

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

| | Fiscal Year Ended | | |
|--|---------------------|---------------------|---------------------|
| | February 1, 2020 | February 2, 2019 | February 3, 2018 |
| Net sales | \$ 8,750,743 | \$ 8,436,570 | \$ 8,590,472 |
| Cost of goods sold, including occupancy and distribution costs | 6,196,185 | 5,998,788 | 6,101,412 |
| GROSS PROFIT | 2,554,558 | 2,437,782 | 2,489,060 |
| Selling, general and administrative expenses | 2,173,677 | 1,986,576 | 1,982,363 |
| Pre-opening expenses | 5,268 | 6,473 | 29,123 |
| INCOME FROM OPERATIONS | 375,613 | 444,733 | 477,574 |
| Gain on sale of subsidiaries | (33,779) | — | — |
| Interest expense | 17,012 | 10,248 | 8,047 |
| Other (income) expense | (15,324) | 2,565 | (31,810) |
| INCOME BEFORE INCOME TAXES | 407,704 | 431,920 | 501,337 |
| Provision for income taxes | 110,242 | 112,056 | 177,892 |
| NET INCOME | \$ 297,462 | \$ 319,864 | \$ 323,445 |
| EARNINGS PER COMMON SHARE: | | | |
| Basic | \$ 3.40 | \$ 3.27 | \$ 3.02 |
| Diluted | \$ 3.34 | \$ 3.24 | \$ 3.01 |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING: | | | |
| Basic | 87,502 | 97,743 | 106,977 |
| Diluted | 89,066 | 98,781 | 107,586 |

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

| | Fiscal Year Ended | | |
|---|---------------------|---------------------|---------------------|
| | February 1, 2020 | February 2, 2019 | February 3, 2018 |
| NET INCOME | \$ 297,462 | \$ 319,864 | \$ 323,445 |
| OTHER COMPREHENSIVE (LOSS) INCOME: | | | |
| Foreign currency translation adjustment, net of tax | — | (42) | 54 |
| TOTAL OTHER COMPREHENSIVE (LOSS) INCOME | — | (42) | 54 |
| COMPREHENSIVE INCOME | <u>\$ 297,462</u> | <u>\$ 319,822</u> | <u>\$ 323,499</u> |

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

| | February 1, 2020 | February 2, 2019 |
|---|---------------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 69,334 | \$ 113,653 |
| Accounts receivable, net | 53,173 | 37,970 |
| Income taxes receivable | 5,762 | 6,135 |
| Inventories, net | 2,202,275 | 1,824,696 |
| Prepaid expenses and other current assets | 79,472 | 139,944 |
| Total current assets | 2,410,016 | 2,122,398 |
| Property and equipment, net | 1,415,728 | 1,565,271 |
| Operating lease assets | 2,313,846 | — |
| Intangible assets, net | 94,768 | 130,166 |
| Goodwill | 245,857 | 250,476 |
| OTHER ASSETS: | | |
| Deferred income taxes | 14,412 | 13,243 |
| Other | 133,933 | 105,595 |
| Total other assets | 148,345 | 118,838 |
| TOTAL ASSETS | \$ 6,628,560 | \$ 4,187,149 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 1,001,589 | \$ 889,908 |
| Accrued expenses | 415,501 | 364,342 |
| Operating lease liabilities | 422,970 | — |
| Income taxes payable | 10,455 | 20,142 |
| Deferred revenue and other liabilities | 225,959 | 230,247 |
| Total current liabilities | 2,076,474 | 1,504,639 |
| LONG-TERM LIABILITIES: | | |
| Revolving credit borrowings | 224,100 | — |
| Long-term operating lease liabilities | 2,453,346 | — |
| Deferred income taxes | 9,187 | 11,776 |
| Other long-term liabilities | 133,855 | 766,573 |
| Total long-term liabilities | 2,820,488 | 778,349 |
| Commitments and contingencies | | |
| STOCKHOLDERS' EQUITY: | | |
| Preferred stock, par value \$0.01 per share; 5,000,000 shares authorized; none issued and outstanding | — | — |
| Common stock, par value \$0.01 per share, authorized shares 200,000,000; 111,736,741 issued and 59,255,731 outstanding at February 1, 2020; 110,734,156 issued and 69,304,874 outstanding at February 2, 2019 | 593 | 693 |
| Class B common stock, par value \$0.01 per share, authorized shares 40,000,000; 24,291,123 issued and outstanding at February 1, 2020; 24,541,123 issued and outstanding at February 2, 2019 | 243 | 245 |
| Additional paid-in capital | 1,253,867 | 1,214,287 |
| Retained earnings | 2,645,281 | 2,455,192 |
| Accumulated other comprehensive loss | (120) | (120) |
| Treasury stock, at cost, 52,481,010 and 41,429,482 at February 1, 2020 and February 2, 2019, respectively | (2,168,266) | (1,766,136) |
| Total stockholders' equity | 1,731,598 | 1,904,161 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 6,628,560 | \$ 4,187,149 |

See accompanying notes to consolidated financial statements.

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

| | 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 28, 2017 | 85,620 | \$ 856 | 24,711 | \$ 247 | \$ 1,130,830 | \$ 1,956,066 | \$ (132) | \$ (1,158,378) | \$ 1,929,489 |
| Adjustment for cumulative effect from change in accounting principle (ASU 2016-16) | — | — | — | — | — | (1,744) | — | — | (1,744) |
| Exercise of stock options | 582 | 6 | — | — | 16,552 | — | — | — | 16,558 |
| Restricted stock vested | 360 | 3 | — | — | (3) | — | — | — | — |
| Minimum tax withholding requirements | (122) | (1) | — | — | (5,840) | — | — | — | (5,841) |
| Net income | — | — | — | — | — | 323,445 | — | — | 323,445 |
| Stock-based compensation | — | — | — | — | 36,239 | — | — | — | 36,239 |
| Foreign currency translation adjustment, net of taxes of \$30 | — | — | — | — | — | — | 54 | — | 54 |
| Purchase of shares for treasury | (8,122) | (81) | — | — | — | — | — | (284,502) | (284,583) |
| Cash dividends declared, \$0.68 per common share | — | — | — | — | — | (72,116) | — | — | (72,116) |
| BALANCE, February 3, 2018 | 78,318 | \$ 783 | 24,711 | \$ 247 | \$ 1,177,778 | \$ 2,205,651 | \$ (78) | \$ (1,442,880) | \$ 1,941,501 |
| Adjustment for cumulative effect from change in accounting principle (ASU 2014-09) | — | — | — | — | — | 20,488 | — | — | 20,488 |
| Exchange of Class B common stock for common stock | 170 | 2 | (170) | (2) | — | — | — | — | — |
| Restricted stock vested | 549 | 5 | — | — | (5) | — | — | — | — |
| Minimum tax withholding requirements | (160) | (1) | — | — | (5,427) | — | — | — | (5,428) |
| Net income | — | — | — | — | — | 319,864 | — | — | 319,864 |
| Stock-based compensation | — | — | — | — | 41,941 | — | — | — | 41,941 |
| Foreign currency translation adjustment, net of taxes of \$13 | — | — | — | — | — | — | (42) | — | (42) |
| Purchase of shares for treasury | (9,572) | (96) | — | — | — | — | — | (323,256) | (323,352) |
| Cash dividends declared, \$0.90 per common share | — | — | — | — | — | (90,811) | — | — | (90,811) |
| BALANCE, February 2, 2019 | 69,305 | \$ 693 | 24,541 | \$ 245 | \$ 1,214,287 | \$ 2,455,192 | \$ (120) | \$ (1,766,136) | \$ 1,904,161 |
| Adjustment for cumulative effect from change in accounting principle (ASU 2016-02) | — | — | — | — | — | (7,953) | — | — | (7,953) |
| Exchange of Class B common stock for common stock | 250 | 2 | (250) | (2) | — | — | — | — | — |
| Exercise of stock options | 144 | 1 | — | — | 5,564 | — | — | — | 5,565 |
| Restricted stock vested | 853 | 9 | — | — | (9) | — | — | — | — |
| Minimum tax withholding requirements | (244) | (2) | — | — | (9,468) | — | — | — | (9,470) |
| Net income | — | — | — | — | — | 297,462 | — | — | 297,462 |
| Stock-based compensation | — | — | — | — | 43,493 | — | — | — | 43,493 |
| Purchase of shares for treasury | (11,052) | (110) | — | — | — | — | — | (402,130) | (402,240) |
| Cash dividends declared, \$1.10 per common share | — | — | — | — | — | (99,420) | — | — | (99,420) |
| BALANCE, February 1, 2020 | 59,256 | \$ 593 | 24,291 | \$ 243 | \$ 1,253,867 | \$ 2,645,281 | \$ (120) | \$ (2,168,266) | \$ 1,731,598 |

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

| | Fiscal Year Ended | | |
|---|---------------------|---------------------|---------------------|
| | February 1, 2020 | February 2, 2019 | February 3, 2018 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net income | \$ 297,462 | \$ 319,864 | \$ 323,445 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation, amortization, and other | 270,448 | 244,764 | 242,978 |
| Impairment of trademark | 28,296 | — | — |
| Deferred income taxes | (1,160) | (5,258) | 42,453 |
| Stock-based compensation | 43,493 | 41,941 | 36,239 |
| Gain on sale of subsidiaries | (33,779) | — | — |
| Changes in assets and liabilities: | | | |
| Accounts receivable | 400 | 16,215 | (208) |
| Inventories | (377,579) | (94,131) | (71,751) |
| Prepaid expenses and other assets | 6,401 | 10,980 | (29,072) |
| Accounts payable | 94,202 | 125,632 | 124,628 |
| Accrued expenses | 37,826 | 21,372 | 13,597 |
| Income taxes payable / receivable | (9,314) | 7,964 | (39,347) |
| Deferred construction allowances | 37,959 | 27,730 | 101,712 |
| Deferred revenue and other liabilities | 9,957 | (4,318) | 1,636 |
| Net cash provided by operating activities | 404,612 | 712,755 | 746,310 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Capital expenditures | (217,461) | (198,219) | (474,347) |
| Proceeds from sales of other assets | 49,103 | — | — |
| Proceeds from sale of subsidiaries, net of cash sold | 40,387 | — | — |
| Acquisitions, net of cash acquired | — | — | (8,957) |
| Deposits and purchases of other assets | (1,300) | — | (2,344) |
| Net cash used in investing activities | (129,271) | (198,219) | (485,648) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Revolving credit borrowings | 2,263,550 | 1,875,400 | 2,742,800 |
| Revolving credit repayments | (2,039,450) | (1,875,400) | (2,742,800) |
| Proceeds from term loan | — | — | 62,492 |
| Payments on other long-term debt and finance lease obligations | (56,851) | (5,242) | (2,531) |
| Proceeds from exercise of stock options | 5,565 | — | 16,558 |
| Minimum tax withholding requirements | (9,470) | (5,428) | (5,841) |
| Cash paid for treasury stock | (402,240) | (323,352) | (284,583) |
| Cash dividends paid to stockholders | (98,312) | (89,273) | (73,099) |
| Increase (decrease) in bank overdraft | 17,548 | (78,799) | (37,236) |
| Net cash used in financing activities | (319,660) | (502,094) | (324,240) |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | — | (42) | 54 |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (44,319) | 12,400 | (63,524) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | 113,653 | 101,253 | 164,777 |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | \$ 69,334 | \$ 113,653 | \$ 101,253 |
| Supplemental disclosure of cash flow information: | | | |
| Accrued property and equipment | \$ 32,746 | \$ 18,937 | \$ 29,834 |
| Cash paid during the fiscal year for interest | \$ 16,362 | \$ 9,317 | \$ 8,598 |
| Cash paid during the fiscal year for income taxes | \$ 123,698 | \$ 114,018 | \$ 185,798 |