

## Retailing - Hardlines

## Sporting Goods Spending Update through December

Industry Overview

## Sporting goods spending decelerated in December

Monthly spending at sporting goods stores (81% correlated with DKS same-store sales since Apr. 2014 and 89% correlated with ASO same-store sales since Apr. 2017) declined (6.1)% y/y in December vs. (4.4)% in November according to BAC aggregated credit and debit card data. We believe the decline in spend in December was partially driven by warmer weather (vs. a winter storm last year) which likely impacted spend on outerwear (see Exhibit 6). Monthly spending was up 13.0% on a 4 yr. basis in December, a significant deceleration vs. 35.3% in November.

## Online spending (8.8)%; Brick &amp; Mortar spending (4.5)%

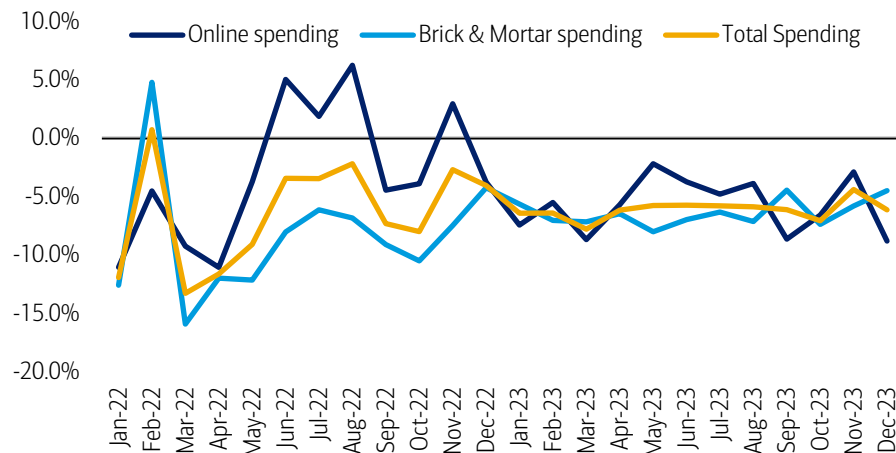
Online spending at sporting goods stores declined (8.8)% in December vs. (2.9)% in November. Brick & Mortar (B&M) spending at sporting goods stores declined (4.5)% in December vs. (5.8)% in November. We believe an extra non-holiday Saturday vs. last year supported in-store spending as consumers shopped “just in time”. See the latest [BofA on USA](#) note for an explanation of the methodology, disclaimers and limitations related to BAC card data.

## DKS &amp; ASO foot traffic sequentially improved in Dec.

DKS foot traffic (95% correlated with DKS traffic comps) improved to (13.9)% y/y F4Q to date compared to (17.5)% in F3Q according to Placer geolocation data. ASO foot traffic (94% correlated with ASO comps) declined (14.2)% F4Q to date vs. (16.5)% in F3Q. Web traffic for both DKS and ASO decelerated in December (see Exhibit 24).

## Exhibit 1: Monthly Y/Y% change in Online and Brick &amp; Mortar spending at sporting goods stores according to BAC aggregated credit and debit card data

Brick &amp; Mortar outpaced Online spending at sporting goods stores in December



Source: BAC Internal Data; Online (card not present is largely online but could include purchases made over the phone)

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16 January 2024

Equity  
United States  
Retailing-Hardlines

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DKS: Dick's Sporting Goods

ASO: Academy Sports

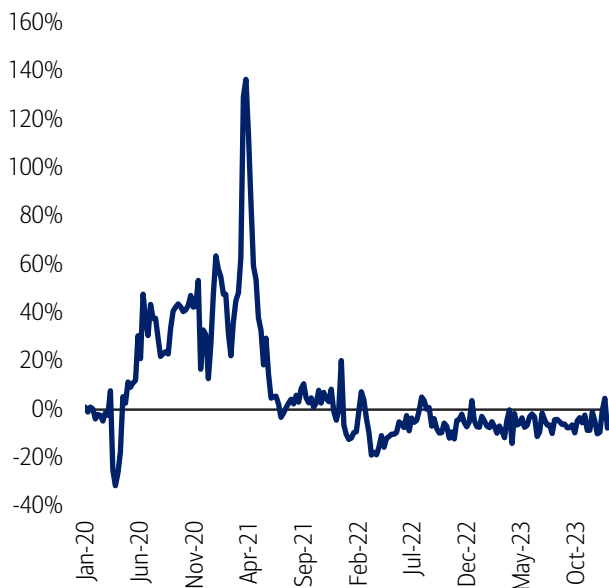
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Timestamp: 16 January 2024 06:11AM EST

**Exhibit 2: Weekly BAC card spending at sporting goods stores y/y % change**

Spending at sporting goods stores declined (7.7)% the week ending 1/6

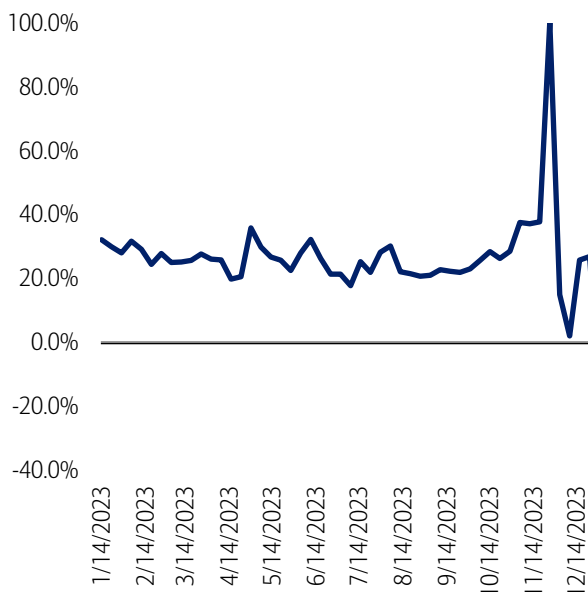


Source: BAC Internal Data

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**Exhibit 3: Weekly BAC card spending at sporting goods stores 4 yr % change (vs. 2019)**

Spending was up 8.9% on a 4 yr basis the week ending 1/6

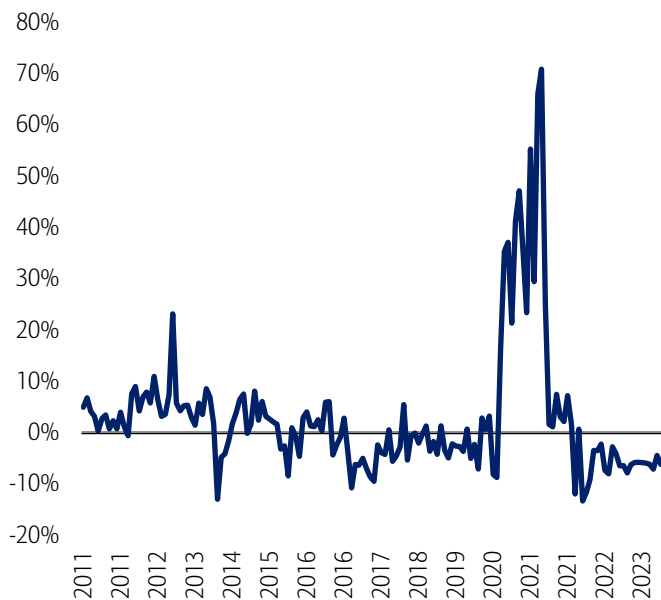


Source: BAC Internal Data

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**Exhibit 4: Monthly Y/Y % change in BAC card spending at sporting goods stores**

Spending in December decelerated to (6.1)% vs. (4.4)% in November

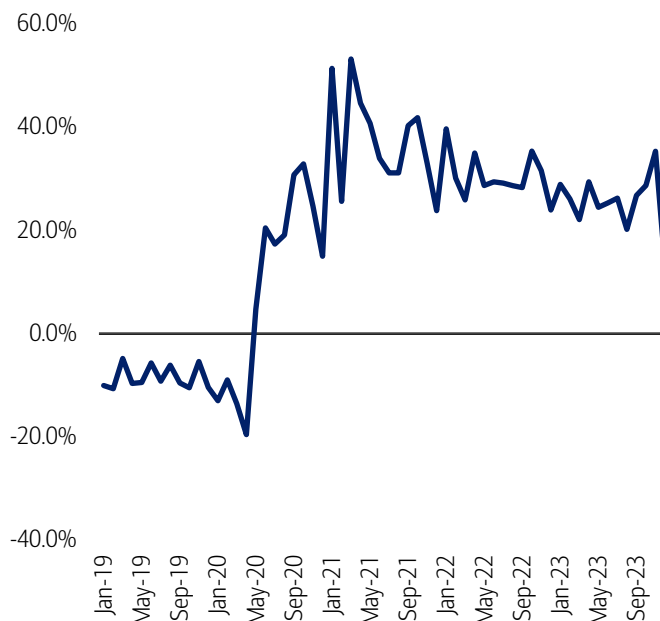


Source: BAC Internal Data

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**Exhibit 5: Monthly 4 yr % change in BAC card spending at sporting goods stores (vs. 2019)**

Spending decelerated in December on a 4 yr basis (vs. 2019) to 13.0%

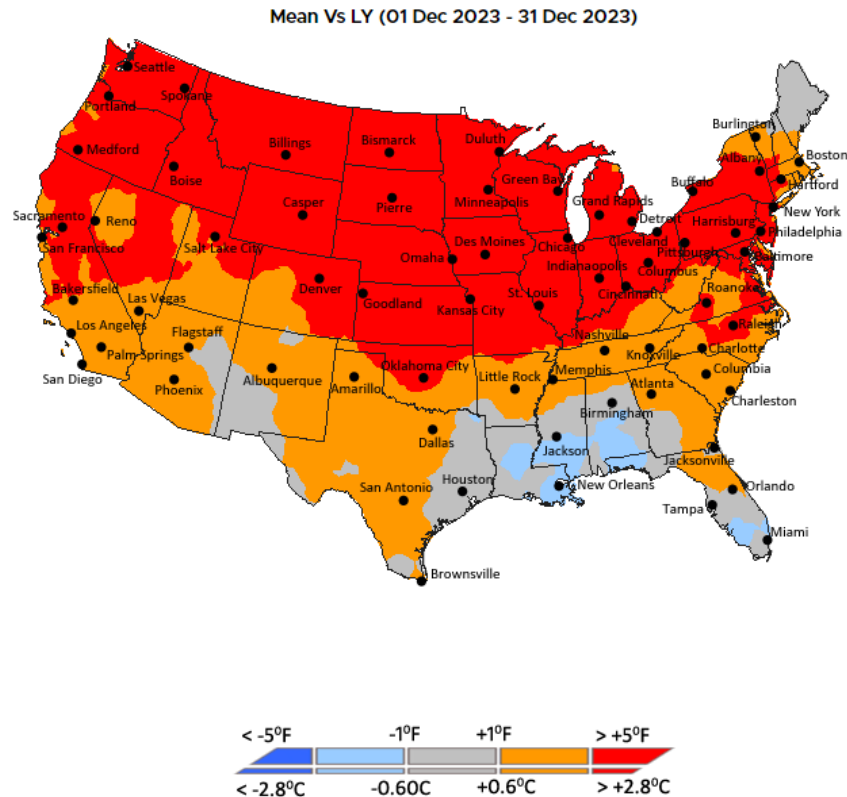


Source: BAC Internal Data

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**Exhibit 6: Average Temperature vs. last year in December**

It was warmer in most of the country (particularly in the Northeast and Midwest) vs. last year in December

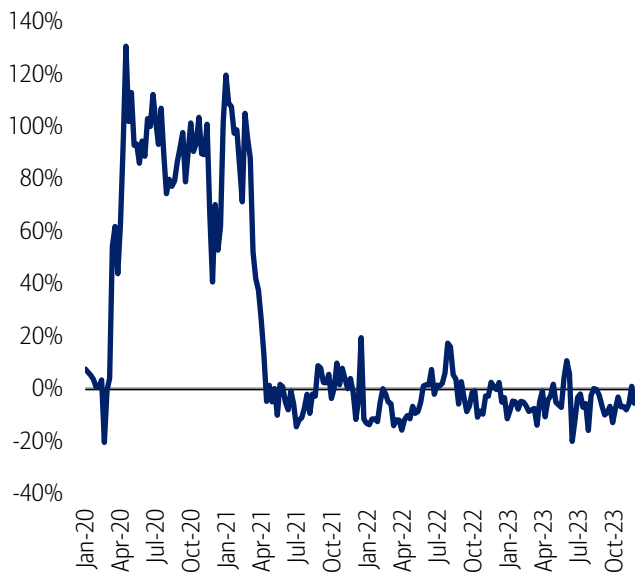


Source: WeatherTrends360

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**Exhibit 7: Weekly Online (card not present) spending at sporting goods stores y/y % change per BAC card data**

Online spending was down (10.5)% y/y the week ending 1/6



Source: BAC Internal Data

Card not present is largely online but could include purchases made over the phone

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**Exhibit 8: Weekly Online (card not present) spending at sporting goods stores 4 yr % change (vs. 2019) per BAC card data**

Online spending was up 48.5% vs. 2019 the week ending 1/6



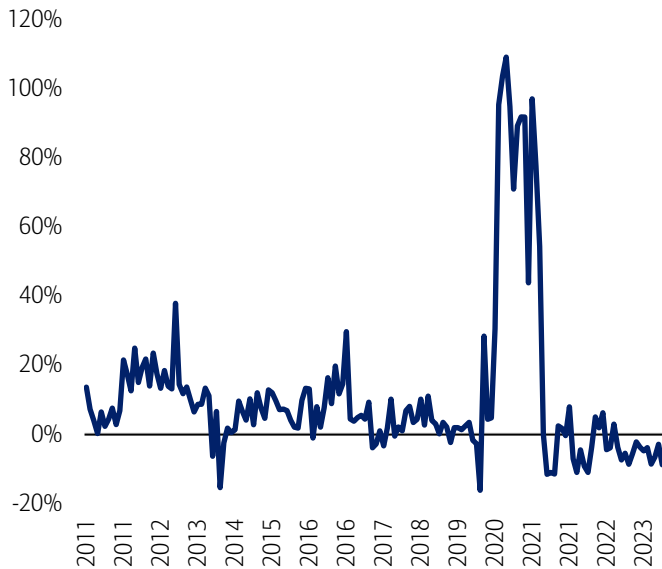
Source: BAC Internal Data

Card not present is largely online but could include purchases made over the phone

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**Exhibit 9: Monthly Online (card not present) spending at sporting goods stores y/y % change per BAC card data**

Online spending decelerated in December to (8.8)% vs. (2.9)% in November



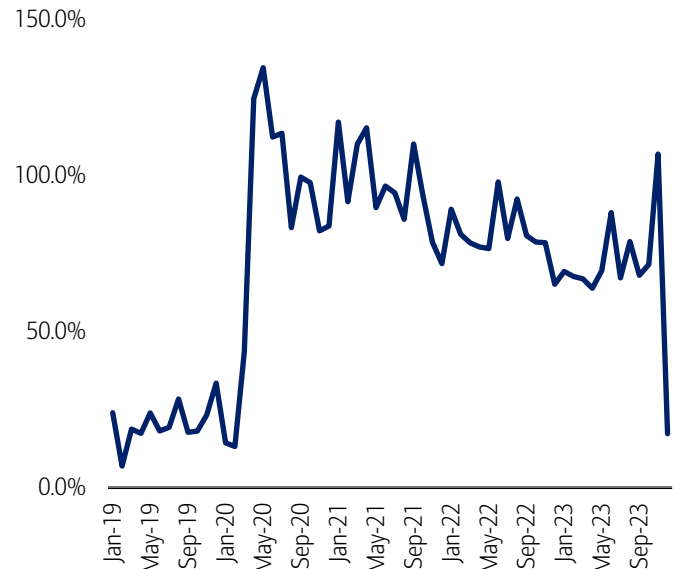
Source: BAC Internal Data

Card not present is largely online but could include purchases made over the phone

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**Exhibit 10: Monthly Online (card not present) spending at sporting goods stores 4 yr % change (vs. 2019) per BAC card data**

Online spending was above 2019 levels in December



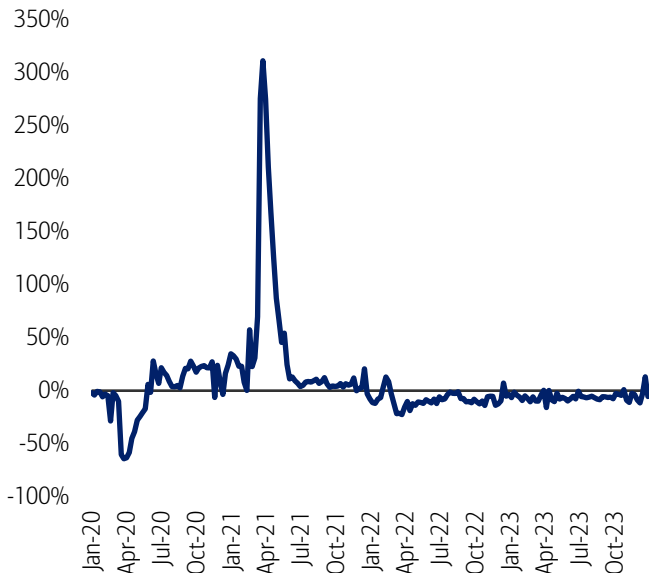
Source: BAC Internal Data

Card not present is largely online but could include purchases made over the phone

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**Exhibit 11: Weekly Brick & Mortar spending at sporting goods stores y/y % change per BAC card data**

Brick & Mortar spending declined (5.7)% the week ending 1/6

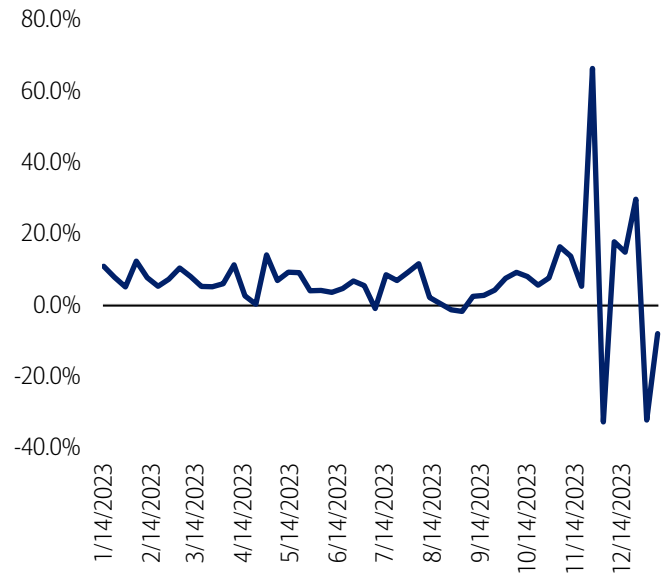


Source: BAC Internal Data

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**Exhibit 12: Weekly Brick & Mortar spending at sporting goods stores 4 yr % change (vs. 2019) per BAC card data**

Brick & Mortar spending was down (8.0)% the week ending 1/6

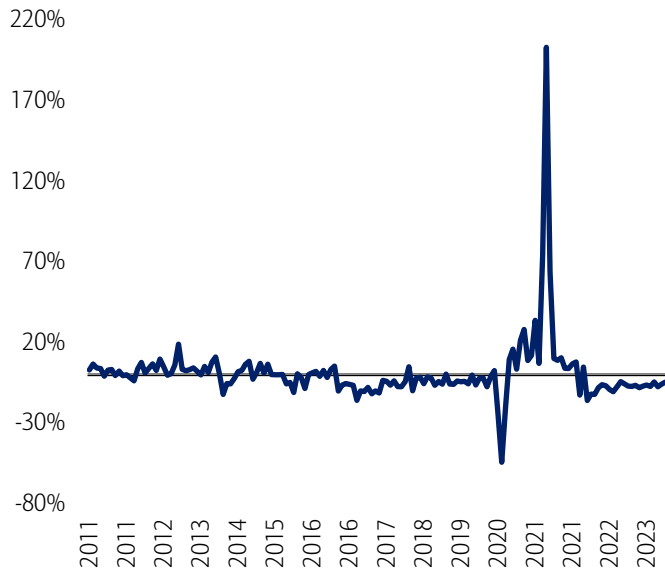


Source: BAC Internal Data

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### Exhibit 13: Monthly Brick & Mortar spending at sporting goods stores y/y % change per BAC card data

Brick & Mortar spending improved to (4.5)% in December vs. (5.8)% in November

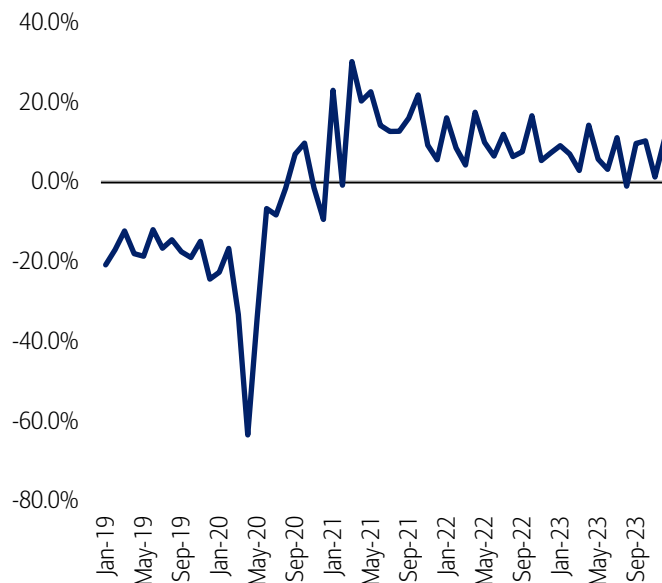


Source: BAC Internal Data

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### Exhibit 14: Monthly Brick & Mortar spending at sporting goods stores 4 yr % change (vs. 2019) per BAC card data

Brick & Mortar spending on a 4 yr basis accelerated to 10.7% in December vs. 1.3% in November

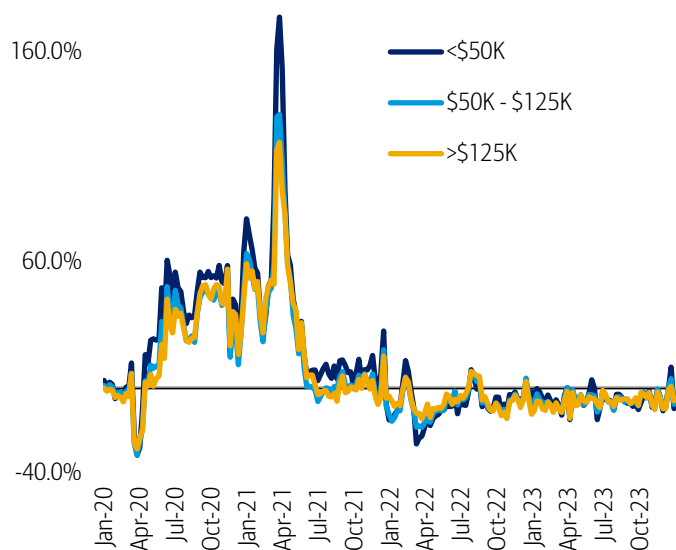


Source: BAC Internal Data

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### Exhibit 15: Weekly BAC card spending at sporting goods stores by Income Cohort y/y % change

<\$50K income cohort outpaced other income groups in December

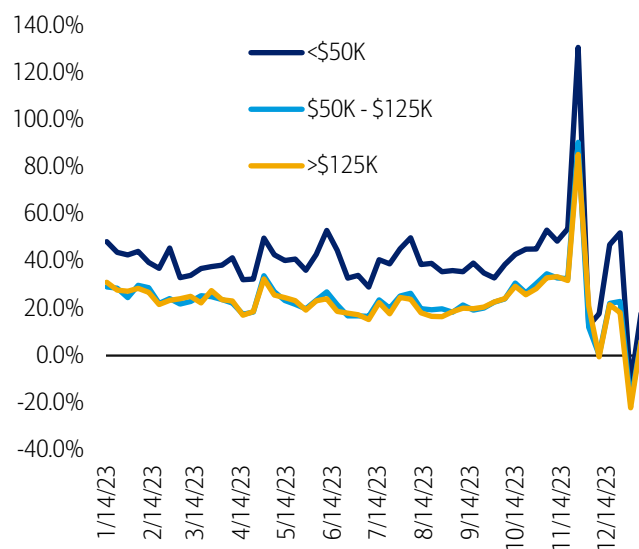


Source: BAC Internal data

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### Exhibit 16: Weekly BAC card spending at sporting goods stores by Income Cohort 4 yr % change

<\$50K income cohort outpaced other income groups on a 4 yr basis in December

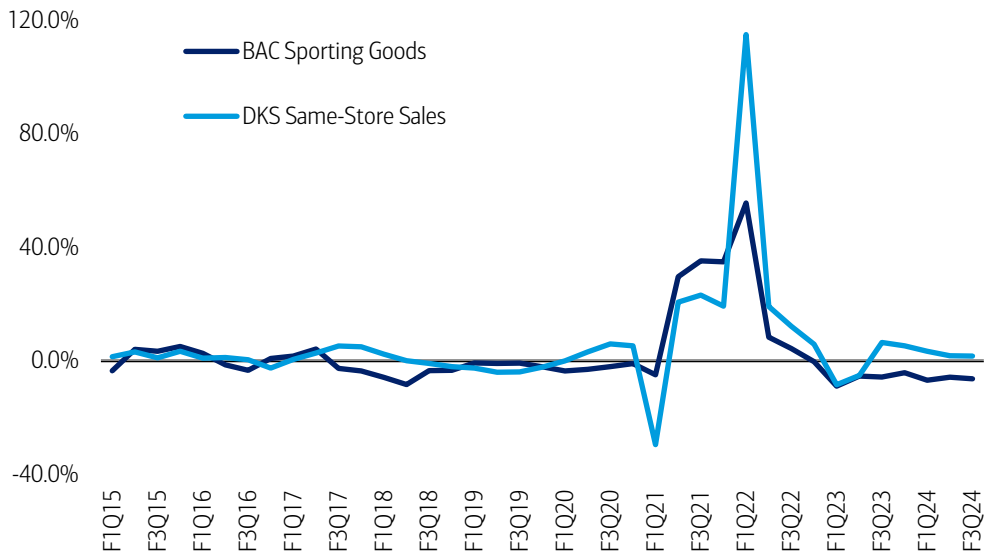


Source: BAC Internal data

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### Exhibit 17: Quarterly Y/Y % change in BAC card spending at sporting goods stores vs. DKS Same-Store Sales

81% correlation since Apr. 2014

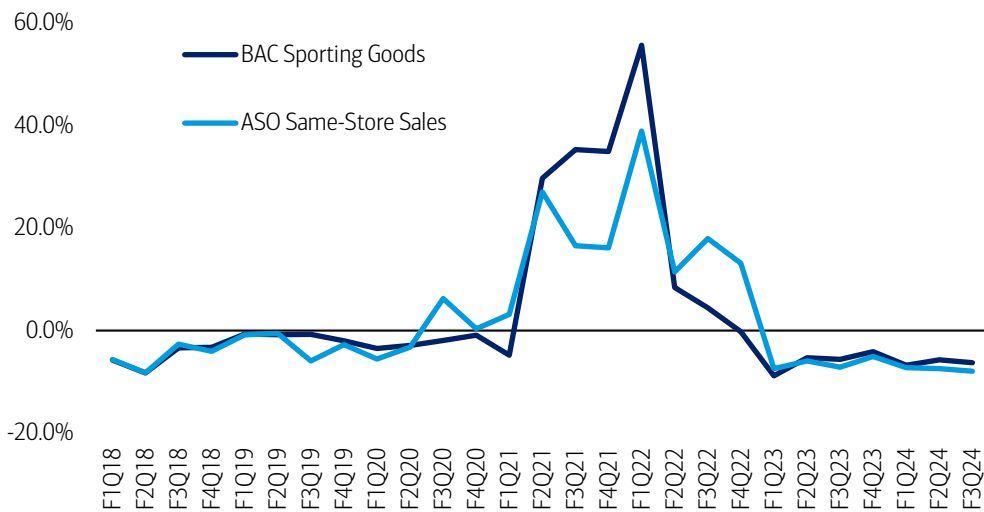


Source: BAC Internal Data, Company Filings

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### Exhibit 18: Quarterly Y/Y % change in BAC card spending at sporting goods stores vs. ASO Same-Store Sales

89% correlation since Apr. 2017

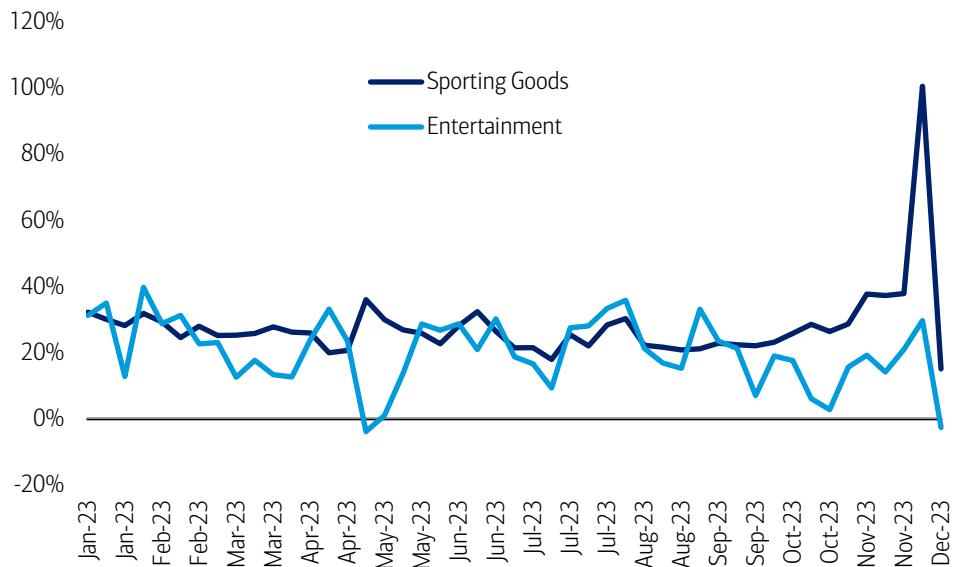


Source: BAC Internal Data, Company Filings

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### Exhibit 19: Weekly BAC card spending on Entertainment vs. spending at Sporting Goods stores 4 yr. % change (vs. 2019)

Spending at sporting goods stores outpaced spending on entertainment through the month of December



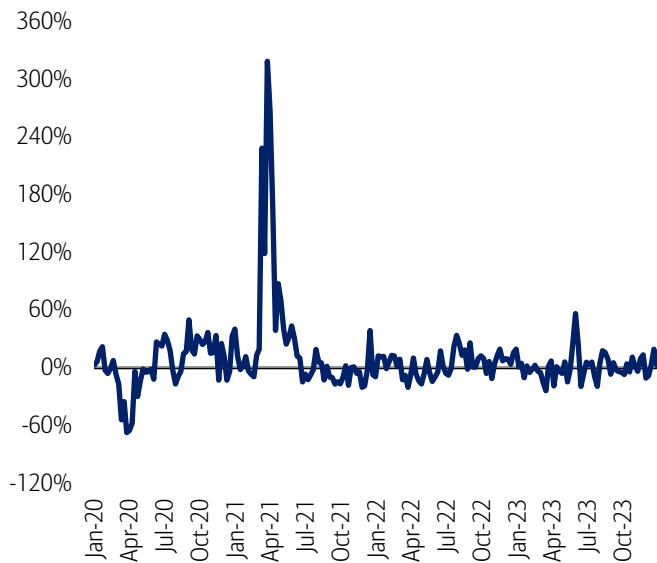
Source: BAC Internal Data

Entertainment spending includes movies, tickets spend, theme parks, and tourist attractions

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### Exhibit 20: Weekly BAC card spending on Athletic Footwear & Apparel y/y % change

Spending increased 2.8% the week ending 1/6

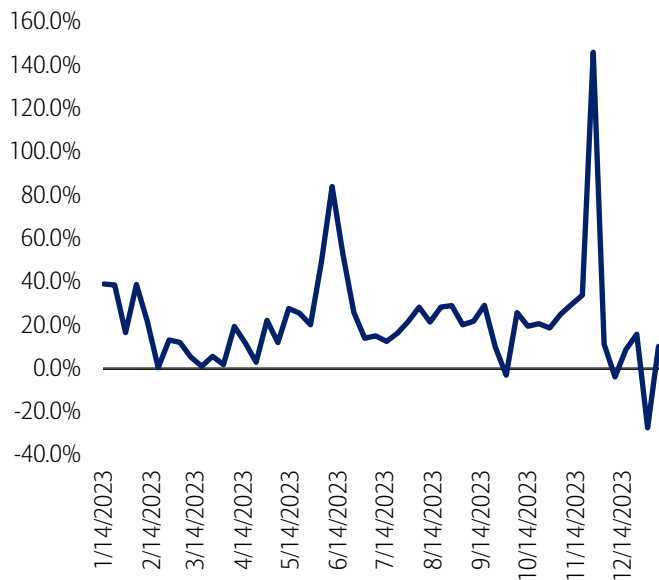


Source: BAC Internal Data

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### Exhibit 21: Weekly BAC card spending on Athletic Footwear & Apparel 4 yr % change (vs. 2019)

Spending increased 10.2% on a 4 yr basis the week ending 1/6

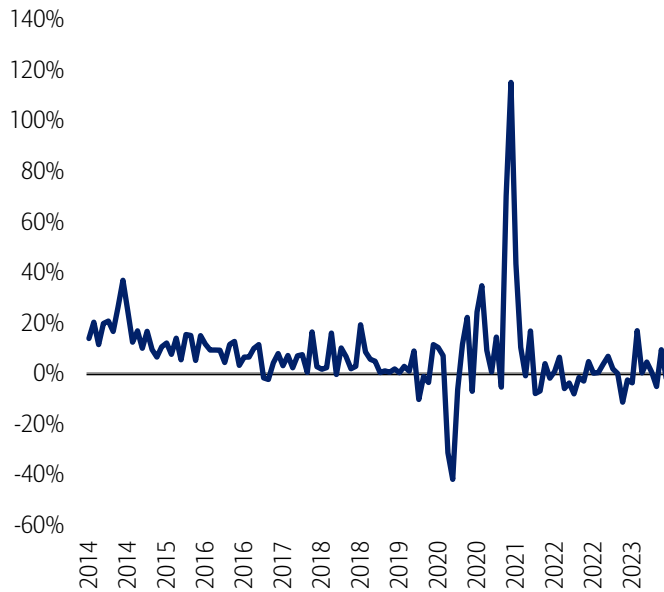


Source: BAC Internal Data

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**Exhibit 22: Monthly Y/Y % change in BAC card spending on Athletic Footwear & Apparel**

Spending decreased (1.8)% in December vs. 9.6% in November

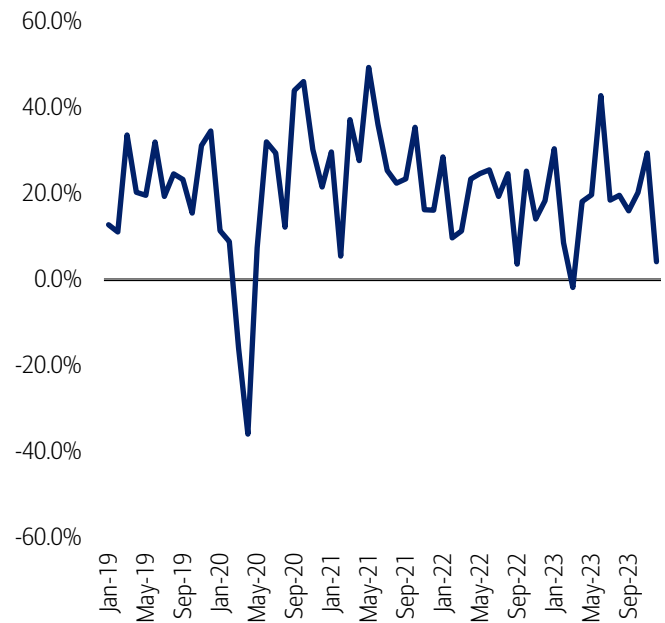


Source: BAC Internal Data

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**Exhibit 23: Monthly 4 yr % change in BAC card spending on Athletic Footwear & Apparel (vs. 2019)**

Spending increased 4.2% on a 4 yr basis in December (vs. 29.5% in November)



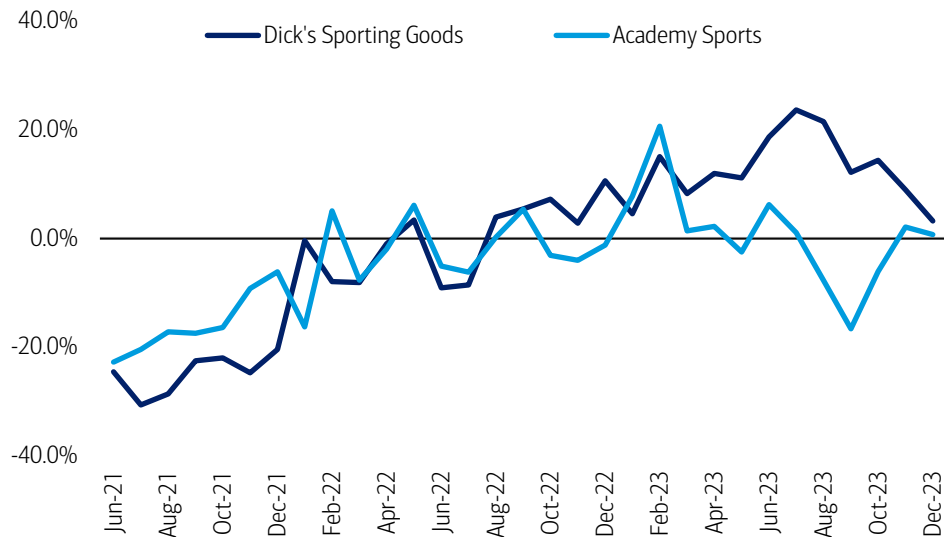
Source: BAC Internal Data

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## Foot Traffic & Web Traffic data

**Exhibit 24: Y/Y % change in monthly web traffic for DKS and ASO**

DKS &amp; ASO web traffic decelerated in December



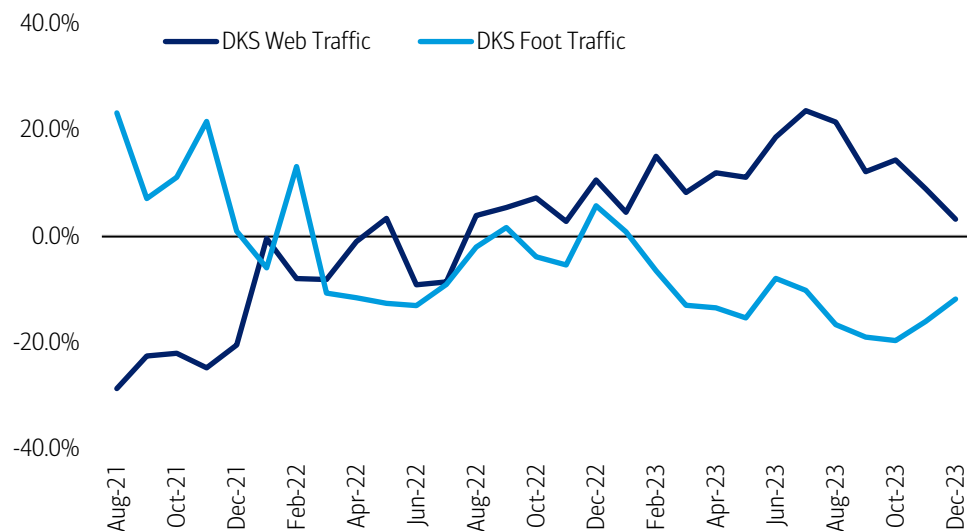
Source: SimilarWeb, similarweb.com, BofA Global Research

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**Exhibit 25: Y/Y% change in DKS foot traffic vs. Y/Y% change in DKS web traffic**

DKS web traffic decelerated in December but continued to outpace DKS foot traffic

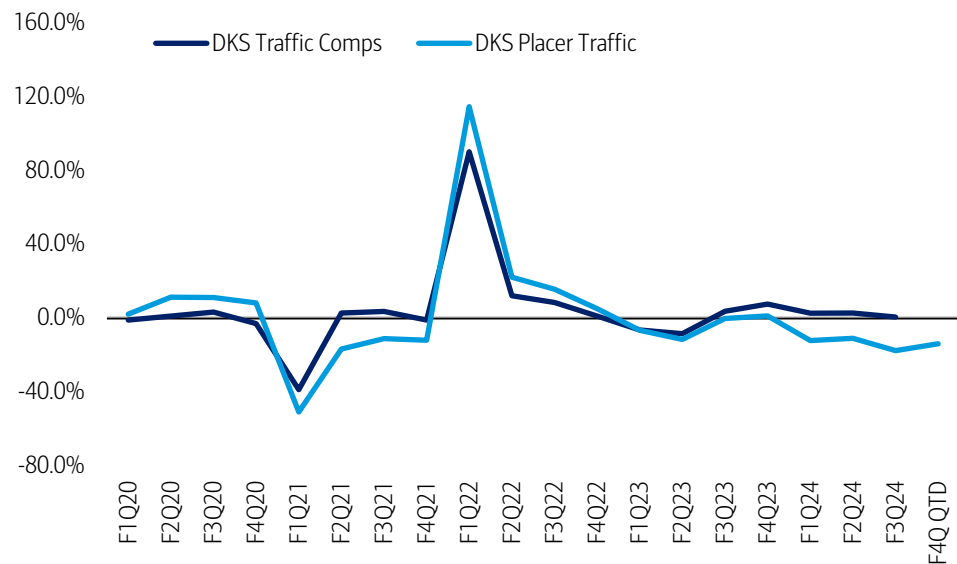


Source: Placer, SimilarWeb, similarweb.com, BofA Global Research

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**Exhibit 26: Y/Y% change in reported DKS traffic comps vs. DKS Placer Foot Traffic (through 1/7)**

95% correlation since F1Q20

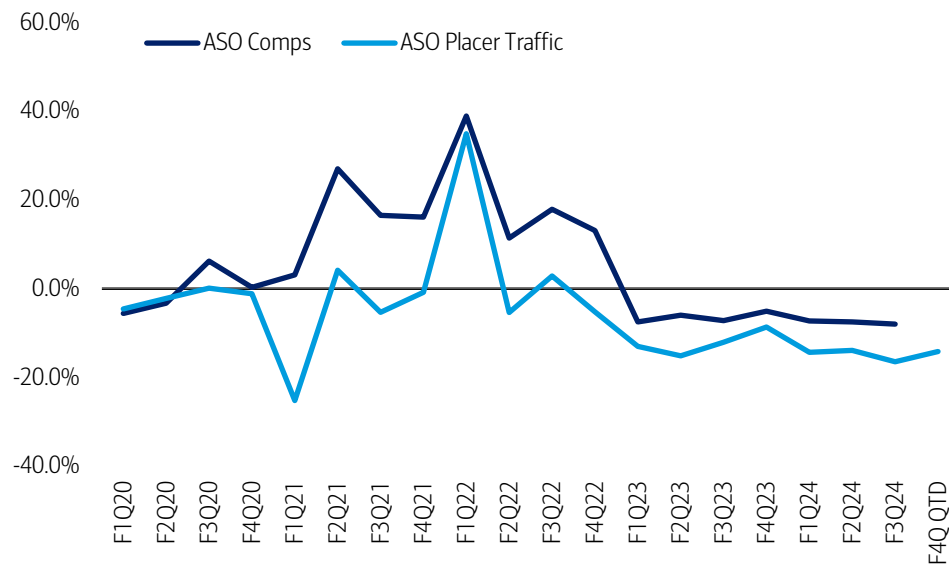


Source: Placer, Company Filings

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## Exhibit 27: Y/Y% change in reported ASO same-store sales vs. ASO Placer Foot Traffic (through 1/7)

94% correlation since F1Q22



Source: Placer, Company Filings

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### Methodology explained

Readers should be aware that although the BAC datasets utilized in our analysis represent a significant number of data points, they nevertheless present a degree of selection bias, including but not limited to income levels and geographies. In addition, the data is limited to debit and credit cards and does not include other payment methods such as cash or checks.

Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

Please note we calculate % change (both y/y & 4 yr.) by matching the corresponding day of the week.

The monthly subsector data are adjusted to control for seasonality and other factors.

Additional information about the methodology used to aggregate the data is available upon request



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Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

<sup>R1</sup> Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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