidiaries, referred to as "the Company", "we", "us" and "our" unless specified otherwise) is a leading omni-channel sporting goods retailer offering an extensive assortment of authentic, high-quality sports equipment, apparel, footwear and accessories. As of February 3, 2024, we operated 724 DICK'S Sporting Goods locations across the United States, serving and inspiring athletes and outdoor enthusiasts to achieve their personal best through a blend of dedicated teammates, in-store experiences and unique specialty shop-in-shops. In addition to DICK'S Sporting Goods stores, the Company owns and operates Golf Galaxy, Public Lands, Moosejaw and Going Going Gone! specialty concept stores, and offers its products both online and through mobile apps. The Company also owns and operates DICK'S House of Sport and Golf Galaxy Performance Center, as well as GameChanger, a youth sports mobile app for scheduling, communications, live scorekeeping and video streaming. When used in this Annual Report on Form 10-K, unless the context otherwise requires or specifies, any reference to "year" is to the Company's fiscal year.

Fiscal Year

The Company's fiscal year ends on the Saturday closest to the end of January. Unless otherwise stated, references to years in this Annual Report on Form 10-K relate to fiscal years, rather than to calendar years. Fiscal years 2023, 2022 and 2021 ended on February 3, 2024, January 28, 2023 and January 29, 2022, respectively. All fiscal years presented include 52 weeks of operations except fiscal 2023, which includes 53 weeks.

Principles of Consolidation

The Consolidated Financial Statements include DICK'S Sporting Goods, Inc. and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid instruments purchased with a maturity of three months or less at the date of purchase. Cash equivalents primarily consist of money market funds and commercial paper and are stated at carrying value, which approximates fair value, and are considered Level 1 investments. Interest income was \$79.7 million, \$27.4 million and \$0.6 million for fiscal 2023, 2022 and 2021, respectively.

Cash and cash equivalents were comprised of the following for the fiscal years presented (*in thousands*):

| | 2023 | 2022 |
|---------------------------------|---------------------|---------------------|
| Cash ⁽¹⁾ | \$ 603,820 | \$ 725,604 |
| Money market funds | 1,197,400 | 911,400 |
| Commercial paper | — | 287,382 |
| Total cash and cash equivalents | <u>\$ 1,801,220</u> | <u>\$ 1,924,386</u> |

⁽¹⁾ Cash includes amounts due from third-party financial institutions for the settlement of credit card and debit card transactions, which typically process within three business days.

Cash Management

The Company's cash management system provides for the reimbursement of all major bank disbursement accounts on a daily basis. Accounts payable at February 3, 2024 and January 28, 2023 include \$56.8 million and \$7.4 million, respectively, of checks drawn in excess of cash balances not yet presented for payment.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Accounts Receivable

Accounts receivable primarily consist of amounts due from vendors and landlords. The amount of accounts receivable due from landlords as of February 3, 2024 and January 28, 2023, was \$72.7 million and \$34.3 million, respectively. The Company's allowance for credit losses totaled \$2.6 million and \$2.9 million at February 3, 2024 and January 28, 2023, respectively.

Inventories, net

Inventories are stated at the lower of weighted average cost and net realizable value. Inventory costs consist of the direct cost of merchandise including freight. Inventories are net of shrinkage, obsolescence, other valuation accounts and vendor allowances, totaling \$167.7 million and \$139.5 million at February 3, 2024 and January 28, 2023, respectively.

Property and Equipment

Property and equipment are recorded at cost and include finance leases. Renewals and betterments are capitalized. Repairs and maintenance are expensed as incurred.

Depreciation is computed using the straight-line method over the following estimated useful lives:

| | |
|-----------------------------------|-------------|
| Buildings | 40 years |
| Leasehold improvements | 10-25 years |
| Furniture, fixtures and equipment | 3-7 years |
| Computer software | 3-10 years |

For leasehold improvements and property and equipment under finance lease agreements, depreciation is calculated using the straight-line method over the shorter of the estimated useful lives of the assets or the lease term. Leasehold improvements made after lease commencement are depreciated over the shorter of their estimated useful lives or the remaining lease term, including renewal periods, if reasonably assured. The Company recognized depreciation expense of \$353.8 million, \$332.3 million and \$315.7 million in fiscal 2023, 2022 and 2021, respectively.

Impairment of Long-Lived Assets

The Company evaluates its long-lived assets and assesses whether the carrying values have been impaired whenever events and circumstances indicate that the carrying values of these assets may not be recoverable based on estimated undiscounted future cash flows. An impairment loss is recognized when the estimated undiscounted cash flows expected to result from the use of the asset plus eventual net proceeds expected from disposition of the asset, if any, are less than the carrying value of the asset. When an impairment loss is recognized, the carrying amount of the asset is reduced to its estimated fair value as determined based on quoted market prices or through the use of other valuation techniques. The related impairment expense is recorded within selling, general and administrative expenses on the Consolidated Statements of Income.

Goodwill

Goodwill represents the excess of acquisition cost over the fair value of the net assets of acquired entities. The Company assesses the carrying value of goodwill annually or whenever circumstances indicate that a decline in value may have occurred.

The Company's goodwill impairment test compares the fair value of each reporting unit to its carrying value. The Company determines the fair value of its reporting units using a combination of the income approach, by using a discounted cash flow model, and a market value approach. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that reporting unit, goodwill is not impaired. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, an impairment charge to selling, general and administrative expenses is recorded to reduce the carrying value to the fair value. A reporting unit is the operating segment, or a business unit one level below that operating segment, for which discrete financial information is prepared and regularly reviewed by management.

Intangible Assets

Intangible assets consist of both indefinite-lived and finite-lived assets. The Company's intangible assets are primarily indefinite-lived, consisting mostly of trademarks and acquired trade names, which the Company tests annually for impairment, or whenever circumstances indicate that a decline in value may have occurred, using Level 3 inputs. The Company estimates the fair value of these intangible assets based on an income approach using the relief-from-royalty method.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The Company's finite-lived intangible assets consist primarily of customer lists and other acquisition-related assets. Finite-lived intangible assets are amortized over their estimated useful economic lives and are reviewed for impairment when factors indicate that an impairment may have occurred. The Company recognizes an impairment charge when the estimated fair value of the intangible asset is less than its carrying value.

Self-Insurance

The Company is self-insured for certain losses related to health, workers' compensation and general liability insurance, although we maintain stop-loss coverage with third-party insurers to limit our liability exposure. Liabilities associated with these losses are estimated in part by considering historical claims experience, industry factors, severity factors and other actuarial assumptions.

Pre-opening Expenses

Pre-opening expenses, which consist primarily of rent, marketing, payroll, recruiting and other store preparation costs are expensed as incurred. Rent is recognized within pre-opening expense from the date the Company takes possession of a site through the date of store opening and during periods when stores are closed for remodeling.

Earnings Per Common Share

Basic earnings per common share is computed based on the weighted average number of shares of common stock outstanding for a given period. Diluted earnings per common share is computed based on the weighted average number of shares of common stock outstanding, plus the effect of dilutive potential common shares, which include shares the Company could have been obligated to issue from its Convertible Senior Notes and warrants prior to their retirement in the first quarter of fiscal 2023, and stock-based awards, such as stock options and restricted stock. Dilutive potential common shares are excluded from the computation of earnings per share if their effect is anti-dilutive.

For all periods presented, dilutive potential common shares for the Company's stock-based awards and warrants were determined using the treasury stock method. For fiscal year 2021, the dilutive effect of the Convertible Senior Notes was calculated using the treasury stock method; however, upon the adoption of ASU 2020-06, the Company was required to calculate diluted earnings per common share using the if-converted method, which was applied to fiscal years 2023 and 2022. Refer to *Recently Adopted Accounting Pronouncements* below for further discussion.

Stock-Based Compensation

The Company has the ability to grant teammates a number of different stock-based awards, including restricted shares of common stock, restricted stock units and stock options to purchase common stock, under the DICK'S Sporting Goods, Inc. Amended and Restated 2012 Stock and Incentive Plan (the "2012 Plan"). The Company records stock-based compensation expense based on the fair value of stock awards at the grant date, and recognizes the expense over the employees' service periods, net of estimated forfeitures.

Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes and provides deferred income taxes for temporary differences between the amounts reported for assets and liabilities for financial statement purposes and for income tax reporting purposes, using enacted tax rates in effect in the years in which the differences are expected to reverse. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the relevant taxing authorities, based on the technical merits of the position. The tax benefits recognized in the Consolidated Financial Statements from such a position are measured based on the largest benefit that will more likely than not be realized upon ultimate settlement. Interest and penalties from income tax matters are recognized in income tax expense.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Revenue Recognition

Sales Transactions

Revenue is recognized upon satisfaction of all contractual performance obligations and transfer of control to the customer and is measured as the amount of consideration to which the Company expects to be entitled to in exchange for corresponding goods or services. Substantially all of the Company's sales are single performance obligation arrangements for retail sale transactions for which the transaction price is equivalent to the stated price of the product or service, net of any stated discounts applicable at a point in time. Each sales transaction results in an implicit contract with the customer to deliver a product or service at the point of sale. Revenue from retail sales is recognized at the point of sale. Sales tax amounts collected from customers that are assessed by a governmental authority are excluded from revenue.

Revenue from eCommerce sales, including vendor-direct sales arrangements, is recognized upon shipment of merchandise. Shipping and handling activities occurring subsequent to the transfer of control to the customer are accounted for as fulfillment costs rather than as a promised service. A provision for anticipated merchandise returns is provided through a reduction of sales and cost of goods sold in the period that the related sales are recorded.

Deferred Revenue

Revenue from gift cards and returned merchandise credits (collectively the "cards") is deferred and recognized upon their redemption. Income from unredeemed cards is recognized on the Consolidated Statements of Income within net sales in proportion to the pattern of rights exercised by the customer in future periods. The Company performs an evaluation of historical redemption patterns from the date of original issuance to estimate future period redemption activity. During the fiscal years ended February 3, 2024 and January 28, 2023, the Company recognized \$27.6 million and \$19.9 million of gift card breakage revenue, respectively, and experienced approximately \$111.3 million and \$106.2 million of gift card redemptions in fiscal 2023 and fiscal 2022, respectively, that had been included in its gift card liability as of January 28, 2023 and January 29, 2022, respectively. Based on the Company's historical experience, the majority of gift card revenue is recognized within 12 months of deferral. The cards have no expiration date.

Loyalty program points are accrued at the estimated retail value per point, net of estimated breakage. The Company estimates the breakage of loyalty points based on historical redemption rates experienced within the loyalty program. Based on the Company's customer loyalty program policies, the majority of program points earned are redeemed or expire within 12 months. Refer to Note 6 – Deferred Revenue and Other Liabilities for additional information regarding the amount of these liabilities at February 3, 2024 and January 28, 2023.

Net sales by category

The following table disaggregates the amount of net sales attributable to hardlines, apparel and footwear for the last three fiscal years (*in millions*):

| | Fiscal Year | | |
|--------------------------|--------------------|--------------------|--------------------|
| | 2023 | 2022 | 2021 |
| Hardlines ⁽¹⁾ | \$ 4,915.5 | \$ 4,952.2 | \$ 5,407.9 |
| Apparel | 4,329.8 | 4,218.1 | 4,131.2 |
| Footwear ⁽²⁾ | 3,388.7 | 2,979.1 | 2,562.8 |
| Other ⁽³⁾ | 350.4 | 218.8 | 191.5 |
| Total net sales | \$ 12,984.4 | \$ 12,368.2 | \$ 12,293.4 |

⁽¹⁾ Includes items such as sporting goods equipment, fitness equipment, golf equipment and fishing gear.

⁽²⁾ Includes athletic shoes for running, walking, tennis, fitness and cross training, basketball and hiking. In addition, this category also includes specialty footwear, including casual footwear and a complete line of cleats for team sports.

⁽³⁾ Includes the Company's non-merchandise sales categories, including in-store services, shipping and GameChanger revenues.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Cost of Goods Sold

Cost of goods sold includes: the cost of merchandise (inclusive of vendor allowances, inventory shrinkage and inventory write-downs for the lower of cost or net realizable value); freight; distribution; shipping; and store occupancy costs. The Company defines merchandise margin as net sales less the cost of merchandise sold. Store occupancy costs include rent, common area maintenance charges, real estate and other asset-based taxes, general maintenance, utilities, depreciation and certain insurance expenses.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include store and field support payroll and fringe benefits, advertising, bank card charges, operating costs associated with the Company's internal eCommerce platform, information systems, marketing, legal, accounting, other store expenses and all expenses associated with operating the Company's Customer Support Center ("CSC").

Advertising Costs

Production costs for all forms of advertising and the costs to run the advertisements are expensed the first time the advertisement takes place. Advertising expense, net of cooperative advertising, was \$478.1 million, \$412.2 million and \$410.9 million for fiscal 2023, 2022 and 2021, respectively.

Business Development Allowances

Business development allowances include allowances, rebates and cooperative advertising funds received from vendors. These funds are determined for each fiscal year and the majority are based on various quantitative contract terms. Amounts expected to be received from vendors for the purchase of merchandise inventories ("vendor allowances") are recognized as a reduction of cost of goods sold as the merchandise is sold. Amounts that represent a reimbursement of advertising costs incurred, commonly referred to as cooperative advertising, are recorded as a reduction to the related expense in the period that the expense is incurred.

Segment Information

The Company is a specialty omni-channel retailer that offers a broad range of products in its specialty retail stores, which are primarily located in the eastern United States. Given the economic characteristics of the store formats, the similar nature of the products sold, the type of customer and method of distribution, the Company's operating segments are aggregated within one reportable segment. Refer to *Revenue Recognition* within this Note for additional disclosure of net sales by merchandise category.

Construction Allowances

Substantially all of the Company's store locations are leased. The Company may receive reimbursement from a landlord for a portion of the cost of the structure, subject to satisfactory fulfillment of applicable lease provisions. These reimbursements may be referred to as tenant allowances or construction allowances provided by landlords ("construction allowances"). The Company's accounting for construction allowances differs depending on whether the Company is deemed to have control of the underlying asset prior to commencement of the lease.

- If the Company is not deemed to have control of the underlying asset prior to lease commencement, reimbursement from a landlord for tenant improvements is classified as a lease incentive and included as a reduction to the related operating lease asset on the Consolidated Balance Sheets. The incentive is amortized as part of operating lease expense on a straight-line basis over the term of the lease. Landlord reimbursements from these transactions are included in cash flows from operating activities as a change in construction allowances provided by landlords.
- If the Company is deemed to have control of the underlying asset prior to lease commencement, a sale and leaseback of the asset occurs when construction of the asset is complete and the lease term begins, if relevant sale-leaseback accounting criteria are met. Any gain or loss from the transaction is recorded in the period in which control of the underlying asset is relinquished back to the lessor. The Company reports the amount of cash received for the construction allowance as construction allowance receipts within the financing activities section of its Consolidated Statements of Cash Flows when such allowances are received prior to completion of the sale-leaseback transaction. The Company reports the amount of cash received from construction allowances as proceeds from sale leaseback

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

transactions within the investing activities section of its Consolidated Statements of Cash Flows when such amounts are received after the sale-leaseback accounting criteria have been achieved.

Leases

The Company determines whether a contract is or contains a lease at contract inception. Operating lease assets and liabilities are recognized at the lease's commencement date based on the present value of remaining fixed lease payments over the lease term. As the rate implicit in the lease is not readily determinable in most of the Company's leases, the Company uses its incremental borrowing rate based on the information available at a lease's commencement date to determine the present value of lease payments. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. The operating lease asset also includes any fixed lease payments made, net of lease incentives, and initial direct costs incurred.

Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments are generally expensed as incurred and may include certain index-based changes in rent and other non-fixed payments for services provided by the lessor. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company's leases do not contain any material residual guarantees or material restrictive covenants.

The Company has lease agreements with non-lease components that relate to the lease components and elected the practical expedient to account for non-lease components, and the lease components to which they relate, as a single lease component for all classes of underlying assets. The Company also elected the practical expedient to not recognize short-term leases with an initial term of 12 months or less on the Consolidated Balance Sheet.

Recently Adopted Accounting Pronouncements

Convertible Instruments

In August 2020, the FASB issued ASU 2020-06, "Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)," which removes the separation models for convertible debt with cash conversion or beneficial conversion features. ASU 2020-06 also requires the application of the if-converted method for calculating earnings per diluted share, under which the Company must assume that any conversion of its convertible senior notes due 2025 (the "Convertible Senior Notes") will be satisfied entirely in common stock.

The Company adopted ASU 2020-06 on the first day of fiscal 2022 using the modified retrospective approach, which resulted in the following adjustments to the Consolidated Balance Sheet (*in millions*):

| Balance sheet line item | Last Day of Fiscal 2021 | Adoption of ASU 2020-06 | First Day of Fiscal 2022 |
|-----------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| Convertible senior notes due 2025 | \$ 449.3 | \$ 114.0 | \$ 563.3 |
| Net deferred tax assets | \$ 35.0 | \$ 29.3 | \$ 64.3 |
| Additional paid-in capital | \$ 1,488.8 | \$ (119.0) | \$ 1,369.8 |
| Retained earnings | \$ 3,956.6 | \$ 34.2 | \$ 3,990.8 |

Following the adoption of ASU 2020-06, the embedded conversion feature of the Convertible Senior Notes is no longer separately presented within stockholders' equity, eliminating the non-cash debt discount. Accordingly, the Company's effective interest rate on the Convertible Senior Notes decreased from 11.6% to 3.9% upon adoption, resulting in a \$27.4 million reduction in pre-tax non-cash interest expense for fiscal 2022 as compared to fiscal 2021.

Despite the Company's exchange of \$515.9 million of principal in cash during fiscal 2022, the application of the if-converted method requires earnings per diluted share to reflect that the Convertible Senior Notes will be settled entirely in shares upon conversion. Prior to the adoption of ASU 2020-06, the Company used the treasury stock method which allowed the Company to assume that the principal amount of the Convertible Senior Notes would be paid in cash. The impact of adoption was not material to earnings per diluted share.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Supplier Finance Programs

In September 2022, the FASB issued ASU 2022-04, “*Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*,” which requires that a buyer in a supplier finance program disclose the key terms of its program along with information about obligations outstanding, including a roll-forward of those obligations. The Company adopted this ASU during the first quarter of fiscal 2023. The adoption did not have a significant impact on the Company’s financial condition, results of operations, cash flows or disclosures.

The Company has entered into supply chain financing arrangements with third-party financial institutions, whereby suppliers have the opportunity to settle outstanding payment obligations early at a discount. The Company does not have an economic interest in suppliers’ voluntary participation and the Company does not provide any guarantees or pledge assets under these arrangements. The Company settles invoices with the third-party financial institutions in accordance with the original supplier payment terms. The Company’s rights and obligations to its suppliers, including amounts due and scheduled payment terms, are not impacted by these arrangements. Liabilities associated with the funded participation in these arrangements, which are presented within accounts payable on the Consolidated Balance Sheets, were \$45.9 million and \$40.1 million as of February 3, 2024 and January 28, 2023, respectively.

Recently Issued Accounting Pronouncements

Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, “*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*,” which requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and provide in interim periods all disclosures about a reportable segment’s profit or loss and assets that are currently required annually. Additionally, it requires a public entity to disclose the title and position of the Chief Operating Decision Maker (“CODM”). The ASU does not change how a public entity identifies its operating segments, aggregates them, or applies the quantitative thresholds to determine its reportable segments. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. A public entity should apply the amendments in this ASU retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact that adoption of this accounting standard will have on its financial disclosures.

Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, “*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*,” which requires that an entity, on an annual basis, disclose additional income tax information, primarily related to the rate reconciliation and income taxes paid. The amendments in this ASU are intended to enhance the transparency and decision usefulness of income tax disclosures and are effective for annual periods beginning after December 15, 2024, with early adoption permitted for annual financial statements that have not yet been issued. The amendments should be applied on a prospective basis, although retrospective application is permitted. The Company is currently evaluating the impact that adoption of this accounting standard will have on its financial disclosures.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

2. Earnings per Common Share

The computations for basic and diluted earnings per common share were as follows for the fiscal years presented below (*in thousands, except per share data*):

| | 2023 | 2022 | 2021 |
|---|---------------------|---------------------|---------------------|
| Numerator: | | | |
| Net income for earnings per common share – basic | \$ 1,046,519 | \$ 1,043,138 | \$ 1,519,871 |
| <i>Effect of dilutive securities</i> | | | |
| Interest expense associated with Convertible Senior Notes, net of tax | 337 | 27,060 | — |
| Net income for earnings per common share – diluted | <u>\$ 1,046,856</u> | <u>\$ 1,070,198</u> | <u>\$ 1,519,871</u> |
| Denominator: | | | |
| Weighted average common shares outstanding – basic | 82,302 | 77,672 | 83,183 |
| Dilutive effect of stock-based awards | 2,977 | 5,235 | 6,503 |
| Dilutive effect of warrants | 254 | 5,575 | 8,560 |
| Dilutive effect of Convertible Senior Notes | 392 | 10,792 | 11,332 |
| Weighted average common shares outstanding – diluted | <u>85,925</u> | <u>99,274</u> | <u>109,578</u> |
| Earnings per common share: | | | |
| Basic | \$ 12.72 | \$ 13.43 | \$ 18.27 |
| Diluted | \$ 12.18 | \$ 10.78 | \$ 13.87 |
| Stock-based awards excluded from diluted shares | 186 | 140 | 42 |

The dilutive effect of the Convertible Senior Notes included shares that were designed to be offset at settlement by shares delivered from the bond hedge purchased by the Company. The shares provided by the bond hedge were anti-dilutive; accordingly, they were not treated as a reduction to diluted weighted average shares outstanding until received at settlement. In addition, the dilutive effect of the Convertible Senior Notes included shares related to the outstanding principal amount of the Convertible Senior Notes. Although the Company was required to assume that the Convertible Senior Notes would be settled in shares of its common stock in accordance with the “if-converted method” under U.S. GAAP, the Company settled the Convertible Senior Notes without dilutive effect, due to cash payments for principal, shares received from the convertible bond hedge and share repurchases to offset the share settlement of the remaining \$59.1 million of principal during fiscal 2023. Refer to Note 10 – Convertible Senior Notes for further information.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

3. Property and Equipment

Property and equipment are recorded at cost and consist of the following as of the end of the fiscal years presented below (*in thousands*):

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Buildings and land | \$ 405,486 | \$ 355,105 |
| Leasehold improvements | 2,276,416 | 1,940,711 |
| Furniture, fixtures and equipment | 1,415,903 | 1,275,236 |
| Computer software | 639,685 | 545,136 |
| Total property and equipment | 4,737,490 | 4,116,188 |
| Less: accumulated depreciation and amortization | (3,099,329) | (2,803,200) |
| Net property and equipment | <u>\$ 1,638,161</u> | <u>\$ 1,312,988</u> |

The amounts above include construction in progress of \$153.3 million and \$38.0 million for fiscal 2023 and 2022, respectively, and fiscal 2023 includes \$69.3 million of property and equipment for which deposits were previously recorded in other assets on the Consolidated Balance Sheets.

4. Goodwill and Intangible Assets

Goodwill

The carrying amount of goodwill for fiscal 2023 and fiscal 2022 was \$245.9 million, which is recorded net of \$115.9 million and \$111.3 million in accumulated impairments, respectively. In fiscal 2023, the Company recorded \$4.6 million of impairment charges in connection with the Business Optimization, which is further described in Note 11 - Fair Value Measurements. No impairment charges were recorded in fiscal 2022 or 2021.

Intangible Assets

The components of intangible assets were as follows as of the end of the fiscal years presented below (*in thousands*):

| | 2023 | | 2022 | |
|--|---------------------|---------------------------------|---------------------|---------------------------------|
| | Gross Amount | Accumulated Amortization | Gross Amount | Accumulated Amortization |
| Trademarks (indefinite-lived) | \$ 35,165 | \$ — | \$ 37,315 | \$ — |
| Trade names (indefinite-lived) | 15,660 | — | 15,660 | — |
| Other indefinite-lived intangible assets | 5,648 | — | 5,654 | — |
| Total indefinite-lived intangible assets | 56,473 | — | 58,629 | — |
| Customer lists | 18,195 | (18,005) | 18,195 | (16,460) |
| Total intangible assets | <u>\$ 74,668</u> | <u>\$ (18,005)</u> | <u>\$ 76,824</u> | <u>\$ (16,460)</u> |

In fiscal 2023, the Company recorded a \$2.2 million impairment of an indefinite-lived trademark that was no longer in use within selling, general and administrative expenses on the Consolidated Statement of Income. In addition, the Company recorded amortization on its finite-lived intangible assets of \$1.5 million, \$2.4 million and \$3.7 million in fiscal 2023, 2022 and 2021, respectively. The Company expects to recognize the remaining \$0.2 million of amortization expense on existing finite-lived intangible assets during fiscal 2024.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

5. Accrued Expenses

Accrued expenses consist of the following as of the end of the fiscal years presented below (*in thousands*):

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Payroll, withholdings and benefits | \$ 212,950 | \$ 218,802 |
| Real estate taxes, utilities and other occupancy costs | 88,279 | 91,527 |
| Property and equipment | 73,530 | 30,222 |
| Sales tax | 45,913 | 33,404 |
| Other | 130,697 | 134,618 |
| Total accrued expenses | <u>\$ 551,369</u> | <u>\$ 508,573</u> |

6. Deferred Revenue and Other Liabilities

Deferred revenue and other liabilities consist of the following as of the end of the fiscal years presented below (*in thousands*):

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Current: | | |
| Deferred gift card revenue | \$ 248,203 | \$ 230,601 |
| Customer loyalty program | 47,153 | 44,644 |
| Other | 69,577 | 75,183 |
| Total current deferred revenue and other liabilities | <u>\$ 364,933</u> | <u>\$ 350,428</u> |
| Long-term: | | |
| Deferred compensation | \$ 137,908 | \$ 133,489 |
| Other | 33,195 | 34,258 |
| Total other long-term liabilities | <u>\$ 171,103</u> | <u>\$ 167,747</u> |

7. Leases

The Company leases substantially all of its stores, three of its distribution centers, and certain equipment under non-cancellable operating leases that expire at various dates through 2040. The Company's stores generally have initial lease terms of 10 to 15 years and contain multiple five-year renewal options and rent escalation provisions. These lease agreements provide primarily for the payment of minimum annual rentals, costs of utilities, property taxes, maintenance, common areas and insurance.

The components of lease cost for the following fiscal years presented below were as follows (*in thousands*):

| | 2023 | 2022 | 2021 |
|-----------------------|-------------------|-------------------|-------------------|
| Operating lease cost | \$ 612,595 | \$ 581,459 | \$ 574,929 |
| Short-term lease cost | 31,234 | 27,827 | 14,588 |
| Variable lease cost | 125,043 | 116,516 | 114,664 |
| Sublease income | (11,730) | (11,787) | (11,571) |
| Total lease cost | <u>\$ 757,142</u> | <u>\$ 714,015</u> | <u>\$ 692,610</u> |

Supplemental cash flow information related to operating leases for the following fiscal years are presented below (*in thousands*):

| | 2023 | 2022 | 2021 |
|--|-------------|-------------|-------------|
| Cash paid for amounts included in the measurement of operating lease liabilities | \$ 733,455 | \$ 615,772 | \$ 679,289 |
| Non-cash operating lease assets obtained in exchange for operating lease liabilities | \$ 697,499 | \$ 558,779 | \$ 368,515 |

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Supplemental balance sheet information related to operating leases were as follows:

| | February 3, 2024 | January 28, 2023 |
|--|---------------------|---------------------|
| Weighted average remaining lease term for operating leases | 6.78 years | 6.58 years |
| Weighted average discount rate for operating leases | 5.68 % | 5.64 % |

Future maturities of operating lease liabilities were as follows as of February 3, 2024 (*in thousands*):

| <u>Fiscal Year</u> | |
|--|---------------------|
| 2024 | \$ 636,660 |
| 2025 | 618,357 |
| 2026 | 531,123 |
| 2027 | 429,608 |
| 2028 | 301,515 |
| Thereafter | 855,333 |
| Total future undiscounted lease payments | <u>3,372,596</u> |
| Less: imputed interest | (592,026) |
| Total reported lease liability | <u>\$ 2,780,570</u> |

The Company has entered into operating leases related to future store locations that have not yet commenced. As of February 3, 2024 the future minimum payments on these leases approximated \$215.5 million.

The Company acts as sublessor on several operating leases. As of February 3, 2024, total future undiscounted minimum rentals under non-cancellable subleases approximated \$50.9 million.

8. Revolving Credit Facility

On January 14, 2022, the Company entered into a new credit agreement (the "Credit Agreement") with Wells Fargo Bank, National Association, as administrative agent, providing for \$1.6 billion in unsecured revolving credit capacity (the "Credit Facility"), of which up to \$75.0 million is available for letters of credit. The Credit Facility matures on January 14, 2027, subject to extensions permitted under the Credit Agreement, and allows for \$500.0 million in additional incremental borrowing capacity, subject to existing or new lenders agreeing to provide such additional revolving commitments.

The loans under the Credit Facility bear interest at an alternate base rate or an adjusted secured overnight financing rate ("SOFR") plus, in each case, an applicable margin of 0.125% with respect to the alternate base rate and 1.125% with respect to the adjusted SOFR as of February 3, 2024, which is subject to adjustment based on the Company's public debt rating. The Credit Facility allows voluntary repayment of outstanding loans at any time without premium or penalty, other than customary breakage costs with respect to SOFR loans. The unused portion of the Credit Facility is subject to a commitment fee of 0.11% per year as of February 3, 2024, which is adjusted based on the Company's public debt rating. There were no borrowings outstanding under the Company's revolving line of credit agreements at February 3, 2024 or January 28, 2023. After adjusting for outstanding letters of credit of \$16.1 million, the Company's total remaining borrowing capacity under the Credit Facility was \$1.58 billion at February 3, 2024.

The Credit Agreement contains representations and warranties, affirmative and negative covenants and events of default customary for unsecured financings of this type, including negative covenants that, among other things, limit the ability of the Company and certain of its subsidiaries to incur liens, limit the ability of the Company to make certain fundamental changes and limit the ability of the Company's non-guarantor subsidiaries to incur indebtedness, in each case subject to a number of important exceptions and qualifications. The Credit Agreement also contains a maximum lease-adjusted leverage ratio covenant. The Company was in compliance with all covenants of the Credit Agreement at February 3, 2024.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

9. Senior Notes

Key Terms

On January 14, 2022, the Company issued \$750.0 million aggregate principal amount of 3.15% senior notes due 2032 (the “2032 Notes”) and \$750.0 million aggregate principal amount of 4.10% senior notes due 2052 (the “2052 Notes” and, together with the 2032 Notes, the “Senior Notes”). The Senior Notes were issued under a base indenture, dated as of January 14, 2022 (the “Base Indenture”), as supplemented by a supplemental indenture, dated as of January 14, 2022 (the “Supplemental Indenture” and, together with the Base Indenture, the “Indenture”), in each case by and between the Company and U.S. Bank National Association, as trustee. The Notes are unsecured, unsubordinated obligations of the Company and rank equally in right of payment to all of the Company’s existing and future unsecured and unsubordinated debt and other obligations. The Company is required to pay interest on the Senior Notes semi-annually, in arrears, on January 15 and July 15 of each year, commencing on July 15, 2022.

Net Proceeds and Carrying Values

Net proceeds from the issuance of the Senior Notes totaled approximately \$1.5 billion, after deducting the applicable discount. The Company also incurred approximately \$15.3 million in offering expenses, including underwriting fees, related to the issuance of the Senior Notes. Together, the discount, underwriting fees and offering expenses will be amortized over the respective terms of the Senior Notes using the effective interest method. The Company recognized interest expense related to the Senior Notes of \$55.3 million in each of fiscal 2023 and 2022 and \$2.5 million in fiscal 2021, using an effective interest rate of 3.28% on the 2032 Notes and 4.18% on the 2052 Notes.

The carrying values of the Senior Notes were as follows for the fiscal years presented (*in thousands*):

| | Fiscal 2023 | | | Fiscal 2022 | | |
|------------------------------|-------------|------------|--------------|-------------|------------|--------------|
| | 2032 Notes | 2052 Notes | Total | 2032 Notes | 2052 Notes | Total |
| Principal | \$ 750,000 | \$ 750,000 | \$ 1,500,000 | \$ 750,000 | \$ 750,000 | \$ 1,500,000 |
| Discounts and issuance costs | (6,832) | (9,908) | (16,740) | (7,572) | (10,092) | (17,664) |
| Carrying amount | \$ 743,168 | \$ 740,092 | \$ 1,483,260 | \$ 742,428 | \$ 739,908 | \$ 1,482,336 |

Redemption

The Company may redeem the Senior Notes, at its option, in whole or in part, at any time and from time-to-time prior to (i) in the case of the 2032 Notes, October 15, 2031 (the date that is three months before the maturity date of the 2032 Notes), and (ii) in the case of the 2052 Notes, July 15, 2051 (the date that is six months before the maturity date of the 2052 Notes) (the applicable date with respect to each such series of Senior Notes, the “Applicable Par Call Date”), in each case, at a “make-whole” price described in the Supplemental Indenture plus accrued and unpaid interest to, but excluding, the redemption date. In addition, on or after the Applicable Par Call Date, the Company may redeem either series of the Senior Notes, at its option, in whole or in part, at any time and from time-to-time, at a redemption price equal to 100% of the principal amount of the Senior Notes of such series to be redeemed plus accrued and unpaid interest thereon to, but excluding, the redemption date.

Change in Control

In the event of certain change of control triggering events with respect to the Senior Notes of either series (subject to certain exceptions), the Company will be required to make an offer to each holder of the applicable Notes of such series to repurchase all or part of its Senior Notes of such series at a purchase price in cash equal to 101% of the principal amount of such Senior Notes, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase.

Covenants

The Indenture contains certain covenants that, among other things, restrict the Company’s and certain of its subsidiaries’ ability to incur certain indebtedness secured by liens on certain assets and limit the ability of the Company to make certain fundamental changes, in each case subject to a number of exceptions and qualifications described in the Indenture. The Indenture also provides for customary events of default which, if any of them occur, would permit or require the principal of and accrued interest on the Senior Notes to become or to be declared due and payable, as applicable. The Company was in compliance with its covenants at February 3, 2024.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

10. Convertible Senior Notes

Overview

In April 2020, the Company closed on an aggregate \$575.0 million of 3.25% Convertible Senior Notes due 2025, including the exercise of the full \$75.0 million over-allotment option, receiving proceeds of \$557.6 million, net of \$17.4 million of transaction fees and other third-party offering expenses. The Convertible Senior Notes accrued interest at a rate of 3.25% per annum, payable semi-annually in arrears on April 15 and October 15 and was subject to early conversion terms, under which the Company could settle the Convertible Senior Notes for cash, shares of the Company's stock, or a combination thereof, at the Company's option.

In connection with the issuance of the Convertible Senior Notes, the Company purchased a bond hedge to offset the potential dilution to stockholders from the conversion of the Convertible Senior Notes, partially offsetting its cost by selling warrants to acquire shares of the Company's common stock. These transactions effectively increased the conversion price associated with the Convertible Senior Notes.

Fiscal 2022 Convertible Senior Notes Exchanges and Fiscal 2023 Retirement

During fiscal 2022 and fiscal 2023, the Company entered into multiple agreements with certain holders of the Convertible Senior Notes to exchange, and ultimately retire in the first quarter of fiscal 2023, all of its Convertible Senior Notes and all accrued and unpaid interest for a combination of cash and shares of the Company's common stock. Concurrently with each of the exchange transactions, the Company entered into agreements with certain counterparties to terminate a proportionate amount of the bond hedge and warrant agreements (collectively, the "Notes Exchanges").

In connection with the fiscal 2022 Notes Exchanges, the Company recognized pre-tax non-cash inducement charges of \$23.3 million, which were recorded within interest expense on the Consolidated Statement of Income, paid a total of \$515.9 million to noteholders to redeem the principal amount of the Convertible Senior Notes with a carrying value of \$507.0 million, and issued 9.8 million shares of the Company's common stock to terminate the proportionate amount of the bond hedge and warrants.

The retirement of the remaining \$59.1 million of Convertible Senior Notes in the first quarter of fiscal 2023 was substantially settled by shares of the Company's common stock, and together with the termination of the bond hedge and warrants, the Company issued 1.7 million shares of its common stock and recorded \$58.5 million to additional paid-in-capital.

As of the end of fiscal 2023, the Company no longer has outstanding Convertible Senior Notes, bond hedges or warrants.

Financial Statement Impacts

The components of the net carrying value of the Convertible Senior Notes at January 28, 2023 is as follows (*in thousands*):

| | | |
|---------------------------------|-----------|---------------|
| Principal | \$ | 59,127 |
| Debt discount and issuance fees | | (856) |
| Carrying amount | <u>\$</u> | <u>58,271</u> |

During fiscal 2023 and 2022, the Company recognized interest expense related to the Convertible Senior Notes of \$0.5 million and \$36.6 million, respectively, or \$0.3 million and \$27.1 million, net of tax, which included the aforementioned inducement charges. Prior to the adoption of ASU 2020-06, the Company recognized \$49.5 million of interest expense related to the Convertible Senior Notes in fiscal 2021, of which \$30.8 million was attributed to non-cash amortization of the debt discount and issuance fees. Refer to Note 1 – Basis of Presentation and Summary of Significant Accounting Policies for further information.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

11. Fair Value Measurements

ASC 820, “Fair Value Measurement and Disclosures”, outlines a valuation framework and creates a fair value hierarchy for assets and liabilities as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Recurring

The Company records in its Consolidated Balance Sheets deferred compensation plan assets held in trust at fair value on a recurring basis using Level 1 inputs. Such assets consist of investments in various mutual and money market funds made by eligible individuals as part of the Company’s deferred compensation plans, as discussed in Note 15 – Retirement Savings Plans. As of February 3, 2024 and January 28, 2023, the fair value of the Company’s deferred compensation plans was \$137.9 million and \$133.5 million, respectively.

The Company discloses the fair value of its Senior Notes and Convertible Senior Notes using Level 2 inputs, which are based on quoted prices for similar or identical instruments in inactive markets, as follows (*in thousands*):

| | February 3, 2024 | | January 28, 2023 | |
|---|------------------|------------|------------------|------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| 2032 Notes | \$ 743,168 | \$ 633,915 | \$ 742,428 | \$ 613,403 |
| 2052 Notes | \$ 740,092 | \$ 535,470 | \$ 739,908 | \$ 525,120 |
| Convertible Senior Notes ⁽¹⁾ | \$ — | \$ — | \$ 58,271 | \$ 232,488 |

⁽¹⁾ The Company’s Convertible Senior Notes were fully retired on April 18, 2023.

Due to their short-term nature, the fair values of cash and cash equivalents, accounts receivable, accounts payable and certain other liabilities approximated their carrying values at both February 3, 2024 and January 28, 2023.

Nonrecurring

Assets and liabilities recognized or disclosed at fair value on a nonrecurring basis may include property and equipment, operating lease assets, goodwill and other intangible assets, equity and other assets. These assets are required to be assessed for impairment when events or circumstances indicate that the carrying value may not be recoverable, and at least annually for goodwill and indefinite-lived intangible assets. If an impairment is required, the asset is adjusted to fair value using Level 3 inputs.

During fiscal 2023, the Company completed a business optimization to better align its talent, organizational design and spending in support of its most critical strategies while also streamlining its overall cost structure (the “Business Optimization”). As part of the Business Optimization, the Company eliminated certain positions primarily at its CSC and optimized its outdoor business, which included the integration of its Moosejaw and Public Lands operations, decisions about their go-forward inventory assortment and a comprehensive review of their store portfolios and closure of ten Moosejaw stores. The Company incurred pre-tax charges of \$84.8 million from its Business Optimization, including \$46.1 million of non-cash impairments of store and intangible assets and a \$12.0 million write-down of inventory. Additionally, the Company incurred \$26.7 million of severance-related costs, of which \$9.6 million remains to be paid over the next 12 months. The \$12.0 million write-down of inventory is reflected within cost of goods sold, while the remaining \$72.8 million of severance-related costs and non-cash impairments are reflected within selling, general and administrative expenses on the Consolidated Statement of Income. Depreciation and amortization on the Consolidated Statement of Cash Flows includes \$35.5 million of non-cash impairment of store assets from these actions.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

During fiscal 2022, the Company decided to exit the Field & Stream brand (the “Field & Stream Exit”) and converted the then existing 17 Field & Stream stores to DICK’S House of Sport stores, expanded DICK’S Sporting Goods stores, or other specialty concept stores. The Company closed twelve of these stores for conversion during the fourth quarter of 2022 and incurred pre-tax charges totaling \$30.1 million, which included \$28.5 million of non-cash impairment of store assets, \$0.8 million of severance and a \$0.7 million write-down of inventory. The \$28.5 million non-cash impairment of store assets is reflected within selling, general and administrative expenses on the Consolidated Statement of Net Income and within depreciation and amortization on the Consolidated Statement of Cash Flows.

12. Stockholders' Equity

Common Stock, Class B Common Stock and Preferred Stock

The Company’s Amended and Restated Certificate of Incorporation authorizes the issuance of 200,000,000 shares of common stock, par value \$0.01 per share, and the issuance of 40,000,000 shares of Class B common stock, par value \$0.01 per share. In addition, the Company’s Amended and Restated Certificate of Incorporation authorizes the issuance of up to 5,000,000 shares of preferred stock.

Holders of common stock generally have rights identical to holders of Class B common stock, except that holders of common stock are entitled to one vote per share and holders of Class B common stock are entitled to ten votes per share. A related party, relatives of the related party and their trusts hold all outstanding Class B common stock, which can only be held by members of this group. Class B common shares are not publicly tradable. Each share of Class B common stock can be converted at any time into one share of common stock at the holder’s option.

Dividends per Common Share

The Company declared aggregate cash dividends of \$4.00, \$1.95 and \$7.10 per share of common stock and Class B common stock during fiscal 2023, 2022 and 2021, respectively, which resulted in cash payments for dividends of \$351.2 million, \$163.1 million and \$603.0 million, respectively. Fiscal 2021 included a special dividend of \$5.50 per share on the Company’s common stock and Class B common stock declared in August 2021.

Treasury Stock

As of January 30, 2021, the Company had approximately \$1.031 billion collectively remaining under two five-year \$1.0 billion share repurchase programs originally authorized by its Board of Directors on March 16, 2016 and June 12, 2019, respectively, both of which were fully exhausted during fiscal 2021. On December 16, 2021, the Company’s Board of Directors authorized an additional five-year share repurchase program of up to \$2.0 billion of its common stock, which the Company may suspend or discontinue at any time.

Total shares repurchased and amounts paid under the Company’s current and prior authorizations during the last three fiscal years are presented below (*in thousands*):

| | Fiscal Year | | |
|--|-------------|------------|---------------------|
| | 2023 | 2022 | 2021 ⁽¹⁾ |
| Shares of common stock repurchased | 5,439 | 4,971 | 10,788 |
| Treasury stock acquired during the fiscal year, including excise tax | \$ 649,820 | \$ 426,723 | \$ 1,176,366 |

⁽¹⁾ Fiscal 2021 included \$31.7 million of cash settlements for 0.3 million shares of treasury stock that were paid in the first week of fiscal 2022.

As of February 3, 2024, the Company had \$779.6 million remaining under the December 2021 authorization.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

13. Income Taxes

Provision for Income Taxes

The components of the provision for income taxes are as follows for the fiscal years presented (*in thousands*):

| | 2023 | 2022 | 2021 |
|--------------------------|-------------------|-------------------|-------------------|
| Current: | | | |
| Federal | \$ 212,369 | \$ 253,776 | \$ 364,997 |
| State | 55,920 | 63,734 | 93,119 |
| Total current provision | <u>268,289</u> | <u>317,510</u> | <u>458,116</u> |
| Deferred: | | | |
| Federal | 4,301 | 15,074 | 15,992 |
| State | (958) | 8,026 | 459 |
| Total deferred provision | <u>3,343</u> | <u>23,100</u> | <u>16,451</u> |
| Total provision | <u>\$ 271,632</u> | <u>\$ 340,610</u> | <u>\$ 474,567</u> |

The Company's effective income tax rate differs from the federal statutory rate as follows for the fiscal years presented:

| | 2023 | 2022 | 2021 |
|--|---------------|---------------|---------------|
| Federal statutory rate | 21.0 % | 21.0 % | 21.0 % |
| State tax, net of federal benefit | 4.2 % | 4.1 % | 4.0 % |
| Excess tax benefit related to stock-based compensation | (4.9)% | (1.9)% | (1.2)% |
| Eliminated bond hedge deduction following Convertible Senior Notes exchanges | 0.2 % | 1.6 % | — % |
| Other permanent items | <u>0.1 %</u> | <u>(0.2)%</u> | <u>— %</u> |
| Effective income tax rate | <u>20.6 %</u> | <u>24.6 %</u> | <u>23.8 %</u> |

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Components of deferred tax assets (liabilities) consist of the following as of the end of the fiscal years presented (*in thousands*):

| | 2023 | 2022 |
|--|-------------|-------------|
| Operating lease liabilities | \$ 725,656 | \$ 689,319 |
| Inventory | 50,840 | 45,612 |
| Employee benefits and withholdings | 47,780 | 47,351 |
| Stock-based compensation | 16,440 | 15,739 |
| Gift cards | 22,364 | 20,500 |
| Deferred revenue currently taxable | 864 | 495 |
| Other accrued expenses not currently deductible for tax purposes | 15,896 | 15,660 |
| Net operating loss carryforward | 55 | 166 |
| Non income-based tax reserves | 4,984 | 5,228 |
| Uncertain income tax positions | 965 | 526 |
| Insurance | 3,438 | 3,275 |
| Convertible Senior Notes | — | 3,537 |
| Other | 1,596 | 1,616 |
| Total deferred tax assets | 890,878 | 849,024 |
| Operating lease assets | (577,599) | (553,138) |
| Property and equipment | (243,150) | (214,654) |
| Inventory valuation | (26,676) | (31,011) |
| Intangibles | (2,087) | (5,648) |
| Prepaid expenses | (3,520) | (3,384) |
| Total deferred tax liabilities | (853,032) | (807,835) |
| Net deferred tax asset | \$ 37,846 | \$ 41,189 |

The deferred tax asset from net operating loss carryforwards of \$0.1 million represents state net operating losses, which expire in 2034. The net deferred tax asset balances at February 3, 2024 and January 28, 2023 were included within long-term assets on the Consolidated Balance Sheets.

Under the Tax Cuts and Jobs Act of 2017, a one-time transition tax resulted in the elimination of the excess of the amount of financial reporting basis over the tax basis in the foreign subsidiaries and subjected \$66.6 million of undistributed foreign earnings to tax. No additional income taxes have been provided for any remaining undistributed foreign earnings or foreign withholdings and US state taxes not subject to the one-time transition tax, as the Company intends to permanently reinvest the earnings from foreign subsidiaries outside the United States.

Unrecognized Tax Benefits

The following table provides a reconciliation of the Company's total balance of unrecognized tax benefits, excluding interest and penalties (*in thousands*):

| | 2023 | 2022 | 2021 |
|---|-------------|-------------|-------------|
| Beginning of fiscal year | \$ 1,058 | \$ 1,058 | \$ 1,058 |
| Increases as a result of tax positions taken in a prior period | 1,463 | 6 | 193 |
| Decreases as a result of tax positions taken in a prior period | — | — | — |
| Increases as a result of settlements during the current period | 364 | — | — |
| Decreases as a result of settlements during the current period | (34) | (6) | (193) |
| Reductions as a result of a lapse of statute of limitations during the current period | — | — | — |
| End of fiscal year | \$ 2,851 | \$ 1,058 | \$ 1,058 |

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The balance at February 3, 2024 includes \$2.3 million of unrecognized tax benefits that would impact our effective tax rate if recognized. The Company recognizes accrued interest and penalties from unrecognized tax benefits in income tax expense.

As of February 3, 2024 the Company's total liability for uncertain tax positions, including \$2.2 million for interest and penalties, was approximately \$5.0 million. The Company recorded \$0.7 million, \$0.1 million and \$0.1 million during fiscal 2023, 2022 and 2021, respectively, for the accrual of interest and penalties in the Consolidated Statements of Income. The Company does not anticipate that changes in its unrecognized tax benefits will have a material impact on the Consolidated Statements of Income during fiscal 2024.

Audits

The Company participates in the Internal Revenue Service ("IRS") Compliance Assurance Program ("CAP"). As part of CAP, tax years are audited on a contemporaneous basis so that all or most issues are resolved prior to the filing of the tax return. For tax years 2023 and 2022, the Company was accepted to the CAP Compliance Maintenance phase during which the IRS evaluates the necessary level of review based on complexity and other factors. The IRS has completed its examination for tax year 2022. For tax years 2021 and 2020, the Company was accepted into the CAP Bridge phase during which it is not the intent of the IRS to examine the tax return. Acceptance into the Bridge phase is based on a taxpayer's low risk of noncompliance and having few, if any, material issues. The IRS has completed examinations of 2019 and all prior tax years. The Company is no longer subject to examination in any of its major state jurisdictions for years prior to 2019.

Recent Tax Legislation

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act of 2022 that included, among other provisions, changes to the U.S. corporate income tax system, including implementing a 15% minimum tax on adjusted financial statement income for certain large corporations, a 1% excise tax on net stock repurchases after December 31, 2022 and tax incentives to promote alternative sources of energy. The Company determined the Inflation Reduction Act did not have a material impact on our financial results, including on our annual estimated effective tax rate or on our liquidity.

The Organization for Economic Cooperation and Development introduced a framework to implement a global 15% minimum corporate tax ("Pillar Two"). The European Union issued a directive to its member states to enact the Pillar Two in their local laws effective after December 2023. A number of other countries are expected to implement similar legislation with effective dates in the future. The Company is continuing to evaluate and does not currently anticipate that Pillar Two legislation will have a material impact on the Company's financial condition, results of operations, cash flows or disclosures.

14. Stock-Based Compensation

The Company has the ability to grant restricted and performance-based restricted stock, including shares and units, and options to purchase common stock under the 2012 Plan, under which 7,203,516 shares of common stock were available for future issuance at the end of fiscal 2023. The following table provides total stock-based compensation recognized in the Consolidated Statements of Income for the fiscal years presented (*in thousands*):

| | 2023 | 2022 | 2021 |
|--|------------------|------------------|------------------|
| Restricted stock expense | \$ 36,196 | \$ 36,261 | \$ 32,103 |
| Performance-based restricted stock expense | 19,053 | 10,585 | 15,359 |
| Stock option expense | 2,036 | 3,757 | 5,338 |
| Total stock-based compensation expense | <u>\$ 57,285</u> | <u>\$ 50,603</u> | <u>\$ 52,800</u> |
| Total related tax benefit | \$ 10,616 | \$ 9,730 | \$ 9,927 |

Restricted Stock

The Company issues shares of restricted stock to eligible employees, which are subject to forfeiture until the end of the applicable vesting period. Restricted stock awards generally vest on the third anniversary of the date of grant, subject to the employee's continuing employment as of that date. The fair value of restricted stock is determined on the date of grant using the Company's stock price.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Restricted stock activity for fiscal 2023 is presented in the following table:

| | Restricted Stock | | |
|-----------------------------|-------------------------|---|--|
| | Shares | Weighted Average Grant Date Fair Value | Intrinsic Value (in millions) |
| Nonvested, January 28, 2023 | 2,915,923 | \$ 42.47 | \$ 368.1 |
| Granted | 451,696 | 126.11 | |
| Vested | (2,085,616) | 19.05 | |
| Forfeited | (125,857) | 108.87 | |
| Nonvested, February 3, 2024 | <u>1,156,146</u> | <u>\$ 110.17</u> | <u>\$ 180.3</u> |

As of February 3, 2024, total unrecognized compensation expense, net of estimated forfeitures, from nonvested shares of restricted stock was approximately \$52.7 million, which the Company expects to recognize over a weighted average period of approximately 1.43 years.

Performance-based Restricted Stock

The Company issues performance-based restricted stock to eligible employees in support of the Company's strategic initiatives. Performance-based restricted stock, including shares and units, generally vest on the third anniversary of the date of grant and are subject to the employees' continued employment as of that date. Additionally, the number of awards vesting depends upon the achievement of certain performance criteria for the fiscal year in which they are granted, which can result in a payout range of 0% to 200% of the original award amount. The fair value of performance-based restricted stock is based on the Company's stock price on the date of grant. Awards issued during fiscal 2023 assumed target, or 100%, attainment of the shares or units, which approximates the projected attainment for awards at vest date as of February 3, 2024.

Performance-based restricted stock activity for fiscal 2023 is presented in the following table:

| | Performance-based Restricted Stock | | |
|-----------------------------|---|---|--|
| | Shares/Units | Weighted Average Grant Date Fair Value | Intrinsic Value (in millions) |
| Nonvested, January 28, 2023 | 341,067 | \$ 86.54 | \$ 43.1 |
| Granted | 246,719 | 146.90 | |
| Vested | (835) | 79.38 | |
| Forfeited | (43,234) | 109.41 | |
| Nonvested, February 3, 2024 | <u>543,717</u> | <u>\$ 112.12</u> | <u>\$ 84.8</u> |

As of February 3, 2024, total unrecognized compensation expense, net of estimated forfeitures, from nonvested shares of performance-based restricted stock was approximately \$24.0 million, which the Company expects to recognize over a weighted average period of approximately 0.97 years.

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Stock Options

Historically, the Company has granted stock options to certain teammates, which vested 25% per year over four years and had a seven-year contractual life. When options are exercised, the Company issues new shares of common stock.

The fair value of stock options is measured on their grant date and is recognized as expense, net of estimated forfeitures, on a straight-line basis over the requisite service period using the Black-Scholes option valuation model. The Company did not grant any stock options during fiscal 2023 and 2022. The following weighted-average assumptions were used in the Black-Scholes option valuation model for awards granted during fiscal 2021 as presented:

| | 2021 |
|--|-------------|
| Exercise price | \$ 72.40 |
| Expected term (years) | 4.80 |
| Expected volatility | 47.97 % |
| Risk-free interest rate | 0.73% |
| Expected dividend yield | 2.00% |
| Weighted average grant date fair value | \$ 25.20 |

The risk-free interest rate is determined by using the U.S. Treasury constant maturity interest rate with a term consistent with the expected life of the option, which represents the estimated period of time until exercise and is based on historical experience of similar awards giving consideration to the contractual terms, vesting schedules and expectations of future employee behavior. The expected dividend yield and volatility are based on historical stock prices and dividend amounts over preceding periods equal in length to the expected life of the options. The Company applies an estimated forfeiture rate that is calculated based on historical activity. The assumptions used to calculate an option's fair value are evaluated and revised, as necessary, to reflect market conditions and the Company's experience.

Fiscal 2023 stock option activity is presented in the following table:

| | Shares Subject to Options | Weighted Average Exercise Price per Share | Weighted Average Remaining Contractual Life (Years) | Aggregate Intrinsic Value (in millions) |
|--|--|--|--|--|
| Outstanding, January 28, 2023 | 2,711,481 | \$ 19.96 | 3.46 | \$ 288.1 |
| Exercised | (592,351) | 24.62 | | |
| Forfeited / Expired | (59,104) | 16.75 | | |
| Outstanding, February 3, 2024 | <u>2,060,026</u> | \$ 18.72 | 2.61 | \$ 282.7 |
| Exercisable, February 3, 2024 | 1,559,024 | \$ 20.80 | 2.44 | \$ 210.7 |
| Vested or expected to vest, February 3, 2024 | 2,055,934 | \$ 18.71 | 2.61 | \$ 282.2 |

At February 3, 2024, unrecognized compensation expense related to outstanding stock options that have not yet vested was approximately \$0.3 million, net of estimated forfeitures. Compensation expense related to these options is expected to be recognized over a weighted average period of approximately 0.1 years.

The following table presents stock option information for the last three fiscal years (*in millions*):

| | 2023 | 2022 | 2021 |
|---|-------------|-------------|-------------|
| Total intrinsic value of stock options exercised | \$ 69.2 | \$ 71.4 | \$ 37.1 |
| Income tax benefit from the exercise of stock options | \$ 13.7 | \$ 11.6 | \$ 6.8 |
| Total fair value of stock options vested | \$ 3.3 | \$ 4.9 | \$ 6.3 |

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

15. Retirement Savings Plans

The Company's retirement plan, established pursuant to Section 401(k) of the Internal Revenue Code, covers all active employees over the age of 18 following one month of service with the Company. Effective January 1, 2022, the Company amended and restated its retirement savings plan and elected a Safe Harbor 401(k) plan design. The Company's matching contributions under the Safe Harbor 401(k) plan are made bi-weekly, vest immediately and are equal to 100% of each eligible participant's tax-deferred contributions up to 4% of the participant's compensation plus 50% of the eligible participant's tax-deferred contributions up to the next 2% of compensation. Under the previous 401(k) plan, the Company made an annual discretionary matching contribution equal to a percentage of each participant's contribution, which vested over a period of three years, up to 10% of the participant's compensation. The Company's discretionary matching contribution under the previous 401(k) plan was 75% during fiscal 2021. Total employer contributions recorded under the plans, net of forfeitures, were \$34.8 million, \$31.6 million and \$24.1 million in fiscal 2023, 2022 and 2021, respectively.

The Company also has non-qualified deferred compensation plans for highly compensated employees whose contributions were limited under the qualified defined contribution plans. Amounts contributed and deferred under the deferred compensation plans are credited or charged with the performance of investment options offered under the plans and elected by the participants. In the event of bankruptcy, the assets of these plans are available to satisfy the claims of general creditors. The liability for compensation deferred under the Company's plans was \$137.9 million and \$133.5 million as of February 3, 2024 and January 28, 2023, respectively, and is included within long-term liabilities on the Consolidated Balance Sheets. Total employer contributions recorded under these plans, net of forfeitures, was \$1.4 million, \$1.8 million and \$6.2 million in fiscal 2023, 2022 and 2021, respectively. Following the Company's change to the Safe Harbor 401(k) plan on January 1, 2022, the Company eliminated future deferrals for one of its non-qualified plans, which affected subsequent employer contributions.

16. Subsequent Event

On March 13, 2024, the Company's Board of Directors declared a quarterly cash dividend in the amount of \$1.10 per share on the Company's common stock and Class B common stock payable on April 12, 2024 to stockholders of record as of the close of business on March 29, 2024.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

Index to Exhibits

| Exhibit Number | Description | Method of Filing |
|----------------|---|--|
| 3.1 | Amended and Restated Certificate of Incorporation | Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-8, File No. 333-100656, filed on October 21, 2002 |
| 3.2 | Amendment to the Amended and Restated Certificate of Incorporation, effective as of June 10, 2004 | Incorporated by reference to Exhibit 3.1 to the Registrant's Form 10-Q, File No. 001-31463, filed on September 9, 2004 |
| 3.3 | Amendment to the Amended and Restated Certificate of Incorporation, dated as of June 9, 2021 | Incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, File No. 001-31463, filed June 14, 2021 |
| 3.4 | Amendment to the Amended and Restated Certificate of Incorporation, dated as of June 14, 2023 | Incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, File No. 001-31463, filed June 16, 2023 |
| 3.5 | Second Amended and Restated Bylaws (adopted March 27, 2024) | Filed herewith |
| 4.1 | Form of Stock Certificate | Incorporated by reference to Exhibit 4.1 to the Registrant's Amendment No. 3 to Statement on Form S-1, File No. 333-96587, filed on September 27, 2002 |
| 4.2 | Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 | Incorporated by reference to Exhibit 4.2 to Registrant's Form 10-K, File No. 001-31463, filed on March 24, 2021 |
| 4.3 | Indenture, dated as of April 17, 2020, between DICK'S Sporting Goods, Inc. and U.S. Bank National Association, as Trustee | Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on April 23, 2020 |
| 4.4 | Form of Certificate representing the 3.25% Convertible Senior Notes due 2025 (included as Exhibit A to Indenture in Exhibit 4.3) | Incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on April 23, 2020 |
| 4.5 | Indenture, dated as of January 14, 2022, between DICK'S Sporting Goods, Inc. and U.S. Bank National Association, as Trustee | Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on January 14, 2022 |
| 4.6 | First Supplemental Indenture, dated as of January 14, 2022, between DICK'S Sporting Goods, Inc. and U.S. Bank National Association, as Trustee | Incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on January 14, 2022 |
| 4.7 | Form of 3.150% Senior Notes due 2032 (included as Exhibit A to First Supplemental Indenture in Exhibit 4.6) | Incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on January 14, 2022 |
| 4.8 | Form of 4.100% Senior Notes due 2052 (included as Exhibit B to First Supplemental Indenture in Exhibit 4.6) | Incorporated by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on January 14, 2022 |
| 10.1 | Amended and Restated Lease Agreement, originally dated February 4, 1999, for distribution center located in Smithton, Pennsylvania, effective as of May 5, 2004, between Lippman & Lippman, L.P., Martin and Donnabeth Lippman and Registrant | Incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-Q, File No. 001-31463, filed on September 9, 2004 |
| 10.2 | Amended and Restated Lease Agreement originally dated August 31, 1999, for distribution center located in Plainfield, Indiana, effective as of November 30, 2005, between CP Gal Plainfield, LLC and Registrant | Incorporated by reference to Exhibit 10.22 to Registrant's Form 10-K, File No. 001-31463, filed on March 23, 2006 |
| 10.3 | Lease Agreement originally dated June 25, 2007, for distribution center located in East Point, Georgia, between Duke Realty Limited Partnership and Registrant, as amended, supplemented or modified as of January 19, 2012 | Incorporated by reference to Exhibit 10.31 to the Registrant's Annual Report on Form 10-K, File No. 001-31463, filed on March 16, 2012 |

Each management contract and compensatory plan has been marked with an asterisk (*).

| Exhibit Number | Description | Method of Filing |
|-----------------------|--|---|
| 10.4* | Form of Agreement entered into between Registrant and various executive officers, which sets forth form of severance | Incorporated by reference to Exhibit 10.10 to the Registrant's Amendment No. 1 to Statement on Form S-1, File No. 333-96587, filed on August 27, 2002 |
| 10.5* | Registrant's Amended and Restated Officers' Supplemental Savings Plan, dated December 12, 2007 | Incorporated by reference to Exhibit 10.35 to the Registrant's Form 10-K, File No. 001-31463, filed on March 27, 2008 |
| 10.5a* | First Amendment to Registrant's Amended and Restated Officers' Supplemental Savings Plan, dated March 27, 2008 | Incorporated by reference to Exhibit 10.36 to the Registrant's Form 10-K, File No. 001-31463, filed on March 27, 2008 |
| 10.5b* | Second Amendment to Registrant's Amended and Restated Officers' Supplemental Savings Plan, dated as of December 4, 2008 | Incorporated by reference to Exhibit 10.46 to the Registrant's Form 10-K, File No. 001-31463, filed on March 20, 2009 |
| 10.5c* | Third Amendment to Registrant's Amended and Restated Officers' Supplemental Savings Plan, dated as of November 21, 2011 | Incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q, File No. 001-31463, filed on August 30, 2018 |
| 10.6* | Registrant's Amended and Restated 2012 Stock and Incentive Plan | Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on June 14, 2021 |
| 10.6a* | Form of Restricted Stock Award Agreement granted under Registrant's 2012 Stock and Incentive Plan for awards granted before March 14, 2017 | Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on June 11, 2012 |
| 10.6b* | Amended and Restated Form of Restricted Stock Award Agreement granted under Registrant's 2012 Stock and Incentive Plan for awards granted on or after March 14, 2017 | Incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q, File No. 001-31463, filed on May 25, 2017 |
| 10.6c* | Form of Stock Option Award Agreement granted under Registrant's 2012 Stock and Incentive Plan for awards granted before March 14, 2017 | Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on June 11, 2012 |
| 10.6d* | Amended and Restated Form of Stock Option Award Agreement granted under Registrant's 2012 Stock and Incentive Plan for awards granted on or after March 14, 2017 | Incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q, File No. 001-31463, filed on May 25, 2017 |
| 10.6e* | Form of 2019 Long-Term Performance-Based Restricted Stock Award Agreement granted under the Registrant's 2012 Stock and Incentive Plan | Incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on June 13, 2019 |
| 10.6f* | Form of Performance-Based Restricted Stock Award Agreement granted under the Registrant's 2012 Stock and Incentive Plan | Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, File No. 001-31463, filed on May 26, 2021 |
| 10.6g* | Form of Performance Unit Award Agreement granted under the Registrant's 2012 Stock and Incentive Plan for awards granted before March 21, 2023 | Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, File No. 001-31463, filed on May 25, 2022 |
| 10.6h* | Amended and Restated Form of Performance Unit Award Agreement granted under the Registrant's 2012 Stock and Incentive Plan for awards granted on or after March 21, 2023 | Incorporated by reference to Exhibit 10.6h to the Registrant's Current Report on Form 10-K, File No. 001-31463, filed on March 23, 2023 |
| 10.6i* | Form of 2023 Long-Term Incentive Program Performance Unit Award Agreement granted under the Registrant's 2012 Stock and Incentive Plan | Incorporated by reference to Exhibit 10.6i to the Registrant's Current Report on Form 10-K, File No. 001-31463, filed on March 23, 2023 |
| 10.6j* | Form of Restricted Unit Award Agreement under the Registrant's 2012 Stock and Incentive Plan | Incorporated by reference to Exhibit 10.6j to the Registrant's Current Report on Form 10-K, File No. 001-31463, filed on March 23, 2023 |

Each management contract and compensatory plan has been marked with an asterisk (*).

| Exhibit Number | Description | Method of Filing |
|-----------------------|--|---|
| 10.6k* | Registrant's Non-Employee Director Compensation Deferral Plan | Incorporated by reference to Exhibit 10.6k to the Registrant's Current Report on Form 10-K, File No. 001-31463, filed on March 23, 2023 |
| 10.61* | Registrant's Non-Employee Director Compensation Deferral Plan - Deferral Election Form | Incorporated by reference to Exhibit 10.61 to the Registrant's Current Report on Form 10-K, File No. 001-31463, filed on March 23, 2023 |
| 10.7* | Consulting Agreement between the Company and Lee Belitsky, EVP | Incorporated by reference to Exhibit 10.11 to the Registrant's Current Report on the Form 10-K, File No. 001-31463, filed on March 23, 2022 |
| 10.8* | Separation Agreement between Company and Don Germano, EVP Stores & Supply Chain | Incorporated by reference to Exhibit 10.7 to the Registrant's Current Report on the Form 10-Q, File No. 001-31463, filed on November 23, 2022 |
| 10.9* | Offer Letter between the Company and Raymond A. Sliva, Jr., Executive Vice President - Stores | Incorporated by reference to Exhibit 10.9 to the Registrant's Current Report on Form 10-K, File No. 001-31463, filed on March 23, 2023 |
| 10.10 | Credit Agreement, dated as of January 14, 2022, among DICK'S Sporting Goods, Inc., Wells Fargo Bank, National Association, as administrative agent and the lenders and other parties thereto | Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on January 14, 2022 |
| 10.11 | Form of Indemnification Agreement between the Company and each Director | Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on March 21, 2016 |
| 10.12 | Form of Convertible Note Hedge Transactions Confirmation | Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on April 23, 2020 |
| 10.13 | Form of Warrant Transactions Confirmation | Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on April 23, 2020 |
| 10.14 | Form of Note Hedge Early Termination Agreement, dated as of April 5, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable call option counterparty | Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on April 6, 2022 |
| 10.15 | Form of Warrant Early Termination Agreement, dated as of April 5, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable warrant counterparty | Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on April 6, 2022 |
| 10.16 | Form of Exchange Agreement, dated as of April 5, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable Noteholder | Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on April 6, 2022 |
| 10.17 | Form of Note Hedge Early Termination Agreement, dated as of June 23, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable call option counterparty | Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on June 24, 2022 |
| 10.18 | Form of Warrant Early Termination Agreement, dated as of June 23, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable warrant counterparty | Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on June 24, 2022 |
| 10.19 | Form of Exchange Agreement, dated as of June 23, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable Noteholder | Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on June 24, 2022 |

Each management contract and compensatory plan has been marked with an asterisk (*).

| Exhibit Number | Description | Method of Filing |
|-----------------------|--|---|
| 10.20 | Form of Note Hedge Partial Early Termination Agreement, dated as of July 8, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable call option counterparty | Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on July 11, 2022 |
| 10.21 | Form of Warrant Partial Early Termination Agreement, dated as of July 8, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable warrant counterparty | Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on July 11, 2022 |
| 10.22 | Form of Note Hedge Early Termination Agreement, dated as of July 8, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable call option counterparty | Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on July 11, 2022 |
| 10.23 | Form of Warrant Early Termination Agreement, dated as of July 8, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable warrant option counterparty | Incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on July 11, 2022 |
| 10.24 | Form of Exchange Agreement, dated as of July 8, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable Noteholder | Incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on July 11, 2022 |
| 10.25 | Form of Note Hedge Partial Early Termination Agreement, dated as of August 29, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable call option counterparty | Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on August 30, 2022 |
| 10.26 | Form of Warrant Partial Early Termination Agreement, dated as of August 29, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable warrant counterparty | Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on August 30, 2022 |
| 10.27 | Form of Exchange Agreement, dated as of August 29, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable Noteholder | Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on August 30, 2022 |
| 10.28 | Form of Note Hedge Partial Early Termination Agreement, dated as of September 26, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable call option counterparty | Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on September 27, 2022 |
| 10.29 | Form of Warrant Partial Early Termination Agreement, dated as of September 26, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable warrant counterparty | Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on September 27, 2022 |
| 10.30 | Form of Exchange Agreement, dated as of September 26, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable Noteholder | Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on September 27, 2022 |
| 10.31 | Form of Note Hedge Partial Early Termination Agreement, dated as of December 7, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable call option counterparty | Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on December 8, 2022 |
| 10.32 | Form of Warrant Partial Early Termination Agreement, dated as of December 7, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable warrant counterparty | Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on December 8, 2022 |
| 10.33 | Form of Note Hedge Early Termination Agreement, dated as of December 7, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable call option counterparty | Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on December 8, 2022 |

Each management contract and compensatory plan has been marked with an asterisk (*).

| Exhibit Number | Description | Method of Filing |
|-----------------------|--|---|
| 10.34 | Form of Warrant Early Termination Agreement, dated as of December 7, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable warrant option counterparty | Incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on December 8, 2022 |
| 10.35 | Form of Exchange Agreement, dated as of December 7, 2022, by and between DICK'S Sporting Goods, Inc. and the applicable Noteholder | Incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on December 8, 2022 |
| 10.36 | Form of Warrant Early Termination Agreement dated as of March 2, 2023, by and between DICK'S Sporting Goods, Inc. and the applicable warrant option counterparty | Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-31463, filed on March 8, 2023 |
| 21 | Subsidiaries | Filed herewith |
| 23.1 | Consent of Deloitte & Touche LLP | Filed herewith |
| 31.1 | Certification of Lauren R. Hobart, President and Chief Executive Officer, dated as of March 28, 2024 and made pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended | Filed herewith |
| 31.2 | Certification of Navdeep Gupta, Executive Vice President – Chief Financial Officer, dated as of March 28, 2024 and made pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended | Filed herewith |
| 32.1 | Certification of Lauren R. Hobart, President and Chief Executive Officer, dated as of March 28, 2024 and made pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Furnished herewith |
| 32.2 | Certification of Navdeep Gupta, Executive Vice President – Chief Financial Officer, dated as of March 28, 2024 and made pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Furnished herewith |
| 97.1 | Policy Relating to Recovery of Erroneously Awarded Compensation | Filed herewith |
| 101.INS | Inline XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. | Filed herewith |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document | Filed herewith |
| 101.CAL | Inline XBRL Taxonomy Calculation Linkbase Document | Filed herewith |
| 101.DEF | Inline XBRL Taxonomy Definition Linkbase Document | Filed herewith |
| 101.LAB | Inline XBRL Taxonomy Label Linkbase Document | Filed herewith |
| 101.PRE | Inline XBRL Taxonomy Presentation Linkbase Document | Filed herewith |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101). | Filed herewith |

Each management contract and compensatory plan has been marked with an asterisk (*).

Attached as Exhibits 101 to this report are the following financial statements from the Company's Annual Report on Form 10-K for the year ended February 3, 2024 formatted in XBRL ("eXtensible Business Reporting Language"): (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Changes in Stockholders' Equity, (v) the Consolidated Statements of Cash Flows and (vi) related notes to these Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

DICK'S SPORTING GOODS, INC.
(Registrant)

By: /s/ NAVDEEP GUPTA

Navdeep Gupta
Executive Vice President – Chief Financial Officer

Date: March 28, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, the report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

| SIGNATURE | CAPACITY | DATE |
|---|--|----------------|
| <u>/s/ LAUREN R. HOBART</u> Lauren R. Hobart | President, Chief Executive Officer and Director | March 28, 2024 |
| <u>/s/ NAVDEEP GUPTA</u> Navdeep Gupta | Executive Vice President – Chief Financial Officer (principal financial and principal accounting officer) | March 28, 2024 |
| <u>/s/ EDWARD W. STACK</u> Edward W. Stack | Executive Chairman and Director | March 28, 2024 |
| <u>/s/ MARK J. BARRENECHEA</u> Mark J. Barrenechea | Director | March 28, 2024 |
| <u>/s/ EMANUEL CHIRICO</u> Emanuel Chirico | Director | March 28, 2024 |
| <u>/s/ WILLIAM J. COLOMBO</u> William J. Colombo | Vice Chairman and Director | March 28, 2024 |
| <u>/s/ ROBERT EDDY</u> Robert Eddy | Director | March 28, 2024 |
| <u>/s/ ANNE FINK</u> Anne Fink | Director | March 28, 2024 |
| <u>/s/ LARRY FITZGERALD, JR.</u> Larry Fitzgerald, Jr. | Director | March 28, 2024 |
| <u>/s/ SANDEEP MATHRANI</u> Sandeep Mathrani | Director | March 28, 2024 |
| <u>/s/ DESIREE RALLS-MORRISON</u> Desiree Ralls-Morrison | Director | March 28, 2024 |
| <u>/s/ LAWRENCE J. SCHORR</u> Lawrence J. Schorr | Director | March 28, 2024 |
| <u>/s/ LARRY D. STONE</u> Larry D. Stone | Director | March 28, 2024 |

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of DICK'S Sporting Goods, Inc.

Opinion on the Financial Statement Schedule

We have audited the consolidated financial statements of DICK'S Sporting Goods, Inc. and subsidiaries (the "Company") as of February 3, 2024 and January 28, 2023, and for each of the three years in the period ended February 3, 2024, and the Company's internal control over financial reporting as of February 3, 2024, and have issued our reports thereon dated March 28, 2024; such consolidated financial statements and reports are included in this Annual Report on Form 10-K. Our audits also included the financial statement schedule of the Company listed in the Index at Item 15. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement schedule based on our audits. In our opinion, such financial statement schedule, when considered in relation to the financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Deloitte & Touche LLP

Pittsburgh, Pennsylvania
March 28, 2024

DICK'S SPORTING GOODS, INC. AND SUBSIDIARIES
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

| | Balance at Beginning of Period | Charged to Costs and Expenses | Deductions | Balance at End of Period |
|-----------------------------|---|--|-------------------|-------------------------------------|
| Fiscal 2021 | | | | |
| Inventory reserve | \$ 35,555 | \$ 4,421 | \$ (14,410) | \$ 25,566 |
| Allowance for credit losses | 2,661 | 4,298 | (3,752) | 3,207 |
| Reserve for sales returns | 14,468 | 591,723 | (589,784) | 16,407 |
| Fiscal 2022 | | | | |
| Inventory reserve | \$ 25,566 | \$ 52,933 | \$ (26,323) | \$ 52,176 |
| Allowance for credit losses | 3,207 | 3,305 | (3,649) | 2,863 |
| Reserve for sales returns | 16,407 | 652,863 | (650,249) | 19,021 |
| Fiscal 2023 | | | | |
| Inventory reserve | \$ 52,176 | \$ 68,202 | \$ (46,582) | \$ 73,796 |
| Allowance for credit losses | 2,863 | 1,770 | (2,078) | 2,555 |
| Reserve for sales returns | 19,021 | 706,359 | (702,951) | 22,429 |

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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 earnings per diluted share, 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 its deferred compensation plans enable investors to better understand its selling, general and administrative expense trends excluding non-cash changes in our deferred compensation plan investment fair values from market fluctuations that are offset within other income. 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):

| | Fiscal 2023 53 Weeks Ended February 3, 2024 | | | | | |
|--|--|--|--------------|----------------------------|-------------|----------------------------|
| | Gross profit | Selling, general and administrative expenses | Other income | Income before income taxes | Net income | Earnings per diluted share |
| GAAP Basis | \$4,533,735 | \$3,204,108 | \$(93,809) | \$1,318,151 | \$1,046,519 | \$12.18 |
| % of Net Sales | 34.92% | 24.68% | (0.72%) | 10.15% | 8.06% | |
| Business optimization charges | 11,984 | (72,829) | — | 84,813 | 62,762 | |
| Deferred compensation plan adjustments | — | (13,960) | 13,960 | — | — | |
| Non-GAAP Basis | \$4,545,719 | \$3,117,319 | \$(79,849) | \$1,402,964 | \$1,109,281 | \$12.91 |
| % of Net Sales | 35.01% | 24.01% | (0.61%) | 10.80% | 8.54% | |

During fiscal 2023, the Company recorded pre-tax charges related to the completion of its business optimization totaling \$84.8 million, which included \$46.1 million of non-cash impairments of store and intangible assets, \$26.7 million of severance-related costs and a \$12.0 million write-down of inventory. Fiscal 2023 also included non-cash changes in fair value of employee deferred compensation plan investments held in rabbi trusts. The provision for income taxes for the aforementioned adjustments were calculated at 26%, which approximated the Company's blended tax rate.

Fiscal 2023 Net Sales Adjusted for the 53rd Week (in thousands):

| | Fiscal 2023 53 Weeks Ended February 3, 2024 |
|---------------------------------------|---|
| Net sales | \$12,984,399 |
| Less: 53 rd week net sales | (170,223) |
| Adjusted net sales | \$12,814,176 |

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CORPORATE AND STOCKHOLDER INFORMATION

Corporate Office

345 Court Street
Coraopolis, PA 15108
724-273-3400

DICK'S Sporting Goods Website

www.DICKS.com

Transfer Agent and Registrar

Equiniti Trust Company, LLC
55 Challenger Road, Floor 2
Ridgefield Park, NJ 07660

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
One PPG Place
Suite 2600
Pittsburgh, PA 15222

Common Stock

The shares of DICK'S Sporting Goods, Inc. common stock are listed and traded on the New York Stock Exchange (NYSE), under the symbol "DKS". The shares of the Company's Class B common stock are neither listed nor traded on any stock exchange or other market.

The number of holders of record of the Company's common stock and Class B common stock as of April 15, 2024 was 232 and 15, respectively.

Quarterly Stock Price Range

Set forth below, for the applicable periods indicated, are the high and low closing sales prices per share of the Company's common stock as reported by the NYSE.

| 2023 Fiscal Quarter Ended | High | Low |
|----------------------------------|-------------|------------|
| April 29, 2023 | \$149.73 | \$126.93 |
| July 29, 2023 | \$142.78 | \$122.36 |
| October 28, 2023 | \$148.27 | \$101.02 |
| February 3, 2024 | \$155.96 | \$105.26 |

| 2022 Fiscal Quarter Ended | High | Low |
|----------------------------------|-------------|------------|
| April 30, 2022 | \$118.15 | \$95.97 |
| July 30, 2022 | \$102.71 | \$71.24 |
| October 29, 2022 | \$117.77 | \$93.53 |
| January 28, 2023 | \$128.65 | \$99.03 |

Annual Meeting

June 12, 2024 at 7:30 a.m.
Via the Internet at
<http://www.virtualshareholdermeeting.com/DKS2024>

Form 10-K

A Form 10-K is available without charge online at investors.DICKS.com, by emailing a request to investors@dcs.com, or through www.sec.gov.

It is also available upon request to:

Investor Relations
345 Court Street
Coraopolis, PA 15108
724-273-3400

Forward-Looking Statements

This document 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 relate to results or outcomes in future periods and include statements regarding, among other things, investments to continuously improve our business, including by enhancing and continuing to offer a best-in-class athlete experience and improving our eCommerce and fulfillment capabilities; plans to invest in new and emerging brands as well as our vertical brands; plans to continue investing in our existing brand relationships; maintaining a highly differentiated product assortment; driving deep engagement with our brand and the continued success of GameChanger; plans to invest in and launch existing or new specialty concepts and the success of those concepts, including opening multiple new House of Sport locations, 50K format locations, and Golf Galaxy Performance Centers; expected sales and margins for a given new House of Sport location; investments in our brand engagement and brand building; improving our technology (including youth sports technology) and digital capabilities; our goals and planned investments and grant awards in connection with our Sports Matter Program and DICK'S Sporting Goods Foundation to make an impact on youth athletes; projected capital expenditures; plans to return capital to stockholders through dividends and share repurchases, including the expected increase to our annual dividend payout; and our ability to gain market share and future results of operations and financial condition, such as sales and earnings growth, positive comps, higher merchandise margins and other productivity gains.

Forward-looking statements are subject to risks and uncertainties, including the potential impact to consumer demand and our supply chain due to geopolitical conflicts, and should not be relied on by investors because actual results may materially differ from those indicated in forward-looking statements. The factors that could cause actual results to materially differ from those indicated in forward-looking statements are described under Risk Factors in our Annual Report. The forward-looking statements contained herein speak only as of the date made, and we undertake no obligation to update any such statements.

BOARD OF DIRECTORS

Edward W. Stack

*Chairman of the Board since 1984, Director since 1984
Executive Chairman
DICK'S Sporting Goods, Inc.*

William J. Colombo

*Vice Chairman since 2008, Director since 2002
Vice Chairman
DICK'S Sporting Goods, Inc.*

Mark J. Barrenechea

*Director since 2014
Chief Executive Officer and Chief Technology Officer
OpenText Corp.*

Emanuel Chirico

*Director since 2003
Retired Chairman and Chief Executive Officer
PVH Corp.*

Robert W. Eddy

*Director since 2023
Chairman, President and Chief Executive Officer
BJ's Wholesale Club Holdings, Inc.*

Anne Fink

*Director since 2019
President, Global Foodservice
PepsiCo, Inc.*

Larry Fitzgerald, Jr.

*Director since 2020
Former Professional Athlete
National Football League*

Lauren R. Hobart

*Director since 2018
President and Chief Executive Officer
DICK'S Sporting Goods, Inc.*

Sandeep Mathrani

*Director since 2020
Director
Sycamore Partners, LP*

Desiree Ralls-Morrison

*Director since 2020
Executive Vice President, General Counsel and
Corporate Secretary
McDonald's Corporation*

Lawrence J. Schorr

*Lead Director since 2012, Director since 1985
Deputy Chairman
SURTECO North America*

Larry D. Stone

*Director since 2007
Retired President and Chief Operating Officer
Lowe's Companies, Inc.*

EXECUTIVE OFFICERS

Edward W. Stack

Executive Chairman

Lauren R. Hobart

President and Chief Executive Officer

Navdeep Gupta

Executive Vice President - Chief Financial Officer

Julie Lodge-Jarrett

Executive Vice President - Chief People and Purpose Officer

Raymond Sliva

Executive Vice President - Stores

Vlad Rak

Executive Vice President - Chief Technology Officer

Elizabeth H. Baran

*Senior Vice President - General Counsel and
Corporate Secretary*



DICK'S SPORTING GOODS, INC.
345 COURT ST. CORAOPOLIS, PA 15108
DICKS.COM