

HAVE *Fun* OUT THERE

2024 Investor Update

December 2024

Academy[®]
SPORTS+OUTDOORS

Safe Harbor/Forward Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on Academy's current expectations and are not guarantees of future performance. Forward-looking statements may incorporate words such as "believe," "expect," "forward," "ahead," "opportunities," "plans," "priorities," "goals," "future," "short/long term," "will," "should," or the negative version of these words or other comparable words.

The forward-looking statements include, among other things, statements regarding the Company's fiscal 2024 outlook, the Company's strategic plans, long range plans, goals and targets, and financial objectives, including the implementation of such plans, the growth of the Company's business and operations, including the opening of new stores and the expansion into new markets, the rollout of new warehouse management and other systems, the Company's payment of dividends and declaration of future dividends, including the timing and amount thereof, share repurchases by the Company, the Company's expectations regarding its future performance and future financial condition to support future dividend and share repurchase plan growth, and other such matters, and are subject to various risks, uncertainties, assumptions, or changes in circumstances that are difficult to predict or quantify. Actual results may differ materially from these expectations due to changes in global, regional, or local economic, business, competitive, market, regulatory, environmental, and other factors that could affect overall consumer spending or our industry, including the possible effects of ongoing macroeconomic challenges, inflation and increases in interest rates, trade policy changes or additional tariffs, or changes to the financial health of our customers, many of which are beyond Academy's control. These and other important factors that could cause actual results to differ materially from those in the forward-looking statements include those risks mentioned above and other risks that are set forth in Academy's filings with the SEC, including the Annual Report and the Quarterly Report, under the caption "Risk Factors," as may be updated from time to time in our periodic filings with the SEC. Any forward-looking statement in this press release speaks only as of the date of this release.

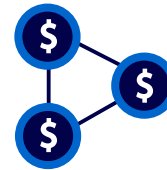
Academy undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws.

Investment Highlights

Academy is a company positioned for growth through new store expansion, omnichannel advancements, and existing store improvements



One of the Best Opportunities for Sustainable Growth In Retail Today



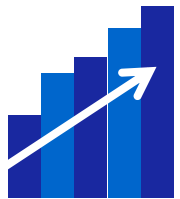
Durable Profit Model that has Proven Resilient in Various Macro-Economic Environments



Focus on Unique Assortment, Value Offering, and Customer Experiences Differentiates Brand



Strong Balance Sheet Backed by Self-Sustaining Cash Flow Generation



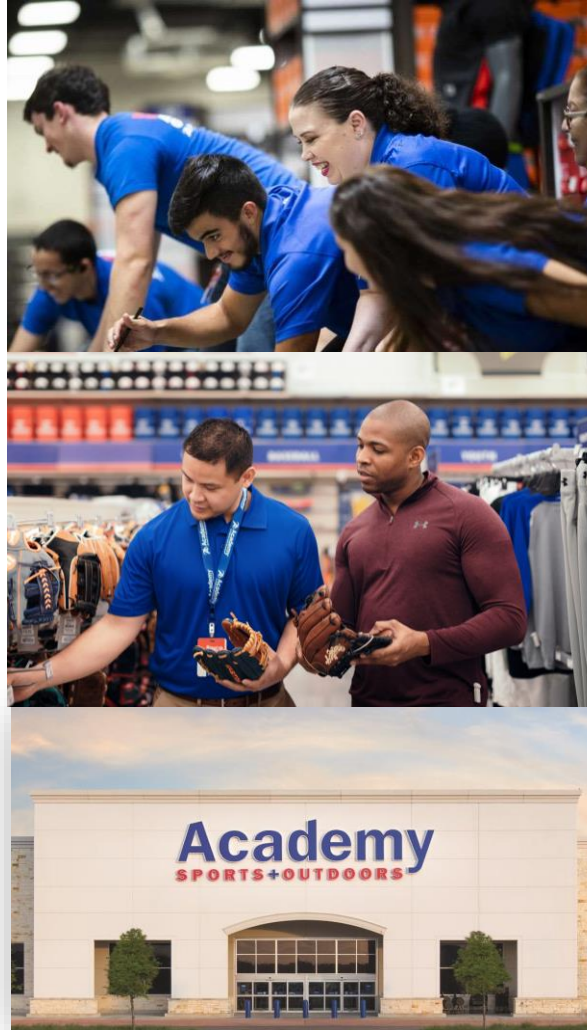
Developed Multi-Year Strategic Plan to Accelerate Growth & Expand Footprint



Proven, Leading Retail Team that Transformed the Company and is now Pivoting to Growth

Who is Academy Sports + Outdoors?

- We are a \$6 Billion retailer of **trending outdoor and sport categories**, operating 298 stores across 19 states
- We have a **significant growth opportunity**, highlighted by our current plan to expand store footprint and omnichannel business
- Deep consumer connections differentiated by strong focus on **assortment, value and experience**, driving durable customer and community loyalties
- **Capturing tailwinds** of lasting shift of customer spend towards outdoor activities, in-home health and wellness, nesting and experiences



VISION

To be the **BEST** sports + outdoors retailer in the country

MISSION

Provide **FUN FOR ALL** through strong assortments, value, and experience

VALUES

CUSTOMER focus and service

EXCELLENCE in all we do

Responsible **LEADERSHIP**

INITIATIVE with urgency

STUDENTS of the business

INTEGRITY always

Positive impact on our **COMMUNITIES**

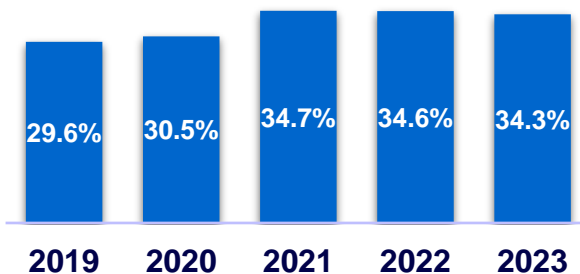
Strategic Accomplishments Since 2018

Sustainable Improvements Made to Drive Strong Sales/Profit Growth

Significant, Structural Improvements to Gross Margins

- Improved merchandise planning/allocation and pricing
- Greater focus on "Power" categories with good/better/best products
- Implemented systems, processes and procedures to manage buying, allocation, pricing, and clearance
- Increased localized product selection
- Improved private label products and margins
- Expanded national brands assortment

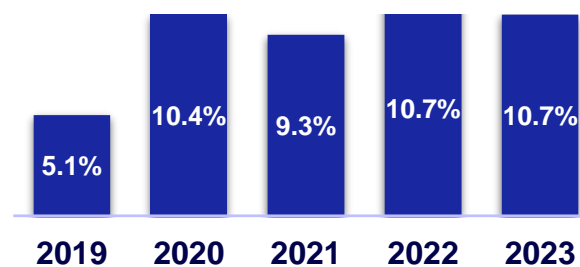
Fiscal Year Gross Margin



Increased Sales & Penetration of Academy.com

- Increased site operations: check-out speed, product search, package tracking
- Added more payment options (Apple Pay, Klarna) and simplified payment process
- Launched a new mobile app on iOS and Android platforms
- Added buy online pick-up in store (BOPIS), ship to store and ship from store capabilities
- Increased use of content

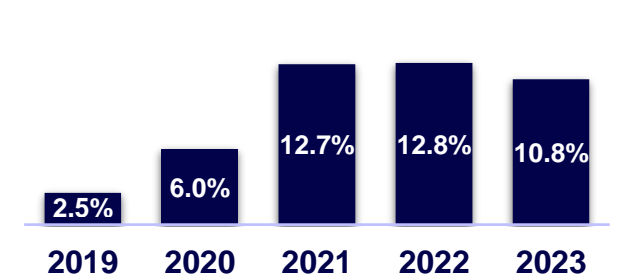
Fiscal Year Ecommerce Penetration



Becoming Best in Class Retailer by Focus on Fundamentals

- From 2019-2023, reduced SG&A expenses from 25.9% to 23.3% of net sales through disciplined cost management while investing in growth initiatives
- Lowered annual interest expense by \$55 million
- Effectively managed freight costs through pandemic and supply chain challenges
- Investing in additional AI and technology to further drive long-term profitability
- Reduced level of store tasks and improved labor scheduling to focus on customer-facing staffing

Fiscal Year Income Before Taxes Margin



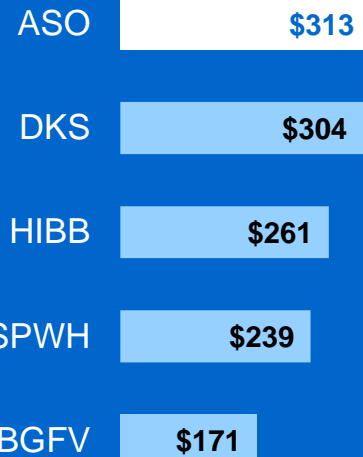
Q3 2024 Results

- Outdoor division drove 7% sales growth
- Opened eight new stores
- Generated \$97M in cash flow from operations and \$34M in adjusted free cash flow*
- Returned \$61 Million to Shareholders Through Share Repurchases and Dividends

\$1.34B Net Sales -3.9% year-over-year	-4.9% Comp Sales
34.0% Gross Margin	8 New Store Opening
\$0.92 GAAP EPS	\$0.98* Adjusted EPS

Results: Industry-Leading Productivity*

FY 2023 SALES PER SQ FT



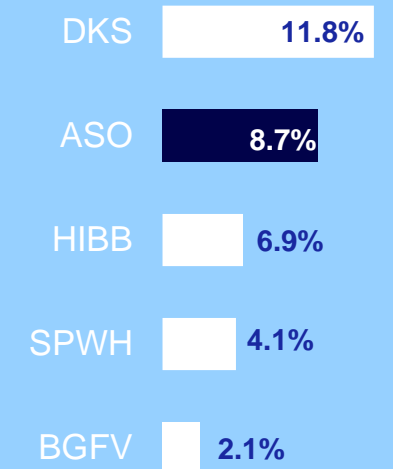
FY 2023 SALES PER STORE (\$M)



FY 2023 Adj. EBITDA* PER STORE (\$M)



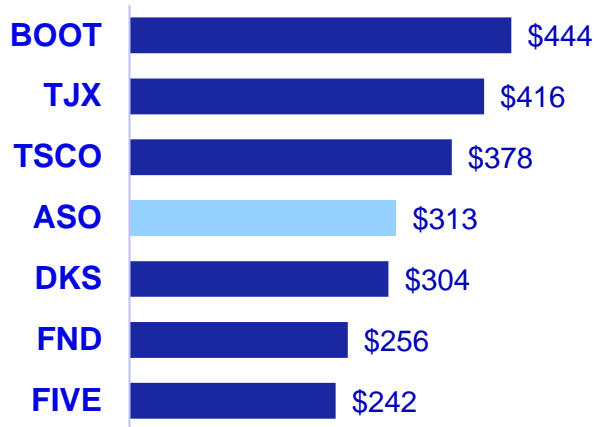
FY 2023 CASH FLOW FROM OPS AS % OF SALES



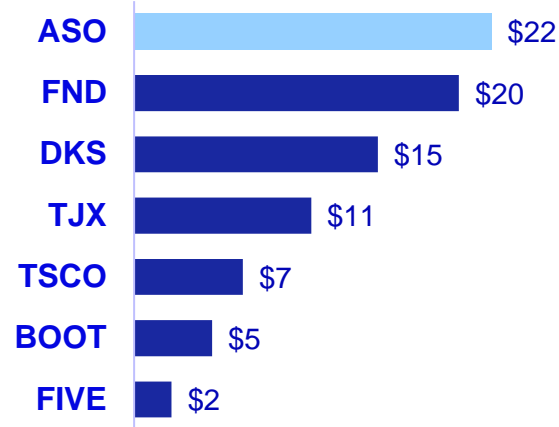
* We define our industry as Sports & Outdoor retail. Source: Each company's financials and/or Bloomberg. Note that Adj. EBITDA/store calculated as FY Adj. EBITDA divided by total number of stores as of fiscal year end. Also, (1) Adj. EBITDA is not reported by DKS and HIBB and thus we define those companies' EBITDA as their reported EBIT + Depreciation and Amortization and (2) Adj. EBITDA /store is a non-GAAP measure that may not necessarily be comparable from company to company listed above because adjustments may differ from company to company. See appendix for reconciliation of Academy's non-GAAP measures. All figures are the most recent full fiscal year for each company listed, excepted as noted herein.

Strong Performance Among Top Growth Retailers

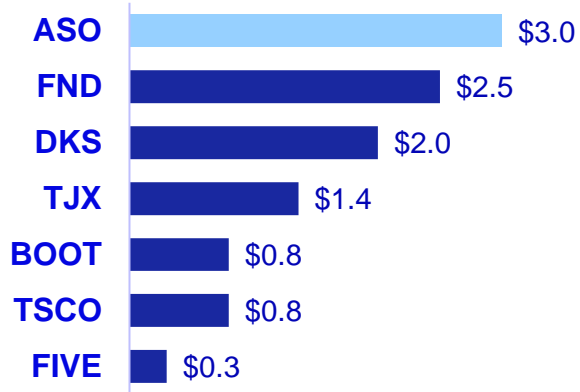
2023 Sales per Square Foot (\$M)



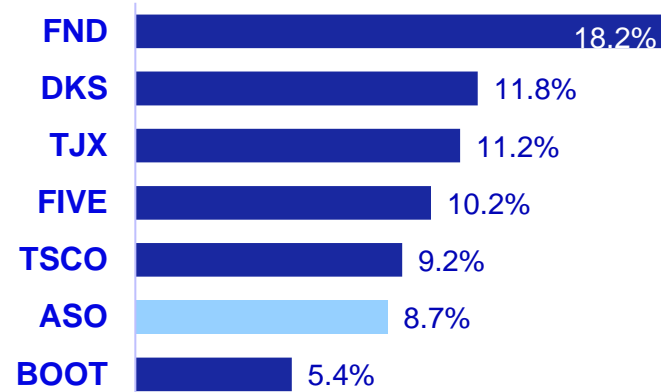
2023 Sales per Store (\$M)



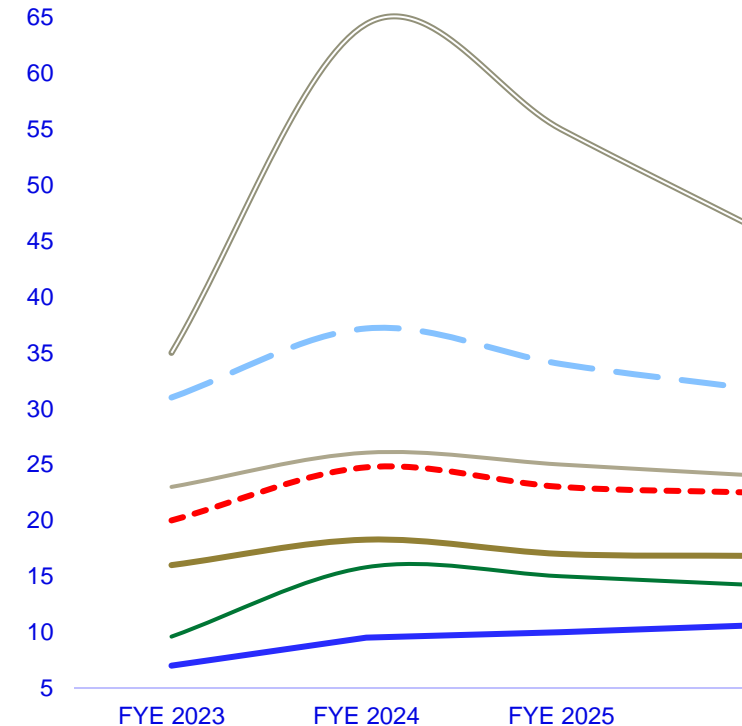
2023 Adj. EBITDA* per Store (\$M)



2023 Cash from Ops as a % of Sales



Forward P/E thru FYE 2025*



Source: Each company's financials, sell-side analysts and/or Bloomberg. Adj. EBITDA/store calculated as FY Adj. EBITDA divided by total number of stores as of fiscal year end.

* (1) Adj. EBITDA is not reported by DKS, TJX, BOOT, TSCO and FIVE and thus we define their EBITDA as their reported EBIT + Depreciation + Amortization and

(2) Adj. EBITDA /store is a non-GAAP measure that may not necessarily be comparable from companies listed above because adjustments may differ from company to company.

See appendix for reconciliation of Academy's non-GAAP measures. All figures are the most recent full fiscal year for each company listed, excepted as noted herein. * Forward P/E figures are based on then current prices and fiscal year end estimates as of March 14, 2024.

Long-Range Plan Strategy To Deliver Value

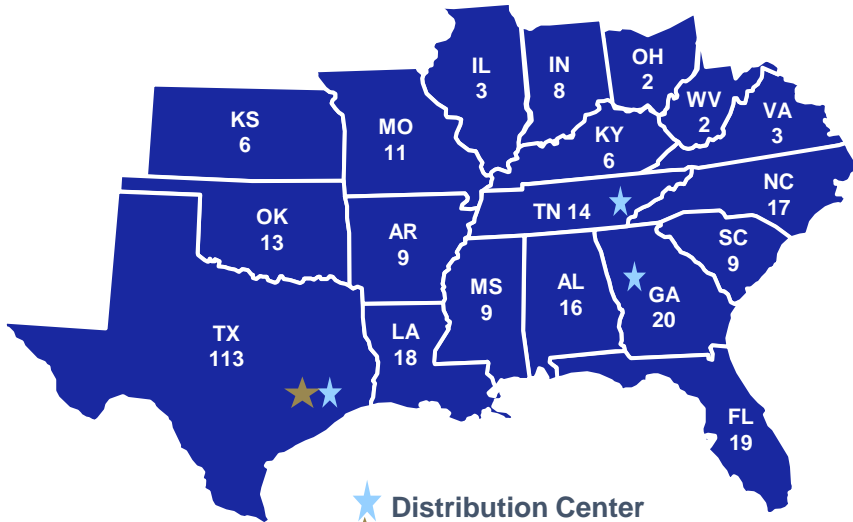
Academy remains confident in its strategy, and continues to execute on the initiatives

Strategy

Long-Range Plan*

1	Open New Stores to expand the store base by 50%+ in existing and new markets	→	Opening 160-180 New Stores
2	Build a more powerful Omni-Channel business	→	5% Penetration in 2019 11% Penetration in 2023 15% target
3	Drive our Existing Business	→	Leverage Customer Data Platform Expand New Brands & Innovative Products Customer Loyalty Program
4	Leverage and scale our Supply Chain to enable industry-leading growth	→	New Warehouse Mgmt System Implementation Fulfillment, Flow and Logistics Initiatives
5	Support our growth with the Best Team in retail	→	Build out our Bench Strength Recruit External Talent to Drive Growth

Well-Positioned in Major Growth Markets

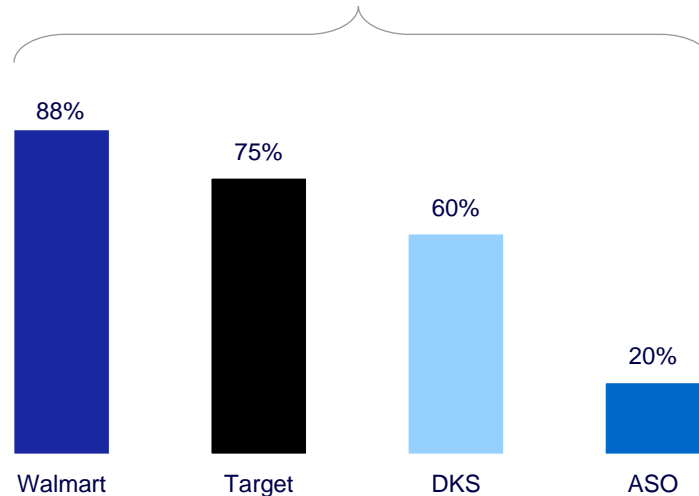


298 Stores	Underpenetrated in existing markets
19 States	With opportunity to expand contiguously
3 DCs	To support store growth
2x	Population growth rate vs. U.S. average
~40M Customers	And growing every day
6 of 10	Fastest growing MSAs
29%	Of stores are in the top 5 growing MSAs

New Store Growth Plan: 160 – 180 New Stores

- Current Footprint Opportunity: 80 - 90 stores
- New/Adjacent Footprint Opportunity: 80 - 90 stores

Est. % of Americans within 10 Miles of a Store*



Geographic Expansion Opportunity

NEW STORES: CURRENT MARKETS + BEYOND

Estimated Population Growth* (2020-2030)

State	Expected Δ	Growth %
Texas	5,134,383	17.3%
Florida	3,495,407	16.0%
California	3,312,476	8.2%
Georgia	1,109,775	10.3%
North Carolina	1,105,816	10.5%
Washington	1,064,675	13.9%
Arizona	969,713	13.3%
Colorado	923,624	15.8%
Virginia	676,645	7.8%
South Carolina	607,683	11.7%

Bold highlight indicates states where ASO has stores

CORE MARKETS EXPECTED TO SEE STRONG, SUSTAINED GROWTH FOR FORESEEABLE FUTURE

New Store Economics

New store economics remain a compelling use of cash to drive sustainable growth

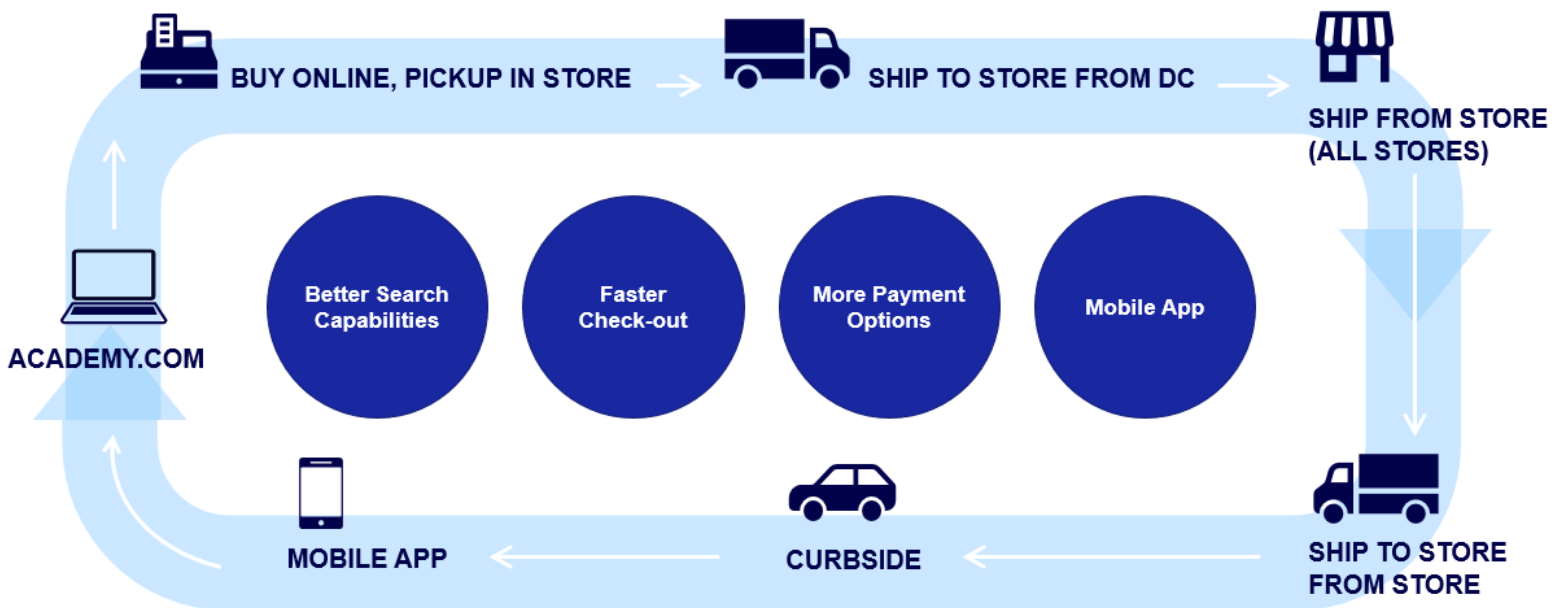
- **Deliver better balance of new and existing market store openings**
 - Target is to open 50% in new and adjacent markets and 50% in existing markets
- **Execute more smaller and mid-sized market opportunities**
 - Lower volume, but high profit opportunity
- **Drive for a balanced weighting of openings during the year**
- **Enter new/adjacent large markets with multiple stores**
 - Leverage pre and post-opening costs, Accelerate brand awareness

	Our Goals*
Year 1 Sales Target	\$12-\$16M
Capital to Open	\$4-\$5M
Sales Ramp	4-5 Years
ROIC Hurdle**	20%
EBITDA Positive**	~ Year 1
Existing vs New/Adjacent	50% / 50%
New Stores	160-180
Total Stores	442-462

Have Potential to Open 800+ Stores Nationwide

True OMNICHANNEL Capabilities

FOCUSED ON OMNICHANNEL (NOT E-COMM SALES)



Academy is a true omnichannel retailer*

We have built an e-commerce and mobile platform that have a true connection with our stores

- **75%** of e-commerce sales fulfilled in stores
- **60+%** of omnichannel customer spend came from those within 10 miles of a store (Nov-Dec 2022)
- **60+%** growth in omnichannel customers when opening a new store
- Omnichannel customers spend more and shop more often than the average Academy customer

95% of all company sales are fulfilled through the stores

Significant Market Opportunity

- \$175B+ total U.S. addressable market (“TAM”)¹
- Lasting shift of customer spend towards outdoor activities, in-home health and wellness, nesting and experiences
- Increased demand across all demographics and geographies
- Largest sporting goods retailer has less than 10% market share*



U.S. Sporting Goods & Outdoor Recreation Market



Sources: Circana/Retail Tracking Service, Based on U.S. dollar sales, Annual 2019 vs. 2022. Proprietary Data; Bureau of Economic Analysis; LT PCE Categories.

(1) Circana/Retail Tracking Service, Based on U.S. dollar sales, Annual 2019 vs. 2022.

(2) Internal Estimate leveraging National Instant Criminal Background Check System (“NICS”) checks and proprietary data, Based on U.S. dollar sales, Annual 2019 vs. 2022.

(3) Sports & Fitness, Footwear and Apparel from Circana/Retail Tracking Service, Based on U.S. dollar sales, Annual 2022. Team Sports (Excludes Golf), Sports Equipment (Winter/Snow Sports, Water Sports, Health and Fitness Eq.) and Tech.

* Estimated market share based on the largest Sporting Goods retailer 2022 Revenue as a percentage of 2022 TAM

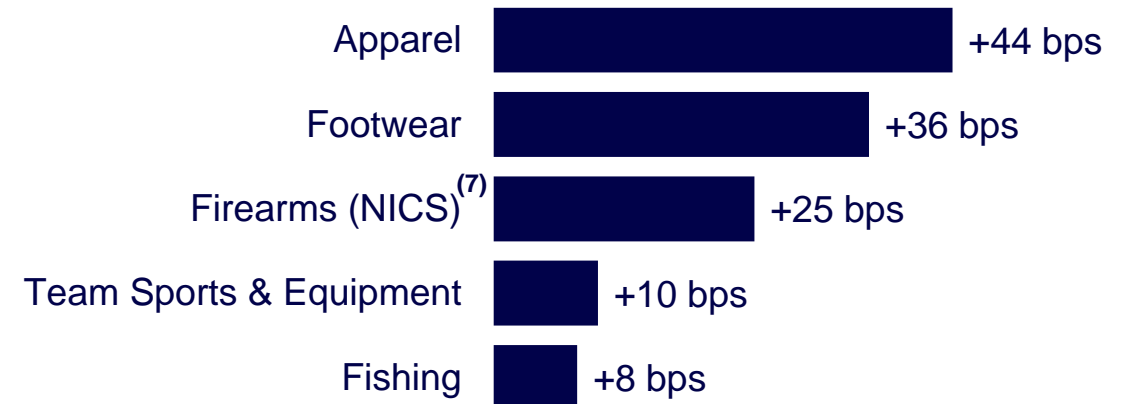
EXISTING BUSINESS: Gaining Share in a Growing and Highly Fragmented Industry

INCREASING PARTICIPATION/SALES ACROSS CATEGORIES⁽¹⁾

Hunting ⁽²⁾	+5%
Fishing	+4%
Outdoor Cooking Sales ⁽³⁾	+3%
Fitness ⁽⁴⁾	+3%
Team Sports ⁽⁵⁾	+2%

GAINING SHARE IN POWER BUSINESSES⁽⁶⁾

Academy's Market Share 2019-2022



EXISTING BUSINESS: Broad Assortment and Value Proposition Creates a Competitive Advantage

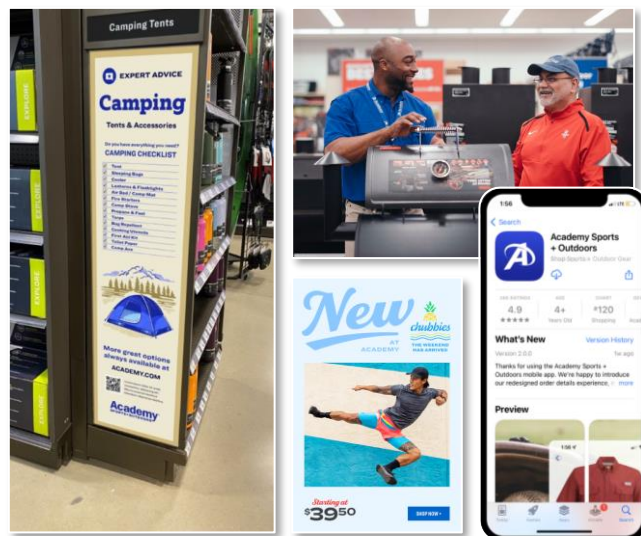
Leading National Brands



Leveraging Private Label Brands



Differentiated Experiences



- Superior Customer Experience
- Team Member Enthusiasts
 - Product Education
 - Local Events
- Vendor Demonstrations

Value-Based Differentiation



- Price Match Guarantee
- Everyday Value Pricing
- Limited Promotional Offers
- Highlighting Best Brands at Best Value
- Free Services (assembly, spooling, shipping)

EXISTING BUSINESS: “Sweet Spot” in Market

DRIVERS OF CHOICE

1

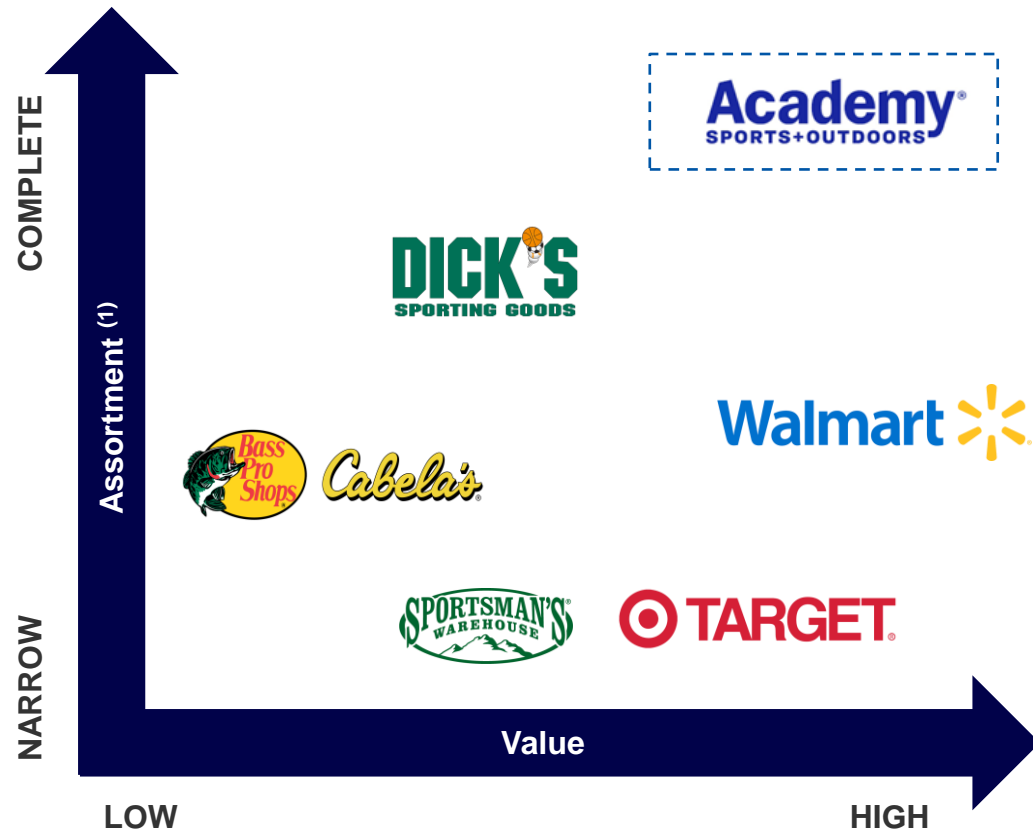
Assortment*

2

Value

3

Experience

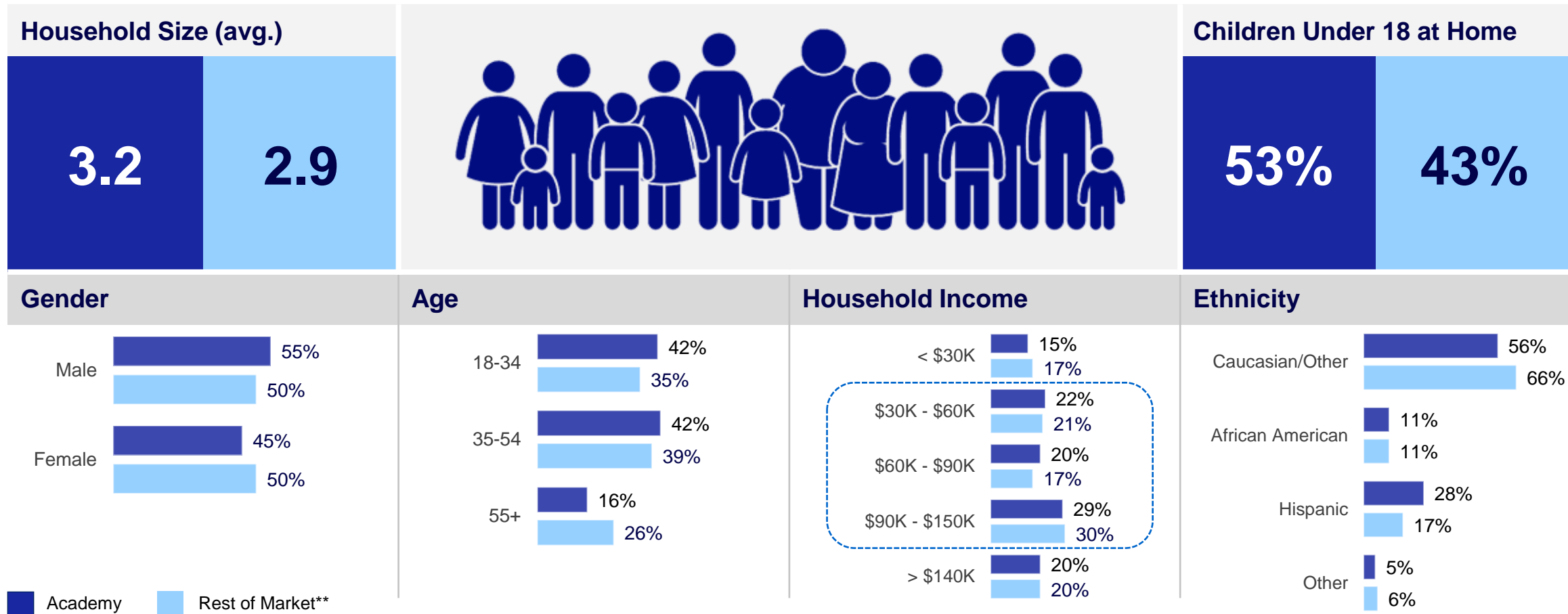


Note: Illustrative

COMPETITIVE ADVANTAGES

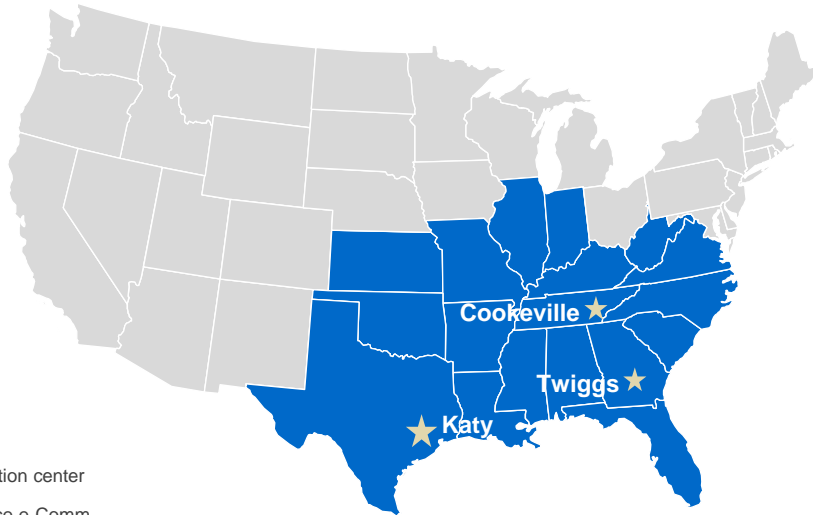
- Full Access to National Brands
- Diversified Assortment & Value
- Growing Store Footprint
- Omnichannel

EXISTING BUSINESS: Leveraging Our New CDP* to Know our Customer Better



SUPPLY CHAIN Efficiency Leads to Attractive Margins and Robust Free Cash Flow Generation

WE HAVE ENOUGH DISTRIBUTION CAPACITY TO HANDLE THE MAJORITY OF OUR NEW STORE GROWTH PLANS



	DISTRIBUTION FOOTPRINT (SQ. FT.)	YEAR BUILT	% UTILIZATION
Katy	1.6 million	1991	90%
Twiggs	1.6 million	2006	50%
Cookeville	1.6 million	2016	50%

Multiple Levers to Sustain Margin Profile

PRODUCT MIX

- Expand penetration of higher-margin Private brands across platform

Private Brands Penetration



- Expect faster growth from higher gross margin products (Apparel, Footwear) than lower gross margin products (Outdoor, S&R)
- Continuous benefits of MP&A and labor scheduling systems

SUPPLY CHAIN

- New Warehouse Management System expected to yield efficiencies
- Leverage supply chain visibility to drive transportation efficiencies from increased planning and flexibility in our network

100 bps

Goal to Reduce Supply Chain Costs as % of Net Sales*

Gross margin rate goal is 34.0% or higher in each year of the long-range plan*

BEST TEAM: Experienced Retail Leadership



Steve Lawrence
CEO

- Served as CEO and member of the Board of Directors since June 2023
- Joined the Company in February 2019 as EVP and CMO



Sam Johnson
President

- Served as President since October 2023
- Joined the Company in April 2017 as EVP of Retail Operations



Carl Ford
EVP, CFO

- Served as EVP and CFO since July 2023
- Joined the Company in January 2019 as SVP of Finance



Matt McCabe
EVP, CMO

- Served as EVP and CMO since June 2023
- Joined the Company in December 2016 as VP and DMM of Athletic & Licensed Apparel



Bill Ennis
EVP, CAO

- Served as EVP and CAO since January 2024
- Most recently served as SVP of Human Resources and CHRO



Chad Fox
EVP, CCO

- Served as EVP and CCO since January 2024
- Prior to joining the Company, he served as the SVP and Chief Marketing Officer at Dollar General



Rene Casares
SVP, General Counsel & Secretary

- Served as SVP, General Counsel, and Secretary since March 2018
- Joined the Company in July 2013



Manish Maini
SVP, CIO

- Served as SVP and CIO since June 2017
- Prior to joining the Company, he served as the Chief Information Officer and SVP at The Children's Place U.S.

Culture is Central to our Leading Retail Team

Our Values Establish a Strong Foundation for Our Culture + Represent the Key Expectations We Have of Our Team Members:

- Customer Focus and Service
- Excellence in All We Do
- Responsible Leadership
- Initiative with Urgency
- Students of the Business
- Integrity Always
- Positive Impact on Our Communities

Purpose Statement

At Academy Sports + Outdoors, we believe that practicing corporate responsibility:

- Strengthens our accountability and performance
- Supports the long-term interests of our stakeholders
- Furthers the achievement of Our Vision to be the best sports + outdoors retailer in the country

We engage in responsible corporate leadership by

- **Sustaining our Planet**
- **Empowering Our Communities**
- **Operating with Integrity**

This approach guides our corporate responsibility efforts at all levels of the company, including our strategies, investments, internal and external engagement, and reporting.

Path Forward: Strategy & Goals

OUR STRATEGY

1. Open **NEW STORES** to expand the store base by 50%+ in existing and new markets
2. Build a more powerful **OMNI-CHANNEL** business
3. Drive our **EXISTING BUSINESS**
4. Leverage and scale our **SUPPLY CHAIN** to enable industry-leading growth
5. Support our growth with the **BEST TEAM** in retail

OUR LONG-RANGE GOALS*

NET SALES	\$10B+
NET INCOME MARGIN	10%
ADJ. EBIT MARGIN**	13.5%
ROIC**	30%
INVENTORY TURNS	3.7x+
NET SALES/SQ FT	\$365/SQ FT
.COM PENETRATION	15%+

*Goals are aspirational or otherwise forward-looking statements and actual performance may differ, possibly materially, and no guarantees are made that these goals will be met. Some of these goals were achieved in 2021, 2022 and/or 2023 and the goal is to maintain them or grow beyond these levels. See slide 2 for additional important information about forward-looking statements.

**Adjusted EBIT Margin and ROIC are non-GAAP measures. We have not reconciled these forward-looking estimates to the most comparable GAAP measure because it is not possible to do so without unreasonable efforts given the uncertainty and potential variability of reconciling items, which are dependent on future events and often outside of management's control and which could be significant. Because such items cannot be reasonably predicted with the level of precision required, we are unable to provide an estimate of the most closely comparable GAAP measure at this time.

HAVE *Fun* OUT THERE

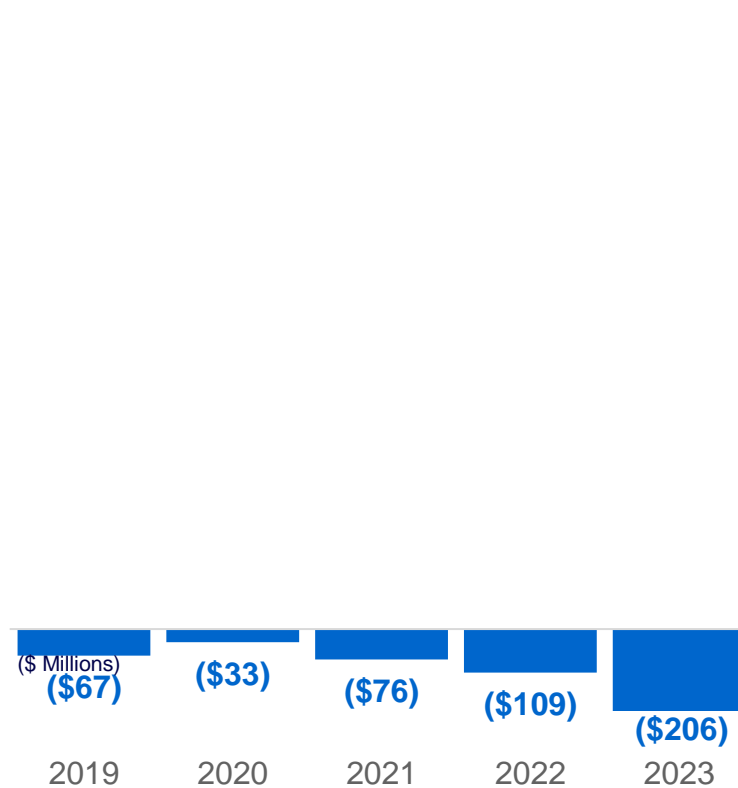
Financials

Strong Cash Flow Generation

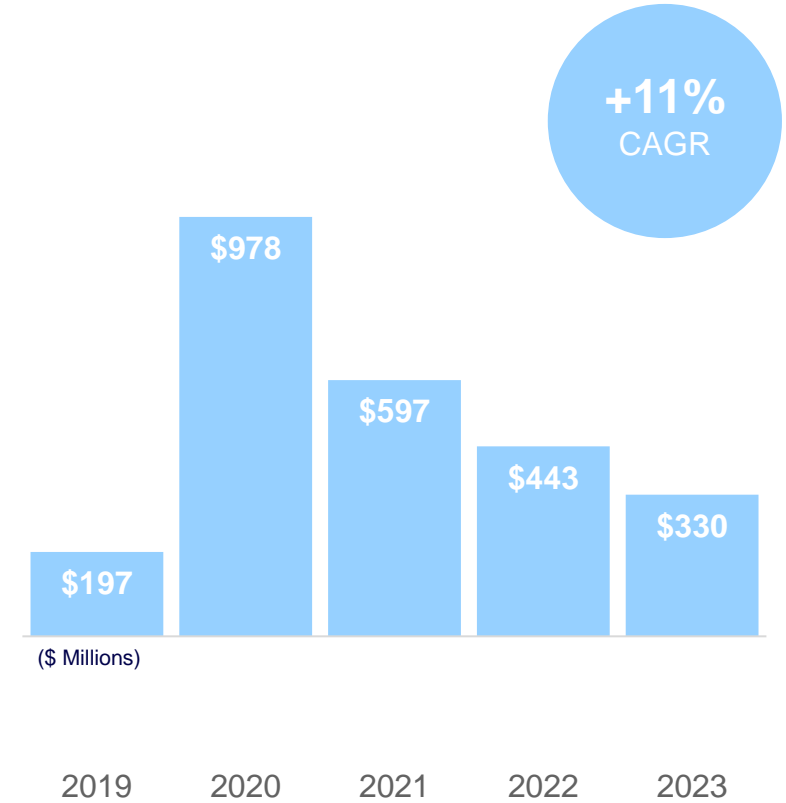
CASH FLOW FROM OPERATIONS



CASH FLOW FROM INVESTMENTS*

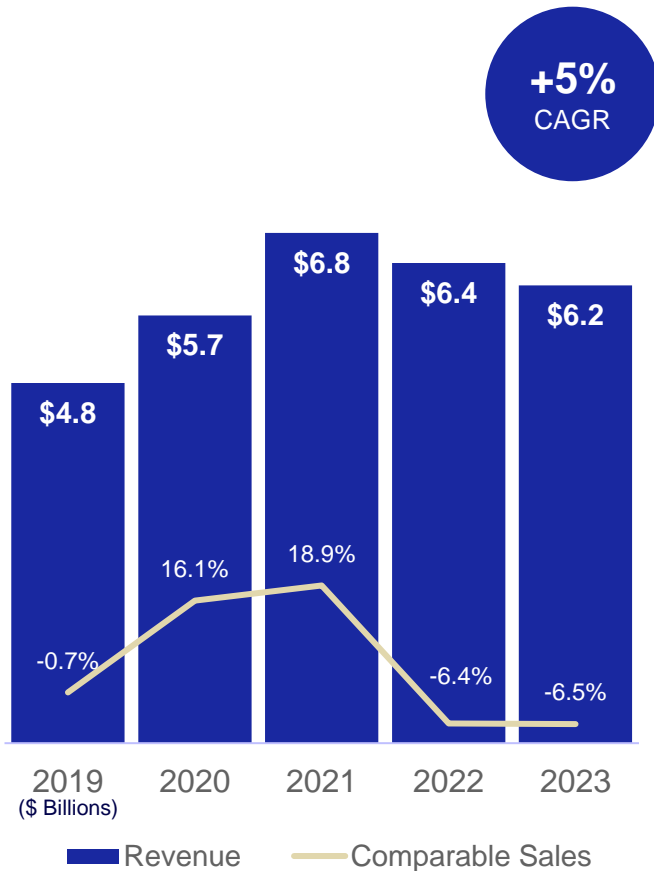


ADJUSTED FREE CASH FLOW**



Sales/Margin Trends, Strong Foundation

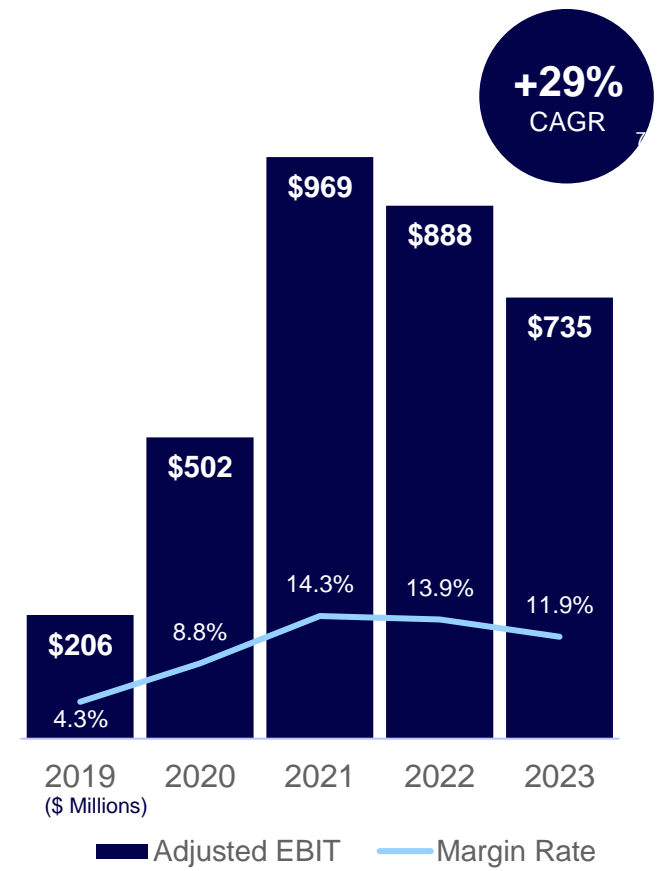
Net Sales & Comparable Sales



Gross Profit & Margin Rate

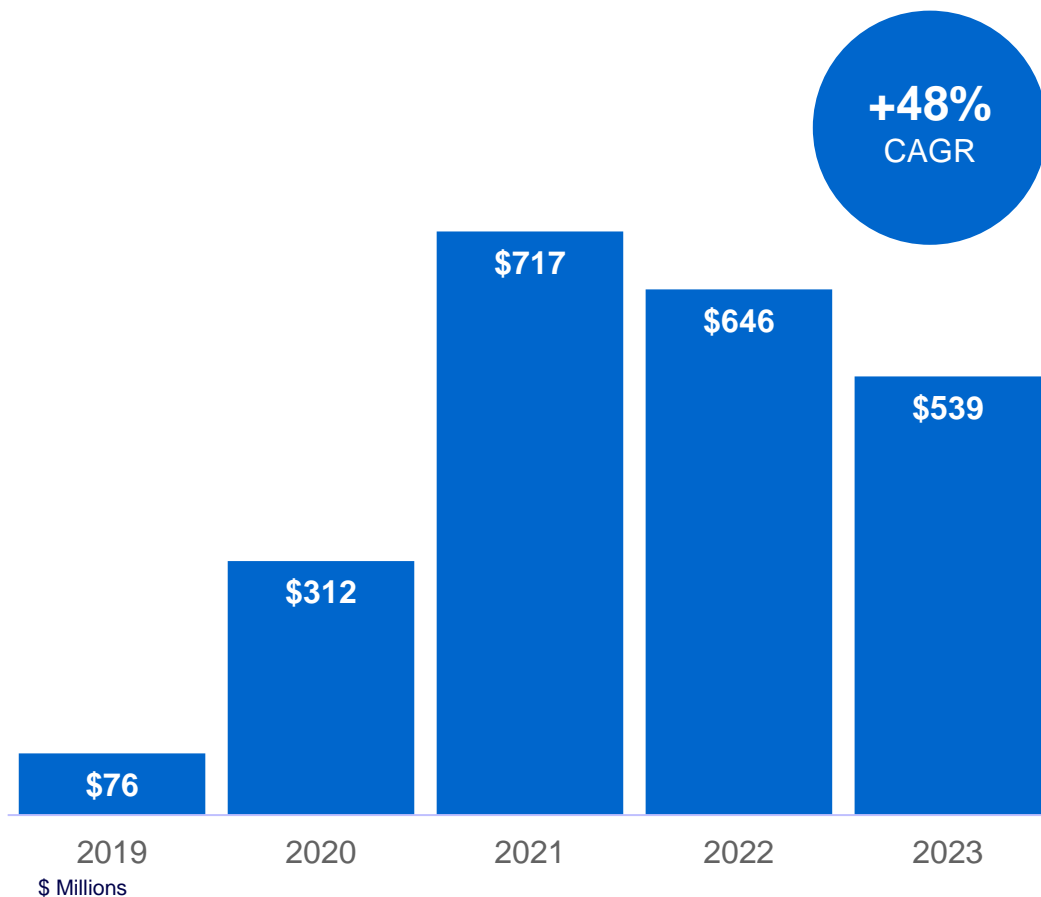


Adjusted EBIT* & Margin Rate

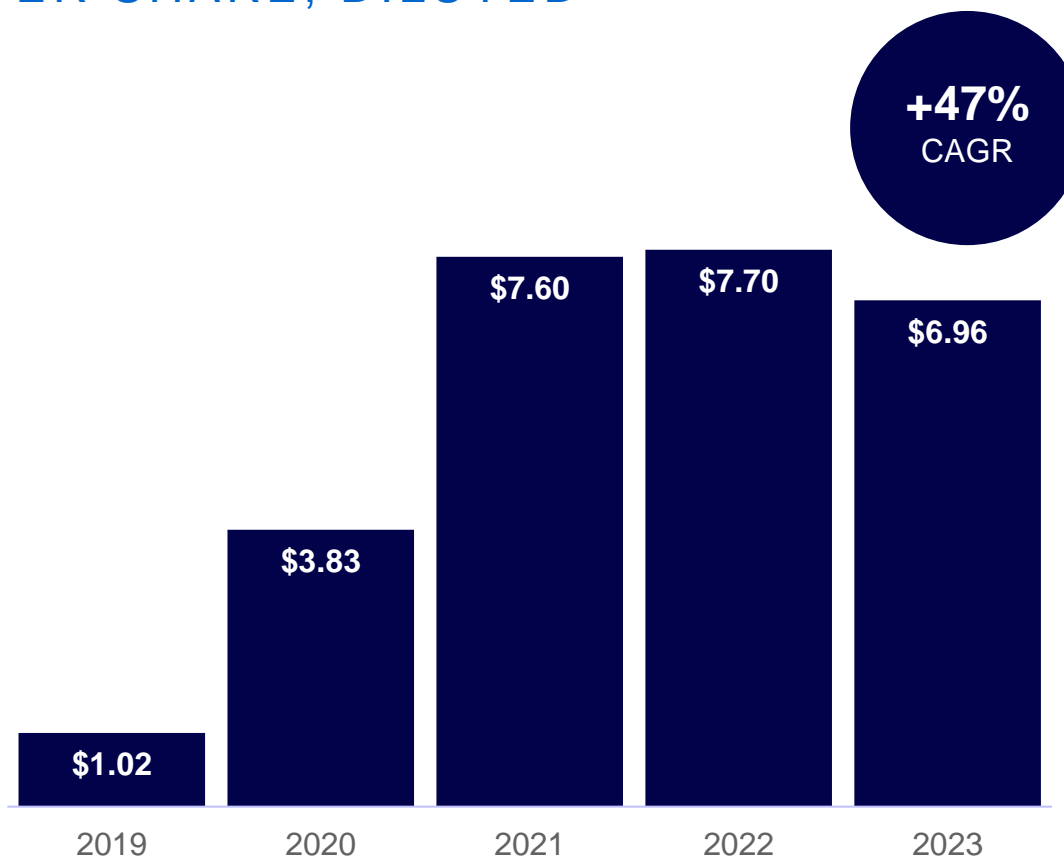


Enhanced, Sustainable Profits

ADJUSTED NET INCOME*

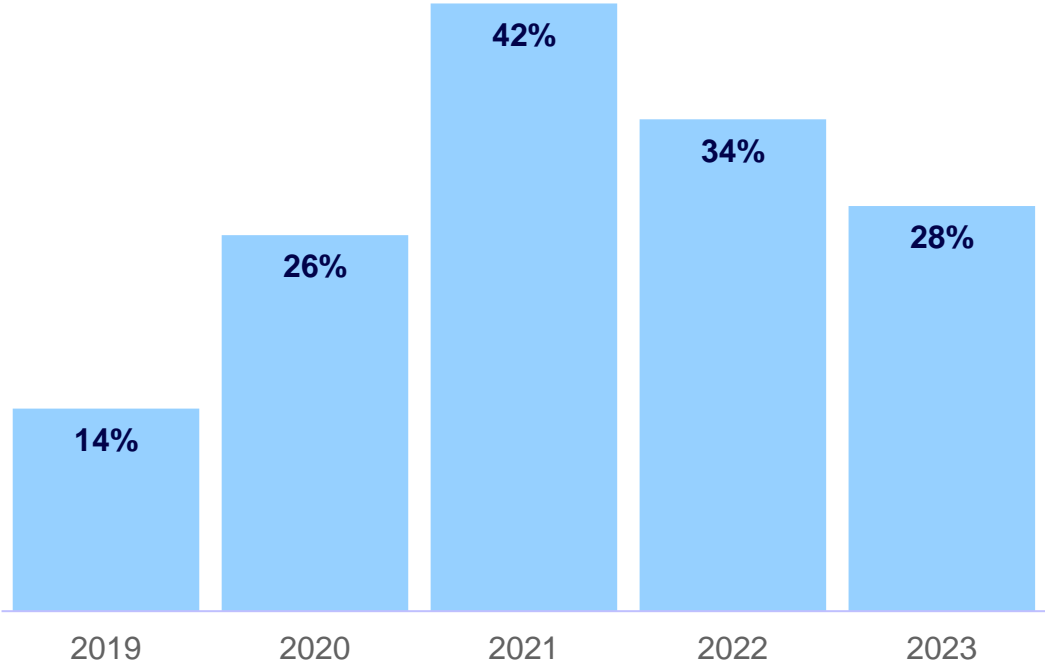


ADJUSTED PRO FORMA EARNINGS PER SHARE, DILUTED*

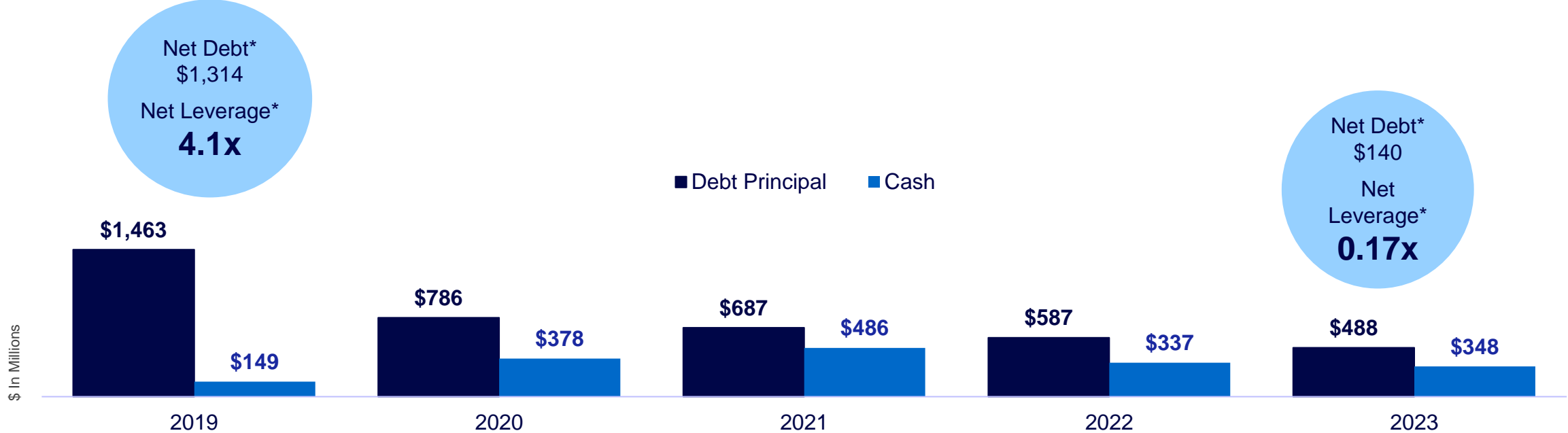


Strong ROIC

RETURN ON INVESTED CAPITAL (ROIC) *



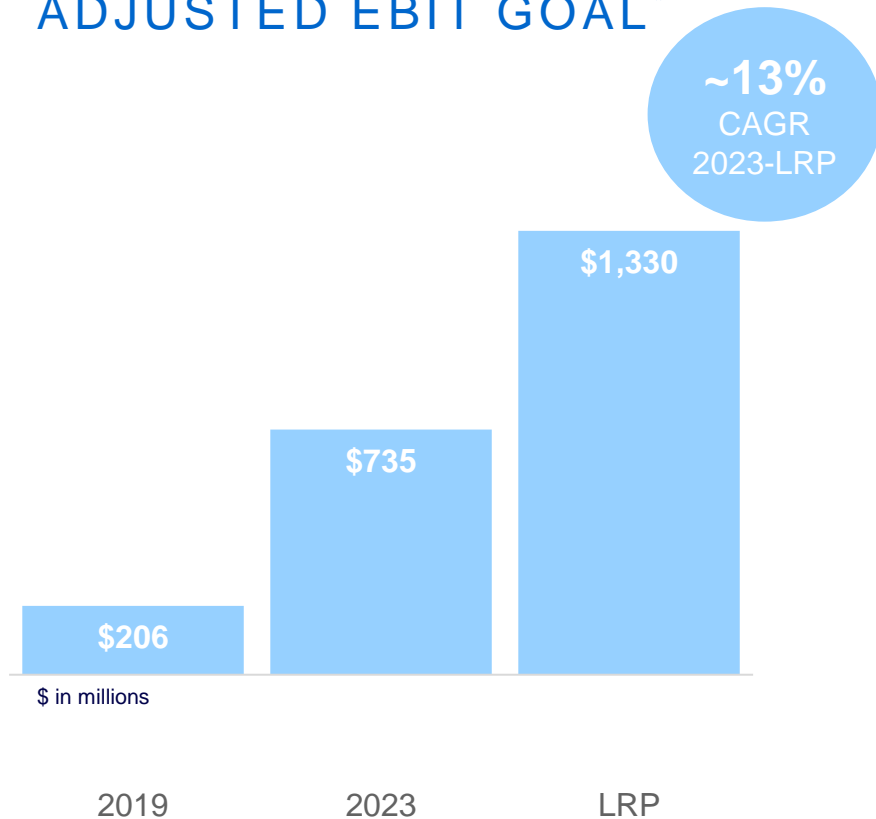
Strong Balance Sheet is a Competitive Advantage That Supports Growth



The Company maintains a \$1 Billion credit facility, giving it ample liquidity and no maturities until 2027

Expect to Deliver Strong Profits & Cash

LONG RANGE PLAN (LRP) ADJUSTED EBIT GOAL*

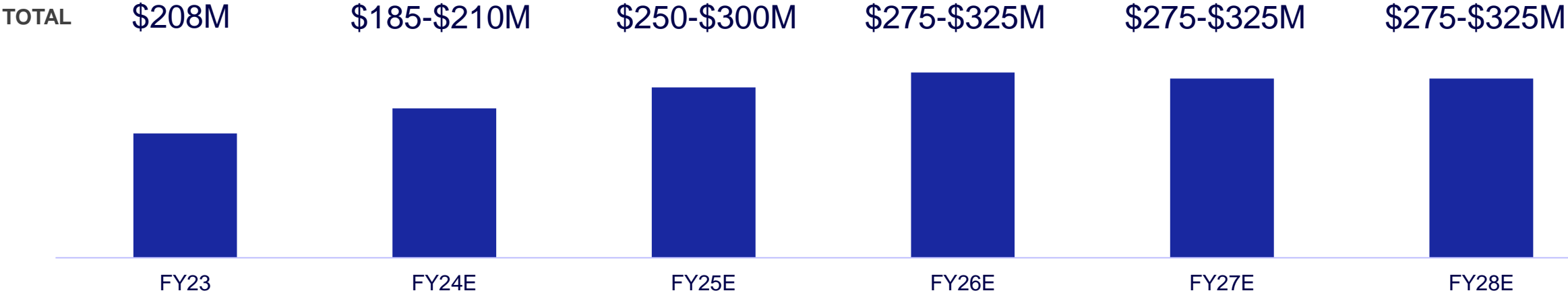


LRP CASH FLOW FROM OPERATIONS GOAL*



Capital Expenditures Plan: All Self-Funded

EXPECT TO SPEND ~\$1.5 BILLION OVER THE NEXT FIVE YEARS*



CapEx Includes: New Stores and Store Remodels, Distribution Center, Strategic Initiatives, and Maintenance & Infrastructure

*The cap-ex spend plan is an estimate or is otherwise forward-looking and actual performance may differ, possibly materially, and no guarantees are made that these estimates will be met. See slide 2 for additional important forward-looking statements.

HAVE *Fun* OUT THERE

Appendix

Academy[®]
SPORTS+OUTDOORS

GAAP to Non-GAAP Reconciliations

Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, Adjusted Earnings per Common Share, Adjusted Free Cash Flow, Net Debt, Net Leverage, and ROIC have been presented in this presentation as supplemental measures of financial performance that are not required by, or presented in accordance with, generally accepted accounting principles (“GAAP”). These non-GAAP measures have limitations as analytical tools. For information on these limitations, as well as information on why management believes these non-GAAP measures are useful, please see our Annual Report on Form 10-K for the fiscal year ended February 3, 2024 (the "Annual Report"), as such limitations and information may be updated from time to time in our periodic filings with the Securities and Exchange commission (the "SEC"), which are accessible on the SEC's website at www.sec.gov.

We compensate for these limitations by primarily relying on our GAAP results in addition to using these non-GAAP measures supplementally.

Adjusted EBITDA and Adjusted EBIT

We define "Adjusted EBITDA" as net income (loss) before interest expense, net, income tax expense, depreciation, amortization, and impairment, and other adjustments included in the table below. We define "Adjusted EBIT" as Adjusted EBITDA less depreciation and amortization. We describe these adjustments reconciling net income (loss) to Adjusted EBITDA and Adjusted EBIT in the following table.

	Fiscal Year Ended				
	February 3, 2024	January 28, 2023	January 29, 2022	January 30, 2021	February 1, 2020
Net income (a)	\$ 519,190	\$ 628,001	\$ 671,381	\$ 308,764	\$ 120,043
Interest expense, net	46,051	46,441	48,989	86,514	101,307
Income tax expense	143,966	190,319	188,159	30,356	2,817
Depreciation and amortization	110,936	106,762	105,274	105,481	117,254
Consulting fees (b)	-	-	-	285	3,601
Private equity sponsor monitoring fee (c)	-	-	-	14,793	3,636
Equity compensation (d)	24,377	21,175	39,264	31,617	7,881
(Gain) loss on early retirement of debt, net	1,525	1,963	2,239	(3,582)	(42,265)
Severance and executive transition costs (e)	-	-	-	6,571	1,429
Costs related to the COVID-19 pandemic (f)	-	-	-	17,632	-
Payroll taxes associated with the 2021 Vesting Event (g)	-	-	15,418	-	-
Other (h)	-	-	3,118	8,592	7,111
Adjusted EBITDA	846,045	994,661	1,073,842	607,023	322,814
Less: Depreciation and amortization	(110,936)	(106,762)	(105,274)	(105,481)	(117,254)
Adjusted EBIT	\$ 735,109	\$ 887,899	\$ 968,568	\$ 501,542	\$ 205,560

- (a) Net income for the year ended Feb. 3, 2024, includes a \$15.9 million net gain for a credit card fee litigation settlement in Q4 2023. Net income for fiscal 2022 included a \$7.2 million gain from a business interruption insurance recovery and a \$3.7 million gain from the sale of a tariff relief litigation claim, both of which occurred in Q4 2022. All of these items are included within Other (income), net on the Consolidated Statements of Income.
- (b) Represents outside consulting fees associated with our strategic cost savings and business optimization initiatives.
- (c) Represents our contractual payments under the Monitoring Agreement.
- (d) Represents non-cash charges related to equity based compensation, which vary from period to period depending on certain factors such as the 2021 Vesting Event, timing and valuation of awards, achievement of performance targets and equity award forfeitures.
- (e) Represents severance costs associated with executive leadership changes and enterprise-wide organizational changes.
- (f) Represents costs incurred during the first half of 2020 as a result of the COVID-19 pandemic, including temporary wage premiums, additional sick time, costs of additional cleaning supplies and third party cleaning services for the stores, corporate office and distribution centers, accelerated freight costs associated with shifting our inventory purchases earlier in the year to maintain stock, and legal fees associated with consulting in local jurisdictions. These costs were no longer added back beginning in the third quarter of 2020.
- (g) Represents cash expenses related to taxes on equity-based compensation resulting from the 2021 Vesting Event.
- (h) Other adjustments include (representing deductions or additions to Adjusted EBITDA and Adjusted EBIT) amounts that management believes are not representative of our operating performance, including installation costs for energy savings associated with our profitability initiatives, legal fees associated with a distribution to NAHC's members and our omnibus incentive plan, and other costs associated with strategic cost savings and business optimization initiatives.

Adjusted Net Income, Pro Forma Adjusted Net Income, Adjusted Earnings per Common Share and Adjusted Pro Forma Earnings Per Common Share

We define "Adjusted Net Income (Loss)" as net income (loss), plus other adjustments included in the table below. We define "Adjusted Earnings per Common Share, Basic" as Adjusted Net Income divided by the basic weighted average common shares outstanding during the period and "Adjusted Earnings per Common Share, Diluted" as Adjusted Net Income divided by the diluted weighted average common shares outstanding during the period. We describe these adjustments reconciling net income (loss) to Adjusted Net Income (Loss), and Adjusted Earnings Per Common Share in the following table.

	Fiscal Year Ended				
	February 3, 2024	January 28, 2023	January 29, 2022	January 30, 2021	February 1, 2020
Net income (a)	\$ 519,190	\$ 628,001	\$ 671,381	\$ 308,764	\$ 120,043
Consulting fees (b)	-	-	-	285	3,601
Private equity sponsor monitoring fee (c)	-	-	-	14,793	3,636
Equity compensation (d)	24,377	21,175	39,264	31,617	7,881
(Gain) loss on early retirement of debt, net	1,525	1,963	2,239	(3,582)	(42,265)
Severance and executive transition costs (e)	-	-	-	6,571	1,429
Costs related to the COVID-19 pandemic (f)	-	-	-	17,632	-
Payroll taxes associated with the 2021 Vesting Event (g)	-	-	15,418	-	-
Other (h)	-	-	3,118	8,592	7,111
Tax effects of these adjustments (i)	(5,621)	(5,382)	(14,884)	(136)	33
Adjusted Net Income	539,471	645,757	716,536	384,536	101,469
Estimated tax effect of change to C-Corporation status (j)	-	-	-	(72,844)	(25,542)
Pro Forma Adjusted Net Income	<u>\$ 539,471</u>	<u>\$ 645,757</u>	<u>\$ 716,536</u>	<u>\$ 311,692</u>	<u>\$ 75,927</u>
Earnings per common share:					
Basic	\$ 6.89	\$ 7.70	\$ 7.38	\$ 3.96	\$ 1.66
Diluted	\$ 6.70	\$ 7.49	\$ 7.12	\$ 3.79	\$ 1.60
Pro Forma Adjusted Earnings per Share:					
Basic	\$ 7.16	\$ 7.91	\$ 7.88	\$ 4.00	\$ 1.05
Diluted	\$ 6.96	\$ 7.70	\$ 7.60	\$ 3.83	\$ 1.02
Weighted average common shares outstanding:					
Basic	75,389	81,590	90,956	77,994	72,477
Diluted	77,469	83,895	94,284	81,431	74,795

Adjusted Net Income, Pro Forma Adjusted Net Income, Adjusted Earnings per Common Share and Adjusted Pro Forma Earnings Per Common Share cont'd

- (a) Net income for the year ended Feb. 3, 2024, includes a \$15.9 million net gain for a credit card fee litigation settlement in Q4 2023. Net income for fiscal 2022 included a \$7.2 million gain from a business interruption insurance recovery and a \$3.7 million gain from the sale of a tariff relief litigation claim, both of which occurred in Q4 2022. All of these items are included within Other (income), net on the Consolidated Statements of Income.
- (b) Represents outside consulting fees associated with our strategic cost savings and business optimization initiatives.
- (c) Represents our contractual payments under the Monitoring Agreement.
- (d) Represents non-cash charges related to equity based compensation, which vary from period to period depending on certain factors such as the 2021 Vesting Event, timing and valuation of awards, achievement of performance targets and equity award forfeitures.
- (e) Represents severance costs associated with executive leadership changes and enterprise-wide organizational changes.
- (f) Represents costs incurred during the first half of 2020 as a result of the COVID-19 pandemic, including temporary wage premiums, additional sick time, costs of additional cleaning supplies and third party cleaning services for the stores, corporate office and distribution centers, accelerated freight costs associated with shifting our inventory purchases earlier in the year to maintain stock, and legal fees associated with consulting in local jurisdictions. These costs were no longer added back beginning in the third quarter of 2020.
- (g) Represents cash expenses related to taxes on equity-based compensation resulting from the 2021 Vesting Event.
- (h) Other adjustments include (representing deductions or additions to Adjusted Net Income) amounts that management believes are not representative of our operating performance, including installation costs for energy savings associated with our profitability initiatives, legal fees associated with a distribution to NAHC's members and our omnibus incentive plan, and other costs associated with strategic cost savings and business optimization initiatives.
- (i) Represents the tax effect of the total adjustments made to arrive at Adjusted Net Income and Pro Forma Adjusted Net Income at our historical tax rate.
- (j) Represents the retrospective tax effect of Adjusted Net Income at our estimated effective tax rate of approximately 25% for periods prior to October 1, 2020, the effective date of our conversion to a C-Corporation, upon which we became subject to federal income taxes.

Adjusted Free Cash Flow

We define "Adjusted Free Cash Flow" as net cash provided by (used in) operating activities less net cash provided by (used in) investing activities. We describe these adjustments reconciling net cash provided by operating activities to Adjusted Free Cash Flow in the following table.

	Fiscal Year Ended				
	February 3, 2024	January 28, 2023	January 29, 2022	January 30, 2021	February 1, 2020
Net cash provided by operating activities	\$ 535,779	\$ 552,005	\$ 673,265	\$ 1,011,597	\$ 263,669
Net cash used in investing activities	(206,139)	(108,806)	(76,017)	(33,144)	(66,783)
Adjusted Free Cash Flow	<u>\$ 329,640</u>	<u>\$ 443,199</u>	<u>\$ 597,248</u>	<u>\$ 978,453</u>	<u>\$ 196,886</u>

Net Debt

We define "Net Debt" as long-term debt, net plus current maturities of long-term debt, less cash and cash equivalents. We describe these adjustments reconciling long-term debt, net to net debt in the following table. as net cash provided by (used in) operating activities less net cash provided by (used in) investing activities. We describe these adjustments in the following table.

We define Net Leverage ratio as Net Debt divided by adjusted EBITDA.

	Fiscal Year Ended				
	February 3, 2024	January 28, 2023	January 29, 2022	January 30, 2021	February 1, 2020
Long-term debt, net	\$ 484,551	\$ 584,456	\$ 683,585	\$ 781,489	\$ 1,428,542
Current maturities of long-term debt	3,000	3,000	3,000	4,000	34,116
Total Long-term debt	487,551	587,456	686,585	785,489	1,462,658
Cash & cash equivalents	347,920	337,145	485,998	377,604	149,385
Net Debt	<u>\$ 139,631</u>	<u>\$ 250,311</u>	<u>\$ 200,587</u>	<u>\$ 407,885</u>	<u>\$ 1,313,273</u>

Adjusted Net Income and Adjusted Earnings Per Common Share-Q3 2024

We define "Adjusted Net Income (Loss)" as net income (loss), plus other adjustments included in the table below. We define "Adjusted Earnings per Common Share, Basic" as Adjusted Net Income divided by the basic weighted average common shares outstanding during the period and "Adjusted Earnings per Common Share, Diluted" as Adjusted Net Income divided by the diluted weighted average common shares outstanding during the period. We describe these adjustments reconciling net income (loss) to Adjusted Net Income (Loss), and Adjusted Earnings Per Common Share in the following table.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 2, 2024	October 28, 2023	November 2, 2024	October 28, 2023
Net income	\$ 65,763	\$ 99,978	\$ 284,816	\$ 351,023
Equity compensation (a)	6,296	6,245	20,389	26,128
Write off of deferred loan costs	—	—	449	—
Tax effects of these adjustments (b)	(1,593)	(1,531)	(4,926)	(5,909)
Adjusted Net Income	\$ 70,466	\$ 104,692	\$ 300,728	\$ 371,242
Earnings per common share:				
Basic	\$ 0.94	\$ 1.34	\$ 3.95	\$ 4.63
Diluted	\$ 0.92	\$ 1.31	\$ 3.86	\$ 4.51
Adjusted earnings per common share:				
Basic	\$ 1.00	\$ 1.41	\$ 4.17	\$ 4.90
Diluted	\$ 0.98	\$ 1.38	\$ 4.08	\$ 4.77
Weighted average common shares outstanding:				
Basic	70,319	74,461	72,047	75,809
Diluted	71,774	76,057	73,744	77,893

(a) Represents non-cash charges related to equity-based compensation, which vary from period to period depending on certain factors such as timing and valuation of awards, achievement of performance targets and equity award forfeitures.

(b) For the thirteen and thirty-nine weeks ended November 2, 2024 and October 28, 2023, this represents the estimated tax effect (by using the projected full year tax rates for the respective years) of the total adjustments made to arrive at Adjusted Net Income.

Adjusted Free Cash Flow-Q3 2024

We define "Adjusted Free Cash Flow" as net cash provided by (used in) operating activities less net cash used in investing activities. We describe these adjustments reconciling net cash provided by operating activities to adjusted free cash flow in the following table (amounts in thousands).

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 2, 2024	October 28, 2023	November 2, 2024	October 28, 2023
Net cash provided by operating activities	\$ 96,891	\$ 57,476	\$ 387,912	\$ 301,042
Net cash used in investing activities	(62,707)	(42,345)	(136,445)	(150,191)
Adjusted Free Cash Flow	\$ 34,184	\$ 15,131	\$ 251,467	\$ 150,851

Return On Invested Capital

Return on Invested Capital (ROIC) is calculated as follows: (i) the numerator is defined as Adjusted EBITDA plus rent minus estimated taxes; and (ii) the denominator is defined as: (a) the sum of the 13-month average balances for: net receivables, inventory, prepaid expenses and other current assets, gross property and equipment, and other noncurrent assets, plus (b) total lease liabilities, minus (c) the sum of the 13-month average balances for: accounts payable, accrued liabilities, and income tax payable. Refer to slide 32 for a full reconciliation and discussion of Adjusted EBITDA, which is a non-GAAP measure, to its closest comparable GAAP measure.

Market Definitions

Circana/ Retail Tracking Service	Category details
Apparel	Apparel excludes bodysuits/leotards, bras (non-sport), camisoles, dress pants, dress shirts, dresses, full/half slip, jackets/blazers, knee highs, leggings, one-piece performance suits, pajama sets, pantyhose, shapewear, sportcoats, stockings, suits, turtle-necks, gowns, undershirts, other daywear, other sheer and total socks.
Footwear	Footwear includes socks and excludes ballerina, fisherman/huarache, gaiters, mountaineering boots, outdoor/hiking inspired, over-the-knee boots, pumps, shooties, and other sandals.
Equipment	Equipment excludes Adjustable Poles, Alpine Bindings, Alpine Poles, Alpine/AT Boots, Flat Skis, High Performance Alpine Boots, Recreation Alpine Boots, Sport Performance Alpine Boots, System Skis, Alpine Touring Bindings, Alpine Touring Boots, Alpine Touring Skis, whitewater kayaks, ground blankets, incline trainers, recumbent and hybrid steppers, step mills, upper body ergometers, vibration plates, Climbing Ascenders, Climbing Belay Devices, Climbing Carabiners – Locking, Climbing Crash Pads, Climbing Harnesses, Climbing Holds, Climbing Protection – Cams, Climbing Protection - Stoppers/Nuts/Hex, Climbing Quickdraws, Climbing Shoes, Other Climbing Hardware, Climbing Helmets, Climbing Ropes, inversion boots, other balance products, multi-grip barbells, other weight products, outdoor electric grills, Abdominal & Lower Back Machines, Bicep Curl Machines, Chest Press Machines, Lat Pull Machines, Leg Extension Machines, Leg Press Machines, Other Home Gym Weight Machines, Other Lower Body Weight Machines, Other Upper Body Weight Machines, Pilates Reformers, Shoulder Press Machines, Tricep Press Machines, Hands On Fanny Packs, Thermoses, Ice Climbing Accessories, Ice Climbing Axes, Ice Climbing Crampons, Ice Climbing Hardware, Walk/Run Traction, Action Video Camera, GPS Accessories, Phone Cases, Portable Power Accessories, Portable Power Kits, Hybrid Flashlights, Hybrid Headlamps, Nordic Backcountry Bindings, Nordic Backcountry Boots, Nordic Backcountry Skis, Nordic Cross Country Bindings, Nordic Poles, Nordic Race Bindings, Nordic Race Boots, Nordic Race Skis, Nordic Sport Bindings, Nordic Sport Boots, Nordic Sport Skis, Nordic Touring Bindings, Nordic Touring Boots, Nordic Touring Skis, Kayak Whitewater Paddles, Battery/Solar Generator Kits, Skiboards, Sleeping Bag Blankets, Sleeping Bag Doublers, Sleeping Bag Overbags, Sleeping Bag Storage, Snow Decks/Skates, All Mountain Snowboards, Freeride Snowboards, Freestyle Snowboards, Splitboard Snowboards, Step In Snowboard Bindings, Step In Snowboard Boots, Traditional Snowboard Bindings, Traditional Snowboard Boots, Cargo Basket, Cargo Box, Cycling Racks, Rooftop Tents/Awnings, Snow Sport Racks, Towers/Feet Truck Bed Components, Parallel Bars, Thigh Strengtheners, Wood Rings, Telemark Bindings, Telemark Boots, Telemark Skis, Tent Footprint, Tent Poles, Tent Vestibules, 4 Season Backpacking Tents, Bivy Tents, Bug Tents, Joggers, Trailer/Jogger Accessories, Nordic Walking Poles, Water Sports Canoe Flotations, Water Sports Helmet, Water Sports Kayak Floatation, Water Sports Booties, Water Sports Full Dry Suits, Water Sports Full Skins, Water Sports Full Wet Suits, Water Sports Gloves, Water Sports Hoods, Water Sports Insulation, Water Sports Jacket/Vest Skins, Water Sports Other Dry Gear, Water Sports Shorty Skins, Water Sports Touring/Recreation sprayskirts, Water Sports Two Piece Skins, Water Sports Two Piece Wet Suit, Water Sports Wet Suit Jacket/Vests, Water Sports Wet Suit Shorts, Water Sports Whitewater Sprayskirts, Water Purification Accessories, Water Purifiers, Avalanche Shovels, Beacons, Other Backcountry Accessories, Other Winter/Snow Accessories, Probes, Repair Kits, Skins, Snow Goggle Accessories, Snow Goggles, Snow Protection Pads, Snow Sports Helmet, Snowshoes, Stomp Pads, Tools, Wax, Alpine Rentals, Nordic Rentals, Snowboard Rentals, Winter/Snow Repairs, Yoga Kits, Outdoor Electric Grills
Team Sports	Team Sports Equipment excludes Bowling Accessories, Bowling Balls, Bowling Equipment Bags, Combat Gear Bags, Discus, Field Hockey Balls, Field Hockey Equipment Bags, Field Hockey Gloves, Field Hockey Goalie Gear, Field Hockey Goals & Nets, Field Hockey Shin Guards, Field Hockey Training Aids, Golf Shafts, Hockey Blades, Hockey Elbow Pads, Hockey Equipment Bags, Hockey Helmet, Hockey Helmet Shields & Masks, Hockey Pants, Hockey Shafts, Hockey Shoulder Pads, Hockey Sticks Accessories, Ice Hockey Skates, Javelin, Lacrosse Complete Kit, Lacrosse Heads, Lacrosse Strings, Other Hockey Protective Gear, Other Lacrosse Body Gear, Other Lacrosse Equipment, Other Track & Field Equipment, Other Universal Body Gear, Pole Vault, Racquetball Bags & Backpacks, Roller Hockey Skates, Shotgun, Squash Balls, Squash Racquet, Starting Blocks, Hockey Gloves, Hockey Stick – Senior, Hammer, and Total Golf
Fishing	Fishing excludes Float Tubes, Ice Fishing Shelters, Ice Fishing Sleds, Fly Line/Leaders/Tippets, Flies, Sonar, Downriggers, Ice Fishing Combos, Fly Fishing Reels, Fly Fishing Rods, Ice Fishing Rods, Touring Kayaks, Whitewater Kayaks
Outdoors	Outdoors includes Firearms estimation from NICS, Circana categories from Sport Equipment (Fishing, Camping, Grills, Accessories, Climbing, and Protective Gear)
Sports & Fitness	Sports & Fitness includes Circana Team Sports (Noted above) and Sports Equipment (Winter/Snow Sports, Water Sports, Health and Fitness Equipment) and Tech

