



HIBBETT | CITY GEAR

ESTABLISHED 1945

Q4 FY21 EARNINGS PRESENTATION



FD DISCLOSURE | FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the federal securities laws. Other than statements of historical facts, all statements which address activities, events, or developments that the Company anticipates will or may occur in the future, including, but not limited to, such things as our Fiscal 2022 outlook, future capital expenditures and share repurchases, expansion, strategic plans, financial objectives, dividend payments, stock repurchases, growth of the Company's business and operations, including future cash flows, revenues, and earnings, the impact of the COVID-19 pandemic on our business, our effective tax rate, and other such matters, are forward-looking statements. The forward-looking statements contained in this presentation reflect our current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, or performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, but not limited to: changes in general economic or market conditions that could affect overall consumer spending or our industry; changes to the financial health of our customers; our ability to successfully execute our long-term strategies; our ability to effectively drive operational efficiency in our business; the potential impact of new trade, tariff and tax regulations on our profitability; our ability to effectively develop and launch new, innovative and updated products; our ability to accurately forecast consumer demand for our products and manage our inventory in response to changing demands; increased competition causing us to lose market share or reduce the prices of our products or to increase significantly our marketing efforts; the impact of public health crises, including the COVID-19 pandemic, or other significant or catastrophic events; fluctuations in the costs of our products; acceleration of costs associated with the protection of the health of our employees and customers; loss of key suppliers or manufacturers or failure of our suppliers or manufacturers to produce or deliver our products in a timely or cost-effective manner, including due to port disruptions; our ability to accurately anticipate and respond to seasonal or quarterly fluctuations in our operating results; our ability to successfully manage or realize expected results from acquisition, including our acquisition of City Gear, and other significant investments or capital expenditures; the availability, integration and effective operation of information systems and other technology, as well as any potential interruption of such systems or technology; risks related to data security or privacy breaches; our ability to raise additional capital required to grow our business on terms acceptable to us; our potential exposure to litigation and other proceedings; and our ability to attract key talent and retain the services of our senior management and key employees.

These forward-looking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. For additional discussion on risks and uncertainties that may affect forward-looking statements, see "Risk Factors" disclosed in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. Any changes in such assumptions or factors could produce significantly different results. The Company undertakes no obligation to update forward-looking statements, whether as a result of new information, future events, or otherwise.

INTRODUCTION

- Welcome
- Q4 FY21 Results
 - Sales – 21.9% comp
 - Brick and mortar comp increased 17.7%
 - E-commerce comp increased 44.8%
 - GAAP Operating Income - \$31.0MM
 - Non-GAAP Operating Income - \$31.2MM¹
 - Diluted EPS GAAP - \$1.39
 - Diluted EPS Non-GAAP - \$1.40¹



1. See Appendix for a reconciliation to the most directly comparable GAAP measure.

SALES DRIVERS



Q4 FY21 Drivers

- Market disruption including the temporary and permanent closure of competitors
- Continued omni-channel adoption
- Improved share of wallet
- Incremental stimulus payments
- Sales from new customers

MERCHANDISING



Category Performance

- Apparel – High 30’s % comp growth
- Footwear – Low 20’s % comp growth
- Team Sports – High teens comp decline

Footwear and Apparel Performance

- Men’s – Mid 20’s % comp growth
- Women’s – High 40’s % comp growth
- Kid’s – Low teens % comp growth

Inventory

- Increased demand and supply chain disruption pressuring inventory levels
- Aged inventory at historical lows

FOURTH QUARTER FISCAL 2021 RESULTS

INCOME STATEMENT



- Comp Sales - +21.9%
- GM % - GAAP: 37.1%; Non-GAAP: 37.1%¹
- SG&A% - GAAP: 26.8%; Non-GAAP: 26.7%¹
- Operating Income – GAAP: \$31.0MM; Non-GAAP: \$31.2MM¹
- Diluted EPS – GAAP: \$1.39; Non-GAAP: \$1.40¹

1. See Appendix for a reconciliation to the most directly comparable GAAP measure.

CASH FLOW



- Cash Flow from Operations - \$52.5MM
- CapEx - \$14.0MM

FULL YEAR FISCAL 2021 RESULTS

INCOME STATEMENT



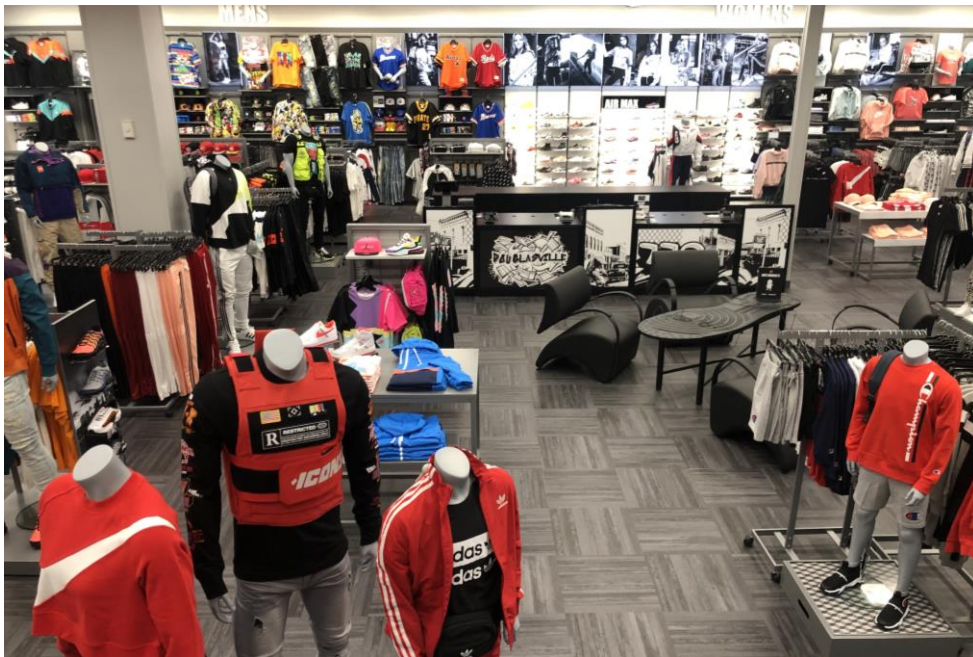
- Comp Sales - +22.2%
- GM % - GAAP: 35.5%; Non-GAAP: 35.8%¹
- SG&A% - GAAP: 26.5%; Non-GAAP: 23.7%¹
- Operating Income – GAAP: \$98.4MM; Non-GAAP: \$141.4MM¹
- Diluted EPS – GAAP: \$4.36; Non-GAAP: \$6.12¹

1. See Appendix for a reconciliation to the most directly comparable GAAP measure.

CASH FLOW / BALANCE SHEET



- Cash Flow from Operations - \$197.7MM
- CapEx - \$34.8MM
- Inventory - \$202.0MM



1. Assumes an effective tax rate of approximately 25.0% and a weighted average diluted share count of approximately 17.0 million.

Drivers of FY22 Expectations

- New consumer retention
- E-commerce growth
- Strong vendor relationships
- Business model improvements
 - ✓ Double digit store unit growth
 - ✓ In-store consumer experience
 - ✓ Supply chain initiatives
 - ✓ Sales culture

FY22 Guidance (relative to FY21)

- Sales comp ranging from negative low-single digits to positive low-single digits
- GM% decline of 130 to 170 basis points
- SG&A decline as a % of sales ranging from 5 to 45 basis points
- Diluted EPS \$5.00 - \$5.50¹
- CapEx spend of \$45.0MM - \$50.0MM

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APPENDIX – RECONCILIATION OF Q4 FY21 GAAP TO NON-GAAP

13-Week Period Ended January 30, 2021

	GAAP Basis			Non-GAAP Basis			% to Sales
	(As Reported)	Acquisition ⁽¹⁾	COVID-19 ⁽²⁾	(As Adjusted)			
Cost of goods sold	\$ 237,123	\$ —	\$ —	\$ 237,123			62.9 %
Gross margin	\$ 139,707	\$ —	\$ —	\$ 139,707			37.1 %
SG&A expenses	\$ 101,017	\$ 229	\$ —	\$ 100,788			26.7 %
Operating income	\$ 31,002	\$ 229	\$ —	\$ 31,231			8.3 %
Provision for income taxes	\$ 7,042	\$ 52	\$ —	\$ 7,094			1.9 %
Net income	\$ 23,932	\$ 177	\$ —	\$ 24,109			6.4 %
Diluted earnings per share	\$ 1.39	\$ 0.01	\$ —	\$ 1.40			

1) Excluded acquisition amounts during the 13-week period ended January 30, 2021, related to the acquisition of City Gear, LLC, consist of changes in the valuation of contingent earnout.

2) There were no excluded amounts related to the COVID-19 pandemic during the 13-week period ended January 30, 2021.

APPENDIX – RECONCILIATION OF FY21 GAAP TO NON-GAAP

52-Week Period Ended January 30, 2021

	GAAP Basis			Non-GAAP Basis		
	(As Reported)	Acquisition ⁽¹⁾	COVID-19 ⁽²⁾	(As Adjusted)		
						<u>% to Sales</u>
Cost of goods sold	\$ 915,169	\$ —	\$ 3,043	\$ 912,126		64.2 %
Gross margin	\$ 504,488	\$ —	\$ 3,043	\$ 507,531		35.8 %
SG&A expenses	\$ 356,856	\$ 4,608	\$ 15,743	\$ 336,505		23.7 %
Goodwill impairment	\$ 19,661	\$ —	\$ 19,661	—		— %
Operating income	\$ 98,388	\$ 4,608	\$ 38,447	\$ 141,443		10.0 %
Provision for income taxes	\$ 23,686	\$ 1,394	\$ 11,645	\$ 36,725		2.6 %
Net income	\$ 74,266	\$ 3,214	\$ 26,802	\$ 104,282		7.3 %
Diluted earnings per share	\$ 4.36	\$ 0.19	\$ 1.57	\$ 6.12		

1) Excluded acquisition amounts during the 52-week period ended January 30, 2021, related to the acquisition of City Gear, LLC, consist primarily of changes in valuation of contingent earnout and accounting and professional fees.

2) Excluded amounts during the 52-week period ended January 30, 2021, related to the COVID-19 pandemic, consist primarily of net non-cash lower of cost or market reserve charges in cost of goods sold and impairment costs (goodwill, tradename and other assets) in SG&A.