

Dick's Sporting Goods

4Q ahead as DKS continues to invest for growth

Reiterate Rating: NEUTRAL | PO: 225.00 USD | Price: 216.81 USD

4Q ahead on same-store sales & gross margin beat

DKS reported F4Q24 adjusted EPS of \$3.85 (vs. our \$3.27) as same-store sales increased +2.8% (vs. our -1.0%), led entirely by ticket as transactions were flat y/y (see [F4Q preview](#)). Gross margin of 34.6% (vs. our 34.0%) reflected 124bps of merchandise margin expansion (as DKS lapped elevated clearance activity last year), lower freight costs, and occupancy cost leverage, which were partially offset by higher shrink.

Raise F25e EPS and model gross margin flat y/y

We raise our F25 adj. EPS estimate to \$13.20 (from \$12.50 & in-line with DKS initial guidance for \$12.85 - \$13.25). We are modeling comps +2% and expect a positive impact to sales in 1H (given calendar shift for 53rd week in 2023) to be offset in 2H. We model ~80bps y/y decline in F1Q gross margin given higher shrink (which DKS will have anniversary beginning in F2Q), elevated marketing/preopening expense to support 2 House of Sport openings (in Boston & Pittsburgh), and a higher tax rate vs. last year. Both gross margin and SG&A are expected to be ~flat y/y in F25 as DKS reduces discretionary costs and benefits from business optimization initiatives (which were completed in F4Q).

DKS expects to increase square footage by ~2% in 2024

DKS expects to increase its square footage by ~2% in 2024 which includes the addition of 8 House of Sport and 16 Next Generation 50K stores (which both operate at higher sales and profitability levels vs. legacy stores). DKS remains confident in its target of 75-100 House of Sport locations by 2027 (the majority of which will be relocations/conversions). We expect DKS will continue to increase capital investments moving forward as it looks to continue to remodel & open units (15 House of Sport stores expected in 2025), acquire real estate (including evaluating potential sale-leaseback opportunities), and open new regional distribution center in 2026.

Reiterate Neutral on balanced Risk/Reward

We reiterate our Neutral rating as we believe near-term consumer macro headwinds are offset by DKS's efforts to streamline its cost structure, obtain highly allocated merchandise, manage inventory (+1% y/y in F4Q), and optimize promos. We raise our PO to \$225 (was \$190), based on 15-16x (was 14x) our F26E EPS of \$14.25 on F4Q beat and rising peer & market multiples.

| Estimates (Jan) (US\$) | 2023A | 2024A | 2025E | 2026E | 2027E |
|---------------------------|--------|-------|-------|-------|-------|
| EPS | 12.18 | 12.91 | 13.20 | 14.25 | 15.92 |
| GAAP EPS | 12.18 | 12.18 | 13.20 | 14.25 | 15.94 |
| EPS Change (YoY) | -22.4% | 6.0% | 2.2% | 8.0% | 11.7% |
| Consensus EPS (Bloomberg) | | | 12.90 | 13.78 | NA |
| DPS | 1.86 | 4.08 | 4.25 | 4.36 | 4.56 |
| Valuation (Jan) | | | | | |
| P/E | 17.8x | 16.8x | 16.4x | 15.2x | 13.6x |
| GAAP P/E | 17.8x | 17.8x | 16.4x | 15.2x | 13.6x |
| Dividend Yield | 0.9% | 1.9% | 2.0% | 2.0% | 2.1% |
| EV / EBITDA* | 11.2x | 11.7x | 11.3x | 10.7x | 9.9x |
| Free Cash Flow Yield* | 1.9% | 4.8% | 2.6% | 3.5% | 4.1% |

* For full definitions of *IQmethod*SM measures, see page 5.

14 March 2024

Equity

Key Changes

| (US\$) | Previous | Current |
|---------------|----------|----------|
| Price Obj. | 190.00 | 225.00 |
| 2025E Rev (m) | 12,948.8 | 13,157.8 |
| 2026E Rev (m) | 13,272.5 | 13,565.7 |
| 2027E Rev (m) | 13,709.4 | 14,014.1 |
| 2025E EPS | 12.50 | 13.20 |
| 2026E EPS | 13.35 | 14.25 |
| 2027E EPS | 14.63 | 15.92 |
| 2025E DPS | 4.17 | 4.25 |

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Stock Data

| | |
|--------------------------------|-------------------------|
| Price | 216.81 USD |
| Price Objective | 225.00 USD |
| Date Established | 14-Mar-2024 |
| Investment Opinion | C-2-7 |
| 52-Week Range | 100.98 USD - 222.92 USD |
| Mkt Val (mn) / Shares Out (mn) | 18,629 USD / 85.9 |
| Free Float | 96.5% |
| Average Daily Value (mn) | 219.46 USD |
| BofA Ticker / Exchange | DKS / NYS |
| Bloomberg / Reuters | DKS US / DKS.N |
| ROE (2025E) | 36.7% |
| Net Dbt to Eqty (Jan-2024A) | 90.5% |
| ESGMeter TM | High |

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to ["BofA ESGMeter Methodology"](#).

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Timestamp: 14 March 2024 09:10PM EDT

iQprofileSM Dick's Sporting Goods

iQmethodSM – Bus Performance*

| (US\$ Millions) | 2023A | 2024A | 2025E | 2026E | 2027E |
|----------------------------|-------|-------|-------|-------|-------|
| Return on Capital Employed | 16.4% | 15.9% | 14.6% | 13.8% | 13.4% |
| Return on Equity | 46.1% | 43.1% | 36.7% | 31.0% | 27.5% |
| Operating Margin | 12.1% | 10.7% | 10.9% | 11.3% | 11.9% |
| Free Cash Flow | 359 | 899 | 486 | 658 | 770 |

iQmethodSM – Quality of Earnings*

| (US\$ Millions) | 2023A | 2024A | 2025E | 2026E | 2027E |
|--------------------------|-------|-------|-------|-------|-------|
| Cash Realization Ratio | 0.7x | 1.5x | 1.3x | 1.3x | 1.3x |
| Asset Replacement Ratio | 1.0x | 1.8x | 2.2x | 2.2x | 2.1x |
| Tax Rate | 24.6% | 20.9% | 24.0% | 24.0% | 24.0% |
| Net Debt-to-Equity Ratio | 90.3% | 90.5% | 64.2% | 43.1% | 26.0% |
| Interest Cover | 18.8x | NA | NA | NA | NA |

Income Statement Data (Jan)

| (US\$ Millions) | 2023A | 2024A | 2025E | 2026E | 2027E |
|------------------------------|---------------|--------------|--------------|--------------|--------------|
| Sales | 12,368 | 12,984 | 13,158 | 13,566 | 14,014 |
| % Change | 0.6% | 5.0% | 1.3% | 3.1% | 3.3% |
| Gross Profit | 4,285 | 4,546 | 4,608 | 4,773 | 4,953 |
| % Change | -9.1% | 6.1% | 1.4% | 3.6% | 3.8% |
| EBITDA | 1,859 | 1,777 | 1,835 | 1,948 | 2,098 |
| % Change | -21.1% | -4.4% | 3.3% | 6.2% | 7.7% |
| Net Interest & Other Income | (79) | 20 | 10 | 2 | 2 |
| Net Income (Adjusted) | 1,065 | 1,109 | 1,095 | 1,168 | 1,274 |
| % Change | -30.9% | 4.1% | -1.3% | 6.6% | 9.1% |

Free Cash Flow Data (Jan)

| (US\$ Millions) | 2023A | 2024A | 2025E | 2026E | 2027E |
|--|---------------|---------------|---------------|--------------|--------------|
| Net Income from Cont Operations (GAAP) | 1,065 | 1,109 | 1,095 | 1,168 | 1,274 |
| Depreciation & Amortization | 365 | 394 | 404 | 414 | 424 |
| Change in Working Capital | (713) | 115 | (113) | (24) | (28) |
| Deferred Taxation Charge | NA | NA | NA | NA | NA |
| Other Adjustments, Net | 0 | 0 | 0 | 0 | 0 |
| Capital Expenditure | (359) | (719) | (900) | (900) | (900) |
| Free Cash Flow | 359 | 899 | 486 | 658 | 770 |
| % Change | -72.7% | 150.3% | -46.0% | 35.5% | 17.0% |
| Share / Issue Repurchase | (479) | (666) | 0 | 0 | 0 |
| Cost of Dividends Paid | (163) | (351) | (353) | (357) | (365) |
| Change in Debt | (390) | (57) | 50 | 50 | 51 |

Balance Sheet Data (Jan)

| (US\$ Millions) | 2023A | 2024A | 2025E | 2026E | 2027E |
|---------------------------------------|--------------|--------------|---------------|---------------|---------------|
| Cash & Equivalents | 1,924 | 1,896 | 2,179 | 2,630 | 3,186 |
| Trade Receivables | 71 | 115 | 116 | 120 | 124 |
| Other Current Assets | 2,968 | 2,974 | 3,202 | 3,294 | 3,399 |
| Property, Plant & Equipment | 1,313 | 1,638 | 2,134 | 2,620 | 3,096 |
| Other Non-Current Assets | 2,716 | 2,689 | 2,709 | 2,751 | 2,781 |
| Total Assets | 8,992 | 9,312 | 10,340 | 11,415 | 12,586 |
| Short-Term Debt | 0 | 0 | 0 | 0 | 1 |
| Other Current Liabilities | 2,095 | 2,260 | 2,376 | 2,448 | 2,529 |
| Long-Term Debt | 4,205 | 4,264 | 4,334 | 4,426 | 4,506 |
| Other Non-Current Liabilities | 168 | 171 | 271 | 371 | 471 |
| Total Liabilities | 6,468 | 6,694 | 6,980 | 7,245 | 7,507 |
| Total Equity | 2,525 | 2,617 | 3,360 | 4,170 | 5,079 |
| Total Equity & Liabilities | 8,992 | 9,312 | 10,340 | 11,415 | 12,586 |

* For full definitions of iQmethodSM measures, see page 5.

Company Sector

Leisure

Company Description

Dick's Sporting Goods, Inc is a full-line sporting goods retailer that offers a broad assortment of brand and private label sporting goods apparel, footwear, and equipment in a large box store format. The company also operates specialty standalone golf stores under the Golf Galaxy name and an Outdoor specialty store under the Field & Stream banner.

Investment Rationale

We rate DKS as Neutral, reflecting our outlook that near-term headwinds are partially offset by compelling valuation. We still see (1) improving footwear allocations from key vendors, (2) strong apparel momentum, led by exclusives, continued strength in key brands, and better segmented men's product, (3) strong omni-channel execution, and (4) strong momentum in higher-margin private label.

Stock Data

Average Daily Volume 1,012,229

Quarterly Earnings Estimates

| | 2024 | 2025 |
|----|-------|-------|
| Q1 | 3.40A | 2.97E |
| Q2 | 2.82A | 3.33E |
| Q3 | 2.85A | 3.12E |
| Q4 | 3.85A | 3.77E |

Exhibit 1: DKS quarterly earnings analysis

\$ millions, except per share data

| | Net Sales | COGS Buy., Occ. | Optg Exp | Pre-Open Expenses | Optg Inc | Interest Expense | Ptx Inc | Inc Tax | Net Inc bef. Extra | Extra Gain (Loss) | GAAP Net Inc. | Operating EPS | Reported EPS | Sh O/S (MM) |
|---------|-------------------|------------------|----------------|-------------------|----------------|------------------|----------------|----------------|--------------------|-------------------|----------------|---------------|---------------|-------------|
| Apr-Q1 | \$2,700.21 | \$1,715.5 | \$615.3 | \$2.9 | \$366.5 | \$34.7 | \$331.9 | \$71.3 | \$260.6 | \$0.0 | \$260.6 | \$2.85 | \$2.85 | 91.5 |
| Jul-Q2 | \$3,112.42 | \$1,991.0 | \$657.4 | \$3.8 | \$460.2 | \$32.9 | \$427.3 | \$108.8 | \$318.5 | \$0.0 | \$318.5 | \$3.68 | \$3.25 | 86.5 |
| Oct-Q3 | \$2,958.86 | \$1,946.4 | \$679.7 | \$7.2 | \$325.5 | \$21.3 | \$304.2 | \$75.7 | \$228.5 | \$0.0 | \$228.5 | \$2.60 | \$2.45 | 87.9 |
| Jan-Q4 | <u>\$3,596.71</u> | <u>\$2,429.9</u> | <u>\$823.7</u> | <u>\$2.1</u> | <u>\$340.9</u> | <u>(\$9.6)</u> | <u>\$350.5</u> | <u>\$92.6</u> | <u>\$257.9</u> | <u>\$0.0</u> | <u>\$257.9</u> | <u>\$2.93</u> | <u>\$2.93</u> | <u>88.0</u> |
| F2023 | \$12,368.20 | \$8,082.9 | \$2,776.1 | \$16.1 | \$1,493.1 | \$79.3 | \$1,413.8 | \$348.4 | \$1,065.4 | \$0.0 | \$1,065.4 | \$12.18 | \$12.18 | 87.5 |
| Apr-Q1 | \$2,842.18 | \$1,813.6 | \$693.9 | \$9.1 | \$325.6 | (\$2.7) | \$328.3 | \$23.7 | \$304.6 | \$0.0 | \$304.6 | \$3.40 | \$3.40 | 89.7 |
| Jul-Q2 | \$3,223.64 | \$2,114.2 | \$775.6 | \$22.1 | \$311.8 | (\$14.1) | \$325.9 | \$81.6 | \$244.3 | \$0.0 | \$244.3 | \$2.82 | \$2.82 | 86.8 |
| Oct-Q3 | \$3,042.41 | \$1,974.6 | \$729.9 | \$12.5 | \$325.4 | \$4.3 | \$321.1 | \$81.2 | \$240.0 | (\$38.8) | \$201.1 | \$2.85 | \$2.39 | 84.3 |
| Jan-Q4 | <u>\$3,876.17</u> | <u>\$2,536.3</u> | <u>\$915.8</u> | <u>\$3.6</u> | <u>\$420.5</u> | <u>(\$7.2)</u> | <u>\$427.7</u> | <u>\$107.3</u> | <u>\$320.3</u> | <u>(\$23.9)</u> | <u>\$296.4</u> | <u>\$3.85</u> | <u>\$3.57</u> | <u>83.1</u> |
| F2024 | \$12,984.40 | \$8,438.7 | \$3,115.2 | \$47.3 | \$1,383.3 | (\$19.7) | \$1,403.0 | \$293.8 | \$1,109.2 | (\$62.7) | \$1,046.5 | \$12.91 | \$12.18 | 85.9 |
| Apr-Q1E | \$2,927.45 | \$1,891.1 | \$697.4 | \$19.1 | \$319.9 | (\$5.2) | \$325.1 | \$78.0 | \$247.0 | \$0.0 | \$247.0 | \$2.97 | \$2.97 | 83.1 |
| Jul-Q2E | \$3,320.35 | \$2,158.2 | \$783.3 | \$18.1 | \$360.7 | (\$3.2) | \$363.9 | \$87.3 | \$276.5 | \$0.0 | \$276.5 | \$3.33 | \$3.33 | 83.0 |
| Oct-Q3E | \$3,088.04 | \$2,001.1 | \$733.9 | \$13.5 | \$339.6 | (\$1.2) | \$340.8 | \$81.8 | \$259.0 | \$0.0 | \$259.0 | \$3.12 | \$3.12 | 83.0 |
| Jan-Q4E | <u>\$3,821.95</u> | <u>\$2,499.6</u> | <u>\$906.7</u> | <u>\$4.6</u> | <u>\$411.2</u> | <u>(\$0.2)</u> | <u>\$411.4</u> | <u>\$98.7</u> | <u>\$312.6</u> | <u>\$0.0</u> | <u>\$312.6</u> | <u>\$3.77</u> | <u>\$3.77</u> | <u>82.9</u> |
| F2025E | \$13,157.79 | \$8,550.0 | \$3,121.3 | \$55.3 | \$1,431.3 | (\$9.8) | \$1,441.1 | \$345.9 | \$1,095.3 | \$0.0 | \$1,095.3 | \$13.20 | \$13.20 | 83.0 |
| F2026E | \$13,565.68 | \$8,792.3 | \$3,183.7 | \$55.3 | \$1,534.5 | (\$2.3) | \$1,536.8 | \$368.8 | \$1,168.0 | \$0.0 | \$1,168.0 | \$14.25 | \$14.25 | 82.0 |

Percentage Change

| | Comp Sales | Net Sales | Optg Exp | Optg Inc | Ptx Inc | Operating EPS |
|---------|-------------|--------------|--------------|---------------|---------------|---------------|
| Apr-Q1 | -8.4% | -7.5% | 1.2% | -23.0% | -30.4% | -17.6% |
| Jul-Q2 | -5.1% | -5.0% | 2.7% | -30.6% | -35.7% | -27.6% |
| Oct-Q3 | 6.5% | 7.7% | 7.6% | -22.5% | -26.8% | -18.5% |
| Jan-Q4 | <u>5.3%</u> | <u>7.3%</u> | <u>5.1%</u> | <u>-28.3%</u> | <u>-25.2%</u> | <u>-19.5%</u> |
| F2023 | 0.5% | 0.6% | 4.2% | -26.6% | -30.2% | -22.4% |
| Apr-Q1 | 3.4% | 5.3% | 12.8% | -11.2% | -1.1% | 19.3% |
| Jul-Q2 | 1.8% | 3.6% | 18.0% | -32.3% | -23.7% | -23.4% |
| Oct-Q3 | 1.7% | 2.8% | 7.4% | 0.0% | 5.6% | 9.6% |
| Jan-Q4 | <u>2.8%</u> | <u>7.8%</u> | <u>11.2%</u> | <u>23.3%</u> | <u>22.0%</u> | <u>31.4%</u> |
| F2024 | 2.4% | 5.0% | 12.2% | -7.4% | -0.8% | 6.0% |
| Apr-Q1E | 2.5% | 3.0% | 0.5% | -1.8% | -1.0% | -12.6% |
| Jul-Q2E | 2.0% | 3.0% | 1.0% | 15.7% | 11.7% | 18.1% |
| Oct-Q3E | 1.5% | 1.5% | 0.6% | 4.4% | 6.1% | 9.5% |
| Jan-Q4E | <u>2.0%</u> | <u>-1.4%</u> | <u>-1.0%</u> | <u>-2.2%</u> | <u>-3.8%</u> | <u>-2.1%</u> |
| F2025E | 2.0% | 1.3% | 0.2% | 3.5% | 2.7% | 2.2% |
| F2026E | 2.0% | 3.1% | 2.0% | 7.2% | 6.6% | 8.0% |

Ratio Analysis

| | Gr Mgn | Exp Ratio | Op Mgn | Int | Tx Rate | Ptx Mgn | Operating Net Mgn |
|---------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| Apr-Q1 | 36.5% | 22.8% | 13.6% | 1.3% | 21.5% | 12.3% | 9.6% |
| Jul-Q2 | 36.0% | 21.1% | 14.8% | 1.1% | 25.5% | 13.7% | 10.2% |
| Oct-Q3 | 34.2% | 23.0% | 11.0% | 0.7% | 24.9% | 10.3% | 7.7% |
| Jan-Q4 | <u>32.4%</u> | <u>22.9%</u> | <u>9.5%</u> | <u>-0.3%</u> | <u>26.4%</u> | <u>9.7%</u> | <u>7.2%</u> |
| F2023 | 34.6% | 22.4% | 12.1% | 0.6% | 24.6% | 11.4% | 8.6% |
| Apr-Q1 | 36.2% | 24.4% | 11.5% | -0.1% | 7.2% | 11.6% | 10.7% |
| Jul-Q2 | 34.4% | 24.1% | 9.7% | -0.4% | 25.0% | 10.1% | 7.6% |
| Oct-Q3 | 35.1% | 24.0% | 10.7% | 0.1% | 25.3% | 10.6% | 7.9% |
| Jan-Q4 | <u>34.6%</u> | <u>23.6%</u> | <u>10.8%</u> | <u>-0.2%</u> | <u>25.1%</u> | <u>11.0%</u> | <u>8.3%</u> |
| F2024 | 35.0% | 24.0% | 10.7% | -0.2% | 20.9% | 10.8% | 8.5% |
| Apr-Q1E | 35.4% | 23.8% | 10.9% | -0.2% | 24.0% | 11.1% | 8.4% |
| Jul-Q2E | 35.0% | 23.6% | 10.9% | -0.1% | 24.0% | 11.0% | 8.3% |
| Oct-Q3E | 35.2% | 23.8% | 11.0% | 0.0% | 24.0% | 11.0% | 8.4% |
| Jan-Q4E | <u>34.6%</u> | <u>23.7%</u> | <u>10.8%</u> | <u>0.0%</u> | <u>24.0%</u> | <u>10.8%</u> | <u>8.2%</u> |
| F2025E | 35.0% | 23.7% | 10.9% | -0.1% | 24.0% | 11.0% | 8.3% |
| F2026E | 35.2% | 23.5% | 11.3% | 0.0% | 24.0% | 11.3% | 8.6% |

Source: BofA Global Research Estimates, Company Filings

BofA GLOBAL RESEARCH



Price objective basis & risk

Dick's Sporting Goods (DKS)

Our PO of \$225 is based on 15-16x our F2026E EPS estimate of \$14.25 (the high end of its 5-year historical multiple range of 6-15X) given DKS could see continued normalization of spending on categories that outperformed during COVID-19 (incl. Outdoor apparel & equipment, bicycles, etc.).

Downside risks to our PO are weakening of the macro environment and rising gas prices, potential secular headwinds in the golf category, weaker traffic trends, higher-than-expected cost pressures and the risk of a more competitive pricing environment.

Analyst Certification

I, Robert F. Ohmes, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Broadlines, Hardlines, Food Retailers & Leisure Coverage Cluster

| Investment rating | Company | BofA Ticker | Bloomberg symbol | Analyst |
|---------------------|------------------------------|-------------|------------------|----------------------|
| BUY | | | | |
| | Academy Sports + Outdoors | ASO | ASO US | Robert F. Ohmes, CFA |
| | Arhaus, Inc | ARHS | ARHS US | Robert F. Ohmes, CFA |
| | BJ's Wholesale Club Holdings | BJ | BJ US | Robert F. Ohmes, CFA |
| | Costco Wholesale Corporation | COST | COST US | Robert F. Ohmes, CFA |
| | Grocery Outlet Holding Corp. | GO | GO US | Robert F. Ohmes, CFA |
| | Harley-Davidson | HOG | HOG US | Alexander Perry |
| | Life Time | LTH | LTH US | Alexander Perry |
| | Mattel | MAT | MAT US | Alexander Perry |
| | Mister Car Wash | MCW | MCW US | Robert F. Ohmes, CFA |
| | O'Reilly Automotive, Inc. | ORLY | ORLY US | Robert F. Ohmes, CFA |
| | Planet Fitness, Inc. | PLNT | PLNT US | Alexander Perry |
| | Sprouts Farmers Market, Inc. | SFM | SFM US | Robert F. Ohmes, CFA |
| | Sysco Corporation | SYF | SYF US | Kendall Toscano |
| | Target Corp. | TGT | TGT US | Robert F. Ohmes, CFA |
| | The Kroger Co. | KR | KR US | Robert F. Ohmes, CFA |
| | Topgolf Callaway Brands Corp | MODG | MODG US | Alexander Perry |
| | Upbound Group Inc. | UPBD | UPBD US | Vicky Liu |
| | Walmart Inc | WMT | WMT US | Robert F. Ohmes, CFA |
| NEUTRAL | | | | |
| | Dick's Sporting Goods | DKS | DKS US | Robert F. Ohmes, CFA |
| | Fox Factory Holding Corp | FOXF | FOXF US | Alexander Perry |
| | Hasbro | HAS | HAS US | Alexander Perry |
| | Williams-Sonoma | WSM | WSM US | Robert F. Ohmes, CFA |
| | Xponential Fitness | XPOF | XPOF US | Alexander Perry |
| | YETI Holdings, Inc. | YETI | YETI US | Robert F. Ohmes, CFA |
| UNDERPERFORM | | | | |
| | Advance Auto Parts, Inc. | AAP | AAP US | Robert F. Ohmes, CFA |
| | Canada Goose Holdings Inc | YGOOS | GOOS CN | Alexander Perry |
| | Canada Goose Holdings Inc | GOOS | GOOS US | Alexander Perry |
| | Columbia Sportswear | COLM | COLM US | Alexander Perry |
| | Dollar General Corporation | DG | DG US | Robert F. Ohmes, CFA |
| | Dollar Tree, Inc. | DLTR | DLTR US | Robert F. Ohmes, CFA |
| | Hibbett Sports, Inc. | HIBB | HIBB US | Alexander Perry |
| | National Vision | EYE | EYE US | Robert F. Ohmes, CFA |
| | Tractor Supply Company | TSCO | TSCO US | Robert F. Ohmes, CFA |

iQmethodSM Measures Definitions

Business Performance

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill

Amortization

Shareholders' Equity

Sales

N/A

N/A

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

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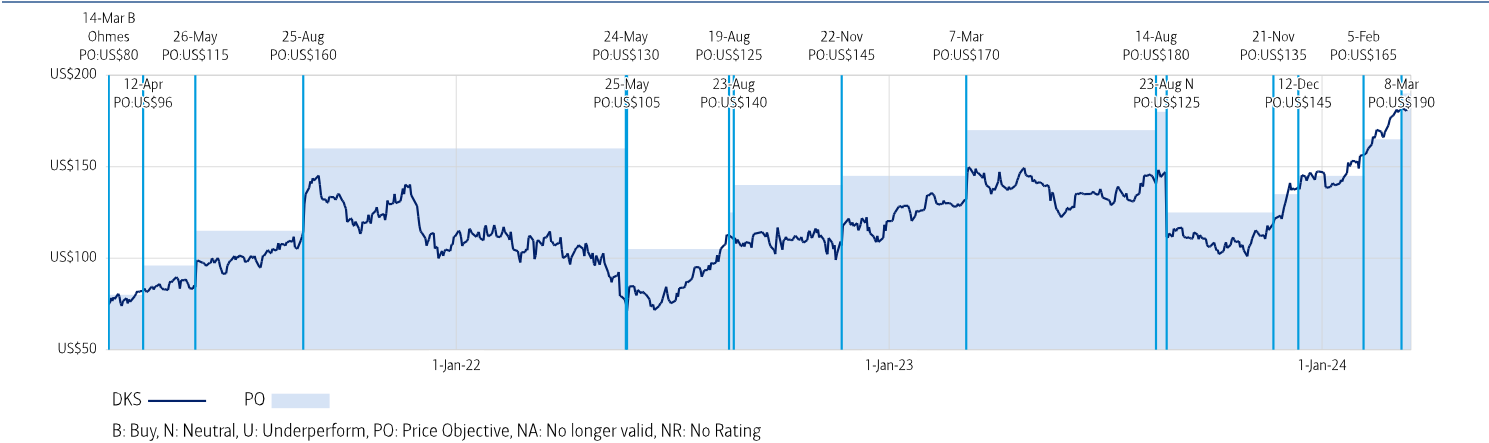
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Dick's (DKS) Price Chart



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Equity Investment Rating Distribution: Leisure Group (as of 31 Dec 2023)

| Coverage Universe | Count | Percent | Inv. Banking Relationships ^{R1} | Count | Percent |
|-------------------|-------|---------|--|-------|---------|
| Buy | 16 | 55.17% | Buy | 9 | 56.25% |
| Hold | 7 | 24.14% | Hold | 5 | 71.43% |
| Sell | 6 | 20.69% | Sell | 4 | 66.67% |

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

| Coverage Universe | Count | Percent | Inv. Banking Relationships ^{R1} | Count | Percent |
|-------------------|-------|---------|--|-------|---------|
| Buy | 1895 | 53.62% | Buy | 1083 | 57.15% |
| Hold | 832 | 23.54% | Hold | 454 | 54.57% |
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| Investment rating | Total return expectation (within 12-month period of date of initial rating) | Ratings dispersion guidelines for coverage cluster ^{R2} |
|-------------------|---|--|
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