



# Q3 FY 2023 EARNINGS PRESENTATION

HIBBETT® | CITY GEAR®

ESTABLISHED 1945

# FD DISCLOSURE | FORWARD-LOOKING STATEMENTS

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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 future outlook including our Fiscal Year 2023 guidance, 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, including inflation, 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 maintain or grow current product allocations from our key vendors; our ability to accurately anticipate and respond to seasonal or quarterly fluctuations in our operating results; 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. 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.



# OVERVIEW

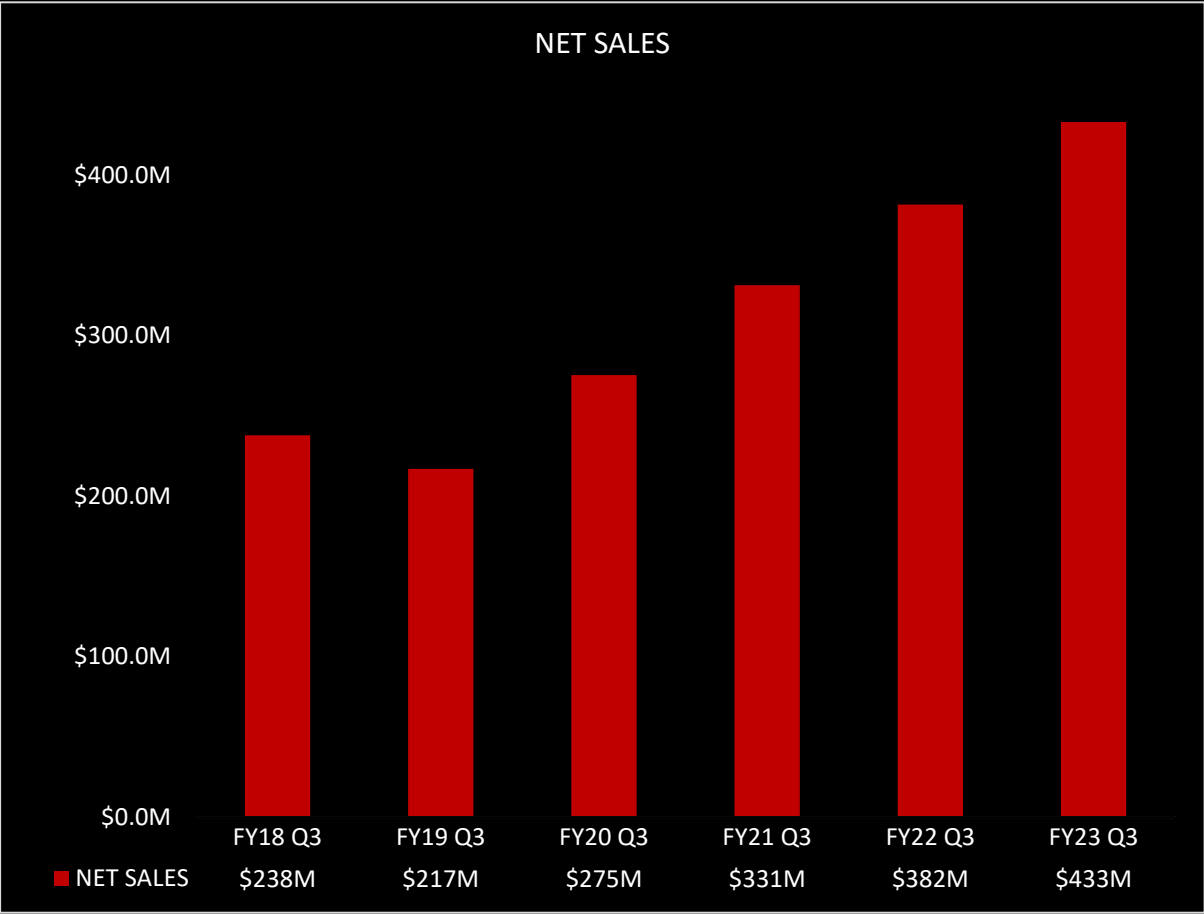
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- Q3 FY 2023 Results
    - Comparable Sales Increase of 9.9% Versus Prior Year; Increase of 51.7% Versus Q3 FY20 (Pre-Pandemic)
    - Operating Margin 7.9%
    - Diluted EPS of \$1.94; Increase of 15.5% Versus Prior Year; Up Nearly 15x Versus Q3 FY20 (Pre-Pandemic)
    - Reiterate Full-Year Comparable Sales and Diluted EPS Guidance
  - Key Factors
    - Strong Back-To-School Season
    - Inventory Position at Quarter-End
    - Competitive pricing in Apparel Category
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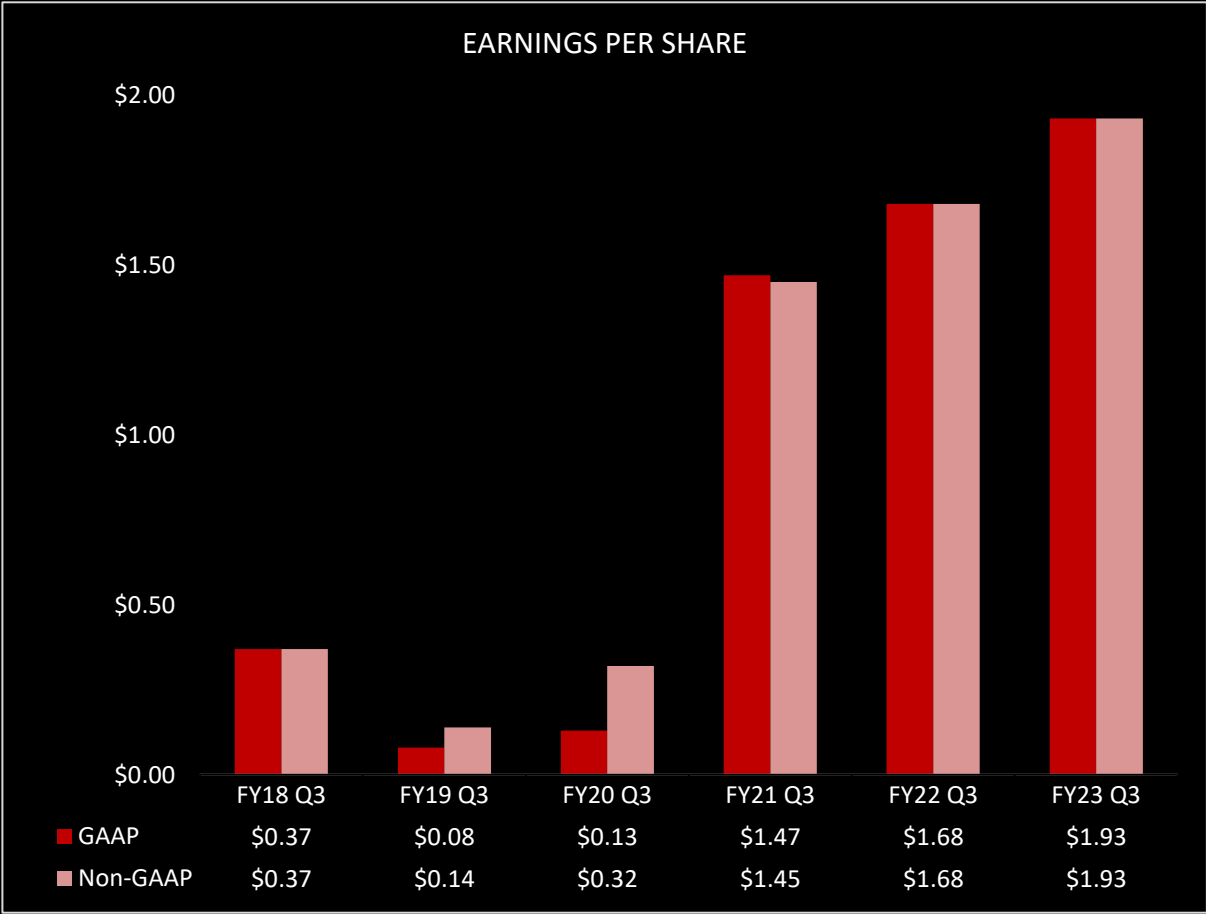


# HISTORICAL FINANCIALS – Q3 FY 2023

NET SALES

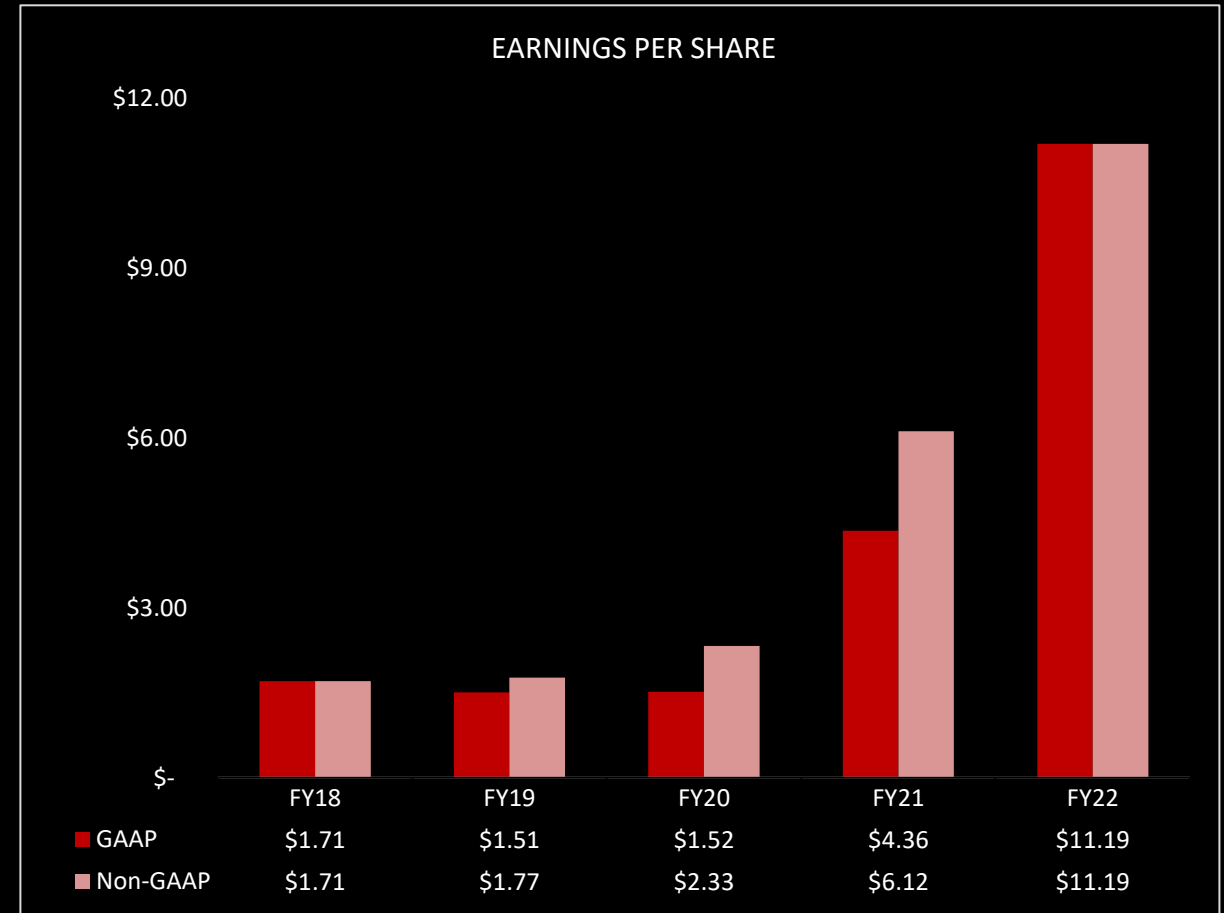
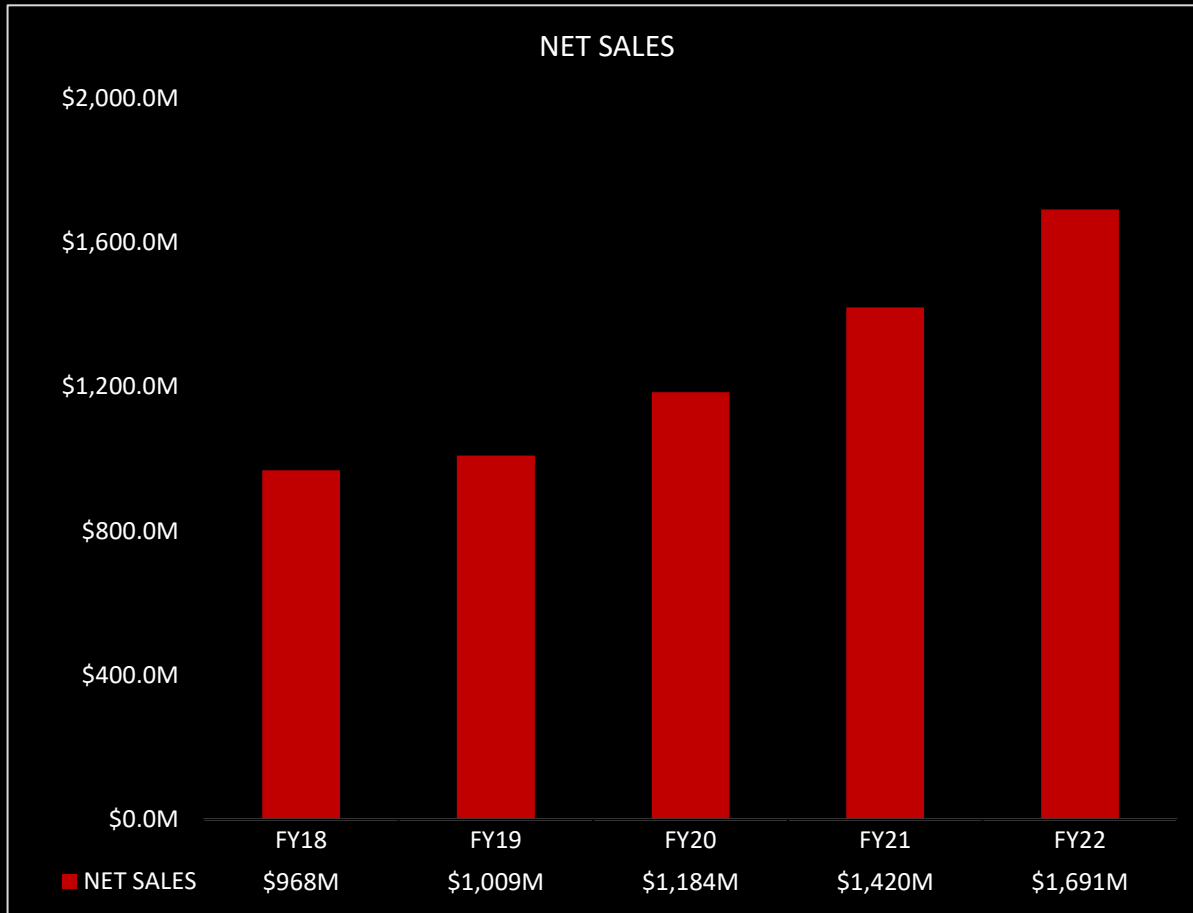


EARNINGS PER SHARE



\*Please see the GAAP to Non-GAAP reconciliations in the Appendix to this presentation.

# HISTORICAL FULL-YEAR FINANCIALS



\*Please see the GAAP to Non-GAAP reconciliations in the Appendix to this presentation.





# MERCHANDISING



## Category Performance

Footwear – up low-70’s % vs FY20

Apparel – up high-30’s % vs FY20

Team Sports – up mid-single digit % vs FY20



## Footwear and Apparel Performance

Men’s – low-50’s % increase vs FY20

Women’s – 100+ % increase vs FY20

Kid’s – mid-60’s % increase vs FY20



## Inventory

Compared to FY20; inventory levels up 40.1% at quarter-end in balance with 51.7% comparable sales increase over same period

Well-positioned for Full-Year



# Q3 FY 2023 RESULTS

## INCOME STATEMENT

- Comp Sales: +9.9%
- 3-Year Comp Sales: +51.7%
- GM %: 34.3%
- SG&A%: 23.9%
- Operating Income: \$34.2 million
- Diluted EPS: \$1.94

## CASH FLOW

- Capital Expenditures: \$17.0 million
- Repurchased 160,637 shares at a cost of \$9.0 million
- Quarterly dividend equal to \$0.25 per share for cash outlay of \$3.2 million



# YTD FY 2023 RESULTS

## INCOME STATEMENT

- Comp Sales: - 7.4%
- 3-Year Comp Sales: +41.3%
- GM %: 35.3%
- SG&A%: 23.2%
- Operating Income: \$117.7 million
- Diluted EPS: \$6.71

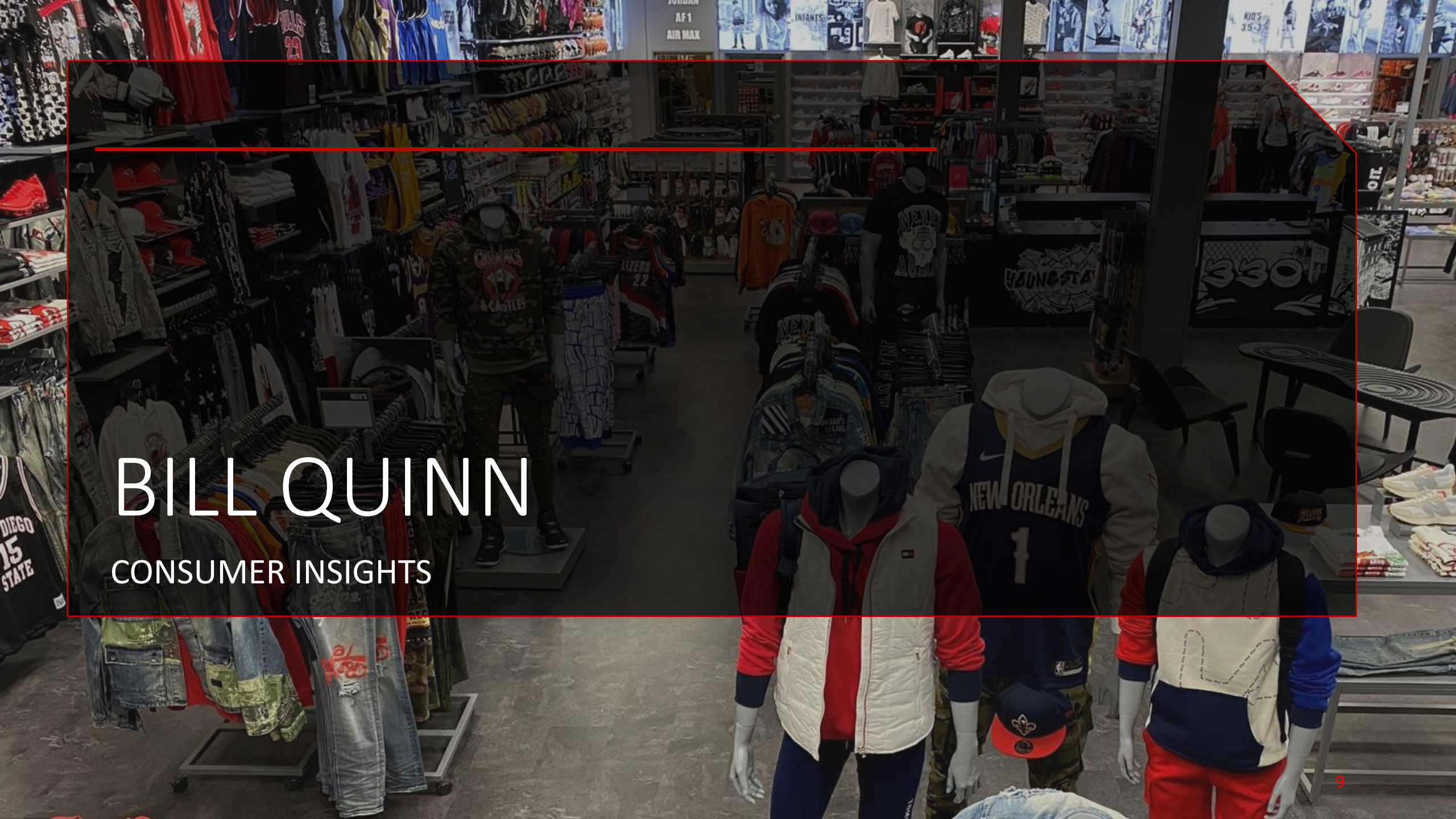
## BALANCE SHEET

- Cash & Cash Equivalents: \$25.1 million
- Inventory: \$404.8 million
- Short-term Debt: \$51.7 million

## CASH FLOW

- Capital Expenditures: \$47.5 million
- Repurchased 797,033 shares at a cost of \$38.5 million
- Three quarterly dividends equal to \$0.25 per share for cash outlay of \$9.7 million





# BILL QUINN

CONSUMER INSIGHTS



# FY 2023 GUIDANCE UPDATE

- Total net sales expected to increase in the low-single digit range in dollars compared to FY22 results
- Comparable sales expected to be in the range of flat to positive low-single digits for the full year
- FY23 gross margin anticipated to be in the range of 35.1% to 35.3% of net sales; above pre-pandemic levels
- SG&A projected to be in the range of 22.7% to 22.8% of net sales; favorable to pre-pandemic levels
- Operating income expected to be in the low double-digit range as % of net sales; also remaining above pre-pandemic levels
- Diluted EPS estimate of \$9.75 - \$10.50; assumes an estimated effective tax rate of 24.5% and an estimated weighted average diluted share count of approximately 13.3 million
- CapEx projected in the range of \$60 to \$70 million





# APPENDIX

# GAAP TO NON-GAAP RECONCILIATION Q3 FY21

**HIBBETT INC. AND SUBSIDIARIES**  
**GAAP to Non-GAAP Reconciliation**  
(Dollars in thousands except per share amounts)  
(Unaudited)

	13-Weeks Ended October 31, 2020				
	GAAP Basis (As Reported)	Acquisition(1)	COVID-19(2)	Non-GAAP Basis (As Adjusted)	% to Sales
Cost of goods sold	\$204,347	-	(\$693)	\$205,040	61.9%
Gross margin	\$127,036	-	(\$693)	\$126,343	38.1%
SG&A expenses	\$86,330	\$232	-	\$86,098	26.0%
Operating income	\$33,165	\$232	(\$693)	\$32,704	9.9%
Provision for income taxes	\$7,867	\$55	(\$164)	\$7,758	2.3%
Net income	\$25,266	\$177	(\$529)	\$24,914	7.5%
Diluted earnings per share	\$1.47	\$0.01	(\$0.03)	\$1.45	

1) Excluded acquisition and transition costs during the 13-weeks ended October 31, 2020, related to the acquisition of City Gear, LLC consist primarily of change in valuation of contingent earnout and accounting and professional fees.

2) Excluded costs during the 13-weeks ended October 31, 2020, related to the COVID-19 pandemic, consist of non-cash LCM reserve adjustments in cost of goods sold (COGS).



# GAAP TO NON-GAAP RECONCILIATION YTD Q3 FY21

HIBBETT INC. AND SUBSIDIARIES  
GAAP to Non-GAAP Reconciliation  
(Dollars in thousands except per share amounts)  
(Unaudited)

	39-Weeks Ended October 31, 2020				
	GAAP Basis (As Reported)	Acquisition(1)	COVID-19(2)	Non-GAAP Basis (As Adjusted)	
					% to Sales
Cost of goods sold	\$678,047	-	\$3,043	\$675,004	64.7%
Gross margin	\$364,780	-	\$3,043	\$367,823	35.3%
SG&A expenses	\$255,838	\$4,379	\$15,743	\$235,716	22.6%
Goodwill impairment	\$19,661	-	\$19,661	-	-
Operating income	\$67,386	\$4,379	\$38,447	\$110,212	10.6%
Provision for income taxes	\$16,645	\$1,238	\$11,738	\$29,621	2.8%
Net income	\$50,334	\$3,141	\$26,709	\$80,184	7.7%
Diluted earnings per share	\$2.98	\$0.19	\$1.58	\$4.74	

1) Excluded acquisition amounts during the 39-weeks ended October 31, 2020, related to the acquisition of City Gear, LLC consist primarily of change in valuation of contingent earnout and accounting and professional fees.

2) Excluded amounts during the 39-weeks ended October 31, 2020, related to the COVID-19 pandemic, consist primarily of net non-cash LCM reserve charges in COGS, impairment costs (goodwill, tradename and other assets) and paid-not-worked salaries net of related tax credits in SG&A.

# GAAP TO NON-GAAP RECONCILIATION Q3 FY20

**HIBBETT INC. AND SUBSIDIARIES**  
**GAAP to Non-GAAP Reconciliations**  
(Dollars in thousands, except per share amounts)  
(Unaudited)

**13-Week Period Ended November 2, 2019**

	Non-Recurring Amounts:			Non-GAAP Basis	
	GAAP Basis (As Reported)	Acquisition Costs <sup>(1)</sup>	Strategic Realignment Costs <sup>(2)</sup>		% of Sales
Cost of goods sold	\$185,307	-	(\$828)	\$186,135	67.6%
Gross margin	\$90,168	-	(\$828)	\$89,340	32.4%
SG&A expenses	\$80,147	\$4,965	155	\$75,027	27.2%
Operating income	\$2,624	\$4,965	(\$673)	\$6,916	2.5%
Provision for income taxes	\$510	\$912	(\$124)	\$1,298	0.5%
Net income	\$2,265	\$4,053	(\$549)	\$5,769	2.1%
Diluted earnings per share	\$0.13	\$0.23	(\$0.03)	\$0.32	

1) Non-recurring acquisition amounts during the 13-week period ended November 2, 2019, related to the acquisition of City Gear, LLC consist primarily of contingent earnout valuation update and legal, accounting and professional fees.

2) Non-recurring strategic realignment amounts during the 13-week period ended November 2, 2019, related to our accelerated store closure plan consist primarily of gain on operating leases net of accelerated amortization on ROU assets in cost of goods sold (COGS) and professional fees, impairment costs and loss on fixed assets in SG&A.



# GAAP TO NON-GAAP RECONCILIATION YTD Q3 FY20

HIBBETT INC. AND SUBSIDIARIES  
GAAP to Non-GAAP Reconciliations  
(Dollars in thousands, except per share amounts)  
(Unaudited)

39-Week Period Ended November 2, 2019

Non-Recurring Amounts:

	GAAP Basis (As Reported)	Acquisition Costs <sup>(1)</sup>	Strategic Realignment Costs <sup>(2)</sup>	Non-GAAP Basis	
					% of Sales
Cost of goods sold	\$586,502	\$956	(\$356)	\$585,902	67.3%
Gross margin	\$284,708	\$956	(\$356)	\$285,308	32.7%
SG&A expenses	\$234,085	\$13,252	\$1,529	\$219,304	25.2%
Operating income	\$28,324	\$14,208	\$1,173	\$43,705	5.0%
Provision for income taxes	\$7,159	\$3,569	\$295	\$11,023	1.3%
Net income	\$21,344	\$10,639	\$878	\$32,861	3.8%
Diluted earnings per share	\$1.18	\$0.59	\$0.05	\$1.82	

1) Non-recurring acquisition amounts during the 39-week period ended November 2, 2019, related to the acquisition of City Gear, LLC consist primarily of the amortization of inventory fair-market value step-up in COGS and contingent earnout valuation update, legal, accounting and professional fees in SG&A.

2) Non-recurring strategic realignment amounts during the 39-week period ended November 2, 2019, related to our accelerated store closure plan consist primarily of gain on operating leases net of accelerated amortization on ROU assets in COGS and professional fees, impairment costs and loss on fixed assets in SG&A.

# GAAP TO NON-GAAP RECONCILIATION Q3 FY19

HIBBETT INC. AND SUBSIDIARIES  
 GAAP to Non-GAAP Reconciliations  
 (Dollars in thousands, except per share amounts)  
 (Unaudited)

13-Week Period Ended November 3, 2018

Non-Recurring Amounts:

	GAAP Basis (As Reported)	Acquisition Costs <sup>(1)</sup>	Non-GAAP Basis	
				% of Sales
Cost of goods sold	\$146,376	-	\$146,376	67.5%
Gross margin	\$70,512	-	\$70,512	32.5%
SG&A expenses	\$62,342	\$1,528	\$60,814	28.0%
Operating income	\$1,842	\$1,528	\$3,370	1.6%
Provision for income taxes	\$620	\$447	\$1,067	0.5%
Net income	\$1,499	\$1,081	\$2,580	1.2%
Diluted earnings per share	\$0.08	\$0.06	\$0.14	

1) Non-recurring acquisition amounts during the 13-week period ended November 3, 2018, related to the acquisition of City Gear, LLC consists primarily of legal, accounting and professional fees.

# GAAP TO NON-GAAP RECONCILIATION YTD Q3 FY19

HIBBETT INC. AND SUBSIDIARIES  
 GAAP to Non-GAAP Reconciliations  
 (Dollars in thousands, except per share amounts)  
 (Unaudited)

39-Week Period Ended November 3, 2018

Non-Recurring Amounts:

	GAAP Basis (As Reported)	Acquisition Costs <sup>(1)</sup>	Non-GAAP Basis	
				% of Sales
Cost of goods sold	\$469,082	-	\$469,082	66.8%
Gross margin	\$233,636	-	\$233,636	33.2%
SG&A expenses	\$186,211	\$1,528	\$184,683	26.3%
Operating income	\$28,578	\$1,528	\$30,106	4.3%
Provision for income taxes	\$7,179	\$379	\$7,558	1.1%
Net income	\$21,786	\$1,149	\$22,935	3.3%
Diluted earnings per share	\$1.15	\$0.06	\$1.21	

1) Non-recurring acquisition amounts during the 39-week period ended November 3, 2018, related to the acquisition of City Gear, LLC consist primarily of legal, accounting and professional fees.