

Hibbett Reports Fourth Quarter and Fiscal 2015 Results

March 13, 2015

BIRMINGHAM, Ala.--(BUSINESS WIRE)--Mar. 13, 2015-- Hibbett Sports, Inc. (NASDAQ/GS: HIBB), a sporting goods retailer, today announced results for the fourth quarter and fiscal year ended January 31, 2015.

Fourth Quarter Results

Net sales for the 13-week period ended January 31, 2015, increased 9.9% to \$239.3 million compared with \$217.8 million for the 13-week period ended February 1, 2014. Comparable store sales increased 5.4%. Gross profit was 35.5% of net sales for the 13-week period ended January 31, 2015, compared with 35.8% for the 13-week period ended February 1, 2014.

Store operating, selling and administrative expenses were 20.4% of net sales for the 13-week period ended January 31, 2015, compared with 21.7% of net sales for the 13-week period ended February 1, 2014. Net income for the 13-week period ended January 31, 2015, increased 18.1% to \$19.9 million compared with \$16.9 million for the 13-week period ended February 1, 2014. Earnings per diluted share increased 23.4% to \$0.79 for the 13-week period ended January 31, 2015, compared with \$0.64 for the 13-week period ended February 1, 2014.

Jeff Rosenthal, President and Chief Executive Officer, stated, "We are very pleased with our performance in the fourth quarter. We experienced strong comps during the holiday period on top of solid comps last year, and our product assortment resonated well with customers. In January, comps were especially strong due to better weather and earlier tax refunds. As we started Fiscal 2016, we experienced softer sales in February due to weather-related store closures across many of our markets. We believe this trend will normalize over the next few weeks, and feel confident in our assortment and inventory position.

"We are excited to announce that we achieved our store growth goal for the year, opening 80 new stores along with 9 expansions. We also continue to make progress on our major initiatives, and feel confident that these efforts will result in continued strong performance."

Fiscal 2015 Results

Net sales for the 52-week period ended January 31, 2015, increased 7.2% to \$913.5 million compared with \$852.0 million for the 52-week period ended February 1, 2014. Comparable store sales increased 2.9%. Gross profit was 35.8% of net sales for the 52-week period ended January 31, 2015, compared with 36.3% for the 52-week period ended February 1, 2014.

Store operating, selling and administrative expenses were 21.1% of net sales for the 52-week period ended January 31, 2015, compared with 21.3% of net sales for the 52-week period ended February 1, 2014. Net income for the 52-week period ended January 31, 2015, increased 3.8% to \$73.6 million compared with \$70.9 million for the 52-week period ended February 1, 2014. Earnings per diluted share increased 6.3% to \$2.87 for the 52-week period ended January 31, 2015, compared with \$2.70 for the 52-week period ended February 1, 2014.

For the year, Hibbett opened 80 new stores, expanded 9 high performing stores and closed 19 underperforming stores, bringing the store base to 988 in 31 states as of January 31, 2015.

Liquidity and Stock Repurchases

Hibbett ended the fourth quarter of Fiscal 2015 with \$88.4 million of available cash and cash equivalents on the consolidated balance sheet, no bank debt outstanding and full availability under its \$80.0 million unsecured credit facilities.

During the fourth quarter, the Company repurchased 133,711 shares of common stock for a total expenditure of \$6.4 million. Approximately \$173.3 million of the total authorization for future stock repurchases remained as of January 31, 2015.

Fiscal 2016 Outlook

The Company provided the following guidance for Fiscal 2016:

Earnings per diluted share in the range of \$2.95 to \$3.09.

Increase in comparable store sales in the low-to-mid single digit range.

Approximately 80 to 85 new stores, 10 to 15 expansions and 15 to 20 closures.

Slightly positive product gross margin rate compared to Fiscal 2015.

An estimated reduction of \$0.05 per diluted share due to the implementation of a point-of-sale upgrade across all stores. This upgrade will provide foundational elements needed to execute future phases of our growth strategy.

An estimated reduction of \$0.04 per diluted share due to increased health care and IT costs.

An estimated reduction of \$0.03 per diluted share due to an increase in depreciation resulting from the new wholesale and logistics facility, IT investments and an increase in new store openings.

Investor Conference Call and Simulcast

Hibbett Sports, Inc. will conduct a conference call at 10:00 a.m. ET on Friday, March 13, 2015, to discuss fourth quarter and Fiscal 2015 results. The number to call for the live interactive teleconference is (212) 231-2902. A replay of the conference call will be available until March 20, 2015, by dialing (402) 977-9140 and entering the passcode, 21762965.

The Company will also provide an online Web simulcast and rebroadcast of its fourth quarter and Fiscal 2015 conference call. The live broadcast of Hibbett's quarterly conference call will be available online at www.hibbett.com under Investor Relations on March 13, 2015, beginning at 10:00 a.m. ET. The online replay will follow shortly after the call and be available for replay for one year.

Hibbett Sports, Inc. operates sporting goods stores in small to mid-sized markets, predominately in the South, Southwest, Mid-Atlantic and Midwest regions of the United States. The Company's primary store format is Hibbett Sports, a 5,000-square-foot store located in strip centers and enclosed malls.

A WARNING ABOUT FORWARD LOOKING STATEMENTS: Certain matters discussed in this press release are "forward looking statements" as that term is used in the Private Securities Litigation Reform Act of 1995. Forward looking statements address future events, developments or results and typically use words such as believe, anticipate, expect, intend, plan, forecast, guidance, outlook, or estimate. For example, our forward looking statements include statements regarding store opening plans, sales trends, product selection, earnings per diluted share, comparable store sales, product gross margin rates, store operating, selling and administrative expenses, trends in depreciation expense and impact of a point-of-sale upgrade. Such statements are subject to risks and uncertainties that could cause actual results to differ materially, including economic conditions, industry trends, merchandise trends, vendor relationships, customer demand, and competition. For a discussion of these factors, as well as others which could affect our business, you should carefully review our Annual Report and other reports filed from time to time with the Securities and Exchange Commission, including the "Risk Factors," "Business" and "MD&A" sections in our Annual Report on Form 10-K filed on March 31, 2014 and in our Quarterly Reports on Form 10-Q filed on June 9, 2014, September 8, 2014 and December 8, 2014. In light of these risks and uncertainties, the future events, developments or results described by our forward looking statements in this document could be materially and adversely different from those we discuss or imply. We are not obligated to release publicly any revisions to any forward looking statements contained in this press release to reflect events or circumstances occurring after the date of this report and you should not expect us to do so.

HIBBETT SPORTS, INC. AND SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Operations

(Dollars in thousands, except per share amounts)

| | Thirteen Weeks Ended | | Fifty-Two Weeks Ended | |
|--|----------------------|---------------------|-----------------------|---------------------|
| | January 31, 2015 | February 1, 2014 | January 31, 2015 | February 1, 2014 |
| Net sales | \$ 239,338 | \$ 217,767 | \$ 913,486 | \$ 851,965 |
| Cost of goods sold, wholesale and logistics facility and store occupancy costs | 154,308 | 139,794 | 586,702 | 542,700 |
| Gross profit | 85,030 | 77,973 | 326,784 | 309,265 |
| Store operating, selling and administrative expenses | 48,870 | 47,277 | 192,648 | 181,527 |
| Depreciation and amortization | 4,213 | 3,654 | 15,990 | 13,847 |
| Operating income | 31,947 | 27,042 | 118,146 | 113,891 |
| Interest expense, net | 76 | 46 | 293 | 188 |
| Income before provision for income taxes | 31,871 | 26,996 | 117,853 | 113,703 |
| Provision for income taxes | 11,946 | 10,126 | 44,269 | 42,826 |
| Net income | \$ 19,925 | \$ 16,870 | \$ 73,584 | \$ 70,877 |
| Net income per common share: | | | | |
| Basic earnings per share | \$ 0.80 | \$ 0.65 | \$ 2.90 | \$ 2.74 |
| Diluted earnings per share | \$ 0.79 | \$ 0.64 | \$ 2.87 | \$ 2.70 |
| Weighted average shares outstanding: | | | | |
| Basic | 24,965 | 25,812 | 25,369 | 25,870 |
| Diluted | 25,205 | 26,210 | 25,620 | 26,266 |

HIBBETT SPORTS, INC. AND SUBSIDIARIES
Unaudited Condensed Consolidated Balance Sheets
(In thousands)

| | January 31, 2015 | February 1, 2014 |
|---|------------------------|------------------------|
| | <hr/> | <hr/> |
| Assets | | |
| Cash and cash equivalents | \$ 88,397 | \$ 66,227 |
| Inventories, net | 240,408 | 226,545 |
| Other current assets | 26,693 | 30,877 |
| Total current assets | <hr/> 355,498 | <hr/> 323,649 |
| Property and equipment, net | 92,981 | 86,014 |
| Other assets | 3,918 | 6,682 |
| Total assets | <hr/> <hr/> \$ 452,397 | <hr/> <hr/> \$ 416,345 |
| Liabilities and Stockholders' Investment | | |
| Accounts payable | \$ 84,439 | \$ 74,532 |
| Short-term capital leases | 436 | 322 |
| Accrued expenses | 17,250 | 16,560 |
| Total current liabilities | <hr/> 102,125 | <hr/> 91,414 |
| Non-current liabilities | 25,491 | 20,908 |
| Stockholders' investment | 324,781 | 304,023 |
| Total liabilities and stockholders' investment | <hr/> <hr/> \$ 452,397 | <hr/> <hr/> \$ 416,345 |

HIBBETT SPORTS, INC. AND SUBSIDIARIES

Supplemental Information

(Unaudited)

| | Thirteen Weeks Ended | | Fifty-Two Weeks Ended | |
|------------------------------------|----------------------|---------------------|-----------------------|---------------------|
| | January 31, 2015 | February 1, 2014 | January 31, 2015 | February 1, 2014 |
| Sales Information | | | | |
| Net sales increase | 9.9 % | 0.2 % | 7.2 % | 4.1 % |
| Comparable store sales increase | 5.4 % | 1.7 % | 2.9 % | 1.8 % |
| Store Count Information | | | | |
| Beginning of period | 969 | 904 | 927 | 873 |
| New stores opened | 22 | 30 | 80 | 72 |
| Stores closed | (3) | (7) | (19) | (18) |
| End of period | 988 | 927 | 988 | 927 |
| Stores expanded | 2 | 2 | 9 | 14 |
| Estimated square footage at end of | 5,649 | 5,331 | | |

period (in
thousands)

**Balance
Sheet
Information**

| | | |
|-----------------------------------|------------|------------|
| Average inventory per store | \$ 243,328 | \$ 244,385 |
|-----------------------------------|------------|------------|

**Share
Repurchase
Program**

| | | | | |
|------------------------|----------|----------|-----------|-----------|
| Shares | 133,711 | 21,500 | 1,206,006 | 365,697 |
| Cost (in thousands) | \$ 6,394 | \$ 1,324 | \$ 60,971 | \$ 20,095 |



Source: Hibbett Sports, Inc.
Hibbett Sports, Inc.
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Senior Vice President & Chief Financial Officer